

Non-residential capital and repair expenditures, 2020 (revised), 2021 (preliminary) and 2022 (intentions)

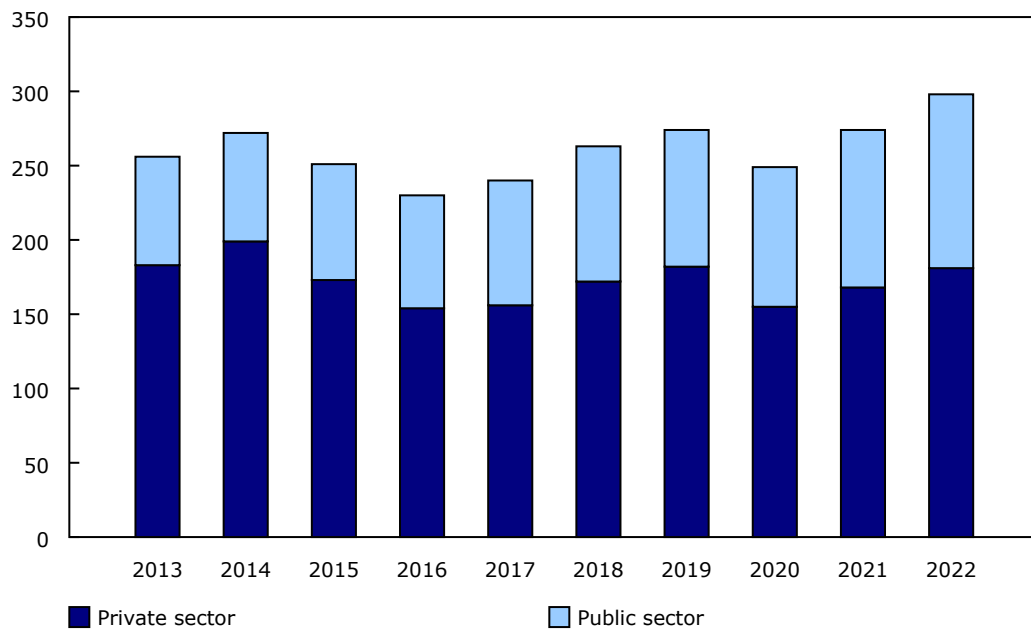
Released at 8:30 a.m. Eastern time in *The Daily*, Friday, February 25, 2022

Investments reach record-high level on strong public sector spending

Capital expenditures on non-residential construction and machinery and equipment are expected to rise 8.6% to \$298.2 billion in 2022, following a 10.4% increase in 2021. This strength is based on record-high capital investments expected by the public sector, which should reach \$116.8 billion in 2022. It is also based on a capital investment increase of 7.8% (to \$181.4 billion) expected in the private sector, just shy of the level recorded in 2019.

Chart 1
Private and public non-residential investment

billions of dollars



Source(s): Table 34-10-0037-01.

Machinery and equipment investments slowly pick up

After dropping 14.5% in 2020, private sector capital expenditures on non-residential tangible assets increased by 8.4% in 2021 and are expected to increase further by 7.8% in 2022.

Manufacturers are anticipating investments of \$17.0 billion in machinery and equipment in 2022, surpassing the level achieved in 2019 (\$16.0 billion). While labour shortages are expected to lead to increased demand for new technologies such as robots and automation, these shortages along with supply disruptions may nevertheless lead to a short term dampening in capital spending intentions for machinery and equipment. Transportation equipment manufacturers were producing 38% below capacity in the third quarter of 2021 as they continued to be heavily



affected by the shortage of semiconductor chips. In addition, there were a record number of job vacancies in the manufacturing sector in the third quarter of 2021, having increased to 81,235 from 50,025 in the third quarter of 2019.

The automotive equipment rental and leasing subsector anticipates a 10.9% increase in machinery and equipment acquisitions in 2022. However, the \$5.7 billion of planned investment is well below the \$8.8 billion recorded in 2019. This subsector continues to be impacted by global supply disruptions as well as a decline in tourism spending.

Investments in public infrastructure accelerate

Capital spending by the public sector should rise for a sixth consecutive year, reaching \$116.8 billion (+9.7%) in 2022. The public sector's share of capital spending on non-residential tangible assets increased from about one-third in the years preceding the pandemic to close to two-fifths in 2021 and 2022.

Capital outlays are expected to increase by \$4.6 billion (+12.9%) in 2022 in the public administration industries. The majority of this increase is due to planned spending by local, municipal and regional public administrations on non-residential buildings and other structures. In Quebec, this subsector anticipates increasing capital outlays by 65.6% in 2022.

If intentions are realized, capital spending on publicly owned assets in transportation and warehousing industries will have tripled the amount invested in 2016. Public transit projects, mostly in the Toronto area, account for almost all of the anticipated increase in 2022. Private and public organizations in the transit and ground passenger transportation subsector are expected to boost capital spending by 18.5% that year, after increasing by 26.0% in 2021. In British Columbia, capital expenditures in the subsector are expected to increase by 96.4% with the start of tunnelling on the \$2.8-billion Broadway SkyTrain Extension project.

