

# Capital and Repair Expenditures Survey, 2014 (preliminary) and 2015 (intentions)

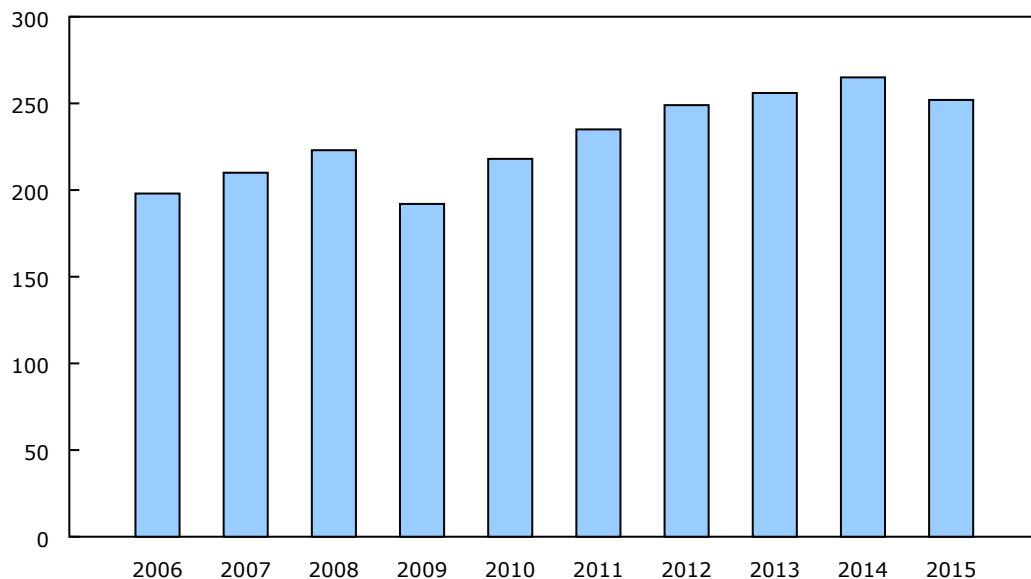
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Capital expenditures in non-residential construction and machinery and equipment are expected to total \$251.8 billion in 2015, down 4.9% from 2014.

Public sector capital spending is expected to decrease 0.2% and private sector capital expenditure is anticipated to fall by 7.0%, mainly as a result of lower spending in the mining, quarrying, and oil and gas extraction industry.

**Chart 1**  
**Capital expenditures: Lower intentions for 2015**

billions of dollars



Source(s): CANSIM table [029-0045](#).

Capital expenditures in the mining, quarrying, and oil and gas extraction sector are expected to total \$67.9 billion, 18.7% less than in 2014.

In 2015, capital expenditures on exploration and evaluation, which include oil and gas exploration drilling, geological, geophysical and other oil and gas exploration and evaluation costs as well as mineral exploration costs, are expected to fall 25.1% from 2014 to \$6.8 billion.

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

Organizations in the mining, quarrying, and oil and gas extraction sector reported that capital expenditure in construction and machinery and equipment is expected to fall by \$15.6 billion, or 18.7%, to \$67.9 billion in 2015. The mining, quarrying, and oil and gas sector is still expected to be the largest capital spending sector, accounting for more than one-quarter of total capital expenditure.



The conventional oil and gas extraction subsector is projected to represent most of the decrease in the sector, as its capital spending is expected to decline by \$8.0 billion to \$30.5 billion. The non-conventional oil extraction subsector is expected to fall by \$5.0 billion to \$25.1 billion.

In 2015, three provinces are anticipated to account for most of the decline in capital spending in the mining, quarrying, and oil and gas extraction sector. In Alberta, capital spending in the sector is expected to decline by \$12.0 billion or 21.4% to \$44.0 billion. Capital spending in Saskatchewan is projected to drop by \$2.2 billion or 24.3% to \$6.9 billion, while capital spending in British Columbia anticipated to decline by \$1.4 billion or 21.1% to \$5.2 billion.

The largest provincial increase for the mining, quarrying, and oil and gas extraction sector is anticipated to be in Newfoundland and Labrador, where capital expenditure is expected to rise by \$86 million or 1.6% to \$5.4 billion.

Provincially, Alberta is expected to remain the largest contributor to the mining, quarrying, and oil and gas extraction sector, representing 64.8% of total capital expenditure.

### **Other industrial sectors**

Strong decreases in capital expenditures in non-residential construction and machinery and equipment were reported by a number of sectors. Capital expenditures by organizations in the health care and social assistance sector are anticipated to total \$8.7 billion in 2015, down 14.2% from 2014. The hospital subsector is expected to account for 80.8% of the decrease.

Capital expenditure in the professional, scientific and technical services sector is expected to decline 23.2% to \$2.0 billion. This decline is anticipated to partly come from the architectural, engineering and related services subsector, which is expected to account for almost 30% of the total decrease.

