

## **Survey Results 2018**

### **Economic Outlook 2018**

In March 2018, the Saskatchewan Chamber of Commerce circulated its Economic Outlook Survey to the membership. The Economic Outlook Survey was first introduced by the Chamber in 1996. 185 responses were collected for this year's survey.

Key results of the survey:

- Only 3% of respondents felt that the economy was much worse in 2017, which is an improvement from the 20% who felt the economy was much worse in 2016.
- 38% of respondents indicated that they expect the state of the economy to get better or much better in 2018, up from 22% who reported a similar outlook last year.
- 37% of respondents felt their business got better or much better in 2017 as compared to 2016. 4% of respondents felt that the state of their business had worsened in 2017, which is an improvement from the 13% who felt the state of their business had worsened in 2016.
- 51% of respondents are expecting their business revenue to increase in 2018, which is an increase from 48% in 2017. The number of businesses projecting a decrease dropped to 13%, down from 18% in 2017.
- In 2017, 30% of businesses experienced an increase in capital investment, up from 26.5% in 2016, while 55% reported that capital investment stayed the same. 57% of these businesses expect their capital investment to stay the same in 2018, and 31% see an increase in capital investment for 2018.
- In 2017, 42% of respondents saw an increase to provincial sales. 50% saw no change in national sales figures and 66% of respondents experienced unchanged international sales.
- In 2018, 49% respondents expect their provincial sales to increase (compared to 46% in 2017), 53% feel their national sales would stay the same and 66% of respondents foresee no change in international sales. For those that did experience a decrease in international sales, the decrease was significant at 28% for 2017, and a further decrease of 20% is expected in 2018.

## Results

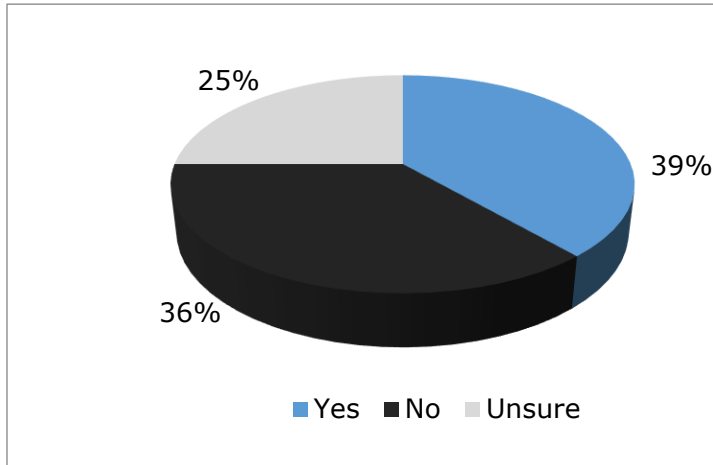
Respondents were asked the following question, “Considering your business, please rank the following issues in order of priority in terms of the effect they have on your business' efficiency, profitability, productivity, and/or stability”.

The overall ranking is below:

<b>2017 Ranking</b>	<b>2016 Ranking</b>	<b>2015 Ranking</b>
1) Building market share – sales development	1) Building market share – sales development	1) Building market share – sales development
2) Finding new staff/ Retaining staff	2) The economy and international markets	2) The economy and international markets
3) The economy and international markets	3) Finding new staff/ Retaining staff	3) Finding new staff/ retaining staff
4) Corporate taxation	4) Training	4) Training
5) Training	5) Corporate taxation	5) Corporate taxation
6) Paper burden – regulatory compliance, permits, etc.	6) Paper burden – regulatory compliance, permits, etc.	6) Paper burden – regulatory compliance, permits, etc.
7) Capital expansion	7) Capital expansion	7) Personal taxation
8) Personal taxation	8) Personal taxation	8) Capital expansion
9) Availability of financing	9) Availability of financing	9) Availability of financing

