

GOAL 21: Real Non-Residential Private Sector Investment

By 2028, New Brunswick will reverse the negative trend in real non-residential private sector investment and will reach 2007 levels once more.

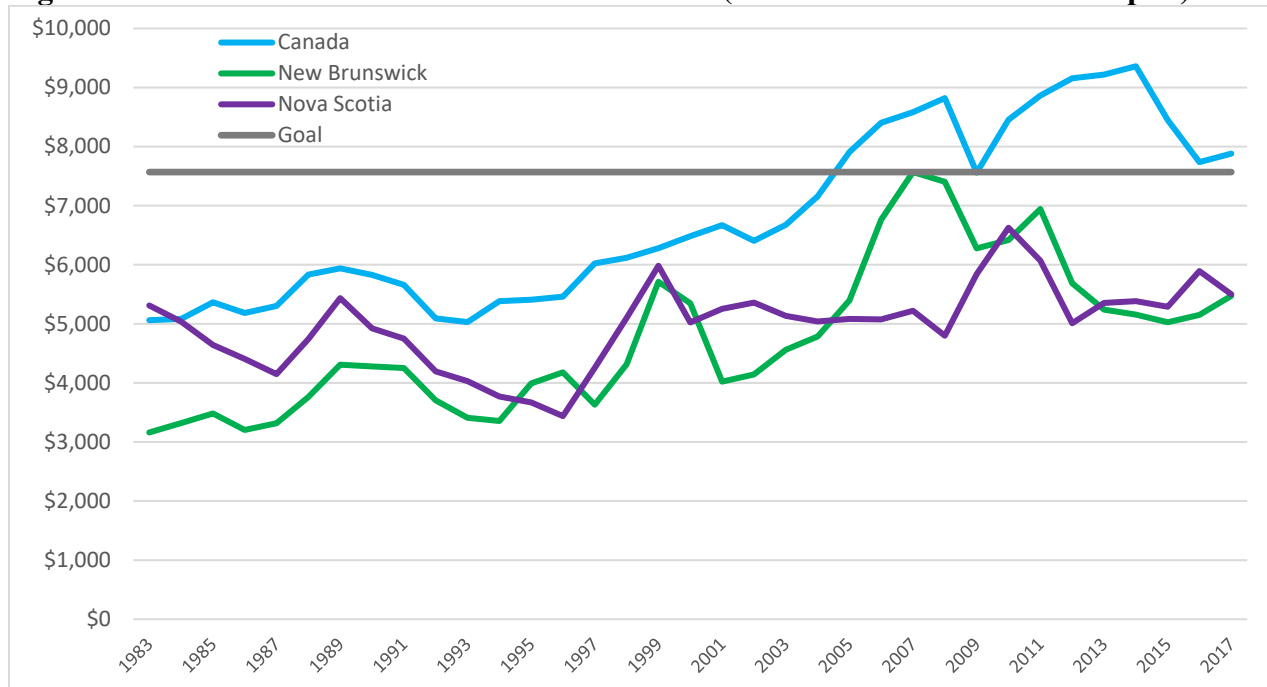
Status: PROGRESSING

Current Situation

Non-residential investment from the private sector (also known as the commercial sector) refers to capital expenditures on plants, equipment, and other assets used in the production of goods and services—this does not include investments in the residential sector, such as expenditures on home renovations, or investments from the government and non-profit organizations. Private sector investment is an important economic driver because it determines levels of labour productivity and labour demand. If New Brunswick is to boost its economy through the increased production and exportation of goods and services, it should aim to reverse the current negative trend and reach higher levels, such as those it has not seen since 2007, New Brunswick should aim to achieve this by the year 2028.

In 2007, non-residential private sector investment per capita in New Brunswick reached an all-time high of \$7,569, after which it began to decline. In 2015, investment was 34% lower than in 2007, however in 2016 and 2017 there was an increase of 2.5% and 6.3% respectively. This may indicate an end to the decade long negative trend as non-residential private sector investments per capita start to rise. If the level of increase seen in the last two years is maintained, then New Brunswick will return to 2007 levels of investment by 2028.

