



Film and Video Production

Cultural Industry

You've probably seen a lot of Canadian content on television and at the movies without realizing it.

Did you know?

Most of the filming done in Canada is for foreign-produced film and television—usually for the United States. The scenes filmed here are assembled into a larger product in editing facilities outside of Canada. It is therefore an export product. In this way, the film and video production industry resembles the car parts industry.

Why it matters

The foreign exchange rate makes filming in Canada generally cheaper than filming in the United States. As well, provincial governments often provide generous tax breaks to support film production in the hopes of building employment and assisting local service industries that support film crews.

American and international film production companies regularly come to Canada for filming and virtual effects (VFX) contracts. Canada is one of the world's most filmed locations, but is regularly made to look like other places. Cities from Québec to Vancouver have masqueraded as American, European and other international settings.

We also have our own home-grown film and video production industry. And that is partially supported by laws that govern the amount of foreign content allowed on our screens.

Connected industries

Digital post-production facilities, film labs, equipment rental and set-building companies, and prop and costume suppliers are just a few of the film and TV industries that have sprung up in Canada to support it as a filming location—and to support our domestic productions. Spin-off industries in video gaming and multimedia production have grown alongside film, especially in Quebec, Ontario and British Columbia. What this means is that rises or falls in the film and video industry can have a domino effect on many related industries. Much of it depends on Canada having an exchange rate favourable to foreign investment.

Consider this

The Canadian film industry is supported through decades-old legislation promoting Canadian content on movie screens, television and radio. A certain percentage of content needs to be made by Canadian creatives, writers, actors, production companies, etc. Special consideration is also given to the French-language cultural industry based in Quebec, where language protection encourages greater incentives for local production.

Looking ahead

Governments are still sorting out how these longstanding laws about promoting Canadian content should apply to streaming services. At the same time, the rise of streaming film and television has led to even more economic growth as subscribers look for more content. That should mean more work for Canadians over the coming years.





Oil and Gas Extraction

Natural Resource Extraction

Large oil and gas reserves have made Canada a major energy player and supplier for the world.

Did you know?

Canada exports refined (gasoline, diesel, etc.) and unrefined (raw crude oil and natural gas) products all over the world, but our biggest client is the United States. The oil and gas industry provides a major chunk of Canada's gross domestic product (GDP) and is especially important to the regional economies of the prairie provinces. In fact, so large is the industry that global price fluctuations of oil affect our whole economy.

Why it matters

Although Canada is a major oil-exporting nation, it is not a cheap place to produce oil. Wages and the cost of living in these regions are relatively high, and the upfront costs for exploring and extracting these fossil fuels mean the industry needs enormous investment. Because of this, oil production in Canada requires large economies of scale. Basically, we need to produce a whole lot of it to keep the prices competitive.

Canada primary resources sector produces a lot of oil, but its secondary resources sector doesn't refine much of it. This is partly due to a lack of pipelines, but also the sheer difficulty of transporting oil across the country takes a big bite out of profits from refining. And the upfront cost of building a refinery is very high. Much of our oil is refined in the US states along the Gulf of Mexico.

Connected industries

The oil and gas industry has created a sprawling web of related industries that spans the entire economy. Refineries, gas stations, research facilities, railways and shipping ports are important industry supports. The economy (and our daily lives) relies extensively on fossil fuels, which are used in transportation services, electrical generation, home heating and even the plastics we find in so many things.

Consider this

The petroleum products we put in gas-powered vehicles are highly taxed. Although rates vary across Canada, the average litre of gasoline has a fixed provincial or territorial tax of between 10% and 15% of the price. That is on top of corporate taxes for the producers, shippers and distributors as well as transit taxes, federal taxes and new carbon taxes. In fact, a 2022 report by the Canadian Taxpayers Federation put taxes at 38% of the pump price. Demand for petroleum products puts billions of dollars into government budgets every year, which then find their way into every sort of government program.

Looking ahead

The sheer number of electric and hybrid electric vehicles on Canada's roads is a clear indication that Canada's need for petroleum products is declining. Fuel taxes are rising to help fund more initiatives to slow global warming, such as producing renewable energy. In fact, the renewable energy industry now has more jobs than the oil and gas industry.





Lumber Production

Forestry

The lumber industry was one of the very first industries in the Canadian economy and remains important to many regions today.

Did you know?

Canada has a natural advantage over other nations when it comes to lumber. When Europeans first began colonizing the south of Canada, the region was covered in unbroken woodlands from the prairies to the Atlantic coast. Today, most logging in Canada is for softwood lumber and the biggest market is the United States. This lumber supports framing of new buildings among many other everyday industrial uses.

