



## 2008 Economic Outlook Survey

### Results - Summary

Saskatchewan Chamber of Commerce

In December of 2007 the Saskatchewan Chamber of Commerce circulated its annual economic outlook survey to the membership.

Key Results of the Survey include:

- **75% of respondents expect investments in their business to increase in 2008 up from 35% expecting increased investments at the end of 2006.**
- **78% of respondents increased their business revenue in 2007**
- **The average business revenue increase was 10.2%**
- **75% of respondents are expecting to increase business revenue in 2008**
- **66% of respondents plan to expand their market base in 2008**
- **72% of respondents indicated that their staff size increased in 2007**

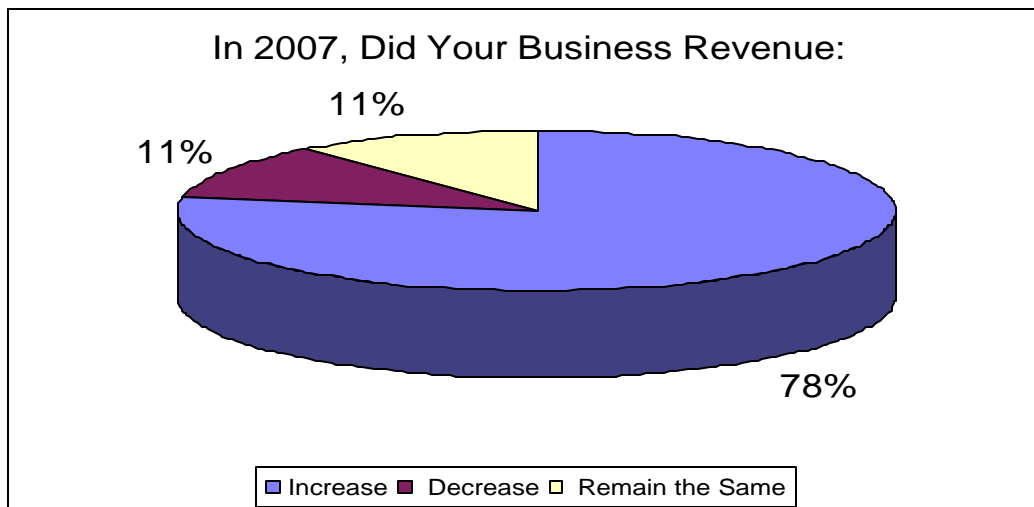
#### Industry Response

Manufacturing or Processing: 22.22%  
 Professional: 19.44%  
 Other: 19.44%  
 Hotels or Restaurants: 8.33%  
 Agriculture: 5.56%  
 Contracting: 5.56%

Wholesale or Distributing: 5.56%  
 Retail: 2.78%  
 Natural Resources: 2.78%  
 Insurance or Real Estate: 2.78%  
 Transportation or Communication: 2.78%  
 Financial: 2.78%

#### 1. Business Volume

##### 1.1. 2007 Business Revenue



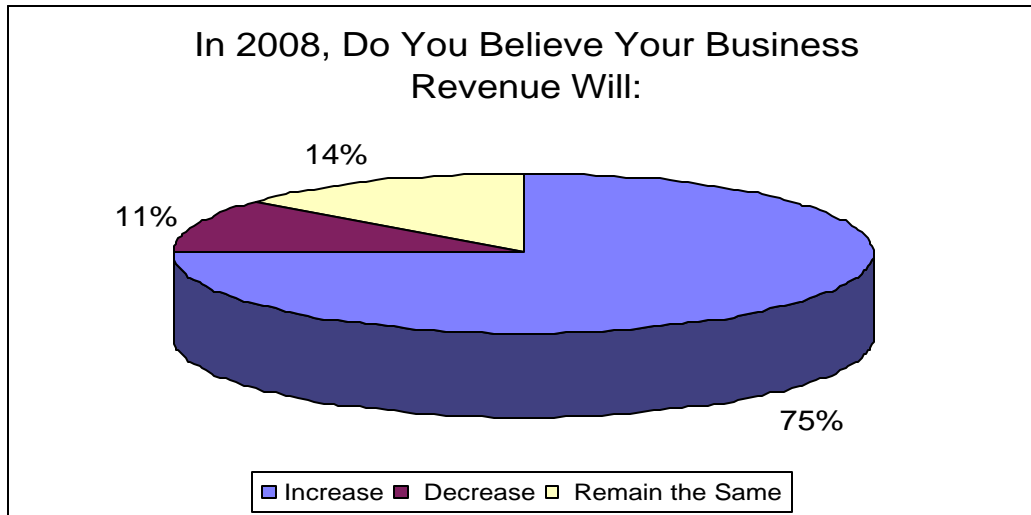
For those that experienced an increase in business revenue:

