

Forest Industries: The forest sector includes over 13 000 establishments composed of some 9 600 logging operations, 2 800 wood manufacturing facilities, and 700 pulp and paper mills and manufacturing plants. The sector produced \$68.2 billion in products in 1996 and provided direct employment for 365 000 people. Canada is recognized as a world leader in forest management, protection services and technology, including management of forest fires and pests.

The Canadian forest sector is the world's largest exporter of wood and paper products, with a global share of 19 percent. In 1998, the sector exported \$40 billion and contributed \$31.6 billion to Canada's balance of trade. Although the sector exports products to every corner of the globe, the primary market is the United States (78 percent). The EU and Japan are significant secondary markets.

Minerals and Metals Sector: Exports of domestic mineral and metal products in 1998 were valued at \$33.6 billion, while imports totalled \$20.4 billion. The sector includes roughly 300 major mines and 3 000 stone/sand/gravel quarries; some 50 non-ferrous smelters, refineries and iron plants produce about 60 different mineral products. Canada is the world's largest producer of potash and uranium, and in most years ranks second in the production of asbestos, cobalt, nickel, magnesium, elemental sulphur, zinc and cadmium. Some 370 000 people are directly employed in mineral extraction. The sector's innovation and technological advances have made it one of the most productive in the Canadian economy.

Canadian mining companies now have operations in more than 100 countries and control approximately one-third of the world's budgeted exploration expenditures. Canada is the world centre for mining financing: when public companies around the world raised more than \$10 billion in equity in 1997, nearly half came from Canada.

The minerals and metals sector includes a well-developed mining-related equipment and services sub-sector that sells to Canadian and foreign mining companies operating around the world. This sub-sector – once limited to diamond drillers and geoscience/geophysical services – has grown to incorporate less traditional areas, including legal, accounting, recycling and environmental services.

Tourism: This sector directly employs 518 300 people in more than 70 000 companies of all sizes in every province and territory. It injected \$47 billion into Canada's economy in 1998, a 7 percent gain over 1997. Visitor spending increased by 13 percent to \$13.7 billion, making Canada the world's ninth-largest earner of international tourism receipts. Although the overall benefit to the economy from tourism continues to increase, the source of the growth has shifted from overseas to North American markets. This is partly due to a 19 percent decrease in short-term trips from Asian markets, and partly to Canada's increased appeal to U.S. tourists, whose travel to Canada rose over 11 percent from 1997. As a result, in 1998 Canada's Travel Account deficit fell to \$1.9 billion – down 45 percent over 1997, and its lowest level in 12 years.

2.3 COMPOSITION OF THE EXPORT COMMUNITY

Canadian exporters of goods and services represent a small proportion of the total number of Canadian firms. Exporter numbers are estimated to range from year to year between 60 000 and 90 000 firms out of a total of nearly one million registered companies in Canada.

Nearly 90 percent of these exporters are small businesses – defined by Statistics Canada as those with fewer than 100 employees in the manufacturing sector or fewer than 50 in the service sector, and with annual sales of less than \$10 million. Medium-sized businesses are defined as those with 100 to 500 employees, and annual sales of less than \$50 million. Despite their numbers, SMEs account for less than 10 percent of the value of Canadian exports.

Canada has become a world-class trading nation, but we are not yet a nation of traders. Most exports are still concentrated in a disproportionately small number of firms. In 1995, the top five exporters accounted for 21.1 percent of Canadian exports; the next 45 for 26.9 percent; the next 50 for 9.2 percent; the next 100 for 8.7 percent; and all other exporters – about 4 800 – for the last 34 percent of export value.

In 1996, Canada had an estimated 88 897 exporters – 75 967 of which were classified as small. In 1995, small- and medium-sized exporters were divided into the following categories by number and percentage of total SME exporters: