



Q4 2023

# HALIFAX BUSINESS CONDITIONS

DATA RELEASE

**HALIFAX  
CHAMBER OF  
COMMERCE**

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## MESSAGE FROM THE CHAMBER'S POLICY TEAM

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The overall goal of the Halifax Chamber of Commerce is to create value and prosperity for our 1,900+ members and their over 94,000 employees. Through our Strategic Plan, we are providing the services businesses need, hosting events that will help them learn, and advocating for the conditions in the economy that enhance their prosperity.

Our advocacy positions, which are obtained through Chamber task force meetings, discussions with our attendees and members at round tables, and countless hours of calls each month where we connect with our membership, is also supported by detailed analysis and empirical data. This data release is intended to enhance our overall advocacy role as the voice of business in HRM by sharing some of that data with our business members, key decision makers, and other relevant stakeholders.

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# BUSINESS OUTLOOK

*Oct - Nov 2023*

## KEY FINDINGS

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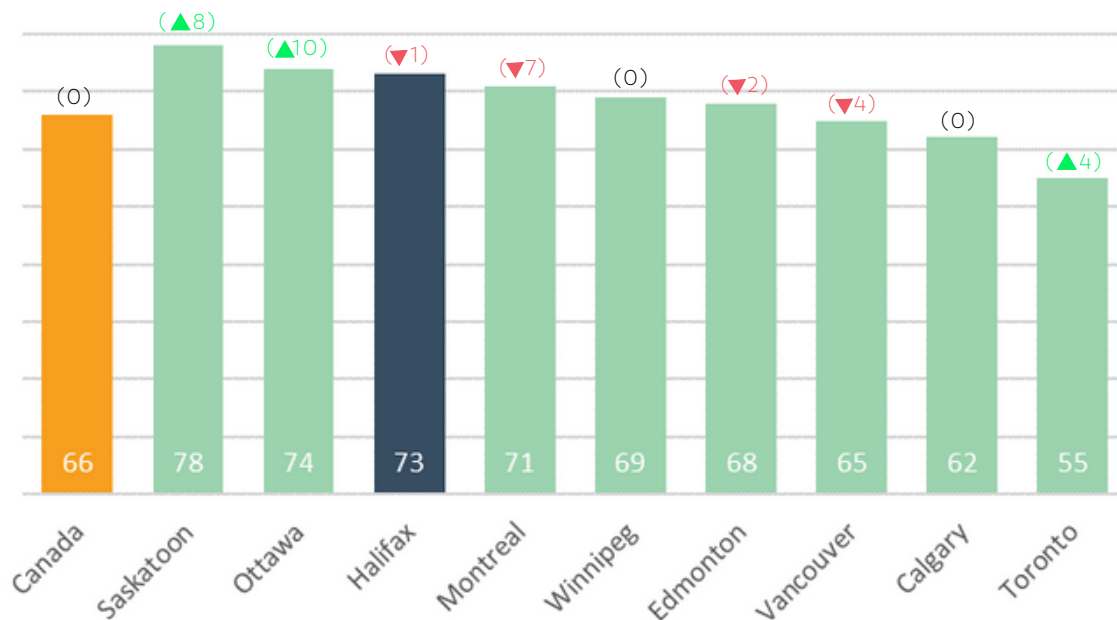
Overall business optimism throughout Canada's major CMA's remained unchanged from Q3 to Q4 of 2023. Halifax Business optimism fell slightly, while central Canada saw the most positive optimistic changes.

Cost-related obstacles have become the biggest concern for Halifax Businesses, with 7 of the top 10 business obstacles over the next three months expected to be related to costs.

Inflation related obstacles saw the biggest change from Q3 to Q4 of 2023 and remains a top concern for Halifax businesses.

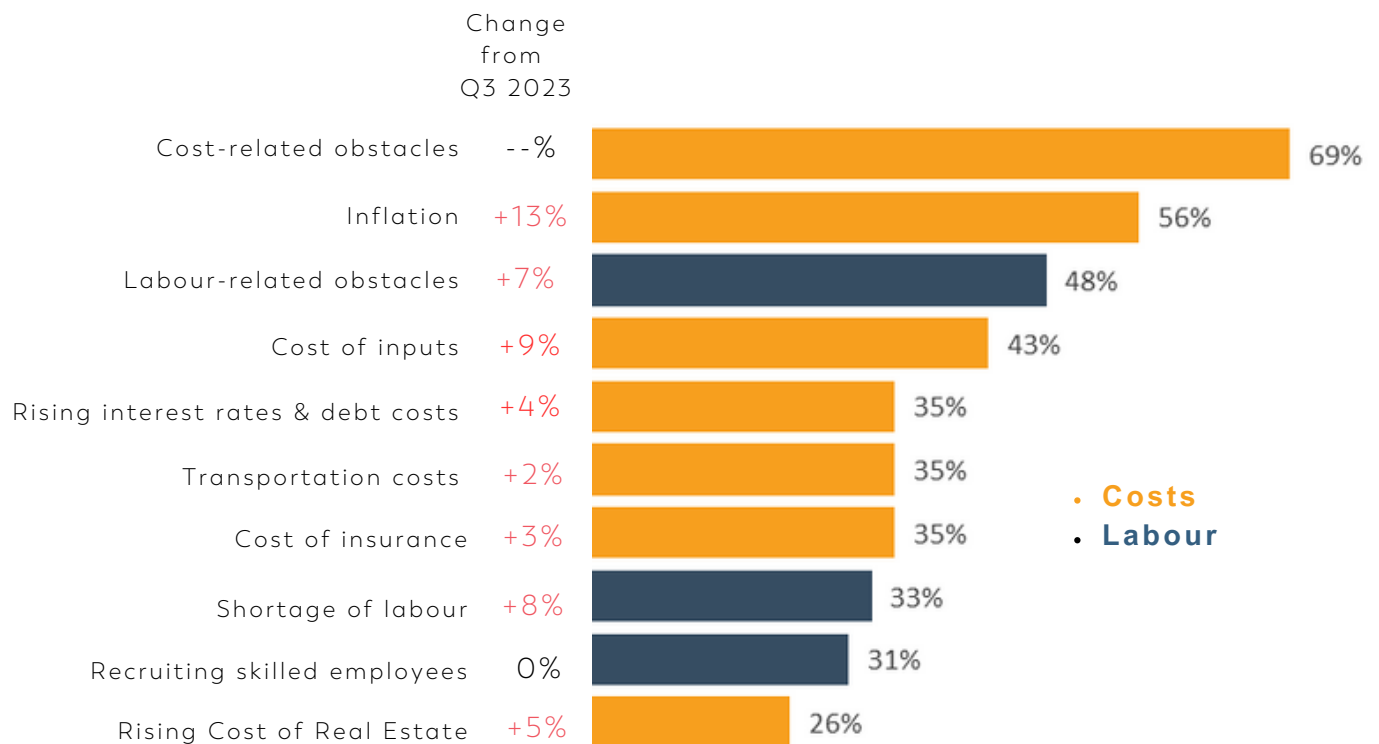
## Businesses with an optimistic outlook for the next 12 months