Figure 1: Real Non-Residential Private Investments (2012 Constant Dollar Per Capita)



Interpreting the Data

In 2008, New Brunswick saw a steep decline in non-residential private sector investment, which mirrored the national decline. However, only one year after the 2008 economic crisis, Canada's real non-residential private investments began to increase again, whereas New Brunswick's negative trend continued, with an exception in 2016 and 2017 where this negative trend has shown a reverse. Nova Scotia, on the other hand, has been on the rise since 2008 while showing more stabilisation in recent years. The slow growth of GDP and employment levels that New Brunswick has been experiencing since 2008 are a result of falling private sector investment, and if the province is able to increase investment, it is likely that GDP and employment will increase as well.

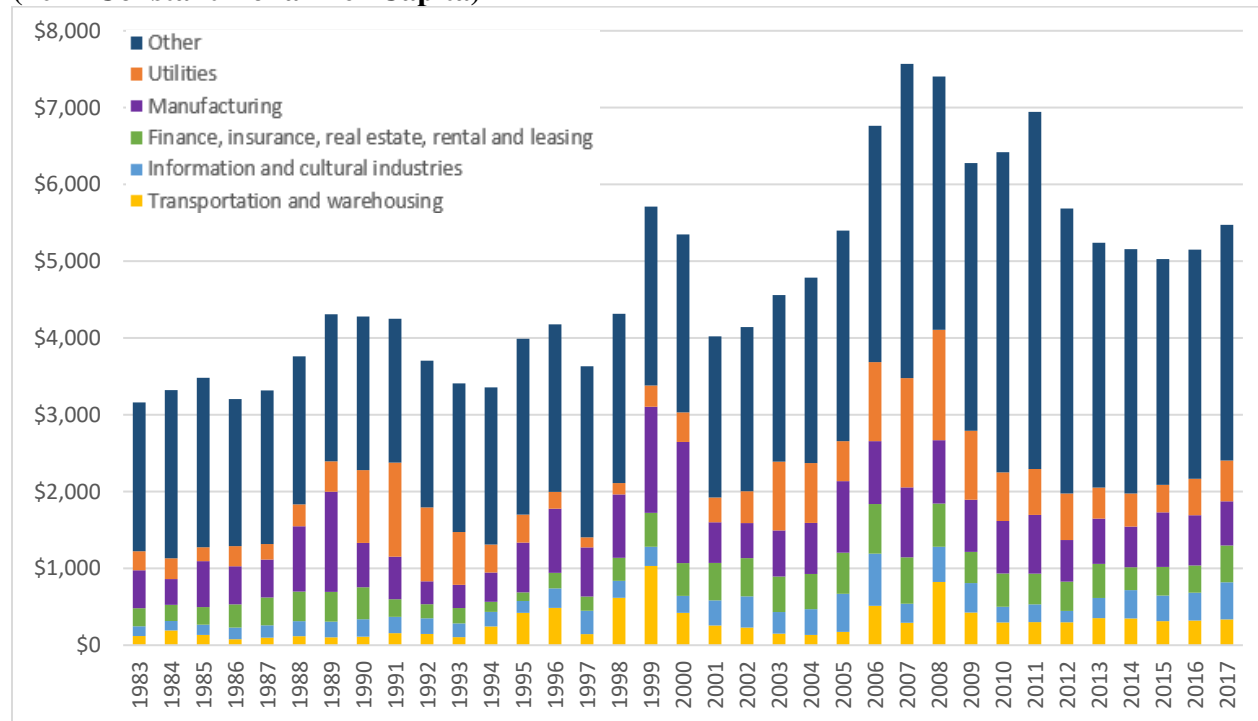
Year	Canada	New Brunswick	Nova Scotia	Goal
1983	\$5,062	\$3,162	\$5,310	\$7,569
1984	\$5,084	\$3,321	\$5,036	\$7,569
1985	\$5,364	\$3,483	\$4,643	\$7,569
1986	\$5,183	\$3,204	\$4,406	\$7,569
1987	\$5,303	\$3,317	\$4,149	\$7,569
1988	\$5,832	\$3,761	\$4,742	\$7,569
1989	\$5,939	\$4,308	\$5,436	\$7,569
1990	\$5,829	\$4,280	\$4,924	\$7,569
1991	\$5,660	\$4,250	\$4,750	\$7,569

