17% of Canada's exports, and their heavy reliance on domestic resources causes the type of chain reaction effect on domestic production that is one of the keys to extending the positive domestic economic impact of exports.

Beyond the resource processing industries, the other manufacturing industries' results are mixed. As a group, other manufacturers rely much more on imported intermediate inputs in the production of exports, and are roughly split between industries that create a significant number of jobs relative to domestic value-added in the production of exports and industries that create relatively high-paying jobs.

For all the attention that high-tech industries typically receive whenever the formulation of trade policy or industrial policy is debated, they are not much different than other manufacturing industries in terms of export suitability. In fact, high-tech industries appear to operate in relative isolation from the domestic economy, since their output is largely exported and their intermediate inputs are often imported. Like other manufacturers, high-tech exporters are split between those that pay well and those that create more jobs.

The I-O approach is admittedly limited in that it does not capture the nonquantifiable spill-overs that result from high-tech production. It is often argued that high-tech industries cause other industries located nearby to become more productive and competitive through technology transfers and other spill-overs. Although that might be the case, and the spill-overs might be sufficient to justify high-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.