

Can we prosper apart?

How can we harness the edge?

Why is our binational region unique?

# Defining the Region's Edge

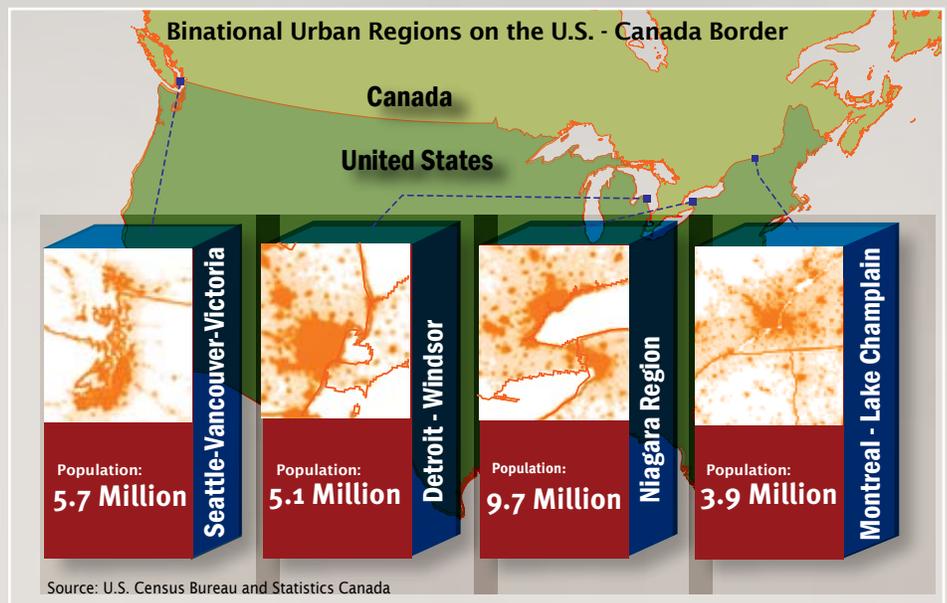
The binational region surrounding the Niagara River is unique among U.S.-Canada border regions for the size and density of its population and cross-border interactions. Analysis of previously fragmentary data reveals the complex and interdependent character of the region's cross-border linkages. Further developing our understanding of the region will assist in efforts to harness the advantage of being a binational region in a globalized world.

