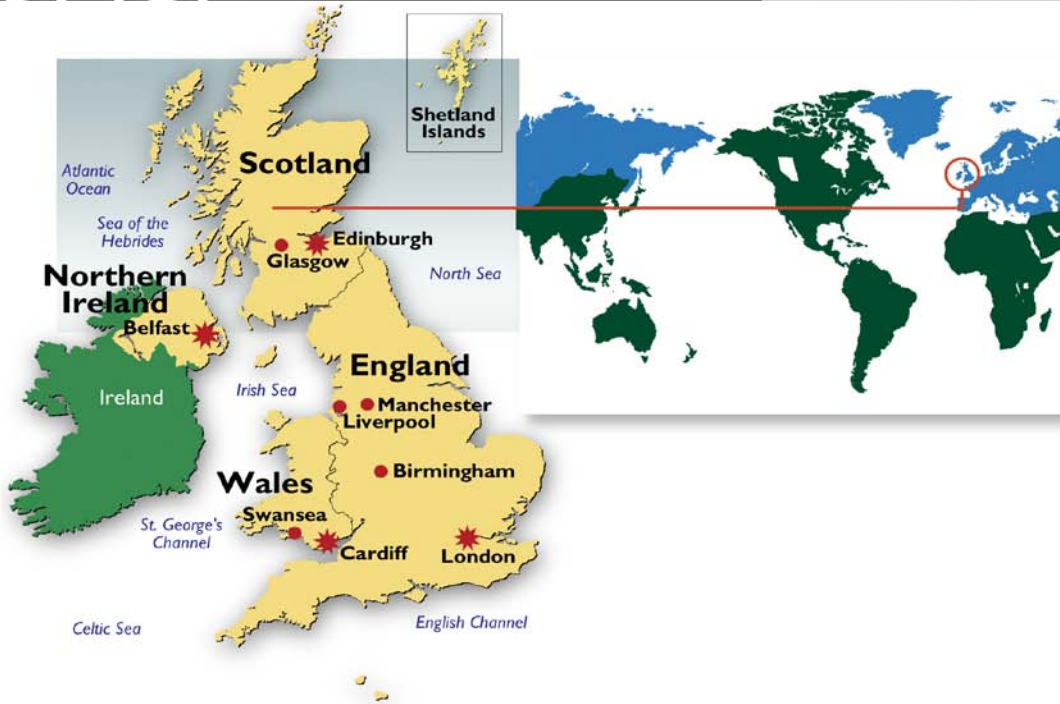


# United Kingdom – Alberta Relations

Government of Alberta ■  
International and Intergovernmental Relations



## PROFILE

**Capital:** London

**Population:** 61.8 million (2009)

**Language:** English

**Government:** Parliamentary Monarchy

**Head of State:** Queen Elizabeth II

**Head of Government:** Prime Minister David Cameron (elected May 2010)

**Currency:** Pound (£) \$1 CDN = £0.65  
£1 = \$1.53 CDN (April 2010)

**GDP:** US\$2,186 billion (2009)

**GDP (PPP):** US\$2,109 billion (2009 est.)

**GDP Per Capita (PPP):** US\$34,124 (2009 est.)

**GDP growth rate:** 0.6% (2005–2009 avg.)

**Inflation:** 2.5% (2005–2009 avg.)

**Unemployment:** 2.4% (2009)

**Key Economic Sectors:** financial and business services (accounts for over 70% of UK's GDP), electric power equipment, optical equipment, man-made fibers, chemical products (particularly pharmaceuticals), machinery, automation equipment, railroad equipment, aircraft, motor vehicles and parts, electronics and communications equipment

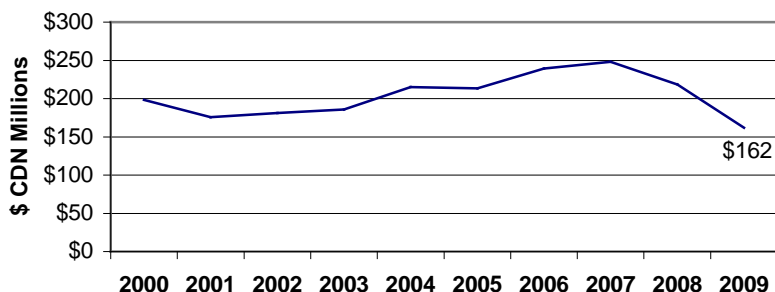
## DID YOU KNOW?

