Non-residential capital and repair expenditures, 2021 (revised), 2022 (preliminary) and 2023 (intentions)

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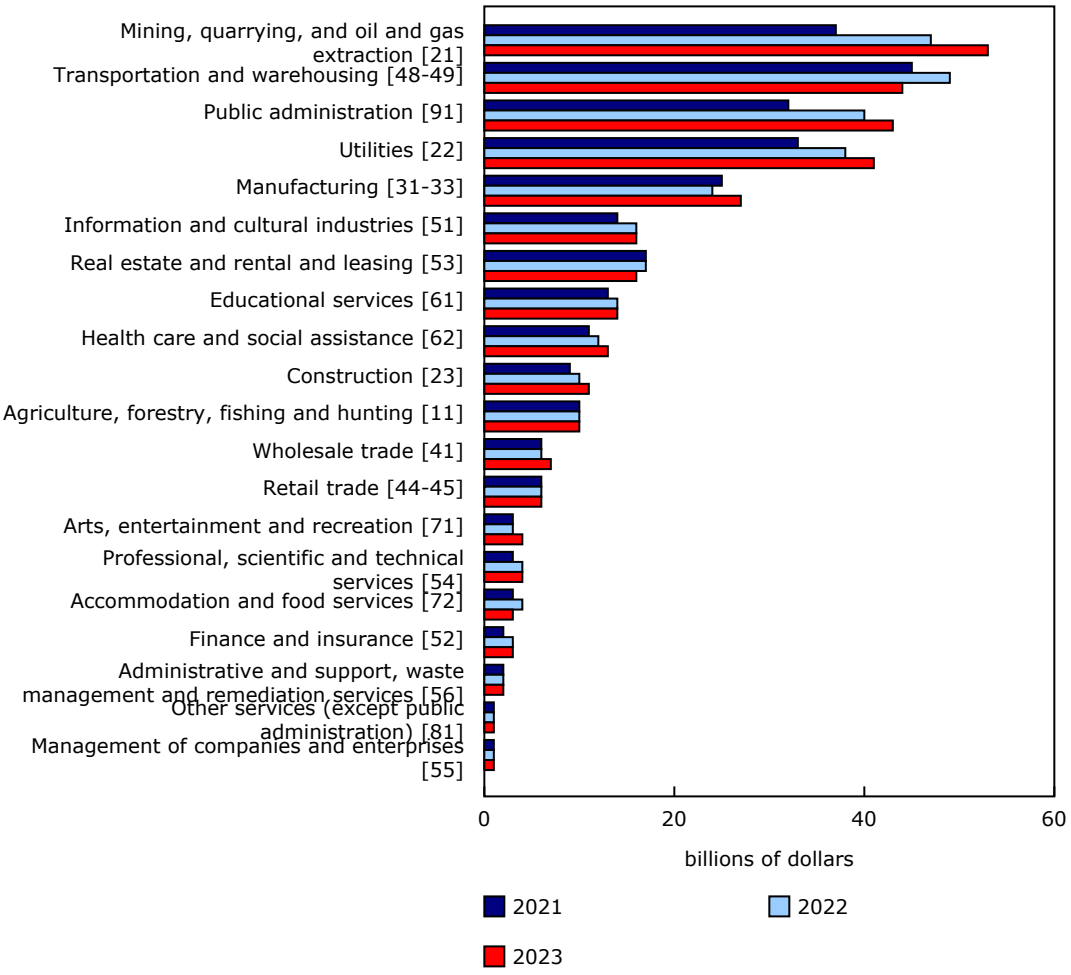
Businesses and governments are expected to invest $319.9 billion in non-residential construction and machinery and equipment in 2023, a 4.3% increase from 2022. This follows two years of double-digit annual growth (+11.7% in 2022 and +10.3% in 2021).

Data in this release are expressed in current dollars; however, when converted to constant dollars to eliminate the impact of price increases, the annual growth in non-residential capital expenditures was 5.3% for 2022 and 6.4% for 2021.

While the public sector accounted for over half of the $32.1 billion increase in 2022, the private sector should be the main source of the growth in 2023, with a 5.2% increase to $200.5 billion. Public sector capital spending growth is expected to slow to 2.7% in 2023.

Chart 1
Capital spending on non-residential tangible assets, by industrial sector



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

Mining, quarrying, and oil and gas extraction lead capital expenditure growth

The mining, quarrying, and oil and gas extraction sector is expected to regain its top spot for capital spending in 2023, as expenditure intentions increased by 13.7% to $52.9 billion.

