II. ECONOMIC OVERVIEW

The tri-state area is perhaps the area of United States which has experienced the most dramatic changes in its economic structure in the last decade. The area has experienced a decline in the manufacturing sector due to the closure of outdated facilities and the transfer of other manufacturing operations to the Sun Belt with its cheaper production costs and expanding market. Nevertheless the area weathered the 1980 recession better than was predicted and from a Canadian exporter's point of view the market did not shrink beyond what had been forecast. Some comments follow on what may be the economic movements and tendencies for the years to come:

New York City:

Its service-based economy will probably continue to help it fare better than other major U.S. cities. Recent declines registered in manufacturing sectors such an apparel and printing will continue to cause worries.

Long Island:

The island's inadequate transportation links with the mainland will continue to hamper its economic development during the next decade. Some economists even predict a "prolonged economic stagnation" although the prospects of increased defence spending by the new Administration in Washington are raising hopes that the aerospace industry, the island's major employer, will provide considerable support in the near term.

New York State:

The state is coming out of the recession in a better economic position than anticipated, with unemployment below the national average. The early 70s were a time for New York to shed some of its weak economic sectors such as housing and heavy manufacturing. The early 80s will be a time to multiply efforts to reduce dependence on oil in an attempt to keep energy costs low. Industries will be offered low-cost state financing to convert from oil to other sources of energy in the hope of keeping New York's products competitive with those produced elsewhere.