The background is a light yellow color. It features several thick, curved green lines that sweep across the frame. There are also two green starburst shapes, one in the upper right and one in the lower left.

Canada's Economy

What do you like on a Sundae?

✴ What toppings do you like on an ice cream sundae?

- Plain Vanilla?
- Or absolutely everything?



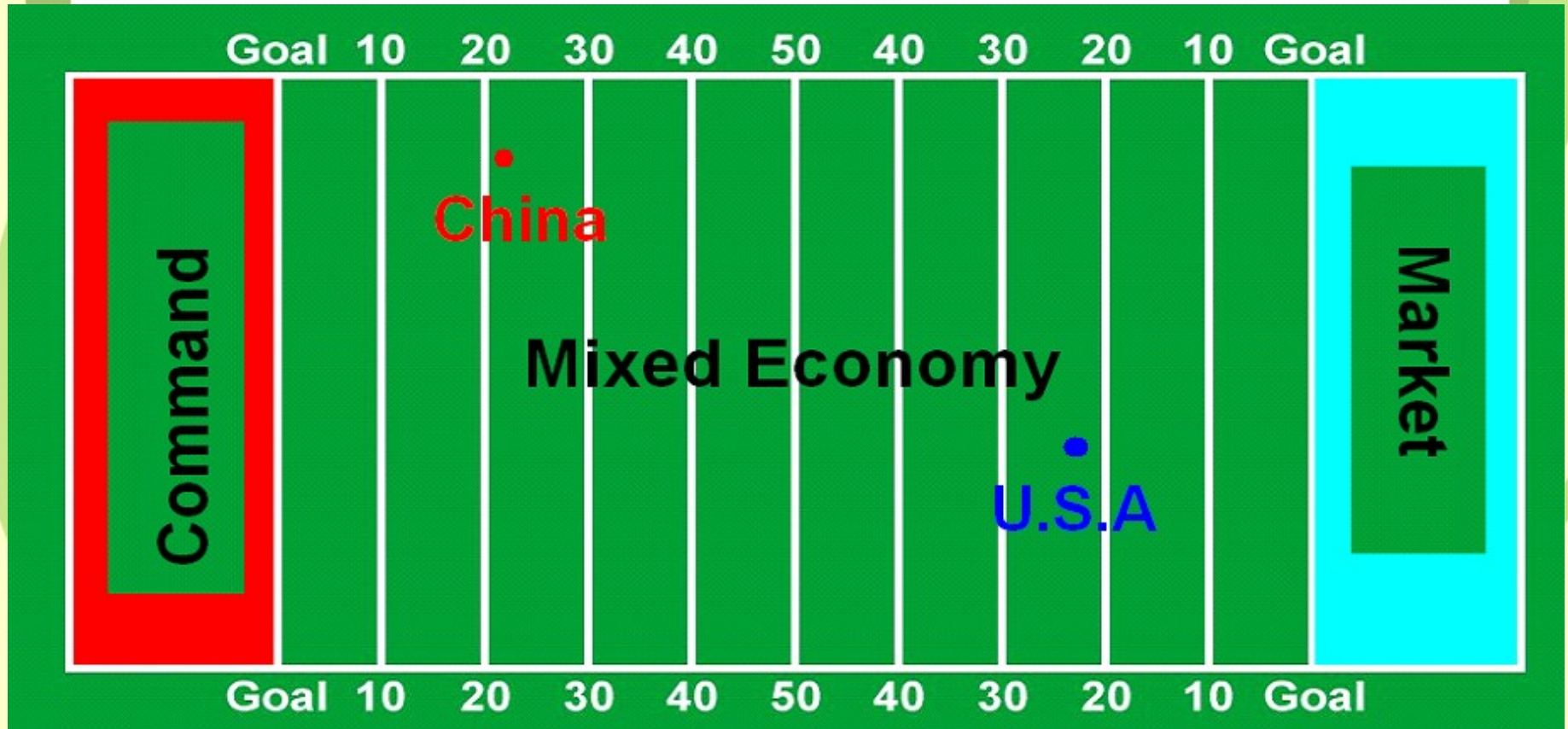
OR...



