



Q2 2023

# HALIFAX BUSINESS CONDITIONS

DATA RELEASE

**HALIFAX  
CHAMBER OF  
COMMERCE**

## MESSAGE FROM THE CHAMBER'S POLICY TEAM

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The overall goal of the Halifax Chamber of Commerce is to create value and prosperity for our 1,900+ members and their over 94,000 employees. Through our Strategic Plan, we are providing the services businesses need, hosting events that will help them learn, and advocating for the conditions in the economy that enhance their prosperity.

Our advocacy positions, which are obtained through Chamber task force meetings, discussions with our attendees and members at round tables and events, and countless hours of calls each month where we connect with our membership, is also supported by detailed analysis and empirical data. This data release is intended to enhance our overall advocacy role as the voice of business in HRM by sharing some of that data with our business members, key decision makers, and other relevant stakeholders.

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# BUSINESS OUTLOOK

*March - May 2023*

## KEY FINDINGS

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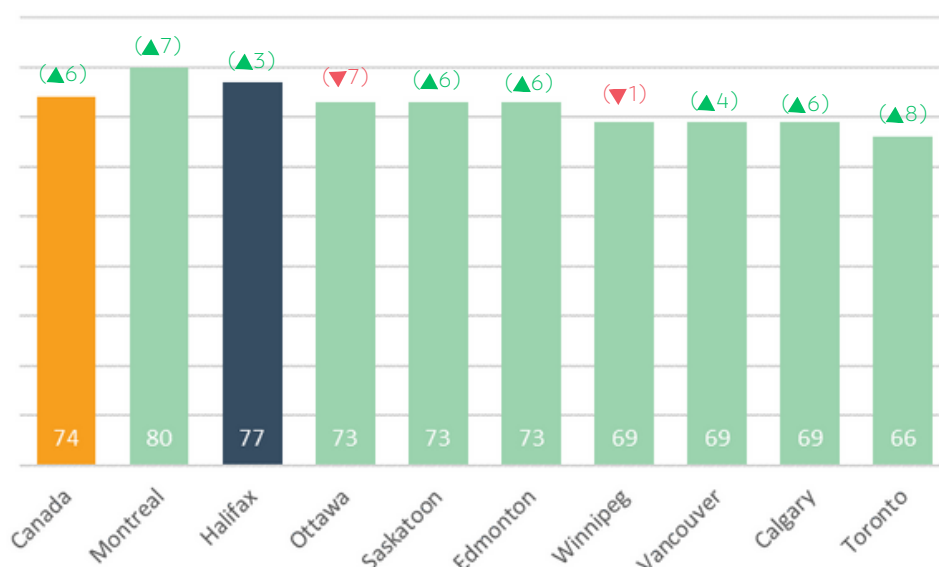
After a decline in business optimism in Q1 2023, overall business optimism in Halifax increased in Q2 and remains high relative to other Canadian CMAs.

While inflationary pressures and some cost related obstacles are expected to improve, input costs and recruitment obstacles are expected to worsen in the next three months for Halifax Businesses.

**"WHILE MANY INFLATIONARY AND COSTS RELATED OBSTACLES HAVE IMPROVED, INPUT COSTS AND RECRUITMENT OBSTACLES HAVE WORSENERD OVER THE LAST THREE MONTHS FOR HALIFAX BUSINESSES."**

