

Canadian Survey on Business Conditions, first quarter 2025

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Businesses continue to anticipate a variety of obstacles over the next three months (see Note to readers), mainly those related to costs and labour. While pressures of both cost- and labour-related obstacles continue to ease in the first quarter, the proportion of businesses with a positive outlook remains over 70%.

Real gross domestic product rose 1.5% on a year-over-year basis in November 2024, and consumer inflation was up 1.9% on a year-over-year basis in January 2025, following an increase of 1.8% in December 2024. Meanwhile, employment rose by 76,000 (+0.4%) in January 2025, while the unemployment rate declined 0.1 percentage points to 6.6%.

In this macroeconomic context, Statistics Canada conducted the Canadian Survey on Business Conditions from January to early February 2025. The survey collects information on the environment businesses are currently operating in and their expectations moving forward.

Cost-related obstacles remain a concern for the majority of businesses

While cost-related obstacles are expected by over three-fifths (62.5%) of businesses across Canada over the next three months, there has been a slight easing of pressures, with the proportion of businesses falling from nearly two-thirds (65.7%) in the fourth quarter of 2024. Cost-related obstacles consist of inflation; the cost of inputs; interest rates and debt costs; the cost of insurance; costs of real estate, leasing or property taxes; and transportation costs. In December 2024, prices of raw materials purchased by manufacturers operating in Canada, as measured by the [Raw Materials Price Index](#), grew 3.7% month over month and increased 11.8% year over year. Additionally, average hourly wages were up 3.5% on a year-over-year basis in January 2025, following a year-over-year growth of 4.0% in December 2024.

In this context, inflation (46.4%) is the most commonly expected obstacle by businesses over the next three months. Businesses in accommodation and food services (68.3%); arts, entertainment and recreation (56.9%); and retail trade (56.5%) were most likely to expect inflation to be an obstacle.

Cost of inputs is tied for the second most expected obstacle, anticipated by over one-quarter (26.7%) of businesses, led by those in agriculture, forestry, fishing and hunting (47.9%); accommodation and food services (44.9%); and manufacturing (39.6%).

Cost of insurance, which is also expected by 26.7% of businesses, is tied with cost of inputs as the second most expected obstacle. Businesses in transportation and warehousing (38.1%); accommodation and food services (35.6%); and agriculture, forestry, fishing and hunting (33.8%) were most likely to expect cost of insurance to be an obstacle.

When asked to indicate which expected obstacle would be the most challenging over the next three months, 12.6% of businesses indicated inflation, 10.5% reported recruiting skilled employees, and 6.2% reported cost of inputs.

Labour cost is the most commonly anticipated input businesses expect to be an obstacle

Over one-quarter (26.7%) of businesses anticipate cost of inputs to be an obstacle over the next three months. Of these businesses, over three-fifths (61.6%) specified labour cost as an input they expect to be an obstacle, led by businesses in health care and social assistance (89.8%); arts, entertainment and recreation (84.3%); and information and cultural industries (76.1%).



Meanwhile, 43.8% of businesses across Canada expect to increase wages over the next 12 months, with an average wage increase of 7.0%. This is comparable to the expected average wage increase of 7.4% from the first quarter of 2024. Businesses in retail trade (52.9%); manufacturing (52.3%); and accommodation and food services (51.5%) were most likely to expect to increase wages. On the other hand, over two-fifths (44.6%) of businesses expect wages to stay the same, and a further 3.0% (correction) expect a decrease in wages.

Majority of businesses did not experience a supply chain disruption over the previous 12 months

Businesses were asked about disruptions which impacted their ability to acquire inputs, products or supplies from Canada or abroad over the previous 12 months. Over one-tenth (11.6%) of businesses indicated they experienced disruptions due to labour disputes impacting transportation or logistics providers. Additionally, 10.4% of businesses experienced disruptions due to labour disputes impacting suppliers. On the other hand, close to three-quarters (72.6%) of businesses did not experience any disruptions over the previous 12 months.

