



# THE SCHOOL OF PUBLIC POLICY

---

## MASTER OF PUBLIC POLICY CAPSTONE PROJECT

Where Do We Go From Here?

A Quantitative Analysis of Alberta's Foreign Office Network

**Submitted by:**

Lindsey Garner-Knapp

**Approved by Supervisor:**

Dr. Eugene Beaulieu

Submitted in fulfillment of the requirements of PPOL 623 and completion of the requirements for the Master of Public Policy degree



# THE SCHOOL OF PUBLIC POLICY

---

## Acknowledgements

There are a number of individuals who have contributed to my work on this capstone and for whom I would like to express my gratitude. First of all I would like to thank Dr. Eugene Beaulieu, my supervisor the strong impact he has had on my research topic. I would also like to thank Dr. Beaulieu for his academic guidance, research support, and encouragement to always strive for improvement. I am grateful for the comments and suggestions that Dr. J-S Rioux offered in the early draft of this paper, as well.

I would like to express my gratitude to the Alberta Legislative Library and the Provincial Archives of Alberta for their assistance in finding government documents and assistance in each facility. I am grateful to have these facilities in our province and to have the generous staffs that are able to answer questions, emails, and telephone calls quickly and accurately.

Finally, I would like to express my utmost gratitude to my husband and our two boys. Your patience, faith, support, and hot cups of tea have helped me a lot. Thank you.



# THE SCHOOL OF PUBLIC POLICY

---

## TABLE OF CONTENTS

1. Executive Summary	1
2. Introduction	3
3. Literature Review	5
3.1 Alberta International Offices Abroad	5
3.2 Performance Indicators	10
3.3 Alberta Trades	13
3.4 Diversification through Foreign Missions	23
4. Methodology	30
5. Findings	32
5.1 Method I	32
5.2 Method II	40
5.3 Method III	48
6. Policy Implications	58
7. References	65
8. Appendices	70



# THE SCHOOL OF PUBLIC POLICY

## Capstone Executive Summary

The *raison d'être* for Alberta's foreign office network is to find new opportunities and build partnerships internationally. The Government of Alberta, like other provinces, maintains foreign offices as part of a set of strategies to help firms navigate the intricate international market, promote Alberta industry capabilities and expertise to potential investors, provide timely policy and trade information back to the Ministry of International and Intergovernmental Relations, and endorse Alberta as a world-leader in environmental standards globally.<sup>1</sup> The joint effort of these strategies suggest that these offices are aimed at fostering sustainable economic growth for the province, so how well is the government doing at meeting that goal?

Alberta's new NDP government has briefly made reference to a commitment to diversifying and expanding the Alberta economy,<sup>2</sup> but has not yet revealed their foreign strategy or a mandate direction for the Ministry of IIR, so there is an opportunity to review Alberta 45 year paradiplomatic strategy. At present, the Government of Alberta supports eleven foreign offices in eight countries under the Ministry of IIR with an annual budget of \$10.932 million annually.<sup>3</sup> Alberta currently maintains international office: Alberta China Office; Alberta Shanghai Office; Alberta Hong Kong Office; Alberta Taiwan Office; Alberta Japan Office; Alberta Korea Office; Alberta Singapore Office; Alberta India Office; Alberta United Kingdom

---

<sup>1</sup> "Alberta International Offices: Business Report, 2012-13" *Alberta Canada*, accessed November 20, 2014, [www.international.alberta.ca/documents/ABIInternationalOfficeReport.pdf](http://www.international.alberta.ca/documents/ABIInternationalOfficeReport.pdf)

<sup>2</sup> Rachel Notley, "Message from the Minister of International and Intergovernmental Relations," *In 2014-2015 IIR Annual Report, Alberta Canada*, (2015), p. 3

<sup>3</sup> "Alberta International Offices: Business Report, 2013-14." *Government of Alberta: Ministry of International and Intergovernmental Relations*, 2015.



# THE SCHOOL OF PUBLIC POLICY

Office; Alberta Mexico Office; and Alberta Washington Office. Alberta tax payers are footing the bill, and in an ideal world are receiving some (economic) benefit from them. The million dollar question then is do these offices *actually* create benefits and greater exports for the province?

In order to tackle the question of whether Alberta foreign office networks are effective at growing Alberta's exports, I construct three different measures of trade concentration using bilateral trade data: longitudinal analysis, mid-point time series analysis, and foreign office change analysis. Using trade data and each country's GDP from 1990 to 2014, I compare the percentage change of exports and share of GDP for both Alberta and Canada to the various foreign office countries. Over this time period, Alberta, Canada, and the global economy have experienced several booms and busts. As a means of identifying Alberta specific trends, I use the same methodology but at a national level for comparison. This approach allows for a synchronic analysis of the trade data. The results from the three different measure of trade concentration using bilateral trade data - longitudinal analysis, mid-point analysis, and foreign office change analysis – show that there is mixed results in maintaining foreign offices with respect to generating increased exports.

The reality of international trade is that these trading patterns are in essence the decisions that have been made by individual decision makers who are meeting the demands of consumers globally.<sup>4</sup> As a result, provinces may have changes in exports to a country because a consumption demand exists that domestic firms are responding to. This paper only looks at

---

<sup>4</sup> Eugene Beaulieu and Yang Song, "What Dependency Issues?," p. 1



# THE SCHOOL OF PUBLIC POLICY

---

foreign office locations but exports are determined by market forces and other factors such as distance, economic size, and historical partnerships. Moving forward I suggest the completion of a more rigorous gravity model analysis including qualitative and quantitative data from foreign office services uses and non-users.

# **Table of Contents**

1. Executive Summary	1
2. Introduction	3
3. Literature Review	5
3.1 Alberta International Offices Abroad	5
3.2 Performance Indicators	10
3.3 Alberta Trades	13
3.4 Diversification through Foreign Missions	23
4. Methodology	30
5. Findings	32
5.1 Method I	32
5.2 Method II	40
5.3 Method III	48
6. Policy Implications	58
7. References	65
8. Appendices	70

## Section 1: Executive Summary

The *raison d'être* for Alberta's foreign office network is to find new opportunities and build partnerships internationally. The Government of Alberta, like other provinces, maintains foreign offices as part of a set of strategies to help firms navigate the intricate international market, promote Alberta industry capabilities and expertise to potential investors, provide timely policy and trade information back to the Ministry of International and Intergovernmental Relations, and endorse Alberta as a world-leader in environmental standards globally.<sup>1</sup> The joint effort of these strategies suggest that these offices are aimed at fostering sustainable economic growth for the province, so how well is the government doing at meeting that goal?

Alberta's new NDP government has briefly made reference to a commitment to diversifying and expanding the Alberta economy,<sup>2</sup> but has not yet revealed their foreign strategy or a mandate direction for the Ministry of IIR, so there is an opportunity to review Alberta 45 year paradiplomatic strategy. At present, the Government of Alberta supports eleven foreign offices in eight countries under the Ministry of IIR with an annual budget of \$10.932 million annually.<sup>3</sup> Alberta currently maintains international office: Alberta China Office; Alberta Shanghai Office; Alberta Hong Kong Office; Alberta Taiwan Office; Alberta Japan Office; Alberta Korea Office; Alberta Singapore Office; Alberta India Office; Alberta United Kingdom Office; Alberta Mexico Office; and Alberta Washington Office. Alberta tax payers are footing the bill, and in an ideal world are receiving some (economic) benefit from them. The million

---

<sup>1</sup> "Alberta International Offices: Business Report, 2012-13" *Alberta Canada*, accessed November 20, 2014, [www.international.alberta.ca/documents/ABInternationalOfficeReport.pdf](http://www.international.alberta.ca/documents/ABInternationalOfficeReport.pdf)

<sup>2</sup> Rachel Notley, "Message from the Minister of International and Intergovernmental Relations," *In 2014-2015 IIR Annual Report, Alberta Canada*, (2015), p. 3

<sup>3</sup> "Alberta International Offices: Business Report, 2013-14." *Government of Alberta: Ministry of International and Intergovernmental Relations*, 2015.



dollar question then is do these offices *actually* create benefits and greater exports for the province?

In order to tackle the question of whether Alberta foreign office networks are effective at growing Alberta's exports, I construct three different measures of trade concentration using bilateral trade data: longitudinal analysis, mid-point time series analysis, and foreign office change analysis. Using trade data and each country's GDP from 1990 to 2014, I compare the percentage change of exports and share of GDP for both Alberta and Canada to the various foreign office countries. Over this time period, Alberta, Canada, and the global economy have experienced several booms and busts. As a means of identifying Alberta specific trends, I use the same methodology but at a national level for comparison. This approach allows for a synchronic analysis of the trade data. The results from the three different measure of trade concentration using bilateral trade data - longitudinal analysis, mid-point analysis, and foreign office change analysis – show that there is mixed results in maintaining foreign offices with respect to generating increased exports.

The reality of international trade is that these trading patterns are in essence the decisions that have been made by individual decision makers who are meeting the demands of consumers globally.<sup>4</sup> As a result, provinces may have changes in exports to a country because a consumption demand exists that domestic firms are responding to. This paper only looks at foreign office locations but exports are determined by market forces and other factors such as distance, economic size, and historical partnerships. Moving forward I suggest the completion of a more rigorous gravity model analysis including qualitative and quantitative data from foreign office services users and non-users.

---

<sup>4</sup> Eugene Beaulieu and Yang Song, "What Dependency Issues?," p. 1

## Section 2: Introduction

*“To seize international opportunities, Alberta and Albertans need to be attuned to the world and engaged in the international community. The international relations division is focused on increasing Alberta’s visibility and enhancing our connections around the world. By reaching out beyond our borders, Albertans will have more opportunities at home and abroad.”<sup>5</sup>*

In May 2015, the forty-four year Progressive Conservative dynasty ended when the electorate voted in a majority Alberta New Democratic Party with Rachel Notley as Premier. Shortly after the election, Premier Notley became self-appointed Minister of International and Intergovernmental Relations (IIR) for the province. The Ministry is responsible for managing and advancing “Alberta’s regional, national and global relationships and opportunities.”<sup>6</sup> One of the ways the Ministry of IIR has achieved this goal is through the foreign office network.

Alberta’s foreign office network is comprised of eleven offices in eight countries and over three continents. Alberta currently maintains international office: Alberta China Office; Alberta Shanghai Office; Alberta Hong Kong Office; Alberta Taiwan Office; Alberta Japan Office; Alberta Korea Office; Alberta Singapore Office; Alberta India Office; Alberta United Kingdom Office; Alberta Mexico Office; and Alberta Washington Office (office summary available in Appendix I). Alberta has a near century long history in sub-state engagement in international affairs with the posting of an Alberta Agent-General in London, England in 1925. However, the foreign office network as it exists today is a result of the establishment of the

---

<sup>5</sup> “2014-2015 International and Intergovernmental Relations Annual Report,” *Government of Alberta*, 2015 <http://www.international.alberta.ca/documents/IIRAnnualReport-2014-2015.pdf>.

<sup>6</sup> Rachel Notley, “2014-2015 IIR Annual Report,” p. 6

Department of Federal and Intergovernmental Affairs in 1972 which had significant paradiplomatic responsibilities including international, cultural and economic affairs.<sup>7</sup>

The new NDP government has not presented their international strategy, but the state of the province's economy will play a critical role in Premier Notley's decision on how to proceed. Over the past few years, Alberta has experienced both political and economic shocks. The provincial government has had four leaders in quick succession with the most recent election resulting in a substantial and significant change in party representation. This instability has been compounded (and perhaps causally related) by a drop in oil prices. It is important to note that Alberta's economy has been dependent on the production and export of oil and gas. In 2013, Alberta's exports included 74% energy and 8% chemicals and plastics<sup>8</sup> so as a consequence, Alberta's energy dependent economy is struggling.

One of the problems in Alberta is that the above economic forecasts are based on an oil price at around \$75/bbl., and we are currently is hovering around 50s/bbl. The impact of lower than forecasted oil prices means that some investors will be reducing their spending in Alberta and province's revenues would decline. Justin Giovannetti with The Globe and Mail stated that "low oil prices could cut Alberta's revenue by \$7 billion next year [2015]."<sup>9</sup> To remain competitive on the international market, it is even more important to have a successful resource exportation strategy to get Alberta commodities to market, and also that Alberta's budget may be reduced to accommodate the current economic situation.

---

<sup>7</sup> "International and Intergovernmental Relations, 1972-Present," *An Administrative History of the Government of Alberta: 1905-2005* (Alberta: Provincial Archives of Alberta, 2006), 398.

<sup>8</sup> "Alberta's Exports in 2013." *Alberta International and Intergovernmental Relations Trade Statistics* Text Archive. Accessed November 29, 2014. <http://international.alberta.ca/608.cfm>.

<sup>9</sup> Justin Giovannetti, "Low Oil Prices Could Cut Alberta Revenue by \$7 Billion, Prentice Says," *EDMONTON – The Globe and Mail*, December 9, 2014, Accessed December 10, 2014, <http://www.theglobeandmail.com/news/alberta/low-oil-prices-will-punch-huge-hole-in-alberta-budget-prentice-says/article22015643/>.

Alberta's current NDP government has briefly made reference to a commitment to diversifying and expanding the Alberta economy,<sup>10</sup> but has not yet revealed their foreign strategy or a mandate direction for the Ministry of IIR, so there is an opportunity to review Alberta 45 year paradiplomatic strategy. At present, the Government of Alberta supports eleven foreign offices under the Ministry of IIR with an annual budget of \$10.932 million annually.<sup>11</sup> The million dollar question then is do these offices *actually* create more trade, opportunities, and affluence for Albertans?

The Ministry of IIR has created a list of performance indicators that have been revised but used continuously over the past several decades to show the progress and strength of the foreign office network. I have reviewed the ministry history, performance indicators, and internal accountability publications and find them to be a weak assessment of the performance of the foreign office network. These documents principally summarize the efforts and inputs of each office creating a historical annual review but provide little to no indication on the offices' success of meeting mandated objectives. This paper provides a background on the foreign office network, outline the previous government's international objectives and the economic environment, complete an economic trade analysis comparing markets with and without foreign offices, and conclude with informed recommendations on how the Ministry of International and Intergovernmental Relations should proceed with their foreign office network.

### **Section 3: Literature Review**

#### **3.1 Alberta International Offices Abroad**

Over the past four decades, the Province of Alberta has been opening offices internationally to create an Albertan presence and to support the growth of economic trade in the

---

<sup>10</sup> "2014-2015 IIR Annual Report," p. 3

<sup>11</sup> "Alberta International Offices: Business Report, 2013-14." *Government of Alberta: Ministry of International and Intergovernmental Relations*, 2015.

global economy. Establishing sub-state foreign presences is not unique to Alberta but in Canada was a practice initiated by the Province of Quebec in the 1960s.<sup>12</sup> Although Quebec's aspirations for constructing a foreign presence was motivated by separatist ambitions – more commonly referred to as protodiplomacy – Alberta along with Ontario, British Columbia, and Saskatchewan have foreign policies that parallel that of Canada's diplomatic objectives – hence paradiplomacy<sup>13</sup> Alberta's foreign office network is part of a larger set of foreign strategies including trade missions to NATO partners and developing countries all aimed at promoting Alberta's, and consequently Canada's, economy.

The Government of Alberta established the Department of Federal and Intergovernmental Affairs in 1972 – an earlier incarnation of the Ministry of International and Intergovernmental Affairs – and assumed responsibility for three offices located outside of Canada upon its formation. The largest of the three was an office in London, England which has had an Alberta Agent-General posting dating back to 1925.<sup>14</sup> The other two smaller offices, Los Angeles which was open between 1962 and 1992, and Tokyo which opened in 1970 and is still operating, were focused on promoting trade with Albertans.<sup>15</sup> The department also assumed an intergovernmental office located in Ottawa, which has had provincial representation dating back to the early 1930s, and was predominantly a federal communication liaison posting.<sup>16</sup> Over the next decade, the Department assumed responsibility for these three foreign offices and increased Alberta's presence abroad by opening an office in Hong Kong in 1980, Houston, Texas in 1982, New York

---

<sup>12</sup> Andre Lecours, "Paradiplomacy: Reflections on the Foreign Policy and International Relations of Regions," *International Negotiations* 7 (2002): 91-114; James T. McHugh, "Paradiplomacy, Protodiplomacy and the Foreign Policy Aspirations of Quebec and Other Canadian Provinces," *Canadian Foreign Policy Journal* (2015): 1.

<sup>13</sup> James T. McHugh, "Paradiplomacy, Protodiplomacy and the Foreign Policy Aspirations of Quebec and Other Canadian Provinces," 1.

<sup>14</sup> "International and Intergovernmental Relations, 1972-Present," *An Administrative History of the Government of Alberta: 1905-2005*, (Edmonton, AB: Provincial Archives of Alberta, 2006): 398.

<sup>15</sup> "International and Intergovernmental Relations, 1972-Present," p. 398.

<sup>16</sup> "International and Intergovernmental Relations, 1972-Present," p. 397.

City, New York also in 1982, and Seoul, South Korea in 1988 (see Appendix II for more office opening and closures).<sup>17</sup>

The Government of Alberta has maintained offices in both Ottawa (periodically between 1930-2014) and Toronto (1975-1984) as part of the Department of Federal and Intergovernmental and subsequently the Ministry of International and Intergovernmental Relations. These ministry's functional responsibilities were to advise the minister on policies and actions of other provinces, territories, federal agencies and departments, and other countries.<sup>18</sup> The responsibilities and foci of Alberta's interprovincial offices, including the Ottawa and Toronto based offices, are substantially different than those of the foreign offices and so I will not include these in my research.

Alberta's foreign offices have been under the responsibility of three different provincial ministries but have had a consistent mandate to promote Alberta's economic presence abroad through trade and trade policy promotion. The three corporate bodies that governed Alberta's foreign offices include the Department of Federal and intergovernmental Affairs (1971-1997), the Department of Intergovernmental and Aboriginal Affairs (1997-1999), and the Ministry of International and Intergovernmental Relations (1999-present).

Alberta currently maintains eleven foreign offices: Alberta-China, Alberta-Shanghai, Alberta-Hong Kong, Alberta-India, Alberta-Japan, Alberta-Korea, Alberta-Mexico, Alberta-Singapore, Alberta-Taiwan, Alberta-United Kingdom, and Alberta-Washington D.C. These international offices offer four main services: "1) Helping Alberta companies enter new markets by providing introductions to key business contacts, 2) Promoting Alberta's industry capabilities and expertise to potential investors, 3) Strengthening intergovernmental relations and providing

---

<sup>17</sup> "International and Intergovernmental Relations, 1972-Present," p. 398.

<sup>18</sup> "International and Intergovernmental Relations, 1972-Present": 397-98.

timely information on international, political and economic developments; and 4) Disseminating information about Alberta's world-leading environmental standards and practices to a global audience."<sup>19</sup> One of the main overarching goals of the foreign office network is to remove the exporter's sunk costs of trading internationally.

Not everybody is convinced of Alberta's commitment to funding a foreign office network or that there is even a need for government spending on international networking. Critics of Alberta's foreign office network have argued that foreign offices postings are simply "plum patronage appointments" and that these offices are a government funded lobby group for Alberta oil sands development.<sup>20</sup> A second opposing view to provincial foreign offices is that the federal government is responsible for international affairs not sub-state actors like the Government of Alberta. Consequently, Alberta and Albertans should rely on the federal government to be responsible for diplomatic and international trade responsibilities.

The Canadian Trade Commissioner Services (TCS), which falls under the Government of Canada's Department of Foreign Affairs and Trade Development (DFATD) has a similar list of export services. The TCS offers expert knowledge of international markets as well as a superior network of business contacts globally. They also support Canadians successfully navigate international markets specifically assistance with developing exports, establishing Canadian companies abroad, cultivating joint-ventures, strategic alliances, and technology and R&D partnerships.<sup>21</sup> The TCS has a much larger presence abroad than Alberta with 161 offices abroad and 11 trade offices in Canada each focused on helping Canadians achieve their international

---

<sup>19</sup> "Alberta International Offices: Business Report, 2012-13" *Alberta Canada*

<sup>20</sup> James Wood, "Experts Expected New NDP Government to Look Hard at Alberta Government's Foreign Offices," *Calgary Herald* (May 30 2015), <http://calgaryherald.com/news/politics/experts-expect-new-ndp-government-to-look-hard-at-alberta-governments-foreign-offices>

<sup>21</sup> "The Canada Trade Commissioner Service: What We Can Do For You," *Government of Canada* Date Modified 2015, <http://www.tradecommissioner.gc.ca/eng/how-tcs-can-help.jsp>

business goals.<sup>22</sup> See Appendix III for a list of countries with TCS foreign offices. Nonetheless, it has been argued that DFATD and the TCS are focused on a broader diplomatic national interest<sup>23</sup> and not individual provinces' interests which creates a gap in information provided to international markets. Anecdotal evidence from one of Alberta's Executive Directors in IIR said that Alberta's foreign offices abroad were created out of a perceived need to represent the province of Alberta alongside the government of Canada internationally. This individual also suggested that the government of Canada has a responsibility to represent the interests of Canada as a whole and not necessarily the particular interests of each province or territory individually.

As a means of dealing with this gap in provincial focus, Alberta's foreign offices function as interlocutors between Albertan exporters, foreign industries and governments. With an aim of improving the quality of life for Albertans, the IIR International offices abroad are mandated to focus on eight strategic areas: 1) "Trade Promotion, 2) Investment, 3) Advocacy, 4) Skilled work/immigration attraction, 5) Education/post-secondary education promotion, 6) Tourism promotion, 7) Incoming missions & Premier/Ministers' missions, and 8) Science and research partnerships."<sup>24</sup> To ensure these strategic areas remain priorities, the Ministry of International and Intergovernmental Relations (IIR) has outlined a list of performance indicators on which to evaluate the progress of each foreign office.

---

<sup>22</sup> "The Canadian Trade Commissioner Service: Trade Offices in Canada," *The Government of Canada*, Modified 2015, <http://www.tradecommissioner.gc.ca/eng/offices-in-canada.jsp>

<sup>23</sup> DFATD's mandate is to "manage Canada's diplomatic and consular relations, to encourage the country's international trade and to lead Canada's international development and humanitarian assistance" "About the Department" *Government of Canada*, Modified 2015, <http://www.international.gc.ca/department-ministere/index.aspx?lang=eng>

<sup>24</sup> "International Market Access: Helping Alberta Companies Compete Globally," *Alberta Canada Alberta International and Intergovernmental Relations*, May 2014, <http://www.albertacanada.com/files/albertacanada/MarketAccessOutreachTour-Presentation.pdf>.



### 3.2 Performance Indicators

To answer the question, does Alberta's foreign office network meet their goals and objectives, I review their performance indicators. The mission of the Ministry of IIR is to coordinate "Alberta's relationships with governments across Canada and around the world; and on behalf of Albertans, enhance Alberta's natural and international presence in areas such as export development, investment attraction and government relations."<sup>25</sup> To support IIR's mission, the Government maintains a foreign office network where each office is focused on particular regional demands while supporting Alberta and Albertan's interests abroad. The Ministry of IIR has tried to quantify its own successes using different proxies including narrative records of performance (including Annual Reports and trade mission reports), comprehensive surveys (Client Satisfaction Surveys), intermediate outcomes or progress reports (Progress Reports to Premiers), secondary economic and socio-demographic indicators, and polling.

To ensure the Ministry and its IIR Offices are of benefit to Albertans, the Ministry publishes an annual report. Even though the IIR produces the *Alberta International Office Report*, this document fails to provide quantifiable justification for maintaining any of the IIR Offices (i.e. broad goals, lack of accounting details, or improved trade details). See Appendix IV for an example of the *Output Measures*. Instead, this document describes the locations of current offices, the Ministry's objectives for the offices, the potential areas for future offices. These output measures have been justified by the Ministry on the grounds that "IIR's goals are focused on the long-term, and our success depends on many factors and other players in addition to the ministry itself. Results often take many years to achieve, and are measured in non-numerical

---

<sup>25</sup> "About the Ministry," *Alberta: International and Intergovernmental Relations*, Accessed 2014, <http://www.international.alberta.ca/572.cfm>.

ways.”<sup>26</sup> The performance measures used to evaluate the success of the foreign office network are input measures, but the goals and objectives of the network are better measured through output measures (i.e. increased trade, diversified markets, diversified economy, etc.). Later I will address the long-term economic impacts of the foreign office network in my results section.

Donald J. Savoie, who holds the Canada Research Chair in Public Administration and Governance at the Université de Moncton and is highly regarded as an expert in Canadian public administration, argues that “no one has been able to identify “outcomes” from programs designed to improve the social or economic well-being of individuals, and it is highly unlikely that anyone will, at least in the foreseeable future.”<sup>27</sup> Savoie’s argument can be made for Alberta’s IIR offices abroad when looking at the documents that are published from the Ministry of IIR. This has been the experience of senior public servant. An Executive Director of the Alberta Foreign Office for Alberta’s International and Intergovernmental Relations stated that creating program reviews on the IIR Offices poses a particular problem in that these offices are predominantly agencies dedicated to creating networks between Albertans and foreign investors, as well as create export options for Albertans. He stated several times that it is difficult to quantify the value of the offices in terms of hard number, for example networks created or an increase in net exports, because front-line workers are focused on creating a platform to bring potential firms, politicians, political groups, and individuals together to discuss their interests.<sup>28</sup>

---

<sup>26</sup> “27<sup>th</sup> Annual Report,” *Government of Alberta: International and Intergovernmental Relations: Also Responsible for Aboriginal Affairs*, March 2000, 30.

