



Western Economic  
Diversification Canada

Diversification de l'économie  
de l'Ouest Canada



Canada

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### About Western Economic Diversification Canada

Western Economic Diversification Canada (WD) was established to promote the development and diversification of the economy of Western Canada and to advance the interests of the west in national economic policy, program and project development and implementation.

The Department plays a key role as co-investor, convener, and champion for the west, making strategic investments that strengthen the west's traditional economic drivers while accelerating the development of new opportunities.

WD's strategic investments help researchers and businesses move new ideas from the test bench to the market, support skills development and foster business innovation. WD also advocates on behalf of western Canadian industry, working to ensure that businesses are strong, competitive, and poised to take advantage of opportunities in the global marketplace.

# NEWS AND ANALYSIS



## BRITISH COLUMBIA

### ***BC pilot project thinks global but acts local to improve export supports***

In 2016, a series of studies found BC is placed seventh in international exports per capita. Estimates showed that if BC companies were to match the average export sales of the rest of Canada, the province would create \$26 billion more in economic activity. Key challenges identified include:

- finding quality, rule-abiding trading partners
- fear of intellectual property rights (IRP) infringement

- lack of knowledge of regulatory and tariff regimes
- lack of knowledge of local language and culture

In many cases, there are services to get past these barriers. However, finding the right services and partners is a challenging task for small companies with limited resources. When aspiring exporters were surveyed, they wanted a single window to connect to the services they need to become export ready.

The province responded by launching the Export Navigator pilot program. This is a local streamlined way to provide custom advice to export-oriented businesses in 6 rural regions in BC. Export advisors help firms identify the best export markets for them.



Then, they help them get the knowledge and write the business plan they need to become export-ready. To date, the pilot has worked with 260 businesses. It has helped 79 of them advance from early stages in export exploration to planning, market entry and market growth.

BC approached Western Economic Diversification Canada (WD) to house the advisors at Community Futures (CF) offices in each region. This builds on local connections and diverse services that WD's network partners offer rural small and medium-sized enterprises. Through this arrangement, firms benefit from local mentors who understand their unique regional challenges and opportunities.

Export advisor to BC's Cariboo region Charles Scott said that the job of the program is "not to recreate the wheel, it's to match capacity with opportunity." Firms get expertise and advice on how to access global markets from:

- the Canadian Trade Commissioner Service

- Export Development Canada
- other national programs

High demand for these services means firms must prepare a strong business case prior to seeking help. When export advisors feel a firm is ready to knock on doors, they advise which doors to knock on and make the introductions. This is an important step for small companies – particularly those outside of urban networks – needing to make the most of their time and resources.

In the Kootenays, export advisors and the CF have built a suite of contacts and services for local strengths in agri-food, manufacturing and consumer goods. In the north of BC, small businesses tend to focus on technology and engineering exports. A local focus allows advisors to master the regulations, tariffs, logistical challenges and market conditions that businesses face in their communities.

Localized single-window systems are seen as a good way to streamline service delivery. The Export Navigator pilot makes the same case – giving a new twist to the saying "think global, act local."



# ALBERTA

## ***Diversifying Alberta's International Trade Landscape***

Alberta's international trade is highly concentrated, with over 87% of exports destined for the United States in 2017. New trade deals will help to diversify Alberta's export markets. For instance, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) came into force on December 30, 2018. The CPTPP is a trading bloc of 11 countries with almost 500 million consumers and an economy worth \$13.5 trillion. As Alberta's third largest trading partner, Japan is a key market within the pact, with \$1.8 billion worth of Alberta goods exported there in 2017.

To further increase trade diversification, the Alberta government has supports to help companies take advantage of global trade opportunities. It has 12 offices across Asia, Europe and North America to help local firms succeed internationally.

The province recently announced an agreement with the Canada-United Arab Emirates Business Council (CUBC) to set up an on the ground presence for Alberta in the United Arab Emirates (UAE). As of early 2019, the CUBC will help promote trade, organize trade missions and help Canadian investors navigate prospects in the UAE. The province also has funding supports, such as the Export Support Fund and the Export Readiness Micro-Voucher. These help Alberta firms enter new markets around the world.

