
Goods Exportations

*Trends in BC's International Merchandise Sales,
1993-2013*

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I Introduction

One of the first concepts taught to students in an Economics 101 class is the basic equation that describes gross domestic product (GDP) as a function of labour supply and labour productivity. In laymen terms, the equation states that the rate of economic growth is determined by the growth in a) the number of people that are available to work and b) the amount of stuff (or services) each person can make (or provide).

With BC's population aging, and in spite of robust levels of projected immigration, increasing labour force participation, and rising life expectancies, the provincial labour force is projected to grow relatively slowly in the coming years: from 0.96 percent growth today, the size of BC's workforce would continue to grow at less than one percent per year over the next two decades.

In order for the province's economy to grow in excess of this rate of labour force growth, improvements in productivity will have to be relied on—be it real gains (that is, more stuff being produced per person) or value gains (higher prices being paid for the stuff we produce). With respect to the latter, exports can play a key role in achieving greater returns on the things BC produces (i.e. mainly natural resources), and this could go a long way towards bridging the demographic gap between labour-driven GDP growth rates and those required to pay for the range of social services and programs BC residents have come to enjoy and rely upon, from health care to policing to pensions.

One manifestation of this latter point is Canada's recent signing of its first Free Trade Agreement (FTA) with an Asian market: the Canada-Korea FTA. All else being equal increased trade ties to South Korea should serve to boost economic growth in Canada, all else being equal.

In light of both this development and BC's need to achieve gains in output per worker, it is useful to review recent trends in BC's exports. To this end, this brief report takes a look at BC's international goods exports, addressing the questions of how much, what, and to which countries BC exports its products. The report concludes by presenting some strategic considerations related to BC's ability to grow and diversify its exports, as well as BC's competitive advantages regarding the diversification of its export markets.

The Data

The data presented herein are published as part of Industry Canada's Trade Data Online¹ utility, which presents industry and product data tabulated from customs-based administrative records. These customs-based trade statistics are based on the declarations filed with the Canada Border Service Agency and provide a description and the value of merchandise trade, the origin and port of clearance of commodities, and their mode of transport.

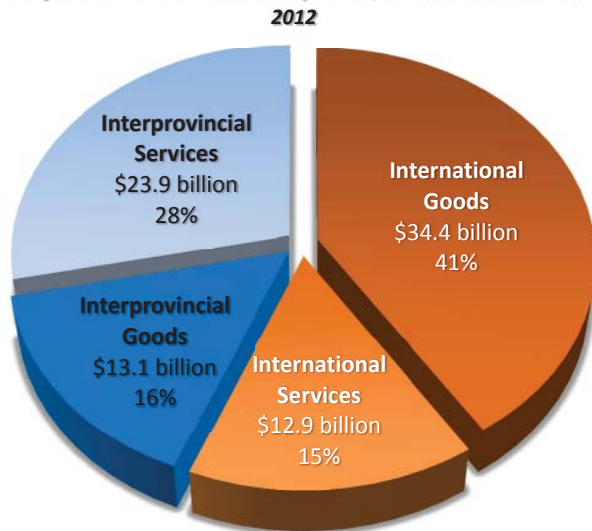
For the purposes of identifying recent trends in the dollar value, composition and destination of BC's exports, this report will focus on the past two decades of trade (1993 to 2013). This report also compares the patterns of change seen in other Canadian provinces to provide some context to the changes seen in BC's exports over the recent past.

¹ For more information on Trade Data Online visit Industry Canada's website: www.ic.gc.ca

Figure 1

II How much does BC export?

Composition of Total Exports, British Columbia



According to data from Statistics Canada’s provincial economic accounts, British Columbia’s total exports were valued at \$84.3 billion in 2012 (current dollars), representing 38 percent of BC’s gross domestic product (GDP) of \$220 billion. (Note that these data, and those presented in Figure 1, are generated through a Balance of Payments accounting system. As such, they are not directly comparable to the customs-based data presented throughout the remainder of this report; however, they have been included here to illustrate the role that exports generally, and international goods exports specifically, play within BC’s economy.)

Source: Provincial and Territorial Gross Domestic Product by Income and by Expenditure Accounts (CANSIM Table 384-0038).

Of BC’s total exports, those going to international destinations accounted for 56 percent or \$47.3 billion (by value) in 2012, with interprovincial exports representing the other 44 percent or \$37.0 billion. In terms of composition, BC’s international exports differ significantly from their interprovincial counterparts, with the province’s international exports being dominated by the sale of goods (at almost three-quarters of the value of all international exports in 2012), compared to two-thirds of interprovincial exports being services.

Overall, international goods exports generated 41 percent of BC’s total export revenue in 2012 (\$34.4 billion). While Industry Canada maintains a detailed database regarding international goods exports² for Canada and provinces, no equivalent source of information is publicly available with regards to international service exports or any of the interprovincial flows of goods and services within Canada.

