

Date: February 19, 2019

## **BUSINESS CONFIDENCE IMPROVES BUT MORE REMAINS TO BE DONE: 2019 ONTARIO ECONOMIC OUTLOOK**

**BACKGROUND:** Key messaging for the 2019 Ontario Economic Report which offers a unique perspective on the experience of businesses of all sizes across the province and presenting a candid look at private sector sentiment and opportunities for economic growth for the year ahead.

### **SOUNDBITE**

“New research shows that businesses are gaining confidence in Ontario’s economic outlook as well as gaining confidence in themselves. At the same time, challenges relating to access to talent, embracing technological innovations, and the cost of doing business—including regulation, taxation, and input prices—remain major sources of concern. Ontario’s overall prosperity depends on the strength of its regional economies, yet these vulnerabilities are expected to be most acutely felt in rural regions of the province. We need to take action and address these challenges to build a stronger Ontario for today and tomorrow.”

### **KEY MESSAGING**

- On February 19, the Ontario Chamber of Commerce (OCC) and the Ontario Chamber Network released their third annual Ontario Economic Report (OER), offering a unique perspective on the experience of businesses of all sizes across the province.
- Through the Business Confidence Survey, the Business Prosperity Index, and the Economic Outlook, this report presents a candid look at private sector sentiment and opportunities for economic growth for the year ahead.
- New research shows that businesses are gaining confidence in Ontario’s economic outlook as well as gaining confidence in themselves.
- At the same time, challenges relating to access to talent, embracing technological innovations, and the cost of doing business—including regulation, taxation, and input prices—remain major sources of concern.
- Ontario’s overall prosperity depends on the strength of its regional economies, yet these vulnerabilities are expected to be most acutely felt in rural regions of the province.
- We should all be concerned that the province’s employment growth has been largely concentrated in the Greater Golden Horseshoe since 2003, while other regions have experienced slow or even negative growth during that same period.
- This landmark document is aimed at shaping and informing future public policy and will act as a reference and benchmark for debate and policy change.
- 2019 will be a formative year for the Ontario economy
  - We urge decision-makers to develop thoughtful policies that foster competitiveness and address the potential vulnerabilities that loom large within our province.
  - We need to take action and address these challenges to build a stronger Ontario for today and tomorrow.

Date: February 19, 2019

## SUPPLEMENTARY MESSAGING

- Confidence in Ontario's economic outlook has improved. Thirty percent of members surveyed expressed confidence in Ontario's outlook for 2019, up seven percentage points compared to last year.
  - Despite a more optimistic outlook for 2019, decreasing levels of organizational and economic confidence over the years have impacted business' willingness to invest, take risks, and adopt technological advancements.
- Businesses are gaining confidence in themselves. Sixty-one percent of respondents reported confidence in their own organization's economic outlook heading into 2019, a seven-point increase from last year.
- Revenue projections for 2019 are more positive than those of 2018. Eighty-six percent of respondents believe their organization's revenues will increase or stay the same over the next twelve months, with only fourteen percent anticipating a decline. This represents a notable change in direction from 2018, when 27 percent were projecting their revenue to decrease.
- As Ontario's economy continues to face many challenges outlined in the OER, the OCC's 2019 Ontario Economic Summit will be dedicated to the question of competitiveness with an agenda that will explore how our province can lead in innovation, knowledge-generation, and trade.
- The Ontario Chamber Network will be engaging its members, government and other leaders to explore these issues and develop the necessary solutions to drive forward a competitive province for years to come.