

2018/19

The BC Chamber of Commerce *Collective Perspective Survey Report*

POWERED BY

ABACUS DATA

THANK YOU
TO OUR INSIGHT
PARTNER



WASTE CONNECTIONS
OF CANADA

VISIONCRITICAL®



BC Chamber of Commerce
Know what's on BC's mind.



METHODOLOGY

The survey was conducted online with 883 British Columbia business leaders, from October 22nd to November 25th, 2018. Business members were invited to participate through email by local chambers of commerce and from those who are members of the BC Chamber of Commerce online community.

The margin of error for a comparable probability-based random sample of the same size is +/- 3.3%, 19 times out of 20.

The data were weighted according to census data to ensure that the sample matched British Columbia's business distribution by region. Totals may not add up to 100 due to rounding.





Key Findings

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1. Individual business optimism remains steady year-over-year, along with their outlook to grow over the next five years—but that sentiment is softening. Optimism stems from confidence business has in its own ability to execute and get the job done.
2. However, confidence in the BC economy has declined in 50% of businesses. The primary reason cited (79%) is that “the cost of doing business has worsened.”
3. The survey showed a 14-point-drop from last year in businesses feeling the provincial government is “supportive” of business.” (54% say provincial government is not supportive.) Perceptions about the federal government have slightly rebounded with a 2-point increase, while views of local government’s orientation towards business have dropped by a 6-point margin.
4. The image of Canada, tourism, BC’s appeal to foreign investment, and access to capital are seen as the most important factors that will drive growth for BC businesses.
5. The cost of housing, the cost of/access to labour and taxes/regulations (in that order), and are the greatest perceived threats to the economy and are “hurting” businesses more than any other factors .

Key Findings

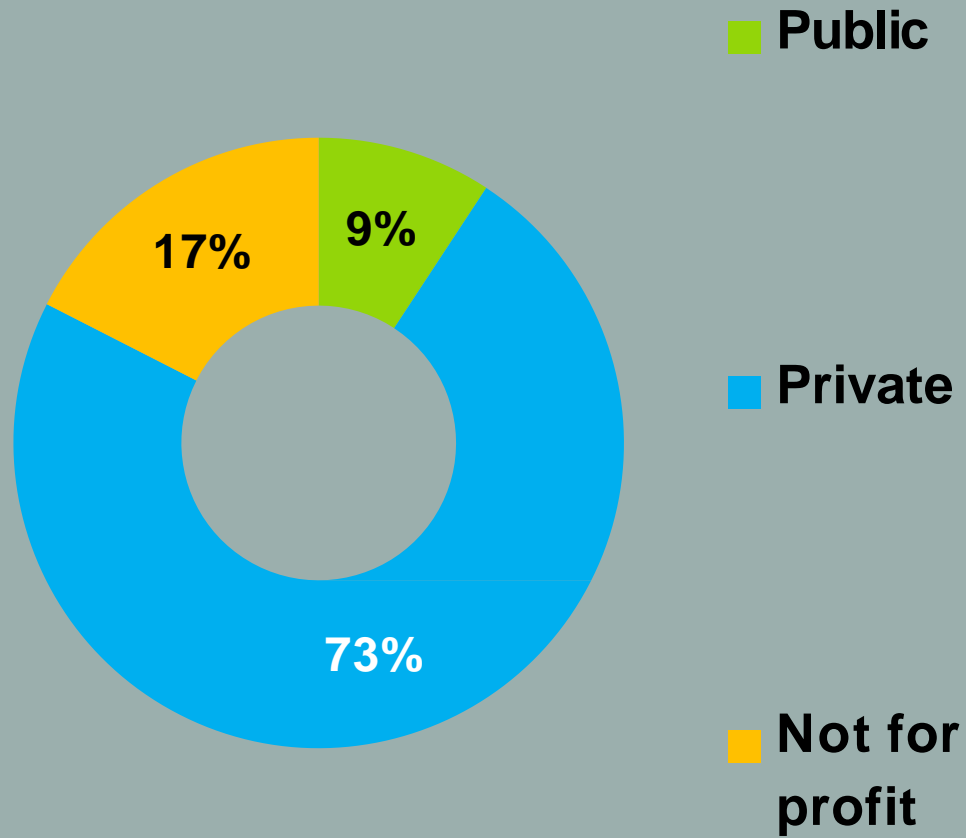


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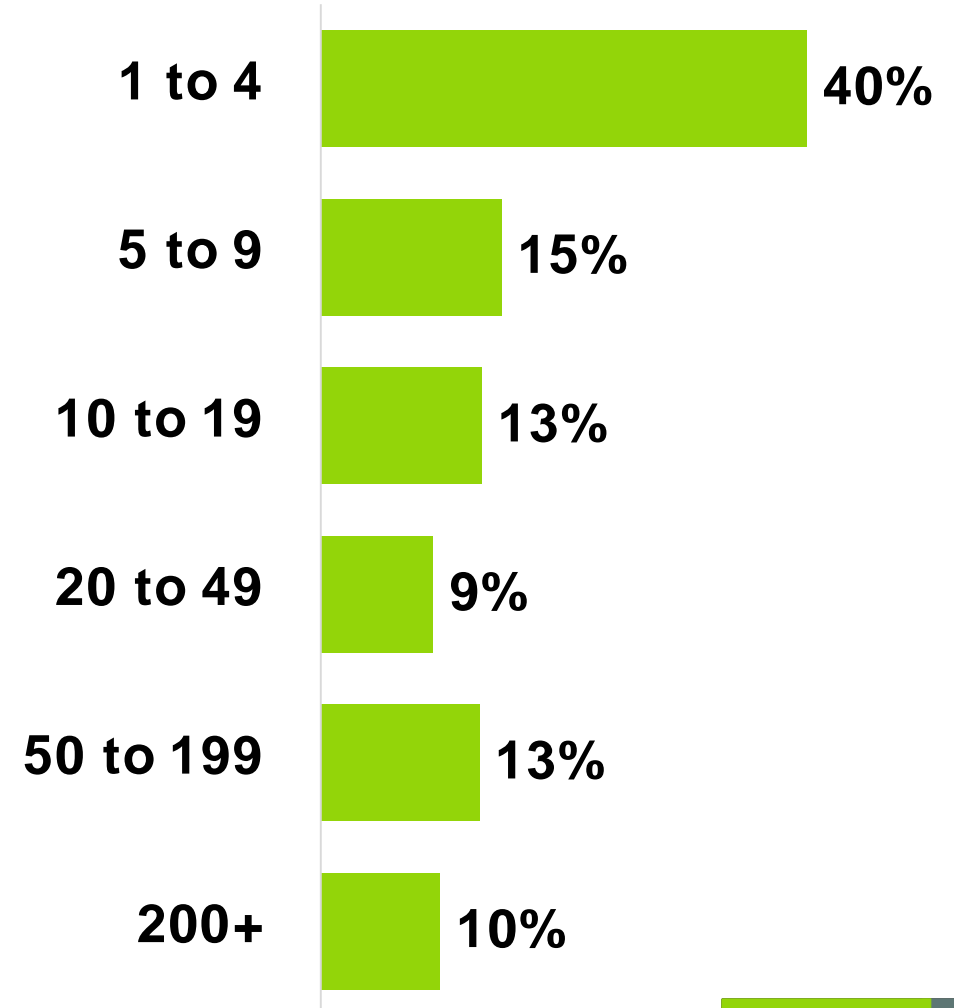
Know what's on BC's mind.

6. Housing affordability remains a major concern for businesses being able to attract younger people and attract new business to BC (felt most acutely in the lower mainland and on Vancouver Island). But 61% of businesses agree the provincial and federal governments should not introduce any additional demand-side measures to solve the problem.
7. Attitudes towards trade with China has further improved from last year (+4) with 72% of businesses saying free trade with China is a good thing for BC. Fifty-five percent (+5) say free trade with China would be good for their business. Though this is evolving in real time.
8. Four out of five businesses want government to prioritize attracting foreign investment, but only two-thirds of businesses say BC is appealing for foreign investment. A majority (57%) of businesses support the Kinder Morgan Trans Mountain pipeline expansion, with only one in five being opposed.
9. Business is also concerned about the increasingly onerous nature of provincial regulations—almost 40% of respondents state that the growing complexity and time required to gain approval for the construction of major projects is “hurting” their businesses
10. One third of B.C. businesses in 2018 (compared to 21% in 2017) expected sales outside of British Columbia to be a significant source of revenue in the upcoming year. This confirms the projection of our 2016 survey, which showed that B.C. business saw international trade as gaining economic importance over the next 5-10 years.

SECTOR



NUMBER OF EMPLOYEES



SECTOR OF RESPONDENTS



THE MOOD OF BC BUSINESS



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2018 PROVINCE WIDE
SURVEY RESULTS



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SLIGHT SOFTENING OF SENTIMENT



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HOW IS YOUR BUSINESS TODAY?

2016

17%

43%

32%

8%

2017

17%

44%

33%

6%

2018

13%

43%

36%

8%



VERY GOOD



GOOD



ACCEPTABLE



POOR

HOW ARE YOUR PROSPECTS 3-5 YEARS?

2016

29%

43%

20%

7%

2017

27%

50%

18%

5%

2018

19%

49%

25%

7%



VERY GOOD



GOOD



ACCEPTABLE



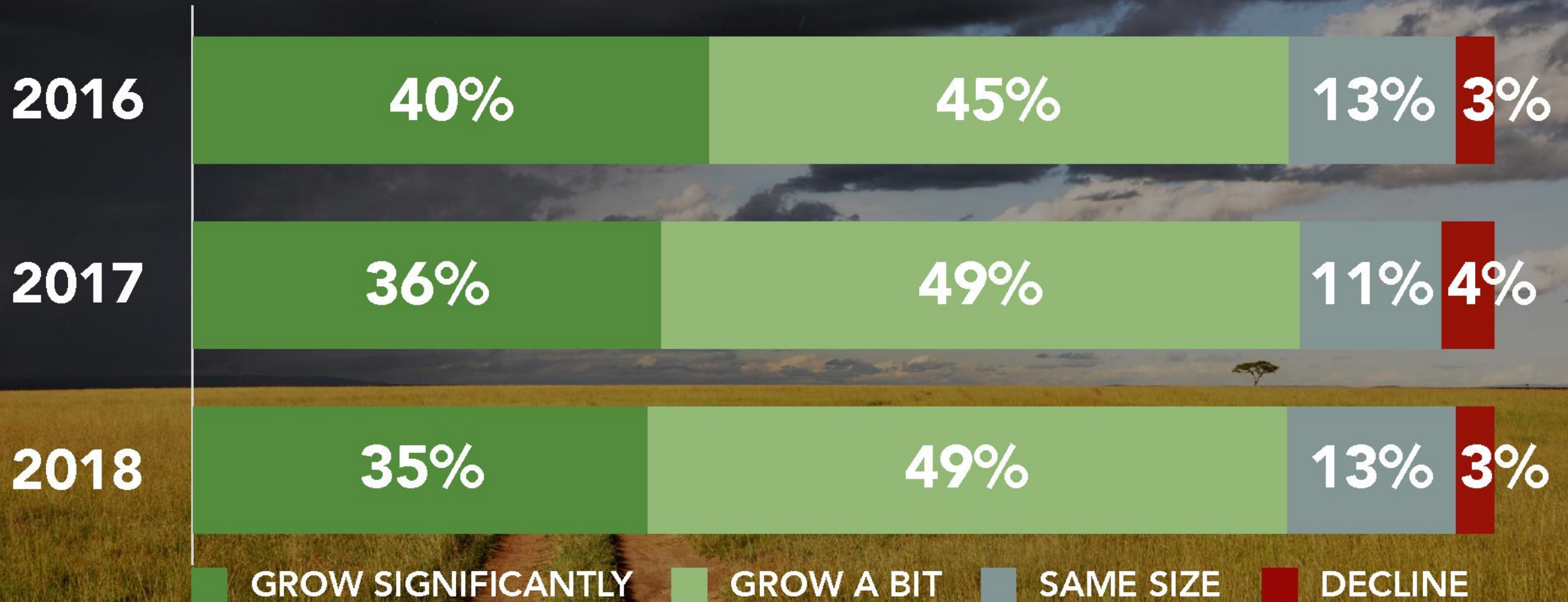
POOR/VERY



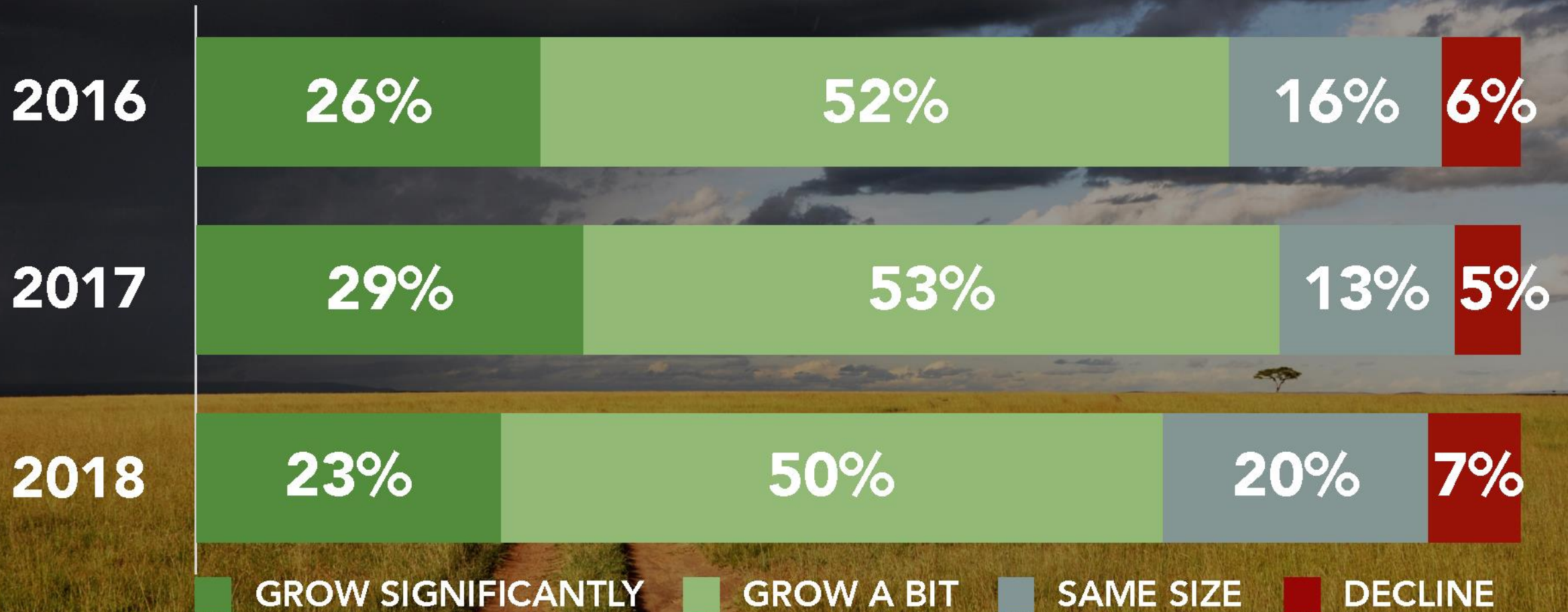
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How would you describe the prospects for your business over the coming 3-5 years — would you say things look very good, good, acceptable, poor, or very poor?

GROWTH GOALS FOR NEXT 5 YEARS



WHAT WILL HAPPEN NEXT 5 YEARS?



What do you think is most likely to happen in the next five years to the size of your business: will it grow very significantly, grow a bit, hold at about the same size, or decline in size a bit, or significantly?



COST, LABOUR CONCERNS RISING



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YOUR CONFIDENCE IN BC'S ECONOMY?

15%

IMPROVED

36%

SAME

49%

DECLINED

Compared to a year ago, would you say that your confidence in the BC economy has improved, declined, or stayed about the same?



WHAT'S CHANGED THIS YEAR

COST OF DOING BUSINESS



AVAILABILITY/WORKERS



BC REGULATION



YOUR BC TAX



YOUR FEDERAL TAX



YOUR ACCESS/CAPITAL



 **IMPROVED**  **SAME**  **WORSENERD**

DOES VICTORIA CARE ABOUT BUSINESS?



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I THINK THE PROVINCIAL GOVERNMENT IS GENERALLY SUPPORTIVE OF BUSINESS

2016

78%

22%

2017

60%

40%

2018

46%

54%



AGREE



DISAGREE



I THINK THE FEDERAL GOVERNMENT IS GENERALLY SUPPORTIVE OF BUSINESS

2016

70%

30%

2017

64%

36%

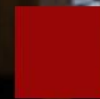
2018

66%

34%



AGREE



DISAGREE



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ABACUS DATA

I THINK MY LOCAL GOVERNMENT IS GENERALLY SUPPORTIVE OF BUSINESS

2017

73%

27%

2018

69%

31%



AGREE



DISAGREE



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Do you agree or disagree: I think the provincial government is generally supportive of business.

WILL WE ATTRACT FOREIGN INVESTMENT?



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I WANT GOVERNMENTS TO PUT A BIG PRIORITY ON ATTRACTING INVESTMENT

2017

73%

27%

2018

78%

22%

■ AGREE

■ DISAGREE

BC IS AN APPEALING PLACE FOR FOREIGN COMPANIES TO INVEST IN

2017

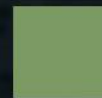
83%

17%

2018

65%

35%



AGREE



DISAGREE



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HOUSING, LABOUR, TAXES, RULES