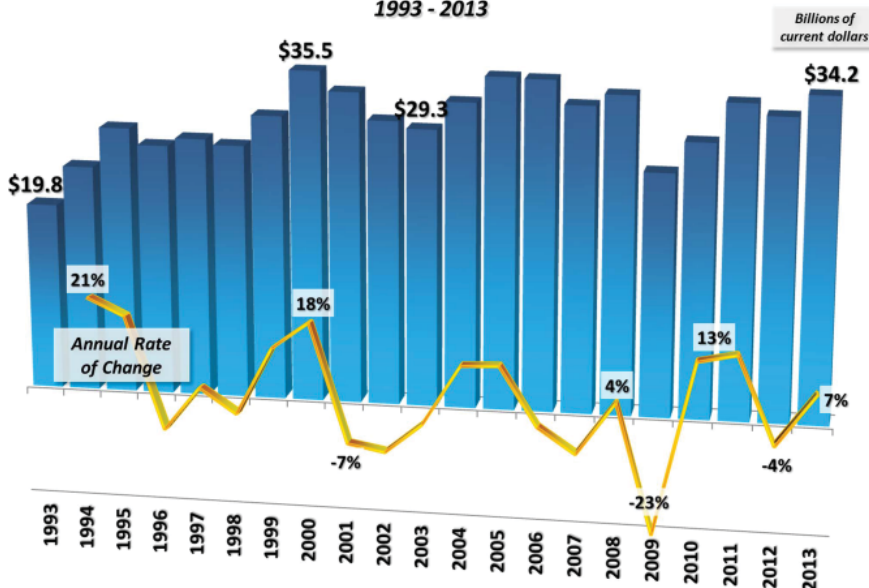
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Hence, this analysis focuses on BC’s single largest export stream: international goods exports.

Figure 2

International Goods Exports, British Columbia

1993 - 2013



BC’s International Goods Exports

According to Industry Canada’s customs-based data, the value of BC’s international goods exports has grown significantly over the past two decades, increasing from \$19.8 billion of current dollars in 1993 to \$34.2 billion in 2013 (Figure 2), with this 72 percent increase translating to an average annual growth rate of 2.8 percent. Despite increasing when viewed over a two-decade period, BC’s international goods exports demonstrated a certain degree of variability on a year-to-year basis. Of particular note was the significant drop in 2009 (a 23

² Industry Canada’s Trade Data Online database defines this term as all goods leaving the country, through customs, for a foreign destination. It consists of the sum of domestic exports and re-exports.

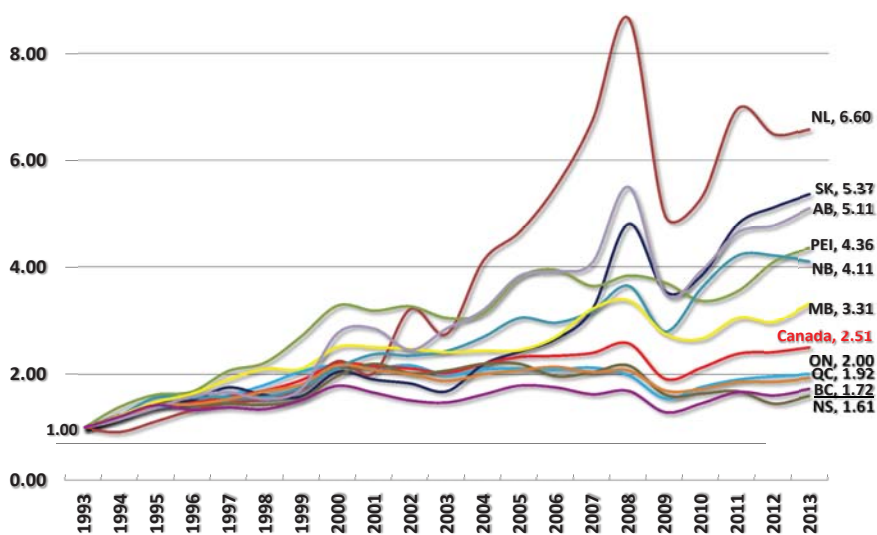
percent decline from 2008), as the demand for all goods and services fell worldwide. To put the 72 percent growth in BC's international goods exports over the past 20 years in context, it is useful to consider this change in relation to changes seen in BC's nominal GDP, employment, labour force, and population over the same period.

For starters, BC's international goods exports grew much more slowly than GDP: between 1993 and 2013, BC's nominal GDP (that is, output that is unadjusted for inflation) increased from \$95.8 to an estimated \$220.5 billion, a 130 percent increase. That said, exports grew much faster than employment, with the number of jobs in BC rising from 2.0 to 2.3 million over the past two decades (an 18 percent increase). In the same vein, the provincial labour force grew by only 16 percent, increasing from 2.1 million people in 1993 to 2.5 million by 2013.