Nearly one-third of businesses report higher revenues in 2024 compared with 2023

Nearly one-third (32.9%) of businesses reported that their revenues were higher in 2024 than in 2023, with an average revenue increase of 22.0%. Businesses most likely to have higher revenues were in finance and insurance (47.0%); arts, entertainment and recreation (43.0%); and manufacturing (42.2%).

Meanwhile, over one-third (35.8%) of businesses indicated that their revenues were the same in 2024 as they were in 2023. A further 31.3% of businesses had lower revenues in 2024 compared to 2023, with an average revenue decrease of 25.6%. Businesses most likely to have lower revenues were in accommodation and food services (42.5%), wholesale trade (40.1%), and construction (39.8%).

Business optimism remains high

Nearly three-quarters (73.1%) of businesses are either very optimistic or somewhat optimistic about their future outlook over the next 12 months. The proportion of businesses reporting an optimistic future outlook has consistently remained above 70% since the second quarter of 2024.

Meanwhile, 16.7% of businesses expect their sales of goods and services to increase over the next three months, consistent with 16.6% in the fourth quarter of 2024. This was led by businesses in retail trade (24.4%); manufacturing (23.4%); and arts, entertainment and recreation (19.8%). At the same time, 24.8% of businesses expect to raise the prices of their offered goods and services over the next three months.

Table 1
Business or organization expectations over the next three months, fourth quarter of 2024 and first quarter of 2025

	Increase - Expected change, fourth quarter of 2024	Stay about the same - Expected change, fourth quarter of 2024	Decrease - Expected change, fourth quarter of 2024	Not applicable - Expected change, fourth quarter of 2024	Increase - Expected change, first quarter of 2025	Stay about the same - Expected change, first quarter of 2025	Decrease - Expected change, first quarter of 2025	Not applicable - Expected change, first quarter of 2025
	% of businesses							
Number of employees	8.6	83.4	8.0	0.0	9.6	83.3	7.1	0.0
Vacant positions	4.6	53.5	6.6	35.3	5.1	51.3	6.7	36.9
Sales of goods and services offered by the business or organization	16.6	61.0	18.3	4.1	16.7	62.8	17.5	3.1
Selling price of goods and services offered by the business or organization	19.3	69.7	6.5	4.5	24.8	64.9	6.9	3.3

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Demand for products and services offered by the business or organization	16.4	64.5	19.1	0.0	18.2	65.4	16.3	0.0
Profitability	12.4	53.3	32.0	2.3	12.2	55.4	29.6	2.7

Source(s): Tables [33-10-0891-01](#) and [33-10-0916-01](#).

Nearly half of businesses have plans to develop staff

Over one-third (34.9%) of all businesses indicated they would be training staff in classrooms, workshops, or online over the next 12 months. Businesses in finance and insurance (56.1%); health care and social assistance (49.4%); and information and cultural industries (46.6%) were most likely to report that they plan to use this type of training. Furthermore, just over one-quarter (25.7%) of businesses plan to use mentoring or buddying to develop staff. This is led by businesses in finance and insurance (38.0%); arts, entertainment and recreation (32.7%); and administrative and support, waste management and remediation services (30.7%).

On the other hand, of the businesses that do not plan to use any staff development measures (50.3%), the most commonly cited reason is that no staff development measures were needed at this time (76.4%).

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Note to readers

Data from the Canadian Survey on Business Conditions are now available. The tables provide data at the national, provincial and territorial levels by industrial sector, employment size, type of business and majority ownership. Data are also available for the 20 largest cities in Canada, by request.

Results from this survey are applicable to employer businesses in Canada. This survey is conducted quarterly to collect information from businesses in Canada more efficiently and rapidly compared with traditional methods.

The most recent survey was conducted from January 2 to February 6, 2025, and respondents were asked about their expectations for the next three months. As a result, this three-month period could range from January 2 to May 6, 2025, depending on when the business responded.

Statistics Canada would like to thank Canadians who took the time to complete this survey, enabling a better understanding of Canadian businesses.

Available tables: [33-10-0915-01](#) to [33-10-0940-01](#) .

Definitions, data sources and methods: survey number [5318](#).

The infographic "[Business Conditions in Canada, first quarter of 2025](#)," part of the series *Statistics Canada—Infographics* ([11-627-M](#)), is now available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).