



The Daily

Statistics Canada

Monday, July 12, 2004

Released at 8:30 a.m. Eastern time

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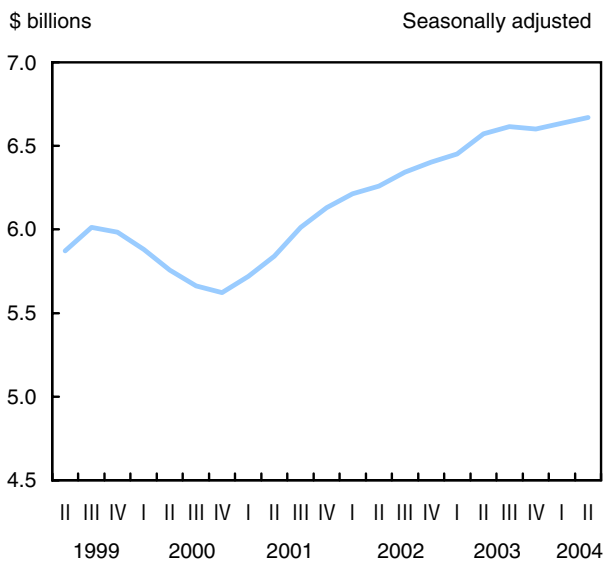
MAJOR RELEASES

Investment in non-residential building construction

Second quarter 2004

Investment in non-residential building construction rose slightly (+0.5%) for a second consecutive quarter to stand at \$6.7 billion. Nevertheless, total investment for the first six months reached a mid-year record (\$13.3 billion), an increase of 2.2% over the same period in 2003.

Investments for non-residential construction rose slightly



In the institutional sector, governments invested a record \$2.4 billion, a gain of 1.4% from the first quarter. Growth in investment in this sector was mainly because of the construction of health care facilities.

For its part, businesses investment remained unchanged in the second quarter, the growth in commercial investment being offset by a slowdown in industrial investment. In fact, commercial construction spending rose 0.9% to reach \$3.3 billion while investment in the industrial sector fell 2.6% to \$1.0 billion, the third straight quarter of decline.

Despite weakness in the non-residential building construction intentions measured by the Building Permit

Note to readers

Unless otherwise stated, this release presents seasonally adjusted data, which ease comparisons by removing the effects of seasonal variations.

Investments in non-residential building construction exclude engineering construction. This series is based on the Building Permits Survey of municipalities, which collects information on construction intentions.

Work put-in-place patterns are assigned to each type of structure (industrial, commercial and institutional). These work patterns are used to distribute the value of building permits according to project length. Work put-in-place patterns differ according to the value of the construction project; a project worth several million dollars will usually take longer to complete than will a project of a few hundred thousand dollars.

Additional data from the Survey of Private and Public Investment are used to create this investment series. Investment in non-residential building data is benchmarked to Statistics Canada's System of National Accounts of non-residential building investment series.

Survey since the beginning of the year, construction project spending remained positive. Investments from projects launched in 2003 and the rising cost of building materials contributed to the increase in non-residential building investment.

At the provincial and territorial level, five provinces and territories posted increases in the second quarter. In terms of dollars, the strongest growth occurred in Alberta where institutional construction sites drove an increase in investment of 6.3% to \$1.0 billion.

In contrast, Newfoundland and Labrador, Ontario and Saskatchewan posted the sharpest declines in investment with government and businesses simultaneously cutting back their expenditures in these provinces.

Non-residential building investment declined in 16 of 28 census metropolitan areas (CMAs). Thus, the Windsor area experienced the largest decline (in dollar terms) with -15.9% falling to \$73 million. On the other hand, investment in Calgary showed the strongest growth (+13.5%) to reach a total value of \$422 million as a result of strength in all three sectors.

Since the beginning of the year, growing investments on construction sites drove up employment. In fact, based on the Labour Force Survey of June 2004, hiring in the sector experienced a growth compared with the first six months of 2003.

Investment in non-residential building construction, by census metropolitan area¹

