



2016 Atlantic Canada Business Confidence Index Wave 1

Summary Report

July 2016

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Table of Contents

	Page
Introduction	1
Economic Context and Executive Summary	2
Detailed Analysis.....	5
The Inaugural Atlantic Canada Business Confidence Index.....	5
Consumer Confidence.....	8
Provincial Economy in Atlantic Canada	9
Confidence in Economic Future	11
Current State of Provincial Economy in Atlantic Canada.....	13
Future State of Provincial Economy in Atlantic Canada	15
GDP Growth in Atlantic Canada.....	17
Top Three Issues Facing Atlantic Canadian Businesses Today	18
Changes to Positively Impact Business Climate.....	19
Fostering a Positive Business Environment	20
Ageing and Declining Population	22
Organizations' Economic Outlook.....	23
Organizations' Current Economic Well-Being.....	23
Organizations' Future Economic Well-being	25
Organizations' Revenue in the Past Year	27
Organizations' Revenue in Next 12 Months	28
Survey Methodology.....	29
Questionnaire Design.....	29
The Atlantic Canada Business Confidence Index	29
Survey Administration	29



Introduction

This report presents the findings of the inaugural **2016 Atlantic Canada Business Confidence Index Benchmark Study** undertaken by Corporate Research Associates Inc. (CRA) and sponsored by TD Canada Trust (TD). The Atlantic Canada Business Confidence Index is a comprehensive survey of business owners and executives across industries, providing insight into current economic business conditions, anticipated business conditions for the coming year, capital purchase intentions and hiring intentions. This semi-annual initiative provides important economic indicators for industry, the business community, and the region's policy makers.

This economic metric represents companies from all major sectors of the economy including professional services, manufacturing, technical services (such as construction, plumbing, electrical, etc.), retail, business support services, and health services, among others. Participants include members of an exclusive panel of executives who were initially recruited by direct personal invitation. As well, the Atlantic Chamber of Commerce and a large number of associations invited their members to take part, producing a more in-depth understanding of the current business climate in the region. The bi-annual surveys of the Business Confidence Index (BCI) will occur in June and December, providing a measure at the start of each year, and one at the mid-point for the year. Participating individuals are provided with advance notification of the BCI on a confidential basis, prior to the public release of the Index.

In total, 642 surveys were completed between June 16th and July 4th, 2016. This report includes an executive summary, an analysis of the survey findings, and a detailed description of the methodology employed in the study. To provide further context surrounding the economic indicators for industry in Atlantic Canada, information sourced from Statistics Canada and TD Economics has also been included throughout this report. Appended to the report is a copy of the data tables that present results overall, by question and across key organizational characteristics.



Economic Context and Executive Summary

Current Economic Environment in Atlantic Canada

Canada has been in an unprecedented period of slower than normal economic growth since the great recession. The last eight years have been particularly difficult for Atlantic Canada. In addition to exceptionally low economic growth, the region is facing a demographic crisis in terms of stagnant population growth, along with the oldest population in Canada. Wage growth and job creation has been extremely challenging in the current economic environment.

The lack of growth in the regional economy over the past number of years is really the consequence of a population that is aging and not growing. Indeed, while the region currently has the highest rates of unemployment in Canada, a rapidly aging workforce will soon result in a significantly smaller workforce available for businesses in the region. Within the next decade, Atlantic Canada will go from a high unemployment region of the country to a low unemployment region. Without a significant increase in the population, there will be more than a quarter million more 65 year olds in the next fifteen years in Atlantic Canada and not enough new workers entering the work place to replace those retiring. The result will be a significantly more competitive labour market resulting in higher wage demand for scarce talent in the region. More talent will have to be recruited from elsewhere and the cost of that talent will rise to national levels. Atlantic Canada will no longer enjoy the wage discount for workers that it has had to the current point in time.

For Atlantic Canada to be more prosperous, it is clear that the region must become more innovative in the creation of products and services that can be exported to new markets outside our region. The results of this initial business confidence index are encouraging in terms of the significant percentage of companies currently developing new products and services and looking for new markets for their products and services, but discouraging in terms of the small number actively involved in research and development activities. Businesses must become focussed on new markets for this region to be more successful, especially those focussed on the consumer market. Our regional domestic market is simply too small to support much economic growth otherwise.

It is clear that Atlantic Canada must increasingly rely on the private sector for our future prosperity in this region. Atlantic Canada must become more entrepreneurial and businesses less dependent on government for their success. There is increasing evidence that this process has already begun in the region based on the increasing number of new start-up businesses. Our new Business Confidence Index will help track the region's progress in terms of growing the economy in Atlantic Canada.

Executive Summary

The results of the inaugural **Atlantic Canada Business Confidence Index** (BCI) reveal optimism among business leaders about the future of their own organizations, but sharply divided opinions by province related to the state of the economies across the region. Indeed, those operating in PE, NS, and NB have higher confidence than those in Newfoundland and Labrador, and are more likely to believe that their province's economy has improved in the last year and will continue to do so going forward.

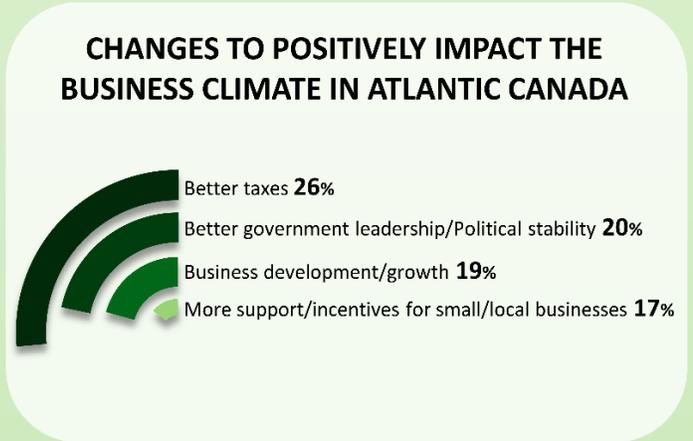
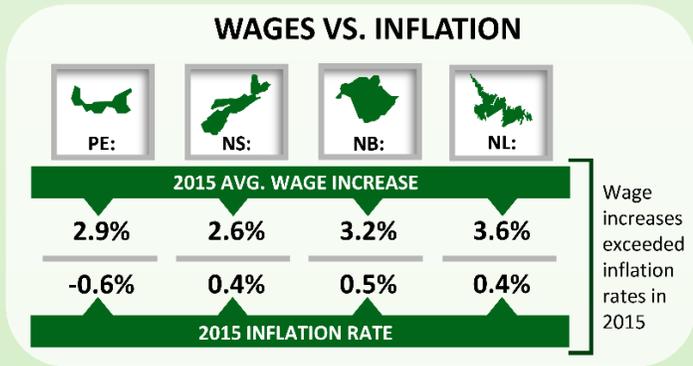
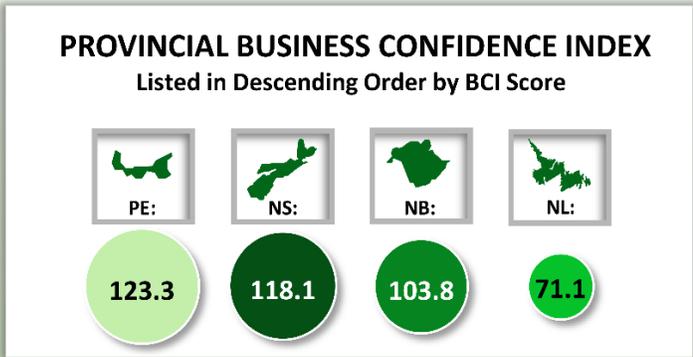
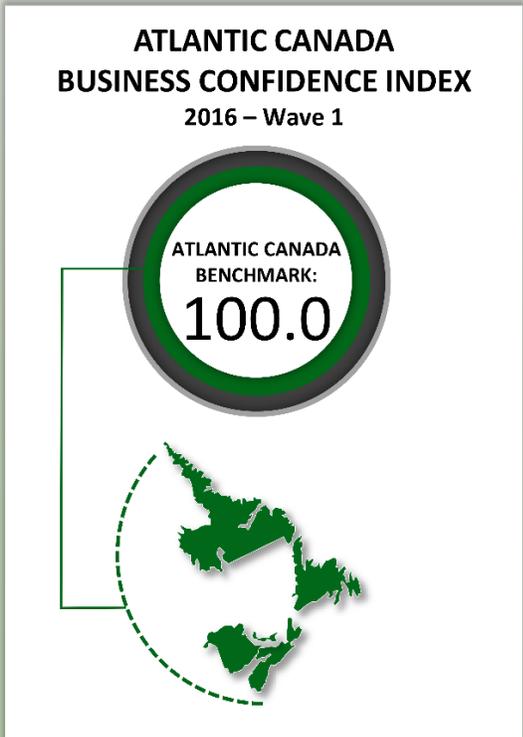
Businesses located in PE generally have the highest level of confidence and optimism, followed by those in Nova Scotia, with those in New Brunswick being more mixed in this regard. Those in Newfoundland and Labrador are more pessimistic, having seen a worsening economy in the last year and a lack of confidence about that province's future. These results align with GDP estimates for 2015.

