

the Midwest (2.8%) and the Northeast (2.3%) trailed behind the national average.

Within the South, growth was led by the Southwest subregion, which includes the states of Arizona and New Mexico. The Southeast subregion also managed growth in excess of the national average.

At 5.0%, the Rocky Mountain subregion recorded the strongest rate of growth of all subregions over the 1989-2001 period. This subregion includes the fast growing states of Idaho, Colorado and Utah. The Far West subregion comprises the other half of the U.S. West. This subregion contains the most diverse states in terms of GSP growth because it includes Alaska (actually shrinking) and Hawaii (below the national average) as well as Nevada (the fastest growing) and Oregon (tied for second fastest state GSP growth). This subregion managed a 3.1% rate of growth over the period under review.

The Great Lakes subregion and the Plains subregion make up the U.S. Midwest. The Plains subregion managed growth at the national average, led by South Dakota and Minnesota. Growth in the Great Lakes subregion came in below the national average, as only Wisconsin managed growth above 3.0%.

The Northeast was the slowest growing of the four macro regions, at an average 2.3% over 1989-2001. Average growth in both the New England subregion and the Mideast subregion came in below the national average at 2.5% and 2.2%, respectively. Slower growth was widespread among the states of this region, as only New Hampshire (3.9%) and Delaware (3.2%) managed to expand at rates above the national average.

### Shift Share Analysis of Regional Growth

Shift share analysis has been used to examine sources of regional economic change over the 1989 to 2001 period. This methodology gives a description of regional economic change that is attributable to growth in the national economy, the industrial mix of the region and the competitiveness of the local industries. The results are shown in Table 2.

The national share component measures the regional economic change that could have occurred if the region had grown at the same rate as the national economy. It is expected that if the nation as a whole is growing, this growth will have a positive influence on the local area (a rising tide lifts all boats).

The industrial mix component measures the share of regional economic change that can be attributed to the regional industry mix and thus reflects the degree to which the region specializes in industries that are fast or slow growing nationally. In other words, if a region contains a relatively large share of industries that are growing fast nationally, then it will experience a positive industry mix effect.

Finally, the third component measures the change in a particular industry in the region due to the difference between the industry's regional growth rate (or rate of decline) and the industry's national growth rate. Some regions and some industries generally grow faster than others, even during times of overall prosperity. This is usually attributed to some local comparative advantage. Thus, the regional share component indicates growth or decline in industries due to the region's competitive position in a given industry.

A comparison of the national share between regions places all regions and subregions on an equal footing. Thus, the substantive regional differences are to be found in the other two components. The industry mixes of the New England and Great Lakes subregions show strong positive results, indicating that their regional industrial composition is tilted toward particularly fast growing industries. This observation also holds true (but is less pronounced) for the Plains, Mideast and Far West subregions. Overall, with the exception of the U.S. South, the industrial mixes of the Midwest, Northeast and West regions have contributed positively to real state product growth over 1989-2001.

On the other hand, the competitive or regional component of the Northeast and Midwest regions and their corresponding subregions are all negative, meaning that their competitive positions have deteriorated relative to the national average and have acted as a drag on total regional growth. Conversely, the competitive positions of the West and South, especially the Rocky Mountain and Southwest subregions, have improved against the national average, boosting regional growth.

In sum, the slower expanding Northeast and Midwest benefit from an advantage in their industrial mixes (i.e. they both contain a larger share of faster growing industries than the national average), but these advantages were more than offset by declines in their competitive positions (regional share components) over the 1989-2001 period.

For example, the U.S. auto industry—traditionally centred in the Midwest region—has experienced regional diversification, as new manufacturing plants (particularly those of non-U.S. manufacturers) have increasingly located in the U.S. South. Similarly, key components of the U.S. electronics industry have largely been concentrated in the South and West regions (e.g. Silicon Valley and the Austin hi-tech hub). Such shifts to the South and West in the distribution of U.S. economic activity likely explain the shift in the pattern of Canadian exports to the United States.

