

Business Barometer®

January 2017 SME business outlook survey results

Ted Mallett, VP & Chief Economist

Although small business optimism has stepped back a little in January from December readings, it is still showing more buoyancy than what we had seen through most of 2015 and 2016. CFIB's Business Barometer® index now stands at 60.1.

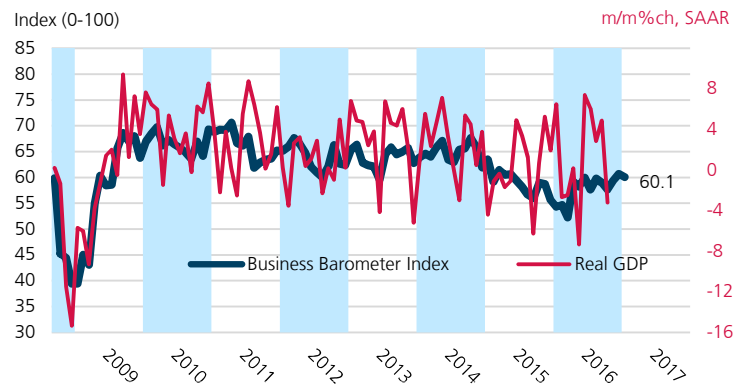
Improvements in the outlook among natural resources companies continues--and strength is also found in the manufacturing, professional services and information sectors. Unfortunately, optimism in the consumer-facing sectors--retail, hospitality and personal services--has tailed off, suggesting more caution in that side of the economy.

Regionally, however, conditions are remaining pretty consistent. Quebec business owners are the nation's most optimistic, with an index at 68.6. Owners in Newfoundland and Labrador, Alberta and Saskatchewan are considerably less upbeat, but the gap relative to the rest of the country is narrowing. Index levels in the remaining provinces are reasonably positive and tightly bunched in the mid-60s range.

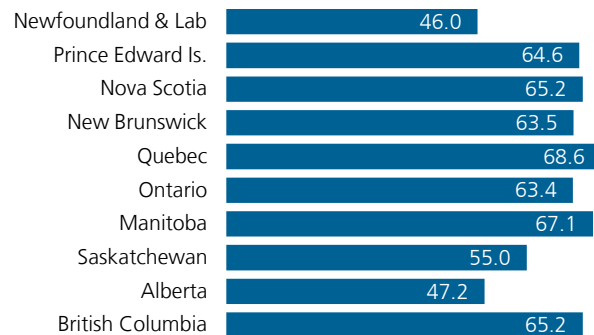
On a scale between 0 and 100, an index above 50 means owners expecting their business' performance to be stronger in the next year outnumber those expecting weaker performance. One normally sees an index level of between 65 and 70 when the economy is growing at its potential.

There is still a fair bit of caution in the other major indicators surveyed. Employment plans remain weaker than what we normally see this time of year. Capital spending plans, as well, remain slightly below past norms. On the other hand, new orders and accounts receivables conditions are trending well and the 12 per cent of owners who say their business are in bad shape is the lowest proportion we have seen in more than a year.