Results show that businesses believe more could be done among the business community to foster a positive business environment, as they face the top three issues of **government and politics, high taxes** and **a lack of qualified employees**. Not surprisingly, when asked for suggestions on what changes could improve the climate in Atlantic Canada, businesses are looking for **reducing taxes, improved government leadership, business development and growth** and **more support and incentives to support small and local businesses**. Verbatim commentary reveals a degree of frustration with the relationships between government and business, and a desire for more collaboration. Facing an aging and shrinking population, businesses are keen to find ways to attract young talent, and keep people in Atlantic Canada.

Turning to organizational outlooks, businesses are generally better off compared with last year, though two in ten have experienced worsened conditions, more notably in Newfoundland and Labrador than in other provinces. Going forward, half of those surveyed expect their companies to be better off in the next year, including two thirds of those in NS, PE and NB, but only a quarter of those in NL. In terms of revenues, half of companies surveyed have seen an increase in the last year, and the same number expect growth in the coming year. It is positive to note that a far greater number expect growth than decline in revenues. When asked about their plans to grow, there is an evident focus on core products and services in current markets, though half of companies anticipate expansion into new markets, and four in ten will be developing new products and services in the next year. Digital and online strategies will form an integral part of growth as well, along with the introduction of new technologies and other efficiencies. One third of companies will be increasing their capital expenditures going forward. With an anticipated net increase in the number of staff employed in Atlantic Canada and wage increases outpacing inflation, overall results paint an optimistic, if cautious future for businesses in the region, with the exception of NL, where there are definite challenges in the coming year.

The infographic on the following page presents a snapshot summary of key findings.

Snapshot of Key Findings – 2016 Wave 1



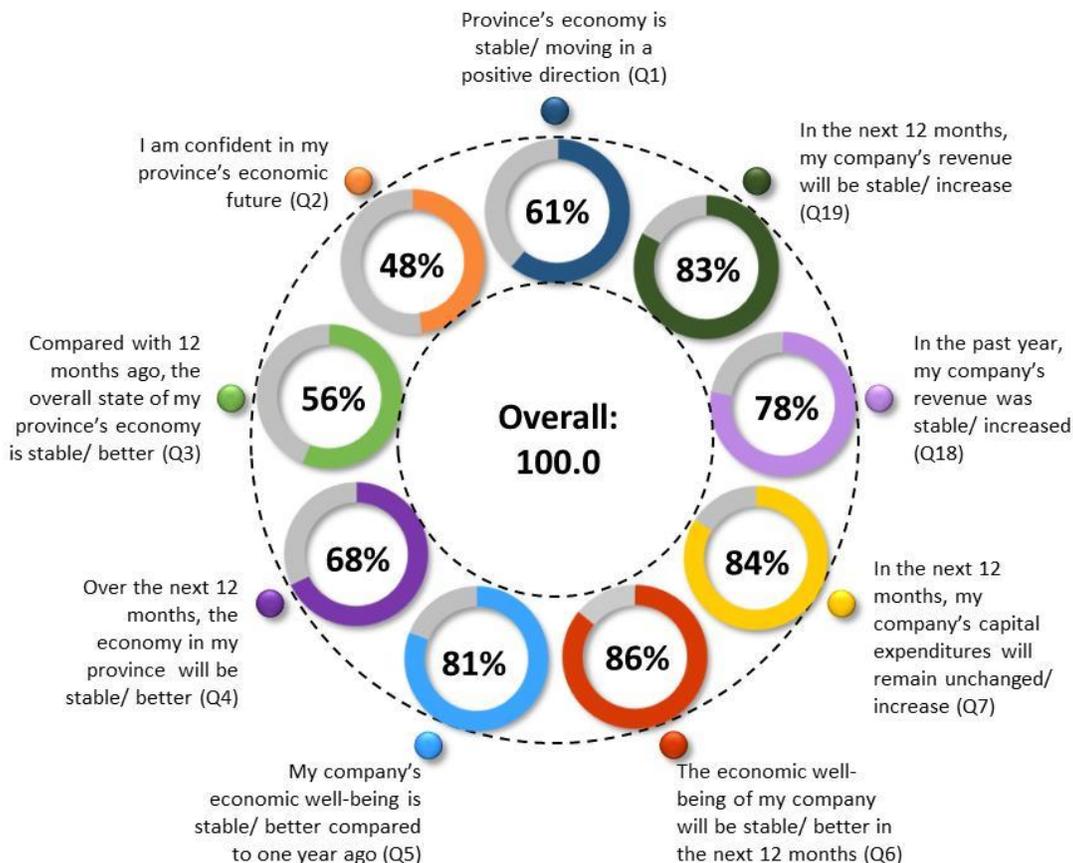
Detailed Analysis

The Inaugural Atlantic Canada Business Confidence Index

The inaugural Business Confidence Index (BCI) is derived from a series of nine questions related to the perceived state of Atlantic Canada’s economy, organizations’ economic situation, and organizations’ revenue trends. The Index takes into account Atlantic Canadian business leaders’ assessments of economic conditions at the present time, as well as the outlook for the upcoming year. The Index was set at a benchmark of 100 in this inaugural calculation, and all reports of the BCI from Wave 1 2016 onward will be measured relative to this benchmark. More specifically, the calculation is based on positive or neutral responses (namely, *better or about the same; increase or stay the same; and scores of 6 or higher on a 10-point confidence scale*), excluding negative responses (*worse; decrease; 1-5*) for each evaluation. The graphic below outlines scores for all questions included in the calculation of the BCI.

Business Confidence Index

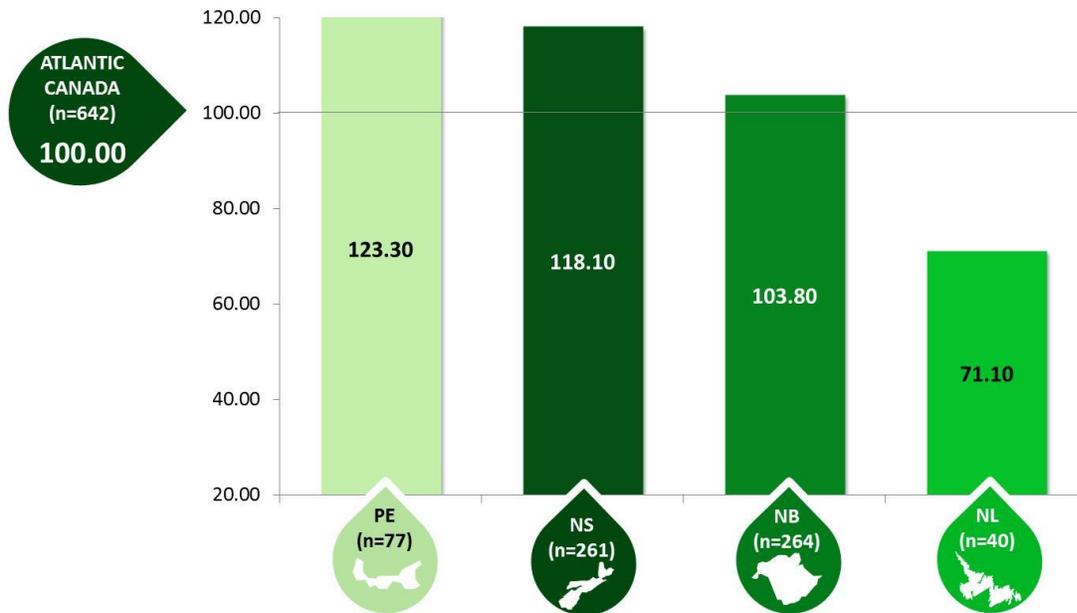
Calculation Variables, n=642



While the overall Business Confidence Index has been established at 100, there is considerable variance in confidence among the business community by province.

Marking the benchmark of Atlantic Canada’s Business Confidence Index, the overall calculated value currently sits at 100.0, serving as a standard measure for future waves of the BCI. With that said, differences can be seen when looking at operations across the Atlantic Provinces. Indeed, organizations in PE and NS have far greater confidence in their respective province’s economy compared to their counterparts elsewhere in Atlantic Canada. While economic confidence among business leaders in NB is relatively moderate, confidence levels among those in NL are particularly low in comparison to the rest of the region. (Table BCI)

Provincial Business Confidence Index in Atlantic Canada



Business Confidence across Size of Organizations

As shown in the figure to the right, BCI scores also vary by organization size. Larger businesses with more than 50 employees are far less confident in the economy compared to those with fewer employees. Confidence levels are comparable between small businesses and medium sized enterprises.

BCI Scores Across Number of Employees Listed in Descending Order by Company Size





Business Confidence across Business Activities

BCI scores were also compared across organizations’ primary business activities, as indicated in the figure below. There is a clear difference in confidence by sector, with those in the **hospitality/accommodations/restaurant** industries being most confident in their province’s economic state. Meanwhile, those operating in the **health and education** sectors are less confident in the economy by comparison.

