

3. OVERVIEW OF THE COMPUTER MARKET IN NEW YORK STATE

a. The Computer Industry in New York State

The primary purpose of this Guide is to portray some of the characteristics of the computer software market in New York State and provide some assistance in penetrating this part of the U.S. It will come as no surprise to most Canadians that New York State is a major market for Canadian goods and services. For example, annual commodity shipments between Canada and New York State exceed Can\$12.8 billion, which is approximately 15 percent of total commodity trade between the two countries. Moreover, estimates suggest that another Can\$3.4 billion in service trade moves annually between Canada and New York State. It is also the case that Canadian direct investments in New York State amount to over Can\$3.8 billion, that Canadian parent corporations have equity holdings in approximately 190 New York State companies, and that approximately 7 percent of all the people in the U.S. working for Canadian-owned companies are located in New York State. **In short, Canadian business people have strong economic ties to New York State--a state that is home to almost 18 million people with a combined purchasing power in retail sales of over Can\$102 billion, and a state that shares a common international border with the provinces of Ontario and Quebec.**

Another important attribute of New York State for software developers in Canada is the relatively large share of the U.S. computer industry that is located in the state. For example, **the state contains approximately 11,000 employees in the computer software industry (SIC 7372)**, which amounts to about 5 percent of the country's total employment in this industry. [States with larger proportions of total U.S. employment in this industry are California (22 percent), Virginia (9 percent), Massachusetts (7.5 percent), Maryland (7 percent, and Texas (5.7 percent).]

Another indicator of the importance of the computer industry in New York State is evident from an inspection of Table 1. Based upon the number and value of multiuser computer systems (MCSs) installed in each of the top 150 Metropolitan Statistical Areas (MSAs) in the United States in 1988, New York State has seven of the top-ranked computer markets. [MCSs are defined as large general-purpose or high-speed scientific computers, as well as supermini-class computers and smaller-scale systems in a commercial environment.] Nearly 50 percent of the installed