<sup>27</sup> Donald J. Savoie, *Whatever Happened to the Music Teacher? How Government Decides and Why*. (Montreal: McGill-Queen’s University Press, 2014): 234. Savoie suggests that bureaucratic management practices in the past thirty-five years have created a growth in the public sector while using tools such as program evaluations and performance reviews as a means of maintaining high standards and fiscal responsibility but these tools tend to create larger bureaucracies, new departments, and more information that cannot be simplified.

<sup>28</sup> Executive Director of an Alberta foreign Office, interviewed by Lindsey Garner-Knapp, Alberta International and Intergovernmental Relations Office Edmonton, October 24, 2014.

Even after an event, employees can poll how many networks each person created, but it is almost impossible to extrapolate hard data from those initial polls.

The Ministry of IIR has published several reviews on the foreign office network over its forty-five year history; none of these reports has successfully quantified the economic benefit of the network to Albertans or the Alberta economy.<sup>29</sup> At the federal level however, the TCS has conducted an examination of the performance of Canadian exporters using newly available “Statistics Canada’s Exporter Register that links Canadian international trade transitions to longitudinal data on Canadian firms.”<sup>30</sup> The results from the TCS’s analysis suggest that users of the TCS exported 18 percent more than non-users and those users also exported to 36 percent more international markets.<sup>31</sup> The services offered by the TCS are similar to those of Alberta’s foreign offices including networking opportunities, localized market knowledge, trade shows, and help accessing global value chains.<sup>32</sup> Because there is an overlap in services, it is possible to suggest that the province is duplicating services but also that Alberta’s performance may have similar positive result as above but for Albertans.

The TCS also argues that that “sunk costs associated with market entry are the main reason for low export market participation by domestic firms.”<sup>33</sup> Some of these sunk costs are remedied by both Alberta’s foreign office networks and the TCS. The sunk costs listed by TCS include “the cost of obtaining market information for foreign countries, identifying foreign

---

<sup>29</sup> “Alberta’s Foreign Offices: An Overview,” *Government of Alberta* (April 1987): 1-22; Dennis Anderson and John Oldring, “Alberta Windows: A Report on Alberta’s Foreign Offices and Their Potential,” *Government of Alberta* (May 1993): 1-19; Alberta Foreign Offices Review Committee, “Final Report to The Minister or International & Intergovernmental Relations on Alberta’s International Office Network,” *Government of Alberta* (2007): 1-33; Ron Hoffmann, “Alberta International Offices Review,” *Government of Alberta: Ministry of International and Intergovernmental Relations* (December 2014): 1-20.

<sup>30</sup> “Canada’s State of Trade: Trade and Investment Update 2010,” *Government of Canada, Foreign Affairs, Trade and Development Canada*, Modified 2015, [http://www.international.gc.ca/economist-economiste/performance/state-point/state\\_2010\\_point/2010\\_7.aspx?lang=eng&view=d](http://www.international.gc.ca/economist-economiste/performance/state-point/state_2010_point/2010_7.aspx?lang=eng&view=d)

<sup>31</sup> “Canada’s State of Trade,” *Government of Canada, DFATD*

<sup>32</sup> “What We Can Do For You,” *Government of Canada: The Canadian Trade Commissioner Service*, Modified July 2015. <http://www.tradecommissioner.gc.ca/eng/how-tcs-can-help.jsp>

<sup>33</sup> “Canada’s State of Trade,” *Government of Canada, DFATD*

customers, finding reliable suppliers, developing distribution channels in foreign markets, dealing with the local regulations, learning how to adapt a product to local market conditions, and many others”<sup>34</sup> Alberta’s foreign office network output measures, or performance criteria, are aimed at breaking down these market barriers. Visitors to foreign office websites, attendees to meeting and events, number of trade shows and other sponsored events, business introductions are just a few of the measures that Alberta uses to evaluate office performance, all of which are founded on the perceived need to create strong networks between intending-Albertan exporters and their potential foreign markets.<sup>35</sup>

### 3.3 Alberta Trades

An ideal trading partner is a country or region that can sustain a symbiotic and reciprocal arrangement for Alberta. Alberta’s foreign offices should be located in areas which will provide the greatest return on investment for Albertans. Evaluation criteria determining the locations of Alberta’s foreign offices must include a trade history evaluation focused on both imports and exports, economic growth potential forecasting, current international economic and cultural networks including diaspora groups while simultaneously be mindful of the Alberta’s IIR goals and objectives. While that is a task for a different paper, I present a brief review of Alberta’s current exports followed by regional trends.

#### **Exports**

Alberta’s exports in the past ten years have risen by roughly \$40 billion CDN,<sup>36</sup> and in 2014 achieved a second highest value of \$121.9 billion.<sup>37</sup> In the past ten years, Alberta exports

---

<sup>34</sup> Ibid.

<sup>35</sup> “Alberta International Offices Business Report, 2013-14,” *Government of Alberta, IIR*. p. 9.

<sup>36</sup> “Alberta’s Exports in 2013” *Export and Trade Alberta Canada*

<sup>37</sup> “Trade Data Online.” *Industry Canada, Government of Canada*. Modified July 2015. Accessed July 2015. <https://www.ic.gc.ca/app/scr/tdst/tdo/crtr.html?&productType=HS6&lang=eng>.

increased by 82% while the sum of all the other provinces and territories rose by only 14%.<sup>38</sup> In the same timeframe, Alberta's proportion of all Canadian exports rose from 16% to 23%.<sup>39</sup> Each of Alberta's sectors has had varying successes in the past decade. Exports in manufacturing grew by 50%, energy grew by 90%, and agricultural grew by 217%.<sup>40</sup> These numbers can be broken down further, export "volumes for oil and gas and gas liquids rose about 47%... and export volumes of primary agricultural products, such as wheat, canola and cattle, rose about 115%."<sup>41</sup>

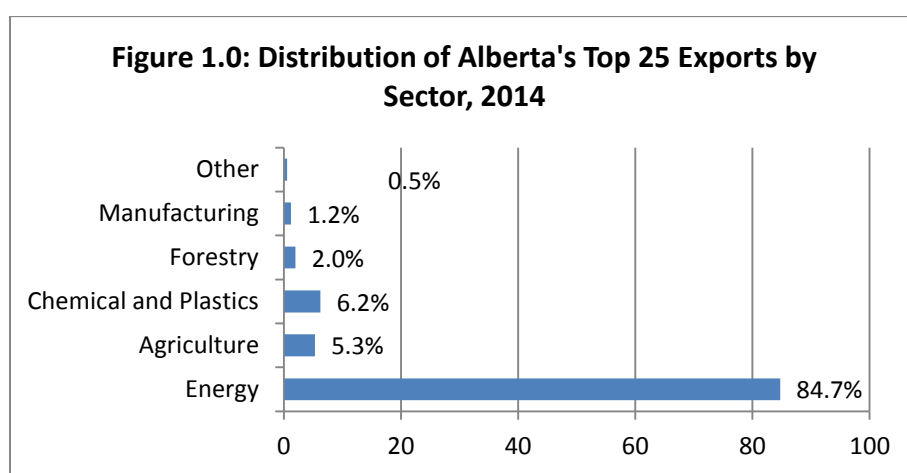


Figure 1.0 illustrates Alberta's top twenty-five exports by sector in 2014. Alberta's exports are dominated by the energy sector representing 84.7% in 2014, followed by chemicals and plastics at 6.2%, agriculture at 5.3%, forestry at 2.0%, manufacturing also at 1.2% and other exports representing 0.5%.<sup>42</sup> Looking at specific commodities, in 2014 Alberta's top five exports were of crude oil (62.2%), natural gas (10.4%), polymers of ethylene (2.0%), meslin and wheat (1.7%), and canola seed (1.5%).<sup>43</sup> Alberta's exports have been dominated by the energy sector

<sup>38</sup> "Alberta's International Exports by Industry: A 10-Year Review, 2003 to 2013," *Alberta Canada*, July 2014, Accessed December 6, 2014, [www.international.alberta.ca/documents/ABInternationalOfficeReport.pdf](http://www.international.alberta.ca/documents/ABInternationalOfficeReport.pdf).

<sup>39</sup> "Alberta's International Exports by Industry: A 10-Year Review, 2003 to 2013," *Alberta Canada*

<sup>40</sup> *Ibid.*

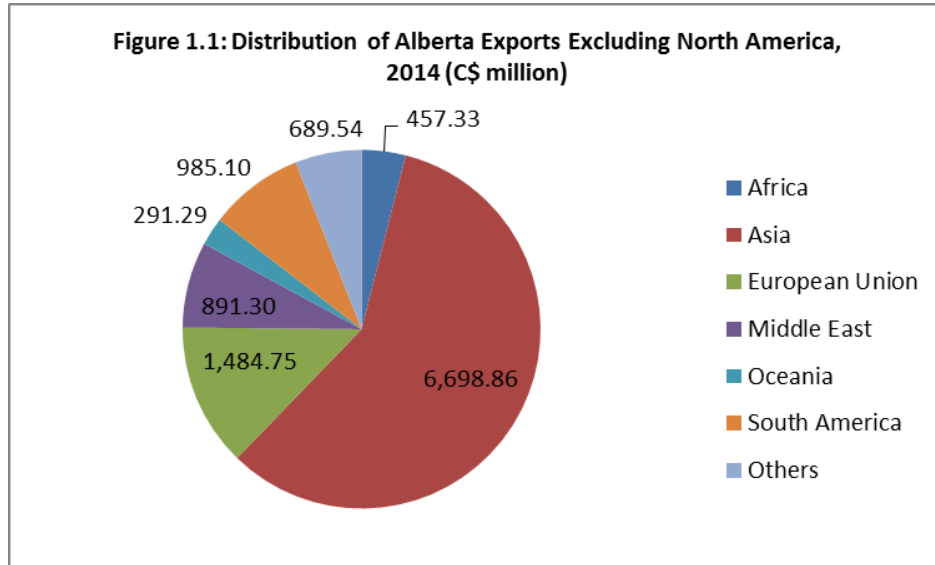
<sup>41</sup> *Ibid.*

<sup>42</sup> "Alberta's Exports in 2013," *Export and Trade Alberta Canada*, p.3

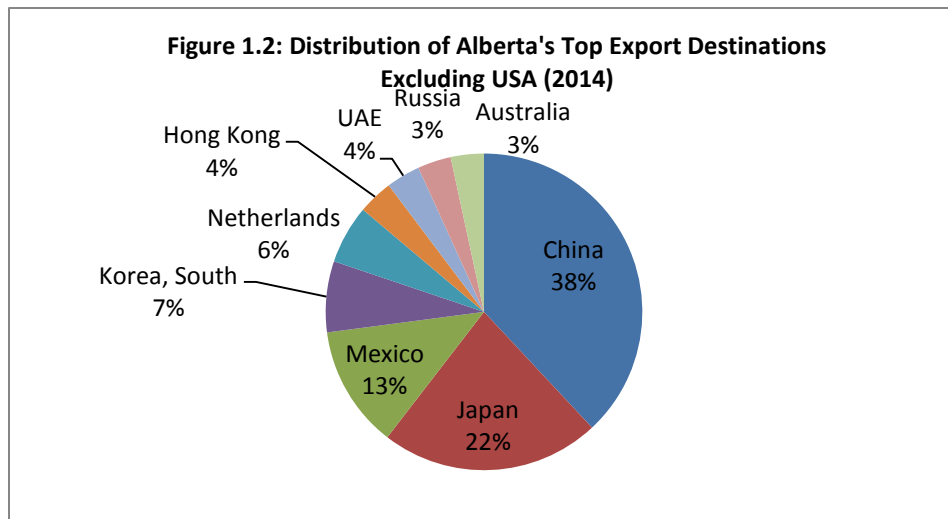
<sup>43</sup> "Trade Data Online" *Industry Canada*

for the past several decades, and there is a similar trend with Alberta's predominant trading partner.

### Trading Partners

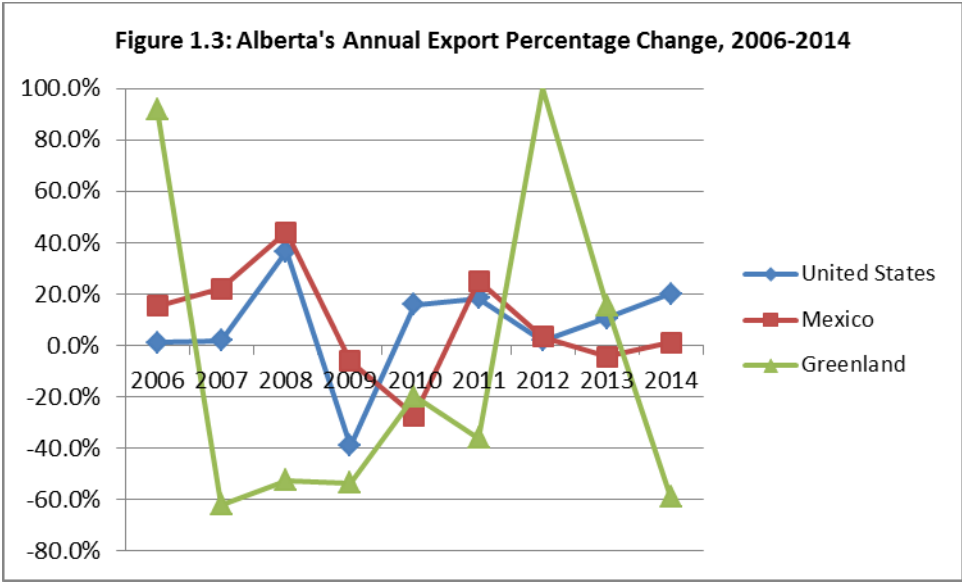


As stated earlier, the United States is Alberta's largest export destination and would dominate a regional expression representing 91% of the total exports 2014. As seen in Figure 1.1 above, Asia is Alberta's second largest export market at \$6,699 million or 5% followed by Europe at \$1,485 million or 1.2% of total exports. The fourth largest export region is South America; the fifth largest is Middle East; the sixth largest is Oceania; the seventh is Africa cumulatively representing \$2,625 million or 2.2% of total provincial exports.



Alberta exports to countries all over the world, and although the United States has remained Alberta’s largest trading partner the Alberta Government has made efforts to diversify its trade relationships. Figure 1.2 shows Alberta’s top export destinations after the United States. Exports to Asian countries has grown tremendously, and in 2014 exports to China (38%), Japan (22%), South Korea, (7%), and Hong Kong (4%) cumulatively represented 71% of Alberta’s trade apart from the United States. Bilateral trade relationships with European countries remains an important part of Alberta’s exports predominantly going to the Netherlands, Italy, and the United Kingdom in 2014. The following section breaks down provincial exports to North America, Asia, Europe, South America, the Middle East, Oceania, and Africa.

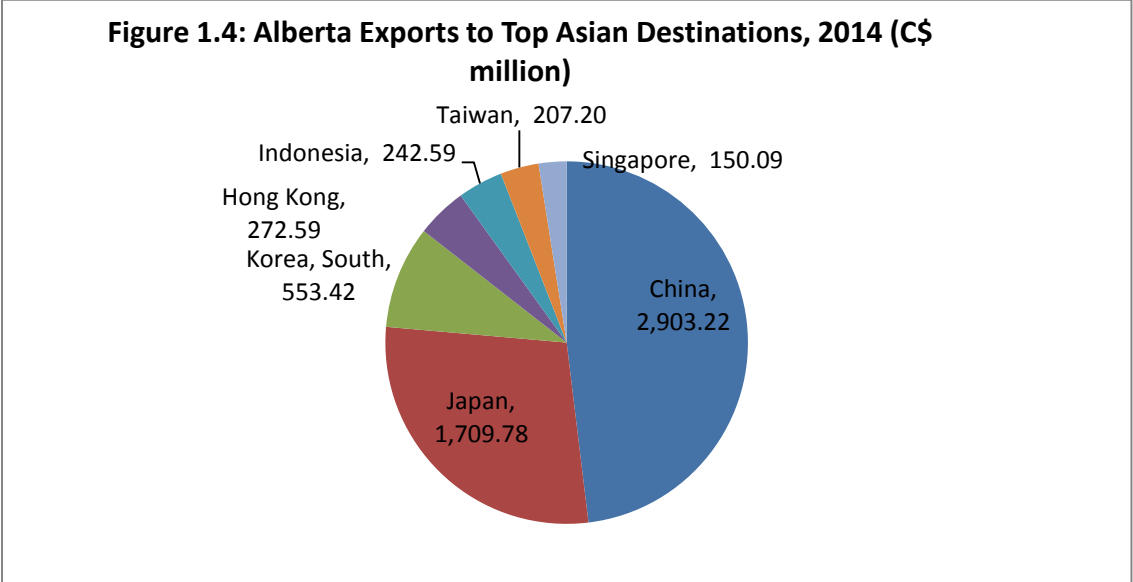
North America



North America is Alberta’s largest trading partner representing 91% of all exports in 2014. Exports to the United States in 2014 were C\$109.5 billion or 89.8% of total exports. Although Alberta has seen a growth of only 0.59% in exports to the United States in the past decade, this is an increase of C\$40.8 billion. Mexico is Alberta’s second largest export destination representing

0.78% of total exports or C\$951 million. Alberta exports to Mexico have increased by 0.7% in the past decade, which is a higher than average growth rate.

Asia



Alberta’s exports to Asia (excluding the Middle East) have been hovering around six to eight percent for the past few years, which accounted C\$6.7 billion worth of exports in 2014.<sup>44</sup> Of Alberta’s total exports to Asia in 2014, which represented of 5% of all exports and a decade low for the region. Figure 1.4 depicts Alberta’s top export destinations including China with \$2,903 million or 43.3%, Japan with \$1,710 million or 25.5%, South Korea with \$553 million or 8.3%, Hong Kong with \$273 million or 4.1%, Indonesia with \$243 million or 3.6%, Taiwan with \$207 million or 3.1%, and Singapore with \$150 million or 2.2% of Alberta’s total exports. Since 2005, Alberta exports to Asia have grown by merely 0.36%.<sup>45</sup> Even Alberta’s largest trading partners in Asia have only seen decimal point percentage growth rates compared to ten years ago: China (0.42%); Japan (0.2%); South Korea (-.005%); Hong Kong (0.89%).

<sup>44</sup> “Trade Data Online,” *Industry Canada*

<sup>45</sup> *Ibid.*



## Europe

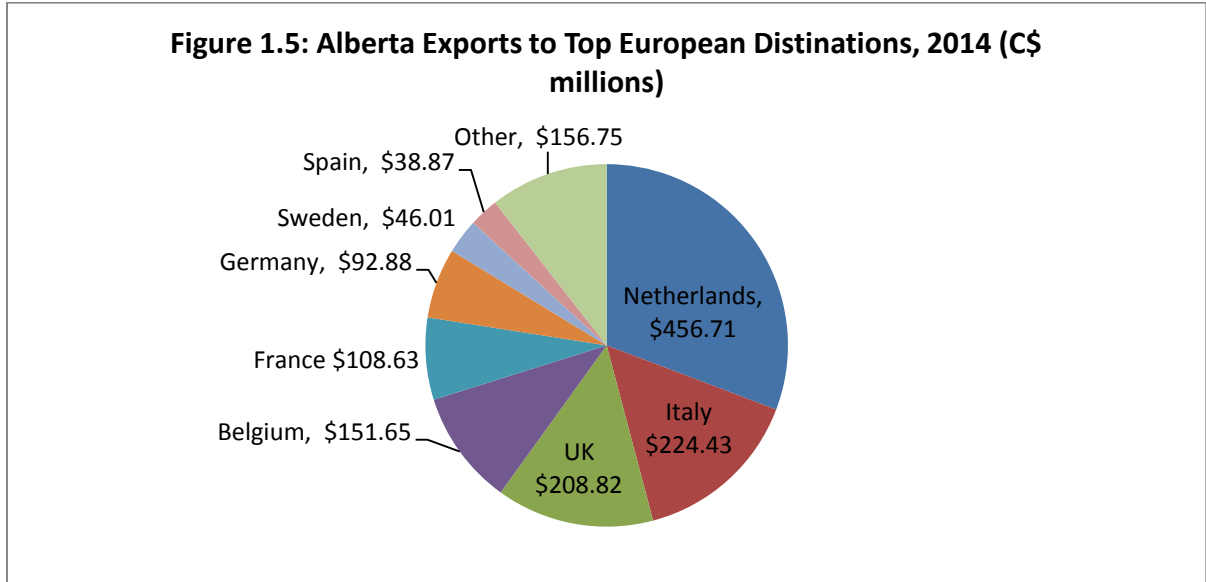


Figure 1.5 shows Alberta's top European export destinations in 2014. Alberta exports to the Europe represent a small proportion of Alberta's total exports. The sum of Alberta's exports to the continent was 1.2% of total exports or C\$1.48 billion in 2014. Alberta's top five European destinations for 2014 included the Netherlands with \$457 million or 30.8%, Italy with \$224 million or 15.1%, United Kingdom with \$209 million or 14.1%, Belgium with \$152 million or 10.2%, and France with \$109 million or 7.3% of total exports.<sup>46</sup> Over the past decade, exports to the Europe have increased by 0.08%, however, there have been notable increases in exports to Poland (4.0%), Portugal (3.1%), and the Netherlands (1.1%).

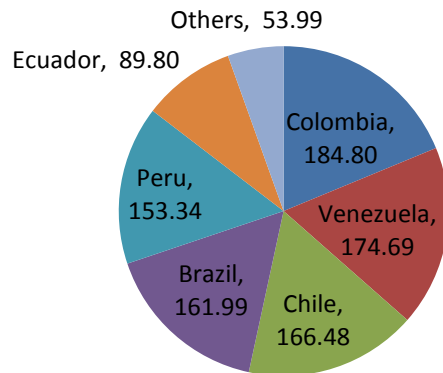
## South America

Below, figure 1.6 illustrates Alberta exports to the top South American destinations in 2014. The sum of Alberta exports to South America was C\$985 million in 2014, which is 0.8% of the total provincial exports. Of the exports to South America, the top destination countries in 2014

---

<sup>46</sup> Ibid.

**Figure 1.6: Alberta Exports to Top South American Destinations, 2014 (C\$ millions)**



were Colombia with \$185 million or 18.8%, Venezuela with \$175 million 17.7%, Chile with \$166 million or 16.9%, Brazil with \$162 million or 16.4%, and Peru with \$153 million or 15.6%.<sup>47</sup> Compared to other regions, Alberta has experienced growth in exports to South America in the past decade with an increase of 1.6% change from 2005 to 2014. Over the same time period, Alberta's main South American trading partners have experienced an increase in exports above the continental average including Colombia (2.98%), Peru (1.8), and Brazil (1.7%).

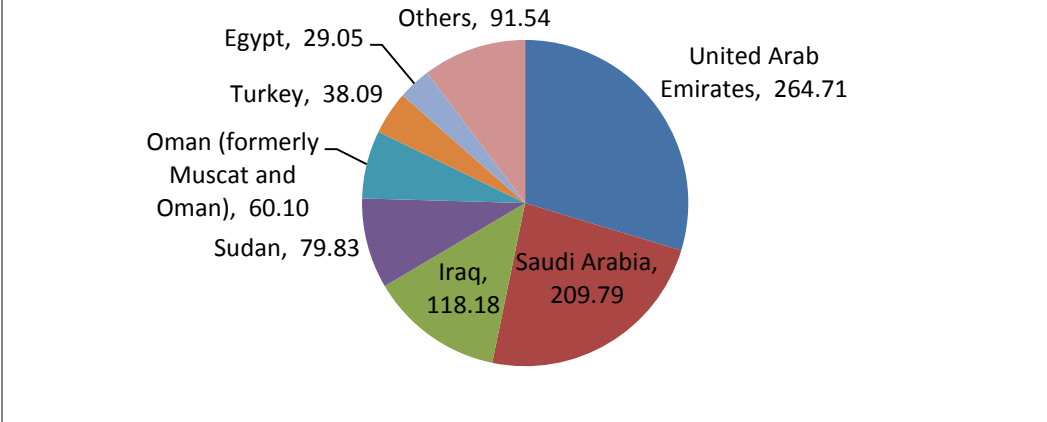
### Middle East

In 2014, Alberta exported a total of C\$891 million to the Middle East. Exports to the Middle Eastern region represented 0.73% of Alberta's total exports. Figure 1.7 shows the majority of exports were destined to the United Arab Emirates with \$265 million or 30%, Saudi Arabia with \$210 million or 23.5%, and Iraq with \$118 million or 13.3%.

---

<sup>47</sup> Ibid.

