

Footprint

The construction industry contributes approximately 7% to the Canadian GDP. Self-employed with no employees and small and mid-sized enterprises (1 to 499 employees) account for about 84% of it. Additionally, SMEs represent the majority of businesses (99.98%) and employ 84% of the construction workforce.

Table 1 – The construction sector in Canada

	GDP ^{1,2}	Businesses ^{3,4}	Workforce ⁵
Total	\$165B	397,000	1,580,000
Sector's share of the economy	7%	9%	8%
SMEs' share of the sector	84%	99.98%	84%

The construction sector includes three subsectors:⁶

- Specialty trade contractors (57% of establishments), who mostly operate in activities needed in the construction of buildings and structures (e.g., masonry, painting, or electrical work)
- Construction of buildings (34% of establishments)
- Heavy and civil engineering construction (9% of establishments).

Sources

- (1) Statistics Canada. Table 36-10-0434-03.
- (2) Innovation, Science and Econ. Dev. Canada, Key Small Business Statistics 2023.
- (3) Statistics Canada. Table 33-10-0806-01.
- (4) Statistics Canada. Table 33-10-0807-01.
- (5) Statistics Canada, Labour Force Survey data, custom tabulations.
- (6) Statistics Canada. North American Industry Classification System (NAICS) Canada 2022 Version 1.0.
- (7) Statistics Canada. Table 36-10-0449-01.
- (8) Bank of Canada, Canadian interest rates and monetary policy variables: 10-year lookup.
- (9) CFIB, Your Business Outlook Survey. January 2014 to June 2024. Seasonally adjusted data.
- (10) CFIB, The Main Street Quarterly, 2024 Q2.
- (11) CFIB, Your Business Outlook Survey. April 2024 to June 2024.

Fitness

The gap between national GDP growth and the construction industry has been widening since 2022 (Figure 1). The share of businesses experiencing a strong performance during the past quarter is around its lowest level since the pandemic (Figure 2).

Figure 1 – Construction GDP has slightly decreased since 2022⁷

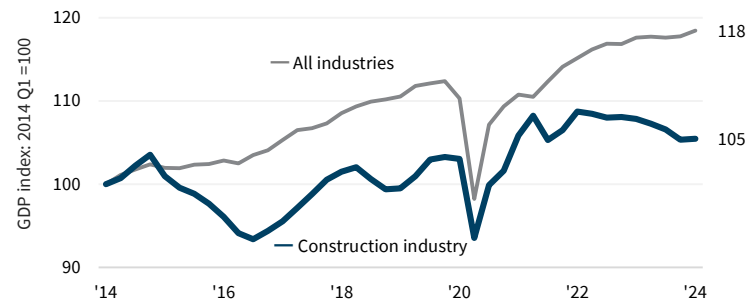
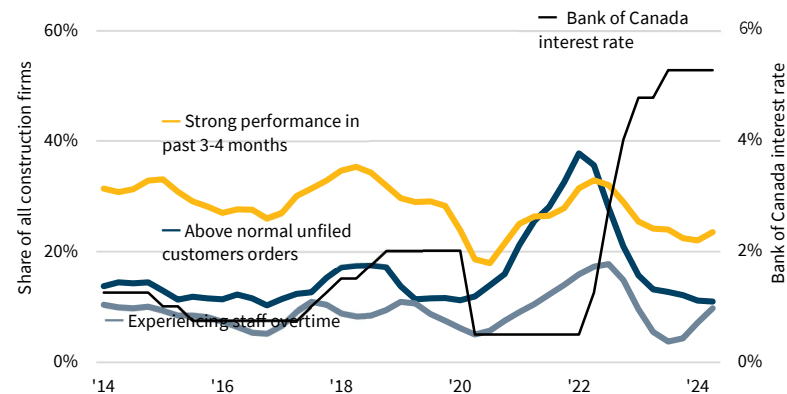


Figure 2 – Performance of construction businesses is at its lowest level since the pandemic^{8,9}



Challenges

Construction SMEs are much more likely to face cost pressures due to fuel, insurance or wage (Figure 3). Business growth is limited mainly by the shortage of workers (Figure 4), reflecting the sector's high job vacancy rate in Q2 2024 (5.2%).¹⁰

Figure 3 – Fuel, insurance and wage costs affect the construction industry more than other sectors¹¹

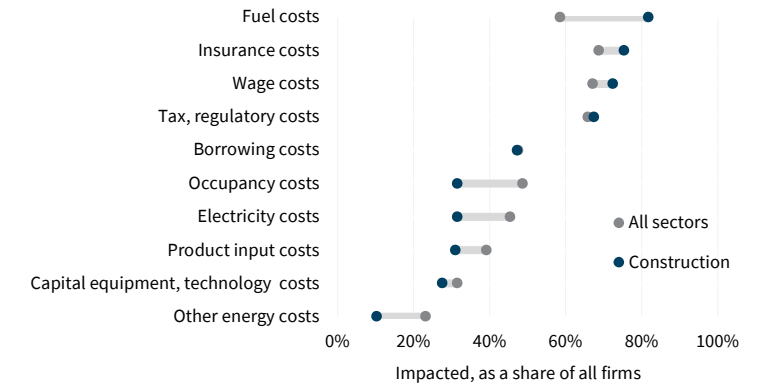


Figure 4 – Shortages of skilled labour limit the growth of construction businesses more than in other sectors¹¹