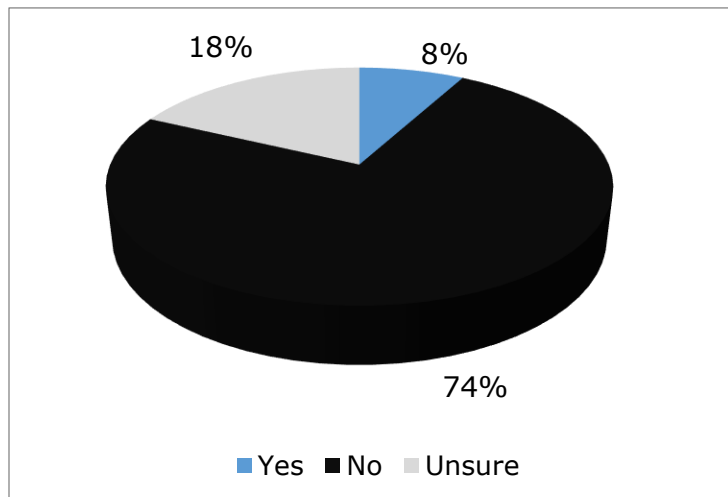
## Business Environment

- 1) Do you believe the provincial government has been creating a more competitive and attractive environment for businesses over the past year?



At the end of 2017 only 39% of survey respondents indicated that they believed the provincial government had creating a more competitive and attractive environment for businesses. This is the down considerably from the 45% who felt the same way in 2016.

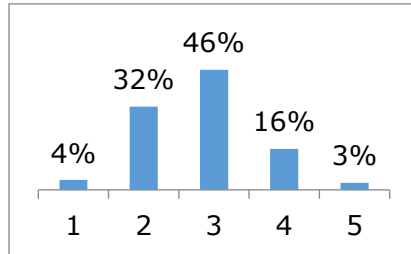
- 2) Do you believe the federal government has been creating a more competitive and attractive environment for businesses over the past year?



Only 8% of respondents felt that the federal government had helped create a more competitive and attractive environment for business in 2017. This is down from the almost 12% who felt the same way at the end of 2016 and almost 21% who felt that way in 2013.

## State of Economy

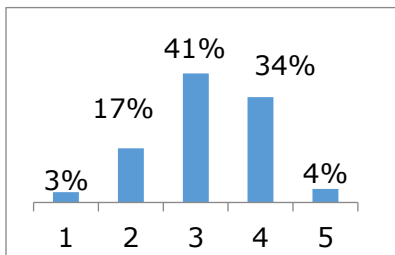
- 1) Did the state of the Saskatchewan economy get better or worse in 2016?  
*On a scale of 1 to 5, where 1 is "much worse" and 5 is "much better".*



19% of respondents indicated that they felt the economy was "better" or "much better" in 2017, this is up from the 7% who felt this way at the end of 2016.

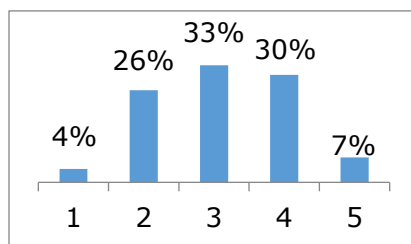
In 2016, 20% of respondents felt that the economy "much worse", and only 4% felt the economy was "worse" in 2017.

- 2) Do you expect the state of the Saskatchewan economy to get better or worse in 2018?  
*On a scale of 1 to 5, where 1 is "much worse" and 5 is "much better".*



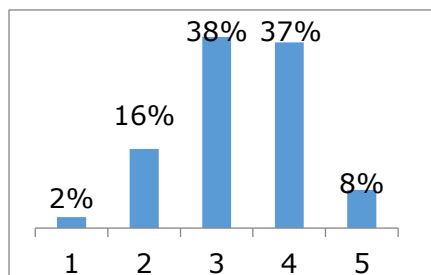
38% of respondents indicated that they expect the state of the economy to get "better" or "much better" in the coming year. 20% foresee the economy getting "worse" or "much worse" in 2018, which is much higher than the 18% who felt this way the year before.

- 3) Did the state of your own business get better or worse in 2016?  
*On a scale of 1 to 5, where 1 is "much worse" and 5 is "much better".*



A combined total of 37% of respondents felt that the state of their own business got "better" or "much better" in 2017, up from the 30% who reported the same in 2016. In 2017, only 4% of respondents felt their business got "much worse", which is a welcome improvement from the 14% in 2016.

