

Joint Minister's Message

In 2022, our government released the StrongerBC Economic Plan to grow a clean and inclusive economy that works for all British Columbians.

Through the Plan, our government is investing in the skills and talents of British Columbians; working with business to add value to our natural resources; building modern economic infrastructure; and positioning B.C. to lead in a low-carbon future with good jobs and new opportunities across our economy.

A key part of the StrongerBC Economic Plan is expanding and diversifying international markets for B.C.'s sustainable goods and services.

The Trade Diversification Strategy will identify new markets while supporting the expansion of innovative programs and approaches in existing markets. The Strategy will support good jobs, strengthen supply chains, and attract more international investment to B.C. This will strengthen B.C.'s Economy and that makes life better for people throughout the province.

We want to thank all of our partners, community groups, and industry leaders for their invaluable contributions and support in developing this strategy and helping to position B.C. as a world leading powerhouse that is focused on building a clean and inclusive economy that works for everyone.

Together, we are building an economy that works for all British Columbians for today - and for generations to come.



A handwritten signature in black ink that reads "Brenda Bailey".

Brenda Bailey,
*Minister of Jobs, Economic
Development and Innovation*



A handwritten signature in black ink that reads "Jagrup Brar".

Jagrup Brar,
Minister of State for Trade

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B.C.'s Trade Diversification Strategy

B.C.'s Trade Diversification Strategy is an innovative approach to export development and investment attraction. This strategy will leverage B.C.'s competitive edge and chart a new path for increased opportunities to export B.C. products and services into global markets. Through this strategy, we will also solidify B.C.'s position as an exceptional place to invest.

The last three years have been challenging for businesses that rely on international trade. The pandemic and global uncertainties have changed our world and our economies, and highlighted the importance of developing a more robust, diverse, and resilient trading base.

Global markets are evolving in response to dynamic global relationships, climate change and new social and environmental policies. These policies are leading to changes in consumer behavior and industry standards that have created more demand for ethical and sustainable goods and services. As a global leader in Environmental, Social, and Governance (ESG) standards, B.C. businesses have stepped up to that demand, and want to enhance relations with global partners who share similar values.

B.C.'s Trade Diversification Strategy will help set the direction to develop new markets, while expanding in existing markets. Diversifying our global trading opportunities by expanding our reach to new markets where B.C. businesses are competitive will better protect B.C. against international market volatility. This puts B.C. in the best position for economic recovery, and to seize new opportunities for export and investment for B.C. businesses and workers.



THE RISK OF NOT DIVERSIFYING TRADE:

B.C. is known for exporting oysters to Hong Kong. When the COVID-19 pandemic hit, there was a large impact to exports, as seen in 2020 when the total export value went from \$11.9 million to \$7.6 million, a 36% decline from 2019.

DID YOU KNOW?

Since 2012:

78%

of B.C.'s international goods exports have gone to the U.S., China, and Japan.

85%

of international investment into new projects in B.C. has been sourced from the U.S. and countries in Western Europe.

B.C.'s competitive edge:

B.C. is naturally positioned to meet the needs of investors, businesses and trading partners. As the West Coast gateway to Asia and major global centres, B.C.'s location supports our companies' competitiveness in comparison to other jurisdictions. B.C.'s cost-effective connections to global transportation and communications systems, strong and measurable ESG commitments, competitive corporate tax rates, highly skilled global talent and strong focus on growing technology and innovation are additional competitive advantages for B.C. businesses.

The Strategy will allow B.C. to be more responsive to international opportunities and be a leader in supporting an inclusive economy that celebrates the strengths of diverse businesses.

Achieving the Strategy's two major goals - targeting new markets for trade and investment for B.C. businesses and increasing the number and diversity of B.C. businesses that export - will support a stronger, and more resilient economy that works for everyone.

OUR STRATEGY WILL FOCUS ON TWO GOALS:

1

B.C.'s businesses have more trade and investment opportunities in new markets.

2

B.C. has a greater number and diversity of businesses exporting goods and services.

GOAL 1 – B.C. BUSINESSES HAVE MORE TRADE AND INVESTMENT OPPORTUNITIES IN NEW MARKETS.

B.C. businesses already export to over 170 markets worldwide, with the majority of that trade to the United States and China. The Province places great value on the decades of continued partnerships we hold with our global trading partners and these connections help build strong B.C. communities.

