

Business Conditions Survey Northwest Territories, First Quarter 2021

Statistics Canada recently released results from the Canadian Survey on Business Conditions. During January and February 2021, businesses (including non-profit and government organizations) across Canada were asked how the coronavirus pandemic impacted their operations in 2020. They were also asked about their expectations going forward.

Since the start of the pandemic, approximately 1 in 4 NWT businesses (25.5%) shut down temporarily but have since re-opened. Temporary closure rates in the NWT were more pronounced in smaller businesses (those with less than 20 employees) and non-profit organizations serving households or individuals.

Nationally, Manitoba and the Yukon had the lowest level of businesses closing temporarily at 10.5% and 12.6% respectively, compared to 18.5% of Canadian businesses.

Table 1: Business Conditions Since the Start of the Pandemic
Canada, Provinces and Territories

	% of Businesses that:			
	shut down temporarily but have since reopened	shut down temporarily & remained shut down	remained partially operational	remained fully operational
Canada	18.5	4.3	37.1	40.1
Newfoundland and Labrador	27.6	3.2	27.7	41.5
Prince Edward Island	25.3	3.8	20.8	50.1
Nova Scotia	23.6	2.6	27.2	46.7
New Brunswick	22.0	2.4	28.3	47.3
Quebec	25.4	3.7	28.7	42.2
Ontario	15.5	6.7	44.7	33.1
Manitoba	10.5	4.7	35.0	49.9
Saskatchewan	16.2	1.5	27.5	54.8
Alberta	16.5	3.5	38.6	41.5
British Columbia	18.4	1.6	35.0	44.9
Yukon	12.6	1.2	30.8	55.4
Northwest Territories	25.5	2.1	19.9	52.4
Nunavut	22.6	0.5	19.8	57.1



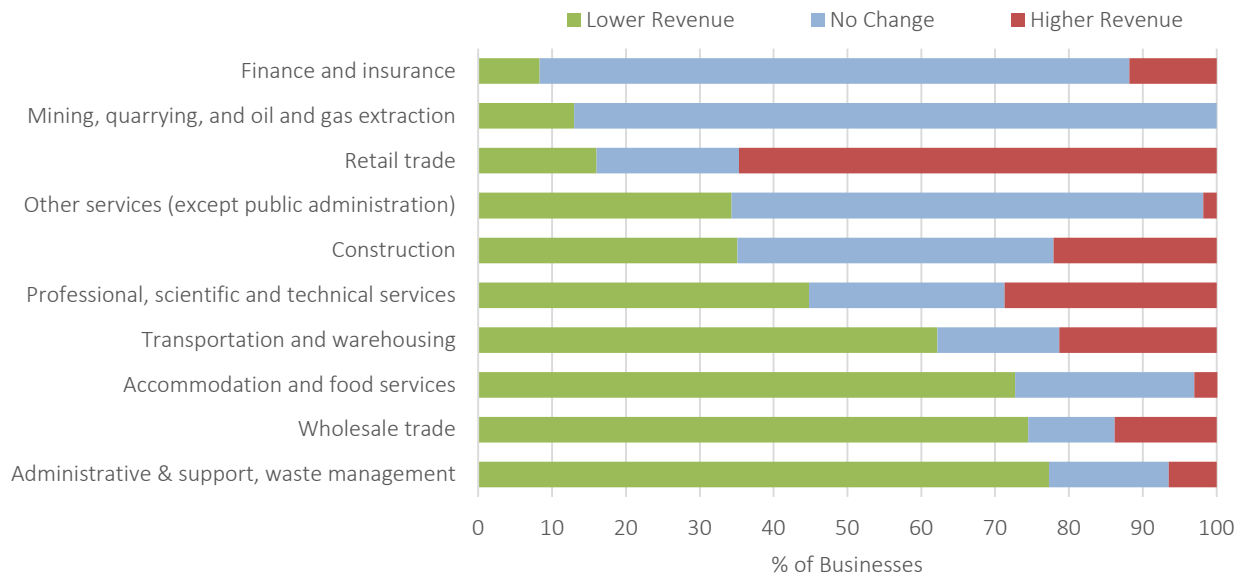
Actions Taken or Planned in Response to COVID-19

Many NWT businesses reported specific actions or measures taken in response to the pandemic. At the time of the survey, 7 in 10 businesses (68%) reported restricting or planning to restrict the number of people allowed into their space, 15% reported reducing their hours of operation, while 12% had or planned to have an online sales platform. The majority of businesses provided sanitizer, facemasks, gloves or other protective equipment to their employees or provided hand sanitizer to their customers. One in 3 businesses added plexiglass or sneeze guards.