% of respondents, by major CMA, change from previous quarter in parentheses



## Top 10 Halifax business obstacles expected, next three months.

% of respondents



# COST PRESSURES

Oct - Nov 2023

## KEY FINDINGS

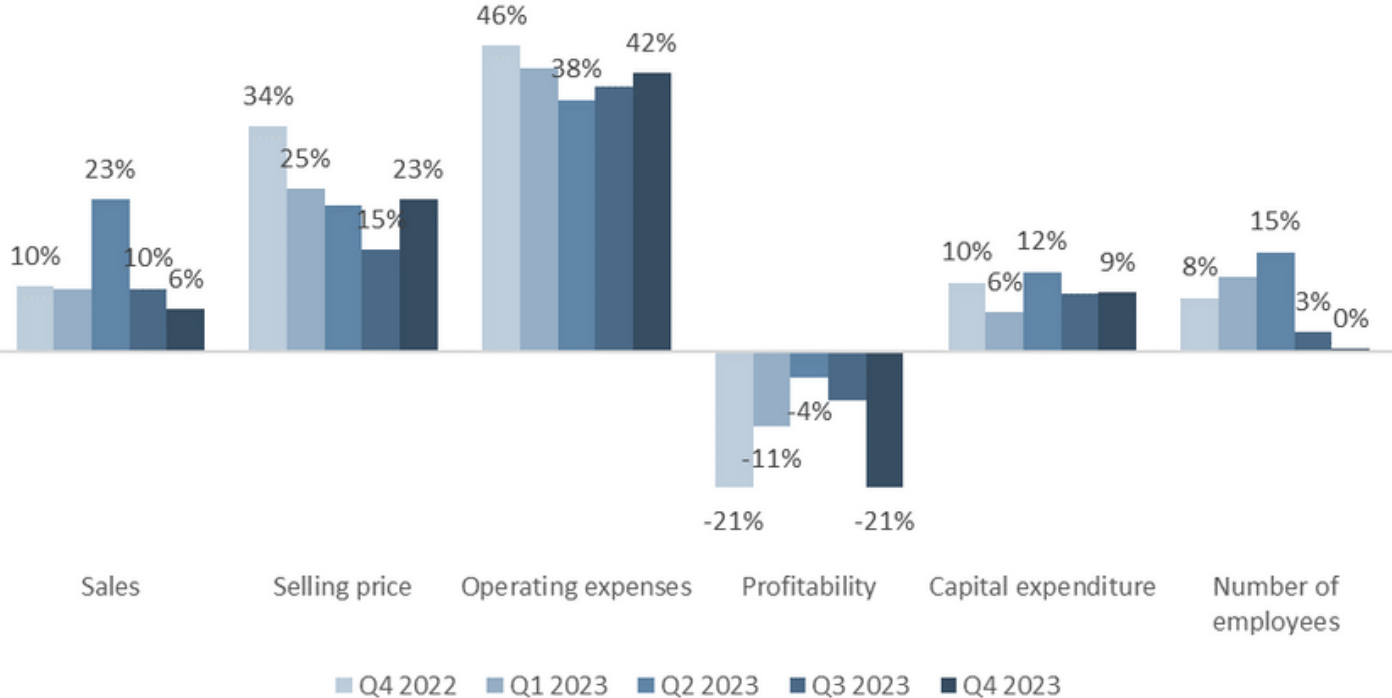
The combination of slower sales with higher operating expenses is impacting expectations of profitability for Halifax businesses next quarter.

Of concern is the increase in expectations of higher selling prices, indicating inflation may not continue it's downward trend next quarter.

Halifax businesses are facing mounting cost pressures from a multitude of categories (inflation, inputs, financing and debt, transportation, and insurance)

**Expected changes for your business, next three months**

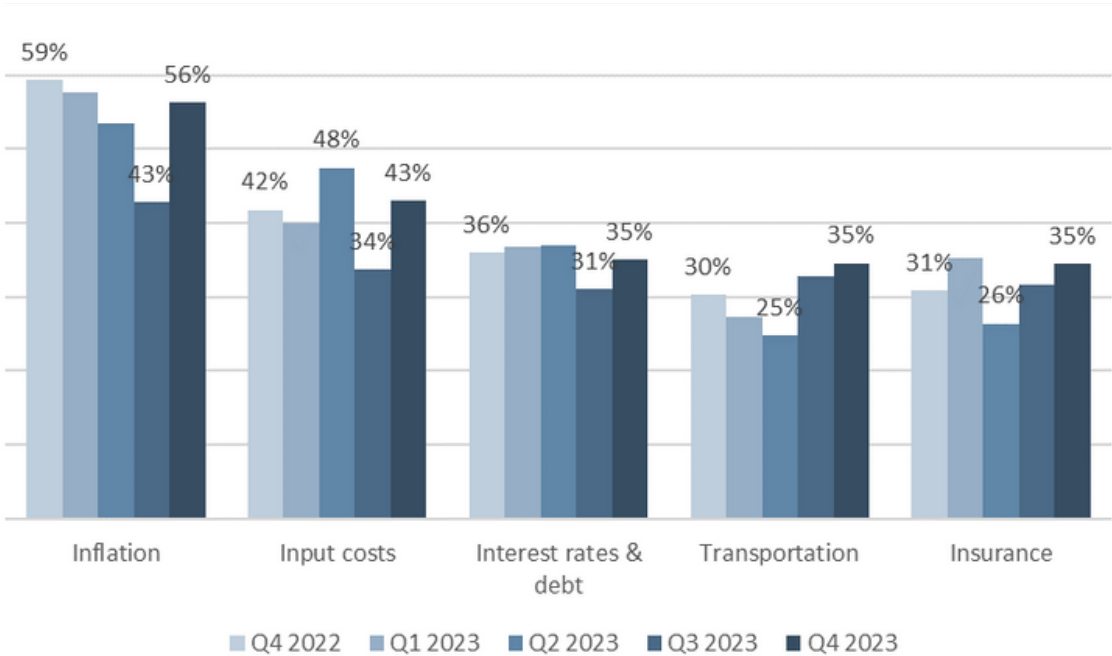
Balance of opinion\*



\* % of respondents that answered “increase” less % that answered “decrease” by metric

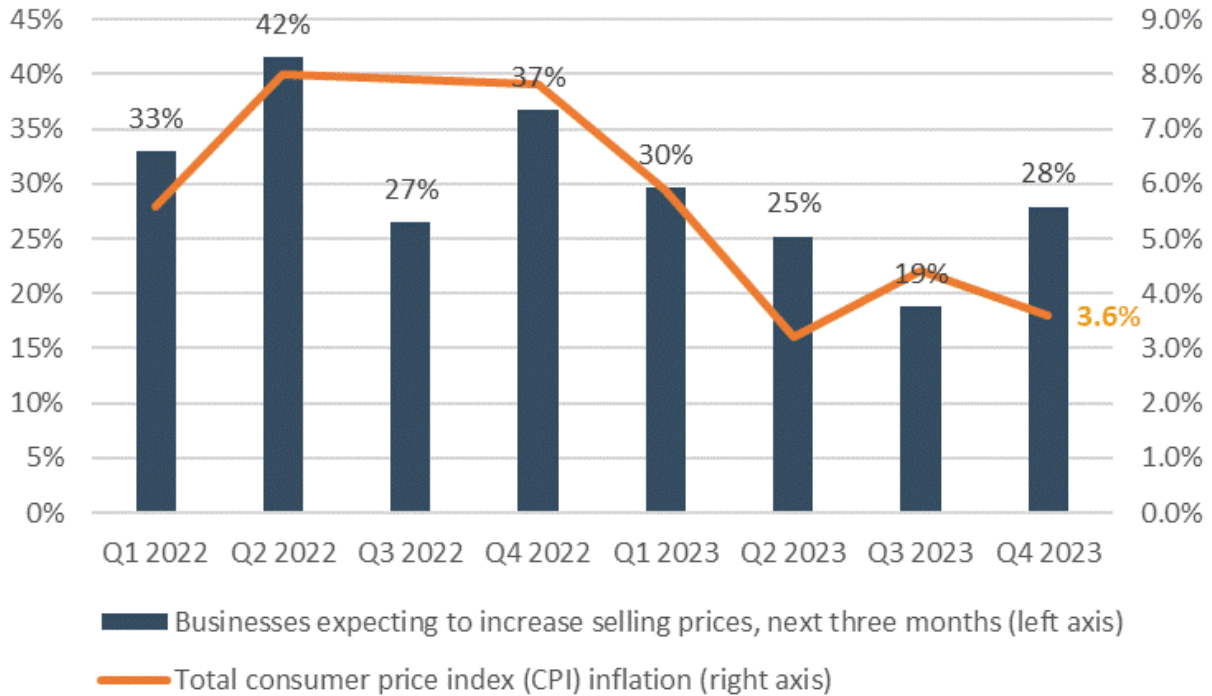
**Businesses expecting cost-related obstacles, next three months**