The Province has also implemented a network of Trade and Investment representatives who are situated in 19 locations worldwide. These markets are our top export destinations.

We value our trade relationships in these markets and are committed to their continued growth as we pursue entry into new markets. We know that B.C. businesses that trade with multiple global markets have the potential to increase their revenue through exports, and this diversified approach will ensure that B.C. businesses can access new customers and build new relationships, while reducing risk and creating more jobs in our province.

GOAL 2 – B.C. HAS A GREATER NUMBER AND DIVERSITY OF BUSINESSES EXPORTING GOODS AND SERVICES.

B.C. has a small exporting base. There are over 7,500 B.C. business that sell goods to international markets. This represents roughly four per cent of the approximately 200,000 companies in the province that have at least one employee. Despite growth in the number of B.C. businesses over the last five years, the proportion of exporting businesses has remained relatively unchanged.

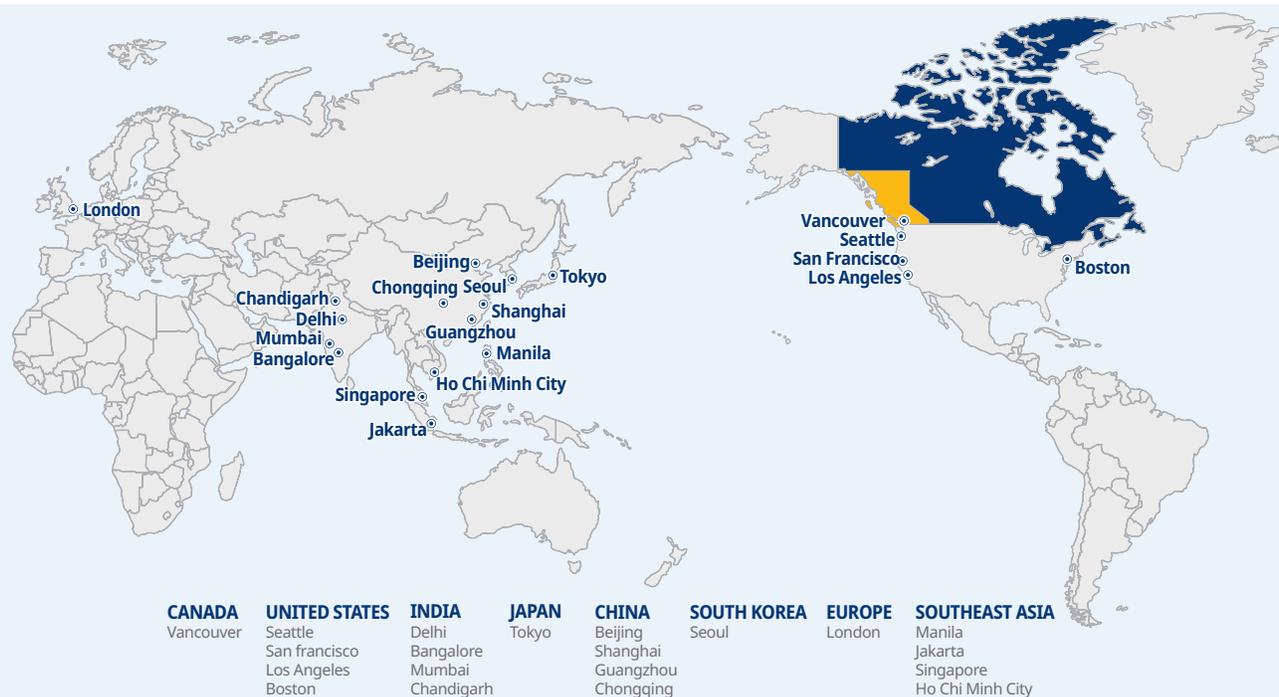
We know that businesses led by Indigenous peoples, as well as other under-represented groups such as women, new immigrants and people of colour are essential to B.C.'s economy.

However, they tend to face unique challenges to participate fully in trade. An inclusive approach to trade will ensure that the unique skillsets, knowledge, products, and services that historically under-represented groups offer are fostered, and B.C. can better capitalize on trade and investment opportunities.

This approach will grow overall participation of B.C. businesses in global trade and ensure that the benefits of trade are shared by all British Columbians by providing access to more international trade opportunities.

