

# Survey Results

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January 2016

## Economic Outlook 2016

In January 2016 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. Where applicable, the following data from the 2016 survey is compared to the data collected last year and the data from the 2010 survey. There were a record 205 respondents to this year's economic outlook survey.

Key results of the survey:

- While over 66% of respondents felt the provincial government was creating a more competitive and attractive environment for business, only 21% felt the same way about the federal government.
- 55% of respondents felt the Saskatchewan economy got worse or much worse in 2015. Coupled with this, only 13% of respondents indicated that they expect the state of the economy to get better in the coming year.
- Only 33% of respondents felt that the state of their own business got better or much better in 2015, down from the 45% in 2014.
- 42% of respondents experienced an increase in business revenue in 2015 compared to 53% in 2014.
- 42% of respondents are expecting to increase business revenue in 2016, while the number of businesses projecting a decrease increased to 26% from 16% last year.
- Almost 38% of respondents experienced an increase in capital investments in 2015, down from 46% in 2014. However, 21% of respondents reported a decrease in capital investment in 2015 up from 11% the previous year.
- 22% of respondents are expecting an increase in capital investments in 2016, compared to 29% expecting an increase in 2014.
- 40% of respondents expect their sales to increase provincially in 2016, down from 44% who predicted an increase last year.
- Only 35% of respondents had a job remained unfilled due to a shortage of qualified workers in 2015, down from 44% who reported the same problem in 2014.
- 30% of respondents are planning to hire more full time employees, down from 42% in 2015, and only 13% are planning to hire more part time employees, down from 27% in 2014.
- 60% of respondents expect wages/salaries to increase in the next year, down from 76% making the same prediction last year.

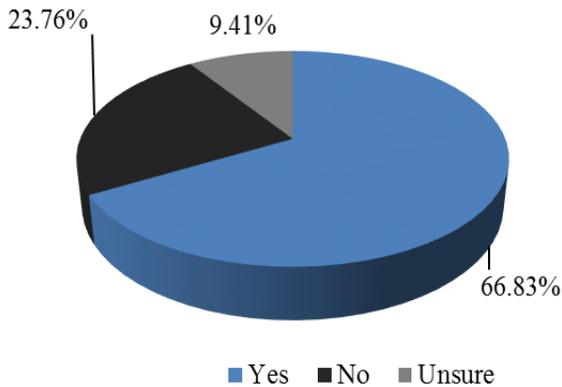
## **Results**

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>2015 Ranking</b>	<b>2014 Ranking</b>	<b>2010 Ranking</b>
1) Building market share – sales development	1) Finding new staff/ Retaining staff	1) Building market share – Sales development
2) The economy and international markets	2) Training	2) Workforce – training, retaining, and locating staff
3) Finding new staff/ Retaining staff	3) Building market share – sales development	3) The economy and international markets
4) Training	4) Corporate taxation	4) Taxation – corporate and/or personal
5) Corporate taxation	5) The economy and international markets	5) Availability of financing
6) Paper burden – regulatory compliance, permits, etc.	6) Paper burden – regulatory compliance, permits, etc.	6) Paper burden – regulatory compliance, permits, etc.
7) Personal taxation	7) Personal taxation	7) Capital expansion
8) Capital expansion	8) Capital expansion	
9) Availability of financing	9) Availability of financing	

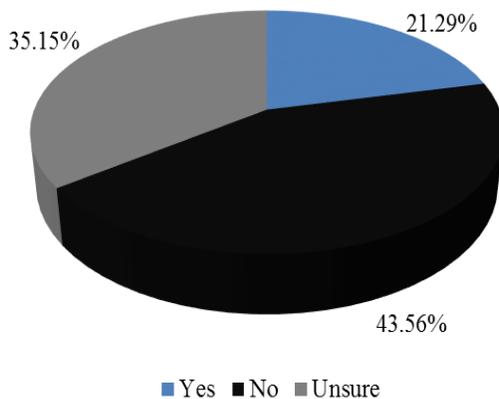
## Business Environment

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 2015 67% of survey respondents indicated that they believed the provincial government was creating a more competitive and attractive environment for businesses. This is the same response as 2010 but up slightly from the 60% who felt the same way in 2014.