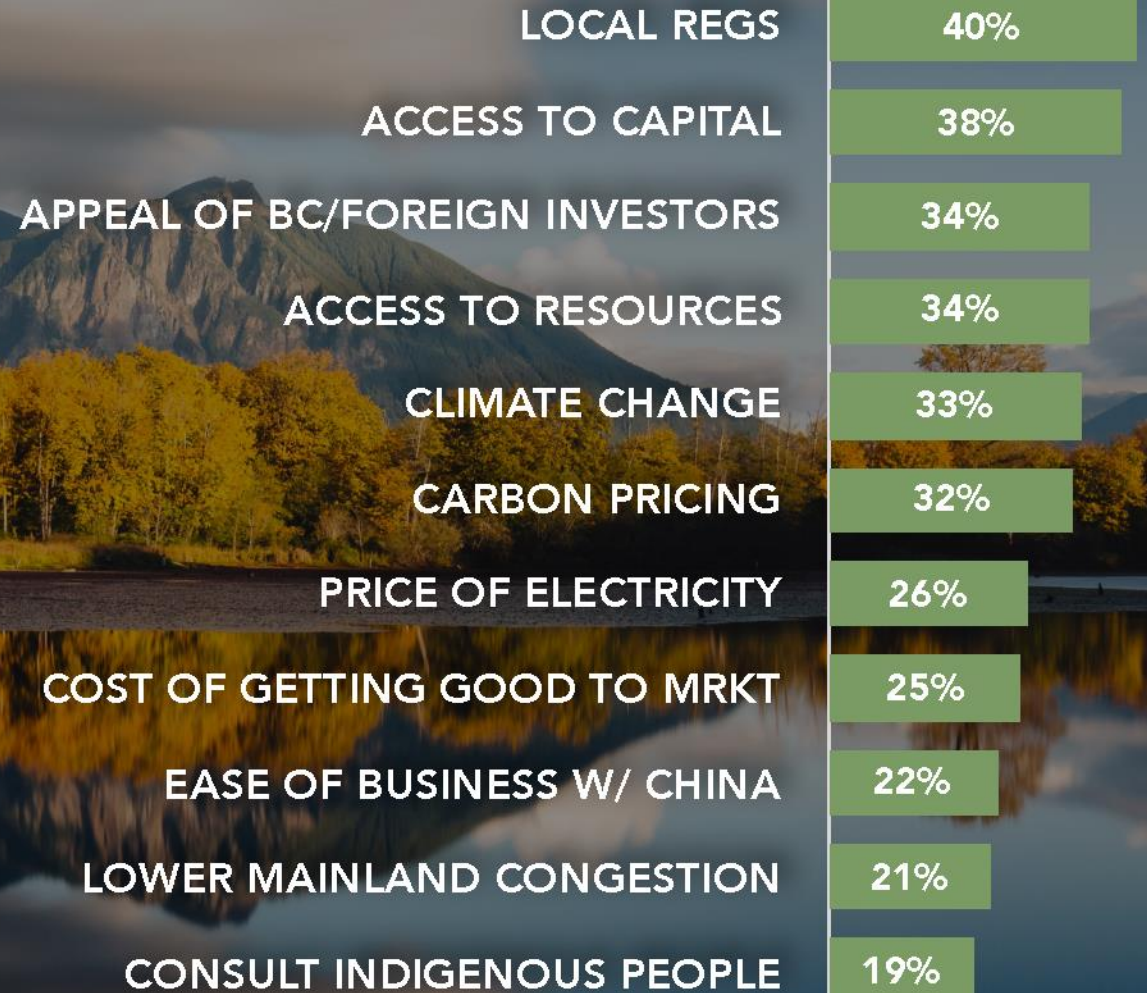
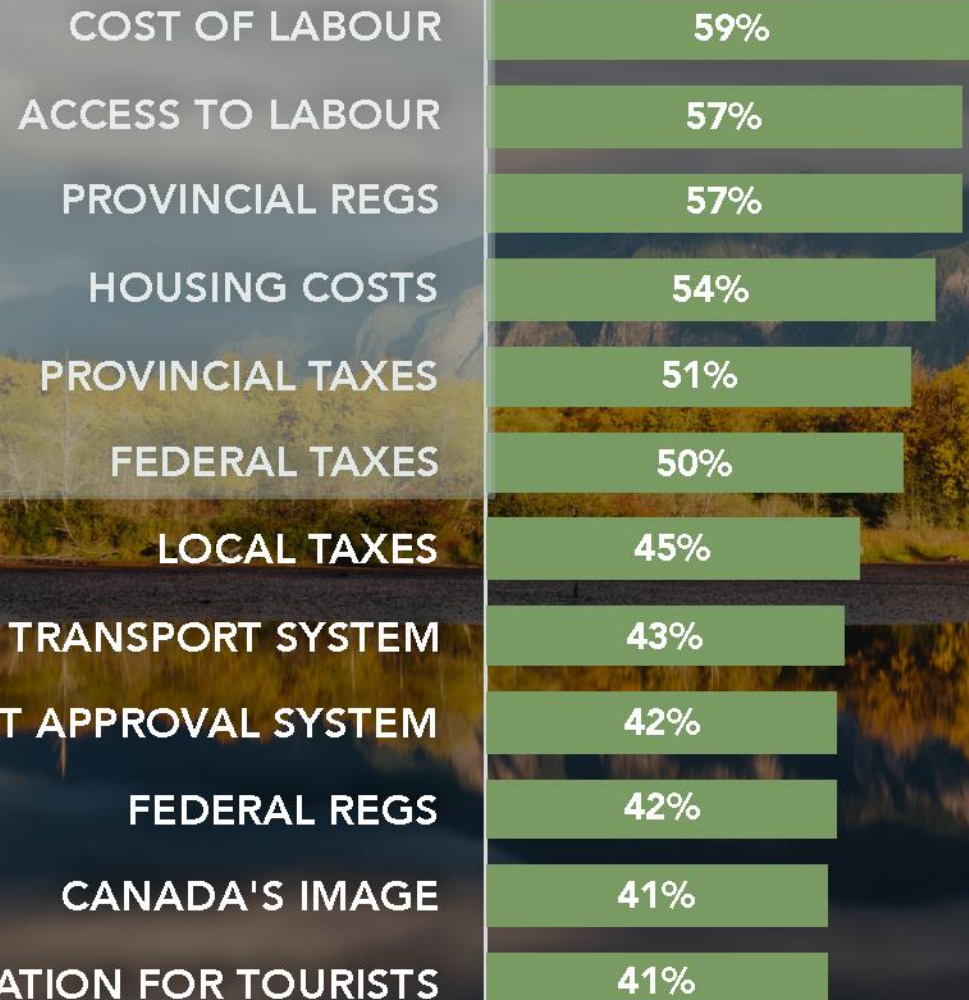


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Know what's on BC's mind.

