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Government
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Regional Industrial
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régionale

Canada

REPORT OF THE
DRIE CAPITAL INVESTMENT
INTENTIONS SURVEY
CONDUCTED IN APRIL/MAY 1987



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Statistical Analysis
Department of Regional Industrial Expansion
Ottawa
June 1987
(Aussi disponible en français)

ACKNOWLEDGEMENTS

We are grateful to the many business executives who entrusted their forward plans to us and who took the time to discuss relevant matters with us, thereby making the DRIE Capital Investment Intentions Survey possible.

Our appreciation is also extended to the officials of the Bank of Canada, the Federal Department of Finance, the Industry, Marketing, Policy and Evaluation Branches and the Regional Offices of the Department of Regional Industrial Expansion, who assisted with the survey.

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PREFACE

This report is based on the Capital Investment Intentions Survey of the Department of Regional Industrial Expansion (DRIE) covering some 315 large corporations, which was carried out in April and May 1987.

The purpose of the survey is to provide timely intelligence on corporate capital investment decisions for economic forecasting and departmental policy and planning. Survey results are presented for all large companies combined, and disaggregated by major sector and region.

These data indicate investment intentions of a panel of large firms at a given point in time. However, they should not be regarded as the investment outlook for the economy as a whole as spending plans for these large firms do not necessarily reflect the spending patterns of other firms. The survey does not include smaller firms or investments in housing, agriculture or fishing. Direct government outlays are also excluded.

Since the participating companies are not selected randomly, the overall results of the survey may not be representative of the total economy. All individual company information is kept confidential; neither the names of the corporations nor their individual responses are released.

EXECUTIVE SUMMARY

The Capital Investment Intentions Survey of the Department of Regional Industrial Expansion (DRIE) conducted in April and May 1987 covers about 315 large corporations and provides a reading on planned business capital spending for 1987. Highlights from the report are given below.

- i) The April/May 1987 survey indicates that capital spending in 1987 has increased by 9.0 percent or \$2.2 billion from the 1986 level.
- ii) Spending in the manufacturing sector in 1987 shows an increase of 16.8 percent over 1986 levels, and non-manufacturing reports a 6.1 percent increase for the same period.
- iii) Large firms in the survey, on average, used a cost adjustment factor of 3.9 percent in their capital budgets for 1987.
- iv) On a regional basis, the Quebec, Ontario, British Columbia and Prairie regions record expected increases for 1987, while the Atlantic region shows a year-to-year decrease.
- v) Spending of domestic majority-owned firms on new plant and equipment in 1987 is anticipated to increase by 13.0 percent compared with an increase of 0.4 percent for foreign-owned firms.
- vi) Private firms show a 5.6 percent increase in capital spending plans for 1987 compared to an 18.1 percent increase expected by public companies.

- vii) About 65 percent of the survey panel reported that they expect their profit levels in 1987 to be higher than in 1986 while 17 percent expect a lower profit performance.

- viii) Factors mentioned most often as affecting outlays were anticipated cash flow, expected domestic sales, rates of return, government policies and future economic conditions in Canada.

HIGHLIGHTS OF THE APRIL/MAY 1987 SURVEY

Overview

The April/May 1987 survey* provides an indication of planned investment for 1987 based on conditions at the time of the survey. The firms who responded expect that their capital spending in 1987 will increase by 9.0 percent, in current dollars, over 1986 levels. (Unless otherwise stated dollar amounts and percent changes are in or based on current dollars.)

The survey does not cover investments in housing, agriculture, fishing or direct government outlays. As well, the spending patterns of the larger corporations may differ from those of smaller companies and industry sectors not covered by the survey and, therefore, the results may not be applied directly to the total business sector. That is to say, this reported increase for 1987 refers only to those large companies included in the survey panel and does not necessarily reflect the spending pattern of all businesses.

The companies surveyed indicated that their level of spending on new plant and equipment in 1987 would be about \$26.4 billion in current dollars, an increase of about \$2.2 billion over the 1986 level of \$24.2 billion. Manufacturing outlays rise by over \$1.1 billion to \$7.7 billion, whereas non-manufacturing spending increases by almost \$1.1 billion to \$18.7 billion. The larger year-over-year increases were reported by electrical, electronics and machinery, food and beverage, non-metallic minerals, forest products, trade, finance and other commercial; communications and electric utilities. Oil and gas companies and pipelines registered declines in spending between 1986 and 1987, as did transportation equipment (Table 1).

Outlook for Manufacturing

Capital spending for 1987 on new plant and equipment by reporting manufacturing corporations is expected to be about \$7.7 billion in current

* See appendix for details on the nature and coverage of the survey.

dollars, a 16.8 percent advance from 1986. The 1987 increase reflects primarily the spending of electrical, electronics and machinery; food and beverage; non-metallic minerals and forest products companies. Transportation equipment was the only sector registering decreased spending for 1987.

Outlook for Non-Manufacturing

The spending plans for 1987 of respondents in the non-manufacturing sector are over \$18 billion in current dollars, an increase of 6.1 percent from 1986. Areas of strength include trade, finance and other commercial; communications; and electric utilities. Mining and transportation and storage also register increases while oil and gas companies and pipelines reported decreases (Table 1).

Cost of Capital Goods

The average cost adjustment factor or inflation rate used by the survey firms in their capital budgets for 1987 was 3.9 percent over the cost level for 1986 (Table 6).

On an industry basis, food and beverage; forest products; and transportation equipment, on average are expecting larger cost increases in the 1987-1991 period than the manufacturing sector as a whole. Within the non-manufacturing sector electric utilities; and trade, finance and other commercial companies expect the largest cost increases.

Foreign versus Domestic Companies

Foreign majority-owned firms plan an increase of 0.4 percent or \$32 million in their capital spending for 1987 compared with an advance of 13.0 percent or \$2.2 billion for domestic majority-owned firms (Tables 8 and 9).

Domestic majority-owned firms represent about 71 percent of total capital spending reported for 1987 by the survey panel, with foreign majority-owned firms accounting for the remainder. On a regional basis the proportion of investment associated with domestic majority-owned firms ranges from a high of 84 percent in Quebec to a low of 59 percent in the Prairie region (Table 7).

Within the domestic sector, all regions except the Atlantic show year-to-year advances for 1987. In contrast, foreign-sector spending is lower in 1987 in all regions except Quebec.

Public Compared to Private Capital Spending

Capital spending in the public (government) segment of the panel (i.e., Crown corporations) is expected to increase by 18.1 percent or \$1.2 billion in 1987, while the private sector foresees an increase of 5.6 percent or about \$1.0 billion (Tables 11 and 12).

The public or government portion of capital investment represents 30 percent of total capital spending for 1987, and by region ranges from 22 percent in the British Columbia and Northern region to 43 percent in Quebec.

Within the public sector, the Prairie, Quebec, British Columbia and Ontario regions expect to record increases in 1987 while in the Atlantic region spending is expected to decline. For private sector investment in 1987, the Quebec, Ontario and British Columbia regions expect an increase while the other two regions anticipate declines over 1986 levels.

Medium-Term Investment

Companies in the survey indicate a total of about \$115 billion in investment plans for the medium term (1986-1991). The manufacturing sector as a whole, as well as food and beverage, forest products and chemicals, show an

increase in 1987 from 1986 levels followed by declines through to 1991. Non-manufacturing companies and electric utilities show increases in 1987, 1988 and 1989, and declines in 1990 and 1991. The rest of the non-manufacturing sector fluctuates almost erratically (Tables 13 and 14).

Factors Affecting Outlays

The factors mentioned most often by respondents as affecting both current and considered investment spending were anticipated cash flow, expected domestic sales, rates of return, government policies and future economic conditions in Canada (Table 15).

Purpose of Investment

Of the total corporations in the survey panel, 279, or about 88 percent reported the breakdown of their capital spending by purpose for 1986 and 1987. Investments are subdivided into two broad groups: those which add directly to production facilities and those which do not. The latter group includes investments in research and development, pollution abatement and working environment; the former includes expansion of facilities at existing sites, upgrading and replacement, and new facilities at new sites.

Expansion, upgrading and replacement of existing facilities, at 62.8 percent, accounts for the largest proportion of spending in 1987. Expansion to new sites enjoys a 20.8 percent share. The remainder is divided among a variety of purposes such as research and development, pollution abatement and the work environment (Tables 16, 17 and 18).

Regional Distribution of Business Investment

Spending patterns reported in the survey reflect developments in the various regions in broad terms only and, therefore, should be interpreted with some caution.

