

## **Business Confidence Levels Remain the Same**

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Businesses across Canada have been affected by the current recession and market collapse of the global economy. Some economic driver sectors (bringing new wealth into the community), such as manufacturing, have been affected more than others, but economic supporter sectors (circulating wealth in the community) such as retail, are also impacted.

To gauge the level of business confidence in Nanaimo, the Nanaimo Economic Development Group, in partnership with the City of Nanaimo's Economic Development Office, sent out a survey to all business licence holders in the city. The survey asked questions regarding overall business confidence levels, including staffing and capital investment plans, as well as current demand for their product or service.

Over 1,000 surveys were returned by the submission deadline, representing nearly 20% of licenced businesses in the City of Nanaimo. Despite challenges some sectors are facing, most businesses remain confident. The majority of businesses employ fewer than six people and have been in operation for over 15 years. Only 4% of businesses predicted a substantially worse overall business situation in one year; 43% predicted their business situation will be the same, and 29% predicted it would be moderately better.

Lee Mason, Executive Director of the Greater Nanaimo Chamber of Commerce, is not surprised by the results. "From our experience, we're finding businesses to be cautiously optimistic," she said. "They realize that it's not business-as-usual but neither do they believe the sky is falling. They are making adjustments within their operations and are preparing to weather the storm." An indication that businesses are in fact being cautious is that only 28% plan to hire staff in the next year, and only 18% plan to make a capital investment.

Product or service demand for many businesses is staying the same. The construction sector cited a decreasing demand, due in part to the 49% drop in housing starts between the fourth quarters of 2007 and 2008. Certain sectors are continuing to face increasing demand, including Information & Cultural Industries, Health Care & Social Assistance, and Educational Services.

The Business Confidence Report contains complete information on the survey results and breaks down responses by sector, business size, and other factors. A copy of the report is available to the public and will be posted on the City of Nanaimo's website at [www.nanaimo.ca](http://www.nanaimo.ca). For more information or to obtain a copy of the report, contact Marilyn Hutchinson, Nanaimo Economic Development Officer at 250-755-4466.