

2016 Manitoba Business Leaders Index Results

December 12, 2016

Background and Methodology

The *Manitoba Business Leaders Index* is an annual scientific survey of the provincial business landscape as expressed by senior business officials from across the province. The survey sample includes a stratified sampling of CEOs, presidents, business owners and designated senior corporate officers from 209 small, mid-sized and large commercial “establishments” as defined by Statistics Canada and the Manitoba Bureau of Statistics. This business sampling includes publicly traded and private companies from all major sectors of Manitoba industry.

Business listings have been developed based upon the most authoritative and up-to-date sources available including various telephone directories as well as Federal, Provincial and Municipal government contact data.

Executive telephone interviews and online surveys were completed between October 31st and December 7, 2016. With the sample size of 209, one can say these results are accurate within $\pm 6.9\%$ of what they would be had the entire population of Manitoba business leaders been surveyed.

The survey instrument (questionnaire) was designed by Probe Research. Data analysis was conducted using SPSS software.

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2016 MBLI Highlights

- While Manitoba's CEOs, presidents and business owners remain generally bullish with respect to the Manitoba economy, the proportion of those who are *strongly optimistic* has hit its lowest point since this *Manitoba Business Leaders Index* (MBLI) research program was initiated 15 years ago. Today only around one in 10 surveyed business leaders indicate they are strongly optimistic about the future of the Manitoba economy compared to nearly 30 percent who expressed this high level of optimism in 2011 and 2012.
- Today, approximately one in three surveyed CEOs express confidence that their companies' financial performance will improve in 2017. This figure has declined by seven percentage points since last year but is down significantly from the very high levels of company financial optimism that were expressed in 2012 and 2013.
- The proportion of business leaders who report having had difficulty finding qualified new employees during the past year has rebounded to a more traditional level from an uncharacteristically low point last year. Today, one half of surveyed CEOs, presidents and business owners report they have faced challenges finding skilled workers for their businesses in the past 12 months.

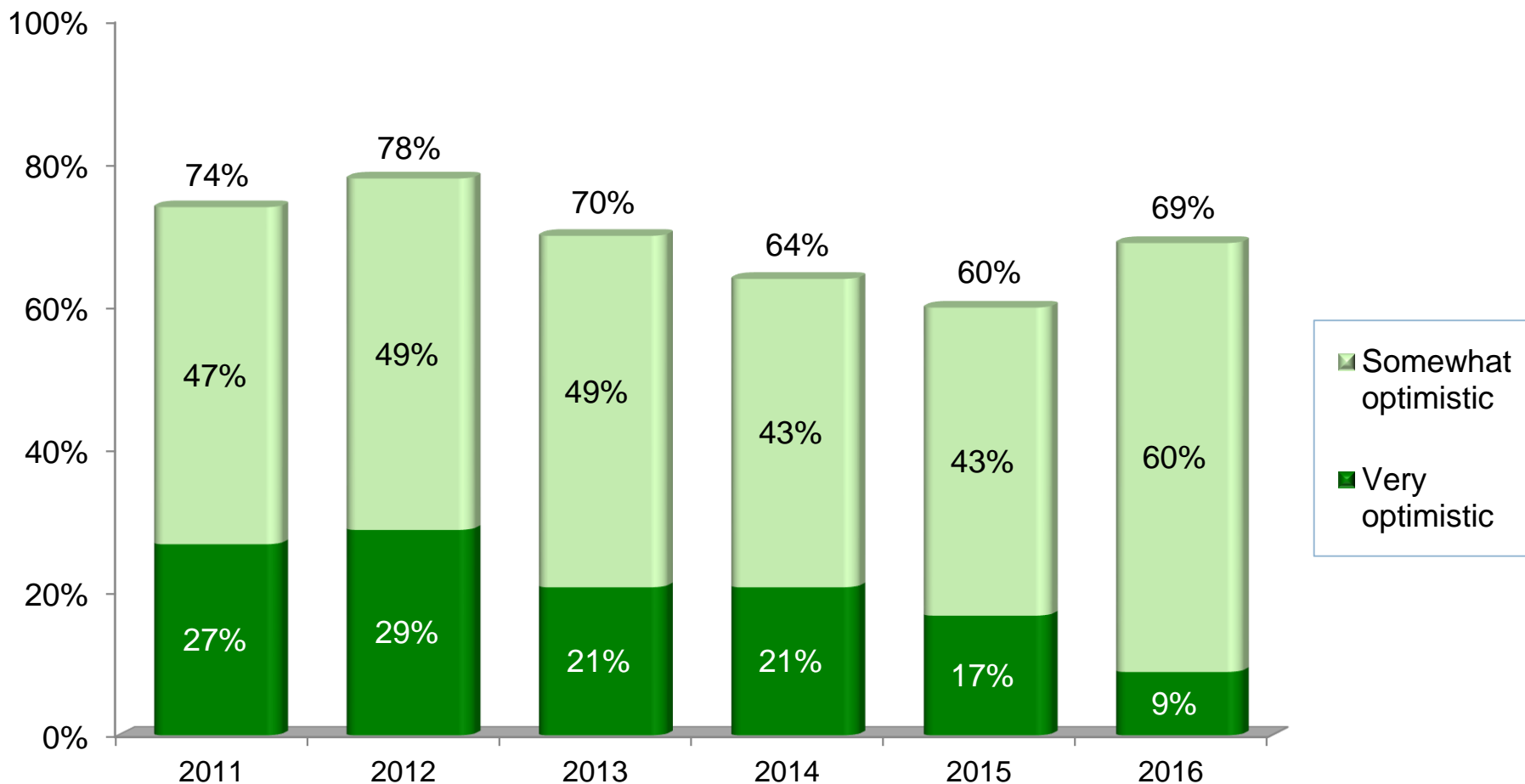
2016 MBLI Highlights (cont'd)