- The average increase was 10.21%
- The most common increase was 10%
- The largest increase was 26%%
- The smallest increase was 2%

For those that experienced a decrease in business revenue:

- The average decrease was -22.75%
- The largest decrease was -54%
- The smallest decrease was -2%

### 1.2. *Projected Business Revenue for 2007*



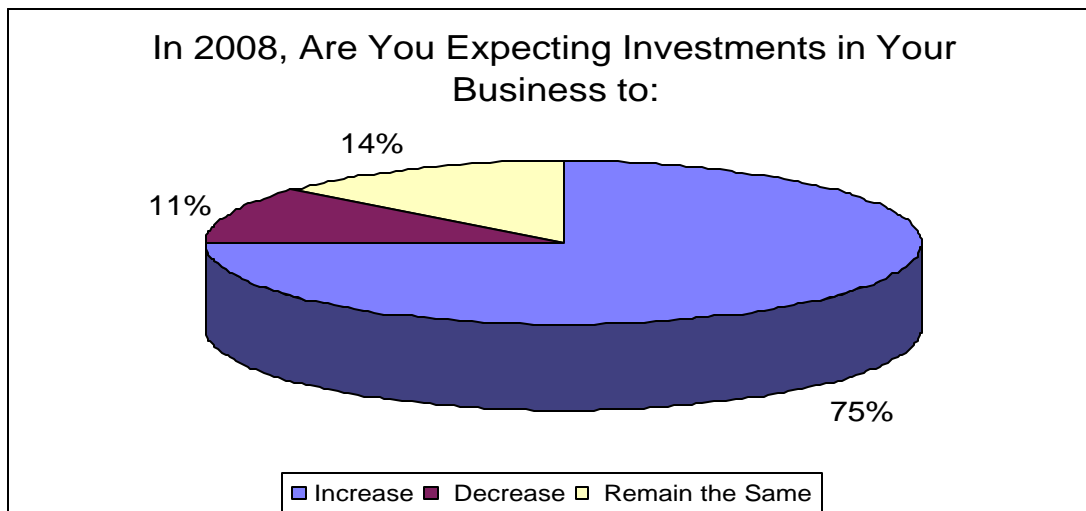
For those that expect an increase:

- The average adjusted increase was 12.96%\*
- The most common increase was 5.0%
- The greatest increase was 90%
- The smallest increase was 5.0%

For those that expect a decrease:

- The average decrease was -10.00%

### 1.3. *Expected Investments in Business in 2008*



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

For those that expect an increase in investment:

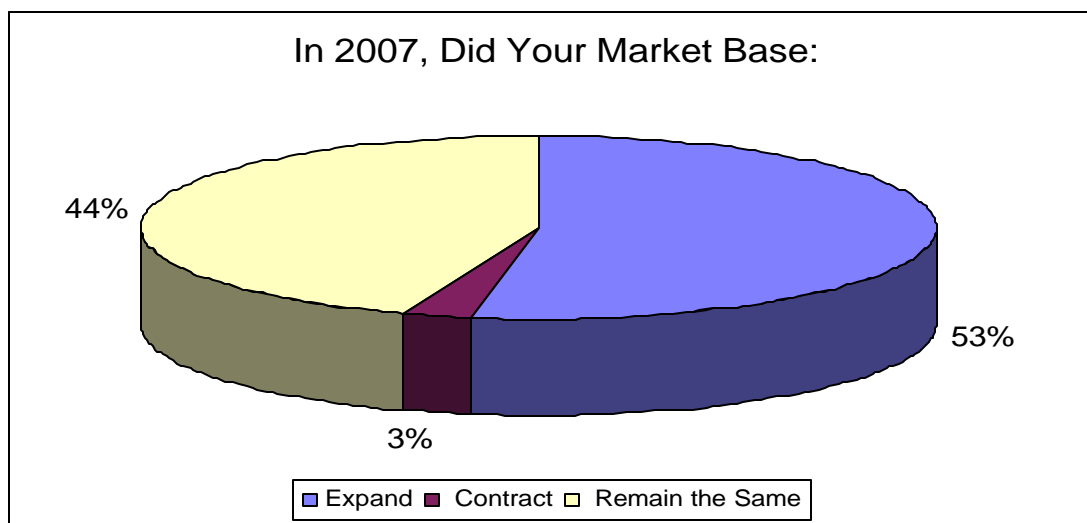
- The average adjusted increase was 19.72%
- The most common increase was 10%
- The greatest increase was 230%
- The smallest increase was 2%

For those that expect a decrease in investment:

- The average decrease was -7.5%
- The largest decrease was -10%
- The smallest decrease was -5%

## 2. Market Expansion

### 2.1. 2007 Market Base



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

- The average provincial expansion was 8.54%
- The most common provincial expansions were 5% and 15%
- The largest provincial expansion was 25%
- The smallest provincial expansion was 1%

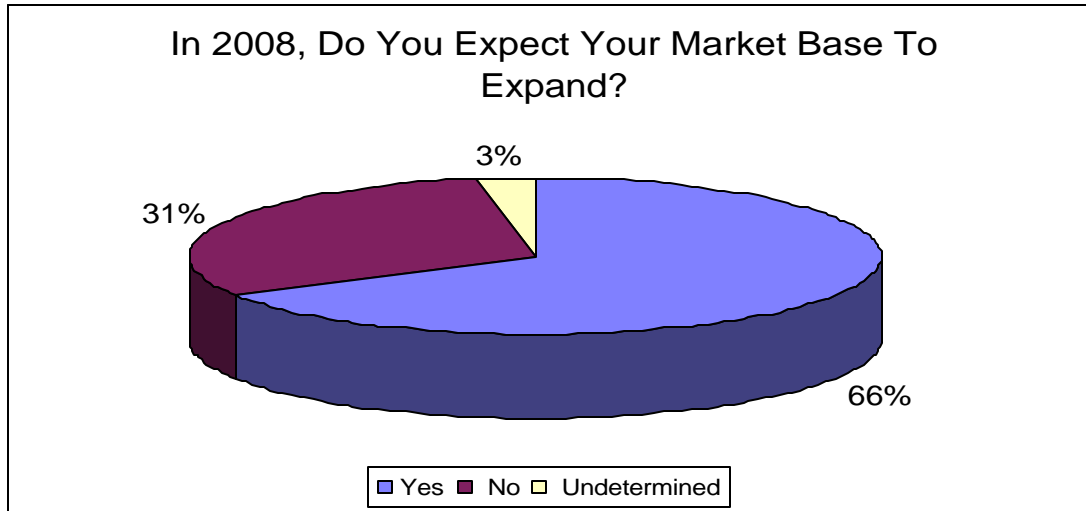
For those that experienced an expansion of their market base nationally:

- The average national expansion was 8.57%
- The most common national expansions were 5%
- The largest national expansion was 24.8%
- The smallest national expansion was 3%

