

Business Barometer®

April 2017 SME business outlook survey results

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Canada's small business optimism is on the rise again in April. CFIB's monthly Business Barometer® Index gained a point and a half to finish the month at 64.4—its best level since November 2014. The Index is also less than a point from its 2010-14 average, which suggests that while lingering effects of the oil price shock persist in some regions, business expectations are readjusting to a new set of economic drivers.

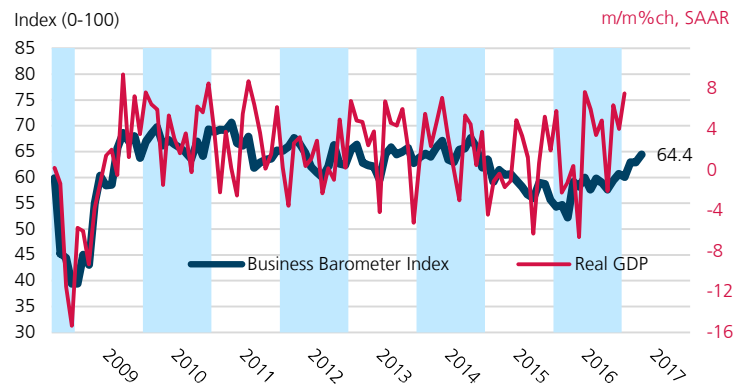
On a scale between 0 and 100, an index above 50 means owners expecting their business' performance to be stronger in the next year outnumber those expecting weaker performance. One normally sees an index level of between 65 and 70 when the economy is growing at its potential.

April's national gains were supported mostly by strong optimism growth in Ontario (68.7), British Columbia (67.1) and continuing improvements in business sentiment in Alberta (57.9). Relative weakness, however, persists in Newfoundland & Labrador (43.8) and Saskatchewan (55.1), which have both seen little improvement in optimism levels for a number of months. There is broad uniformity, though, in the remaining provinces, where index levels cluster around the mid-60s, suggesting general robustness to the business outlook.

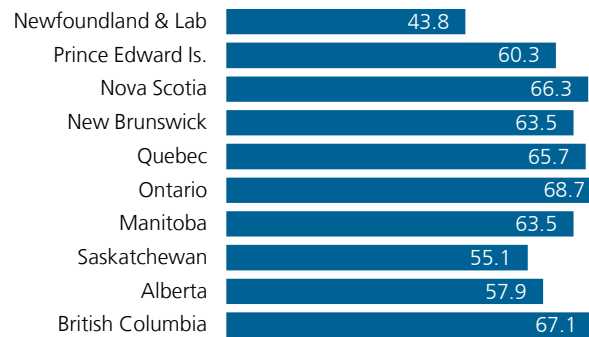
The comparative consistency of outlooks among industry groups is also a positive sign. Indexes are up in 8 of 13 sectors, led by optimism in financial services (which includes real estate) at 70.8 and wholesale trade and hospitality near 68. Even the weakest sector this month, information, arts and recreation at 58.7, is not all that weak compared to the historical context—which can display large swings from month to month.

Most other indicators of business health are showing reasonably positive signs. Employment plans, however, remain subdued compared to April results from previous years. The slowness of this indicator is no real surprise—after all, it took almost three years past the 2009 recession for this indicator to show signs of life.