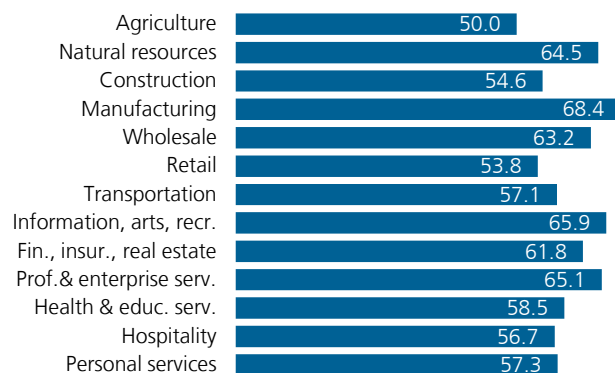
1. Business Barometer Index and GDP



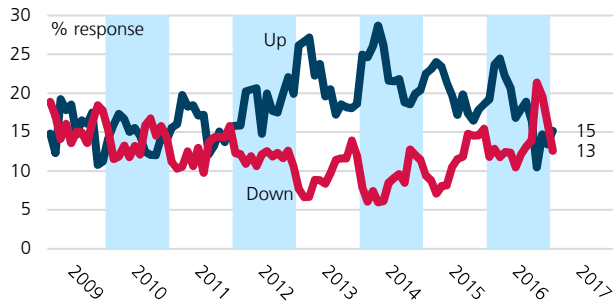
2. Index by province



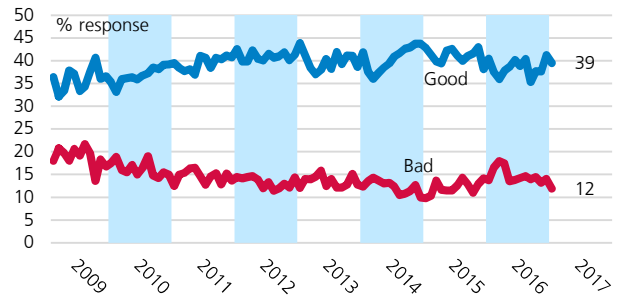
3. Index by sector



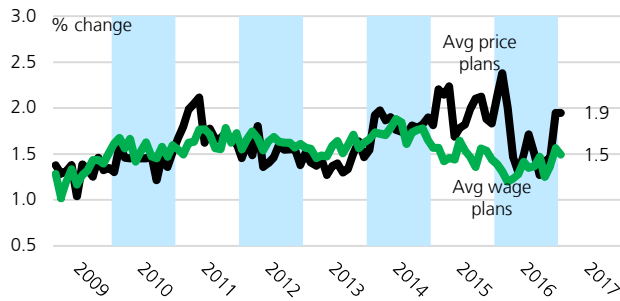
4. Full-time staffing intentions, next 3 months



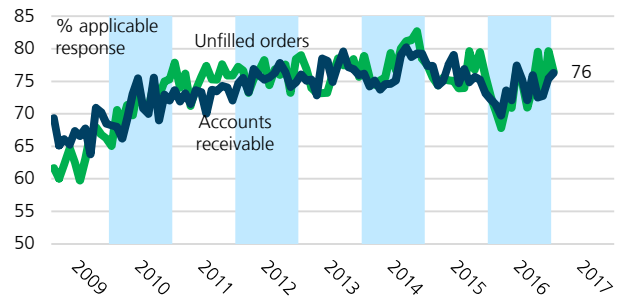
5. General state of business health



6. Future pricing and wage plans



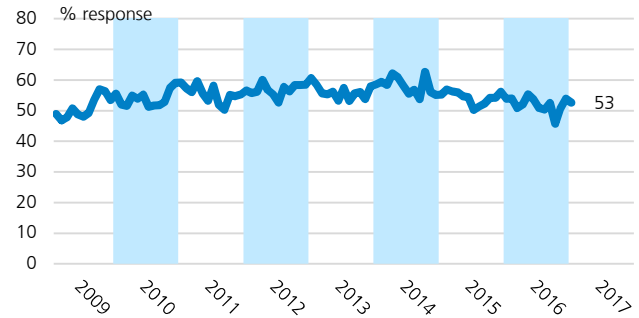
7. Business indicators 'normal' or 'better than normal'



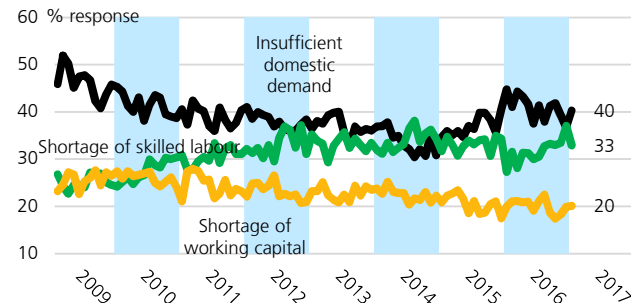
8. Limitations on sales or production growth



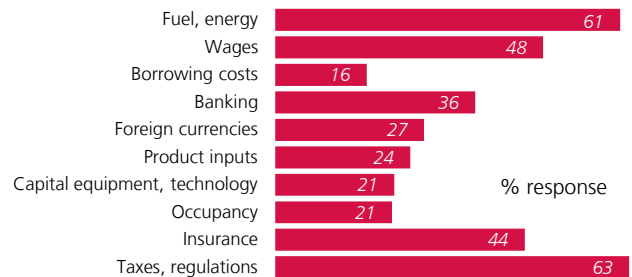
9. Intention to spend on capital improvements within 3 months



10. Trends: limitations on growth



11. Major cost constraints



January 2017 findings are based on 782 responses, collected from a stratified random sample of CFIB members, to a controlled-access web survey. Data reflect responses received through January 16. Findings are statistically accurate to +/- 3.5 per cent 19 times in 20.

Ted Mallett, vice-president & chief economist, 416 222-8022
 Andreea Bourgeois, senior analyst, 506 855-2526
 Simon Gaudreault, director, economic affairs, Quebec, 514 861-3234