In terms of population, BC added 1.26 million people between 1993 and 2013, growing from 3.56 million to 4.82 million residents; overall, this represented growth of 35 percent, slightly less than half of the growth seen in BC's international goods exports. As a result, the value of the province's per capita international goods exports grew by 27 percent over the past two decades, increasing from \$5,555 per person in 1993 to \$7,080 by 2013.

Figure 3

Indexed Change in International Goods Exports by Province
1993 - 2013



While on its own—and in comparison to how BC's demography, labour force, and employment base have changed—a 72 percent increase in the value of exports since 1993 may appear to be robust, this pace of growth was actually well behind the increase in the value of international goods exports coming from Canada as a whole. More specifically, over the same 20-year period, Canada's international goods exports grew by 151 percent, more than double the pace of BC's growth (Figure 3). Over this period, only Nova Scotia saw its international goods exports grow more slowly than BC (at 61 percent).

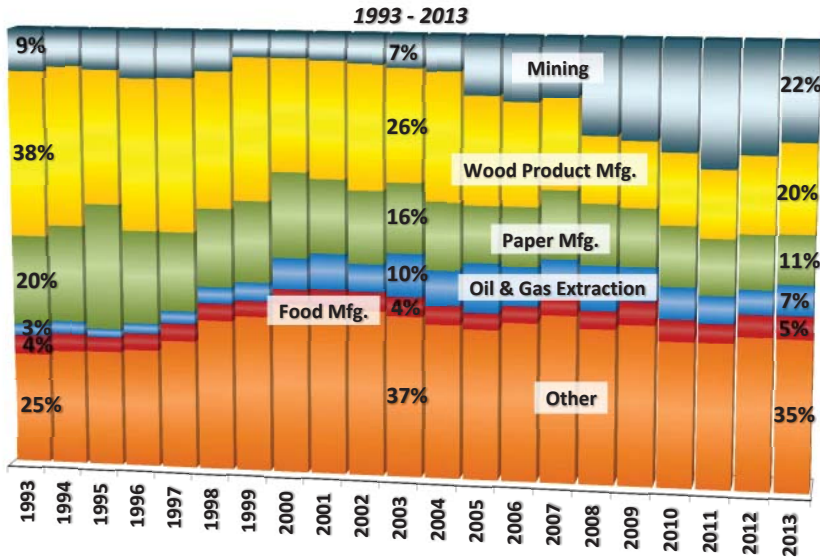
In comparison, Newfoundland, Saskatchewan, and Alberta saw the value of their international goods exports grow the fastest among all Canadian provinces between 1993 and 2013, at 560 percent, 437 percent, and 411 percent, respectively. In contrast, the 92 percent increase in Quebec's international goods exports and the doubling of Ontario's were both below the Canada-wide average. That said, the largest dollar-value gains in international goods exports over this period was (perhaps not surprisingly) seen in Ontario, at \$94.9 billion. In a distant second was Alberta, where the value of international goods exports increased by \$82.9 billion. British Columbia's international goods exports, on the other hand, increased by only \$14.4 billion.

III What does BC export?

Last year (2013) BC's top five international goods export sectors were Mining, Wood Product Manufacturing, Paper Manufacturing, Oil & Gas Extraction, and Food Manufacturing, accounting for almost two-thirds of the province's international goods exports (Figure 4). At 65 percent, the current concentration of BC's exports in its top five sectors represents a decline from the 73 percent share that these sectors accounted for in 1993. This section takes a closer look at BC's current top export sectors to provide some insight into the specific products that constitute the flow of BC's goods to other countries.

Figure 4

Share of International Goods Exports by Industry Sector, BC



Mining. The Mining sector is currently BC's single largest international goods export sector, accounting for just under one-quarter of BC's international goods exports (22 percent), for a total value of \$7.5 billion. Of this total, 64 percent is accounted for by bituminous coal, with exports valued at \$4.8 billion in 2013 (14 percent of BC's total international goods exports). Copper ores and concentrates were the second largest Mining sector export, accounting for 30 percent of all Mining exports (\$2.3 billion). Combined, these two products accounted for 94 percent of BC's total international Mining exports (\$7.1 billion).

export sector in BC, includes the sawing of logs into lumber and similar products, or the preservation of these products; the making of products that improve the natural characteristics of wood, such as veneers, plywood, reconstituted wood panel products, or engineered wood assemblies; and the making of a diverse range of other wood products. In 2013, Wood Product Manufacturing as a whole generated 20 percent of BC's international goods exports revenue, at \$6.8 billion. Within this sector, lumber was the number one export, accounting for 78 percent of the sector total (\$5.3 billion), with wood in the rough accounting for an additional 12 percent of the sector's total (\$805 million).