- Although most survey respondents do not report any anticipated change in their companies' size in the coming months, business leaders are twice as likely to report they will be increasing rather than cutting back on their staff contingent in the following year. This pattern is similar to that established in recent years.
- The 16 years of NDP rule which ended earlier this year had clearly left Manitoba's business community flustered and perhaps outraged. Our 2014 examination of government performance revealed that only 13% of our sampling at that time felt the NDP had been doing an excellent or good job in terms of creating a positive business climate in Manitoba. Today this figure has nearly tripled as 34% now applaud the new Brian Pallister-led PC government for its early handling of the Manitoba business climate. Inversely, the replacement of the Harper Conservative government on the national scene with a new Trudeau administration has not been met with the same enthusiasm offered to the fledgling Manitoba provincial government. The number of business leaders who feel the Trudeau government has been doing a good job at promoting business has declined to one in four from one and three in 2014. Approval of the City of Winnipeg and other Manitoba municipal governments has remained remarkably flat for several years.

Provincial Economic Outlook

- Manitoba Business Leaders -

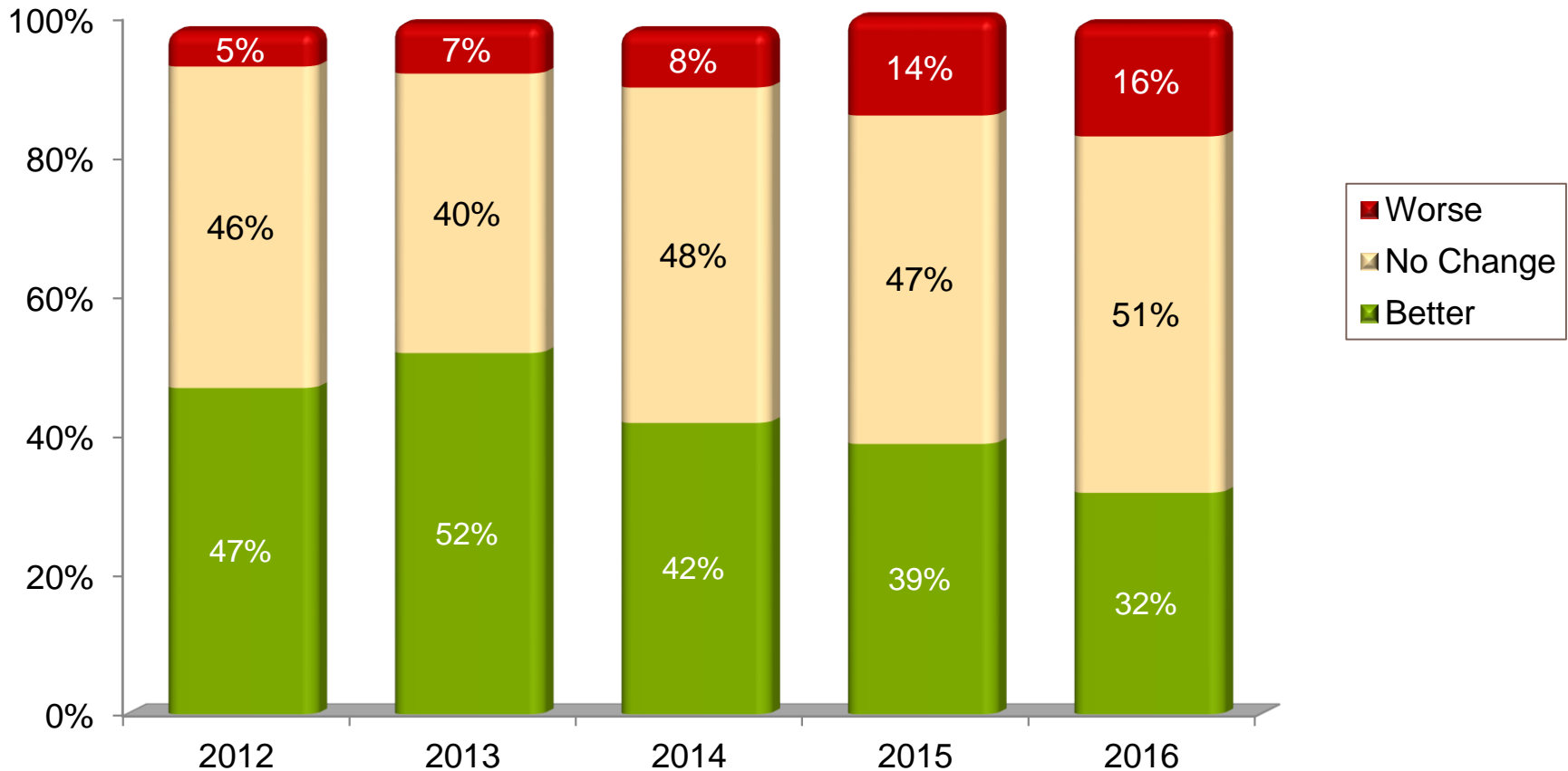
Q.1 "Are you optimistic or pessimistic about the economic future of Manitoba?" (n=209)



