

## ECONOMIC NEWS

# Quebec: Industrial investment firms up

### HIGHLIGHTS

- ▶ Investment in the construction of non-residential buildings was up slightly by 0.3% from the fourth quarter of 2016 to the first quarter of 2017.
- ▶ However, the province's industrial and institutional sectors recorded respective quarterly increases of 2.5% and 2.0%.
- ▶ In Canada, the first quarter of 2017 ended with a slight decline of 0.5%, furthering the downtrend in total investment that began about two years ago. Half of the provinces, including Ontario, suffered a decline in the first quarter.

### COMMENTS

Besides the slight improvement in non-residential investment in the first quarter of 2017, a positive trend in Quebec's industrial sector is taking shape, driven by the upswing in manufacturing plant investments.

Construction spending in the commercial sector is still declining in Quebec, however. According to Statistics Canada, investments in recreational centres are down and the increased investment in shopping centres is not enough to offset the decline.

Given the turnaround in industrial construction spending, the amounts invested in commercial sector have been steady for the past few quarters.

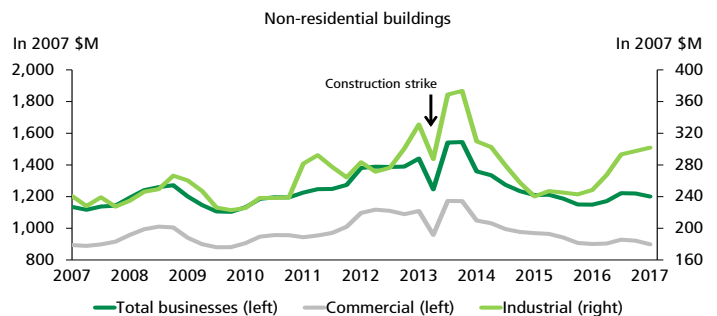
Quebec's institutional sector also showed good growth in the first quarter. Increased investment in healthcare and educational establishments is supporting public investments.

### IMPLICATIONS

Despite the slight increase of the total amounts invested in the first quarter of 2017, Quebec had a good showing on the Canadian stage. The fact that Quebec's manufacturing industry is showing signs of recovery is good news. Manufacturing sales are picking up; sales in February reached their highest level

### GRAPH 1

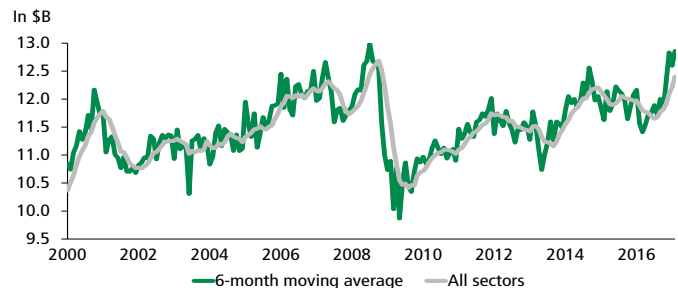
**Business investment: The industrial sector stands out**



Sources: Statistics Canada and Desjardins, Economic Studies

### GRAPH 2

**Manufacturing sales are recovering**



Sources: Statistics Canada and Desjardins, Economic Studies

since 2008. Several indicators for manufacturing are pointing upward—a good sign for economic growth in the first quarter.

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