% of respondents



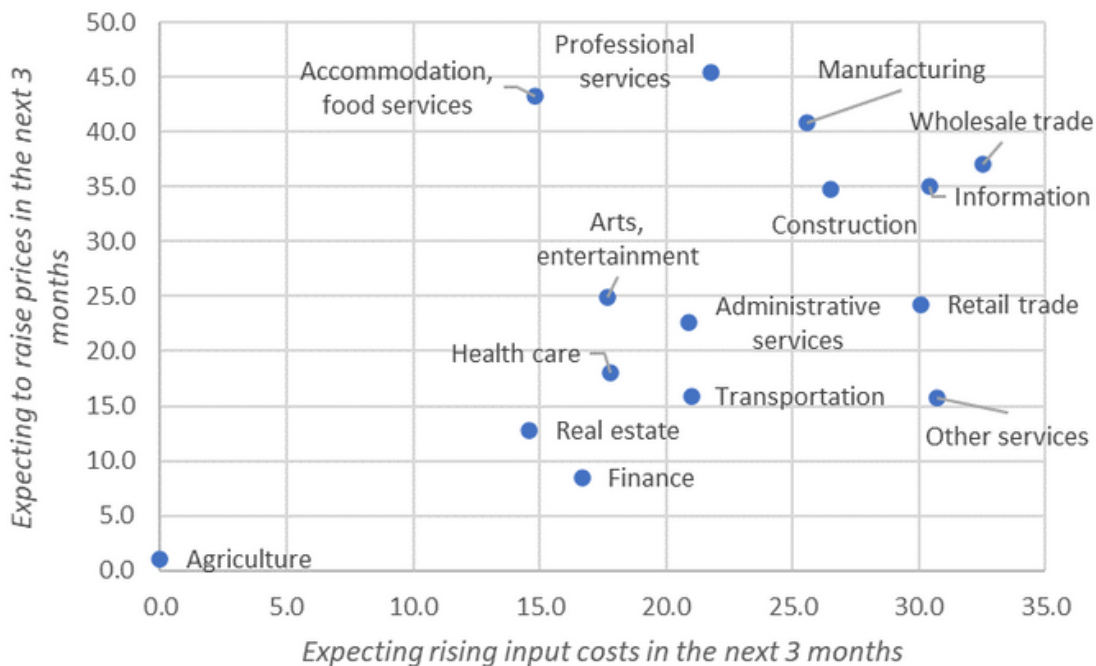
### BUSINESSES EXPECTING TO RAISE THE SELLING PRICE OF THEIR GOODS AND SERVICES, NEXT THREE MONTHS AND CPI INFLATION

Left axis % of respondents; right axis Quarter-over-quarter % change



### COST PRESSURES IMPACTING PRICES OF GOODS AND SERVICES OFFERED, NEXT THREE MONTHS

% of respondents by industry







# CEBA LOANS

Oct - Nov 2023

## KEY FINDINGS

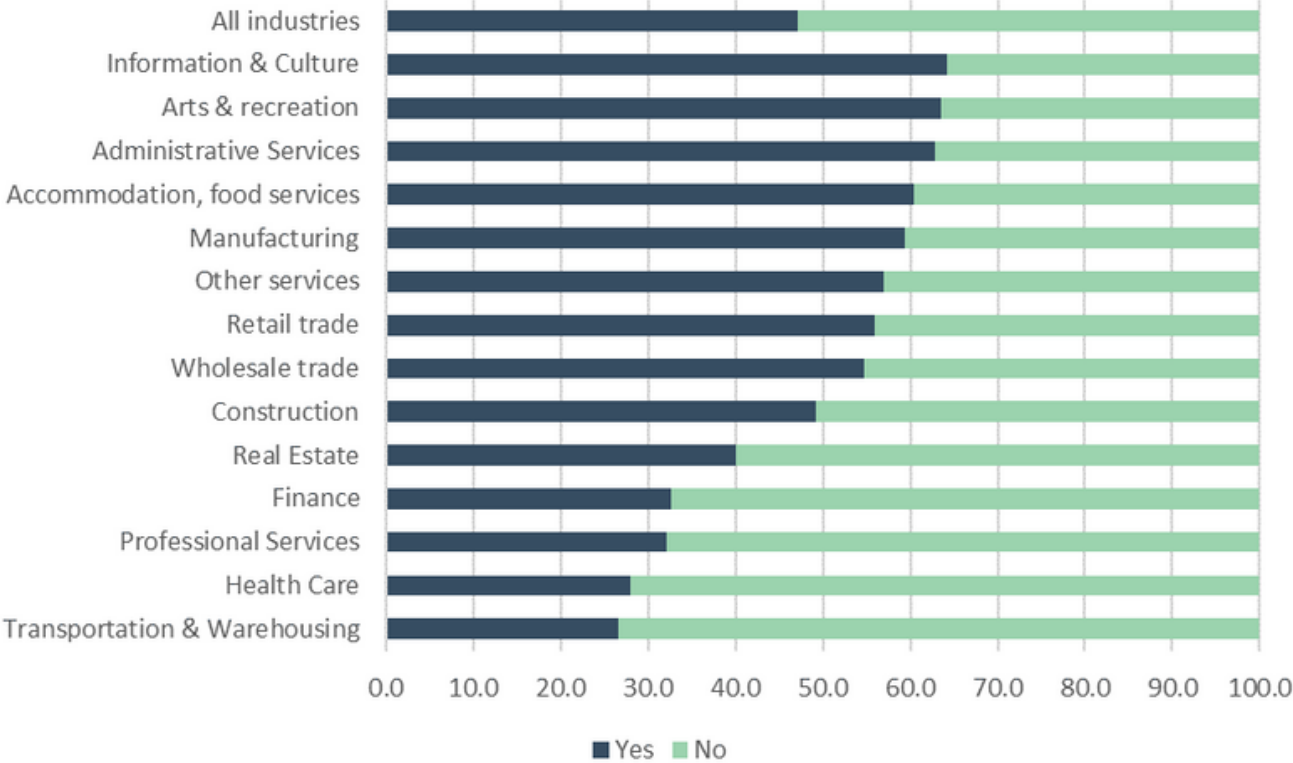
Across all industries, 47% of Halifax businesses received a repayable CEBA loan. Of that 47%, only 31% have fully paid it back.

Of the 61% of businesses in the Accommodation & Food Services industry who received a CEBA loan, less than 1% have fully repaid it back.

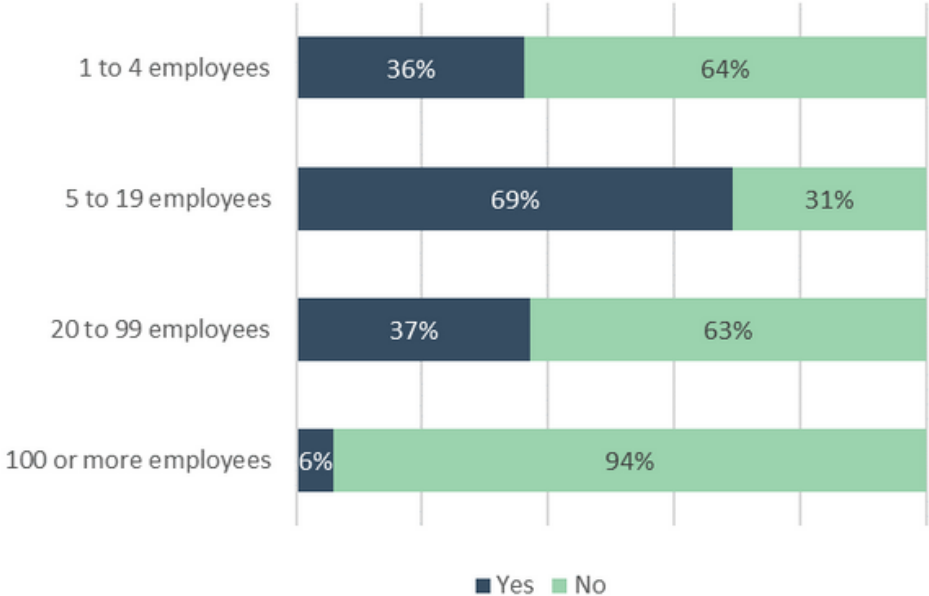
Smaller firms were more likely to have received a CEBA loan and are also more likely to have fully paid it back already.

