

**TABLE 6.**  
Top 10 Commodities by Canadian Normalized Revealed Comparative Advantage (NRCA) in the non-U.S. Markets (2006)

CTC	CTC Name	NRCA	Rank
C44	Wood and wood pulp	55.90	1
C10	Cereals and seeds incl. canola	54.15	2
C75	Nickel and articles thereof	42.12	3
C88	Aerospace	41.88	4
C26	Ores and concentrates	33.64	5
C02	Meat, fish, live animals and their products	23.45	6
C31	Fertilizers	12.96	7
C84.4	Power-generating machinery	11.20	8
C28	Inorganic chemicals incl. uranium	10.77	9
C07	Vegetables, pulses and live trees and plants	6.91	10

in the non-U.S. markets (among the 53 CTC commodities).

Canada's advantage in wood and wood pulp, cereals and seeds, nickel, aerospace, ores, as well as meat, fish and live animals is maintained in both the world and non-U.S. markets. Our lowest NRCA in the rest of the world is in energy, textiles, automotive products, iron and steel and their products, and ICT electrical and electronic equipment. Fertilizers, power-generating machinery and inorganic chemicals rank at a fair advantage.

### Regional Competitiveness Analysis by Sectors

An analysis of individual countries is needed in order to compare the specific patterns of Canada's export performance in selected countries to the global benchmark. To this end, we evaluated competitiveness by sector both at the broad (i.e., nine sectors) and detailed (53 CTC commodities) levels on the NRCA basis, with Canadian exports evaluated against total world exports to the countries in question. Note that some commodities

(energy, automotive products and aerospace products) form sectors of their own due to their size and importance.

For analysis, we selected 15 major emerging markets in five regions, all of which are in the top 20 destinations for Canadian merchandise exports in emerging markets. We used country-specific imports data<sup>26</sup> to profile a pattern of competitiveness with advantages and disadvantages by sector. Comparing this to the pattern of Canadian global comparative advantage, we identified sectors of better-than-expected performance, using the term "over-exports" to refer to these, and "under-exports" otherwise. Over-exporting may provide lessons to learn for our commerce in neighbouring or similar countries, while under-exporting may indicate potential areas of opportunity.<sup>27</sup>

Given our definition of comparative advantage as a higher proportion of a commodity in the Canadian exports to a country than its proportion in the world's exports to that country, the following may

<sup>26</sup> Country data sources and classifications differ slightly across countries and regions. Import data sources and classifications for NRCA analysis are as follows: UN Comtrade (World-HS1996; UAE-HS2002; Algeria, Egypt, Saudi Arabia-HS2007); domestic statistical agencies through World Trade Atlas (China, India, Indonesia, Malaysia, Mexico, Brazil, Venezuela, Colombia, Russia, Turkey, South Africa-HS 2007).

<sup>27</sup> A theoretically optimal Ricardian trading pattern would show high variance from sector to sector, indicating a skilful exploitation of advantage in some sectors combined with an avoidance of involvement in others. In practice, some levelling of this pattern is bound to occur due to product differentiation and other motivations for trade.