1992	\$5,092	\$3,704	\$4,194	\$7,569
1993	\$5,030	\$3,409	\$4,031	\$7,569
1994	\$5,383	\$3,357	\$3,769	\$7,569
1995	\$5,408	\$3,991	\$3,671	\$7,569
1996	\$5,461	\$4,178	\$3,438	\$7,569
1997	\$6,023	\$3,632	\$4,254	\$7,569
1998	\$6,119	\$4,314	\$5,099	\$7,569
1999	\$6,280	\$5,711	\$5,983	\$7,569
2000	\$6,482	\$5,348	\$5,023	\$7,569
2001	\$6,672	\$4,021	\$5,253	\$7,569
2002	\$6,405	\$4,142	\$5,358	\$7,569
2003	\$6,677	\$4,559	\$5,135	\$7,569
2004	\$7,157	\$4,785	\$5,039	\$7,569
2005	\$7,908	\$5,398	\$5,084	\$7,569
2006	\$8,404	\$6,762	\$5,074	\$7,569
2007	\$8,583	\$7,569	\$5,222	\$7,569
2008	\$8,820	\$7,406	\$4,798	\$7,569
2009	\$7,558	\$6,278	\$5,842	\$7,569
2010	\$8,455	\$6,419	\$6,627	\$7,569
2011	\$8,863	\$6,945	\$6,069	\$7,569
2012	\$9,157	\$5,686	\$5,009	\$7,569
2013	\$9,218	\$5,240	\$5,355	\$7,569
2014	\$9,360	\$5,157	\$5,384	\$7,569
2015	\$8,450	\$5,027	\$5,290	\$7,569
2016	\$7,736	\$5,151	\$5,892	\$7,569
2017	\$7,881	\$5,474	\$5,500	\$7,569

Source: Statistics Canada, CANSIM Table 031-0005: Flows and stocks of fixed non-residential capital, by industry and asset, Canada, provinces and territories, annual (dollars x 1,000,000); Statistics Canada, CANSIM Table 051-0001: Estimates of population, by age group and sex for July 1, Canada, provinces and territories, annual (persons)

*All dollar amounts are in 2012 constant dollars

Figure 2: Real Non-Residential Private Investments in New Brunswick, by Select Industry (2012 Constant Dollar Per Capita)



Interpreting the Data

The financial crisis of 2008 had a large impact on investments in New Brunswick’s private industries. Individually, each industry shows a developmental trend mirroring that of the province’s total real non-residential private investment: a negative trend that has been ongoing since 2008, however showing signs of reverse since the year 2015.

