

# NEWS RELEASE

## Business investment in Canada down in 10 of 15 economic sectors

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For immediate release

**VANCOUVER**—Business investment—key to raising living standards for Canadians—has declined in two-thirds of the non-government sectors that comprise the Canadian economy in recent years, finds a new study released by the Fraser Institute, an independent, non-partisan Canadian public policy think-tank.

“Too often, Canada’s declining business investment is dismissed as a by product of recent struggles in the oil and gas sector, but in fact there’s been a significant drop in investment across many sectors of the economy,” said Steven Globerman, Fraser Institute Senior Fellow, professor emeritus at Western Washington University and co-author of *Private Sector Capital Expenditures in Canada: An Industry-Level Analysis*.

The study finds that 10 of the 15 non-government sectors of the Canadian economy—including agriculture, mining, oil and gas extraction, utilities, manufacturing and retail—experienced declines in business investment from 2014 to 2017, the most recent year of available data.

The ten sectors experiencing declining investment not only represent a majority of Canada’s private sector industries, but they also accounted for almost two-thirds of private sector investment over the 2014-2017 period.

Crucially, the drop in business investment from 2014 to 2017 is the most severe in at least 30 years, which include several recessions. And previous research has shown that business investment is critical for raising living standards and increasing economic prosperity.

“Policymakers routinely underestimate how unattractive Canada has become to investors and businesses,” Globerman said.

“To begin to reverse this worrying trend, governments across Canada should consider cutting red tape and pursuing a more competitive tax structure to increase competitiveness.”

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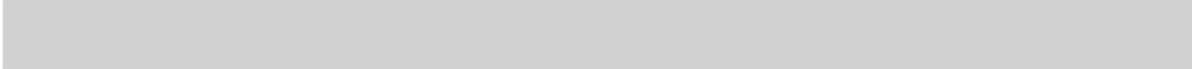
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