The regional percentage distribution of total business capital investment over the medium term is presented in the following table:

<u>Regions</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Atlantic	5.5	4.0	4.7	5.4	6.0	5.7
Quebec	19.5	20.7	22.5	23.2	23.4	22.9
Ontario	35.9	36.5	33.4	32.6	32.6	34.0
Prairies	24.8	23.1	25.6	25.5	25.8	24.8
B.C. & Northern	8.8	8.6	7.5	7.8	7.2	7.1
Unallocated*	5.5	7.1	6.3	5.5	5.0	5.5

For 1987, compared to 1986, a larger proportion of capital expenditures on new production facilities was designated to Quebec and Ontario. From 1987 to 1990, the shares of investment spending for the other regions fluctuate over time; and with the exception of Ontario shares of spending for all regions takes a downturn in 1991.

Regional Perspectives

Atlantic Region (Tables 19 - 22)

Total spending on plant and equipment in 1987 in the Atlantic region by companies in the survey panel is expected to be about \$1.5 billion. (As noted earlier, dollar levels and percent changes are based on current dollars.) This represents a decrease of 12.0 percent from the level reported for 1986 (Table 19).

* Includes investment which was not specifically allocated to a particular region because it had not yet been determined in which region it would take place; and expenditures on movable machinery and equipment, i.e., rail rolling stock, ships, etc.

Investment spending in 1987 by the Atlantic region manufacturing sector is expected to advance by 39.4 percent to a level of about \$356 million. Within this sector the larger increases were registered by other manufacturing and food and beverage, while electrical, electronics and machinery and non-metallic minerals registered the larger decreases. For the non-manufacturing sector, capital spending for 1987 is expected to reach \$1 137 million, down 21.1 percent from 1986. Declines for 1987 are reported by oil and gas companies, mining, and trade, finance and other commercial companies. Transportation and storage, electric utilities and communications are expected to increase their spending in 1987.

Crown corporations, which account for 38 percent of total capital spending for 1987, record a 9.1 percent decrease from 1986 levels while private firms report a 13.7 percent decrease (Tables 10 and 21).

Foreign majority-owned firms in the Atlantic provinces expect to decrease spending on new plant and equipment by 21.7 percent in 1987; while domestic majority-owned firms expect spending to decline by 9.6 percent from 1986 levels (Table 20).

Quebec (Tables 23 - 26)

The survey shows that the large corporations investing in new plant and equipment in Quebec expect to spend \$4.8 billion in 1987, an increase of 21.2 percent from the 1986 level of just under \$4.0 billion.

Capital spending by the Quebec manufacturing sector is expected to reach more than \$1.7 billion in 1987, 25.0 percent above the 1986 level. All industries in this sector, with the exception of non-metallic minerals project advances for 1987.

The 19.1 percent increase in spending plans for 1987 in the non-manufacturing sector is considerably above the national average of 6.1 percent. Within the sector, all industries except oil and gas pipelines

report year-to-year percentage increases for 1987, with mining, transportation and storage, trade, finance and other commercial, and utilities showing the larger increases.

Crown (public) corporations account for 43 percent of total capital spending reported for 1987 and are expecting an increase in 1987 of 24.0 percent; private sector spending in Quebec is expected to advance by 19.3 percent (Tables 10 and 25).

Companies with headquarters in Quebec are somewhat more optimistic for 1988 than for 1987 with regard to sales, employment and corporate financial conditions (Table 26). Cash flow, rates of return, expected sales, and government policies were the factors most frequently mentioned as affecting the spending plans of these companies (Table 15).

Ontario (Tables 27 - 30)

Corporations with plant and equipment investments in Ontario report that they expect 1987 outlays to reach \$9.8 billion, an increase of 9.7 percent or about \$0.9 billion from the 1986 level (Table 27).

Investment spending in 1987 by the Ontario manufacturing sector is expected to reach about \$4.1 billion, an increase of 2.0 percent from the 1986 level. Strong investment increases by non-metallic minerals, other manufacturing, electrical, electronics and machinery, food and beverage and forest products are counterbalanced by declines in transportation equipment and primary metal companies. Chemicals report weak growth.

The 15.9 percent increase in spending for 1987 by the non-manufacturing sector is higher than the national average of 6.1 percent for this sector. All industries within the sector report strong investment plans, except transportation and storage where a decline is expected.

Private sector spending for 1987 is expected to advance by 11.1 percent compared to a 5.6 percent increase in the public segment. Private sector spending on plant and equipment accounts for 75 percent of total investment in Ontario for 1987 (Table 10 and 29).

Foreign majority-owned firms show a 2.2 percent decrease in spending for 1987, while domestic majority-owned firms indicate a 14.9 percent advance (Table 28).

Companies with headquarters in Ontario are more optimistic about sales and employment for 1988 than for 1987 and somewhat less optimistic with regard to profits, corporate financial and Canadian business conditions (Table 30).

Expected sales in Canada, cash flow, government policies and rates of return were the factors most often cited by companies with headquarters in Ontario as having a negative impact on spending plans. Economic conditions and export sales were also mentioned as concerns (Table 15).

Prairie Region (Tables 31 - 40)

Total capital spending in the Prairie region in 1987 is expected to be about \$6.9 billion (an increase of 4.0 percent or \$268 million) over 1986 levels (Table 31). Spending is expected to advance by 10.6 percent in Manitoba and by 8.0 percent in Alberta in 1987. The level of spending in Saskatchewan, however, is expected to decline by 21.1 percent. The outlook for the Prairie region is dominated by Alberta where about 71 percent of investment in the Prairie region takes place.

Manufacturing spending in the region is expected to advance by 29.2 percent in 1987, due mainly to increased spending by miscellaneous manufacturing companies, forest products, transportation equipment and electrical, electronics and machinery. This offsets the decreased spending reported by primary metals and non-metallic minerals. Spending by

manufacturing firms in Alberta is expected to advance in 1987 by 69.5 percent, while decreases of 39.0 and 10.4 percent, respectively, are anticipated in Saskatchewan and Manitoba. Alberta's strengths lie in other manufacturing, forest products, electrical, electronics and machinery, transportation equipment and primary metals. All of this offsets the decrease reported by non-metallic minerals. The decline in spending in Saskatchewan is mainly due to reduced outlays by non-metallic mineral, primary metal and food and beverage companies. The decline within this sector in Manitoba is due to decreased spending among the primary metal and food and beverage companies.

Total non-manufacturing spending in the Prairie region for 1987, at \$6.5 billion, represents an advance of 2.9 percent over the 1986 level (Table 31). Non-manufacturing spending is expected to advance by 11.7 percent in Manitoba in 1987 and by 5.9 percent in Alberta. The increase in Manitoba is due mainly to the planned spending by utilities and transportation and storage, and oil and gas companies which counterbalances decreased spending in oil and gas pipelines and trade, finance and other commercial companies. In the case of Alberta, increased spending levels in 1987 were reported for all sectors except oil and gas companies and pipelines. Saskatchewan will experience a decline due to large reductions reported by oil and gas pipelines, mining, trade, finance and other commercial, and utilities.

Domestic majority-owned firms expect an 11.5 percent increase in 1987 spending in the Prairie region while spending by foreign majority-owned firms will see a decrease of 5.3 percent (Table 35).

Private sector spending in 1987 is expected to decline by 5.0 percent in the region, compared to a 33.8 percent advance for the public segment (Table 36).

Companies with headquarters in the Prairie region in general are more optimistic for 1988 than for 1987 with respect to corporate sales, employment and Canadian business conditions (Table 39).

The dominant factors affecting capital spending plans were cash flow, expected sales, government policies and rates of return (Table 15). Economic conditions in Canada and abroad were also concerns.

Alberta

Total capital spending in Alberta in 1987 is expected to reach approximately \$4.9 billion, an 8.0 percent or \$365 million increase over 1986 (Table 34).

At \$252 million, manufacturing spending shows a rise of 69 percent from 1986 levels. Strong increases in other manufacturing, forest products, electrical, electronics and machinery, transportation equipment and primary metals combined to offset the decrease reported by non-metallic minerals. Spending by the non-manufacturing segment in Alberta is expected to amount to \$4.6 billion in 1987, 5.9 percent above 1986 outlays. All industry groups recorded advances with the exception of oil and gas companies and pipelines.

