



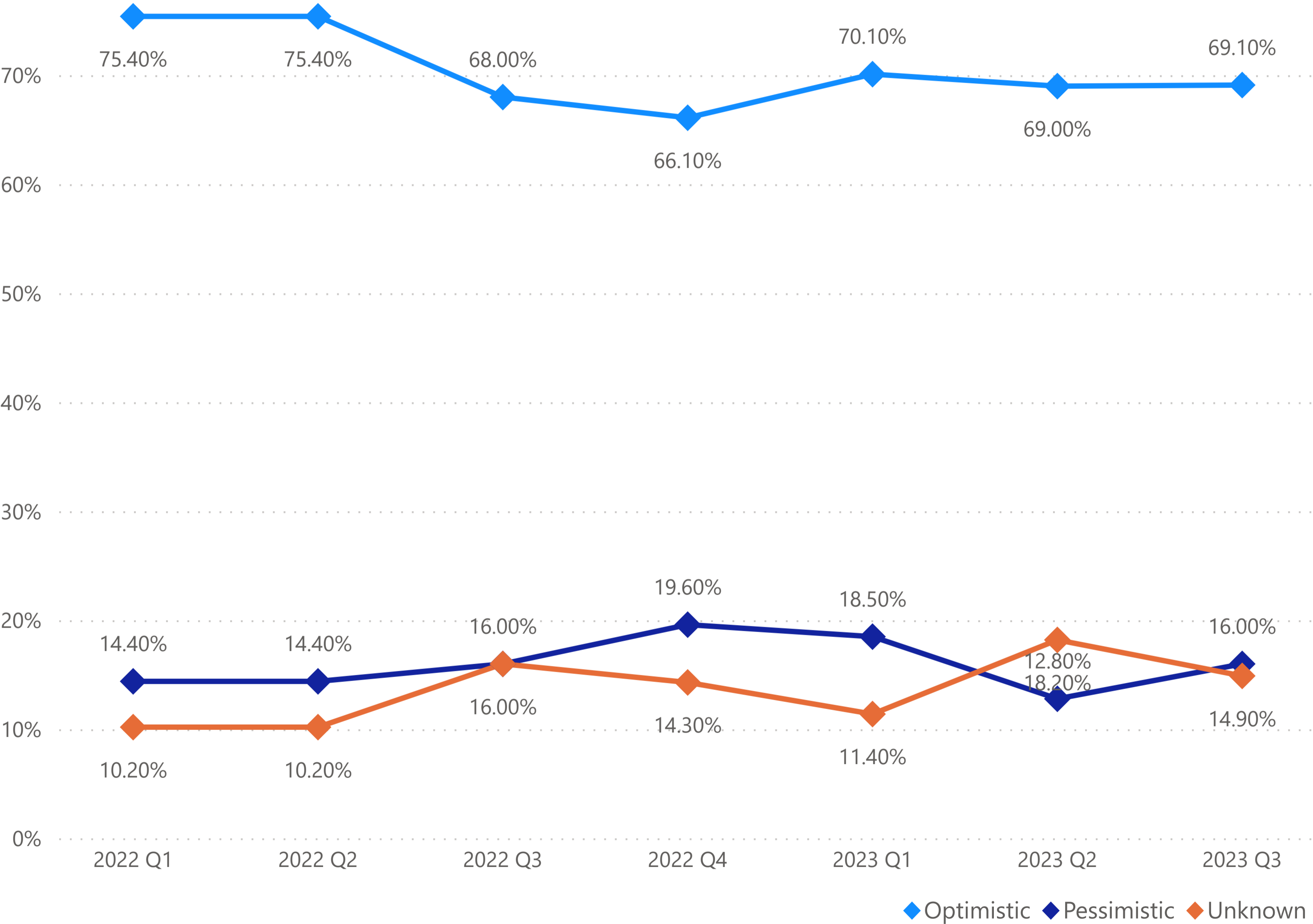
Canadian Survey of Business Conditions, Winnipeg CMA Report

Q3 2023

Business Outlook



Outlook for your business, next 12 months, Winnipeg CMA



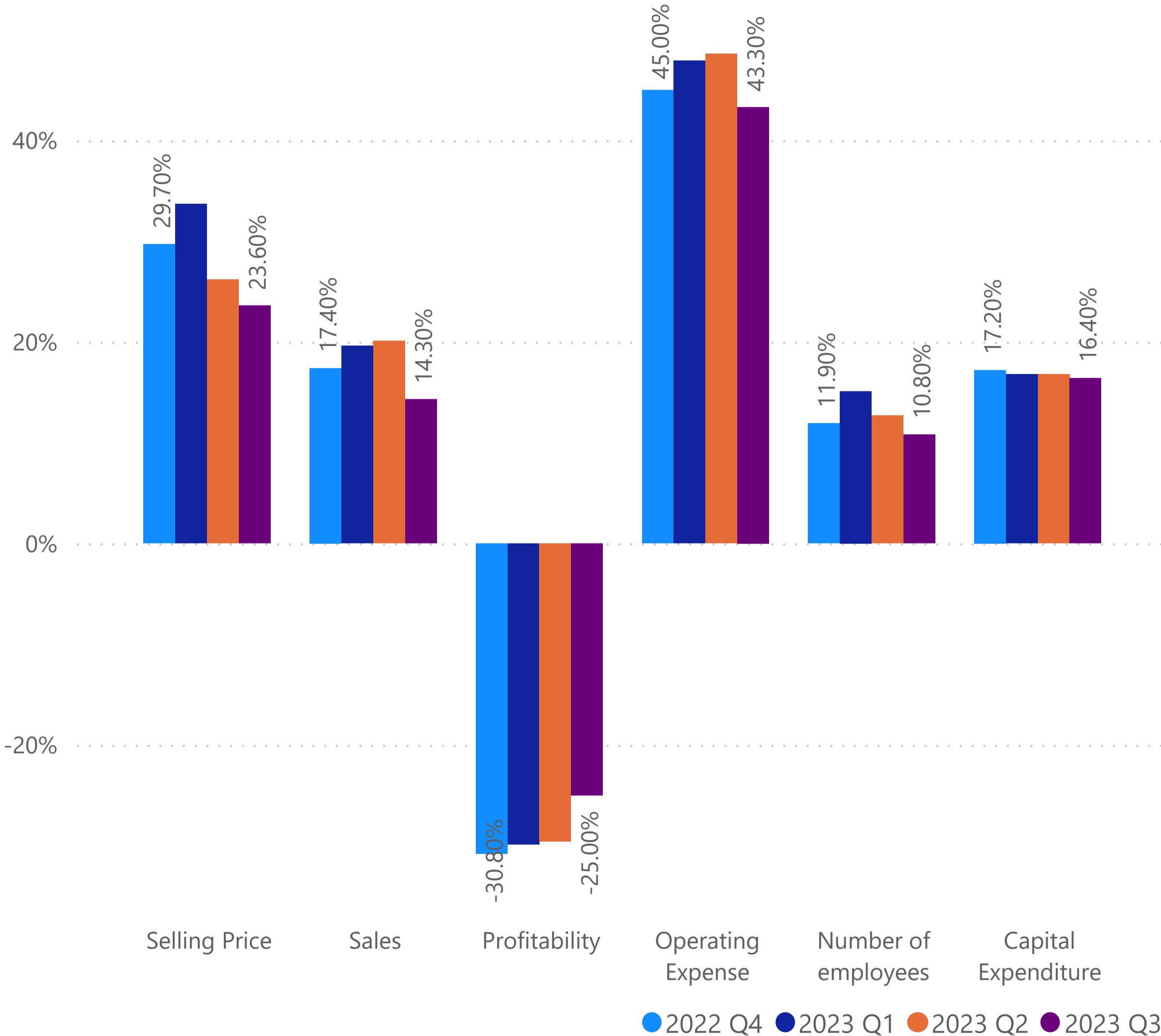
Key Insights:

- Winnipeg business outlook remains mostly optimistic in Q3 2023, accordingly to Canadian Survey on Business Conditions Survey, acknowledging potential challenges with resilience.
- Industries with the highest optimism are Agriculture Sector (94%), Finance (87.1%) and Real Estate (85.4%).
- A slight decrease in uncertainty (unknown) underlines the importance of agile decision-making and vigilant monitoring.

Notably, businesses strike a balance between optimism and caution, adapting strategically to potential risks.

Business Expectation

Expected changes for your business, Winnipeg CMA



Key Insights:

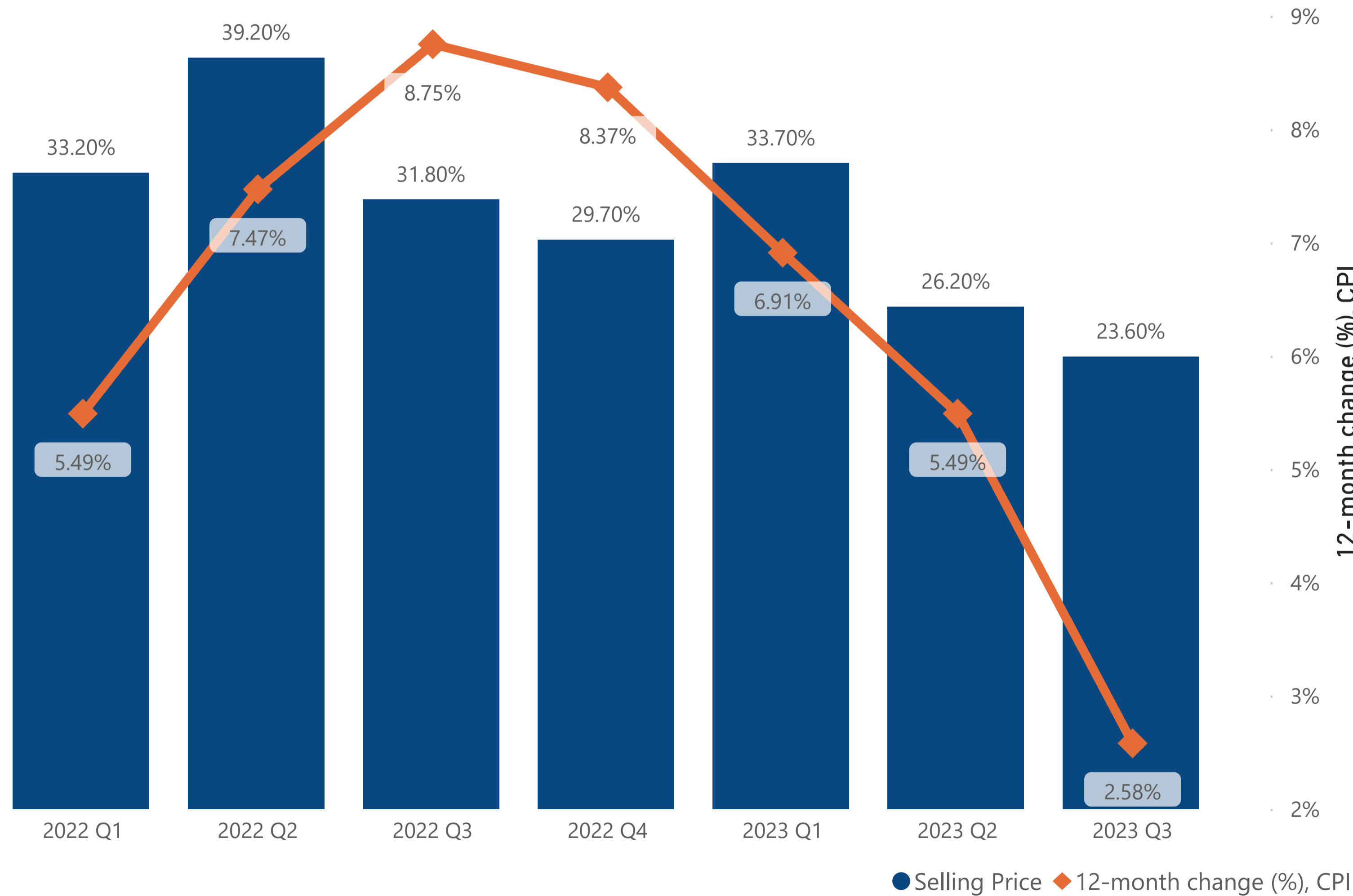
- Businesses in Winnipeg expect sales to grow by 14.30%, maintaining a steady pace but slightly slower than previous quarters.
- Selling prices to increase by 23.60%, indicating a continued upward trend but at a slower rate.
- Operating expenses expects to go up by 43.30%, showing a more controlled increase compared to previous quarters.
- Profitability to decrease by 25.00%, displaying a cautious shift compared to previous quarters.
- Workforce to grow by 10.80%, signaling a slower but steady expansion.

Overall, Q3 2023 reflects a balanced and cautiously optimistic business landscape with a focus on stable growth and prudent financial management.

Inflation - Selling Price Dynamics



Businesses expecting to raise their selling prices, next three months and CPI inflation, Winnipeg CMA



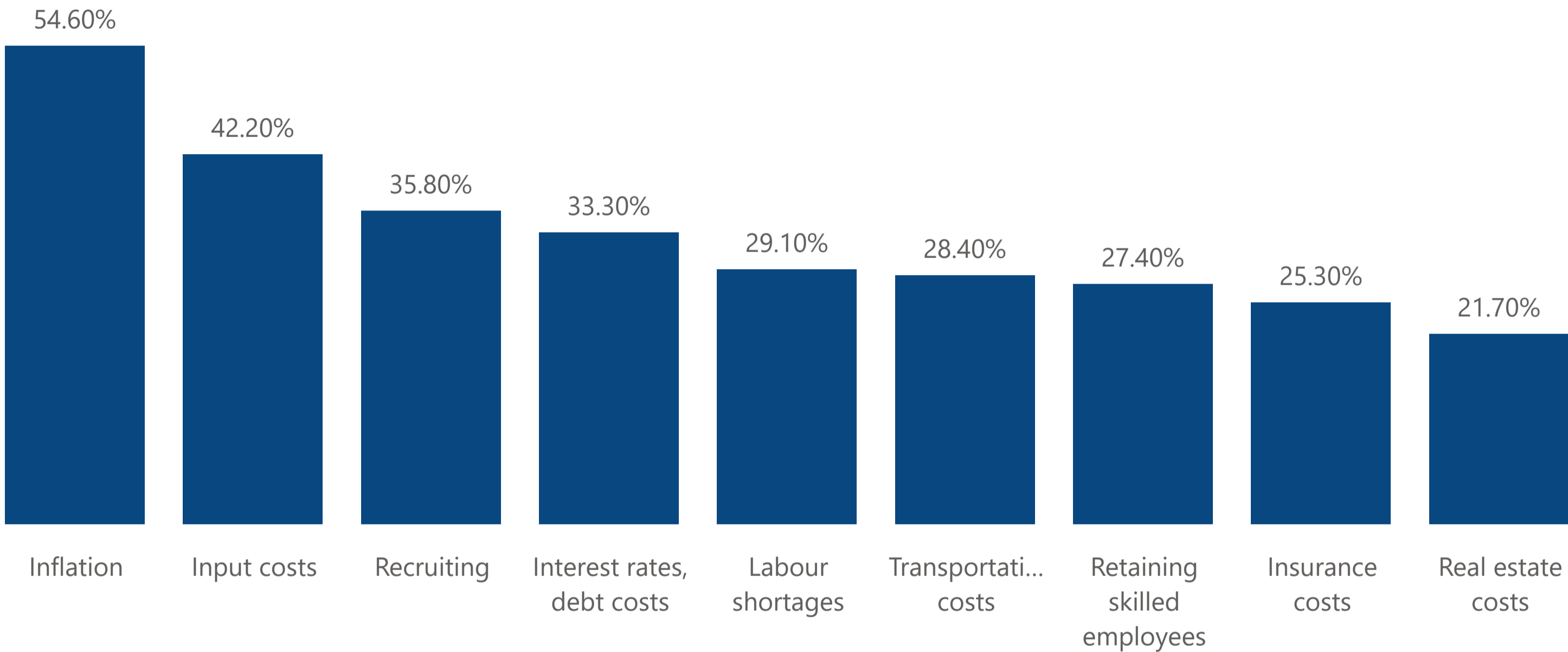
Key Insights:

- Expected selling price changes align with CPI fluctuations, implying a relationship between pricing decisions and inflationary pressures.
- The surge in selling prices in 2022 Q2 corresponded with a peak in CPI change in 2022 Q3, showcasing a response to increased inflation.
- In 2023 Q3, expected selling prices are high despite a notable decrease in CPI change (July 2023), suggesting potential shifts in pricing strategies or cost management.

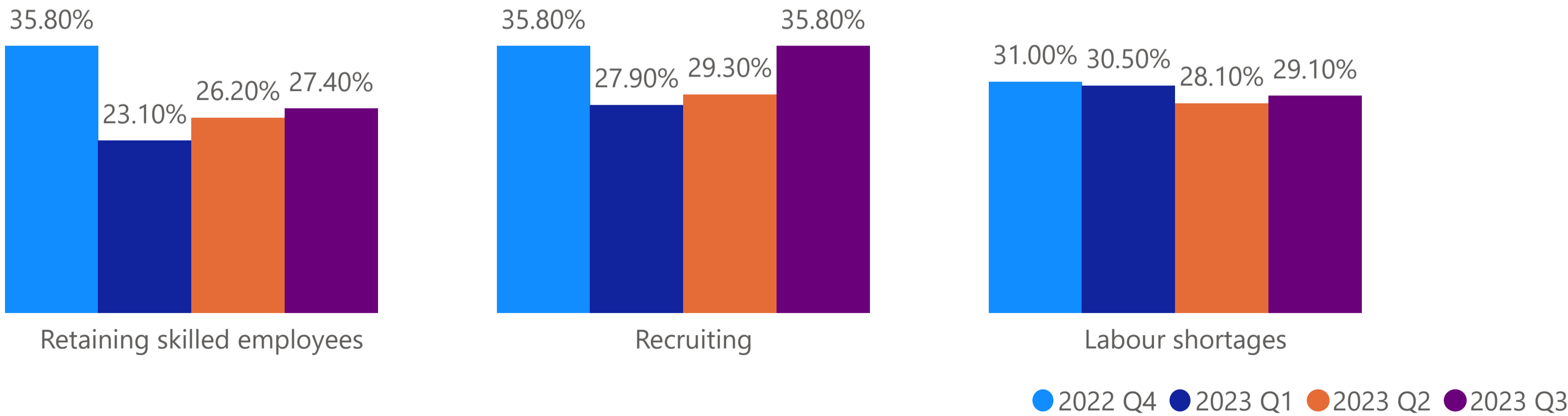
Businesses in Winnipeg should adjust prices smartly and control costs actively to stay competitive during changing inflation scenarios.