## Why is our binational region unique?

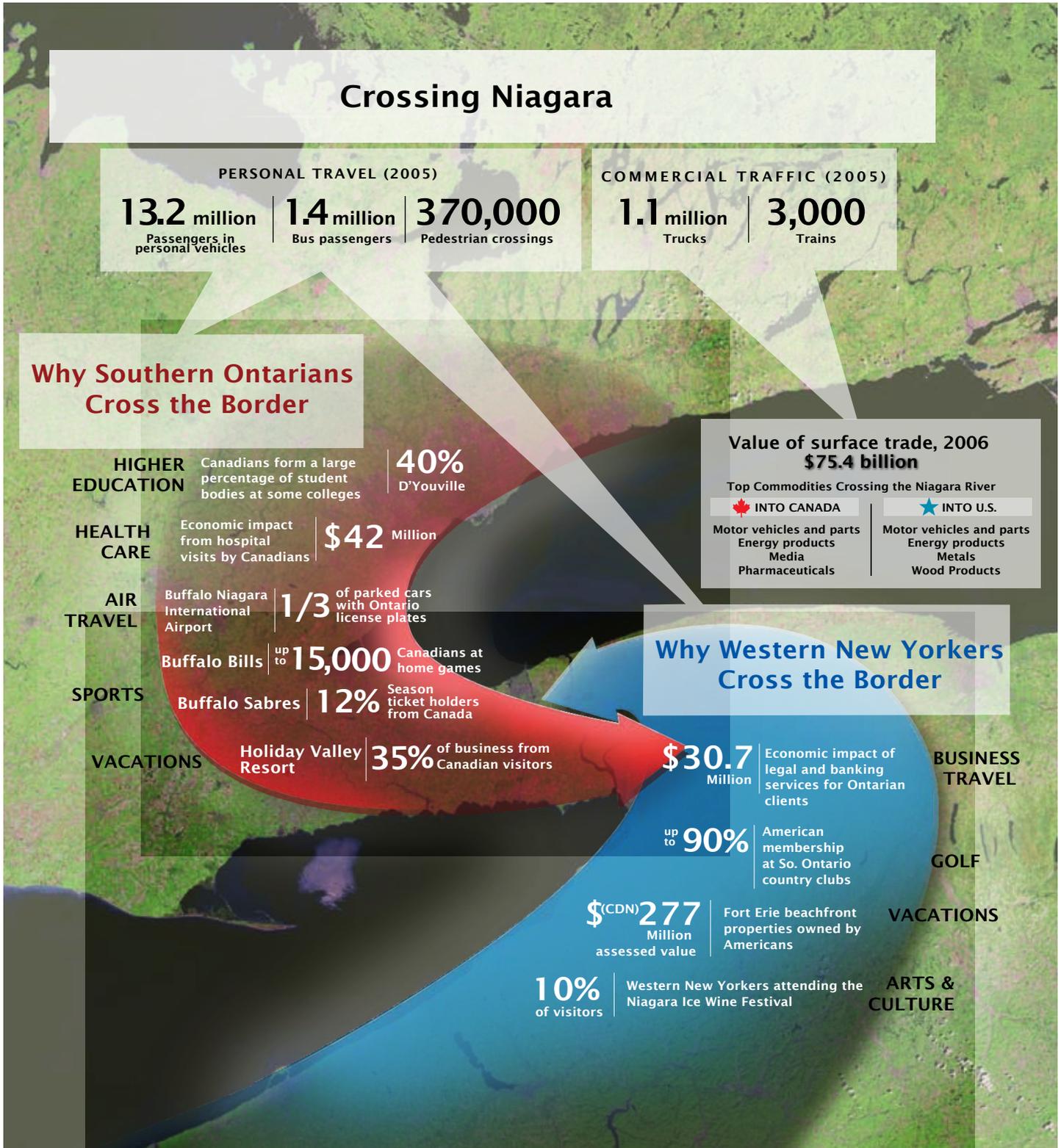
Along the 5,500 mile border between the U.S. and Canada—the world's longest common border, between the world's largest bilateral trading partners—the region occupied by Western New York and Southern Ontario's Greater Golden Horseshoe holds a special place. Among the four urban regions along the border with more than one million residents, it is the largest, with a 2006 population of 9.7 million.

Beyond sheer size, the density of population at or near the border is also a notable feature of the cross-border Niagara region.

Fewer than 100 miles separate the region's two largest metropolitan centers, Toronto and Buffalo, with metropolitan Hamilton and St. Catharines-Niagara in between. At Niagara Falls—the embodiment of the region's binational position—and other points along the Niagara River, thousands of trucks, tourists and residents cross the border on a daily basis, representative of a remarkable breadth and intensity of socio-economic linkages and networks.



# Cataloguing our cross-border connections...



Sources: U.S. Bureau of Transportation Statistics (personal and commercial traffic, 2005, and value of trade—imports and exports—2006); U.S. International Trade Commission (leading commodity groups among the top 20 five-digit import and export commodities, first quarter 2004); Regional Institute analysis of cross-border activity, various sources



# Can we prosper apart?

In the years since the North American Free Trade Agreement (NAFTA) went into effect in 1994, the economies of the United States and Canada have become more and more integrated. At the Niagara River crossings, where \$75.4 billion (U.S.) passed between the two countries in 2006, economic integration is readily apparent: Among the top commodities crossing the border—in terms of value—motor vehicles, motor vehicle parts and energy products dominate freight flows in both directions. Economic interdependence is also apparent at the region’s bridges, with Canada sending paper and other wood products to the U.S. while media products—books, magazines, recordings—largely travel the opposite path.

While these nation-to-nation economic flows are well documented, far less is known about the exact nature of cross-border economic and social linkages at the regional level. We know that billions of dollars in trade cross the Niagara River every month, but how much of it originates and stays within the region? We know that millions of people cross the Niagara every year, but what exactly are they crossing for? Like the pieces to a jigsaw puzzle, the answers to these questions have existed as isolated fragments, obscuring a comprehensive understanding of the opportunities and challenges facing this binational region.

