

TABLE 2

Sector Profile of Canadian Exporters by North American Industry System (NAICS) in 2006

Sector (NAICS)	Number of Exporters	Proportion of All Exporters (%)	Value of Exports (\$B)	Proportion of All Exports (%)
Agriculture (100)	2,021	4.5	4.1	1.1
Mining (200)	1,729	3.9	34.8	9.2
Food & Beverages (311-312)	1,233	2.8	12.2	3.2
Textile & Clothing (313-315)	1,479	3.3	3.1	0.8
Wood & Paper (321-323)	2,283	5.1	29.3	7.7
Petroleum, Chemical & Plastics (324-327)	2,941	6.6	41.9	11.0
Primary & Fabricated Metal (331-332)	2,985	6.7	37.5	9.9
Machinery (333)	2,726	6.1	13.5	3.5
Computer, Electronics & Electrical Equip. (334-335)	1,754	3.9	14.7	3.9
Transportation Equip. (336)	1,016	2.3	78.3	20.6
Miscellaneous Manufacturing (316, 337-339)	2,493	5.6	7.4	1.9
Wholesale & Retail (400)	13,880	31.0	63.5	16.7
Other Services (500-900)	8,245	18.4	40.0	10.5

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

of total Canadian exporters and represented over 28 percent of total Canadian export values. By contrast, the textiles and apparel and miscellaneous manufacturing sectors, are dominated by a large number of SMEs that generate a relatively small share of total exports.

Market Profile

The most remarkable feature of Canadian exporter dynamics over the period of the study was the gradual shift away from the U.S. market towards markets in Europe, Asia and Latin America. As shown in Table 3, between 2001 and 2006, the number of Canadian firms that exported to the U.S. market, fell by 15 percent⁸, while the number exporting to Asia, Europe, and Latin America increased sharply, with the biggest increase to Latin America (Figure 9).

SME exporters led the migration into new export markets both in terms of number of exporters and value of exports. The increase in export value generated by SME exporters is especially notable in the Asian markets. In 1999, SME exporters made up 35 percent of total export sales to Asia; in 2006, this share reached 47 percent—almost as much as the contribution by large-sized exporters (See Figure 10).

Direct trade versus through intermediaries

The mechanisms which support market diversification depend on a number of factors, including distance to market, significance of trade costs and size and productivity of the exporting firm. When trade costs (e.g., establishing own distribution networks) are high and potential markets are distant, exporters (particularly SMEs) are

⁸ Note that exporters exiting the U.S. market might continue to export to other markets, e.g., faster-growing emerging markets.