



## Highlights

- B.C. exports see annual increase of 35 per cent in October, driven by energy exports and higher price of natural gas, coal and oil.
- Forestry exports pull back after lumber prices peaked in May 2021. Flooding expected to drive forestry sales higher but higher tariffs on Canadian lumber are a headwind.
- Resource imports sharply higher than a year ago driven by higher transport costs, supply chain disruption, and increased commodity prices.
- December B.C. trade volumes will likely see significant pull back due to flooding and Omicron impacts.

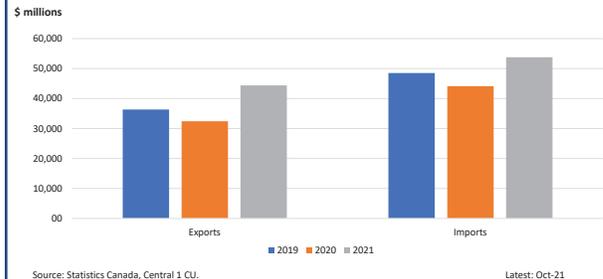
## B.C. international trade bounces back

Alan Chow, Business Economist

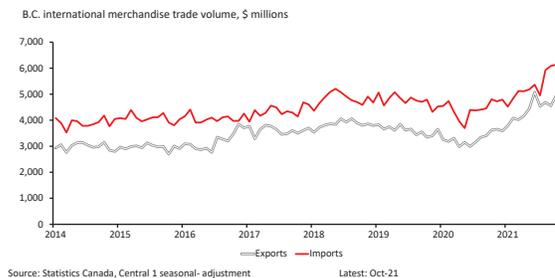
The latest estimates for British Columbia international merchandise trade for October ricocheted higher following recent pullbacks. Exports accelerated with a year-over-year increase of 35.5 per cent compared to a 34.7 per cent gain in September. Seasonally adjusted, export volumes increased 8.7 per cent over the previous month, although levels were still 2.4 per cent below the high seen in June 2021. Import volumes continue to reach new highs, up 0.8 per cent over the previous month and 29 per cent year-over-year.

The latest export momentum was led by a surge in resource sector production. Metallic and non-metallic mineral products sales rose 32.6 per cent (seasonally-adjusted) over the previous month and 15 per cent year-over-year. Meanwhile, energy exports rose about 23 per cent from September and a whopping 142 per cent from a year ago. This was bolstered by higher natural gas prices and a sharp increase in coal volume and prices. The industrial machinery, equipment and parts sector added to headline gains with a 6.8 per cent from September.

### Year to Date Exports and Imports, BC



### B.C. international merchandise exports and imports climb



Forestry exports have fallen back to earth after surging through the first half of the year. Lumber prices retreated by nearly 40 per cent after peaking in May. This marked a return to about December price levels, albeit still 40 per cent higher than pre-pandemic February 2020. Forestry sales will likely pick back up as prices have recently increased amidst BC flooding, although implementation of higher tariffs on Canadian lumber is a headwind. Basic and industrial chemical, plastic and rubber products, fell 19.0 per cent from September but remained up sharply from a year ago.

On the imports side, metal ores and non-metallic minerals saw a 103.0 per cent increase and the energy sector saw a 50 per cent increase over the previous month. Metal and non-metallic mineral products was the sore spot, showing monthly seasonally adjusted decline of 21.5 per cent over the previous month. Broadly, resource imports are sharply higher than a year ago. Higher transport costs, supply chain disruption, and increased commodity prices are contributing to increased import prices.

Year to date, import volumes are up 22.0 per cent from the previous year with all sectors showing increases and export volumes are up 36.8 per cent. While global economy continues to recover, B.C. trade volumes will likely experience a significant pull back in December data due to the devastating floods in late- November that affected the agricultural industry and transport linkages. The Omicron variant also marks a negative risk.

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