Learn about the Region’s Edge at:  
[www.regional-institute.buffalo.edu](http://www.regional-institute.buffalo.edu)

Preliminary findings from The Region’s Edge, a cross-border research initiative of the University at Buffalo Regional Institute, reveal that, once assembled, these fragments of data tell a striking story about the day-to-day interactions between residents, businesses and institutions on the two sides of the Niagara. Interdependency is the overriding theme, with each side relying on the other for a combination of unique and shared needs.

Residents of Southern Ontario, for example, are crossing the border for a number of high-level services—including higher education, health care and air travel—that are becoming increasingly scarce or congested in their fast-growing communities. In 2006-07, 2,661 Canadians attended colleges in Erie and Niagara counties—most of them commuting from

Southern Ontario—forming a large share of the student bodies at small colleges and training for critical professions such as nursing and teaching. In search of health care, Southern Ontarians made 1,098 hospital visits within Buffalo Niagara between 2000 and 2005, having an estimated economic impact of \$42 million (U.S.). And, vehicles with Ontario license plates now occupy nearly one-third of the parking spaces at Buffalo Niagara International Airport—a convenient and low-cost alternative to Toronto’s overburdened Pearson International.

Southern Ontarians also cross the border to meet recreational needs, with thousands crossing the border for each Bills and Sabres home game and filling up the ski lifts and condos at resorts in Ellicottville. Western New Yorkers also cross the border for recreation, forming 90% of the membership at Cherry Hill Country Club near Crystal Beach, and owning most of the 1,775 U.S.-owned properties on the Fort Erie beachfront—with a combined assessed value of \$277 million (CDN).

For business, Western New Yorkers are crossing the border more and more to provide legal and banking services—among others—to Canadian companies looking to tap American markets. An analysis of Foreign Direct Investment in 2006 and early 2007 shows that 168 parent firms in Southern Ontario’s Greater Golden Horseshoe are invested in Western New York, representing 195 individual investments, such as subsidiary firms, warehouses and shares of local firms. Vice versa, 28 parent firms in Western New York are invested in the Greater Golden Horseshoe, representing 41 individual investments.

## Foreign Direct Investment in the Binational Region



Sources: Regional Institute analysis of data compiled in 2006 and early 2007 by Dun and Bradstreet



# How Can We Harness the Edge?

Findings thus far provide only a fraction of the information necessary to paint a much broader and comprehensive picture. Everyone knows that people cross the border, both ways, to shop, visit cultural venues and engage in a range of other activities, but the full scope and magnitude of these social linkages are largely hidden. The same applies to the region's economic linkages. We have a very basic sense of binational investment activity, but little is known about the full range of cross-border business networks and key binational industry clusters.

Simply knowing more about our cross-border interactions is critical for several reasons. It informs policy action in such key areas as border security (e.g., Western Hemisphere Travel Initiative) by providing a solid foundation for assessing impacts and developing alternative policies or mitigation strategies. It highlights opportunities for collaboration and integration—both within individual sectors and across wider binational planning efforts. And it assists in defining the true geographic extent of the cross-border region and strengthening its binational identity. The challenge is to centralize, streamline and routinize the collection and analysis of cross-border data in a way that facilitates understanding and action.

As North America's urban regions garner more and more political, economic and social influence in the 21st century—diminishing, in some ways, the roles of federal governments in Canada and the U.S.—binational regions with strong identities and perspectives that transcend international borders are likely to hold an invaluable competitive edge. Not only will such regions occupy prime real estate in a globalized knowledge economy, but they will be more likely to observe and adjust to rapid change than others. For both sides of the Niagara River, that's an advantage worth pursuing.

## For More Information

Government of Canada, Policy Research Initiative, Research on North American Linkages, online at [http://policyresearch.gc.ca/page.asp?pagenm=rp\\_nal\\_index](http://policyresearch.gc.ca/page.asp?pagenm=rp_nal_index)

U.S. Department of Transportation, Bureau of Transportation Statistics, Border Crossing Data, online at <http://www.trans-tats.bts.gov/BorderCrossing.aspx>

U.S. International Trade Commission, Interactive Tariff and Trade Dataweb, online at <http://dataweb.usitc.gov/>



The Region's Edge is a cross-border research initiative of the University at Buffalo Regional Institute

Regional Institute Policy Briefs provide key data and analysis to frame issues, inform decisions and guide policy action.

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