Record-high capital spending is also expected in the health care and social assistance sector in 2022. In 2020, investments increased by 21.9% to reach \$11.1 billion and continued to rise in 2021 to \$12.1 billion. Increases were recorded in all provinces and territories in 2021, except Ontario and Nunavut. While hospitals accounted for most of the increase in spending in 2020 (+27.3% to \$7.0 billion), the nursing and residential care facilities subsector and the ambulatory health care services subsector were the focus of the growth in 2021, increasing 32.2% and 22.5% respectively that year. Ontario committed to deliver 30,000 new long-term care beds by the 2028/2029 fiscal year, and, as of February 7, 2022, it had more than 73% of these in the planning, construction and opening stages. The province of British Columbia announced \$7.8 billion in capital spending on infrastructure in the health sector over the 2021/2022 to 2023/2024 fiscal years, including construction of the \$2.2-billion St. Paul's Hospital in Vancouver as well as several other major hospital projects. According to the [British Columbia Labour Market Outlook, 2021 Edition](#), the health care and social assistance sector will account for 14% of total job openings in the province over the 2021-to-2031 period, and 40% of these openings will be the result of the expansion of the health system.

Clean energy projects in development across Canada

Major projects in clean energy are contributing to increases in capital spending in several provinces and territories in 2021 and 2022.

In Prince Edward Island, the only province that saw increased capital spending in 2020 despite the pandemic, spending should continue into 2022 reaching \$871.7 million (+5.5% from 2021). Site preparations began in 2021 at the \$68-million Summerside Sunbank solar farm and battery storage project.

In New Brunswick, the largest increase in non-residential capital for 2022 is anticipated in the utilities sector (+\$136.4 million). NB Power announced, in October 2021, that it is developing the province's first long-duration energy storage project in collaboration with Malta Inc.

In Quebec, a number of major projects in clean energy contributing to the province's 11.8% expected increase in non-residential capital investments in 2022. Construction of the \$600-million Apuiat Wind Farm is expected to begin in 2022, and the Canada and Quebec governments announced a joint investment of over \$230 million in the \$875-million Varennes Carbon Recycling biofuel project. In addition, Quebec City's biomethanation centre is under construction, and Montréal and Laval announced their own biomethanation plants.

In Alberta, several major wind and solar power projects were under construction or will begin construction in 2022. In that province, the utilities sector was the largest contributor to the increase recorded in non-residential capital expenditures in 2021.

In the territories, a battery storage system in the Yukon is expected to be commissioned in 2022, and the Inuvik Wind Project is expected to begin construction in the Northwest Territories in 2022.

Capital expenditures by type of assets and by function

Capital expenditures by type of asset and on infrastructure assets according to the function, or purpose, of the spending are now available for 2020.

Note to readers

The Capital and Repair Expenditures Survey is based on a sample survey of 27,000 businesses, governments and institutions. The survey on preliminary estimates for 2021 and intentions for 2022 was conducted from September 2021 to January 2022.

Data in this release are expressed in current dollars.

The public sector includes governments and enterprises for which government has effective control or at least 50% of voting rights.

Infrastructure is the physical structures and systems that support the production of goods and services and their delivery to and consumption by governments, businesses and citizens. The product [Sources and Methods: Capital Investment in Infrastructure](#) provides a summary of concepts and comparability with alternative data sources.

Visit the [Construction statistics](#) and [Infrastructure statistics](#) portals to find data, publications and interactive tools related to construction or infrastructure statistics in one convenient location.

Real time data tables

Real time data tables 34-10-0278-01 and 34-10-0279-01 will be updated March 2, 2022.

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

	2019	2020	2021	2022	2021 to 2022
	millions of dollars				% change
Total, non-residential construction and machinery and equipment	273,776.1	248,897.2	274,688.3	298,223.2	8.6
Total, private capital expenditures	181,511.3	155,208.3	168,236.7	181,425.4	7.8
Total, public capital expenditures	92,264.8	93,689.0	106,451.6	116,797.8	9.7
Industrial sectors					
Agriculture, forestry, fishing and hunting	9,210.2	8,454.3	8,893.8	8,663.6	-2.6
Mining, quarrying, and oil and gas extraction	45,927.3	31,805.6	35,617.3	42,956.2	20.6
Utilities	30,321.0	30,309.4	34,607.0	36,316.7	4.9
Construction	6,347.1	6,048.6	7,314.4	7,996.1	9.3
Manufacturing	23,459.4	20,081.9	21,791.6	21,761.2	-0.1
Wholesale trade	5,400.2	5,277.3 ^E	5,649.0	6,176.4	9.3
Retail trade	7,113.8 ^E	6,371.0	6,533.6	7,703.7	17.9
Transportation and warehousing	42,523.5	43,558.6	47,374.4	50,548.5	6.7
Information and cultural industries	12,970.7 ^E	12,361.5	14,535.8	14,995.8 ^E	3.2
Finance and insurance	3,218.8 ^E	2,704.0	2,498.7	2,338.7	-6.4
Real estate and rental and leasing	18,408.0 ^E	14,552.6	14,173.8	15,693.1	10.7
Professional, scientific and technical services	3,108.9	3,116.9	3,027.2	3,473.4 ^E	14.7
Management of companies and enterprises	1,054.6 ^E	963.6 ^E	1,104.6	977.8	-11.5
Administrative and support, waste management and remediation services	2,254.9 ^E	2,039.3	2,150.4	2,370.3	10.2
Educational services	10,416.3	9,981.4	13,444.3	13,488.0	0.3
Health care and social assistance	9,089.5	11,079.4	12,053.3	13,214.0	9.6
Arts, entertainment and recreation	3,037.8	2,798.2	3,085.5	3,375.9	9.4
Accommodation and food services	4,412.7	3,226.2	3,642.7	4,227.3	16.0
Other services (except public administration)	1,491.0 ^E	1,220.0 ^E	1,158.8 ^E	1,283.3 ^E	10.7
Public administration	34,010.4	32,947.3	36,032.0	40,663.1	12.9

