



CONSTRUCTION and BUILDING PRODUCTS

Market Overview

Since 1995, Ireland has been experiencing a construction industry 'boom' not matched in the EU. Ireland has the highest rate of construction investment in the EU at 17% of GDP, compared with the EU average of 12%, and the sector has grown at a faster rate than the overall Irish economy accounting for 20% of gross national product in 2000.

Housing starts alone for 2001 are expected to exceed 55,000. Construction is the largest employer in the state. Ireland's building culture has been brick and block, with timber-frame housing accounting for only 12% of the total output. The National Development Plan (2000-06) will explore innovations and, together with the Construction Industry Federation and the Department of the Environment and Local Government, will work to reduce energy consumption and integrate more environmentally sustainable materials.

The Irish building products market reports extremely strong growth but is a highly competitive sector. The relationship between construction activity and the building materials market looks good for exporters interested in entering the Irish market, since the volume of building output is expected to grow by 9% to reach over C\$32 billion (IR£14 billion) in 2001. Furthermore, the outlook for the Irish building materials sector is very positive, with building and construction investment forecast to increase by 11% in 2001, as the revitalization in overall construction activity continues. However, Ireland lacks the necessary manufacturing capacity for almost half of the building material import categories, and almost half of the Irish building materials market is driven by imports. Canada is prominently represented in this market through house-building materials, including rough wood, plywood and laminates.

The price of success is that indigenous construction companies (7,000) have neither the facilities nor the staffing levels to cope, and the completion of many of the more ambitious projects will require the importation of a considerable number of skilled and semi-skilled workers from abroad. It is estimated that an additional 10,000 jobs will have to be created in the industry during 2001. Tender price inflation is also a problem that has led to many strategic alliances between local and foreign contractors.

Opportunities

The most promising subsectors for Canadian building products include timber, boards and panels; paints and varnishes; sealants; cladding; floor and wall coverings; heating; and joinery products. Maple, oak parquetry, as well as strip solid timber flooring, continue to be popular in Ireland. Additional opportunities could be in heating products and wood-framed housing.

The market for wood-frame housing continues to grow steadily, and the adaptability of Canadian pre-engineered housing to Irish building tools and codes, and the availability of qualified construction and maintenance workers, are dominant concerns for the consumer. However, there is recognition of the energy-saving efficiencies compared to the traditional brick and block construction method.

Selling in Ireland is possible through hiring the services of an agent or distributor whose activity may cover specified regions, the entire country or even European sales. Three types of distribution agreements are covered by Irish law: exclusive distributorship, quasi-exclusive distributorships and informal distributor arrangements. Product representation in Ireland can be achieved by: establishing a local sales office to serve

Ireland and provide a distribution point for the rest of the EU; selling through an agent/distributor; selling through established dealers and wholesalers; or selling directly to DIY chains, builders' providers, retailer co-operatives, consumer co-operatives or other purchasing organizations. Given the aggressive nature of competition in the present market, exporters will need to provide more than product literature and samples to achieve results. In the case of a representative, regular communication and visits by seasoned sales personnel or company technicians can provide information on market developments and facilitate the successful resolution of any emerging problems. Exporters should also be aware that Irish businesses typically purchase from international sources and expect well-designed, high-quality products with efficient after-sales service.

For further information, contact:

Construction Industry Federation:
<http://www.cif.ie>

Europe's leading e-construction site:
<http://www.buildonline.ie>

National Standards Authority of Ireland:
<http://www.nsa.ie>

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