The domestic-owned firms anticipate an investment increase of 14.4 percent in 1987 while the foreign-owned companies expect a 1.8 percent advance (Table 37). In 1986, 49 percent of investment is accounted for by domestic majority-owned firms; in 1987 the share is 51 percent. Private sector spending in Alberta is expected to decline by 0.6 percent in 1987, while Crown corporations report a rise in spending of 64.7 percent (Tables 7 and 38).

Companies with headquarters in Alberta indicate a more optimistic outlook for 1988 than for 1987, particularly with regard to corporate sales, employment, and Canadian business conditions (Table 40).

Cash flow, rates of return, expected sales in Canada and government policies were the factors mentioned most often as affecting both current and expected capital outlays on plant and equipment (Table 15).

British Columbia and Northern Region (Tables 41 - 44)

Spending for 1987 in the British Columbia and Northern region (Yukon and Northwest Territories) is expected to reach about \$2.2 billion, 7.0 percent above the 1986 level of \$2.1 billion (Table 41).

Investment in the manufacturing sector in this region is expected to reach \$807 million in 1987, an impressive 89.4 percent above the figure reported for 1986. This reflects the increased spending plans of the entire sector, but particularly those of forest products and primary metals.

Expected 1987 spending of \$1.4 billion by non-manufacturing firms in the region represents a decrease of 14.0 percent from 1986 levels, in contrast to the national average increase of 6.1 percent. Large decreases by oil and gas companies, and trade, finance and other commercial companies; together with lesser declines by communications and mining, is the reason for this deterioration. However, a strong rise in spending by oil and gas pipelines and a more modest increase by utilities helped to temper this negative outlook.

Foreign majority-owned firms investing in the British Columbia and Northern region are expected to reduce spending by 13.4 percent in 1987, while a 19.7 percent rise is expected by domestic majority-owned firms (Table 42).

Spending for 1987 by the private segment on new plant and equipment is expected to increase by 5.7 percent, a close parallel to the 5.6 percent increase for Canada as a whole. The public sector anticipates an increase of 11.9 percent (Table 43).

Companies with headquarters in the British Columbia and Northern region show more optimism for 1988 than they did for 1987, with respect to corporate sales, profits and employment (Table 44).

Cash flow was the factor mentioned most often by the firms in this region as affecting spending plans (Table 15). Rates of return, government policies and expected sales were also concerns.

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TABLE 1

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1986 AND PLANS FOR 1987
- CANADA

(Current \$ Millions)

<u>Industry</u>	<u>Outlay 1986</u>	<u>Outlay 1987</u>	<u>1987/1986 Percent change</u>
Food and Beverage	505.5	671.7	32.8
Forest Products	1 655.5	2 124.0	28.2
Primary Metals and Metal Fabricating	1 138.5	1 253.7	10.1
Chemicals	501.6	524.2	4.5
Transportation Equipment	1 807.4	1 792.1	-0.9
Electrical, Electronics and Machinery	553.4	743.0	34.2
Non-Metallic Minerals	191.7	246.5	28.5
Other Manufacturing	266.5	379.9	42.5
<u>Total Manufacturing</u>	6 620.1	7 735.1	16.8
Mining Companies	886.3	977.0	10.2
Oil and Gas Companies	4 928.5	4 475.6	-9.2
Oil and Gas Pipelines	1 039.0	875.4	-15.8
Transportation and Storage	1 470.2	1 610.5	9.5
Communications	2 890.4	3 349.6	15.8
Electric Utilities	4 779.3	5 391.5	12.8
Trade, Finance and Other Commercial	1 632.3	2 034.3	24.6
<u>Total Non-Manufacturing</u>	17 626.0	18 713.9	6.1
<u>TOTAL</u>	<u>24 246.1</u>	<u>26 449.0</u>	<u>9.0</u>

Only the 308 firms which reported for the years 1986 (actual) and 1987 (revised intentions) have been included in this table.

TABLE 2

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1986 AND PLANS FOR 1987
- CANADA

(Constant 1986 \$ Millions)

<u>Industry</u>	<u>Outlay 1986</u>	<u>Outlay 1987</u>	<u>1987/1986 Percent change</u>
Food and Beverage	505.5	639.5	26.5
Forest Products	1 655.5	2 042.1	23.3
Primary Metals and Metal Fabricating	1 138.5	1 208.7	6.1
Chemicals	501.6	504.9	0.6
Transportation Equipment	1 807.4	1 731.0	-4.3
Electrical, Electronics and Machinery	553.4	717.9	29.7
Non-Metallic Minerals	191.7	237.3	23.7
Other Manufacturing	266.5	366.3	37.4
<u>Total Manufacturing</u>	6 620.1	7 447.7	12.5
Mining Companies	886.3	939.1	5.9
Oil and Gas Companies	4 928.5	4 323.6	-12.3
Oil and Gas Pipelines	1 039.0	842.6	-19.0
Transportation and Storage	1 470.2	1 549.4	5.3
Communications	2 890.4	3 228.2	11.6
Electric Utilities	4 779.3	5 166.8	8.1
Trade, Finance and Other Commercial	1 632.3	1 937.0	18.6
<u>Total Non-Manufacturing</u>	17 626.0	17 986.7	2.0
 <u>TOTAL</u>	 24 246.1	 25 434.4	 4.9

Only the 308 firms which reported for the years 1986 (actual) and 1987 (revised intentions) have been included in this table.

TABLE 3

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1986 AND PLANS FOR 1987
- BY PROVINCE/REGION

(Current \$ Millions)

<u>Province/Region</u>	<u>No. of Companies</u>	<u>Outlay 1986</u>	<u>Outlay 1987</u>	<u>1987/1986 Percent change</u>
Newfoundland	31	442.6	424.7	-4.1
Prince Edward Island	15	25.5	23.3	-8.7
Nova Scotia	51	687.9	631.6	-8.2
New Brunswick	36	312.9	358.6	14.6
<u>Atlantic Region</u>	86	1 696.0	1 493.0	-12.0
Quebec	148	3 988.8	4 837.6	21.2
Ontario	183	8 924.8	9 796.8	9.7
Manitoba	60	792.1	876.1	10.6
Saskatchewan	65	1 025.6	810.2	-21.1
Alberta	109	4 532.7	4 897.8	8.0
<u>Prairie Region</u>	146	6 627.3	6 895.8	4.0
British Columbia	113	1 751.8	2 093.4	19.4
Yukon	5	7.4	8.0	8.1
Northwest Territories	14	304.9	109.4	-64.2
<u>British Columbia and Northern Region</u>	121	2 095.2	2 242.8	7.0
<u>CANADA</u>	<u>308</u>	<u>24 246.1</u>	<u>26 449.0</u>	<u>9.0</u>

Actual 1986 and revised intentions 1987.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 4

CAPITAL EXPENDITURES OF SELECTED LARGE MANUFACTURING COMPANIES
FOR 1986 AND PLANS FOR 1987
- BY PROVINCE/REGION

(Current \$ Millions)

<u>Province/Region</u>	<u>No. of Companies</u>	<u>1986</u>	<u>1987</u>	<u>1987/1986 Percent change</u>
Newfoundland	10	89.1	84.3	-5.4
Prince Edward Island	*	*	*	
Nova Scotia	24	97.5	178.3	82.8
New Brunswick	16	66.6	89.5	34.3
<u>Atlantic Region</u>	41	255.0	355.6	39.4
Quebec	97	1 426.3	1 783.2	25.0
Ontario	121	3 979.3	4 060.8	2.0
Manitoba	24	41.5	37.2	-10.4
Saskatchewan	17	65.9	40.2	-39.0
Alberta	43	148.8	252.3	69.5
<u>Prairie Region</u>	61	288.2	372.6	29.2
British Columbia	52	422.5	804.6	90.4
Yukon	*	*	*	
Northwest Territories	*	*	*	
<u>British Columbia and Northern Region</u>	53	426.2	807.4	89.4
<u>CANADA</u>	172	6 620.1	7 735.1	16.8

* Information has been suppressed in order to eliminate the possibility of identifying the investment of any individual firm.