What do you like on a Sundae?

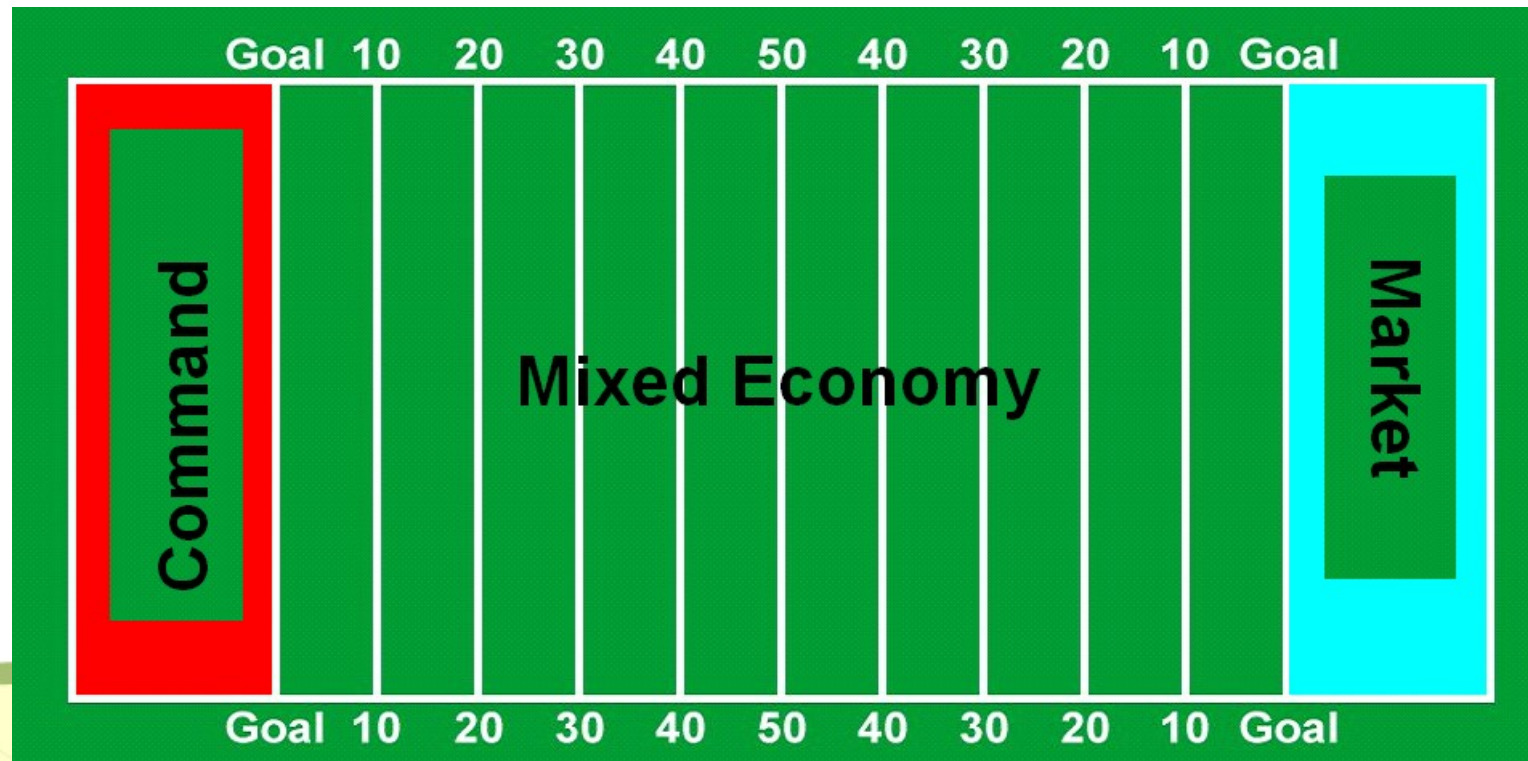
- * Chances are, you were somewhere between plain and everything.
 - When discussing economies, most countries are somewhere “in between”
- * When a country is not completely a command economy and not completely a market economy, but “in between”, it is called a **Mixed Economy**.