Base: All Respondents

Near-Term Corporate Financial Outlook

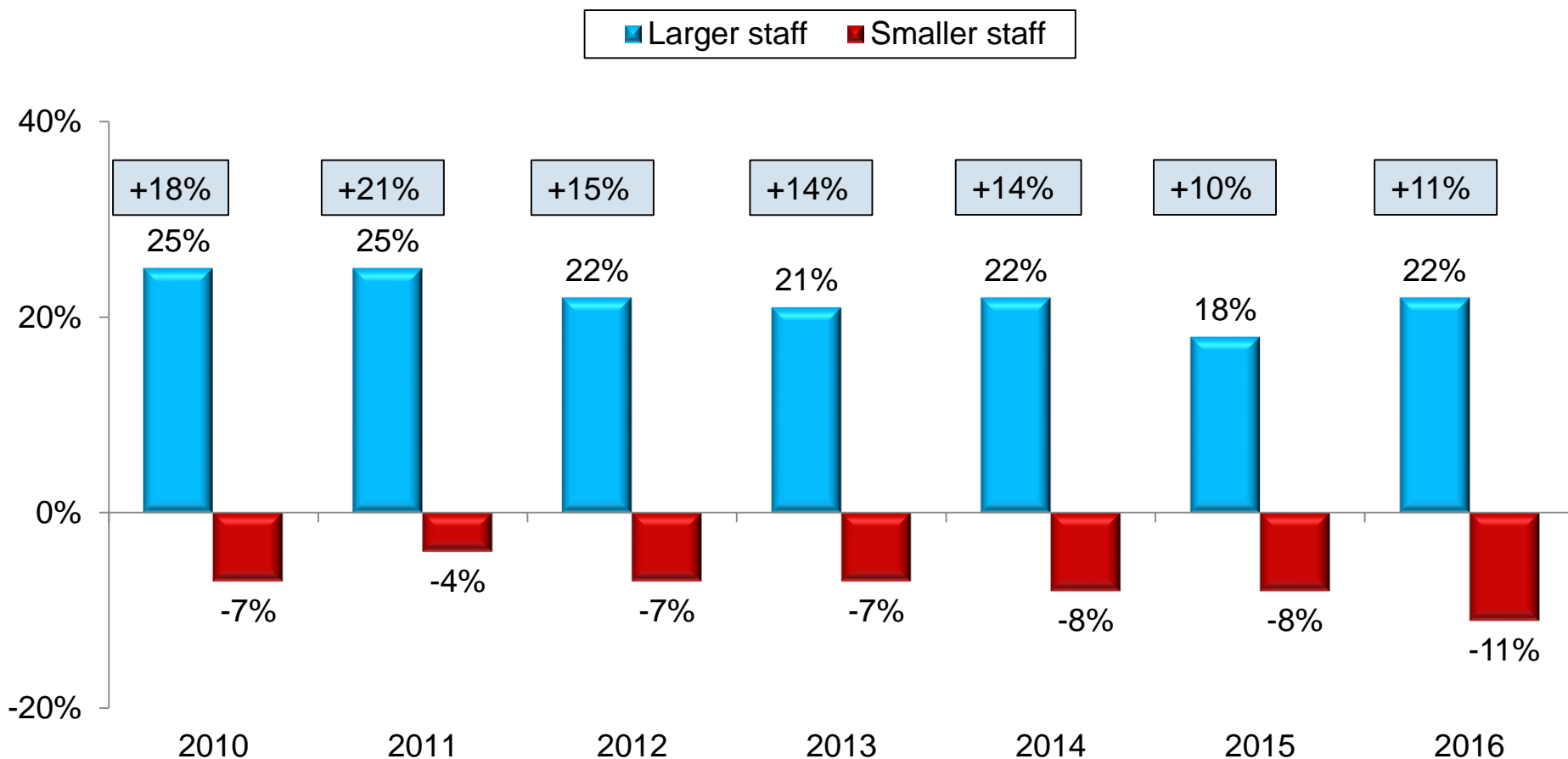
Q.2 “Thinking about the next 12 months, do you expect your company to be performing better financially a year from now, about the same, or do you think your company will be performing worse financially a year from now?” (n=209)



