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NEWS RELEASE

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Lumber and building supply industry provides more value than most retail sectors *Industry uniquely positioned to help rebuild the Canadian economy*

WINNIPEG, MB -- A recent economic impact report shows the lumber and building materials (LBM) industry provides more value and has a broader economic footprint than most other retail sectors in the Canadian economy. If every household in the Prairie provinces spent, on average, an additional \$500 on repair construction activities, it would boost provincial gross domestic product (GDP) by \$1.5 billion, generate \$938 million in labour income and support 14,800 jobs.

“The lumber and building materials industry is uniquely positioned to help rebuild the Canadian economy after the COVID-19 crisis. A boost in sales in the building supply sector generates far more economic value in Canada compared to a boost in sales in the automobile, appliances, communications equipment or clothing industries, among other retail sectors,” says Liz Kovach, president of the Western Retail Lumber Association (WRLA).

The report commissioned by WRLA, illustrates the expansive impact of the LBM industry on the Prairies (MB, SK and AB) with more than 1,300 stores across 330 communities, employing 36,000 staff and generating \$7.2 billion in sales in 2019. More than most other retail trade sectors, it also sources a considerable amount of Canadian-made products, subsequently supporting tens of thousands of jobs across the country. Retail stores are in more than 330 communities ranging from towns as small as Cartwright-Roblin to large cities like Calgary.

The building supplies wholesale sector – which supplies the retail stores but also directly services the construction sector – employs 24,000 people across the three provinces and boosted provincial GDP by more than \$2.3 billion in 2019. There are 1,900 wholesale firms supplying a range of materials from lumber to drywall to paints and wallpaper.

In 2019, the operational expenditures of the sector boosted provincial GDP by \$2.9 billion, labour income by more than \$1.6 billion and tax revenue to governments of an estimated \$559 million just from operations. Through direct, indirect and induced effects, over 36,000 jobs were supported across the Prairies. Further, the labour income generated by the building supplies dealers sector boosted household spending by an estimated \$1.16 billion, supporting businesses large and small in a broad range of industry sectors. In the past five years, between 2014 and 2019, employment in the sector has been rising up 9.5 percent, a slightly faster growth rate compared to the country overall (9.1 percent).

To further stimulate the economy and the industry, WRLA will be launching a “support local” campaign on social media that asks the public to shop at their local building supply store. The organization is also urging the federal and provincial governments to enact home renovation and eco-renovation tax credits to encourage spending and retrofits of existing buildings to reduce their carbon footprints. (Figures pertaining to the tax credit will be released following a study completed with its national counterparts.)

CONNECTING THE BUILDING SUPPLY INDUSTRY

"As we emerge from the pandemic, the LBM industry will be a major player in recovery and we can contribute exponentially more if the governments introduce the renovation tax credits," says Kovach. "We want to see all Canadians, as much as they can, do their part to help our country bounce back, and these credits will encourage home owners to spend money to upgrade their homes and spend money to support the LBM industry and subsequently, the provincial and national economies."

WRLA represents 1,200 member firms in the building supply industry across Western Canada, including hardware stores, manufacturers, suppliers and lumberyards.

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