The relationship between Alberta and the US remains vital as Alberta diversifies trade. The Canada-United States-Mexico Agreement (CUSMA) was signed on November 30, 2018 and brings some increased certainty to the relationship, as it preserves crucial duty-free access for many of Alberta's key exports.



Alberta's key export continues to face stiff challenges. Crude oil and natural gas dominate the province's export market, making up nearly 70% of Alberta's exports in 2017. A lack of pipeline capacity has limited access to global markets for Alberta's oil. The resulting price discounts have affected Alberta's communities, companies and government coffers. The Government of Canada responded on December 18, 2018, by announcing \$1.6 billion to help Canada's oil and gas industry diversify beyond the US market. The funds would pay for:

- financial support and loans to help firms:
  - invest in technology
  - increase operational and environmental efficiency
  - explore new markets
- improving the environmental performance of the industry
- energy and economic diversification-related projects

The Alberta government has taken steps of its own to address the situation. It has bought rail cars to move more oil out of the province. It has also curtailed oil production to reduce the amount of supply building up.

Building enough pipeline capacity to get Alberta's resources to market remains critical, to achieving a long-term solution to the situation.

Through its programs, WD continues to support Alberta's trade diversification efforts. The Business Scale-up & Productivity program helps firms to scale up and grow more competitive, both at home and abroad. The Regional Innovation Ecosystems program helps not-for-profit organizations to foster an innovation ecosystem. They, in turn, help local firms become internationally successful.



# SASKATCHEWAN

## ***Growing new opportunities for pulse crops***

Western Canada is a major source of pulse crops – including lentils, chickpeas and peas – with the bulk grown in Saskatchewan. Pulses were among the province's top 10 exports in 2017. Over 85% are exported, with the largest customers being India, China and Bangladesh.

Canada's pulse exports face challenges in international markets. In late 2017, India imposed a 50% tariff on yellow peas and a 30% tariff on lentils and chickpeas, as well as regulatory requirements and import caps. A further tariff hike on chickpeas came in February 2018. The result was a decrease in the value of Saskatchewan's pulse exports, from about \$3.4 billion for lentils and peas in 2016 to \$2.3 billion in 2017. Market conditions were further affected by increased competition from pulse producers in other countries.

Producer groups continue to expand into new and existing markets, including:

- China imported more Canadian peas, becoming the largest buyer in the 2017 to 2018 crop year
- The United States also bought more, increasingly using Canadian pulses in pet food

The pulse industry also plans to increase demand in new market segments with a “25 by 2025” goal. This means using 25% of Canadian pulses in new ways, such as in food ingredients and new products that take the place of meat. Rich in protein, pulses are seen as a sustainable option to feed the planet's growing population, especially a burgeoning middle class in Asia.

Protein Industries Canada (PIC) is leading the western Canadian effort to innovate and diversify the industry. It sees pulses as a key source of plant-based protein to feed both humans and livestock. PIC is one of five superclusters funded in 2018 by the Government of Canada. It is an industry-led consortium of companies, producers, academic institutions and other stakeholders. PIC's strategy is to create new ways to add value to western Canadian pulses and other plant-based protein sources, by developing:

- new crop varieties
- better crop management technologies
- advanced processing technologies for new products
- new markets and commercial opportunities

Through the efforts of producers, industry and PIC, we expect western Canada's – and Saskatchewan's – pulse exports to both rebound and grow in value.





# MANITOBA

## ***Fostering Trade in Manitoba***

### *East-West*

Manitoba stands alone as the only Western province to ship the majority of its goods and services to other provinces and territories rather than to other countries. Exports of goods and services to other provinces were 54% of Manitoba's exports in 2015. That is well above the 40% average of its 3 western neighbours. Manitoba (69%) is second only to Alberta (87%) in the proportion of international merchandise exports to the United States in 2015, followed by Saskatchewan (54%) and British Columbia (53%).

