

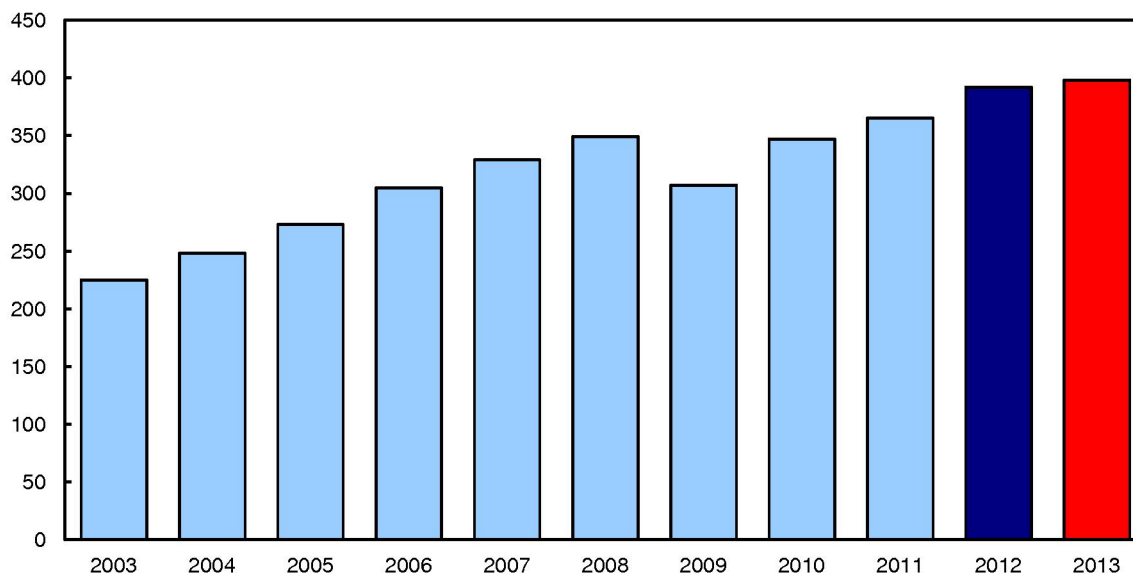
# Private and public investment, 2013

Released at 8:30 a.m. Eastern time in *The Daily*, Wednesday, February 27, 2013

Public and private organizations and the housing sector report that their anticipated investment in construction and machinery and equipment will reach \$398.2 billion in 2013, up 1.7% from 2012 in current dollars. This would be the smallest increase since the economic downturn in 2009.

**Chart 1**  
**Investment intentions edge up**

billions of dollars



**Note(s):** Actual from 2003 to 2011, 2012 preliminary actual and 2013 intentions.

The main contributor to the slowdown is an anticipated decline in investment reported by the mining and oil and gas extraction sector. Declines are also anticipated in the information and cultural industries as well as in educational services.

Strong increases in investment were reported in the utilities sector and in transportation and warehousing.

Of total investment, capital spending by the public sector is anticipated to rise 5.0% to \$88 billion, the second consecutive increase. Private sector investment is expected to edge up 0.8% to \$310.2 billion.

Of the private sector total, investment on housing is anticipated to edge up 0.2% to \$104.7 billion. If these intentions are realized, the housing sector will account for 26.3% of total capital spending in the economy.

Investment in non-residential construction is expected to rise 1.4% to \$178.9 billion, which corresponds to almost 61% of total investment, excluding housing. Spending on capital machinery and equipment is anticipated to increase 3.6% to \$114.6 billion.



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## Decline in the mining and oil and gas extraction sector

Organizations in the mining and oil and gas extraction sector reported that investment in construction and machinery and equipment is expected to fall by \$2.2 billion, or 2.7%, to \$79.2 billion. This would be the first decrease since the economic downturn.

The mining and oil and gas sector is still by far the largest for capital spending, accounting for more than one quarter of total investment, excluding housing.

The metal ore mining industry represents much of the decrease in the sector, as its capital spending is expected to decline by 32.1% or \$3.5 billion.