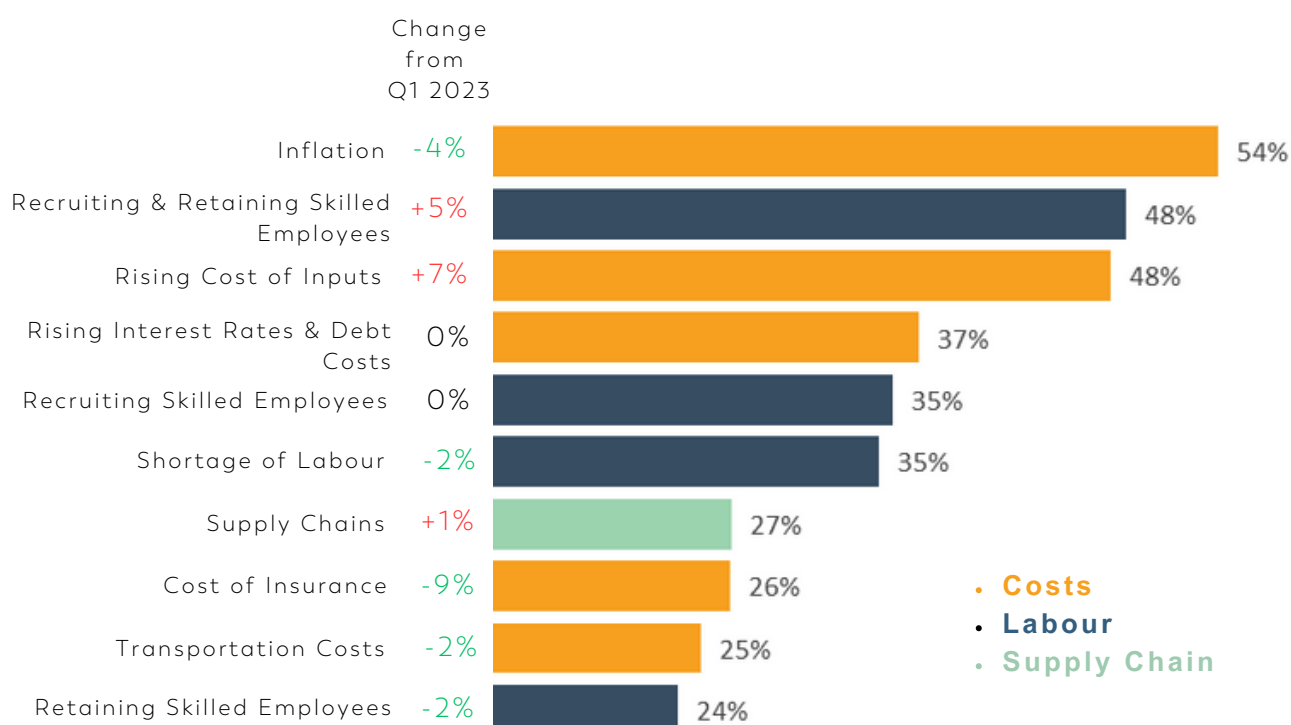
### **Businesses with an optimistic outlook for the next 12 months**

% of respondents, by major CMA, change from previous quarter in parentheses



### **Top 10 Halifax business obstacles expected, next three months.**

% of respondents





# COST PRESSURES

*March - May 2023*

## KEY FINDINGS

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Halifax Businesses are expecting sales to rebound in the next three months.

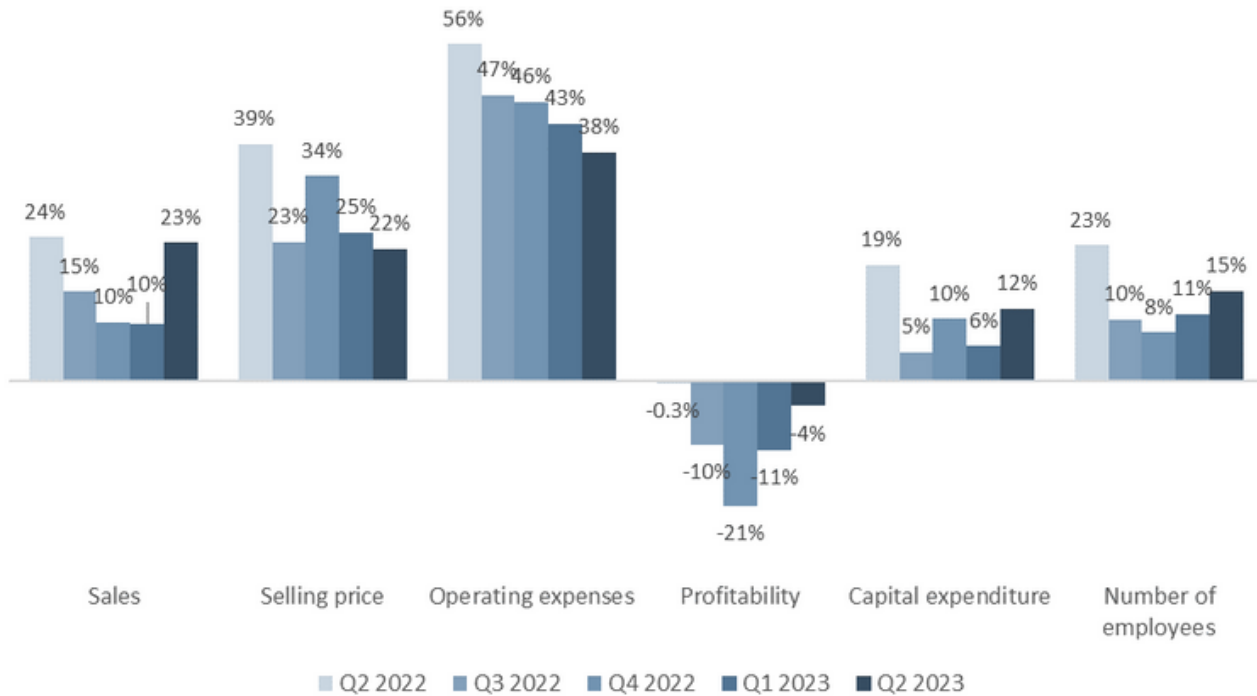
Despite improvements to expected profitability over the next three months from higher sales and lower expenses, profitability remains low for many halifax businesses.