BCI Scores Across Primary Business Activity
Listed in Descending Order by BCI Score

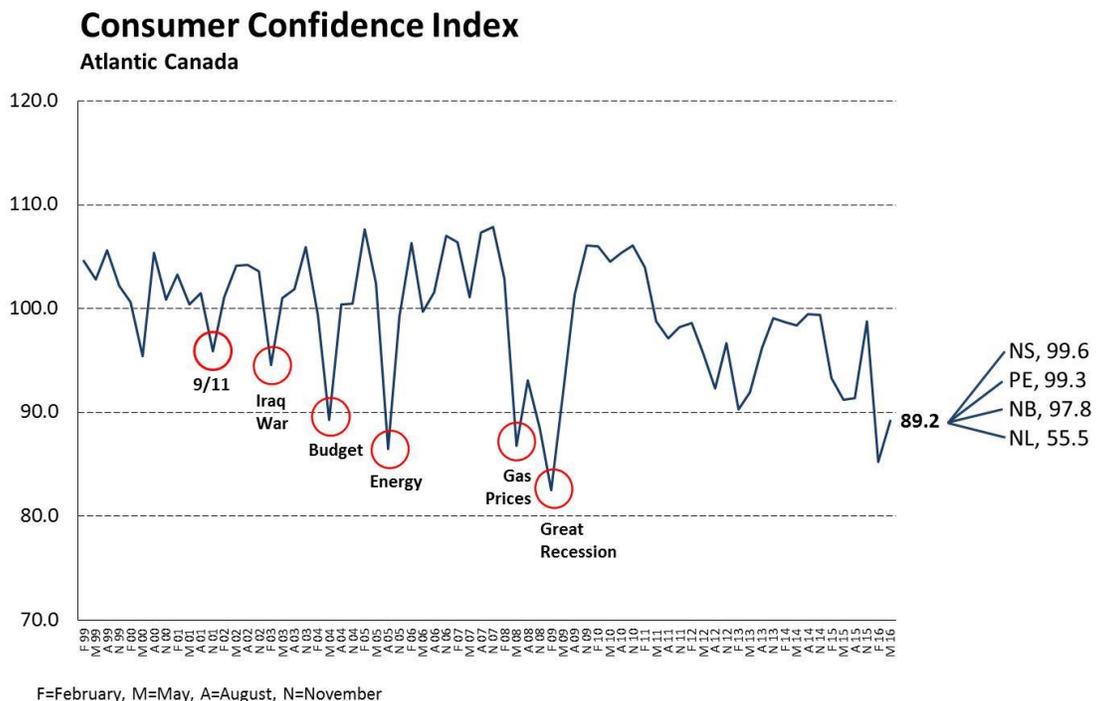


Consumer Confidence

Consumer confidence in Atlantic Canada has rebounded this quarter, following a significant decline earlier this year.

As a counterpart to the Business Confidence Index, consumer confidence offers another view of the region’s economy. The Atlantic Quarterly® Consumer Confidence Index (CCI) is derived from a series of five questions asked of residents on a quarterly basis, related to the perceived state of Atlantic Canada’s economy, household economic situation, and conditions for major purchases. The Index takes into account residents’ assessments of economic conditions at the present time, as well as the outlook for the upcoming year. Similar to the Business Confidence Index, the CCI was set at a benchmark of 100 upon its inaugural calculation in 1989, and all reports of the CCI since 1989 are measured relative to this benchmark. More specifically, the calculation is based on positive or neutral responses (namely, *better* or *about the same*), excluding negative responses (*worse*) for each evaluation.

After a rather dramatic drop in consumer confidence last quarter across the region, consumer confidence has rebounded in Atlantic Canada and currently sits at 89.2 (up from 85.2 since Q1 2016). This rebound masks a significant decline in consumer confidence in Newfoundland and Labrador, which is now at its lowest level ever recorded in that province, going back over twenty-five years (55.5, down 23.2 points).



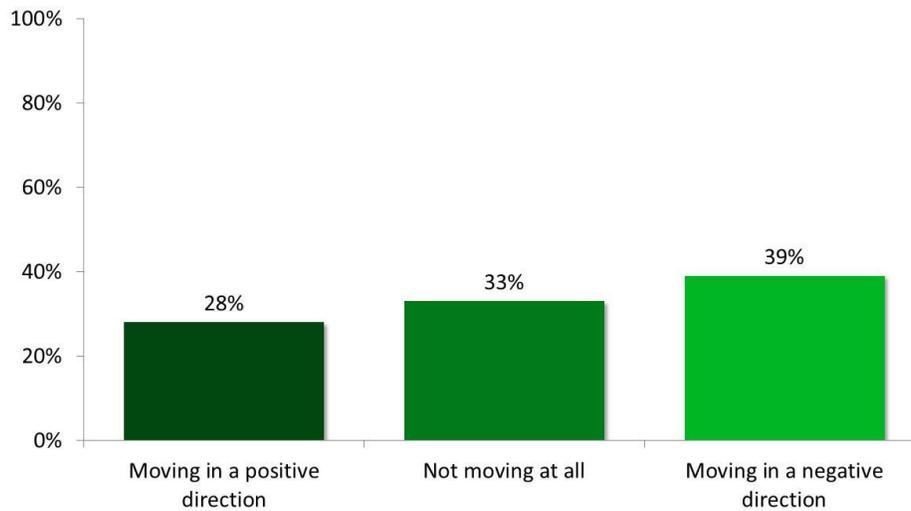
Provincial Economy in Atlantic Canada

Business leaders are clearly critical of the future direction of the region’s economy with only a relatively small minority believing that the economy is moving in a positive direction.

Just over one quarter of business leaders believe that the economic direction is **positive**, compared with four in ten who feel that the economic direction is **negative**. Meanwhile, one third holds the opinion that the economy is **not moving at all**. (Table 1)

Direction of Provincial Economy in Atlantic Canada

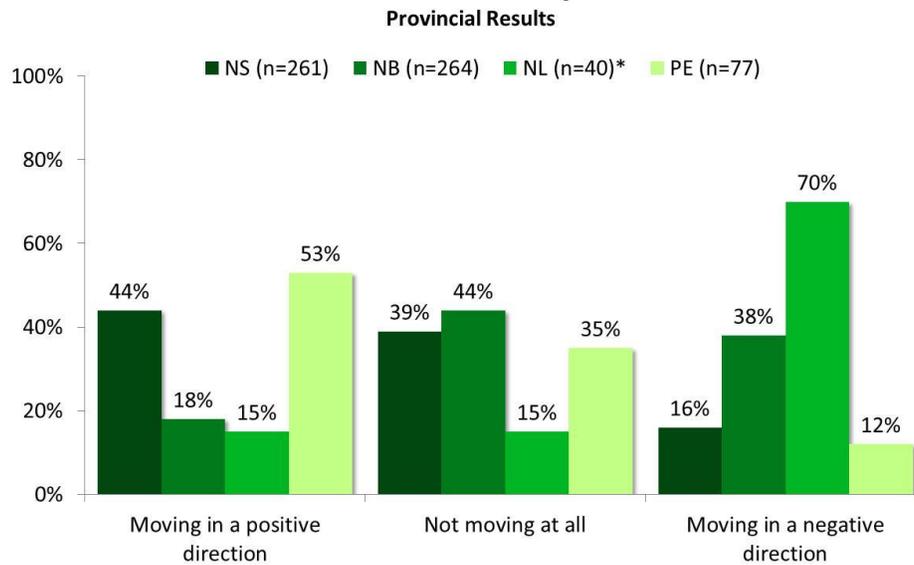
Overall Results



Q.1: In your opinion, is the economy of [Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island] moving in a positive direction, not moving at all, or moving in a negative direction? (n=642)

Looking at perceptions across the four Atlantic Provinces, representatives of companies operating in PE and NS are much more likely to believe that the economic direction of their respective province is **positive**. By comparison, their counterparts in NB are more likely to feel that the economy is **not moving at all**, while the majority of business leaders in NL believe the provincial economy is moving in a **negative direction**.

Direction of Provincial Economy in Atlantic Canada



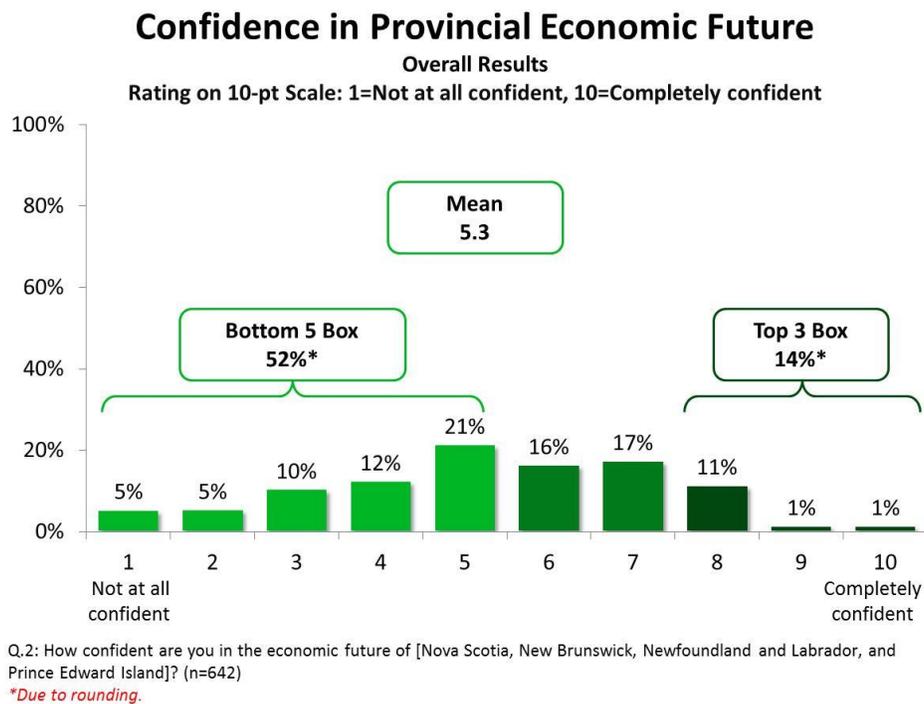
Q.1: In your opinion, is the economy of [Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island] moving in a positive direction, not moving at all, or moving in a negative direction?

