

EXECUTIVE SUMMARY

A Statistics Canada Input-Output model was used to estimate the number of jobs supported by Canadian merchandise exports in 1991. Canada's total world trade was investigated, as well as Canada's trade with the U.S., Japan, South Korea, Mexico, and the EC.

1,649,000 jobs or 13.4% of the 12.3 million total jobs (18% of total business sector jobs) in Canada were supported by \$137.3 billion in business sector exports of goods in 1991 (\$145.7 billion in total exports less re-exports and non-business sector exports). Put another way, **one out of every 7.5 total jobs** (one out of 5.6 business sector jobs) was directly or indirectly dependent on exports of goods, while more than one-fifth of Canada's GDP was also dependent on merchandise exports. It should be noted, however, that if the model could accommodate all direct exports of services (many export-related service sector jobs sustained indirectly by goods exports are captured) and job creation in the non-business sector supported through taxation of export-related earnings in the business sector, then the ratio of jobs sustained by business sector exports to total jobs would likely be closer to one in six.

Nonetheless, the Input-Output model allows us to move beyond aggregate figures to analyze specific industries and export markets. Consequently, it remains the centrepiece of this Paper. In this regard, the one in 7.5 ratio means that each billion dollars of Canadian exports of goods supported 12,016 Canadian jobs or, \$83,219 of Canadian exports of goods supported one Canadian job. These figures are substantially different from those of our main trading partner, the United States. When the value of U.S. merchandise exports is adjusted for the average 1991 Canada-U.S. exchange rate, each billion Canadian dollars supported 16,363 American jobs, or \$60,942 Canadian supported one U.S. job. The differences in these U.S.-Canadian numbers for jobs supported by exports are the result of variances in the mix of commodities exported, labour intensities, productivity levels, and the percentage of imported inputs in goods exported.

Exports of goods support 1,071,711 jobs (approximately two-thirds of all jobs supported by Canadian merchandise exports) in the manufacturing and resource sectors, of which 741,952 jobs are sustained directly and indirectly by manufacturing industries, and 329,759 jobs are supported directly and indirectly by resource industries. In addition, another 577,684 service industry jobs are indirectly the result of goods exports in 1991.