Anticipated Change in Workforce Size

- Labour Demand Index -

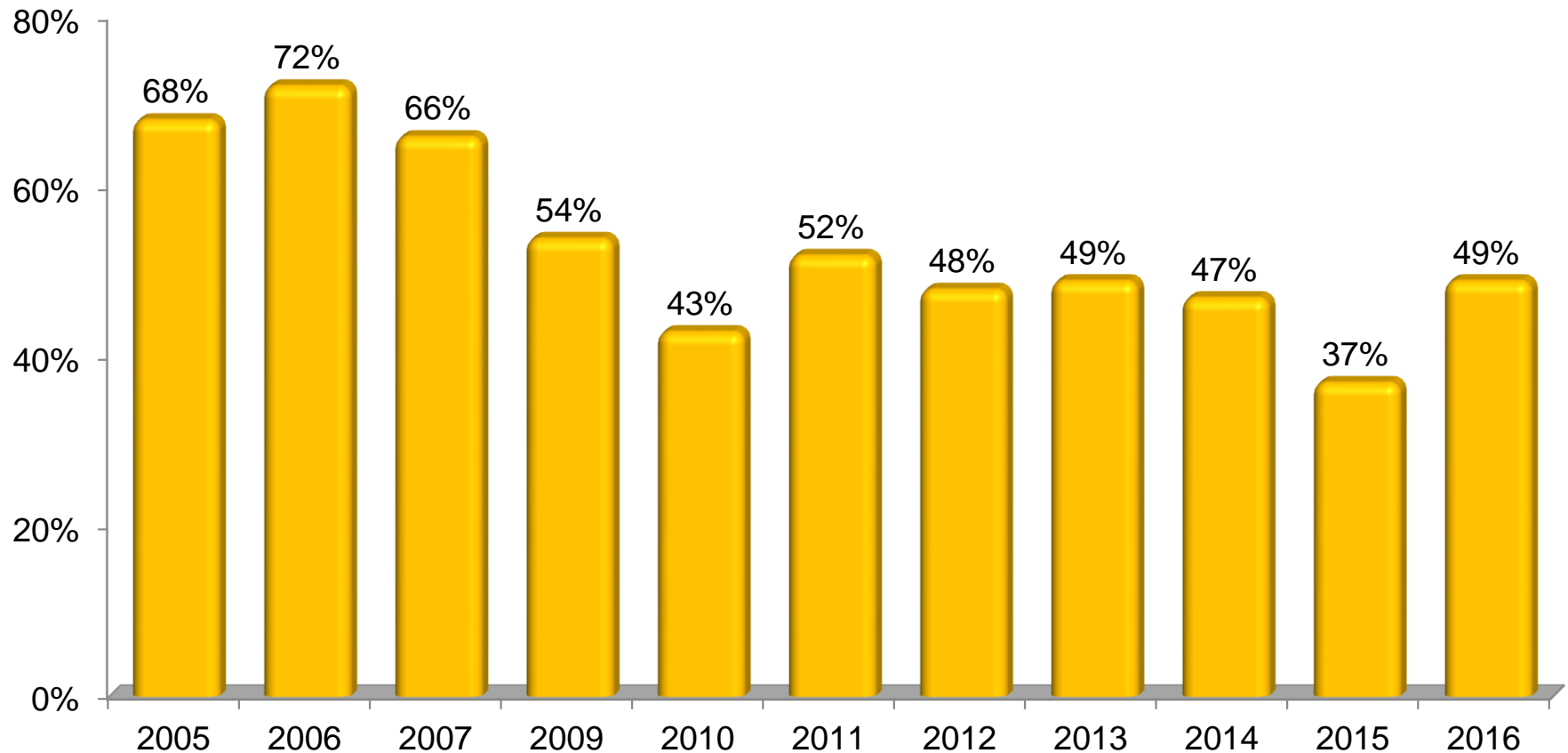
Q.4 "Thinking about 12 months from now, do you expect that the number of people employed by your company in Manitoba will be larger than at present, will you have fewer staff or do you think your total Manitoba staff will be about the same today as it is today at this time next year?" (n=209)



Base: All Respondents

Reported Incidence of Skill Shortages

Q.3 "In the past year, have you had any difficulty finding qualified new employees with relevant skills?" (n=209)

