

Overseas Exports

Exports of kitchen cabinets to Japan totalled \$5.9 Million in 1997, finishing 10.5 percent higher than in 1996. Shipments to Japan began to slow in the third quarter due to the introduction of the Japanese consumption tax. Despite the continuing weak Japanese economy, strong fourth quarter results helped push demand for Canadian kitchen cabinets higher. While 1997 ended on a positive note for kitchen cabinet exports, the Japanese housing market is expected to remain very weak in 1998.

Canadian kitchen cabinets exports to the European Union were pushed up because of in-

Canadian Exports of Kitchen Cabinets to the United States

Region	1997 % Total	Total for 1997 in '000	Percent Change
Total US	100	357 606	+29.1
Northeast	28.5	102 050	+39.6
South	19.8	111 080	+26.1
Midwest	31.1	70 900	+38
West	20.5	73 347	+15

creased demand from Spain, France, Denmark and Sweden. Exports to the EU totalled \$2.1 Million in 1997, an increase of 45 percent of

over \$1.4 Million in 1996.

Kitchen Cabinet Exports By Destination - 1997

In Millions of Dollars

1	US (Total)	357.606	26	South Carolina	3.965
2	New York	33.748	27	Maryland	3.962
3	California	31.629	28	Maine	3.898
4	Florida	30.029	29	Indiana	3.685
5	Georgia	20.977	30	Minnesota	3.323
6	Illinois	20.484	31	Tennessee	2.273
7	Massachusetts	17.432	32	Oregon	2.134
8	North Carolina	14.582	33	Montana	1.750
9	Texas	13.598	34	Utah	1.632
10	Michigan	12.783	35	Iowa	1.455
11	Colorado	12.739	36	Hawaii	1.405
12	Vermont	12.662	37	Kentucky	1.377
13	Virginia	11.759	38	Louisiana	1.217
14	Wisconsin	11.538	39	New Mexico	1.149
15	Pennsylvania	11.305	40	Kansas	1.083
16	Washington	10.858	41	North Dakota	1.023
17	New Jersey	10.551	42	West Virginia	.917
18	Ohio	8.813	43	Nebraska	.837
19	New Hampshire	6.777	44	District of Columbia	.731
20	Japan	5.911	45	United Kingdom	.693
21	Missouri	5.683	46	Rhode Island	.569
22	Connecticut	5.104	47	Arkansas	.540
23	Arizona	4.852	48	Venezuela	.430
24	Nevada	4.810	49	Bermuda	.419
25	Alabama	4.447	50	Idaho	.342

Construction and Housing Review

Construction in Canada



In 1997, there were 148,600 housing starts in Canada, an increase of 18 percent from 1996. All regions, with the exception of the Atlantic, recorded increases in starts. Alberta, and Ontario led the country, with housing starts growing 42 percent and 25.6 percent respectively. 1997 was the strongest year in housing starts since 1990. Canadian housing starts are expected to be strong in 1998, exceeding 1997 levels.

Building permits were also up in 1997, rising 16 percent to 155,000. At the metropolitan level, Toronto, Vancouver and Calgary continued to lead the country. However, Vancouver saw the number of building permits issued fall by 14 percent. In contrast, Toronto and Calgary saw building permits increase by over 50 percent each for 1997. Montreal building permits were also strong, having increased 35 percent.

Canadian Building Permits - 1997

Rank	Metropolitan Area	Building Permits	% CH Y/Y
1	Canada	155709	16.09
2	Toronto	28674	50.58
3	Vancouver	15214	-14.23
4	Calgary	11700	53.58
5	Montreal	11299	35.07
6	Edmonton	5665	45.26
7	Hamilton	3784	43.99
8	Ottawa	3688	-0.03
9	Kitchener	2747	19.07
10	Quebec	2472	8.37
11	Windsor	2311	6.25
12	Oshawa	2129	32.15
13	Halifax	2098	-13.91
14	London	1833	27.65
15	St. Catherines	1760	47.40
16	Winnipeg	1558	29.40
17	Hull	1362	15.33
18	Victoria	1230	-2.61
19	Saskatoon	1155	-13.03
20	St. Johns	931	-19.53

- There were 155 709 building permits issued 1997.
- Cities in Alberta, Ontario and Quebec experienced strong increases.
- Canadian housing starts were up 18%, to 147 000 in 1997.

Source: CMHC 1998

Construction in the United States



US housing starts totalled 1.474 Million in 1997, down less than 1 percent from 1996. The drop was a result of Midwest housing starts falling 5.5 percent. Regionally, the other regions experienced modest increases in housing starts. The Northeast saw starts increase by 3.5 percent, while the

South saw housing starts rise 1.25 percent from their 1996 levels. Housing starts in the West increased only slightly.

