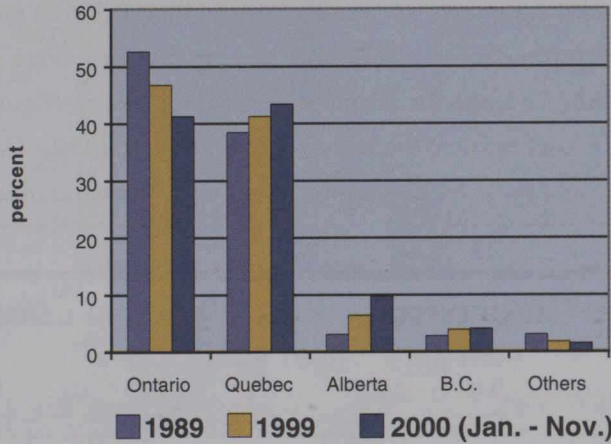


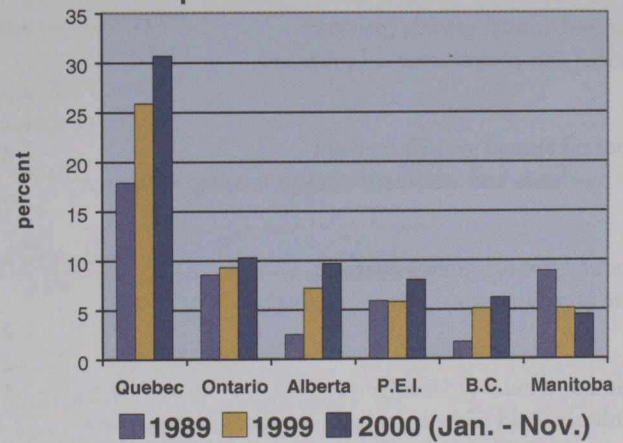
side, Ontario accounted for the largest share, at 58 percent of Canada's total high-tech purchases in 1999, while Quebec, British Columbia and Alberta ranked second, third and fourth, with shares of 28 percent, 7 percent and 5 percent respectively.

Figure B5: Canada's Composition of High-tech Exports by Selected Provinces



Canada's strength in high-tech exports is also reflected in its ability to penetrate and succeed in selected products in the U.S., the world's largest high-tech market. Canada's export sales of high-tech products¹² to the U.S. were brisk, growing at a compound annual growth rate of 15 percent between 1989 and 1999. Canada also has the ability to market high-tech products to some individual countries outside the U.S. For example, Canada's exports of high-tech products to the EU grew at 7.7 percent, to Japan at 8.1 percent, and to Mexico at 5 percent between 1989 and 1999, all at a compound annual growth rate.

Figure B6: High-tech Share of Provincial Goods Exports



On a product-specific basis, Canada supplied 25 percent and 10 percent, respectively, of U.S. imports of aircraft and telecommunications apparatus in 1999 (Table B1). In the case of office machines and data processing equipment, however, Canada had lost significant market share in the U.S., from 15 percent in 1980 to 4 percent in 1999. As a consequence, Canada's overall share in the U.S. high-tech market fell slightly from 9.3 percent in 1980 to 7.3 percent in 1999, although it remained substantially higher than countries such as Germany, France and the U.K. Japan's market penetration in the U.S. high-tech market is traditionally greater than Canada's. Since 1987, Mexico has overtaken Canada in the U.S. market for high-tech products.

¹² Canada's high-tech trade data vis-à-vis other countries sourced from the UN Comtrade database includes medicinal and pharmaceutical products; office machines and automatic data processing equipment; electrical appliances; telecommunications and sound-recording apparatus; electric power machinery and parts; equipment for distributing electricity; electric apparatus for medical purposes; thermionic cold and photo-cathode valves/tubes/parts; and aircraft and associated parts. These sets of data are available only in current dollars.