**Caution: Small sample size.*

Confidence in Economic Future

Business leaders’ confidence in Atlantic Canada’s economic future is mixed at the moment, with just a small portion citing strong confidence in this regard.

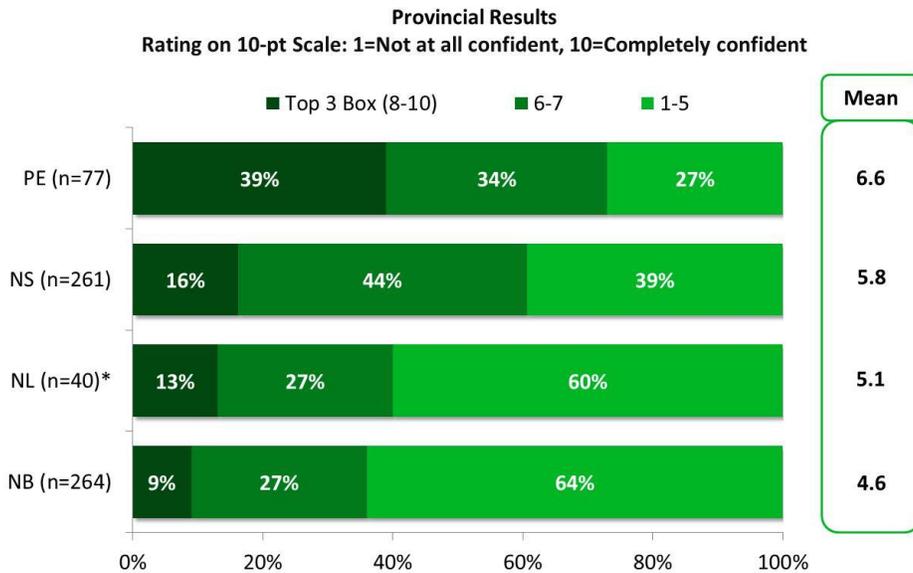
Perceptions of each province’s economic future in Atlantic Canada are conservative, with business leaders citing a moderate degree of optimism overall. In particular, just over one in ten express a high degree of confidence, while one-half feel otherwise. (Table 2)



Those with a greater number of employees are less confident in the local economy compared with their counterparts. Meanwhile, confidence levels are also lower among those in the health and education sectors.

Notable differences in confidence levels are evident across the four Atlantic Provinces. In particular, a sizeable minority of business leaders in PE are highly confident in the province’s economic future. Meanwhile, confidence is more moderate among those in NS, compared with a majority of business leaders in both NL and NB who are less confident.

Confidence in Provincial Economic Future in Atlantic Canada



Q.2: How confident are you in the economic future of [Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island]?

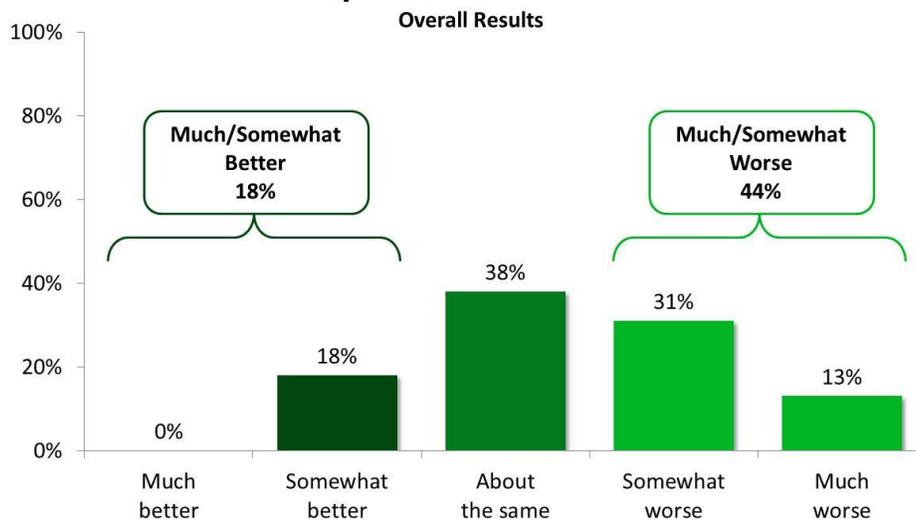
*Caution: Small sample size.

Current State of Provincial Economy in Atlantic Canada

Businesses are more than twice as likely to believe that their province’s economy has declined, rather than improved, over the past year.

A strong minority of business leaders overall believe that the state of the economy has declined to some degree compared to one year ago. On the other hand, two in ten cite improvements, albeit to a moderate degree. Meanwhile, nearly four in ten believe that the economy has not changed. (Table 3)

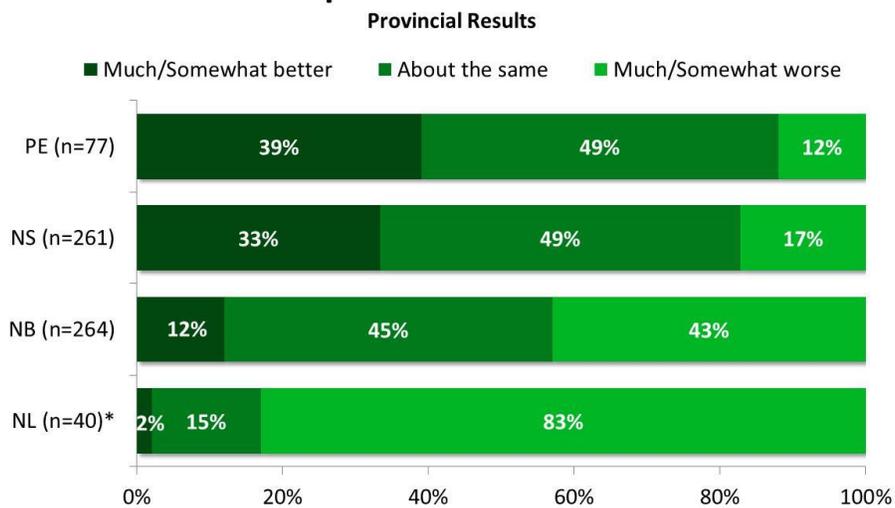
State of Provincial Economy in Atlantic Canada Compared with Last Year



Q.3: Compared with 12 months ago, would you describe the overall state of the economy in [Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island] as much better, somewhat better, about the same, somewhat worse, or much worse? (n=642)

Provincial results reveal considerable differences in perceptions, in line with the previous evaluations. A notable minority of business leaders in PE and NS believe that the economies of their respective provinces have either improved or remained stable in the past year. Meanwhile, perceptions among those in NB are divided, with nearly half describing unchanged conditions, while the remainder largely believe that conditions have worsened. By contrast, the vast majority of business leaders in NL have experienced worsened economic conditions.

State of Provincial Economy in Atlantic Canada Compared with Last Year



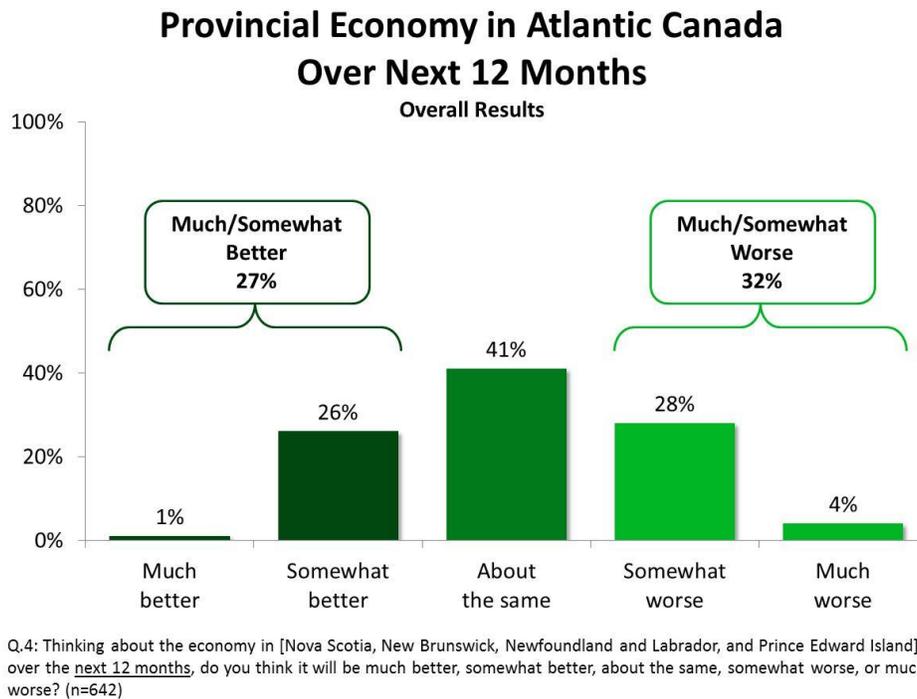
Q.3: Compared with 12 months ago, would you describe the overall state of the economy in [Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island] as much better, somewhat better, about the same, somewhat worse, or much worse?