As inflation continues to slow down, the share of companies expecting to raise prices trends in the same direction, indicating the potential success of the Bank of Canada's monetary policies.

## "HALIFAX BUSINESSES EXPECTING SALES TO REBOUND IN THE NEXT THREE MONTHS."

### Expected changes for your business, next three months

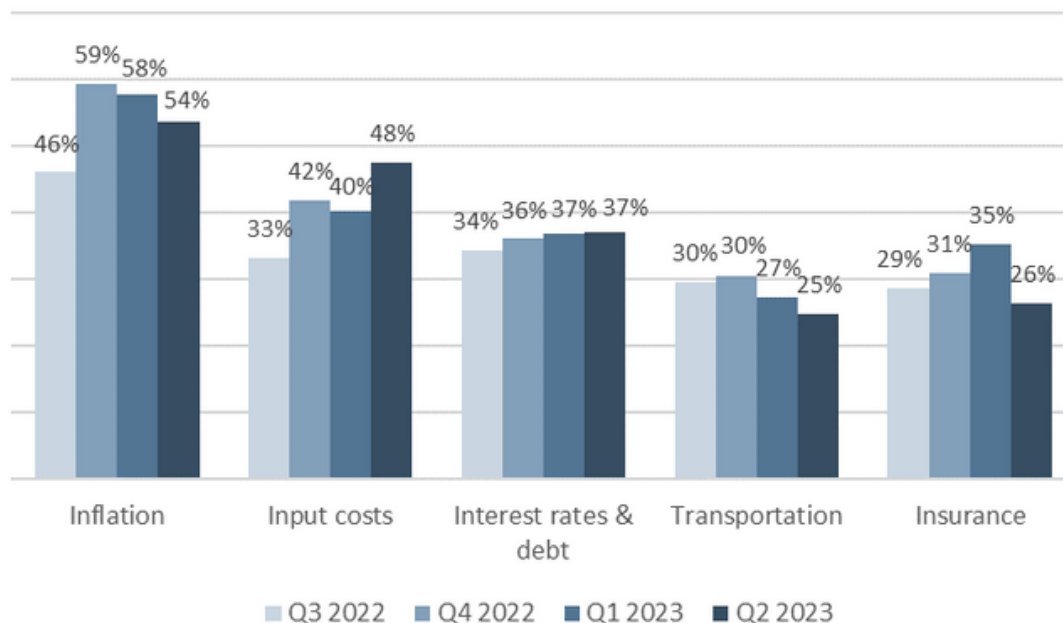
Balance of opinion\*



\* % of respondents that answered "increase" less % that answered "decrease" by metric