Actual 1986 and revised intentions 1987.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 5

CAPITAL EXPENDITURES OF SELECTED LARGE NON-MANUFACTURING COMPANIES
FOR 1986 AND PLANS FOR 1987
- BY PROVINCE/REGION

(Current \$ Millions)

<u>Province/Region</u>	<u>No. of Companies</u>	<u>1986</u>	<u>1987</u>	<u>1987/1986 Percent change</u>
Newfoundland	21	353.5	340.4	-3.8
Prince Edward Island	12	24.5	21.5	-12.3
Nova Scotia	27	590.4	453.3	-23.3
New Brunswick	20	246.3	269.1	9.2
<u>Atlantic Region</u>	45	1 441.0	1 137.4	-21.1
Quebec	51	2 562.5	3 054.4	19.1
Ontario	62	4 945.5	5 736.0	15.9
Manitoba	36	750.6	838.9	11.7
Saskatchewan	48	959.7	770.0	-19.8
Alberta	66	4 383.9	4 645.5	5.9
<u>Prairie Region</u>	85	6 339.1	6 523.2	2.9
British Columbia	61	1 329.3	1 288.8	-3.1
Yukon	5	7.4	8.0	8.1
Northwest Territories	13	301.6	107.3	-64.5
<u>British Columbia and Northern Region</u>	68	1 669.0	1 435.4	-14.0
<u>CANADA</u>	136	17 626.0	18 713.9	6.1

Actual 1986 and revised intentions 1987.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 6

COST ADJUSTMENT FACTORS 1987-1991

<u>Industry</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Food and Beverage	100.0	105.0	110.2	115.7	121.3	127.3
Forest Products	100.0	104.0	108.5	113.5	118.9	124.4
Primary Metals and Metal Fabricating	100.0	103.7	107.9	113.7	117.7	122.9
Chemicals	100.0	103.8	108.0	112.5	117.2	122.0
Transportation Equipment	100.0	103.5	108.4	113.8	119.4	124.2
Electrical, Electronics and Machinery	100.0	103.5	106.9	110.3	114.5	118.8
Non-Metallic Minerals	100.0	103.7	108.0	112.6	117.6	122.6
Other Manufacturing	100.0	103.7	108.1	112.7	115.1	119.3
<u>Total Manufacturing</u>	100.0	103.8	108.2	113.0	118.0	123.2
Mining Companies	100.0	104.0	108.5	113.4	118.0	123.3
Oil and Gas Companies	100.0	103.5	107.5	118.8	114.8	119.4
Oil and Gas Pipelines	100.0	103.9	108.5	113.1	118.4	123.2
Transportation and Storage	100.0	103.9	108.2	112.9	118.8	124.1
Communications	100.0	103.7	108.2	112.7	117.4	122.1
Electric Utilities	100.0	104.3	109.4	114.9	121.2	127.5
Trade, Finance and Other Commercial	100.0	105.0	110.9	116.7	124.2	136.7
<u>Total Non-Manufacturing</u>	100.0	103.9	108.6	113.5	118.6	124.1
<u>TOTAL</u>	100.0	103.9	108.5	113.4	118.5	123.9

TABLE 7

DISTRIBUTION OF CAPITAL INVESTMENT BY DOMESTIC AND FOREIGN FIRMS WITHIN REGIONS

(Percent)

<u>Province/Region</u>	<u>DOMESTIC</u>		<u>FOREIGN</u>	
	<u>1986</u>	<u>1987</u>	<u>1986</u>	<u>1987</u>
Newfoundland	80	67	20	33
Prince Edward Island	*	*	*	*
Nova Scotia	81	86	19	14
New Brunswick	84	93	16	7
<u>Atlantic Region</u>	80	82	20	18
Quebec	87	84	13	16
Ontario	70	73	30	27
Manitoba	78	91	22	9
Saskatchewan	73	81	27	19
Alberta	49	52	51	48
<u>Prairie Region</u>	55	59	45	41
British Columbia	65	72	35	28
Yukon	*	*	*	*
Northwest Territories	*	*	*	*
<u>British Columbia and Northern Region</u>	62	69	38	31
<u>CANADA</u>	68	71	32	29

* Information has been suppressed in order to eliminate the possibility of identifying the investment of any individual firm.

TABLE 8

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES 1986-1987
- DOMESTIC-OWNED/ALL COMPANIES

(Current \$ Millions)

<u>Province/Region</u>	<u>1986</u>	<u>1987</u>	<u>1987/1986 Percent change</u>
Newfoundland	354.9	285.5	-19.6
Prince Edward Island	24.2	21.9	-9.6
Nova Scotia	560.1	544.0	-2.9
New Brunswick	262.5	332.5	26.6
<u>Atlantic Region</u>	1 355.3	1 226.2	-9.6
Quebec	3 454.7	4 066.0	17.6
Ontario	6 227.7	7 157.1	14.9
Manitoba	616.1	797.1	29.3
Saskatchewan	752.7	652.7	-13.3
Alberta	2 232.3	2 554.2	14.4
<u>Prairie Region</u>	3 659.6	4 083.9	11.5
British Columbia	1 133.9	1 510.0	33.1
Yukon	7.3	7.8	6.8
Northwest Territories	149.2	28.9	-80.7
<u>British Columbia and Northern Region</u>	1 291.8	1 546.7	19.7
<u>CANADA</u>	<u>16 595.8</u>	<u>18 766.4</u>	<u>13.0</u>

Actual 1986 and revised intentions 1987.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 9

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES 1986-1987
- FOREIGN-OWNED/ALL COMPANIES

(Current \$ Millions)

<u>Province/Region</u>	<u>1986</u>	<u>1987</u>	<u>1987/1986 Percent change</u>
Newfoundland	87.7	139.2	58.7
Prince Edward Island	*	*	
Nova Scotia	127.8	87.6	-31.5
New Brunswick	50.4	26.1	-48.3
<u>Atlantic Region</u>	340.7	226.8	-21.7
Quebec	534.1	771.6	44.4
Ontario	2 697.1	2 639.7	-2.2
Manitoba	176.0	79.0	-55.2
Saskatchewan	272.9	157.5	-42.3
Alberta	2 300.4	2 343.6	1.8
<u>Prairie Region</u>	2 967.7	2 811.9	-5.3
British Columbia	617.9	583.4	-5.6
Yukon	*	*	
Northwest Territories	*	*	
<u>British Columbia and Northern Region</u>	803.4	696.1	-13.4
<u>CANADA</u>	<u>7 650.3</u>	<u>7 682.6</u>	<u>0.4</u>

* Information has been suppressed in order to eliminate the possibility of identifying the investment of any individual firm.

Actual 1986 and revised intentions 1987.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 10

DISTRIBUTION OF CAPITAL INVESTMENT BY PUBLIC AND PRIVATE FIRMS WITHIN REGIONS

(Percent)

<u>Province/Region</u>	<u>PUBLIC</u>		<u>PRIVATE</u>	
	<u>1986</u>	<u>1987</u>	<u>1986</u>	<u>1987</u>
Newfoundland	36	24	64	76
Prince Edward Island	*	*	*	*
Nova Scotia	53	51	47	49
New Brunswick	30	37	70	63
<u>Atlantic Region</u>	36	38	64	62
Quebec	42	43	58	57
Ontario	26	25	74	75
Manitoba	57	71	43	29
Saskatchewan	48	57	52	43
Alberta	13	20	87	80
<u>Prairie Region</u>	23	30	77	70
British Columbia	23	23	77	77
Yukon	*	*	*	*
Northwest Territories	*	*	*	*
<u>British Columbia and Northern Region</u>	21	22	79	78
<u>CANADA</u>	27	30	73	70

* information has been suppressed in order to eliminate the possibility of identifying the investment of any individual firm.

TABLE 11

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES 1986-1987
- PUBLIC/ALL COMPANIES

(Current \$ Millions)

<u>Province/Region</u>	<u>1986</u>	<u>1987</u>	<u>1987/1986 Percent change</u>
Newfoundland	158.7	100.4	-36.8
Prince Edward Island	*	*	
Nova Scotia	363.5	325.1	-10.6
New Brunswick	92.5	133.6	44.4
<u>Atlantic Region</u>	615.6	560.0	-9.1
Quebec	1 661.9	2 060.8	24.0
Ontario	2 289.9	2 419.7	5.6
Manitoba	450.3	618.8	37.4
Saskatchewan	496.8	465.7	-6.3
Alberta	594.6	979.7	64.7
<u>Prairie Region</u>	1 541.7	2 064.2	33.8
British Columbia	404.2	485.2	20.0
Yukon	*	*	
Northwest Territories	*	*	
<u>British Columbia and Northern Region</u>	448.3	502.0	11.9
<u>CANADA</u>	6 660.9	7 866.6	18.1

* Information has been suppressed in order to eliminate the possibility of identifying the investment of any individual firm.