**Caution: Small sample size.*

Future State of Provincial Economy in Atlantic Canada

Business leaders’ expectations for their province’s economy in the coming year are definitely mixed.

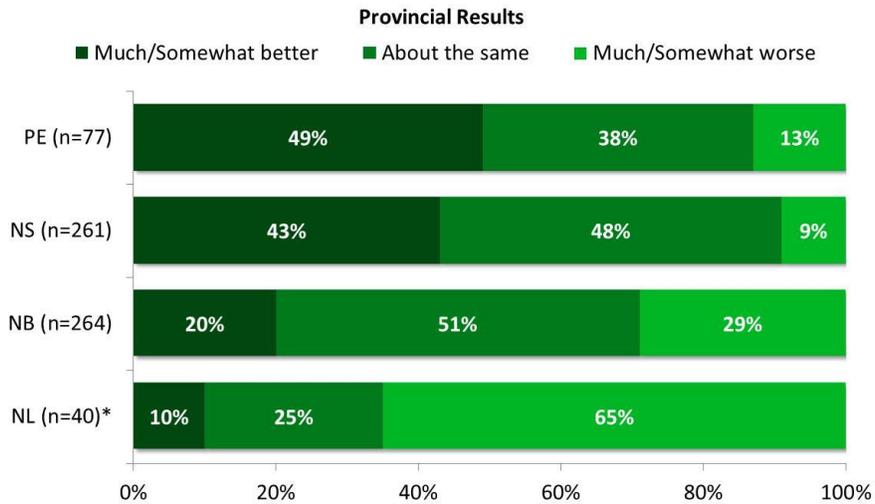
Looking ahead, business leaders cite greater optimism with respect to the economic outlook over the next 12 months compared with their evaluations of the previous year. Indeed, nearly three in ten believe that the economy will improve, while a slightly larger portion expects conditions to worsen. On the other hand, four in ten expect to see little change in their provincial economy in the coming year. (Table 4)



Business leaders with activities related to professional services and hospitality/accommodations/restaurants are more likely to believe that their province’s economy will improve in the coming year.

Further highlighting the region’s divided economic conditions, business leaders’ expectations vary by province. While the bulk of those in PE and NS believe the province’s economy will improve or remain stable, business leaders’ expectations are more conservative among those in NB. By contrast, worsened conditions in NL are anticipated by two thirds of business leaders for the coming year.

Provincial Economy in Atlantic Canada Over Next 12 Months



Q.4: Thinking about the economy in [Nova Scotia, New Brunswick, Newfoundland and Labrador, and Prince Edward Island] over the next 12 months, do you think it will be much better, somewhat better, about the same, somewhat worse, or much worse?

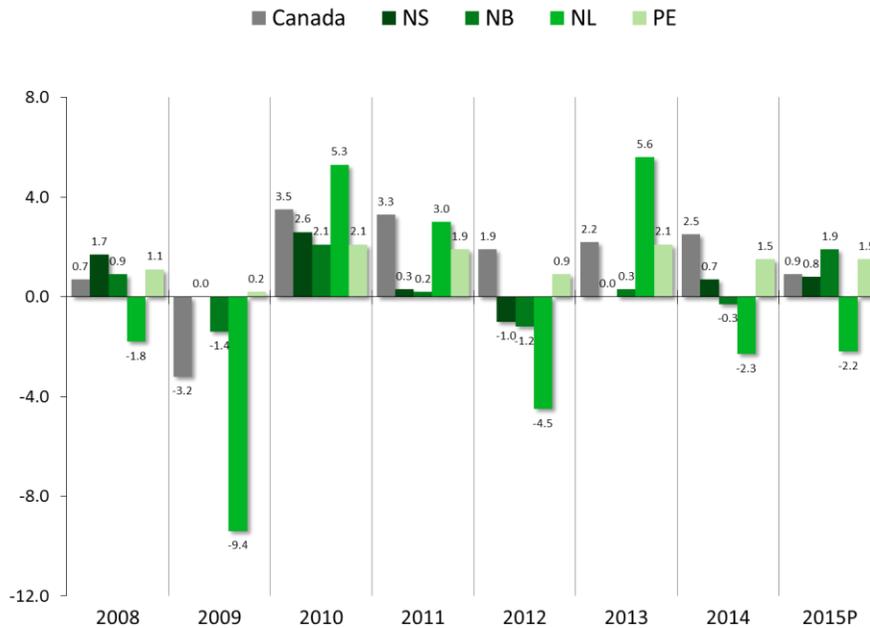
**Caution: Small sample size.*

GDP Growth in Atlantic Canada

All Atlantic Provinces with the exception of NL experienced modest economic growth in 2015.

The annual GDP growth analysis performed by Statistics Canada suggests improvement in the economic conditions in 2015 for Canada overall. The Atlantic region followed suit for the most part, with the exception of NL where a decline is observed. In all but three of the past eight years, NL’s GDP has suffered, while the remaining Atlantic Provinces have primarily benefitted over the same time period. That said, significant fluctuation in NL’s economy is perhaps to be somewhat expected given the province’s reliance on a commodity-based economy.¹

Gross Domestic Product - Annual Percentage Change



Source: Statistics Canada. P = Preliminary estimate.

¹ Statistics Canada. Table 379-0030 – Gross Domestic Product, by Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS), provinces and territories. P = Preliminary estimate.

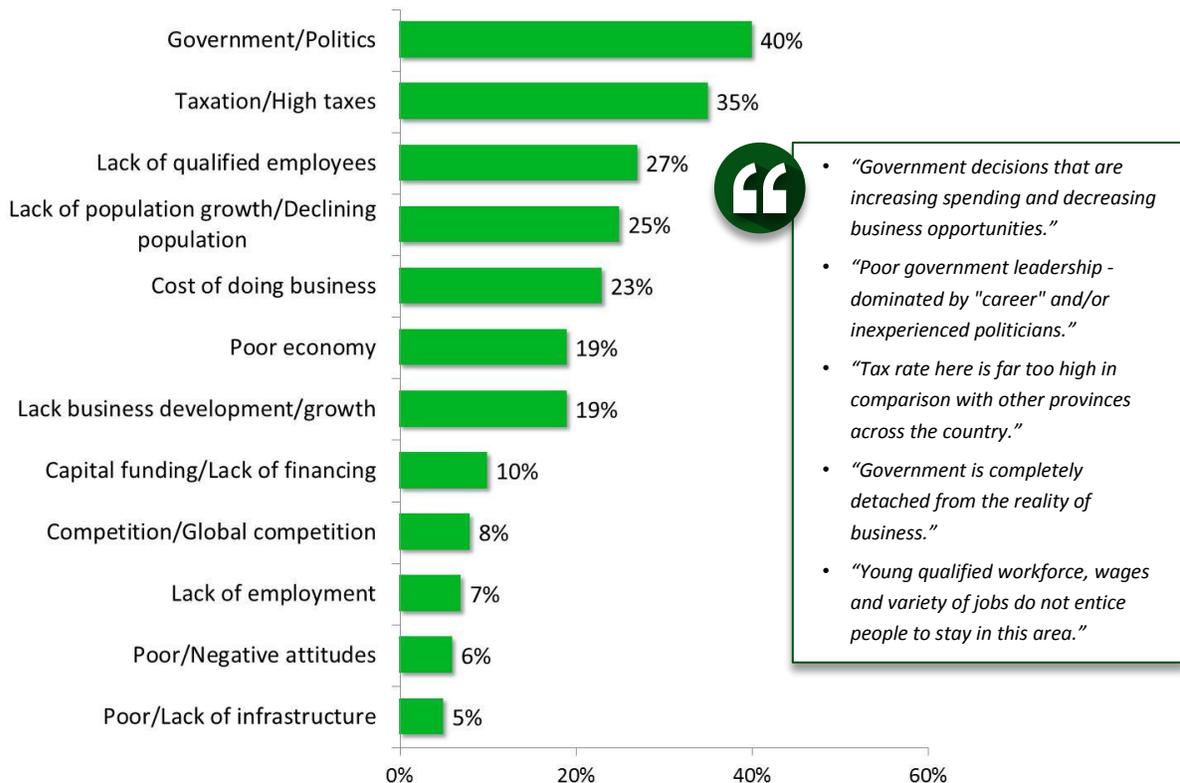
Top Three Issues Facing Atlantic Canadian Businesses Today

The business community in Atlantic Canada faces challenges with government, high taxes, and a limited pool of qualified employees.