Business Obstacles

Top business obstacles expected, next three months, Winnipeg CMA



Expected Labour Obstacles, next three month, Winnipeg CMA



Key Insights:

- In Q3 2023, Winnipeg businesses expect to face soaring inflation (54.60%), input cost (42.20%) and rising interest rates (33.30%), impacting costs and financial planning.
- Talent recruitment (35.80%) remains a struggle due to persistent labor shortages (29.10%).
- Escalating real estate (29.00%) and insurance (25.30%) costs add to operational challenges.
- Retaining skilled employees (27.40%) and managing transportation expenses (28.40%) are also pressing concerns.

Adaptability and strategic responses are crucial for businesses to overcome these hurdles and maintain growth.

Labour Challenges

Labour challenges expected, next three months, Winnipeg CMA

Industry	Recruiting Skilled Employees (%)	Retaining Skilled Employees (%)	Shortage of Labour Force (%)
Accommodation and Food Services	48.90	49.90	63.80
Administrative and Support	27.80	20.00	42.20
All Industries	35.80	27.40	29.10
Arts	34.30	26.40	22.90
Construction	51.70	43.70	40.30
Finance and Insurance	31.80	34.40	16.60
Health Care and Social Assistance	43.50	31.20	37.60
Information and Cultural Industries	23.60	28.40	19.00
Manufacturing	35.40	17.20	33.70
Mining	8.70	14.10	15.90
Other Services (except Public Administration)	21.00	17.70	18.20
Professional	22.40	12.70	13.20
Real Estate and Rental and Leasing	39.00	14.50	18.00
Retail Trade	51.80	31.00	22.80
Transportation and Warehousing	11.20	22.10	18.10
Wholesale Trade	53.40	27.70	33.30



Key Insights:

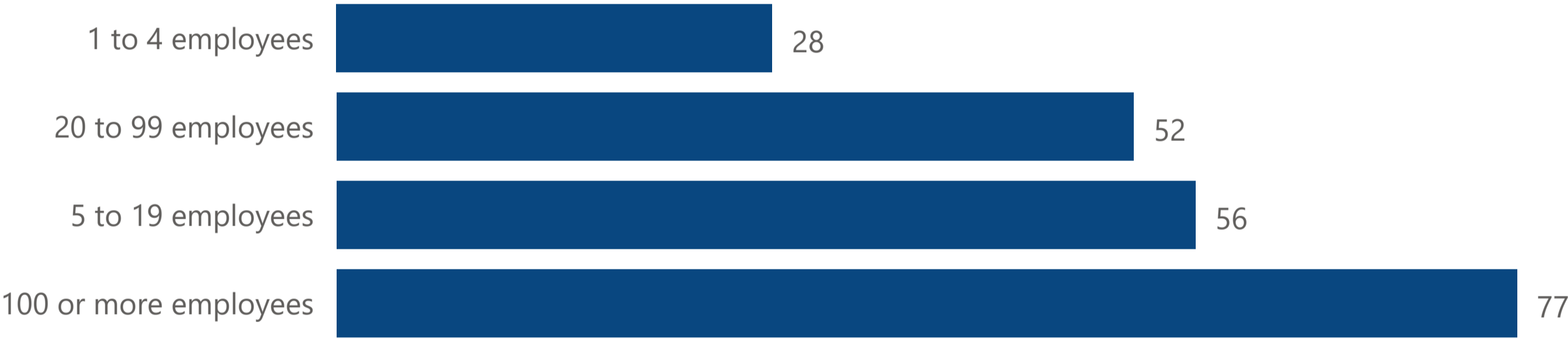
- The accommodation and food services, construction, and health care sectors in Winnipeg face severe labor challenges.
- High labor shortages, making recruitment and retention of skilled employees exceptionally challenging.

Addressing these issues is critical to ensuring sustained growth and effective service delivery in these vital industries. Targeted strategies and collaborations are needed to bridge the labor gap and facilitate a conducive work environment.