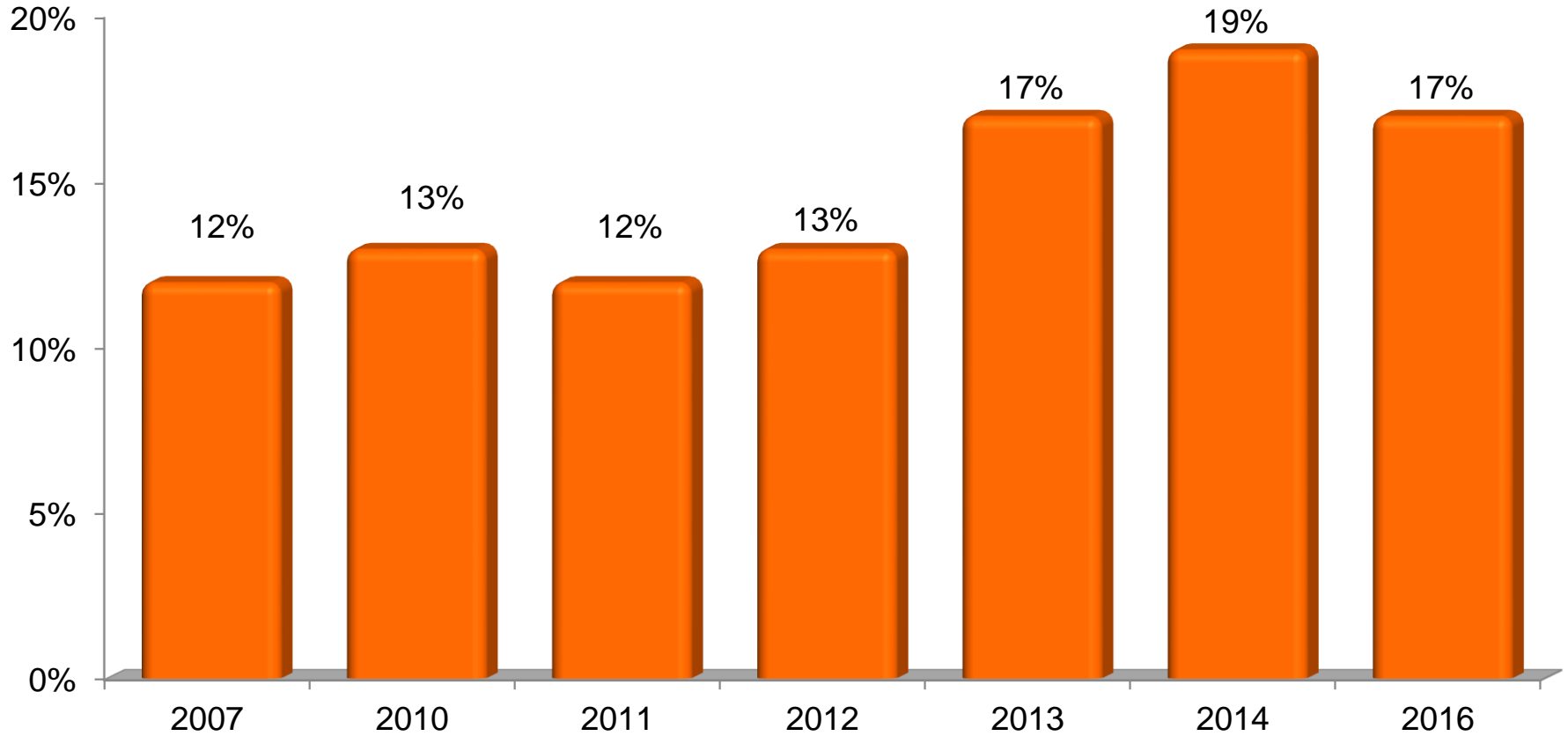


- % of Respondents Having Difficulty Finding Employees -

Base: All Respondents

Anticipated Staff Reduction

Q.5 “Are you anticipating a need to have layoffs or a reduction in working hours for your staff during the next six months?” (n=209)*



