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Economic & Commercial Report for May 2015

(Average Monthly Exchange rate: 1 Canadian \$ = US \$ 0.82; 1 Canadian \$ = Rupees 52.28)

1. British Columbia

i) Economy

- The value of **B.C. origin exports inched down** 0.1% over the January to May period, compared to the same five months in 2014. There was weak growth in shipments to B.C.'s largest trading partners, the United States (+0.5%) and Mainland China (+0.9%), but declines in exports to several destinations, including the European Union (-6.6%), South Korea (-17.9%), India (-30.3%) and South America (-23.8%), offset growth in shipments elsewhere. There was a 26.8% drop in year-to-date shipments of energy products, driven largely by a 53.6% plunge in the value of natural gas exports. Most of this decline was due to lower prices for gas, but the volume exported also fell (-1.7%). There was a substantial decrease in coal shipments as well, both in value (-12.4%) and volume (-6.7%). There was robust growth in exports in the forest sector with solid wood shipments rising 7.8% and pulp and paper product exports up 3.0%.
- **Manufacturing Sales** at \$3637 million for the month of May 2015 registered a **growth of 1.3%** compared to the figure for the same period last year.
- British Columbia's wholesalers saw sales in the province **rise 1.2%** (seasonally adjusted) to \$5.2 billion in May.
- **Retail trade** at \$6273 million for the month registered a **growth of 6.7%** compared to the figure for the same period last year

ii) Employment

In May, **employment increased by 31,000** in British Columbia, mostly in part-time work. This follows a similar-sized decrease in April, which was mainly in full-time employment. The unemployment rate was virtually **unchanged** at 6.1% in May, as more people participated in the labour market. In the 12 months to May, employment in the province was little changed

iii) Inflation

British Columbia's consumer price index (CPI) **climbed 0.8%** (unadjusted) in May, compared to the same month of the previous year. It was also an increase over the 0.5% (unadjusted) annual inflation rate reported for April. According to Statistics Canada, the overall inflation rate of

0.8% increased to 1.5% when energy was excluded from the index, and declined to 0.2% when food was excluded.

iv) **Housing**

Year-to-date to May, the value of building permits issued in British Columbia rose 22.2% (unadjusted) compared to the first five months of the previous year. Permits for residential construction jumped 30.4%, driving much of the increase. By comparison, industrial (+3.7%) and commercial (+8.8%) permits grew at a more modest pace. There was a marginal decline in institutional and government building permits (-1.6%).

Data Sources: BC Stats & Statistics Canada

India's investment interests

Mining, LNG, Biotechnology, IT, Textiles and leather products, forest produce particularly pulp of wood; waste and scrap of paper or paperboard are good option in British Columbia for investment by Indian companies.

India is BC's 6th export destination and 13th import source. Trade Statistics on British Columbia's total trade with all countries and trade with India are at **Annexure-I**

2. Saskatchewan

i) Economy

Saskatchewan's wholesale trade for May 2015 hit \$2.3 billion, the highest ever recorded for that month, according to Statistics Canada. On a year-over-year basis, wholesale trade was up 9.8 per cent (seasonally adjusted), the highest percentage increase among the provinces, and well ahead of the 2.9 per cent posted nationally

ii) Inflation

Saskatchewan's CPI rose 1.5% in the 12 months to May, after increasing to 1.2% in the previous month.

iii) Employment

The number of people working in Saskatchewan hit an all-time high in May. New job numbers released by Statistics Canada show that there were 582,700 people working in the province in May 2015, up 4,800 over May 2014.

In May 2015, Saskatchewan recorded the lowest unemployment rate among the provinces at 4.9 per cent (seasonally adjusted), while nationally, the rate stood at 6.8 per cent. Saskatchewan has had the lowest unemployment rate in the country for 20 consecutive months.

iv) Housing

The value of building permits issued in Saskatchewan valued at \$202.40 fell by 18 per cent in May compared with the same period last year and down 0.4 per cent from April 2015.

Data Sources: Statistics Canada & Saskatchewan Bureau of Statistics, Ministry of Finance

India's investment interests

Saskatchewan is full of its mineral resources like coal, potash and a major industry in the oil and gas sector. It is the world's largest potash producer and exporter. It is the world's second largest uranium producer. Agricultural biotechnology is another sector for investment by Indian companies in Saskatchewan.