Wood Product Manufacturing. This sector, the second largest international goods

Wolverine Coal Mine - Tumbler Ridge, BC



Mackenzie Sawmill - Mackenzie, BC



Kruger Products Mill - New Westminster, BC



Paper Manufacturing. This sector comprises establishments primarily engaged in manufacturing pulp, paper and paper products.

In 2013, Paper Manufacturing exports totaled \$3.8 billion (or 11 percent of BC's international goods exports), making it the third largest international goods export sector for the province. Chemical wood pulp accounted for the largest share within the industry (\$2.2 billion in 2013), followed by fine paper in rolls (\$394 million) and semi-chemical wood pulp (\$308 million).

Encana Drilling Rig - Fort Nelson, BC



Oil & Gas Extraction. BC's next largest international goods export sector in 2013 was Oil & Gas Extraction, accounting for seven percent of BC's international goods exports last year (\$2.4 billion).

Natural gas (in gaseous state) was the main product exported by this sector, generating \$1.7 billion in 2013, followed by crude petroleum oil and oils obtained from bituminous minerals (\$560 million), and light oils and preparations (\$381 million).

Salmon Farm - Brent Island, BC



Food Manufacturing. International exports from this sector were valued at \$1.8 billion in 2013, accounting for five percent of BC's total international goods exports. The main products exported by this industry were Atlantic salmon—yes, farmed Atlantic salmon— and Danube salmon, fresh or chilled (cumulatively \$264 million).

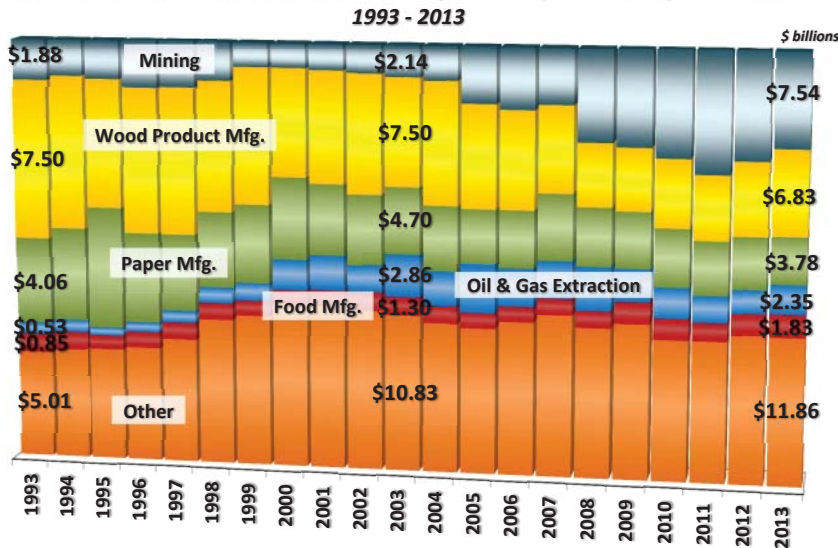
All other industry sectors together accounted for the remaining third (35 percent or \$11.9 billion) of BC's international goods exports in 2013. The two largest industry sectors within this group were Primary Metal Manufacturing and Machinery Manufacturing, each accounting for approximately five percent of the value of BC's goods exports to other countries (\$1.6 billion each).

IV How is the value of BC's exports changing?

As shown in Figure 5, there have been some shifts in the value composition of BC's exports over the past two decades. For example, the value of Mining exports grew by 338 percent compared to the 72 percent increase in total international goods exports over the same period. This in turn saw the Mining sector's share of total international goods exports increase from nine percent in 1993 to 22 percent by 2013.

Figure 5

Value of International Goods Exports by Industry Sector, BC



Conversely, Wood Product Manufacturing and Paper Manufacturing each saw their share of exports decline substantially, in large part due to the combined effects of the softwood lumber dispute with the United States, the fall in demand for BC wood from the United States as a result of the post-2008 housing market collapse, and the pine beetle devastation that is still imparting negative consequences on the province's forestry sector to this day.

Wood Product Manufacturing was once BC's number one international goods export. In 1993 the value of exports by this industry accounted for 38 percent of BC's international goods exports. Twenty years ago Paper Manufacturing accounted for a 20

percent share. By 2013 these industries' shares had fallen to 20 and 11 percent, respectively. This was the result of a nine percent decline in the value of Wood Product Manufacturing exports, and a seven percent drop in the value of Paper Manufacturing over the past 20 years.

Oil & Gas Extraction and Food Manufacturing, on the other hand, have each seen their shares of BC's international goods exports increase since 1993. In fact, among BC's aforementioned top five industries, the value of Oil & Gas Extraction exports grew the fastest, at 347 percent, from \$526 million in 1993 to \$2.4 billion by 2013. As a result, Oil & Gas Extraction went from representing three percent of BC's international goods exports in 1993 to seven percent most recently. Having grown by 116 percent since 1993, Food Manufacturing saw its share grow from 4.3 percent in 1993 (\$847 million) to 5.3 percent in 2013 (\$1.8 billion).

