

International Trade

Although exports of windows and doors are up by a healthy 17 percent on a year-over-year basis through August, there has been a significant deceleration in the rate of export growth in recent months. After starting the year off strongly with exports up by 30 percent from their year ago levels during the January to March period, the rate of export growth slowed to 9 percent between April and August. The metal sector has been particularly hard hit with exports down by 6 percent from their year-ago levels during the April to August period. The PVC sector has fared best of all this year with exports up by over 48 percent from last year's levels during the first eight months of the year. With the rate of growth in domestic shipments outstripping that of exports during the spring and summer months, exports as a share of total shipments fell to 17 percent in the April to August period, down from 22 percent in the first quarter of the year.

The rapid growth in imports of windows and doors that began in the first quarter of this year continued through the spring and summer months. Imports of window and doors were running 47 percent above their year ago levels during the first eight months of the year and had nearly equalled their 1996 total of \$153 million by the end of August. In many respects, the rapid growth of imports into

Canada is a positive indicator for the Canadian industry. It provides further evidence that domestic market, which still accounts for about eighty percent of shipments by Canadian manufacturers, is stronger than it has been in some time.

EXPORTS BY DESTINATION

CANADIAN EXPORTS OF WINDOWS AND DOORS TO THE UNITED STATES

Region	1996 %Total	Total for 1997 (Jan - August) in \$000's	Percent Change*
Total US	100	278 247	+19.7
Midwest	18	74 201	+4.5
Northeast	27	97 565	+25.9
South	32	64 305	+34.3
West	23	42 091	+22.2

Source: Statistics Canada

* Percentage change in the value of exports between 1997 (Jan -August) and 1996 (Jan - August)

Growth in exports to the US has been hampered by weak shipments to the US Midwest so far this year. This is largely a result of significant declines in exports to two major markets, Ohio and Illinois. After a slow start to the year, exports to the US West strengthened considerably during the spring and sum-

mer months and are now running above the US average. This has occurred as a result of strong growth in shipments to California and other states in the region offsetting a sharp decline in exports to Washington. Through the first eight months of the year, the South is the region of the US that has recorded the fastest rate

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EXPORTS BY DESTINATION

of export growth with most states across the region recording significant increases in Canadian imports of windows and doors.

OVERSEAS EXPORTS

Overseas exports of Canadian windows and doors are virtually unchanged from their levels last year as strong growth in exports to Europe have been offset by a weak Asian market. This is the reverse of the situation in 1996 when exports to Asia nearly doubled while European exports stagnated.

Exports to Japan started the year off strongly and tailed off sharply through the spring and summer months in tandem with Japanese construction activity (See construction and Housing Review). In other major Asian markets, growth in exports to South Korea has been more than offset by sharp declines in exports to China and Singapore. The rapid rates of growth in exports falling into the "other" category is primarily the result of strong growth in exports to the Middle East.

OVERSEAS EXPORTS OF WINDOWS AND DOORS, 1997

Country of Destination	EXPORTS(Jan-Aug) (\$000 Cdn)	Pct. change
Total	48 877	+2.8
Japan	17 013	-10.1
Asia -Pacific (excl. Japan)	5 830	-38.7
European Union	9 714	+9.4
Eastern Europe	6 905	+41.3
Other	9 415	+70

Source: Statistics Canada

Construction and Housing Review



Canada

The Canadian residential construction industry has experienced a strong rebound this year with the number of building permits issued up by nearly 22 percent from last year's levels through the first nine months of the year. Through September, this has been the strongest year for new residential construction starts in Canada since 1990. All

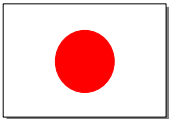
provinces except for Newfoundland, Nova Scotia and British Columbia have recorded year-over year increases in activity levels. Growth has been strongest in Quebec (29%), Ontario (41%) and Alberta (44%).



United States

US housing starts appear to be on track to finish the year slightly below their levels in 1996, which was their best year on record since 1988. Through the first 9 months of 1997, US housing starts are running 2 percent below their levels during the same period last year. Over this period, starts have increased

3.5 percent in the Northeast and are virtually unchanged in the South while they declined by 3.7 percent in the West and by 7.5 percent in the Midwest.

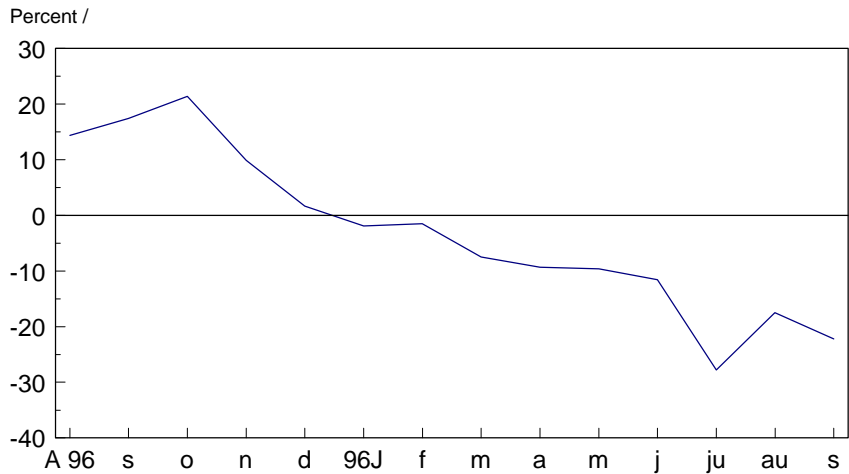


Japan

While a temporary economic slowdown was widely anticipated in Japan after the consumption tax increase in April, few foresaw that it would be as severe as it has proven to be. Between April and June, Japan recorded its sharpest quarterly decline in economic output since the early 1970s. The residential construction sector has been severely impacted by this downturn with housing starts down by nearly 13 percent in the first 9 months of the year. Private home construction has been particularly hard hit by the downturn while condominium construction has shown some signs of improvement in recent months.

