



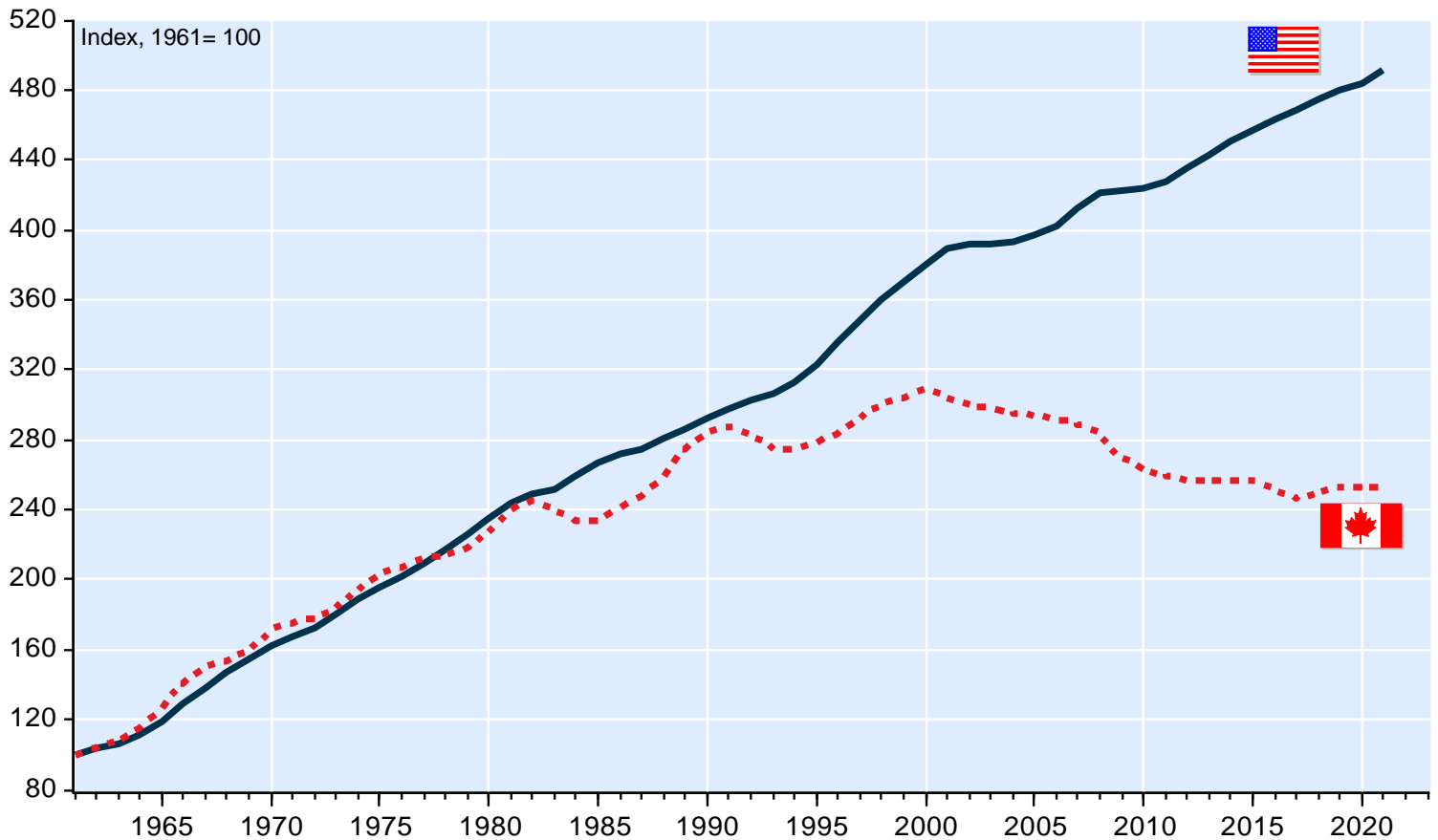
## Canada Watch

By Stéfane Marion

Canada currently has 15 free trade agreements (FTAs) with 51 different countries. Together, these FTAs cover 1.5 billion consumers worldwide (see [here](#)). One would think that Canadian manufacturers would strive and invest to benefit from such market access. Sadly, this is not the case. According to Statistics Canada, investment in the manufacturing sector over the past two decades has been so low that it is unable to compensate for the depreciation of existing machinery and plant. As a result, last year's capital stock was actually lower than when the first free trade agreement with the US entered into force in 1989. As today's chart shows, this contrasts with the US, where the capital stock is at a record high. The Canadian situation is troubling, to say the least.

### Canada: Manufacturing capital stock at its lowest level in over 30 years

End-year net stock of capital in manufacturing, Canada and the U.S. (chained 2012 dollars)



NBF Economics and Strategy (data via Statcan, table [36-10-0096-01](#) and BEA table [3.2ESI](#))

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