Provincially, two provinces account for much of the decline in the mining and oil and gas extraction sector. In Ontario, capital spending in the sector is expected to decline by \$1.2 billion or 30.3%, and in British Columbia by \$2.4 billion or 25.8%.

The largest provincial increase for the oil and gas extraction sector is from Newfoundland and Labrador, where capital investment is expected to rise by \$2.1 billion or 82.6%. Investment in Alberta for the oil and gas extraction sector is expected to remain relatively constant, edging up 0.1%. Provincially, Alberta remains the largest contributor for this sector, representing 77.2% of the total investment in the oil and gas extraction sector.

## Other sectors

Strong increases were reported by a number of sectors. Investment in non-residential construction and machinery and equipment by utilities is anticipated to reach \$31.3 billion, up 7.7% from 2012. The electric power generation and transmission and distribution industries would account for almost 65% of the increase. Almost two-thirds (65.1%) of the increase in the electric power generation and transmission and distribution industries can be allocated to the province of Ontario, where capital spending is expected to increase by \$943.6 million or 16.7%.

Potential investment reported by the utilities sector represents nearly two-thirds of the increase in public sector spending.

Investment in the transportation and warehousing sector is expected to rise 12.8% to \$22.4 billion. Much of this growth comes from the pipeline transportation industry, which accounts for almost 40% of the total increase.

Capital outlays by the public administration sector are anticipated to increase 2.0% to \$40.5 billion.

Manufacturers reported an intended increase of 2.4% to nearly \$20.9 billion for 2013. In retail trade, investment is expected to rise 12.0% as a result of an intended increase in the general merchandise store sub-sector. Investment in the finance and insurance sector is also expected to rise by 11.9%.

Capital spending is anticipated to fall by 7.7% for educational services, and by 3.0% for information and cultural industries.

## Provinces and territories

In 2013, investment in non-residential construction and machinery and equipment is expected to increase in every province and territory except New Brunswick, Saskatchewan, British Columbia, and the Northwest Territories.

Provincially, the biggest increase is anticipated in Ontario, where investment is expected to rise 3.5% to nearly \$80.1 billion.

Investment is anticipated to rise 12.2% in Newfoundland and Labrador, where the mining and oil and gas sector anticipates a \$1.6 billion increase.

In Alberta, investment intentions in non-residential construction and machinery and equipment are expected to rise 2.2%, mainly as a result of the transportation and warehousing as well as the manufacturing sectors.

In New Brunswick, capital spending is anticipated to decline 6.4% to just over \$4.1 billion. Three quarters of the decline (75.7%) can be attributed to a \$209 million drop in intended investments reported by the utilities sector.

The anticipated 2.7% decline in Saskatchewan is largely attributed to a \$525 million decline in manufacturing.

For more information on private and public investment, please see the article "Changes in the Composition of Aggregate Investment" published today in the *Economic Insights* series.

**Note to readers**

*Investment intentions for non-residential construction and machinery and equipment are based upon a sample survey of 28,000 private and public organizations. This survey was conducted between October 2012 and late January 2013.*

*For residential construction, the private and public investment program uses housing start estimates from the Canada Mortgage and Housing Corporation (CMHC). Housing starts are forecast under high, medium and low scenarios by the CMHC. These scenarios are used to estimate new housing investment, a key component of the overall housing forecast estimates.*

*The 2013 estimates for housing in this release are based on the mid-case scenario for each province. The table "Capital spending in Canada, 2013 intentions, by scenario", which appears at the end of this release, covers all three scenarios.*

