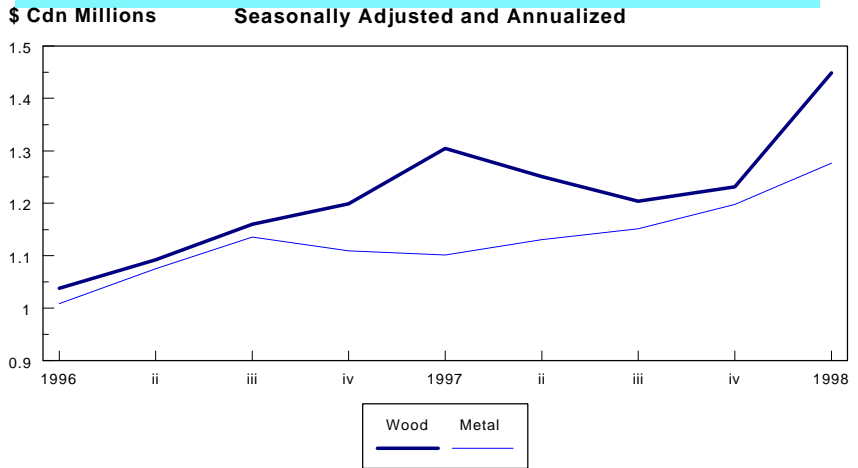




## EXPORTS TO THE U.S.

Canadian exports of windows and doors to the US were up 46 percent to \$128.8 Million in the first quarter. The US accounts for 89 percent of total Canadian exports, up from 83 percent in 1997. US demand is due in large part to the healthy economy, and a robust new housing market. The continued slide of the Canadian dollar has also added to the competitiveness of Canadian windows and doors ex-

### Shipments of Metal and Wood Windows and Doors

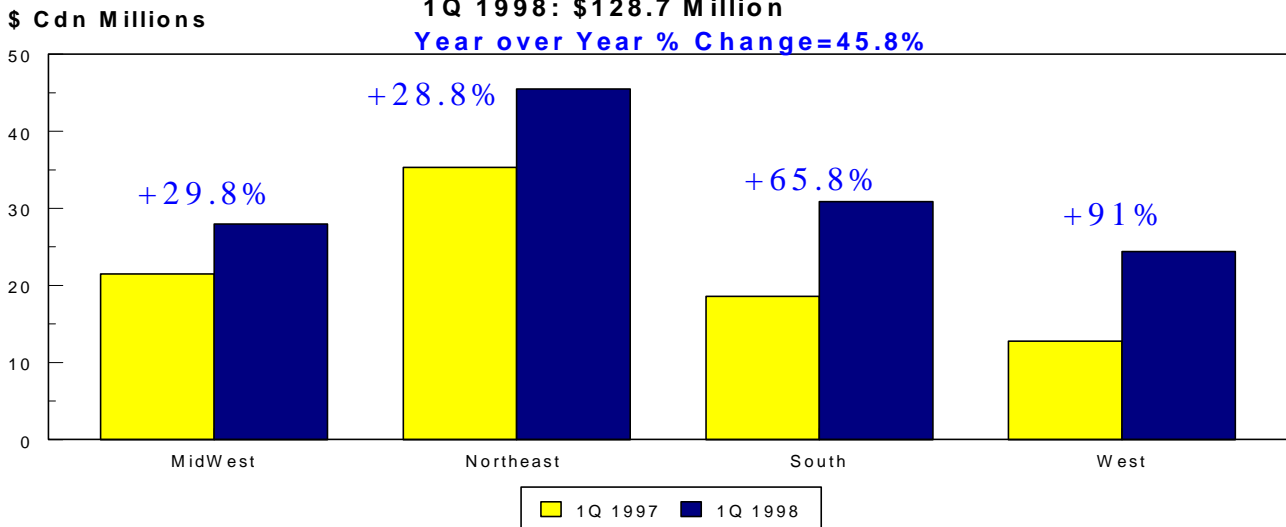


### Window and Door Exports to the US: 1997/98 First Quarter Comparison By Region

1 Q 1997: \$88.2 Million

1 Q 1998: \$128.7 Million

Year over Year % Change=45.8%



ported to the US. Export growth to all regions was strong, particularly the Midwest, which had seen a decline in the fourth quarter of 1997. Exports to this region totalled \$27.9 Million in the first quarter, up 30 percent from a year ago. The fastest growing region was the West, growing 91