	Second quarter 2003	First quarter 2004	Second quarter 2004	First quarter to second quarter 2004
seasonally adjusted				
	\$ millions		% change	
St. John's	37	57	46	-19.8
Halifax	53	64	76	19.3
Saint John	19	20	29	45.7
Saguenay	32	21	19	-11.5
Québec	115	97	95	-2.1
Sherbrooke	27	32	27	-14.4
Trois-Rivières	30	36	28	-22.7
Montréal	648	633	634	0.2
Ottawa-Gatineau, Ontario/Quebec	375	307	301	-1.8
Ottawa-Gatineau (Quebec part)	62	40	42	6.7
Ottawa-Gatineau (Ontario part)	313	267	259	-3.1
Kingston	45	35	34	-2.9
Oshawa	89	121	118	-2.9
Toronto	1,177	1,395	1,414	1.4
Hamilton	181	179	195	8.7
St. Catharines-Niagara	103	78	80	3.7
Kitchener	149	111	114	2.4
London	152	131	130	-0.8
Windsor	97	87	73	-15.9
Greater Sudbury	42	24	15	-37.9
Thunder Bay	40	24	24	-0.2
Winnipeg	149	175	172	-1.6
Regina	46	60	52	-14.2
Saskatoon	56	77	67	-13.4
Calgary	299	372	422	13.5
Edmonton	231	240	259	7.9
Abbotsford	25	19	19	1.7
Vancouver	401	341	342	0.2
Victoria	65	96	93	-2.3

1. Go online to view the census subdivisions that comprise the census metropolitan areas.

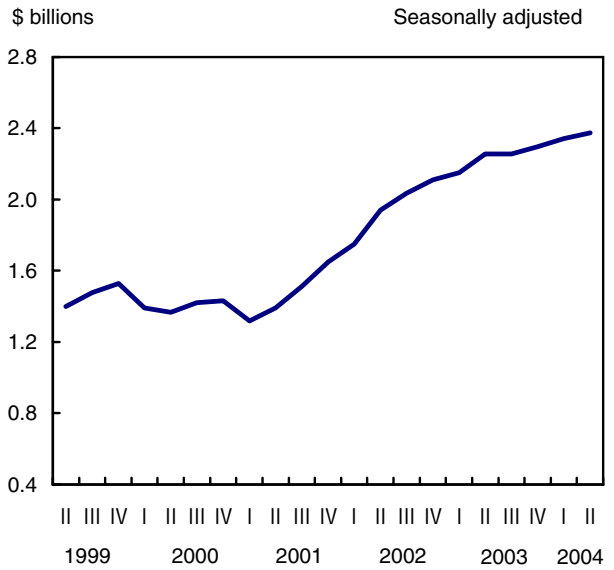
Health care construction sites take over the institutional sector

Investments in institutional construction continued its upward trend for the 13th straight quarter, showing a 1.4% rise in the second quarter. Health care construction sites took over the educational buildings as the main source of growth in institutional investment.

Nationwide, six provinces and territories experienced a growth of investments in institutional construction. Investment in Alberta showed the strongest growth (+10.8%) reaching \$404 million, followed by Nova Scotia. For their part, Ontario and British Columbia recorded the largest declines.

In total, 11 CMAs recorded increases. In Calgary, investment rose sharply by 16.7%, making it the area with the strongest growth for the fourth straight quarter. Vancouver, on the other hand, saw its level of investment fall by 14.5%, followed by the Windsor area.

Spending on health care buildings keep up institutional investments



Spending increases in health care facilities have rallied 8 out of 13 provinces and territories in the second quarter. The growing demand for health care services continued to prompt governments and their partners to invest in new construction and renovation for the fourth consecutive quarter.

Rebound in commercial construction investment

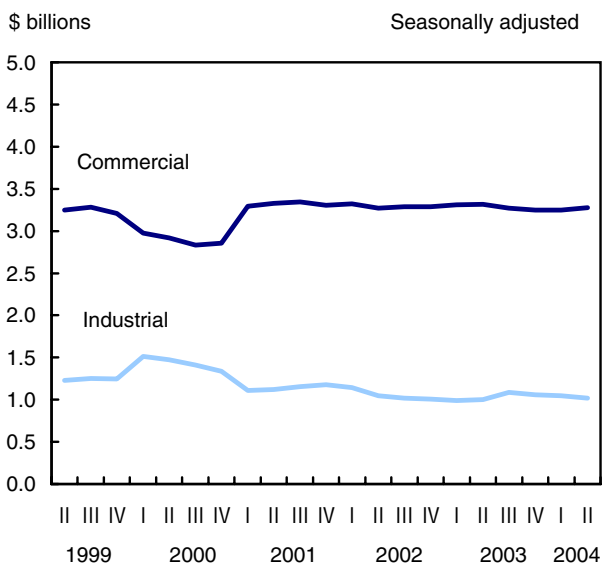
Investment in commercial construction heated up in the second quarter after a downturn at the end of the year and a hesitant first quarter. Investment in retail and entertainment establishments drove the commercial sector in the second quarter.

Construction of new power centres, big box food stores and commercial centres contributed to the growth in the second quarter. Encouraged by the year-over-year growth in retail sales and strong residential building activity in recent years, retailers continued spending to increase supply to new owners.

