

tech export initiatives, the I-O results should at least temper high-tech enthusiasm. In terms of measurable domestic economic gains, such as increases in employment or GDP, high-tech industries are not an obvious choice for the targeting of export initiatives.

By analyzing exports on an industry-by-industry basis, the I-O provides a number of lessons in terms of the appropriate approach to designing and implementing policies and programs that focus on enhancing Canada's export performance. Those lessons include:

- Achieving a perpetual trade surplus, or increasing the Canadian share of a particular foreign market, or participating in the globalization process are not -- and should not be -- the ultimate goals of trade policy in general and export initiatives in particular. At the most fundamental level, trade is undertaken in order to increase domestic economic well-being, and its success is eventually measured in terms of gains in national income. DFAIT trade programs must be based primarily on achieving domestic gains from trade.
- The development of export initiatives must begin at home. Trade officials need an excellent understanding of the structure of Canadian industries in order to direct successfully their export initiatives and foreign market assessments to those industries that can deliver the maximum domestic economic gains from trade.
- The industries that, according to the I-O, deliver the maximum domestic economic gains from trade are the resource industries and the resource processing industries. They must not be overlooked in terms of government export initiatives. Manufacturing industries, including high-tech industries, need to be very carefully analyzed in the context of specific economic goals before they can be recommended for particular export development initiatives.
- The identification of foreign markets to which the best suited Canadian industries can potentially increase their exports should be the last step in DFAIT led export initiatives. Only after the appropriate domestic industries are identified should the search for new markets for their products begin.
- The I-O reveals that there is a tradeoff between industries whose exports create a large number of direct jobs and industries whose exports create jobs that pay well. There are not many industries that generate a large number of well paying jobs in their production of a given level of exports. Trade policy officials