- Recent devolution has brought a new parliament to Scotland and a Welsh National Assembly.
- In May 2007, power was returned to the Northern Ireland Assembly after a five year suspension.
- Britain is a member of the European Union (EU) but has chosen to remain outside the Euro and Schengen zones.
- London is Europe's leader in the financial sector. In 2008, the European Cities Monitor again ranked London the 1<sup>st</sup> European city to locate a business, based on access to markets, the availability of qualified staff, international and internal transport links, telecommunications and languages spoken.
- The last General Election, held in May 2010, resulted in the formation of a coalition government between the Conservatives and the Liberal Democrats, the first coalition government since 1945.

## RELATIONSHIP OVERVIEW

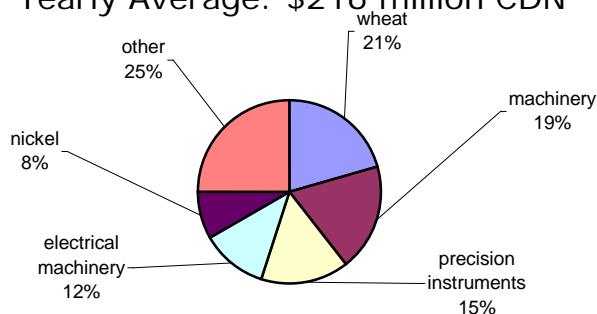
- Traditionally, relations with Britain have been very close, with many Albertans serving in Britain during both the First and Second World Wars, and many more Britons making Alberta their new home throughout the last century.
- Alberta's oldest international office opened in London in 1913, with a focus on immigration, trade and investment.
- Alberta's relations with Britain ebbed somewhat during the 1990s as the British closed their Consulate General in Edmonton and Alberta closed its office in London. During this period Britain focused increasingly on Europe, and Alberta intensified ties with the U.S. and Asia.
- Reinvigoration of economic relations between the UK and Alberta started in the late 1990s when the UK opened a trade office in Calgary and Alberta reopened its international office in London in November 2003.
- In 2008, Alberta received approximately 229,000 tourists from the UK, who brought in revenues of over \$260 million.

## Alberta's Merchandise Exports to the UK (2000-2009)



## Alberta's Merchandise Exports to the UK (2005-2009)

Yearly Average: \$216 million CDN



### TRADE AND INVESTMENT

- The UK serves as a preferred entry point for many Alberta companies seeking market access to the EU, due to the common language and similar business and legal environments. Britain's prominent role in the EU and its ability to influence EU standards and practices makes it an important ally for Alberta.
- Alberta's exports to the UK between 2005-2009 averaged \$216 million CDN per year, and included wheat, parts and machinery, and precision instruments.
- Over the 2005-2009 period, Alberta's direct imports from the UK averaged \$430 million CDN per year. This figure does not include goods sold in Alberta that arrived via distribution hubs in other provinces.
- In 2009, the UK was Canada's 2<sup>nd</sup> largest source of foreign direct investment reaching \$65.4 billion CDN.
- The UK ranks 2<sup>nd</sup> for Canada's direct investment abroad with \$63.5 billion CDN in 2009.
- Alberta companies in the Advanced Industries sectors (e.g. ICT, Aerospace, Defence, Health) are growing players in the UK market.
- Wheat makes up over 90% of Alberta's agri-food exports to the UK. In 2009, agri-food exports totalled \$48.7 million CDN, of which \$43.9 million CDN was wheat. While wheat sales dropped from \$57.6 million CDN in 2008, other exports have remained steady at about \$5 million CDN per year for the past five years.