It is also worth noting that the share of BC's international goods exports associated with Other sectors also grew, from 25 percent in 1993 to over one-third in 2013. This increase points to the diversification of BC's international goods exports away from its top five industries. The biggest sectors within the Other category include Primary Metal Manufacturing, Machinery Manufacturing, and Computer & Electronic Product Manufacturing as these industries were BC's sixth, seventh, and eighth largest international goods export industries in 2013.

With the exception of Oil & Gas Extraction, BC's fastest growing international goods export sectors over the past two decades have been relatively small in absolute terms. For instance, with growth of 565 percent over the past two decades, the Petroleum & Coal Manufacturing sector only produced 2.4 percent of BC's total exports in 2013 (\$814 million), up from 1.4 percent in 1993 (\$122 million). The value of Miscellaneous Manufactured Products, which includes medical equipment and supplies, jewelry, sporting goods, toys, and office supplies, saw the second fastest growth of any industry (at 390 percent), going

from \$57 million in 1993 to \$280 million by 2013. That said, this sector only represented 0.8 percent of the value of BC's exports last year. Exports from Oil & Gas Extraction, on the other hand, was the province's third-fastest growing sector (at 347 percent), increasing from \$526 million in 1993 (a three percent share) to just under \$2.4 billion in 2013 (a seven percent share).

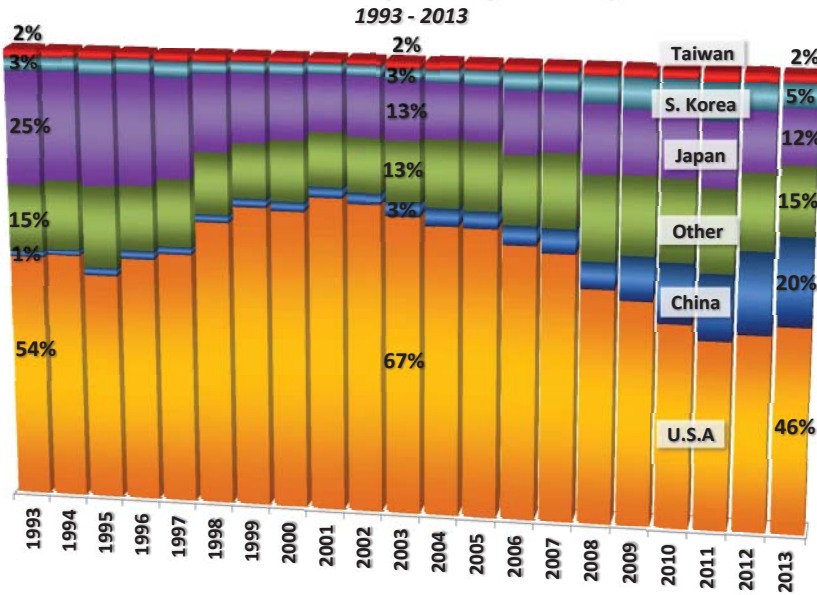
In terms of the absolute growth of international goods exports, the Mining sector increased the most over the past two decades, going from \$1.9 billion in 1993 to \$7.5 billion in 2013 (a \$5.7 billion increase). The second-largest dollar-value increase was in Oil & Gas Extraction growing by \$1.8 billion. Machine Manufacturing saw the third-largest absolute increase, growing by just under \$1.1 billion (from \$454 million in 1993 to \$1.6 billion in 2013).

Interestingly, the only industry sectors where the value of international goods exports declined over the past 20 years were two of BC's top five industries in 2013: Wood Product Manufacturing and Paper Manufacturing. In 1993, the value of Wood Product Manufacturing was \$7.5 billion, but by 2013 this had fallen to \$6.8 billion (a nine percent decline). Similarly, Paper Manufacturing declined from \$4.0 billion to \$3.8 billion (a seven percent drop).

V Where does BC export to?

Figure 6

BC's Share of Intl. Goods Exports by Country of Destination



Collectively, BC's top five export destinations accounted for 85 percent of the province's international goods exports in 2013 (Figure 6). The United States, not surprisingly, was the biggest international purchaser of BC's products last year, accounting for almost half of all international exports (46 percent). China was next, buying 20 percent of international goods exports, followed by Japan, which purchased an additional 12 percent.

South Korea and Taiwan round out BC's top five international goods exports destinations, accounting for a five and two percent share, respectively.

Of note is the fact that 39 percent of BC's goods exports currently go to the province's top four Asian markets (China, Japan, South

Korea, and Taiwan). This is in part a function of BC's locational advantage within Canada, the province's strong resource base, and strategic ties into the economies of the Asia-Pacific region.