Capital expenditures on non-residential construction and machinery and equipment in the oil and gas extraction subsector are expected to reach $35.1 billion in 2023, slightly above the $33.9 billion registered in 2019, before the COVID-19 pandemic led to sharp declines in 2020.

Meanwhile, mining companies are expected to invest $15.8 billion in construction and machinery and equipment in 2023, a 20.7% increase over 2022. This is $4.9 billion, or 45.5%, above the 2019 pre-pandemic level. Major investments in potash mining are the main contributor to the growth. In 2021, BHP approved a $7.5 billion capital expenditure for the Jansen Stage 1 potash project in Saskatchewan, where production is anticipated to start in late 2026.

Support activities for mining and oil and gas extraction round out the sector, with $2.0 billion in expenditures in 2023.

Increased capital spending in manufacturing in 2023

After declining slightly in 2022, capital outlays in the manufacturing sector are expected to increase by 12.6% in 2023 to $27.2 billion.

Investments in chemical manufacturing (+$715.8 million, or +23.9%) are expected to bounce back in 2023, though not fully offsetting the 34.1% decline in 2022, with the winding down and completion of major projects.

Notable increases are expected in several other subsectors in 2023, namely petroleum and coal product manufacturing (+$597.1 million, or +35.2%), primary metal manufacturing (+$515.1 million, or +20.0%) and paper manufacturing (+$478.8 million, or +44.9%). Major project announcements for 2023 included a $737 million investment to decarbonize Rio Tinto Fer et Titane's operations in Quebec and Imperial Oil's $720 million new renewable diesel facility in Alberta.

While the transportation equipment manufacturing subsector continued being the largest contributor to total capital expenditures in manufacturing in Canada, investments for 2023 are expected to decline by 6.1% compared with 2022 to $5.3 billion because major projects were completed. General Motors reopened its Oshawa Assembly plant in November 2021 and began production of BrightDrop's electric delivery vans at its CAMI Assembly plant in December 2022. In addition, Honda began production of the 2023 Honda CR-V Hybrid in September 2022.

Still, major project announcements in the transportation equipment manufacturing subsector continue. In 2022, Stellantis announced a $3.6 billion investment for multi-energy vehicle assembly facilities at its Windsor and Brampton plants in Ontario. In addition, Stellantis and LG Energy Solution announced plans for a $5 billion large-scale lithium-ion battery production plant in Windsor, while General Motors and POSCO Chemical announced plans for a $500 million cathode active materials plant in Bécancour, Quebec.

Record investments in Prince Edward Island, Nova Scotia, Quebec and Ontario in 2023

Capital spending by both the private ($558.0 million) and public ($531.4 million) sectors is expected to increase to all-time highs in Prince Edward Island in 2023. According to Statistics Canada's quarterly population estimates, Prince Edward Island had the highest annual growth rate among provinces in both 2022 and 2021.

In Nova Scotia, capital expenditures are expected to total $5.1 billion in both 2022 and 2023. Construction spending by the public administration sector (+30.4%) increased sharply in 2022, as both the province and the Halifax Regional Municipality approved record capital budgets.

In September 2022, Hurricane Fiona caused considerable damage in Atlantic Canada and rebuilding efforts are expected to increase construction activity in 2023. However, some projects may face delays, considering the increasing cost of construction, as well as labour shortages.

In Quebec, expenditures are expected to increase by 10.3% to $59.1 billion, with manufacturing (+$1.6 billion) anticipating the largest increase of all industrial sectors, as major projects are planned or underway in the primary metal, chemical and transportation equipment manufacturing subsectors. Increased spending in utilities (+20.2%) and public administration (+13.1%) is also anticipated.

Spending has remained elevated in Ontario ever since non-residential capital expenditures rose sharply by 18.6%, from $69.1 billion in 2017 to $81.9 billion in 2018. Following annual growth of 11.2% in 2021 and 8.4% in 2022, investments are expected to increase further by 4.6% in 2023 to $102.0 billion. The utilities sector would account for more than one-third of the increase, as major nuclear refurbishment projects continue.

Several major projects related to the critical mineral value chain in Quebec and Ontario were announced in recent years. The Canadian Critical Minerals Strategy aims to increase the domestic supply of clean technologies, including electric vehicles, wind turbines and advanced batteries.

Saskatchewan is expected to have the second-highest year-over-year percentage growth (+21.5%) and the third-highest dollar increase (+$3.1 billion) among all the provinces and territories in 2023. Increased demand for Saskatchewan's potash—resulting from sanctions on Russia and Belarus, the second- and third-largest producers after Canada—has accelerated major investments in the industry. In addition, Saskatchewan is expected to benefit from increased spending in the oil and gas extraction subsector (+16.3%) as well as in the manufacturing sector (+32.4%), with major projects in canola processing.

