

"correct" its trade deficit, the export product mix destined for the country with which we have the surplus would need to change. The input-output model serves to highlight the integration of an economy with all its trading partners, and to discount a regional approach to trade balances.

7.3 Regional Trade Up Close

As is evidenced by column 4 of the derived tables (Table 7.2 below), for every dollar of exports to different geographic regions, there are different import impacts. The tendency is likely to look more favourably upon regions which show less import impact, since in those regions Canadian exports are not "offset" by imports, and the net positive effect on the trade balance will be larger.

Table 7.2
Import/Export Ratio (column 4)

Export Destination	Imports/Exports (%)
APEC (less U.S.)	15.6
Residual	17.9
EU	18.5
U.S.	29.2

Column 5 of the derived tables (Table 7.3 below) contains imports as a share of commodity inputs. It is clear from Tables 7.2 and 7.3 that total exports to APEC countries (less the U.S.) result in fewer imports, and, by extension, require fewer imported inputs in their production. Exports to the U.S. result in significantly more imports and embody more imported inputs.