

The B.C. government is committed to building a strong and dynamic private sector business climate in the province. Tax cuts and regulatory reform have raised business confidence and reestablished British Columbia's competitive position in North America. The B.C. government is now working in partnership with the business community to build on British Columbia's strengths, add value to resources, diversify its businesses and markets, and expand the province's human capital and infrastructure.

International Trade

Between 1991 and 2001, the total value of British Columbia's international goods exports doubled from \$16 billion to \$32 billion, and exports came to represent almost 25% of provincial GDP. During that decade, there were also important shifts in the commodity composition and geographic pattern of British Columbia's exports. In 1991, 45% of provincial exports were shipped to the United States, 26% to Japan and 15% to Europe. By 2001, the U.S. share had risen sharply to 70%, reflecting strong demand in the U.S. economy and the growing impact of the North American Free Trade Agreement. In contrast, the share of exports destined for Japan and Europe declined to 13% and 7% respectively.

The province's main primary exports (wood products, pulp and paper, metals, energy and fish) accounted for 82% of total exports in 1991, and a still-impressive 72% in 2001. However, over that period the export shares of coal, metallic minerals, lumber, pulp and newsprint declined significantly, while those of value-added wood and paper products, natural gas and electricity increased rapidly.

Beyond the primary sector, exports from high-tech manufacturing industries, such as electronics and advanced machinery, showed impressive growth as did services exports, such as computer and engineering services, international film production, foreign tourism and trade-related services. The province's international services exports were estimated at \$9.3 billion in 2001, an increase of 119% since 1991. In terms of the growing secondary manufacturing, knowledge-based industries, including film, the U.S. market is by far the most important destination for B.C.'s value-added goods, as it accounts for the vast majority of these exports.

The key decision maker on trade and investment is the private sector. However, the B.C. government, through its ministries and agencies, is supporting the efforts of the business community by developing and implementing a variety of strategies designed to open markets, raise awareness and reduce barriers to trade and investment. Sectors identified as priorities include both traditional industries (e.g. natural resource products), which comprise the backbone of the province's exports, as well as emerging knowledge-based and value-added areas (goods and services), which hold good potential for growth in investment and exports.

Employment Growth in Selected B.C. Industries, 1991 to 2001

	1991	2001	% change
Forestry & related manufacturing	89,800	90,600	0.01
Mining & related manufacturing	46,300	39,600	-14%
Selected value-added manufacturing	33,200	43,700	+32%
Computer systems design services	10,100	34,900	+245%
Management, scientific & technical services	10,300	21,600	+110%
Tourism-related services	93,800	114,300	+22%

Market Access Issues

Given the province's dependence on international markets, the B.C. government is a strong advocate of the international trading system, which establishes rules providing predictable and secure market access. The B.C. government is a vigorous supporter of both the WTO and NAFTA and has welcomed the launch of a new round of multilateral trade negotiations in the WTO.

The comprehensive nature of these negotiations offers considerable opportunity to improve international market access in areas of particular importance to the province. For example, expansion of commitments