

# REGINA'S ECONOMIC BRIEFING

## Steady flowing economy

The Greater Regina Area experienced an uptick in the year-over-year rate of employment growth from 0.6% in May to 2.1% in June. As a result, June year to date employment growth remains positive at 1,167 positions over 2022 and unemployment remains low at 4.8%. Employment growth was driven by higher paying positions in professional, scientific, and technical services and full-time jobs. Higher interest rates are making themselves felt in housing construction and non-residential permitting activity.

Source: Praxis Consulting

## Near full employment

June year-to-date employment growth remains positive at 0.8% or 1,167 positions over 2022 and unemployment remains low at 4.8%, suggesting that full employment is near.

Source: Praxis Consulting

## Increase in availability of residential properties

Despite two consecutive months of year-over-year declines, and benefitting from a surge in apartment/condo starts, May 2023, total year-to-date housing starts are up by 5.9% over 2022. Increases were observed in semi-detached (66.7%) and apartment and other types (80.4%).

Source: Praxis Consulting

## Inflation rate drops

Regina's average year-over-year rate of change in the all-items Consumer Price Index (inflation) in June 2023 over June 2022 was 3.5%, compared to the national rate of 2.8%. This is the first time that this metric has been below 5% since March 2022.

Source: : Praxis Consulting, Statistics Canada

## Bank of Canada raises its key interest rate to 5%

The Bank of Canada raised its benchmark interest rate by 25 basis points on July 12, marking the first time since April 2001 that the figure has hit 5%.

Source: Praxis Consulting

## People not in the labour force

The number of people of labour force age (18 to 65) but not in the labour force increased by 6,667 compared to this time last year. Two large portions of that number are new or returning students, and those closer to the top of the age range who are choosing not to work.

Source: Praxis Consulting

## Higher lending rates impacting house prices

The average year-to-date Housing Price Index Benchmark Composite Price is down from \$314,617 in June 2022 to \$303,883 in June 2023 as higher lending rates continue to negatively impact purchasing power and housing demand.

Source: Praxis Consulting

## KEY NUMBERS

### 3.5%

YEAR-OVER-YEAR INCREASE IN REGINA'S JUNE ALL-ITEMS CONSUMER PRICE INDEX – ITS LOWEST LEVEL SINCE MARCH OF 2022.

Source: Praxis Consulting

### \$388.3M

SASKATCHEWAN EXPORTS TO THE UK INCREASED 83.6% FROM \$211.5M IN 2021 TO \$388.3M IN 2022.

Source: Saskatchewan Trade & Invest

### 4,300+

NUMBER OF REGINA JOB VACANCIES LISTED ON [SASKJOBS.CA](https://saskjobs.ca).

Source: SaskJobs.ca

### \$172.4M

TOTAL VALUE OF BUILDING PERMITS IN REGINA FROM JAN 2023 TO MAY 2023. THE LARGEST INVESTMENTS IN RESIDENTIAL AND INSTITUTIONAL AND GOVERNMENT.

Source: Government of Saskatchewan

### \$8.4B

SASKATCHEWAN'S MAY 2023 WHOLESALE TRADE TOTAL, AN ALL-TIME RECORD.

Source: Government of Saskatchewan



POSITIVE

NEED TO WATCH

NEGATIVE

# A DEEPER LOOK...

## Implication of increasing tax for small businesses in Saskatchewan

### A return to pre-covid rates

- In 2020, the Province reduced the small business tax rate from 2% to 0% with plans to increase to 1% on July 1, 2022, and back to 2% on July 1, 2023.
- Small business owners appreciated the Saskatchewan government extending the 0% tax rate for an additional year as part of the province's affordability plan announced last summer. However, an increase from 0% to 1% is now set to begin on July 1, 2023, and the rate will further increase to the original tax rate of 2%, as of July 1, 2024.

