In order to gain export experience and e   lish a track record, Canadian companies have tended to rely   IDA and EDC sponsored projects rather than seek offshore work   ithout Canadian financing. While the size of the world construction market is an unknown, it is estimated that the top 250 international contracting firms operating in this market undertake contracts totalling $100-135 billion (U.S.) a year. Exports from other developed countries account for as much as 20 percent of their total domestic construction activity. Increased construction exports would appear to represent a significant long term opportunity for the Canadian industry where they currently account for about 1.5 percent of construction activity.

Oil price shocks disrupted the world market for construction. LDCs look first for the necessary credit and at the project itself. Where a few years ago, the Middle East was the prime market, Canadian interests have now shifted to the United States and southeast Asia.

c) Technological Factors

The industry in Canada, the U.S. and other developed countries uses constantly advancing state-of-the-art technology in terms of its machinery, equipment and materials. This situation is not expected to change in the future, and therefore technology is not a major factor for construction contractors.

d) Other Factors

The high interest rates of the last few years have had a dampening effect on residential construction in Canada. The general economic slowdown with the concomitant slackening in overall demand and increasing idle capacity in manufacturing and high interest rates have led to a levelling off in the demand for non-residential construction. Canada is a relatively mature country industrially, the bulk of its production facilities and infrastructure has been built. A return to the boom years of the late 60s and 70s is not expected.

Traditionally, public expenditures on construction have accounted for about one third of the total output. Provincial governments as a group have been the largest spenders (50%), followed by the municipal level (30%) and the federal government (20%). Despite the best intentions of government, public expenditures on construction often serve to reinforce the cyclical nature of the industry rather than to stabilize it.

3. Federal and Provincial Programs and Policies

The federal government influences the overall domestic performance of the construction industry through a wide range of policies (i.e. taxation, procurement and environment).

The construction industry was one of the first to accept and comply with the metric conversion time schedules recommended by government. The Canadian Construction Association is on record as vehemently opposing a return to the imperial system. The government also influences the export performance of the industry through such programs as the Export Development Corporation (EDC), the Canadian International Development Agency (CIDA) and the Program for Export Market Development (PEMD). The construction industry is specifically excluded from receiving assistance under DRIE's Industrial and Regional Development Program (IRDP).

The other levels of government also influence the industry through policies such as provincial preference and regulation in the area of land development.

In mid 1983, the Construction Industry Development Council, an advisory group to the Minister of Regional Industrial Expansion, published a report entitled Canada Constructs - Capital Projects and Canadian Economic Growth in the Decades Ahead. This report contains 54 specific recommendations directed at the construction industry, all levels of government, project