### Businesses expecting cost-related obstacles, next three months

% of respondents

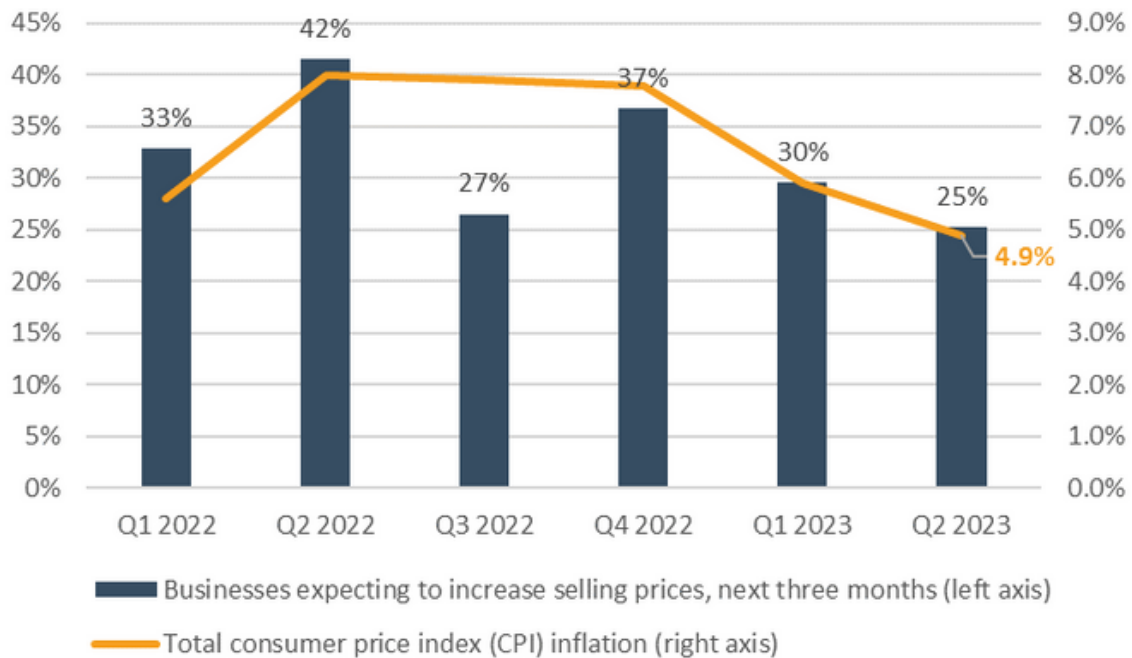




## "AS INFLATION CONTINUES TO SLOW, THE SHARE OF BUSINESSES EXPECTING TO RAISE PRICES TRENDS IN THE SAME DIRECTION"

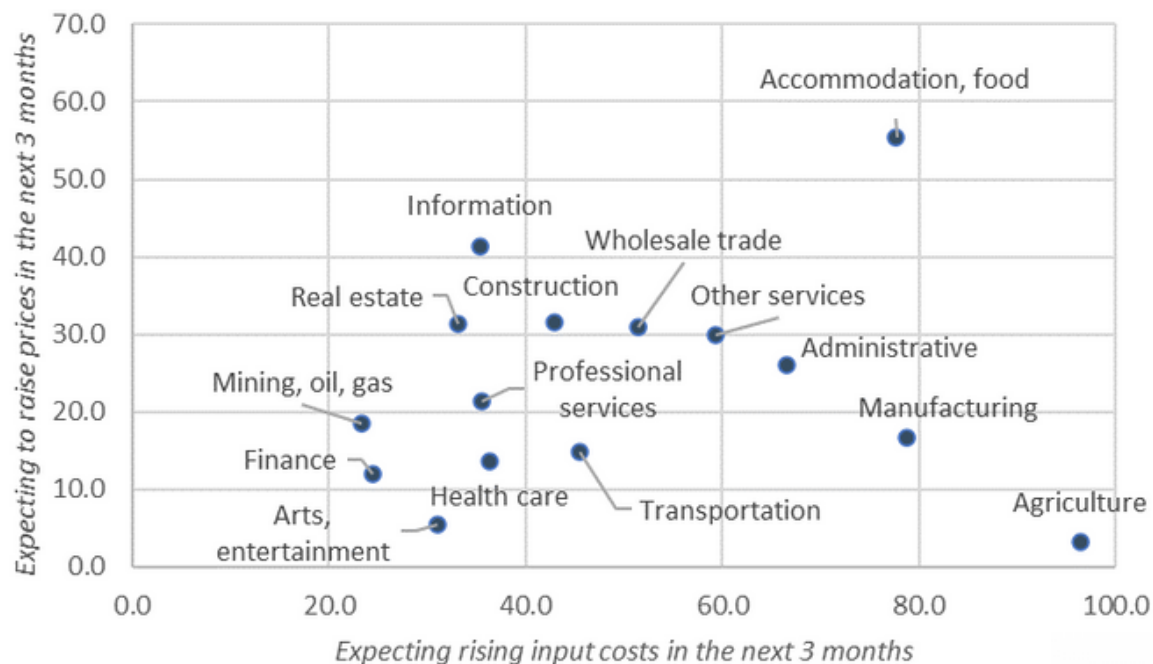
### BUSINESSES EXPECTING TO RAISE THE SELLING PRICE OF THEIR GOODS AND SERVICES, NEXT THREE MONTHS AND CPI INFLATION

LEFT AXIS % OF RESPONDENTS; RIGHT AXIS YEAR-OVER-YEAR % CHANGE



### COST PRESSURES IMPACTING PRICES OF GOODS AND SERVICES OFFERED, NEXT THREE MONTHS

% OF RESPONDENTS BY INDUSTRY IN Q2 2023



# LABOUR

March - May 2023

## KEY FINDINGS

Labour challenges have worsened with nearly half (48%) of the businesses in Halifax still expecting to face obstacles related to recruitment and retention of skilled employees over the next three months, up slightly from 44% in the previous quarter.

The Agriculture, Forestry, Fishing industry is facing the greatest obstacles related to labour shortages.

Across all industries, 87% of employees are expected to work exclusively/mostly onsite, compared to only 11% remotely.



## "NEARLY HALF OF HALIFAX BUSINESSES ARE FACING OBSTACLES RELATED TO RECRUITMENT AND RETENTION OF SKILLED EMPLOYEES"

EXPECT OBSTACLES WITH RECRUITING AND RETAINING SKILLED EMPLOYEES, NEXT THREE MONTHS.