Most countries lie somewhere in between
But, they may be closer to one
side than the other



Review Types of Economies

1. Which type of economy lets businesses do whatever they want?
2. Which economy has the government making all the decisions?
3. Which economy do most countries have?



3 Economic Questions...

* **What to Produce?**

- Businesses decide and government approves/denies it

* **How to produce it?**

- Businesses decide & government regulates procedures

* **For whom to produce?**

- Businesses decide based on supply & demand (price)

* **Which economic system does Canada have?...**



Canada's Economic System

* Canada has a **Mixed economic system**

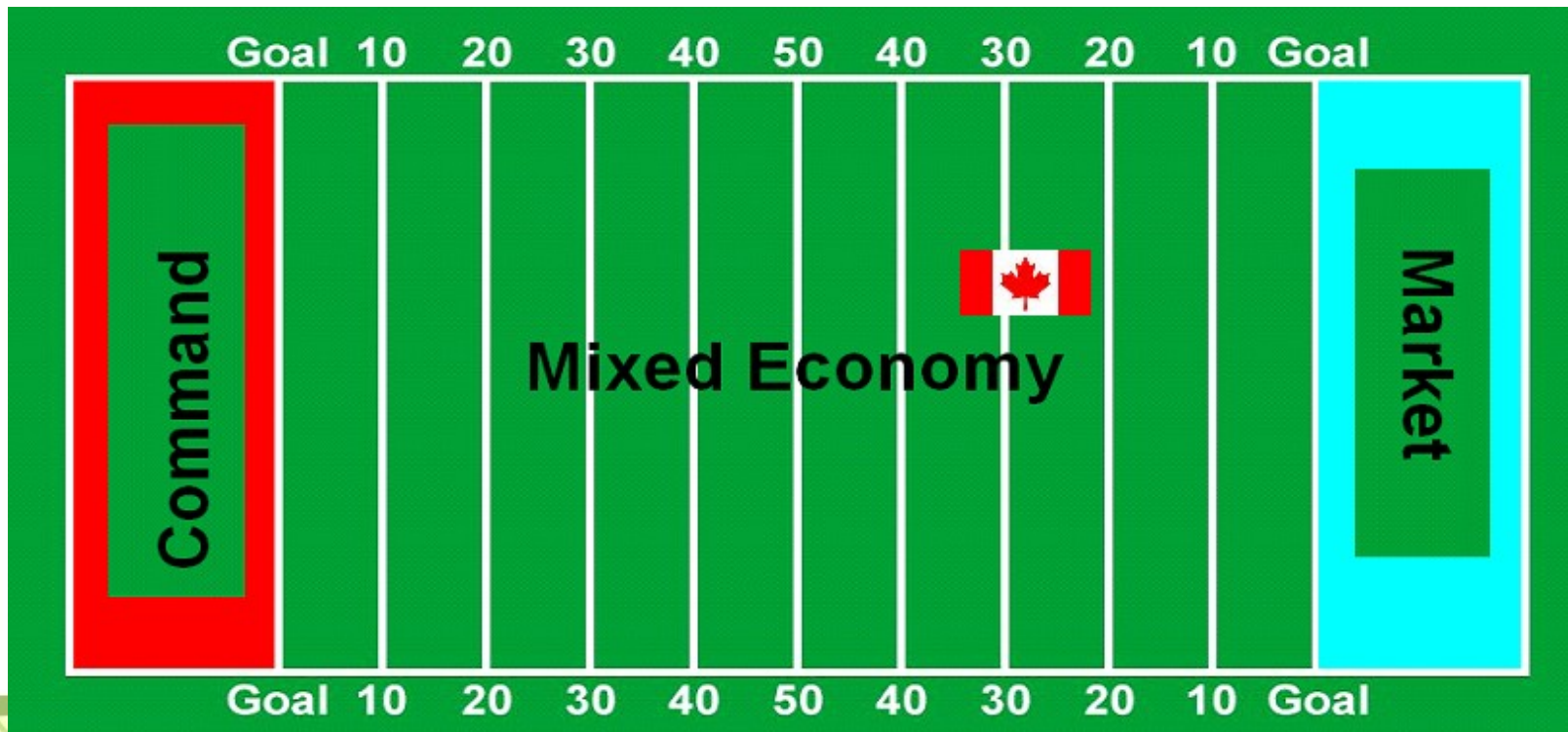
- It's pretty close to a Market economy; however, there is some government regulation among industries
- It does have Free Enterprise (competition between businesses)