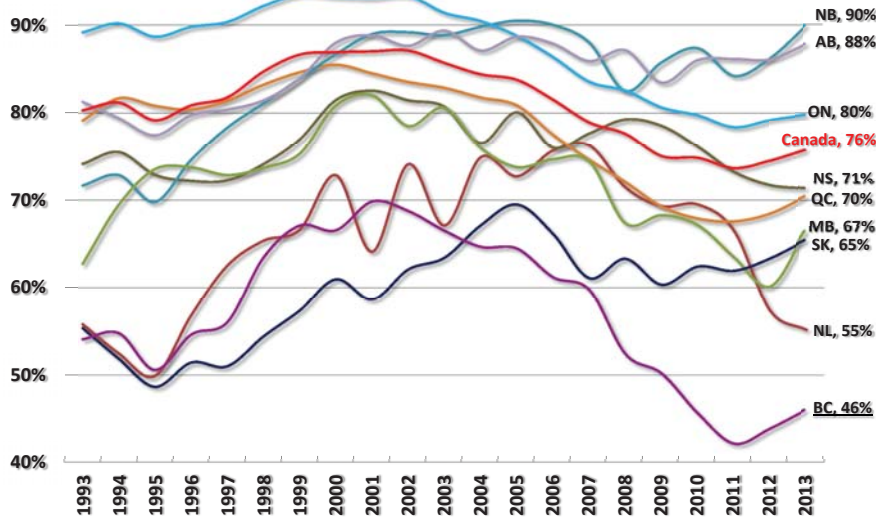
United States. Despite being BC's main export market, the value of goods exports being sent to the United States grew by only 47 percent between 1993 and 2013, well below the 72 percent increase for BC's international merchandise exports as a whole. Consequently, the share of BC's goods exports going to the US declined from a peak of 70 percent in 2001 to 42 percent in 2011, before increasing to 46 percent in 2013. As a result, BC's \$15.7 billion in goods exports to the US in 2013 only accounted for five percent of Canada's total goods exports to our neighbour south of the border last year.

Of the \$15.7 billion in goods exports going to the US from BC in 2013, Wood Product Manufacturing represented 22 percent, Oil & Gas Extraction 15 percent, and Primary Metal Manufacturing seven percent. Collectively, then, these three sectors represented almost half (46 percent) of BC's total goods exports to the US in 2013. Within these broad industry classifications, lumber accounted for just under \$2.6 billion of total goods exports to the US in 2013 (16 percent), \$1.7 billion was earned from natural gas (eleven percent), and a further \$560 million was generated from crude petroleum oils and oils obtained from bituminous minerals.

The decline in the United States' share of BC's international goods exports since the early-2000s is a trend that has generally characterized all provinces in Canada (Figure 7, next page). While the decade spanning 1993 to 2003 saw the share of Canadian merchandise going to the US increase (peaking at 87 percent between 2000 and 2003), there has been a considerable decline in this share since then. The economic turmoil of 2008 exacerbated the slow pattern of decline, with some provinces—such as BC, Newfoundland, Nova Scotia, and Ontario—seeing their reliance on the US market for their goods exports decline more than others. Canada's current (2013) share of international goods exports to the United States has fallen to 76 percent, down from 93 percent in the early-2000s.

Figure 7

Share of Provincial Goods Exports to the US by Province
1993 - 2013



New Brunswick, Alberta, and Ontario were the most dependent on the United States as an export destination of all Canadian provinces in 2013, with each sending at least 80 percent of their goods exports south of the border. In New Brunswick, 90 percent of that province's goods exports went to the US—the most of any province. Fossil fuels, specifically preparations of oils from non-crude petroleum and those obtained from bituminous minerals, made up 71 percent of those exports (\$9.3 billion).

In distant second and third places, lumber (\$358 million) and petroleum bitumen (\$333 million) each accounted for three percent of New Brunswick's exports to the US.

In Alberta, 88 percent of goods exports were destined for the US market in 2013. Crude oil represented the largest share of these exports (70 percent of Alberta's goods exports to the US), with natural gas accounting for an additional nine percent.

Ontario sent 80 percent of its international goods exports to the United States, with motor vehicles accounting for 29 percent of its total (\$44.6 billion). Parts and accessories of motor vehicles, as well as gold, rounded out Ontario's top three exports to the US last year, accounting for just over \$3.0 billion in exports each.

China. In considering BC's other major export markets, a decline in BC goods exports to Japan between 1993 and 2013 (of 18 percent) coincided with significant growth of BC goods being sent to China. More specifically, while BC's international exports to China is almost 23 times greater than it was in 1993 (from \$293 million in 1993 to \$6.7 billion by 2013), international goods exports to Japan declined from \$5.0 billion to \$4.1 billion over the same period.



