

# Composition and History of Canadian Economy

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**Abstract.** In this article, I will introduce Canada, mainly about its economy. At the same time, I will introduce the main components of the Canadian economy and its development history. Canada's advanced economy has brought the country a wealth of wealth, which is why the government can afford to offer such great benefits to the people who live here, as a reward for hard work and dedication.

**Keywords:** Canada; Economics; History; International Relations.

## 1. Introduction

The "seven industrial countries in the West" include France, the United States, Britain, West Germany, Japan, Italy and Canada, which are now the seven leading industrial countries in the world. The West does not only refer to the Western countries, but also refers to the "Western countries" that use the economic means of Western capitalism. Among the seven countries, Canada is the most attractive one, because its population is less than 40 million, but its per capita GDP is absurdly high.

Although Canada is the second largest country in the world in terms of territory, it has only 36 million people per capita, making it a country with a large population. However, Canada is one of the largest and most prosperous industrial countries in Western Europe, and the Canadian economy is currently in a phase of high growth, low inflation, and a healthy business investment environment.

The Canadian government has always emphasized sustainable growth in the national economy, and three industries are the main pillars of the country's development: resources, manufacturers and services, in that order. As shown in the Figure 1.

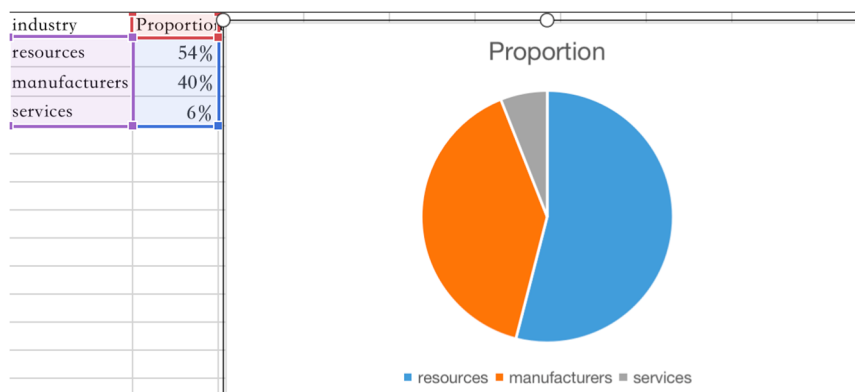


Figure 1. Proportion

## 2. Structure

Canada's natural resource sector is the most important sector in the economy, accounting for a large percentage of the gross national product. Canada's resource industries include forestry, livestock, mining, and natural resources, as well as hydroelectric power generation, which is the third largest in the world and accounts for two-thirds of the country's total power generation. Canada is rich in forest resources, and forestry is very developed. Mineral resources are also Canada's major economic resource, including more than 60 kinds of minerals, including oil, natural gas, iron ore, nickel, zinc and potash, which are among the most important resources in the world, both in terms of content and production.

The manufacturing industry in Canada and Canada's manufacturing industry are the top in the world, such as Canada's aviation industry. Canada's aviation industry is very developed, and it is the third largest aircraft manufacturer in the world. The aviation industry is also one of the industries with the largest R&D efforts in Canada. Canada's aviation industry exports 80% of its products. For example, Canada's world-famous Bombardier Limited is the world's third largest aerospace manufacturer after Boeing and Airbus in Europe. Air Canada is a world leader in regional aircraft, commercial aircraft, commercial helicopters, aircraft engines, flight simulators, landing devices and space systems.

Canada's service sector dominates the national economy, accounting for 67% of the country's total economic output. Canada's service sector mainly includes transportation, education, health care, construction, finance and communications. In the United Kingdom, traditional services are the mainstay of the specialized service industry. In 2006, for example, the system audit services, including audit and confirmation services, tax services, data editing and audit services, and bookkeeping and payroll services, provide corporate profits accounted for about eighty-three percent of the overall operating profits of all audit service-based industries; while non-traditional accounting services such as legal consulting, insolvency administration and personal property handling services accounted for about ten percent about. In 2017, the country's services sector accounted for \$1,233.68 billion, or 66.5 percent of GDP, and employed 14.247 million people, or 78.8 percent of the country's total population.

### 3. Development History

After talking about Canada's economic structure, let's talk about Canada's economic development history. In 2018, the per capita GDP of Canada reached 46000 US dollars, higher than that of France, Japan and Italy. Although we rely on the help of the United States, Canada is rich in natural resources. As shown in the Figure 2.