*Data in this release are expressed in current dollars.*

**Table 1**  
**Capital spending, construction and machinery and equipment, industrial sectors**

	2011 actual	2012 preliminary actual	2013 intentions	Actual 2011 to preliminary actual 2012	Preliminary actual 2012 to intentions 2013
	millions of dollars			% change	
<b>Total: construction and machinery and equipment<sup>1</sup></b>	<b>365,208.7</b>	<b>391,508.1</b>	<b>398,183.8</b>	<b>7.2</b>	<b>1.7</b>
<b>Total public investment</b>	<b>79,865.6</b>	<b>83,800.4</b>	<b>87,986.9</b>	<b>4.9</b>	<b>5.0</b>
<b>Total private investment</b>	<b>285,343.2</b>	<b>307,707.7</b>	<b>310,196.8</b>	<b>7.8</b>	<b>0.8</b>
<b>North American Industry Classification System (2007) sectors</b>					
Agriculture, forestry, fishing and hunting	5,571.6	5,723.7	5,598.9	2.7	-2.2
Mining and oil and gas extraction	78,228.9	81,423.5	79,231.2	4.1	-2.7
Utilities	25,453.3	29,115.2	31,348.5	14.4	7.7
Construction	6,299.7	5,850.4	5,788.7	-7.1	-1.1
Manufacturing	17,648.4	20,366.1	20,854.4	15.4	2.4
Wholesale trade	4,984.4	5,512.5	5,965.8	10.6	8.2
Retail trade	8,194.7	9,748.3	10,922.5	19.0	12.0
Transportation and warehousing	17,593.0	19,832.7	22,362.9	12.7	12.8
Information and cultural industries	9,126.3	10,172.7	9,864.8	11.5	-3.0
Finance and insurance	12,263.0	12,440.5	13,920.4	1.4	11.9
Real estate and rental and leasing	11,776.0	11,645.7	12,044.6	-1.1	3.4
Professional, scientific and technical services	4,134.1	4,578.1	4,933.0	10.7	7.8
Management of companies and enterprises	308.2	302.1	295.4	-2.0	-2.2
Administration, support waste management and remedial service	2,331.2	2,396.0	2,604.9	2.8	8.7
Educational services	9,974.8	10,244.9	9,459.0	2.7	-7.7
Health care and social assistance	9,822.0	9,665.0	9,751.7	-1.6	0.9
Arts, entertainment and recreation	1,779.0	1,866.9	1,755.9	4.9	-5.9
Accommodation and food services	3,688.8	4,032.5	3,849.8	9.3	-4.5
Other services (except public administration)	2,401.7	2,387.0	2,395.2	-0.6	0.3
Public administration	38,041.5	39,721.6	40,530.9	4.4	2.0
Housing	95,588.1	104,482.6	104,705.5	9.3	0.2