* Canada is economically strong!



Mixed Economy

- * Canada is a mixed economy, but it is closer to market than command



Canada's Foreign Exchange Rate

✱ The price of 1 country's currency compared to another... (exchange rate changes constantly)

- 1 US dollar = 1.16 Canadian dollars
- 1 US dollar = .80 EU euros
- 1 Canadian dollar = 1.43 EU euros



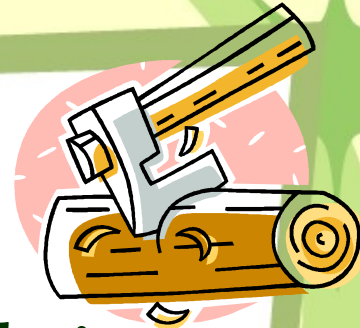
Canada's Natural Resources

* What's available?

- **Minerals:** iron ore, nickel, zinc, copper, gold, lead, molybdenum, potash, diamonds, and silver
- **Other Resources:** fish, timber, wildlife, coal, petroleum, natural gas, hydroelectric power



Canada's Land Use



- * Only 5% of the land is **arable** (capable of being farmed)?
 - 5 = only in Southern Canada (Northern Canada's terrain is permafrost!)
 - This is actually a large amount, considering Canada is the world's 2nd largest country

- * What are the major agricultural products?
 - Wheat, barley, oilseed, tobacco, fruits, vegetables, dairy products, forest products, fish