Only 10% of Halifax businesses do not expect to have the liquidity or access to credit to repay the CEBA loan by December 31, 2026.

**Businesses who received a repayable CEBA loan**  
% of respondents by industry

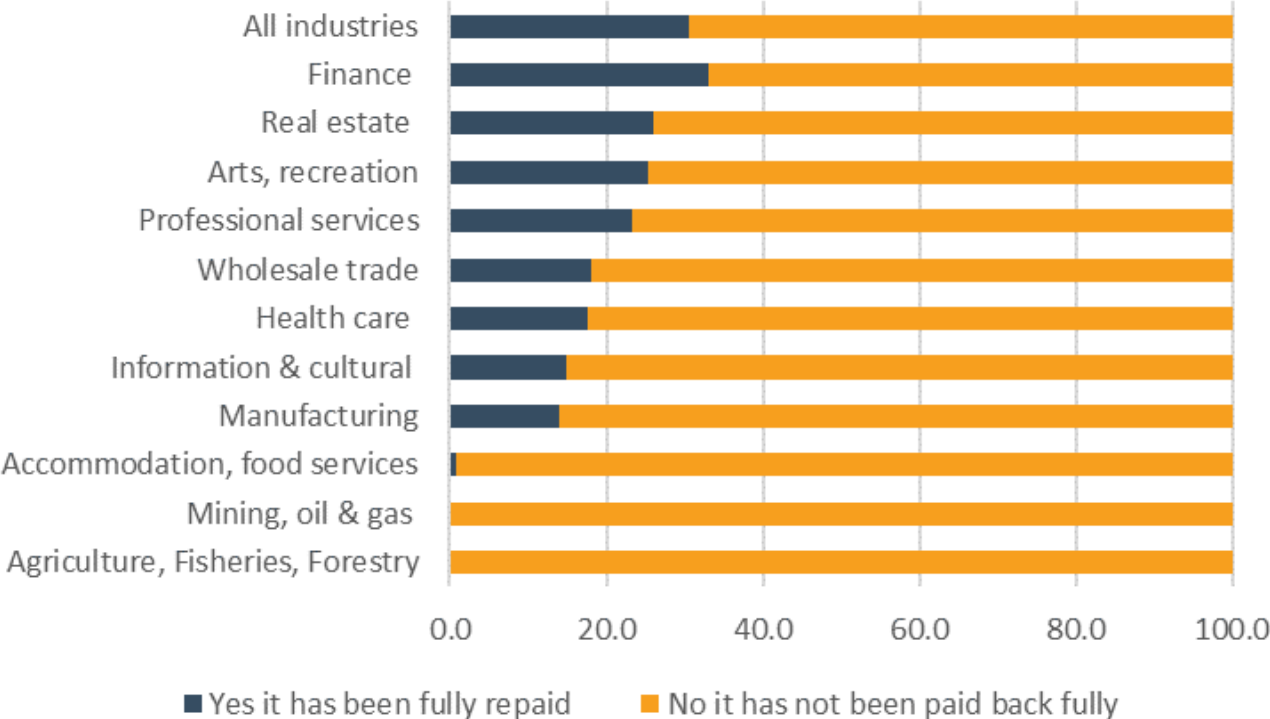


**Businesses who received a repayable CEBA loan**  
% of respondents by firm size



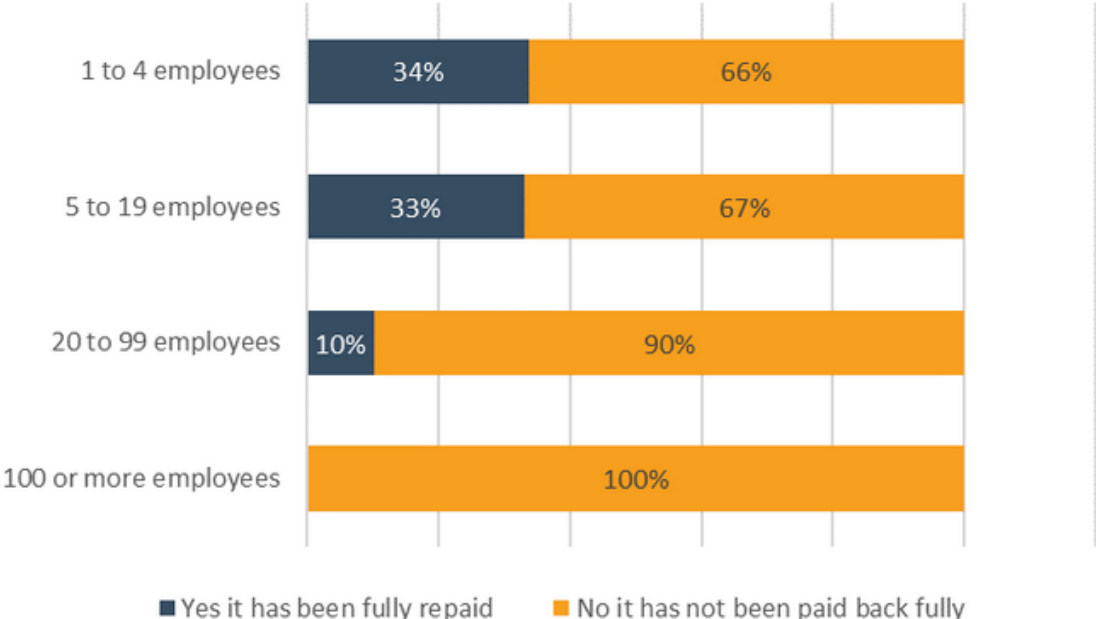
**Status of businesses who have fully repaid balance of CEBA loan**

