



# Heavy Construction Equipment

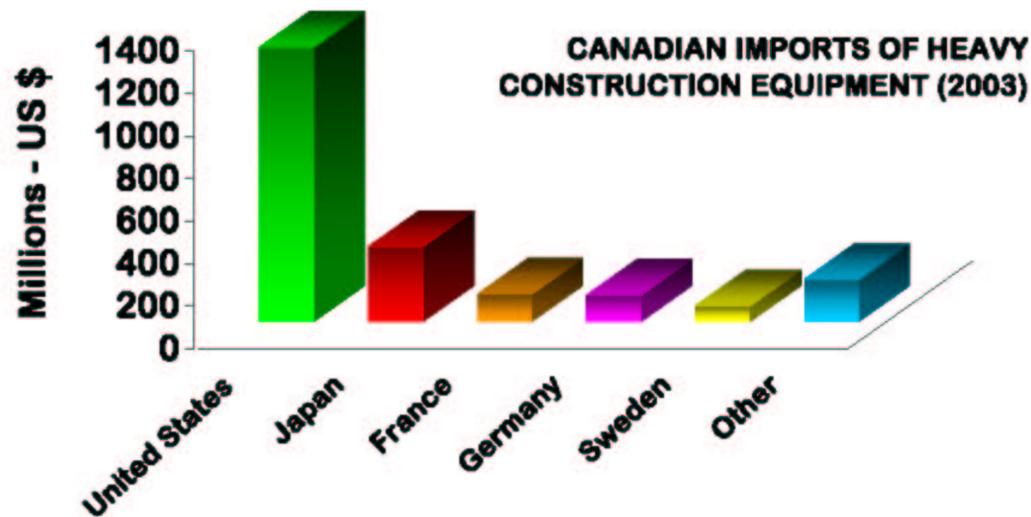
## MARKET OVERVIEW

The Canadian heavy construction equipment industry is made up of loaders, excavators, graders and levelers, bulldozers and angle dozers, tower cranes, concrete pumps and mixers, as well as parts and attachments for all of the above equipment.

The heavy construction equipment industry in Canada is expected to grow by 3% annually in 2004 and 2005. A healthy pace in ICI construction is expected to continue in most regions of Canada due to more spending on educational facilities; changes in legislation regarding long-term care facilities; and more industrial building. Commercial construction is leading the sector with \$1.8 billion in permits expected this year, while institutional is expected to generate just over \$1.5 billion and industrial to come in at just over \$1 billion. Despite a slow start in new residential construction in early 2004, the industry expects another record year for new starts, albeit slightly down in most regions from the 2003 record breaking sales.

## U.S. PRESENCE

- ▶ U.S. companies dominate imports of heavy construction equipment to Canada, accounting for approximately 57% of Canada's total imports for this sector and supply 47% of the domestic market.
- ▶ U.S. exports of heavy construction equipment to Canada will continue to be substantial, with a forecast real growth rate of 2% annually during the 2004 to 2005 period.
- ▶ The majority of U.S. exports are parts and attachments, mechanical front-end shovel loaders, mechanical excavators, and handling equipment.



## THINK CANADA FIRST!

- ▶ There are no significant trade barriers impeding exports of U.S. heavy construction equipment to Canada. As of January 1998, heavy construction equipment originating in the United States and satisfying NAFTA Rules of Origin requirements are tariff-free.
- ▶ U.S. manufacturers of heavy construction equipment interested in establishing a long-term presence in Canada should establish a good network of dealerships across Canada that offer a complete range of services such as parts, service, financing and even rental services. Contact the U.S. Commercial Service in Canada and explore the export opportunities in this market today.

When you think of exporting, Think Canada First!

We hope that you find this information useful. If you would like further information, please contact CS Canada National Sector Specialist [Rita.Patlan@mail.doc.gov](mailto:Rita.Patlan@mail.doc.gov) or phone (416) 595-5412, ext. 223.

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