

Business Barometer®

June 2016 SME business outlook survey results

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Canada's small businesses grew a little more confident in June. CFIB's Business Barometer® Index rose almost two points to hit 60.0. This level is still low by historical standards, but it is the highest reading in just over a year.

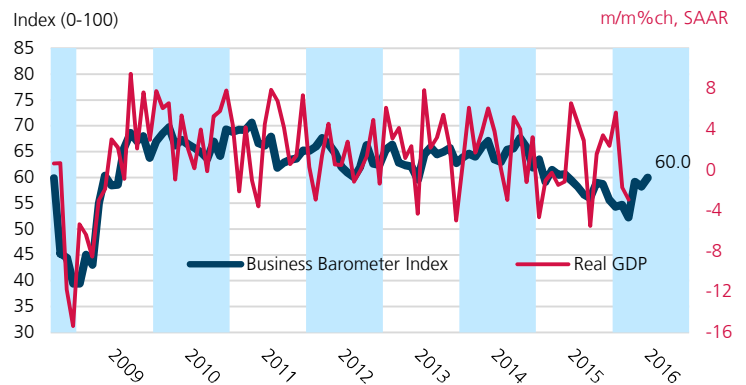
Overall, business owners posted improvements in 7 of 10 provinces. Leading the pack with an index score of 69.3 are those in British Columbia, followed closely by the 68.0 from Prince Edward Island businesses. Provinces at the other end of spectrum—Alberta (42.5), Newfoundland and Labrador (45.8) and Saskatchewan (54.8)—all registered much-welcome improvements this month. Optimism leapt in New Brunswick (64.9) and there were modest improvements in Quebec (61.6) and Manitoba (57.8). Declines in sentiment in Ontario and Nova Scotia (both at 61.5) helped restrain the national average.

Sentiment is weakest among the natural resources (39.5), construction (46.5) and transportation sectors (52.3), but optimism is tightly clustered around the national average for the remaining industry groups. In particular, there were improvements noted in manufacturing (61.8), wholesale (62.2) and retail (60.2).

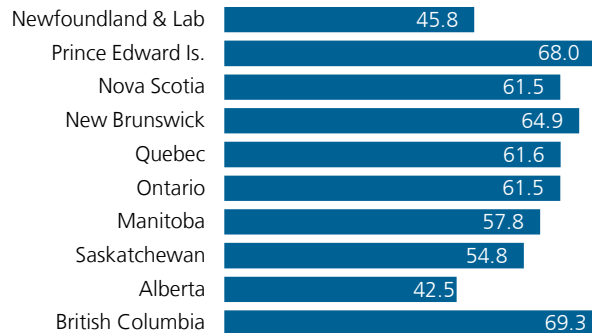
On a scale between 0 and 100, an index above 50 means owners expecting their business' performance to be stronger in the next year outnumber those expecting weaker performance. One normally sees an index level of between 65 and 70 when the economy is growing at its potential.

Other indicators from the survey also show positive signs. There has been a big improvement in new orders and the state of accounts receivable in the past few months. In addition, there has been a big drop off in the proportion of business owners expressing concerns about the level of customer demand. Employment plans, however, are quite modest for this time of year. Seventeen per cent of business owners plan to add full-time staff in the next few months, while an elevated 10 per cent plans to cut back.