India stands at 3rd export destination and 9th import source. Trade Statistics on Saskatchewan's total trade with all countries and trade with India are at **Annexure-II**.

3. Alberta

i) Economy

. Alberta international goods **exports fell to a four-year low** in May 2015, down 30% from May 2014. Energy exports drove the decline, down 36.9% y/y. Crude oil export volumes were down 1.1% y/y, the first decrease on volumes since February 2014 as forest fires caused evacuations of some oil sands facilities. The decline was not limited to the energy sector, with non-energy exports down 9.9% y/y led by a 42% decline in industrial machinery and equipment. Alberta manufacturing shipments for May 2015 were worth \$5.8 billion, a 0.9% increase over April. This is due to a slight uptick in petroleum and coal manufacturing, which increased 6.6%, but remains down 37% year-over-year. Non-energy manufacturing dropped 0.7%, the fifth decrease in a row. Shipments were pulled down by food manufacturing, which fell 3.9% on volumes.

ii) Housing

Growth in the New Housing Price Index (NHPI) for Alberta **continued to slow** in May, coming in at 0.7% y/y. There were \$1.34 billion in building permits issued in Alberta for May 2015, down 8.2% y/y. Non-residential building permits have recovered after hitting a four-year low in February, and were up 4.8% y/y in May, but remain down 8.8% year-to-date. Residential permits were down 7.2% year-to-date and have been falling since February dropping to a three-year low. The decline has been localized to Calgary, with permit values elsewhere in the province unchanged year-to-date.

iii) Inflation

Alberta's Consumer Price Index (CPI) inflation was 0.6% in May. Prices were pulled down by a 20% drop in energy prices, excluding energy inflation was 2.5%.

iv) Employment

Alberta lost 6,400 jobs in May. A gain of 20,200 full-time positions was more than offset by a loss of 26,600 part-time positions. Still, employment was up 1.7% year-over-year. Alberta's unemployment rate continued to climb, reaching 5.8% in May, up 1.3 percentage points from January.

Oil and Gas Forecast

Expansion even with low prices

The Alberta Energy Regulator (AER) expects Alberta oil production to rise to 4.9 million bpd in 2024 from 3.2 million bpd in 2014. The growth comes from a near doubling in oilsands production to 4.5 million bpd in 2024, representing 90% of future oil production. Natural gas production is expected to slow gradually, with 2024 production 12% lower than in 2014. The fall in oil prices is expected to cause oil and gas investment to decline by 31% in 2015 to \$38.6 billion dollars, rising to just \$41.2 billion in 2024.

Source: Alberta Treasury Board and Finance

India's investment interests

The oil industry is the backbone of Alberta's economy. Mining and Oil sectors in Alberta are good options for investment by Indian companies.

India is 36th export destination and 9th import source. Trade Statistics on Alberta's total trade with all countries and trade with India is at Annexure-III.

ANNEXURE-I

Trade Statistics

BC-All Countries & India-BC total trade in US\$ and its growth

❖ BC-All Countries

(Value in Thousands of U.S. Dollars)

	Jan-Dec2014	Jan-May 2014	Jan-May 2015	% Change 2015/2014
Exports from BC to all countries	32,475,458	13,581,010	12,078,572	-11.1%
Imports to BC from all countries	41,857,517	17,008,631	16,087,300	-5.4%
Trade Balance	-9,382,060	-3,427,622	-4,008,728	-17.0%

❖ India-British Columbia Bilateral Trade

(Value in Thousands of U.S. Dollars)

	Jan-Dec2014	Jan-May 2014	Jan-May 2015	% Change 2015/2014
Exports from BC to India	514,494	277,344	171,831	-38.0%
Imports to BC from India	414,620	162,376	172,459	6.2%
Total Trade between India and B.C	929,114	439,720	344,290	-27.7%
Trade Balance	99,874	114,968	-628	-100.6%

❖ BC's total trade & its growth with India by top 10 chapters

Imports from India to BC (Top 10 chapters):

(Value in thousands of US Dollars)

Top 10 Chapters (HS2Code)	Jan-May 2014	Jan-May 2015	% Change 2015/2014
62 - Woven Clothing and Articles of Apparel	13,287	13,606	2.4%
63 - Other Made-Up Textile Articles and Worn Clothing	10,412	12,968	24.6%
03 - Fish, Crustaceans, Molluscs and Other Aquatic Invertebrates	9,270	12,631	36.2%
84 - Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	8,621	12,095	40.3%

