

Introduction

Canada boasts a diverse and robust industrial landscape, characterized by its rich natural resources and advanced technological capabilities. Key sectors include natural resources such as oil, natural gas, and mining, with the country being a global leader in the production of commodities like gold, potash, and uranium. The manufacturing industry is equally significant, producing a wide array of goods from automobiles to aerospace components. Additionally, Canada is renowned for its innovation in technology and telecommunications, contributing to a burgeoning tech sector. Agriculture and forestry also play pivotal roles, providing a substantial contribution to both the domestic market and international exports. Together, these industries form the backbone of Canada's economy, driving growth, employment, and global trade.

Gross Domestic Product (GDP)

In 2023, Canada had a population of 38.2 million people. The country's GDP, measured by purchasing power parity (PPP), stood at US\$2.3 trillion, with a notable 3.4% growth observed in 2022 and a 5-year average growth rate of 1.6%. The GDP per capita was US\$58,316, reflecting the nation's economic productivity and standard of living. The unemployment rate was at 7.5%, while inflation, measured by the Consumer Price Index (CPI), was 6.8%. Foreign Direct Investment (FDI) inflows amounted to US\$52.6 billion, showcasing Canada's attractiveness to international investors. However, public debt was relatively high, accounting for 107.4% of the GDP. The following shows different sectors' share in Canada GDP:

- 1- **Service Sector:** Dominating the Canadian economy, the service sector, including finance, real estate, and business services, accounted for about 70% of the GDP. The digital transformation accelerated by the pandemic continued to bolster sectors such as information technology and telecommunications.
- 2- **Manufacturing and Energy:** These sectors had mixed results. The energy sector faced fluctuations due to volatile oil prices and global market dynamics, but **the manufacturing sector, particularly in automotive and aerospace, showed resilience and adaptation to new technologies.** Canada's energy sector accounted for approximately 11.8% of GDP.
- 3- **Construction and Infrastructure:** **Government initiatives focusing on infrastructure development provided a significant boost to the construction sector. Investments in green infrastructure and sustainable development projects also contributed to GDP growth.** Canada's construction and infrastructure sector accounted for approximately 18.2% of GDP.

Economic Overview of Canada in 2023

GDP, PMI, Car Production & Sales, and Fastener Trade



Purchasing Managers' Index (PMI)

The Purchasing Managers' Index (PMI) is a critical indicator of economic activity in the manufacturing and service sectors. It provides insights into business conditions, including new orders, inventory levels, production, supplier deliveries, and employment.

- **Manufacturing PMI: In 2023, Canada's Manufacturing PMI indicated moderate expansion throughout the year, averaging around 52.5. This reading, where a value above 50 signifies expansion, reflected the sector's recovery from pandemic-induced disruptions.**
- **Services PMI: The Services PMI in Canada consistently showed robust growth in 2023, averaging around 54.7.**

Car Production and Sales

The automotive industry is a vital component of Canada's manufacturing sector, contributing significantly to GDP and employment. In 2023, the industry experienced both opportunities and challenges.

- **Canada's car production in 2023 showed signs of recovery** following the disruptions caused by the pandemic and global semiconductor shortages. According to industry reports, Canada produced approximately 1.4 million vehicles in 2023, up from 1.1 million in 2022.
- Car sales in Canada during 2023 were influenced by various economic and market factors. For 2023 from reporting manufacturers came in at 1.664 million units in 2023, up 11.8% from 1.489 million units sold in 2022.

Fastener Trade

In 2023, the fastener trade in Canada was shaped by global economic conditions and domestic market dynamics. Canada's fastener imports and exports activities demonstrated resilience in 2023. According to trade data, **Canada's exported fasteners were worth approximately USD 644 million in 2023. And the imported fasteners were worth approximately US\$1.8 billion in 2023.**

1- Import

Total Imports: Canada's total imports of fasteners for 2023 amounted to US\$1,979,982,000.

Major Import Sources:

- **USA: The United States was the largest supplier of fasteners to Canada, accounting for 48% of the total imports, valued at US\$947,033,000.** This underscores the strong trade relationship and supply chain integration between Canada and the USA.
- **China:** China was the second largest source of fasteners, contributing 14% to Canada's imports, with a value of US\$282,425,000. This highlights China's significant role in supplying fasteners to the Canadian market.
- **Taiwan:** Taiwan also accounted for 14% of the fastener

imports, similar to China, with imports valued at US\$272,237,000. This indicates Taiwan's importance as a key supplier in this sector.

- **Others:** The remaining 24% of fastener imports, totalling US\$478,287,000, came from various other countries. This demonstrates a diverse range of import sources, which can help reduce dependency on any single country.

2- Export

Total Exports: Canada's total exports of fasteners for 2023 amounted to US\$644,003,000.

Major Export Destinations:

- **USA: The United States was the largest market for Canadian fasteners, accounting for 83% of the total exports, with a value of US\$531,531,000.** This underscores a significant dependency on the US market for the fastener industry in Canada.
- **China:** China received 4% of Canada's fastener exports, amounting to US\$ 26,847,000. This represents a relatively small but notable market for Canadian fasteners.
- **Others:** The remaining 13% of fastener exports, valued at US\$85,625,000, were distributed among various other countries.

Conclusion

The economic landscape of Canada in 2023 was shaped by a combination of recovery and growth across various sectors. The GDP growth of 1.5% reflected resilience and adaptation to global and domestic challenges, while the PMI indicated positive trends in both manufacturing and services. The automotive industry showed signs of recovery, driven by advancements in technology and increasing demand for electric vehicles. Meanwhile, the fastener trade demonstrated robustness, supported by strong production capabilities and growing domestic and international demand. However, despite positive growth, the Canadian economy faced challenges such as inflationary pressures, supply chain disruptions, and labour market constraints. The Bank of Canada maintained an average interest rate of around 4.25% throughout the year to manage inflation, which was hovering around 3.4%. On the other hand, Government policies in 2023 focused on economic recovery and sustainability. Efforts to diversify the economy, promote innovation, and invest in green technologies were central to the policy agenda. Additionally, trade agreements and diplomatic efforts aimed to secure Canada's position in global markets, particularly in the face of geopolitical tensions.

At the end, Canada moves forward, and the focus on innovation, sustainability, and diversification will be crucial in navigating the evolving economic landscape. Continued investment in technology, infrastructure, and green initiatives will play a key role in ensuring long-term growth and competitiveness in the global market. The economic indicators and sectoral performances in 2023 provide a foundation for future development and highlight the resilience of the Canadian economy in the face of ongoing challenges. ■