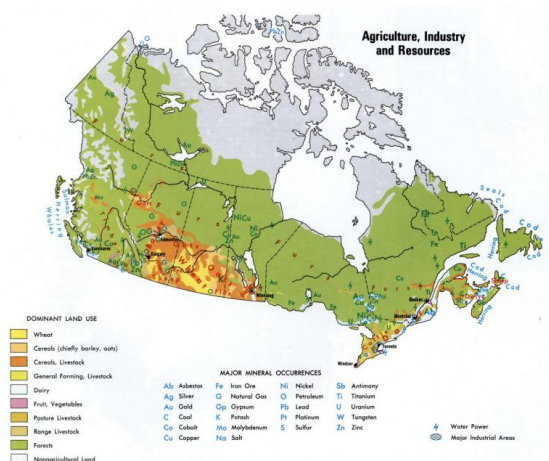


Figure 2. Agriculture, Industry and Resources

After two world wars, Canada finally became an independent country, a country with extremely rich wealth. Canada has 4.4 billion tons of potassium ore, 439000 tons of uranium ore, 260000 tons of tungsten, 173.2 billion barrels of oil sand and 550000 tons of cadmium. 4.9 million tons of nickel and 2 million tons of lead. Canada is also the fourth largest grain export in the world. Excellent Cereals, oilseeds, vegetables, meat and dairy products. Famous in the world. The four word summary is "rich to flow oil". If we look at the whole world, they are all among the top countries. This means that even if Canada does not work hard. Relying solely on export resources can lead a very healthy life.

Canada can obviously rely on its own resources, but it still has to work hard. The manufacturing industry is also proud of itself and can be rated as made in Canada. It is not at the same level as Australia, which relies solely on resources. Australia has put too much energy on the export of

resources. It is a typical country of "sitting on a mountain and eating nothing". Iron ore, agricultural products and other industries are the main sources of income. Both agriculture and manufacturing industries are rich in resources. Canada is also the third largest aircraft manufacturer in the world. 80% of the products are exported overseas. Canada is the 10th largest automobile country in the world, producing about 2.4 million cars and trucks every year. The manufacturing industry occupies an important position in the country's economy, accounting for more than 10% of GDP.

#### **4. Trouble**

Although it is said that Canada is comfortable to drink, Canada also has its own troubles. Next, I will talk about how the United States grasps Canada's economic lifeline.

The Canadian market is still too small, but next to it is the United States, a world power. Canada has taken the opportunity to cooperate with the United States in the economic field. Of course, this has also made Canada today. To put it simply, the United States has helped Canada in two ways. First, the United States is the largest exporter of Canada. According to the official data of Canada, Canada's exports to the United States in 2019. Up to US \$336.8 billion. Accounting for about 75.4% of the total export. The United States has become Canada's export market, followed by China (3.9%) and Britain (3%). 80% of Canada's crude oil is exported to the United States market. It is no exaggeration to say that the United States has become the economic lifeline of Canada. A very interesting story happened in Canada in 2019. Because the US government has no public data, Canada has been forced to postpone the release of national trade data, possibly because some economic data have to be accounted for by the US government. This shows the economic influence of the United States on Canada.

Second, Canada and the United States signed a no defense treaty, requiring the United States to spare no effort to rescue Canada when it is in danger. In fact, the United States has two considerations in doing so. First, since the two world wars, the two countries have established profound friendship. Later, Canada became independent from the Commonwealth, and it was not good to vigorously develop its military, because it would give the United States a sense of vigilance, and it would be better to make money together. Second, Canada's strategic position is very special. Although it is said that the United States faces the sea on both sides, if Canada in the north is a cooperative relationship, there will undoubtedly be a relatively broad buffer zone. With Mexico in the south, the security of the United States will be more guaranteed. Canada's defense force is relatively weak, so the United States gives it some support. We have to rely on others to do business and to ensure our security. Therefore, Canada has lost some autonomy. So many times, we can see that these two countries have staged one wave after another in the international market. The attitude and practice are basically the same.

#### **5. Conclusion**

Canada's advanced economy has brought the country a wealth of wealth, which is why the government can afford to offer such great benefits to the people who live here, as a reward for hard work and dedication.

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