



Highlights

- B.C. exports reach a record \$53.9 billion in 2021
- Higher commodity prices a key drive of dollar-volume gains

A record year for B.C. exports as commodity prices surge

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B.C. export momentum slowed in December, but the province posted a blockbuster year for international sales in 2021. The value of international goods exports reached \$4.66 billion in December, and while down by an estimated 4.8 per cent from November (seasonally-adjusted), full-year exports rose 36 per cent to a record \$53.9 billion, smashing the previous high of \$48 billion in 2018.

While monthly patterns have bounced around with a particularly noteworthy surge followed by a retrenchment in the forestry sector, resources-oriented industries led 2021 gains. Specifically, energy exports, which captures to a large extent natural gas, electricity, and coal rose 76 per cent and 47 per cent of net growth. Forestry products rose 42 per cent and contributed to 34 per cent of the total increase. Metals and minerals exports generated much of the remaining increase, with most segments up from 2020.

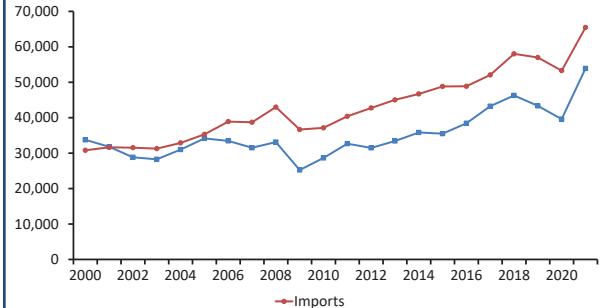
Goods imports accelerated in December with year-over-year growth of 28.3 per cent and a two per cent monthly gain. Annual imports rose 22 per cent to \$65.5 billion, reflecting double-digit gains observed in most product segments, although growth lagged in the imports of consumer goods (up 12.8 per cent).

Increased international trade has reflected a combination of stronger demand during the pandemic recovery but also inflationary pressures flowing through prices for both input costs and finished production. Higher prices for commodities and durable goods are of specific importance to understand B.C.'s trade dynamics.

On the export front, the bulk of the resources-related gain reflects prices rather than real shipments. Granular data on energy exports for 2021 show B.C. natural gas exports of 77 per cent with real shipment volume up 5.5 per cent. Coal exports rose 70 per cent but was un-

Resource sectors lifts international trade to record high

B.C. International Merchandise Trade, \$ millions

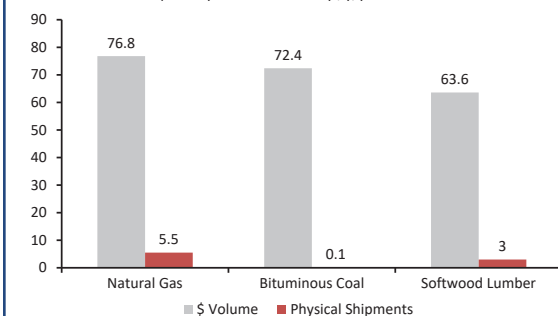


Source: Statistics Canada, Central 1

Latest: 2021

Surge in commodity prices a key driver of export gains

B.C. Dollar-Volume Exports by Select Commodity, y/y % ch.



Source: Statistics Canada, B.C. Stats, Central 1

Latest: 2021

changed in shipments. On the forestry front, softwood lumber shipment data showed a 63 per cent increase in dollar-volume exports and three per cent increase real activity.

The key takeaway is that the contribution to GDP growth from the surge in exports was likely closer to five per cent with most of the incredibly strong dollar-volume gain owing to higher prices. That said, stronger commodity prices have contributed to higher corporate profits, investment demand and increased employment which should support economic activity in 2022.

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