As a result, China surpassed Japan as BC's second largest goods export market in 2011. The \$6.7 billion of China-bound BC's goods exports in 2013 accounted for a third of Canada's goods to this country (\$20.5 billion), with Alberta coming in distant second at 16 percent of Canada's goods exports to China last year (\$3.3 billion).

Looking at composition, more than 80 percent of goods exports to China in 2013 comprised three sectors: Mining accounted for 33 percent (\$2.4 billion), Paper Manufacturing made up another 27 percent (\$1.7 billion), and Wood Product Manufacturing represented 22 percent (\$1.4 billion).

Chemical Woodpulp (\$1.3 billion) and coal exports (\$1.3 billion) each accounted for one-fifth of BC's China-bound international goods exports in 2013. Note that while the bituminous coal category includes both thermal and metallurgical coal³, BC's bituminous coal exports predominantly comprise metallurgical coal. Of BC's ten active coal mines, the Quinsam mine on Vancouver Island is the only one that primarily produces thermal coal.

³ Thermal coal is used to fire power plants that produce steam for electricity and industrial uses, whereas metallurgical coal is used in the process of creating coke necessary for iron and steel-making.



Japan. Over the past two decades BC has seen the value of its exports to Japan decrease by 18 percent, going from \$5.0 billion worth of goods in 1993 to only \$4.1 billion by 2013. Despite this decline, BC's \$4.1 billion in goods exports to 2013 accounted for the greatest provincial share of Canada's exports to Japan (\$10.7 billion) at 38 percent.

While the Japan-bound share of BC's goods exports has ranged narrowly between 12 and 13 percent over the past decade, this share declined noticeably in the preceding decade, going from a peak of 25 percent in 1993 to 13 percent by 2003. This period of declining Japanese demand for BC goods coincided with the gradual collapse of the country's housing boom in the late-1980s and early-1990s, commonly referred to as "Japan's lost decade." Not surprisingly, BC's Manufactured Wood Product exports destined for the Japanese market took a big hit during this period. More specifically, while this sector accounted for 44 percent (\$2.2 billion) of BC's goods exports to Japan in 1993, it fell to 34 percent (\$1.3 billion) in 2003, and further to 23 percent (\$954 million) by 2013.

Another industry whose exports to Japan declined between 1993 and 2013 was Paper Manufacturing: having accounted for eleven percent (\$559 million) of BC's exports to Japan in 1993, this industry saw its share decline to four percent (\$180 million) by 2013.

That said, despite a general decline in BC's exports to Japan, some industry sectors have seen the value of their exports grow rapidly. Mining, for instance, has become BC's largest goods export to Japan, representing 54 percent of provincial exports to that country last year (\$2.2 billion), up from 25 percent in 1993 (\$1.2 billion).

In terms of the specific products, coal accounted for the majority of BC's total Mining exports to Japan in 2013 (31 percent, or \$1.3 billion). Copper ore and concentrates (\$922 million), and lumber (\$827 million) round out BC's top goods exports to Japan, representing 23 percent and 20 percent, respectively, of the 2013 total.



South Korea. The value of British Columbia's goods exports going to South Korea has grown substantially over the past two decades (by 213 percent), accounting for five percent of BC's total international goods exports in 2013. BC's top two exports to South Korea in 2013 were bituminous coal and copper ores and concentrate, with coal accounting for 54 percent of BC's goods exports to South Korea last year (\$984 million), and copper ore accounting for another ten percent (\$183 million).



Taiwan. The 73 percent increase in BC's goods exports to Taiwan over the past two decades has been the result of the value of goods destined for this Asian market having grown rapidly over this period: from \$349 million in 1993 to \$603 million by 2013. While Taiwan received only two percent of BC's total international goods exports in 2013, this represented 40 percent of Canada's goods exports to Taiwan (\$1.5 billion).

As was the case for South Korea, bituminous coal and copper ores and concentrate were the top two BC goods exported to Taiwan last year, coal representing 30 percent (or \$181 million), and copper ores and concentrates accounting for 12 percent (or \$70 million).

VI Strategic Considerations

As with all other provinces in Canada, British Columbia relies on exports as one means of sustaining—and improving—the economic well-being of its 4.8 million residents. The sale of goods and services to our provincial neighbours, to our largest trading partner south of the 49th parallel, and to other countries around the world serves to both expand and diversify the provincial economy and support the range of social services we have become accustomed to.

Although BC has done well in terms of diversifying its export partners, having significantly expanded goods exports into China and South Korea over the past 20 years, BC’s overall growth in international goods exports has lagged most other provinces in Canada. Any move towards achieving even the Canadian average rate of growth would necessitate expansion into new markets and broadening of existing ones; both would necessitate productivity gains in the province’s major export sectors. In this regard, the recent signing of the Canada-Korea trade agreement is a step in the right direction.