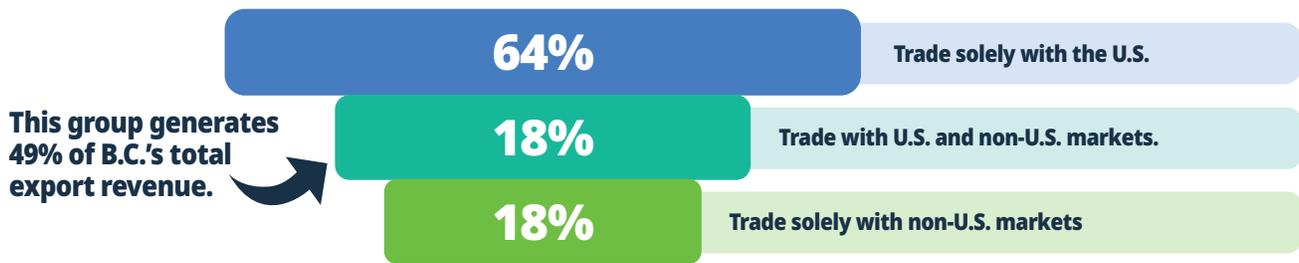
HOW B.C. COMMUNITIES BENEFIT FROM TRADE:

Trade diversification increases international trade opportunities for B.C. businesses. As our businesses grow and achieve success in new global markets, all British Columbians benefit from the jobs and economic growth that are created in communities across the province.



B.C. TRADE WITH GLOBAL MARKETS

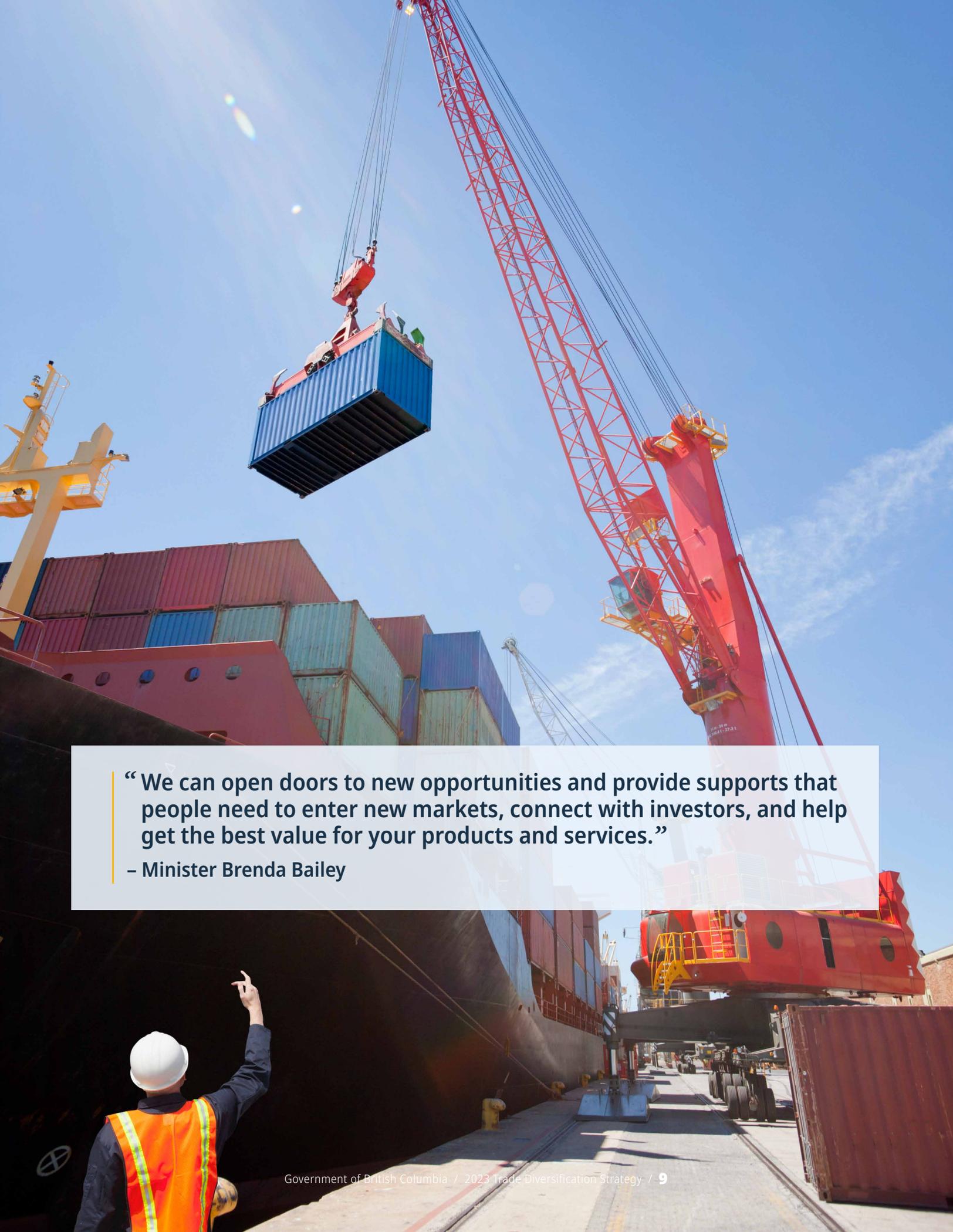
Of the roughly 4% of B.C. businesses that export goods...