% OF RESPONDENTS BY INDUSTRY IN Q2 2023

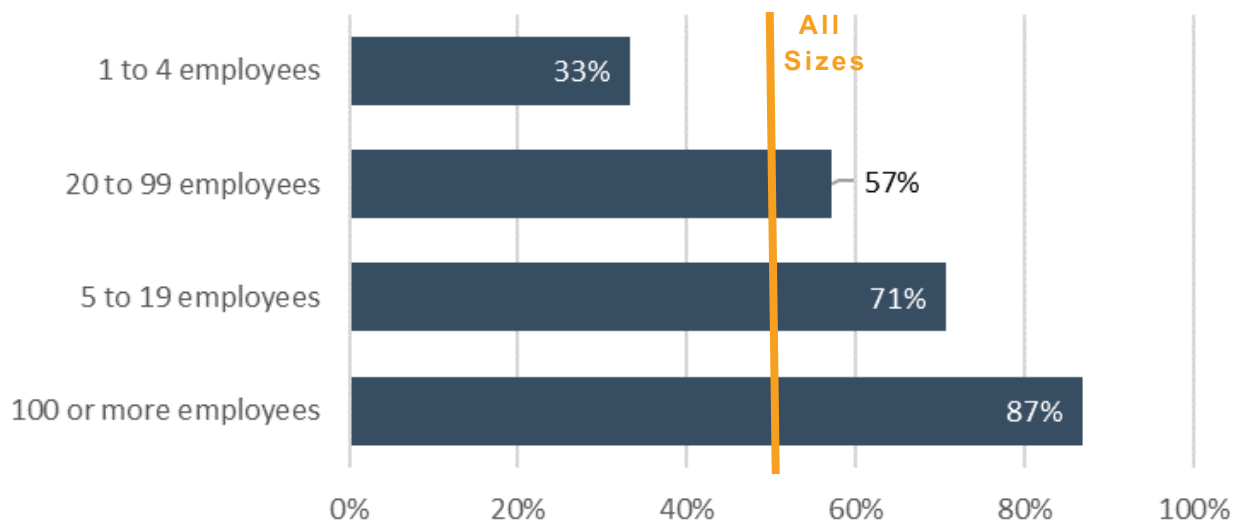


The industry facing the greatest obstacles related to recruitment and retention was Agriculture, Forestry, and Fishing, with 95% of businesses expecting to face obstacles over the next three months. Service industries overall continue to be heavily impacted by recruitment and retention challenges: Accommodation and Food Services (85%); Administrative Services (74%); Other Services (62%). All three industries' recruitment and retention challenges have worsened

## "LARGER ORGANIZATIONS, SPECIFICALLY THOSE WITH MORE THAN 5 EMPLOYEES ARE FACING GREATER LABOUR CHALLENGES COMPARED TO SMALLER FIRMS"

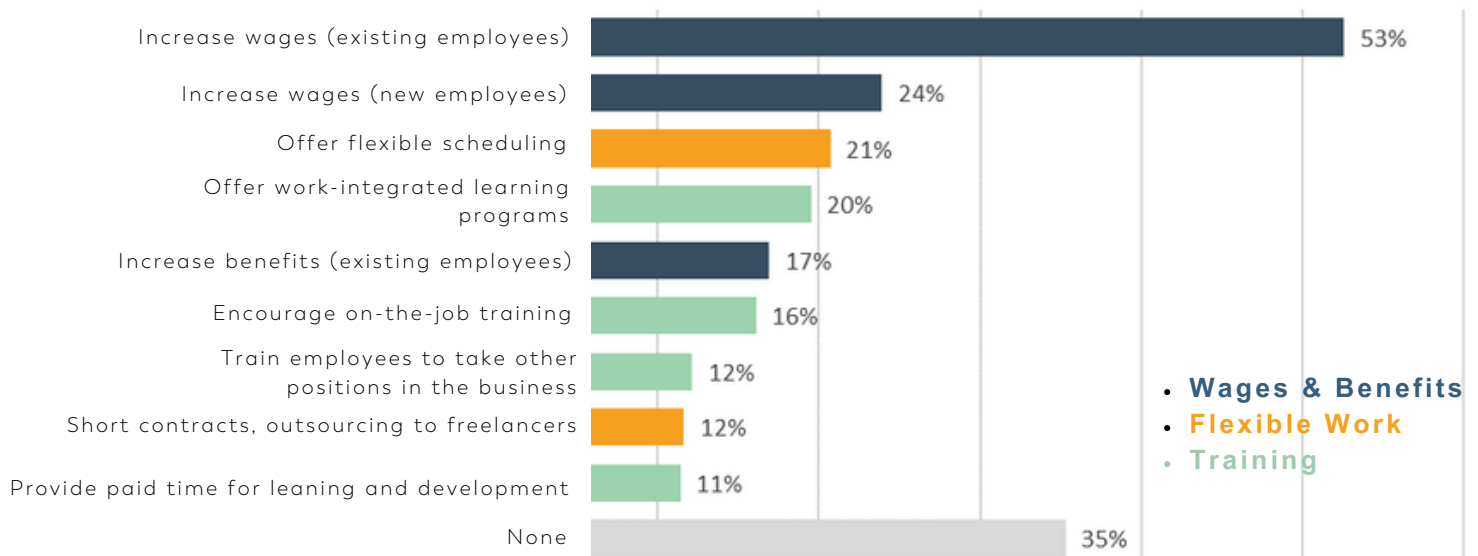
### Expect obstacles recruiting and retaining skilled employees, next three months.

