



TAKING SASKATCHEWAN'S BEST TO THE WORLD

presented for:

Canada-EU Workshop

Presented by:

Lionel LaBelle

President and CEO



Objectives

- Profile STEP
- Saskatchewan Exports
- Services for exporters
- Trade missions



Who is STEP?

- A unique public-private partnership founded in 1996
- A member-based organization with 450 Members
- Offices in both Regina and Saskatoon
- Governed by Board of Directors made up of 15 Saskatchewan export industry leaders and government representatives.



STEP's Role as an Export Catalyst

- Innovative government/ industry partnership . . . STEP is supported by the provincial government, yet led by Saskatchewan's export industry.
- Works with existing exporters and export ready companies.
- Supports small, medium and big sized, Saskatchewan based companies who operate and market value-added products and services internationally (outside of Saskatchewan)
- Provides services to Saskatchewan exporters that enables them to more effectively enter the international marketplace with their products and services



Membership in STEP

Regular Members Companies that are currently exporting or getting ready to export

Associate Members Companies that provide services to exporters or have an interest in international trade

- * While exports make up close to 80% of our provinces GDP, essentially every business in Saskatchewan is export dependant, either as an exporter or as a business that supports exporters.



Saskatchewan's International Exports

Most recent statistics reveal that exports to the world increased by 56.8% in 2008 to a level of \$31.2 Billion. In the past 10 years have experienced tremendous export growth. *We are one on the most trade dependent provinces in the most trade dependent country in the world.*

YEAR	Dollar Value of Sask Exports to Other Countries
1998	\$9.95B
2003	\$10.39B
2007	\$19.89B
2008	\$31.2B (+56.8%)
2009	?????

Source Stats Canada, Cdn. Dollars



Where Did Saskatchewan Export in 2008?

1. United States	\$19,950,082,134(63.9%)
2. India	\$ 1,114,214,087 (3.6%)
3. China	\$ 1,105,133,004 (3.5%)
4. United Kingdom	\$ 1,006,510,401 (3.2%)
5. Japan	\$ 964,719,782 (3.1%)
6. Indonesia	\$ 633,499,368 (2%)
7. Algeria	\$ 559,287,309 (1.8%)
8. Mexico	\$ 510,294,709 (1.6%)
9. Belgium	\$ 434,271,288 (1.4%)
10. Brazil	\$ 405,665,287 (1.2%)
11. All Others	\$ 4,512,000,000 (14.5%)

Source: Statistics Canada



Saskatchewan's Top 30

1	USA	\$	1887
2	China	\$	1142
3	India	\$	1115
4	UK	\$	1006
5	Japan	\$	955
6	Indonesia	\$	633
7	Africa	\$	533
8	Mexico	\$	509
9	Belgium	\$	432
10	Brazil	\$	405

11	Malaysia	\$	289
12	Vietnam	\$	266
13	Turkey	\$	252
14	Iran	\$	217
15	UK/E	\$	205
16	Mexico	\$	190
17	Italy	\$	180
18	Singapore	\$	144
19	Pakistan	\$	122
20	Taiwan	\$	117

21	Southern Africa	\$	112
22	China	\$	108
23	Bangladesh	\$	100
24	Korea/South	\$	116
25	France	\$	115
26	Egypt	\$	102
27	Vietnam	\$	98
28	Russia	\$	98
29	China	\$	97
30	Saudi Arabia	\$	97



How do we rank?

1. Ontario	\$ 188,535
2. Alberta	\$ 109,731
3. Quebec	\$ 70,949
4. British Columbia	\$ 33,622
5. <u>Saskatchewan</u>	\$ 31,197
6. Newfoundland	\$ 14,646
7. Manitoba	\$ 12,897
8. New Brunswick	\$ 12,779
9. Nova Scotia	\$ 5,810
10. PEI	\$ 878

<u>Per capita</u>
<u>Saskatchewan</u>
Alberta
Newfoundland
New Brunswick
Ontario
Manitoba
Quebec
British Columbia
PEI
Nova Scotia

<u>Exports Outside NA</u>
Ontario---\$32.B
Quebec---\$19.7B
BC---\$16B
AB---\$13.9B
<u>Sask----\$11.2B</u>
NFLD---\$4.1B
Man.---\$4B
NB---\$2.3B
NS---\$1.2B
PEI---\$.241B



What we Export – Top 5 in 2008

Rank	PRODUCT	Amount Cdn.\$
1	CRUDE PETROLEUM OILS	\$10,943,978,000
2	FOOD	\$9,943,000,000
3	FERTILIZER	\$6,059,000,000
4	URANIUM	\$1,222,201,000
5	MANUFACTURING	<u>\$716,000,000</u>
		\$28,883B



What Else Does Saskatchewan Export?