Business leaders were asked to identify, unaided, the top three issues currently facing Atlantic Canadian businesses. While a variety of issues are named, the most prominent concern surrounds **government/politics**, followed by **taxation/high taxes**. Meanwhile, a slightly smaller portion also believe that the business community is challenged with a **lack of qualified employees, lack of population growth/declining population**, and the **cost of doing business**. Other issues identified by a smaller minority include a **poor economy**, and a **lack of business development/growth**. All other issues were mentioned by one in ten or fewer. (Table 22)

Top Three Issues Facing Atlantic Canadian Businesses Today

Key Mentions, From Total Unaided Mentions



Q.22: In your opinion, what are the top three issues facing Atlantic Canadian businesses today? Please be as specific as possible. (n=642)

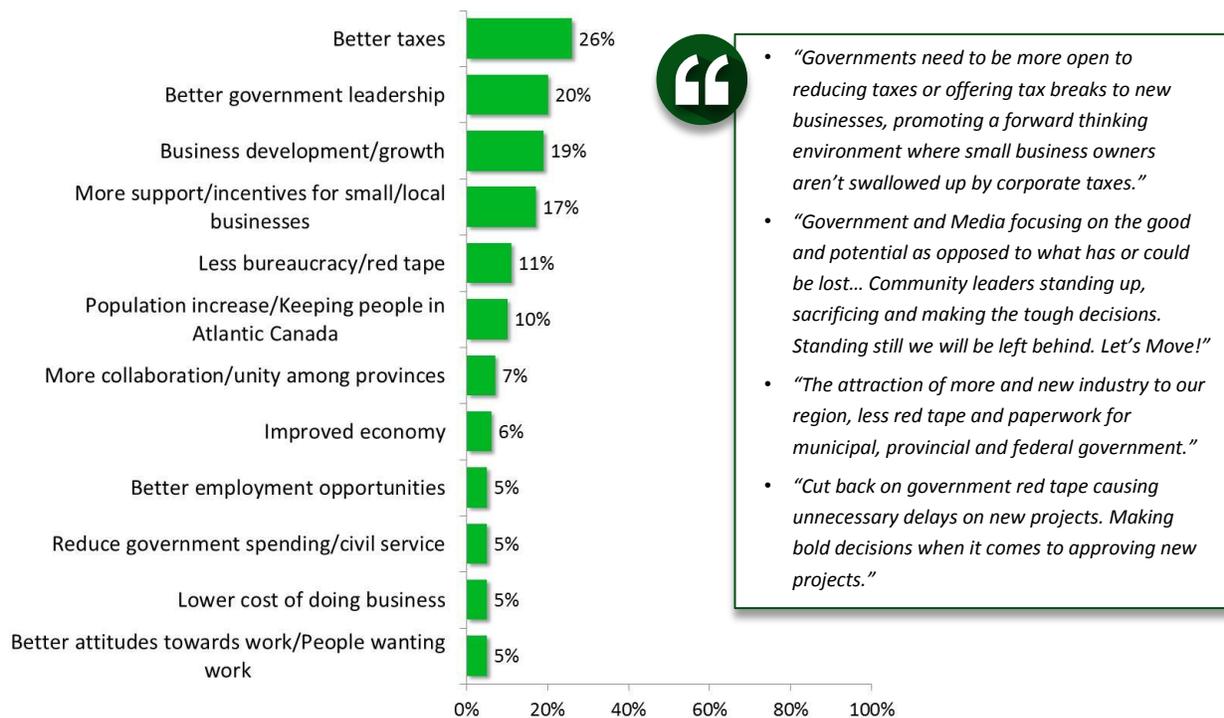
Changes to Positively Impact Business Climate

Business leaders call for reduced taxes and improved government leadership in order to positively influence the local business climate.

Similarly, business leaders were asked, unaided, what changes they would like to see to positively impact the region’s business climate. Once again, several suggestions are provided, with the most common change desired by the business community being **reduced taxes**, followed by **improved government leadership, business development/growth**, and **more support/incentives for small/local businesses**. Additional suggestions were offered by one in ten or fewer, including **less bureaucracy/red tape, population increase/keeping people in Atlantic Canada**, and **more collaboration/unity among provinces**, among others. (Table 23)

Changes to Positively Impact the Business Climate in Atlantic Canada

Key Mentions, From Total Unaided Mentions



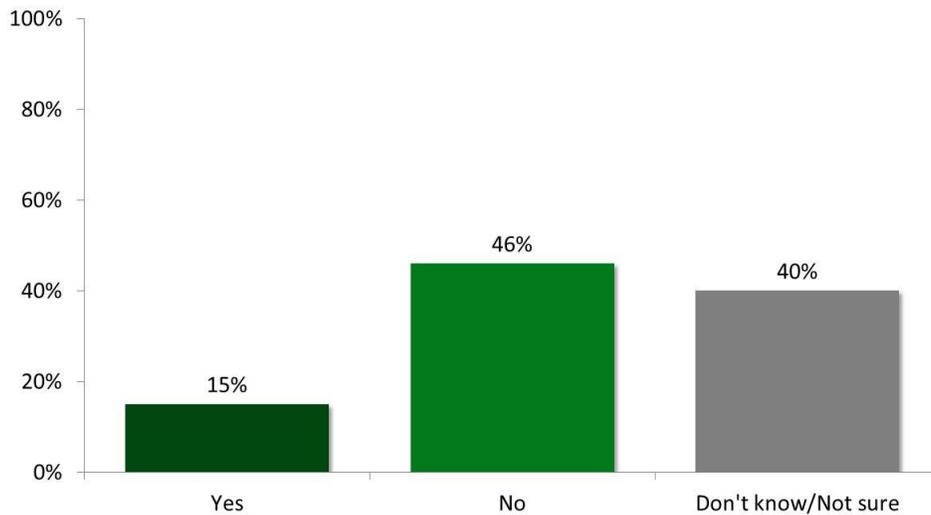
Q.23: What would you like to see change in order to positively impact the business climate in Atlantic Canada? Please be as specific as possible, listing as many changes as you like. (n=642)

Fostering a Positive Business Environment

Business leaders largely believe that more could be done to foster a positive business environment in Atlantic Canada.

There is a widespread perception among business leaders in Atlantic Canada that the business community is not doing enough to foster a positive business environment. Indeed, nearly half of those surveyed feel this is the case, while a small portion feels otherwise. That said, a great deal of uncertainty is cited, with a sizeable minority being unable to provide a definitive opinion. (Table 24)

Is the Atlantic Canadian Business Community Doing Enough to Foster a Positive Business Environment?



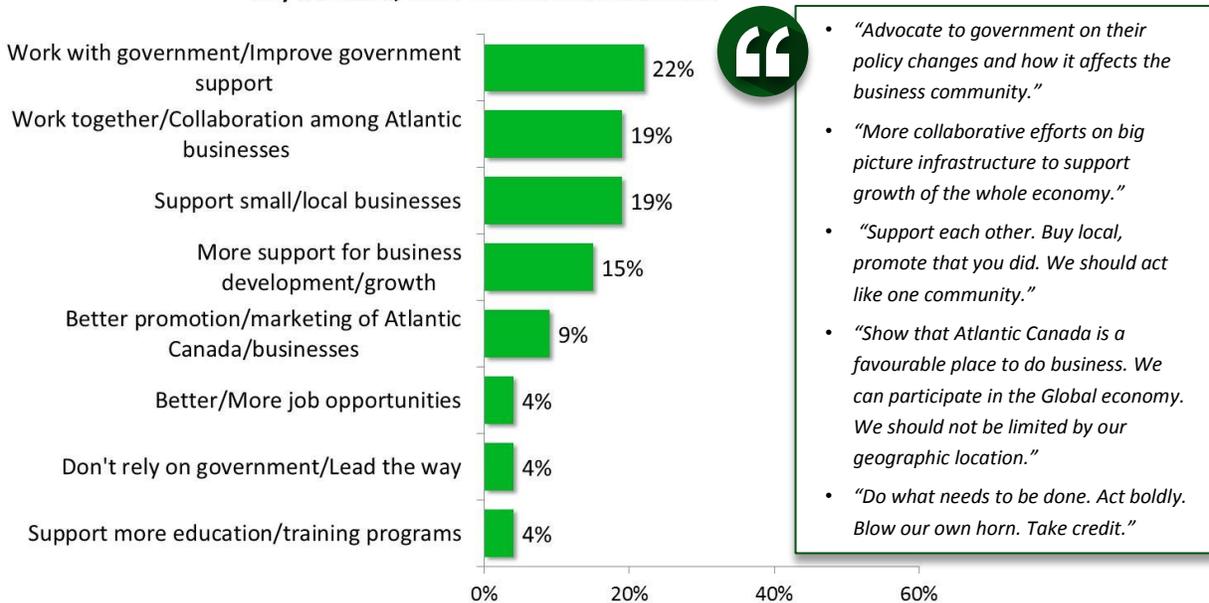
Q.24: In your opinion, is the Atlantic Canadian Business community doing enough to foster a positive business environment? (n=642)

Those in NL are less likely to believe that the business community in Atlantic Canada is doing enough to foster a positive business environment compared to business leaders located elsewhere.

