

TABLE 5

Entries, Exits, and Continuers by Region

Year	United States			Asia Pacific		
	Entries	Continuers	Exits	Entries	Continuers	Exits
2000	11,129	30,449	4,668	715	4,016	327
2001	9,483	33,393	6,077	639	4,527	366
2002	7,608	35,503	7,268	866	5,014	523
2003	6,647	34,572	8,011	924	5,874	657
2004	6,174	34,379	7,788	1,091	6,762	745
2005	5,371	34,148	8,375	821	7,305	910
2006	2,924	33,352	8,904	503	7,281	1,239
Total	49,336		51,091	5,559		4,767

Year	Europe			Latin America		
	Entries	Continuers	Exits	Entries	Continuers	Exits
2000	966	5,485	427	318	2,357	162
2001	870	6,103	553	263	2,625	174
2002	1,136	6,502	650	340	2,778	233
2003	1,281	7,811	782	403	3,381	256
2004	1,417	8,752	922	513	3,995	285
2005	775	9,478	1,298	424	4,479	447
2006	598	8,954	1,590	236	4,434	595
Total	7,043		6,222	2,497		2,152

Source: Statistics Canada's Exporter and Business Register/Authors' calculations

were able to consolidate their initial footholds in their new markets. This outcome is significant given the importance of continuing exporters in generating export sales.

Export growth can be decomposed into changes in the value of exports by established exporters (i.e., the intensive margin) and changes in the set of exporting firms (the extensive margin)⁹. Comparing the cumulative contribution of entries and continuers to total export growth between 2000 and 2006 yields the finding that the diversification of Canadian exports into non-U.S. markets has been mainly driven by changes at the extensive margin of trade. While con-

tinuing exporters explain a large part of the total value of exports, it was new entrants that accounted for most of the growth.

Table 6 shows the notable contribution of net entries to export growth. Total exports grew by 2.2 percent¹⁰ between 2000 and 2006. Continuing exporters (i.e., those that were exporters in both 2000 and 2006) reduced overall export growth by 1.4 percentage points. By contrast, new entrants contributed 9.4 percentage points to growth. Meanwhile, exiters subtracted 5.8 percentage points from export growth. Thus, the net contribution by new entrants to total export growth over the period was almost 4 percentage points. Analysis of the entry and exit

⁹ See Chen and Yu (2010).

¹⁰ Statistics Canada's publication "A Profile of Canadian Exporters" <http://www.statcan.gc.ca/pub/65-506-x/65-506-x2008001-eng.pdf> includes exports by all exporters including those who are not matched to the Business Register, while the data reported in this feature article include firms matched to the Business Register only. Therefore, the growth rates presented here will differ from those based on the published data.