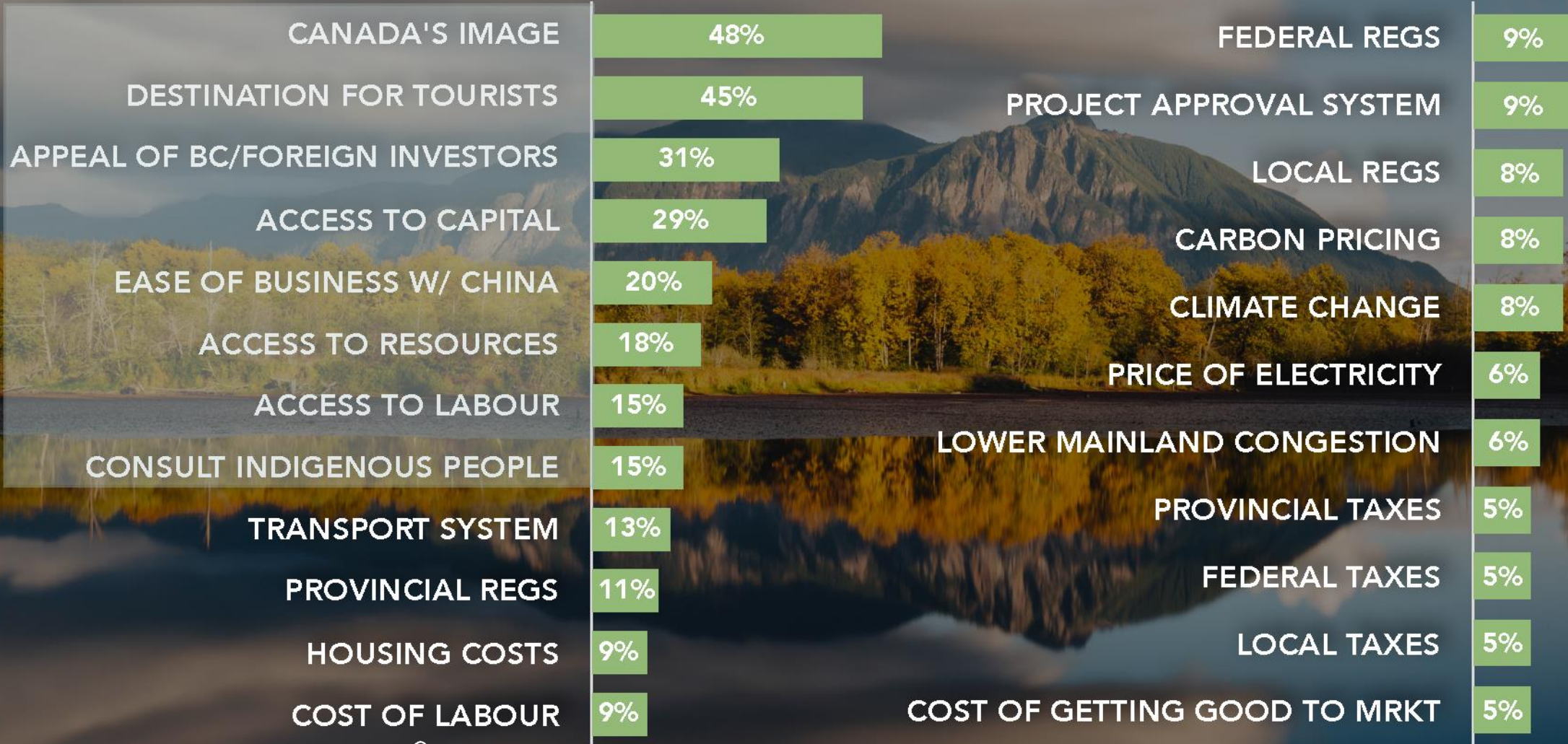


WHAT IMPACTS YOUR BUSINESS

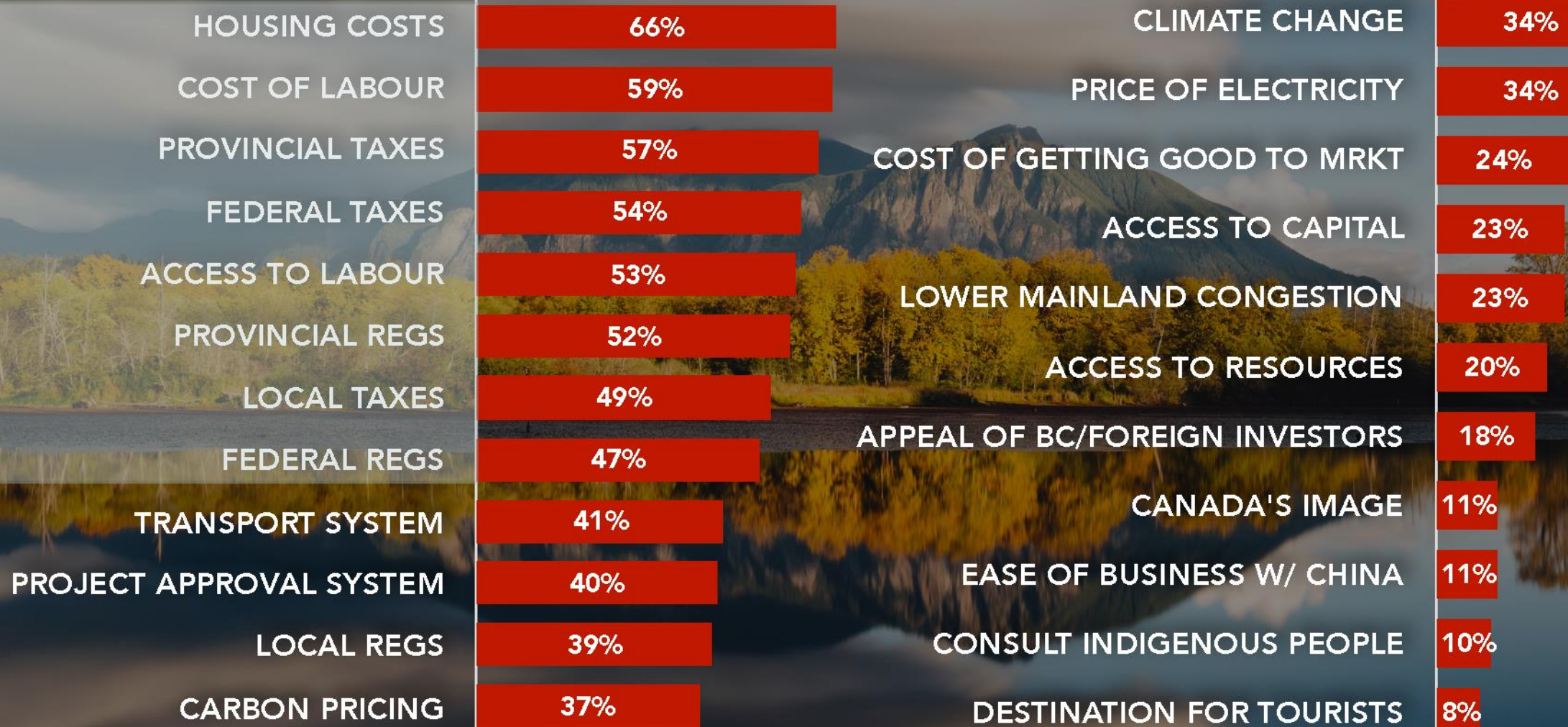


