

Current business highlights

- Canada's wood industry is ranked first in the country for the brightest prospects in manufacturing. The sector has seen strong growth since the beginning of the recovery, and its net export coefficient is above average. A high level of capacity utilization is one of the industry's major drawbacks. — *CIBC*
- The Canadian forest-products industry is making robust gains in labour productivity in the face of its worst downturn in history. From 2000 to 2012, labour productivity grew by a compound annual rate of 2.5 percent, which is well above overall Canadian business-sector growth of 0.7 percent. — *Forest Products Association of Canada*
- Canada's middle class has become the wealthiest in the world, surpassing the U.S. After-tax middle-class incomes in Canada are now ranked the highest, increasing rapidly since 2000. Canada is also now tied with the U.S. in the median income category. — *Luxembourg Income Study Database*
- Canada's federal government posted a monthly budget surplus of \$5.1 billion in February, which is the largest surplus since the recession, as well as one of the largest surpluses on record. Revenues increased by \$2.1 billion for the month, while program expenses increased by \$0.1 billion. — *Department of Finance Canada*
- Canada's real gross domestic product rose 0.23 percent in February, led by manufacturing, mining, oil and gas extraction, and utilities. The construction sector remained the same, while declines were seen in the agriculture and forestry sectors. — *Statistics Canada*
- Home sales in Canada rose one percent in March 2014, compared to February. Actual, non-seasonally-adjusted activity rose by 4.9 percent in March, compared to the previous year. Newly-listed homes rose 0.5 percent for the same period. — *Canadian Real Estate Association*
- Most regions in Canada showed a year-over-year increase in housing prices for the first quarter of 2014. Average home prices increased between 2.5 and 5.4 percent for the period, with the average price of a two-storey home increasing 5.4 percent to \$428,943. — *Royal LePage*
- The composite house price index for Canada went unchanged in March. House prices went up in all five metropolitan markets west of Ontario. Prices were also up in Halifax, N.S., while they remained flat in Toronto and Quebec City. — *Teranet/National Bank*
- The composite price index for Canadian non-residential building construction increased 0.5 percent in the first quarter of 2004 compared with the previous quarter. The increase was mainly due to a rise in material prices. Contractors in all seven census metropolitan areas surveyed reported quarterly increases, ranging from 0.2 to 1.1 percent. — *Statistics Canada*
- The composite price index for apartment-building construction in Canada rose 0.5 percent in the first quarter of 2014 compared to the previous quarter. The index has risen 1.5 percent, year-over-year, with Vancouver recording the largest gain (3.2 percent) and Ottawa-Gatineau recording the smallest increase (0.1 percent). — *Statistics Canada*
- Housing starts in Canada trended at 183,515 units in April, compared to 184,602 in March. The trend is considered stable and is further evidence of a soft landing in Canada's housing market. Standalone seasonally-adjusted annual rates for housing starts in April were at 194,809 units, an increase from 156,192 in March. — *Canada Mortgage and Housing Corporation*
- Canada's Composite Leading Index rose by 0.4 percent in March, largely the result of an end to a long and cold winter. Exports remain the brightest sector of the economy, due in large part to demand in the U.S. — *Conference Board of Canada*
- Canadian consumer confidence was at its highest since June 2010, reaching a level of over 60 in April, and only slightly tapering off in May. A composite index that measures financial health and economic expectations reached 59.62 in May. The average for the year is 58.43. — *Bloomberg/Nanos*

- U.S. consumer sentiment rose to 84.1 in April, which is a nine-month high and an increase from the 80.0 reading in March. The increase is the result of a strong short-term outlook, but concerns remain as the U.S. economy has experienced a mixed long-term recovery. — *Thomson Reuters/University of Michigan*

- Amid an ongoing controversy surrounding the Temporary Foreign Worker Program, survey data shows that Canadian small businesses are only seeking foreign workers after exhaustively searching within Canada. Seventy-two percent of companies surveyed offered increased wages before going abroad, and 55 percent of hospitality firms increased benefits packages before hiring foreign workers. — *Canadian Federation of Independent Business*

- The Quebec provincial government wants an exemption from the federal government's moratorium on the hiring of temporary foreign workers in restaurants. Quebec's immigration minister, Kathleen Weil, says the province — unlike other regions — has not had any problems with the program. — *Canadian Press*

- The U.S. housing market is serving as an engine



for that country's jobs growth. Home building and remodeling have generated 274,000 jobs over the past two-and-a-half years. Analysis shows that the building of 1,000 average single-family homes creates 2,970 jobs, \$162 million in wages, and \$118 million in business income. — *National Association of Home Builders*

- The face of global manufacturing has changed over the past decade. Mexico is now a lower-cost manufacturer than China, the UK is the least expensive in western Europe, and many emerging markets are no longer cheaper than the U.S. — *Boston Consulting Group*

- Economic activity in the U.S. manufacturing sector expanded in March, 2014, for the 10th consecutive month, and the overall economy grew for the 58th consecutive month. The Purchasing Managers' Index (PMI) rose to 53.7 percent in March, a 0.5 percent increase from February. — *Institute for Supply Management*

- Total housing starts in Japan increased by one percent in February, to 69,689 units. Year-over-year units for row houses and multi-family dwellings increased 14.8 percent to 7,297 units in February. Total imports of building products in January increased 34.3 percent to 139.3 billion yen. — *Japanese Ministry of Land, Infrastructure, Transport and Tourism*

- Master-planned communities (MPCs), which are carefully planned residential developments, are gaining traction in the U.S., experiencing a 12 percent increase in 2013 compared to 2012, and accounting for 5.4 percent in new-home sales in 2013. — *John Burns Consulting*

- The wage gap between high-school graduates and bachelor's degree holders in Canada has narrowed over the past decade. From 2000 to 2012, wages of both male and female high-school graduates outpaced the increases in wages for graduates from university bachelor-degree programs. — *Statistics Canada*

- More than four in five Canadian businesses see global trade as critical to competitiveness, while only 25 percent show strong support for CETA, the free-trade deal with Europe. The newness of the deal is being cited for the gap. While the historic deal was signed, much of the media focused relentlessly on the Senate expense scandal. — *UPS Canada/Leger*

- Although trade agreements are helping Canadian companies compete overseas, more is needed to encourage the country's exporters. Trade promotion and diplomatic support are also required to help reluctant businesses take advantage of enormous growth opportunities, especially in emerging markets. — *Canadian Chamber of Commerce*

- More than a third of Canadian small businesses do not have a contingency plan for bad weather — despite a severe winter across the country and flooding in Alberta. One in 10 small businesses have experienced a business interruption in the last year. Only five percent of Quebec small businesses have a natural-disaster contingency plan. — *CIBC*

- More than a quarter of workers don't take a break other than lunch, and one in five employees cite guilt as a reason. Sixty-six percent of employees spend more than eight hours at work in a day, emphasizing the importance breaks should have in employee welfare. — *Staples Advantage*