



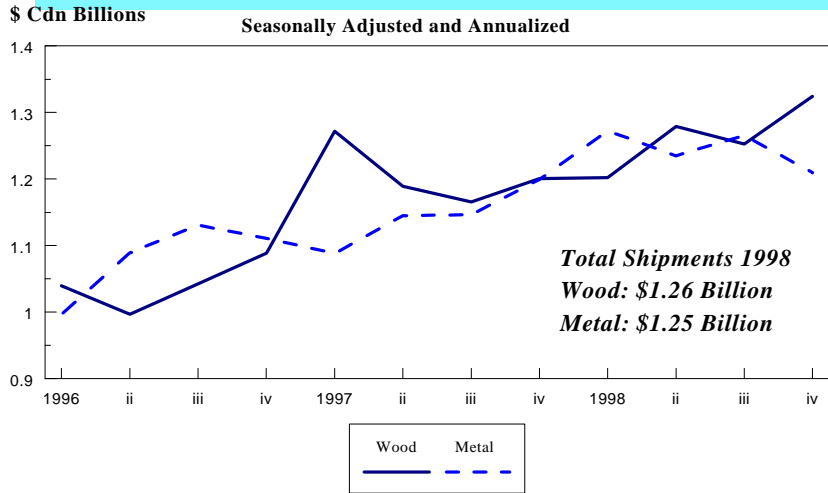
window and door shipments were \$1.26 billion, up 6 percent from \$1.19 billion in 1997. PVC shipments, were estimated by Industry Canada to be approximately \$485 million. On the price side, the window and door producer price index showed little movement between 1997 and 1998.

## International Trade

Canadian window and door exports reached \$743.2 million in 1998, an increase of 35.8 percent. Among the material types, metal windows and doors grew the fastest and surpassed exports of wood windows and doors. Metal exports were \$337.7 million in 1998, up 48.6 percent from 1997. Approximately 27 percent of Canadian metal window and door production is exported versus 20 percent in 1997. Wood window and door exports were \$293.7 million in 1998, an increase of 22.4 percent. Exports of wood products represented 23 percent of production. PVC window and door exports surpassed the \$100 million barrier in 1998, growing 44 percent to reach \$114.8 million.

