

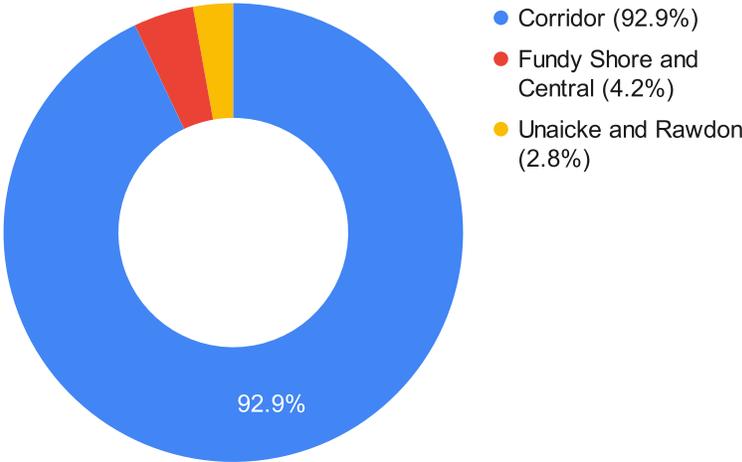
# East Hants Business Climate Survey 2025



# Summary

The 2025 East Hants Business Climate Survey was a collaboration between the East Hants Economic and Business Development Division and the East Hants and Districts Chamber of Commerce. The survey was delivered in 2025 and was accessible to all businesses and Not-for-Profits in East Hants. Postal codes were gathered as part of the survey to verify operation locations. 76 local businesses or Not-for-Profits voluntarily completed the survey. This response rate is representative of 11.5% of all registered and established businesses and Not-for-Profits in the Municipality (Statistics Canada, Business Establishment Counts, December 2025).

Figure 1 - Business Survey Responses by Region



The survey provides a snapshot of the local business environment, including business characteristics, recent performance, future outlook, and key challenges. The survey asked participants 41 questions across five categories. The categories were: business characteristics; performance and outlook; trade and supply chain; labour market; and technology and connectivity.

Overall, results indicate a diverse and resilient business community with a generally positive outlook. Most businesses report stable or growing operations with moderate to high confidence in future growth. At the same time, respondents said they are still facing challenges related to rising costs, labour availability, and infrastructure, particularly cell phone and internet service.

## Key Findings from the Business Climate Survey

- **Small business dominance**

The local economy is driven primarily by small businesses with fewer than five employees and has a diverse and healthy mix of ownership and operational models.

- **Optimistic yet cautious environment**

Businesses are largely stable and confident in future growth but remain cautious due to rising costs and external pressures.

- **Some business factors and services need improvement**

Local businesses identified cellphone and internet services, housing availability and affordability, taxes (Federal, Provincial, and Municipal), and the availability of commercial land and buildings as key factors or services that need improvement in the region.

- **Labour pressures persist**

Rising wages, benefit costs, and employee turnover remain key concerns. However, many businesses are actively providing training for employees and the business to build resiliency.

- **Growing role of technology**

Businesses show strong adoption of core technologies and openness to innovation, while current internet and cellphone connection challenges are impacting operations and efficiency.

- **Trade and regulatory risks**

Tariffs, duties, and regulations are expected to be some of the biggest challenges in the future for businesses.

This report presents a selection of the questions and responses contained in the Business Climate Survey. The report focuses on providing insight into the local business community, characteristics of the businesses as well as their operations, challenges, and outlook on the future.

## 1. Business Characteristics

The East Hants business community reflects a diverse mix of industries, ownership models, and stages of maturity. Nearly half of surveyed businesses (48.7%) operate as sole proprietorships or partnerships, while 44.7% are incorporated, demonstrating a strong mix of entrepreneurial models.

Notably, over 45% of respondents identified their businesses as women-owned or women-controlled (ownership of 51% or more of the business). In addition, 5.5% of businesses identified as having ownership or control by persons with disabilities, 5.5% as LGBTQ+ individuals, 4.1% as First Nations, Métis or Inuit peoples, 4.1% as an Immigrant to Canada, and 2.7% as Visible Minorities.