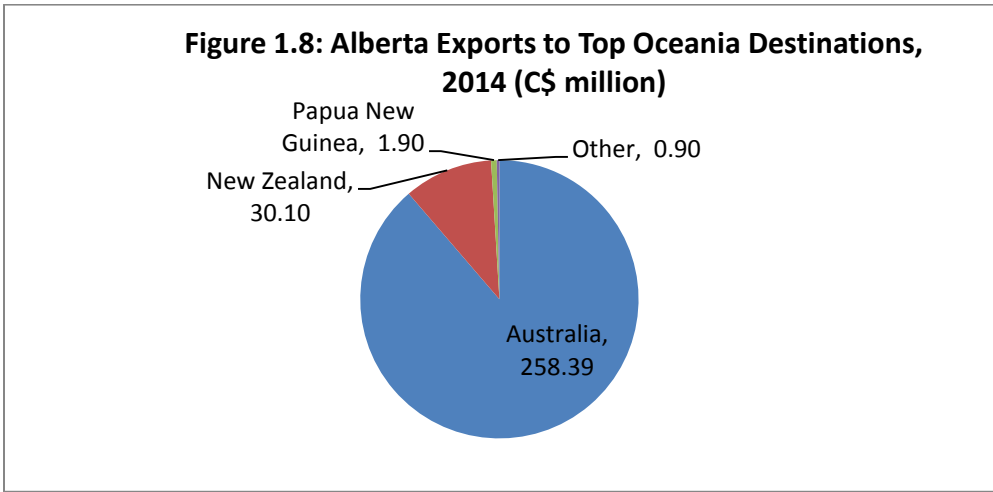
**Figure 1.7: Alberta Exports to Top Middle East Destinations, 2014 (C\$ million)**



Over the past decade Alberta has had an export growth of 0.7% to the Middle East; Alberta exports to Iraq have increased by 54% over the same time frame.

Oceania

**Figure 1.8: Alberta Exports to Top Oceania Destinations, 2014 (C\$ million)**



In 2014, Alberta’s exports to Oceania were C\$291 million or 0.24% of total exports. Exports to Australia dominated exports to the region representing \$258 million or 88.7%, and were followed by New Zealand at \$30 million or 10.3%, and Papua New Guinea at \$1.9 million or 0.6% of the total. Exports to this region have remained constant over the past decade

representing approximately 0.3-0.5% of Alberta’s aggregate annually. The growth in Alberta exports therefore, has been 0.2% over the same time period.

Africa

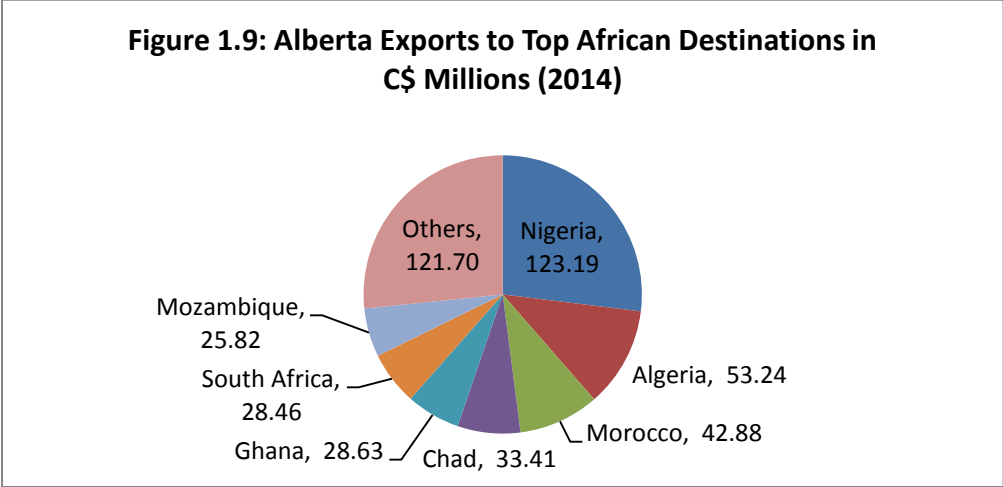


Figure 1.9 shows Alberta export to the top African destinations in 2014. Alberta exports proportionately very little to Africa but has experienced an above average increase in exports to the continent over the past decade of just 1.24%. Alberta’s largest African export destination in 2014 was Nigeria at C\$123 million, representing 0.1% of all of Alberta’s exports.<sup>48</sup> However, since 2005, Alberta’s exports to Nigeria have grown by 4.7%. Algeria at \$53 million or 11.6%, and Morocco at \$43 million or 9.4% are Alberta’s second and third largest export markets in Africa.

The Government of Alberta has stated an objective to diversify trade and the Alberta economy for many years, but the province’s trade patterns have remained constant. In the past decade, Alberta has continued to principally supported trade with the United States, Asia, and Europe. Even though there have been notable increases in trade to particular partner including Iraq, Poland, Portugal, and Colombia it must be pointed out that Alberta does not maintain

---

<sup>48</sup> Ibid.

foreign offices in these countries or even regions.<sup>49</sup> Whether it is due to market barriers, lack of trade linkages, perceived nonexistence of export opportunities, or an absence of government support, total exports remain low to South America, Middle East, Oceania, and Africa.

## **Imports**

As is the case with most relationships, a level of reciprocity is essential for a cooperative and fruitful long-term international trade partnership.<sup>50</sup> Notwithstanding the measure of Alberta's economic growth centered on exports, Albertans are most likely to benefit from Alberta foreign offices when they offer strong trade partnerships founded on exporting Alberta commodities and importing commodities that are not economical to produce here.

Between 2007 and 2012, Alberta's imports rose 8.0% annually, but over the same time period Canada's only rose by 2.6% annually.<sup>51</sup> In 2011, the cost of imports in Alberta can be represented as 8.4% of the province's GDP, however the cost of imports for all of Canada could be represented as 25.3% of Canada's GDP. Together this means that Albertans increased their imports of goods over the five year period more than other Canadians, but the value of the proportion was less than the Canadian average. Furthermore, "Alberta's highest-valued imports in 2012 were refined oil, natural gases and taps, valves and similar devices, which together

---

<sup>49</sup> The increase in trade to these regions could be affected by political factors including war or stability in the region which would have a substantial impact on bilateral trade relationships. The fact that Alberta did not have large exports to these regions in previous years means that a small increase would represent a large percentage change increase to the country. In his December 2014 *Alberta International Office Review*, Ron Hoffmann did suggest that "Priority should be given to further analysis of future office potential in Colombia, a bilateral market of rapidly growing importance, and in the United Arab Emirates, which has emerged as a Middle Eastern regional hub of significance to Alberta trade and investment priorities," p.10.

<sup>50</sup> Mark J.C. Crescenzi, Rebecca Best, and Bo Ram Kwon, "Reciprocity in International Studies," *The International Studies Encyclopedia*, Roberta A. ed. (Denemark: Blackwell Publishing, 2010).

<sup>51</sup> "Alberta's Merchandise Trade with the World," *Parliament of Canada*, Accessed December 2014, <http://www.parl.gc.ca/Content/LOP/ResearchPublications/2013-32-e.htm>.

accounted for 21.1% of the value of the province's imports."<sup>52</sup> These changes in Alberta's imports paralleled energy development and a relatively strong Canadian dollar.

Compared to all the countries that Alberta imports goods and services from, Alberta disproportionately imports from the United States. Even though Alberta's imports from the United States fell roughly three percentage points between 2007 and 2012, Alberta still imported 65.6% of all imports from the United States in 2012.<sup>53</sup> Comparatively, the sum of Alberta's imports from China, Mexico, Germany, and the United Kingdom represented just 19.2% in 2012.<sup>54</sup> Furthermore, it is clear that Alberta has very strong import and export ties with the United States. Alberta and Canada's tight bi-lateral trade relationship, perhaps dependency relations, has motivated recent Premiers to move towards diversifying its trade partners and enriching the relationships with countries like China, Brazil, and the Pacific Asia region.<sup>55</sup>

### 3.4 Diversification through Foreign Missions

Diversification of trading markets has been a goal highlighted by governments for the past four decades and is currently a priority of the Notley government.<sup>56</sup> In her message from the Minister in the 2014-15 IIR Annual Report, Premier Notley wrote, "As a trading province, it will be more important than ever to diversify and expand our economy. Our ministry will continue to facilitate trade across Canada and around the world. Accessing new markets is something our government will be working on in a number of ways, including by showing leadership on the

---

<sup>52</sup> "Alberta's Merchandise Trade with the World," *Parliament of Canada*. The difference in the differences may be accounted for in the economic growth of Alberta due to Oil Sands production, especially during the economic downturn of 2008-9 where Alberta's economy was more resilient than some of the other provinces'.

<sup>53</sup> "Alberta's Merchandise Trade with the World," *Parliament of Canada*

<sup>54</sup> *Ibid.*

<sup>55</sup> "Appendix A: Alberta International Office Report," *Alberta Canada Text Archive*, Accessed October 2014, [www.international.alberta.ca/documents/ABIInternationalOfficeReport.pdf](http://www.international.alberta.ca/documents/ABIInternationalOfficeReport.pdf).

<sup>56</sup> Lieutenant Governor of Alberta "Speech from the Throne." *Alberta International and Intergovernmental Affairs Text Archive*. Presented on November 17, 2014. Accessed November 24, 2014, <http://alberta.ca/release.cfm?xID=379133D6F9C91-A0FD-73AC-4ABD1B296761DBA6>; and "2014-2015 IIR Annual Report," *Government of Alberta*

environment”<sup>57</sup> Alberta’s economy could, arguably, afford to diversify in both trading partners and exports. In 2014, Alberta exported 90% of all exports to the United States.<sup>58</sup> Although this represents a ten percentage point increase from 1994 to 2014,<sup>59</sup> Alberta has been dependent on the United States as a recipient of Alberta goods for several more decades.<sup>60</sup>

Although market diversification has been highlighted as a priority in nearly all of the foreign office reviews, it has yet to be implemented. In the *Final Report to The minister of International & Intergovernmental Relations on Alberta’s International Office Network* from 2007 it argues that “Perhaps the strongest criticism of Alberta’s international office network is that it is not global enough.”<sup>61</sup> The ideological position that Alberta is too dependent on the United States as a trading partner is not universally held. Beaulieu and Song (2015) propose that recent international trade policy discussions suggesting that Canada is overly dependent on the United States “ignores the evolution of trade patterns globally” and most importantly that “trade is predominantly based around regional value chains.”<sup>62</sup> Even though their study is focused on Canada, Alberta’s exports to the United States represent an equally large percentage of the total and a similar geographic proximity. Perhaps the common ground is suggested by these authors when they say that “None of this is to say that there is no benefit to Canada increasing trade diversification; rather, Canada should focus trade policy both on deepening its regional trade ties with the U.S., while also developing, as much as possible, other global export markets.”<sup>63</sup> As

---

<sup>57</sup> Rachel Notley, “Message from the Minister” in *International and Intergovernmental Relations 2014-2015: Annual Report Government of Alberta: Ministry of International and Intergovernmental Affairs*, 2015, p. 3.

<sup>58</sup> “Trade Data Online”

<sup>59</sup> Lieutenant Governor of Alberta “Speech from the Throne.” *Government of Alberta, IIR*; “2014-2015 IIR Annual Report,” *Government of Alberta*

<sup>60</sup> “Alberta’s Exports in 2013” *Alberta IIR Trade Statistics*

<sup>61</sup> “Final Report to The Minister of International & Intergovernmental Relations on Alberta’s International Office Network,” p. 17.

<sup>62</sup> Eugene Beaulieu and Yang Song, “What Dependency Issues? Re-Examining Assumptions about Canada’s Reliance on the U.S. Export Market,” *The University of Calgary: SPP Research Papers* 8, no. 3 (Jan 2015): p. 1.

<sup>63</sup> Eugene Beaulieu and Yang Song, “What Dependency Issues?” p.1.

presented earlier, Alberta has a strong history of maintaining strong trade relations with the United States as well as seeking trade relationships beyond our next door. This Government of Alberta has identified emerging markets and put steps in place to forge stronger trade partnerships with these countries.

### **Emerging Markets**

There are two emerging markets that have been identified by the Redford and Prentice Governments: India and Asia Pacific. In the 2013 *Alberta International Office Report*, the Redford Government outlined intentions to expand to five key countries: United States, China, India, Singapore, and Brazil.<sup>64</sup> The Prentice Government and former Associate Minister Teresa Woo-Paw have called the future the “Asia Century”<sup>65</sup> and were committed to market diversification and focusing on opening market opportunities for Albertans. In his *Speech from the Throne*, Lieutenant Governor of Alberta the Honourable Donald Ethell stated that “Your government will focus on enhancing market access for all our exports so we can diversify our client base, capture global prices and open Alberta to the widest range of emerging opportunities.”<sup>66</sup> Market access to India and Asia Pacific has consistently been a priority for the Government of Alberta over the past half-decade.

Both the 2007 IIR Report and Hoffmann’s 2014 Review of the international office network suggests that India is an important market for Albertans to have access to.<sup>67</sup> Economic growth in India has been exceptional since the structural adjustments of the early 1990s; since

---

<sup>64</sup> “Appendix A: Alberta International Office Report,” *Alberta Canada*

<sup>65</sup> Woo-Paw, Teresa. “Associate Minister Teresa Woo-Paw’s Speech at the Asia Advisory Council Tour in Alberta.” *Alberta International and Intergovernmental Affairs* Text Archive. Presented June 2014. Accessed November 24, 2014. <http://www.international.alberta.ca/587.cfm>.

<sup>66</sup> Lieutenant Governor of Alberta, “Speech from the Throne,”

<sup>67</sup> Alberta Foreign Offices Review Committee, “Final Report to the Minister or IIR,” p.19; Ron Hoffmann, “Alberta International Offices Review,” p. 9.



1997 India has seen a growth rate of over 7% annually.<sup>68</sup> With a population of over 1.3 billion, there is a lot of potential for improved trade relationships with India. Alberta's exports to India increased by 92.5% from \$71 million in 2010 to \$136.7 million in 2014 representing 0.11% of total provincial exports. Canada's exports to India increased by 56.8% from \$2.057 billion in 2010 to \$3.225 billion in 2014 representing 0.61% aggregate exports. Canada's exports to India in 2011 comprised predominantly of "peas, potassium, and newsprint."<sup>69</sup> However, Beaulieu (2012) suggests that although Canada and India share a colonial history and language, this is not a natural trade partnership because the vast distance between the countries and India's current foreign policies.<sup>70</sup> He further suggests that strengthening this trade relationship asymmetrically benefits Canada. The onus to further trade relationships between Canadians and Indians, then falls on Alberta and Canada.

Canada and Alberta have had a long trade history with the Asia Pacific region and China in particular. An even deeper history lies with Chinese immigrants during the 1880s and subsequent waves of immigration from South and East Asia. "According to Statistics Canada's report on the 2006 census, among more than 1.1 million recent immigrants who arrived between 2001 and 2006, 58.3% were born in Asian countries."<sup>71</sup> This demography, with a large diasporic population, lays the cultural and linguistic foundations for a rich trade partnership empathetic of cultural rich points with the Asia Pacific region.<sup>72</sup> Furthermore, Alberta has maintained cross-cultural and cooperative agreements with many Asia Pacific countries independent of federal

---

<sup>68</sup> Eugene Beaulieu. The Comprehensive Trade Agreement with India: What's in it for Canada (or India for that Matter)?" *The School of Public Policy, University of Calgary* 4, no. 3 (November 2012): 1-14.

<sup>69</sup> Eugene Beaulieu. The Comprehensive Trade Agreement with India," p. 1-14.

<sup>70</sup> Ibid. While this situation might change due to a tighter relationship between Prime Minister Harper and India's newly elected Prime Minister Narendra Modi, who has an interest in growing India's economy through economic policy changes in India

<sup>71</sup> Hugh Stephens, "Asia-Pacific: Let's Get Back in the Ring," *Canadian Defense & Foreign Affairs Institute* (February 2012): 1-6.

<sup>72</sup> Raymond Cohen, "Language and Conflict Resolution: the Limits of English," *International Studies Review* 3, no. 1 (2001): 25-51.

trade negotiations for decades. Alberta's involvement with the *Sister Province Relationships* program has helped in promoting and maintaining cultural, trade, and education networks since 1974.<sup>73</sup> Alberta's oldest Sister Provinces include Gangwon, South Korea since 1974, Hokkaido since 1980, and Heilongjiang since 1981.<sup>74</sup> Alberta's current relationships in the Asia Pacific region revolve around "the importance of regional oil and gas related industries, agriculture agri-foods ... [and] partnerships in high education and research."<sup>75</sup>

At the federal level, the Government of Canada has also been set at opening access to new markets and diversifying trade. The Department of Foreign Affairs, Trade and Development Canada's number one priority for 2015-16 is to "contribute to economic prosperity with an emphasis on expanding and diversifying commercial relationships with emerging and high-growth markets."<sup>76</sup> The other two top priorities for DFATD include expanding bilateral trade with the United States, and further develop political and economic efforts in Asia.<sup>77</sup> In the past decade, Prime Minister Stephen Harper has made several efforts to expand market access through foreign missions including trade missions and promoting free trade agreements.

### **Free Trade Agreements (FTA)**

The Alberta foreign office network efforts often piggy-back on the Canadian government's foreign missions. The majority of Alberta foreign offices are co-located within a Canadian Consulate or Embassy. While it is possible to postulate that having a national free trade agreement and a provincial foreign office will improve trade relations with the host country, the

---

<sup>73</sup> "Twinning Relationships," *Alberta International and Intergovernmental Relations*, Accessed December 2014, <http://www.international.alberta.ca/554.cfm>.

<sup>74</sup> "Twinning Relationships," *Alberta IIR*.

<sup>75</sup> "Alberta International Offices Business Report," *Government of Alberta, Ministry of IIA* (2014): p. 7. [http://www.international.alberta.ca/documents/InternationalOfficesBusinessReport\\_2013-14.pdf?0.6220674768152595](http://www.international.alberta.ca/documents/InternationalOfficesBusinessReport_2013-14.pdf?0.6220674768152595)

<sup>76</sup> "Our Priorities: Priorities for 2015-16," *Government of Canada: Foreign Affairs, Trade and Development Canada*. Modified 2015-4-8, <http://www.international.gc.ca/departement-ministere/priorities-priorites.aspx?lang=eng>

<sup>77</sup> "Our Priorities: Priorities for 2015-16," *Government of Canada: DFATD*.

magnitude of these paired government effort is difficult to accurately calculate. Furthermore, the Government of Canada has been striving to create free trade agreements to strengthen Canada's economic presence abroad. For a full list of Canada's FTAs, please see Appendix III.

Both the provincial and federal governments have been actively pursuing trade agreements including the Canada-Ukraine Free Trade Agreement (CUFTA) signed by Prime Minister Stephen Harper in July 2015<sup>78</sup> and the Memorandum of Understanding (MOU) with Missouri signed by Premier Rachel Notley in August 2015.<sup>79</sup>

Free trade agreements have played an influential role in the growth of Alberta's export markets. Since 1999, Alberta's exports to NAFTA countries have risen from roughly \$20 billion to just over \$90 billion annually.<sup>80</sup> Over the same time period, Alberta's exports to non-NAFTA countries have grown from roughly \$8 billion to \$12 billion annually.<sup>81</sup> Mirus and Tanerguclu's (2008) article *Alberta's Export Experience under Free Trade Agreements: 1988-2007*, argue that since the inception of the Canada-US Free Trade Agreement and subsequently the NAFTA, Alberta exports to member countries grew significantly by 803% between 1993 and 2007, while exports to non-member countries "grew more modestly, by 166%, since 1988."<sup>82</sup> While it is the case that NAFTA was Canada's largest free-trade agreement in the past thirty years, it is reasonable to assume that *prima facie* FTAs increase international trade between signing members due to the removal of several market barriers.

Prime Minister Stephen Harper has been actively pursuing FTA and opening up new markets for Canadians. Since 2009, Prime Minister Harper has been in FTA with many key

---

<sup>78</sup> "PM Announces Conclusion of Free Trade Agreement with Ukraine," *Prime Minister of Canada Steph Harper* Modified July 2015, <http://pm.gc.ca/eng/news/2015/07/14/pm-announces-conclusion-free-trade-agreement-ukraine>.

<sup>79</sup> "Alberta Strengthens Economic Relations with Missouri," *Gouvernement of Alberta* 17 August, 2015 <http://alberta.ca/release.cfm?xID=3842164C7A600-FA64-C4F1-2297B20DC54961FC>

<sup>80</sup> "Alberta's Exports in 2013" *Alberta IIR Trade Statistics*, p. 3.

<sup>81</sup> *Ibid.*

<sup>82</sup> Rolf Mirus and Hande Tanerguclu, "Alberta's Export Experience under Free Trade Agreements: 1988-2007," *Western Centre for Economic Research, University of Alberta* 115 (July 2008).

markets including the Europe and Asia Pacific. European FTAs commenced with the European Free Trade Association, which was brought into effect in July 2009, and more recently in August 2014 discussions concluded on the European Union: Comprehensive Economic and Trade Agreement (CETA).<sup>83</sup> Looking to the East, Canada has recently signed the first FTA with South Korea (CKFTA) on 2014,<sup>84</sup> and is in discussions over the Trans-Pacific Partnership (TPP) which includes large market states like China, Australia, and Singapore.<sup>85</sup> Arguably, Prime Minister Harper's efforts have substantially changed Canada's, and Alberta's international economic relationships. Marsden (2014) argues that "Canada free trade agreements have linked together a network of countries that possess more than a quarter of the world's people and nearly half the world's business."<sup>86</sup> A more critical view of Canada's recent FTA efforts is that most of the agreements are with small countries that Canada and Alberta trade very little with. The most significant signed and ratified FTA is arguably Prime Minister Harper's signing of the Canada-Korea Free Trade agreement, both in impact and symbolism for the region.<sup>87</sup> Furthermore, CETA has not yet been ratified and TPP is stalled so there has been no economic benefit from the two substantial multilateral FTAs to date.

Moving forward I will show that Alberta's foreign office network has parallels to Canada's foreign strategy, and that compared to Canada's trade, the success seen by way of Alberta's foreign office network strategy has seen mixed results over the past twenty-five years.

---

<sup>83</sup> Canada's Free Trade Agreements," *Foreign Affairs, Trade and Development Canada*, Accessed December 2014, <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fta-ale.aspx?lang=eng>.

<sup>84</sup> Eugene Beaulieu, "Canada-Korea Free Trade: A Watershed in Economic Integration with Asia," *The University of Calgary: SPP Communique* 6, no. 1 (March 2014).

<sup>85</sup> Canada's Free Trade Agreements," *Foreign Affairs, Trade and Development Canada*

<sup>86</sup> William Marsden, "Stephen Harper Preaches Free Trade and Capitalism as Path to World Peace in UN Speech," *National Post News*, September 25, 2014, <http://news.nationalpost.com/2014/09/25/stephen-harper-preaches-free-trade-and-capitalism-as-path-to-world-peace-in-un-speech/>.

<sup>87</sup> Beaulieu, Eugene. "Canada-Korea Free Trade: A Watershed in Economic Integration with Asia." *The University of Calgary: SPP Communique* 6, no.1 (March 2014): 1-4.

## Section 4: Methods

### Three Methods and One Foreign Office Network

In order to tackle the question of whether Alberta foreign office networks are effective at growing Alberta's exports, I construct three different measures of trade concentration using bilateral trade data: longitudinal analysis, mid-point time series analysis, and foreign office change analysis. I find that there are mixed results; some of the foreign offices have a small but positive effect on Alberta's exports to countries that host foreign offices, where others do not.

Some of Alberta's foreign offices have mandates beyond the scope of the host country as well as change focus over time. To mediate the variance in scope, I will focus on the host country only as *ceteris paribus* the magnitude of the foreign offices ought to be more significant the closer the offices are to potential stakeholder relations, partnerships, and industry. Also, a significant part of this research is focused on the choice of foreign office location so broadening the inclusion criteria may needlessly obscure the results.

Using trade data<sup>88</sup> and each country's GDP<sup>89</sup> from 1990 to 2014, I compare the percentage change of exports and share of GDP for both Alberta and Canada to the various foreign office countries. The Government of Alberta opened and closed several offices over this twenty-five year period, so I have used three comparative strategies to identify the impact of Alberta's foreign office networks on the province's trade. Over this time period, Alberta, Canada, and the global economy have experienced several booms and busts. As a means of identifying Alberta specific trends, I use the same methodology but at a national level for comparison. This approach allows for a synchronic analysis of the trade data.

---

<sup>88</sup> All trade data was taken from "Trade Data Online." Industry Canada, Government of Canada. Modified July 2015. Accessed July 2015. <https://www.ic.gc.ca/app/scr/tdst/tdo/crtr.html?&productType=HS6&lang=eng>.

<sup>89</sup> All GDP data was taken from "GDP (Current US\$)," *The World Bank*, 2015, <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

In the first two strategies I focus on long-run effects of these paradiplomatic strategies and the third strategy looks at short-run effects. The argument for longitudinal analysis is based on the idea that the success of foreign trade offices is parasitic on the depth and longevity of social capital developed via social relationships and histories. For this reason, I have completed a relatively long-run analysis. Conversely, examining the short run effects of opening and closing offices aims at seeing the effect of the shock on the market. Previous research has suggested that establishing a foreign economic presence is correlated with increase in trade in the region, a result show below.

In the first strategy, I use longitudinal export data from both Alberta and Canada from 1990 to 2014 focusing on Alberta foreign offices that were consistently maintained over the twenty-five year period. Holding these Alberta's foreign office network constant, I compare the percentage change of exports as well as export to GDP changes to all other locations including where either a foreign office was later established or where no office exists. I apply this methodology to Alberta and Canada exports to countries with foreign offices. These measures aim to identify long-run impacts of Alberta's foreign offices.