Statistics Canada reported last year that internal trade barriers add what amounts to a 6.9% tariff on goods brought in from other provinces. The Manitoba government estimates internal trade barriers cost Canadian households \$1,500 every year. It says that reducing red tape and trade barriers is a priority.

Provincial officials working on the Internal Trade file have heard from Manitobans that face challenges from those trade barriers, such as:

- being unable to work in regulated professions in other provinces
- differences in interprovincial trucking restrictions
- costly regulations that impact how small businesses bid on jobs and where they choose to do business

These barriers prevent economic growth and job creation, impact people's mobility and limit consumer choice. At a recent First Ministers' meeting, a communique signaled the intent to reduce interprovincial trade barriers. That includes harmonizing trucking standards and ending duplication in federal and provincial food safety regimes.



## International

Manitoba's location in the middle of the continent still makes the province well suited for international trade. In 2015, the province's top merchandise exports by value were:

- wheat
- nickel
- medications
- rapeseed or colza seeds
- fresh and frozen pork
- crude oil
- aircraft parts and other aerospace equipment

The dollar amount of all international merchandise exports that year was nearly \$14 billion while Interprovincial trade of goods and services was valued at nearly \$18 billion. Beyond the United States, Manitoba's top international trade partners were China (7%), Japan (5%) and Mexico (2%).

A key priority of the Manitoba government's new Economic Growth Action Plan is to expand trade. The provincial government will partner with World Trade Centre Winnipeg (WTC-W) to deliver on this front. WTC-W supports Manitoba companies looking to grow their business abroad. It also serves international companies wanting to do business with Manitoba firms.

WD funds the WTCW as one of its partners to deliver a range of services that help companies:

- explore new markets
- find and pursue trade opportunities
- seek international partnership prospects

Located in Winnipeg, CentrePort Canada is the country's first and largest tri-modal inland port with direct access to national

and international rail, truck and air cargo operations.

The James Armstrong Richardson International Airport, offers 24/7 operations and major carriers on site include Fed Ex, Purolator, UPS, Canada Post, Air Canada Cargo and Cargo Jet. The central location and time zone allows operators to offer late cut off for overnight delivery to major cities. CentrePort's location in the north-west corner of the city allows for easy flow of national and international truck traffic and a new 665-acre rail park is currently under development, which will provide co-location opportunities for rail-intensive businesses. Three Class I rail carriers – Canadian Pacific Railway, Canadian National Railway and BNSF Railway, will have access to the site and CP and CN currently operate significant intermodal yards in Winnipeg.

WD is working directly to expand trade in Manitoba by helping the Port of Churchill grow. The rail line has a new and invigorated ownership group, the Arctic Gateway Group Limited Partnership (AGG) (owned by First Nations and northern communities, Fairfax Financial Services, and AGT Foods and Ingredients). The rail line has been repaired and the first load of grain in two years was shipped out last fall. AGG intends to build a trade gateway to the world through the Arctic. The plan is to ship growing volumes of grains, lentils and oilseeds from the prairies. It will capitalize on reduced capacity on rail lines to west coast ports and a lengthening Arctic shipping season.

The Port of Churchill is also ideally situated as the lowest cost and most efficient transportation option for the Nunavut Region of Canada. This area has a growing population and vast mineral resources, which are growing in demand and becoming more accessible.

# UPCOMING EVENTS

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## BRITISH COLUMBIA

### **The Art of Leadership for Women**

Vancouver, BC | [April 5, 2019](#)

The conference focuses on the topics and trends most critical to women leaders. This unique one-day conference features a remarkable collection of world leaders, business icons and bestselling authors.

### **Global Softwood Log and Lumber Conference**

Vancouver, BC | [May 8-9, 2019](#)

The conference will feature in-depth coverage of key global markets for softwood logs, lumber and the supply dynamics in major exporting and importing countries.

### **Gateway Forum 2019**

Vancouver, BC | [May 10, 2019](#)

This forum will bring together policy makers, industry and employers to discuss best practices and roadblocks in sustaining and strengthening Canada's Pacific Gateway.