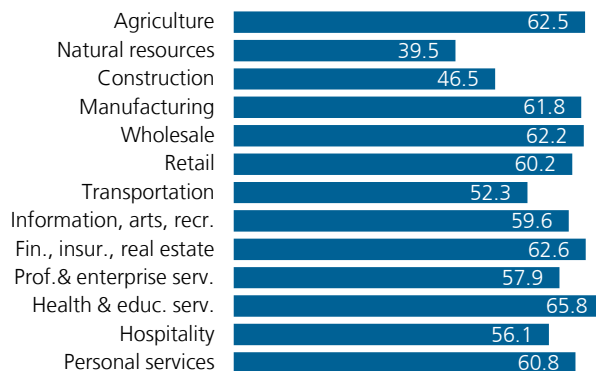
1. Business Barometer Index and GDP



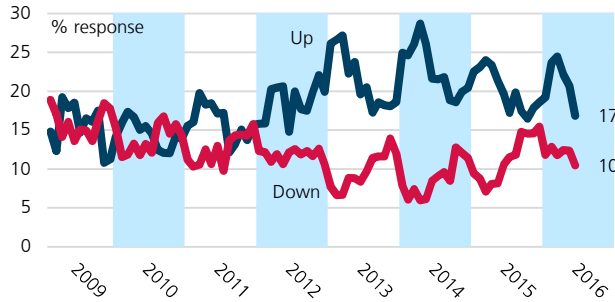
2. Index by province



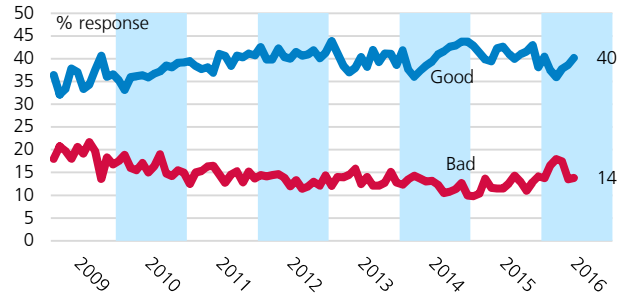
3. Index by sector



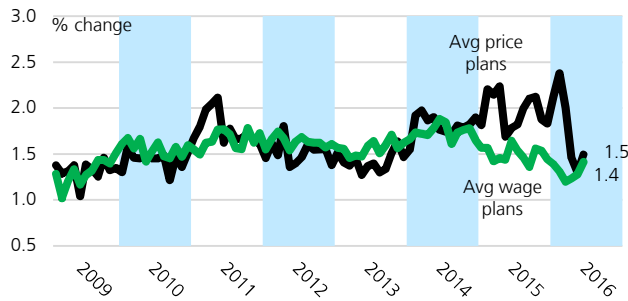
4. Full-time staffing intentions, next 3 months



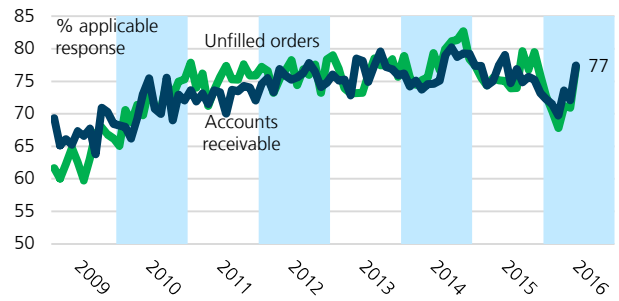
5. General state of business health



6. Future pricing and wage plans



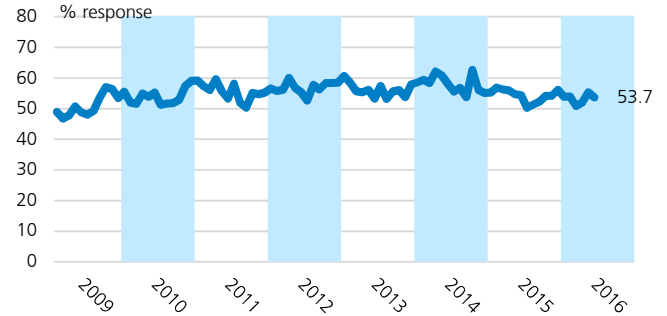
7. Business indicators 'normal' or 'better than normal'



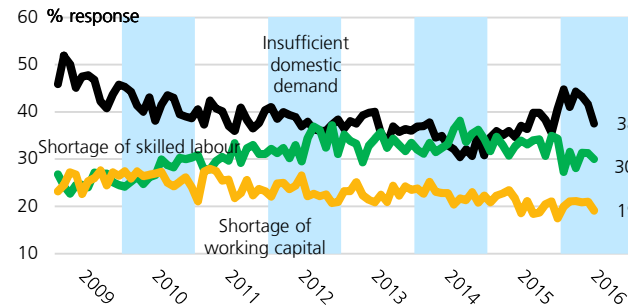
8. Limitations on sales or production growth



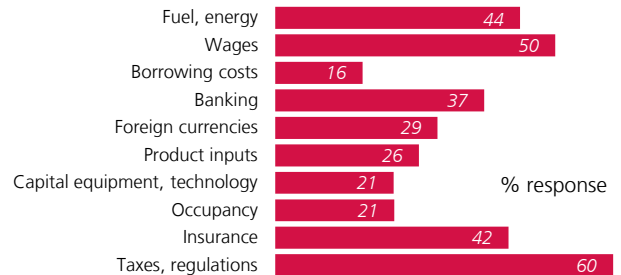
9. Intention to spend on capital improvements within 3 months



10. Trends: limitations on growth



11. Major cost constraints



June 2016 findings are based on 743 responses, collected from a stratified random sample of CFIB members, to a controlled-access web survey. Data reflect responses received through June 20. Findings are statistically accurate to +/- 3.6 per cent 19 times in 20.

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