In response to the weak economy, the Japanese government has further reduced interest rates from their already low levels. While interest rate decreases act as a stimulus to

Japanese Housing Starts / Year Over Year Percent Change



Source: Japanese Ministry of Construction, 1997

residential construction, they can also cause potential buyers to postpone purchases in anticipation of further rate decreases.

New Edition of Value-Added Directory Under Way

A new edition of the Canadian Export Directory for Value-Added Building Products is being prepared. The directory, which showcases Canadian windows and doors, kitchen cabinets, hardwood flooring and mouldings is a collaborative effort of the CWDMA, CKCA and CLA. It is a high-quality, glossy document featuring company in-

formation with full-colour photographs. 10 000 copies of the document will be published and distributed worldwide by Industry Canada to Canadian embassies and trade post personnel. It will also be made available at many international trade shows where the federal government participates. In addition, each entry in the directory will be featured on the "Canadian Building Products Directory" web site (see the What's New on the Web section in this publication). If you are interested in participating, contact France

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Special Feature: What's New on the Web

Over the past few years, there has been an explosion in the volume of information available to Canadian manufacturers and exporters on the Internet. To help companies deal with this ever-growing volume of material, several public and private sector organizations have developed sites which are intended to offer single window access to information on specific subjects. These include the federal government's recently launched ExportSource and the Canadian Wood Council's Canada Forest Network. Other sites of interest include the Canadian Building Products Directory and Trade-Data On-Line.

ExportSource:

<http://exportsource.gc.ca>

A federal partnership between Industry Canada, the Department of Foreign Affairs and other federal organizations, this web site is intended to bring the information published by the federal government for exporters together in a single location. It provides information on market research, export financing, export regulations/logistics, trade statistics and export contacts, as well as trade shows and missions. By searching across various federal databases, ExportSource eliminates the run-around that can occur when dealing with many different sources of information.

Trade Data On-Line

http://strategis.ic.gc.ca/sc_mrkti/tdst/engdoc/tr_homep.html

Industry Canada's Trade Data On-Line allows you to do detailed searches of Canadian and US export and import trends by industry or product. To access up-to date trade data free of charge, simply follow the step by step directions offered at the site. Trade Data On-Line can be accessed directly at the address above or through Strategis or ExportSource.

For Canadian trade data on Wood Windows and Doors, search under SIC Code 2543 and for Metal windows and doors, use SIC Code 3031

For more detailed data on either the Canadian or US industry, search using the HS code system. The relevant codes for the window and door industry are as follows:

HS Code	Commodity Grouping
441810	Windows, French Windows and their frames, of wood
441820	Doors and their frames and thresholds, of wood
73083010	Doors, windows and their frames and thresholds of stainless steel
73083090	Doors/windows/frames/thresholds for doors of iron or steel o/t stainless steel
76101010	Doors and their frames of aluminum
76101020	Windows and their frames of aluminum
76101030	Thresholds for doors of aluminum
392520	Doors, Windows and their frames and thresholds for doors, of plastics,

The Canadian Building Products Directory

<http://canadabuild.com>

The new "Canadian Building Products Directory Web Site" allows companies to showcase their products to potential customers around the world. From millwork products to pre-fabricated houses, the Canadian Building Products Directory Website is where you'll find export-ready Canadian companies and their products. The website database is designed to easily locate Canadian manufacturers and suppliers by company, product, and province.

All participants in the recently published Canadian Value Added Building Products Export Directory have already been included on this site. Please visit the site at the address above and see for yourself how this product could improve your sales.

For more information about registering your company with Canada Build, please contact:
Ken Montgomery

Phone: (613) 954-3053
Fax: (613) 952-8384
E-mail:
montgomery.ken@ic.gc.ca
or visit the site to enquire directly

Canada's Forest Network www.forest.ca

In November of this year, a Consortium of Canadian forestry groups, representing government, industry and research interests, launched **Canada's Forest Network (CFN)**.

The CFN could be described as a gateway or directory, or indeed, as a kind of 'yellow pages' that will connect Internet users to a large variety of web sites on all aspects of Canadian forestry.

These sites, which come from many sources, include the complete spectrum of Canadian forest products [from pulp and paper to engineered wood to maple syrup], forest management and silviculture information. It will be dynamic, state-of-the art, fast and accessible through all current

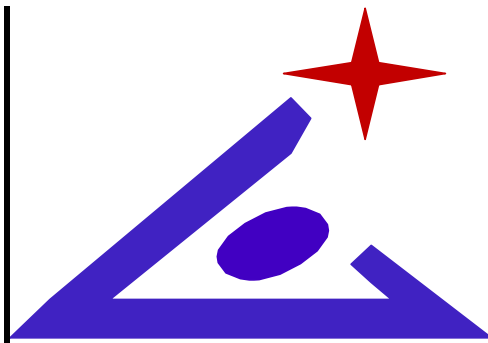
popular web browsers.

Major features of the Canadian Forest Network include:

a 'tree' of forestry and forest products subject categories - at the end of each branch there will be links to other web sites with information specific to that subject category search engines that will search by keyword for any topic relating to Canadian forestry or forest products on web sites including:

a **searchable e-mail directory** of major players in Canada's forest and forest products industry, the ability for any forestry-related web site to register relevant pages on the Network and also an **interactive notice board** for posting notices and asking questions in an open forum.

For more information, contact Peter Mazikins of the Canadian Wood Council by e-mail at: pmazikins@cwcc.ca, fax: 613-747-6264, or tel: 613-747-5544.



Secteur de l'industrie
Direction générale des
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