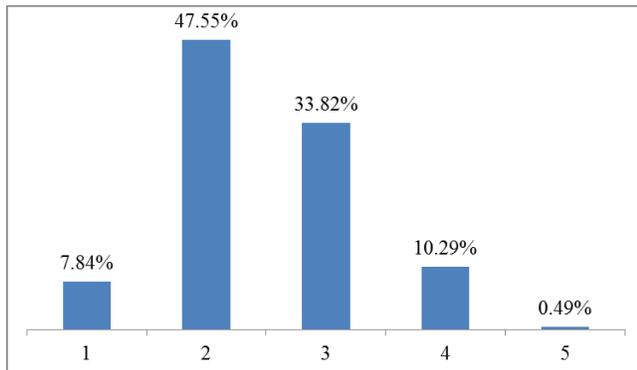
Do you believe the federal government has been creating a more competitive and attractive environment for businesses over the past year?



21% of respondents in 2015 felt that the federal government had helped create a more competitive and attractive environment for business. This is down from the almost 28% who felt the same way in 2014.

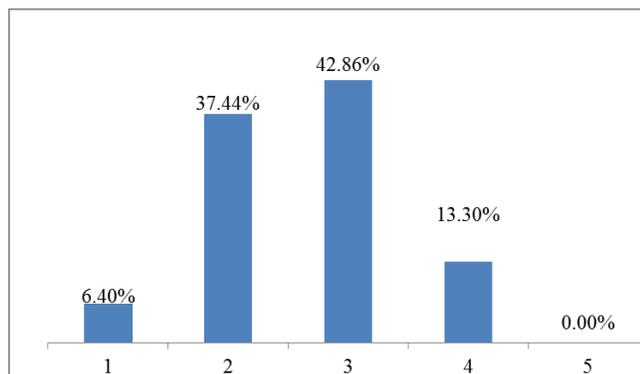
## State of Economy

Did the state of the Saskatchewan economy get better or worse in 2015?  
On a scale of 1 to 5, where 1 is “much worse” and 5 is “much better”



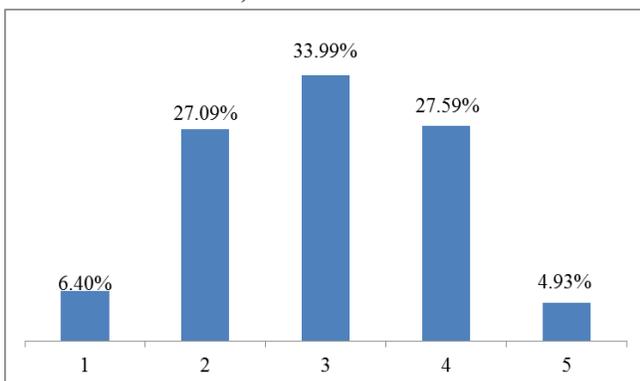
Almost 11% of respondents indicated that they felt the economy was better or much better in 2015, this is down from the 42% who felt this way at the end of 2014 and down further from the 62% who had a positive opinion of the economy in 2013.