UNDER-REPRESENTED GROUPS

This term is used to reference groups who have been historically under-represented in economic and civic life. This term is intended to capture individuals who identify as Indigenous, Black and People of Colour (IBPOC), women, persons with disabilities, 2SLGBTQ+, immigrants, or youth.





“We can open doors to new opportunities and provide supports that people need to enter new markets, connect with investors, and help get the best value for your products and services.”

– Minister Brenda Bailey

Advancing an Innovative, Sustainable, and Inclusive Economy

The Trade Diversification Strategy creates a pathway to supporting clean and inclusive growth – which are the key objectives of our **StrongerBC Economic Plan**. The Strategy supports these objectives by promoting B.C.'s low-carbon goods and services to trade with global partners that share our strong environmental, social, and governance (ESG) values. In turn, this provides opportunities for a greater diversity of B.C. exporters and attracts investment, opportunities, and partners that we want to work with to support B.C.'s bright economic future.

Acknowledging the widespread inequities for Indigenous peoples in B.C., the Strategy seeks to advance reconciliation by ensuring that the social and economic benefits of trade and investment are more inclusive than ever before.

The Trade Diversification Strategy works together with other initiatives in the StrongerBC Economic Plan, such as the:

- **ESG Centre of Excellence:** B.C. businesses will be supported in the development and promotion of environmentally friendly and socially responsible goods, resources, and services to global partners.
- **B.C. First Nations Centre of Excellence for Economic Development:** The Centre is an ambitious project led by B.C. First Nations and supported by the province that advances reconciliation and will facilitate important economic opportunities for B.C. First Nations and the B.C. economy overall.
- **Goods Movement Strategy:** Transportation networks will be improved to ensure goods move as efficiently as possible, and that businesses throughout B.C. have access to trade opportunities.
- **Mass Timber Action Plan:** B.C.'s unique expertise in mass timber products, technologies, and services will be promoted in locations around the world as a responsible, high value use of our abundant renewable natural forest resource.
- **B.C. Hydrogen Strategy:** Production and use of B.C.'s renewable and low-carbon fuels will be accelerated to establish B.C. as a leader in meeting global demand for clean energy.
- **B.C. Centre for Agritech Innovation:** The province will be positioned as a world leader in agricultural technology, helping to improve food security in B.C. and around the world.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

ESG standards promote the consideration, measurement, and reporting of environmental, social, and governance factors, in addition to financial aspects of an investment and or business decision. ESG is a strategy to manage risk and demonstrate measurable progress towards the goals of both clean and inclusive growth. Indigenous values, perspectives, rights and reconciliation can fit within all three ESG pillars.

E

Environment

Focuses on the *stewardship of natural resources and a firm's environmental footprint*. Actions under **E** might include energy and water conservation, carbon emissions, waste, materials, packaging, etc.



S

Social

Focuses on *relationships and communities*. Actions under **S** include diversity and inclusion practices, and labour standards and working conditions.



G

Governance

Is the system and process for *decision-making, accountability, control, and behaviour* in an organization. Good governance cultivates integrity, fosters resilience to a changing environment, and creates value for all partners. **G** is the foundation for success under **E** and **S**.