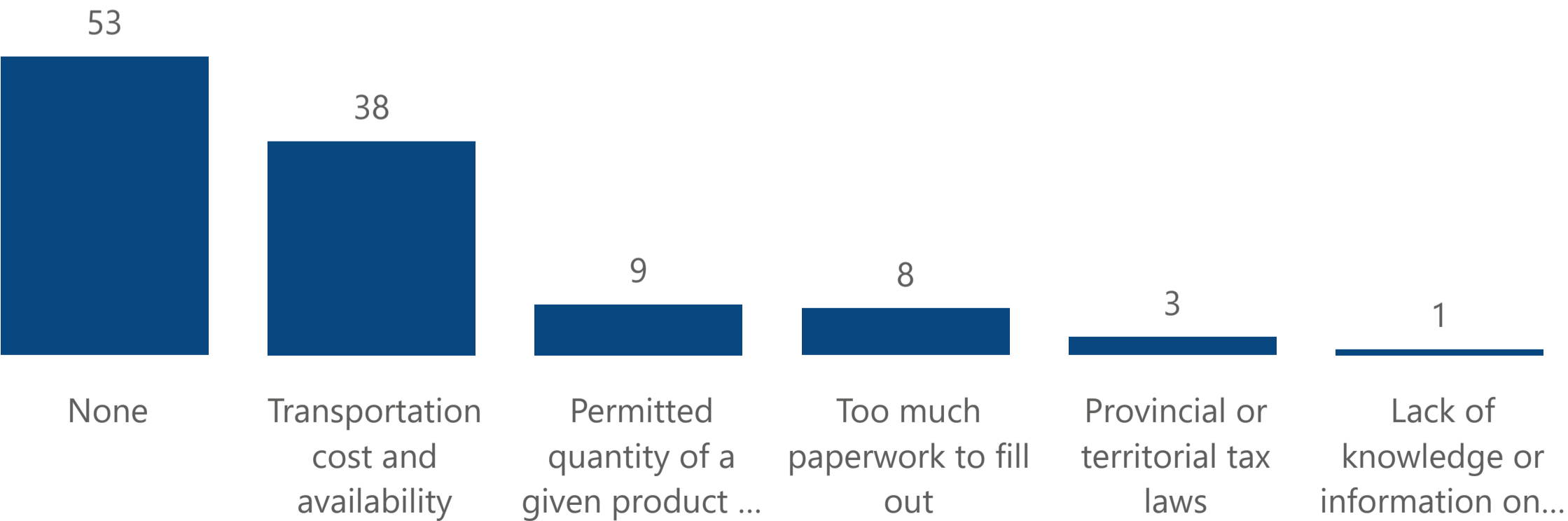
Interprovincial Trade



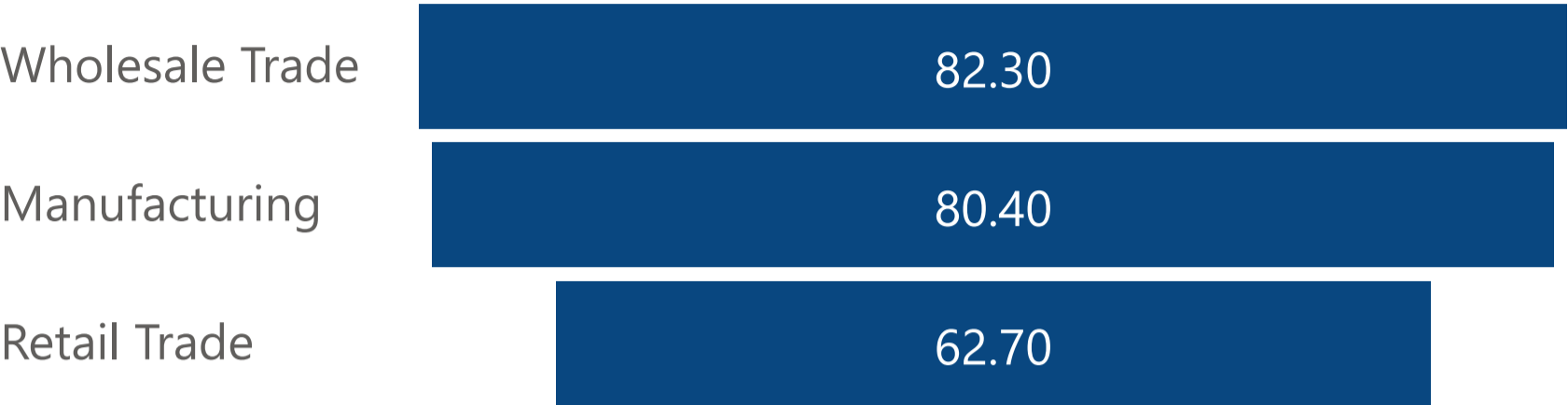
Trade Intensity by firm sizes (%)



Obstacles experienced when trading interprovincially, past 12 months (%)



Interprovincial Activities (%) by Industry



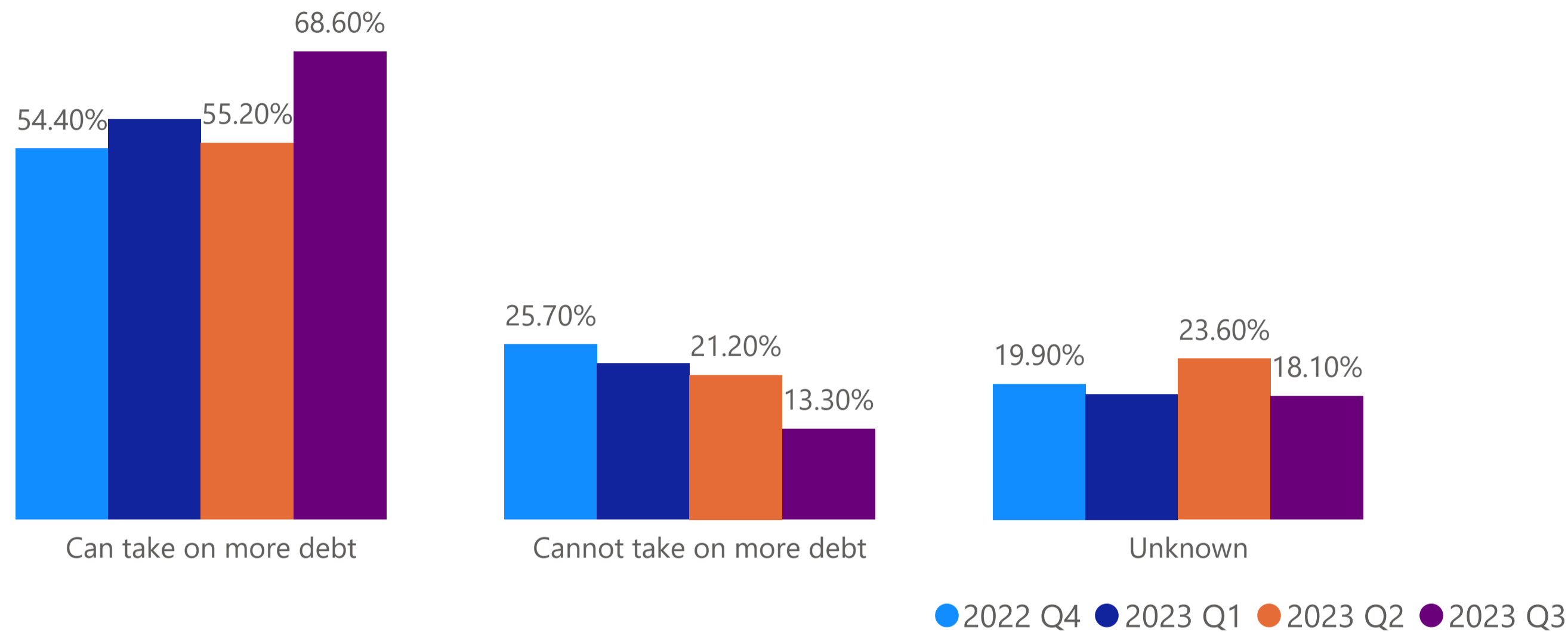
Key Insights:

- Q3 2023 data shows more than two-fifths businesses in Winnipeg engaged in interprovincial trade, demonstrating an interconnected economy and potentially indicating economic vitality and market expansion beyond provincial boundaries.
- Interestingly, trade with other provinces and territories tends to increase as firm size grows, with larger businesses showing higher engagement.

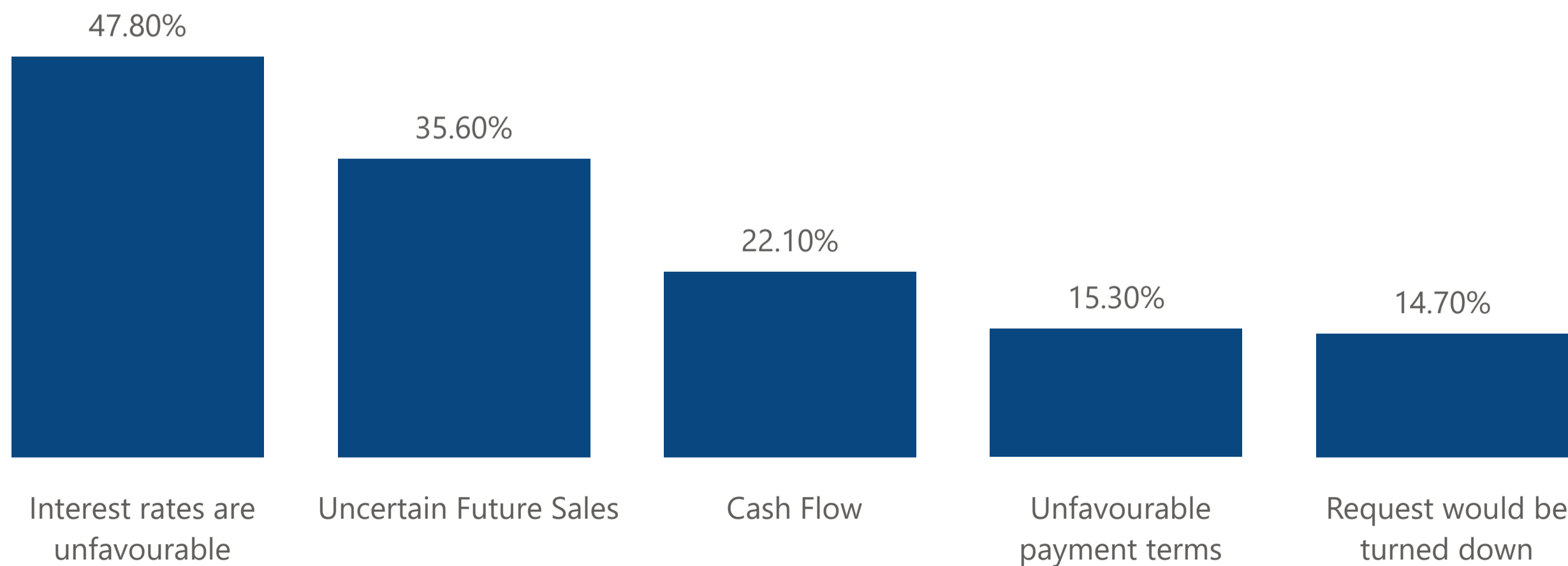
Evidently, lower transport costs, reducing paperwork, improving market understanding, streamlining tax laws, and fostering collaboration are essential for easier interprovincial trade to boost economic growth and accessibility.

