

Remaining useful service life ratios of non-residential capital stock, 2022

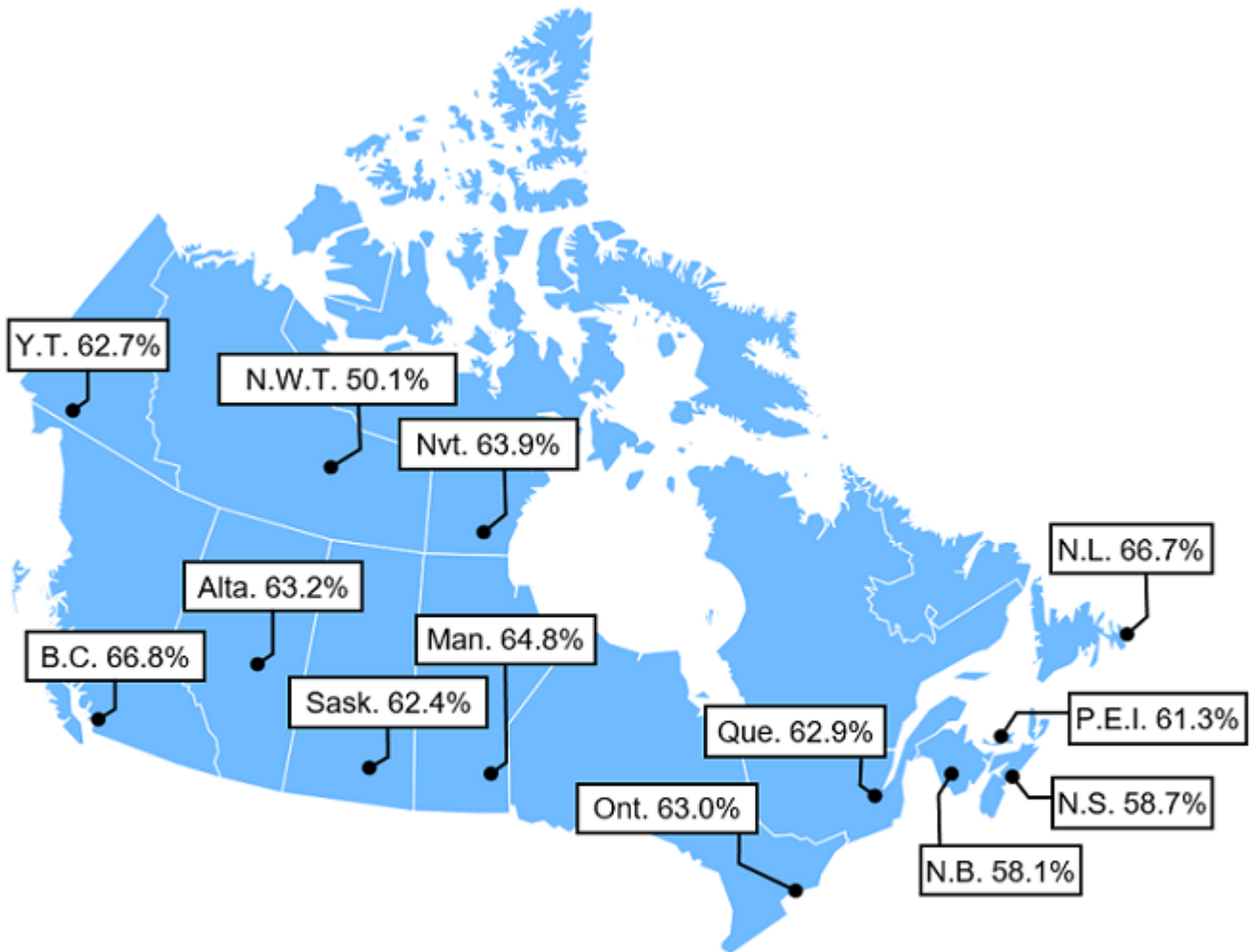
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Despite investment growth being observed in many non-residential assets (+4.4%), it was not enough to increase the remaining useful service life of Canadian non-residential capital stock in 2022. In fact, the increase in the investment was not enough to replace the obsolete assets. The remaining useful service life ratio of non-residential capital stock was down slightly from 63.6% in 2021 to 63.5% in 2022, its lowest level since 2009 and the sixth straight decrease. A decrease in this ratio could indicate that new capital investment is required.

In 2022, the remaining useful service life ratio of non-residential capital stock decreased in more than half of the provinces and territories. Prince Edward Island (+0.8 percentage points), Nova Scotia (+0.2 percentage points), Quebec (+0.4 percentage points), Ontario (+0.1 percentage points), British Columbia (+0.6 percentage points) and Yukon (+0.2 percentage points) posted an increase. In addition, this ratio ranged from a low of 50.1% in the Northwest Territories to a high of 66.8% in British Columbia.



Map 1 – Remaining useful service life ratios of non-residential capital stock in 2022 (ratio in percentage)



Source(s): Table 34-10-0166-01.

Manufacturing sector increases, while the mining, quarrying, and oil and gas extraction sector and health care and social assistance sector decrease

In 2022, the manufacturing sector (57.8%) posted its 10th consecutive year-over-year increase in its remaining useful service life ratio. Meanwhile, the mining, quarrying, and oil and gas extraction sector (-8.8 percentage points to 60.7%) and the health care and social assistance sector (-7.8 percentage points to 64.0%) each posted their seventh consecutive year-over-year decrease, from 2016 to 2022. The slowdown in the mining, quarrying, and oil and gas extraction sector coincided with lower oil prices, while that of the health care and social assistance sector was attributable to lower investment (-4.0% on average from 2016 to 2022).

Note to readers

The share of an asset's remaining useful life is an estimate of the percentage of its remaining useful life before it no longer delivers an economic benefit. For example, if the expected useful life of an asset is 20 years and the average remaining life of the asset is 15 years, then the share of the remaining useful life would be 75%.

Due to the weighted nature of the calculation, a higher proportion of investment spending in recent periods on a given non-residential asset relative to previous periods will result in a younger average age and a higher ratio of remaining useful service life.

With this release on remaining useful service life ratios of non-residential capital stock, 2020 and 2021 data were revised. These revisions are consistent with those incorporated in the supply and use tables, published on November 8, 2023.

Available tables: table [34-10-0166-01](#).

Definitions, data sources and methods: survey number [2820](#).

The data visualization product "[Infrastructure Statistics Hub](#)," which is part of *Statistics Canada – Data Visualization Products* ([71-607-X](#)), is available.

The *Latest Developments in the Canadian Economic Accounts* ([13-605-X](#)) is available.

The *User Guide: Canadian System of Macroeconomic Accounts* ([13-606-G](#)) is available.

The *Methodological Guide: Canadian System of Macroeconomic Accounts* ([13-607-X](#)) is also available.

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).