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Follow-through for Prosperity

**CANADA AND THE CONSTRUCTION AND
CAPITAL PROJECTS INDUSTRY**

One of a series of Government of Canada responses
to sectoral participants in the Prosperity Initiative

Industry, Science and Technology Canada

May 1993

Aussi disponible en français

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I. THE ROUTE TO PROSPERITY FOR THE CONSTRUCTION AND CAPITAL PROJECTS INDUSTRY

The Government of Canada's Prosperity Initiative got under way in earnest in October 1991 when a group of accomplished Canadians answered the government's call to review our country's ability to compete in the global economy and draw up a concrete plan to improve our performance. As part of the Initiative, federal ministers asked sector-based groups of industries to undertake a similar analysis of their own industries.

The sectoral groups were encouraged to involve management, workers, customers, suppliers, governments, and others holding a stake in the prosperity of the sector. They produced a series of action plans, which assisted the national Steering Group on Prosperity to prepare its final report, *Inventing Our Future*.

The federal government is responding to the recommendations in both *Inventing Our Future* and the sectoral reports. This paper summarizes the response to the report of the Construction and Capital Projects Consultation Group. The Group brought together the Canadian Construction Association, the Royal Architectural Institute of Canada, the Association of Consulting Engineers of Canada, and the Canadian Home Builders' Association. Each of these organizations also submitted separate reports on enhancing competitiveness.

Nationwide, the Prosperity Consultations showed that Canadians are eager to tackle the problems of becoming more competitive. They realize that new jobs come from competitive industries that rely on the latest technology and continually seek new markets. These are the industries that can pay top dollar for the most productive employees. They generate the economic strength on which our social programs depend.

The Government of Canada looks forward to pursuing partnerships both at the national level and with the construction and capital projects industry and other sectors of the economy. The report of the consultation group and the supplementary reports of its members constitute a broad vision of the industry that can be a strong foundation for joint commitments by the sectoral partners to achieve progress in all areas of this sector.

II. HONING THE COMPETITIVE EDGE

The Government of Canada saw the sectoral consultations as a challenge for both the private sector and governments themselves. For the private sector, the challenge was to find consensus among the many interests that have a say in such critical areas as training, technology, marketing, environmental management, supplier-customer relations, and workplace organization. The challenge to governments was to find ways to support the implementation of the private-sector consensus without straining scarce public resources.

The challenge to both the private and public sectors together was to set up a process for frank exchange of views and ideas about what each individually, and both working together, can do to hone Canada's competitive edge.

The sectoral consultations brought together all who must cooperate to make an industry more competitive: management, workers, educators, consumers, suppliers and governments. For some industrial sectors, this represented the continuation of an established pattern. For others, it represented a new way of looking at their sector. In either case, the goal was to build sectoral partnerships with joint commitments by the partners to do what needs to be done to make the sector more competitive.

Through this extensive process of inquiry, consultation, and reporting, the Prosperity Initiative brought competitiveness to the forefront of the public agenda. It must stay there.

The economic success of an individual, a firm, an industry, and ultimately the country depends on a host of small improvements made every day. Most often these result from innovations in the private sector spurred on by the need of a particular firm to remain competitive with rivals at home or abroad. Firms must be open to innovation to be competitive. It is a way of thinking and working every day, not a one-time event.

Since the sectoral reports covered many topics broader than the sector, this paper begins with a section on the federal government's response on the broad issues raised in both the national and sectoral reports emerging from the Prosperity Initiative. The paper then develops, in section I, some general ideas on how the sectoral partnerships can be made effective. Finally, section V deals with partnership in the particular industry addressed in this paper.

III. A NATIONAL FRAMEWORK FOR PARTNERSHIP

The federal government has taken several economy-wide actions that relate to policies and programs proposed in the national and sectoral action plans of the Prosperity Initiative. Many of these federal measures date from earlier years but are now being enhanced to take into account the recommendations in *Inventing Our Future* or the broader-than-sectoral concerns of the sectoral industry groups.

Clearly, governments have an important role in creating an economic climate that encourages growth and high living standards. On the macroeconomic side, while we have achieved the low-inflation targets, more needs to be done to curb the high federal and provincial deficits and growing public debt. Such deficits discourage productive investment, keep real interest rates (after inflation) high, and increase the cost of funds to the private sector.