### ENERGY

- The UK is the largest oil producer in the European Union (EU), with total oil production of 1.50 million barrels per day (bbl/d) (2009). The UK has 3.41 billion barrels (2009) of proven oil reserves vs. Alberta's 171.3 billion barrels.

- The majority of the country's oil reserves are located in the North Sea in the UK Continental Shelf and the Shetland Islands. The UK also has the largest onshore oil field in Europe, the Wytch Farm.
- The UK is the second-largest producer of natural gas in the EU with 10.3 trillion cubic feet (Tcf) of proven natural gas reserves (2009), a 15% decline from the previous year.
- Despite the UK's large coal, natural gas and oil resources (particularly in the North Sea), oil and natural gas reserves continue to decline, since peaking in 1999, mostly due to a lack of new reserves to replace existing mature fields. The country became a net importer of energy in 2005.
- The UK government's three-point plan to address the expected domestic resource shortfall is: 1) increase domestic production through efficiency gains and development of marginal fields; 2) establish necessary import infrastructure; and 3) invest in energy conservation and renewable energies.
- Many Alberta-based drilling and service companies operate in the UK. Calgary's Pure Technologies Ltd. has licensed its Smart Ball technology in the UK, which detects leaks in energy pipelines.

### EMERGING OPPORTUNITIES

- **Agri-Food:** The UK is a significant net importer of food, and the trade gap over exports is widening. The greatest innovation and the greatest opportunities for growth are being seen in premium products. The greatest current growth is in "free from" foods, especially gluten free and dairy free. Beef must be hormone free, and all products must be GMO free. Pulses and oats are doing well, because of their identification as healthy foods. Canada is at a significant tariff disadvantage to EU countries. However, current FTA negotiations hope to level this.

### Information and Communications Technology

The UK ICT market was estimated to top \$144 billion in 2009, making it the largest ICT market in Western Europe. The UK government has announced significant investments into broadband, calling for broadband access for every home by 2012. This will provide increased opportunities for offerings in internet access and services. Enterprise software is also a growth segment as well as mobile communications, where growth is driven by rising demand for multimedia and value-added content.

**Aerospace:** The UK is Europe's biggest single market for military and civil aerospace and defence products and services. The long-term outlook of the UK aerospace industry is good due to their growing unmanned vehicle industry and involvement in major international collaborative programs such as the Joint Strike Fighter (JSF) and A400M (Future Large Aircraft) Tactical Transport Aircraft for a selection of European air forces.

July 2008 and 2010: Alberta International and Intergovernmental Relations (IIR), along with over a dozen Alberta aerospace and defense organizations, participated in the biennial Farnborough International Air Show.

**Health Technologies and Medical Devices:** Opportunities exist for Alberta firms offering innovative new products, specialty products and cost-effective cutting-edge technologies. Ongoing initiatives by the NHS (National Health Services of the UK) include significant investment in information technology and eHealth applications.

**Oil and gas Equipment:** The UK's oil and gas production capacity offers promising opportunities for Alberta equipment and services suppliers.

**Environmental Technology:** There are opportunities for companies with environmental expertise such as soil remediation technologies.

## EDUCATION AND CULTURE

- There are a number of agreements between post-secondary institutions in Alberta and the UK to facilitate student and faculty exchanges, including the following:
  - The University of Leeds has agreements with the four Alberta universities for student exchanges.
  - The University of Edinburgh has agreements with the University of Alberta, the University of Calgary and Athabasca University.
  - The University of Alberta has agreements with numerous other British institutions, such as the University of Exeter, Queen's University of Belfast, Keele University, University of Plymouth, University of Sheffield, University of Dundee, University of Lancaster, University of Wales, Royal Holloway, University of London and University of Portsmouth.
  - The University of Calgary also has agreements with many British institutions, including University of Salford, University of Manchester, University of Strathclyde, Oxford Brookes University, University of London and Lancaster University.
  - Grant MacEwan University (GMU) has a letter of understanding with the Liverpool Institute of the Performing Arts (LIPA—a school started by Paul McCartney) that allows GMC music students to enter second year of a three-year Bachelor of Music degree program. Edmonton is one of two stops in Canada on LIPA's audition tour.
  - GMU also has an MOU with the University for the Creative Art, which is located on five campuses close to London.

