

Clive's Corner – January 2009

It is truly amazing how fast things can change in our industry when the economic bubble bursts. The global meltdown caused by the unregulated greed of the American sub prime market hit far harder than the experts expected.

Canada and Ontario were not immune to this and our Province, which had already seen the decline of our manufacturing sector over the last ten years and the failure of the auto industry to prepare for the future, made things worse. Alberta projects are shutting down, leading to a large number of workers heading back to their Province of origin. This will be of help in Ontario because of the plans the government has to revive the economy through infrastructure projects.

We have received notice of a number of projects being put on hold or not moving to their next phase. One of the most notable is the MARS project in Toronto. The Residential Civil Construction Association of Ontario has published a report on residential starts that strongly contradicts other sources, and predicts the housing industry and condos will be affected far worse than anyone has so far thought, and it will last for several years.

There is a ray of hope; many economists have indicated that while we will be affected, it does not have to be as bad as other countries if we don't talk ourselves into panicking. At the writing of this article, the budget was still expected but all indications were that all levels of government were prepared to invest in infrastructure, which would boost our industry, allow us to employ and train more workers, and the spin-off work would drive the economy back from its current recessionary state. Government recognizes that construction is the main economic engine in most provinces and can lead to the revitalization of our economy.

The industry is not waiting and is actively stepping up to assist, and asks the government to engage in meaningful consultation. In January, representatives of over sixty labour and management associations met to develop a message of opportunity and create ideas that will stimulate the Ontario economy. This was followed by a very positive meeting with the Finance Minister Dwight Duncan.

To see the full story, go to the DCN online site and refer to the January 21 and 23 stories by Vince Versace. (www.dcnonline.com)

The times ahead are going to be challenging and it will take time to recover, but we in this industry have the ability to make change and lead the economic revival of this Province. The men and women of the construction industry will step up and as always, we will get the job done.