The Benefits of Diversification

In our small, open economy, strong and sustainable trade benefits all British Columbians. In 2021, the value of international goods and services exports represented 23.5% of B.C.'s GDP, which supports essential services such as our health care, education, parks, and roads. In 2022, international investment into projects in B.C. totaled \$1.89 billion, directly generating new economic activity and jobs, and contributing to productivity growth through transfers of technology and knowledge.

Many of the factors affecting B.C.'s trade performance are outside of a company's or the government's control. Diversification makes B.C. more resilient to market volatility and geographically specific trends and changes.



WHY EXPORT?

Tapping into international markets offers the potential for immense business growth.



GROW SALES AND CUSTOMERS

New markets means new prospects and new sources of revenue.



BROADEN OPPORTUNITIES

New horizons opens the door to expanded product lines and diversification.



INCREASE COMPETITIVENESS

Benefit from economies of scale and resulting innovation potential.

B.C. IS ALREADY DIVERSIFYING ITS EXPORT PORTFOLIO.

The United States is B.C.'s most significant export market, and an important long-standing trade partner. However, a smaller share of our goods exports is destined for the U.S. compared to twenty years ago, which is a signal that international diversification is critical to growing our economy.

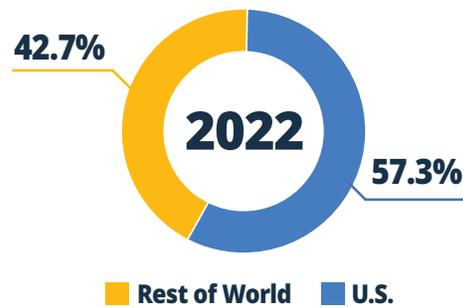
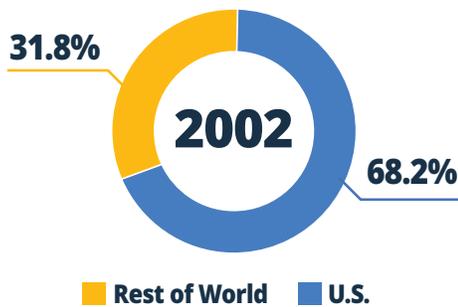
The source of international investment for B.C. companies is also predominantly concentrated in the United States. The U.S. accounted for 57% of B.C.'s inbound international

investment by value, while Western Europe accounted for 28% from 2012-2022.¹ B.C. can leverage its brand as an environmentally and socially responsible jurisdiction with strong governance to increase investment interest from locations where our values align.

Developing new markets for B.C. trade and investment also presents new opportunities for businesses throughout the province that may not have opportunities in our existing markets, including Indigenous businesses.

¹ This figure does not include a \$38.19 billion deal from the Netherlands into LNG Canada.

SHIFT IN B.C. EXPORTS TO THE U.S.



Environmental, Social, and Governance (ESG) in B.C.

Evolving social values have set a global trend in the way business is conducted and transformed how investment strategies are approached. Investors are looking beyond simple financial measurements to understand factors such as inclusion, Indigenous reconciliation, environmentally sustainable practices, and the use of ethically produced materials.

The province is establishing an ESG Centre of Excellence to facilitate ESG investments in B.C., attract socially and environmentally conscious investors, and diversify markets for B.C.'s world-class goods and services under a respected and trustworthy ESG brand.

B.C. is already well aligned with ESG values. We have implemented progressive climate legislation and programs that focus on sustainable resource management and reducing greenhouse gases. We offer inclusive immigration programs, workplace safety and emergency response standards, and prioritize investments in health care and education.



“From including more groups locally, to expanding partners globally—diversifying trade will allow us to be stronger and more resilient to the ever-changing global markets. This is how we’re getting high-quality, made-in-B.C. goods and services out to the world, as we support more good jobs and new opportunities for British Columbians.”

– Minister Jagrup Brar

What We Heard

To create a strategy that works for businesses in B.C., we listened to businesses, industry groups, Indigenous-led organizations, organizations led by other under-represented groups, federal government partners and other key stakeholders from across the province.

