

## Ontario Economic Report digs deep into business' concerns

By: Sandra Dueck, Policy Analyst, Greater Peterborough Chamber of Commerce

The new Ontario Economic Report (OER) aimed at shaping and informing future public policy was released earlier this week by the Peterborough and Ontario Chambers of Commerce. The 2017 report provides new economic analyses that demonstrate the difficult economic environment faced by Ontario businesses and consumers in 2017. Along with painting a provincial picture, there are also some Peterborough elements to digest.

The report includes the results of the Ontario Chamber of Commerce's (OCC) new Business Confidence Survey conducted in partnership with Fresh Intelligence; a Business Prosperity Index developed by the Canadian Centre for Economic Analysis (CANCEA); and an Economic Outlook for 2017 prepared by Central 1 Credit Union. These datasets, viewed together, reveal broad challenges to Ontario's economic health.

The findings from the business confidence survey show that medium and large businesses are more confident (72%) than small businesses in Ontario (61%) in their own organizations, but overall business confidence in the provincial economy sits at 24%. Overall, OCC members are unsure of the stability of the wider provincial economy and are pessimistic about the impact new government initiatives like cap & trade and the electricity pricing rebate will have on their organizations.

Peterborough CMA					
	2014	2015	2016	2017	2018
Total Employment (000s)	60.5	61.2	59.5	61.0	63.0
% change	10.2	1.2	-2.8	2.5	3.3
Unemployment Rate, %	8.2	7.7	5.1	6.0	5.8
Residential Sales, units	2,409	2,761	3,100	3,300	3,700
% change	-1.8	14.6	12.3	6.5	12.1
Residential Median Price, \$	243,704	254,168	280,000	300,000	330,000
% change	5.6	4.3	10.2	7.1	10.0
Residential Permits, units	619	431	550	600	650
% change	12.5	-30.4	27.6	9.1	8.3
Non-Residential Permits (\$ mil.)	95.7	45.6	50	45	60
% change	143.1	-52.4	9.6	-10.0	33.3
Population (000s)	122.8	122.6	122.4	122.4	122.5
% change	-0.2	-0.2	-0.1	0.0	0.1

Sources: Statistics Canada, Teranet, C1CU. Forecast 2017 - 2018, 2016 estimated except labour.

The Business Prosperity Index is at 48.5%. While the OER notes that this is near its 15 year high, the concern is that business still sees the environment as high-risk because of the public policies around key areas such as new legislative regulations, electricity prices and staffing needs.

"The results of the Ontario Economic Report were also reflected in what we heard from local businesses through the Small Business Too Big To Ignore campaign," said Stuart Harrison, President & CEO, Peterborough Chamber of Commerce. "And now that we've identified the challenges, such as lack of confidence and lower revenue projections for small business, the key will be to focus on working with government and the private sector. Through the Business Confidence survey and the Business Prosperity Index, a baseline has been set and continual measurement will help us guide Ontario forward."

Economic outlook data for the Muskoka-Kawartha Economic Region, which is anchored by the Peterborough census metropolitan area (CMA), shows moderate but improving growth for 2017-2018. The median residential housing price will be \$300,000, reflecting an increase over last year. Employment in Peterborough is forecast to rise robustly through 2018, with an unemployment rate around 6%, which will be lower than the forecast provincial unemployment rate. The Central 1 Credit Union outlook also predicts that a growing portion of service

industries in Peterborough will become export-oriented. While Ontario enjoyed an average 2.6 percent real GDP growth rate between 2000 and 2006, the source of wealth generated from the production of goods and services actually declined by 12 percent during that same period. Since the recovery from the "great recession of 2008", production activities fell a further 12 percent. Broadly, this means Ontario's business prosperity is increasingly dependent upon non-production, financial activities.

"Our research shows that Ontario's economic climate is posing challenges to the businesses we represent and Ontarians more broadly," said Allan O'Dette, President and CEO of the OCC. "Investment is being held back because of a high perception of risk. We need immediate action in order for our province to continue to grow and prosper."

Download the full Ontario Economic Report from our website: peterboroughchamber.ca/news-events-blog

*"It's worth highlighting the policy successes of the Chamber Network, including your Peterborough Chamber which had a policy resolution passed on pushing for clarity in electricity pricing and billing," said Jim Hill, Chair of the Board of the Directors, Peterborough Chamber of Commerce. "These grassroots suggestions are critical to seeing the changes small businesses need to be confident and competitive."*

This challenge is a result of the current economic environment, in which increased costs associated with production, regulation and housing have resulted in weak market and labour force activity. Businesses in Ontario are operating in a risk-averse environment in which they are disinclined to grow production by investing or hiring.

**NEXT STEPS:** The Ontario Chamber of Commerce working groups on the policy priorities for 2017. The Peterborough Chamber is on two of the working groups:

- skills & workforce development
- environment & infrastructure

**Experience China**

Oct 11 -21, 2017

peterboroughchamber.ca

merit travel GREATER Peterborough Chamber of Commerce

Experience how these entrepreneurs are taking it to the next level. Discover who they think is next!

