

30/05/89

DEPARTMENT OF EXTERNAL AFFAIRS

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RPTBL

TRADE AND INVESTMENT PROMOTION PLANNING SYSTEM

89/90 TRADE AND ECONOMIC OVERVIEW

Mission: ATLANTA

Country: UNITED STATES OF AMERICA

THE CANADIAN CONSULATE GENERAL IN ATLANTA SERVES THE SOUTHEASTERN STATES OF ALABAMA, FLORIDA, GEORGIA, MISSISSIPPI, NORTH CAROLINA, SOUTH CAROLINA AND TENNESSEE AS WELL AS PUERTO RICO AND THE U.S. VIRGIN ISLANDS. THIS FAR FLUNG REGION HAS AN AREA OF APPROX. 345,000 SQUARE MILES AND A POPULATION OF 42 MILLION, MAKING IT THE MOST POPULOUS OF THE CONSULATE TERRITORIES IN THE U.S.

DURING THE LAST DECADE, THE SOUTHEAST HAS BEEN THE FASTEST GROWING REGION IN THE NATION AND BY MID-1990'S WILL BE THE MOST POPULOUS. THIS GROWTH HAS BEEN DUE PRINCIPALLY TO MIGRATION FROM OTHER REGIONS BUT HAS BEEN UNEVEN THROUGHOUT THE TERRITORY. GEORGIA, THE CAROLINAS AND, PARTICULARLY, FLORIDA, HAVE SHOWN STRONG POPULATION GROWTH WHILE TENNESSEE, ALABAMA AND MISSISSIPPI HAVE GROWN MORE SLOWLY THAN THE NATIONAL AVERAGE. POPULATION GROWTH HAS BEEN ACCOMPANIED BY RAPID ECONOMIC EXPANSION. ATTRACTED BY LOWER THAN AVERAGE WAGE LEVELS, A LARGELY NON-UNION WORKFORCE (10.2%) AS WELL AS LOWER ELECTRICITY AND CONSTRUCTION COSTS, NON-DURABLE GOODS MANUFACTURING INDUSTRIES FLOCKED TO THE SOUTHERN STATES DURING THE 1970'S AND 80'S. AS A RESULT, 21.5% OF THE SOUTHEASTERN NON-AGRICULTURAL LABOUR FORCE IS ENGAGED IN MANUFACTURING, COMPARED WITH 19.1% IN THE UNITED STATES AS A WHOLE. THIS PICTURE IS CHANGING, HOWEVER, AS THE ECONOMY OF THE SOUTHEAST MATURES AND GROWTH LEVELS OFF. THE SERVICES SECTOR, WHICH HAS LAGGED WELL BEHIND MANUFACTURING, IS NOW POISED TO ASSUME THE ROLE OF LEADING EMPLOYER AS IT HAS ALREADY DONE IN THE U.S. ECONOMY AS A WHOLE. THUS THE INDUSTRY MIX OF THE SOUTHEAST IS COMING INCREASINGLY TO RESEMBLE THAT OF THE UNITED STATES.

WERE IT A SEPARATE COUNTRY, THE SOUTHEAST WOULD HAVE THE WORLD'S 6TH LARGEST ECONOMY. THIS LARGE AND GROWING MARKET PRESENTS ABUNDANT OPPORTUNITIES FOR THE SALE OF CANADIAN PRODUCTS AND SERVICES. IN 1987, CANADIAN EXPORTS TO THE REGION WERE \$6.3 BILLION ACROSS A DIVERSITY OF SECTORS LED BY MOTOR VEHICLES AND PARTS, FOREST PRODUCTS AND TELECOMMUNICATIONS EQUIPMENT. DURING 1988, CONTINUED STRENGTH IN THE CONSTRUCTION INDUSTRY WILL OFFER EXPORT MARKETS FOR LUMBER, BUILDING MATERIALS AND CONTRACT FURNITURE; THE GROWING POPULATION (INCLUDING A LARGE CANADIAN COMPONENT) WILL MEAN GROWING OPPORTUNITIES FOR THE SALE OF FOOD PRODUCTS; THE REGIONAL EMPHASIS ON TECHNOLOGY PRODUCTS OFFERS SCOPE NOT ONLY FOR THE SALE OF SYSTEMS AND COMPONENTS BUT ALSO FOR THE TRANSFER OF TECHNOLOGY. IN VIRTUALLY ALL PRODUCT SECTORS, CANADIAN EXPORTERS WHO OFFER FAVOURABLE QUALITY, PRICE, AND DELIVERY CAN BE SUCCESSFUL.

THE PUERTO RICO AND U.S. VIRGIN ISLANDS MARKET, WHILE OBVIOUSLY MUCH SMALLER THAN THAT OF THE MAINLAND, SHOULD NOT BE OVERLOOKED. IN 1987 CANADA EXPORTED OVER \$233 MILLION WORTH OF GOODS TO PUERTO RICO, NOTABLY IN THE FOOD, FOREST PRODUCTS, AUTOMOTIVE AND TELECOMMUNICATIONS SECTORS. CONTINUED STRONG ECONOMIC EXPANSION ACCOMPANIED BY A RAPIDLY RISING INCOME LEVEL MAKE THIS AN INCREASINGLY ATTRACTIVE MARKET.