

Value added in exports, 2013

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Value added in exports accounted for 21.7% of gross domestic product (GDP) and more than three million jobs in 2013. The United States dominated the export market, accounting for 15.3% of Canadian GDP and more than two million jobs.

The contribution to GDP of value added in exports in 2013 was unchanged from 2012. However, its contribution to jobs edged up, from 16.8% to 16.9%.

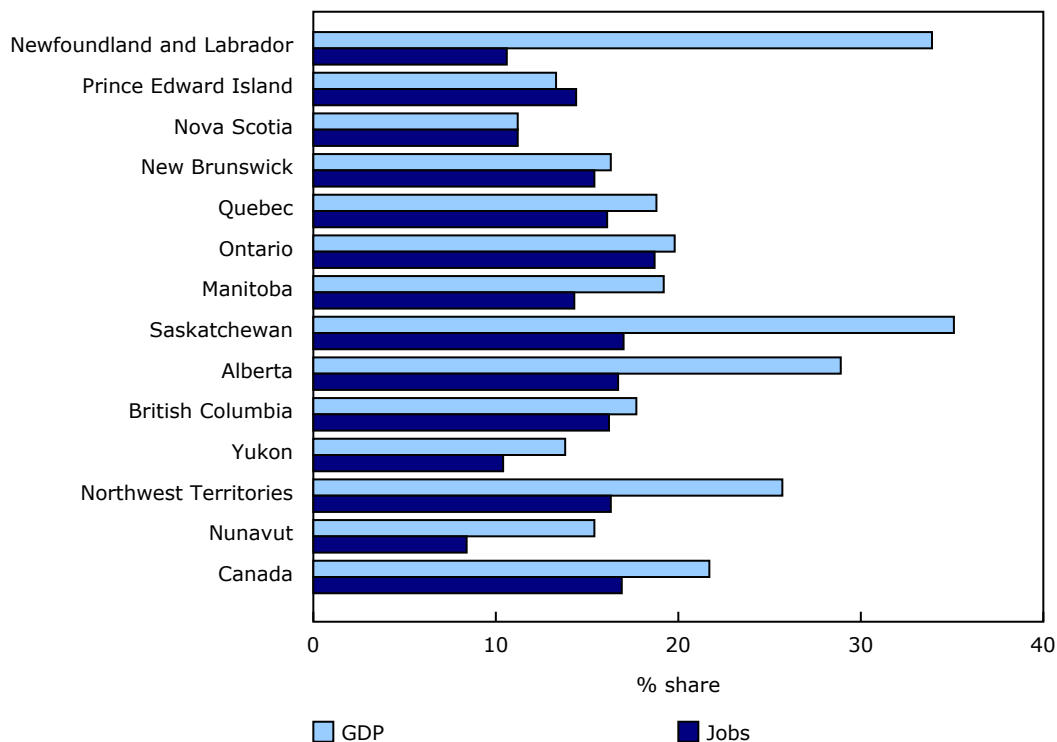
Value-added represents the contribution of labour and capital to the production process. Its components are labour income, gross operating surplus (or profits and depreciation) and taxes net of subsidies on production. The sum of value-added by all industries plus taxes net of subsidies on products is equal to GDP.

Saskatchewan's GDP is the most reliant on exports

Among the provinces and territories, Saskatchewan (35.1%), Newfoundland and Labrador (33.9%) and Alberta (28.9%) had the highest dependence of GDP on exports. A key factor in their high exposure was the export of crude oil and natural gas to the US, which accounted for 16.9% of Alberta's GDP, 12.8% of Saskatchewan's and 11.7% of Newfoundland and Labrador's.

Nova Scotia (11.2%), Prince Edward Island (13.3%), Yukon (13.8%) and Nunavut (15.4%) were the least dependent on exports. Domestic final consumption expenditures played a more important role in these four economies than in those of the other provinces and territories.

Chart 1
Contribution of exports to gross domestic product (GDP) and jobs, 2013



Source(s): CANSIM table 381-0032.

Ontario jobs most reliant on exports

Exposure of the provincial and territorial job markets to foreign demand differed slightly from that of GDP. Ontario (18.7%) ranked first in terms of the reliance of its jobs on foreign demand even though it ranked fifth in terms of GDP reliance on exports. Saskatchewan (17.0%) ranked second, followed by Alberta (16.7%). The least dependent job markets were Nunavut (8.4%), Yukon (10.4%) and Newfoundland and Labrador (10.6%).

Many jobs indirectly depend on exports

While exports directly generated 1,556,000 jobs, almost as many jobs (1,493,000) were also indirectly created by exporters through their purchases of goods and services from other domestic suppliers. Most spillover effects remained within the same province or territory. Purchases by exporters generated 1,051,000 jobs within the exporting provinces or territories and 442,000 jobs in other Canadian jurisdictions. Most of the spillover out-of-province jobs resulted from exports by Ontario (129,000 jobs), Alberta (106,000), Quebec (69,000) and British Columbia (47,000).

