

ECONOMIC ACTIVITY WILL REMAIN HIGH IN THE CONSTRUCTION INDUSTRY DESPITE A SLIGHT DOWNTURN

Montréal, December 12, 2023 — According to *Perspectives 2024*, published by the Commission de la construction du Québec, demand will remain high in the construction industry in 2024, despite a less favourable economic climate. Activity should fall slightly, by 3% in comparison to 2023, but nevertheless remain above the mark of 200 million hours worked.

Activity by sector

Once again, the **residential** sector will be the most affected by the slowdown in activity predicted for the coming year. As housing starts dropped in 2022 and 2023, the sector will decline by 32.0 million hours, or 12%. However, the need for housing will stimulate the sector to grow again once the economic situation recovers.

Overall, 114.0 million hours worked are forecast for the **institutional and commercial** sector, a drop of 4.2% from 2023. The fallout from high interest rates, tighter credit, and rising construction costs will be felt more strongly in 2024, mainly in the commercial sector.

In 2024, forecasts for the **industrial** sector are very positive, with a significant 25% increase in hours worked. Québec's expanding battery industry is largely responsible for this rise.

The **civil engineering and roads** sector will continue growing in 2024, with an expected 3% rise. Hours worked will reach 41.0 million, thanks mainly to projects related to roads, transportation infrastructure, and transmission line construction.

Overall, it is forecast that 202 million hours will be worked in 2024.

The need for workers will remain high

Economic activity remains at a high level, keeping pressure on the demand for workers. In this regard, as we recall, the CCQ anticipates an annual need for about 16,000 new workers, on average, from now to 2027.

A renewed collaboration between the CCQ and Hydro-Québec

Hydro-Québec recently unveiled its *Action Plan 2035: Towards a Decarbonized and Prosperous Québec*, a forward-looking plan designed to decarbonize Québec while contributing to its prosperity. The labour shortage in construction presents a serious challenge to the attainment of the plan's objectives.

This is why the CCQ and Hydro-Québec intend to work together more closely to refine the analyses on labour-need estimates related to major projects and to establish measures to support their completion.

“Again this year we are observing important needs in the construction sector,” stated Jean Boulet, Minister of Labour and Minister Responsible for the Mauricie Region, the Abitibi-Témiscamingue Region, and the Nord-du-Québec Region. “These figures clearly demonstrate the necessity for the modernization of the industry that our government is undertaking. Having a versatile, mobile workforce will be critical to the future of the Québec economy. In this perspective, the coming collaboration between the CCQ and Hydro-Québec is excellent news.”

“In 2024, despite an anticipated downturn in the residential sector, the economic outlook for industry will remain high. This high level of activity puts pressure on the demand for sufficient numbers of skilled workers. Over the coming months, I will be working closely with the CCQ's partners to propose and implement innovative solutions in response to this strong demand. The renewed partnership between the CCQ and HQ is part of this momentum. Our organizations are working together to ensure the success of Action Plan 2035 - Towards a low-carbon, prosperous Quebec. It is therefore with great conviction that the CCQ embarks on this collaboration to ensure a common understanding of the labour needs that will be required” noted Audrey Murry, CEO of the CCQ.

“To reach the ambitious targets related to the decarbonization and economic growth of Québec, access to a qualified workforce in the construction industry will be a major challenge,” added Michael Sabia, CEO of Hydro-Québec. “We must ensure that as many people as possible will be able to participate and that we have the tools to make our construction sites even more productive and safer. We are entering into this collaboration with the certainty that there are solutions to guarantee the success of this society-wide project that we must tackle together, with openness.”

As we recall, Hydro-Québec has announced investments on the order of \$150 billion for asset consolidation and project development between now and 2035.

Download the CCQ publication [Perspectives 2024](#).

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