Why it matters

Lumber production has needed to become more efficient as stocks diminish. Many of the wood products we use every day are assembled from bits and pieces of small timber or even made of sawdust glued together (known as particle board). The digital revolution has eliminated much of our need for paper, but products like bathroom tissue, paper towels, cardboard and biodegradable packing materials are still large consumers of low-grade lumber.

Connected industries

Cutting, shipping and distributing lumber are all part of the industry. Processing in sawmills and transportation to markets are both key industries from logging trees. The construction sector relies extensively on the lumber industry, and a whole economy has developed around home renovation—there is probably a lumber yard near you!

Consider this

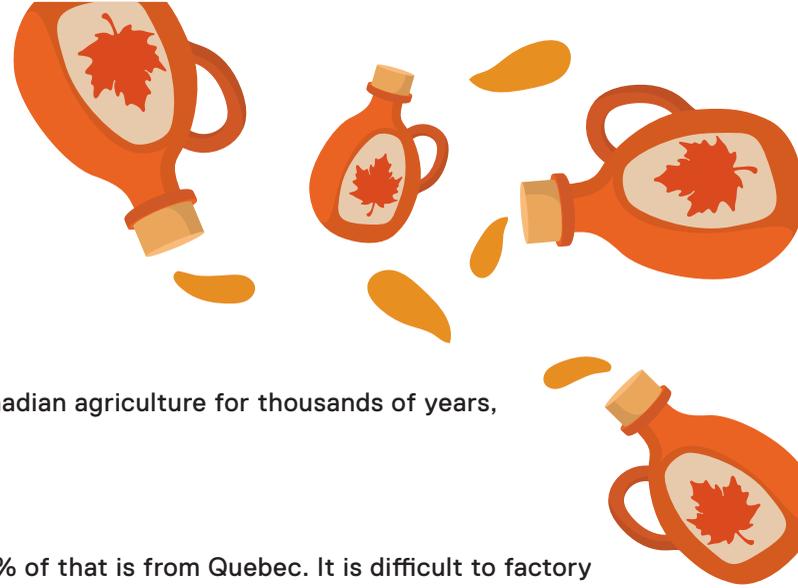
Lumber is such a big part of Canada's economy that fluctuations in its prices have a domino effect on much of Canada's economy. Pulpwood, the wood used for paper and cardboard products, has always been a major issue at the bargaining tables of US/Canadian free trade agreements, sometimes resulting in import penalties imposed on Canadian lumber. Called tariffs, these penalties can drive lumber companies out of business.

Interest rates and employment can greatly impact the construction industry, which then affects the demand for lumber products. As an example, a boom in housing combined with a drop in lumber production drove lumber prices sky high early on in the COVID-19 pandemic. However, Mother Nature also has a great effect on the industry, with beetle infestations and wildfires depleting an already over-harvested stock. Different levels of governments are stepping in with taxes, quotas and re-planting policies to help mitigate the loss of our forests.

Looking ahead

There will always be a need for wood—or something like wood. Although wood is very renewable as a resource, our need for it far outstrips our ability to plant and grow more. Alternative products are coming on the market that, though not renewable, come from recycled materials, helping to both limit waste and take the strain off of forests.





Maple Syrup Production

Agriculture

Maple syrup production has been an important part of Canadian agriculture for thousands of years, well before Canada became a country.

Did you know?

Canada produces 78% of the world's maple syrup, and 93% of that is from Quebec. It is difficult to factory farm, so maple syrup production remains in the hands of thousands of small farmers. It's also a growing industry. Canada has well over 6,000 maple syrup operations that produce 15 million gallons of the syrupy good each year. Canada exported \$616 million worth of maple syrup in 2022. This is big business made up of thousands of small businesses.

Why it matters

Sap collection requires warm days and cold nights. Occasionally, Mother Nature refuses to cooperate, and the sap runs for only a brief time, resulting in poor yields. In other years, the opposite happens. The maple syrup season of 2022 resulted in the biggest yield in history with 17.4 million gallons of syrup produced, up 54% from 2021. This is why, like the oil and gas industry, the syrup industry keeps reserves on hand, which it replenishes with these bumper crops. This strategic reserve in Quebec is the only one in the world and helps keep the market well-supplied and prices relatively stable.

Connected industries

Maple syrup production accounts for little in the way of spin-off industries. Producing maple syrup is not overly labour-intensive and the required equipment has changed little in the last century. But the maple syrup industry has spawned a host of related products, from maple water to sugar and desserts. Like any food product, it also contributes to the packaging, transportation and service industries.

