

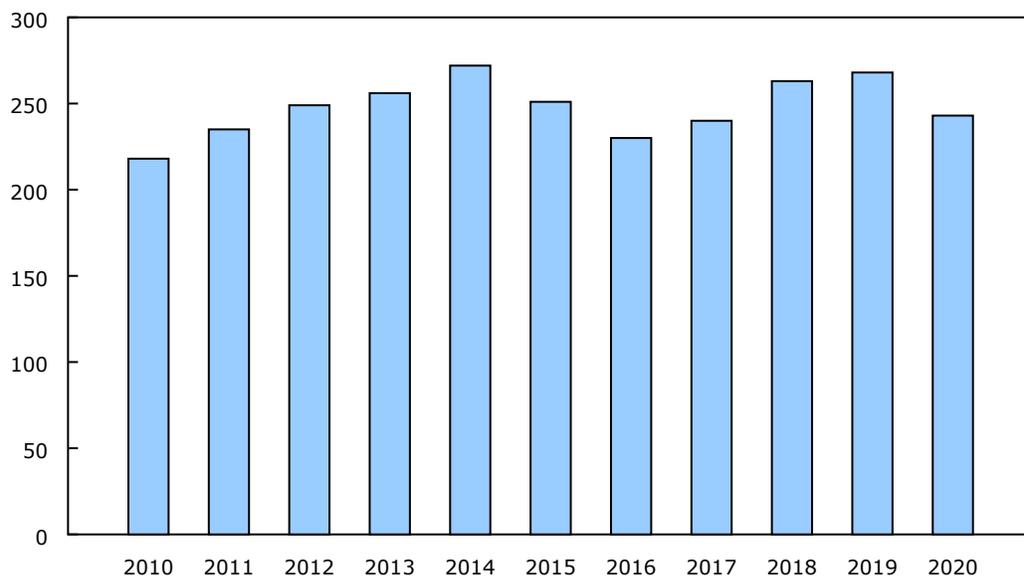
# Non-residential capital and repair expenditures, 2020 (revised intentions)

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The COVID-19 pandemic has resulted in a considerable slowdown in economic activity in Canada and altered the capital investment intentions of Canadian companies originally reported by Statistics Canada in February. Capital expenditures on non-residential construction and machinery and equipment are now expected to decrease 9.5% from 2019 to \$242.6 billion in 2020. This compares with previously-reported intentions for 2020 of \$275.5 billion, an anticipated increase of 2.8% over the previous year. The \$32.9 billion anticipated decrease from previously-published data for 2020 is expected to impact both capital construction (-10.1% to \$160.7 billion) and in machinery and equipment (-15.4% to \$82.0 billion).

**Chart 1**  
**Capital expenditures on non-residential tangible assets: Intentions decrease in 2020**

billions of dollars



Source(s): Table 34-10-0035-01.

## Much lower anticipated spending in both the oil and gas extraction subsector and in the accommodation and food services sector

The spread of the COVID-19 pandemic coincided with a decline in oil prices brought about by increases in global production. Even with the uptick in demand for various energy products in May, production was at its lowest level since 2017, as noted in the [Energy statistics](#) release. Consequently, capital spending in the oil and gas extraction subsector is expected to decrease by 31.7% to \$22.7 billion in 2020. The decline is taking place in both conventional (-37.5% to \$14.4 billion) and non-conventional (-18.6% to \$8.3 billion) oil and gas industries. Prior to these events, the oil and gas subsector was expecting an increase in capital expenditures of \$442 million in 2020.



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International trips to Canada by nonresidents were down by 97.9% in May 2020 from the same month a year earlier, as noted in the release on [Travel between Canada and other countries](#). Over the same period, unadjusted sales by food services and drinking places fell by half (-49.9%), as noted in the [Food services and drinking places](#) release. In this context, capital spending in the accommodation and food services sector is projected to drop 39.2% to \$2.3 billion when compared with 2019, with decreases taking place in every province and territory.

While manufacturers expected a 1.2% increase in capital spending in February, they now anticipate an 18.5% decrease in capital spending in 2020 (down to \$18.1 billion from \$22.1 billion) when compared to 2019. A decrease is expected for both capital construction (-28.0%) and capital machinery (-14.8%), with the most notable declines observed in chemical manufacturing (-\$867 million) and transportation equipment manufacturing (-\$774 million). Out of 21 manufacturing subsectors, 2 reported that they were expecting a minor increase in total capital outlays for 2020.