% of respondents by industry

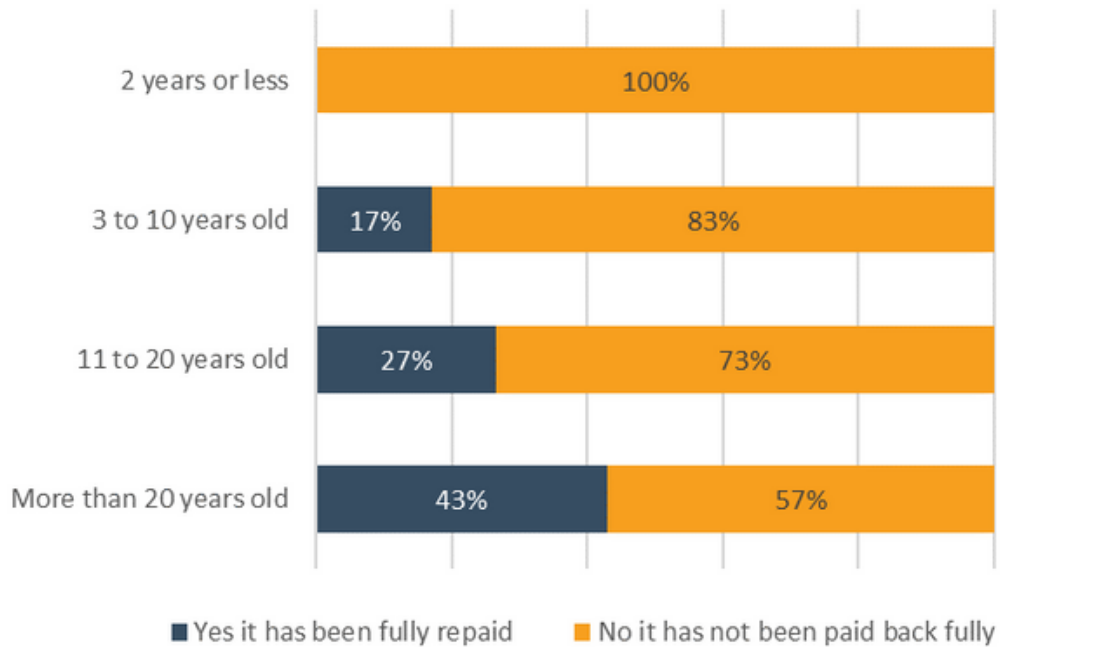


**Status of businesses who have fully repaid balance of CEBA loan**

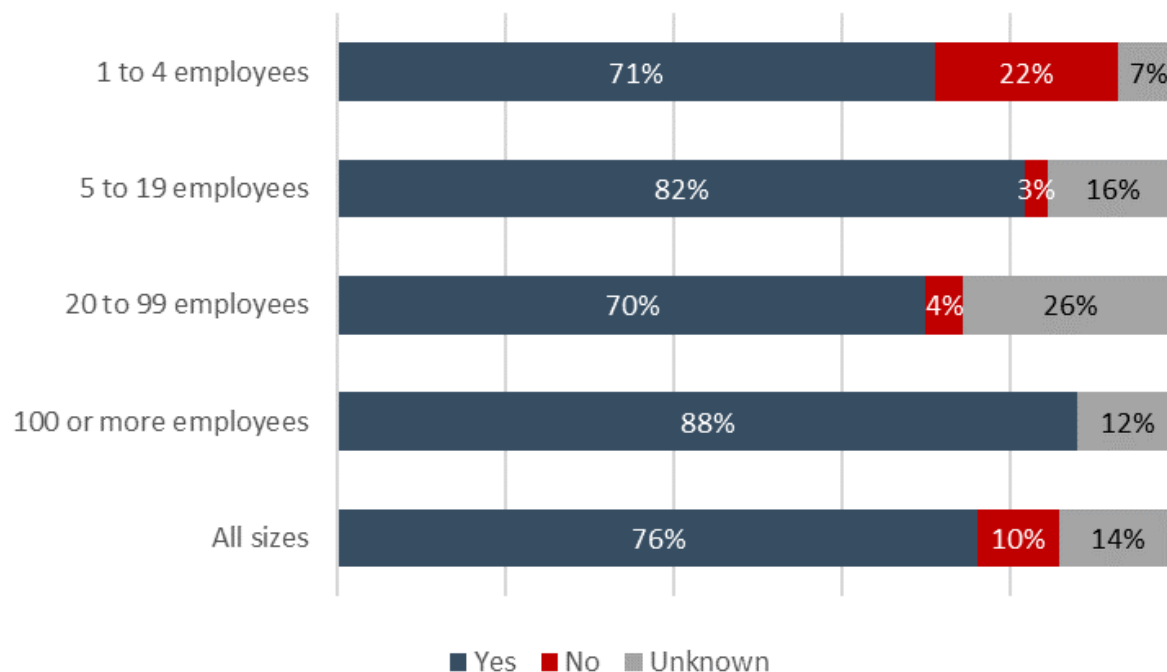
% of respondents by firm size



### Status of businesses who have fully repaid balance of CEBA loan % of respondents by age of business



### Businesses expecting to have the liquidity or access to credit to repay the CEBA loan by December 31, 2026 % of respondents by firm size



# LABOUR

*Oct - Nov 2023*

## KEY FINDINGS

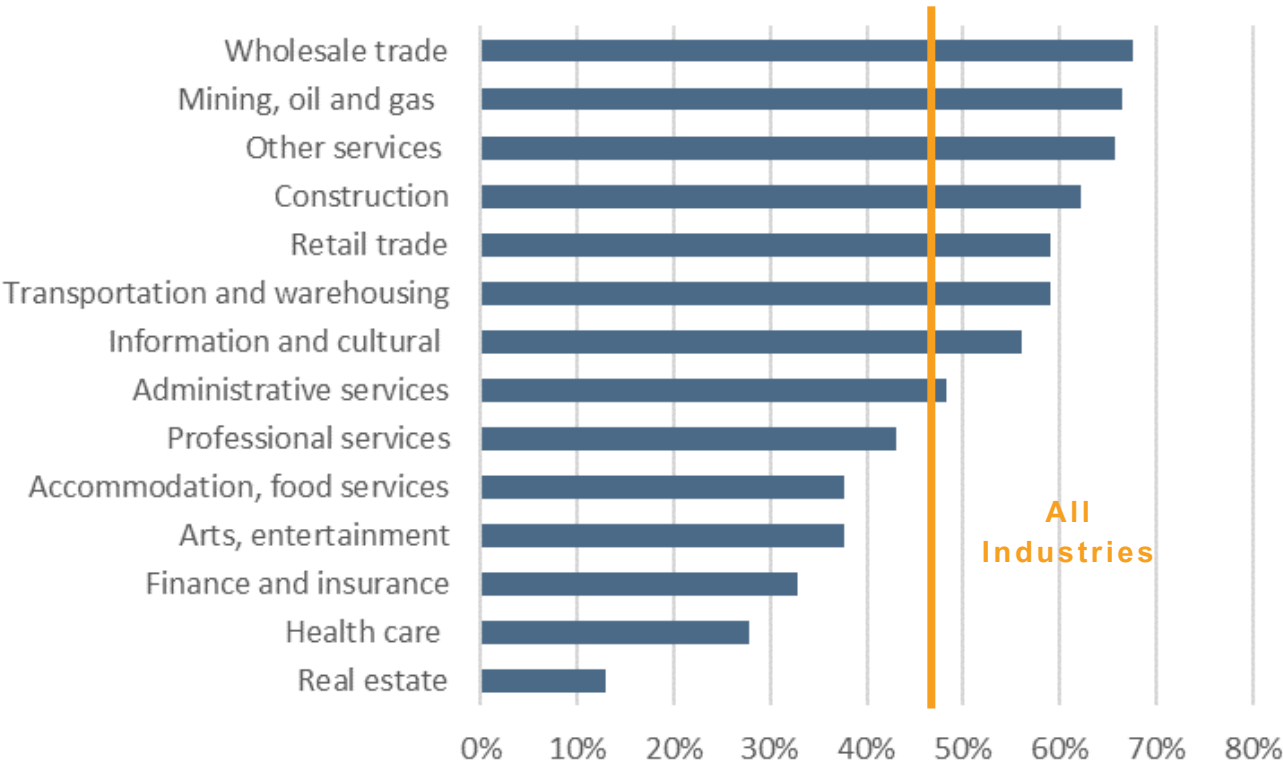
Labour challenges are expected to worsen slightly with 48% of the businesses in Halifax expecting to face obstacles related to labour over the next three months, up from 41% in the previous quarter.

The Halifax Construction industry's labour related challenges have improved since last quarter with 62% of construction firms still expecting to face challenges over the next three months, down from 79% in Q3.

The Retail and Wholesale trade sectors are expecting to face some of the greatest obstacles with respect to labour challenges next quarter.

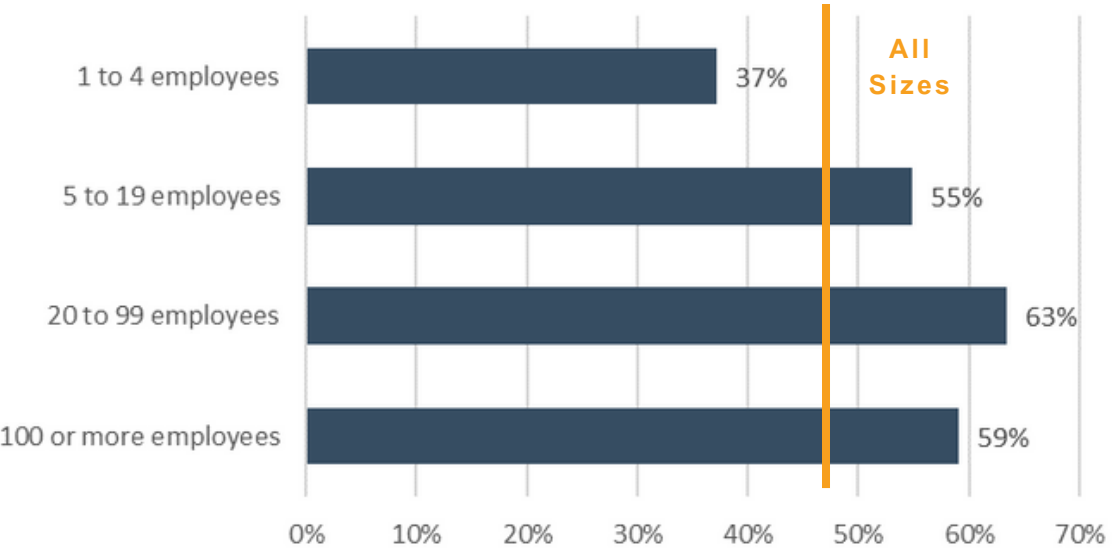
**EXPECTED LABOUR RELATED OBSTACLES, NEXT THREE MONTHS.**