% of respondents by firm size in Q1 2023



### Top 10 plans to address recruitment and retention challenges over the next 12 months

% of respondents

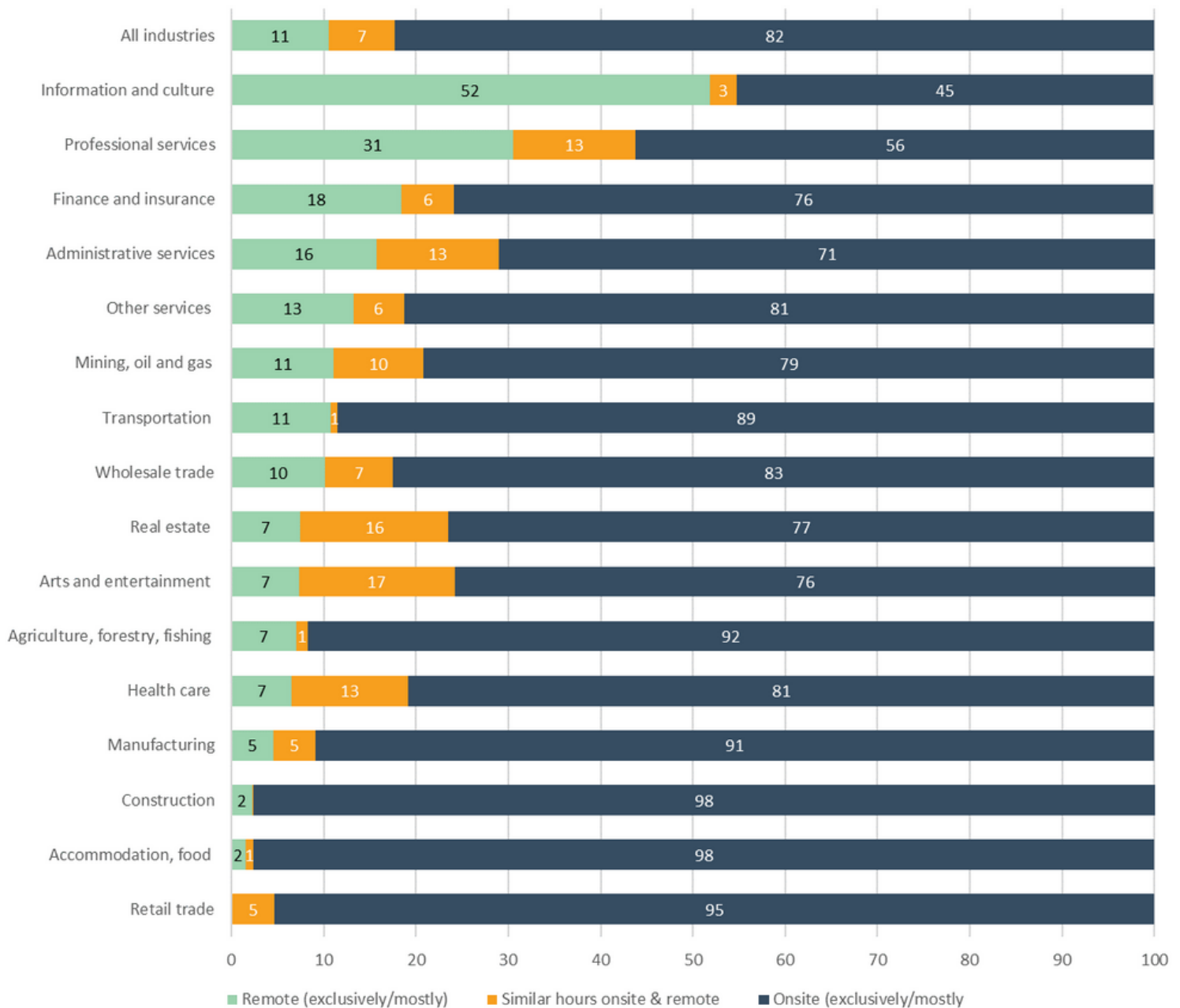




**"ACROSS ALL INDUSTRIES, 82% OF EMPLOYEES ARE EXCLUSIVELY OR MOSTLY WORKING ONSITE, COMPARED TO ONLY 11% OF EMPLOYEES WORKING EXCLUSIVELY OR MOSTLY REMOTELY"**

### **Percentage of the employees anticipated working arrangements, next three months**

% of respondents by industry





# FINANCING

March - May 2023

## KEY FINDINGS

Business financing options in Halifax have worsened in the last three months, with smaller firms (>5 employees) still struggling relative to larger organizations.