1. Data include residential and non residential construction.

**Note(s):** Data may not add up to totals as a result of rounding.

**Table 2**  
**Capital spending, non residential construction and machinery and equipment, provinces and territories**

	2011 actual	2012 preliminary actual	2013 intentions	Actual 2011 to preliminary actual 2012	Preliminary actual 2012 to intentions 2013
	millions of dollars			% change	
<b>Canada</b>	<b>269,620.6</b>	<b>287,025.5</b>	<b>293,478.2</b>	<b>6.5</b>	<b>2.2</b>
<b>Non-residential construction</b>	<b>164,544.4</b>	<b>176,405.3</b>	<b>178,912.4</b>	<b>7.2</b>	<b>1.4</b>
<b>Machinery and equipment</b>	<b>105,076.2</b>	<b>110,620.2</b>	<b>114,565.8</b>	<b>5.3</b>	<b>3.6</b>
Newfoundland and Labrador	5,836.3	8,209.4	9,207.9	40.7	12.2
Non-residential construction	3,965.7	6,260.0	7,624.9	57.9	21.8
Machinery and equipment	1,870.6	1,949.4	1,583.0	4.2	-18.8
Prince Edward Island	768.9	650.9	746.7	-15.3	14.7
Non-residential construction	427.6	344.1	403.9	-19.5	17.4
Machinery and equipment	341.3	306.8	342.7	-10.1	11.7
Nova Scotia	4,828.2	4,495.4	4,648.0	-6.9	3.4
Non-residential construction	2,281.1	2,399.3	2,473.3	5.2	3.1
Machinery and equipment	2,547.1	2,096.2	2,174.7	-17.7	3.7
New Brunswick	4,798.5	4,342.7	4,066.5	-9.5	-6.4
Non-residential construction	2,591.9	2,257.2	2,104.2	-12.9	-6.8
Machinery and equipment	2,206.6	2,085.5	1,962.3	-5.5	-5.9
Quebec	42,153.7	47,382.8	47,838.3	12.4	1.0
Non-residential construction	24,037.4	27,206.3	27,094.1	13.2	-0.4
Machinery and equipment	18,116.3	20,176.5	20,744.2	11.4	2.8
Ontario	76,211.2	77,331.7	80,053.5	1.5	3.5
Non-residential construction	37,344.4	37,308.3	37,618.3	-0.1	0.8
Machinery and equipment	38,866.9	40,023.4	42,435.2	3.0	6.0
Manitoba	8,381.0	9,147.3	10,089.5	9.1	10.3
Non-residential construction	5,145.8	5,728.2	6,522.6	11.3	13.9
Machinery and equipment	3,235.2	3,419.0	3,566.8	5.7	4.3
Saskatchewan	16,533.5	17,271.8	16,805.5	4.5	-2.7
Non-residential construction	11,313.4	10,764.0	10,562.6	-4.9	-1.9
Machinery and equipment	5,220.1	6,507.8	6,242.9	24.7	-4.1
Alberta	77,557.8	83,497.4	85,351.3	7.7	2.2
Non-residential construction	56,263.8	61,909.5	62,388.9	10.0	0.8
Machinery and equipment	21,294.0	21,588.0	22,962.4	1.4	6.4
British Columbia	29,634.1	31,949.1	31,826.6	7.8	-0.4
Non-residential construction	18,766.3	20,037.7	19,814.2	6.8	-1.1
Machinery and equipment	10,867.9	11,911.3	12,012.4	9.6	0.8
Yukon	901.8	658.1	795.3	-27.0	20.8
Non-residential construction	767.1	516.3	604.5	-32.7	17.1
Machinery and equipment	134.6	141.8	190.8	5.4	34.5
Northwest Territories	1,007.8	1,242.3	1,034.1	23.3	-16.8
Non-residential construction	727.3	919.9	772.5	26.5	-16.0
Machinery and equipment	280.5	322.4	261.6	15.0	-18.9
Nunavut	1,007.7	846.5	1,015.2	-16.0	19.9
Non-residential construction	912.6	754.3	928.4	-17.3	23.1
Machinery and equipment	95.1	92.2	86.8	-3.1	-5.8