When asked, unaided, what more the business community could do to foster a positive business environment for Atlantic Canada, business leaders offer a variety of answers. That said, greater collaboration is a key focus cited overall. In particular, business leaders commonly mention a desire to **work with government/improve government support, work together/collaboration among Atlantic businesses, and support small/local businesses**. Meanwhile, an additional portion would also like to see **more support for business development/growth**. Additional suggestions were offered by fewer than one in ten. (Table 25)

What More Business Community Could Do to Foster a Positive Business Environment

Key Mentions, From Total Unaided Mentions



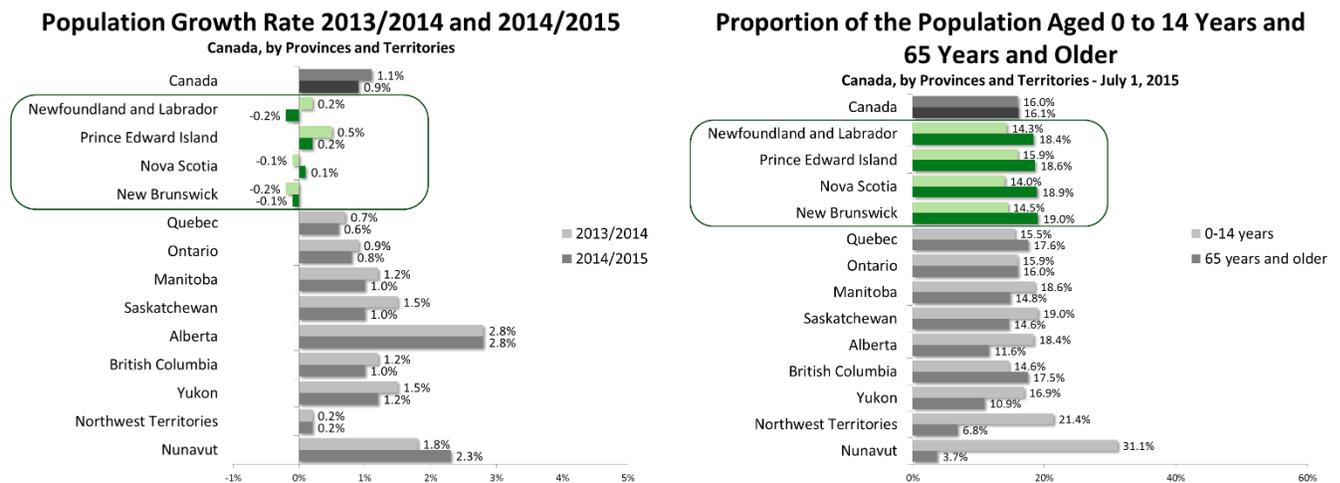
Q.25: In your opinion, what more should the business community do to foster a positive business environment? (n=642).

Business leaders who employ a greater number of staff are more likely to mention a desire to work with government/improve government support.

Ageing and Declining Population

Atlantic Canada faces an aging population met with negative growth rates.

Atlantic business leaders' concern with the region's declining population is warranted. Indeed, while Canada's overall population growth rate remained positive over the past two years, a different reality can be seen in the Atlantic region over the same time period. However, this is not the case for PE, where growth is observed. It also warrants mention that the population in Atlantic Canada is the oldest in the country. As can be seen in the figure to the right, residents aged 65 years and older outnumber those under 15 years of age. In turn, the Atlantic region is challenged with the combination of these two factors, underscoring the increasing need for immigration.²



² Statistics Canada. Table 051-0001 – Estimates of population, by age group and sex for July 1, Canada, provinces and territories, annual (persons unless otherwise noted).

Organizations’ Economic Outlook

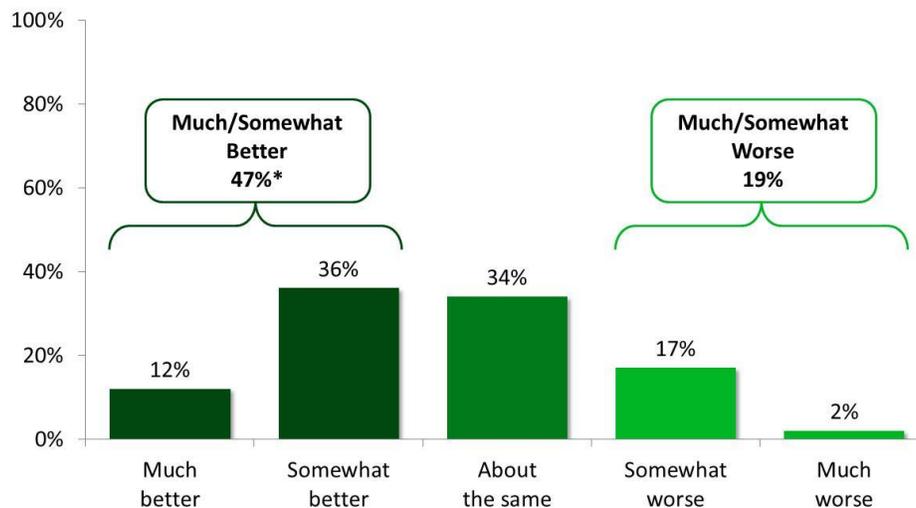
Organizations’ Current Economic Well-Being

Businesses appear to be generally better off compared with a year ago, although a small number have experienced worsened conditions.

Compared with perceptions of the overall economy, economic conditions for organizations in Atlantic Canada have generally improved. Indeed, nearly half of the businesses in the region is now better off compared with a year previous, while one third have experienced unchanged conditions. On the other hand, just two in ten believe that they are worse off than one year ago, in contrast to the portion describing worsened conditions in the region overall (44%). (Table 5)

Company’s Economic Well-Being in the Past Year

Overall Results



Q.5: Thinking about your own business in the past year, would you say that your company’s economic well-being is much better, somewhat better, about the same, somewhat worse, or much worse? (n=642)

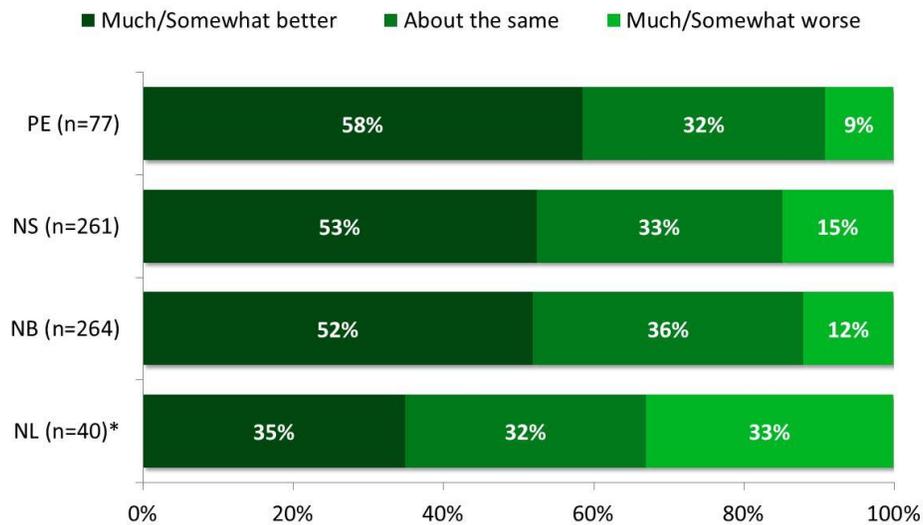
**Due to rounding.*

Business leaders with mid-sized operations (employing between 21 and 50 staff) are more likely to believe that the economic well-being of their organization has improved in the past year. Similarly, those in the hospitality/accommodations/restaurant industries are more likely to feel that their companies are better off than they were last year.

Business leaders’ descriptions of their own economic well-being in the past year within the context of their respective provinces are also relatively positive compared to evaluations of the regional economy. Indeed, the majority of businesses in PE, NS, and NB are now better off than they were in the past year. Meanwhile, business leaders’ perceptions are more divided among those in NL, with one third describing improvements, one third describing stability, and one third describing declines with respect to their organization’s economic well-being.

Company’s Economic Well-Being in the Past Year

Provincial Results



Q.5: Thinking about your own business in the past year, would you say that your company’s economic well-being is much better, somewhat better, about the same, somewhat worse, or much worse?

*Caution: Small sample size.

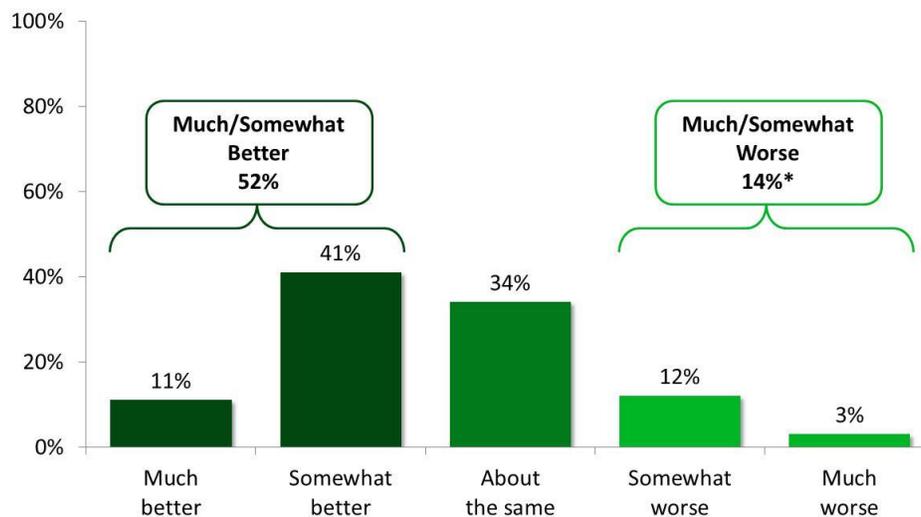


Organizations' Future Economic Well-being

Business leaders are optimistic regarding their future economic outlook.