The consultations emphasized the essential role of government in maintaining competitive taxation, framework and regulatory policies, a sound financial sector regime, and highly developed public infrastructures. All contribute importantly to industrial competitiveness.

Action by the federal government to spur economic performance has been apparent in six areas:

- developing competitive market infrastructure and regulation;
- paying more attention to innovation and new technologies;
- promoting a more skilled, adaptable workforce;
- improving small business access to financing at more competitive costs;
- introducing tax incentives for investment in business growth; and
- strengthening the international orientation of Canadian industries.

Let us look at the measures adopted in each category and their contribution to economic efficiency and growth.

1. Market infrastructure and regulation

- **The North American Free Trade Agreement** NAFTA signals the high priority the federal government attaches to opening trade doors for Canadian firms. Once ratified, NAFTA will create a free trade area of more than 370 million potential consumers for Canadian goods and services.
- **Controlling the deficit and tax burden through government spending cuts** The 1991 and 1992 federal budgets, and the December 1992 Economic Statement continued the federal government's approach of encouraging private sector investment and productive activity through the judicious use of tax incentives and reduced public spending to maintain its fiscal position. The December Economic Statement announced \$8 billion in federal spending cuts over the next two-and-a-half years by freezing the salaries of elected officials and civil servants, reducing government operating budgets, and cutting grants and subsidies to most organizations and interest groups.
- **Reducing regulatory requirements** In response to recommendations from industry groups, 19 federal government departments and six agencies were to review their regulations by April 1993 to eliminate over-regulation. The review includes all costs associated with regulations, including their impact on industry competitiveness. Earlier regulatory reviews in three departments resulted in modification or cancellation of more than 125 of the 245 regulations studied.
- **Improving infrastructure** The Prosperity Action Plan and the sector consultations make clear that prudent infrastructure spending is an investment in Canada's future. The government has followed through by assisting an immediate start on priority highway projects in New Brunswick and Nova Scotia, as announced in the December Economic Statement. The government is in the process of determining the environmental soundness and financial viability of the specific design favoured for a fixed link between Prince Edward Island and the mainland. The government is contributing to upgrading federal bridges in Montreal and roads in western national parks. It is making investments to improve the efficiency and safety of Canada's air and rail transport systems.
- **Creating 21st century infrastructure** Following through on the national and sectoral recommendations of the Prosperity Initiative, the government is supporting a project led by the private sector to create a high-speed, broad-band electronic information highway that will greatly benefit both its builders and users. The first stage will be the Canadian Network for the Advancement of Research, Industry and Education (CANARIE). At the same time, the government extended for five years the program of Networks of Centres of Excellence, which brings together 15 research groups or alliances, including companies and institutions, to conduct research

leading to advances in technology. The effectiveness of the Centres of Excellence will be bolstered by CANARIE.

- **Lowering tariffs on key inputs** Tariff rates on textiles that are key inputs for other manufacturing will be substantially reduced over the next six years, with a first series of cuts implemented on January 1, 1993. In February 1992, customs duties were removed from some 25 categories of consumer products that are not made in Canada, representing about \$1 billion in annual imports; this was at the request of Canadian retailers to encourage shopping in Canada. Further analysis is under way to ensure that our tariff schedule reflects the competitive interests of Canadian industry.
- **Making Canadian export financing more competitive** The government is revising the Export Development Act in response to industry recommendations. Changes will provide more flexible, timely and responsive service to Canadian exporters.
- **Negotiating to eliminate internal barriers to trade** Federal, provincial and territorial ministers of trade agreed at a meeting in Montreal, March 18, 1993, to launch comprehensive negotiations by July 1 to eliminate barriers to the free movement of goods, services, people and capital within Canada. They decided to try to reach agreement by June 30, 1994. The goals of the negotiations include a practical, effective, and efficient mechanism to settle disputes. The chief negotiators were to hold their first meeting early in May.

2. Innovation

- **Improving the Scientific Research and Experimental Development (SR&ED) tax credits** After extensive consultation with industry, the federal government responded to their recommendations to revise the rules governing this credit so that companies will have readier access to it. The February 1992 budget allowed for an additional \$230 million over five years for credits to Canadian companies undertaking research and development.
- **Introducing tax incentives to encourage technology upgrading and business growth** The December Economic Statement set aside an additional \$400 million in tax incentives to help Canadian firms adopt new technologies and make other productive investments to adapt and grow. The government will consult industry on improved tax treatment for equipment made obsolete by rapid technological change, investments in research and development, and the use of patents and industrial processes.