**Note(s):** Data may not add up to totals as a result of rounding.

**Table 3**  
**Capital spending, construction<sup>1</sup> and machinery and equipment, provinces and territories**

	2011 actual	2012 preliminary actual	2013 intentions	Actual 2011 to preliminary actual 2012	Preliminary actual 2012 to intentions 2013
	millions of dollars			% change	
<b>Canada</b>	<b>365,208.7</b>	<b>391,508.1</b>	<b>398,183.8</b>	<b>7.2</b>	<b>1.7</b>
<b>Construction<sup>1</sup></b>	<b>260,132.5</b>	<b>280,887.9</b>	<b>283,618.0</b>	<b>8.0</b>	<b>1.0</b>
<b>Machinery and equipment</b>	<b>105,076.2</b>	<b>110,620.2</b>	<b>114,565.8</b>	<b>5.3</b>	<b>3.6</b>
Newfoundland and Labrador	7,549.2	10,038.5	11,015.7	33.0	9.7
Construction <sup>1</sup>	5,678.7	8,089.1	9,432.7	42.4	16.6
Machinery and equipment	1,870.6	1,949.4	1,583.0	4.2	-18.8
Prince Edward Island	1,080.3	986.4	1,056.3	-8.7	7.1
Construction <sup>1</sup>	738.9	679.6	713.6	-8.0	5.0
Machinery and equipment	341.3	306.8	342.7	-10.1	11.7
Nova Scotia	7,112.7	6,791.8	6,943.5	-4.5	2.2
Construction <sup>1</sup>	4,565.6	4,695.6	4,768.9	2.8	1.6
Machinery and equipment	2,547.1	2,096.2	2,174.7	-17.7	3.7
New Brunswick	6,378.1	5,866.5	5,550.3	-8.0	-5.4
Construction <sup>1</sup>	4,171.4	3,781.0	3,588.0	-9.4	-5.1
Machinery and equipment	2,206.6	2,085.5	1,962.3	-5.5	-5.9
Quebec	64,450.8	71,048.0	71,413.0	10.2	0.5
Construction <sup>1</sup>	46,334.5	50,871.5	50,668.7	9.8	-0.4
Machinery and equipment	18,116.3	20,176.5	20,744.2	11.4	2.8
Ontario	110,967.0	115,802.9	117,736.2	4.4	1.7
Construction <sup>1</sup>	72,100.2	75,779.5	75,301.0	5.1	-0.6
Machinery and equipment	38,866.9	40,023.4	42,435.2	3.0	6.0
Manitoba	11,213.2	12,306.0	13,346.7	9.7	8.5
Construction <sup>1</sup>	7,978.0	8,887.0	9,779.8	11.4	10.0
Machinery and equipment	3,235.2	3,419.0	3,566.8	5.7	4.3
Saskatchewan	19,605.7	20,889.3	20,466.7	6.5	-2.0
Construction <sup>1</sup>	14,385.6	14,381.5	14,223.9	-0.0	-1.1
Machinery and equipment	5,220.1	6,507.8	6,242.9	24.7	-4.1
Alberta	90,025.7	98,192.9	100,557.0	9.1	2.4
Construction <sup>1</sup>	68,731.7	76,605.0	77,594.6	11.5	1.3
Machinery and equipment	21,294.0	21,588.0	22,962.4	1.4	6.4
British Columbia	43,542.1	46,517.2	46,923.7	6.8	0.9
Construction <sup>1</sup>	32,674.2	34,605.8	34,911.3	5.9	0.9
Machinery and equipment	10,867.9	11,911.3	12,012.4	9.6	0.8
Yukon	1,083.0	826.4	967.7	-23.7	17.1
Construction <sup>1</sup>	948.4	684.6	777.0	-27.8	13.5
Machinery and equipment	134.6	141.8	190.8	5.4	34.5
Northwest Territories	1,087.3	1,324.1	1,127.3	21.8	-14.9
Construction <sup>1</sup>	806.8	1,001.6	865.7	24.2	-13.6
Machinery and equipment	280.5	322.4	261.6	15.0	-18.9
Nunavut	1,113.6	918.1	1,079.5	-17.6	17.6
Construction <sup>1</sup>	1,018.6	825.9	992.7	-18.9	20.2
Machinery and equipment	95.1	92.2	86.8	-3.1	-5.8

1. Data include residential and non-residential construction.

Note(s): Data may not add up to totals as a result of rounding.

**Table 4**  
**Capital spending in Canada, 2013 intentions, by scenario**

	Low scenario	Medium scenario	High scenario
	millions of dollars		
New housing investment <sup>1</sup>	44,324.2	46,546.2	48,718.7
Total housing (residential investment)	102,026.7	104,705.5	107,324.2
Total construction (residential and non-residential)	280,939.1	283,618.0	286,236.6
Total: construction and machinery and equipment	395,504.9	398,183.8	400,802.4

1. The Canada Mortgage and Housing Corporation forecasts new housing starts under high, medium and low scenarios. These scenarios are used in the estimation of the values for new housing, a key component of the overall housing forecast estimates.

**Available in CANSIM: tables 029-0005, 029-0007 to 029-0022, 029-0024, 032-0001 and 032-0002.**

**Definitions, data sources and methods: survey number 2803.**

The publication, *Private and Public Investment in Canada, Intentions*, 2013 (61-205-X) will be available soon.

For more information, contact us (toll-free 1-800-263-1136; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)).

For more information, or to enquire about the concepts, methods or data quality of this release, contact Krishna Tiwari (613-951-0700; [krishna.tiwari@statcan.gc.ca](mailto:krishna.tiwari@statcan.gc.ca)), Investment, Science and Technology Division.