### **Canada Gas & LNG Exhibition and Conference**

Vancouver, BC | [May 21-23, 2019](#)

The event couples a broad technical exhibition with a high-level strategic conference that identifies the opportunities, challenges and solutions for Canadian Gas and LNG.

## ALBERTA

### **Indigenous Tourism Summit: Building Authentic Indigenous Tourism**

Enoch, Alberta | [April 2, 2019](#)

Indigenous Tourism Alberta has organized a full day of speakers, panels and group discussions to help participants discover pathways to success in Indigenous tourism.

### **Economic Developers Alberta 2019 AGM and Conference**

Banff, Alberta | [April 3-5, 2019](#)

This conference provides delegates with updates on economic development issues and trends, best practices, inspiring keynote addresses and valuable networking opportunities.



**SingularityU Canada Summit 2019**  
Edmonton, Alberta | [April 23-24, 2019](#)

This summit is devoted to reinforcing Canada's global role as a key technological innovator. It will include discussion on artificial intelligence, nanotechnology, and digital medicine.

**2019 CCAB Aboriginal Economic Development Conference**  
Calgary, Alberta | [May 9, 2019](#)

This conference will focus on the Aboriginal Procurement Marketplace with engaging keynote presentations and panel discussions relating to challenges, opportunities and best practices for the future.

**2019 Oil Sands Innovation Summit**  
Calgary, Alberta | [June 3-4, 2019](#)

This summit showcases the very latest research, collaboration and innovations for improving oil sands environmental performance.

**Inventure\$**  
Calgary, Alberta | [June 5-7, 2019](#)

This conference connects entrepreneurs and start-ups with venture capitalists, angel investors, service providers, and thought leaders to discover and share the latest in innovation.

**Global Petroleum Show**  
Calgary, Alberta | [June 11-13, 2019](#)

This conference is where oil and gas professionals convene to engage in dialogue, create partnerships, do business and identify the solutions and strategies that will shape the industry for the years ahead.

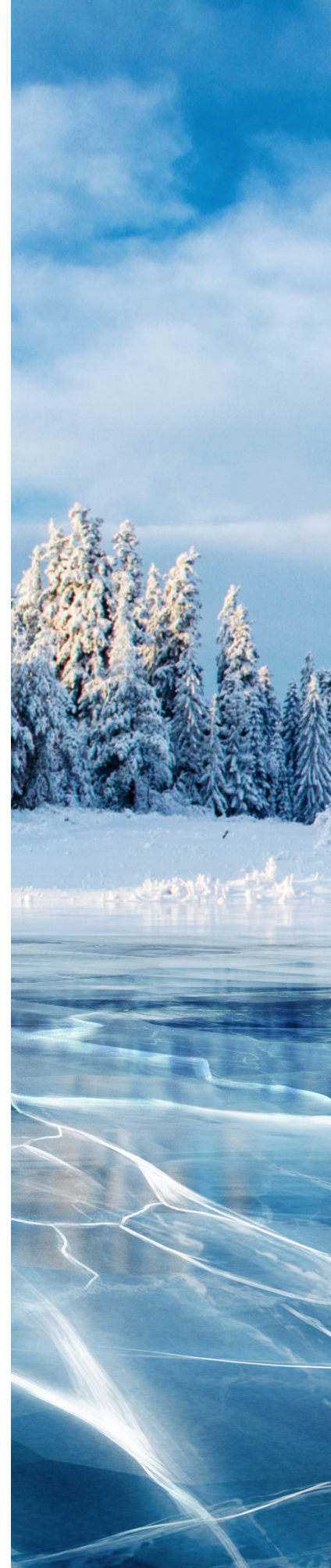
## SASKATCHEWAN

**Saskatchewan Aerospace and Defence Forum**  
Regina, SK | [March 19, 2019](#)

The forum will provide opportunities to network and meet with major companies involved in the aerospace and defence sector.

**AIMday™ IoT 2019**  
Saskatoon, SK | [March 27, 2019](#)

Academic Industry Meeting day, or AIMday™, is centered around workshops whereby company questions are submitted around a central theme which are then discussed by academics from across the University disciplines. This AIMday™ event will discuss industry research challenges related to the 'Internet of Things.'



