

- 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 must be aware of the employment effects of trade. It is imperative that export initiatives are consistent with, and fully integrated with, other government economic policy priorities, including those with respect to employment.

By running the I-O model four separate times for exports to the U.S., the EU, APEC countries (minus the U.S.) and the rest of the world, this Paper was able to specifically analyze Canadian exports, by industry, to those regions. No single market emerged as the "best" export destination. The limited contribution of I-O analysis in the selection of export markets emphasizes the fact that there are a number of approaches and analytical techniques that are required in the formulation of a comprehensive government export development program. The I-O is only one analytical tool that, if used properly, can contribute to a better understanding of the export sector, and ultimately the delivery of more effective government export initiatives.