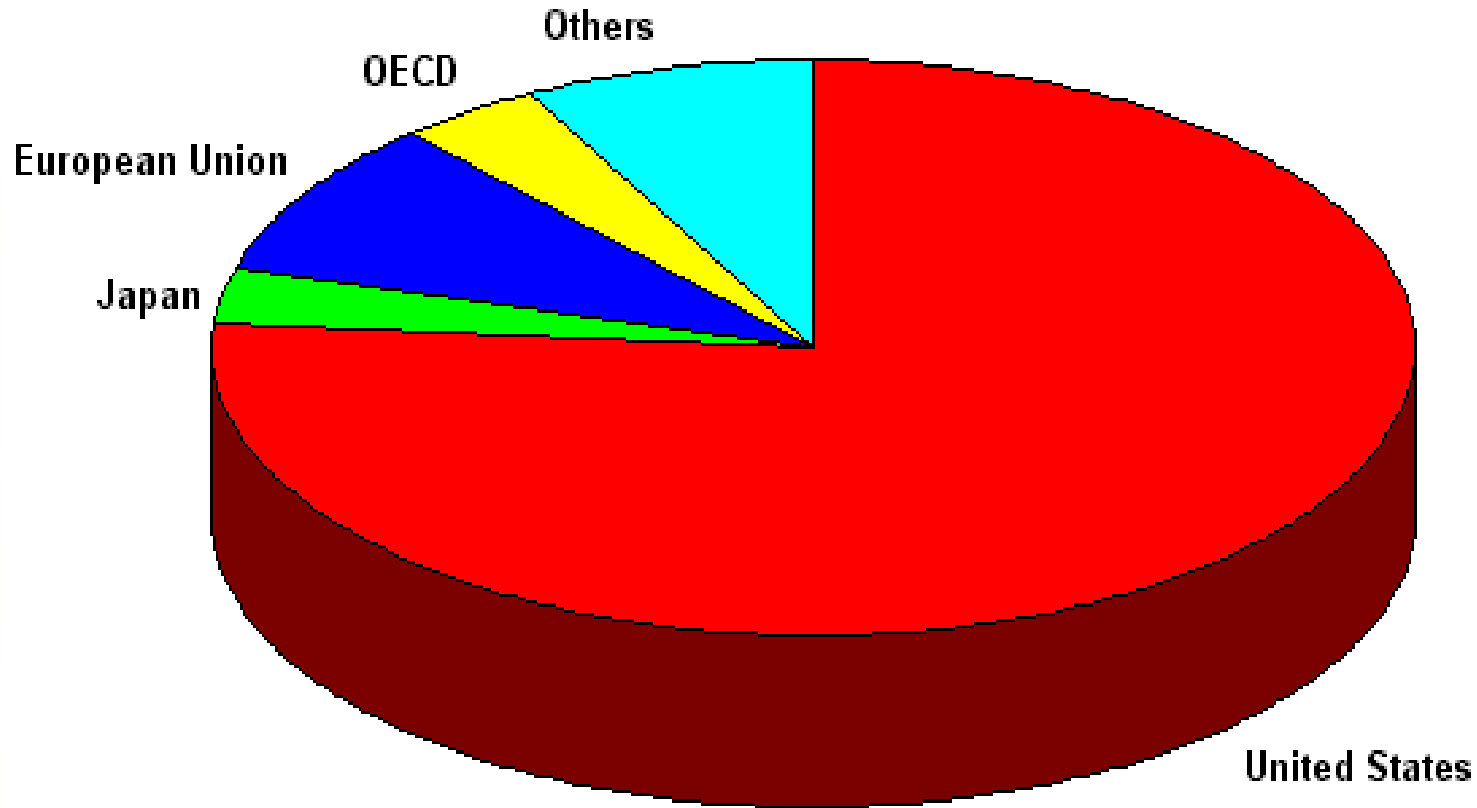
Canada's Industries

* What's being produced?

- Transportation equipment, chemicals, processed and unprocessed minerals, food products, wood and paper products, fish products, petroleum, natural gas



Which country is Canada's biggest trading partner?



Exports: US 77.7%, UK 2.7%, Japan 2.3%

Imports: US 52.4%, China 9.8%, Mexico 4.1%

Canada's Literacy Rate

- * 99% (percentage of people over the age of 15 can read and write)
- * How long are students required to stay in school?
 - 17 years old



Canada's GDP



- * \$1.518 trillion (2013)

- 14th in the world

- * GDP Per Capita--What is the value of goods and services produced **per person**?

- \$43,100 (2013)

- 19th in the world

4 Factors That Effect Canada's GDP

- * **Human Capital:** Canada is investing in education & training (check out literacy rate!)
- * **Capital Goods:** Canada is investing in new technology & building new factories
- * **Abundant Natural Resources**
- * **Entrepreneurship**

North American Free Trade Agreement

- ✱ Signed by the US, Canada, & Mexico in the mid-1990s, eliminated trade barriers between the 3 countries
- ✱ Free Trade!
- ✱ How has it affected Canada's economy?
allows them to trade more freely at a better cost,
increase trade

Canada's Economic Problems

- * Unemployment & poverty
- * Over-use of natural resources
- * Acid rain from factories near Great Lakes region is destroying timber resources
- * Improving public services (which forces the country to raise taxes)