## **11th Annual Saskatchewan Mining Supply Chain Forum**

Saskatoon, SK | [April 3-4, 2019](#)

The event provides information on how manufacturers, construction, equipment and service providers can access mining supply opportunities.

## **SREDA Forum 2019**

Saskatoon, SK | [April 25, 2019](#)

More than 400 business and community leaders will gather at the SREDA Forum to share insights, find inspiration, make connections and identify opportunities and challenges for growth in the local economy.

## **2019 Sask Agri-value Forum and Networking Event**

Saskatoon, SK | [May 2, 2019](#)

The event will bring together industry leaders from across the world to showcase and discuss the latest trends in value-added agriculture.

## **Uniting the Prairies (UP conference)**

Saskatoon, SK | [May 2-3, 2019](#)

Networking event uniting tech start-up communities across the prairies.

## **EXPERIENCE: Strategies and Technologies in the Digital World**

Saskatoon, SK | [May 23, 2019](#)

EXPERIENCE, presented by Conexus Credit Union, is Women Entrepreneurs of Saskatchewan's new and improved Small Business Conference.

## **Williston Basin Petroleum Conference**

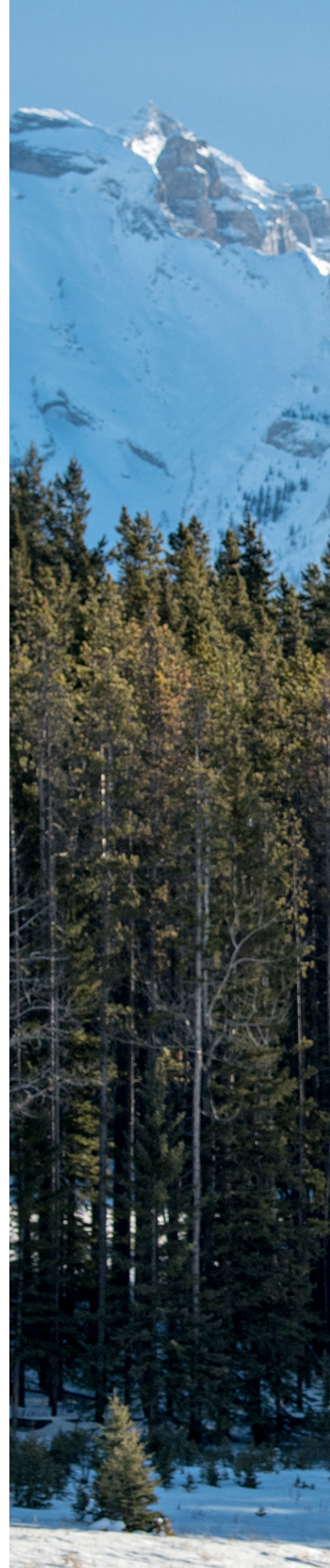
Regina, SK | [May 27-29, 2019](#)

The conference and exhibition showcases innovations centred around heavy oil, light and tight oil, enhanced oil recovery, advanced energy systems, advanced technologies, automation, clean technologies, block chain, artificial intelligence and more.

## **Canada's Farm Progress Show**

Regina, SK | [June 19-21, 2019](#)

Canada's Farm Progress Show connects local producers and international customers with the latest in dryland farming equipment, technology, and innovation.



# MANITOBA

## **Prairie Food Summit**

Winnipeg, MB | [March 15, 2019](#)

This event, presented by Bioscience Association of Manitoba, presents on food business and networking.

## **Winnipeg Chamber of Commerce March Luncheon**

Winnipeg, MB | [March 15, 2019](#)

This luncheon will focus on the State of the City.

## **Winnipeg Chamber of Commerce April Luncheon**

Winnipeg, MB | [April 26, 2019](#)

This luncheon will focus on how blockchain will change Winnipeg.

## **Vision Quest**

Winnipeg, MB | [May 14-16, 2019](#)

Canada's longest running Indigenous business, community and economic development conference. Over the last 22 years, nearly 17,000 people have shared in certification courses, plenary and workshop sessions, partnership building, cultural and networking events.