% of respondents by industry



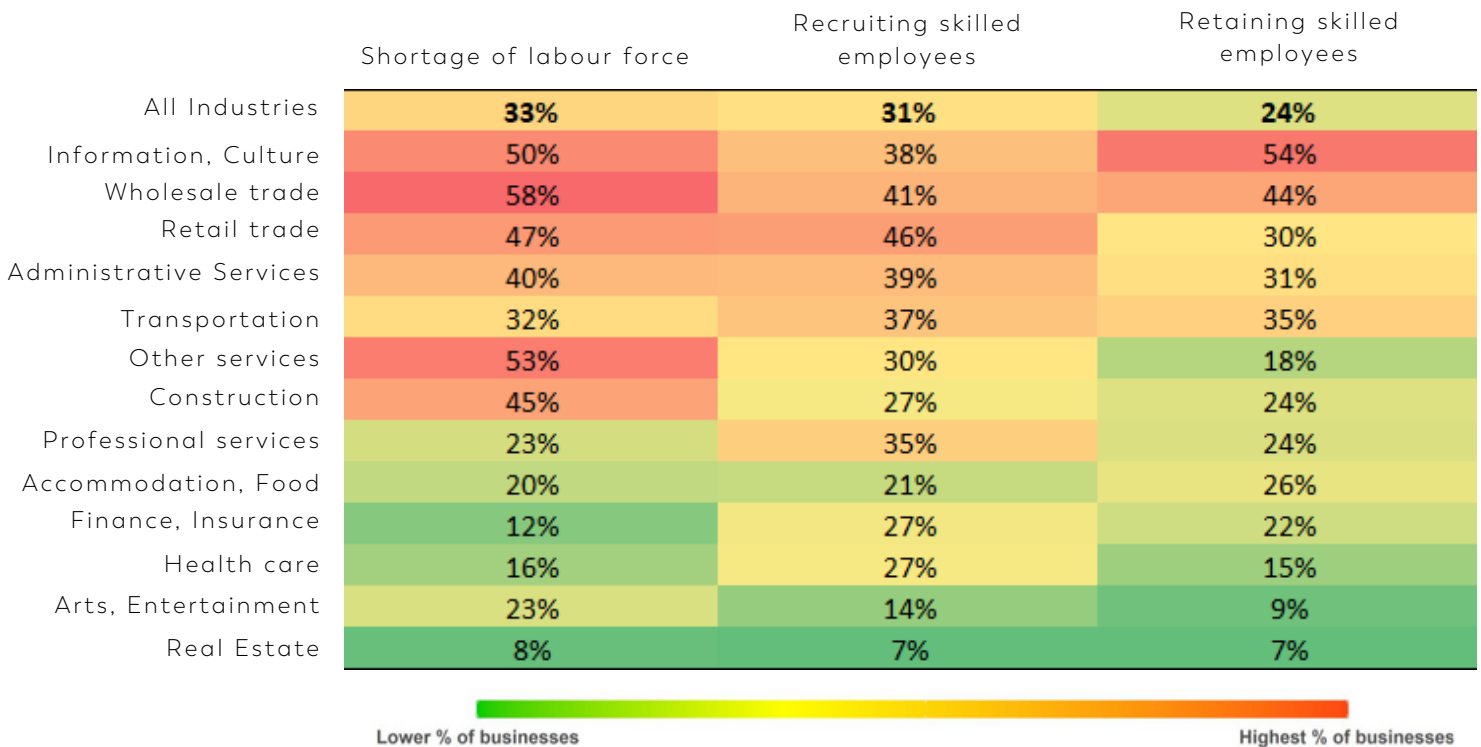
**Expected labour related obstacles, next three months.**

% of respondents by firm size



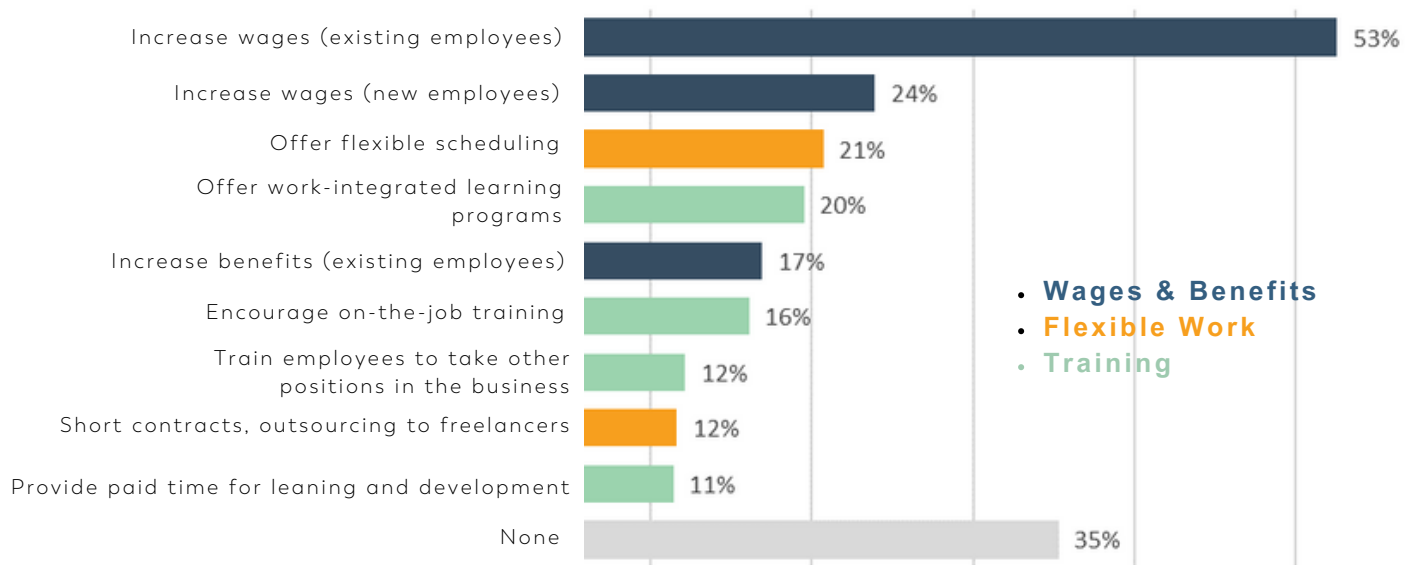
## LABOUR CHALLENGES EXPECTED, NEXT THREE MONTHS