Consider this

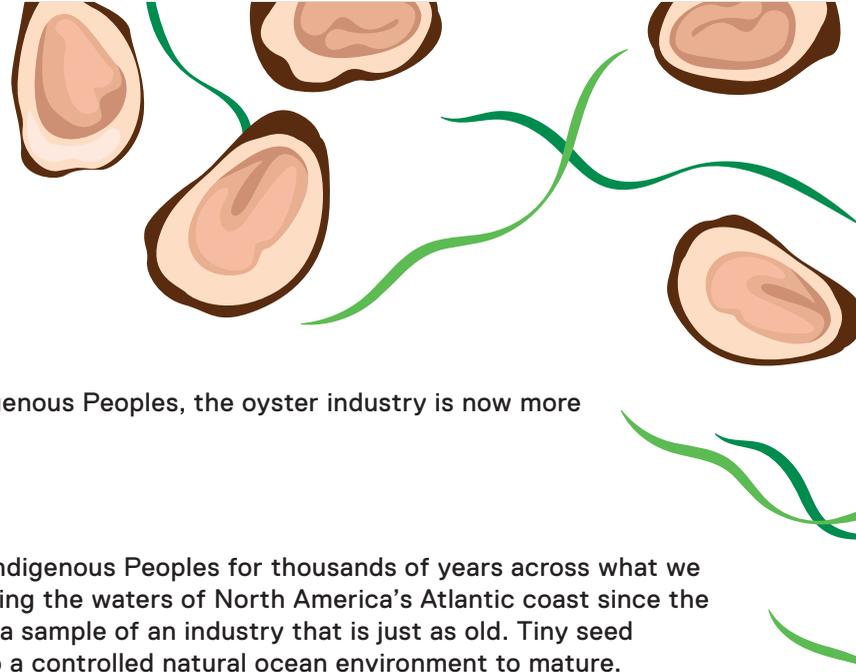
Maple syrup is not a necessary product, and its actual production has rarely needed government assistance. The growing number of farms is a testament to the product's continued popularity and profitability. Where the government can help is in promotion. Between 2021 and 2023, Canada spent \$1.76 million on marketing activities in Europe, Japan and the United Kingdom to promote the use of maple syrup as an alternative sweetener.

Looking ahead

Agriculture's future may lie in diversity. As in the retail trade industry, the smaller farmers and producers may be better off with specialized crops such as maple syrup and making a case for organic, local production.

A maple syrup producer's biggest challenge will likely be climate change. Sugar maples have been found to be sensitive to climate changes like warmer springs. If springs get warm too quickly, the sap will fail to run effectively. As in the larger agricultural industry, fortunes are highly weather-dependent.





Oyster Farming

Aquaculture

Traditionally practiced as a gathering process by Indigenous Peoples, the oyster industry is now more like farming.

Did you know?

Fish and other ocean products have been traded by Indigenous Peoples for thousands of years across what we now call the Americas. And Europeans have been fishing the waters of North America's Atlantic coast since the 1500s. Oyster fishing, or more accurately, farming, is a sample of an industry that is just as old. Tiny seed oysters are nurtured in tanks before being placed into a controlled natural ocean environment to mature.

Why it matters

Oyster farming requires some skilled labour. Most oyster farming involves floating racks or nets. But some farms maintain hectares of tidal beach where the seed oysters can mature naturally. Later, the oysters are hand-harvested—a tradition spanning thousands of years that is now a growing industry for Indigenous people on both the Atlantic and Pacific coasts.

Connected industries

Oyster farming is simply not a big enough industry to spur a larger connected economy. But, like many aquaculture (or aquatic agriculture) industries, oyster farming still requires equipment, boats, transportation, storage and marketing. The seed oysters used by many West coast farms actually come from the East coast, a tiny industry in and of itself. And, thanks to refrigerated transport, fresh oysters are enjoyed thousands of miles from the sea, contributing to food service industries all over Canada.

Nearly half of the oyster farming in Canada takes place in British Columbia, with the other half split between Prince Edward Island and New Brunswick. Canada's main aquaculture is for farmed salmon. Char, trout, mussels and clams also top this list, which is a 20% slice of all seafood harvests in Canada (think lobsters, crab and shrimp, to name a few!).

Consider this

Like any natural product, oysters are tied to the whims of nature and the environmental behaviours of human beings. Oysters' availability is directly affected by weather and, therefore, so are their prices. In 2018, a heat event over the west coast of North America caused huge losses for oyster producers using modern methods of growing oysters on lines suspended from rafts or floats. The oysters allowed to mature in a natural environment, however, suffered far fewer losses.