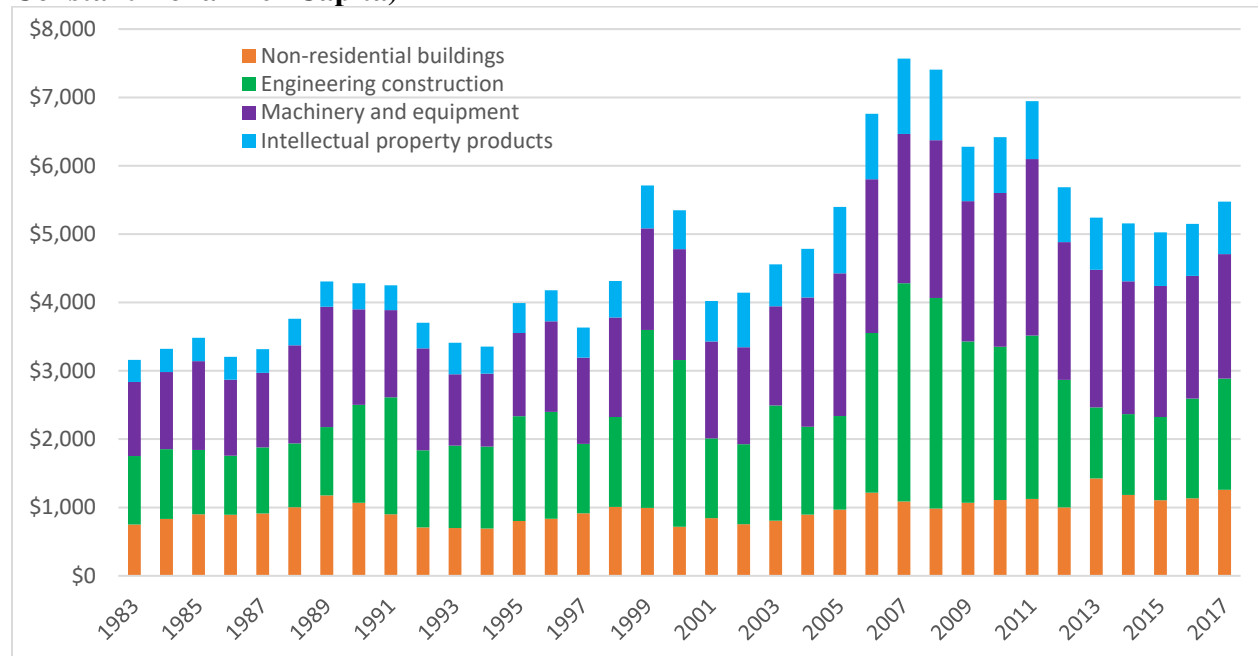
Year	Utilities	Manufacturing	Transportation and Warehousing	Information and Cultural Industries	Finance, Insurance, Real Estate, Rental, and Leasing	Other
1983	\$249	\$492	\$120	\$126	\$236	\$1,937
1984	\$271	\$334	\$192	\$124	\$211	\$2,190
1985	\$183	\$597	\$134	\$134	\$228	\$2,207
1986	\$263	\$497	\$77	\$152	\$302	\$1,913
1987	\$202	\$495	\$98	\$162	\$361	\$1,999
1988	\$285	\$850	\$118	\$196	\$385	\$1,928
1989	\$396	\$1,303	\$102	\$205	\$388	\$1,914
1990	\$948	\$578	\$111	\$228	\$415	\$2,000
1991	\$1,225	\$554	\$157	\$212	\$229	\$1,874
1992	\$961	\$299	\$146	\$205	\$183	\$1,910
1993	\$688	\$303	\$104	\$179	\$200	\$1,935
1994	\$364	\$381	\$244	\$189	\$132	\$2,046
1995	\$365	\$647	\$422	\$154	\$112	\$2,290

1996	\$218	\$836	\$485	\$255	\$202	\$2,181
1997	\$130	\$641	\$145	\$303	\$186	\$2,227
1998	\$148	\$825	\$618	\$220	\$300	\$2,204
1999	\$277	\$1,382	\$1,033	\$249	\$442	\$2,329
2000	\$385	\$1,578	\$422	\$220	\$426	\$2,317
2001	\$323	\$529	\$257	\$327	\$487	\$2,098
2002	\$415	\$458	\$230	\$407	\$496	\$2,136
2003	\$897	\$600	\$151	\$282	\$462	\$2,168
2004	\$778	\$665	\$135	\$335	\$459	\$2,414
2005	\$521	\$930	\$174	\$496	\$536	\$2,740
2006	\$1,030	\$818	\$512	\$680	\$646	\$3,075
2007	\$1,423	\$911	\$292	\$247	\$605	\$4,090
2008	\$1,439	\$825	\$823	\$459	\$561	\$3,298
2009	\$897	\$680	\$425	\$384	\$405	\$3,486
2010	\$633	\$684	\$296	\$205	\$433	\$4,168
2011	\$598	\$765	\$300	\$232	\$400	\$4,650
2012	\$607	\$541	\$298	\$149	\$381	\$3,711
2013	\$403	\$591	\$353	\$261	\$444	\$3,188
2014	\$431	\$528	\$349	\$369	\$298	\$3,182
2015	\$358	\$710	\$314	\$332	\$373	\$2,940
2016	\$474	\$654	\$322	\$362	\$355	\$2,984
2017	\$531	\$575	\$336	\$484	\$479	\$3,070

Source: Statistics Canada, CANSIM Table 031-0005: Flows and stocks of fixed non-residential capital, by industry and asset, Canada, provinces and territories, annual (dollars x 1,000,000)

*All dollar amounts are in 2012 constant dollars

Figure 3: Real Non-Residential Private Investments in New Brunswick, by Assets (2012 Constant Dollar Per Capita)



Interpreting the Data

Non-residential private sector investments include expenditures on four different types of assets: 1) non-residential buildings, 2) engineering construction, 3) machinery and equipment, and 4) intellectual property products.