Do you expect the state of the Saskatchewan economy to get better or worse in 2016?  
On a scale of 1 to 5, where 1 is “much worse” and 5 is “much better”



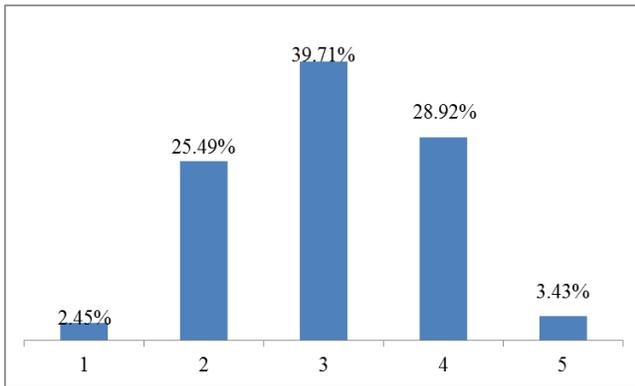
Only 13% of respondents indicated that they expect the state of the economy to get better in the coming year. This is down significantly from the 25% who reported a similar outlook last year and lower than the 46% of respondents who felt the economy would get better or much better at the end of 2009.

Did the state of your own business get better or worse in 2015?  
On a scale of 1 to 5, where 1 is “much worse” and 5 is “much better”



33% of respondents felt that the state of their own business got better or much better in 2015, down from the 45% in 2014 (58% in 2013). While 34% felt that the state of their own business got worse or much worse, up from the 18% who reported the same in 2014.

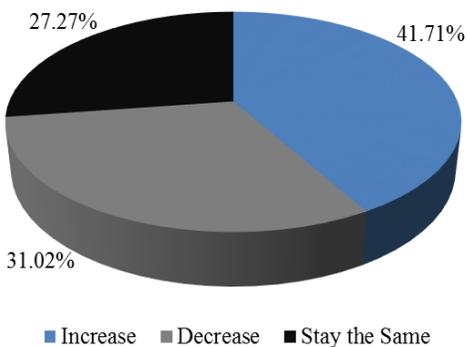
Do you expect the state of your own business to get better or worse in 2016?  
On a scale of 1 to 5, where 1 is "much worse" and 5 is "much better"



32% of respondents expect the state of their own business to get better or much better in 2016, down from the 40% who reported the same last year. Looking forward at the end of 2009, 56% of respondents felt the state of their business would get better or much better in the coming year.

## Revenue

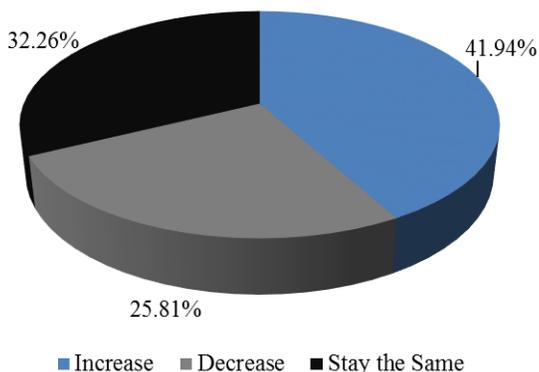
In 2015, did your business revenue:



42% of respondents experienced an increase in business revenue in 2015 down from 53% in 2014 (61% in 2013). 31% of respondents experienced a decrease in revenue in 2015, up from only 19% in 2014.

The average increase in revenue was 17% (14% in 2014 and 17% in 2009) and the average decrease was 17% (15% in 2014 and 5% in 2009).

In 2016, are you projecting that your business revenue will:

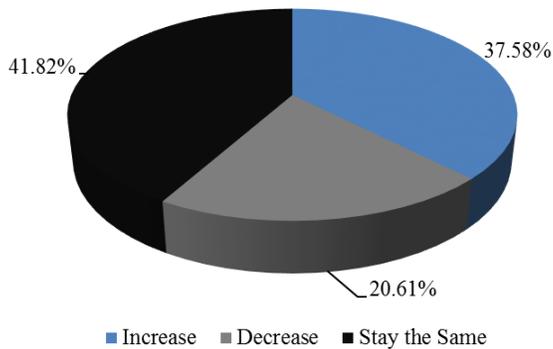


42% of respondents expect business revenue to increase in 2016 compared to 49% who projected the same last year and 60% who were projecting an increase at the end of 2009. The number of businesses projecting a decrease jumped to 26% from 16% last year.