Actual 1986 and revised intentions 1987.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 12

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES 1986-1987
- PRIVATE/ALL COMPANIES

(Current \$ Millions)

<u>Province/Region</u>	<u>1986</u>	<u>1987</u>	<u>1987/1986 Percent change</u>
Newfoundland	283.9	324.3	14.2
Prince Edward Island	24.8	22.6	-8.9
Nova Scotia	324.4	306.5	-5.6
New Brunswick	220.4	225.0	2.0
<u>Atlantic Region</u>	1 080.4	933.0	-13.7
Quebec	2 326.9	2 776.8	19.3
Ontario	6 634.9	7 377.1	11.1
Manitoba	341.8	257.3	-24.8
Saskatchewan	528.8	344.5	-34.9
Alberta	3 938.1	3 918.1	-0.6
<u>Prairie Region</u>	5 085.6	4 831.6	-5.0
British Columbia	1 347.6	1 608.2	19.3
Yukon	*	*	
Northwest Territories	266.3	98.3	-63.1
<u>British Columbia and Northern Region</u>	1 646.9	1 740.8	5.7
<u>CANADA</u>	17 585.2	18 582.4	5.6

* Information has been suppressed in order to eliminate the possibility of identifying the investment of any individual firm.

Actual 1986 and revised intentions 1987.

The above table incorporates matched data for each province and/or region. This system of matching is applied separately for each province. Hence, provinces do not add to regional totals and regional totals do not necessarily add to matched Canada totals. See Appendix point (1) for an explanation of "matching".

TABLE 13

CAPITAL INVESTMENT INTENTIONS OF SELECTED LARGE FIRMS 1986-1991

(Current \$ Millions)

<u>Province/Region</u>		<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>Total</u>
Newfoundland	(18)	222.8	171.3	181.9	361.9	527.8	499.7	1 965.4
Prince Edward Island	(8)	1.5	1.8	3.2	2.5	2.7	3.0	14.7
Nova Scotia	(31)	229.0	247.5	248.1	163.6	185.3	161.6	1 235.1
New Brunswick	(23)	262.6	293.7	409.3	446.5	344.1	293.4	2 049.6
<u>Atlantic Region</u>	(52)	937.3	773.5	945.9	1 059.1	1 149.0	1 089.8	5 954.6
Quebec	(98)	3 340.8	4 012.4	4 500.1	4 540.5	4 482.4	4 413.3	25 289.5
Ontario	(125)	6 150.7	7 079.6	6 684.4	6 385.8	6 244.8	6 565.0	39 110.3
Manitoba	(33)	417.2	549.3	610.4	615.0	620.3	527.7	3 339.9
Saskatchewan	(41)	756.9	686.6	856.9	1 048.4	987.9	862.2	5 198.9
Alberta	(66)	2 753.9	2 899.0	3 398.3	3 088.5	3 042.4	3 089.2	18 271.3
<u>Prairie Region</u>	(95)	4 241.2	4 480.2	5 126.1	5 003.5	4 944.4	4 789.3	28 584.7
British Columbia	(75)	1 212.0	1 536.2	1 397.3	1 418.9	1 266.7	1 217.0	8 048.1
Yukon	(4)	6.7	7.8	7.7	7.3	7.8	8.3	45.6
Northwest Territories	(8)	144.7	30.0	25.1	19.3	20.8	24.6	264.5
<u>British Columbia and Northern Region</u>	(81)	1 510.2	1 659.3	1 507.8	1 537.9	1 380.6	1 371.6	8 967.4
<u>CANADA</u>	(219)	17 110.7	19 377.4	20 022.7	19 602.5	19 142.3	19 287.2	114 542.8

Actual 1986 and revised intentions 1987 to 1991.

Only those firms which reported for each of the years 1986 through 1991 are included in this table, i.e., a matched panel. The number of reporting companies is provided in brackets. See Appendix point (1) for an explanation of "matching".

TABLE 14

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES AS REPORTED IN CURRENT DOLLARS1986-1991

(1986 = 100)

<u>Industry</u>	<u>Base Value</u> (\$ Millions)	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Food and Beverage	317.2	100.0	117.9	106.2	101.0	97.2	105.3
Forest Products	1 214.8	100.0	124.8	123.3	102.8	99.6	84.4
Primary Metals and Metal Fabricating	862.4	100.0	108.6	54.8	33.1	41.2	42.1
Chemicals	345.7	100.0	101.0	99.0	91.1	89.3	89.0
Transportation Equipment	651.9	100.0	153.4	152.0	129.6	104.6	115.2
Electrical, Electronics and Machinery	314.9	100.0	138.3	147.7	146.1	113.5	116.1
Non-Metallic Minerals	124.2	100.0	128.6	89.0	94.3	81.9	75.8
Other Manufacturing	113.1	100.0	122.2	115.1	106.3	90.5	95.4
<u>Total Manufacturing</u>	3 944.2	100.0	124.4	110.2	94.1	86.9	84.9
Mining Companies	395.3	100.0	106.0	107.3	74.3	76.3	63.9
Oil and Gas Companies	3 594.0	100.0	90.0	95.5	93.6	102.3	103.5
Oil and Gas Pipelines	415.6	100.0	101.1	92.9	112.2	90.6	92.5
Transportation and Storage	977.9	100.0	117.2	131.1	123.7	121.2	134.3
Communications	2 325.1	100.0	111.2	120.1	119.0	123.7	122.0
Electric Utilities	4 404.8	100.0	117.3	137.0	148.3	141.1	145.0
Trade, Finance and Other Commercial	1 053.8	100.0	142.0	125.5	119.1	102.9	99.3
<u>Total Non-Manufacturing</u>	13 166.5	100.0	109.9	119.1	120.7	119.4	121.1
<u>TOTAL</u>	17 110.7	100.0	113.2	117.0	114.6	111.9	112.7

Only the 219 firms which reported for each of the years 1986 through 1991 are included in this table.

TABLE 15

FACTORS REPORTED AS AFFECTING CURRENT AND CONSIDERED INVESTMENT SPENDING

(Frequency of response)

Factor Region of Headquarters	Atlantic		Quebec		Ontario		Alberta		Prairies		B.C. & Northern Region		TOTAL	
	086	A87	086	A87	086	A87	086	A87	086	A87	086	A87	086	A87
Canadian Federal Government Policies	5	4	8	8	25	33	17	17	21	21	5	12	64	78
Other Canadian Government Policies	4	4	5	4	14	20	16	10	17	12	2	4	42	44
Foreign Government Policies	0	1	0	0	11	8	6	3	9	6	3	5	23	20
Exchange Rates	0	2	6	2	11	15	6	10	6	10	3	4	26	33
Non-Tariff Barriers, Canada	0	1	2	1	9	6	0	2	1	2	0	0	12	10
Canadian Tariffs Too High	1	1	2	1	3	4	1	0	2	1	0	0	8	7
Canadian Tariffs Too Low	1	1	2	0	2	6	0	0	1	1	0	0	6	8
Barriers Abroad	0	0	1	1	14	12	2	4	3	6	2	5	20	24
Other Trading Factors	0	0	6	3	6	8	0	3	1	4	1	4	14	19
Expected Cash Flow	6	7	14	10	35	43	21	23	25	28	4	14	84	102
Rates of Return	7	5	13	10	36	33	15	20	19	21	7	13	82	82
Other Internal Financial Conditions	0	0	1	0	8	9	3	4	4	5	3	2	16	16
Cost of Funds	4	2	3	1	13	13	4	10	5	10	1	6	26	32
Availability of Funds	1	1	2	0	12	14	5	4	5	4	1	1	21	20
Other External Financial Conditions	0	0	0	0	7	4	2	3	4	3	3	1	14	8
Other Financial and Monetary Factors	2	1	1	0	3	5	0	1	0	1	1	0	7	7
Raw Material Shortages	0	3	1	1	1	1	0	1	0	1	2	2	4	8
Machinery and Equipment Shortages	0	1	0	0	2	0	0	0	0	0	0	1	2	2
Staff Shortages	1	0	1	1	0	1	0	0	0	0	1	1	3	3
Labour Problems	0	1	5	1	10	6	1	0	1	0	3	6	19	14
Expected Sales in Canada	5	3	13	8	49	50	14	18	21	22	2	9	90	92
Expected Sales Abroad	2	2	10	6	27	21	9	13	16	19	4	8	59	56
Expected Economic Conditions in Canada	2	3	3	7	26	24	13	15	18	19	3	4	52	57
Expected Economic Conditions Abroad	1	0	4	4	7	10	11	13	13	16	3	4	28	34
Other Factors	0	1	2	2	13	11	13	8	13	8	7	0	36	22
SAMPLE SIZE	18	19	55	52	159	150	42	42	60	60	31	32	327	315

086 = October 1986

A87 = April 1987

TABLE 16

TOTAL CAPITAL EXPENDITURES BY PURPOSE

	Number of Reporting Companies	<u>1986</u>	<u>1987</u>
		(\$ Millions)	
Research and Development	78	254.6	262.5
Pollution Abatement	70	319.1	356.7
Working Environment	82	206.9	246.6
Expansion of Facilities - Existing Sites	149	6 798.8	7 318.0
Upgrading and Replacement of Existing Facilities	241	6 518.4	7 758.5
Expansion of Facilities - New Sites	90	4 919.8	4 992.1
Other	101	3 896.7	3 086.2
<u>TOTAL*</u>	279	22 914.3	24 020.6

* As one company may allocate its investment expenditures to various purpose categories, this number is not the sum of the elements in the column.

