

***News Release***

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**PCA Issues Analysis of October Construction Activity Reports**  
*Nonresidential activity adds surprising strength*

SKOKIE, Ill. – Ed Sullivan, chief economist for the Portland Cement Association, has reported that the Commerce Department’s latest monthly report on U.S. Construction activity does not indicate an impending turnaround. While October’s overall construction activity declined 0.1 percent, the report surprisingly revealed nonresidential construction’s first gain in five months.

The increase reflects significant gains in private educational building construction (+9.9) as well as an increase in hospital and institutional construction activity (+1.6). However, the critical components of nonresidential construction still reflect significant weaknesses.

“Without improvements in industrial, office building and retail store construction, nonresidential construction will continue to languish,” said Sullivan.

The latest data report generally supports PCA’s forecast for 2003 calling for another year of modest decline in construction activity and cement consumption.

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