^E 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, by province and territory

	2019	2020	2021	2022	2021 to 2022
	millions of dollars				% change
Canada	273,776.1	248,897.2	274,688.3	298,223.2	8.6
Non-residential construction	174,797.4	163,305.7	183,727.7	201,492.1	9.7
Machinery and equipment	98,978.7	85,591.5	90,960.6	96,731.1	6.3
Newfoundland and Labrador	7,241.0	5,197.2	5,043.8	5,025.7	-0.4
Non-residential construction	5,516.4	4,150.5	3,857.2	3,782.6	-1.9
Machinery and equipment	1,724.5	1,046.7	1,186.5	1,243.1	4.8
Prince Edward Island	726.8	738.6	826.2	871.7	5.5
Non-residential construction	396.8	434.3	514.4	560.0	8.9
Machinery and equipment	330.1	304.3	311.7	311.7	0.0
Nova Scotia	4,250.2	3,871.0	4,339.2	4,793.9	10.5
Non-residential construction	2,320.6	2,247.8	2,733.7	3,057.1	11.8
Machinery and equipment	1,929.6	1,623.3	1,605.5	1,736.8 ^E	8.2
New Brunswick	4,034.9	3,825.2	3,877.3	4,157.0	7.2
Non-residential construction	2,143.7	2,245.6	2,287.2	2,566.9	12.2
Machinery and equipment	1,891.2	1,579.5	1,590.0	1,590.1	0.0
Quebec	45,782.1	43,172.1	47,525.5	53,132.5	11.8
Non-residential construction	28,664.2	27,614.8	30,219.1	34,429.9	13.9
Machinery and equipment	17,117.9	15,557.3	17,306.4	18,702.6	8.1
Ontario	83,810.7	80,863.0	90,716.3	98,931.4	9.1
Non-residential construction	47,095.2	48,020.1	55,033.8	60,784.1	10.4
Machinery and equipment	36,715.4	32,842.9	35,682.6	38,147.3	6.9
Manitoba	9,476.2	7,944.4	8,241.0	8,958.3	8.7
Non-residential construction	6,056.8	5,011.0	4,903.4	5,627.9	14.8
Machinery and equipment	3,419.5	2,933.4	3,337.6	3,330.4	-0.2
Saskatchewan	14,791.5	12,022.5	12,257.2	14,524.7	18.5
Non-residential construction	10,282.6	7,922.6	7,700.1	9,488.2	23.2
Machinery and equipment	4,508.9	4,099.9	4,557.1	5,036.5	10.5
Alberta	59,440.5	48,641.3	54,094.6	56,677.1	4.8
Non-residential construction	42,171.0	33,998.1	40,309.2	42,239.1	4.8
Machinery and equipment	17,269.5	14,643.2	13,785.4	14,438.0	4.7
British Columbia	41,257.4	40,874.1	45,433.8	48,688.9	7.2
Non-residential construction	27,980.4	30,348.6	34,360.1	37,051.4	7.8
Machinery and equipment	13,277.0	10,525.6	11,073.7	11,637.5	5.1
Yukon	593.8	351.6	484.0	588.6	21.6
Non-residential construction	437.0	253.2	369.2	431.4	16.8
Machinery and equipment	156.9	98.4	114.8	157.2	36.9
Northwest Territories	724.4	470.0	734.8	788.1	7.3
Non-residential construction	480.5	347.7	590.9	647.2	9.5
Machinery and equipment	243.9	122.3	143.9	141.0	-2.0
Nunavut	1,646.7	926.2	1,114.6	1,085.3	-2.6
Non-residential construction	1,252.3	711.5	849.3	826.3	-2.7
Machinery and equipment	394.3	214.7	265.3	259.0	-2.4

^E use with caution

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

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

Available tables: [34-10-0035-01](#) to [34-10-0040-01](#) , [34-10-0063-01](#) and [34-10-0280-01](#) to [34-10-0282-01](#) .

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

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).