



Export Value of Nova Scotia Universities

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Council of Nova Scotia University Presidents

Submitted by:

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I INTRODUCTION

Nova Scotia's universities play an important role in generating resources from outside the province and providing a greater export component of the province's aggregate demand, thereby providing a substantial and important contribution to economic growth of the provincial economy.

Nova Scotia's universities comprise a substantial export sector for the province

Exports include both goods and services provided to non-resident consumers or businesses by domestic producers or service providers. The purchase of university services through out-of-province enrolment at Nova Scotia's universities is included in the province's total exports.¹ Nova Scotia's universities are characterized as "export" industries because they meet demand (student enrolment, research, contracts) originating outside local economies in regional, national and international 'markets'.

The total export component of Nova Scotia's universities direct expenditures is largely attributable to increased out-of-province enrolment and differential tuition fees for international students. The numbers of international and out-of-province Canadian students studying in Nova Scotia have steadily increased over the past ten years and have become an important component of enrolment in Nova Scotia universities. Out-of-province and international students comprised 45% (19,287) of total university enrolments in Nova Scotia (42,911), in 2010-11.

Total enrolment of both international students and Canadian students from outside Nova Scotia has grown between 2009-10 and 2010-11. In addition, Nova Scotia student enrolment has fallen over this same time period. Preliminary enrolment data for 2012-13 shows that the province's universities experienced another 12% increase in international student enrolments (+695).

**Table 1: Comparison of student enrolment by residence of origin,
Nova Scotia universities, 2009-10 versus 2010-11**

Residence of Origin	2009-10	2010-11	Percent Change
Nova Scotia	23,911	23,624	-1.2%
Other Atlantic	4,079	4,169	2.2%
Other Canadian	9,678	9,953	2.8%
International*	4,399	5,165	17.4%
Total	42,067	42,911	2.0%

Source: Maritime Provinces Higher Education Commission (MPHEC)

* Includes Canadians living abroad and registered in Nova Scotia universities

¹ The general delimitation of exports is defined in Canada's system of national accounts. A region's exports include both goods and services rendered or offered by residents to non-residents and does not necessarily imply that the service in question physically crosses the border.

Nova Scotia's universities comprise a substantial export sector for the province

The total export component of Nova Scotia university-related activities for 2012 is estimated to be \$840 million, largely attributable to differential tuition fees for international students, out-of-province enrolment, and direct expenditures in the provincial economy over and above tuition fees resulting from increased out-of-province student enrolment. In addition, Nova Scotia's universities attract over \$220 million in research funds, grants and contracts from outside the province. Research funds, grants and contracts are largely spent on wages and salaries of researchers living in Nova Scotia, and represent an important injection of incremental spending generating multiplier effects for the province. Additional direct expenditures in the provincial economy that are directly attributable to Nova Scotia universities result from visiting scholars, researchers, and visitors associated with out-of-province student enrolment.

The export component of university-related direct expenditures in the Nova Scotia economy is substantial and has grown relative to exports in Nova Scotia's goods producing sector. To better understand the magnitude of the export component of Nova Scotia university-related direct expenditures, it is useful to compare these expenditures to the value of exports in the province's top goods producing industries. Table 2 provides an update of Nova Scotia's top exporting industries identified in the 2004 document *Nova Scotia Trade*² using Industry Canada's On-line trade data. The estimated export component of Nova Scotia's university services ranks below to the province's exports in plastics and rubber products in 2012, but higher than mining and oil and gas extraction and paper manufacturing, due to declines in these sectors.³

Table 2: Estimated Export Component of Nova Scotia's University Services Relative to Exports by Top Goods Producing Industries, Nova Scotia, 2004 versus 2012 (Millions)

Industry	2004 in \$2010	2012*
Plastics and Rubber Products	\$1,038	\$1,247
<i>Export Component of University Services</i>	<i>\$750</i>	<i>\$840</i>
Paper Manufacturing	\$832	\$0.26
Mining and Oil and Gas Extraction*	\$1,398	\$87
Food Manufacturing	\$920	\$695
Agriculture, Forestry, Fishing and Hunting	\$632	\$504

Source: Industry Canada, On-Line Trade Data; 2012 exports by province by industry sector; 2012 exports estimated based on the first 3 quarters of 2012; Nova Scotia Department of Finance, *Nova Scotia Trade*, 2004
 * Decreased production of natural gas from Sable platform in 2011 and Deep Panuke not yet in production. In addition, natural gas exports now captured through New Brunswick not captured in Nova Scotia exports.

² See Nova Scotia Department of Finance, Economics and Statistics Division, 2nd Edition, *Nova Scotia Trade 2004*, January 2006, page 36 and Tables 2-9 to 2011.

³ Nova Scotia's goods exports by industry provided in Table 2 are used only as indicators of comparison with the estimated export component of services provided by Nova Scotia's universities. Industry Canada's goods exports by industry include the re-export of goods that have previously entered Nova Scotia and are leaving in the same condition or have been minimally enhanced in value and to the extent that this occurs, these values over-estimate the Nova Scotia value added. These values also include the export of some services due to the aggregation methodology used to obtain exports by industry. In addition, while Industry Canada's goods exports by industry include re-export values, any additional exports to the rest of Canada by these industries are not captured. The estimated export component of NS universities (\$840 million) does not include the value of additional exports in the form of contract work/training with researchers or educators from NS universities in overseas markets or expenditures made by companies attracted to NS due to the presence of the research capacity and educated labour force as a result of Nova Scotia's universities.