

**Technical Annex**  
**to the *Internal Trade Provincial Leadership Index***  
**2021 Edition**

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**1. Estimate of GDP per capita following the elimination of interprovincial trade barriers**

For this section, we reconstructed Canadian GDP per capita from 1999 to 2018 using Statistics Canada data on each province's GDP and population.<sup>1</sup> We then included GDP growth rates from an IMF study,<sup>2</sup> which estimates the potential GDP gains following the elimination of barriers to the movement of goods between Canadian provinces, applying them to the provinces' annual GDP per capita for the year 2000. From these starting points, we applied the actual growth rates for subsequent years.

For Figures 1-1 and 1-2, we compared the actual observed results with the projected results for provincial GDP per capita.

**Table A-1 Comparison of annual GDP per capita, actual and with NTB (no trade barriers)**

Province		2000	2005	2010	2015	2018
Ontario	Actual	38,852	44,560	48,151	55,514	60,154
	NTB	39,978	45,852	49,547	57,124	61,899
Manitoba	Actual	30,492	36,632	43,773	51,078	54,116
	NTB	32,656	39,232	46,881	54,705	57,958
PEI	Actual	24,883	30,960	36,969	42,127	45,961
	NTB	28,914	35,976	42,958	48,951	53,407

<sup>1</sup> Statistics Canada, Table 17-10-0009-01: Population estimates, quarterly, March 2, 2021. <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1710000901&cubeTimeFrame.startMonth=01&cubeTimeFrame.startYear=2000&cubeTimeFrame.endMonth=10&cubeTimeFrame.endYear=2018&referenceP>; Statistics Canada, Table 36-10-0222-01: Gross domestic product, expenditure-based, provincial and territorial, annual (x 1,000,000), March 2, 2021. [https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610022201&request\\_locale=en](https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610022201&request_locale=en)

<sup>2</sup> Jorge Alvarez, Ivo Krznar, and Trevor Tombe, *Internal Trade in Canada: Case for Liberalization*, IMF Working Paper, July 2019, p. 24. <https://www.imf.org/-/media/Files/Publications/WP/2019/WPIEA2019158.ashx>

## 2. Calculation of the annual GDP per capita loss in 2030

For Figure 1-3, we began by estimating the growth rates for real GDP and for population from 2008 to 2018. We applied these average rates to the data for 2018 to create projections for GDP per capita until 2030. We then estimated a scenario in which interprovincial trade barriers were eliminated in 2020, using the same GDP growth rates from the aforementioned IMF study.<sup>3</sup> Finally, we compared the GDP per capita values with and without barriers to obtain the annual GDP per capita loss in 2030.

**Table A2 — Annual GDP per capita loss in 2030**

Province	GDP per capita with trade barriers	GDP per capita without trade barriers	Net loss with trade barriers
<b>British Columbia</b>	79,388	81,611	2,223
<b>Alberta</b>	79,285	81,822	2,537
<b>Saskatchewan</b>	72,554	76,254	3,700
<b>Manitoba</b>	67,282	72,059	4,777
<b>Ontario</b>	77,148	79,386	2,237
<b>Quebec</b>	67,972	71,098	3,127
<b>New Brunswick</b>	62,606	66,425	3,819
<b>Nova Scotia</b>	57,964	60,747	2,782
<b>Prince Edward Island</b>	62,130	72,195	10,065
<b>Newfoundland and Labrador</b>	68,172	76,898	8,726

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<sup>3</sup> *ibid.*