Investment in machinery and equipment is higher than in other assets, whereas investment in intellectual property products is the lowest.

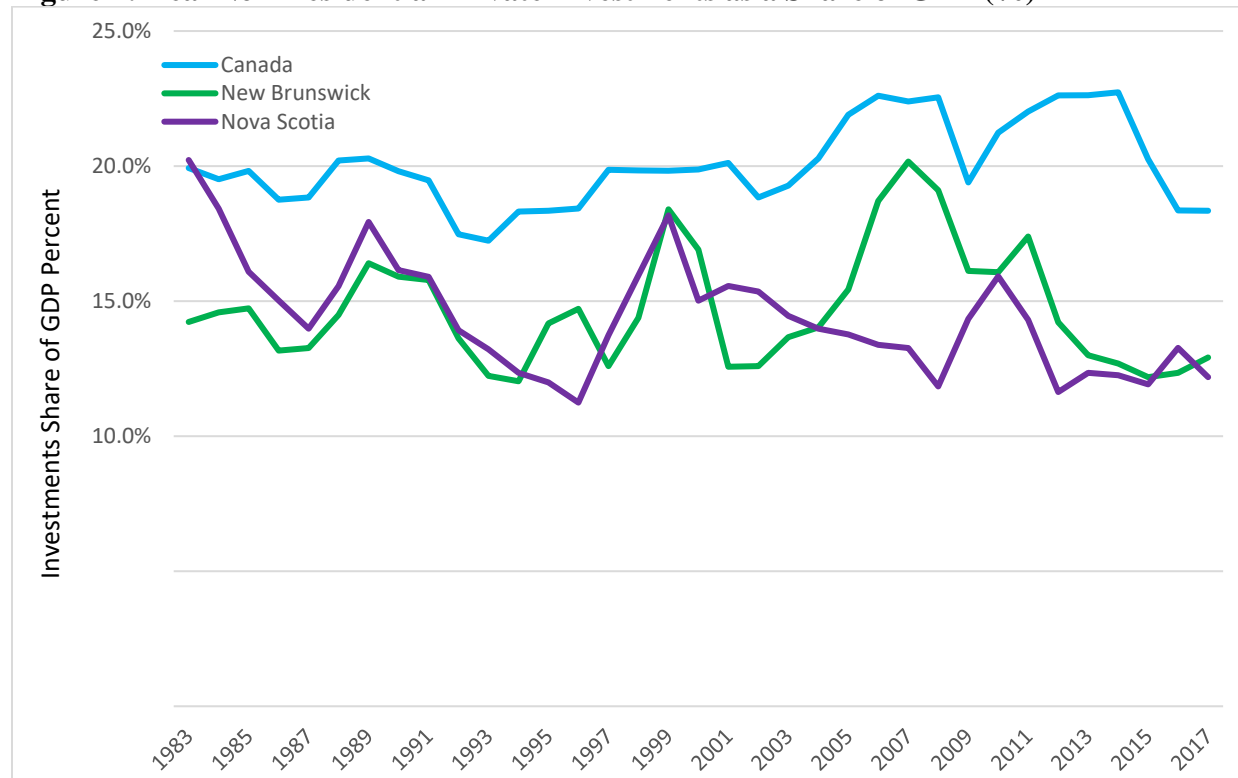
Year	Non-Residential Buildings	Engineering Construction	Machinery and Equipment	Intellectual Property Products
1983	\$751	\$1,002	\$1,084	\$323
1984	\$833	\$1,020	\$1,128	\$340
1985	\$901	\$942	\$1,298	\$341
1986	\$894	\$863	\$1,113	\$334
1987	\$912	\$966	\$1,092	\$346
1988	\$1,005	\$934	\$1,435	\$387
1989	\$1,178	\$998	\$1,760	\$371
1990	\$1,070	\$1,432	\$1,397	\$381
1991	\$900	\$1,711	\$1,276	\$363
1992	\$710	\$1,127	\$1,493	\$374
1993	\$700	\$1,206	\$1,043	\$461
1994	\$692	\$1,198	\$1,069	\$396

