United States. The increased value of developed country currencies against North American currencies should increase the opportunities for Canadian manufactures and service suppliers to sell into the United States, and likewise for U.S. manufactures and service industries to sell into Canada.

STUDY APPROACH

The overall study approach for analyzing the opportunities for Canadian suppliers to replace European and Japanese imports into the United States started at a fairly high level of product aggregation for all U.S. imports. Through the application of selection criteria, the focus of the analysis was progressively narrowed to those opportunities at the lowest available level of product disaggregation that would most likely result in increased Canadian exports into the U.S. market. The progression also involved moving from the identification of such opportunities, using statistical analysis, to substantiating the opportunities through interviews with representatives of U.S. purchasers of imports from developed countries.

In determining export opportunities for Canadian suppliers, U.S. import statistics were assembled for the years 1981 through to 1985. A five-year time period was chosen in order to distinguish between "established" import markets and "temporary" import markets. Where imports of European and Japanese goods into the United States have had sustained volumes over a period of several years, it is less likely that these imports represent a short-term phenomenon or that U.S. purchasers would be able to quickly change their sourcing to domestic suppliers. For the initial screening, U.S. Schedule A import statistics were compiled at the 4-digit level.

All U.S. imports (at the 4-digit level) from developed countries with import values exceeding one million U.S. dollars were identified for the selected years and placed in descending order of value. From this list, the U.S. Trade, Tourism and Investment Development Bureau initially chose 26 for further analysis. Each commodity was broken down into a finer level of classification, the 7-digit level, and an investigation made to determine whether there existed any Canadian firms that produced similar products and could pursue the opportunities which may be uncovered. The expansion of the Schedule A codes from the 4-digit level to the 7-digit level was fairly straightforward, and a listing of these commodities and their import customs value was prepared for 1986. The Canadian firms were identified by accessing External Affairs and International Trade Canada's WIN database. This computerized database, accessible at all major posts abroad,