 **GREAT DEAL/LOT**

WHAT'S HELPING?

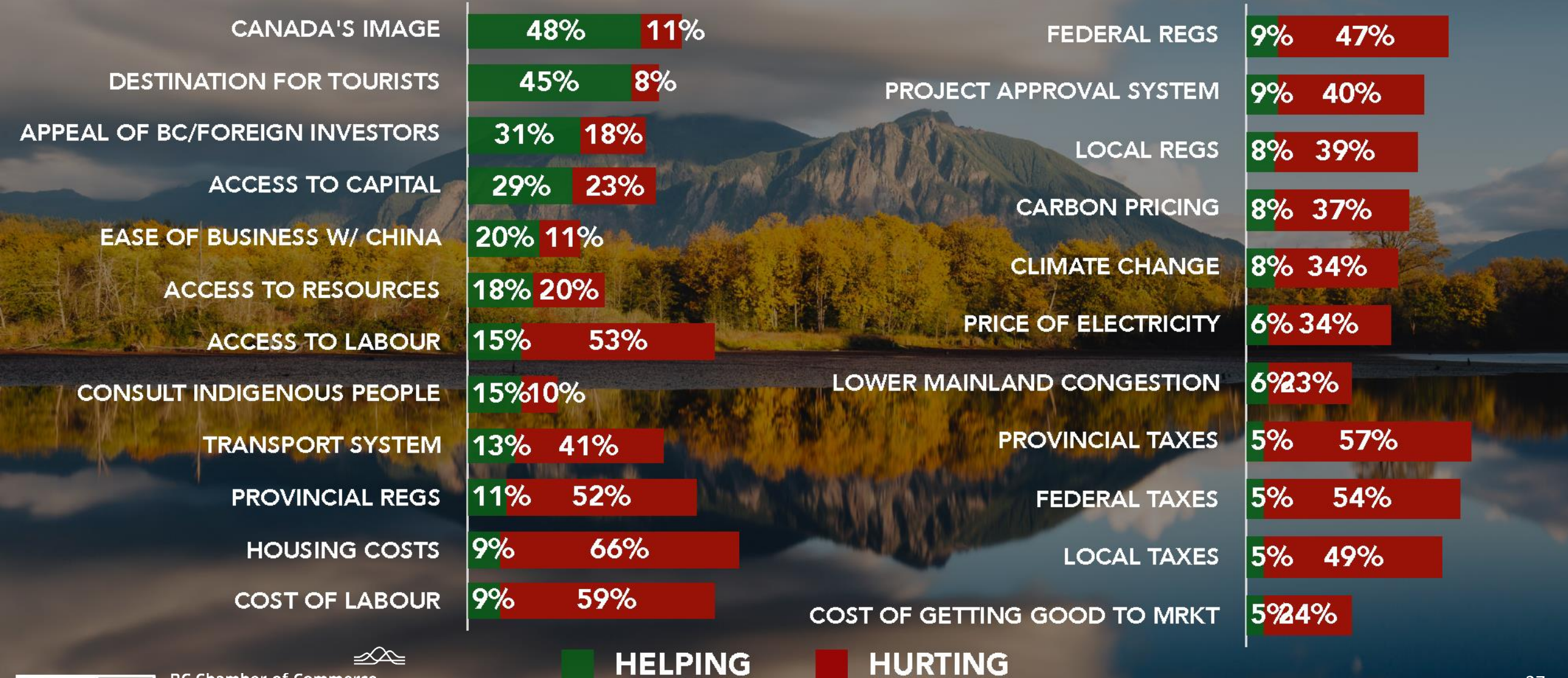


WHAT'S HURTING?