Actual 1986 and revised Intentions 1987.

TABLE 17

TOTAL CAPITAL EXPENDITURES BY PURPOSE

(Percent Distribution of Total)

	<u>Manufacturing</u>		<u>Non- Manufacturing</u>		<u>Total</u>	
	<u>1986</u>	<u>1987</u>	<u>1986</u>	<u>1987</u>	<u>1986</u>	<u>1987</u>
Research and Development	2.3	2.4	0.7	0.6	1.1	1.1
Pollution Abatement	2.0	2.4	1.2	1.2	1.4	1.5
Working Environment	1.1	1.4	0.8	0.9	0.9	1.0
Expansion of Facilities - Existing Sites	19.0	20.3	33.3	34.0	29.7	30.5
Upgrading and Replacement of Existing Facilities	43.6	48.5	23.2	26.7	28.4	32.3
Expansion of Facilities - New Sites	11.7	8.6	24.8	25.0	21.5	20.8
Other	20.1	16.4	15.9	11.6	17.1	12.9
<u>TOTAL</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Totals may not add due to rounding.

TABLE 18

CAPITAL EXPENDITURES BY PURPOSE1987/1986

(Year-to-Year Percent Change In Level of Spending)

	<u>Manufacturing</u>	<u>Non- Manufacturing</u>	<u>Total</u>
Research and Development	12.1	-7.2	3.1
Pollution Abatement	26.1	3.2	11.7
Working Environment	24.6	16.5	19.1
Expansion of Facilities - Existing Sites	12.4	6.6	7.6
Upgrading and Replacement of Existing Facilities	17.3	20.1	19.0
Expansion of Facilities - New Sites	-22.4	5.3	1.4
Other	-14.0	-23.7	-20.8

TABLE 19

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1986 AND PLANS FOR 1987
- ATLANTIC REGION

	(Current \$ Millions)				1987/1986 Percent change	
	1986		1987			
Total Manufacturing	255.0	(6 620.1)	355.6	(7 735.1)	39.4	(16.8)
Total Non-Manufacturing	1 441.0	(17 626.0)	1 137.4	(18 713.9)	-21.1	(6.1)
TOTAL	1 696.0	(24 246.1)	1 493.0	(26 449.0)	-12.0	(9.0)

Actual 1986 and revised Intentions 1987.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 20

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- ATLANTIC REGION

(Year-to-Year Percent Change)

	Domestic Majority-Owned 1987/1986		Foreign Majority-Owned 1987/1986	
Total Manufacturing	50.8	(24.3)	7.9	(8.8)
Total Non-Manufacturing	-19.3	(10.1)	-29.1	(-5.7)
<u>TOTAL</u>	-9.6	(13.0)	-21.7	(0.4)

TABLE 21

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- ATLANTIC REGION

(Year-to-Year Percent Change)

	Total Government Majority-Owned 1987/1986		Total Private Majority-Owned 1987/1986	
Total Manufacturing	*		11.4	(15.4)
Total Non-Manufacturing	*		-21.3	(0.0)
<u>TOTAL</u>	-9.1	(18.1)	-13.7	(5.6)

* To preserve confidentiality, data have been suppressed.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 22

EXPECTATIONS FOR 1987 and 1988 BY COMPANIES WITH HEADQUARTERS IN THE ATLANTIC REGION

(Percent Distribution of Total Responses)

	<u>1987/1986</u>			<u>1988/1987</u>		
	<u>Up/Better</u>	<u>No Change</u>	<u>Down/Worse</u>	<u>Up/Better</u>	<u>No Change</u>	<u>Down/Worse</u>
Canadian Sales	66.6 (61.8)	20.0 (22.9)	13.3 (15.1)	73.3 (63.5)	13.3 (30.9)	13.3 (5.5)
Export Sales	41.6 (46.5)	50.0 (34.2)	8.3 (19.2)	50.0 (47.4)	41.6 (44.1)	8.3 (8.3)
Profits	57.1 (65.0)	21.4 (18.2)	21.4 (16.6)	46.6 (60.8)	40.0 (29.7)	13.3 (9.3)
Corporate Employment In Canada	26.6 (25.7)	60.0 (46.9)	13.3 (27.3)	20.0 (29.4)	73.3 (59.2)	6.6 (11.3)
Corporate Financial Conditions	64.2 (57.9)	28.5 (33.0)	7.1 (8.9)	64.2 (52.1)	28.5 (42.3)	7.1 (5.5)
Canadian Business Conditions	38.4 (35.7)	61.5 (54.2)	0.0 (10.0)	23.0 (31.4)	76.9 (58.9)	0.0 (9.6)
Foreign Investment Climate	0.0 (25.9)	100.0 (69.4)	0.0 (4.5)	0.0 (22.2)	100.0 (73.8)	0.0 (3.9)

For comparison purposes, figures for Canada are provided in brackets.

There are 19 firms in the survey panel with headquarters in the Atlantic region.

TABLE 23

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1986 AND PLANS FOR 1987
- QUEBEC REGION

		(Current \$ Millions)					
		<u>1986</u>		<u>1987</u>		<u>1987/1986</u> <u>Percent change</u>	
Total							
Manufacturing		1 426.3	(6 620.1)	1 783.2	(7 735.1)	25.0	(16.8)
Total							
Non-Manufacturing		2 562.5	(17 626.0)	3 054.4	(18 713.9)	19.1	(6.1)
TOTAL		3 988.8	(24 246.1)	4 837.6	(26 449.0)	21.2	(9.0)

Actual 1986 and revised Intentions 1987.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 24

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- QUEBEC REGION

(Year-to-Year Percent Change)

	Domestic Majority-Owned 1987/1986		Foreign Majority-Owned 1987/1986	
Total Manufacturing	14.8	(24.3)	53.5	(8.8)
Total Non-Manufacturing	18.9	(10.1)	22.9	(-5.7)
<u>TOTAL</u>	17.6	(13.0)	44.4	(0.4)

TABLE 25

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- QUEBEC REGION

(Year-to-Year Percent Change)

	Total Government Majority-Owned 1987/1986		Total Private Majority-Owned 1987/1986	
Total Manufacturing	*		22.9	(15.4)
Total Non-Manufacturing	*		14.8	(0.0)
<u>TOTAL</u>	24.0	(18.1)	19.3	(5.6)

* To preserve confidentiality, data have been suppressed.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 26

EXPECTATIONS FOR 1987 and 1988 BY COMPANIES WITH HEADQUARTERS IN THE QUEBEC REGION

(Percent Distribution of Total Responses)

	<u>1987/1986</u>			<u>1988/1987</u>		
	<u>Up/Better</u>	<u>No Change</u>	<u>Down/Worse</u>	<u>Up/Better</u>	<u>No Change</u>	<u>Down/Worse</u>
Canadian Sales	62.1 (61.8)	24.3 (22.9)	13.5 (15.1)	58.3 (63.5)	33.3 (30.9)	8.3 (5.5)
Export Sales	42.8 (46.5)	50.0 (34.2)	7.1 (19.2)	40.7 (47.4)	55.5 (44.1)	3.7 (8.3)
Profits	70.2 (65.0)	27.0 (18.2)	2.7 (16.6)	66.6 (60.8)	27.7 (29.7)	5.5 (9.3)
Corporate Employment in Canada	10.8 (25.7)	59.4 (46.9)	29.7 (27.3)	19.4 (29.4)	66.6 (59.2)	13.8 (11.3)
Corporate Financial Conditions	69.4 (57.9)	27.7 (33.0)	2.7 (8.9)	60.0 (52.1)	31.4 (42.3)	8.5 (5.5)
Canadian Business Conditions	37.1 (35.7)	57.1 (54.2)	5.7 (10.0)	32.3 (31.4)	61.7 (58.9)	5.8 (9.6)
Foreign Investment Climate	20.0 (25.9)	75.0 (69.4)	5.0 (4.5)	15.0 (22.2)	80.0 (73.8)	5.0 (3.9)

For comparison purposes, figures for Canada are provided in brackets.