Table 2: Shift Share Analysis of Growth in Real Regional Gross State Product

	National Share	Industry Mix	Regional Share	Total Growth 1989-2001
<b>UNITED STATES OF AMERICA</b>				<b>42.8%</b>
<b>NORTHEAST REGION</b>	<b>42.9%</b>	<b>1.2%</b>	<b>-12.7%</b>	<b>31.5%</b>
New England Subregion	42.9%	4.1%	-11.3%	35.7%
Mideast Subregion	42.9%	0.4%	-13.1%	30.2%
<b>MIDWEST REGION</b>	<b>43.0%</b>	<b>3.0%</b>	<b>-7.1%</b>	<b>38.9%</b>
Great Lakes Subregion	43.1%	3.4%	-9.0%	37.5%
Plains Subregion	42.9%	1.9%	-2.4%	42.4%
<b>SOUTH REGION</b>	<b>43.0%</b>	<b>-1.5%</b>	<b>11.9%</b>	<b>53.5%</b>
Southeast Subregion	42.9%	-1.7%	6.4%	47.6%
Southwest Subregion	43.4%	-1.0%	24.3%	66.7%
<b>WEST REGION</b>	<b>43.1%</b>	<b>0.2%</b>	<b>6.8%</b>	<b>50.1%</b>
Rocky Mountain Subregion	43.1%	-0.9%	36.8%	79.0%
Far West Subregion	43.1%	0.3%	2.6%	46.0%

Source: Real gross state product (GSP), Bureau of Economic Analysis, U.S. Department of Commerce, May 2003

## Printing and paper industries converge onto Germany

**DÜSSELDORF, GERMANY** — May 6-19, 2004 — **DRUPA**, held only every four years, is the world's largest trade fair for the printing and paper industries, attracting some 2,000 exhibitors and more than 400,000 visitors. This trade fair is a world-class event, with 60% of exhibitors and 50% of visitors coming from outside Germany; Asian and North American visitors and exhibitors are particularly well represented.

DRUPA is both a meeting place for the industry and a major platform for the introduction of new technologies. In fact, the industry even speaks of the "DRUPA effect," a slowdown in sales in the year prior to this event as buyers delay purchasing decisions until the latest technologies are unveiled at the show.

Among the main product groups covered at DRUPA are: pre-press and

pre-media systems, appliances and software; printing machinery, appliances and accessories; bookbinding and print finishing; paper converting; package production; and general materials and services. At the last DRUPA in May 2000, Canadian exhibitors displayed a range of products but were particularly strong in information technologies like computerized systems, software and imaging.

### EUROPE

#### "Book" soon

Booth space at this event fills up quickly. Of the Canadian firms which exhibit at DRUPA, about half usually choose to exhibit in a shared Canadian stand, which offers advantages in terms of both cost and visibility. The Düsseldorf Trade Fair

(Messe Düsseldorf) has reserved a space for Canadian firms that wish to exhibit jointly, is accepting applications from interested companies and will assist in designing a common space that best meets the needs of joint exhibitors.

Interested Canadian exporters active in printing and its related industries may wish to reserve as quickly as possible. Space is booked on a first-come, first-served basis and about a dozen companies have already reserved. The Canadian Consulate in Düsseldorf will provide firms with information on DRUPA as well as marketing assistance.

**For more information**, contact Ilse Bertram, Commercial Assistant, Canadian Consulate in Düsseldorf, tel.: **(011-49-211) 172-170**, fax: **(011-49-211) 359-165**, e-mail: **ddorf@dfait-maeci.gc.ca**, or Stefan Egge, Representative for Canada, Messe Düsseldorf, c/o the Canadian-German Chamber of Industry, tel.: **(416) 598-1524**, fax: **(416) 598-1840**, e-mail: **messedusseldorf@germanchamber.ca**, Web site: **www.drupa.de**. \*

When culture talks business

## Canadian Forum on Cultural Enterprise

**PARIS, FRANCE** — January 12-14, 2004 — Arts and cultural professionals from every sector are invited to the **Canadian Forum on Cultural Enterprise**, a gathering that will enable specialists from Canada, France and the French-speaking countries of Europe and Africa to engage in a dialogue with the aim of establishing strategic trade partnerships. This is the first international gathering of its kind to be organized

by Canadian Heritage, under its Trade Routes program, and in partnership with the Department of Foreign Affairs and International Trade.

The forum will enable participants to discuss issues specific to arts and cultural industries sectors, like joint ventures, skills development, financing, investment and international business development. Through the forum and its rich program of lectures, theme workshops, promotional presentations

by companies, and personalized meetings between experts and entrepreneurs, the event will give rise to business opportunities and a wider international distribution of Canada's cultural goods and services.

This event is a unique opportunity for Canadian participants to expand their network of contacts and gain entry to francophone markets in Europe and Africa.

**For more information**, contact Ouafaa Douab, Canadian Heritage, tel.: **(819) 953-6200**, e-mail: **ouafaa\_douab@pch.gc.ca**, Web site: **www.forumcanada2004.com**. \*