

most large multinationals rely upon efficiency-based strategies to enhance firm-specific advantages such as Northern Telecom, Alcan, and Noranda and interact with the government to improve the institutional environment necessary to facilitate trade. However, some large multinationals such as Labatt and other food-processing firms have opted for government sheltering during trade liberalization between the Canada and the United States.

As noted above, most studies focus upon large multinationals and their strategies related to export market development and direct investment in the United States or in other parts of the global market. Canadian small and medium sized firms (SMFs) are not the main thrust of most investigation because of their limited involvement in export markets. If Canadian SMFs are at all a topic in trade-related analyses, most often the target group is selected from large metropolitan areas. Large metropolitan areas offer these SMFs certain location-specific advantages such as proximity to technical and producer services directly or indirectly associated with improving FSAs in the global market. This paper investigates the recent experience of Canadian SMFs from the Niagara region in Ontario in export market development in the United States. This region is selected because manufacturing decline has been paralyzing the local economy and the new sets of cross-border initiatives may have the potential to arrest or even reverse this downward trend. This region is in southern Ontario--the principal towns and small places include Fort Erie, Grimsby, Lincoln, Niagara Falls, Niagara-on-the-Lake, Pelham, Port Colborne, St. Catharines, Thorold, Wainfleet, Welland, and West Lincoln (Figure 1). As shown in Table 1, there are approximately 816 manufacturing establishments in this region employing over 38,000 persons in full- and part-time positions. The objectives of