The share of businesses who indicated they cannot take on more debt increased (+10%) from Q1 to Q2 of 2023.

The financial health for smaller firms has worsened significantly over the last three months, with 40% of small businesses indicating their inability to take on new debt, up 16% from the previous quarter.



**"40% OF HALIFAX SMALL BUSINESSES HAVE INDICATED THEY CANNOT TAKE ON ANYMORE DEBT, UP SIGNIFICANTLY (+16%) SINCE THE PREVIOUS QUARTER"**

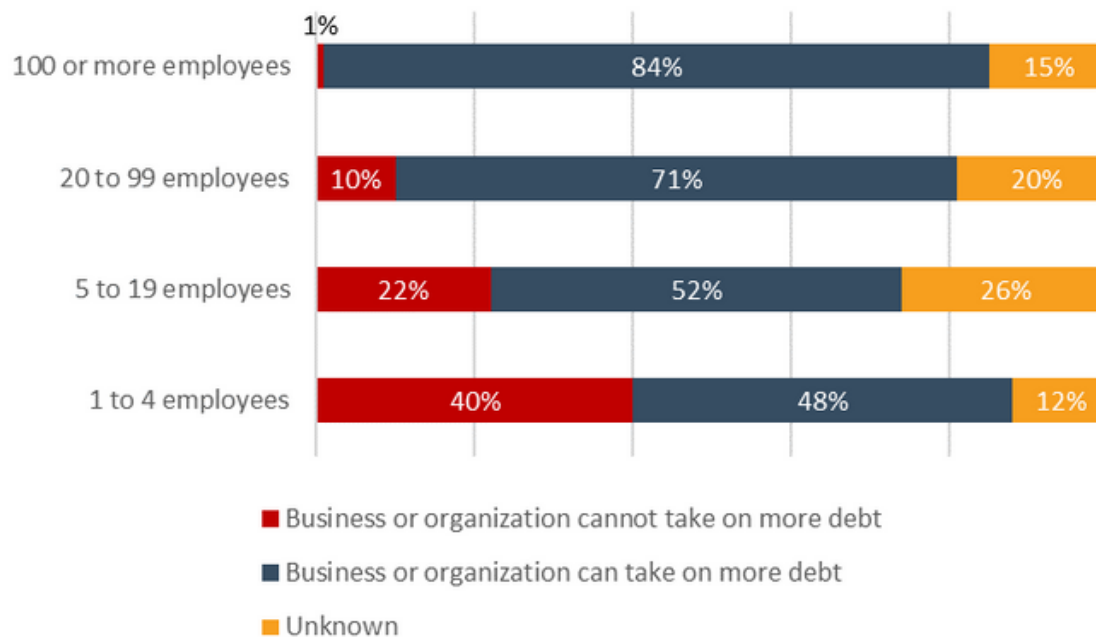
**Ability for the business to take on more debt.**

% of respondents by quarter of survey



**Ability for the business to take on more debt.**

% of respondents by firm size in Q2 2023



# SUPPLY CHAINS

March - May 2023

## KEY FINDINGS

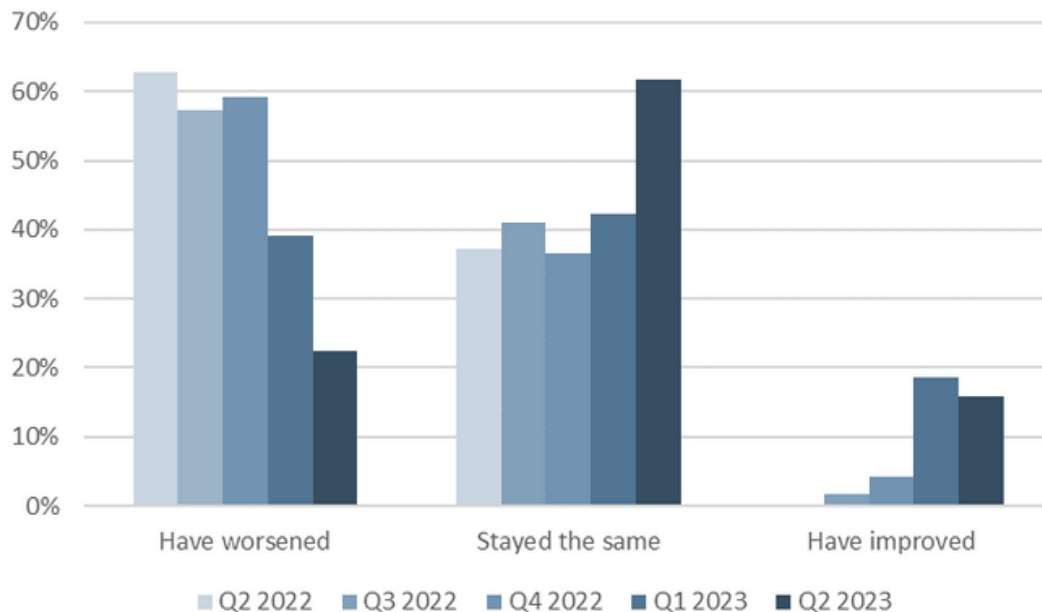
Supply chain challenges are improving slowly in Halifax with 22% of businesses stating that their supply chain issues have worsened over the last three months, down from 39% last quarter, and down from 63% one year ago.