For the second strategy I use the approximate mid-point between 1990 and 2014, 2002, to reveal trends correlated with Alberta's foreign office network. I compare the bilateral trade data to countries where Alberta has foreign offices established before 2002 to countries and states where Alberta did not have foreign offices in the original time series.

The third strategy uses data from three year prior and three years after the opening and closing of foreign offices and is aimed at identifying short-run impacts of foreign offices location changes. In this analysis I compare the trade data from time period one to time period two, holding all other foreign offices constant. Again, I am comparing the percentage change of trade

to locations with Alberta has foreign offices to countries and where Alberta does not have foreign offices.

## **Section 5: Findings**

### 5.1 Method I

Since its inception in 1972, the current Ministry of International and Intergovernmental Relations has established and closed offices globally. However, the Ministry has consistently maintained offices in several countries including China, Hong Kong, Japan, South Korea, Taiwan, and the United States over the past twenty-five years. By comparing both the provincial and federal export data of countries with consistently maintained foreign offices (FO) over the past twenty-five years to non-foreign office (NFO) countries that do not, I will identify any long-term economic trends of sustaining foreign offices.

Table 1.0 and 1.1 show export and percentage share of GDP changes to countries with Alberta FO and NFO from both Alberta and Canada. These tables also show the totals without the United State sums included (FO-USA). Looking at both Alberta and Canada's export data from countries with foreign offices that were opened between 1990 and 2014, there is a positive correlation between maintaining foreign offices and an increase in exports to those countries (see Appendix VI for more details).. Alberta exports to FO countries have increased by 739% from \$13.719 billion in 1990 to \$115.149 billion in 2014. On the other hand, Alberta exports to NFO have only grown by 266% from \$1.861 billion in 1990 to \$6.804 billion in 2014. Comparatively, Alberta's exports to countries with strong provincial trade representation were 474 percentage points greater than areas without this presence.

At the national level, Canada also had a positive correlation between countries with Alberta foreign offices that were open over this timeframe. Above Table 1.1 presents Canada's

exports to Alberta FO and NFO countries. Canada exports to FO countries have increased by 256% from \$124.532 billion in 1990 to \$443.401 billion in 2014. Canada exports to NFO

**Table 1.0: Total Alberta Export Values with Alberta FO, FO-USA, and NFO Countries, 1990-2014 (\$ thousand)**

ALBERTA	1990		2014		% Change 1990-2014	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Total FO	13,719,896.56	0.140%	115,149,938.15	0.338%	739.292%	141.429%
Total FO -USA	1,999,233.70	0.052%	5,646,215.72	0.034%	182.419%	-35.181%
Total NFO	1,861,111.48	0.015%	6,804,400.87	0.016%	265.610%	6.399%
Total All Countries	15,581,008.04	0.069%	121,954,339.02	0.157%	682.711%	126.632%
Difference between FO and NFO					473.682%	135.031%
Difference between FO-USA and NFO					-83.191%	-41.580%

**Table 1.1: Total Canada Export Values with Alberta FO, FO-USA, and NFO Countries, 1990-2014 (\$ thousand)**

CANADA	1990		2014		% Change 1990-2014	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Total FO	124,532,098.40	1.270%	443,401,847.00	1.301%	256.054%	2.422%
Total FO (-USA)	12,975,445.28	0.310%	40,317,807.00	0.149%	210.724%	-51.898%
Total NFO	24,447,322.20	0.192%	81,624,803.00	0.186%	233.880%	-2.835%
Total All Countries	148,979,420.60	0.661%	525,026,650.00	0.674%	252.416%	2.041%
Difference between FO and NFO					22.174%	5.257%
Difference between FO-USA and NFO					-23.156%	-49.063%

have grown by 234% from \$24.447 billion in 1990 to \$81.624 billion in 2014. Unlike Alberta the percentage change difference for countries with Alberta FO was only 22 percentage points greater than countries that didn't have Alberta foreign offices.<sup>90</sup> It is possible to infer from this measure that Alberta's foreign offices are having a significant impact on trade when offices are maintained for long periods of time.

Because the United States is both Alberta and Canada's largest trading partner, representing 87% and 77% of exports respectively in the past decade, it is essential to compare the export data from countries with foreign offices that were open between 1990 and 2014

<sup>90</sup> Because Canada's export data is the aggregate of the provinces' and territories' exports, provincial trends will have a knock-on effect at the aggregate level. This means that Alberta's increase in exports will positively affect the aggregate.



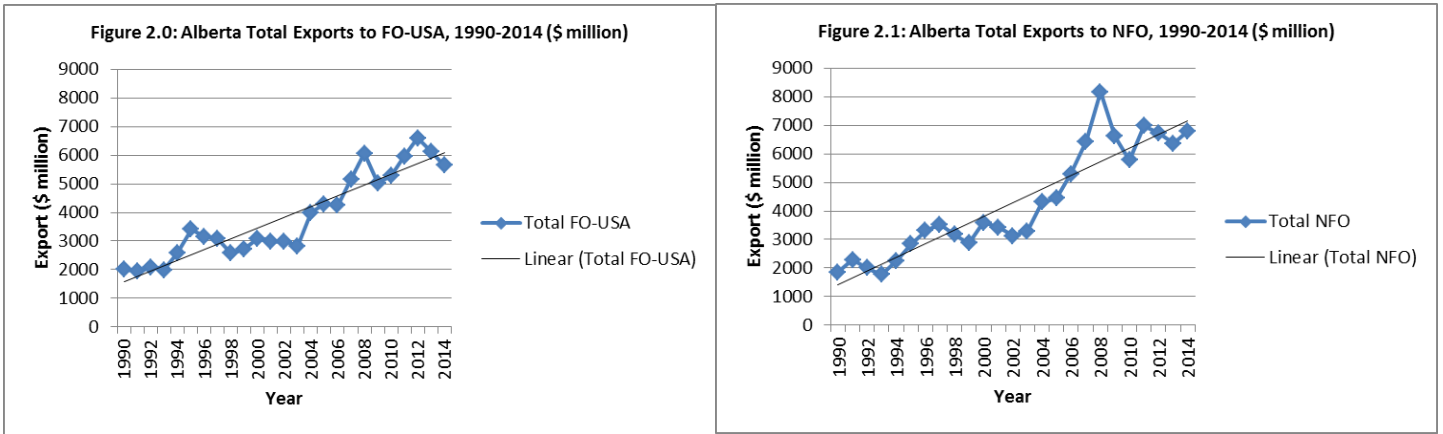
excluding the US. Later I explore trade relationships between the Alberta, Canada, and the US because of the unique interdependency our economies share.

It can be seen from Table 1.0 above that Alberta exports to countries with FOs excluding the USA have increased from \$1.999 billion in 1990 to \$5.646 billion in 2014, showing an increase in exports of 182%. However, Alberta exports to NFO countries increased from \$1.861 billion in 1990 to \$6.804 billion 2014 which is an increase of 266%. In other words, Alberta exports grew by 83 percentage points more to countries where Alberta did not maintain a strong economic presence, again excluding the United States.

Table 1.1 illustrates Canadian exports to countries with Alberta FOs excluding the United States have increased from \$12.975 billion in 1990 to \$40.317 billion in 2014 which is an increase of 211%. As stated above, Canadian export to NFO countries grew from \$24.447 billion in 1990 to \$81.624 billion in 2014 showing an increase of 234%. The national trend was similar to the provincial trend in that exports to Alberta NFO countries grew at a faster rate than to countries with Alberta foreign offices excluding the United States. Piecing together export data from countries with FO excluding the US and NFO between 1990 and 2014, it is possible to detect that a significant portion of the increase in exports were destined to the United States. This measure brings to light the impact, and arguably distortion of Alberta exports to the United States on the province's aggregate export data analysis. Using this measure, it also shows that Alberta's exports to FO countries other than the United States are increasing slower than to NFO countries.

Presenting this data somewhat differently shows more dramatic differences between Alberta and Canada exports to FO-USA and NFO countries. Figure 2.0 and 2.1 present Alberta exports and Figure 2.2 and 2.3 present Canada exports between 1990 and 2014.

Figures 2.0 and 2.1 shows that exports to FO-USA and NFO countries have followed a similar upward trend for the past twenty-five years.<sup>91</sup> Alberta exports to FO-USA countries hovered around \$3 billion for the mid-1990s and early 2000, but spiked just before the great recession of



2008-2009. Figure 2.1 reveals that Alberta exports to NFO countries is trending upward but following business cycles more notacably; increasing dramatically from 2002 to 2008 and then crashing for the subsequent two year period. Both FO-USA and NFOs were effected by the great recession of 2008-2009 but it appears that provincial exports to NFO countries has been slightly more positive than to FO-USA destinations.

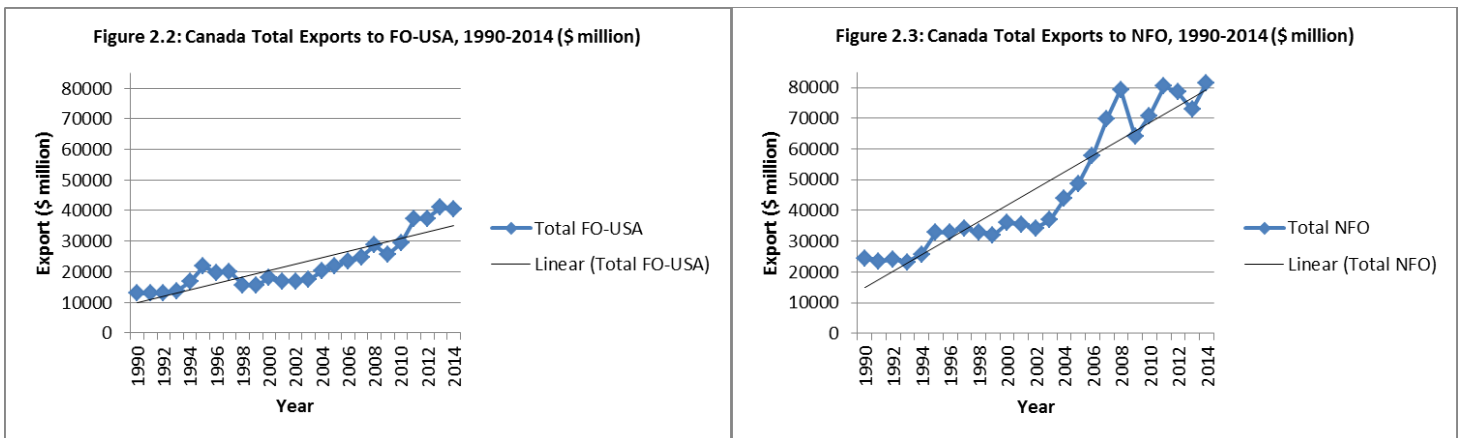


Figure 2.2 and 2.3 above show Canada's exports to countries FO-USA and NFO countries. While exports to FO-USA and NFO countries both have positive trajectories, it is noticable that exports to countries without Alberta foreign offices has a significantly more

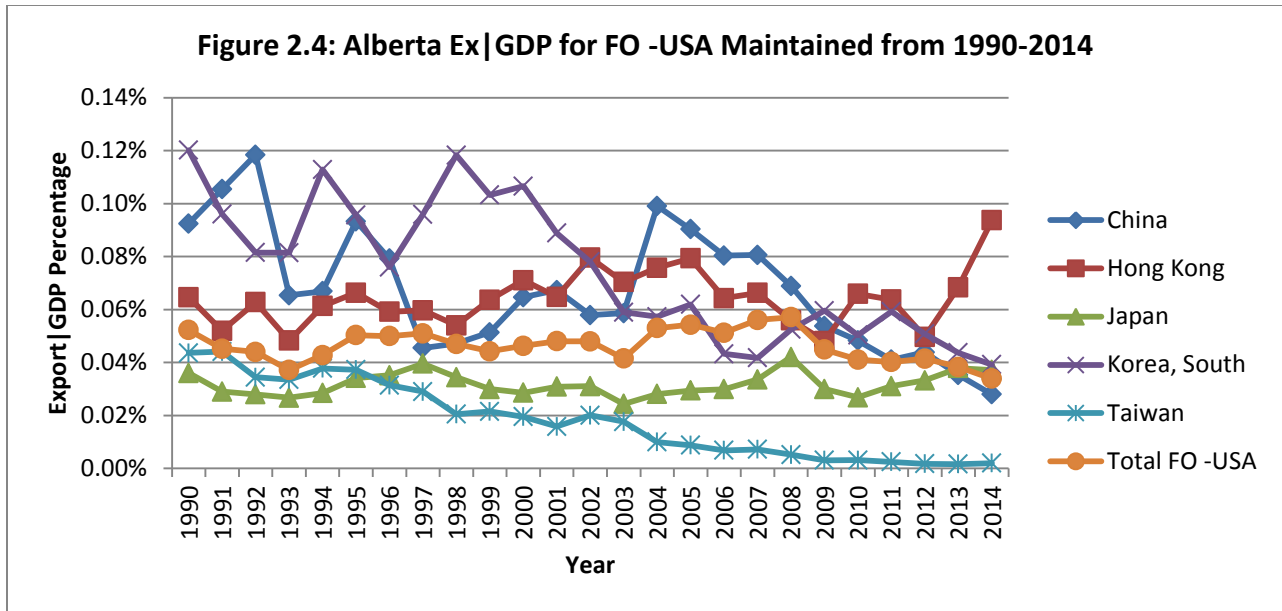
<sup>91</sup> Although the trend lines for FO and NFOs are similar, this is not taking scale into consideration.

positive trend line. Figure 2.2 demonstrates Canada's exports to FO-USA countries and illustrates a slow increase from just over \$10 billion to \$40 billion in twenty-five years. Conversely, exports to NFO countries grew from roughly \$25 billion to over \$80 billion over the same time period. Canadian exports to both FO-USA and NFO countries saw the greatest increase starting in 2000 and experienced a contraction during the great recession, but continued to grow shortly after.

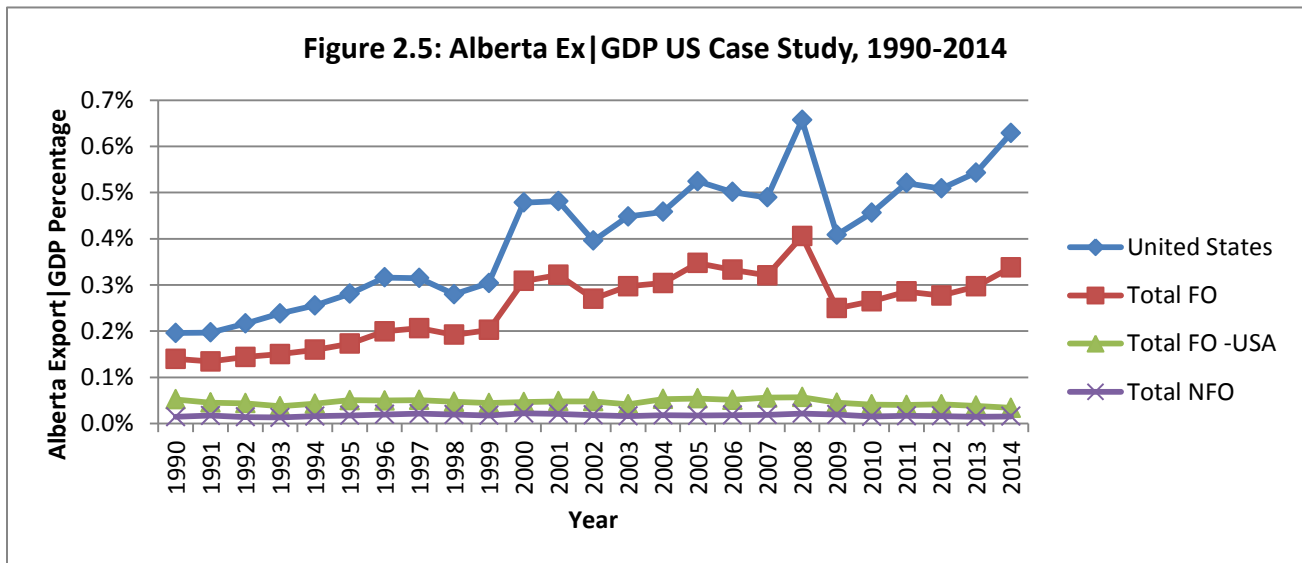
Comparing Alberta and Canada exports reveals an interesting trend. Even though Alberta's exports to FO-USA was weaker than to FO countries, compared to Canada, Alberta exports to FO countries maintained stronger trade relationships than with countries outside of Alberta's foreign office network.

Table 1.0 and 1.1 also show the change in percentage of GDP received by each FO host country compared to NFO for both Alberta and Canada. Represented as a percentage of GDP, Alberta exports to countries with FO increased by 141% from 0.14% in 1990 to 0.34% in 2014 and only represent a 6.4% increase to NFO countries from 0.015% in 1990 to 0.016% in 2014, shown on Table 1.0. The majority of Alberta's increase in trade is based on a 220.7 percentage change increase in trade to GDP to the United States. Excluding the United States from the FOs shows an export to GDP percentage decrease of -35.2% over the twenty-five year period. These measures reify the strength of Alberta's bilateral trade relationship with the United States.

Figure 2.4 below illustrates percentage of GDP for countries that hosted Alberta foreign offices from 1990 to 2014 but excluding the United States. Even excluding the business cycles from each country, there is an overall downward trend for most of FO countries over this twenty-five year period. The exception to this rule, as evident in the above figure, is Hong Kong who has seen a slight increase in demand with a sharp increase since 2012.



As evident from Figure 2.5 below, Alberta export/GDP ratio has been steadily increasing over the past twenty-five years from 0.196% in 1990 to 0.629% in 2014, representing a 220.72%



increase. The sharp decline in 2001 on the United States line could be representative to shocks to the American economy following the attacks of 9/11. Between 2002 and 2008 were highly productive resource development years for Alberta which is representative in the steady rise over this period. In 2008-2009, the United States economy was impacted by the great recession which

is depicted above. However, Alberta’s exports to the United States have continued to grow during business as usual periods.

As a comparison, I will use the same method but looking at Canadian exports Figure 2.6 shows Canada’s export to GDP ratios to countries hosting Alberta foreign offices that were consistently maintained between 1990 and 2014 but excluding the United States. Representing Canada’s exports as a percentage of GDP it is possible to see a meager 2.42% increase from 1.27% in 1990 to 1.30% in 2014 for all countries with FOs. This is shown above with the downward trend lines of the majority of represented countries. The one outlier in this dataset is exports to Hong Kong which rose by 77.40% from 0.891% in 1990 to 1.581% in 2014. Canada’s export as a percentage of GDP destined to NFO was a -2.84% decrease from 0.192% in 1990 to 0.186% in 2014.

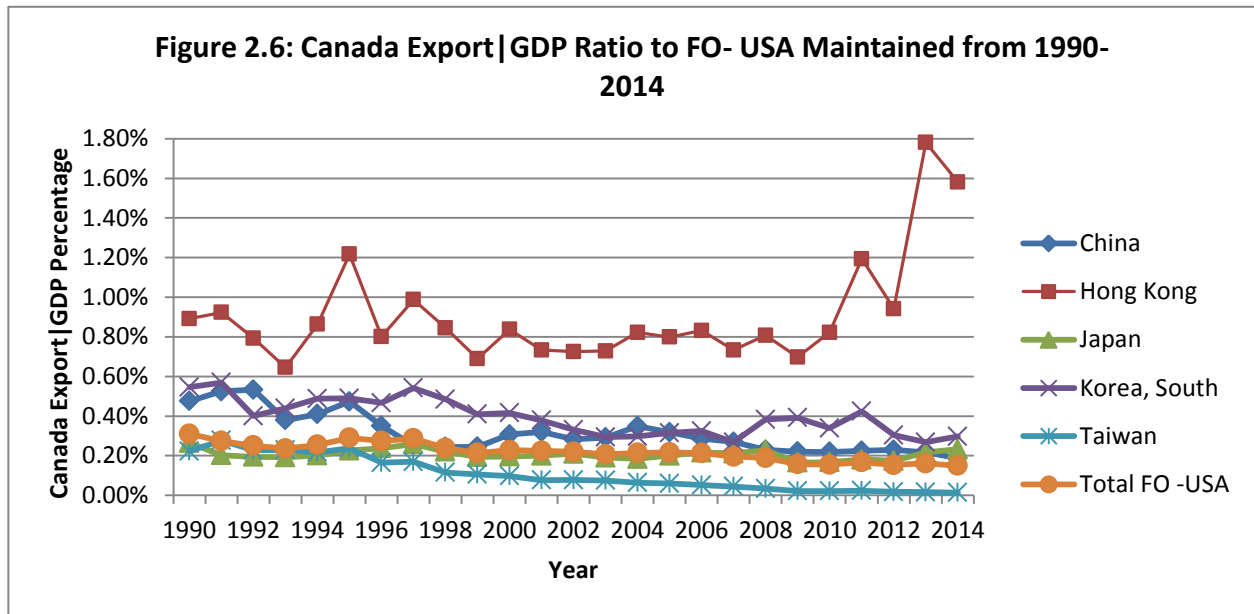
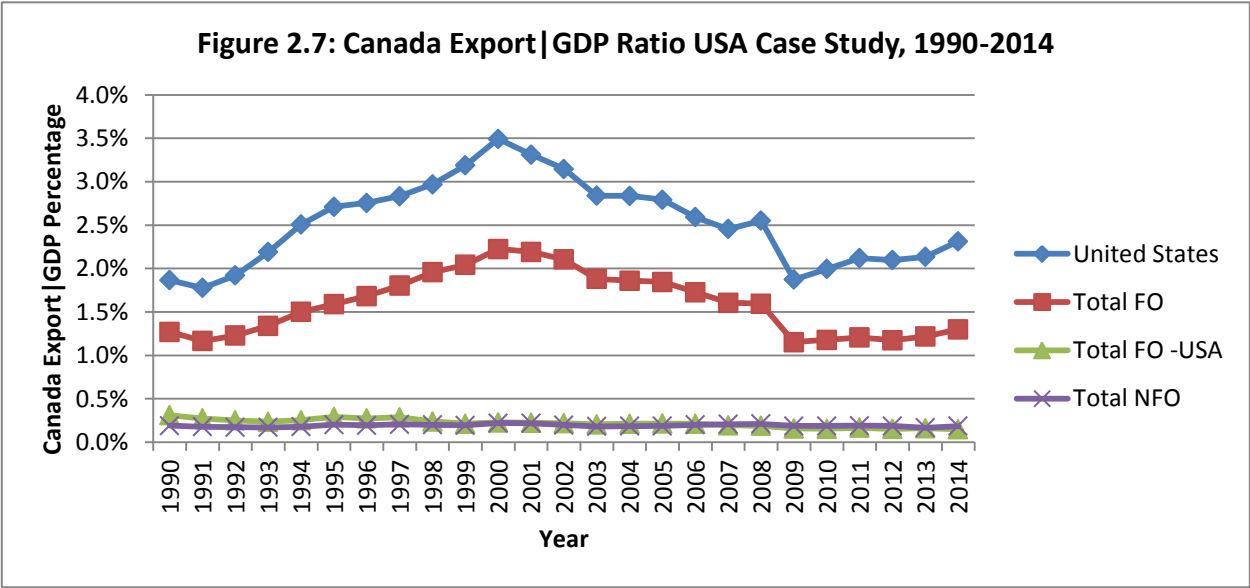


Figure 2.7 shows Canada’s exports to GDP specifically focusing on the United States bilateral trade compared to all other trade partners from 1990 to 2014. Canada’s trade to the United States grew by 24.04% from 1.87% in 1990 to 2.31% in 2014. The impact of Canada’s trade with the United States as opposed to all other bilateral trade partners is evident in the

difference between the ‘Total FO’ and ‘Total FO-USA’ lines in Figure 2.7. Using this depiction of Canada’s bilateral trade relationship with the United States, it suggests that there is a diachronic cyclic relationship between these partners.



Comparatively, exports to all FO are 139 percentage points greater for Alberta than Canada over this twenty-five year period (data from Tables 1.0 and 1.1). Fairing much worse than Alberta, Canadian exports as a percentage of GDP to FO excluding the United States dropped by 51.90% from 0.310% in 1990 to 0.149% in 2014. And although both Alberta and Canada experienced a decrease in trade to FO countries excluding the United States, Alberta fared 16.7 percentage points better than the national level. Alberta also performed better than the aggregate with respect to NFO exports at 9.2 percentage points and experienced export growth. Because of the growth in exports to NFOs, it is difficult to show bilateral trade increases due to foreign office efforts. However, using this measure of comparison, I suggest that Alberta’s long-term maintenance of foreign offices is correlated with improved export performance, especially to the United States.

## 5.2 Method II

An alternative method to evaluate the impact of Alberta's foreign office network impact on exports is to use a mid-point and compare before and after trade patterns. Using 2002, an approximate mid-point between 1990 and 2014, I compare the before and after trade patterns of countries with foreign offices with all other countries at both the provincial and federal levels. Before 2002, Alberta maintained foreign offices in China, Germany, Hong Kong, Japan, South Korea, Mexico, Taiwan, UK, and USA for varying periods of time. Table 2.0 and 2.1 show Alberta and Canada exports to Alberta foreign offices that were established before 2002 (FO) and all other countries without foreign offices (NFO).

