

Alberta Exports

OVERVIEW

- Between 1992 and 2001 Alberta's international exports more than tripled, increasing from \$18 billion to \$57 billion.
- Over the last 10 years, exports to the United States and Mexico have increased, at the expense of Asia and Europe.
- Alberta's international exports (as a percentage of GDP) have steadily increased over the past 20 years, while interprovincial exports have slowly decreased.
- In the last few years, real manufacturing and services exports have surpassed real oil and gas exports as Alberta's largest export industry.

ALBERTA'S TOP 10 EXPORT MARKETS (COUNTRIES)

Alberta's International Exports (% Of Total)						
Country	% Of Total Exports			Exclude Oil & Gas		
	1992	1996	2001	1992	1996	2001
United States (U.S.)	77.6%	79.8%	88.8%	50.8%	62.0%	72.3%
Japan	5.9%	5.2%	2.2%	13.2%	9.8%	5.6%
China (+ Mongolia)	2.8%	2.1%	1.6%	5.8%	3.9%	3.8%
Mexico	0.4%	0.7%	0.9%	0.8%	1.2%	2.1%
Korea, South	1.6%	1.4%	0.8%	3.3%	2.7%	2.0%
Taiwan (Taipei)	0.8%	0.8%	0.4%	1.6%	1.6%	0.9%
TOTAL (Millions) All Countries	18,237	32,081	57,501	8,179	16,957	23,141

Source: Industry Canada

Over the past 10 years, exports to the United States increased from 77% to 88% of Alberta's total international exports. The steep increase in the value of recent exports is largely due to increased oil and gas prices in 2000-2001. The U.S. share of exports, excluding oil and gas, has also seen very impressive gains, increasing from 50% to 72% over the past 10 years. Gains in the U.S. and Mexico have come at the expense of Asia (mainly Japan, China, Korea and Taiwan) and Europe (mainly the

U.K. and Italy). The North American Free Trade Agreement may be responsible for some trade diversion from Asia and Europe to Canada's NAFTA partners.

ALBERTA'S TOP 3 EXPORT MARKETS (U.S. STATES)

Alberta's Exports to the United States (% of U.S. Total)						
State	% Of Total Exports			Exclude Oil & Gas		
	1992	1996	2001	1992	1996	2001
ILLINOIS	13.6%	12.1%	16.2%	4.2%	5.5%	4.9%
WASHINGTON	13.1%	9.0%	15.4%	12.7%	7.6%	5.1%
NEW YORK	9.0%	11.6%	12.9%	2.4%	7.4%	6.1%
Sub-Total	35.7%	32.7%	44.5%	19.3%	20.5%	16.1%

Source: Industry Canada

Within the United States, 44.5% of all exports in 2001 went to Illinois, Washington and New York. Approximately 76% of all exports to the United States went to the following 10 states: Illinois, Washington, New York, Tennessee, Minnesota, Michigan, Ohio, California, Texas and Iowa. When oil and gas are excluded, these 10 states make up only 49% of U.S. bound exports.

California is the largest export market for non-oil and gas products, holding 11% of the market share; Texas comes in second at 8.6%. Chemical manufacturing and food are Alberta's top exports to both California and Texas.

ALBERTA'S MAJOR EXPORT INDUSTRIES

Alberta's top 10 international export industries: NAICS 3-Digit Codes

Industry	% Of Total Exports			% Of Exports Excluding Oil & Gas		
	1992	1996	2001	1992	1996	2001
Oil & Gas	56.3%	47.8%	59.9%			
Chemical Manufacture	9.1%	8.9%	6.6%	20.8%	17.1%	16.5%
Food	3.3%	4.2%	5.2%	7.7%	8.0%	12.8%
Computer & Electronic	1.9%	4.1%	4.7%	4.4%	7.8%	11.6%
Crop Production	8.5%	7.6%	3.8%	19.4%	14.6%	9.4%
Petroleum & Coal Products	3.3%	8.1%	3.5%	7.6%	15.6%	8.6%
Paper	3.3%	3.0%	2.7%	7.6%	5.8%	6.8%
Machinery	1.6%	1.9%	2.6%	3.6%	3.6%	6.5%

Wood Products	1.4%	3.0%	2.2%	3.2%	5.7%	5.5%
Animals	2.7%	2.6%	1.5%	6.1%	5.0%	3.7%
Sub-Total	91.4%	91.3%	92.6%	89.8%	93.1%	92.6%