Overall, capital spending in the transportation and warehousing sector is expected to show the largest growth in 2015. Spending in this sector is anticipated to increase \$3.1 billion to \$26.4 billion, largely as a result of higher capital spending on pipeline transportation, and transit and ground passenger transportation.

Capital outlays by the public administration sector are anticipated to increase 0.8% to \$31.6 billion.

Manufacturers intend to increase spending by 2.7% to \$17.5 billion in 2015, in large part, due to increases in the petroleum and coal product manufacturing subsector in Alberta, and the machinery manufacturing subsector in Quebec.

Capital spending is anticipated to increase by 9.7% for educational services, mainly as a result of higher of spending in the community colleges and CEGEPs subsector.

### **Provinces and territories summary**

In 2015, capital expenditures on non-residential construction and machinery and equipment are expected to decline in Alberta, Saskatchewan, British Columbia, Ontario, Newfoundland and Labrador, Yukon and Nunavut.

Capital expenditures for 2015 are expected to be down in Alberta, as a number of projects in the oil and gas extraction industry have been suspended. The expected value of private and public capital spending is forecast to be \$82.0 billion, down 11.0% from 2014.

In Saskatchewan, capital expenditures are expected to total \$15.5 billion, down 12.9%. The decline is due to lower spending in the mining, quarrying and oil and gas extraction sector.

Organizations in Quebec reported the largest increase, with capital expenditures expected to increase by 2.7% to \$37.3 billion, mainly as a result of higher capital spending by the public administration sector.

Capital expenditures are expected to rise 4.5% to \$10.0 billion in Manitoba, where spending in the utilities sector is anticipated to increase by \$507 million to \$2.9 billion. As well, spending by the provincial public administration subsector is expected to rise by \$158 million to approximately \$1 billion.

In Nova Scotia, capital expenditures on non-residential construction and machinery and equipment are expected to rise 9.2% to \$4.0 billion, as a result of increased spending in the local, municipal and regional public administration subsector.

### Note to readers

The Capital and Repair Expenditures Survey (CAPEX) for non-residential construction and machinery and equipment, preliminary estimate for 2014 and intentions for 2015, is based upon a sample survey of 25,000 private and public organizations. The survey was conducted from October 2014 to January 2015. Updates to reported capital expenditures for larger oil and gas businesses were conducted to ensure the intended capital spending for 2015 was accurate following the oil and gas price drop.

As announced in *The Daily* on February 26, 2015, CAPEX has undergone a major redesign. For more information on conceptual and methodological changes, see "[Changes in the outputs of the capital and repair expenditures survey](#)," available from the Definitions, data sources and methods module of our website under survey number 2803.

Data in this release are expressed in current dollars.

**Table 1**  
**Capital spending on non-residential construction and machinery and equipment, industrial sectors**

|  | 2014p               | 2015 (intentions)     | 2014 to 2015 |
|--|---------------------|-----------------------|--------------|
|  | millions of dollars |                       | % change     |
| <b>Total, non-residential construction and machinery and equipment</b> | <b>264,865.5</b>    | <b>251,774.6</b>      | <b>-4.9</b>  |
| <b>Total, private capital expenditures</b>                             | <b>184,656.1</b>    | <b>171,756.3</b>      | <b>-7.0</b>  |
| <b>Total, public capital expenditures</b>                              | <b>80,209.4</b>     | <b>80,018.3</b>       | <b>-0.2</b>  |
| <b>Industrial sectors</b>  |                     |                       |              |
| Agriculture, forestry, fishing and hunting                             | 6,771.2             | 6,583.8               | -2.8         |
| Mining, quarrying and oil and gas extraction                           | 83,442.8            | 67,871.7 <sup>E</sup> | -18.7        |
| Utilities  | 31,640.4            | 31,283.5              | -1.1         |
| Construction   | 6,349.1             | 6,157.5               | -3.0         |
| Manufacturing  | 17,062.4            | 17,524.4              | 2.7          |
| Wholesale trade  | 3,992.7             | 4,153.5               | 4.0          |
| Retail trade   | 5,812.2             | 6,258.3               | 7.7          |
| Transportation and warehousing   | 23,248.7            | 26,368.8              | 13.4         |
| Information and cultural industries                                    | 8,947.6             | 9,028.8               | 0.9          |
| Finance and insurance  | 3,389.8             | 3,499.8               | 3.2          |
| Real estate and rental and leasing                                     | 11,086.5            | 11,565.3              | 4.3          |
| Professional, scientific and technical services                        | 2,591.9             | 1,989.7               | -23.2        |
| Management of companies and enterprises                                | 397.6               | 374.2                 | -5.9         |
| Administration, support waste management and remedial service          | F                   | 2,192.6               | F            |
| Educational services   | 8,350.2             | 9,162.6               | 9.7          |
| Health care and social assistance                                      | 10,169.7            | 8,725.4               | -14.2        |
| Arts, entertainment and recreation                                     | 2,337.2             | 1,990.6               | -14.8        |
| Accommodation and food services  | 4,268.1             | 4,324.4               | 1.3          |
| Other services (except public administration)                          | 1,108.0             | 1,131.2               | 2.1          |
| Public administration  | 31,340.7            | 31,588.3              | 0.8          |

P preliminary

E use with caution

F too unreliable to be published

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

Source(s): CANSIM tables [029-0045](#) and [029-0047](#).