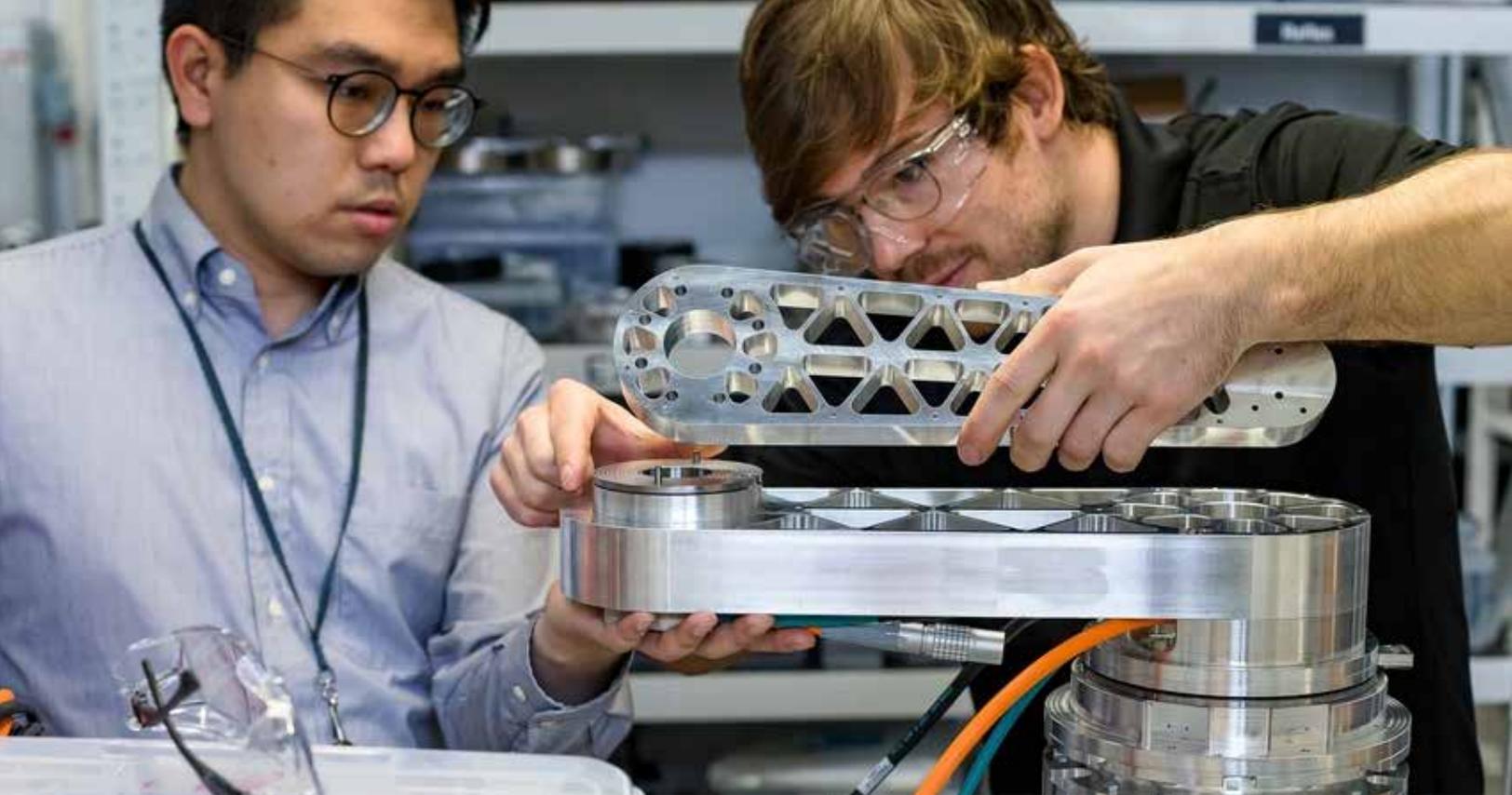
OUR ENGAGEMENT GOALS WERE TO:

- ▶ Build awareness of trade diversification and signal intention to draft a Strategy
- ▶ Understand the trade priorities of B.C. businesses
- ▶ Identify challenges and barriers to trade and investment
- ▶ Identify gaps in supports and programs which businesses need to export and attract international investment

More than 70 participants attended roundtables and engagement sessions about the Trade Diversification Strategy between April and June 2022. Then-Minister of State for Trade George Chow hosted seven virtual roundtable discussions with industry groups, trade associations and community representatives from across the province.