Across the provinces, investment in commercial building rose 6.2% in Alberta (total value of \$488 million), followed very closely by British Columbia (+7.2% to a total of \$422 million). In contrast, Ontario recorded the largest decline in dollar terms with investment falling \$1.4 billion, after having experienced the strongest growth in the first quarter.

Of 28 CMAs, 15 recorded a rise of investment in commercial building in the second quarter. Vancouver (+7.0% to a total of \$249 million) and Calgary were the busiest. In contrast, the Oshawa area experienced the most significant slowdown (-25.9%) to \$29 million.

Businesses have held their investments in construction



Decline in industrial construction investment

Investment in industrial building fell by 2.6% in the second quarter to a total of \$1.0 billion. Despite this decrease, the total for the first six months was up 3.9% compared with the same period in 2003.

Increase in industrial capacity utilization rates of the last quarter of 2003 and the first quarter of 2004 seem to have encouraged investment in industrial construction since the beginning of the year. These results concur also with the Capital and Repair Expenditures Survey, which forecasts a growth in investments for 2004 for the industrial sector.

Quebec saw the biggest drop, its investment recorded a fall of 13.5% to \$208 million, followed by Newfoundland and Labrador. For their part, Ontario (+3.0% to a total of \$476 million) and New Brunswick posted the largest gains in the second quarter.

Of the 28 CMAs, 10 experienced increases. Hamilton came out at the top with a total value of \$43 million, while Trois-Rivières experienced the largest drop.

Investment in non-residential building construction

	Second quarter 2003	First quarter 2004	Second quarter 2004	First quarter to second quarter 2004
seasonally adjusted				
	\$ millions		% change	
Canada	6,572	6,636	6,670	0.5
Newfoundland and Labrador	91	99	76	-23.5
Prince Edward Island	22	19	17	-12.8
Nova Scotia	160	138	170	23.1
New Brunswick	114	113	112	-0.4
Quebec	1,219	1,167	1,153	-1.2
Ontario	2,999	3,000	2,981	-0.6
Manitoba	252	257	248	-3.5
Saskatchewan	147	200	182	-9.2
Alberta	876	941	1,000	6.3
British Columbia	663	655	679	3.7
Yukon	5	5	4	-24.4
Northwest Territories	17	18	24	33.3
Nunavut	7	24	24	2.9

Available on CANSIM: table 026-0016.

Definitions, data sources and methods: survey number 5014.

More detailed data tables on investment in non-residential building construction are available free online. From the *Canadian Statistics* page, choose *Latest indicators*, then *Construction*.

To order data, contact Patrick Lemire (613-951-6321; bdp_information@statcan.ca). For more information, or to enquire about the concepts, methods or data quality of this release, Valérie Gaudreault (613-951-1165), Investment and Capital Stock Division. ■

OTHER RELEASES

Industrial Chemicals and Synthetic Resins May 2004

Data on industrial chemicals and synthetic resins for May are now available.

Available on CANSIM: table 303-0014.

Definitions, data sources and methods: survey number 2183.

The May 2004 issue of *Industrial Chemicals and Synthetic Resins*, Vol. 47, no. 5 (46-002-XIE, \$6/\$51) is now available. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; manufact@statcan.ca), Manufacturing, Construction and Energy Division. ■

NEW PRODUCTS

Industrial Chemicals and Synthetic Resins,
May 2004, Vol. 47, no. 5
Catalogue number 46-002-XIE (\$6/\$51).

Service Bulletin: Surface and Marine Transport,
Vol. 20, no. 3
Catalogue number 50-002-XIB (\$11).

Quarterly Financial Statistics for Enterprises, First
quarter 2004, Vol. 15, no. 1
Catalogue number 61-008-XIE (\$28/\$93).

Industry Price Indexes, May 2004, Vol. 30, no. 5
Catalogue number 62-011-XIE (\$19/\$175).

Industry Price Indexes, May 2004, Vol. 30, no. 5
Catalogue number 62-011-XPE (\$24/\$233).

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Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette and -XCB or -XCE are electronic versions on compact disc.

How to order products

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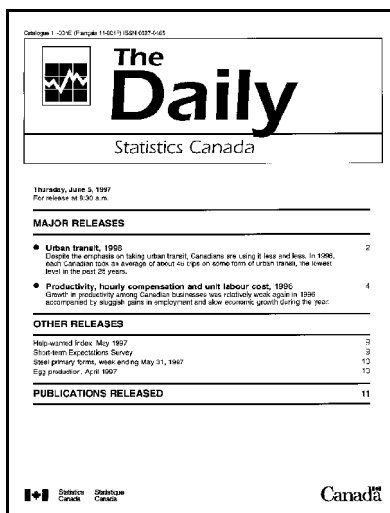
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Statistics Canada's official release bulletin

Catalogue 11-001-XIE.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

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