\*\*\*\*\*  
 ★ **ALSO AVAILABLE ON THE INTERNET** ★  
 ★ Internet Address: <http://strategis.ic.gc.ca/foreind> ★  
 ★ **STRATEGIS** ★  
 ★ **Forest industries and Building Products** ★  
 ★ **Bookmark us!** ★  
 \*\*\*\*\*

percent to \$24.4 Million. Exports to the US South continued higher, increasing to \$30.8 Million, up 65.7 percent. The Northeast, even though it recorded the fewest housing starts, received \$45.5 Million worth of Canadian windows and doors, an increase of 28.7 percent.

## International Trade

Economic conditions in Japan continued to worsen in the first quarter of 1998. Consequently, exports of windows and doors fell 56 percent from the same period in 1997. It should be noted that exports to Japan in the first quarter of 1997 were particularly strong, due partially to increased overall Japanese consumption before the tax hike was initiated in April of 1997. Window and door exports to Japan represent only 2.7 percent of total Canadian industry exports.

Exports to other regions finished the first quarter higher. Canadian window and door exports to the EU increased 6 percent to \$4.4 Million. Export to the Netherlands were \$975 000, up 44 percent from the year before. Shipments to the UK totalled \$2.3 Million, down 3.4 percent in the first three months of 1998. The Netherlands and the UK account for 75 percent of all exports to the EU.

## IMPORTS

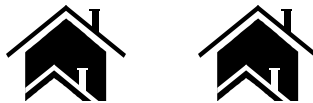
The modest increase in Canadian housing starts provided momentum for the import of windows and doors in the first quarter. On a year over year basis, imports increased 30.6 percent to \$49.6

### Window and Door Exports 1998 (Jan-Mar) By Region

	1st Q 1997	1st Q 1998	% Change 97/98	% Total 1998
Total	108,516	144,940	34%	100%
US	88,255	128,744	46%	89%
Japan	9,020	3,952	-56%	3%
EU	3,909	4,147	6%	3%
Other	7,332	8,097	10%	6%

Source: Industry Canada Based on Data from Statistics Canada

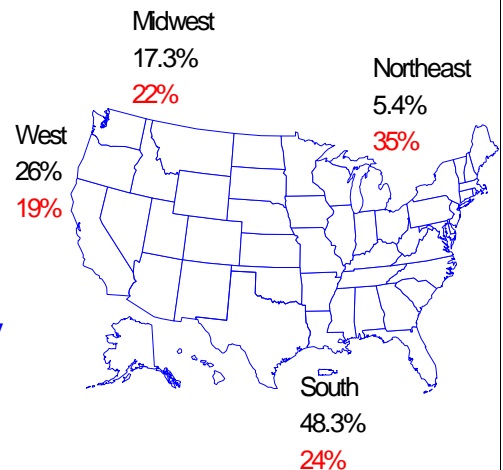
Million in the first three months of the year, up from \$38 Million in the corresponding period a year earlier. For the first quarter of 1998, Canada had a net trade balance of \$95.3 Million.



### The US Housing Market: 1998 1st Quarter Housing Starts

- On a year over year basis, housing starts were up 8.7% from 1997.
- Total housing starts at a SAAR totaled 1.57 million.
- Strong US economy (especially in the South) continues to drive housing activity.

Legend:  
Region  
% of US Housing Starts  
% of Cdn Window and Door Exports



Source: U.S. Dept of Commerce, 1998

# Construction and Housing Review

## Construction in Canada



Housing starts in the first quarter totalled 23 570 units, up 3.5 percent on a year over year basis. Building permits gained a modest 1.5 percent. January's ice storm had a negative impact on housing starts in Quebec and resulted in a 13.6 percent decrease from the first quarter of 1997. Construction in Ontario and Alberta continued to be strong, with starts up 20.7 percent and 14.2 percent respectively. With the exception of Manitoba, the Prairie provinces continued to show growth in the residential construction sector. The Atlantic region experienced a 59 percent decline in housing starts from the same period in 1997. Starts in BC were down 7.8 percent for the first three months of 1998.