72 - Iron and Steel	16,074	10,545	-34.4%
73 - Articles of Iron or Steel	19,554	9,826	-49.8%
61 - Knitted or Crocheted Clothing and Articles of Apparel	10,847	9,215	-15.0%
71 - Pearls, Precious Stones or Metals, Coins and Jewellery	8,086	9,149	13.2%
10 - Cereals	5,901	8,654	46.7%
94 - Furniture, and Stuffed Furnishings; Lamps and Illuminated Signs; Prefabricated Buildings	5,654	6,152	8.8%

BC's Exports to India (Top 10 chapters)

(Value in US dollars)

Top 10 Chapters (HS2Code)	Jan-May 2014	Jan-May 2015	% Change 2015/2014
26 - Ores, Slag and Ash	139,367,221	75,879,539	-45.6%
27 - Mineral Fuels, Mineral Oils, Bituminous Substances and Mineral Waxes	88,654,735	61,253,892	-30.9%
47 - Pulp of Wood and The Like; Waste and Scrap of Paper or Paperboard	25,186,533	10,648,471	-57.7%
48 - Paper, Paperboard and Articles Made From These Materials	9,829,809	8,886,404	-9.6%
44 - Wood and Articles of Wood (Incl. Wood Charcoal)	1,702,934	5,438,389	219.4%
63 - Other Made-Up Textile Articles and Worn Clothing	1,870,626	2,075,193	10.9%
85 - Electrical or Electronic Machinery and Equipment	6,012,942	1,674,033	-72.2%
84 - Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	994,825	1,587,422	59.6%
90 - Optical, Medical , Photographic, Scientific and Technical Instrumentation	658,883	967,681	46.9%
72 - Iron and Steel	297,202	803,184	170.2%

Data Source: Statistics Canada

ANNEXURE-II

Trade Statistics

Saskatchewan-All Countries & India-Saskatchewan total trade in US\$ and its change

❖ Saskatchewan-All Countries

(Value in thousands of U.S. Dollars)

	Jan-Dec2014	Jan-May 2014	Jan-May 2015	% Change 2015/2014
Exports from Saskatchewan to all countries	31,967,982	13,003,886	11,247,225	-13.5%
Imports to Saskatchewan from all countries	10,983,461	4,700,617	3,802,629	-19.1%
Trade Balance(favours Saskatchewan)	20,984,521	8,303,268	7,444,596	-10.3%

❖ India- Saskatchewan Bilateral Trade



(Value in Thousands of U.S. Dollars)

	Jan-Dec2014	Jan-May 2014	Jan-May 2015	% Change 2015/2014
Exports from Saskatchewan to India	1,061,463	244,056	352,256	44.3%
Imports to Saskatchewan from India	28,564	11,342	19,989	76.2%
Total Trade between Saskatchewan and India	1,090,027	255,398	372,245	45.70%
Trade Balance	1,032,899	232,714	332,267	42.8%

❖ Saskatchewan's total trade & its growth with India by top 10 chapters

Import from India to Saskatchewan:

(Value in US\$)

Top 10 Chapters (HS2Code)	Jan-May 2014	Jan-May 2015	% Change 2015/2014
29 - Organic Chemicals (Including Vitamins, Alkaloids and Antibiotics)	10,695	8,789,368	82,082.0%
84 - Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	1,713,747	1,961,727	14.5%
13 - Lac, Gums, Resins and Other Vegetable Saps and Extracts	2,590,966	1,600,934	-38.2%
63 - Other Made-Up Textile Articles and Worn Clothing	1,873,485	1,460,878	-22.0%

38 - Miscellaneous Chemical Products	353,191	1,357,525	284.4%
59 - Coated, Impregnated, Covered or Laminated Fabrics and Industrial Textiles	243,509	990,615	306.8%
40 - Rubber and Articles Thereof	977,079	823,076	-15.8%
62 - Woven Clothing and Articles of Apparel	364,213	503,626	38.3%
85 - Electrical or Electronic Machinery and Equipment	104,067	490,706	371.5%
73 - Articles of Iron or Steel	866,472	413,291	-52.3%

Exports from Saskatchewan to India (Top 10 chapters):

(All Values in US\$)