Business leaders' expectations for their own economic well-being in the coming year are just as positive as their evaluations of the past. One half anticipates that their businesses will be better off in twelve months, while one third expect no change. Meanwhile, a small minority believe that their economic well-being will be worse in the coming year. (Table 6)

Company's Economic Well-Being in the Next 12 Months Overall Results



Q.6: In the next 12 months, do you think the economic well-being of your company will become much better, somewhat better, about the same, somewhat worse, or much worse? (n=642)

**Due to rounding.*

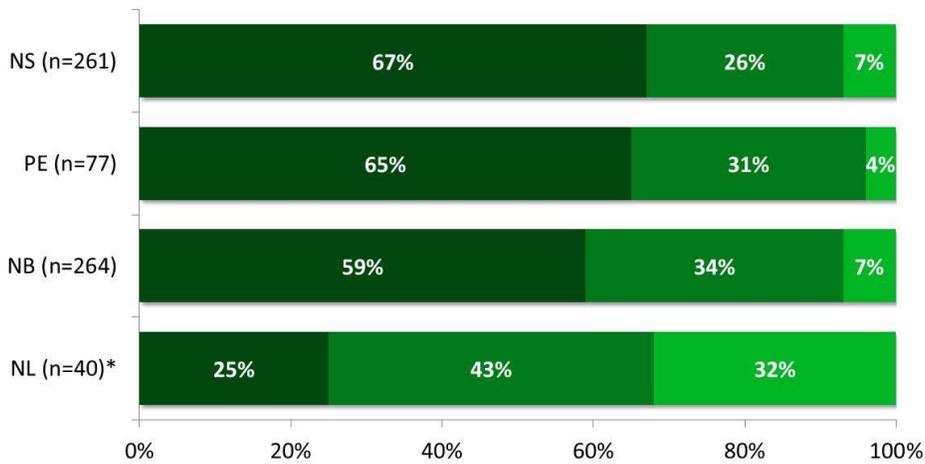
Business leaders with a greater number of staff (more than 50 employees) are more likely to believe that their organization will experience worse conditions in the coming year. This is also the case for those operating in the technical/automotive/transportation sectors.

Expectations vary across the region, with those in NS and PE being most optimistic about their organizational well-being in the near future. Those in NB express a slightly more moderate degree of optimism, although expectations are largely positive nonetheless. Meanwhile, business leaders in NL are more mixed in their economic outlook, with one quarter expecting improvement, four in ten expecting stability, and one third expecting to be worse off than they are now.

Company’s Economic Well-Being in the Next 12 Months

Provincial Results

■ Much/Somewhat better ■ About the same ■ Much/Somewhat worse



Q.6: In the next 12 months, do you think the economic well-being of your company will become much better, somewhat better, about the same, somewhat worse, or much worse.

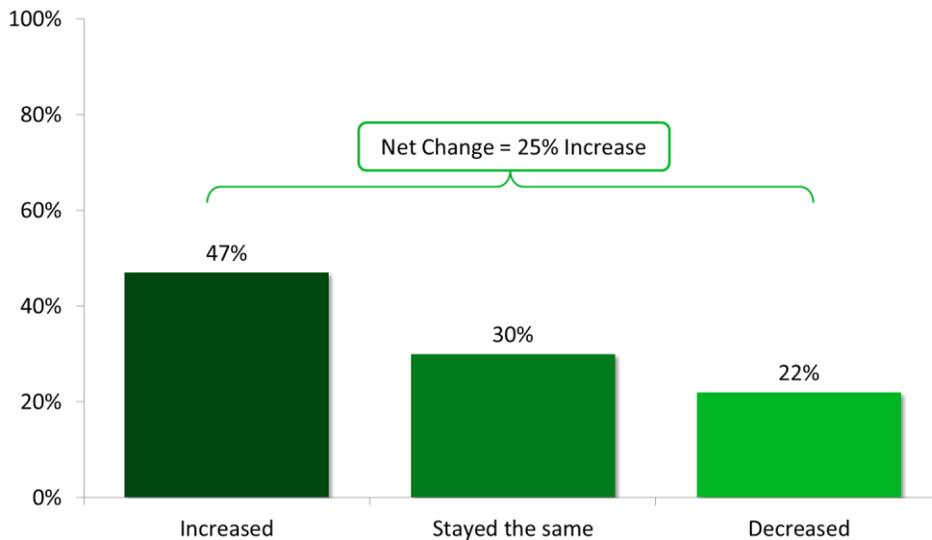
**Caution: Small sample size.*

Organizations’ Revenue in the Past Year

Businesses were more than twice as likely across the region to have experienced revenue growth than decline in the past year.

Nearly one half indicate that their company’s revenue has increased over the past 12 months, while three in ten indicate that their revenue is unchanged over this timeframe. Conversely, decreased revenue is noted by two in ten businesses compared to one year ago. As such, a net increase in revenue growth is reported for one quarter of business leaders surveyed. (Table 18)

Company’s Revenue in the Past Year



Q.18: In the past year has your company’s revenue increased, stayed the same, or decreased? (n=642)

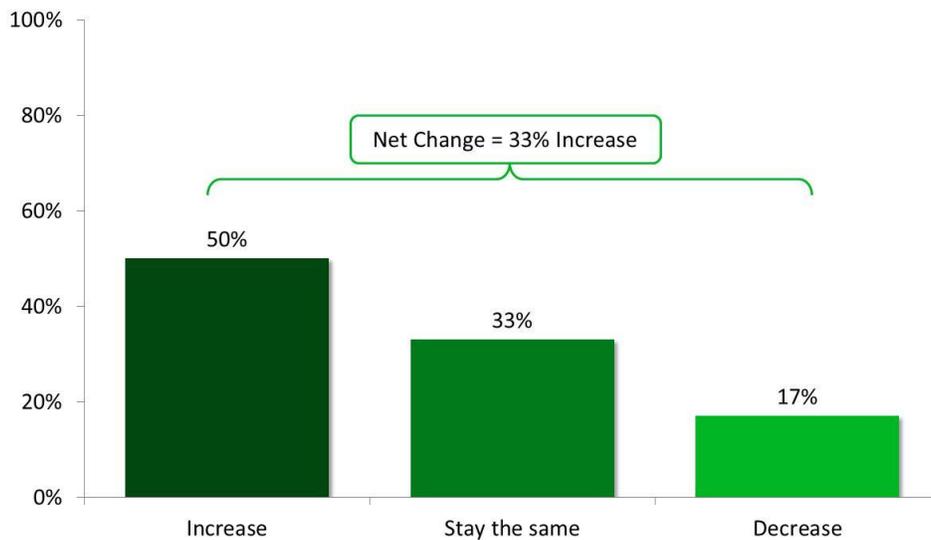
Businesses in NL are more likely to report decreased revenue in the past year compared with their counterparts. Meanwhile, operations with mid-sized employee bases (between 21 and 50 employees) are less likely to have experienced a decline. Businesses with financial/insurance and hospitality/accommodations/restaurant related activities more often report increased revenue.

Organizations’ Revenue in Next 12 Months

Businesses are three times more likely to anticipate revenue growth than decline in the next year.

When asked to forecast their revenue growth or decline in the coming year, one half of business leaders expect to see growth, while a third expects that they will have similar revenue to the current year. On the other hand, nearly two in ten expect revenues to fall in the next twelve months. These findings are particularly positive for the economic outlook in the region, as a net increase in revenue growth is anticipated by one third of businesses overall. (Table 19)

Company’s Revenue in the Next 12 Months



Q.19: In the next 12 months, do you anticipate that your company’s revenue will increase, stay the same, or decrease?
(n=642)

While expectations for the coming year are relatively consistent across the region, businesses in NL are more divided. Indeed, one third anticipate increased revenue, one third expect stability, and one third expect decreased revenue. At the same time, the proportion of businesses expecting increased revenue is lower among those with a greater number of employees.

Survey Methodology

Questionnaire Design

The questionnaire used for this study was designed by CRA, in consultation with TD, and was conducted in a manner to ensure all responses were provided anonymously so none of the information collected could be linked to any individual. Prior to being finalized, the survey was pre-tested on a small number of respondents to ensure the appropriateness of the questions and response categories.

The Atlantic Canada Business Confidence Index

The *Atlantic Canada Business Confidence Index* is derived from a series of nine questions related to the perceived state of the region's economy, organizations' economic situation, and organizations' revenue trends. The Index takes into account Atlantic Canadian business leaders' assessments of economic conditions at the present time as well as the outlook for the upcoming year. The Index was set at a benchmark of 100 in this inaugural calculation, and all reports of the BCI from this study onward will be measured relative to this benchmark. More specifically, the calculation is based on positive or neutral responses (namely, *better or about the same; increase or stay the same; and scores of 6 or higher on a 10-point confidence scale*), excluding negative responses (*worse; decrease; 1-5*) for each evaluation.

Survey Administration

This economic metric represents companies from all major sectors of the economy including professional services, manufacturing, technical services (such as construction, plumbing, electrical, etc.), retail, business support services, and health services, among others. Participants include members of an exclusive panel of executives who were initially recruited by direct personal invitation. As well, the Atlantic Chamber of Commerce and a large number of associations invited their members to take part, producing a more in-depth understanding of the current business climate in the region. The bi-annual surveys of the BCI will occur in June and December, providing a measure at the start of each year, and one at the mid-point for the year. Participating individuals are provided with advance notification of the Business Confidence Index (BCI) on a confidential basis, prior to the public release of the Index.

The average time required to complete the survey was approximately 16.3 minutes. The median survey length was 13.4 minutes. Appended to the report is a copy of the survey questionnaire (Appendix A), the detailed data tables (Appendix B), as well as a sample of verbatim comments to key survey questions (Appendix C).