Although this is easier said than done, BC enjoys a distinct comparative advantage in its top three export sectors vis-a-vis other Canadian provinces: Mining, Wood Product Manufacturing, and Paper Manufacturing (Figure 8). Last year, BC’s Mining exports accounted for 22 percent of the province’s international goods exports—the second-highest share among all provinces, behind only Newfoundland, where mining exports of iron, nickel and other minerals accounted for 28 percent of the province’s exports

(\$3.2 million). In looking forward, it is expected that Asia will continue to increase its demand for BC’s Mining exports, with increased production in Asia serving both growing domestic populations and expanding manufacturing export markets.

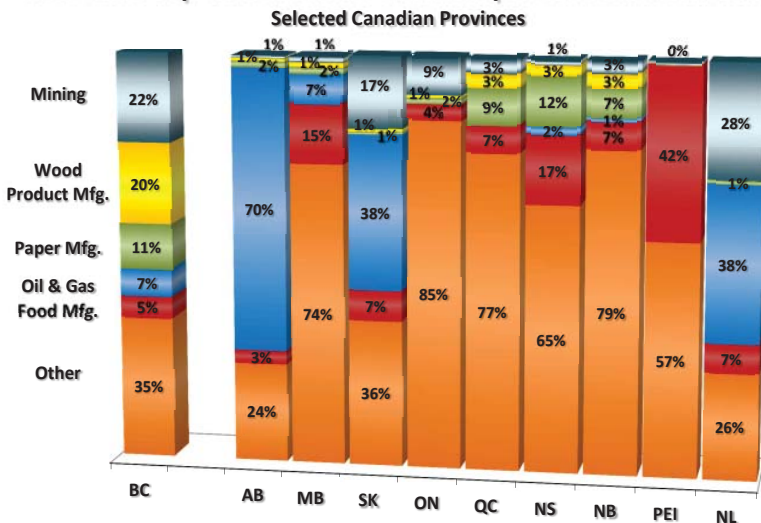
At 20 percent, the share of BC’s exports in Wood Product Manufacturing is higher than anywhere else in Canada, with BC accounting for more than half (57 percent) of total Wood Product Manufacturing exports from Canada. Similarly, Paper Manufacturing plays a much larger role in BC’s international goods exports (eleven percent) than in any other province: BC accounts for almost a quarter (23 percent) of Canada’s total international goods exports in this sector. Renewed growth in the US housing market has been marked by recent increases in the level and share of BC’s wood exports to the US; combined with

an increase in value of wood products, the outlook for growth in this sector is also positive. That said, while the demand and value are expected to increase, there will be supply-side challenges for this sector in its post-pine beetle era.

In addition to these more readily apparent comparative advantages, BC’s exports are far less concentrated in its top industry sectors when compared to most other provinces in Canada. For example, BC’s top five goods export sectors accounted for 65 percent of all international goods exports in 2013; in comparison, Newfoundland’s top five export sectors accounted for 98 percent of its exports in 2013. With the exception of Quebec (58 percent) and Manitoba (a close 64 percent), all other provinces had a greater share of their exports concentrated in their top five sectors than in BC.

Figure 8

2013 BC's Top International Goods Exports as Share of Total



In the cases of New Brunswick and Alberta, these provinces' top export sector accounted for well over half of their total international goods exports in 2013. More specifically, Petroleum and Coal Product Manufacturing accounted for 69 percent of New Brunswick's total exports, while Oil and Gas Extraction accounted for 70 percent of Alberta's international exports. In comparison, BC's single largest export sector—Mining—represented 22 percent of international exports .

This pattern is also evident in the landscape of international export destinations, as the lion's share of most provinces' international goods exports are sent to only a handful of countries. Overall, Canada's top five exports markets (the United States, China, the United Kingdom, Japan, and Mexico) received 87 percent of all exports last year. Comparing across all provinces, Prince Edward Island's top five export markets accounted for the smallest share of provincial goods exports at 77 percent. Alberta, on the other hand, saw the greatest concentration, with almost all (94 percent) of its international goods exports sold to the United States, China, Japan, Mexico, and South Korea. In 2013, BC's top five destinations received 85 percent of provincial goods exports, slightly below the national average. British Columbia's unique mix of export goods and export markets, at least when compared to other Canadian provinces, should serve to support more balanced export growth in the coming years.

As continued economic growth will be paramount for Canada and BC in order to meet the needs of our growing and changing populations, increasing the level and aggregate values of international goods exports will need to be a key economic development focus. That being said, it must not be overlooked that BC also exports goods to every other province in Canada. The export of services, too, should not be forgotten: from the Transportation to Engineering Services provided to other countries and our provincial counterparts, service sector exports will continue to play a vital role in diversifying provincial economic activity. Indeed, we hope to dig down into these aspects of BC's exports in future research papers.