Top 10 Chapters (HS2Code)	Jan-May 2014	Jan-May 2015	% Change 2015/2014
07 - Edible Vegetables and Certain Roots and Tubers	175,677,302	243,857,482	38.8%
31 - Fertilizers	67,894,525	102,055,474	50.3%
15 - Fats, Oils, Their Cleavage Products and Waxes	13,682	5,379,309	39,216.7%
84 - Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	32,752	871,748	2,561.7%
85 - Electrical or Electronic Machinery and Equipment	14,575	55,931	283.8%
72 - Iron and Steel	--	36,159	--
49 - Printed Books, Newspapers, Pictures, Manuscripts and The Like	--	23	--
10 - Cereals	220,598	--	--
12 - Oil Seeds, Oleaginous Fruits, Industrial or Medicinal Plants, Straw and Fodder	146,999	--	--
09 - Coffee, Tea, Maté and Spices	36,547	--	--

Data Source: Statistics Canada

Annexure-III

Trade Statistics

Alberta-All Countries & India-Alberta total trade in US\$ and its growth (Source of data: Statistics Canada)

Alberta-All Countries

(Value in Thousands of U.S. Dollars)

	Jan-Dec2014	Jan-May 2014	Jan-May 2015	% Change 2015/2014
Exports from Alberta to all countries	110,412,053	46,453,816	32,075,565	-31.0%
Imports to Alberta from all countries	29,223,843	11,682,862	10,155,687	-13.1%
Trade Balance	81,188,210	34,770,954	21,919,879	-37.0%

❖ India- Alberta Bilateral Trade

(Value in Thousands of U.S. \$)

	Jan-Dec2014	Jan-May 2014	Jan-May 2015	% Change 2015/2014
Exports from Alberta to India	123,808	24,166	23,125	-4.3%
Imports to Alberta from India	225,191	91,379	77,529	-15.2%
Total trade between India and Alberta	348,999	115,545	100,654	-12.89%
Trade Balance (favours India)	-101,382	-67,213	-54,404	19.1%

Alberta's total trade & its growth with India by top 10 commodities:

Imports from India to Alberta (Top 10 chapters):

(Value in US Dollars)

Top 10 Chapters (HS2Code)	Jan-May 2014	Jan-May 2015	% Change 2015/2014
84 - Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	17,258,280	13,089,776	-24.2%
73 - Articles of Iron or Steel	23,303,587	12,380,060	-46.9%
13 - Lac, Gums, Resins and Other Vegetable Saps and Extracts	6,703,896	11,064,824	65.0%
63 - Other Made-Up Textile Articles and Worn Clothing	1,622,030	2,377,541	46.6%

68 - Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials	1,870,706	2,181,226	16.6%
40 - Rubber and Articles Thereof	2,487,091	2,136,306	-14.1%
15 - Fats, Oils, Their Cleavage Products and Waxes	1,507,572	1,910,473	26.7%
85 - Electrical or Electronic Machinery and Equipment	1,607,884	1,886,473	17.3%
38 - Miscellaneous Chemical Products	1,937,886	1,800,565	-7.1%
90 - Optical, Medical , Photographic, Scientific and Technical Instrumentation	747,483	1,480,710	98.1%

Exports from Alberta to India (Top 10 chapters):

(Values in US \$)

Top 10 Chapters (HS2Code)	Jan-May 2014	Jan-May 2015	% Change 2015/2014
84 - Nuclear Reactors, Boilers, Machinery and Mechanical Appliances	20,767,006	16,717,795	-19.5%
73 - Articles of Iron or Steel	27,862,607	15,952,787	-42.7%
13 - Lac, Gums, Resins and Other Vegetable Saps and Extracts	8,942,011	11,337,919	26.8%
63 - Other Made-Up Textile Articles and Worn Clothing	2,158,822	2,680,646	24.2%
68 - Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials	2,406,429	2,680,377	11.4%
40 - Rubber and Articles Thereof	3,159,060	2,455,282	-22.3%
85 - Electrical or Electronic Machinery and Equipment	2,323,515	2,330,332	0.3%
15 - Fats, Oils, Their Cleavage Products and Waxes	1,507,572	2,030,037	34.7%
90 - Optical, Medical , Photographic, Scientific and Technical Instrumentation	898,505	1,933,721	115.2%
38 - Miscellaneous Chemical Products	2,095,662	1,889,584	-9.8%

Data Source: Statistics Canada