Figure 2 - Local Business Structure

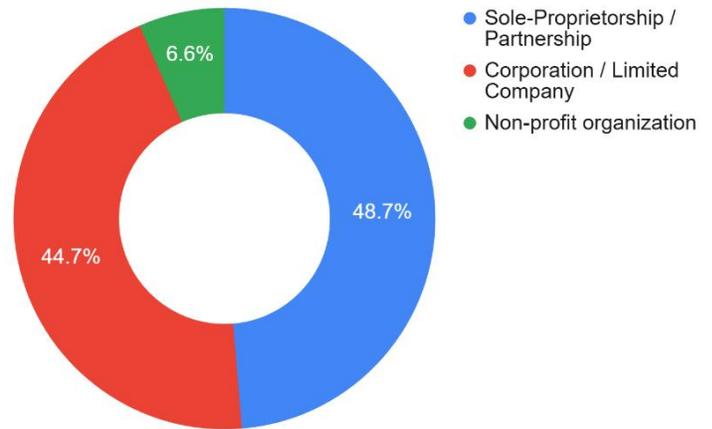
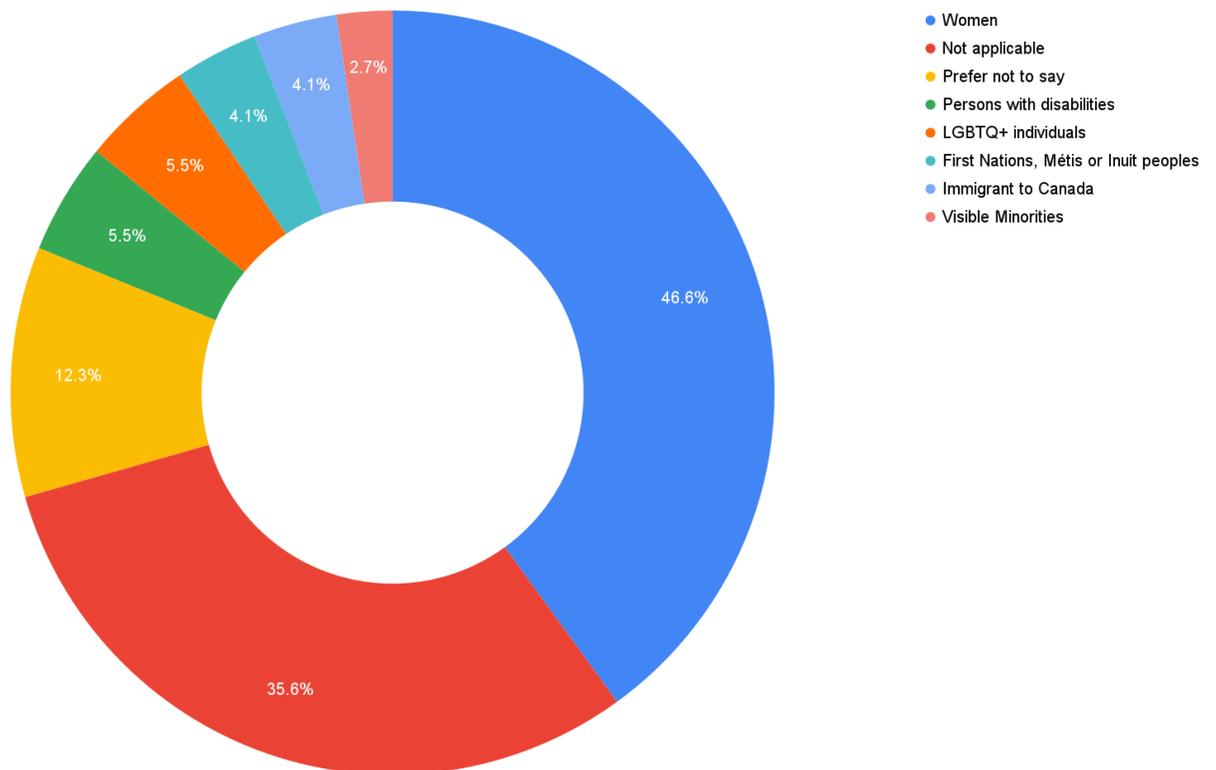
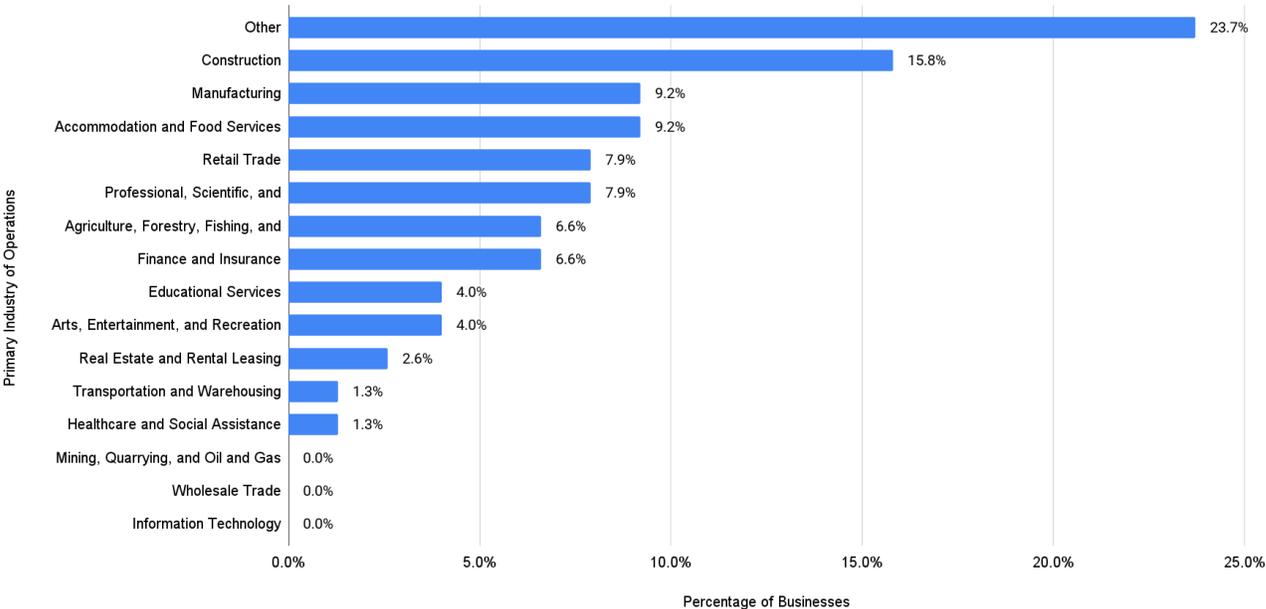


