One of Europe's h

Building p constructi

The rising demand for reside housing in Ukraine combin with many new infrastructu developments presents opportunitie Canadian suppliers of construction building materials. Ukraine's local c struction sector was valued at appr mately US$2.6 billion in 2001, acc ing for 4.7% of the country's GDP.

Market overview

Construction — The construction s output (commercial and residentia exhibited estimated growth rates c 4%, 1.9%, 5.5%, and 8.8% for th years 1998, 1999, 2000, and 20 respectively. This upward trend in c has been driven largely by the con tion and renovation of private, sin family dwellings. In 2001, US$717 lion was spent on residential cons tion throughout Ukraine — some 5. lion square metres — 59% of whi were built by private companies.

In 2000, the market for genera struction work (individual, non-contr was estimated at US$2.8 billion; t contractors' market, at US$2.4 bi and the renovation market for resi tial property generated approxim US$900 million in annual sales. T value of the building materials ma reached an estimated US$0.7 bill (The "shadow" construction industr can add 40-60% to the figures.)

Only 14 million individual reside units are available for Ukraine's p lation of 49 million people; there urgent need for 5 million new uni either apartments or single-family dwellings. This demand is mostly centrated around Ukraine's larger c such as Kyiv (population 2.8 milli Kharkiv (pop. 1.5 million), Dniprope (pop. 1.5 million), Donetsk (pop. 1.1

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Calling Canadian "pre-fab" experts

Construction, building products in Portugal

Since 1998, Portugal's construction sector has been steadily growing at an average rate of 5.6%, which, compared with 0.6% for the rest of the EU, makes it one of Europe's fastest growing markets. Many factors, such as falling interest rates, major public works projects, and a climate of economic confidence, are behind the industry's growth.

Market overview

Public works — Some $5.6 billion will be spent on major infrastructure projects in the transportation sector. The Oporto surface metro and a high-speed train that will connect with the EU railroad lines are prominent examples. Last year, $2 billion in private funding was spent on infrastructure projects such as new motorway concessions. In addition, Portugal has recently been awarded the rights to host **EURO 2004**, the European Soccer Championship, which will boost spending in the construction sector by $1 million.

Residential housing — Residential housing accounts for 27% of the sales in Portugal's construction industry, compared with an average of 22% in the rest of Europe. This represents an important contribution to the country's overall economy.

The following factors will ensure continued growth:

- sharply falling interest rates;
- extremely low rental vacancy rates;
- increased infrastructure and public works projects linking residential areas to work centres;
- state and municipal housing subsidies.

However, the price of both land and homes has continued to rise, making Portugal one of the most expensive European countries in which to buy a family home or apartment.

There is therefore an urgent need for affordable housing, which presents opportunities for Canadian companies with expertise in pre-engineered homes. Due to a combination of lower costs and construction time, prefabricated wood-frame housing is attracting more interest, however Portuguese consumers want demonstrable proof of its advantages. Two successful seminars organized by the Canadian Embassy recently in Lisbon and Oporto to promote wood-frame housing have netted Canadian companies several leads from a number of local developers.

Local construction firms tend to be wary of new technologies, hence the majority of Portuguese houses are not insulated and lack central heating. While local companies favour steel-frame and concrete-based construction materials, more Portuguese consumers are now insisting on homes that are well-constructed and comfortable.

Opportunities

The biggest opportunities for Canadian companies in Portugal are in the residential housing market:

- prefabricated wood-frame housing systems;
- innovative windows with high insulation value;
- Portuguese-style roofing and siding materials;
- insulation;
- concrete-based wall systems and forms;
- steel-frame construction.

Market access considerations

Public works — Given that the Portuguese market is small, a non-EU company without a strong local or European partner will find it difficult to win public works contracts. Canadian companies may, however, find many opportunities as sub-contractors.

Housing — As in other European countries, certain construction methods must undergo a costly, time-consuming approval process with the official agency in Portugal [LNEC]. Perseverance, however, is usually rewarded.

Major competition

Steel-frame technology is entering the market from U.S. companies, but major competition also arises from companies in Portugal and from other EU countries, especially Spain.

For detailed market reports about this sector visit **www.infoexport.gc.ca**

For more information, contact Fatima Carvalho, Commercial Officer, Canadian Embassy, Lisbon, tel.: **(011-351-21) 316-4653**, fax: **(011-351-21) 316-4695**, e-mail: **fatima.carvalho@dfait-maeci.gc.ca** Web site: **www.dfait-maeci.gc.ca/ lisbon/**

Ukraine — *continued from page 8*

are vague and open to interpretation by officials at all levels.

4) Working with a local partner, or establishing a joint venture, is crucial.

5) Ensure that payment conditions are expressed in writing.

Major competition

Most building materials are supplied from Europe. Competition is strongest from countries that aggressively promote their products (Poland, Germany, the Czech Republic, Finland, Sweden, France, Spain and Turkey).

For more information, contact Yury Mardak, Commercial Officer, Canadian Embassy, Kyiv, tel.: **(011-380-44) 464-1144 ext. 3354**, fax: **(011-380-44) 464-1133**, e-mail: **yury.mardak@dfait-maeci.gc.ca** Web site: **www.infoexport.gc.ca/ua**

*(For the unabridged version, see **www.infoexport.gc.ca/canadexport** and click on "The European Advantage".)*