

MEDIA RELEASE

For immediate release

January 28, 2021

BUSINESS CONFIDENCE REACHES HISTORIC LOWS; RECOVERY NEEDS TO FOCUS ON HARDEST HIT

Ontario Economic Report outlines latest sector-specific data on economy, business confidence, employment, and government supports

Chatham-Kent, Ontario - Today, the Chatham-Kent Chamber of Commerce and the Ontario Chamber of Commerce (OCC) released the fifth annual Ontario Economic Report (OER), providing the latest data on Ontario's economy and business confidence, highlighting the unprecedented year that was 2020 and the unpredictability that lies in the year ahead. Public policy makers looking at strategies to support Ontario's long-term economic recovery will benefit from the findings outlined in the OCC's flagship annual report.

"The current health and economic crisis have had a considerable negative impact on our economy. Only 21 percent of businesses are confident in Ontario's economic outlook—a historic low—reflecting the stark reality in which businesses continue to grapple with the financial and logistical challenges of operating under a pandemic," says Rocco Rossi, President and CEO of the Ontario Chamber of Commerce.

The 2021 OER uncovers the disproportionate impact of COVID-19 on small businesses and entrepreneurs as well as specific regions, sectors, and demographics, highlighting the major vulnerabilities and opportunities Ontario will face in the year ahead.

"Small businesses are the backbone of our economy and the lifeblood of our communities. The report includes Chatham-Kent together with the border cities of Windsor - Sarnia statistics and, while our issues may be somewhat different, similarly our small business members are the least confident in the province's economy. As they continue to face unprecedented liquidity constraints, increased costs and reduced revenues, these businesses struggle and are faced with shutting their doors indefinitely," said Gail Hundt, President & CEO, Chatham-Kent Chamber of Commerce.

This year's OER also reveals the hardest-hit sectors were those requiring considerable face-to-face contact, namely: accommodation and food services; arts, entertainment, and recreation; and retail. Findings indicate that employment growth declined throughout the province with women, lower-income, racialized, new immigrant, and younger Ontarians suffering the biggest job losses. Every region of the province felt the impacts of the recession, though some considerably more than others.

The report's co-author, Daniel Safayeni, Acting Vice President of Policy at the OCC, added: "No business, region, sector, or demographic should be left behind in the pursuit of economic recovery

and growth. Support programs and pro-growth policies should be targeted towards those experiencing the most pronounced challenges. A focus on reskilling as well as widespread access to broadband infrastructure and capital will be necessary to the revival of small business and entrepreneurship as well as an inclusive and robust economic recovery.”

Key highlights from the OER include:

- Ontario witnessed a steep decline in real GDP growth (-5.6 percent) in 2020 but is projected to see a moderate rebound of 4.8 percent in 2021, fuelled largely in part by expectations for vaccination rollout and the eventual re-opening of the economy.
- In 2020, only 21 percent of survey respondents expressed confidence in Ontario’s economic outlook. Less than half of Ontario businesses (48 percent) are confident in the outlook of their own organizations over the next year.
 - Small businesses are more pessimistic about Ontario’s outlook than larger ones. Only 20 percent of small businesses expressed confidence in Ontario’s economy, compared to 27 percent of medium and large businesses.
- The majority (58 percent) of survey respondents said their organizations shrank between April and September, while only 17 percent grew.
- Employment growth declined throughout the province in 2020, with 47 percent of organizations indicating they let employees go due to COVID-19.
- Sectors most negatively impacted by the crisis included: accommodation and food services; arts, entertainment, and recreation; and retail. Businesses in these sectors were among those most pessimistic about the economic outlook and most likely to have shrunk and let go of staff in 2020.
- Businesses’ priorities for governments during economic recovery included enhancing access to capital, reforming business taxes, encouraging Ontarians to buy local, and investing in broadband infrastructure.

“The prolonged nature of the crisis, rising case counts, and uncertainty around vaccine deployment timelines have taken a toll on employers and Ontarians across the province. Yet, Ontario has a proven track-record of resilience and recovery. Our long-term prosperity will depend on all levels of government, business, chambers of commerce and boards of trade working together towards economic recovery,” added Rossi.

The Ontario Economic Report was made possible by support from Hydro One.

Report Here - [2021 ONTARIO ECONOMIC REPORT | OCC](#)

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