- **Expanding the Industrial Research Assistance Program (IRAP)** Sector consultations confirmed that IRAP effectively stimulates R&D in small and medium-sized businesses. In response to industry support, funding has been increased to expand this successful program; coordination of IRAP with other federal activities will be strengthened.
- **Establishing a National Quality Institute** The federal government has agreed to play its part in effecting the steering group's recommendation for a National Quality Institute, a project led by the private sector, as a strategic investment in institutional infrastructure. The Minister of Industry, Science and Technology and Minister for International Trade has also proposed the establishment of a Canadian Network for Total Quality (CNTQ) in partnership with labour, business and the academic community to promote a commitment to quality in Canada. The CNTQ would include a National Quality Initiative to:
 - establish a clearing house for "best practices",
 - develop a national quality strategy, and
 - provide training and guidance to industry and other organizations.

3. **A more skilled and adaptable workforce**

- **Upgrading the skills of unemployed Canadians** The December 1992 Economic Statement increased 1993 funding for active labour force development by \$300 million to \$2.2 billion. The increase will provide special services to upgrade skills for workers who lose their jobs after long-term employment. This \$2.2 billion — up from \$500 million in 1990 — is a substantial federal commitment to developing employee skills. When combined with the Canadian job strategy, the total commitment in this area is \$3.8 billion.
- **Increasing the quality and amount of workforce training** Canada, while lacking the deep-rooted training culture of competitors like Japan and Germany, is not starting from scratch. Here at home the Western Wood Products Forum and the Canadian Automotive Repair and Service (CARS) Council deal with issues of training, competitiveness and productivity. To encourage and extend these best practices, the federal government will spend \$250 million over five years to help create 60 sectoral training councils. Each council, involving both labour and management, will examine the training needs of workers in its field of responsibility and develop private-sector training strategies in partnership with stakeholders. The government will also examine tax incentives to help employers defray the cost of training to meet occupational standards.

4. Cost and availability of capital for small businesses

- Small businesses are big job-creators and innovators in Canada, but they have traditionally had more difficulty than large businesses in obtaining financing at competitive rates. The December Economic Statement took significant steps to lessen this problem by:
 - extending the Small Business Financing Program to the end of 1994;
 - simplifying and expanding the provision for investment in small business through RRSPs and labour-sponsored venture capital funds; and
 - introducing measures to help junior oil and gas companies raise capital to finance new exploration.
- To further increase the availability of financing to small business, the government introduced amendments to the Small Business Loans Act that came into effect April 1, 1993. They will:
 - increase the maximum loan from \$100,000 to \$250,000, and the maximum annual revenue for eligibility from \$2 million to \$5 million;
 - provide a more flexible pricing structure by introducing fixed, as well as floating, interest rates; and
 - free working capital for borrowers by introducing: (1) refinancing of fixed assets purchased up to 180 days previously, (2) 100-percent financing of asset purchases, instead of 80-90 percent, and (3) a limitation on personal guarantees of 25 percent of the loan amount, instead of no limit previously.

5. Tax incentives for business growth and investment

The December Economic statement added to the tax incentives in the February 1992 federal budget, which included increases in rates of capital cost allowance, reduction in manufacturing tax rates, and expansion of the R&D tax credit. The December measures included significant new tax incentives to encourage small business growth, comprising:

- a new 10-per-cent tax credit for investment by small businesses in machinery and equipment;
- a one-year holiday from paying unemployment insurance premiums for small businesses hiring new employees; and
- the extension of the Home Buyers' Plan for an additional year, enabling first-time home buyers to use funds from their RRSPs to purchase homes.

6. Strengthening the international orientation of Canadian industries

- **Exploiting NAFTA** The federal government is committed to implementing NAFTA and helping Canadian firms exploit the market opportunities it presents to increase sales and create jobs.
- **Accessing the North American market** The federal government has launched the Access North America program to help Canadians take advantage of trade and investment opportunities arising out of NAFTA. The project includes support for a Canadian business centre in Mexico City that will provide a wide range of services to Canadian firms doing business in Mexico, a New Exporters to Mexico (NEWMEX) program, an expanded fairs and missions program, an extensive market information and export education component, and programs to capture investment opportunities. Access North America will cost \$27 million over four years.
- **Creating a Forum for International Trade Training (FITT)** NAFTA and international trade liberalization create only the potential for export market development. To realize the gains, more Canadians need the skills and know-how to be global traders. FITT, led by the private-sector, is a partnership of government representatives and such stakeholders as the Chamber of Commerce, the Canadian Federation of Labour, and the Canadian Exporters Association. In December 1992, FITT announced a program to bolster international trade education in Canada, with special emphasis on small and medium businesses and young people. The partners are committed to ensuring that graduates of the program have the skills Canadian business needs to exploit emerging markets.

