

The model estimates only the impact on the business sector in its analysis. Not included is the non-business sector containing mostly non-profit services, including government, non-profit institutions such as hospitals, and non-profit services to resource and manufacturing industries.

4. CANADIAN EXPORTS TO THE WORLD AND JOB SUPPORT: OVERALL RESULTS

1,649,395 jobs in the business sector or 13.4% of the 12.3 million total jobs in Canada (18% of total business sector jobs) were supported by \$137.3 billion in business sector exports in 1991 (\$145.7 billion in total exports less re-exports and non-business sector exports). Based on the Input-Output model used for this study, one out of every 7.5 total jobs in 1991 (one in 5.6 business sector jobs) was directly or indirectly dependent on international merchandise exports.

While identifying most of the job creation impact of exports, the one in 7.5 ratio does not, however, tell the whole story. As a result of the goal of this Paper to disaggregate the data into commodities and industries, only business merchandise exports (customs basis) were used in the model. Disaggregated data were not available for merchandise or services on a balance of payments basis (services are also not available on a customs basis). Consequently, the analysis excludes direct services exports. In addition, there are some restrictions in using the Input-Output model (or any other model) which limit the scope of the analysis. The excluded sectors and the limits of the model understate the final results. If all economic phenomena could be included, the increased inputs would result in the model reporting additional jobs.

The most important of the exclusions is the direct service sector (including tourism into Canada as an "export"). In 1991, on a balance of payments basis, exports of services amounted to \$23.3 billion. Using the dollar value per job support figure for merchandise exports as a rough proxy to calculate jobs in the service sector would yield an estimated 200,000 to 400,000 total jobs (taking into consideration that many indirect, export-related services jobs are already calculated within the model - e.g., transportation services sustained by the export of goods). The inclusion of these jobs would likely increase the total number of jobs created by exports to up to 2 million.

In addition, the model multipliers do not measure "induced" effects such as the re-spending of income; and the model omits exports from the non-business sector. These inclusions would be very small and would not appreciably