There are 52 firms in the survey panel with headquarters in the Quebec region.

TABLE 27

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1986 AND PLANS FOR 1987
- ONTARIO REGION

	(Current \$ Millions)				1987/1986 Percent change	
	<u>1986</u>		<u>1987</u>			
Total Manufacturing	3 979.3	(6 620.1)	4 060.8	(7 735.1)	2.0	(16.8)
Total Non-Manufacturing	4 945.5	(17 626.0)	5 736.0	(18 713.9)	15.9	(6.1)
TOTAL	8 924.8	(24 246.1)	9 796.8	(26 449.0)	9.7	(9.0)

Actual 1986 and revised intentions 1987.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 28

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- ONTARIO REGION

(Year-to-Year Percent Change)

	Domestic Majority-Owned 1987/1986		Foreign Majority-Owned 1987/1986	
Total Manufacturing	12.6	(24.3)	-6.2	(8.8)
Total Non-Manufacturing	15.8	(10.1)	17.5	(-5.7)
<u>TOTAL</u>	14.9	(13.0)	-2.2	(0.4)

TABLE 29

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- ONTARIO REGION

(Year-to-Year Percent Change)

	Total Government Majority-Owned 1987/1986		Total Private Majority-Owned 1987/1986	
Total Manufacturing	*		2.2	(15.4)
Total Non-Manufacturing	*		24.1	(0.0)
<u>TOTAL</u>	5.6	(18.1)	11.1	(5.6)

* To preserve confidentiality, data have been suppressed.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 30

EXPECTATIONS FOR 1987 and 1988 BY COMPANIES WITH HEADQUARTERS IN THE ONTARIO REGION

(Percent Distribution of Total Responses)

	<u>1987/1986</u>			<u>1988/1987</u>		
	<u>Up/Better</u>	<u>No Change</u>	<u>Down/Worse</u>	<u>Up/Better</u>	<u>No Change</u>	<u>Down/Worse</u>
Canadian Sales	70.4 (61.8)	15.6 (22.9)	13.9 (15.1)	70.6 (63.5)	24.7 (30.9)	4.5 (5.5)
Export Sales	53.9 (46.5)	26.9 (34.2)	19.1 (19.2)	51.1 (47.4)	38.3 (44.1)	10.4 (8.3)
Profits	68.4 (65.0)	16.6 (18.2)	14.9 (16.6)	68.5 (60.8)	24.0 (29.7)	7.4 (9.3)
Corporate Employment In Canada	32.7 (25.7)	39.6 (46.9)	27.5 (27.3)	33.6 (29.4)	52.7 (59.2)	13.6 (11.3)
Corporate Financial Conditions	50.8 (57.9)	37.7 (33.0)	11.4 (8.9)	49.0 (52.1)	44.5 (42.3)	6.3 (5.5)
Canadian Business Conditions	33.3 (35.7)	54.9 (54.2)	11.7 (10.0)	28.7 (31.4)	55.5 (58.9)	15.7 (9.6)
Foreign Investment Climate	24.1 (25.9)	72.5 (69.4)	3.2 (4.5)	20.0 (22.2)	75.0 (73.8)	5.0 (3.9)

For comparison purposes, figures for Canada are provided in brackets.

There are 150 firms in the survey panel with headquarters in the Ontario region.

TABLE 31

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1986 AND PLANS FOR 1987
- PRAIRIE REGION

	(Current \$ Millions)				1987/1986 Percent change	
	1986		1987			
Total Manufacturing	288.2	(6 620.1)	372.6	(7 735.1)	29.2	(16.8)
Total Non-Manufacturing	6 339.1	(17 626.0)	6 523.2	(18 713.9)	2.9	(6.1)
TOTAL	6 627.3	(24 246.1)	6 895.8	(26 449.0)	4.0	(9.0)

TABLE 32

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1986 AND PLANS FOR 1987
- MANITOBA

	(Current \$ Millions)				1987/1986 Percent change	
	1986		1987			
Total Manufacturing	41.5	(6 620.1)	37.2	(7 735.1)	-10.4	(16.8)
Total Non-Manufacturing	750.6	(17 626.0)	838.9	(18 713.9)	11.7	(6.1)
TOTAL	792.1	(24 246.1)	876.1	(26 449.0)	10.6	(9.0)

Actual 1986 and revised Intentions 1987.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 33

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1986 AND PLANS FOR 1987
- SASKATCHEWAN

	(Current \$ Millions)				1987/1986 Percent change	
	<u>1986</u>		<u>1987</u>			
Total Manufacturing	65.9	(6 620.1)	40.2	(7 735.1)	-39.0	(16.8)
Total Non-Manufacturing	959.7	(17 626.0)	770.0	(18 713.9)	-19.8	(6.1)
TOTAL	1 025.6	(24 246.1)	810.2	(26 449.0)	-21.1	(9.0)

TABLE 34

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1986 AND PLANS FOR 1987
- ALBERTA

	(Current \$ Millions)				1987/1986 Percent change	
	<u>1986</u>		<u>1987</u>			
Total Manufacturing	148.8	(6 620.1)	252.3	(7 735.1)	69.5	(16.8)
Total Non-Manufacturing	4 383.9	(17 626.0)	4 645.5	(18 713.9)	5.9	(6.1)
TOTAL	4 532.7	(24 246.1)	4 897.8	(26 449.0)	8.0	(9.0)

Actual 1986 and revised intentions 1987.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 35

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- PRAIRIE REGION

(Year-to-Year Percent Change)

	Domestic Majority-Owned 1987/1986		Foreign Majority-Owned 1987/1986	
Total Manufacturing	2.0	(24.3)	57.6	(8.8)
Total Non-Manufacturing	11.9	(10.1)	-8.4	(-5.7)
<u>TOTAL</u>	11.5	(13.0)	-5.3	(0.4)

TABLE 36

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- PRAIRIE REGION

(Year-to-Year Percent Change)

	Total Government Majority-Owned 1987/1986		Total Private Majority-Owned 1987/1986	
Total Manufacturing	*		29.2	(15.4)
Total Non-Manufacturing	*		-7.1	(0.0)
<u>TOTAL</u>	33.8	(18.1)	-5.0	(5.6)

* To preserve confidentiality, data have been suppressed.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 37

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- ALBERTA

(Year-to-Year Percent Change)

	Domestic Majority-Owned 1987/1986		Foreign Majority-Owned 1987/1986	
Total Manufacturing	42.6	(24.3)	84.5	(8.8)
Total Non-Manufacturing	13.7	(10.1)	-1.8	(-5.7)
<u>TOTAL</u>	14.4	(13.0)	1.8	(0.4)

TABLE 38

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
- ALBERTA

(Year-to-Year Percent Change)

	Total Government Majority-Owned 1987/1986		Total Private Majority-Owned 1987/1986	
Total Manufacturing	*		69.5	(15.4)
Total Non-Manufacturing	*		-3.3	(0.0)
<u>TOTAL</u>	64.7	(18.1)	-0.6	(5.6)

* To preserve confidentiality, data have been suppressed.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 39

EXPECTATIONS FOR 1987 and 1988 BY COMPANIES WITH HEADQUARTERS IN THE PRAIRIE REGION

(Percent Distribution of Total Responses)

	<u>1987/1986</u>			<u>1988/1987</u>		
	<u>Up/Better</u>	<u>No Change</u>	<u>Down/Worse</u>	<u>Up/Better</u>	<u>No Change</u>	<u>Down/Worse</u>
Canadian Sales	40.0 (61.8)	38.0 (22.9)	22.0 (15.1)	45.6 (63.5)	47.8 (30.9)	6.5 (5.5)
Export Sales	17.1 (46.5)	48.5 (34.2)	34.2 (19.2)	29.0 (47.4)	61.2 (44.1)	9.6 (8.3)
Profits	51.9 (65.0)	19.2 (18.2)	28.8 (16.6)	38.2 (60.8)	44.6 (29.7)	17.0 (9.3)
Corporate Employment In Canada	17.3 (25.7)	55.7 (46.9)	26.9 (27.3)	25.0 (29.4)	70.8 (59.2)	4.1 (11.3)
Corporate Financial Conditions	53.8 (57.9)	34.6 (33.0)	11.5 (8.9)	41.6 (52.1)	54.1 (42.3)	4.1 (5.5)
Canadian Business Conditions	23.0 (35.7)	59.6 (54.2)	17.3 (10.0)	27.0 (31.4)	66.6 (58.9)	6.2 (9.6)
Foreign Investment Climate	20.0 (25.9)	70.0 (69.4)	10.0 (4.5)	18.5 (22.2)	77.7 (73.8)	3.7 (3.9)

For comparison purposes, figures for Canada are provided in brackets.

