

## WASHINGTON, D.C.

The embassy in Washington is responsible for market development in the mid-Atlantic region of eastern Pennsylvania, Virginia, Maryland, Delaware and the District of Columbia. (In addition it handles trade policy and market access issues for the US as a whole.) Its responsibility for defence marketing is primarily restricted to the greater Washington area, with the satellite office in Philadelphia covering the rest of the mid-Atlantic region. (See separate profile).

The region includes three key markets: the Delaware Valley (Philadelphia-Wilmington), the Washington-Baltimore corridor, and the state of Virginia. Commercially developed and affluent, the mid-Atlantic represents some 6 % (16 million) of the U.S. population, but a full 9 % (\$350 billion) of U.S. personal disposable income. Delaware and Virginia are expected to far surpass national averages for population and personal income growth by the year 2000 and 4 cities in the region, Baltimore, Norfolk, Wilmington, and Richmond, have registered promising economic and population increases. Mid-Atlantic retail sales account for 10 % of the national total with the combined markets of Baltimore and Washington generating some \$50 billion in sales annually.

The following is a brief description of market opportunities and developments and assistance provided by the embassy in areas of particular interest to exporters of high technology:

### AEROSPACE AND DEFENCE PRODUCTS:

**General Outlook:** The U.S. defence budget is huge: US \$ 274 billion for the current fiscal year. (This includes US \$ 55 billion for acquisition, US \$ 40 billion for research and development and US \$ 81 billion for operation and maintenance.) The budget will continue to be huge even with further cuts. (Based on what we know about DOD's new roles in the post war era, lessons learned from the Gulf War and other information sources it is clear that some broad areas of opportunity do exist. Such areas may include defence environmental initiatives; more sophisticated C<sup>3</sup>I (including surveillance); management information systems; unmanned aerial vehicles; technologies with application to special operations and low intensity conflict (SOLIC); space equipment; technologies which facilitate the rapid deployment of forces; depot level maintenance and life extension and upgrade programs; and advanced electronics systems with emphasis on electronics upgrades, commonality, inter-operability, and dual-use technologies. Canadian companies may wish to explore possibilities for exploiting such opportunities through teaming arrangements with U.S. small and minority-owned businesses, or if appropriate, through development projects funded under the Defence Development Sharing Agreement.