Survey Saskatchewan Chamber of Commerce

2010 Economic Outlook Survey Results - Summary

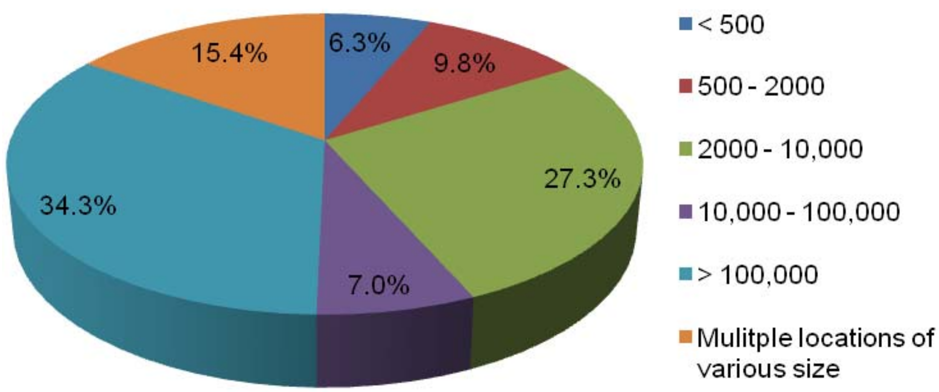
Saskatchewan Chamber of Commerce

In December of 2009 the Saskatchewan Chamber of Commerce circulated its annual economic outlook survey to the membership. There were 145 respondents to the survey.

Key Results of the Survey include:

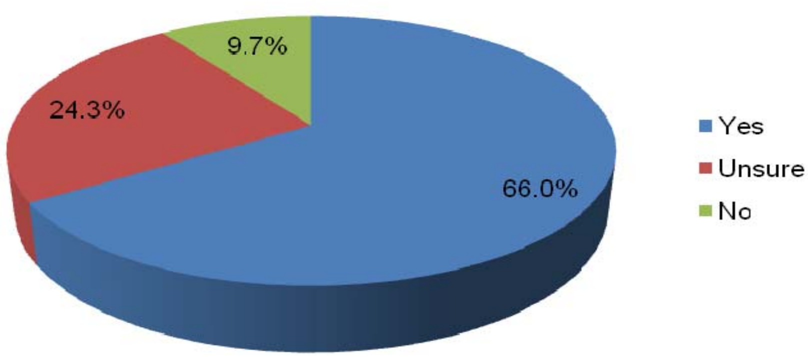
- **Businesses are more optimist about the state of the economy as of December 2009 than they were in June 2009**
- **52% of respondents increased business revenue in 2009, down from 78% in 2008**
- **60.3% of respondents are expecting to increase business revenue in 2010, about the same number as last year.**
- **31.4% of respondents expect to increase capital investments in their business in 2010, down from 39% last year and 75% in 2008.**
- **61.3% of respondents experienced wage increases in 2009 compared to 81% in 2008.**

What is The Population of the Community Your Business Operates In?