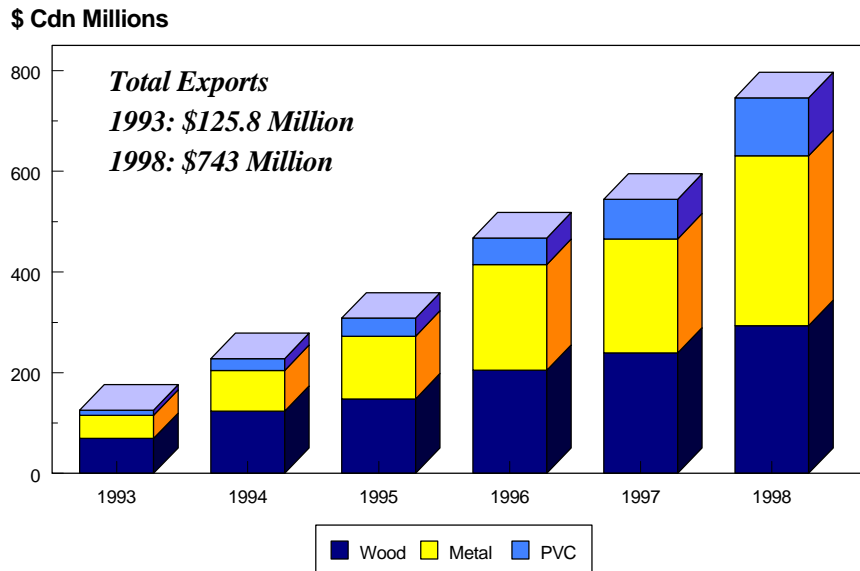


## Shipments of Metal and Wood Windows and Doors



Source: Industry Canada Based on Statistics Canada Figures

## Window and Door Exports by Material Type 1993-1998



Source: Statistics Canada

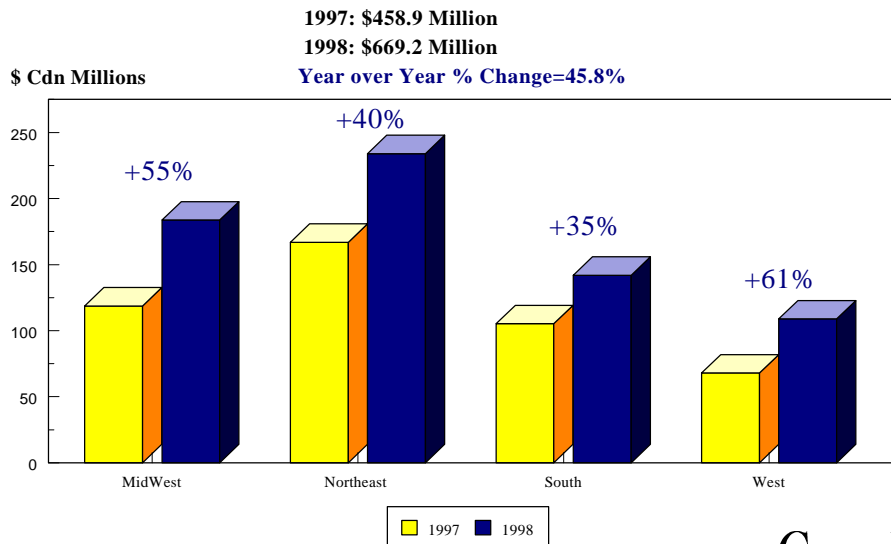
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## EXPORTS TO THE U.S.

Exports to the US now account for 90 percent of all exports, up from 84 percent in 1997. Strong demand from the booming construction sector helped to stimulate window and door exports to all regions of the US. Total window and door exports to the US were \$669.2 million, up an impressive 45.8 percent from \$459 million in 1997. The second half of 1998 provided a boost for exports, where exports averaged \$62.3 million per month versus \$49.3 million per month during the first half of the year. The surge in exports in the second half of the year, particularly evident to the US West and Northeast, indicates strong demand may continue into the early months of 1999. By region, the US Northeast accounted for 35 percent of all exports to the US, with shipments of \$234 million. Exports to this region were up 40 percent in 1998. Large markets in the Northeast included New York and Massachusetts with exports of \$103.3 million and \$38 million respectively. Exports to the US Midwest were \$183.8 million, up 55 percent from \$118.7 million in 1997. Michigan, at \$54.8 million, is the largest Canadian export market in this region.

Exports to states in the US South were \$141.9 million, up 35 percent from \$105 million in 1997. Two states, Virginia and Florida, accounted for 45 percent of all exports to this region. The fastest growing export markets for windows and doors were the states along the US West Coast. Demand from this region for Canadian windows and doors increased 61 percent to \$109.4 million, an increase from \$68 million in 1997. Exports to California, which accounts for 30 percent of exports to

### Window and Door Exports to the US: 1997-1998 Comparison By Region

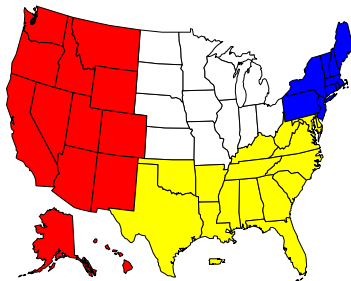


Source: Industry Canada Based on Statistics Canada Figures



### Exports to the Top 20 US States 1998

(In Thousands of Cdn Dollars)



	State	98	97	% Ch
-	Total US	669,223	458,940	45.8%
1	New York	103,364	69,149	49.5%
2	Michigan	54,825	39,733	38.0%
3	Massachusetts	37,980	27,877	36.2%
4	Virginia	36,282	28,678	26.5%
5	Washington	33,449	20,321	64.6%
6	California	32,962	20,511	60.7%
7	Minnesota	31,654	22,678	39.6%
8	Illinois	29,957	12,938	131.5%
9	Florida	26,653	19,443	37.1%
10	Ohio	24,062	12,824	87.6%
11	New Jersey	23,849	17,822	33.8%
12	Pennsylvania	22,156	18,338	20.8%
13	Wisconsin	18,181	11,864	53.2%
14	North Carolina	17,091	5,261	224.9%
15	Connecticut	14,216	9,980	42.4%
16	New Hampshire	13,060	10,017	30.4%
17	Oregon	12,732	7,994	59.3%
18	Texas	12,658	7,616	66.2%
19	Georgia	11,248	14,723	-23.6%
20	Maine	10,121	5,982	69.2%

Source: Industry Canada Based on Statistics Canada data, 1999

this region, grew by 61 percent to \$32.9 million.