1995	\$802	\$1,534	\$1,218	\$437
1996	\$836	\$1,562	\$1,325	\$455
1997	\$916	\$1,015	\$1,262	\$439
1998	\$1,009	\$1,316	\$1,455	\$533
1999	\$994	\$2,605	\$1,485	\$627
2000	\$718	\$2,440	\$1,622	\$570
2001	\$846	\$1,164	\$1,419	\$592
2002	\$757	\$1,170	\$1,417	\$798
2003	\$807	\$1,685	\$1,452	\$614
2004	\$895	\$1,286	\$1,892	\$711
2005	\$969	\$1,369	\$2,088	\$972
2006	\$1,216	\$2,336	\$2,250	\$958
2007	\$1,089	\$3,193	\$2,184	\$1,103
2008	\$985	\$3,081	\$2,307	\$1,032
2009	\$1,069	\$2,359	\$2,055	\$795
2010	\$1,110	\$2,243	\$2,250	\$815
2011	\$1,126	\$2,390	\$2,582	\$848
2012	\$1,001	\$1,866	\$2,017	\$802
2013	\$1,426	\$1,039	\$2,013	\$763
2014	\$1,184	\$1,182	\$1,942	\$849
2015	\$1,107	\$1,216	\$1,917	\$785
2016	\$1,136	\$1,457	\$1,796	\$762
2017	\$1,258	\$1,627	\$1,820	\$768

Source: Statistics Canada, CANSIM Table 031-0005: Flows and stocks of fixed non-residential capital, by industry and asset, Canada, provinces and territories, annual (dollars x 1,000,000)

*All dollar amounts are in 2012 constant dollars

Figure 4: Real Non-Residential Private Investments as a Share of GDP (%)



Interpreting the Data

The percentage of GDP going toward non-residential private investments has continued to fluctuate for New Brunswick, Nova Scotia, and for Canada in general, all showing an overall downward slope from 1983 to 2017. Over this period, Canada had the smallest amount of fluctuation while Nova Scotia and New Brunswick showed equal amounts of volatility. In 2007, 20.2% of New Brunswick’s GDP went toward non-residential private investments, and this amount has shown a negative trend reaching 12.3% by 2016, however rising to 12.9% in 2017.