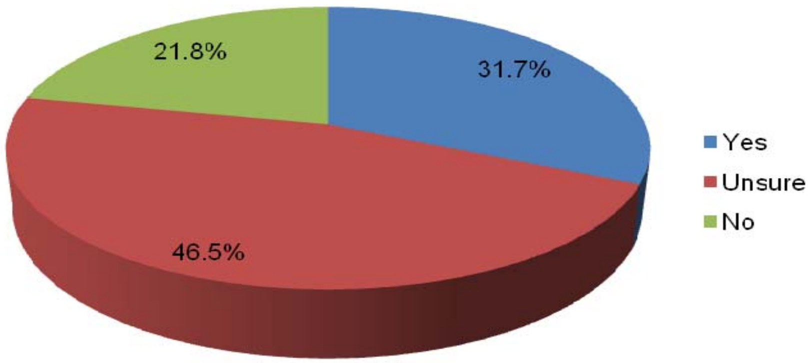


1. Business Environment

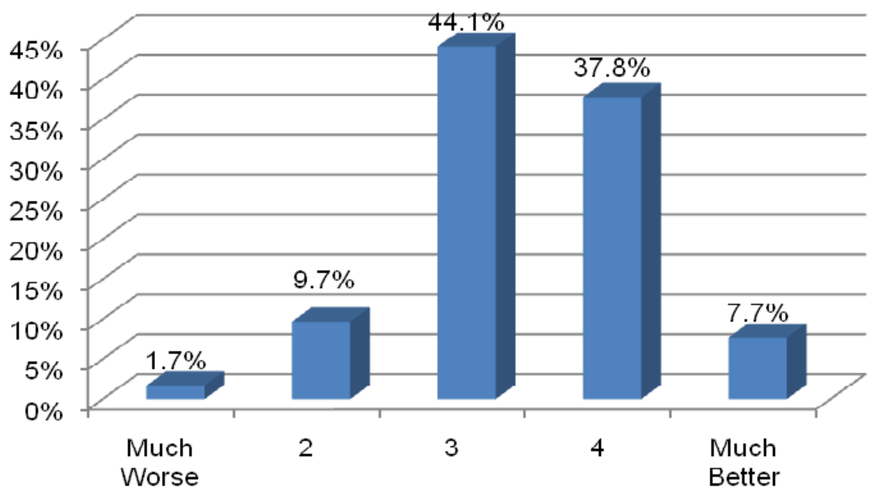
a) Do you believe the Provincial Government has been creating a more competitive and attractive environment for businesses over the past year?



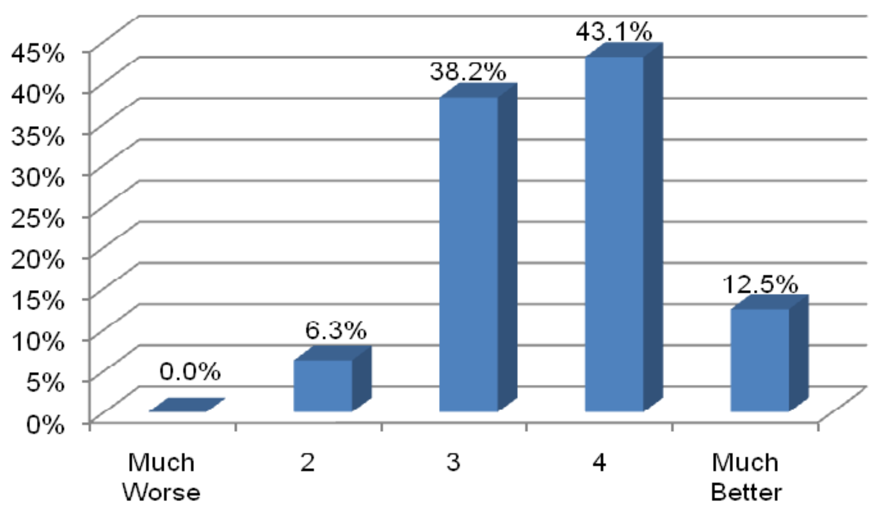
b) Do you believe the Federal Government has been creating a more competitive and attractive environment for businesses over the past year?



c) On a scale of 1 to 5, where 1 is “much worse" and 5 is “much better”, do you expect the state of the Saskatchewan economy to get better or worse in 2010?



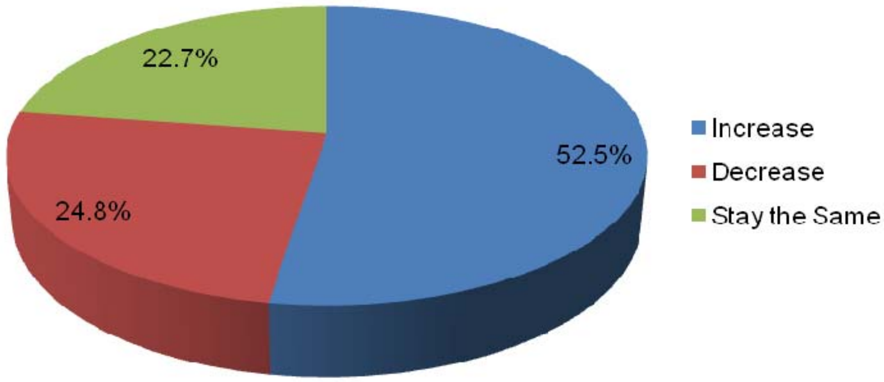
d) On a scale of 1 to 5, where 1 is “much worse" and 5 is “much better”, on the whole do you expect the overall state of your own business to get better or worse in 2010?