The average increase in revenue expected was 11% (13% in 2014 and 14% in 2009) and the average decrease expected was 12% compared to 14% in 2014 and 12% in 2009.

## Capital Investments

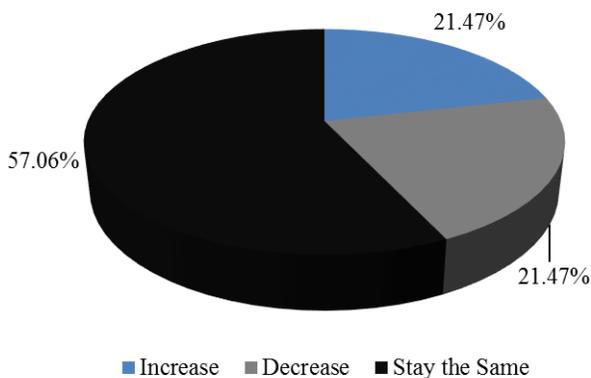
When compared to 2014, in 2015 did capital investments in your business:



Almost 38% of respondents experienced an increase in capital investments in 2015, down from 46% in 2014. However, only 21% of respondents reported a decrease in capital investment in 2015 up from the 11% the previous year.

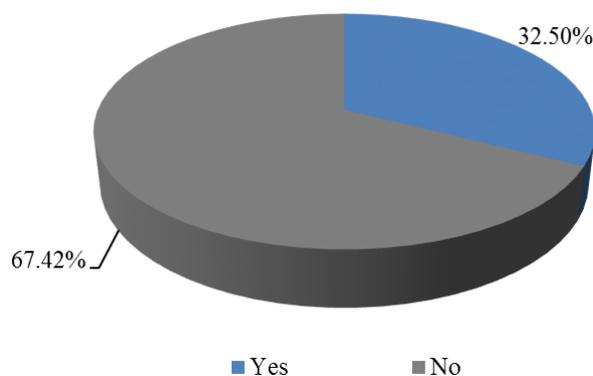
For those that experienced increased capital investments, the average increase was 29% compared to 24% in 2014 (23% in 2009). The average decrease was 32% compared to 25% in 2014.

In 2016, do you expect capital investments in your business to:



22% of respondents are expecting an increase in capital investments next year, compared to 29% expecting an increase in 2014 and 31% in 2009. The average expected increase was 21% almost the same as the 22% reported in 2014 (18% in 2009). The average expected decrease was 19% which is below the 30% reported in 2014 (32% in 2009).

In 2016, if you are making new capital investments, is the low rate of interest a factor in your timing?



Rank these provincial taxes in the order of which would (if reduced) cause your business to invest more capital in Saskatchewan? In order of priority:

<b>2015 Ranking</b>	<b>2014 Ranking</b>	<b>2009 Ranking</b>
Provincial Corporate Income Tax	Provincial Corporate Income Tax	Provincial Corporate Income Tax
Property Tax	Provincial Sales Tax	Property Tax
Provincial Personal Income Tax	Provincial Personal Income Tax	Provincial Sales Tax
Provincial Sales Tax	Property Tax	Provincial Personal Income Tax
Tax on Capital Gains	Tax on Capital Gains	Tax on Capital Gains
Fuel Tax	Fuel Tax	Fuel Tax
Royalties	Royalties	