% of respondents by industry



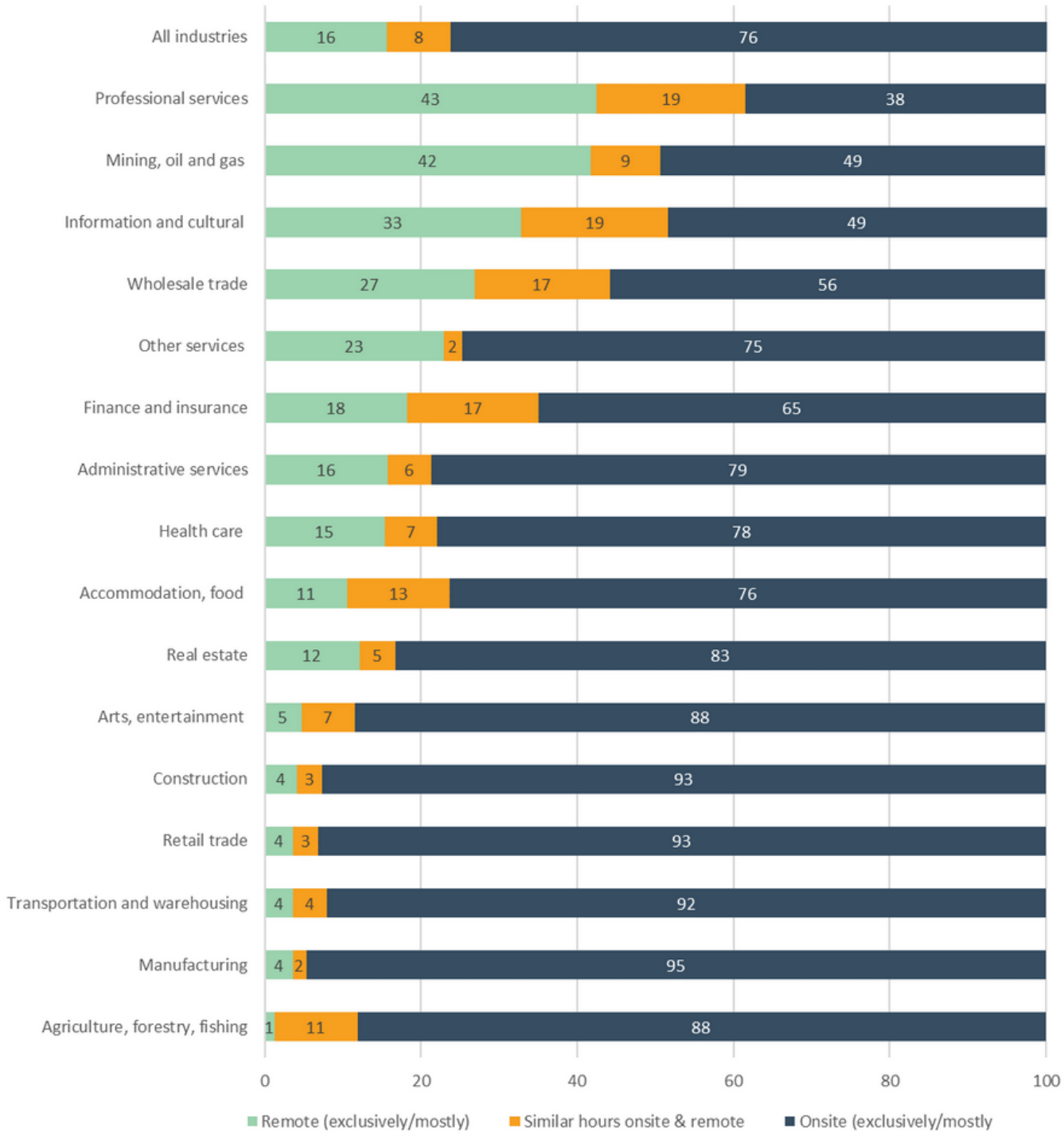
## Top 10 plans to address recruitment and retention challenges over the next 12 months

% of respondents, Q2 2023



## Percentage of the employees anticipated working arrangements, next three months

% of respondents by industry, Q3 2023







# GREEN PRACTICES

*June - Aug 2023*

## KEY FINDINGS

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Around half of Halifax businesses have environmental practices in place or plans to implement environmental practices over the next 12 months.

The percentage of businesses with practices or plans in place has slightly decreased year-over-year from 56% to 53% in Q3 2023.

Business barriers for adopting environmental practices increased between Q3 2022 and Q3 2023. Inflationary pressures and labour obstacles have likely increased barriers to adoption.

## Environmental practices in place or planned over next 12 months

% of respondents, year-over-year percentage change in parentheses

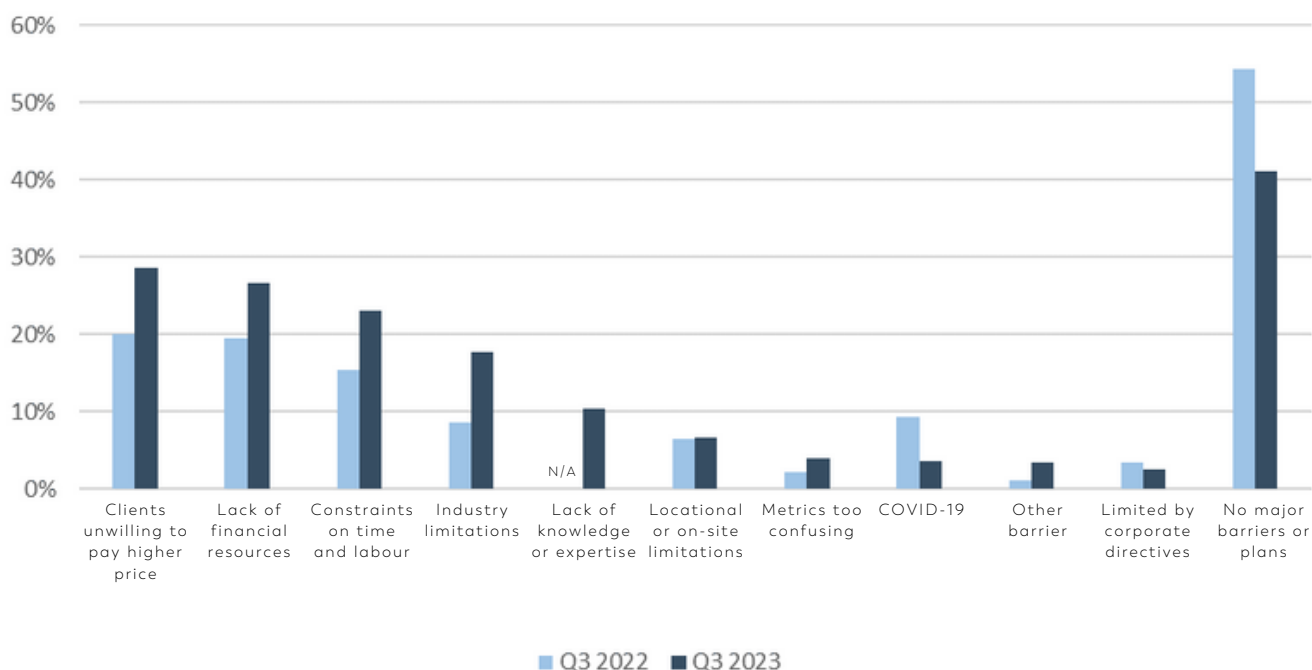
All industries: Yes=53% No=47%

Change vs.  
Q3 2022

|   |   |     |        |
|---|---|-----|--------|
| Sustainable resource management           | Reduce waste  | 28% | (-10%) |
|   | Reduce energy or water consumption                            | 21% | (-7%)  |
|   | Become zero waste   | 3%  | (0%)   |
| Green product development and procurement | Use recycled or waste materials as inputs                     | 14% | (-2%)  |
|   | Choose suppliers based on their environmental practices       | 12% | (+2%)  |
|   | Design products or services to have a minimal impact          | 9%  | (-1%)  |
| Governance, organizational culture        | Encourage employees to adopt environmental friendly practices | 24% | (-5%)  |
|   | Implement green processes                                     | 10% | (-6%)  |
|   | Introduce other environmental practices                       | 4%  | (-1%)  |
|   | Have a written environmental policy                           | 6%  | (-3%)  |
| Energy transition, decarbonization        | Use one or more clean energy sources                          | 7%  | (+1%)  |
|   | Perform carbon sequestration                                  | 5%  | (+3%)  |
| Measurement, tracking and reporting       | Measure the business' environmental footprint                 | 5%  | (+1%)  |
|   | Obtain or maintain one or more eco-responsible certifications | 3%  | (+2%)  |
|   | Hire an external auditor to evaluate the business' practices  | 1%  | (-1%)  |

## Barriers in adopting environmental practices over next 12 months

% of respondents, Q3 2023





# FINANCING

Oct - Nov 2023

## KEY FINDINGS

Business financing options in Halifax have improved in the last three months, with smaller firms (>5 employees) still struggling relative to larger organizations.

