

A Pivot to Asia Bolsters Alberta Businesses



BY STEPHEN EWART

In just over two months, the federal government has changed the outlook for the oil and gas industry in Canada. First it sanctioned the Pacific Northwest LNG project and then the expansion of the Trans Mountain pipeline to provide a gateway to the Pacific Rim.

They are big milestones in a much-anticipated “Asian pivot” – to borrow a phrase from the Obama administration – for Canada’s energy sector. The industry has been largely landlocked throughout its history with world-scale resources and one export market, the United States. The fracking revolution in the last decade has meant the U.S. is now our biggest customer and our biggest competitor.

In a battle for market share, we need access to global markets.

“This project will get built because it’s in the national interest of Canadians,” said Prime Minister Justin Trudeau on Nov. 29 when he approved the Trans Mountain Expansion from the Edmonton area to suburban Vancouver.

In September, Ottawa approved the Pacific Northwest facility at Prince Rupert, B.C., and in October, the backers of the Woodfibre LNG project north of Vancouver said they will proceed with a small-scale export terminal.

This infrastructure will get responsibly produced Canadian energy to global markets.

There’s still a lot of work to be done before oil and gas gets to tidewater but diversifying the markets for Canada’s energy exports is a key element of efforts to diversify Calgary’s economy.

This infrastructure allow energy companies to execute on long-term business plans in alignment with the Alberta government’s 100-megatonne cap on annual GHG emissions from the oilsands.

The impetus to look beyond traditional markets was also key to trade missions to Japan and China in November by the Alberta government, Edmonton Economic Development and Calgary Economic Development.

The U.S. is Alberta’s biggest trading partner, importing \$80.5 billion of our goods with China is second at \$3.3 billion and Japan third at \$1.5 billion. Alberta’s combined two-way trade with China and Japan totalled more than \$7.8 billion in 2015.

The delegation of 70 companies – the largest-ever Alberta trade mission to China – was led by Deron Bilous, minister of economic development and trade, and travelled to Guangzhou, Yantai and Shanghai.

To provide a better gateway into China and deepen economic ties, Calgary Economic Development signed an agreement with Invest Shanghai.

Two-way trade between Alberta and China has more than tripled since 2003 and there are opportunities for growth. Alberta has put in place the Export Expansion Package to prepare companies for success in international markets.

The China mission was focused on clean energy tech, oil and gas, forestry, agribusiness, tourism and emerging technologies.

KORITE, a Calgary-based ammolite gemstone supplier, signed a distribution agreement with Mahasida Jewelry during the stop to Guangzhou. The deal will introduce KORITE’s colourful gemstones and quality jewelry to Chinese consumers.

“The potential for our business is massive,” says Martin Bunting, chief executive officer at KORITE.

The same could be said for lucrative markets throughout Asia and the optimistic outlook could apply to all Alberta companies producing innovative world-class products, services and ideas. **B**

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