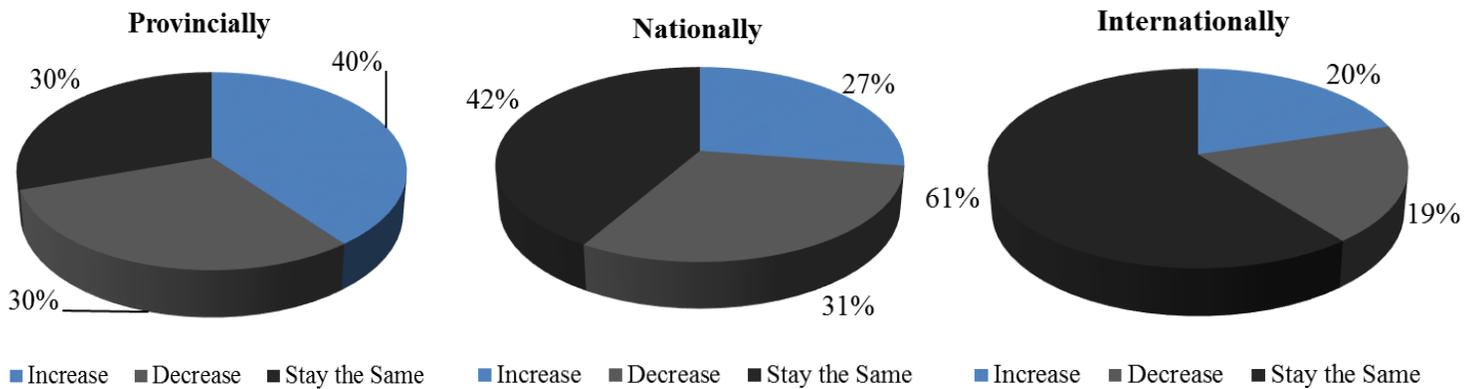
Please identify any regulatory changes that, if made, would cause your business to invest more capital in Saskatchewan.

Below is a summary of the 2016 results:

- Reversing recent farmland rule changes
- Relaxing WCB/OH&S regulations
- Clean energy grants/incentives
- Privatization of liquor retailing
- Clarify/simplify PST reporting
- More interprovincial regulatory alignment
- Investment tax credits to spur construction and business investment
- Assurance that the maximum amount of Crown spending stays in Saskatchewan
- Refundable R & D tax credits
- Harmonization of sales taxes
- Lower tax rate for passive/inactive income
- Privatization of Crown Corporations
- Implement a new Government procurement procedure that uses reputations, past work and abilities as opposed to lowest price, to award work.
- Reduce royalties

## Sales

In 2015, did your sales:



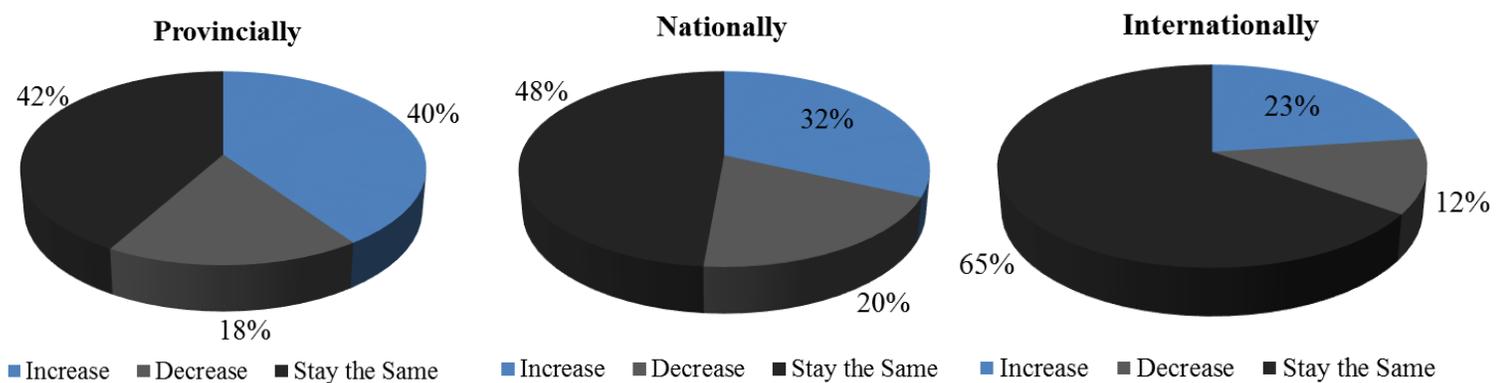
### For those that experienced an increase in their sales:

- The average provincial increase was 13% the same as 2014
- The average national increase was 12% down slightly from 13% in 2014.
- The average international increase was 12% up from 7% in 2014

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

- The average decrease provincially was 19%, up slightly from 17% in 2014
- The average decrease nationally was 12%, down from 14% in 2014
- The average decrease internationally was 19% up from 6% in 2014

In 2015, do you expect your sales to:



40% of respondents expected their sales to increase provincially in 2016, down from 44% who predicted an increase at the end of 2014. 32% expect national sales to increase in 2016 up from 31% last year, and 23% expect international sales to increase, up from 21% last year.

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

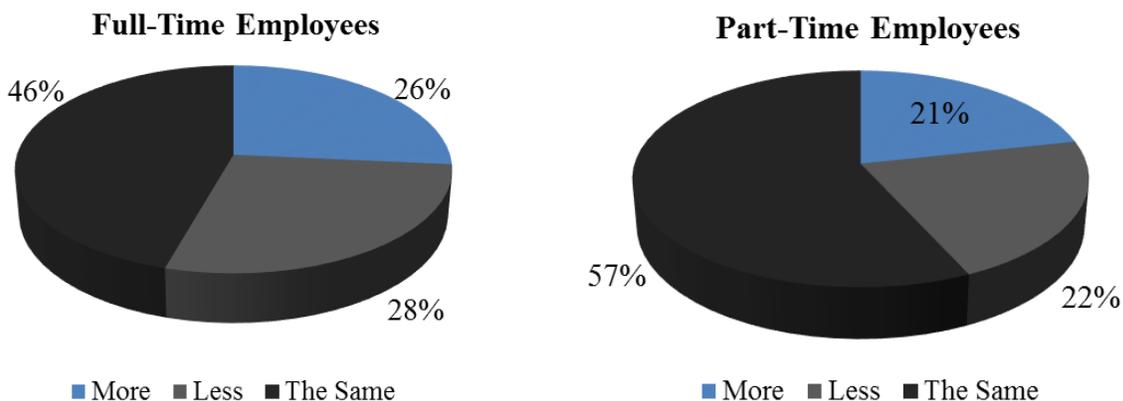
- The average provincial increase expected is 9%, down from the 12% last year
- The average national increase expected is 9%, down from 10% last year
- The average international increase expected is 10%, down from 13% last year

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

- The average decrease expected provincially was 14%, up from 10% last year
- The average decrease expected nationally was 11%, up from 5% last year
- The average expected decrease internationally was 6%, the same as last year

**Staffing**

In 2015, how did your business' staff change?



27% of respondents increased their full-time employees in 2015, down significantly from 44% in 2014. In addition to this, 28% of respondents reduced their full-time employees, up from 18% last year.

Only 22% of respondents increased their part-time staff, down from 33% in 2014. Furthermore, 22% decreased their part-time staff up from only 5% in 2014.

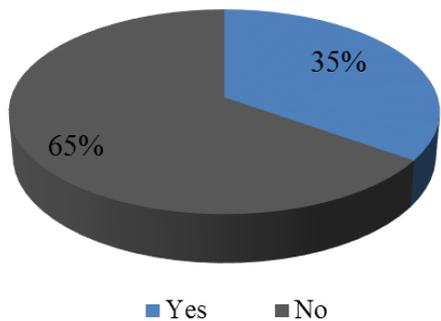
**For those that hired more staff:**

- The average increase in full time employees was 6 (17 in 2014)
- The most common response was 3 additional full time employees
- The average increase in part time employees was 5 (11 in 2014)
- The most common responses was 1 additional part time employee

**For those that reduced staff:**

- The average decrease in full time employees was 28 (19 in 2013)
- The most common response was 20 less full time employees
- The average decrease in part time employees was 30 (3.8 in 2013)
- The most common response was 2 less part time employees

Did you have job remain unfilled in 2014 due to a shortage of qualified workers?