IV. REAPING BENEFITS FROM A SECTORAL APPROACH

Teamwork is paying off

The potential for improving industrial competitiveness by focusing attention on sectors of interconnected industries is a key lesson of the sectoral Prosperity Consultations.

The consultations required that companies in each sector get together with their workers, customers, suppliers, educational institutions and all levels of government to produce their sector-based reports. The team efforts produced a strong sentiment that this was the way to resolve problems and implement improvements. Competitiveness cannot be achieved or maintained solely through independent measures by individual firms. Problem-solving requires the partnership of wider groups of interests than may have been the case in the past.

A sector-based approach means looking at a segment of the economy in the broadest terms and bringing together those who can influence its performance with a view to making needed changes. Different interests will not always agree, but this approach does hold promise for making real progress on the competitiveness of Canadian industry. Participants in an industrial sector cannot afford to act alone, often at cross purposes with each other.

The federal government, for its part, is willing to develop the partnerships necessary with a variety of groups in each sector to make the process positive and productive. The foundation of these relationships must be realistic expectations about what other parties can do and a willingness to participate in a frank dialogue and the ability to turn consensus into action.

In the case of government, it has become clear to most Canadians that the fiscal capacity for providing direct assistance or tax breaks has been exhausted. This does not mean that the federal government will cease to be a participant in economic development matters, but any future interventions will be more modest and more targeted than efforts of the past.

Governments' impact on business is much broader than the provision of direct or indirect assistance, in any case, and much can be done in partnership with industry to increase competitiveness at low cost to the taxpayer. For example, removing interprovincial trade barriers could add several billion dollars to Canada's GDP. The focus will be on efficiency in the delivery of services and programs, greater coordination with provinces and other level of governments, and using information as a source of competitive advantage. The latter item will require the federal government to spend more time and attention on

working with others to develop information about Canadian competitive performance and then ensuring that this information is put in the hands of those who need it.

There are also constraints on the ability of other players in the sectoral approach. Indeed, competitiveness itself is not an absolute goal. There will be tradeoffs between the quest for competitiveness and other vital interests, such as the environment. The point of the sectoral approach is to make choices and tradeoffs in a way that is transparent to others who also have a stake in the development of the same part of the economy.

The knowledge quotient

The sectoral approach discussed here lends itself to government partnership based on the kind of knowledge products, services, and programs increasingly needed in today's economy.

The sectoral approach emphasizes customized products and services that respond to the particular pressures in the industry. In sectors where small businesses predominate, for example, products and services provided by governments might include strategic business planning and financing information, export services, management improvement services, and similar instruments.

The short shelf-life of knowledge products and services means that they have to be developed and delivered quickly, and kept updated and adapted. The private sector wants governments to simplify, rationalize and consolidate their product lines and make them more easily accessible.

The sectoral approach brings together all the tools of government to address issues of sectoral concern, from tax incentives and communications infrastructure to patent policy, education and people skills. That is, it involves a one-window concept that pulls together relevant federal, provincial, perhaps even municipal, services and makes them available in one place. This will respond to the complaint, often-heard in the consultations, that governments have a confusion of uncoordinated, opaque and overlapping programs and services that are hard to understand and use.

Elements of the sectoral approach

Effective sectoral partnerships with economic stakeholders will require governments to act in four ways:

- Broad framework policies must be set only after a full assessment of their impacts on the major sectors of the economy.

- General economic measures must be framed in ways that promote competition and sectoral competitiveness.
- Sectoral industrial policies must reinforce economy-wide policies and provide information and intelligence, and knowledge-based products, programs, and services to help industries meet the competitiveness challenges they face in the new world economy.
- Governments must encourage the development and maintenance of active sectoral partnerships.

In the concluding section of this paper we turn to the business of putting these principles into practice in the sector to which the paper is addressed.