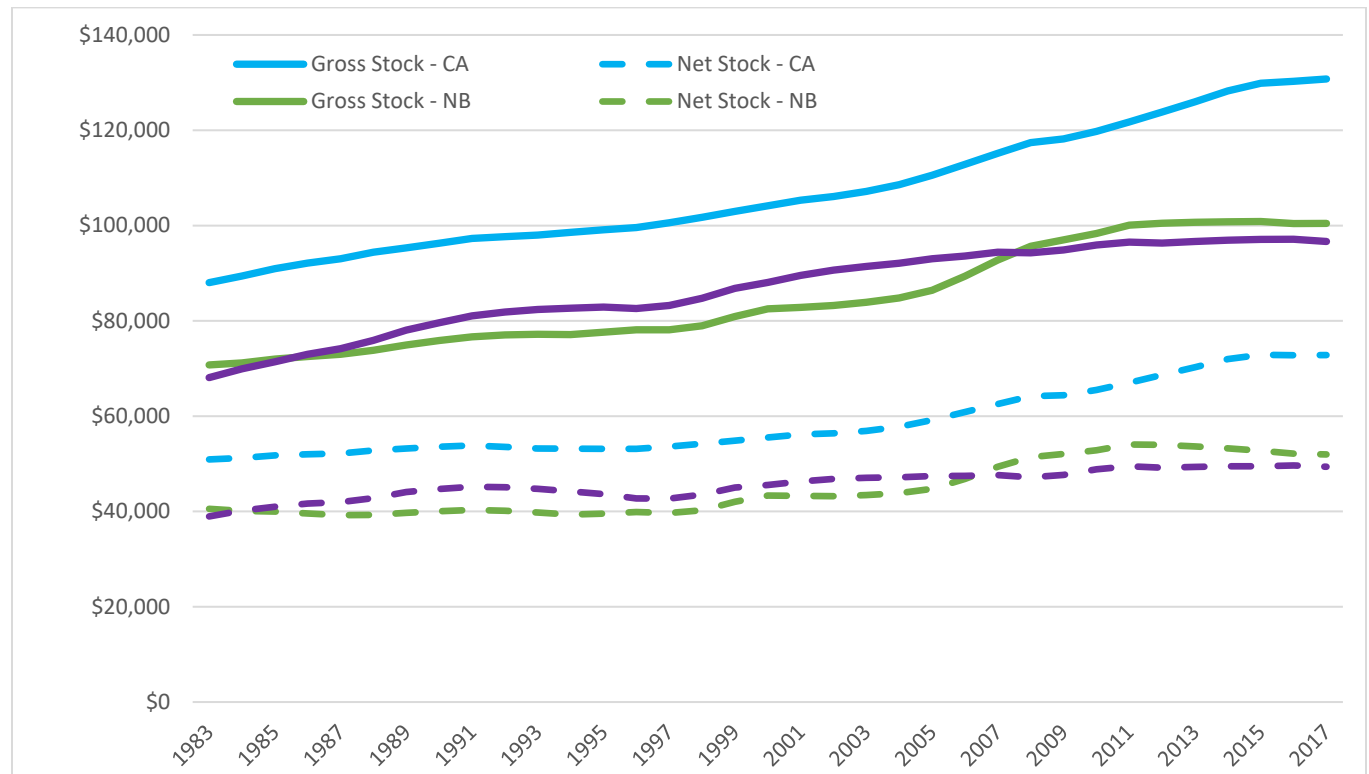
Year	Canada (%)	New Brunswick (%)	Nova Scotia (%)
1983	19.9%	14.2%	20.2%
1984	19.5%	14.6%	18.4%
1985	19.8%	14.7%	16.1%
1986	18.8%	13.2%	15.0%
1987	18.8%	13.3%	14.0%
1988	20.2%	14.5%	15.6%
1989	20.3%	16.4%	17.9%
1990	19.8%	15.9%	16.1%
1991	19.5%	15.8%	15.9%
1992	17.5%	13.6%	13.9%
1993	17.2%	12.2%	13.2%
1994	18.3%	12.0%	12.3%
1995	18.3%	14.2%	12.0%

1996	18.4%	14.7%	11.2%
1997	19.9%	12.6%	13.7%
1998	19.8%	14.4%	16.0%
1999	19.8%	18.4%	18.2%
2000	19.9%	16.9%	15.0%
2001	20.1%	12.6%	15.6%
2002	18.8%	12.6%	15.4%
2003	19.3%	13.7%	14.5%
2004	20.3%	14.0%	14.0%
2005	21.9%	15.4%	13.8%
2006	22.6%	18.7%	13.4%
2007	22.4%	20.2%	13.3%
2008	22.5%	19.1%	11.8%
2009	19.4%	16.1%	14.3%
2010	21.2%	16.1%	15.9%
2011	22.0%	17.4%	14.3%
2012	22.6%	14.2%	11.6%
2013	22.6%	13.0%	12.3%
2014	22.7%	12.7%	12.3%
2015	20.3%	12.2%	11.9%
2016	18.4%	12.3%	13.3%
2017	18.3%	12.9%	12.2%

Source: Statistics Canada, CANSIM Table 031-0005: Flows and stocks of fixed non-residential capital, by industry and asset, Canada, provinces and territories, annual (dollars x 1,000,000); Statistics Canada, CANSIM Table 36-10-0222-01: Gross domestic product, expenditure-based, provincial and territorial, annual (x 1,000,000)

**All dollar amounts are in 2012 constant dollars*

Figure 5: Non-Residential End-Year Gross Stock and Linear End-Year Net Stock (Dollar Per Capita)



Interpreting the Data

The term “end-year gross stock” refers to the value of the previous year’s capital stock plus the value of new investments, minus the yearly deductions (called retirements or discards) of the value of the stock. Net stock attempts to measure the productive capacity of the capital stock. The value of the net stock in any given year is meant to reflect the market value or economic value of the investments comprising the stock.