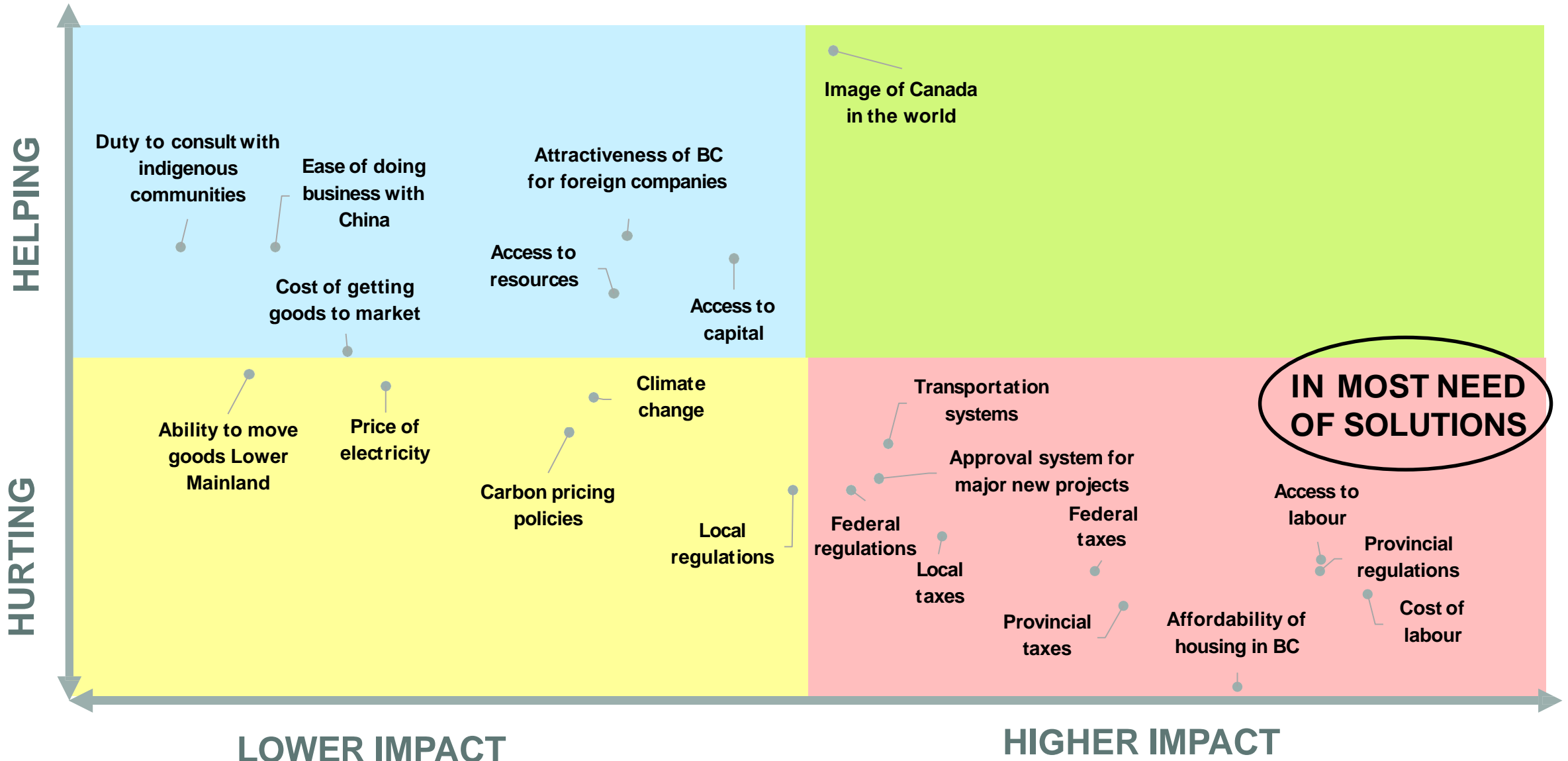


 **HURTING**

WHAT'S HELPING OR HURTING?



WHAT AFFECTS BC BUSINESS



LOWER IMPACT

HIGHER IMPACT

COST OF HOUSING IS HURTING



 **HURTING**

THE COST OF HOUSING IN PARTS OF BC HAS BECOME A REAL PROBLEM FOR BC PEOPLE

2017

94%

6%

2018

95%

5%



AGREE



DISAGREE



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IT'S BECOMING SO EXPENSIVE TO LIVE IN SOME PARTS OF BC THAT IT WILL BE HARD TO ATTRACT YOUNG PEOPLE HERE

2017

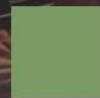
91%

9%

2018

92%

8%



AGREE



DISAGREE



IT'S BECOMING SO EXPENSIVE TO LIVE IN SOME PARTS OF BC THAT IT WILL BE HARD TO **ATTRACT NEW COMPANIES** HERE

2017

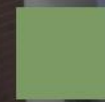
88%

12%

2018

89%

11%



AGREE



DISAGREE



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PROVINCIAL AND FEDERAL GOVERNMENT SHOULD NOT INTRODUCE ANY ADDITIONAL DEMAND SIDE MEASURES FOR HOUSING

