On an industry basis, merchandise exports by the Agriculture and Related Services industry supported over 170,000 jobs throughout all goods industries. Transportation Equipment industries, the second most important, accounted for almost 145,000 jobs supported directly and indirectly in goods industries. In addition, goods exports supported indirect jobs in the services industries, the most important of which were retail trade (120,000), wholesale trade (113,000), and transportation services (108,000).[2]

Canada's export trade with the world creates both direct and indirect jobs domestically. As the impact of the demand for goods ripples through the economy, secondary and other impacts including indirect services also create a demand for goods. The employment effects caused by the direct and indirect demand for goods and the indirect demand for services appears as total jobs supported by merchandise exports. In 1991, Canada's export merchandise trade with the world supported 850,391 direct jobs and 799,004 indirect jobs.

The United States is Canada's largest export customer dominating all aspects of trade and job creation. In 1991, the U.S. accounted for 75% of total Canadian exports and 69% of all export-related jobs (1,132,380). Every one billion Canadian dollars of merchandise exports to the U.S. supported 11,039 jobs in Canada.

Mexico is one of our partners in the NAFTA, but it has not traditionally been a significant generator of Canadian export-supported jobs. In 1991, Canadian business-sector exports to Mexico supported 7,351 jobs in Canada or 0.4% of total jobs. A billion dollars of Canadian merchandise exports to Mexico would support 13,222 jobs in Canada. Once the NAFTA is in force, and Mexico's many trade barriers are phased-out, Canadian exports should increase significantly, supporting more jobs in Canada.

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[2] Total jobs are defined as the number of direct jobs supported in a goods industry, plus the total number of indirect jobs supported in the same sector and in all other goods sectors (i.e., not indirect services). Even though indirect jobs are located in other industries, they are attributed to the goods industry which created the "ripple" effect.

Jobs in the service industries are indirect in nature and are treated differently in the model than those in the goods sectors. Because of the constraints of the Input-Output model, each indirect service is aggregated according to its classification, rather than by the industry causing the "ripple" effect. For example, the number of indirect jobs supported in transportation services by the wood industry would be classified in transportation services, not in the wood industry. Hence, each service industry category represents the total number of indirect service jobs supported in a sector across all goods and services industries.