Access to Capital

Ability to take on more business debt, Winnipeg CMA



Reasons business or organization cannot take on more debt, Winnipeg CMA



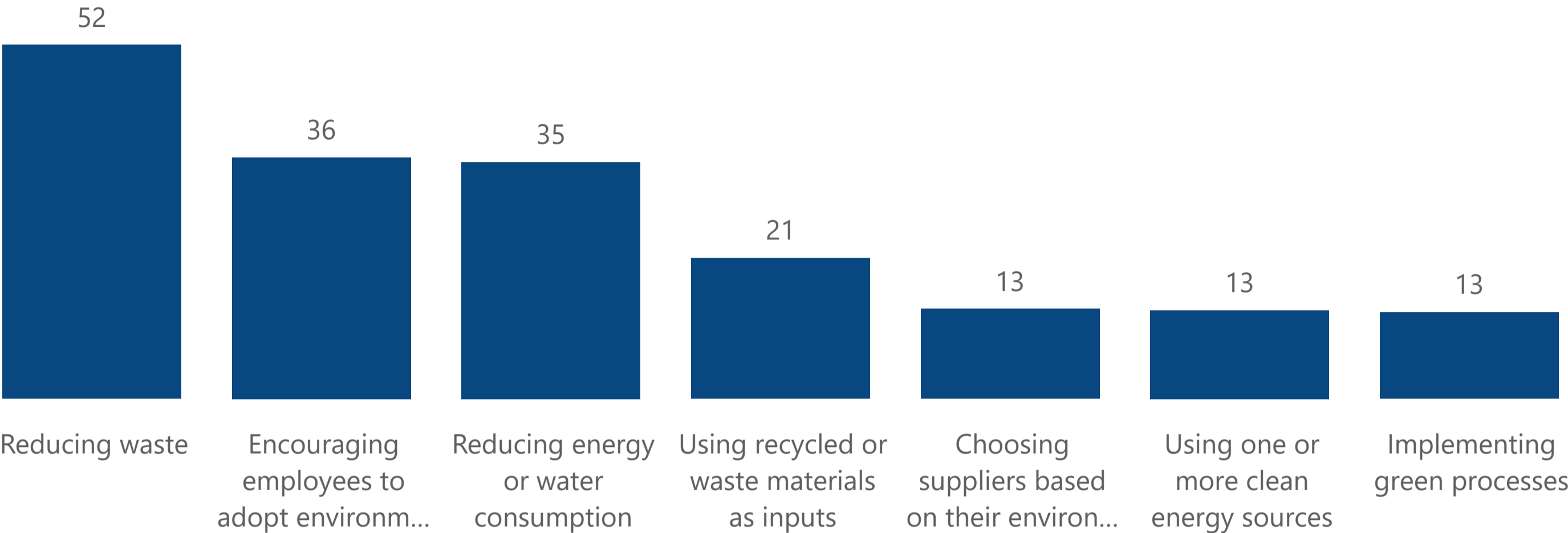
Key Insights:

- Surprisingly, despite high interest rates, the trend in Q3 2023 shows an upward trajectory in businesses' ability to take on more debt in Winnipeg. In addition, 13.30% of businesses feel they cannot take on more debt, down by 7.90% from last quarter.
- Overall, the businesses show a positive propensity towards taking on more debt, perhaps showcasing an atypical approach amidst the interest rate volatility.

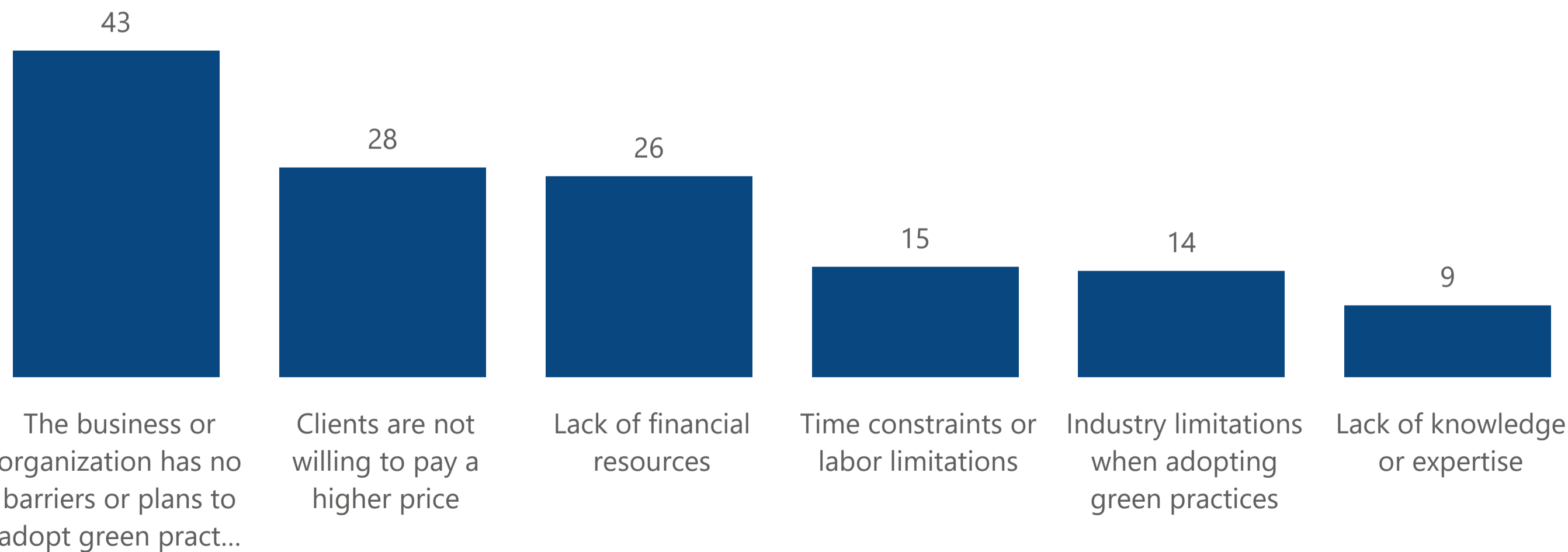
Overall, the ability to take on more debt prevails across employment sizes. High interest rates and uncertainty about sales are prominent factors, followed by cash flow concerns and repayment terms. Businesses want to ensure that borrowing aligns with their financial capabilities and long-term sustainability.