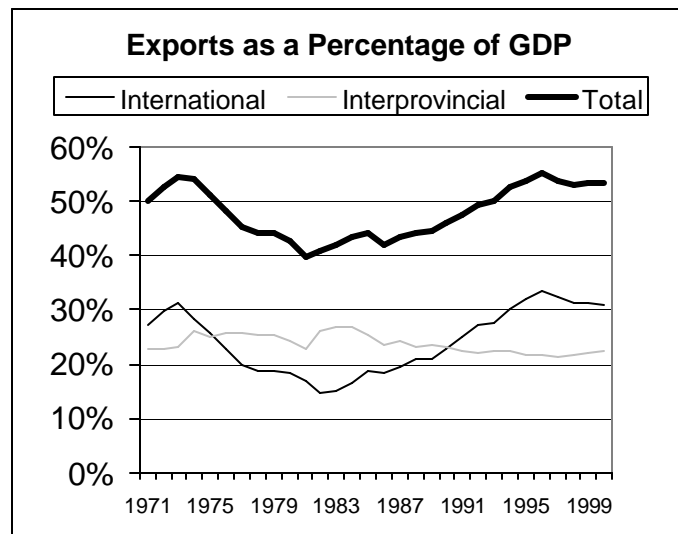
Source: Industry Canada

Due to high energy prices, the oil and gas industry made up 60% of Alberta's international exports in 2001. Excluding 2000 and 2001 the share of oil and gas has steadily decreased over much of the past decade, dropping from 56.3% in 1992 to 50.3% in 1999. This trend is likely to continue with more moderate oil and gas prices and an increase in non-energy exports.

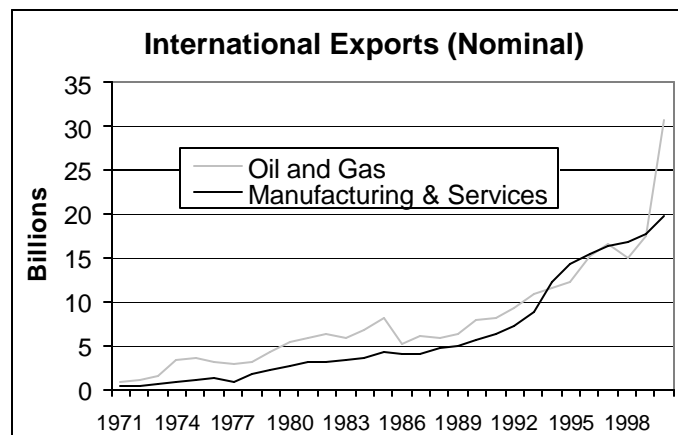
Excluding oil and gas, the largest increases since 1992 were in computer and electronics, machinery and food. Computer and electronics more than doubled its share of non-energy exports, increasing from 4.4% in 1992 to 11.6% in 2000, while food and machinery almost doubled over the same period. In contrast, the largest decreases were in crop production and animals. Crop production decreased from 19.4% in 1992 to 9.4% in 2000.

INTERNATIONAL vs. INTERPROVINCIAL EXPORTS

Since the early 80's, Alberta's exports have increased from 40% to 54% of GDP. International exports are the sole reason for this increase. The decrease in the Canadian dollar may explain part of this trend as the price of Canadian goods has become cheaper relative to foreign goods, pushing up their demand. Interprovincial exports have gradually decreased over the past 20 years from 27% to 22% of GDP. Since 1990, international exports have made up a larger percentage of GDP than interprovincial exports. Relative shares of international and interprovincial exports have remained almost constant since 1997.

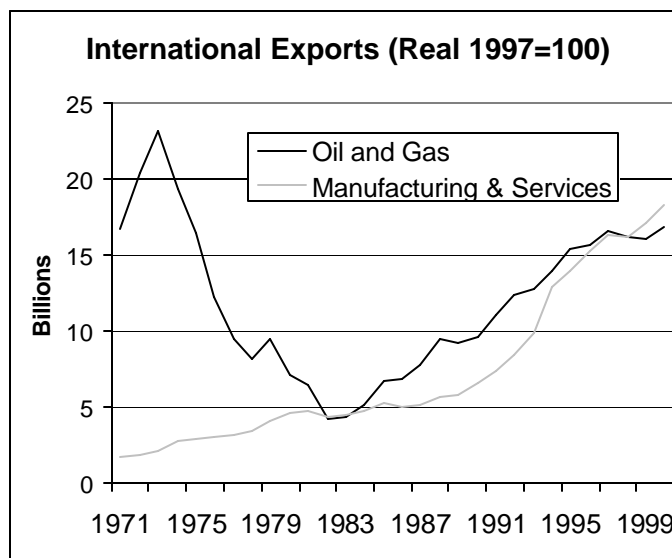


Source: Alberta Economic Accounts 2000



INTERNATIONAL EXPORTS: OIL & GAS vs. MANUFACTURING & SERVICES¹

Except for a recent surge in oil and gas prices, nominal oil and gas exports and manufacturing and services exports have followed very similar paths since 1972. In real terms however, the manufacturing and services industries combined, have been catching-up with oil and gas and, near the end of the decade, passed it as Alberta's largest export industry. As shown in the international exports table, exports to the United States excluding oil and gas have increased substantially since 1992. This increased trade with the United States is a major factor in pushing real manufacturing and services exports above real oil and gas exports at the end of the decade.



Source: Alberta Economic Accounts 2000

¹Manufacturing and services are combined here as a proxy for total manufacturing since "Alberta Economic Accounts" records such costs as travel, freight and shipping associated with manufacturing, as services. Statistics Canada reports some of these costs as part of manufacturing. A problem with doing this is that services not associated with manufacturing are included. However, these services are relatively small and have a minor impact on the overall results of this analysis. The same general results are reached when Statistics Canada data is used.