The trends for end-year gross stock and linear end-year net stock for Canada are similar to those from Nova Scotia and New Brunswick. The two provinces are increasing; however, not keeping up with the nationwide average. New Brunswick has overtaken Nova Scotia’s end year gross stock and linear end-year net stock however both have shown stability in recent years.

Data: Figure 5	Canada		New Brunswick		Nova Scotia	
	Gross Stock	Net Stock	Gross Stock	Net Stock	Gross Stock	Net Stock
1983	\$88,022	\$50,917	\$70,750	\$40,552	\$68,087	\$38,955
1984	\$89,403	\$51,225	\$71,178	\$40,120	\$69,944	\$40,186
1985	\$90,962	\$51,761	\$71,970	\$39,974	\$71,412	\$40,970

1986	\$92,142	\$52,011	\$72,510	\$39,577	\$72,987	\$41,658
1987	\$93,042	\$52,167	\$72,983	\$39,220	\$74,146	\$41,954
1988	\$94,393	\$52,798	\$73,836	\$39,278	\$75,911	\$42,793
1989	\$95,310	\$53,207	\$74,930	\$39,709	\$78,051	\$44,067
1990	\$96,303	\$53,580	\$75,875	\$40,042	\$79,599	\$44,714
1991	\$97,292	\$53,854	\$76,649	\$40,301	\$81,055	\$45,198
1992	\$97,680	\$53,547	\$77,042	\$40,147	\$81,854	\$45,073
1993	\$97,997	\$53,197	\$77,200	\$39,782	\$82,383	\$44,755
1994	\$98,571	\$53,169	\$77,114	\$39,328	\$82,667	\$44,214
1995	\$99,116	\$53,148	\$77,616	\$39,530	\$82,889	\$43,638
1996	\$99,597	\$53,126	\$78,140	\$39,862	\$82,606	\$42,737
1997	\$100,592	\$53,626	\$78,136	\$39,683	\$83,229	\$42,710
1998	\$101,740	\$54,211	\$78,959	\$40,262	\$84,742	\$43,525
1999	\$102,959	\$54,854	\$80,916	\$42,041	\$86,830	\$45,025
2000	\$104,164	\$55,516	\$82,507	\$43,346	\$88,048	\$45,555
2001	\$105,307	\$56,163	\$82,827	\$43,272	\$89,529	\$46,288
2002	\$106,086	\$56,412	\$83,224	\$43,212	\$90,646	\$46,828
2003	\$107,161	\$56,914	\$83,909	\$43,444	\$91,417	\$47,063
2004	\$108,565	\$57,762	\$84,795	\$43,825	\$92,084	\$47,179
2005	\$110,569	\$59,190	\$86,403	\$44,735	\$93,021	\$47,416
2006	\$112,836	\$60,872	\$89,383	\$46,837	\$93,607	\$47,449
2007	\$115,154	\$62,538	\$92,762	\$49,366	\$94,418	\$47,645
2008	\$117,423	\$64,175	\$95,646	\$51,405	\$94,283	\$47,179
2009	\$118,193	\$64,397	\$97,011	\$52,071	\$94,876	\$47,675
2010	\$119,746	\$65,491	\$98,330	\$52,822	\$95,937	\$48,850
2011	\$121,745	\$67,000	\$100,081	\$54,052	\$96,533	\$49,494
2012	\$123,834	\$68,643	\$100,479	\$53,972	\$96,317	\$49,194
2013	\$125,963	\$70,275	\$100,701	\$53,636	\$96,668	\$49,360
2014	\$128,246	\$71,987	\$100,795	\$53,226	\$96,918	\$49,469
2015	\$129,873	\$72,879	\$100,850	\$52,746	\$97,112	\$49,464
2016	\$130,275	\$72,788	\$100,428	\$52,135	\$97,127	\$49,649
2017	\$130,763	\$72,833	\$100,443	\$51,964	\$96,651	\$49,384

Source: Statistics Canada, CANSIM Table 031-0005: Flows and stocks of fixed non-residential capital, by industry and asset, Canada, provinces and territories, annual (dollars x 1,000,000);

*All dollar amounts are in 2012 constant dollars

Notes:

- This goal assumes to measure the value of investments in real dollars per capita (as opposed to current prices), and the figures presented are in 2012 constant dollar value.