

Use this website to help you complete the questions:
www.bankofcanadamuseum.ca/global-economy



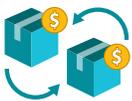
GROSS DOMESTIC PRODUCT

1 Gross domestic product (GDP) is the total value of goods and services produced in a country. It can be calculated in three ways:

- ♦ **Expenditure:** This approach factors for all consumption, investments, net exports and government spending.
- ♦ **Production:** This approach subtracts the value of materials and services used to make finished goods from the total value of those goods (for example, the value of cookies minus the value of the flour, sugar, etc. to make those cookies).
- ♦ **Income:** This approach factors for the total value of all the income earned in an economy, such as wages, rent and business profits.

Why would we want to look at GDP using these different approaches?

2 Circle the goods or services below that you think are used to calculate GDP, and put an 'X' over the ones that are not.



Purchases bought and sold between businesses



The dollar value of volunteer hours



Used goods



Government spending on goods and services



Business investments



The black market

3 Why might per capita GDP be a more useful measure than total GDP when comparing the economic well-being of countries? Complete the following 2016-2020 table.

GDP per capita ranking	Country	Population average (millions)	GDP per capita (\$)	Total GDP ranking	Country	Total GDP (\$ in trillions)	Population average (millions)
1	Singapore	5.6		1	China		1402
2	Ireland	4.9		2	United States		327
3	Switzerland	8.5		3	India		1368
4	Norway	5.3		4	Japan		126.8
5	United States	327		5	Germany		82.8
6	Hong Kong	7.4		6	Indonesia		267
7	Netherlands	17.2		7	Brazil		210
8	Germany	82.8		8	United Kingdom		66.4
9	Sweden	10.2		9	France		67.2
10	Belgium	11.4		10	Italy		60.2
13	Canada	36.9		26	Canada		36.9

(Source: The World Bank)

4 Give out the following awards:



The country with the biggest leap in total GDP since 1980:



The continent with the highest per capita GDP over the past 10 years:



The top-three performing original BRICS (Brazil, Russia, India, China and South Africa) countries in the past 10 years:

5 Use the data to explain the following statement:
The US economy isn't decreasing; instead, other countries' economies are increasing.





IMMIGRATION

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1 Identify times throughout history when immigration to Canada seems to have slowed down. Why do you think that might have been? Complete the table below to help answer the question.

Time Frame	Canadian population average (rounded to the nearest 100,000)	Average number of newcomers to Canada per year
1867-1895	4.3 million	
1896-1915	6.3 million	
1916-1931	9.1 million	
1932-1940	10.9 million	
1941-1967	15.5 million	
1968-1988	23.9 million	
1989-2008	30.3 million	
2009-2017	35.1 million	

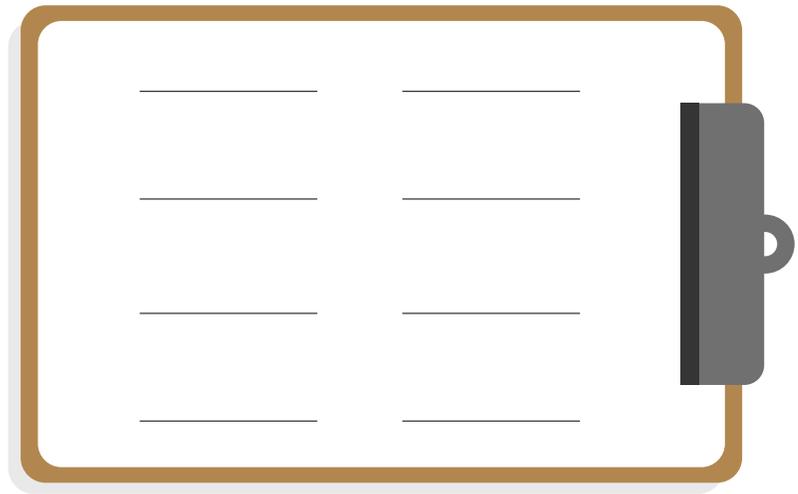
2 Looking over the data—and thinking about what you may already know—can you explain how the First and Second World Wars affected immigration in Canada?

3 Look at the timeline data for shifts in the number and origin of immigrants. At a certain point, Canada shifted away from discriminatory immigration policies. When do you think that change occurred?



4 Canada eventually introduced a points-based system that was meant to encourage immigrants with certain skills to come to the country—resulting in a more diverse intake of newcomers.

What factors do you think would have helped an immigrant applying to Canada to score more points?



5 Looking over the data, what do you think are some of the economic, social and cultural impacts of immigration to Canada?



Economic



Social



Cultural

Economic	Social	Cultural
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____





FOREIGN DIRECT INVESTMENTS

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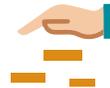
Many countries invest in Canada. However, the countries listed in the visualization tool are not necessarily investors themselves; rather, businesses based in those countries are. If an international corporation makes a substantial investment in a Canadian firm, this is counted as foreign direct investment. If a Canadian business invests in a foreign business, it is Canadian direct investment abroad.

1 What are some of the reasons that businesses and countries might invest in Canada?

2 What are the potential benefits and risks for Canadian investments in foreign markets? Think about different factors such as jobs, resources, skills and specializations, political systems, etc.



Benefits



Risks

3 A business will often use foreign tax havens or financial business centres to help with the movement of its investments. Countries that help with these transactions are called intermediary (or middle) countries.

Cross-reference the list below of major global financial centres with the countries listed as top Canadian and foreign investors in the last 20 years. How many of them match?

Major global financial centres	Top countries investing in Canada	Top countries that Canada invests in
New York, USA		
London, UK		
Singapore		
Hong Kong		
San Francisco, USA		
Shanghai, China		
Frankfurt, Germany		
Zurich, Switzerland		
Tokyo, Japan		
Chicago, USA		

Number of countries that match: _____



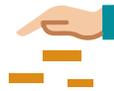
4 Canada, the United States and Mexico have been in continent-wide trade deals since 1994, first with the North American Free Trade Agreement (known as NAFTA), and now with the Canada–United States–Mexico Agreement (CUSMA).

a. Using the data, describe investment between Canada, the United States and Mexico. What data are missing that would help you get a clearer picture?

b. What advantages do you think the CUSMA agreement brings to its member countries? What might be some disadvantages?



Advantages



Disadvantages

5 Click on a few countries and open the pop-up windows for each. Compare flows of investments into Canadian companies versus Canadian investments in companies abroad.

a. What trend do you see: more foreign direct investment in Canada, or more Canadian investment abroad?

b. How do you think the geography, demographics, historical connections and movement of businesses of different countries affect the data you are seeing?





TRADE

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- 1 Historians studying Canada’s economy leading up to Confederation in 1867 often talk about staples—basic materials important to manufacturing in Europe and elsewhere. Looking at the data, can you guess five staples that early Canada exported to Europe?

- 2 Give out the following awards to export categories:



The sector most likely to stay in the top three Canadian exports over time.



The sector least likely to return to its former glory.



The sector most likely to lead Canada into the future.

- 3 How would you explain to one of the Fathers of Confederation the changes in trade from 1867 to today?

“

”

4 Looking over the data, why do you think Canada might want a diversified economy?

5 Create a web of jobs from a high-ranked imported or exported product. Begin by placing the product in the middle of the chart. Branch out from there to list jobs directly related to creating it, and then to indirect jobs associated with that product or industry.