Of the 20 industrial sectors, 3 have indicated plans to revise upwards their capital expenditures when compared with their previously-reported intentions for 2020: the health care and social assistance sector (+3.3%), the information and cultural industries sector (+1.9%), which includes the telecommunications subsector (+2.4%), and the educational services sector (+0.4%). The public administration sector, though slightly revising downward their capital spending (-0.7%), should see an increase of 1.7% in capital expenditures in 2020 when compared with 2019.

From a regional viewpoint, all provinces and territories with the exception of the Northwest Territories (+3.7%), will see their private and public expenditures in non-residential construction and machinery and equipment decrease over 2019. Newfoundland and Labrador (-22.9%) and Alberta (-19.1%) are expected to see the largest decreases, due primarily to the weakening of investments in the oil and gas extraction subsectors.

#### **Note to readers**

*The Capital and Repair Expenditures Survey is based on a sample survey of 25,000 private and public organizations. The survey on intentions for 2020 was conducted from September 2019 to January 2020. The revised intentions for 2020 are based on a sample survey of 7,000 private and public organizations which was conducted during June and July 2020.*

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

#### **Real time data tables**

*Real time data tables 34-10-0278-01 and 34-10-0279-01 will be updated August 24.*

**Table 1**  
**Capital spending on non-residential tangible assets, industrial sectors**

	2017	2018	2019	2020	2019 to 2020
	millions of dollars				% change
<b>Total, non-residential construction and machinery and equipment</b>	<b>239,906.4</b>	<b>263,396.9</b>	<b>267,973.3</b>	<b>242,634.5</b>	<b>-9.5</b>
<b>Total, private capital expenditures</b>	<b>156,106.7</b>	<b>172,203.8</b>	<b>176,009.8</b>	<b>146,842.1</b>	<b>-16.6</b>
<b>Total, public capital expenditures</b>	<b>83,799.7</b>	<b>91,193.1</b>	<b>91,963.5</b>	<b>95,792.4</b>	<b>4.2</b>
<b>Industrial sectors</b>					
Agriculture, forestry, fishing and hunting	7,733.2	8,942.6	8,826.8	7,496.0 <sup>E</sup>	-15.1
Mining, quarrying, and oil and gas extraction	50,565.6	48,399.5	44,376.4	32,324.1	-27.2
Utilities	31,525.2	28,923.0	30,197.4	29,363.9	-2.8
Construction	6,244.8	6,987.1	7,605.3	6,834.7	-10.1
Manufacturing	15,366.8	21,219.0	22,147.8	18,050.8	-18.5
Wholesale trade	3,600.5	4,629.6	4,892.7	4,433.1	-9.4
Retail trade	6,607.9	6,544.5	5,993.0 <sup>E</sup>	5,278.0	-11.9
Transportation and warehousing	28,953.8	35,588.6	40,500.7	41,159.6	1.6
Information and cultural industries	12,496.7	13,423.1	13,688.4	14,112.4	3.1
Finance and insurance	3,617.9	3,167.5	3,635.1	2,890.8 <sup>E</sup>	-20.5
Real estate and rental and leasing	13,387.8	16,519.1 <sup>E</sup>	17,508.5 <sup>E</sup>	12,778.8 <sup>E</sup>	-27.0
Professional, scientific and technical services	2,448.1	2,901.6	2,907.9	2,510.1	-13.7
Management of companies and enterprises	548.9	1,014.1	1,119.3	1,066.7 <sup>E</sup>	-4.7
Administrative and support, waste management and remediation services	1,681.8	2,052.4 <sup>E</sup>	2,072.5	2,305.9	11.3
Educational services	10,582.9	11,950.1	11,413.8	11,254.8	-1.4
Health care and social assistance	8,114.8	8,664.6	9,453.1	10,648.1	12.6
Arts, entertainment and recreation	2,610.7	2,876.1	3,096.4	2,702.9	-12.7
Accommodation and food services	3,610.9	4,188.7 <sup>E</sup>	3,732.2	2,269.8 <sup>E</sup>	-39.2
Other services (except public administration)	1,073.5	1,635.4 <sup>E</sup>	1,236.7 <sup>E</sup>	1,028.9 <sup>E</sup>	-16.8
Public administration	29,134.3	33,770.2	33,569.2	34,125.1	1.7