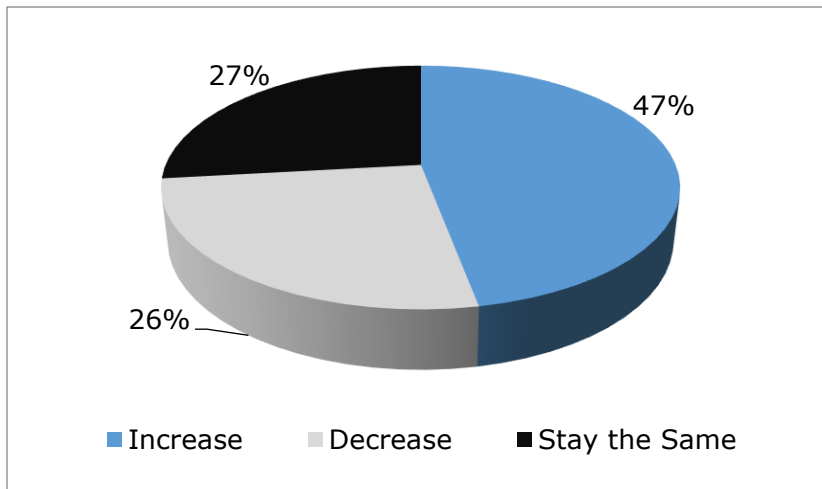
- 4) Do you expect the state of your own business to get better or worse in 2018?  
*On a scale of 1 to 5, where 1 is "much worse" and 5 is "much better".*



45% of respondents expect the state of their own business to get "better" or "much better" in 2018, similar to the 41% who reported the same last year.

## Revenue

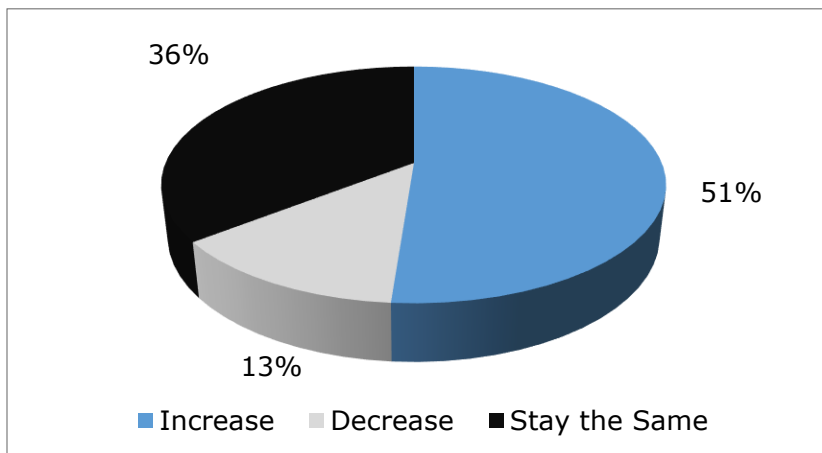
1) In 2017, did your business revenue:



47% of respondents experienced an increase in business revenue in 2017, similar to the 48% in 2016.

The average increase in revenue was 14% (16% in 2016, 17% in 2015 and 20% in 2013) and the average decrease was 17% (18% in 2016, 17% in 2015).

2) In 2018, are you projecting that your business revenue will:

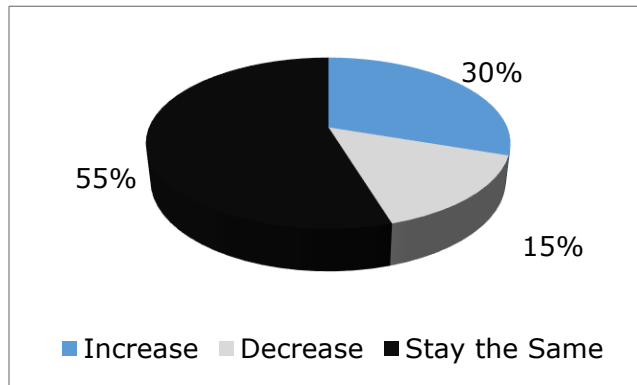


51% of respondents expect business revenue to increase in 2018 compared to the 47% who projected the same last year. The number of businesses projecting a decrease went down to 13% from 18% the year before.

The average increase in revenue expected is 12% (14% last year) and the average decrease expected is 10%, which is a decrease from 7% last year.