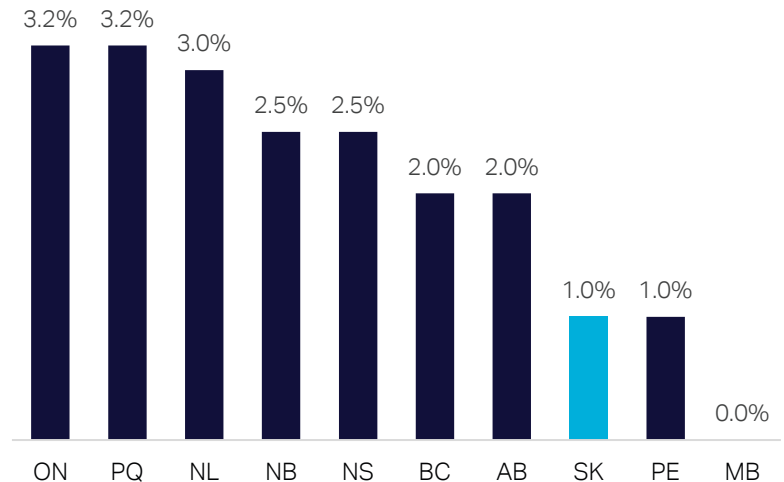
### Concerns about debt load

- A recent Canadian Federation of Independent Business (CFIB) survey indicates that the average Saskatchewan small business owner is carrying around \$63,000 in debt.
- Many are concerned about their ability to repay this debt, with a few considering the possibility of closing their doors – especially with the federal government's CEBA loan repayment deadline coming in December of this year.

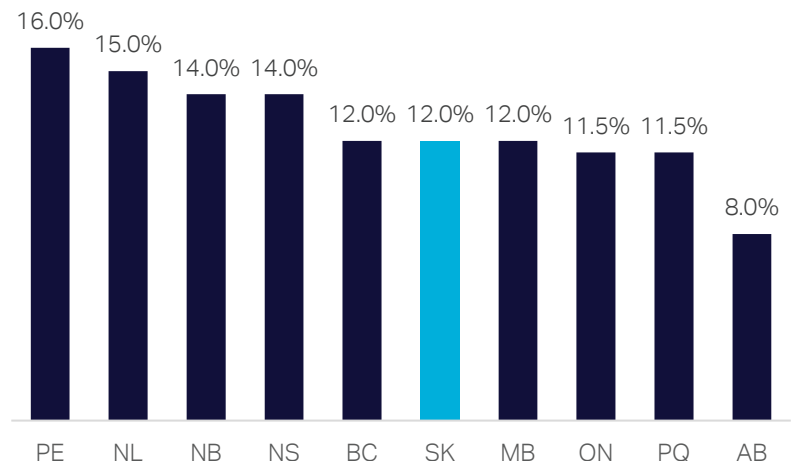
### Impacts of tax hikes on small business

- Lower purchasing power
- Raise input costs
- Increase in product/service prices
- Increase pressure to freeze/cut salaries
- Encourage cross-border shopping
- Cut back on the current number of employees
- Reduce staff hours

2023 Small Business Tax Rate



General Corporate Tax Rate



Source: Canadian Federation of Independent Business

## News Worth Watching

### Port strike hurting large and small producers

Chris Lane, President and CEO of Economic Development Regina, said the BC port strike has become a much larger problem for producers, and he wants to see the quickest solution reached.

Source: [CJME.com](https://www.cjme.com)

### Tax hike for small businesses in Saskatchewan

Over 31,000 small businesses in Saskatchewan will see their taxes go up after the province raised them by one per cent on Canada Day.

Source: [Leader-Post](https://www.leaderpost.com)

### Global recognition for Regina based company

Key technologies are driving the growth of the renewable energy industry. Regina's Prairie Clean Energy has been recognized as one of the world's top ten renewable energy startups to watch in 2023.

Source: [StartUps Insights](https://www.startupsinsights.com)

### Global liquid biofuels market to reach \$139.7 billion

In the changed post COVID-19 business landscape, the global market for Liquid Biofuels is projected to reach a revised size of US\$139.7 Billion by 2030.

Source: [Yahoo! Finance](https://www.yahoo.com)

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