* Adjusted data has had the highest and lowest outlier removed.

2. Business Volume

a) In 2009, did your business revenue:



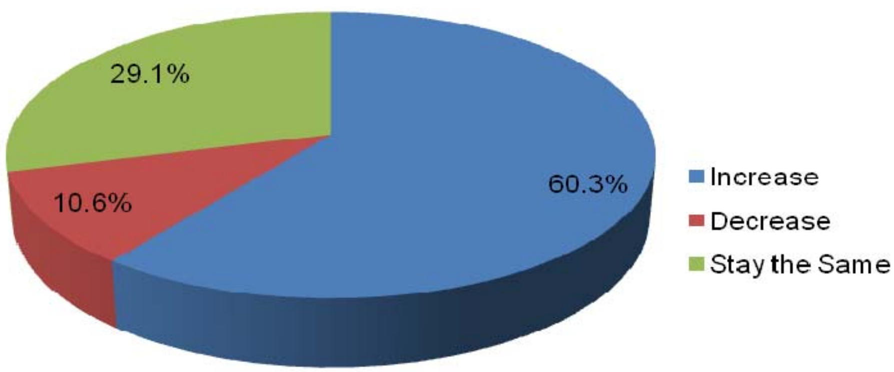
For those that experienced an increase in business revenue:

- The average increase was 16.9%*
- The most common increase was 10% (21.6% of those experiencing an increase)

For those that experienced a decrease in business revenue:

- The average decrease was 20.4%*
- The most common decrease was 5% (13.9% of those experiencing a decrease)

b) In 2010, are you projecting that your business revenue will:



For those that expect an increase in business revenue:

- The average increase expected was 14.0%*
- The most common increase expected was 10% (30.9% of those expecting an increase)

For those that expect a decrease in business revenue:

- The average decrease expected was 11.8%
- The most common decrease expected was 10% (4% of those expecting a decrease)

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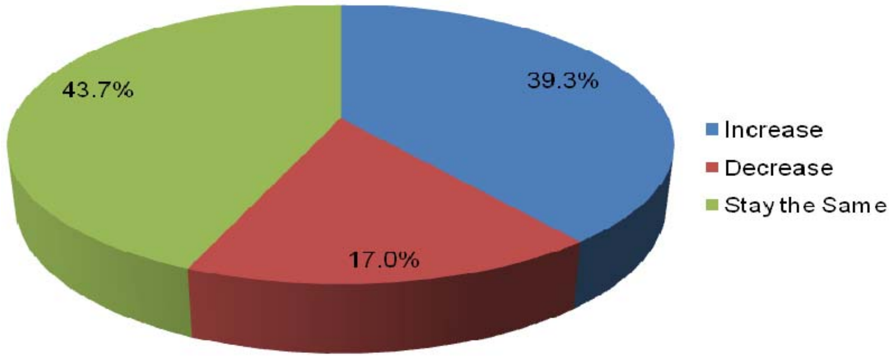
3. Capital Investments

a) When compared to 2008, in 2009 did capital investments in your business:



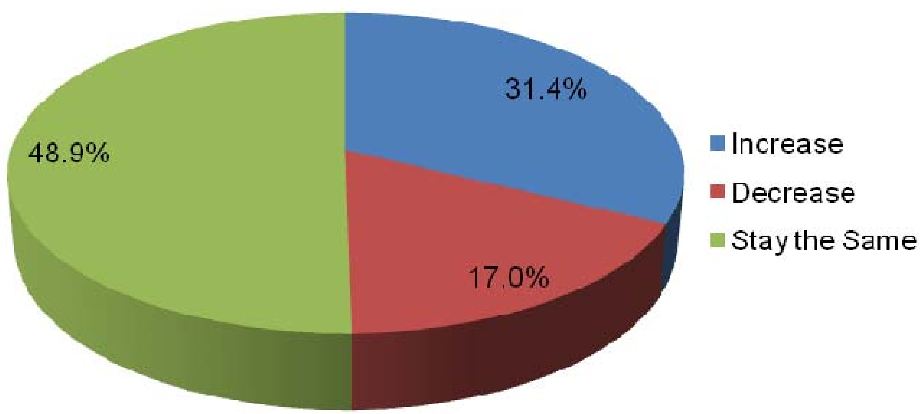
For those that experienced increased capital investments:

- The average increase in capital investment was 23.4%*
- The most common increase in capital investment was 10% (19.3% of those that experienced an increase)

For those that experienced a decrease in capital investment:

- The average decrease in capital investment was 31.2%*
- The most common decrease in capital investment was 10% (21.1% of those that experienced a decrease)

b) In 2010, do you expect capital investments in your business to:



For those that expected increased capital investments:

- The average expected increase in capital investment was 18.4%*
- The most common increase in capital investment expected was 10% (21.2% of those that expect an increase)

For those that expected a decrease in capital investment:

- The average expected decrease in capital investment was 32.4%*
- The most common decrease in capital investment expected was 20% (17.6% of those that expect a decrease)

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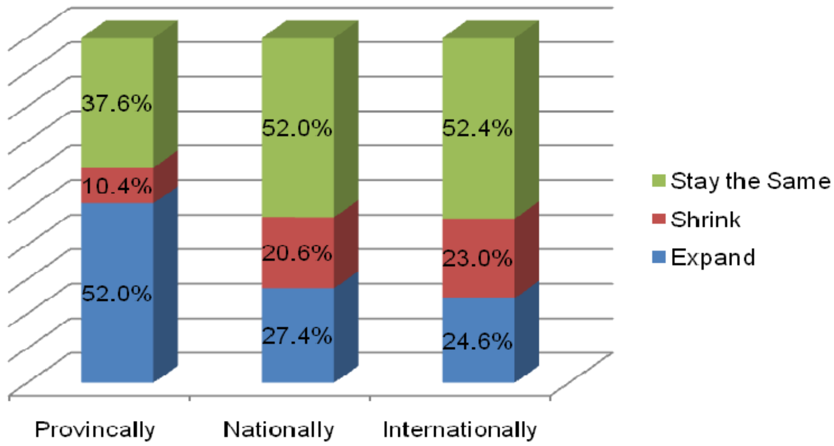
4. Market Expansion

a) In 2009, did your markets:



For those that experienced an expansion of their market base provincially:

- The average provincial expansion was 15.5%*
- The most common rate for provincial expansions was 10% (20.5% of respondents who expanded provincially)

For those that experienced an expansion of their market base nationally:

- The average national expansion was 11.4%
- The most common national expansion was 10% (19.4% of respondents who expanded nationally)

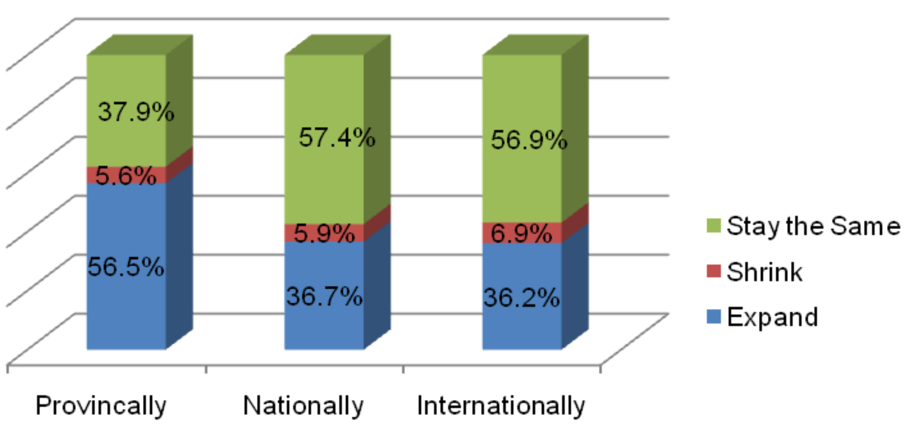
For those that experienced an expansion of their market base internationally:

- The average international expansion was 10.6%*
- The most common international expansions was 3% (9.5% of respondents who expanded internationally)

For those that experienced a contraction of their market base:

- The average contraction provincially was 22.6%
- The average contraction nationally was 18.9%*
- The average contraction internationally was 18.6%*

b) In 2010, do you expect your markets to:



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For those that are expecting to expand their market base provincially:
- The average provincial expansion expected is 12.2%*
- The most common expected rate for provincial expansion is 10% (28.6% of those expecting a provincial expansion)