## Offshore Exports

In 1997, trade with nations other than the US represented approximately 16 percent of all exports. In 1998, this figure fell to 10 percent as the economic crisis afflicting Japan and the rest of Asia hurt window and door exports to the region. Exports to Japan, the second largest export market for Canadian manufacturers in 1997, fell 42.6 percent to \$13.8 million. According to the Canadian embassy in Tokyo, door exporters to Japan have weathered the economic crisis better than window exporters. Door exports to Japan were down 8 percent versus a drop of 35 percent in the window sector. Exports to the other countries in the Asia-Pacific region fell by 44 percent to \$10.2 million. Conversely, window and door exports to the European Union grew by 35.6 percent to \$22.9 million, from just \$16.9 million in 1997. The United Kingdom accounted for 58 percent of total exports to the EU, with shipments worth \$13.5 million, up 25 percent from the 1997 level. Exports to the Netherlands were \$3.9 million, up 45 percent. Significant increases were also observed in exports to France, where exports grew 117 percent to \$2 million and Finland, with exports up 378 percent to \$1.2 million.

## IMPORTS

Despite the weakening of the Canadian dollar and the sluggish construction market in Canada, imports in 1998 surpassed 1997 levels. Imports of windows and doors were \$239.4 million in 1998, up 11

## Window and Door Exports 1998 By Region (In Thousands of Dollars)

	1998	1997	97-98	1998
Total	743,187	547,171	36%	100%
US	669,179	458,962	46%	90%
EU	22,926	16,904	36%	3%
Japan	13,791	23,883	-42%	2%
Other Asia	10,192	18,313	-44%	1%
FSEU	17,826	15,699	14%	2%
Other	5,619	10,107	-44%	1%

percent from \$215 million in 1997. Ontario accounted for 41 percent of imports, followed by BC at 35 percent. Ninety-seven percent of imports are from the US, most notably the states of Washington, Oregon and Ohio which together accounted for 36 percent of all imports. The increase in imports may indicate a strengthening of domestic demand for windows and doors. The Canadian window and door industry produced a net trade surplus of \$503.8 million in 1998, as compared to \$331.3 million in 1997.

## Industry Notes

### Ontario Building Products Exporters' Association

On March 11, 1999, the OBPEA held its first general meeting in Toronto. At the well attended meeting members were given presentations on shows and initiatives in Japan, USA, Germany and India and a copy of the first newsletter. It is anticipated that the Association will be-

come a major force for concentrating the international marketing efforts of Ontario based companies. For more information on the general meeting, contact Hank Delmas at (905) 859-4622.

## New North American Window Standard Unveiled

The [Canadian Window and Door Manufacturers Association \(CWDMA\)](#), the American Architectural Manufacturers Association (AAMA) and the [Window and Door Manufacturers Association \(WDMA\)](#) are launching a new North American window, patio door and skylight standard. The effort harmonizes window standards in the US and Canada, facilitating the design and testing process. For a copy of the proposed standard document or for more information please contact Richard Lipman of the [CWDMA](#) in Ottawa at (613) 233-9804. Comments on the new standard should be provided by April 30, 1999.

### Please note

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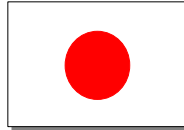
## Construction and Housing Review

### Construction in Canada



The Canadian economy finished 1998 on a mixed note. While the overall economy managed to grow by 3 percent, most of this was due to a stronger than expected fourth quarter where GDP increased 4.6 percent. Housing starts in 1998 were 137 400, down 6.5 percent from 147 000 in 1997. Weak starts were observed in almost every region, in particular British Columbia where housing starts fell 32.1 percent to 19 900. Construction activity through most of the Atlantic region was weak, with the exception of PEI. Ontario, the largest housing market in the country, was down marginally, at 53 800 starts. Housing starts in Quebec fell 10.7 percent to 23 100 starts. The Prairie provinces, led by strong growth in Alberta, was the only region to see significant growth. Starts in Alberta, were up 14.6 percent to 27 100 starts. Most analysts expect housing starts to remain unchanged from 1998 levels and GDP to grow by about 2.1 percent this year.

