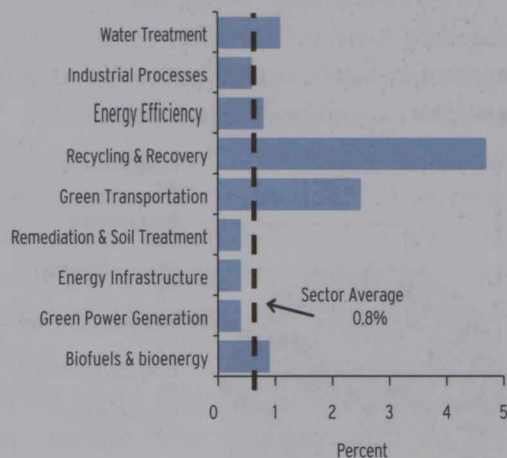


Canadian Share of Global Market



technology.² It is notable that this is well below both Canada's share of global trade (at about 2.6 percent in 2010) and Canada's share of the global economy (about 2 percent). Canada is a relatively small player in most industries as well with the majority falling below the simple benchmark, i.e. Canada's 2-percent share of global GDP. Recycling & Recovery as well as Green Transportation stand out as the only two industries exceeding this benchmark by a notable margin, potentially indicating strength in both. However, as is shown later, Recycling & Recovery remains largely a domestically oriented industry.

Given the relatively small size of the Canadian market, to achieve a reasonable scale Canadian clean technology companies must, almost from conception, seek global markets. It is for this reason that these companies tend to be, on average,

relatively export intensive. In 2010, 80 percent of clean technology firms exported, with 53 percent of total revenues, on average, being generated from outside of Canada.

It is no surprise that the United States is the prominent market, accounting for nearly one third of industry revenues and 57 percent of export earnings. Somewhat more surprising is that 23 percent of industry revenues and 43 percent of export earnings are from non-U.S. foreign markets, a share that is notably higher than for most Canadian manufacturing industries. Fully 55 percent of clean technology exporters exported to non-U.S. markets in 2010. Europe was by far the largest foreign market outside of the United States, accounting for 11 percent of revenues and almost half of export earnings from non-U.S. destinations.

A review of export shares of revenues for individual industries shows that Industrial Processes and Energy Infrastructure stand out as being particularly export intensive. These are followed by Green Transportation which, as previously noted, is one of the subsectors where Canada also holds an above-average share of world markets.

It is indeed notable that nearly all industries rely heavily on foreign markets for a large share of their revenues, and non-U.S. foreign markets at that. As of 2010, four of the nine industries relied on international markets for more than fifty

² This is according to the *2011 Canadian Clean Technology Industry Report*, which uses a definition of the sector that is consistent with other figures cited in this article. There are a number of alternative measures of the size of the industry based on various definitions of the sectors and methodologies.