

**Table 3.3.6**  
**Intra-firm Exports to Affiliates in the U.S. as a Share of Total Firm Exports<sup>57</sup>**

	1985	1986	1987	1988	1989	1990
Manufacturing	.517	.468	.427	.367	.280	.326
No. of firms reporting	53	59	64	75	90	91

**Table 3.3.7**  
**Intra-firm Imports from U.S. Affiliates as a Share of Total Firm Imports<sup>58</sup>**

	1985	1986	1987	1988	1989	1990
Manufacturing	.762	.685	.661	.579	.569	.571
No. of firms reporting	37	44	49	56	70	73

Covari and Wisner (1993) found that intra-firm trade was an important part of Canada's economic development, especially regarding its trading relationship with the U.S..<sup>59</sup> Intra-firm trade was found to be greater in high-technology industries and those with greater vertical specialization. Therefore, IFT, particularly for the case of Canada, can be viewed as going hand-in-hand with specialization and economic development. Intra-firm trade can improve the productivity of domestic affiliates because it facilitates specialization. This was seen as being important for Canada, because of its relatively small domestic market.

<sup>57</sup>Source: Conference Board of Canada Report No. 88-92, p.1.

<sup>58</sup>Source: Conference Board of Canada Report No. 88-92, p.2.

<sup>59</sup>Covari and Wisner, *op. cit.*, pp. 60-65.