2018

18%

43%

30%

9%



STRONG



AGREE



DISAGREE



STRONG



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PRO-TRADE & PRO-CHINA TRADE

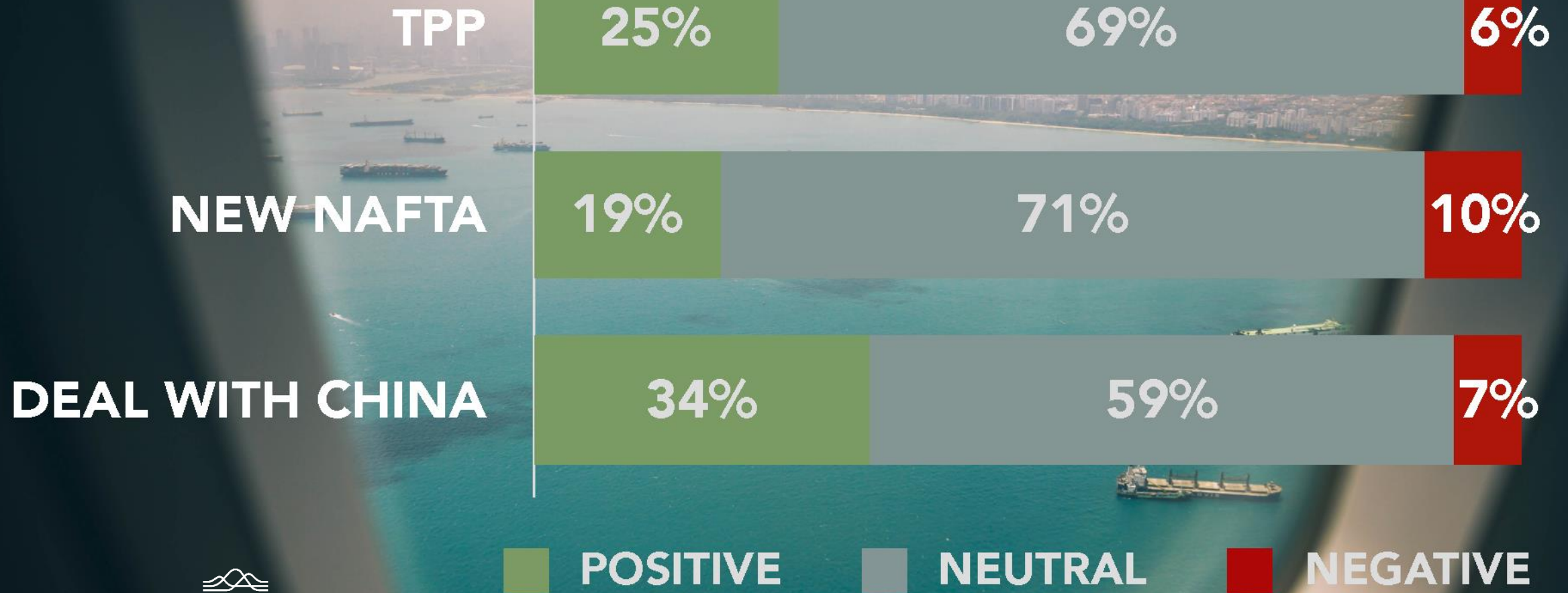


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TRADE ARRANGEMENTS



FREE TRADE WITH CHINA WOULD BE GOOD **FOR BC**

2016

58%

42%

2017

68%

32%

2018

72%

28%

 **AGREE**

 **DISAGREE**

FREE TRADE WITH CHINA WOULD BE GOOD **FOR MY BUSINESS**

2016

42%

58%

2017

50%

50%

2018

55%

45%

■ AGREE

■ DISAGREE

PRO-PIPELINE OK WITH CANNABIS

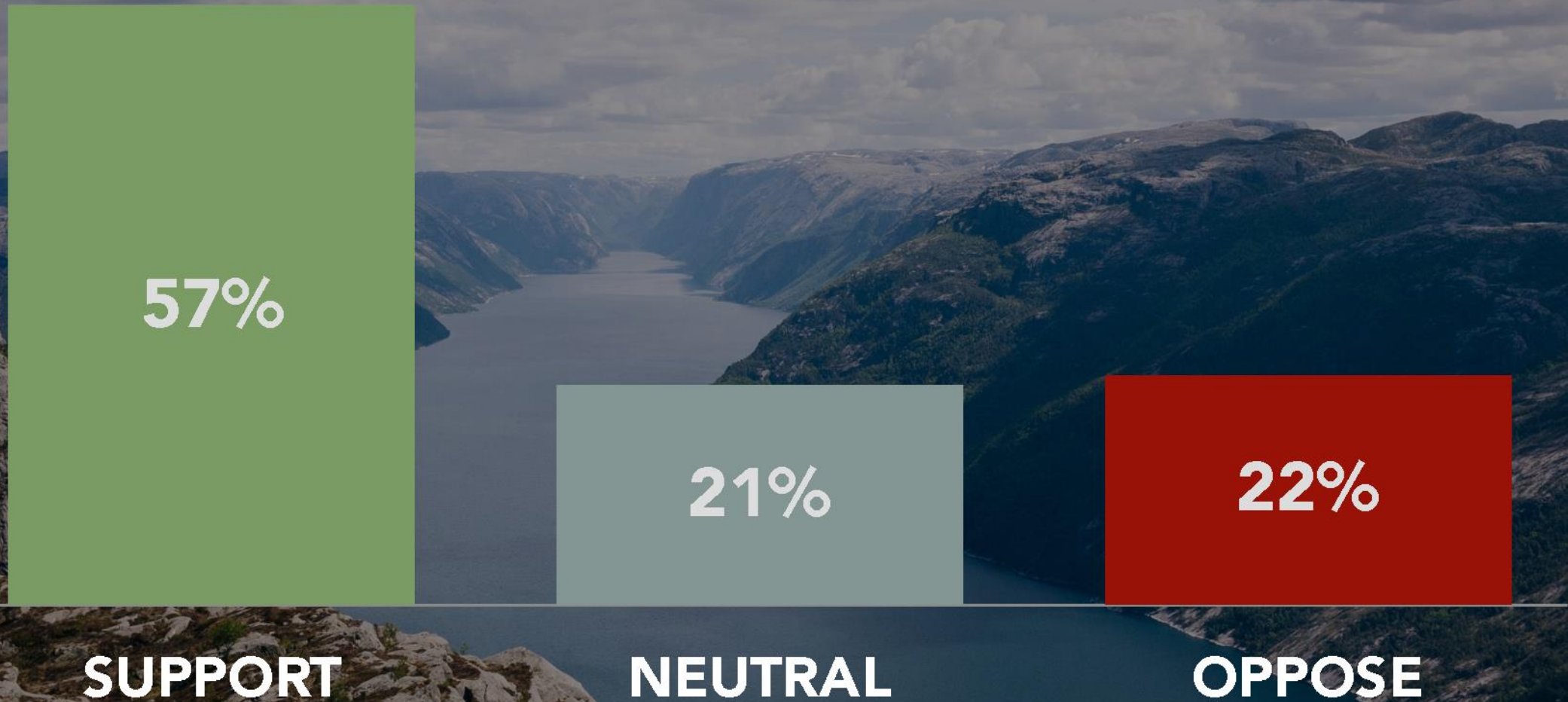


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TRANSMOUNTAIN PIPELINE?



IN GENERAL, DO YOU SUPPORT, OPPOSE OR ARE YOU NEUTRAL ABOUT THE KINDER MORGAN PIPELINE PROJECT?

HOW WILL LEGALIZED RECREATIONAL CANNABIS IMPACT YOUR BUSINESS?



DO YOU THINK RECREATIONAL CANNABIS BEING LEGAL WILL HAVE A POSITIVE, NEGATIVE, OR NO REAL IMPACT ON YOUR BUSINESS?



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IS IT APPROPRIATE OR NOT FOR GOVERNMENTS TO LIMIT PUBLIC CONSTRUCTION PROJECTS TO FIRMS WITH UNIONIZED WORKERS

2018

12%

75%



APPROPRIATE



NOT



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TOP PRIORITY TO HELP TOURISM



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What is the one priority government should focus on to ensure the tourism industry continues to grow and prosper?

PRIORITY TRANSPORT IMPROVEMENT

RIDE-SHARING

36%

LRT

20%

PROVINCIAL BUS SERVICE

15%

MOBILITY PRICING

11%

BC FERRIES

10%



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Which specific issue would you like the most focus on? - Expanding transportation options

INVESTING IN MARKETING

INCREASED \$\$ FOR DESTINATION BC

76%

SPORT STRATEGY

10%



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Which specific issue would you like the most focus on? - Investing in marketing

POSITIVE MOOD BUT WITH MORE STRESS IN 2018



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SOME CONCERN ABOUT PROVINCIAL GOVERNMENT RELATIONSHIP



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GROWTH PRIORITIES

TRADE EXPANSION

INVESTMENT ATTRACTION


TOURISM APPEAL



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HEADWINDS

TAXES & REGULATION

HOUSING COSTS

SUPPLY OF LABOUR



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