



▶ **INVESTMENT INTENTIONS FOR 2017 SHOW SMALL CLIMB**

**INTRODUCTION**

After two years of decline, capital investment in Saskatchewan is expected to climb higher in 2017, albeit by a moderate amount.

**THE DETAILS**

Investment by the private and public sector is forecast to increase 3.4% in 2017 to \$14.5 billion. Driving investment higher will be the utilities (+37% year-over-year) and the mining and oil and gas sectors (+10.3%) while investment is expected to decline in the health care (-28%), manufacturing (-26%) and transportation (-11%) sectors in 2017.

All data is according to Statistic Canada. Forecast 2017 capital investment is found through a survey of large public and private companies.

**IMPORTANCE**

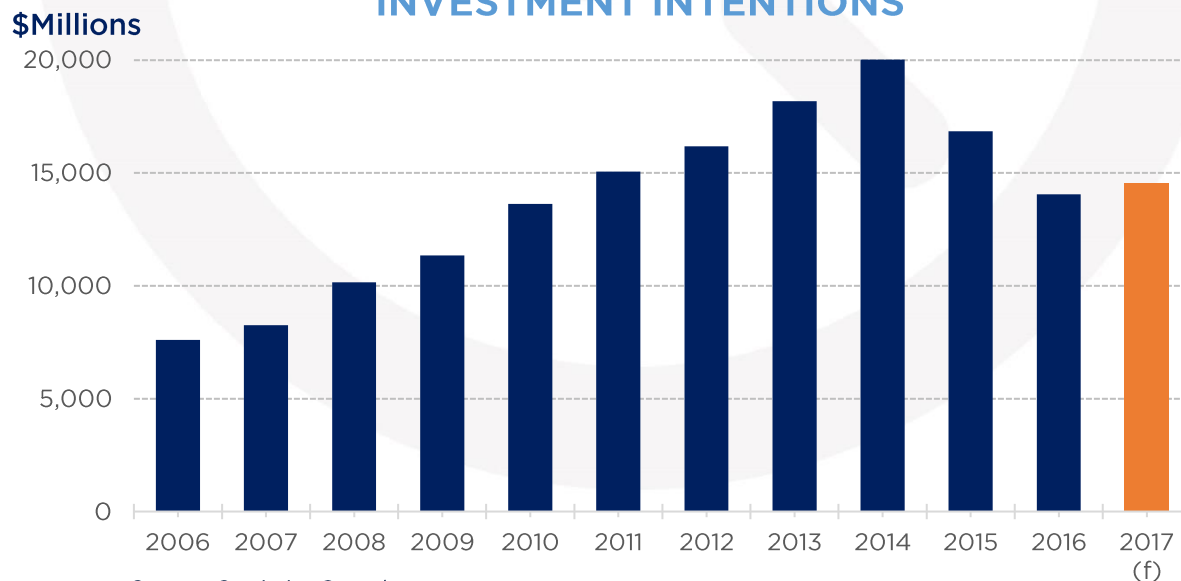
Expected to account for \$14.5 billion of Saskatchewan's total nominal GDP of approximately \$80 billion, capital investment is one of the most important drivers of the provincial economy. Furthermore, many sectors of the economy feel the trickle down effects of changes in investment activity, including retail and wholesale, the housing market and the public sector.

**CONTEXT AND OUTLOOK**

Due to surging commodity prices and the general strength in the Western Canadian economy, Saskatchewan capital investment grew continuously between 2006 and 2014 (see graph), topping out at \$20 billion in 2014.

After two straight years of decline, investment is forecast to stabilize in 2017, adding more concrete evidence that the provincial economy will grow in 2017.

**SASKATCHEWAN CAPITAL INVESTMENT INTENTIONS**



Source: Statistics Canada

**SREDA Insights** provides commentary and analysis on key economic issues influencing Saskatoon Region businesses and industry. By providing timely, digestible and relevant economic analysis, SREDA helps local businesses adapt to changing market conditions. SREDA provides SREDA Insights to its members in conjunction with other ongoing initiatives through its Economic Forecasting & Analysis division.