Change in Revenue Between 2019 and 2020

NWT saw fewer businesses than Canada experience a 30% or more decline in revenue in 2020; one in four NWT businesses saw the 30%+ drop in revenue, compared to 1 in 3 Canadian businesses. While many NWT businesses experienced lower revenue during the pandemic, some saw revenue increase. The retail trade industry was one of the exceptions with most businesses reporting higher revenue in 2020 compared to 2019.

Chart 1: Distribution of Revenue Change, 2020 Compared to 2019
Selected Industries, Northwest Territories



Government Support

Numerous government programs were created to assist businesses during the pandemic. In the NWT, many businesses indicated accessing the Canadian Emergency Business Account (35%), the Canada Emergency Wage Subsidy (22%), and the Temporary Wage Subsidy (19%). For the 40% of businesses that did not access funding, many said they did not need any (63%) and/or they were not eligible (13%). Lack of awareness was cited by only 4% of NWT businesses as to why they had not accessed funding.

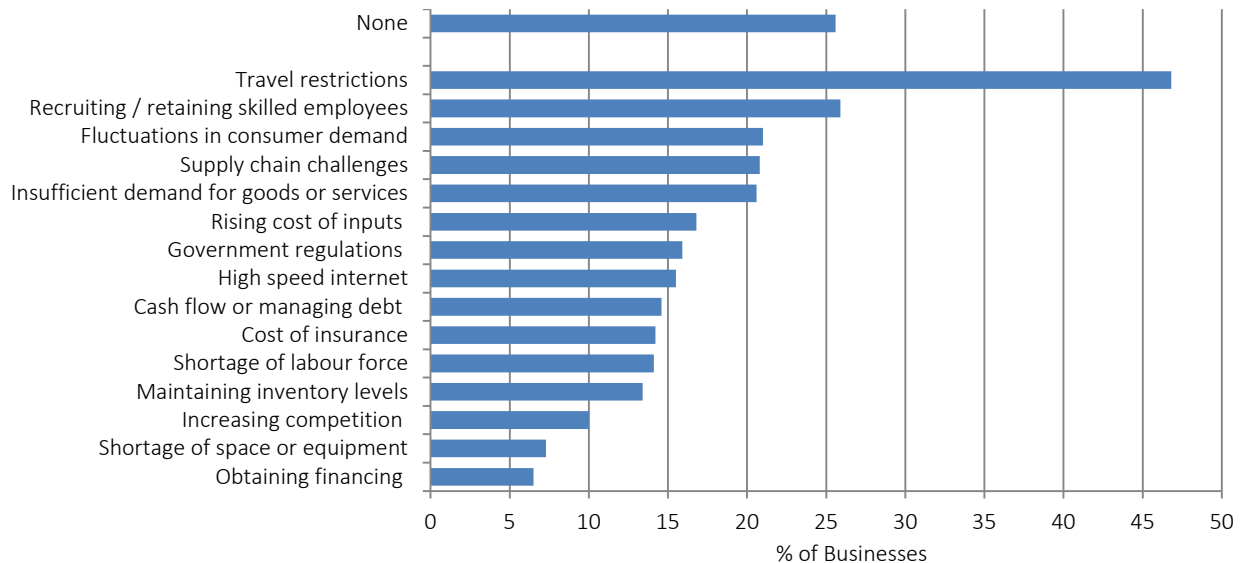
Future Expectations

Looking ahead, businesses were asked of their expectations over the next 3 months. Half of all NWT business expected their profitability to remain the same while 27% expected it to decrease. Expected profit declines were similar across business sizes with the exception of micro-businesses (those with 1 to 4 employees). A drop in profitability was predicted by 42% of micro-businesses over the next 3 months. Micro-businesses were also more pessimistic on a wide range of topics including operating income and expenses, sales and demand for their products.

Business Obstacles

Almost half of NWT businesses stated travel restrictions, an issue directly related to the pandemic, as an obstacle they expected to encounter over the next 3 months. The next highest cited obstacle was recruiting or retaining skilled employees. One in four NWT businesses thought they would not experience any obstacles in the next 3 months.

Chart 2: Business Obstacles in the Next 3 Months
Northwest Territories



The next release of the Canadian Survey of Business Conditions is expected in June 2021. This survey is conducted four times a year.