For those that are expecting to expand their market base nationally:
- The average national expansion expected is 11.9%*
- The most common expected rate for national expansion is 10%(23.5% of those expecting a national expansion)

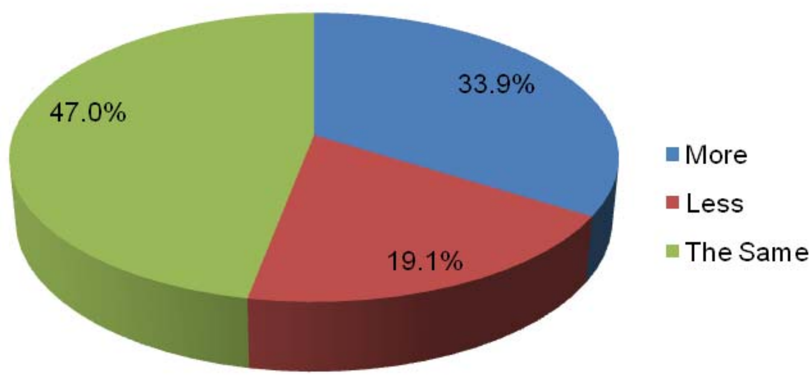
For those that are expecting to expand their market base internationally:
- The average international expansion expected is 14.5%*
- The most common rates expected for international expansion are 5% and 10% (each representing 16.1% of those expecting a international expansion)

For those that expecting a contraction of their market base:
- The average contraction provincially is expected to be 11.5%
- The average contraction nationally is expected to be 12%
- The average adjusted contraction internationally is expected to be 7.6%

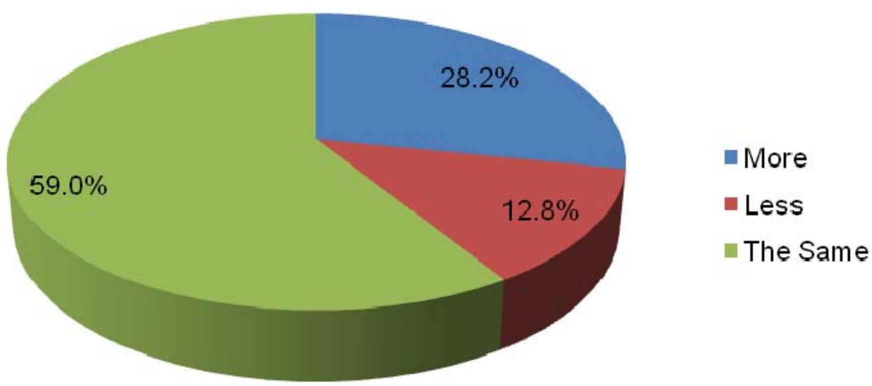
5. Job Creation

a) In 2009, how did your business staff change?

Full-Time Employees



Part-Time Employees



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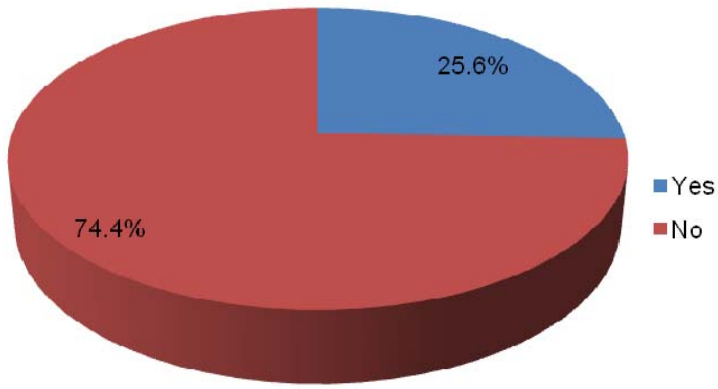
For those that hired more staff:

- The average increase in full time employees was 4.8
- The most common response was 1 additional full time employee
- The average increase in part time employees was 4.24
- The most common responses was 3 additional part time employee