- **Agriculture Biotechnology** (animal genetics, R & D services, etc.)
- **Agri-Food** (food ingredients, food, meats, livestock, natural, organic)
- **Agricultural Machinery/Technology** (seeding/tillage, grain handling, livestock)
- **Primary and Secondary Building Products** (lumber, pre-fab homes, kitchen cabinets)
- **Consumer Products** (art, lawn & garden products, apparel)
- **OEM/Custom Fabrication** (components, metal structures)
- **Energy & Mining** (products and services to support these industries)
- **Environmental Products and Technologies** (remediation technologies, green building products)
- **Information and Communications Technologies** (software, telecommunications equipment)
- **Professional Services** (architects, management consulting)
- **Education/Training** (universities and technical institutes, private training)

Many other products and services



Challenges in Exporting to EU

- Regulations, tariff and non-tariff barriers, language barriers
- Volatile Cdn \$ vs EURO (going back a year we had gained 50% versus the U.S.\$, only to see it drop back to levels of 5 years ago in recent times).
- Worldwide economic “chaos” and recession/depression.
- Protectionism

**For Saskatchewan companies, the challenges
can be daunting**



Specifics

- Manufacturing

- CE, Certification

- Safety shielding, Operator Interface (CDN-add sticker)

- Homologation (notified body)

- Brakes, hitching, weight, tires, speed, (vehicle towed and being towed are part of equation)
 - EU engineers, review drawings but conduct their own tests. (assuming CDN used ISO)
 - Not done yet---other countries hwy safety board has separate rules (whose liability)



Specifics—con't

- Saskatoon Berries
 - Tariffs, tariffs, Tariffs
 - **Fresh or frozen—14.4% to 24%**
 - **Competitive product (0% Tariff)**
 - » **Blueberries**
 - » **cranberries**



Specifics con't

- Organic
 - Meats (Bison)
 - TRQ- share with USA
 - In quota Tariff Rate is 20%
 - Out of quota from 12.8%----303% (depending on cut)
 - US-recently negotiated 20K Tonnes---Tariff free
 - Grains
 - Fall into same TRQ as conventional grains
 - Import license required for wheat and barley
 - Feed barley and malting barley fall under separate TRQ's (malting tariff lower)



Saskatchewan Anxieties

- Insisting that all Provinces be on side with agreement---- are they?
- FOOD---Agriculture, **everything old is new again**, It is Saskatchewan's greatest opportunity
 - TRQ's, Tariffs, regulatory,
 - CFIA—Whose science matters?
- Environmental Regulations as potential barriers (Euro Gap, Eco-labeling, WTO-GATS/TBT, REACH)



Trade Development

Trade Development is organized into 3 sector groups and one geographical group:

- Manufacturing Trade Team
- Agri-Value Trade Team
- Technology & Professional Services Trade Team
- Asia-Africa Trade Team



Trade Development Services

- Customized Market Intelligence Reports
- Inbound Buyers Missions
- Outbound Business Development Missions
 - Trade Shows & Business Development
 - Video Trade Missions
 - Targeted Matchmaking
- Incoming Buyers Program
- Qualified Trade Leads



Export Services

- nextrade™ finance
- STEP Export Training (FITT, etc.)
- STEP International – International Development Projects
- Logistics & Finance Counseling



Trade Missions

- STEP organizes approx. 40 trade missions into markets outside of Saskatchewan annually
- Trade missions are used to educate our members on markets and to capitalize on business opportunities in that market
- Often missions involve being at trade shows . . . this is where an industry comes together



STEP is Online

Check us out at www.sasktrade.sk.ca

- **Member Showcase** Saskatchewan exporters listed by sector
- **International Business Tools and Training**
Links to websites containing valuable international business information and tools
- **World Activities** Trip reports by our trade staff and calendar of upcoming trade missions and events



We are Proud to Take Saskatchewan's Best to the World!

Lionel LaBelle---President and CEO

Phone: 306-787 1550

Email: llabelle@sasktrade.sk.ca