## MILITARY

- BATUS (British Army Training Unit Suffield) is a training site just north of Medicine Hat for the British Army. Personnel range from 200 to over 8,000 personnel during training periods, receiving 1,500 soldiers per month from May to October. Battle Group and Brigade sized units train to reach their Operational Readiness states.

- NFTC (NATO Flying Training College) is based at Cold Lake where pilots of all NATO member countries are eligible to train.

## COMMUNITY AND IMMIGRATION

- Over 1.68 million Albertans claim English, Welsh or Scottish ancestry. The English are the largest ethnic group in the province and the Scots are the 3<sup>rd</sup> largest.
- The UK continues to be a key market for attracting skilled immigrants to Alberta.
- Between 2005 and 2009, 7,356 citizens from the UK immigrated to Alberta. 82% of these were economic immigrants; occupations included engineers and police officers.
- Recent trade shows include:
  - Working Abroad.net Virtual Expo (April 2010–January 2011)
  - Opportunities Canada Expo in Leeds and London (Nov 2008)
  - Interbuild in Birmingham (Oct 2008)
  - BMJ Careers Fair (Oct 2007, 2008, 2009, 2010)

## ROYAL VISITS

- Her Majesty The Queen has visited Alberta four times (21 times in Canada) since her coronation in 1953:
  - 1973: Calgary Stampede
  - 1978: Commonwealth Games in Edmonton
  - 1990: Queen Elizabeth II Cup show jumping championship at Spruce Meadows
  - 2005: Alberta's Centennial celebrations.

## RECENT VISITS

- January-February 2011: Alberta's Minister of Energy was in the UK to advocate for Alberta's oil and gas industry and to emphasize Alberta's commitment to sustainable and responsible energy development.
- January 2011: Alberta's Minister of IIR visited London to deliver a keynote address to the Canada-UK Chamber of Commerce, introduce the new AUKO Managing Director to the UK business community and to meet with several industry and energy representatives from Alberta companies operating in the UK.

- May 2010: Alberta's Minister of Environment visited London to discuss Alberta's environmental management practices and how the province is transitioning to a cleaner energy future.

- April 2010: Alberta's Minister of IIR led a mission to London to increase energy awareness and to inform European lawmakers and investors about Alberta's oil sands resources.
- October 2009: Alberta's Minister of Energy visited the UK to encourage further investment in Alberta's energy sector.
- January 2009: Alberta's Minister of IIR visited the UK to participate in the TD London Oil Sands Forum.
- November 2008: Premier Ed Stelmach led a mission to the UK to strengthen economic relationships and promote immigration to Alberta.
- October 2008: Alberta's Minister of Environment, Hon. Rob Renner, visited the UK to discuss Alberta's environmental policies.
- July 2008: Alberta's Minister of Advanced Education & Technology, Hon. Doug Horner, visited the UK to learn about its successes in developing a sustainable knowledge-based economy that attracts and retains skilled people and innovative companies.
- July 2008: Alberta's Energy Minister visited the UK to meet with key government energy officials. He made a follow up visit in October 2008 to meet with political, business and investment leaders in London.

## DIPLOMATIC REPRESENTATION

- His Excellency Dr. Andrew Pocock is the UK's High Commissioner to Canada.
- Mr. James Wright is the Canadian High Commissioner to the UK.
- Mr. Alexander Budden is the British Consul General in Vancouver.
- The position of Director for the British trade office in Calgary is currently *vacant*.
- The Alberta-UK Office in London is led by Managing-Director Jeffrey Sundquist.

