

- Communications equipment, aerospace, medical instrumentation and electronics in Orange County, particularly the cities of Irvine, Anaheim and Fullerton.
- Biotechnology, aerospace and scientific and medical instrumentation in San Diego.

TECHNOLOGY STRENGTHS

Within the state of California, US \$26 billion is spent on R&D. A large proportion of that spending takes place within Southern California's largest aerospace firms: Rockwell International, Lockheed, Northrop, Litton Industries, Hughes and McDonnell Douglas. Major universities such as the California Institute of Technology (including the Jet Propulsion Laboratory), the University of California at Los Angeles, the University of California at San Diego, and the University of Southern California also conduct valuable technological research.

KEY ORGANIZATIONS

Aside from its well-endowed research universities, Southern California's strongest technology development organizations come from within private industry. The most important such organizations are SO\CAL\TEN (Southern California Technology Executives Network) and its partner organizations, RIMTech (The Research Institute for the Management of Technology).

KEY SUPPORT PROGRAMS

California is open for business. Over 25% of investment is from foreign sources and most of this investment is in the technology sectors.

A. Venture Capital

Silicon Valley is the home of 25-30 % of the venture capital for high tech in the US. This large venture capital pool supports a significant percentage of the R&D done by the small entrepreneurial companies in the Valley.

B. Defence Spending

NASA Ames, Lockheed satellites, etc. are examples of military and space programs that are partially government funded and that support the local R&D community. In 1985 over 30 billion dollars in defence prime contracts were received by California firms. California receives over 20.8% of the prime defence contracts fuelling a large amount of high tech research and contracts.

C. Government

Government has played a limited role in the development of the Valley. Initially government was a large customer for chips. Now it accounts for less than 10% of the electronic parts sold out of the Bay Area.

CONDITIONS OF ACCESS

There are almost no restrictions to Canadian firms participating in most of the research programs at most of the sites listed above.

Patent protection has little if any impact. Most local firms figure that they have to protect themselves by winning market share. Technology moves too fast for patents to be much protection. In biotechnology patents may be more of a factor due to the longer lead times for products to receive FDA approval.

TECHNOLOGICAL OPPORTUNITIES FOR CANADIANS

While Southern California remains one of the world's most dynamic markets, the region faces serious problems as a result of its remarkable growth. Environmental and transportation concerns top the list. Environmental products such as pollution control equipment and toxic waste management systems will be key areas of opportunity for Canadian firms, as will mass transit equipment.