Table 2.0 shows Alberta's exports to countries with Alberta foreign offices established before 2002. From this table it can be seen that between 1990 and 2002 Alberta experienced a 239.9% or \$33,297 million increase in exports to countries with a foreign office established before the cut-off date and only a 39.5% or \$671 million increase to all other countries. When examining Alberta exports to FO-USA countries there is a significant drop in exports when compared to all FO countries. Alberta exports to FO-USA countries grew by 73.0% or \$1,576 million from \$2,161 million in 1990 to \$3,737 million in 2002. The fact that the United States has been Alberta's largest trading partner paired with a significant percentage increase in trade to that country contributes to the difference between exports to FO and FO-USA countries.

Table 2.1 illustrates that Canada also had an increase in exports to FO countries between 1990 and 2002 representing 183.9% or \$240.96 billion and an increase to NFO countries by 35.9% or \$6.441 billion. Again excluding the United States from the FO countries, Canada experienced an increase in exports to FO-USA countries of 36.7% or \$7.15 billion between 1990 and 2002. It is noticeable that over this time period, to countries where Alberta maintained

offices, even excluding the United States, the province exported proportionally than to countries where no office was maintained. Is it the case then that Alberta sets up offices where trade relationships already exist, or do these offices generate greater exports? Put somewhat differently, is Alberta simply supporting endogeneity relationships?

**Table 2.0: Total Alberta Exports to FO, FO-USA, and NFO Countries in Two Periods, 1990-2002 & 2003-2014 (\$ thousand)**

ALBERTA	1990		2002		% Change 1990-2002	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Export/GDP
Total FO	13,881,567.02	0.105%	47,178,470.58	0.218%	239.9%	108.2%
Total FO (-USA)	2,160,904.16	0.031%	3,737,402.32	0.035%	73.0%	12.2%
Total NFO	1,699,441.02	0.018%	2,371,079.15	0.019%	39.5%	2.0%
Total All Countries	15,581,008.04	0.069%	49,549,549.73	0.144%	218.0%	108.7%
Difference between FO and NFO					200.343%	106.170%
Difference between FO-USA and NFO					33.434%	10.159%
ALBERTA	2003		2004		% Change 2003-2014	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Export/GDP
Total FO	55,119,816.14	0.235%	116,403,096.08	0.276%	111.182%	17.539%
Total FO (-USA)	3,525,530.04	0.029%	6,899,373.65	0.028%	95.697%	-5.441%
Total NFO	2,588,639.67	0.017%	5,551,242.94	0.016%	114.446%	-9.194%
Total All Countries	57,708,455.80	0.150%	121,954,339.02	0.157%	111.328%	4.718%
Difference between FO and NFO					-3.264%	26.733%
Difference between FO-USA and NFO					-18.749%	3.753%

**Table 2.1: Total Canada Exports to FO, FO-USA, and NFO Countries in Two Periods, 1990-2002 & 2003-2014 (\$ thousand)**

CANADA	1990		2002		% Change 1990-2002	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Export/GDP
Total FO	131,052,642.24	1.887%	372,013,703.03	3.473%	183.866%	84.074%
Total FO (-USA)	19,495,989.12	0.333%	26,647,353.75	0.295%	36.681%	-11.480%
Total NFO	17,926,778.36	0.115%	24,368,026.30	0.103%	35.931%	-10.323%
Total All Countries	148,979,420.60	0.661%	396,381,729.33	1.154%	166.065%	74.595%
Difference between FO and NFO					147.935%	94.397%
Difference between FO-USA and NFO					0.750%	-1.157%
CANADA	2003		2004		% Change 2003-2014	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Export/GDP
Total FO	355,434,684.48	2.973%	467,275,909.00	1.889%	31.466%	-36.477%
Total FO (-USA)	28,634,599.71	0.286%	64,191,869.00	0.294%	124.176%	2.948%
Total NFO	25,737,669.82	0.097%	57,750,741.00	0.109%	124.382%	12.475%
Total All Countries	381,172,354.30	0.988%	525,026,650.00	0.674%	37.740%	-31.747%
Difference between FO and NFO					-92.916%	-48.953%
Difference between FO-USA and NFO					-0.206%	-9.527%

In order to answer a question of endogeneity, I examine the trade data for Alberta and Canada after the cut-off mid-point in hopes a relationship between opening foreign offices and

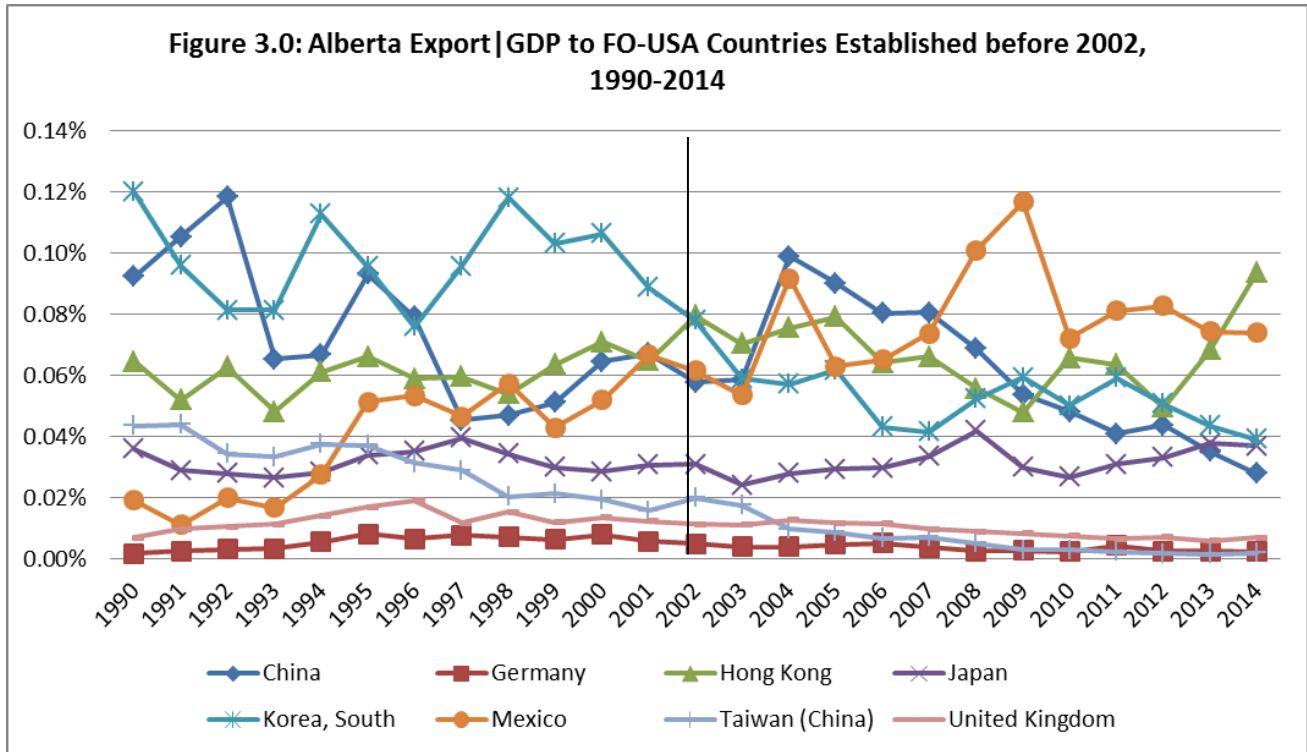


changes in trade patterns. Viewing Tables 2.0 and 2.1 it is evident that between 2003 and 2014 both Alberta and Canada experienced a contraction in export growth compared to the previous time period. To FO countries, Alberta's exports grew by 111.2% from \$55.120 billion in 2003 to \$116.403 billion in 2014. To NFO countries, Alberta's exports grew 114.4% from \$2.589 billion in 2003 to \$5.551 billion in 2014. Between 2003 and 2014 exports to FO-USA increased by 95.7% from \$3.525 billion to \$24.740 billion. Compared to time frame one, exports to FO-USA increased by 22.7 percentage points and 74.9 percentage points to NFO countries.

At the national level, Canada's exports grew by a mere 31.5% from \$355.434 billion in 2003 to \$467.276 billion in 2014 to FO countries, but 124.4% from \$25.737 billion in 2003 to \$57.751 billion in 2014 to NFO countries. Similar to Alberta, Canada's exports to FO-USA increased substantially in time period two by 124.18%. Exports to FO-USA grew from \$28.635 billion in 2003 to \$64.192 billion in 2014.

It is notable that both Alberta and Canada experienced an increase in exports to FO-USA and NFO countries, and a significant percentage decrease in exports to FO countries compared to the previous time period. The performance of Canada's exports to FO-USA and NFO countries is similar over both time periods: period 1 FO-USA at 36.7% and NFO 35.9%; period 2 FO-USA at 124.2% and NFO at 124.4%. Alberta's trade to FO-USA and NFO are not similar in either period: period 1 FO-USA at 73.0% and NFO at 39.5%; period 2 FO-USA at 95.7% and NFO at 114.4%. Alberta is not following the national export trends. Also, the contraction in the Canadian exports FO countries was more significant which begs the question; how much of this can be attributed to Alberta's foreign office network?

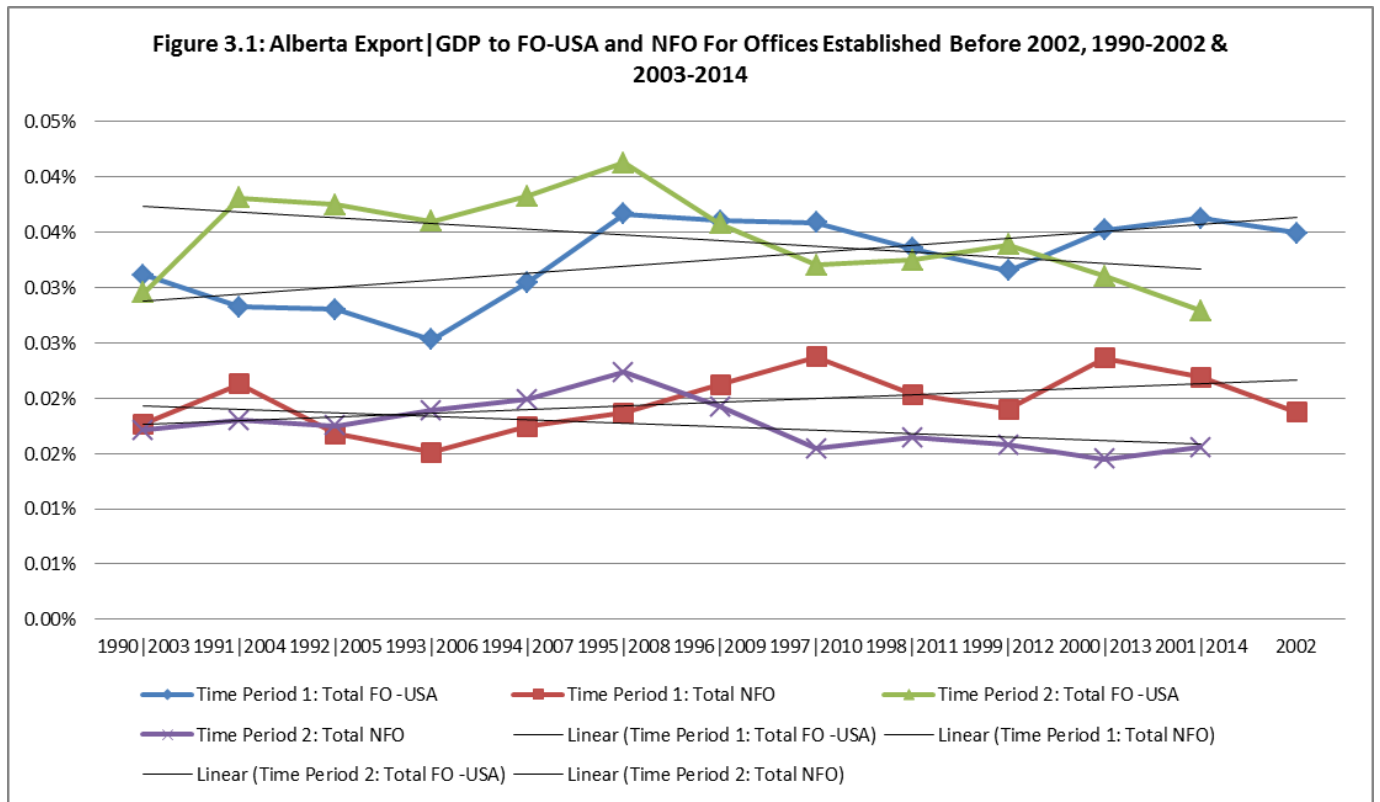
Looking at this data somewhat differently, I remove the impact of each country's inflation by using trade as a percent of GDP. Figure 3.0 shows Alberta export to GDP ratios for



each of the FO countries, excluding the United States, where offices were established before 2002 between 1990 and 2014. It is noticeable from this figure that there is no overarching trend between these bilateral trade partners. Exports to Hong Kong and Mexico are slightly positive; exports to China, South Korea, Taiwan, and the United Kingdom are negative; exports to German and Japan are relatively stable.

Figure 3.1 below presents provincial export data to FO-USA and NFO countries established before 2002 from two time periods: 1990 to 2002; 2003 to 2014. Depicting this same data somewhat differently than Figure 3.0 highlights the change in growth patterns between the two time periods. This figure shows a positive export trend in both time period one categories; while exports to NFO countries were not as strong. This figure also illustrates that exports to countries with and without foreign offices have downward trends over the 2003-2014 period.

The great recession of 2008 and 2009 is represented with a steep decline in both FO-USA and NFO trend lines.



Comparing the trend lines above highlights the change in export growth between the two time periods. Exports to countries with foreign offices shifts to a downward trend in the second time period, similar to export to NFO countries. It is important to note that exports to FO-USA countries are consistently ~0.015 percentage points greater than to NFO countries.

Figure 3.2 shows Alberta exports to all FO countries with established foreign offices before 2002 and compares the two time periods. It is noticeable that exports to FO countries have a strong upward trend in time period one, but plateaus in period two. This is similar to the results from Figure 3.1 comparing exports to FO-USA trends. It appears that either Alberta is locating foreign offices where a strong trade relationship already exists or that the initial short-run benefits of establishing a foreign office do not have long-run impacts. Comparing these

results to Canadian exports will show that Alberta's slightly negative second period is unusually good performance for that time period.

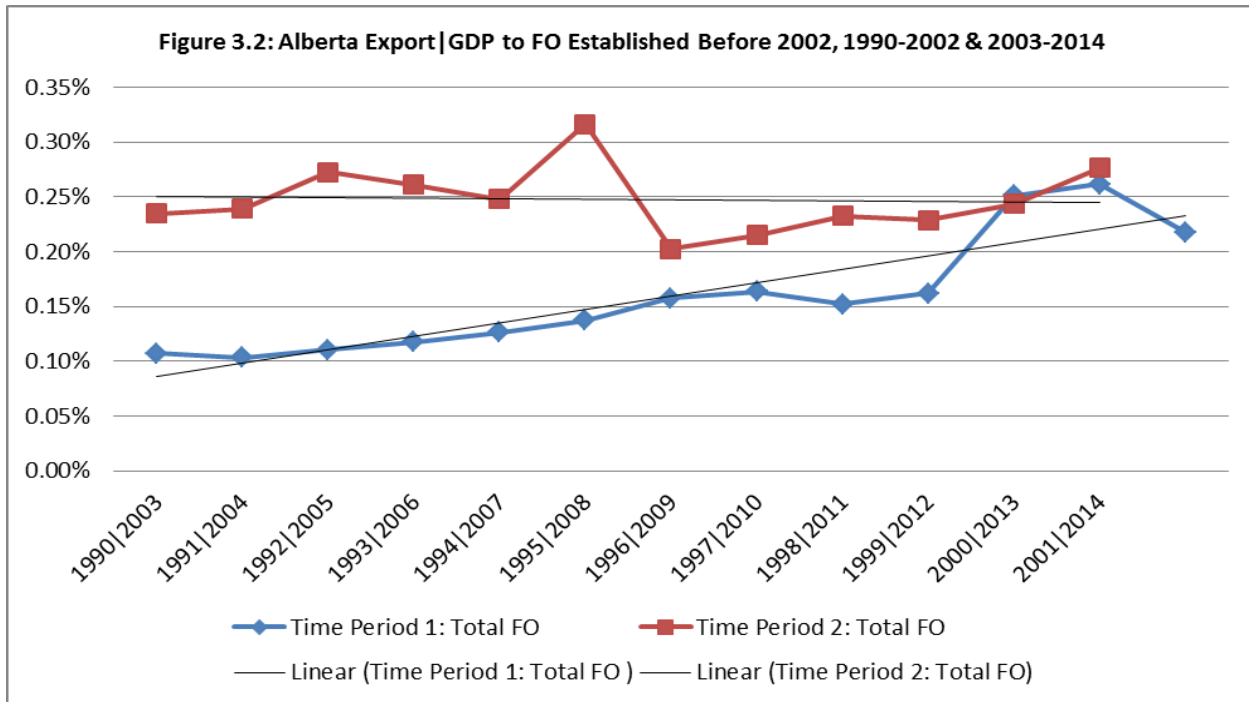
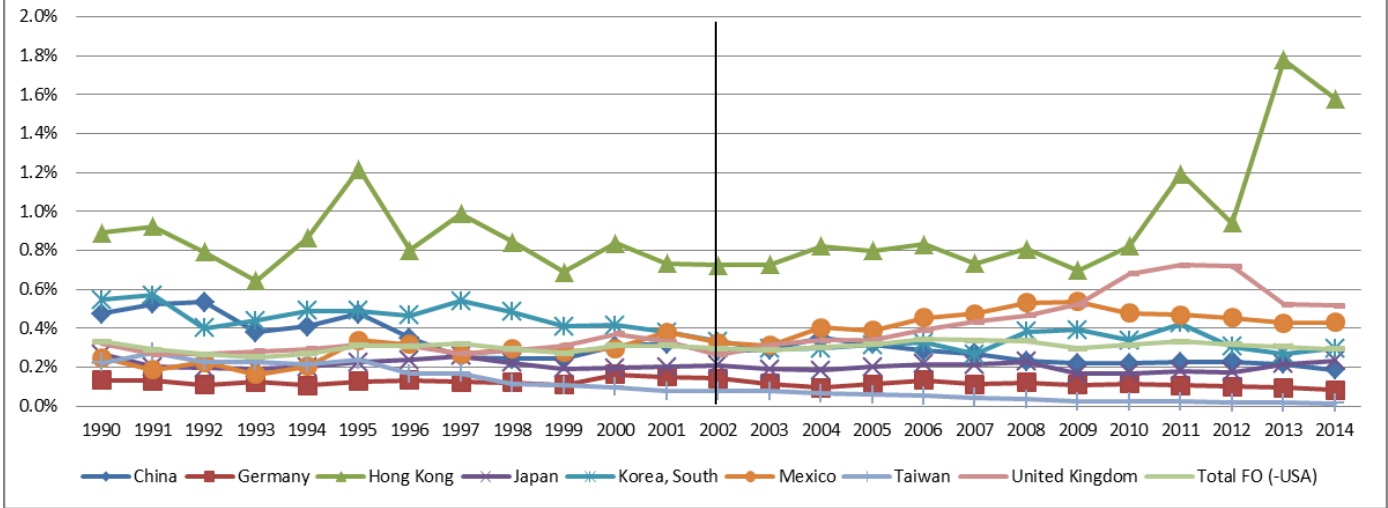


Figure 3.3 below depicts Canadian exports to countries with Alberta foreign offices established before 2002 excluding the United States between two time periods: 1990 to 2002; 2003 to 2014. In the first period, Canada's exports as a share of GDP to FO countries increased by 84.07% from 1.89% in 1990 to 3.47% in 2002. Exports to Germany, Mexico, and the United States were the only FO countries in this time period that experienced an increase in exports with 8.13%, 30.66%, and 68.64% respectively (see Appendix VII for more details). But national exports to FO-USA countries saw a decrease in exports as a percentage share of GDP by negative 11.48% from 0.33% in 1990 to 0.29% in 2002. Exports to all NFO countries also experienced a contraction in trade from 0.12% in 1990 to 0.10% in 2002 representing a decrease of -10.32%. Canada's aggregate exports to all countries however, experienced an increase of 74.60% between 1990 and 2002.

**Figure 3.3: Canadian Exports|GDP for FO-USA Countries with Offices Established before 2002, 1990-2002 & 2003-2014**



The second time period saw a significantly different trade pattern than the first period.

Canada exports as a percentage of GDP to all FO countries fell by -36.48% from 2.97% in 2003 to 1.89% in 2014. The most significant outlier in the above table is export to Hong Kong, in the second time period and specifically after 2010. From 2003, Canada exports to Hong Kong have jumped by 117.01% from 0.73% in 2003 to 1.58% in 2014. Total exports to FO-USA countries grew over this period by 2.95%, suggesting that the main contraction in exports was due to fewer exports destined to the United States. Exports as a percentage share of GDP also increase to all NFO countries by 12.48% between 2003 and 2014.

Figure 3.4 below shows Canada exports to NFO and FO-USA countries with offices established before 2002 in two time periods. This figure shows that countries with Alberta foreign offices have a declining growth trend over both time periods. As illustrated in this figure, the tight overlap of NFO lines from periods one and two suggests a steady export to those countries.

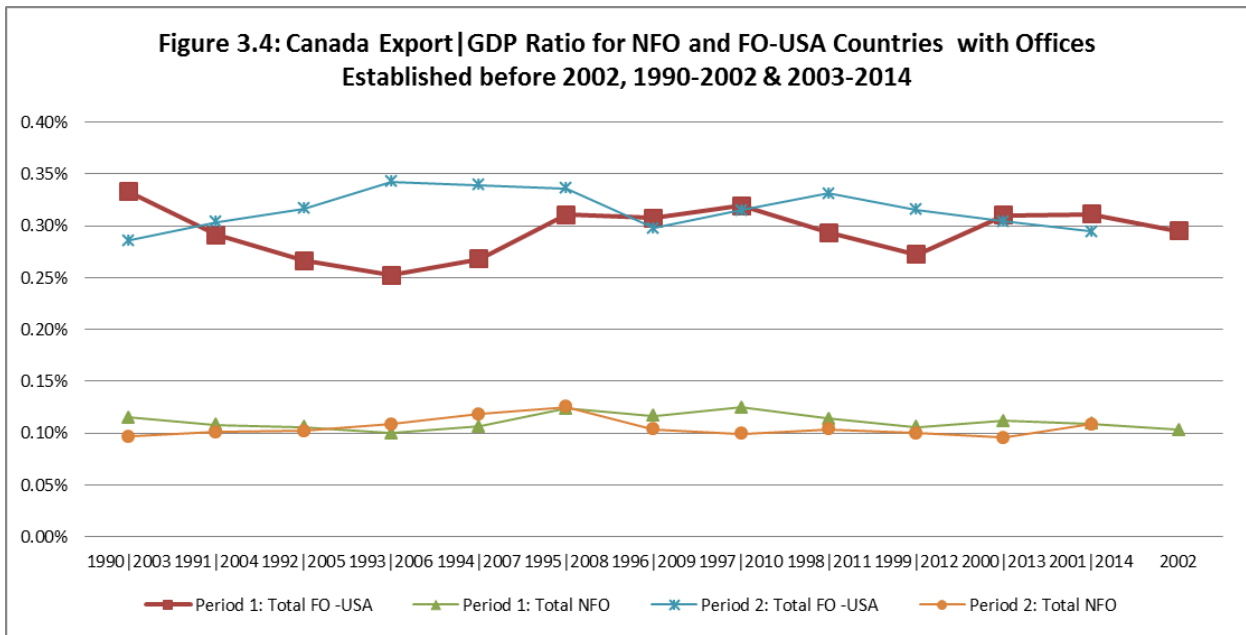
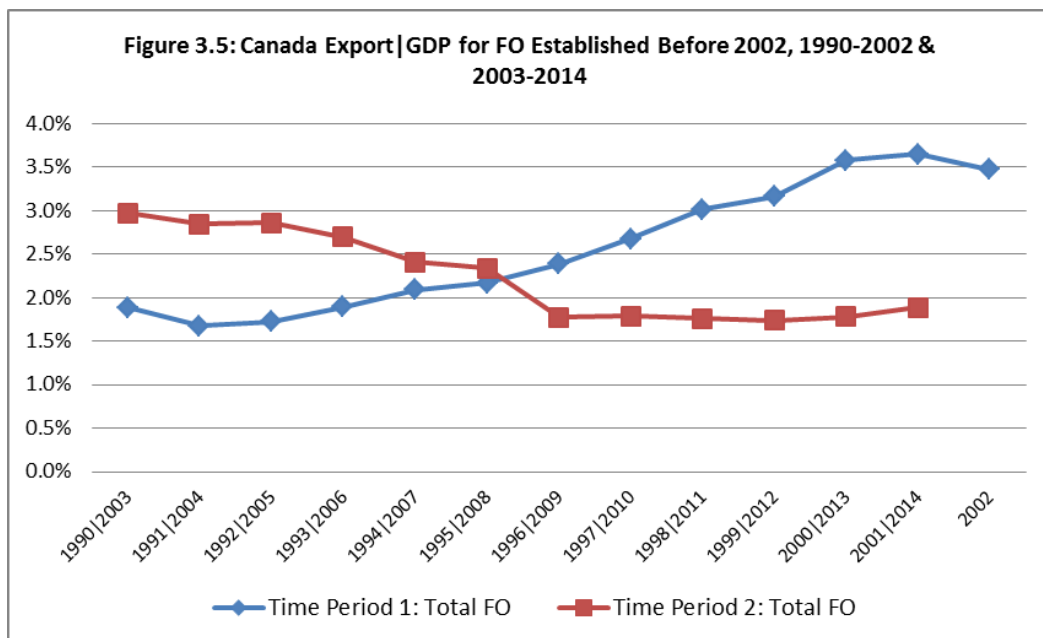


Figure 3.5 shows Canada's exports to FO locations that were established before 2002 and divides the data based on the mid-point break of 2002. It is obvious to see that exports as a percentage of GDP to FO countries in period one increased substantially by 183.9% from 1.89% in 1990 to 3.47% in 2002. This trend upward peaked in 2001 and fell over the second period by negative 36.48% from 2.97% in 2003 to 1.89% in 2014. Re-viewing figure 3.2 and the plateau Alberta exports experienced over the second period is markedly different than the substantial decrease in trade that was experienced at the national level.