Environmental Practice

Environmental practice in place, next 12 months, (%), Winnipeg CMA



Barriers to adopt green practices (%), Winnipeg CMA



Barriers to adopt green practices

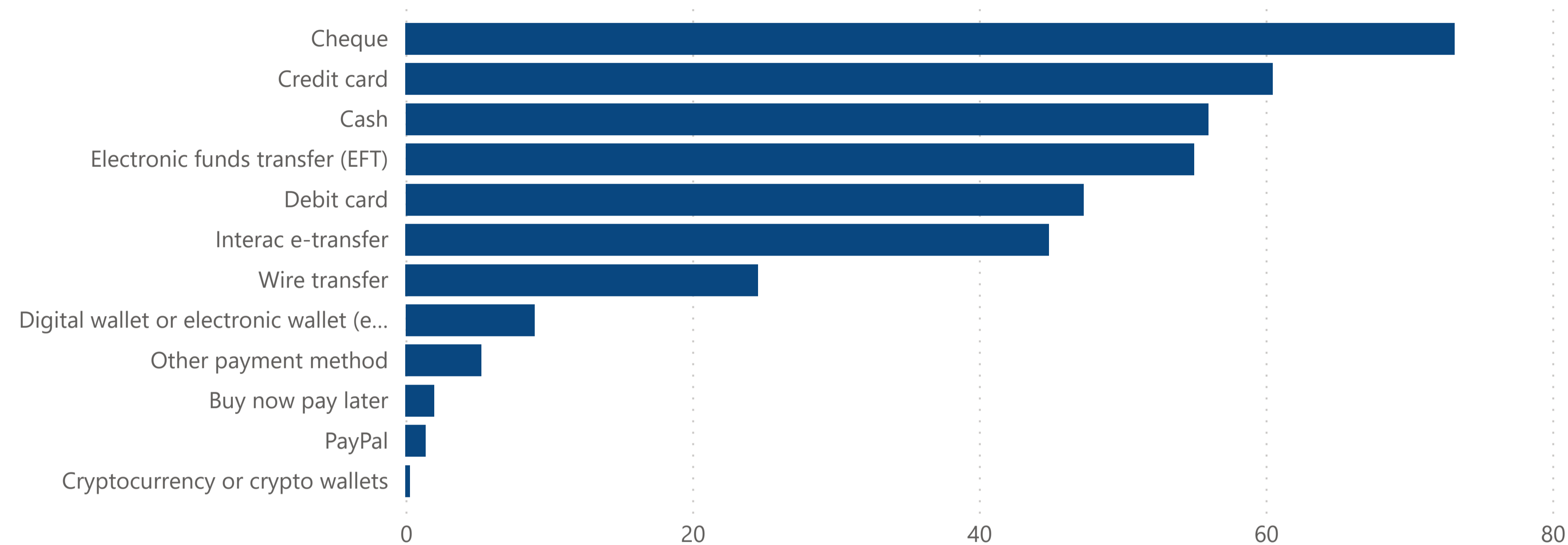
Key Insights:

- In Q3 2023, across all industries in Winnipeg, businesses are actively engaging as 72% have environmentally responsible practices, demonstrating a commitment to sustainability.
- Key initiatives include reducing waste (52.3%) and conserving energy or water (35%).
- Businesses in Winnipeg encounter challenges in adopting green practices, including financial constraints (26.4%), client reluctance to pay more (27.6%), time and labor limitations (14.5%), industry-specific barriers (14%), and a lack of knowledge or expertise (9.4%).

Overcoming these challenges requires targeted strategies and education to promote a sustainable business environment.

Payment Method

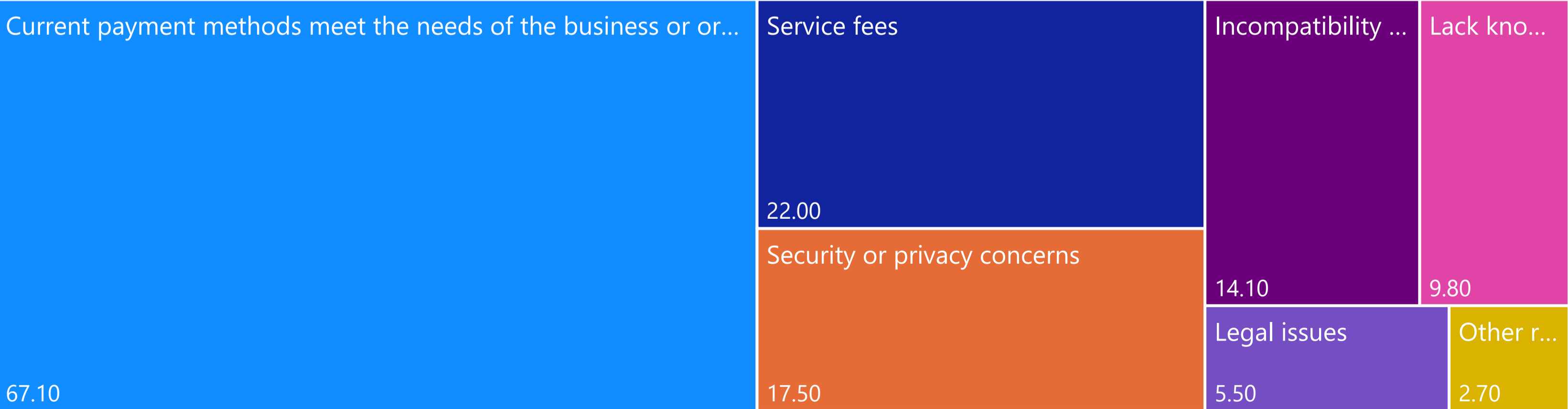
Preferred Payment Method (%), Winnipeg CMA



Key Insights:

- Winnipeg businesses exhibit a diverse payment landscape, utilizing a blend of traditional and digital methods.
- Traditional methods like cheques (73.2%), credit cards (60.5%), cash (56%), and electronic funds transfers (EFT) (55%), remain prevalent, showcasing the trend towards digital transactions

Reasons business doesn't accept certain payment methods (%), Winnipeg CMA



Businesses in Winnipeg prioritize payment methods that align with their operational needs, cost structures, security requirements, technological compatibility, and awareness of available options, showcasing a strategic approach to financial transactions.

Survey Methodology



Survey Objectives: The Canadian Survey on Business Conditions (CSBC) was created in spring 2020 by Statistics Canada in partnership with the Canadian Chamber of Commerce to provide timely, relevant data on business conditions in Canada, as well as businesses' expectations and views on emerging issues. These surveys are used by governments, business associations and analysts to monitor evolving business conditions and devise policies to support Canadian business.

Survey period: The Q3 2023 CSBC data collection period was July 4 to August 8, 2023.

Survey approach: The survey was conducted by Statistics Canada via electronic questionnaire, using a stratified random sample of business establishments with employees, classified by geography, industry sector and size. Population totals are estimated using calibration weights. The survey is based on responses from 15,224 businesses or organizations, including 771 businesses from Winnipeg CMA.