Looking ahead

Given the crashing cod stocks in the 1990s, wild fishing has faced challenges to remain sustainable. But oyster farming is one of the most sustainable agricultural practices known and has resisted mechanization. Oysters are also highly sensitive to pollution, so farms must be ecologically sound operations. Oysters themselves remove carbon dioxide from the ocean for shell formation. And as filter feeders, they can each filter over 50 litres of water a day, increasing oxygen and improving light penetration. While some people may consider fishing to be an invasive industry, oyster farming may be seen as an eco-friendly choice.



Vehicle and Parts Manufacturing

Manufacturing

The automotive industry is an international network of parts and assembly.

Did you know?

Canada manufactures parts, components and entire vehicles. The industry directly employs nearly 120,000 people in this country, with a further 371,000 employed in services and sales. Canadians today own more than 26 million motor vehicles, which fuel the vast second-hand vehicle and automobile service industries.

Why it matters

The Canadian automotive industry has its roots in the assembly of the first vehicles in North America. This former cottage industry has shifted to efficient supply chains that make vehicles widely accessible to consumers. The industry's growth has relied on specialty manufacturers who build smaller components for lower costs than the main manufacturers can manage. Affordability requires vast economies of scale and cheap labour.

Connected industries

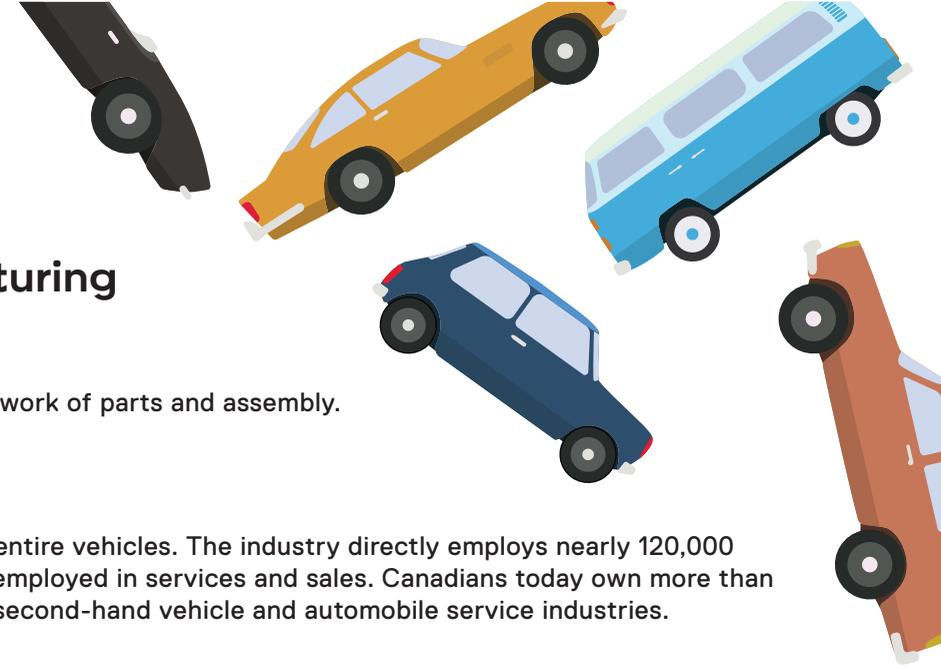
The automobile industry is a vast network of interconnected suppliers, manufacturers, sales forces, mechanics and recyclers, not to mention the electricity and oil and gas industries. And the wide variety of materials needed to build a car has roots reaching deep into [the primary resource sector/extracting natural resources]. Auto recycling is an entire industry unto itself that feeds material back into the system. The modern car's dependence on digital technology has also created a whole new network of suppliers and developers. All of these industries are connected by vast networks of roads, trucking, railroads and cargo ships.

Consider this

Most cars are now built in what is called a "just in time" manufacturing process. This means that a manufacturer will receive the parts it needs only when it needs them. While this avoids having to buy and store huge stocks of parts, it means that the industry critically depends on its supply chain. This system of shipping goods is sensitive to any hiccups. For instance, a single blockage at the Panama Canal, backups at shipping ports or too few truck drivers to transport goods across the Canada-US border can slow output. Entire vehicle assembly lines can be brought to a halt for lack of a computer chip, leading to layoffs and repercussions in regional economies.

Looking ahead

The automotive industry is in a time of great change. Demand for development of electric vehicles has hastened as the world strives to reduce fossil fuel emissions. People will still need cars, but the source networks will shift toward electronic components and batteries, using different primary and secondary resource sectors. Supply networks might also move closer to home because some governments and communities want to protect and grow local manufacturing jobs.





