

Export and Investment Promotion Planning System

88/89 Trade and Economic Overview

Mission: 602 CHICAGO

Country: 577 UNITED STATES OF AMERICA

RECENT ECONOMIC PERFORMANCE: SLIGHTLY BELOW NAT'L AVERAGE; RECENT TRENDS SUGGEST LONG RECESSION IN AGRICULTURE MAY HAVE ENDED; MODERATING OF EXPENSES, IMPROVEMENT IN EXPORTS, HIGH GOV'T SUPPORT PAYMENTS COULD SET STAGE FOR RECOVERY IN AGRICULTURE WHICH IS LIKELY TO BE CHARACTERIZED BY SLOW, STEADY IMPROVEMENT RATHER THAN RAPID GAINS OF 70S. CHANGING OPPORTUNITIES: LOWER INTEREST RATES, CONTINUED CONSUMER BUOYANCY; STRONG HOUSING MARKET, CONSUMER SERVICES, RETAILING & CONSTRUCTION TRADES BUOYANT. STATE GOV'TS SUCCESSFULLY PURSUED NEW INVESTMENT IN AUTOMOTIVE INDUSTRY, INCLUDING INVESTMENT FROM CDA. IMPROVED ASSET & EQUITY RATIOS OF CHICAGO'S MAJOR BANKS. ENHANCED REPUTATION OF CHICAGO AS AN INT'L FINAN. CENTRE. COMMUNICATIONS REVOLUTION & FINANCIAL INNOVATIONS ARE YIELDING A STREAM OF NEW COMPUTERIZED PRODUCTS THAT ARE RADICALLY ALTERING THE INDUSTRY. ON DOMESTIC FRONT, BOUNDARIES DEMARCATING BANKS FROM OTHER FINANCIAL INSTITUTIONS ARE BECOMING INCREASINGLY OBSCURE. IN INTERNATIONAL FIELD, FINANCIAL SERVICES SUPPLIERS & REGULATORS BARELY ABLE TO KEEP PACE WITH DEVELOPMENTS IN HIGHLY CHARGED & COMPETITIVE ENVIRONMENT OF EMERGING GLOBAL FINANCIAL SYSTEM. EXPORT PERSPECTIVE: CHICAGO POST TERRITORY REMAINS HIGHLY ATTRACTIVE MARKET. TERRITORY INCLUDES FOUR OF THE COUNTRY'S TOP 17 METRO MARKETS. ELECTRONICS, SOFTWARE, RESEARCH/DEVELOPMENT, PHARMACEUTICALS, ROBOTICS & OTHER HIGH TECH INDUSTRIES ARE EXPANDING (IN ABSOLUTE NUMBER OF JOBS GENERATED AS WELL AS RELATIVE TO OTHER US STATES). CORPORATE & PUBLIC ATTITUDES TOWARDS CDNS/CDN PRODUCTS & SERVICES REMAINS POSITIVE. THERE IS WIDE SUPPORT IN INDUSTRY & IN GOV'T FOR THE PROPOSED CDA/US FREE TRADE AGREEMENT. NO LOCAL PROTECTIONIST BACKLASH; MEDIA COVERAGE IS POSITIVE & SYMPATHETIC TO CDN VIEWS. PROCUREMENT/SPECIFYING OFFICIALS IN GOV'T AGENCIES APPEAR WELL DISPOSED TO CONSIDER SERIOUSLY CDN BIDS. MANY MIDWEST COMPANIES HAVE LIMITED TRADE/INVESTMENT LINKS ABROAD. TOGETHER WITH COMPANIES WHO MAY BE RATIONALIZING THEIR NORTH AMERICAN AND/OR GLOBAL OPERATIONS, THESE COMPANIES REPRESENT SIGNIFICANT POTENTIAL FOR NEW INVESTMENT & TECHNOLOGY INFLOWS TO CDA. RECENT MONTHS HAVE SEEN MAJOR MOVES TO ACQUIRE CDN EQUITY POSITIONS BY AMOCO (DOME PETROLIEUM), JMB REALTY (CADILLAC FAIRVIEW), & FIRST NATIONAL BANK OF CHICAGO (WOOD GUNDY). AS NORTH AMERICA'S MAJOR CORPORATE MEETING & INDUSTRIAL EXHIBITION CENTER, CHICAGO CONTINUES AS A MAJOR FOCAL POINT FOR CDN INDUSTRIAL DEVELOPMENT ACTIVITY.