

- Companies should be prepared, on most government funded projects, to encounter requirements for *business set-asides*, requiring that certain portions of work be reserved for "disadvantaged groups". This may require working with under-capitalized or under-qualified firms, and handling considerable paperwork in the process. Furthermore, appropriate minority firms may be in high demand, particularly during strong economic times.
- If companies do enter the market through acquiring a local firm, it is recommended that the local character and entrepreneurs be retained in the acquired company. American construction unions, inspectors, suppliers and developers tend to appreciate, recognize and reward established firms and people more than, as described by one Maryland contractor, "people who blew into town yesterday".

Purpose of this Report

This study for the Department of External Affairs and International Trade and the Canadian Construction Association is intended to provide executives, managers, engineers and other workers in the Canadian construction industry¹ with the background information required to penetrate the American market. The document is intended to meet a variety of needs for firms across Canada that are looking to the United States for new opportunities - for example, it could serve as a reference document prior to attending a trade show or a meeting with a potential joint venture partner. It also provides project managers with material pertaining to regional unionization levels, wage rates, trade labour, taxation and other items of interest to industry.

In participating in the design of this study, the CCA stressed two things. First, that the Canadian construction industry has capabilities in virtually all segments. Second, that the niche orientation of a large number of its members could mean that, for many Canadian firms, the best market opportunity may still be found in their area of specialization, even if it has only modest growth prospects in the United States. For these reasons, our report covers each of the major market segments, rather than merely focussing on the few with the greatest projected market growth.

The CCA also stressed that firms which supply materials (such as structural steel, bricks, certain concretes) and specialized services (such as steel erection, concrete fireproofing, piling) should benefit from the information contained in the study. Thus, while of interest to contractors, this report should also be of value to Canadian speciality firms and subcontractors.

As discussed earlier, there are particular segments and regions which offer strong long-term potential for Canadian industry. Sections Three (segments) and Four (regions) address these in

¹It may also be of interest to Canadian developers, designers, and some manufacturers.