The US South is the largest regional housing market accounting for 44 percent of total housing starts. On a city basis, Atlanta continued to lead all US metropolitan areas in the number of building permits issued. Metropolitan areas in the Midwest showed a significant decrease, with Chicago reporting a 7.9 percent drop in building per-

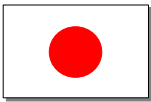
Please note

This publication may be reproduced or referred to, provided that the Forest Industries and Building Products Branch of Industry Canada is quoted as the source.

mits issued. Southern cities such as Dallas and Houston saw significant increases.

Housing starts in the US are expected to be down slightly for 1998.

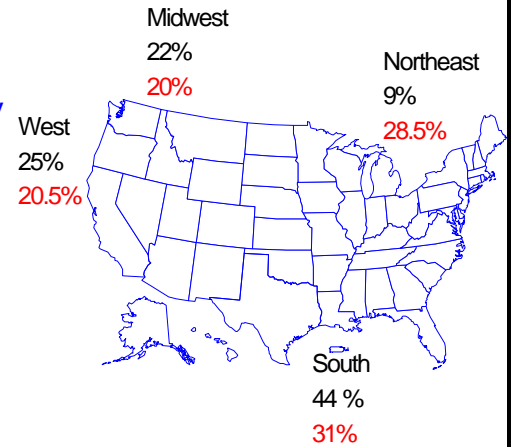
Construction in Japan



The Asian economic slowdown and the April tax hike proved too much for the Japanese economy. Investment fell and consumer consumption remained relatively unchanged from 1996 levels. The housing construction market was particularly hard hit in 1997 as starts plunged to 1.39 Million in 1997, down from 1.64 Million in 1996. This represents a decrease of 15.2 percent. Housing starts ended the year on a low note, as December starts were down 19 percent from the same period in 1996. The effects of the tax hike, discontinuation of income tax rebates and questions concerning job security will continue to keep housing starts well below their 1996 levels in 1998.

The US Housing Market: Regional Housing Starts 1997

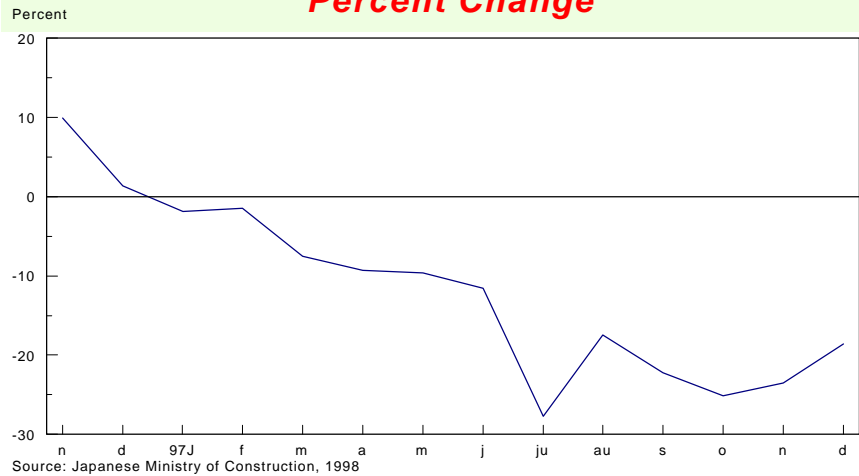
- Housing market unexpectedly strong in 1997.
- 1.48 million housing starts
- Positive outlook for 1998.



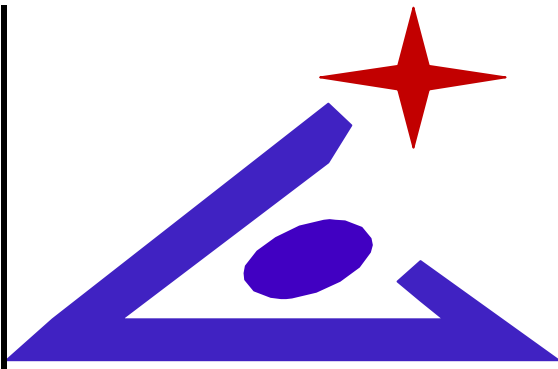
Legend:
Region
% of US Housing Starts
% of Cdn KC Exports

Source: U.S. Dept of Commerce, 1998

Japanese Housing Starts / Year over Year Percent Change



Source: Japanese Ministry of Construction, 1998



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

Industry Sector
Forest Industries &
Building Products Branch



SPECIAL FEATURE: WHAT'S 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 trade data on the Canadian kitchen cabinet and bathroom vanity industry's exports and imports, search under SIC code 2542

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 lumber 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