### Construction in Japan



The Japanese economy hit a low point in 1998 as GDP shrank by an estimated 2.9 percent. This compares to the modest growth of 1.7 percent experienced in 1997. Most economic indicators, such as industrial production, consumer spending and housing starts, pointed towards a continuation of the Japanese recession. Government efforts to stimulate the economy, aside from adding to the government's large debt, have done little to encourage domestic demand. There were 1.198 million housing starts in 1998, down 10.7 percent from 1997. In the last two years, housing starts have fallen 26 percent. By construction type, prefabricated housing starts were down 8.8 percent, while 2X4 construction homes were 10.4 percent off their 1997 pace. Most analysts are forecasting Japanese housing starts to under perform in 1999 with approximately 1.15 to 1.2 million starts.

### Construction in the United States



The US economy experienced strong growth in 1998. Demand, as measured by US gross domestic product, increased 3.9 percent. The continued strength of the economy extended itself in US demand for new housing. Housing starts were 1.62 million in 1998, up 9.67 percent from 1997 levels. All regions observed healthy increases, with the booming US South leading all regions. Housing starts in Southern states, which account for 46 percent of the US national total, were 740 300, up 10.4 percent from 1997. Housing starts in the Midwestern states grew 9.4 percent to 332 000, while West coast states managed an 8.8 percent increase to 394 800 housing starts for the year. The Northeast, the smallest construction market in the US, grew at 8.6 percent to 148 500 starts. For 1999, most analysts are predicting the US economy will continue to grow, albeit at a more modest pace of 3 percent. Housing starts are expected to be moderately weaker than 1998, but nonetheless strong, at approximately 1.55 million units.



### Industry News

[The Canadian Window and Door Manufacturers Association](#) will be holding their Annual Meeting June 3 to 5, 1999 at the Château Mont Tremblant, Mont Tremblant, Quebec. For more information please contact Jennifer Reid at 613-233-9804, Ext. 228.



*US Building Permits by Metropolitan Area*

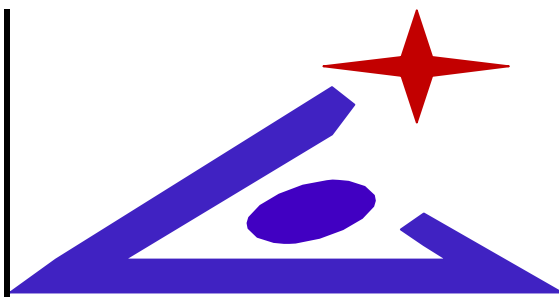
Rank	Metropolitan Area	1998	1997	%Ch Y/Y
-	Total US (millions)	1,604	1,441	11.3%
1	Atlanta GA	57,481	49,774	15.5%
2	Dallas-Fort Worth TX	54,278	44,289	22.6%
3	New York-Northern NJ, NY-NJ	51,350	44,529	15.3%
4	Washington-Baltimore DC-MD-VA	49,661	42,082	18.0%
5	Phoenix-Mesa AZ	47,884	43,224	10.8%
6	Houston-Galveston-Brazoria TX	47,210	32,333	46.0%
7	Los Angeles CA	42,423	39,614	7.1%
8	Dallas TX	39,540	33,479	18.1%
9	Chicago-Gary-Kenosha IL-IN-WI	38,233	35,378	8.1%
10	Las Vegas NV-AZ	32,173	30,876	4.2%
11	Seattle-Tacoma-Bremerton WA	30,432	25,347	20.1%
12	Denver-Boulder-Greeley CO	30,246	24,774	22.1%
13	San Francisco-Oakland-San Jose CA	29,424	26,528	10.9%
14	Detroit-Ann Arbor-Flint MI	28,638	24,883	15.1%
15	Orlando FL	25,733	21,391	20.3%