## **Winnipeg Chamber of Commerce May Luncheon**

Winnipeg, MB | [May 24, 2019](#)

This luncheon is about assembling a gender-balanced business.

## **Manitoba Aerospace AAiM Day**

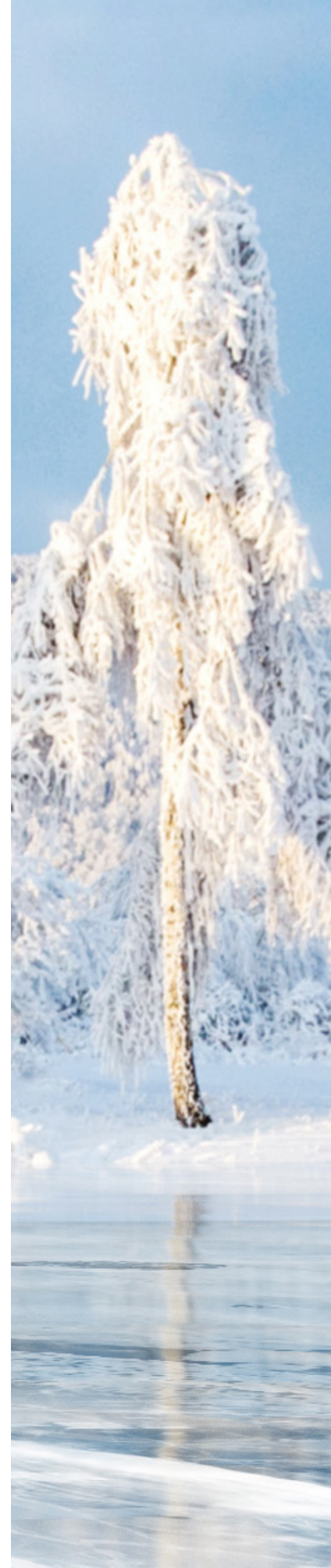
Winnipeg, MB | [May 31, 2019](#)

AAiM (Aerospace & Aviation in Manitoba) Day sees 700 Grade 6 students visit the Red River College Stevenson Campus to introduce them to the concepts in the flight module of the Grade 6 science curriculum.

## **Aerospace Week**

Winnipeg, MB | [June 3-7, 2019](#)

This event, presented by Manitoba Aerospace, will showcase Aerospace in Manitoba.



# LOOK AHEAD






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- British Columbia expects to publish its Emerging Economy Task Force report in spring 2019. In summer 2018, the task force examined the current state of BC's economy and did an analysis on transformative innovations to come. The report will explore and propose recommendations for innovative policies to respond to challenges and change.
- The next Alberta general election will take place between March 1, 2019 and May 31, 2019.
- Saskatchewan's provincial budget is scheduled to be tabled on March 20, 2019.








# KEY ECONOMIC INDICATORS






## GDP

	 BC	 AB	 SK	 MB	 Canada	Last Update
<b>Real GDP<sup>1</sup></b> (2012 \$billions, forecast)	\$264	\$345	\$87	\$68	\$2,052	2019
% ch. from year earlier	2.6%	2.5%	1.6%	1.9%	2.1%	

## LABOUR MARKET

	 BC	 AB	 SK	 MB	 Canada	Last Update
<b>Employment (SA, thousands)</b>	2,544	2,326	576	658	18,874	Jan-19
Change from previous month	8.7	-15.5	-2.8	4.4	66.8	
% ch. from previous month	0.3%	-0.7%	-0.5%	0.7%	0.4%	
% ch. from year earlier	2.5%	0.5%	1.4%	2.3%	1.8%	
<b>Unemployment Rate (SA,%)</b>	4.7%	6.8%	5.5%	5.5%	5.8%	Jan-19
percentage points from previous month	0.3	0.4	-0.1	-0.5	0.2	
percentage points from year earlier	-0.1	-0.2	-0.1	-0.1	-0.1	
<b>Regular EI beneficiaries (SA)</b>	38,450	47,790	15,570	15,700	446,320	Dec-18
Change from previous month	760	1,100	540	340	4,600	
% ch. from previous month	2.0%	2.4%	3.6%	2.2%	1.0%	
% ch. from previous year	-17.2%	-24.3%	-14.1%	-0.6%	-10.6%	
<b>Average weekly earnings</b>	\$983.05	\$1,154.24	\$1,037.53	\$940.68	\$1,011.79	Nov-18
Change from previous year	\$30.24	\$6.94	\$19.15	\$22.66	\$19.74	