Although there appears to be a positive correlation, or at least the avoidance of reduction in exports to countries with Alberta foreign offices, it is not clear that this is a causal relationship. This mid-point analysis does suggested that when examining the differences between the provincial and federal exports to FO, FO-USA and NFO destinations suggests that Alberta's foreign office network is having an impact on provincial international trade.

### 5.3 Method III

Between 1990 and 2014, the Government of Alberta opened ten and closed eight offices. In this section I examine the short-run trade impact on Alberta and Canada's economies of the opening and closing of Alberta foreign offices. My inclusion criteria consist of a change in foreign office presence with trade data from three years before and after the change. Using these limitations, I examine the opening of the Alberta Mexico office in 1995, Alberta Germany Office in 2002, and Alberta United Kingdom in 2003 as well as the closure of the Alberta United Kingdom office in 1998. In this section I will examine the before and after economic trends of each of the changes to the foreign office network. I will show that there are mixed results in the short-run benefits of opening or closing a provincial foreign office.

#### **Opening the office in Mexico:**

In 1995, the Government of Alberta opened the Alberta-Mexico foreign office because "Mexico is Alberta's fastest-growing trading partner, its largest in Latin American export market and one of its largest international trading partners."<sup>92</sup> At that time, there were over 500 Alberta firms in Mexico City as well as a perceived need to support the newly signed NAFTA.<sup>93</sup> This section will show that there appears to be a short-run economic boost following the opening of the Alberta-Mexico foreign office in 1995.

---

<sup>92</sup> "Alberta International Offices Business Report, 2002-2003," *Government of Alberta, Ministry of International and Intergovernmental Affairs* (2003) p. 3.

<sup>93</sup> "Alberta International Offices Business Report, 2002-2003," 3.

**Table 3.0: Opening Alberta-Mexico FO Case Study, Alberta Exports to FO, FO-USA, and NFOs, 1992-1997 (\$ thousand)**

ALBERTA	1992		1994		% Change 1992-1994	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	72,721.82	0.020%	146,432.73	0.028%	101.360%	38.847%
Total FO	16,354,765.92	0.131%	21,407,146.48	0.148%	30.892%	12.790%
Total FO (-USA)	2,210,836.23	0.037%	2,733,066.10	0.038%	23.621%	2.351%
Total NFO	1,881,957.83	0.015%	2,100,316.38	0.016%	11.603%	8.747%
Total All Countries	18,236,723.75	0.072%	23,507,462.86	0.085%	28.902%	18.015%
Difference between FO and NFO					19.290%	4.043%
Difference between FO-USA and NFO					12.019%	-6.396%
ALBERTA	1995		1997		% Change 1995-1997	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	176,925.12	0.051%	224,324.77	0.047%	26.791%	-9.293%
Total FO	25,326,169.23	0.158%	30,560,265.13	0.185%	20.667%	16.768%
Total FO (-USA)	3,797,685.63	0.045%	3,467,152.46	0.044%	-8.704%	-3.992%
Total NFO	2,453,713.74	0.017%	3,125,116.09	0.021%	27.363%	27.083%
Total All Countries	27,779,882.97	0.091%	33,685,381.22	0.108%	21.258%	19.055%
Difference between FO and NFO					-6.696%	-10.316%
Difference between FO-USA and NFO					-36.066%	-31.075%

**Table 3.1: Opening Alberta-Mexico FO Case Study, Canada Exports to FO, FO-USA, and NFOs, 1992-1997 (\$ thousand)**

CANADA	1992		1994		% Change 1992-1994	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	813,448.91	0.224%	1,083,518.54	0.205%	33.201%	-8.152%
Total FO	141,782,827.82	1.138%	203,329,181.82	1.407%	43.409%	23.576%
Total FO (-USA)	16,112,833.49	0.272%	20,026,681.05	0.280%	24.290%	2.905%
Total NFO	21,044,522.61	0.163%	22,350,056.78	0.169%	6.204%	3.486%
Total All Countries	162,827,350.43	0.643%	225,679,238.60	0.815%	38.600%	26.895%
Difference between FO and NFO					37.205%	20.090%
Difference between FO-USA and NFO					18.087%	-0.581%
CANADA	1995		1997		% Change 1995-1997	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	1,160,616.98	0.338%	1,277,115.98	0.266%	10.038%	-21.278%
Total FO	234,568,309.36	1.465%	269,015,197.85	1.626%	14.685%	10.979%
Total FO (-USA)	26,815,700.79	0.321%	25,126,990.94	0.316%	-6.297%	-1.462%
Total NFO	27,698,722.29	0.189%	29,054,183.70	0.198%	4.894%	4.664%
Total All Countries	262,267,031.66	0.856%	298,069,381.55	0.955%	13.651%	11.586%
Difference between FO and NFO					9.792%	6.316%
Difference between FO-USA and NFO					-11.191%	-6.125%

Figures 3.0 and 3.1 show export and exports as a percentage of GDP for the three years before and after the opening of this foreign office in Mexico. In the years leading up to the Alberta-Mexico office's opening, Alberta's exports to Mexico increased by 101.4% from \$72.7 million in 1992 to \$146.4 million in 1994 which represented 38.8 percent of GDP at that time.



The three years following the office's opening Alberta exports to the area fell and saw a moderate growth of 26.8% in exports from \$176.9 million in 1995 to \$224.3 million in 1997. Over this period Alberta exports as a share of GDP fell by -9.3%. Table 3.1 shows Canada exports to Mexico from 1992 to 1997. Canada's exports to Mexico increased by 33.2% from \$813.4 million in 1992 to \$1,084.5 million in 1994 showing a decrease of -8.15 percent of GDP over the three years. Between 1995 and 1997 Canada exports to Mexico slowed and saw an increase of only 10.0% from \$1,160.6 million in to \$1,277.1 million in 1997. As a percentage of GDP, Canada exports to Mexico fell by -21.3% between 1995 and 1997. Relatively, Alberta's decrease in exports to Mexico following the opening of the foreign office in 1995 was significantly less severe than at the federal level.

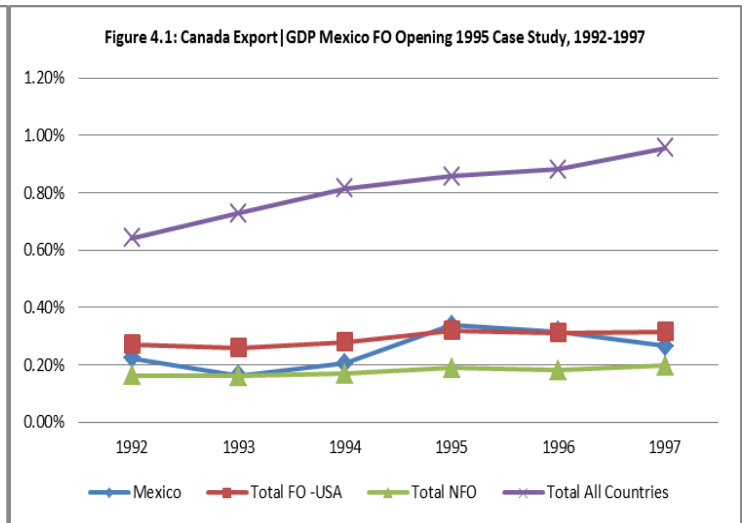
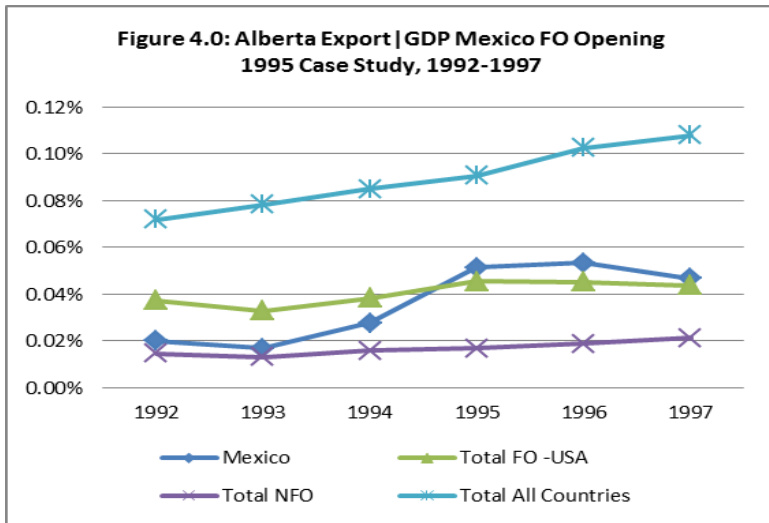


Figure 4.1 shows Canada's export as a percentage of GDP to Mexico over this same period decreased in 1992-3 but increased in 1994 and peaked in 1995. While it is not clear how much of an impact Alberta's foreign office had on increased exports to Mexico in the mid-1990s relative to the impact of the signing of NAFTA, it is clear that Alberta's export surge lasted slightly longer than the national average.

## Opening the office in Germany: 2002

Alberta's foreign office network also supports international parties interested in investment in the province. While this research does not focus on that aspect of the provincial foreign office network, it is pertinent to the justifications the Government of Alberta has made in deciding to open a foreign office in Germany. In 2002, the Government of Alberta and Ministry of IIR opened the Alberta Germany Office. Even though Germany is not a significant trading partner with Alberta, Germany is the province's "fourth-largest source of foreign direct investment."<sup>94</sup> Additionally, the Alberta-Germany office was opened to "support Alberta businesses in a significant tourism revenue market and one of the province's largest export markets."<sup>95</sup>

Table 3.2 and 3.3 show Alberta and Canada exports and trade as a percentage of GDP with Germany in the three years leading up to and following the opening of the office. In the three years before the opening the Germany office, Alberta's export to GDP ratio drop by negative 10.9% from 0.007% or \$142.9 million in 1999 to 0.006% or \$112.9 million in 2001. Canada's export to GDP on the other had experienced a 36.8% increase from 0.11% or \$2.415 billion in 1999 to 0.150% or \$2.930 billion in 2001. In the three years following the opening of the office, Alberta's trade decreased by -19.6% from 0.005% or \$104.5 million in 2002 to 0.004% or \$113.9 million in 2004. Canada's export to GDP ratio for this same period also saw a loss but more significantly by -33.0% from 0.142% or \$2.955 billion in 2002 to 0.095% or \$2.684 billion in 2004. Is this measure of trade to suggest that the FO created a buffer against a more significant loss or was it just happenstance?

---

<sup>94</sup> "Alberta International Offices Business Report, 2002-2003," *Government of Alberta, Ministry of International and Intergovernmental Affairs*, p. 3.

<sup>95</sup> *Ibid.*

**Table 3.2: Opening Alberta-Germany FO Case Study, Alberta Exports to FO, FO-USA, and NFOs, 1999-2004 (\$ thousand)**

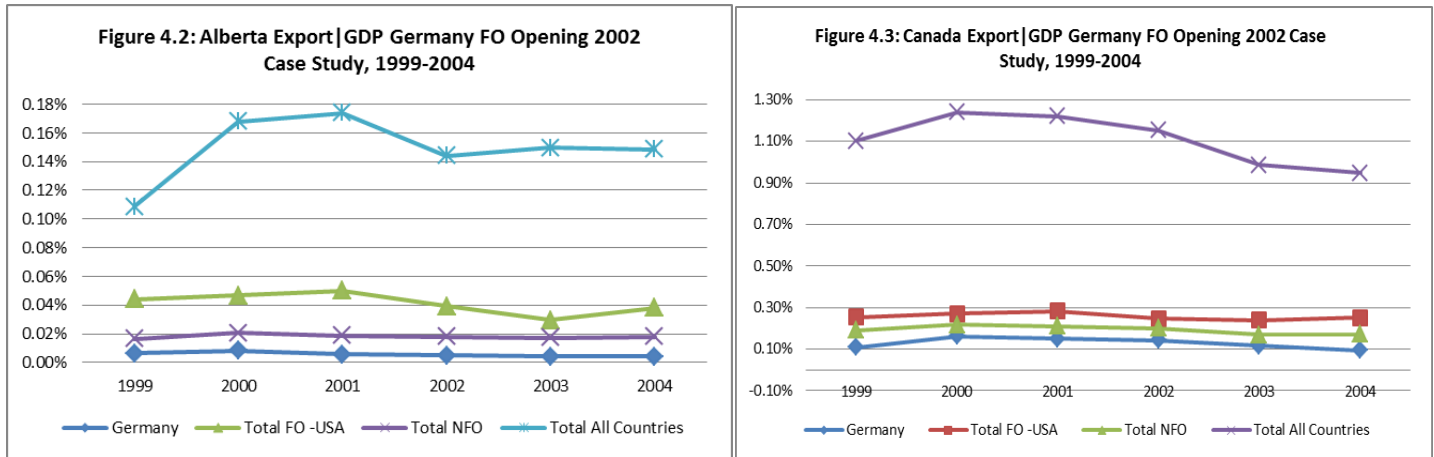
	1999		2001		% Change	1999-2001
ALBERTA	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	142,873.86	0.007%	112,930.15	0.006%	-20.958%	-10.864%
Total FO	32,347,410.06	0.197%	54,592,108.37	0.311%	68.768%	57.926%
Total FO (-USA)	2,981,748.67	0.044%	3,461,597.34	0.050%	16.093%	13.313%
Total NFO	2,618,413.82	0.017%	2,943,666.47	0.019%	12.422%	14.458%
Total All Countries	34,965,823.87	0.108%	57,535,774.84	0.174%	64.549%	60.343%
Difference between FO and NFO					56.346%	43.468%
Difference between FO-USA and NFO					3.671%	-1.145%
	2002		2004		% Change	2002-2004
ALBERTA	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	104,574.14	0.005%	113,957.10	0.004%	8.973%	-19.637%
Total FO	46,987,066.33	0.235%	61,343,001.03	0.239%	30.553%	1.705%
Total FO (-USA)	3,545,998.07	0.039%	5,110,254.99	0.038%	44.113%	-2.932%
Total NFO	2,562,483.39	0.018%	3,196,217.71	0.018%	24.731%	0.668%
Total All Countries	49,549,549.73	0.144%	64,539,218.74	0.148%	30.252%	2.964%
Difference between FO and NFO					5.822%	1.036%
Difference between FO-USA and NFO					19.382%	-3.600%

**Table 3.3: Opening Alberta-Germany FO Case Study, Canada Exports to FO, FO-USA, and NFOs, 1999-2004 (\$ thousand)**

	1999		2001		% Change	1999-2001
CANADA	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	2,415,230.15	0.110%	2,930,173.33	0.150%	21.321%	36.814%
Total FO	325,212,986.11	1.981%	371,388,391.49	2.117%	14.199%	6.862%
Total FO (-USA)	17,136,671.71	0.254%	19,636,914.03	0.284%	14.590%	11.846%
Total NFO	30,207,775.43	0.191%	32,697,303.84	0.210%	8.241%	10.202%
Total All Countries	355,420,761.55	1.103%	404,085,695.32	1.222%	13.692%	10.787%
Difference between FO and NFO					5.957%	-3.340%
Difference between FO-USA and NFO					6.349%	1.644%
	2002		2004		% Change	2002-2004
CANADA	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	2,955,160.02	0.142%	2,684,134.40	0.095%	-9.171%	-33.017%
Total FO	367,582,879.18	1.837%	381,890,806.58	1.487%	3.892%	-19.065%
Total FO (-USA)	22,216,529.90	0.246%	33,746,690.58	0.252%	51.899%	2.313%
Total NFO	28,798,850.16	0.201%	30,399,177.02	0.171%	5.557%	-14.807%
Total All Countries	396,381,729.33	1.154%	412,289,983.60	0.949%	4.013%	-17.777%
Difference between FO and NFO					-1.664%	-4.258%
Difference between FO-USA and NFO					46.342%	17.119%

Figures 4.2 and 4.3 show Alberta and Canada exports as a percentage of GDP to FO-USA, NFO, all country exports as well as to Germany for the period of time around the opening of the Alberta-Germany foreign office. Figure 4.2 shows that exports as a percentage share of

global GDP for Alberta increased from 1999 and dropped after 2001, perhaps due to the global economic shock of the terror attacks on 9/11 and Alberta's exports to the United States.



Canada global trend line is similar to Alberta's but does not plateau after 2002 and instead continues on a downward trajectory. While Alberta's exports as a share of GDP to Germany remains steady, Canada's trade continues downward starting in 2000 and over the time series. These images reify the suggestion that Alberta's offices may be creating a cushion against export contractions.

### Opening the office in the United Kingdom: 2003

The Alberta-United Kingdom office was a longstanding office but was closed in 1998 and then reopened in 2003. Table 3.4 and 3.5 show Alberta and Canada trade and percentage share of GDP to the United Kingdom from 2000 to 2005 respectively. As evident in table 3.4, in the three years leading up to the Alberta-United Kingdom office reopening, Alberta's export to GDP fell by -17.0% from 0.014% or \$213.3 million in 2000 to 0.011% or \$191.4 million in 2002.

Canada's trade to the United Kingdom fell by -28.7% from 0.371% or \$5.747 billion in 2000 to 0.265% or \$4.431 billion in 2002, shown in Table 3.5. In the three years after the reopening of

the office, Alberta's trade with the United Kingdom increased by 4.8% from 0.011% or \$220.0 million in 2003 to 0.12% or \$286.1 million in 2005. Canada's exports to the United Kingdom

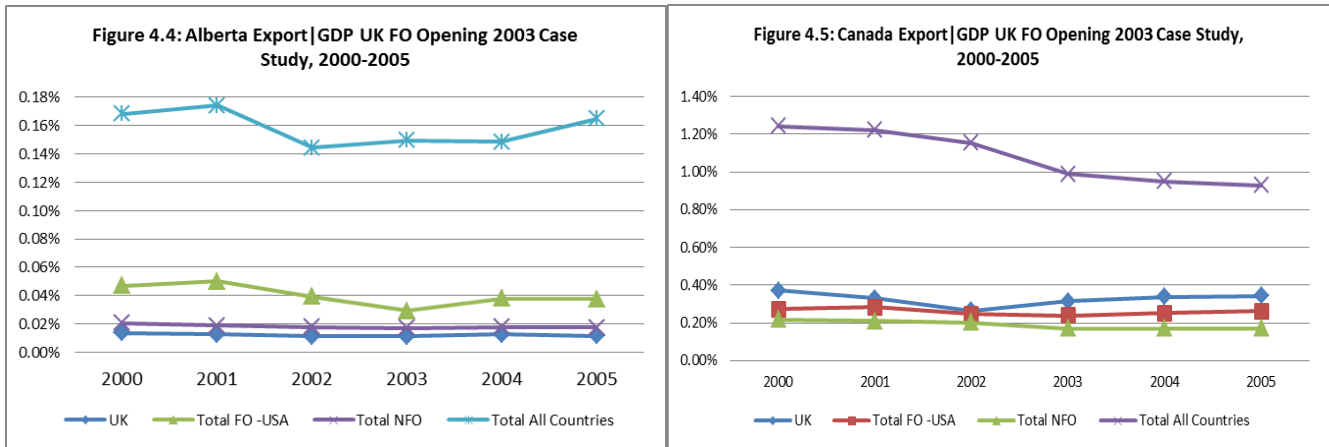
**Table 3.4: Opening Alberta-United Kingdom FO Case Study, Alberta Exports to FO, FO-USA, and NFOs, 2000-2005 (\$ thousand)**

	2000		2002		% Change 2000-2002	
ALBERTA	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	213,345.71	0.014%	191,404.25	0.011%	-10.284%	-17.022%
Total FO	52,638,194.01	0.298%	46,987,066.33	0.235%	-10.736%	-21.330%
Total FO (-USA)	3,445,352.13	0.047%	3,545,998.07	0.039%	2.921%	-16.243%
Total NFO	3,239,518.69	0.021%	2,562,483.39	0.018%	-20.899%	-13.772%
Total All Countries	55,877,712.70	0.168%	49,549,549.73	0.144%	-11.325%	-14.119%
Difference between FO and NFO					10.163%	-7.559%
Difference between FO-USA and NFO					23.820%	-2.472%
	2003		2005		% Change 2003-2005	
ALBERTA	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	220,057.62	0.011%	286,067.63	0.012%	29.997%	4.753%
Total FO	55,119,816.14	0.235%	73,926,429.88	0.272%	34.120%	15.915%
Total FO (-USA)	3,525,530.04	0.029%	5,269,303.48	0.037%	49.461%	27.109%
Total NFO	2,588,639.67	0.017%	3,478,746.12	0.017%	34.385%	2.196%
Total All Countries	57,708,455.80	0.150%	77,405,176.00	0.165%	34.131%	10.040%
Difference between FO and NFO					-0.266%	13.718%
Difference between FO-USA and NFO					15.076%	24.912%

**Table 3.5: Opening Alberta-United Kingdom FO Case Study, Canada Exports to FO, FO-USA, and NFOs, 2000-2005 (\$ thousand)**

	2000		2002		% Change 2000-2002	
CANADA	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	5,746,892.55	0.371%	4,430,823.85	0.265%	-22.901%	-28.691%
Total FO	379,259,397.40	2.150%	367,582,879.18	1.837%	-3.079%	-14.582%
Total FO (-USA)	19,970,632.20	0.272%	22,216,529.90	0.246%	11.246%	-9.469%
Total NFO	33,955,914.04	0.217%	28,798,850.16	0.201%	-15.188%	-7.545%
Total All Countries	413,215,311.44	1.242%	396,381,729.33	1.154%	-4.074%	-7.096%
Difference between FO and NFO					12.109%	-7.037%
Difference between FO-USA and NFO					26.434%	-1.924%
	2003		2005		% Change 2003-2005	
CANADA	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	6,089,882.48	0.313%	8,255,616.00	0.342%	35.563%	9.239%
Total FO	355,434,684.48	1.515%	402,613,864.00	1.483%	13.274%	-2.102%
Total FO (-USA)	28,634,599.71	0.240%	36,873,115.00	0.262%	28.771%	9.513%
Total NFO	25,737,669.82	0.170%	33,736,775.00	0.170%	31.079%	-0.318%
Total All Countries	381,172,354.30	0.988%	436,350,639.00	0.928%	14.476%	-6.086%
Difference between FO and NFO					-17.806%	-1.784%
Difference between FO-USA and NFO					-2.308%	9.831%

saw a more substantial gain over the same time period of 9.2% from 0.313% or \$6.090 billion to 0.342% or \$8.256 billion in 2005.



Figures 4.4 and 4.5 show a visual of Alberta and Canada’s trade as a percentage of GDP with FO-USA, NFO, all countries, and the United Kingdom from 2000-2005 as a case study. In figure 4.4 is shows that Alberta global exports dipped in the years leading up to the Alberta-United Kingdom office being opened but then slowly grew more positive. However, this is not the trend for trade with the United Kingdom which remained flat for the five year period. Canada exports as a share of GDP was strikingly different over this time period. The national trade trends globally remain negative over this timeframe, but in 2002 exports to the United Kingdom turn from a downward trend to a positive relationship.

This example does not support the premise that foreign offices or these forms of paradplomacy increase trade. It is possible however, that the Alberta-United Kingdom office may also be located to support investment and not predominantly trade relations. In the past, Alberta’s foreign efforts in the United Kingdom have been aimed at tourism and immigration, which would not show success using these performance measures.