Tourism

Accommodations and Food Services

Canada is a desirable destination for both its natural landscapes and its cities.

Did you know?

A product or service is considered an export if it is purchased by a foreign buyer. Foreign tourists visiting Canada are therefore an export market. Although the services (hotels, restaurants, travel, tours, etc.) are consumed in Canada, they are purchased with Canadian dollars bought with foreign funds. This strengthens our dollar as well as our economy. In the same way, when Canadian tourists spend money abroad, it is considered an import.

Why it matters

In Canada, tourism is split between cultural and ecotourism. People come to Canada to see its natural landscapes as much as its cities. Before the COVID-19 pandemic, the tourism industry brought in \$1.9 billion to the Canadian economy and directly employed nearly 40,000 people. Mind you, this is not all from foreign tourists. Around 30% of tourism dollars come from Canadians exploring their own country.

Tourism, and the service sector as a whole, is a great provider of jobs for young people and those without formal training. Service industry jobs tend to be low-paying but still fill a crucial gap in the labour market.

Connected industries

Entertainment and cultural industries benefit from tourism. In big cities, shows, sporting events, museums and galleries see enormous increases in visitors during tourism's high season: summer holidays. Ecotourists, both domestic and foreign, boost visits to parks, hiking trails and camping sites. And with these visits comes spending on meals and transportation.

Consider this

The tourism industry is highly influenced by foreign exchange rates. When the Canadian dollar is strong, foreigners may not find it good value to travel in Canada and instead choose to visit countries where their money goes further. A strong dollar also makes it more worthwhile for Canadians to spend their money in other nations, and so tourism abroad increases. Tourism is a great example of how a floating dollar (where the value of the currency depends only on supply and demand) works for an economy: the export losses of a strong dollar are offset by the import gains, and vice versa.

And just like in agriculture, Mother Nature plays a major role in tourism. A year of forest fires, heat waves or heavy rains will make people think twice before visiting. The COVID-19 pandemic nearly destroyed the whole service industry, where face-to-face interactions interaction is so important.

Looking ahead

Ecotourism is on the rise, which creates a great economic and cultural opportunity for Indigenous communities. Indigenous-owned or operated businesses could introduce even more people to some pristine areas of nature and Indigenous culture and traditions as part of Reconciliation. Regions such as Atlantic Canada are seeing their economies shift from fishing to tourism, exploiting the vast beauty and history of their locations. Sometimes tourism is the best way to support a country's physical heritage.





Small-Store Retail Trade

Retail Trade

Big and small, stores offering goods and services make the retail trade industry a major employer in Canada.

Did you know?

Retail is a service industry and a big market in Canada, selling more goods and services in the Canadian economy than any other industry. It employs a large number of young people and the jobs usually doesn't require a college or university education. In 2022, the retail trade industry accounted for well over two million employees in places large—big box, chain and department stores, and small—like corner stores. Canada has over 140,000 small retail businesses.

Why it matters

A small retailer can't buy enough of a product to get a lower wholesale price from its manufacturer. That same product might very well be cheaper at a big national retailer, but it comes down to who you want to support with your money. When you spend at a small retailer, the profits tend to benefit the local economy. An economy of scale for large retailers can also reduce their inventory of a variety of goods such as a specialty food item—creating gaps that can be filled by small businesses.

Connected industries

Couriers and postal services have seen a boost with online shopping—especially during the COVID-19 pandemic. Packaging and shipping industries that rely on warehouse workers, drivers for semi trucks and cargo ship captains and crews are also benefitting from this boost. Other industries such as advertising and marketing are positively impacted by increasing sales and establishing loyal customers. Lastly, factories and workers that are required to make many of the goods that end up priced on a shelves benefit through increased sales.

Consider this

While Canada has many large retail chains, staying small has some advantages. The tax system is set up to favour small businesses. They are not burdened with the same level of taxation that the big companies are.

But small retail is a risky business. Consumer spending levels can change, and trends and fads can benefit or ruin a small retailer. What's more, supply chain issues affect locally-owned shops as much as it does the big, global brands.

Looking ahead

Online sales are now such a huge feature of the retail industry that many small “bricks and mortar” businesses run an online store. This allows a retailer selling very specialized items to tap into a global market instead of relying on local shoppers.

Physical stores that maintain their popularity have some big advantages. They eliminate the delivery times for online purchases and the risk of loss or theft of packages left on the porch. And seeing and touching items—especially clothes—before buying removes [slow/sometimes weeks-long] return and exchange processes. Customer service and support can also be better in stores when retailers are face-to-face with a shopper. Physical retail stores also provide employment, especially for young and first-time workers.

