

Economic Spotlight

How are Provincial Economies Different?

Summary

Over time, Alberta has become less dependent on energy, and more dependent on services and manufacturing. However, its industrial structure remains quite different from that of British Columbia, Ontario and Quebec.¹

Overall

As the following table shows, Alberta's primary industries account for a much larger proportion of the economy than in the other three provinces, due to a large oil and gas sector. At the same time, Alberta has a smaller proportion of manufacturing and construction, and of finance and services. Ontario and Quebec have larger manufacturing and construction sectors, at 27.7% and 25.3% of GDP, respectively. British Columbia has the largest finance and services sector, at just over half of GDP, due mainly to a larger real estate sector. Primary industries in British Columbia account for only 6.6% of GDP, as much of the forestry industry (e.g. sawmills) is classified as manufacturing.

Table 1: Sector comparison (as percent of GDP)

	B.C.	Alberta	Ontario	Quebec
Primary industries	6.6%	21.0%	2.1%	3.0%
Communication, transportation and trade	24.2%	22.3%	22.0%	25.0%
Manufacturing and construction	16.6%	17.8%	27.7%	25.3%
Finance and other services	52.6%	38.9%	48.2%	46.7%

Manufacturing

Alberta has the smallest manufacturing sector of the four provinces, averaging 9.6% of GDP in the late 1990s, while British Columbia's is slightly larger at 9.7%. At over 20%, Ontario and Quebec have the largest manufacturing sectors in the country.

Alberta's top manufacturing industry is chemicals and chemical products, followed by food. Other major industries include fabricated metals and non-electrical machinery. Electronic and electrical products have increased in importance, having gone from about an average of 0.3% of GDP from 1985-89, to an average of 0.7% from 1995-99.

¹ All statistics are 5-year averages, from 1995 to 1999, obtained from Statistics Canada. Five-year averages were used to avoid cyclical impacts.

Table 2: Manufacturing Industries (as percent of GDP)

% of GDP	B.C.	Alberta	Ontario	Quebec
Food	1.0%	1.3%	2.2%	1.8%
Beverage	0.3%	0.3%	0.6%	0.6%
Tobacco Products	0.0%	0.0%	0.3%	0.2%
Rubber Products	0.0%	0.0%	0.4%	0.4%
Plastic Products	0.2%	0.3%	0.7%	0.6%
Leather & Allied Products	0.0%	0.0%	0.0%	0.1%
Primary Textiles	0.0%	0.0%	0.2%	0.4%
Textile Products	0.1%	0.0%	0.2%	0.4%
Clothing	0.1%	0.1%	0.3%	1.1%
Wood	2.2%	0.7%	0.4%	1.1%
Furniture & Fixtures	0.1%	0.3%	0.5%	0.5%
Paper & Allied Products	1.2%	0.5%	0.8%	1.4%
Printing & Publishing	0.7%	0.5%	1.2%	1.2%
Primary Metals	0.4%	0.3%	1.1%	1.3%
Fabricated Metal Products	0.7%	0.8%	1.9%	1.2%
Machinery (Except Electrical)	0.5%	0.8%	1.2%	0.9%
Transportation Equipment	0.5%	0.3%	5.8%	2.3%
Electrical & Electronic Products	0.5%	0.7%	2.3%	1.6%
Non-Metallic Mineral Products	0.4%	0.5%	0.5%	0.5%
Refined Petroleum & Coal Products	0.1%	0.3%	0.1%	0.1%
Chemicals & Chemical Products	0.4%	1.7%	1.9%	1.8%
Other Manufacturing	0.3%	0.2%	0.8%	0.7%
Total	9.7%	9.6%	23.4%	20.2%

British Columbia's top manufacturing industries are related to logging and forestry. Wood industries account for 2.2% of GDP, while paper and allied products account for 1.2% of GDP. Other important industries include printing and publishing, fabricated metals, and food.

Ontario's large auto manufacturing sector account for 5.8% of GDP, but Ontario is also strong in other areas, such as electrical and electronic products, food, chemicals and chemical products, and fabricated metals. Each of these industries contributes proportionally more to provincial GDP than even the largest of Alberta's manufacturing industries.

Quebec's manufacturing sector is quite diverse. The five largest industries account for less than half of all manufacturing. In the other three provinces, this number is between 55 and 60%. The province's largest industry is transportation equipment, concentrated mainly in aircraft and aircraft parts. Other large industries in the province include chemicals and chemical products, electrical and electronic products, paper and allied products and food.