## Construction in the United States

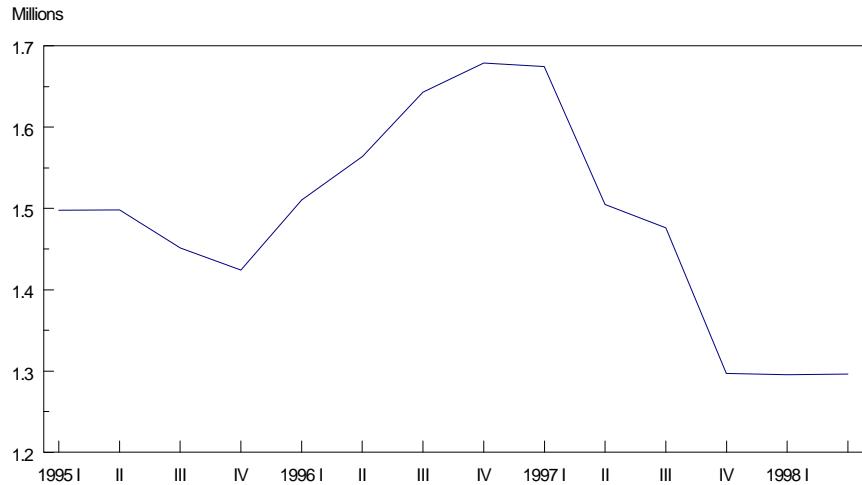


The strong US economy continued to move along relatively unscathed by the turmoil in Asian economies. Housing starts in the first quarter reached a seasonally adjusted annualized rate of 1.57 million, up 8.7 percent from the same period in 1997. Construction in the Southern states continued to lead all regions, with over 155 000 housing starts in the first three months alone. Starts in

## Japanese Housing Starts Signal Weak Construction Activity

Japanese Housing Starts

Seasonally Adjusted and Annualized

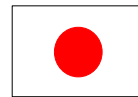


Source: Japanese Ministry of Construction, 1998

the Midwest increased 13.6 percent to 49 000 units. Residential construction in the West was up 5.2 percent to 83 700 units. In contrast to the other regions, the Northeast region recorded a 32 percent drop in housing starts, falling to 25 800 units in the first three months of the year accounting for 5.4 percent of US housing starts.



## Construction in Japan



In the first quarter of 1998 Japan officially entered a recession, as the economy contracted for a second consecutive quarter. With unemployment near 4 percent and a depreciating currency, Japanese consumer spending remained low. While the first three months are usually slow for the construction sector, the housing market continued to slide in the first quarter of 1998. Housing starts in the first three months totalled only 283 400, down 13.8 percent from 329 100 starts in the first quarter of 1997.

### 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.



## Special Features

### NAFTA TEMPORARY ENTRY PROVISIONS

In the past few months, Industry Canada has received requests for information concerning Canadian business persons entry to the US.

Chapter 16 of the North American Free Trade Agreement (NAFTA) contains provisions that facilitate the cross-border movement of four categories of business persons (Business Visitors, Intra-Company Transferees, Traders and Investors, Professionals). To qualify for facilitated entry under the NAFTA, a person must clearly demonstrate that their qualifications and/or their work-related duties directly relate to one of the categories of business persons listed in the NAFTA.

To assist in clarifying some of the NAFTA cross-border procedures and criteria, the Department of Foreign Affairs and International Trade (DFAIT) produced a brochure entitled *Cross-Border Movement of Business Persons and the North American Free Trade Agreement*. Copies are available from the departmental InfoCentre at 1-800-267-8376 or electronically, through the departmental website at: [www.infoexport.gc.ca/nafta/cross-border/16006-e.asp](http://www.infoexport.gc.ca/nafta/cross-border/16006-e.asp) (english)

Given the vast number of border crossings made by business people, it is inevitable that problems will periodically occur. Accord-

ingly, Canadian officials continue to monitor the application of the NAFTA temporary entry provisions by border officials of NAFTA Parties.

If instances of specific cross-border difficulties are known that may be inconsistent with U.S. (or Mexican) NAFTA obligations, details should be directed to the Services Trade Policy Division (EBS) of the department (tel: 613-944-2046, fax: 613-944-0058). This information will assist trade officials in assessing whether there have been any NAFTA violations and in determining appropriate courses of action. Details of any incident should be as specific as possible including the location of the U.S. Port of Entry, the name of the officer, the time of the incident and copies of any documentation used at the time a border crossing was attempted.