To advance our shared commitments to reconciliation with Indigenous peoples, there were also five focused engagement sessions with Indigenous organizations led by senior staff.





KEY OVERALL INSIGHTS:

- Indigenous communities are interested in long-term economic opportunities that consider their values and will benefit their territories for generations.
- B.C. businesses face challenges when exporting and attracting international investment, including export financing, reliable supply chain infrastructure, and administrative capacity.
- Improved access to export financing and advisory/professional services would be especially helpful to support growth and trade participation of businesses led by Indigenous peoples and other under-represented groups.
- Tradeshaw support and trade missions are important for market entry, helping businesses showcase their products in-market and for identifying potential clients and partners.
- How B.C. is branded is key to our success. We need to leverage the Canada brand and showcase B.C.'s innovative economy and unique position as the Pacific Gateway to Asian markets.
- Government needs to collect better trade data. This includes data on the economic and trade participation of Indigenous communities and businesses, as well as more comprehensive provincial data on services exports.

Market Identification Approach

A robust market evaluation model was developed to ensure new trade and investment opportunities align with B.C.'s values and policy priorities.

A primary objective of this work was to identify opportunities for B.C. to expand trade activity to more markets while we continue to maintain and build trade relationships in the U.S, mainland China and other mature markets (Japan, South

Korea, Germany, U.K., and Netherlands). We value our trade partnerships in these mature markets and wish to maintain our relationships and continue to grow opportunities for B.C. businesses.



DIVERSIFYING OUR MARKETS

TYPE	DEFINITION	MARKETS
Mature	Markets where B.C. has trade & investment representatives and have established markets for B.C. companies. Focus our efforts maintaining and building on trade relationships and growing new opportunities for B.C. companies.	U.S., China, Japan South Korea, Germany, Netherlands, U.K.
Emerging	Markets where B.C. has trade & investment representatives and are still developing markets for B.C. companies. Focus our efforts on amplifying and enhancing trade relationships and fostering growth for B.C. products, services and investment opportunities.	India, Philippines, Indonesia, Singapore
New	Markets with clear and present export and/or investment attraction opportunities and commercial promise in multiple sectors for B.C. companies. Focus our efforts on building new trade relationships, amplifying existing commercial engagements and supporting market entry for B.C. companies.	Vietnam, Taiwan, Mexico

B.C.'S PRIORITY MARKETS FOR TRADE AND INVESTMENT



Existing Markets

B.C. has trade and investment representatives in our emerging and mature markets.

In our emerging markets (India, the Philippines, Indonesia and Singapore), we are focused on further developing our networks to establish a strong B.C. presence. Continued action in these markets is important because they offer strong alignment with opportunities for sustainable economic growth in B.C.

In our mature markets, the Province will continue to build the existing networks, strengthen government-to-government relationships, and enhance access to market opportunities that will support B.C. businesses.

In all our existing markets, we will also continue to leverage Canada's international resources to support B.C. businesses, including Canadian embassies, consulates and Trade Commissioner service.

New Markets

To identify new, high-potential markets, the Strategy used a multi-step market identification process to assess markets across a range of indicators. Fifty markets were evaluated to assess which markets presented a strong "fit" for B.C. as a trading partner based on:

- Trade agreements and partnerships
- Economic, political, and cultural factors
- Trade indicators
- High growth potential
- Strategic location

This approach considered not only economic growth but also alignment with B.C.'s values and policy priorities and identified markets where B.C. can grow. Through this rigorous assessment, Mexico, Taiwan and Vietnam were identified as three immediate high potential markets for export, with Taiwan also demonstrating significant investment potential.

Actions in these markets will leverage our strong relationship with the Government of Canada, including with PacifiCan and Global Affairs Canada, to advance B.C.'s trade priorities and open new opportunities for B.C. exporters in many key sectors.

EXPORT AND INVESTMENT OPPORTUNITIES FOR B.C. SECTORS IN NEW MARKETS



MEXICO

- Agrifood
- Agritech
- Clean Technology
- Information and Communications Technology
- Mining



TAIWAN

- Agrifood
- Clean Energy
- Clean Technology
- Forestry
- Industrial Manufacturing
- Information and Communications Technology
- Life Sciences



VIETNAM

- Aerospace
- Agrifood
- Agritech
- Clean Technology
- Forestry
- Information and Communications Technology
- Life Sciences

Action Plan

The Strategy's goals will be accomplished through clear and purposeful actions designed to support B.C. businesses at all stages of trade readiness. Specific consideration will be given to supporting B.C. businesses to expand to new markets. In addition, the action plan focuses on how the Province can better support businesses led by Indigenous peoples, women, new immigrants, and other under-represented groups. These actions will involve working across ministries and with the federal government and industry, as well as partnering with organizations led by Indigenous groups and other under represented groups.

