



CCA News Release
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Construction Industry to Experience Strong Growth, Says CCA

OTTAWA – Informetrica, economic forecasters for the Canadian Construction Association (CCA), released today its annual economic forecast for the national construction industry.

Following a flat year in 2003, the Canadian construction industry is expected to record impressive growth over the next two years. In 2004, the gross output of the construction industry is expected to rise by 4.5%, while in 2005, anticipated growth is in the range of 3.9%. Growth is then expected to moderate to 2% by 2006.

With Canadian gross output of just over \$1 trillion, the construction industry will continue to account for just over 12% of Canada's GDP. Following several years of strong employment growth (4.6% in 2002 and 4.4% in 2003), it is expected that the labour market will tighten in 2004. However, employment growth will pick up again in 2005 with an increase in the construction labour force of 3.4%.

The figures become even more interesting when breaking the industry down into its various sectors: residential construction, non-residential building construction, engineering, and repair construction. Because of projected investment in public infrastructure, non-residential building construction is expected to outpace on average most other construction sectors over the next three years with growth rates of 4.3% in 2004, 6% in 2005, and 6.3% in 2006. Only engineering construction activity is expected to outpace non-residential growth in 2004 with a growth rate of 7.5%.

Much of the above growth can be attributed to planned development in mega-projects such as Voisey's Bay in Labrador, hydroelectric developments in Quebec and continued development of the oil sands in Northern Alberta.

CCA represents a membership of more than 20,000 enterprises in the non-residential building construction industry. Its members include people involved in everything from design to management of finished projects and from road building to general contracting. Every year, CCA conducts its economic forecast through Informetrica, an Ottawa-based economic forecasting firm. A copy of the full forecast can be found on CCA's website: <http://www.cca-acc.com/factsheet/factsheet.html>

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