The biggest factors that contributed to worsening supply chain challenges were: Increased delays in deliveries of inputs, products, or supplies; Supply shortages which resulted in fewer inputs, products or supplies being available; and Increased prices of inputs, products, or supplies.

**"SUPPLY CHAIN CHALLENGES ARE SLOWLY IMPROVING IN HALIFAX, BUT NEARLY A QUARTER (22%) OF BUSINESSES ARE STILL FACING WORSENING CHALLENGES."**

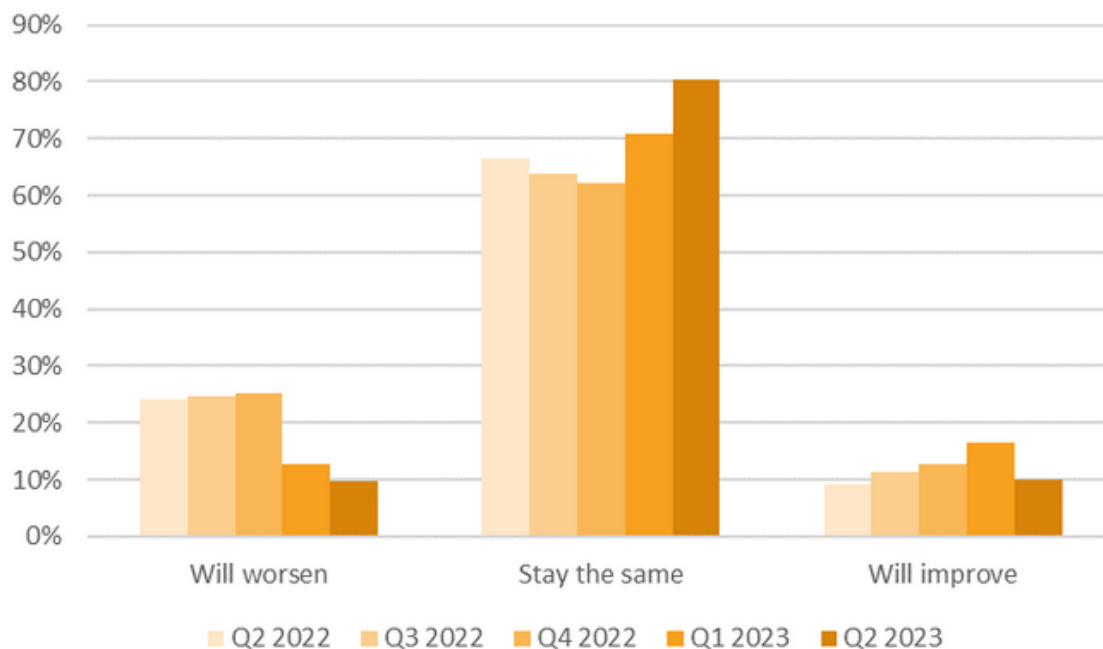
**Supply-Chain obstacles experienced, last three months.**

% of respondents, of those that expect supply chain obstacles



**Supply-chain obstacles expected, next three months.**

% of respondents, of those that expect supply chain obstacles





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## END NOTES

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**Survey objectives:** The Canadian Survey on Business Conditions (CSBC) was created in spring 2020 by Statistics Canada in partnership with the Canadian Chamber of Commerce to provide timely, relevant data on business conditions in Canada, as well as businesses' expectations and views on emerging issues. These surveys are used by governments, chambers of commerce, business associations and analysts to monitor evolving business conditions and devise policies to support Canadian business.

**Survey period:** The Q2 2023 CSBC data was collected from April 3 to May 8, 2023.

**Survey approach:** The survey was conducted by Statistics Canada via electronic questionnaire, using a stratified random sample of business establishments with employees, classified by geography, industry sector and size.

Population totals are estimated using calibration weights. The survey is based on responses from 15,963 businesses.

Charts may not sum to 100% due to rounding.

## SPECIAL THANKS

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A special thank you to the Canadian Chamber of Commerce's Business Data Lab for providing the Halifax CMA level data set.

For an overview of the national Q2 2023 business conditions, see the CCC BDL's release [here](#)