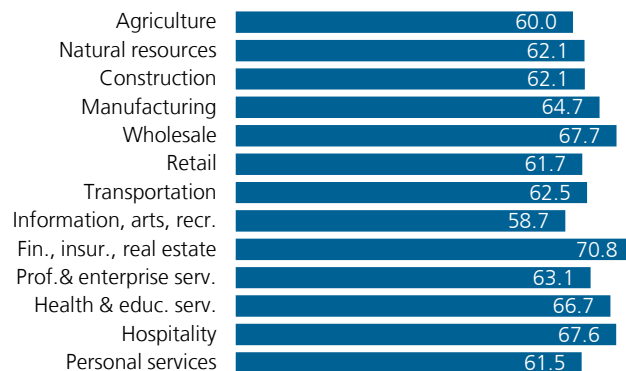
1. Business Barometer Index and GDP



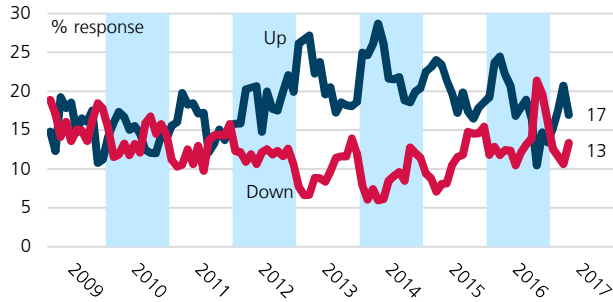
2. Index by province



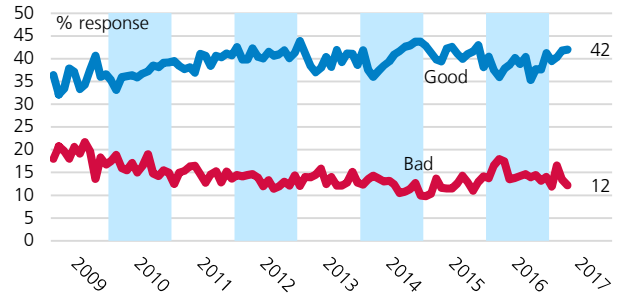
3. Index by sector



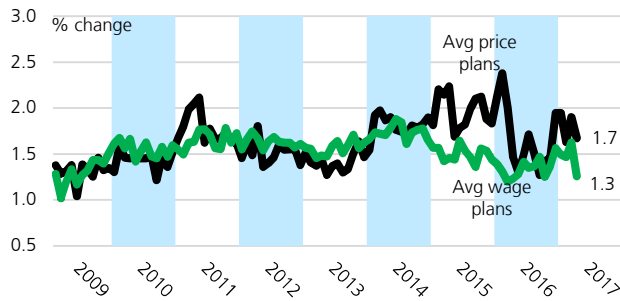
4. Full-time staffing intentions, next 3 months



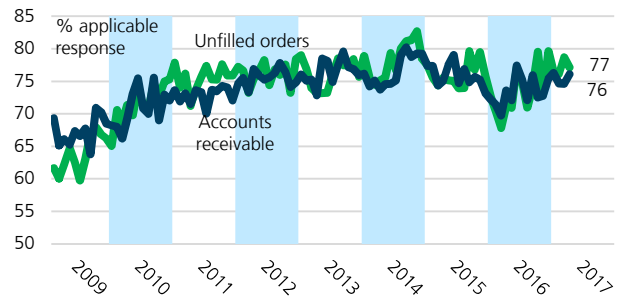
5. General state of business health



6. Future pricing and wage plans



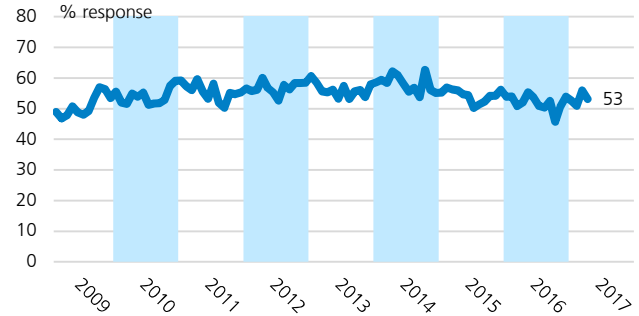
7. Business indicators 'normal' or 'better than normal'



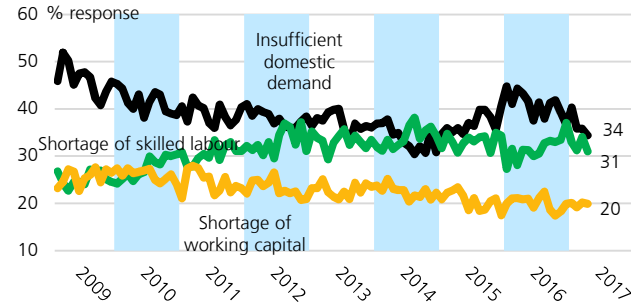
8. Limitations on sales or production growth



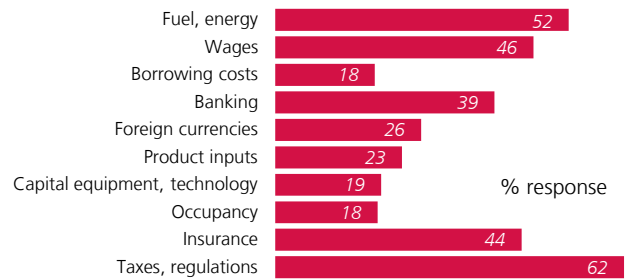
9. Intention to spend on capital improvements within 3 months



10. Trends: limitations on growth



11. Major cost constraints



April 2017 findings are based on 653 responses, collected from a stratified random sample of CFIB members, to a controlled-access web survey. Data reflect responses received through April 16. Findings are statistically accurate to +/- 3.8 per cent 19 times in 20.

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