V. PARTNERSHIP IN THE CONSTRUCTION AND CAPITAL PROJECTS INDUSTRY SECTOR

The challenge

The construction and capital projects sector is a large and important one, covering all aspects of planning and design, procurement of construction services and materials, project management, construction, and project commissioning. This involves architects, engineers, contractors, manufacturers of building materials and equipment, financing, institutions, and owners and developers.

In 1992, construction activity alone – new and repair – amounted to \$94 billion. About \$50 billion of this – some 7 percent of Canada's GDP – was undertaken by independent contractors employing some 680,000 persons. The balance was undertaken by in-house construction forces of utility companies, governments and others not primarily engaged in construction. The industry has about 130,000 construction companies. An estimated 950,000 additional people are employed indirectly in the production of construction-related products and services.

Canadian construction companies compete vigorously in domestic markets, but only a few operate in international markets. Construction contractors' export sales are less than 2 percent of domestic work. Canadian consulting engineers, on the other hand, have a much stronger presence in foreign markets; several firms have developed international reputations. An estimated 10 percent of the total billings of the consulting engineering sector is generated by export activity.

One of the challenges facing the industry is to develop the capability of bringing together all the components of major industrial and commercial turnkey projects, both at home and abroad.

Construction has an outstanding record of productivity growth, essential to competitiveness, posting a 2.8-percent annual increase over the 1970-86 period. This rate has declined somewhat in recent years. The sector's group submission stressed that the industry's ability to adopt emerging technologies, materials and management systems will be a major challenge to its competitiveness in coming years.

Construction activity is particularly vulnerable to business cycle fluctuations. Competitive bidding in poor times and labour and material shortages in boom times put pressure on profit margins.

The Canadian construction industry has been adaptable to changing domestic economic conditions. With increased international competition, industries are facing increasing

pressure to lower their costs. Since construction is a key input to many other industrial sectors, the good of the whole economy requires that industry, labour and government work together in partnership in the construction and capital projects sector.

Industry assessment and commitments

The eight key recommendations of the Construction and Capital Projects Consultation Group could be summarized as follows:

- Governments must act to facilitate the efficient working of the market place.
- Improvement of physical infrastructure is critical.
- Government debt elimination, innovative financing, and a knowledgeable financial market are essential to improve competitiveness.
- Education and training programs at all levels must be emphasized.
- Industry must take the lead in coordinating research, development and technology transfer.
- Taxation must be fair as well as competitive by international standards.
- Internal trade barriers must be eliminated.
- Federal and provincial governments must rationalize their efforts in external trade and increase tied foreign aid and international-project financing to give Canadian companies a chance to compete.

The private sector, represented by the national associations of commercial and heavy contractors, architects, consulting engineers, and home builders, and by national labour organizations, is already acting on many of the issues raised in the report. Some of the sector's main initiatives are:

- **Education** - Associations have developed networks with schools and universities for cooperative program, research, workshops, and promotion of the construction industry. The industry and labour, together with federal and provincial governments, are involved in delivering education programs for upgrading skills in technical areas and business management. They are heavily involved in promoting national training courses such as Red Seal and Gold Seal programs and – through local affiliated associations – workshops and seminars for member firms. Both industry and labour are represented in discussions of skill development on the Canadian Labour Force Development Board and are active with Employment and Immigration Canada's

Sectoral Partnership Initiative for skills upgrading. Industry associations and labour are improving the image of construction and related professions in the education system and encouraging more women to consider careers in the industry. Associations are also supplying data to help firms and others in their dialogue with governments and member associations.

- **Research and technology diffusion** Technical research committees of the associations are studying R&D issues, providing information, and working with government and its agencies. The industry intends to address the report's conclusion that "the industry must take the lead in developing privately funded research, education training and advocacy". Associations are encouraging innovation by working with universities and industry and providing awards for innovation.
- **Finance** The industry associations are consulting the financial community to promote understanding of the industry's needs, including discussions with the Canadian Bankers Association and the insurance industry to stabilize costs. The industry is conducting research and making submissions to government on tax and related matters affecting the competitive position of the industry.
- **Internal trade barriers** The industry is supporting efforts to remove internal trade barriers by providing information and making public statements.
- **Regulation** The industry associations develop, with others, standard documents such as contracts and schedules. They provide information on codes of practice, give technical advice, and act as clearing houses for industry questions. They promote environmentally-friendly products and practices. The industry is also in dialogue with various organizations to streamline Canada's environmental regulations.
- **International trade** To improve long-term access to international markets, the industry, through its associations, is involved in secondments to international lending institutions, such as the World Bank, and promotes foreign student exchanges. Associations work closely with government agencies and departments such as Industry, Science and Technology and External Affairs and International Trade to promote Canada's export potential.

