

CARS & CANOLA: THE ECONOMIC CONTRIBUTIONS OF TWO TRADE-IMPACTED INDUSTRIES

Data Bulletin Number 17
September 2025

It is more important than ever to make decisions about our economy based on reliable, objective data and analysis. This is especially true as Prime Minister Carney and his cabinet engage in high-stakes trade and tariff negotiations with trading partners such as the United States and China.

China's decision to implement counter-tariffs on Canadian canola in response to Canadian tariffs on Chinese-made electric vehicles (EVs) has brought this issue to the forefront. It has also led to debates regarding the economic importance of the canola industry vis-à-vis the automotive industry. This is unfortunate, and serves to sow division at a time when unity is vital.

The Canola Council of Canada has done well to establish a strong, and consistent message regarding the importance of the canola industry to Canada's economy. A report commissioned by the Canola Council and prepared by UK-based consulting firm GlobalData claims that the canola industry contributes more than \$43 billion annually to Canada's GDP. That number has then been used by some lobbyists and politicians to demonstrate just how much greater the canola industry's contributions to Canada's economy are than the \$19 billion that the automotive industry contributes directly to Canadian GDP.

This has been done in an attempt to encourage Prime Minister Carney to remove tariffs on Chinese EVs in the hope that China will remove tariffs on Canadian canola. Saskatchewan Premier Scott Moe has gone so far as to repeat these claims, claiming that they dwarf the economic contributions of Canada's emerging domestic EV industry.

The Trillium Network for Advanced Manufacturing values objective data and analysis. This puts us at odds with the \$43 billion figure advanced by GlobalData, its patrons, and Premier Moe.

The \$43 billion in economic contributions is at best an overreach and at worst overblown. It captures an unusually wide range of purported economic benefits. These include contributions to GDP related to tangential activities such as 'Dairy Yield Boost' and 'Livestock Feed Savings'. It is also unclear where much of the data comes from. Although the report references certain Statistics Canada data products, Trillium Network staff were unable to validate or reproduce them, despite having a reasonably privileged level of access due to our affiliation with Western University.



We suggest taking a step back in the efforts of stakeholders and policy-makers to accurately capture the economic contributions of the canola and automotive industries in Canada. To do that, we focus first on the direct economic contributions of the core activities of both industries.

There are two primary activities associated with the automotive industry: vehicle assembly and automotive parts manufacturing. In 2024, Canada’s vehicle assembly industry contributed \$7.8 billion to GDP, exported \$51.9 billion worth of goods (mostly to the United States), and employed 46,675 people. Most of Canada’s vehicle assembly industry is located in southern Ontario. There are also several bus and truck manufacturing facilities in Quebec and Manitoba. Those facilities outside of Ontario represent about one-fifth of the contributions of the vehicle assembly industry to GDP.

Canada’s automotive parts manufacturing industry contributed \$11.3 billion to GDP, exported \$22 billion worth of goods, and employed 71,445 people in 2024. About 90 per cent of the automotive parts manufacturing industry is located in Ontario. The majority of the remainder is located in Quebec. Approximately half of all automotive parts produced in Canada (by dollar value) are shipped to assembly plants in Canada.

There are two primary activities associated with the canola industry: canola crop production and canola processing. Saskatchewan is the epicentre of canola crop production in Canada. Alberta and Manitoba are the second- and third-largest producing provinces, respectively. About one per cent of canola crops are grown outside of the Prairie provinces.

In 2024, canola crop production directly contributed \$4.5 billion to GDP, exported \$6.5 billion worth of product (mostly to the United States and China), and employed 20,059 people.

There are 14 canola processing facilities owned and operated by five companies across Canada. Eleven are located in the Prairie provinces. Two are located in Ontario (including the country’s largest, which, somewhat ironically, is located in Windsor) and one in Quebec (in Becancour, the hub of Quebec’s emerging EV battery materials industry, no doubt). Together, these 14 facilities contribute \$473 million to GDP, export \$5.9 billion worth of goods, and employ 1,517 people. Only one of the five companies–Richardson International–is Canadian-owned.

Based on these data, Canada’s automotive industry contributed \$19.2 billion in GDP and directly employed 118,120 people in 2024. The canola industry contributed \$5 billion to GDP and directly employed 21,576 people.

Table 1 - Canola and Automotive Industry Statistics, 2024

Industry	NAICS	GDP	Exports	Employment
Oilseed (except Soybean) Farming	111120	\$4.5B	\$6.5B	20,059
Oilseed Processing	311224	\$0.5B	\$5.9B	1,517
Motor Vehicle Manufacturing	3361	\$7.8B	\$51.9B	46,675
Motor Vehicle Parts Manufacturing	3363	\$11.3B	\$22B	71,445

The economic contributions of both industries extend well beyond their direct contributions. These extended contributions include indirect activities (e.g. activities associated with the immediate supply chains associated with direct production activities) and induced activities (e.g. consumption by those persons directly employed in direct production). These are calculated using economic multipliers.

There are several common issues in the way that many analyst-lobbyists use these multipliers to calculate total economic contributions. The first is associated with a sort of cherry-picking, where the authors of a report choose the highest possible multiplier they can find. Those who claim that the employment multiplier associated with Canada's automotive industry is 10, which was a number created in error by U.S. analysts who admitted so a decade ago, are guilty of this. The second involves double-counting. This is all too common, and the GlobalData report is no exception. The third involves over-reaching, and including benefits associated with peripheral and tangential activities that have little to do with the direct activities of the industry in question. The GlobalData report is similarly guilty of this.

Alternatively, if GlobalData were to apply a similar methodology to help understand the far-reaching economic contributions of the automotive industry in Canada, they would wind up with a number close to \$200 billion.

Granted, the canola industry—especially the processing side—offers very high multiplier benefits. The employment multiplier associated with canola processing is close to 12; nearly three times the multiplier associated with vehicle assembly (the multiplier associated with crop production is about 2.2). This high employment multiplier is due to the high levels of productivity and high rates of compensation in canola processing facilities. It is also because much of the supply chain associated with canola processing (including the largest input, the crops) is located in Canada.

That means there are 18,204 people who are employed as a result of canola processing activities in Canada. That's great. It's almost exactly the same number of people that Magna, Canada's largest automotive parts manufacturer, employs in Ontario.

Ultimately, both the canola and automotive industries are important contributors to Canada's economy. It is our opinion that policy-makers should focus on economic and trade policies that support both. But to make lavishly exaggerated claims about the economic contributions of one or the other is reckless and irresponsible, especially with so much at stake.



■ Data Source: Author's Calculations, Statistics Canada Tables 36-10-0480-01, 36-10-0594-01, 14-10-0202-01, 36-10-0402-01, ISED Trade Data Online, Bank of Canada Inflation Calculator