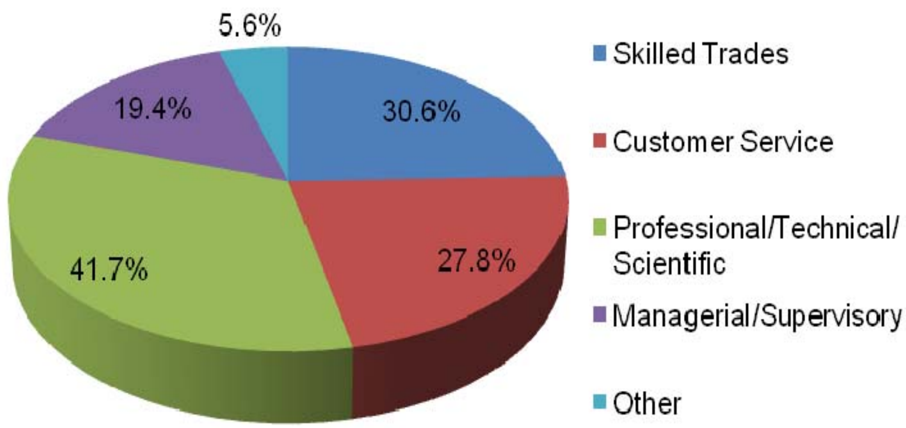
For those that reduced staff:

- The average decrease in full time employees was 9.6*
- The most common response was 2 less full time employees
- The average decrease in part time employees was 9.1*
- The most common responses were 2 or 4 less full time employees

b) In 2009, did you have jobs remain unfilled due to a shortage of qualified workers?



i. If so, in which categories?



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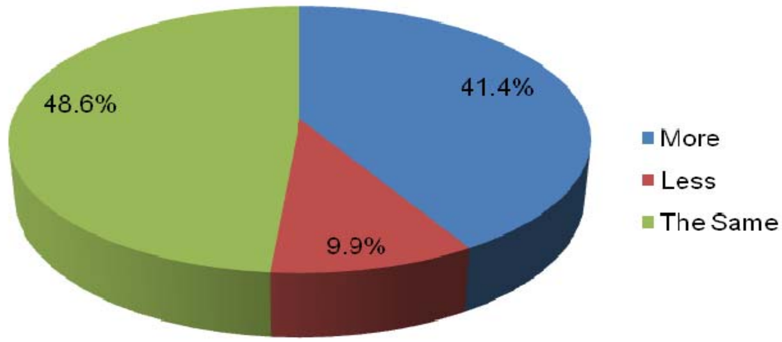
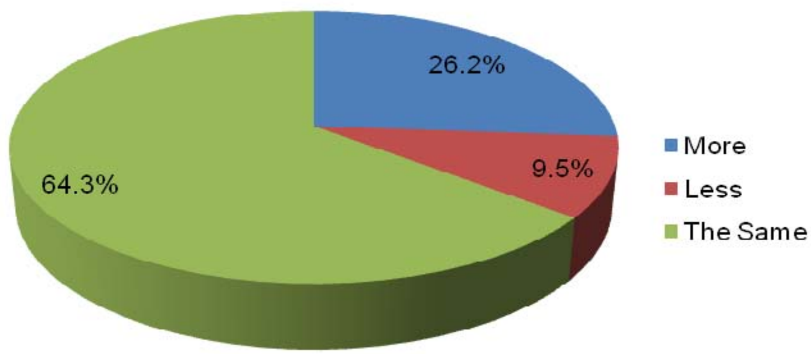
c) In 2010, do you expect to employ?

Full-Time Employees



Part-Time Employees



For those that expect to hire more people

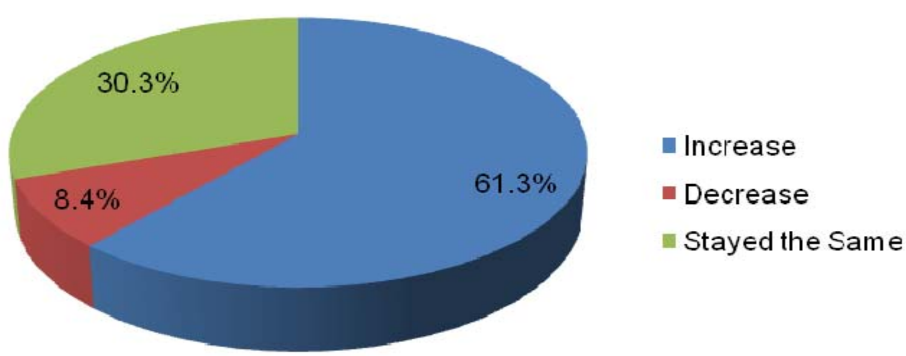
- The average increase in full time employees was 4.9*
- The most common response was 2 additional full time employees
- The average increase in part time employees was 5.2
- The most common response was 1 additional part time employee

For those that expect to hire fewer people

- The average expect decrease in full time employees was 4.8
- The average expect decrease in part time employees was 6.3

6. Wage Levels

a) In 2009, how did wages/salaries change for your business?