Federal commitments to the construction and capital projects sector partnership

The government has prepared a response to each recommendation in the sectoral plan, as it undertook to do last September. Here, we will briefly outline the partnership commitments of the Government of Canada, representing the public stake in the construction and capital projects industry sector at the federal level.

- **International marketing** Support will be available to assist industry in the development and implementation of an international marketing strategy. This will require the full commitment of industry.
- **Research and development** The government is prepared to assist industry in examining options for private-sector funding and priority setting of R&D. The government will work with industry to strengthen and expand a network of centres of expertise in construction and construction management.
- **University chairs program** To enhance the linkage between the construction industry and the academic community, the government will assist creation of a volunteer board to assess the need for, and means of raising private funding for a university chairs program in construction research and development.
- **Infrastructure** As the builders of the country's infrastructure, the industry is concerned that infrastructure issues be addressed. The government is prepared to work with industry to examine future infrastructure requirements including such issues as management, social returns, and financial and technology options. In June, Investment Canada will host a workshop to explore some of these issues.
- **Strengthening industry associations** The government favours the formation of a common or coordinated industry voice in the capital projects sector to advise government and make strategic policies on such issues as R&D and internal barriers to trade. The government proposes to examine alternatives with industry and labour, including the possible restructuring of the Construction Industry Development Council, an advisory body to the Minister of Industry, Science and Technology.
- **Sector competitiveness framework** Preparation of a sectoral competitiveness framework for the construction and capital projects industry, starting in 1993-94, will provide a long-term basis for cooperation in attacking the problems described in the consultation group's report. Full participation from all stakeholders is a key objective so that this analysis can be used to identify the industry's international capabilities and emerging trends, create a more stable and certain policy and program environment, and improve coordination of the actions of different levels of government.
- **Economy-wide prosperity initiatives** Many of the government's measures for the whole of the economy, detailed in section III of this paper, respond to the recommendations of the consultation group. These include enhanced technology diffusion through increased funding and improved links between industry and IRAP; the streamlining of delivery and improving access to federal technology programs and services; and improved transportation infrastructure by assisting an immediate start on priority highway and bridge projects and investing in the efficiency and safety of Canada's transport systems.

Making it happen

The federal government recognizes that the industry's vision of the future requires significant contributions from all partners. The consultation group's report sets out the kind of joint commitments that should bind the partners together in a common effort.

The industry through its representative associations and trade unions is taking up the issues with many government departments, agencies and advisory bodies, such as Industry, Science and Technology, External Affairs and International Trade, Employment and Immigration Canada, Public Works Canada, Energy, Mines and Resources Canada, Canada Mortgage and Housing Corporation, and the Canadian Labour Force Development Board. In this partnership, the private sector has been particularly successful in the areas of skills standardization, delivery of programs to upgrade management and trade skills, and research on social, economic and technical issues. Together with governments the associations are instrumental in disseminating information across the industry.

The private sector has tended to be less effective in areas where competitive forces within the industry and Canada's geographic and jurisdictional divisions make cooperation more difficult. Problems include environmental and regulatory differences among jurisdictions, local purchasing preferences and hiring practices, technological diffusion among firms, and a lack of a coordinated marketing effort. Industry and labour, however, have demonstrated their ability to achieve results in a cooperative way through such training programs as the Red and Gold Seal Programs for skills training, a national accreditation program for the trades, and mutual recognition of accreditation for engineers and architects.

As announced in the December 1992 Economic statement, EIC will coordinate the partnership agenda for skills upgrading through various initiatives, including sector studies. The construction industry and its affected trade organizations, engineers and architects will be included in this initiative.

The federal government is serious about playing an active role in the sectoral partnership. The Minister of Industry, Science and Technology and Minister for International Trade, Hon. Michael Wilson, looks forward to hearing more about the industry's partnership commitments. He and his colleagues will continue to look to the industry for advice during the implementation phase, which will continue to be led by the private sector. Other government departments are working within a framework coordinated by ISTC to take up the longer-term issues.

With management, labour, the provinces and community groups responding in the same way, the Canadian construction and capital projects industry will advance strongly on the Canadian and global scenes.