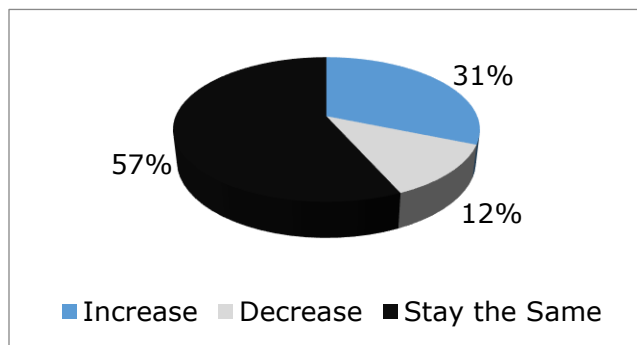
## Capital Investments

1) When compared to 2016, in 2017 did capital investments in your business:



30% of respondents experienced an increase in capital investments in 2017, an improvement from 26.5% in 2016, but still not at the levels reported in 2015 (38%) and 2014 (46%). For those that experienced increased capital investments, the average increase was 28%, the highest increase since before 2014. The average decrease was 26%.

2) In 2018, do you expect capital investments in your business to:



31% of respondents are expecting an increase in capital investments next year, compared to the 28% who expected an increase at the end of last year. The average expected increase was 20%, up from 15% last year. The average expected decrease was 19%, slightly below the 21% reported in 2016.

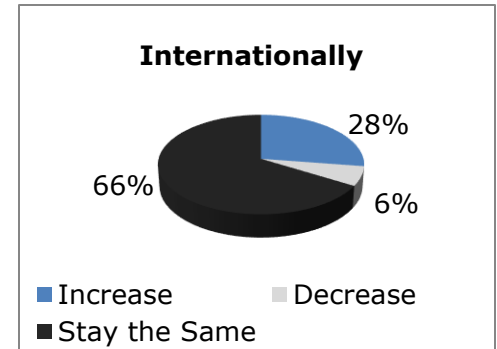
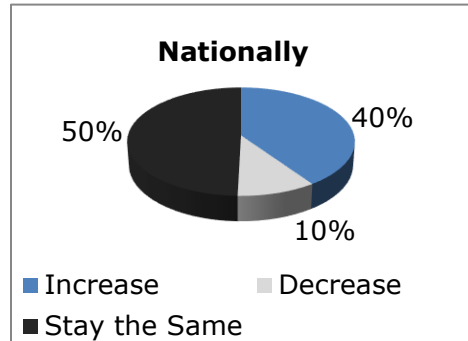
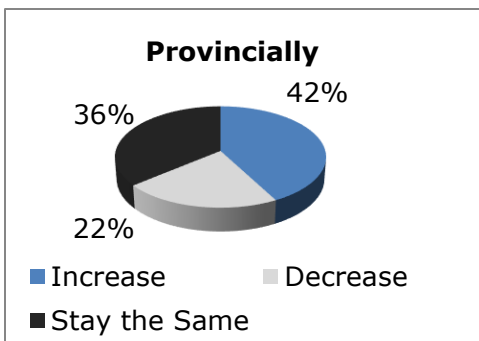
3) Please identify any regulatory changes that, if made, would cause your business to invest more capital in Saskatchewan.

Below is a summary of the 2017 results:

- Lower tax burden on business
- No carbon tax
- Clear plan regarding carbon tax
- No PST increase, or lower PST and remove from certain items
- Improve rail
- Open opportunities for private-public partnerships
- Enable more private contributions to public colleges
- Improve capacity to get goods to market
- Municipal property tax reductions
- Sole gaming operator in Saskatchewan
- Changes to tax treatment and capital requirement affecting credit unions
- Additional procurement of renewable energy

## Sales

1) In 2017, did your sales increase, decrease or stay the same:



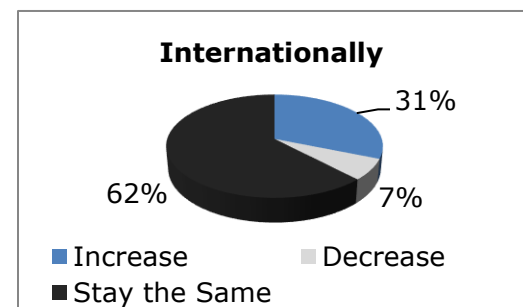
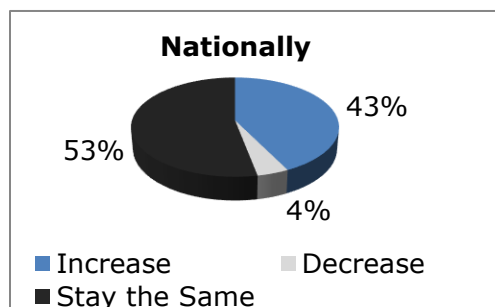
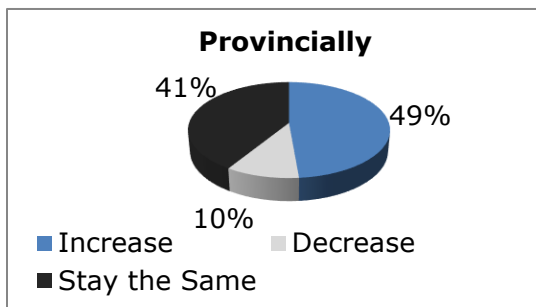
### For those that experienced an increase in their sales:

- The average provincial increase was 12%, similar to 2016 (11%)
- The average national increase was 15%, up from 9% in 2016
- The average international increase was 12%, down from 22% in 2016

### For those that experienced a decrease in their sales:

- The average decrease provincially was 13%, down from 19% in 2016
- The average decrease nationally was 17%, an improvement from 23% in 2016
- The average decrease internationally was 28%, a considerable decrease from 6% in 2016

2) In 2018, do you expect your sales increase, decrease or stay the same:



49% of respondents expected their sales to increase provincially in 2018, up from 46% who felt this way last year. 43% expect national sales to increase in 2018, up from 35% last year, and 31% expect international sales to increase, similar to 31% last year.

### For those that are expecting to increase their sales:

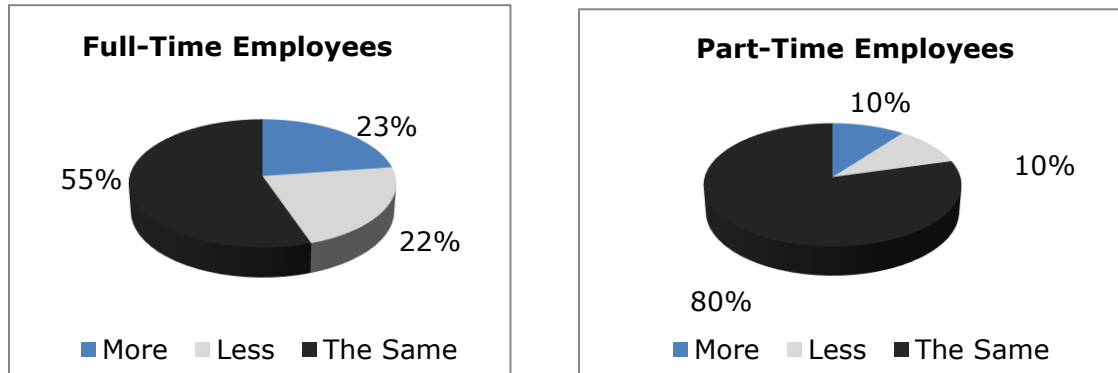
- The average provincial increase expected is 10%, similar to 11% last year
- The average national increase expected is 11%, down from 14% last year
- The average international increase expected is 20%, same as last year

### For those that expecting to decrease their sales:

- The average decrease expected provincially is 11%, up from 18% last year
- The average decrease expected nationally is 19%, down from 9% last year
- The average expected decrease internationally is 20%, a considerable decrease from 8% last year

## Staffing

1) In 2017, how did your business' staff change?



23% of respondents increased their full-time employees in 2017, similar to 26% in 2016. 22% of respondents reduced their full-time employees (27% in 2016).

Only 10% of respondents increased their part-time staff, down from 16% last year. Only 10% decreased their part-time staff, less than the 24% in 2016.

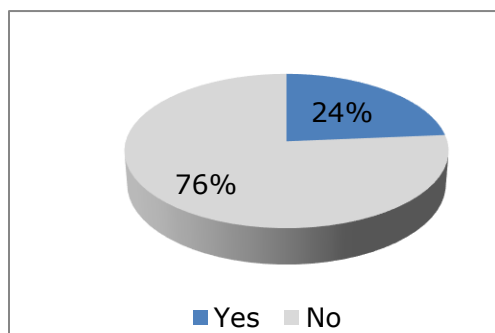
### For those that hired more staff:

- The average increase in full time employees was 18 (11 in 2016)
- The average increase in part time employees was 5 (11 in 2016)

### For those that reduced staff:

- The average decrease in full time employees was 15 (24 in 2016)
- The average decrease in part time employees was 16 (9 in 2016)

2) Did you have job remain unfilled in 2017 due to a shortage of qualified workers?