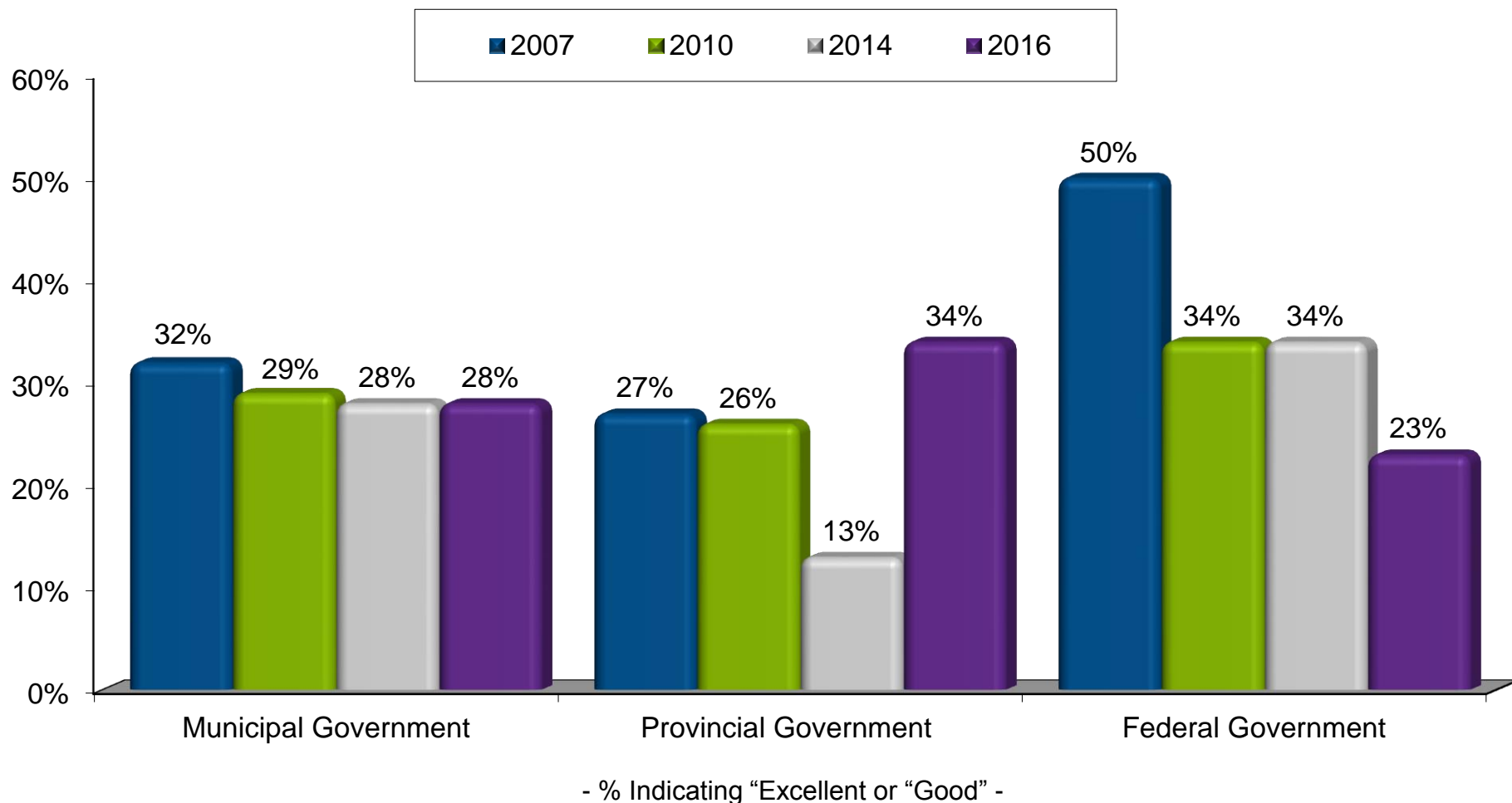
- % Of Respondents Who Intend to Lay Off Staff Or Reduce Employee Hours -

Base: All Respondents

* Question was not asked in 2015

Attitudes Towards Government Performance on Business Issues

Q.6 “Now I would like to know how you feel the three levels of government here in Manitoba have been performing in terms of creating a good climate for business. Would you say they have been doing an excellent job, a good job, only a fair job or a poor job in this regard?” (n=209)*



* Question was not asked in 2015