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## II. ECONOMY AND INDUSTRY

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### Economy

#### General

The Mid-Atlantic states have their industrial base in the Philadelphia/Baltimore/Washington, D.C. corridor. These three major metropolitan complexes form part of the mature core of the Eastern Seaboard's urban and industrial complex stretching from Boston to Washington and provide the basic economic muscle of the region. The Mid-Atlantic boasts a value-added by manufacturing that exceeds U.S. \$46 billion and a per capita income amongst its more than 21 million residents in the \$8,000-\$10,000 plus range. The basic industrial strength is in the steel and chemical industries but a full range of secondary manufacturing and a sophisticated and expanding service sector has given the territory a broadly diversified economic base. The area presents a good marketplace for just about all consumer and industrial products.

#### Defence Products Sector

The defence market within the geographic area covered by the Consulate General is extensive and a significant contributor to the economy of the region. A major portion of U.S. naval development and purchasing commands, two-thirds of the Defence Logistics Agencies buying centres, several Army Research and Development Commands, and a large number of military-industrial corporations are located within this area. Consequently, the area is an attractive market for military prime and sub-contractors involved in products ranging from sophisticated electronics to canteen cups.

Access to the U.S. defence equipment market is facilitated by the Canada/U.S. Defence Development and Defence Production Sharing Arrangements under the terms of which Canadian defence equipment can be imported to the U.S. free of duty and without the application of Buy American restrictions. Local buyers will