



Issue Update

2003 Forecast by CCA

OTTAWA - New industry projections released today by the Canadian Construction Association (CCA) reveal that the Canadian construction industry will grow at a rate of 1.9% in 2003, down from the growth rate of 3.9% that is expected for 2002. In 2003, construction GDP will equal approximately \$52.5 billion. A slowdown in the residential construction sector, as well as several non-residential sub-sectors, will account for much of the slowdown in activity in 2003. Non-residential building structures, however, will record impressive growth of almost 4% in 2003.

Furthermore, the figures reveal that for the short-term, construction employment will grow at a comparable rate to construction GDP – in 2003, employment growth is expected to increase by 2% to 912,000 Canadians employed in the industry. However, the analysis suggests that beginning in 2006, labour shortages will result in GDP growth outpacing employment growth for each of the next fifteen years. Unless productivity increases can make up for this employment shortfall, industry growth figures from 2006 onwards may have to be cut back.

Provincial variations are also expected to be quite pronounced. The Newfoundland, Quebec, and British Columbia construction industries will enjoy impressive gains over the coming years, while Alberta, which has seen 63% growth in its construction sector between 1996 and 2002, will find it increasingly difficult to sustain its high levels of growth, and is expected to record negative growth from 2004 to 2006.

“The figures that we are releasing today contain some very mixed messages for the national construction industry,” stated Jeff Morrison, Director of Communications for the Canadian Construction Association. “Some sectors and some regions of Canada should experience healthy gains in 2003, while others will feel the effects of slower markets. But overriding these numbers is the message that labour shortages may be nearer than most people thought – unless these shortages are addressed, growth may be affected.”

For the first time, the forecast also provides a list of the top ten construction projects underway in Canada today. Interestingly, six of the top ten projects are oil sands-related projects in Alberta.

A report and breakdown of the forecast released today can be obtained from the CCA website – www.cca-acc.com, and can be found under “Industry Statistics”. All figures for the production of this report were provided by Informetrica Ltd.

For more information, please contact:

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The mission of the BCCA is to provide leadership and excellence in the representation of, and service to, British Columbia's construction industry.