## PRICES

	 BC	 AB	 SK	 MB	 Canada	Last Update
<b>CPI (y/y)</b>	3.0%	2.1%	1.1%	2.1%	2.0%	Dec-18
CPI (y/y) previous month	2.4%	1.7%	1.0%	1.7%	1.7%	Nov-18






<sup>1</sup>Real GDP at market prices, forecast for 2018 (Conference Board of Canada Provincial Outlook Winter 2019)

SA - Seasonally adjusted SAAR - Seasonally adjusted at annual rates






Sources: Statistics Canada and Conference Board of Canada








# CONSUMERS and BUSINESS

	 BC	 AB	 SK	 MB	 Canada	Last Update
<b>Retail Sales (SA, \$millions)</b>	\$7,164	\$6,777	\$1,593	\$1,707	\$50,350	Dec-18
% ch. from previous month	-0.2%	0.0%	0.1%	1.3%	-0.1%	
% ch. from previous year	0.6%	1.5%	-3.2%	0.7%	1.7%	
<b>Manufacturing Sales (SA, \$millions)</b>	\$4,476	\$6,059	\$1,445	\$1,628	\$56,376	Dec-18
% ch. from previous month	-3.1%	-4.0%	-6.3%	-4.7%	-1.3%	
% ch. from previous year	0.6%	-2.2%	7.9%	-1.0%	0.8%	
<b>Building Permits (SA, \$millions)</b>	\$2,108	\$1,132	\$204	\$238	\$8,812	Dec-18
% ch. from previous month	22.0%	5.6%	38.5%	9.1%	6.0%	
% ch. from previous year	39.1%	0.1%	-12.5%	-2.6%	10.6%	
<b>Housing Starts (SAAR, thousands)</b>	43	24	3	7	208	Jan-19
% ch. from previous month	-14.9%	25.8%	6.9%	-1.7%	-2.7%	
% ch. from previous year	-2.5%	-4.9%	-53.9%	36.5%	-4.3%	

# INTERNATIONAL TRADE

	 BC	 AB	 SK	 MB	 Canada	Last Update
<b>Merchandise Exports (\$millions)</b>	\$3,748	\$9,457	\$2,596	\$1,324	\$44,513	Nov-18
% ch. from previous month	0.0%	-12.1%	-7.0%	-5.1%	-5.3%	
% ch. from previous year	6.2%	11.4%	10.9%	0.3%	4.0%	
<b>Merchandise Imports (\$millions)</b>	\$4,787	\$2,673	\$937	\$1,868	\$49,632	Nov-18
% ch. from previous month	-0.4%	-8.0%	1.6%	-5.5%	-3.8%	
% ch. from previous year	3.0%	-3.3%	-4.0%	4.8%	1.6%	

# DEMOGRAPHICS

	 BC	 AB	 SK	 MB	 Canada	Last Update
<b>Population (estimate)</b>	5,016,322	4,330,206	1,165,903	1,356,836	37,242,571	Q4 2018
% ch. from previous year	1.4%	1.6%	0.9%	1.2%	1.4%	
Largest Cities (CMAs)	Vancouver (2,463,431) Victoria* (367,770)	Calgary (1,392,609) Edmonton* (1,321,426)	Saskatoon (295,095) Regina* (236,481)	Winnipeg* (778,489)		2016

\* Provincial Capital

SA - Seasonally adjusted      SAAR - Seasonally adjusted at annual rates

Sources: Statistics Canada and Conference Board of Canada