

IN FOCUS: SMALL BUSINESSES' INVESTMENT PLANS



Table 3 - Investment plans for 2022 Q4 and comparison with 2021 Q4 and '09-'19 average**

	2022 Q4 (a)	2021 Q4	Average '09-'19 (b)	Deviation from avg. '09-'19 ** (a-b)
Canada	48%	49%	54%	-6
NL	50%	50%	57%	-7
PEI	61%	45%	54%	7
NS	52%	52%	53%	-1
NB	51%	49%	53%	-2
QC	55%	56%	58%	-3
ON	48%	50%	54%	-7
MB	49%	48%	58%	-9
SK	47%	38%	54%	-7
AB	45%	40%	50%	-5
BC	43%	50%	55%	-12
Agriculture	52%	59%	62%	-10
Natural resources	55%	57%	54%	1
Construction	60%	58%	55%	5
Manufacturing	52%	51%	56%	-4
Wholesale	59%	52%	55%	5
Retail	39%	45%	47%	-8
Transport	65%	51%	57%	8
Information, arts, recreation	61%	48%	59%	2
Finance, insur., real estate	47%	62%	60%	-13
Professional services	48%	60%	58%	-10
Enterprise management	50%	49%	59%	-9
Health, education	42%	46%	57%	-15
Hospitality	41%	36%	55%	-13
Personal services	50%	48%	51%	-1
0-4 employees	39%	43%	48%	-9
5-19 employees	49%	50%	55%	-5
20-49 employees	67%	62%	66%	1
50+ employees	73%	69%	74%	-1

Investment plans still below pre-pandemic levels

Small and mid-sized business investment has recouped somewhat but is still below pre-pandemic levels in Q4 2022. The current level is close to the Q4 2021 reading, despite showing strong increases earlier this year (Figure 4). In fact, 48% of firms plan on investing.

Among those who invest:

- 57% do so in office technology, communications, and computers;
- 38% in process machinery and equipment;
- 34% in land, buildings, and renovations; and
- 30% in vehicles.

Firms operating in transportation (65%), arts and recreation (61%), and construction (60%) are more likely currently to invest. At the other end of the spectrum, firms in retail (39%) and hospitality (41%) are less likely to invest (Table 3).

Firms impacted by labour shortages, either skilled or unskilled, are more inclined to invest in office technology, process machinery, and equipment as one way to mitigate staffing challenges (Figure 5).

Businesses that are optimistic about their future and in a healthy economic position are three times more likely to invest than businesses in poor shape and with weaker future expectations (Figure 6).

Sources:

(3) CFIB, Your Business Outlook Survey, Feb. 2009–Dec. 2022.

Note: **Deviation from the average is in percentage points.

Figure 4 - Businesses planning to invest, Canada, 2009-2022³

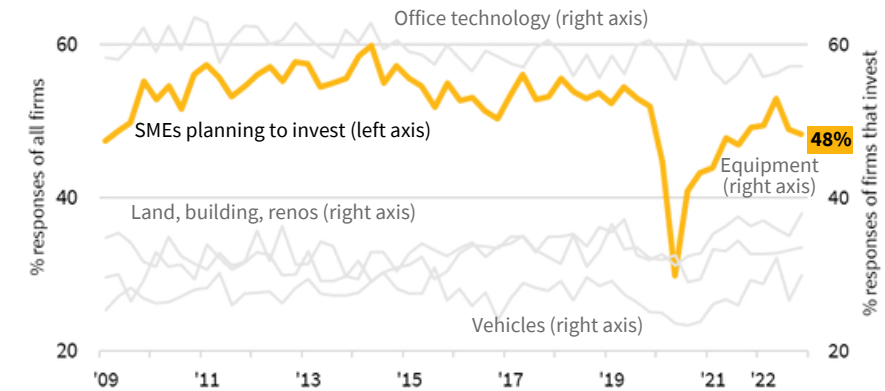


Figure 5 - Investments in computers, office technology, machinery and equipment by businesses with and without labour shortages³

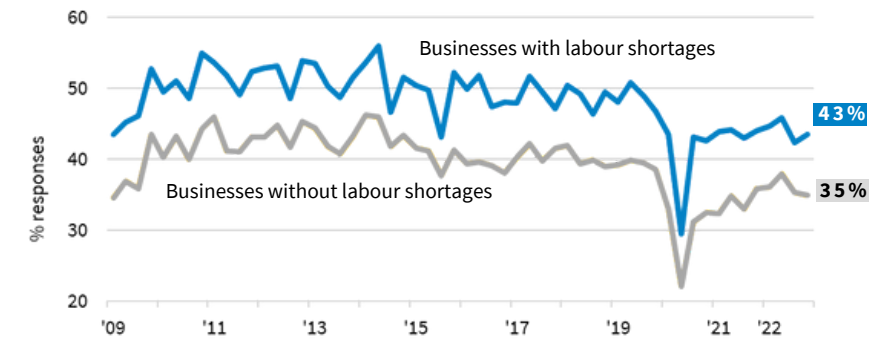


Figure 6 - Investment plans, by current state of business and long term expectations³