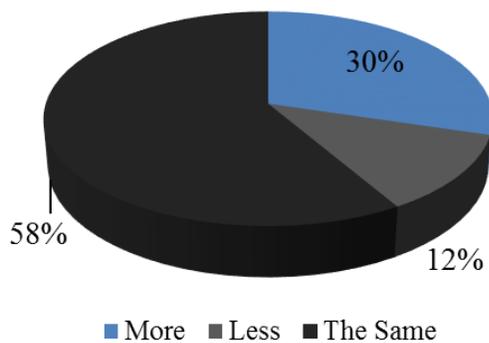


Only 35% of respondents had a job remained unfilled due to a shortage of qualified workers in 2015, down from 44% who reported the same problem in 2014.

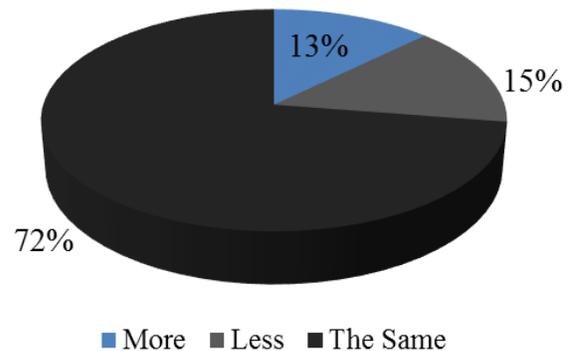
Professional/Technical/Scientific personnel as well as managerial/supervisory personnel were reported as the most difficult positions to staff.

In 2016, do you expect to employ?

**Full-Time Employees**



**Part-Time Employee**

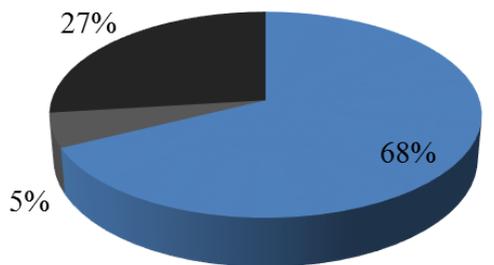


30% of respondents are planning to hire more full time employees, down from 42% in 2015 and only 13% are planning to hire more part time employees, down from 27% in 2015. Planned staffing reductions are also higher as 12% of respondents expect to employ fewer full-time employees (up from 9% last year) and 15% plan to employ fewer part-time employees, up from 10% last year. In 2009, 41% were planning on hiring more full time staff and 26% were planning on hiring more part time staff.

**For those that expect to change their staffing level in 2016**

- The average increase expected for full time employees was 6 (14 in 2014).
- The average decrease expected for full time employees was 8.
- The average increase expected for part time employees was 5 (9 in 2014).
- The average decrease expected for part time employees was 8.

In 2015, did wages/salaries in your business (on an average per employee basis):

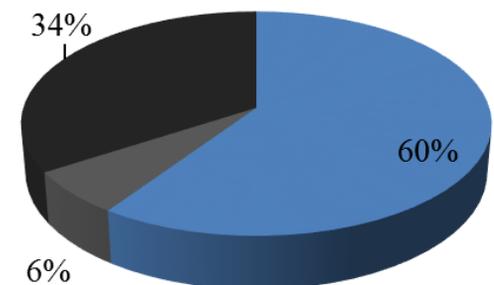


68% of respondents reported that wages/salaries had increased over the past year down from 78% in 2014 (82% in 2013).

For those that who experienced increased wages/salaries the average increase in wages/salaries was 4% (5% in 2014).

■ Increase ■ Decrease ■ Stay the Same

In 2016, do you expect wages/salaries in your business to:



60% of respondents expect wages/salaries to increase in the next year, down from 76% in 2014.

For those that who expect an increase in wages/salaries, the average increase expected is 3%, down from the 4% projected in 2014.

■ Increase ■ Decrease ■ Stay the Same