The share of businesses who indicated they can take on more debt increased slightly (+4%) from Q3 to Q4 of 2023.

The financial health for smaller firms (>5 employees) continues to improve with 67% of those firms indicating they can take on more debt compared to 54% one year ago.

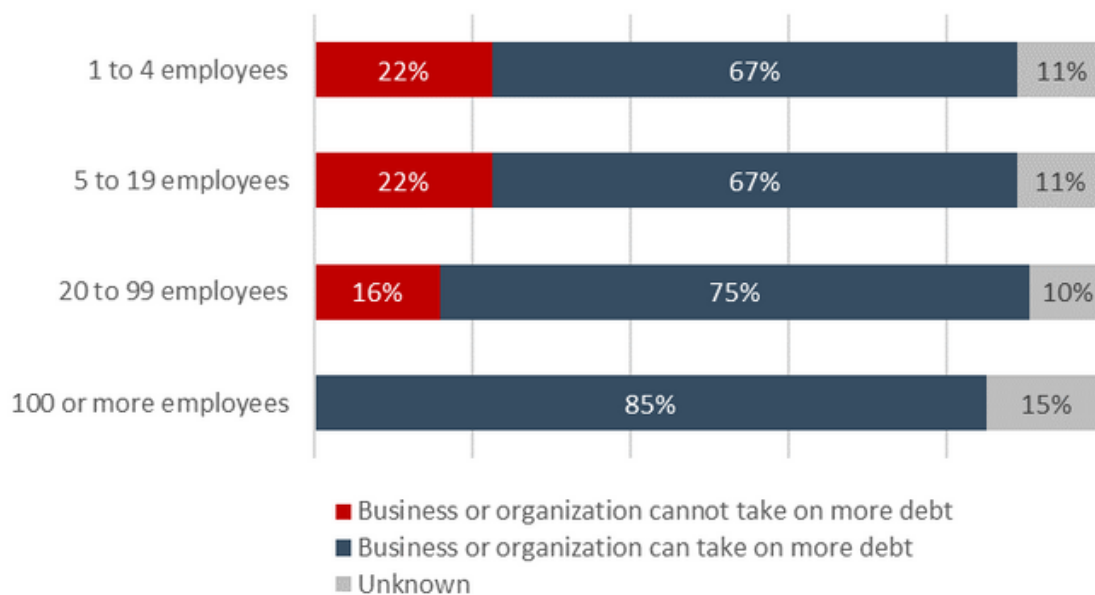
### Ability for the business to take on more debt.

% of respondents by quarter of survey



### Ability for the business to take on more debt.

% of respondents by firm size



# SUPPLY CHAINS

Oct - Nov 2023

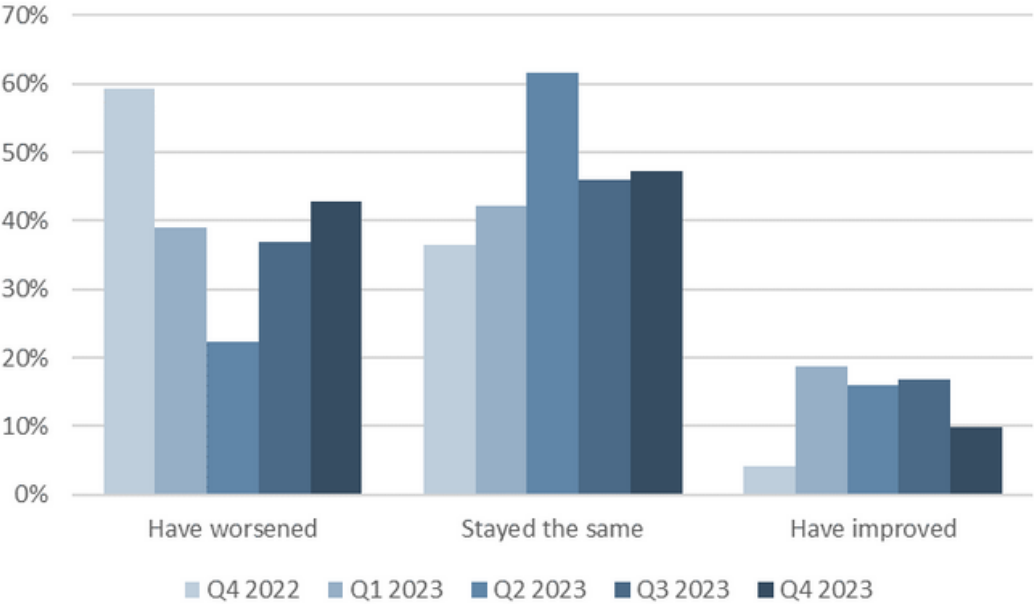
## KEY FINDINGS

After consecutive quarters of improvements in Halifax's supply chains for the first half of 2023, supply chain challenges are trending in the opposite direction with 43% of Halifax businesses indicating they have worsened over the last three months, up from 37% in Q3.

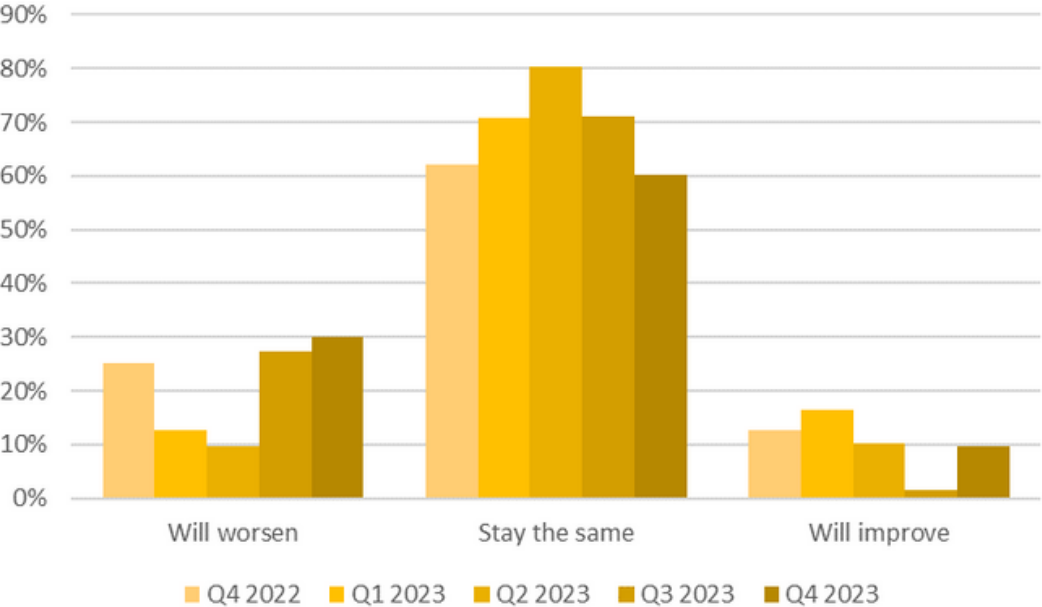
The biggest factors that contributed to worsening supply chain challenges were:

- Increased delays in deliveries of inputs, products, or supplies.
- Increased prices of inputs, products, or supplies.
- Supply shortages resulting in fewer inputs being available.

**Supply-Chain obstacles experienced, last three months.**  
% of respondents, of those that expect supply chain obstacles



**Supply-chain obstacles expected, next three months.**  
% of respondents, of those that expect supply chain obstacles



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## END NOTES

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**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, chambers of commerce, business associations and analysts to monitor evolving business conditions and devise policies to support Canadian business.

**Survey period:** The Q4 2023 CSBC data was collected from October 3 to November 6, 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 results in this report are based on responses from 486 businesses in Halifax.

Charts may not sum to 100% due to rounding.

## SPECIAL THANKS

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A special thank you to the Canadian Chamber of Commerce's Business Data Lab for providing the Halifax CMA level data set.

For an overview of the national Q4 2023 business conditions, see the CCC BDL's release [here](#)