### The Year 2000 Challenge

On January 1, 2000, the Year 2000 problem—known as the millennium bug—could affect any computer and any kind of data-activated device such as the embedded technology used in production, maintenance, field operations and telecommunications. There is also a good possibility that the effects will be experienced before the Year 2000—in ei-

ther case, costly errors or computer failures will result if no action is taken.

*“We urge all Canadian business leaders, chief executive officers, presidents and business owners to implement immediately a formal action plan for Year 2000 preparedness—if they have not yet done so. Firms that are prepared for the Year 2000 computer challenge could gain a significant competitive advantage in the marketplace at home and abroad. Those that are not prepared could inflict business losses on themselves and on others.”*

*We urge those firms actively pursuing their Year 2000 formal action plans also to enquire into the preparedness of their key domestic and international trade partners, and to plan accordingly. Correcting the Year 2000 problem now is a matter of crucial importance and a national priority.”*

Task Force Year 2000, February 1998

For more information  
Call toll-free: 1-800-270-8220  
(08:00 to 20:00 EST Monday to Friday)  
or visit our Web site:  
<http://strategis.ic.gc.ca/sos2000>  
The toll-free number for the Telecommunications Device for the Hearing Impaired is: 1-800-465-7735.

## Trade Team Mission to Eastern Europe January 1999

The first ever Trade Team Canada Mission to Russia, the Ukraine and Poland will take place January 16 to 27, 1999. It will focus on a number of sectors including construction products and services. These missions have led to a large number of business deals and have helped open doors for Canadian businesses to important contacts and opportunities, creating and sustaining employment in Canada. Companies interesting in getting further information on this Team Canada mission can contact the Team Canada Task Force in Ottawa at tel: 613 995-2194 or fax: 613 996-3406.

## CONSTRUCT CANADA

Industry Canada and the Department of Foreign Affairs & International Trade will again be participating in Construct Canada being held December 2-4, 1998 at the Metro Toronto Convention Centre. The 10th annual Construct Canada is being held concurrently with PM Expo and Home Builder Expo.

The joint IC/DFAIT booth will highlight government programs and services aimed at assisting building products and services firms access foreign markets. It is anticipated a number of foreign delegations will again visit the show, which covers a wide spectrum of design, construction, retrofit and renovation with 800 exhibits of products, materials, technologies, and services. Special exhibit areas will focus on advanced construction technologies, roofing, concrete, building performance, security & life safety, prefabricated building systems, and computer applications.

To obtain exhibitor information for **Construct Canada** or **Home Builder Expo**, fax a request to (416) 512-1993 or call (416) 512-1215, ext. 229.

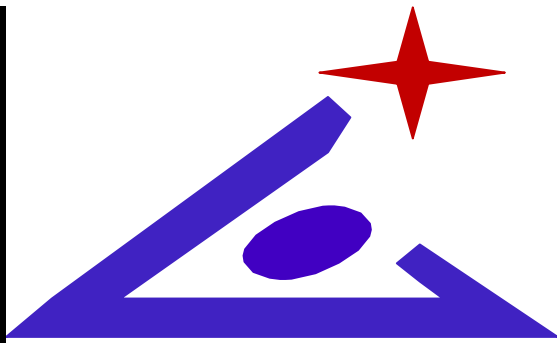


## Industry News Win-door '98

The Canadian Window and Door Manufacturers Association will be holding the annual Win-door Trade Show at the Toronto Congress Centre November 18 to 20, 1998. Industry suppliers to window and door manufacturers from across North America exhibit new equipment, hardware, materials and technology at this major national fenestration show. Interested exhibitors can contact the CWDMA in Toronto at (416) 444-5225 or fax (416) 444-8268.

## Window and Door Exporters Guide

The Canadian Consulate in Detroit has published an Exporters Guide to the four state market areas of Michigan, Ohio, Indiana & Kentucky. The Guide lists manufacturer's representatives and major buying and marketing groups in the regions. To obtain a copy of the report contact Tom Quinn, Trade Officer, Canadian Consulate, Detroit. Phone 313 567-2208 ext. 3364 or fax: 313 567-2164.



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

Industry Sector  
Forest Industries &  
Building Products Branch