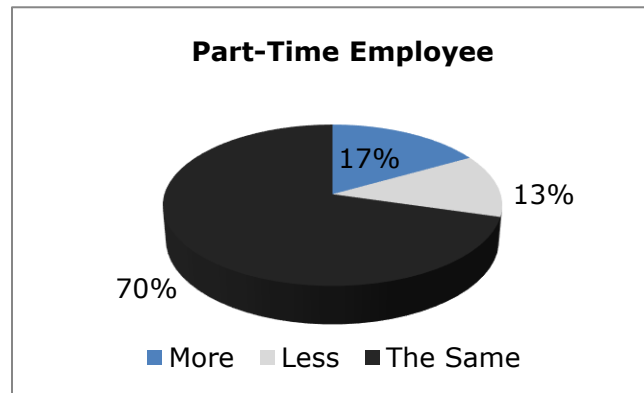
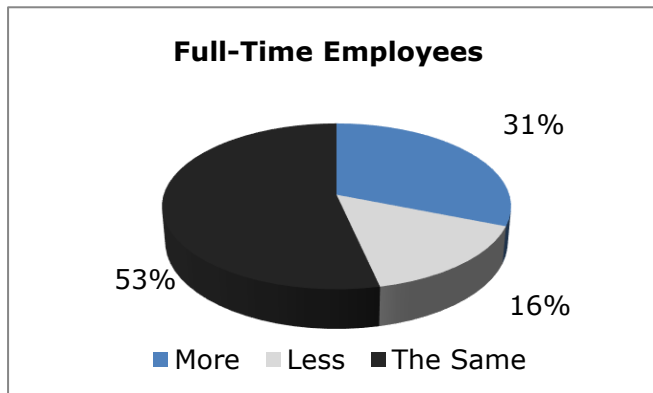


Only 24% of respondents had a job remained unfilled due to a shortage of qualified workers in 2017, down from 26% in 2016. 35% reported have a job remaining unfilled in 2015 (44% in 2014).

- 50% of respondents reported a shortage of qualified workers in the professional, technical, and scientific fields, followed by 38% in skilled trades.



3) In 2018, do you expect to employ?

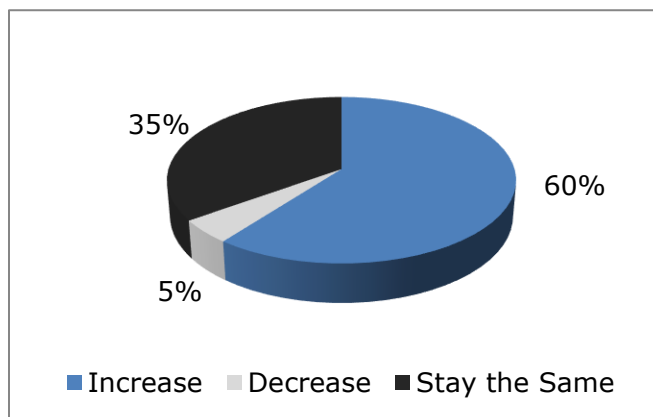


31% of respondents are planning to hire more full-time employees, down from 34% last year. 17% are planning to hire more part time employees, down from 20% last year. Planned staffing reductions are similar to last year with 16% of respondents expecting to employ fewer full-time employees (13% last year) and 13% plan to employ fewer part-time employees, similar to 12% last year. At the end of 2013, 46% of respondents were planning to hire more full time employees and 27% were planning to hire more part time employees.

**For those that expect to change their staffing level in 2018**

- The average increase expected for full time employees is 12 (12 last year)
- The average decrease expected for full time employees is 19 (6 last year)
- The average increase expected for part time employees is 4 (8 last year)
- The average decrease expected for part time employees is 24 (6 last year)

4) In 2017, did wages/salaries in your business (on an average per employee basis):



60% of respondents reported that wages/salaries had increased over the past year (62% reported wage increases in 2016).

For those who experienced increased wages/salaries, the average increase in wages/salaries was 4% (3% in 2016).

65% of respondents expect wages/salaries to increase in the next year.