Telling a new story

• Statistics Canada has developed a number of innovative data products that help tell the story of Canada’s changing role in the global economy. These new products provide a new perspective by changing the focus of what we measure:

  • from trade in goods and services to trade in value added
  • from what we trade to who trades
  • from where we trade to how we trade
  • from simply measuring international transactions to measuring international interconnectedness
From trade in goods and services to... trade in value added
Materials were sourced in Canada, goods were assembled in Canada and exported abroad. Export to GDP ratio, degree of openness were major indicators of global activity.
A new perspective – value added exports

| Exports less Imported intermediate inputs used in exports equals Value Added Exports |
|---|---|
| $43.9 billion of exports by the motor vehicle manufacturing industry | $16.2 billion in value added exports |
| $27.7 billion of these exports is imported content | 34% of the value added of an exported car represent embedded services such as design, marketing and other services. |

64% of the value of an exported motor vehicle is attributable to imports from abroad

98% of the embedded imports come from the US

64% Foreign Content

34% embedded Services

79% of all jobs in motor vehicle sector related to exports

34,995 Canadian jobs directly related to the export of motor vehicles

89,450 Canadian jobs indirectly related to the export of motor vehicles.

98% of the export related jobs are due to US demand for Canadian made motor vehicles

STATISTICS CANADA • STATISTIQUE CANADA
From what we trade to who trades
The traditional view was to measure the “what” – we paid little attention to the “who.”
In 2014, the top 10 exporting enterprises accounted for almost a quarter of total exports, while the top 50 generated more than half. The top 100 exporting enterprises, in turn, were responsible for nearly 61% of total sales.
The larger the enterprise, the more likely it was to have multiple trading partners. More than 70% of small and medium-sized enterprises exported to only one partner country in 2014 – in most cases, to the United States.
From where we trade to how we trade
The traditional view of measuring foreign direct investment was to measure the origin and level of foreign investment, not the impact of foreign direct investment on employment, sales and financial stability.
A new perspective – activities of foreign majority-owned affiliates operating in Canada (FMOAC)

Foreign majority-owned affiliates operating in Canada account for more than 53% of total Canadian merchandise exports. North American and Caribbean affiliates account for nearly 25% of exports. This share has been stable over the last four years.
A new perspective – activities of foreign majority-owned affiliates operating in Canada

• Of the Canadians employed by FMOCA, the vast majority are employed by U.S. majority-owned affiliates operating in Canada.
A new perspective – Canadian majority-owned affiliates abroad

Value of sales and number of employees - Canadian majority-owned affiliates abroad

- Both sales and employment of Canadian majority-owned affiliates operating abroad have increased since 2011.
• The majority of employment in Canadian majority-owned affiliates operating in the United States is in the service sector. In all other regions, the majority of employment is attributable to enterprises in the goods industries.
From international financial transactions to international interconnectedness
Traditional view – Canada in the global economy

Canada's international investment position

• Despite the persistent current account deficit, Canada is in a net asset position with the rest of the world.
A new perspective – international connectedness

For example, this aggregate measure of Canadian bonds held by foreigners does not reveal anything about exposure to currency risk or maturity risk.
# A new perspective - Foreign holdings of Canadian debt securities, by detailed characteristics of issuers and instruments (nominal value) – June 2016

<table>
<thead>
<tr>
<th>Column number</th>
<th>1</th>
<th>2</th>
<th>4</th>
<th>6</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>255,901</td>
<td>503,245</td>
<td>196,027</td>
<td>307,174</td>
<td>44</td>
<td>396,121</td>
<td>202,538</td>
<td>566,159</td>
<td>0</td>
<td>1,155,267</td>
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<td>By domestic currency</td>
<td>24,893</td>
<td>155,479</td>
<td>23,495</td>
<td>131,940</td>
<td>44</td>
<td>268,206</td>
<td>187,366</td>
<td>376,594</td>
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<td>448,579</td>
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<td>By foreign currency</td>
<td>231,008</td>
<td>347,766</td>
<td>172,532</td>
<td>175,234</td>
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<td>127,915</td>
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<td>189,565</td>
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<tr>
<td>Total</td>
<td>255,901</td>
<td>503,245</td>
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<td>202,538</td>
<td>566,159</td>
<td>0</td>
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<tr>
<td>Short term at original maturity</td>
<td>2,126</td>
<td>57,652</td>
<td>25,915</td>
<td>31,737</td>
<td>0</td>
<td>37,014</td>
<td>24,579</td>
<td>49,181</td>
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<td>96,792</td>
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<td>Long term at original maturity</td>
<td>253,775</td>
<td>445,593</td>
<td>170,112</td>
<td>275,437</td>
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<td>359,107</td>
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<td>Long term at original maturity, with a remaining maturity up to and including 1 year</td>
<td>12,985</td>
<td>51,558</td>
<td>15,142</td>
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<tr>
<td>Total</td>
<td>255,901</td>
<td>503,245</td>
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<td>202,538</td>
<td>566,159</td>
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<td>Fixed interest rate</td>
<td>254,408</td>
<td>442,335</td>
<td>172,870</td>
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<td>389,813</td>
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<td>Variable interest rate</td>
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<td>37,754</td>
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<td>1,243</td>
<td>38,603</td>
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Breaking down Canadian bonds by currency and sector reveals a lot more information about which Canadian sector is exposed to currency fluctuations.
In order to better understand the risk facing Canadian investors, we require information about the investment vehicle.
New perspectives – future work

• Improve timeliness of TiVA statistics

• Trade by importer characteristic

• Improve foreign affiliate statistics detail (value added, compensation of employees, gross fixed capital formation, sales back to ultimate country)

• Activities of domestic multinational enterprises

• Improve timeliness, instrument detail and geographic detail related to international financial transactions

• Development of micro-macro globalization database to facilitate extended SUTs, GVC analysis, better understand firm behavior.