Source: US Department of Commerce, 1999

*Canadian Building Permits*

Rank	Metropolitan Area	1998	1997	% Ch
-	Canada	148,593	155,720	-4.6%
1	Toronto	28,563	28,674	-0.4%
2	Calgary	12,914	11,700	10.4%
3	Montreal	11,715	11,299	3.7%
4	Vancouver	11,103	15,214	-27.0%
5	Edmonton	6,100	5,665	7.7%
6	Ottawa	3,787	3,688	2.7%
7	Hamilton	3,708	3,784	-2.0%
8	Kitchener	2,422	2,747	-11.8%
9	London	2,256	1,833	23.1%
10	Quebec	2,231	2,472	-9.7%
11	Windsor	2,110	2,311	-8.7%
12	Halifax	1,930	2,098	-8.0%
13	Winnipeg	1,858	1,558	19.3%
14	Oshawa	1,834	2,129	-13.9%
15	Hull	1,393	1,362	2.3%

Source: Statistics Canada 1999



Secteur de l'industrie  
Direction générale des  
industries forestières et  
des matériaux de  
construction

Industry Sector  
Forest Industries &  
Building Products Branch



## Special Features

### Links to Useful Websites

Link directly to these websites by visiting the Spring 1999 Quarterly Reviews under the **WHAT'S NEW!** heading on our website at <http://strategis.ic.gc.ca/foreind>

#### The Canadian Building Products Directory

[canadabuild.com](http://canadabuild.com)

Canadabuild has been online for just under a year and has proven itself as an invaluable promotional tool. It is an online building products directory which allows companies to showcase their potential to customers around the globe. Current product groups include windows, doors, kitchen cabinets, flooring, millwork, and manufactured buildings. New product groups, such as lumber, will be added in time. The website database is designed to easily locate Canadian manufacturers by company, product and province.

For more information on **Canadabuild.com**, contact Ken Montgomery at (613) 954-3053 or by email at [montgomery.ken@ic.gc.ca](mailto:montgomery.ken@ic.gc.ca)

#### Standards Council of Canada

<http://www.scc.ca>

The Standards Council of Canada promotes efficient and effective standardization. Through their website, you can access information on international standards. One of the features of the SCC site

is **Export Alert!**, which allows Canadian companies to stay a step ahead of changing foreign government requirements, standards and regulations in 41 separate fields including construction materials and buildings.

#### Guide to Canadian Industries

[http://strategis.ic.gc.ca/sc\\_indps/gci/engdoc/homepage.html](http://strategis.ic.gc.ca/sc_indps/gci/engdoc/homepage.html)

The Guide to Canadian Industries (GCI) provides a useful, one stop link to information on Canadian manufacturing sectors. Broken down along Standard Industrial Classification codes, the GCI connects you to company and product directories, contacts, statistical data, analyses, trade shows and much more.

For the GCI for the **Canadian Kitchen Cabinets and Bathroom Vanity Industry**, search under SIC 2542.

For the GCI for the **Canadian Wood Windows and Doors Industry**, search under SIC 2543. For the **Canadian Metal Windows and Doors Industry**, search under SIC 3031.

For the GCI for the **Canadian Prefabricated Wooden Buildings Industry**, search under SIC 2541. For the **Canadian Pre-engineered Metal Buildings Industry**, search under SIC 3023.

#### SOS 2000

<http://strategis.ic.gc.ca/sos2000>

The SOS2000 site is one of the federal government's main vehicles used to deliver information and solutions to the fast approaching Millenium Bug. On the site, you can find updates on the status of Year 2000 readiness in Canada, publications, links to programs and a list of service providers who can help solve Year 2000 computer problems.

#### Upcoming Events

**NOVA SCOTIA IDEAL HOME SHOW** April 8-11, 1999  
**HALIFAX, NOVA SCOTIA**  
 Features building products, home improvement, financial and investment consultants.  
 For more information phone (902) 468-4999.

**NATIONAL HOME SHOW**  
 April 9-18, 1999  
**TORONTO, ONTARIO**  
 Features building materials, plumbing and heating supplies, roofing, insulation, floor coverings, hardware, home renovation products & services, etc.  
 For more information phone (416) 385-1880.