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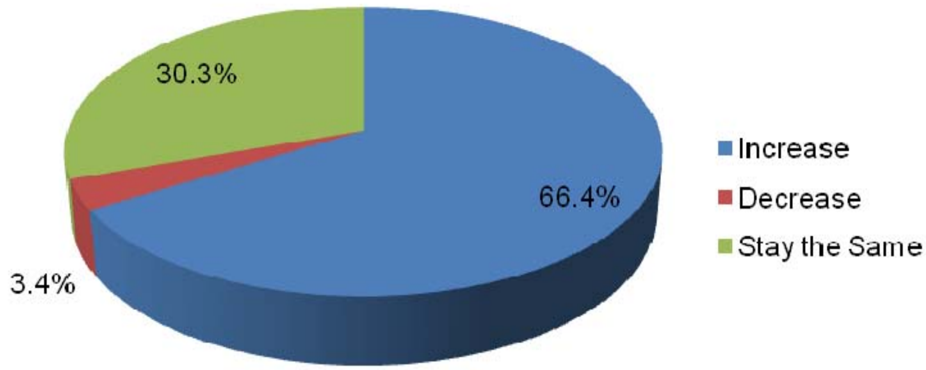
For those that who experienced increased wages/salaries

- The average increase in wages/salaries was 6.5%*
- The most common wage increases were 5% and 10%

b) In 2010, do you expect wages/ salaries for your business to?



For those that who expect an increase in wages/salaries

- The average increase expected is 5.6%*
- The most common wage increase expected is 5%

7. Business Issues

Business Issues in order of priority as per the 2010 Economic Outlook Survey Respondents

1. Building Market Share- Sales Development
2. Workforce- Training, Retaining, and Locating Staff
3. The Economy and International Markets
4. Taxation- Corporate and/or Personal
5. Availability of Financing
6. Paper Burden- Regulatory Compliance, Permits, etc.
7. Capital Expansion
8. Other:
    - Labour regulations and dealing with unions
    - Government competing with the private sector
    - Launching a new product
    - Availability of entrepreneur orientated training
    - Provincial government policies
    - Harmonization of GST and PST
    - Global Logistics - Freight Costs and Currency Fluctuations
    - Commodity pricing
    - Securing a stable supply of product and services due to cut backs, financing, etc
    - Government Funding

8. General Comments

- With the issue of less revenue coming into the province from resources, is the possibility of the cancellation of provincial government plans to reduce the education tax burden on businesses. With this and no plans on the horizon to institute the HST I see us being less competitive with other provinces. I am concerned that we will stagnate in this key area.
- I am concerned that the government will overreact to the Potash pricing and that the economy will pull back and perception of our economy will suffer as will the performance.

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- Tax break for companies that have and lose staff as hiring and retaining staff are very costly for small businesses.
- The government needs to begin to show successes as their report card to date doesn't seem to be available. Programming is poorly planned and announcements don't include anything new, just rhetoric.
- We must continue to create conditions for small businesses to thrive and grow.
- Taxes continue to be the single most significant hurdle to attracting qualified migration to the province
- Marketing is very costly, even though word of mouth is the best we need to be in papers and on the airwaves to make people aware we are here.
- It is difficult to find people who like rural Saskatchewan and willing to stay.
- Provincial government spending is out of control.
- My business is dependent on customers that need to sell internationally. I believe we need more emphasizes on expanding our trade to other countries besides the US.
- For a major global recession we have to be pleased with how Saskatchewan is weathering the storm, especially given our dependence on exports. I suspect government will be forced to become more prudent with some of their spending decisions and rhetoric about economic ups and downs. A good lesson for a young government.

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