**Next Level**

Wednesday, February 22, 2017  
Doors open at 11:45am | Lunch at 12:00pm  
Live Production 12:15 -12:45pm  
The Venue PTBO

### Event Calendar

CHAMBER AM TUESDAY February 14<sup>th</sup>, 2017

**Chamber AM Meet Up**  
The Carousel  
116 Lansdowne Street East  
Coffee's on at 7:00am  
Speakers from 7:30-8:30am  
Speaker: Carlo Raponi, Ptbo Axe Club

**Details:** The Chamber Breakfast meetings are a great way to fuel up for your busy workday. Network with fellow Chamber members.  
**Cost:** Pay for your breakfast

LUNCHBOX LEARNING WEDNESDAY February 15<sup>th</sup>, 2017 (Chamber & WBN members only)

**Realizing Your Marketing Investment**

**Chamber Boardroom**  
175 George Street North  
12:00pm - 1:00pm

**Speakers:** Darren Murphy & Mike Healey, The Peterborough Examiner

**Details:** Learn about the marketing funnel and the influence you have on the consumer's path to purchase.  
**Cost:** Free (bring your own lunch)  
**Sponsor:** Bell  
**Note:** Pre-registration is required

NEXT LEVEL PTBO WEDNESDAY, February 22<sup>nd</sup>, 2017

**The Venue PTBO**  
286 George Street North  
11:45am - 1:00pm

**Speakers:** Aletta Littlemore, Torbram Electric

Trent Gervais, Loomex Group  
Alysha Dominico, Tangible Words

**Details:** These Next Level business people will talk about their entrepreneurial story and how they're taking it to the next level. They will then introduce us to who they think is next!

**Cost:** Free for Chamber members and those considering Chamber membership

We look forward to seeing you at our monthly events.  
Check out our Events Calendar at peterboroughchamber.ca/events

Chambers of Commerce Group Insurance Plan<sup>SM</sup> FOR FIRMS WITH 1-50 EMPLOYEES

Insurance for small business that's anything but small

contact: Brian Bulger at 741-1400

### Employer-Sponsored Health Benefit Plans Will Not Be Taxed

Thank you to all of our members who wrote letters expressing the need to maintain the tax-free status of employer-sponsored health benefit plans - **your voice was heard!**

Last week the Prime Minister stood in the House of Commons and in response to a question from the opposition leader said these plans would not be taxed.

Here's the excerpt from the exchange between the PM and the Opposition Leader:

## POLICY ALERT

**Hon. Rona Ambrose (Leader of the Opposition, CPC):**

Mr. Speaker, millions of Canadian workers will be forced to pay the Liberals' new tax on health and dental benefits. Many will lose their coverage and find themselves paying out of pocket for important expenses like life-saving medicines, mental health counselling, and their children's braces. It is not fair that the Prime Minister racks up billions of dollars in spending on his priorities and now Canadians have to pay for it with a \$1,000 new tax on their health and dental benefits.

Why would the Prime Minister even consider doing this?

**Right Hon. Justin Trudeau (Prime Minister, Lib.):**

Mr. Speaker, we got elected on a commitment to invest in the middle class, to support the middle class and those working hard to join it. The very first thing we did was lower taxes on the middle class and raise them on the wealthiest 1%. We are committed to protecting the middle class from increased taxes and that is why we will not be raising the taxes the member opposite proposes we will do.

#LOVE LOCALPTBO STRENGTHENING BUSINESS

Murray H Miskin Retweeted Ptbo Musicfest @PtboMusicfest - Feb 2 The gift that keeps giving! Pick up your Diner's Cards at @LansdownePlace, @piktourism Visitor Centre or ptbo.musicfest.ca #LoveLocalPTBO

Diner's Cards Treat your loved one to 38 date nights, no cooking or clean-up required! #ptbo.musicfest.ca

www.peterboroughchamber.ca

WDB Local Employment Planning Council Conseil de planification de l'emploi local

### Have a Question About Labour Market Information?

This update is brought to you by Workforce Development Board

It is our goal to help you with any of the questions you have related to local labour market information, and other topics related to your information search.

**Not Sure What You Are Looking For? Have more questions?**  
For those who want to search, feel free to email your questions to us at [HelpDesk@wdb.ca](mailto:HelpDesk@wdb.ca), or to speak to us directly, please contact either of the following:

Please feel free to browse our online resources at: [www.wdb.ca/labour-market-info](http://www.wdb.ca/labour-market-info)

Jason Dennison, Manager of Operations [jdennison@wdb.ca](mailto:jdennison@wdb.ca) 705-749-3250 ext. 114  
Andrew Bell, Labour Market Information Analyst [abell@wdb.ca](mailto:abell@wdb.ca) 705-749-3250 ext. 118

