



Building Pro

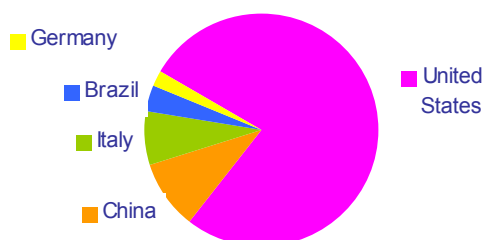
Building Products Market

Canada represents the largest export market for U.S. building manufacturers and currently accounts for approximately 1/3 of the United States total exports of building products. As a result of the unprecedented growth in Canadian construction activity in the last three years, the Canadian building products market is expected to increase given the continued stable economy in 2005, steady construction activity with continued growth in the residential and renovation markets and similar growth in non-residential construction activity.

MARKET OVERVIEW

The state of the Canadian economy in general, specifically the level of new construction activity, will be the prime influence on the level of activity within this sector. The Canadian construction industry experienced strong growth in 2004 and, according to forecasts released by the Canadian Construction Association (CCA), continued growth is expected for at least the next two years. Total construction activity is generally measured in terms of industry GDP, and is defined as total goods and services produced by the construction industry. The value of construction GDP grew by 3.5% in 2004. The CCA reports that construction GDP growth will reach 4% in 2005, and 3% in 2006.

Top 5 Exporting Countries (in millions of C\$)



THINK CANADA FIRST!

U.S. manufacturers of building products are well positioned to increase their market presence in Canada by meeting the growing demand for new, innovative and energy efficient building products. We encourage U.S. companies to contact the U.S. Commercial Service to receive more information on how to increase their export potential in Canada's building products market.

When you think of exporting, Think Canada First!

OTHER SOURCES OF INFORMATION

- ▶ The Canadian Building Products Market
- ▶ Canada's Green/Energy Efficient Building Products Housing Market
- ▶ The 2005 Canadian Residential Construction Market
- ▶ The 2005 ICI Construction Industry Outlook
- ▶ Canadian Renovation Market to Outgrow Housing Market in 2005

These and other Int'l Sector Analysis and Int'l Market Insight Reports are available on www.export.gov or contact Canada's National Building Products Sector Specialist, Rita Patlan or your nearest U.S. Export Assistance Center at (800) USATrad(e).

U.S. POSITION

- ▶ The success of U.S. building products suppliers in Canada reflects the advantages that U.S. manufacturers enjoy over third-country suppliers, including geographic proximity, similar quality demands and channels of distribution, and duty-free access under NAFTA.
- ▶ Canada represents the largest export market for U.S. building manufacturers and accounts for approximately 1/3 of the United States total building products exports.
- ▶ In 2004, U.S. exports of building products to Canada were valued at US\$1.7 billion and represented 62% of Canada's total building products import market.
- ▶ U.S. exports of building products to Canada will continue to dominate Canada's total import market for building products in 2005 and will increase at an annual real growth rate of 5-6% to US\$1.8 billion.
- ▶ In 2004 the U.S.-Canada exchange rate stabilized with the value of the Canadian dollar inching its way up so that American-made products are now more price-competitive in the Canadian market.

COMPETITORS

- ▶ The Canadian building products market is heavily serviced by domestically produced goods, accounting for approximately 80% of total market consumption.
- ▶ There are more than 5,000 manufacturers of building products in Canada, several of which are subsidiaries of U.S. based large conglomerates.
- ▶ Due to the extremely diverse nature of the market's building products categories, there is no multi-product manufacturer occupying a significant presence in more than one market segment.
- ▶ China is the second largest supplier of building products to Canada.
- ▶ Because of their prevailing low labor costs, Chinese exports to Canada are increasing yearly and taking import market share away from U.S. suppliers.

We hope that you find this information useful. If you would like further information, please contact the CS Canada National Building Products Sector Specialist, Rita Patlan at Rita.Patlan@mail.doc.gov or (416) 595-5412, ext. 223. . Visit our website www.buyusa.gov/Canada to discover other commercial opportunities in Canada. (08/05)