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## II. ECONOMY AND INDUSTRY

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### Economic Overview

This geographical area is expected to come through the period of high inflation better than most other regions of the United States. Continued economic growth is foreseen for the area, although possibly at a reduced level. The area continues to attract new investment capital and new industries, and is expanding its technological base in the fields of energy, electronics, communications and defense equipment production. All of this, added to a strong agricultural base, should enable the Southwest to be in the forefront, since its manufacturing strengths are concentrated in those fields that are normally less susceptible to downturns in recessionary periods.

An increased demand for consumer goods, particularly of high quality, is foreseen. Regional shoppers appear to have adopted a "buy now . . . worry later" attitude to counter increasing inflation. New large shopping centres filled with exclusive boutiques and specializing in high quality articles are being constructed in the major cities. The relative affluence of the area is fostering greater consumer sophistication and increasing demand for gourmet food products such as quail, fish, biscuits, pasta products, imported beers and wine.

The construction of new hotels, shopping centres and new office accommodation in the major Southwestern cities will provide a continuing market for contract furniture, building materials, construction equipment, etc.

The need for transportation equipment will rise as the energy crunch hits harder and closer to home. Equipment for all methods of transporting people, goods and data will be in demand. This will include buses, trains, barges, ships, pipelines and associated equipment as well as data transmission equipment.

All in all, an exciting period in the Southwest is forecast as the area continues to develop more rapidly than most other geographical regions of the United