British Columbia (-$1.7 billion, or -3.3%) is the only province expected to have a significant decrease in capital spending in 2023, as construction of the Coastal GasLink pipeline, the LNG Canada liquid natural gas export terminal and the Trans Mountain Expansion Project near completion. However, investments in British Columbia peaked at $51.6 billion in 2022, a 13.7% increase over 2021.

Table 1
Capital spending on non-residential construction and machinery and equipment, by province and territory

	2020	2021	2022	2023	2022 to 2023
	millions of dollars				% change
Canada	**248,897.2**	**274,656.2**	**306,771.1**	**319,910.6**	**4.3**
Non-residential construction	**163,305.7**	**178,581.7**	**201,151.8**	**208,780.5**	**3.8**
Machinery and equipment	**85,591.5**	**96,074.5**	**105,619.3**	**111,130.1**	**5.2**
Newfoundland and Labrador	5,197.2	4,720.1	4,954.7	5,307.4	7.1
Non-residential construction	4,150.5	3,583.7	3,785.1	4,151.6	9.7
Machinery and equipment	1,046.7	1,136.4	1,169.6	1,155.8	-1.2
Prince Edward Island	738.6	880.3	1,060.2	1,089.4	2.8
Non-residential construction	434.3	538.0	663.5	715.6	7.9
Machinery and equipment	304.3	342.3	396.7	373.8	-5.8
Nova Scotia	3,871.0	4,238.9	5,135.1	5,057.5	-1.5
Non-residential construction	2,247.8	2,434.2	3,102.3	3,144.7	1.4
Machinery and equipment	1,623.3	1,804.7	2,032.8	1,912.8	-5.9
New Brunswick	3,825.2	3,951.4	4,342.9	4,445.8	2.4
Non-residential construction	2,245.6	2,066.0	2,403.3	2,419.3	0.7
Machinery and equipment	1,579.5	1,885.4	1,939.6	2,026.5	4.5
Quebec	43,172.1	47,999.7	53,550.5	59,086.9	10.3
Non-residential construction	27,614.8	29,897.0	33,671.1	38,519.4	14.4
Machinery and equipment	15,557.3	18,102.7	19,879.4	20,567.5	3.5
Ontario	80,863.0	89,959.7	97,511.9	102,016.4	4.6
Non-residential construction	48,020.1	51,638.4	56,965.6	59,934.4	5.2
Machinery and equipment	32,842.9	38,321.3	40,546.2	42,082.1	3.8
Manitoba	7,944.4	7,668.1	8,140.0	8,703.1	6.9
Non-residential construction	5,011.0	4,378.2	4,770.8	5,169.9	8.4
Machinery and equipment	2,933.4	3,289.9	3,369.2	3,533.2	4.9
Saskatchewan	12,022.5	11,928.5	14,276.2	17,341.2	21.5
Non-residential construction	7,922.6	7,385.8	9,126.8	11,347.4	24.3
Machinery and equipment	4,099.9	4,542.7	5,149.4	5,993.8	16.4
Alberta	48,641.3	55,796.8	63,603.3	64,013.1	0.6
Non-residential construction	33,998.1	41,471.6	45,618.3	44,392.9	-2.7
Machinery and equipment	14,643.2	14,325.2	17,985.1	19,620.1	9.1
British Columbia	40,874.1	45,413.5	51,620.3	49,930.7	-3.3
Non-residential construction	30,348.6	33,658.4	38,999.0	36,624.3	-6.1
Machinery and equipment	10,525.6	11,755.1	12,621.3	13,306.4	5.4
Yukon	351.6	441.1	735.4	728.8	-0.9
Non-residential construction	253.2	312.8	569.9	560.1	-1.7
Machinery and equipment	98.4	128.3	165.4	168.6	1.9
Northwest Territories	470.0	559.6	875.4	942.7	7.7
Non-residential construction	347.7	424.8	699.9	794.1	13.5
Machinery and equipment	122.3	134.8	175.5	148.7	-15.3
Nunavut	926.2	1,098.4	965.1	1,247.6	29.3
Non-residential construction	711.5	792.7	776.1	1,006.8	29.7
Machinery and equipment	214.7	305.7	189.0	240.8	27.4

Note(s): Data may not add up to totals as a result of rounding.
Source(s): Table **34-10-0035-01**.

