

BUSINESS CONDITIONS IN CANADA, *fourth quarter of 2022*

Business expectations over the next three months

- 79.6%** expect to keep the same number of employees
- 58.4%** expect rising inflation to be an obstacle
- 52.8%** expect profitability to remain relatively unchanged
- 48.1%** expect the rising cost of inputs to be an obstacle
- 39.4%** expect rising interest rates and debt-related costs to be an obstacle
- 37.2%** expect transportation costs to be an obstacle
- 32.4%** expect to raise the prices of goods and services



Labour-related issues anticipated in the short term



- 35.5%** of businesses expect the labour force shortage to be an obstacle
- 41.7%** of businesses expect recruiting or retaining employees to be an obstacle,
- Of businesses expecting this obstacle,**
- 61.3%** find recruiting and retaining staff more challenging than 12 months earlier

Supply chain challenges over the next three months

- 23.5%** of businesses expect difficulty acquiring inputs, products or supplies from within Canada
- 12.8%** of businesses expect maintaining inventory levels to be an obstacle
- 12.3%** of businesses expect difficulty acquiring inputs, products or supplies from abroad



Of businesses that expect supply chain challenges over the next three months

- 33.3%** reported that they plan to substitute inputs, products or supplies with alternate inputs, products or supplies over the next 12 months
- 32.3%** reported that they plan to partner with new suppliers over the next 12 months

Liquidity and debt

- 77.3%** of businesses reported having the cash or liquid assets required to operate for the next three months
- 74.7%** of businesses do not plan to apply for a new business loan over the next three months
- Of businesses that do not plan to apply for a new business loan in the next three months,**
- 25.7%** reported being unable to take on more debt

Source: Statistics Canada, Canadian Survey on Business Conditions, fourth quarter of 2022.

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