<sup>E</sup> use with caution

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

**Source(s):** Tables [34-10-0035-01](#) and [34-10-0037-01](#).

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

	2017	2018	2019	2020	2019 to 2020
	millions of dollars				% change
<b>Canada</b>	<b>239,906.4</b>	<b>263,396.9</b>	<b>267,973.3</b>	<b>242,634.5</b>	<b>-9.5</b>
<b>Non-residential construction</b>	<b>156,683.5</b>	<b>167,296.3</b>	<b>170,933.1</b>	<b>160,660.4</b>	<b>-6.0</b>
<b>Machinery and equipment</b>	<b>83,222.8</b>	<b>96,100.6</b>	<b>97,040.2</b>	<b>81,974.1</b>	<b>-15.5</b>
Newfoundland and Labrador	7,784.3	6,649.0	7,045.1	5,430.6	-22.9
Non-residential construction	6,579.3	5,110.7	5,707.3	4,288.4	-24.9
Machinery and equipment	1,205.0	1,538.2	1,337.8	1,142.2	-14.6
Prince Edward Island	663.0	730.2	755.6	631.4	-16.4
Non-residential construction	342.4	385.9	410.4	341.6	-16.8
Machinery and equipment	320.5	344.3	345.2	289.7	-16.1
Nova Scotia	4,197.1	4,180.8	4,143.6	3,888.3	-6.2
Non-residential construction	2,646.1	2,211.9	2,307.8	2,359.3	2.2
Machinery and equipment	1,550.9	1,968.9	1,835.8	1,529.0	-16.7
New Brunswick	4,000.8	4,503.3	3,933.4	3,430.1 <sup>E</sup>	-12.8
Non-residential construction	2,307.5	2,450.7	2,113.5	1,897.9	-10.2
Machinery and equipment	1,693.4	2,052.6	1,819.9	1,532.2 <sup>E</sup>	-15.8
Quebec	37,629.6	42,802.6	43,292.8	41,700.9	-3.7
Non-residential construction	23,480.1	26,559.9	27,093.4	26,909.3	-0.7
Machinery and equipment	14,149.4	16,242.7	16,199.4	14,791.5	-8.7
Ontario	69,072.9	81,921.3	82,730.5	77,317.3	-6.5
Non-residential construction	38,803.1	46,197.5	45,728.6	45,115.3	-1.3
Machinery and equipment	30,269.8	35,723.8	37,001.8	32,202.0	-13.0
Manitoba	9,139.7	9,392.1	9,712.5	8,598.3	-11.5
Non-residential construction	5,729.2	6,061.9	6,313.4	5,176.7	-18.0
Machinery and equipment	3,410.4	3,330.2	3,399.1	3,421.6	0.7
Saskatchewan	15,743.1	15,481.3	14,986.8	12,746.7	-14.9
Non-residential construction	10,551.3	10,839.3	10,564.1	8,812.2	-16.6
Machinery and equipment	5,191.8	4,642.0	4,422.7	3,934.5	-11.0
Alberta	60,249.9	62,301.0	59,511.1	48,158.9	-19.1
Non-residential construction	45,604.3	44,714.1	41,777.9	35,326.0	-15.4
Machinery and equipment	14,645.6	17,587.0	17,733.2	12,832.8	-27.6
British Columbia	28,999.9	32,037.9	38,797.9	38,253.4	-1.4
Non-residential construction	18,816.8	20,323.6	26,536.6	28,360.2	6.9
Machinery and equipment	10,183.1	11,714.3	12,261.3	9,893.2	-19.3
Yukon	363.1	752.8	624.0	531.0	-14.9
Non-residential construction	259.0	485.6	505.0	429.9	-14.9
Machinery and equipment	104.1	267.2	119.1	101.2	-15.0
Northwest Territories	875.3	866.3	731.3	758.4	3.7
Non-residential construction	650.8	681.1	537.1	596.6	11.1
Machinery and equipment	224.5	185.1	194.1	161.8	-16.6
Nunavut	1,187.7	1,778.4	1,708.7	1,189.3	-30.4
Non-residential construction	913.5	1,274.0	1,337.9	1,047.1	-21.7
Machinery and equipment	274.2	504.4	370.8	142.2	-61.7

<sup>E</sup> use with caution

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

**Source(s):** Table 34-10-0035-01.

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**Available tables:** [34-10-0035-01](#) to [34-10-0038-01](#) .

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

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