B.C. businesses have more trade and investment opportunities in new markets.

- Establish B.C. trade and investment staff in Mexico, Taiwan and Vietnam.
- Deliver strategic export and investment initiatives.
- Strengthen bilateral relationships and strategic partnerships to support the export of B.C. goods and services and the attraction of investment.
- Host information sessions for both B.C. exporters and prospective international investors to promote business and investment opportunities.
- Help B.C. businesses showcase their export products and services.
- Deliver business literacy webinars and share trade readiness material, to increase awareness of opportunities in Mexico, Vietnam and Taiwan and specifically address the benefits of Free Trade Agreements and inclusivity.

B.C. has a greater number and diversity of businesses exporting goods and services.

- Provide tailored export and investment attraction supports for B.C. businesses and sector associations in B.C.'s priority markets.
- Provide access to professional advisory services to qualified B.C. exporters.
- Through the Trade Accelerator Program, support export-ready under-represented business owners to expand their international business development and increase export revenue.
- Partner with Indigenous-led economic development groups and Indigenous-led business accelerators to enhance export and investment programming within their offerings to Indigenous businesses.
- Partner with under-represented businesses and representative organizations to enhance export and investment programming and address barriers to exporting.
- Through the Export Navigator program, enhance services to under-represented businesses across the province.



Export Navigator

Export Navigator offers free expert guidance to businesses on exporting. Clients are matched with an advisor, who guides and supports them through each step of the export process. Export Navigator has regional advisors based across the province and dedicated advisors for women and Indigenous business owners.



Trade Accelerator Program (TAP) is a five-day program offered through the World Trade Centre Vancouver. The program offers participants with strategy, resources, and mentorship to develop and implement an export plan for their business. TAP is open to all small and medium-sized businesses (SMEs) and offers cohorts specifically for SMEs led or owned by women and Indigenous persons, as well regional and sector-focused.

Measuring Progress

The Province is committed to enhancing the quality and availability of data for ongoing monitoring and measuring progress toward the goals of this strategy.

SUCCESS FACTORS INCLUDE:

- B.C.'s export and investment services are offered in new markets.
- B.C. businesses have increased export and investment opportunities in new and existing markets.
- B.C. businesses have access to the information and support to participate in export and investment opportunities.
- Indigenous businesses have access to trade programming that reflects their interests and needs in pursuing export and investment opportunities.
- More B.C. businesses are exporting or seeking investment from multiple markets.
- The benefits and opportunities of trade are widely shared, including with historically under-represented groups, such as businesses owned by women, Indigenous and People of Colour.
- The Province, businesses and sector associations have a better understanding of B.C.'s international trade in services, including services export opportunities.



Summary

The Government of British Columbia is working to ensure trade and international investment attraction support resilient, sustainable economic growth in our province that benefits British Columbians. Our major focus is on supporting B.C. businesses to realize opportunities in new and emerging international markets and increasing the number and diversity of B.C.'s exporting businesses.

The Strategy provides benefits to British Columbians including:

- ▶ More B.C. products and services being exported to new and emerging markets, creating a more balanced and diverse customer base.
- ▶ More widespread participation by B.C. businesses in international trade including Indigenous communities and other groups historically under-represented in exporting and international investment attraction.
- ▶ Attracting investment that aligns with our social, environmental, and governance values. Growing global profile for B.C. as a supplier of innovative goods and services that reduce carbon emissions and support environmental responsibility.

Each of these benefits will support B.C. businesses to grow with a diversified customer base that will encourage growth and the creation of more good-paying, sustainable jobs for British Columbians.

The Province of B.C. appreciates the invaluable input provided from our new and existing partners, community groups, and industry leaders in developing this strategy, and will ensure their voices continue to be heard as we set the direction for increased opportunities to export our products and services, as well as for attracting international investment to support businesses in our province.



StrongerBC

for everyone

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