**Closing the office in the United Kingdom: 1998**

Figure 3.6 and 3.7 Alberta and Canada trade and percentage share of GDP to the United Kingdom from 1995 to 2000 respectively. In the three years prior to the Government of Alberta

**Table 3.6: Closing Alberta-United Kingdom FO Case Study, Alberta Exports to FO, FO-USA, and NFOs, 1995-2000 (\$ thousand)**

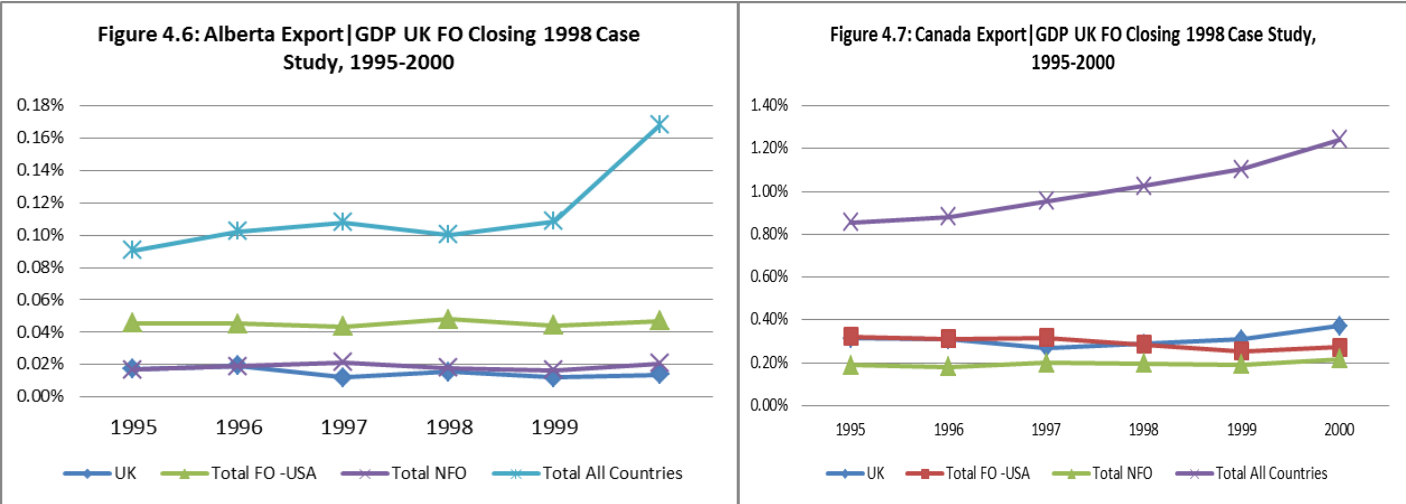
ALBERTA	1995		1997		% Change 1995-1997	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	211,648.68	0.017%	172,131.51	0.012%	-18.671%	-30.156%
Total FO	25,326,169.23	0.158%	30,560,265.13	0.185%	20.667%	16.768%
Total FO (-USA)	3,797,685.63	0.045%	3,467,152.46	0.044%	-8.704%	-3.992%
Total NFO	2,453,713.74	0.017%	3,125,116.09	0.021%	27.363%	27.083%
Total All Countries	27,779,882.97	0.091%	33,685,381.22	0.108%	21.258%	19.055%
Difference between FO and NFO					-6.696%	-10.316%
Difference between FO-USA and NFO					-36.066%	-31.075%
ALBERTA	1998		2000		% Change 1998-2000	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	237,502.79	0.016%	213,345.71	0.014%	-10.171%	-11.304%
Total FO	28,299,914.57	0.188%	52,638,194.01	0.298%	86.001%	58.986%
Total FO (-USA)	2,868,184.32	0.048%	3,445,352.13	0.047%	20.123%	-2.194%
Total NFO	2,886,643.42	0.018%	3,239,518.69	0.021%	12.224%	14.847%
Total All Countries	31,186,557.99	0.100%	55,877,712.70	0.168%	79.172%	67.346%
Difference between FO and NFO					73.777%	44.140%
Difference between FO-USA and NFO					7.899%	-17.041%

**Table 3.7: Closing Alberta-United Kingdom FO Case Study, Canada Exports to FO, FO-USA, and NFOs, 1995-2000 (\$ thousand)**

CANADA	1995		1997		% Change 1995-1997	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	3,890,004.13	0.315%	3,868,548.35	0.269%	-0.552%	-14.595%
Total FO	234,568,309.36	1.465%	269,015,197.85	1.626%	14.685%	10.979%
Total FO (-USA)	26,815,700.79	0.321%	25,126,990.94	0.316%	-6.297%	-1.462%
Total NFO	27,698,722.29	0.189%	29,054,183.70	0.198%	4.894%	4.664%
Total All Countries	262,267,031.66	0.856%	298,069,381.55	0.955%	13.651%	11.586%
Difference between FO and NFO					9.792%	6.316%
Difference between FO-USA and NFO					-11.191%	-6.125%
CANADA	1998		2000		% Change 1998-2000	
	Exports	Exports/GDP	Exports	Exports/GDP	Exports	Exports/GDP
Mexico	4,412,482.69	0.289%	5,746,892.55	0.371%	30.242%	28.600%
Total FO	286,934,153.51	1.903%	379,259,397.40	2.150%	32.176%	12.979%
Total FO (-USA)	17,028,769.88	0.284%	19,970,632.20	0.272%	17.276%	-4.513%
Total NFO	31,481,102.93	0.197%	33,955,914.04	0.217%	7.861%	10.382%
Total All Countries	318,415,256.43	1.025%	413,215,311.44	1.242%	29.772%	21.207%
Difference between FO and NFO					24.315%	2.597%
Difference between FO-USA and NFO					9.415%	-14.894%

closing the Alberta-United Kingdom Office in 1998, Alberta's exports as a percentage of GDP to the United Kingdom dropped by -30.2% from 0.017% or \$211.6 million in 1995 to 0.012% or \$172.1 million in 1997, shown in Figure 3.6. Canada's export to GDP ratio fell less substantially by -14.6% from 0.315% or \$3.890 billion in 1995 to 0.269% or \$3.869 billion in 1997.

Following the office closure, Alberta’s exports fell less noticeably by just -11.3% from 0.016% or \$237.5 million in 1998 to 0.014% or \$213.3 million in 2000. Canada’s trade with the United Kingdom increased by 28.6% from 0.289% or \$4.412 billion in 1998 to 0.371% or \$5.747 billion in 2000 following the closure of the Alberta United Kingdom Office in 1998. There is an argument that the relationships formed through a sustained foreign presence can have residual or lagged effects which may play a role in this case study.<sup>96</sup>



Viewing this same data visually in Figure 4.6 and 4.7, it is possible to see that Alberta and Canada’s exports to the United Kingdom are dissimilar. In Figure 4.6 it shows that Alberta trade with the United Kingdom experienced a downward trend just before the foreign office was closed but then picked up slightly in 1998 but growth was not sustained past that date. Alberta’s exports globally however, were stronger especially after 1999. Figure 4.7 shows that Canada’s global trade was strong over this five year period even though trade with the United Kingdom was not as robust. After 1997, national exports started to increase to the United Kingdom and continued into 2000.

<sup>96</sup> Head, Keith, Thierry Mayer, and John Ries, “The Erosion of Colonial Trade Linkages after Independence,” *Journal of International Economics* (Jan 2010): 1-30. These authors correlated the deterioration of trade linkages over several decades, but the argument could be posed as trade relationships that outlast the colonial interactions.



The above four case studies show that the decision to open or close a foreign office has mixed results on the impact it has on growing exports in the short run. The following section will discuss the policy implications of the mixed results shown above.

### **Section 6: Policy Implications**

The new NDP Government of Alberta will be presenting their budget in the next few weeks and must be mindful of the weak Canadian dollar, low oil prices, and an unstable global economy. In the most recent publication of Alberta's *International and Intergovernmental Relations Business Plan 2015-20* signed by Premier Jim Prentice in March 2015, it states, "Navigating the complex geopolitical and economic realities of the modern global marketplace requires the ministry to demonstrate vision, agility, finesse, innovation and creativity as well as determination and responsibility in leading the government's approach to telling Alberta's story."<sup>97</sup> The recent change of provincial government leadership has come with a shift in the narrative about who Albertans are and what Alberta is. Premier Rachel Notley has yet to describe her vision for the Ministry of International and Intergovernmental Relations and for the foreign office network.

The current direction of the Ministry of IIR and Alberta's foreign office network is to further implement *Alberta's International Strategy*.<sup>98</sup> Again, this strategy aims to diversify and expand the provincial market, promote Alberta as a global citizen, develop global community skills for international success, and integrate Government of Alberta actions to benefit from international opportunities.<sup>99</sup> My objects with this paper is to figuring out whether or not Alberta's foreign office network contributes to achieving the market expansion and

---

<sup>97</sup> "Business Plan 2015-20," *Government of Alberta: Ministry of International and Intergovernmental Relations* (March 5, 2015), p. 87. <http://finance.alberta.ca/publications/budget/budget2015/international-and-intergovernmental-relations.pdf?0.8070689824729194>

<sup>98</sup> "2014-2015 International and Intergovernmental Relations Annual Report," *Government of Alberta*, p. 11.

<sup>99</sup> "2014-2015 International and Intergovernmental Relations Annual Report," *Government of Alberta*, p. 11-12.

diversification goals set out in the 2013 *Alberta's International Strategy* using export data as a proxy measure.

The basic question that this paper is, have Alberta's foreign office network affected Alberta's export performance? The challenge to answering this question is in constructing a proper counterfactual analysis. That is, how Alberta exports have done in the absence of a foreign office. Unfortunately, we cannot observe this directly. The purpose of the analysis was to tease out a 'pseudo counterfactual' experiment where I compare Alberta exports to FO and NFO countries and to Canadian exports to these groups of countries. The results suggest that Alberta's foreign office network have had mixed results on increasing provincial exports over the past twenty-five years.

The results from the three different measure of trade concentration using bilateral trade data - longitudinal analysis, mid-point analysis, and foreign office change analysis – show that there is mixed results in maintaining foreign offices with respect to generating increased exports. First, when examining the longitudinal effects of maintaining foreign offices over the twenty-five year period, I found that exports to all countries increased but only three of the six countries saw increases as a share of GDP. Alberta exports to the United States grew substantially at 834% or 220.7% as a share of GDP, exports to Hong Kong increased by 448.3% or 45.0% as a share of GDP, and exports to Japan increased by 52.8% or 3.1% as a share of GDP. At the national level, Canada's exports to these same countries also increased between 1990 and 2014, but exports as a share of GDP only grew to the United States by 24.0% and to Hong Kong by 77.4%. These results suggest that there is no overarching longitudinal trend in maintaining Alberta's foreign office network.

The second methodology used also produced mixed results. Dividing the twenty-five year time series in half and including a larger sample revealed that Alberta exports in current dollars continues to increase over time, but is trending downward as a percentage of GDP to most export destinations. The exception to this rule is an increase in exports to the United States in both time series. Further, Alberta's strong bilateral ties with the United States have pushed the total FO exports into the black in time series two. The results of this measure also show that over the past twelve years, exports to countries with foreign offices other than the United States are decreasing on average.

Third, using short-run before and after office changes shows that there are mixed results in opening and closing foreign offices with respect to increasing provincial exports. Opening foreign offices can be correlated with a short-term increase in exports, similar to the opening of the Alberta-Mexico office. Although it is unclear whether the Alberta-Mexico office was more strongly impacted by the signing of NAFTA the year before the foreign office was opened or as a result of opening the provincial foreign office. Although there is some evidence that opening a foreign office may create a cushion against significant contractions in exports, as seen in the opening of the Alberta-Germany office, but more research is required to confirm this relationship. Further, the closing and opening of the Alberta-United Kingdom office provides little clarity on the success of maintaining foreign offices as a means of increasing exports. When the Alberta-United Kingdom office was maintained in the 1990s the Alberta exports dropped by 18.7% or -30.2% as a share of GDP but rebounded slightly in the years following the closure with exports decreasing by 10.2% or -11.3% as a share of GDP. After the Government of Alberta re-opened the Alberta-United Kingdom office just five years later, Alberta's exports to the United Kingdom grew. However, over this same period Canada's exports to the United Kingdom

were markedly better and even positive the majority of this time period. This measure shows that there overarching trend between having a provincial foreign office and an increase in exports.

What is evident from all three of the three methods is that Alberta tends to create and maintain foreign offices where strong trade relationships already exist, notwithstanding the Alberta-India office. In 1990, Alberta maintained foreign offices in the United States, United Kingdom, Japan, Hong Kong, South Korea, Taiwan, and China which totaled 88.5% of Alberta's total exports that year. In 2014, exports to countries with foreign offices represented 95.7% of total provincial exports and went to foreign office host countries including the United States, Mexico, United Kingdom, India, Japan, Hong Kong, South Korea, Beijing, Shanghai, Taiwan, and Singapore. So to answer the question, does Alberta create foreign offices where strong trade relationships exist, or does Alberta create offices to build stronger trade relationships seems self-evident.

These analyses only look at foreign office locations but exports are determined by market forces and other factors such as distance, economic size, and historical partnerships. Alberta's largest trading partners are two of the world's largest economies, the United States and China, and the province has deep trading roots with both of these countries. As a consequence, a large proportion of Alberta's exports go to these markets. Secondly, with respect to the distance effect on trade, Alberta's main export destinations are either *confinante*, being the United States, or have relatively minimal transportation costs, including Asia Pacific destinations. Disdier and Head (2004) research supports these bilateral trade patterns and they find that "on average bilateral trade is nearly inversely proportionate to distance."<sup>100</sup> Thirdly, Alberta's United Kingdom office can be linked to a legacy of colonial rule and a preference for post-colonial trade

---

<sup>100</sup> Anne-Celia Disdier and Keith Head. "The Puzzling Persistence of the Distance Effect on Bilateral Trade." *University of British Columbia, Sauder School of Business Working Paper*, no. 186 (2004): p. 27.

patterns.<sup>101</sup> Head, Mayer, and Ries (2010) show that “three decreased after independence, trade between colony and metropole fell by more than 60%, while remaining significantly larger than trade between countries that were never in a colonial relationship.”<sup>102</sup> Put somewhat differently, there are lagged effects from strong bilateral trade relationships. Together, Alberta’s foreign office network has arguable been constructed out of a *bricolage* of sociocultural and historical particular factors and not guided by emerging market discourses as is presented in the government publications.

As Beaulieu and Song (2015) remind us, the reality of international trade is that these trading patterns are the export decisions that have been made by thousands of firms and individual decision makers who are meeting the demands of countless consumers globally.<sup>103</sup> As a result, Alberta or other Canadian provinces may have increases (or decreases) in exports to a country because a consumption demand exists that domestic firms are responding to. That is to say that if there is a high demand for lima beans in country X and Albertan farmers grow lima beans for export, then these farmers are likely to export to country X regardless of whether or not Alberta maintains a foreign office in country X.

Moving forward from here it is crucial to identify that Alberta is in a significantly different political and economic environment as well as global economy than it was when the 2013 *Alberta’s International Strategy* was accepted as a road map to trade and investment growth. Also, there is mixed evidence that trade missions, including the maintenance of foreign offices increase trade. Keith Head and John Ries (2010), both Professors in Strategy and Business Economics at Sauder School of Business at University of British Columbia studied the

---

<sup>101</sup> Keith Head, Thierry Mayer, and John Ries. “The Erosion of Colonial Trade Linkages after Independence.” *Journal of International Economics* (Jan 2010): 1.

<sup>102</sup> Keith Head, Thierry Mayer, and John Ries. “The Erosion of Colonial Trade Linkages after Independence.”,p. 2.

<sup>103</sup> Eugene Beaulieu and Yang Song, “What Dependency Issues?,” p. 1

economic impact of state led trade missions including Team Canada missions and conclude that these types of missions are ineffective at generating increased exports.<sup>104</sup> Conversely, Andrew Rose (2007), a B.T. Rocca Professor in Economic Analysis and Policy at the University of California, Berkeley examined the effects of foreign missions on a country's exports using 22 exporting countries with consulates abroad and 200 receiving destinations.<sup>105</sup> Rose found that foreign missions are positively correlated with exports, and additional foreign offices in the region have a similar economic result but at a lesser degree.<sup>106</sup> These results parallel that of the TCS and their systematic analysis of the impact of the TCS services on client export performance. Again, the TCS found that there is a positive and substantial correlation between firms that use TCS services and those that do not citing an average of 18 percent more exports and to 36 percent more markets.<sup>107</sup>

This paper has shown that Alberta's foreign office network have inconsistently met the goals and objectives set out in the Government of Alberta's including working "to facilitate and promote worldwide exports of goods and services, expand market access and attract investment, tourism and immigration."<sup>108</sup> The bilateral trade analysis has shown mix results in increasing trade with foreign office countries, as well as providing opportunities to diversify the province's economy or trade partners. A more rigorous gravity model analysis including qualitative and quantitative data from foreign office services uses, similar to the Government of Canada DFATD's *Canada's State of Trade: Trade and Investment Update 2010 Special Feature on The*

---

<sup>104</sup> Keith Head and John Ries, "Do Trade Missions Increase Trade?" *Canadian Journal of Economics* 43, no. 3. (Aug 2010): p. 754-775.

<sup>105</sup> Andrew K. Rose, "The Foreign Service and Foreign Trade: Embassies as Export Promotion," *The World Economy* (2007): p. 22-38.

<sup>106</sup> Andrew K. Rose, "The Foreign Service and Foreign Trade: Embassies as Export Promotion," p. 23.

<sup>107</sup> "Canada's State of Trade: Trade and Investment Update 2010," *Government of Canada, DFATD*

<sup>108</sup> "Business Plan 2015-20," *Government of Alberta: Ministry of International and Intergovernmental Relations* (March 5, 2015), p. 87. <http://finance.alberta.ca/publications/budget/budget2015/international-and-intergovernmental-relations.pdf?0.8070689824729194>

*Canadian Trade Commissioner Service and Exporter Performance* would provide insight into the effectiveness of Alberta's current foreign office network. This type of systematic economic analysis is necessary for decision makers to make informed decisions on how to proceed in the current global economy.

## Section 7: References

- “27<sup>th</sup> Annual Report.” Government of Alberta: International and Intergovernmental Relations: Also Responsible for Aboriginal Affairs (March 2000)
- “2014-2015 International and Intergovernmental Relations Annual Report,” Government of Alberta (2015) <http://www.international.alberta.ca/documents/IIRAnnualReport-2014-2015.pdf>
- “About the Department” *Government of Canada*, Modified 2015, <http://www.international.gc.ca/department-ministere/index.aspx?lang=eng>
- “About the Ministry.” Alberta: International and Intergovernmental Relations. Accessed November 20, 2014, <http://www.international.alberta.ca/572.cfm>.
- “Alberta’s Exports in 2013.” Alberta International and Intergovernmental Relations Trade Statistics Text Archive. Accessed November 29, 2014. <http://international.alberta.ca/608.cfm>.
- “Alberta’s Foreign Offices: An Overview,” *Government of Alberta* (April 1987): 1-22
- Alberta Foreign Offices Review Committee “Final Report on Alberta’s International Office Network.” Government of Alberta. [http://www.international.alberta.ca/documents/Alberta\\_Foreign\\_Offices\\_Review\\_Committee.pdf](http://www.international.alberta.ca/documents/Alberta_Foreign_Offices_Review_Committee.pdf)
- “Alberta’s International Exports by Industry: A 10-Year Review, 2003 to 2013.” Alberta Government. (July 2, 2014) [http://www.albertacanada.com/files/albertacanada/SP-EH\\_AIME-10-year-review.pdf](http://www.albertacanada.com/files/albertacanada/SP-EH_AIME-10-year-review.pdf)
- “Alberta International Offices Business Report, 2002-2003,” *Government of Alberta, Ministry of International and Intergovernmental Affairs* (Edmonton, AB: Alberta Government: 2003)
- “Alberta International Offices: Business Report, 2012-13.” Alberta Canada. Accessed November 20, 2014. [www.international.alberta.ca/documents/ABInternationalOfficeReport.pdf](http://www.international.alberta.ca/documents/ABInternationalOfficeReport.pdf).
- “Alberta International Offices: Business Report, 2013-14,” Government of Alberta, Ministry of International and Intergovernmental Affairs (2014).
- “Alberta’s International Offices: Report to the Alberta Legislature.” Alberta: Federal and Intergovernmental Affairs (April 1991)



“Alberta’s Merchandise Trade with the World.” Parliament of Canada. Accessed December 7, 2014. <http://www.parl.gc.ca/Content/LOP/ResearchPublications/2013-32-e.htm>.

“Alberta Strengthens Economic Relations with Missouri.” Government of Alberta 17 August, 2015. <http://alberta.ca/release.cfm?xID=3842164C7A600-FA64-C4F1-2297B20DC54961FC>

Anderson, Dennis and John Oldring, “Alberta Windows: A Report on Alberta’s Foreign Offices and Their Potential,” *Government of Alberta* (May 1993): 1-19

“Appendix A: Alberta International Office Report.” Alberta Canada Text Archive. Accessed October 20, 2014. [www.international.alberta.ca/documents/ABInternationalOfficeReport.pdf](http://www.international.alberta.ca/documents/ABInternationalOfficeReport.pdf).

Beaulieu, Eugene. “Canada-Korea Free Trade: A Watershed in Economic Integration with Asia.” The University of Calgary: SPP Communique 6, no.1 (March 2014): 1-4.

-- “The Comprehensive Trade Agreement with India: What’s in it for Canada (Or India for that Matter)?” The University of Calgary: SPP Research Paper 4, no. 3 (November 2012): 1-14.

Beaulieu, Eugene and Yang Song, “What Dependency Issues? Re-Examining Assumptions about Canada’s Reliance on the U.S. Export Market.” The University of Calgary: SPP Research Papers 8.3 (Jan 2015): 1-31.

“Business Plan 2015-20,” Government of Alberta: Ministry of International and Intergovernmental Relations (March 5, 2015), 87-91. <http://finance.alberta.ca/publications/budget/budget2015/international-and-intergovernmental-relations.pdf?0.8070689824729194>

“Canada’s Free Trade Agreements.” Foreign Affairs, Trade and Development Canada. Accessed December 7, 2014. <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fta-ale.aspx?lang=eng>

“Canada’s State of Trade: Trade and Investment Update 2010,” Government of Canada, Foreign Affairs, Trade and Development Canada Modified 22-8-2015. (2010) [http://www.international.gc.ca/economist-economiste/performance/state-point/state\\_2010\\_point/2010\\_7.aspx?lang=eng&view=d](http://www.international.gc.ca/economist-economiste/performance/state-point/state_2010_point/2010_7.aspx?lang=eng&view=d)

- Cohen, Raymond. "Language and Conflict Resolution: the Limits of English." *International Studies Review* 3, no. 1 (2001): 25-51.
- Crescenzi, Mark J.C., Rebecca H. Best and Bo Ram Kwon. "Reciprocity in International Studies." *The International Studies Encyclopedia*. Robert A. ed. Denmark: Blackwell Publishing, 2010.
- Executive Director of an Alberta foreign Office. Interviewed by Lindsey Garner-Knapp. October 24, 2014
- "GDP (Current US\$)," *The World Bank*, 2015, <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>
- Disdier, Anne-Celia and Keith Head. "The Puzzling Persistence of the Distance Effect on Bilateral Trade." University of British Columbia, Sauder School of Business Working Paper, no. 186 (2004): 1-33.
- Giovannetti, Justin. "Low Oil Prices Could Cut Alberta Revenue by \$7 Billion, Prentice Says." EDMONTON – *The Globe and Mail* (December 9, 2014): <http://www.theglobeandmail.com/news/alberta/low-oil-prices-will-punch-huge-hole-in-alberta-budget-prentice-says/article22015643/>.
- Head, Keith, Thierry Mayer, and John Ries. "The Erosion of Colonial Trade Linkages after Independence." *Journal of International Economics* (Jan 2010): 1-30.
- Head, Keith and John Ries, "Do Trade Missions Increase Trade?" *Canadian Journal of Economics* 43, no. 3. (Aug 2010): 754-775.
- Hoffman, Ron. "Alberta International Offices Review." Government of Alberta, Ministry of International and Intergovernmental Relations (Dec 2014) <http://international.alberta.ca/documents/AlbertaInternationalOfficesReview.pdf?0.6414965457190693>
- "International and Intergovernmental Relations 1972-Present." *An Administrative History of the Government of Alberta, 1905-2005*. Edmonton: The Provincial Archives of Alberta, 2006.
- "International Market Profiles." Alberta Canada Text Archive. Accessed November 24, 2014. <http://www.albertacanada.com/business/export/international-market-profiles.aspx>.
- "International Trade." Alberta Canada Text Archive. Accessed November 24, 2014. <http://www.albertacanada.com/business/export/international-trade.aspx>.

Lecours, Andre. "Paradiplomacy: Reflections on the Foreign Policy and International Relations of Regions," *International Negotiations* 7 (2002): 91-114.

Lieutenant Governor of Alberta "Speech from the Throne." Alberta International and Intergovernmental Affairs Text Archive. Presented on November 17, 2014. Accessed November 24, 2014. <http://alberta.ca/release.cfm?xID=379133D6F9C91-A0FD-73AC-4ABD1B296761DBA6>

Marsden, William. "Stephen Harper Preaches Free Trade and Capitalism as Path to World Peace in UN Speech." *National Post News*. September 25, 2014. <http://news.nationalpost.com/2014/09/25/stephen-harper-preaches-free-trade-and-capitalism-as-path-to-world-peace-in-un-speech/>.

McHugh, James T. "Paradiplomacy, Protodiplomacy and the Foreign Policy Aspirations of Quebec and Other Canadian Provinces." *Canadian Foreign Policy Journal* (May 2015): 1-19.

Mirus, Rolf and Hande Tanerguclu. "Alberta's Export Experience under Free Trade Agreements: 1988-2007." *Western Centre for Economic Research, University of Alberta* 115 (July 2008).

Notley, Rachel. "Message from the Minister of International and Intergovernmental Relations," *In 2014-2015 IIR Annual Report, Alberta Canada*, (2015): 3.

"Our Priorities: Priorities for 2015-16." Government of Canada: Foreign Affairs, Trade and Development Canada. Modified 2015-4-8. <http://www.international.gc.ca/departement-ministere/priorities-priorites.aspx?lang=eng>.

