

NEWS RELEASE

Nearly half of all Canadian private sector industries experienced a major drop in investment from 2015-19

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For immediate release

VANCOUVER—Seven of 15 Canadian industries experienced an overall decline in investment from 2015 to 2019, according to a new analysis by the Fraser Institute, an independent non-partisan Canadian think tank.

“In a troubling trend, a wide range of industries in Canada have experienced a decline in investment, which is bad news for the economy,” said Steven Globerman, senior fellow at the Fraser Institute and co-author of *Industry-Level Private Sector Capital Expenditures in Canada: 1990-2019*.

From 2015 to 2019, despite the absence of a major recession (as Canada experienced in the early 1990s and 2008-09), more domestic industries experienced decreases in capital investment than at any time since 1990. While the oil and gas industry experienced the largest (-48 per cent) and most high-profile decline in investment, other industries including agriculture, forestry, and fishing (-19 per cent), utilities (-19 per cent) and retail trade (-11 per cent) also experienced meaningful declines.

Crucially, a majority of the 15 industries experienced decreases in investment in machinery, equipment, and intellectual property products (such as software), all of which significantly affect productivity and this living standards.

“If policymakers in Ottawa and across Canada want to help improve private-sector investment performance, they should enact tax and regulatory reforms, particularly now as Canada emerges from the COVID recession,” Globerman said.

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