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

- The average international expansion was 10.44%
- The most common international expansions were 5%
- The largest international expansion was 20%
- The smallest international expansion was 2%

## 2.2. Market Expansion in 2008



For those that are expecting to expand their market base provincially:

- The average provincial expansion expected is 8.41%
- The most common expected provincial expansions are 5% and 10%
- The largest expected provincial expansion is 25%
- The smallest provincial expansion expected is 2%

For those that are expecting to expand their market base nationally:

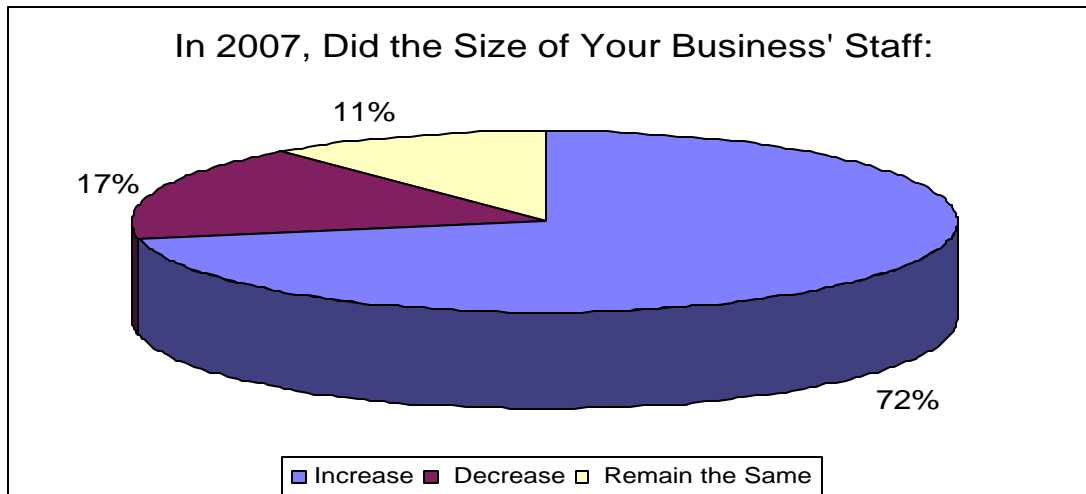
- The average national expansion expected is 9.08%
- The most common expected national expansion is 5%
- The largest expected national expansion is 50%
- The smallest national expansion expected is 1%

For those that are expecting to expand their market base internationally:

- The average international expansion expected is 9.29%
- The most common expected international expansion is 10%
- The largest expected international expansion is 15%
- The smallest international expansion expected is 5%

## 3. Job Creation

### 3.1. 2007 Employment



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

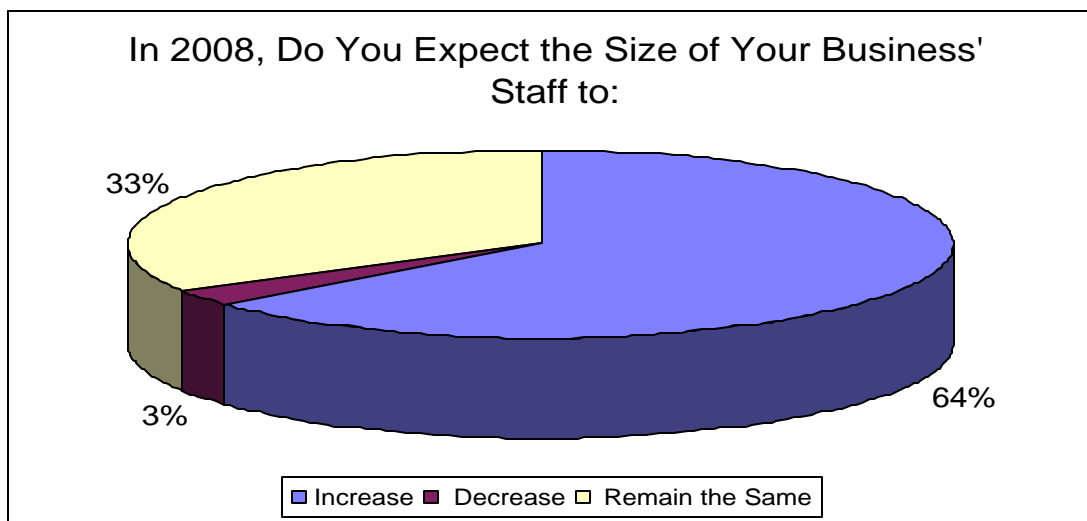
For those that hired more staff:

- The average adjusted increase in full time employees was 8
- The most common response was 1 additional full time employee
- The largest increase in full time employees was 80
- The smallest increase in full time employees was 1
- The average increase in part time employees was 3
- The most common responses were 1 or 3 additional part time employee
- The largest increase in part time employees was 6
- The smallest increase in part time employees was 1

For those that reduced staff:

- The average adjusted decrease in full time employees was 4.75\*
- The most common response was 5 less full time employees
- The largest decrease in full time employees was 20
- The smallest decrease in full time employees was 2
- A 1 employee decrease in part time employment was the only one noted

### 3.2. *Employment Projections*



For those that expect to hire more people

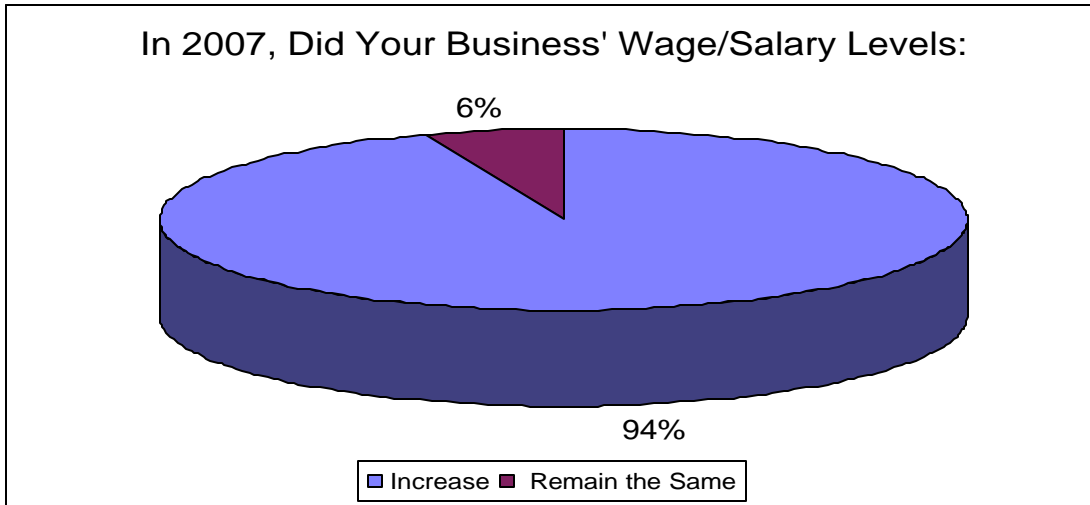
- The average adjusted increase in full time employees was 6.39\*
- The most common response was 1 additional full time employees
- The largest increase in full time employees was 40
- The smallest increase in full time employees was 1
- The average increase in part time employees was 3.67
- The most common response was 2 additional part time employees
- The largest increase in part time employees was 10
- The smallest increase in part time employees was 2

For those that expect to hire fewer people

- The decrease in full-time employment was a 4 employee loss reported by one company