"PM Announces Conclusion of Free Trade Agreement with Ukraine," Prime Minister of Canada Steph Harper Modified 14 July, 2015. <http://pm.gc.ca/eng/news/2015/07/14/pm-announces-conclusion-free-trade-agreement-ukraine>

Rose, Andrew K. "The Foreign Service and Foreign Trade: Embassies as Export Promotion." *The World Economy* (2007): 22-38..

Savoie, Donald J. *Whatever Happened to the Music Teacher? How Government Decides and Why*. Montreal: McGill-Queen's University Press, 2014.

Stephens, Hugh. "Asia-Pacific: Let's Get Back in the Ring." *Canadian Defense & Foreign*

Affairs Institute (February 2012): 1-6.

“The Canadian Trade Commissioner Service: Trade Offices in Canada,” *The Government of Canada*, Modified 2015, <http://www.tradecommissioner.gc.ca/eng/offices-in-canada.jsp>

“The Canada Trade Commissioner Service: What We Can Do For You,” *Government of Canada* Date Modified 2015, <http://www.tradecommissioner.gc.ca/eng/how-tcs-can-help.jsp>

“Trade Data Online.” Industry Canada, Government of Canada. Modified July 2015. Accessed July 2015. <https://www.ic.gc.ca/app/scr/tdst/tdo/crtr.html?&productType=HS6&lang=eng>.

“Twinning Relationships.” Alberta International and Intergovernmental Relations. Accessed December 7, 2014, <http://www.international.alberta.ca/554.cfm>.

Woo-Paw, Teresa. “Associate Minister Teresa Woo-Paw’s Speech at the Asia Advisory Council Tour in Alberta.” Alberta International and Intergovernmental Affairs Text Archive. Presented June 2014. Accessed November 24, 2014. <http://www.international.alberta.ca/587.cfm>.

Wood, James. “Experts Expected New NDP Government to Look Hard at Alberta Government’s Foreign Offices.” *Calgary Herald* (May 30 2015) <http://calgaryherald.com/news/politics/experts-expect-new-ndp-government-to-look-hard-at-alberta-governments-foreign-offices>

## Section 8: Appendices

### APPENDIX : Alberta's Foreign Offices

Alberta currently maintains 11 International and Intergovernmental Relations foreign offices.<sup>109</sup>

#### Asia

##### Greater China Team: Hong Kong, Beijing, Shanghai, and Taiwan Offices

###### Alberta Shanghai Office

Opened 2010, 1 Alberta representative

Alberta Shanghai Office  
Consulate General of Canada  
ECO City Building 8<sup>th</sup> Floor  
1788 Nanjing Xi Lu, Jing An District  
Shanghai, 200040, China  
86-21-3279-2897

###### Alberta China Office, Beijing

Opened 2000, 1 Alberta representative, 12 local employees

Alberta China Office  
Canadian Embassy  
19 Dongzhimenwai Dajie  
Chaoyang District, Beijing 100600  
People's Republic of China  
86-10-5139 4000

###### Alberta Hong Kong Office

Opened 1980, 1 Alberta representative, 4 local employee

Alberta Government Hong Kong Office  
Room 1004, Tower Two, Admiralty Centre  
18 Harcourt Road  
Hong Kong  
852-2528-4729

###### Alberta Taiwan Office (Taipei)

Opened 1988, 2 local employees

Alberta Taiwan Office  
6F, No. 1 Song Zhi Road, XinYi District

---

<sup>109</sup> Data for this section is from "Appendix A: Alberta International Office Report," *Alberta Canada* Text Archive, accessed October 20, 2014 [www.international.alberta.ca/documents/ABIInternationalOfficeReport.pdf](http://www.international.alberta.ca/documents/ABIInternationalOfficeReport.pdf)

Taipei City 11047, Taiwan  
011-886-2-8789-2006

Alberta Japan Office (Tokyo)

1970, 1 Alberta representative, 6 local employee

Alberta Japan Office  
Place Canada, 3<sup>rd</sup> Floor  
3-37 Akasaka 7-chome  
Minato-ku, Tokyo 107-0052  
Japan  
81-3-3475-1171

Alberta Korea Office (Seoul)

1988, 2 local employees

Alberta Korea Office  
Alberta International and Intergovernmental Relations  
Canadian Embassy  
21 Jeongdong-gil (Jeong-dong)  
Jung-gu, Seoul, 110-120, Korea  
82-2-3783-6000

Alberta Singapore Office

2014, 1 Alberta representative, 2 local employees

The High Commission of Canada  
Alberta Singapore Office  
One George Street, #11-01  
Singapore 049145  
65-6854-5838

Alberta India Office (New Delhi)

2014, 1 Alberta representative  
High Commission of Canada  
7/8 Shantipath, Chanakyapuri  
New Delhi 110 021, India  
91-11-4178-2557

**Europe**

Alberta United Kingdom (London)

1912, 1 Alberta representative, 2 local employees

Alberta U.K Office  
Canada House  
Trafalgar Square  
London SW1Y 5BJ  
United Kingdom  
011-44-20-7004-6040

## North America

### Alberta Washington DC

2004, 1 Alberta representative, 1 local employee

Alberta Washington D.C. Office  
Canadian Embassy  
501 Pennsylvania Avenue N.W.  
Washington, D.C. 20001  
202-448-6475

### Alberta Mexico Office (Mexico City)

2002, 1 Alberta representative, 2 local employees

Alberta-Mexico Office  
Embajada del Canadá  
Calle Schiller No. 529  
Colonia Polanco  
Del. Miguel Hidalgo  
Mexico D. F., Mexico 11560  
011-52-55-5724-7971

## APPENDIX II: Alberta's Foreign Office Network 1960-2015

Continent	Asia										North America							Europe				
	Country	Japan	Hong Kong	South Korea	Taiwan	China				Singapore	India	Mexico	USA					Germany	UK			
	City	Tokyo		Seoul	Taipei	CNPC Beijing	Harbin	Beijing	Shanghai		New Delhi	Mexico City	Los Angeles	Houston	New York	Portland	Washington	Chicago	Munich	London		
1960	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1960	
1961	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1961
1962	-	-	-	-	-	-	-	-	-	-	-	-	1962	-	-	-	-	-	-	-	-	1962
1963	-	-	-	-	-	-	-	-	-	-	-	-	1963	-	-	-	-	-	-	-	-	1963
1964	-	-	-	-	-	-	-	-	-	-	-	-	1964	-	-	-	-	-	-	-	-	1964
1965	-	-	-	-	-	-	-	-	-	-	-	-	1965	-	-	-	-	-	-	-	-	1965
1966	-	-	-	-	-	-	-	-	-	-	-	-	1966	-	-	-	-	-	-	-	-	1966
1967	-	-	-	-	-	-	-	-	-	-	-	-	1967	-	-	-	-	-	-	-	-	1967
1968	-	-	-	-	-	-	-	-	-	-	-	-	1968	-	-	-	-	-	-	-	-	1968
1969	-	-	-	-	-	-	-	-	-	-	-	-	1969	-	-	-	-	-	-	-	-	1969
1970	1970	-	-	-	-	-	-	-	-	-	-	-	1970	-	-	-	-	-	-	-	-	1970
1971	1971	-	-	-	-	-	-	-	-	-	-	-	1971	-	-	-	-	-	-	-	-	1971
1972	1972	-	-	-	-	-	-	-	-	-	-	-	1972	-	-	-	-	-	-	-	-	1972
1973	1973	-	-	-	-	-	-	-	-	-	-	-	1973	-	-	-	-	-	-	-	-	1973
1974	1974	-	-	-	-	-	-	-	-	-	-	-	1974	-	-	-	-	-	-	-	-	1974
1975	1975	-	-	-	-	-	-	-	-	-	-	-	1975	-	-	-	-	-	-	-	-	1975
1976	1976	-	-	-	-	-	-	-	-	-	-	-	1976	-	-	-	-	-	-	-	-	1976
1977	1977	-	-	-	-	-	-	-	-	-	-	-	1977	-	-	-	-	-	-	-	-	1977
1978	1978	-	-	-	-	-	-	-	-	-	-	-	1978	-	-	-	-	-	-	-	-	1978
1979	1979	-	-	-	-	-	-	-	-	-	-	-	1979	-	-	-	-	-	-	-	-	1979
1980	1980	1980	-	-	-	-	-	-	-	-	-	-	1980	-	-	-	-	-	-	-	-	1980
1981	1981	1981	-	-	-	-	-	-	-	-	-	-	1981	-	-	-	-	-	-	-	-	1981
1982	1982	1982	-	-	-	-	-	-	-	-	-	-	1982	1982	1982	-	-	-	-	-	-	1982
1983	1983	1983	-	-	-	-	-	-	-	-	-	-	1983	1983	1983	-	-	-	-	-	-	1983
1984	1984	1984	-	-	-	-	-	-	-	-	-	-	1984	1984	1984	-	-	-	-	-	-	1984
1985	1985	1985	-	-	-	-	-	-	-	-	-	-	1985	1985	1985	-	-	-	-	-	-	1985
1986	1986	1986	-	-	-	1986	-	-	-	-	-	-	1986	1986	1986	-	-	-	-	-	-	1986
1987	1987	1987	-	-	-	1987	-	-	-	-	-	-	1987	1987	1987	-	-	-	-	-	-	1987
1988	1988	1988	1988	1988	1988	-	-	-	-	-	-	-	1988	1988	1988	-	-	-	-	-	-	1988
1989	1989	1989	1989	1989	1989	-	-	-	-	-	-	-	1989	1989	1989	-	-	-	-	-	-	1989
1990	1990	1990	1990	1990	1990	-	-	-	-	-	-	-	1990	-	1990	-	-	-	-	-	-	1990
1991	1991	1991	1991	1991	1991	-	-	-	-	-	-	-	1991	-	1991	1991	-	-	-	-	-	1991
1992	1992	1992	1992	1992	1992	-	-	-	-	-	-	-	1992	-	1992	1992	-	-	-	-	-	1992
1993	1993	1993	1993	1993	1993	-	-	-	-	-	-	-	-	-	1993	1993	-	-	-	-	-	1993
1994	1994	1994	1994	1994	1994	1994	-	-	-	-	-	-	-	-	1994	-	-	-	-	-	-	1994
1995	1995	1995	1995	1995	1995	1995	1995	-	-	-	-	1995	-	-	-	1995	-	-	-	-	-	1995
1996	1996	1996	1996	1996	1996	1996	1996	-	-	-	-	1996	-	-	-	1996	-	-	-	-	-	1996
1997	1997	1997	1997	1997	1997	1997	1997	-	-	-	-	1997	-	-	-	1997	-	-	-	-	-	1997
1998	1998	1998	1998	1998	1998	1998	1998	-	-	-	-	1998	-	-	-	1998	-	-	-	-	-	-
1999	1999	1999	1999	1999	1999	1999	1999	-	-	-	-	1999	-	-	-	1999	-	-	-	-	-	-
2000	2000	2000	2000	2000	2000	2000	2000	2000	-	-	-	2000	-	-	-	2000	-	-	-	-	-	-
2001	2001	2001	2001	2001	2001	2001	2001	2001	-	-	-	2001	-	-	-	2001	-	-	-	-	-	-
2002	2002	2002	2002	2002	2002	2002	2002	2002	-	-	-	2002	-	-	-	2002	-	-	-	-	2002	-
2003	2003	2003	2003	2003	2003	2003	2003	2003	-	-	-	2003	-	-	-	2003	-	-	-	-	2003	2003
2004	2004	2004	2004	2004	2004	-	-	2004	-	-	-	2004	-	-	-	2004	2004	-	-	-	2004	2004
2005	2005	2005	2005	2005	-	-	-	2005	-	-	-	2005	-	-	-	-	2005	-	-	-	2005	2005
2006	2006	2006	2006	2006	-	-	-	2006	-	-	-	2006	-	-	-	-	2006	-	-	-	2006	2006
2007	2007	2007	2007	2007	-	-	-	2007	-	-	-	2007	-	-	-	-	2007	-	-	-	2007	2007
2008	2008	2008	2008	2008	-	-	-	2008	-	-	-	2008	-	-	-	-	2008	-	-	-	2008	2008
2009	2009	2009	2009	2009	-	-	-	2009	-	-	-	2009	-	-	-	-	2009	-	-	-	2009	2009
2010	2010	2010	2010	2010	-	-	-	2010	2010	-	-	2010	-	-	-	-	2010	-	-	-	2010	2010
2011	2011	2011	2011	2011	-	-	-	2011	2011	-	-	2011	-	-	-	-	2011	-	-	-	2011	2011
2012	2012	2012	2012	2012	-	-	-	2012	2012	-	-	2012	-	-	-	-	2012	-	-	-	2012	2012
2013	2013	2013	2013	2013	-	-	-	2013	2013	-	-	2013	-	-	-	-	2013	-	-	-	2013	2013
2014	2014	2014	2014	2014	-	-	-	2014	2014	2014	2014	2014	-	-	-	-	2014	2014	2014	-	2014	2014
2015	2015	2015	2015	2015	-	-	-	2015	2015	2015	2015	2015	-	-	-	-	2015	-	-	-	-	2015



### APPENDIX III: Countries with Canadian Trade Commissioner Service Foreign Offices<sup>110</sup>

<b>Asia Pacific</b>	<b>Europe</b>	<b>Middle East and North Africa</b>	<b>Latin America and Caribbean</b>
Afghanistan	Austria	Algeria	Argentina
Australia	Belgium	Egypt	Barbados
Bangladesh	Croatia	Israel	Brazil
Burma	Cyprus	Jordan	Chile
Brunei Darussalam	Czech Republic	Kuwait	Colombia
China	Denmark	Lebanon	Costa Rica
Hong Kong, SAR	Finland	Libya	Cuba
India	France	Morocco	Dominican Republic
Indonesia	Germany	Qatar	Ecuador
Japan	Greece	Saudi Arabia	El Salvador
Korea, Republic	Hungary	Syria	Guatemala
malaysia	Iceland	Tunisia	Guyana
Mongolia	Ireland	United Arab Emirates	Haiti
New Zealand	Italy	West Bank & Gaza Strip	Jamaica
Pakistan	Kazakhstan		Panama
Philippines	Latvia	<b>Sub-Saharan Africa</b>	Peru
Singapore	Lithuania	Angola	Trinidad and Tobago
Sri Lanka	Netherlands	Burkina Faso	Uruguay
Taiwan	Norway	Cameroon	Venezuela
Thailand	Poland	D.R. Congo	
Vietnam	Portugal	Cote d'Ivoire	<b>North America</b>
	Romania	Ethiopia	Mexico
	Russia	Ghana	USA
	Serbia	Kenya	
	Slovak Republic	Mali	
	Spain	Mozambique	
	Sweden	Nigeria	
	Switzerland	Rwanda	
	Turkey	Senegal	
	Ukraine	South Africa	
	United Kingdom	Tanzania	
		Zambia	
		Zimbabwe	

<sup>110</sup> "The Canadian Trade Commissioner Service: Country Info," The Government of Canada 21-7-2015  
<http://www.tradecommissioner.gc.ca/eng/trade-offices.jsp>

## Appendix IV: Alberta Foreign Office Network Output Measures<sup>111</sup>

	<b>Output Measure</b>	<b>2011-12 actual</b>	<b>2012-13 actual</b>	<b>2013-14 target</b>	<b>2013-14 actual</b>	<b>2013-14 % of target</b>
1	Number of unique visitors to international office websites	29,882	31,222	30,150	29,428	98%
2	Number of local market and industry intelligence reports generated	101	105	142	132	93%
3	Number of meetings and events attended	3,305	3,454	3,050	2,899	95%
4	Number of missions/delegations to Alberta	111	128	123	110	89%
5	Number of companies/investors participating in missions/delegations to Alberta	330	455	340	306	90%
6	Number of missions/delegations to the market	260	272	257	273	106%
7	Number of Alberta companies/organizations participating in missions to the market	641	651	599	617	103%
8	Number of business introductions	1,525	1,406	1,250	1,728	138%
9	Number of seminars, trade shows, and events sponsored/hosted	195	163	161	224	139%
10	Number of negotiations and follow-up meetings/calls generated (investment and trade)	227	197	211	183	87%

<sup>111</sup> “Alberta International Offices Business Report: 2013-14,” *Government of Alberta: Ministry of International and Intergovernmental Relations* (2015): 9.

## APPENDIX V: Canada's Free Trade Agreements from DFATD:<sup>112</sup>

### In forced FTA:

Canada - Honduras	<b>Brought into force:</b> October 1, 2014
Canada - Panama	<b>Brought into force:</b> April 1, 2013
Canada - Jordan	<b>Brought into force:</b> October 1, 2012
Canada - Colombia	<b>Brought into force:</b> August 15, 2011
Canada - Peru	<b>Brought into force:</b> August 1, 2009
Canada - European Free Trade Association	<b>Brought into force:</b> July 1, 2009
Canada - Costa Rica	<b>Brought into force:</b> November 1, 2002
Canada - Chile	<b>Brought into force:</b> July 5, 1997
Canada - Israel	<b>Brought into force:</b> January 1, 1997
North American Free Trade Agreement (NAFTA)	<b>Brought into force:</b> January 1, 1994
Canada - U.S. Free Trade Agreement (CUSFTA)	<b>Brought into force:</b> January 1, 1989
<i>(superseded by NAFTA, which includes Mexico)</i>	

### Signed FTA

Canada - Korea           **Signed:** September 22, 2014

### Discussions Concluded FTA

Canada - European Union: Comprehensive Economic and Trade Agreement (CETA) - August 5, 2014

### Ongoing discussion FTA

Canada - Caribbean Community (CARICOM)  
Canada - Central America Four (CA4)  
Canada - Dominican Republic  
Canada - India  
Canada - Israel Free Trade Agreement Modernization  
Canada - Japan  
Canada - Morocco  
Canada - Singapore  
Canada - Trans-Pacific Partnership Negotiations  
Canada - Ukraine  
Negotiations to Modernize the Canada-Costa Rica Free Trade Agreement

### Exploratory FTA discussions

Canada - Turkey Exploratory Trade Discussions  
Canada-Thailand Free Trade Agreement  
Canada-MERCOSUR Exploratory Trade Discussions

---

<sup>112</sup> "Canada's Free Trade Agreements," *Foreign Affairs, Trade and Development Canada*, Accessed December 7, 2014, <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fta-ale.aspx?lang=eng>.

## APPENDIX VI: Trade with Sustained FO and NFO Countries, 1990-2014

Total Alberta Export Values to all Countries with Alberta Foreign Offices (FO) and without Foreign Offices (NFO) from 1990-2014 (\$ million)

Year	China	Hong Kong	Japan	Korea, South	Taiwan	United States	Total FO	Total FO - USA	Total NFO	Total All Countries
1990	331.96	49.72	1118.66	342.14	156.75	11720.66	13719.90	1999.23	1861.11	15581.01
1991	402.15	46.25	1026.75	319.23	168.37	12163.40	14126.15	1962.75	2290.54	16416.69
1992	503.20	65.50	1078.76	290.35	146.54	14143.93	16228.27	2084.34	2008.45	18236.72
1993	289.70	58.08	1180.52	319.25	148.58	16397.56	18393.70	1996.13	1774.41	20168.11
1994	375.96	83.33	1380.04	517.66	212.33	18674.08	21243.40	2569.32	2264.06	23507.46
1995	682.94	95.99	1822.17	535.04	272.97	21528.48	24937.60	3409.11	2842.29	27779.88
1996	681.80	94.49	1657.17	458.59	270.81	25597.31	28760.17	3162.86	3314.82	32074.99
1997	435.84	105.87	1712.84	537.81	278.33	27093.11	30163.81	3070.70	3521.57	33685.38
1998	483.63	91.20	1348.75	445.33	210.42	25431.73	28011.06	2579.33	3175.49	31186.56
1999	559.63	105.56	1329.71	502.22	234.52	29365.66	32097.30	2731.64	2868.53	34965.82
2000	779.40	121.94	1353.95	598.54	235.74	49192.84	52282.42	3089.57	3595.30	55877.71
2001	897.14	109.79	1285.36	473.85	211.39	51130.51	54108.03	2977.52	3427.74	57535.77
2002	845.98	132.40	1236.49	475.25	293.51	43441.07	46424.69	2983.62	3124.86	49549.55
2003	966.75	113.63	1047.71	401.45	291.35	51594.29	54415.17	2820.88	3293.29	57708.46
2004	1923.80	128.11	1308.52	438.16	193.50	56232.75	60224.83	3992.09	4314.38	64539.22
2005	2049.69	144.03	1347.03	556.37	199.95	68657.13	72954.20	4297.07	4450.98	77405.18
2006	2194.24	124.41	1303.21	438.03	187.43	69452.68	73699.98	4247.31	5303.29	79003.27
2007	2840.20	140.33	1463.97	468.88	253.92	70817.78	75985.07	5167.29	6424.71	82409.78
2008	3140.80	122.67	2039.51	526.58	238.59	96687.73	102755.87	6068.15	8159.84	110915.71
2009	2722.58	102.91	1511.17	537.32	157.62	58913.59	63945.19	5031.60	6621.36	70566.55
2010	2916.07	150.78	1475.96	550.95	190.65	68273.90	73558.33	5284.42	5775.06	79333.38
2011	3073.13	158.49	1836.09	712.05	188.25	80761.42	86729.43	5968.01	6984.71	93714.14
2012	3711.03	130.42	1981.38	621.62	152.75	82250.09	88847.29	6597.20	6733.82	95581.11
2013	3348.57	188.69	1865.97	570.39	159.68	91078.75	97212.03	6133.29	6366.20	103578.23
2014	2903.22	272.59	1709.78	553.42	207.20	109503.72	115149.94	5646.22	6804.40	121954.34
% Growth	775%	448%	53%	62%	32%	834%	739%	182%	266%	683%

Total Canadian Export Values to all Countries with Alberta Foreign Offices (FO) and without Foreign Offices (NFO) from 1990-2014 (\$ million)

Year	China	Hong Kong	Japan	Korea, South	Taiwan	United States	Total FO	Total FO - USA	Total NFO	Total All Countries
1990	1706.95	685.64	8230.26	1554.27	798.33	111556.65	124532.10	12975.45	24447.32	148979.42
1991	2003.22	821.20	7159.57	1892.17	1055.53	109693.46	122625.15	12931.69	23381.08	146006.22
1992	2265.34	826.75	7493.18	1426.71	966.64	125669.99	138648.62	12978.63	24178.73	162827.35
1993	1680.58	776.91	8495.67	1720.74	1012.57	150656.99	164343.46	13686.47	23172.19	187515.66
1994	2303.35	1172.51	9753.00	2238.54	1222.49	183302.50	199992.39	16689.88	25686.85	225679.24
1995	3464.92	1760.68	12061.24	2736.35	1741.89	207752.61	229517.69	21765.08	32749.34	262267.03
1996	3014.87	1278.82	11210.32	2816.94	1417.68	223177.42	242916.05	19738.63	32903.16	275819.20
1997	2407.21	1751.37	11166.83	3034.36	1621.56	243888.21	263869.53	19981.33	34199.85	298069.38
1998	2497.52	1425.91	8634.54	1823.02	1181.20	269905.38	285467.57	15562.19	32947.69	318415.26
1999	2664.00	1142.43	8573.37	1988.93	1155.31	308076.31	323600.36	15524.05	31820.40	355420.76
2000	3697.63	1436.85	9283.67	2336.97	1181.19	359288.77	377225.07	17936.30	35990.24	413215.31
2001	4264.18	1241.53	8339.56	2017.11	1019.93	351751.48	368633.78	16882.30	35451.92	404085.70
2002	4132.31	1206.34	8359.55	2016.78	1126.60	345366.35	362207.93	16841.58	34173.80	396381.73
2003	4809.41	1175.84	8192.78	1999.80	1243.18	326800.09	344221.08	17421.00	36951.27	381172.35
2004	6769.91	1389.39	8560.76	2270.78	1238.35	348144.12	368373.31	20229.19	43916.67	412289.98
2005	7213.51	1450.20	9169.26	2824.32	1357.64	365740.75	387755.67	22014.92	48594.97	436350.64
2006	7802.34	1609.03	9420.38	3286.11	1400.65	359134.66	382653.17	23518.51	57711.91	440365.08
2007	9512.31	1551.21	9222.63	3007.84	1547.38	355609.90	380451.27	24841.37	69869.55	450320.82
2008	10468.23	1771.01	11085.98	3837.06	1556.70	375479.62	404198.60	28718.98	79289.56	483488.16
2009	11151.43	1493.71	8316.24	3528.91	1104.12	270090.48	295684.89	25594.41	64068.67	359753.56
2010	13232.24	1879.95	9195.15	3710.61	1287.35	298649.08	327954.36	29305.29	70902.64	398857.01
2011	16810.11	2966.66	10668.80	5093.17	1746.52	328975.43	366260.69	37285.26	80446.15	446706.84
2012	19366.36	2471.59	10358.23	3714.62	1463.94	339182.90	376557.63	37374.73	78613.07	455170.70
2013	20497.65	4909.75	10632.03	3500.62	1505.59	358067.98	399113.63	41045.65	72834.48	471948.11
2014	19387.83	4599.39	10738.87	4187.62	1404.09	403084.04	443401.85	40317.81	81624.80	525026.65
% Growth	1036%	571%	30%	169%	76%	261%	256%	211%	234%	252%

