

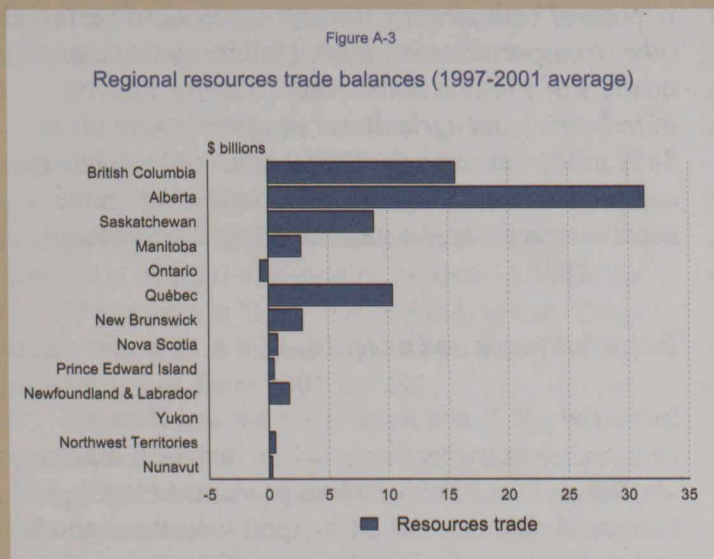
resource-exporting province. For imports, Ontario accounts for about half of all resource imports and for Quebec, the provincial share is usually between a fifth and a quarter of all resource imports.

The role of resources in the various provinces is best demonstrated by two sets of statistics. The first shows the ratio of the provincial share in resources trade to the national share of resources in total trade. This is what economists call a revealed comparative advantage. If this statistic is greater than unity, then the province trades relatively more in resources than it does for all commodities. Conversely, if the ratio is less than unity, resources are less important in the overall scheme of provincial trade. The second set of statistics is the more traditional dependency ratio which shows the share of resources in total provincial trade. This statistic simply says that a certain percentage of total provincial trade is accounted for by trade in resources. The analysis below will focus on the export side of these two sets of statistics.

Table A-1: The role of resources in provincial exports: 1997-2001 average

	Revealed comparative advantage	Export dependency
British Columbia	1.87	75.87
Alberta	1.97	79.95
Saskatchewan	2.19	88.56
Manitoba	1.42	57.41
Ontario	0.46	18.60
Quebec	0.99	39.99
New Brunswick	2.24	90.60
Nova Scotia	1.59	64.30
Prince Edward Island	1.94	78.76
Newfoundland & Labrador	2.38	96.48
Yukon	2.13	86.20
Northwest Territories	2.45	99.08
Nunavut	2.46	99.64

As is evident from Table A-1, all provinces with the exception of Ontario and Quebec have resources accounting for more than one-half of their total exports. For Quebec, resources account for about 40 per cent of their total exports, while for Ontario it is only about 18.6 per cent. The Territories, Newfoundland & Labrador, New Brunswick, and Saskatchewan are all highly dependent on resources in their exports. For the nation as a whole, resources accounted for an average 40.5 per cent of total exports over 1997-2001. With this as a base, we see from the revealed comparative advantage column that the share of resources in total exports are more than twice the national average for the Territories, Newfoundland & Labrador, New Brunswick, and Saskatchewan, about par for Quebec and less than half the national average for Ontario. In short, all provinces and territories, except for Ontario, are quite dependent on resources in their overall export patterns. Moreover, with the preponderance of resource imports going to Ontario while, at the same time, the province is less oriented towards resource exports, it comes as no surprise that all provinces except for Ontario run surpluses in their overall resources trade, as seen quite clearly in Figure A-3.



Despite a gradually diminishing share in national trade, resources still play an important role in both Canada's merchandise trade balance and in the export performance and merchandise trade balances of most of its provinces and territories.

¹ Services incidental to agriculture, forestry and mineral extraction, the leather, textiles, and furniture industries and utilities have been excluded from the analysis.