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

|                                     | 2014 <sup>p</sup>   | 2015 (intentions)     | 2014 to 2015 |
|-------------------------------------|---------------------|-----------------------|--------------|
|                                     | millions of dollars |                       | % change     |
| <b>Canada</b>                       | <b>264,865.5</b>    | <b>251,774.6</b>      | <b>-4.9</b>  |
| <b>Non-residential construction</b> | <b>179,737.3</b>    | <b>171,270.4</b>      | <b>-4.7</b>  |
| <b>Machinery and equipment</b>      | <b>85,128.3</b>     | <b>80,504.2</b>       | <b>-5.4</b>  |
| Newfoundland and Labrador           | 9,281.5             | 9,261.4               | -0.2         |
| Non-residential construction        | 7,971.7             | 8,076.8               | 1.3          |
| Machinery and equipment             | 1,309.7             | 1,184.6               | -9.6         |
| Prince Edward Island                | 578.5               | 622.2                 | 7.6          |
| Non-residential construction        | 307.8               | 371.2                 | 20.6         |
| Machinery and equipment             | 270.8               | 251.0                 | -7.3         |
| Nova Scotia                         | 3,698.7             | 4,038.3               | 9.2          |
| Non-residential construction        | 1,731.8             | 2,001.4               | 15.6         |
| Machinery and equipment             | 1,966.9             | 2,036.8               | 3.6          |
| New Brunswick                       | 2,690.2             | 3,011.2               | 11.9         |
| Non-residential construction        | 1,403.6             | 1,545.4               | 10.1         |
| Machinery and equipment             | 1,286.6             | 1,465.8               | 13.9         |
| Quebec                              | 36,337.7            | 37,322.3              | 2.7          |
| Non-residential construction        | 23,252.0            | 23,872.1              | 2.7          |
| Machinery and equipment             | 13,085.7            | 13,450.3              | 2.8          |
| Ontario                             | 62,366.3            | 61,424.6              | -1.5         |
| Non-residential construction        | 35,492.5            | 35,709.7              | 0.6          |
| Machinery and equipment             | 26,873.8            | 25,714.9              | -4.3         |
| Manitoba                            | 9,526.8             | 9,959.9               | 4.5          |
| Non-residential construction        | 6,216.0             | 6,567.9               | 5.7          |
| Machinery and equipment             | 3,310.9             | 3,392.0               | 2.4          |
| Saskatchewan                        | 17,770.0            | 15,480.5              | -12.9        |
| Non-residential construction        | 12,471.4            | 10,159.8              | -18.5        |
| Machinery and equipment             | 5,298.5             | 5,320.7               | 0.4          |
| Alberta                             | 92,078.8            | 81,987.8              | -11.0        |
| Non-residential construction        | 69,846.4            | 63,526.5 <sup>E</sup> | -9.0         |
| Machinery and equipment             | 22,232.4            | 18,461.3              | -17.0        |
| British Columbia                    | 28,063.5            | 26,282.2              | -6.3         |
| Non-residential construction        | 19,061.6            | 17,646.9              | -7.4         |
| Machinery and equipment             | 9,001.8             | 8,635.2               | -4.1         |
| Yukon                               | 409.5               | 398.2                 | -2.8         |
| Non-residential construction        | 264.8               | 267.2                 | 0.9          |
| Machinery and equipment             | 144.7               | 131.0                 | -9.5         |
| Northwest Territories               | 1,099.7             | 1,385.7               | 26.0         |
| Non-residential construction        | 874.1               | 1,077.9               | 23.3         |
| Machinery and equipment             | 225.6               | 307.8                 | 36.4         |
| Nunavut                             | 964.5               | 600.3                 | -37.8        |
| Non-residential construction        | 843.7               | 447.5                 | -47.0        |
| Machinery and equipment             | 120.8               | 152.8                 | 26.5         |

<sup>p</sup> preliminary

<sup>E</sup> use with caution

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

**Source(s):** CANSIM table [029-0045](#).

Available in CANSIM: tables [029-0045](#) to [029-0048](#) and [029-0051](#).

Definitions, data sources and methods: survey number [2803](#).

The research article "[Non-residential Capital Expenditures: 2014 Preliminary Actual Estimates and 2015 Intentions](#)," which is part of *Economic Insights* ([11-626-X](#)), is now available from the *Browse by key resource* module of our website under *Publications*.

Similar studies are available in the [Update on Economic Analysis](#) module of our website.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)).

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