There are 60 firms in the survey panel with headquarters in the Prairie region.

TABLE 40

EXPECTATIONS FOR 1987 and 1988 BY COMPANIES WITH HEADQUARTERS IN ALBERTA

(Percent Distribution of Total Responses)

	<u>1987/1986</u>			<u>1988/1987</u>		
	<u>Up/Better</u>	<u>No Change</u>	<u>Down/Worse</u>	<u>Up/Better</u>	<u>No Change</u>	<u>Down/Worse</u>
Canadian Sales	41.0 (61.8)	35.8 (22.9)	23.0 (15.1)	50.0 (63.5)	47.2 (30.9)	2.7 (5.5)
Export Sales	11.1 (46.5)	48.1 (34.2)	40.7 (19.2)	29.1 (47.4)	62.5 (44.1)	8.3 (8.3)
Profits	51.2 (65.0)	23.0 (18.2)	25.6 (16.6)	34.2 (60.8)	54.2 (29.7)	11.4 (9.3)
Corporate Employment In Canada	17.9 (25.7)	53.8 (46.9)	28.2 (27.3)	27.7 (29.4)	72.2 (59.2)	0.0 (11.3)
Corporate Financial Conditions	51.2 (57.9)	41.0 (33.0)	7.6 (8.9)	38.8 (52.1)	58.3 (42.3)	2.7 (5.5)
Canadian Business Conditions	25.6 (35.7)	61.5 (54.2)	12.8 (10.0)	30.5 (31.4)	63.8 (58.9)	5.5 (9.6)
Foreign Investment Climate	26.0 (25.9)	65.2 (69.4)	8.6 (4.5)	23.8 (22.2)	71.4 (73.8)	4.7 (3.9)

For comparison purposes, figures for Canada are provided in brackets.

There are 42 firms in the survey panel with headquarters in Alberta.

TABLE 41

CAPITAL EXPENDITURES OF SELECTED LARGE COMPANIES
FOR 1986 AND PLANS FOR 1987
- BRITISH COLUMBIA AND NORTHERN REGION

	(Current \$ Millions)				1987/1986	
	<u>1986</u>		<u>1987</u>		<u>Percent change</u>	
Total						
Manufacturing	426.2	(6 620.1)	807.4	(7 735.1)	89.4	(16.8)
Total						
Non-Manufacturing	1 669.0	(17 626.0)	1 435.4	(18 713.9)	-14.0	(6.1)
TOTAL	2 095.2	(24 246.1)	2 242.8	(26 449.0)	7.0	(9.0)

Actual 1986 and revised intentions 1987.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 42

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
BRITISH COLUMBIA AND NORTHERN REGION

(Year-to-Year Percent Change)

	Domestic Majority-Owned 1987/1986		Foreign Majority-Owned 1987/1986	
Total Manufacturing	122.5	(24.3)	22.7	(8.8)
Total Non-Manufacturing	-9.4	(10.1)	-21.1	(-5.7)
<u>TOTAL</u>	19.7	(13.0)	-13.4	(0.4)

TABLE 43

CAPITAL INVESTMENT COMPARISONS OF SELECTED LARGE COMPANIES
BRITISH COLUMBIA AND NORTHERN REGION

(Year-to-Year Percent Change)

	Total Government Majority-Owned 1987/1986		Total Private Majority-Owned 1987/1986	
Total Manufacturing	*		89.4	(15.4)
Total Non-Manufacturing	*		-23.6	(0.0)
<u>TOTAL</u>	11.9	(18.1)	-5.7	(5.6)

* To preserve confidentiality, data have been suppressed.

For comparison purposes, figures for Canada are provided in brackets.

TABLE 44

EXPECTATIONS FOR 1987 and 1988 BY COMPANIES WITH HEADQUARTERS IN THE BRITISH COLUMBIA AND NORTHERN REGION

(Percent Distribution of Total Responses)

	1987/1986			1988/1987		
	Up/Better	No Change	Down/Worse	Up/Better	No Change	Down/Worse
Canadian Sales	65.3 (61.8)	26.9 (22.9)	7.6 (15.1)	69.2 (63.5)	30.7 (30.9)	0.0 (5.5)
Export Sales	68.1 (46.5)	13.6 (34.2)	18.1 (19.2)	68.1 (47.4)	27.2 (44.1)	4.5 (8.3)
Profits	75.0 (65.0)	10.7 (18.2)	14.2 (16.6)	71.4 (60.8)	21.4 (29.7)	7.1 (9.3)
Corporate Employment in Canada	32.1 (25.7)	35.7 (46.9)	32.1 (27.3)	39.2 (29.4)	46.4 (59.2)	14.2 (11.3)
Corporate Financial Conditions	78.5 (57.9)	17.8 (33.0)	3.5 (8.9)	67.8 (52.1)	32.1 (42.3)	0.0 (5.5)
Canadian Business Conditions	66.6 (35.7)	33.3 (54.2)	0.0 (10.0)	53.8 (31.4)	46.1 (58.9)	0.0 (9.6)
Foreign Investment Climate	69.2 (25.9)	30.7 (69.4)	0.0 (4.5)	61.5 (22.2)	38.4 (73.8)	0.0 (3.9)

For comparison purposes, figures for Canada are provided in brackets.

There are 32 firms in the survey panel with headquarters in the British Columbia and Northern region.

APPENDIX

Survey of Business Capital Investment -

Nature and Coverage of the Data

1) All of the tables containing regional data incorporate "matched" company data to avoid variation in the number of firms reporting in each year. Matching allows for consistent comparisons since only the data for those companies which have reported spending in each of the specified years, e.g., 1986 and 1987, are used.

The above system of matching is applied separately for each of the investment categories specified in the regional tables. Hence, the regional totals obtained from a matched sample will not necessarily add to the matched Canada total.

2) The problem of companies in the survey not reporting their regional distribution of expenditures is minimal. The following table provides a reconciliation between the total dollar amounts reported on Table 1 and the total amounts distributed by region.

	<u>1986</u>	<u>1987</u>
	(Current \$ Billions)	
Totals as Per Table 1	24.25	26.45
Amounts Reported by Region		
Atlantic	1.69	1.49
Quebec	3.99	4.84
Ontario	8.92	9.80
Prairies	6.63	6.90
B.C. & Northern Region	2.10	2.24
Unallocated Region*	<u>0.13</u>	<u>0.32</u>
Total	<u>23.46</u>	<u>25.59</u>
Difference between totals	0.79	0.86
Portion of difference explained by "matching"	0.16	0.37
Portion of difference explained by non-response	0.63	0.49

* Includes investment which was not specifically allocated to a particular region because it had not been determined in which province or region it would take place; and expenditures on movable machinery and equipment which were not allocated to a specific region, i.e., rail rolling stock, ships, etc.

3) The fact that companies reported on a corporate rather than an establishment basis definitely affects the sectoral breakdown of both the regional and Canada distribution, i.e., whether outlays were categorized under manufacturing, resource industries, etc. Therefore, the DRIE sectoral coverage cannot be satisfactorily reconciled with Statistics Canada's Private and Public Investment in Canada Survey (PPI) as investment data collected on a corporate basis are allocated to the various industrial sectors according to the company's main line of business. Nevertheless, it is believed that the companies surveyed account for a significant proportion of total business investment spending in Canada as reported by Statistics Canada.

4) The following table provides a breakdown of the number of companies reporting matched investment statistics to the DRIE survey, by manufacturing or non-manufacturing sector, and by region of investment. Since the companies in the survey panel are the larger ones, they tend to have investments in more than one region and as such the figures for Canada are not the sum of the regions.

	<u>Atlantic</u>	<u>Quebec</u>	<u>Ontario</u>	<u>Prairies</u>	<u>British Columbia and Northern</u>	<u>CANADA</u>
Manufacturing	41	97	121	61	53	172
Non-Manufacturing	45	51	62	85	68	136
TOTAL	86	148	183	146	121	308