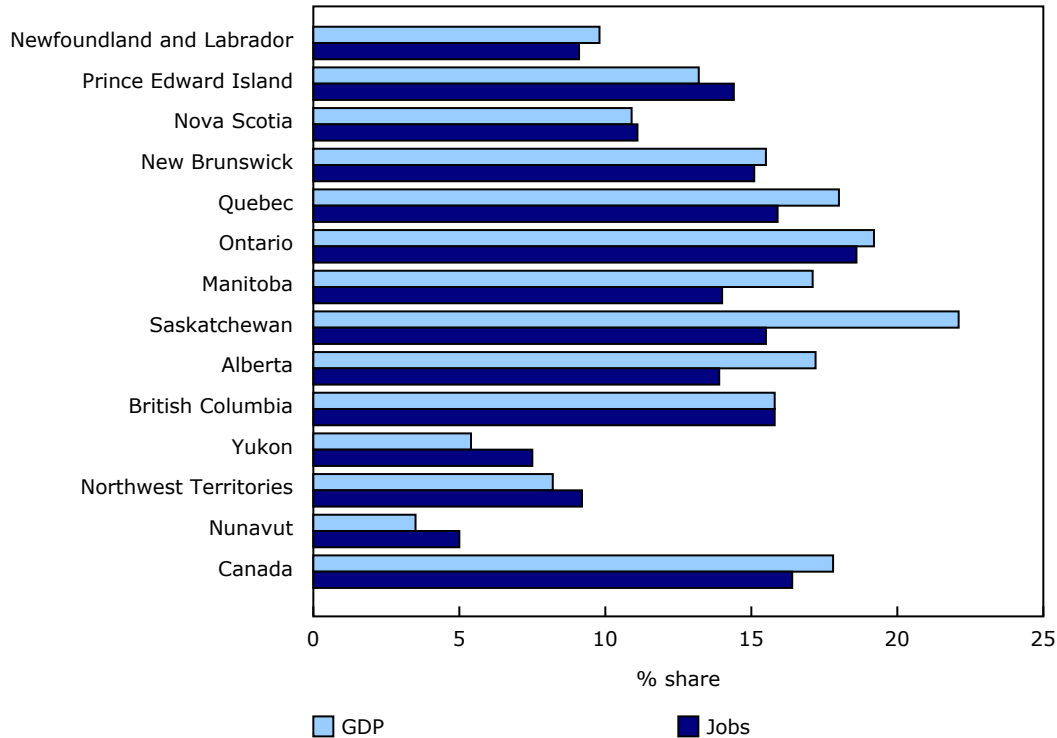
Exports contribute more to gross domestic product than to jobs

In almost all provinces and territories, exports made a larger contribution to GDP than to jobs. The only exceptions were Nova Scotia and Prince Edward Island, where the two proportions were almost equal. This difference between GDP and jobs was due mainly to the mining and oil and gas extraction sectors, where the value added per job, at \$507,000, was 5.4 times the national business sector average.

An examination of the provincial and territorial economies, excluding mining and oil and gas extraction, shows a much closer alignment of GDP and jobs in terms of reliance on foreign markets. It also shows generally higher exposure for the larger economies (Ontario, Quebec and the western provinces), below-average exposure for the relatively smaller Atlantic provinces, and the least exposure for the territories, which are the smallest economies.

Chart 2

Contribution of exports to gross domestic product (GDP) and jobs, excluding mining and oil and gas extraction, 2013



Source(s): CANSIM table [381-0032](#).

Global supply chains

The economies of Canada and the US are highly integrated. Of the exports originating in domestic Canadian production in 2013, \$378.6 billion (correction) were destined for the US market. In turn, production of these exports required \$66.4 billion (correction) of imports from the US, accounting for 17.5% (correction) of the Canadian export value. An additional \$19.8 billion (correction) of US imports was also embedded in Canadian exports to markets outside the US.

Manufacturing dominated these integrated supply chains. The \$200 billion in exports of manufactured products to the US embedded 26.4% (correction) of import content from that country, while the \$67.1 billion of exports to non-US markets had 18.6% (correction) US import content.

Ontario's manufacturing exports (\$143.6 billion) were the largest contributors to these cross-border activities. Its \$113.6 billion (correction) of manufacturing exports to the US embedded 32.8% (correction) of import content from that country, while the remaining \$30 billion (correction), consisting of exports to other markets, embedded 22.5% (correction) of US import content.

Other provinces that showed a high (correction) import content in their exports were New Brunswick (61.1%), Nova Scotia (31.9%), Newfoundland and Labrador (29.2%) and Quebec (28.0%). However, these provinces were generally not as reliant on US imports as Ontario. Across the provinces just mentioned (excluding Ontario), petroleum refineries contributed to the high import proportions. However, other manufacturing industries also played

a substantial role in Nova Scotia and especially in Quebec. In Nova Scotia, rubber product manufacturing contributed to the high import content. In Quebec, the contributions were spread among large exporters, notably in industries such as heavy duty trucks (61.4%), non-ferrous metals (42.3%), and aerospace products (34.6%).

The lowest import content of exports was in Saskatchewan (10.1%), Yukon (10.7%) (correction), and Alberta (12.4%). All three are economies whose exports are dominated by extraction industries, which have very high ratios of value added to output, such as mining and crude oil and gas extraction.

Note to readers

Corrections

On August 28, 2017, corrections were made to the geographic detail (U.S. and rest of the world) for two variables: imports of intermediate inputs and import content of exports by industry for all the provinces and territories. Although the numbers have been revised, the analysis remains unchanged.

Available in CANSIM: table [381-0032](#).

Definitions, data sources and methods: survey number [1401](#).

The value-added exports database provides data on the exports and imports of industries, as well as on the direct and indirect impact of each industry's production for exports on industry and on total gross domestic product and jobs. Industry impacts can be viewed from the perspective of their incidence on other industries or from the perspective of an industry's dependence on other industries. Data cover the period from 2007 to 2013 and rely on the supply-and-use tables, which provide the basis for the calculations.

Beginning with reference year 2013, a provincial and territorial dimension has been added to the measures. Imports embodied in exports have also been expanded to show their US and non-US origins.

For more information on the methodology, see the document [Value-added exports: measurement framework](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).