

Export and Investment Promotion Planning System

87/88 Trade and Economic Overview

Mission: 601 BOSTON

Country: 577 UNITED STATES OF AMERICA

THE NEW ENGLAND ECONOMY CONTINUED TO SHOW HEALTHY IF NOT SPECTACULAR GROWTH IN ECONOMIC ACTIVITY; EMPLOYMENT FOR THE REGION REMAINS AT RECORD HIGH LEVELS WITH GROWTH IN THE SERVICE SECTOR ABSORBING ANY SLACK OFFERED BY SLIGHTLY LOWER MANUFACTURING EMPLOYMENT LEVELS. PER CAPITA INCOME FOR NEW ENGLANDERS CONTINUES TO GROW AT AN ACCELERATED PACE AND THE OUTLOOK FOR THE MEDIUM TERM APPEARS VERY HEALTHY. CANADIAN ENERGY ALTERNATIVES ARE BECOMING THE FOCUS OF RENEWED INTEREST AS ADDITIONAL STUMBLING BLOCKS IMPEDE THE ADDITION OF LOCAL NUCLEAR POWER TO THE REGION'S GRID. ELECTRICITY SHORTFALLS IN THE ORDER OF 300 MW ARE ANTICIPATED BY THE MIDDLE OF THE NEXT DECADE AND CANADIAN ALTERNATIVES ARE BEING EXAMINED CLOSELY. NEW ENGLAND'S STRONG POSITIONS IN ELECTRONICS AND HIGH TECHNOLOGY HAVE FUELED RAPID ECONOMIC GROWTH AND HELD THE REGION IN THE FOREFRONT OF U.S. DEFENCE SPENDING. SEVERAL LARGE DEFENCE CONTRACTS HAVE BEEN AWARDED TO NEW ENGLAND COMPANIES AND SUBCONTRACT OPPORTUNITIES FOR CANADIAN FIRMS ARE GOOD. THE CANADA/ESD WORKING GROUP WITH THE USAF ELECTRONIC SYSTEMS DIVISION HAS BEEN REVITALIZED AND NEW DEVELOPMENT SHARING PROSPECTS FOR CANADIAN COMPANIES ARE ANTICIPATED. OFFICE AND RESIDENTIAL CONSTRUCTION IN NEW ENGLAND CONTINUES TO OUTSTRIP THE REST OF THE COUNTRY. DESPITE IMPORT MEASURES ON CANADIAN LUMBER AND CEMENT, THERE IS GOOD POTENTIAL FOR CANADIAN COMPANIES TO GROW IN THIS MARKET, TAKING ADVANTAGE OF TRENDS TO REMODELLING AND LOWER COST MULTIPLE DWELLINGS. CLOSELY ALLIED TO THE CONSTRUCTION GROWTH IS THE STRONG DEMAND FOR CONTRACT FURNITURE AND MORE RECENTLY FOR RESIDENTIAL FURNITURE. THIS GROWTH IS EXPECTED TO REMAIN STEADY FOR THE FORECAST PERIOD. DESPITE PROBLEMS IN FISHERIES RELATIONS WITH THE U.S., THE DEMAND FOR CANADIAN FISH HAS BEEN INSATIABLE AND CONSUMPTION IS AT RECORD LEVELS. ACTIVITY IN THE FORECAST YEAR WILL BE FOCUSED ON IMPROVING RELATIONS AND ASSISTING IMPORTERS WITH NEW DEMANDS FOR CANADIAN PRODUCT. RENEWED ATTENTION WILL BE PAID TO OTHER FOODSTUFFS WHERE THE MARKET FOR CANADIAN PRODUCTS HAS ATTRACTIVE GROWTH PROSPECTS.