Capital expenditures on Canadian infrastructure increase by 5.6% in 2021

Capital investment in infrastructure assets, including social and affordable housing, increased by $5.7 billion to $108.1 billion in 2021, with growth observed in 13 of 16 infrastructure functions. In the same year, decreases were observed in road transport (-5.5%), wastewater management (-5.4%) and water supply (-6.1%).

Capital expenditures on infrastructure assets are estimated according to the function they support (see Chart 2). The publication "Sources and Methods: Capital Investment in Infrastructure" provides additional information on the infrastructure assets and the functions included.

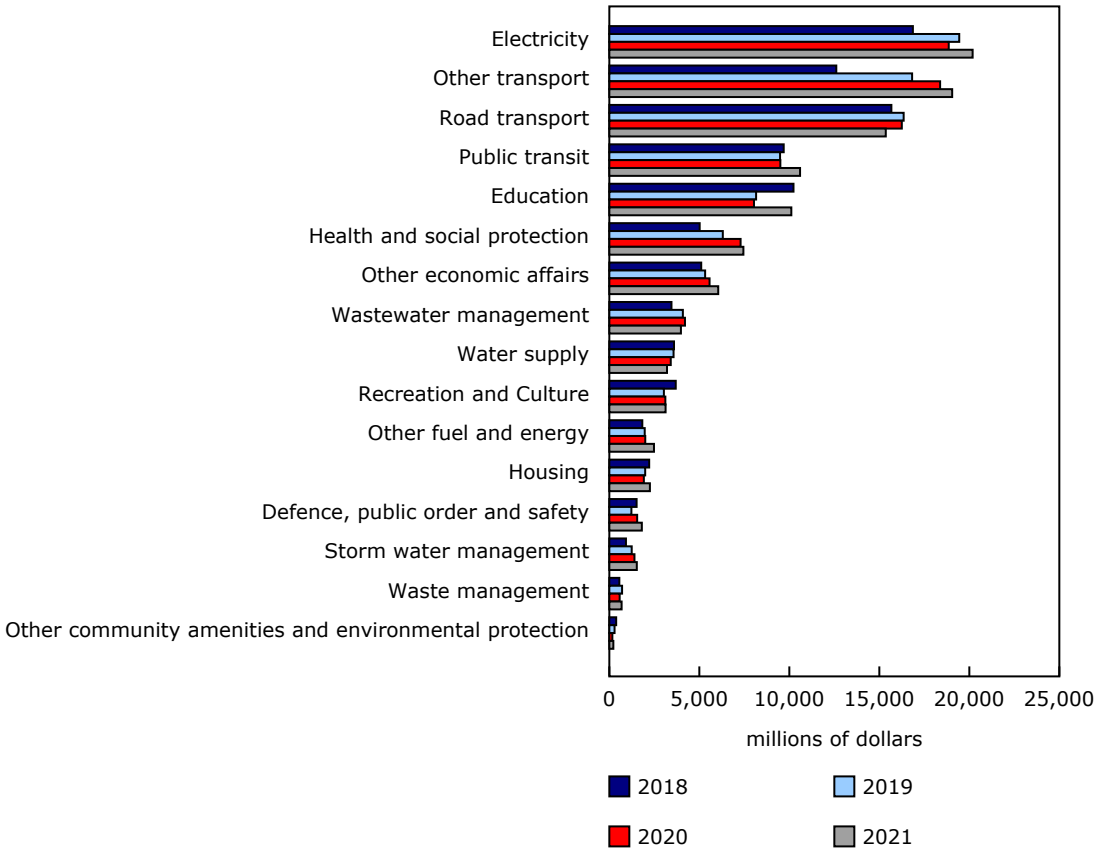
Since the series began in 2018, the electricity function received the most investment every year compared with all other functions. In 2021, capital expenditures in electricity increased by 7.0% to $20.2 billion, as Quebec, Ontario, Alberta and British Columbia all had major construction projects underway.

Other transport (air, rail, water and pipeline) has received the second-highest level of capital spending each year since 2019, and it increased by 3.6% to $19.0 billion in 2021. A large majority (80.7%) of that spending went to Alberta and British Columbia.

Investment spending in the other community amenities and environmental protection function increased sharply by 32.2%, as remediation work began at the former Giant Mine in the Northwest Territories.

Infrastructure investments increased in all three territories in 2021. In both Yukon (+23.1%) and Nunavut (+39.4%), the main contributors to the increases were defense, public order and safety, and social and affordable housing. Iqaluit's Aaqqigiarvik Correctional Healing Facility opened in September 2021.

Chart 2
Capital expenditures, infrastructure assets, by function



Source(s): Table 34-10-0280-01.

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 2022 and intentions for 2023 was conducted from September 2022 to January 2023.

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, 2023.

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**).