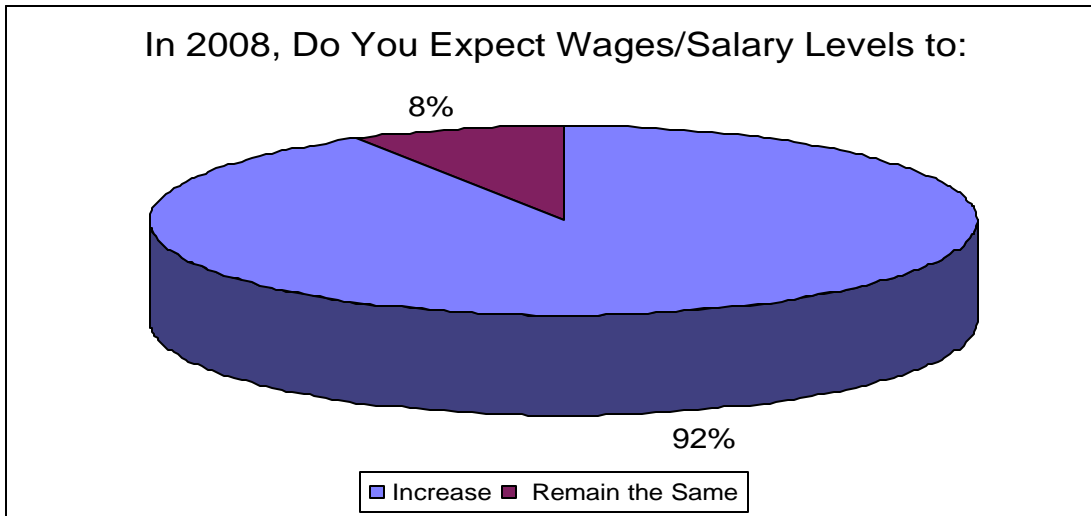
\* Adjusted data has had the highest and lowest outlier removed.

### 3.3. Wage Levels



- The average adjusted change in wages was an increase of 7.84%\* (unadjusted 8.20%)
- The most common wage increase was 5%
- The largest wage increase was 25%
- The smallest wage increase was 3%
- No companies reported wage decreases in 2007

### 3.4. Wage Expectations



For those that expected wages/salaries to increase:

- The average adjusted wage increase expected was 6.22%
- The most common wage increases expected were 5% and 10%
- The largest wage increase expected was 20%
- The smallest wage increase was 2.5%

No Companies expected wages/salary levels to decrease in 2008.

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

## 4. General Comments

- Generally we are finding it harder to attract and retain unskilled workers in the province. Increases in compensation have not reduced the turnover. Also, all levels of management are in demand and very hard to recruit. We think that labour resources will be our biggest challenge in 2008. Our second largest challenge will be inflation on our costs.
- For 2008, I would like to see 1) Balance Labour Laws 2) Reduce Taxes 3) Harmonize PST & GST
- We are experiencing increasing difficulty in recruiting qualified people.
- It is difficult to find qualified employees in rural Saskatchewan; it is difficult to find dedicated employees.
- There is a lack of qualified help in rural Sask. Employees demand higher wages so they can live! But will the business survive? How do we attract youth to rural Sask.? I am tired of training employees and then having them move next door and become the competition. I have no clout to charge them for all the knowledge they take from me. I am weary of the employee always being right.
- Salary increases are being driven by other regional industries that do not benefit us. Our greatest problem is unreasonable increase in value of Canadian Dollar. The property taxation issue has also not been satisfactorily resolved. The combination of these issues is forcing us to look outside the country for expansion.
- Our Canadian market base is static (land base), farmer expenditures vary +/- 5% per annum, depending on the commodity values and growing conditions. Changes in sales and revenue are technology driven, we must capture more share with superior products. Over the past decade there has been very little real market growth. Nonetheless, the crop production Ag sector is fairly bullish (in returns) and should remain healthy over the next 2-3 years, despite all the negative press to the contrary!
- From an operational and cost perspective, the Alberta scene and strengthening Saskatchewan economy has placed a lot of pressure on wages and access to seasonal labour. People are harder to find and you need to pay more.
- 2007 marks of 25<sup>th</sup> year of operations in Saskatchewan. Our business is healthy, the province is growing stronger, and we remain optimistic.