Figure 3 - Local Business Ownership or Control (51% or more)



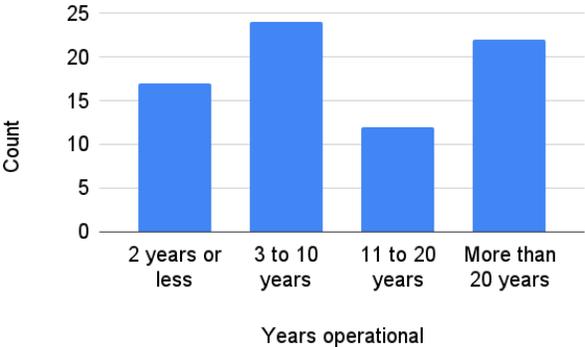
Construction is the largest single industry represented, accounting for 15.8% of businesses, followed by manufacturing (9.2%) Accommodation and Food Service (9.2%), Retail Trade (7.9%) and professional services (7.9%). More than 23% of the respondents selected the category “Other”, Suggesting many specialized and growing industries that aren’t fully reflected in the standard high-level categories of the North American Industry Classification System (NAICS).

Figure 4 - Primary Industry of Local Businesses



Business age is relatively evenly distributed with 55% of respondents operating for less than 10 years and 45% in business for more than a decade. This balance points to a healthy local economy that supports both new and established businesses.

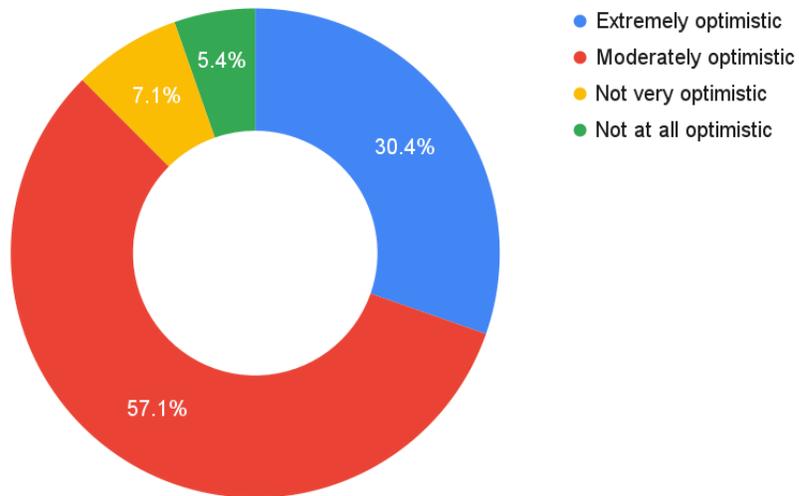
Figure 5 - Local Business Years in Operation



## 2. Business Performance and Outlook

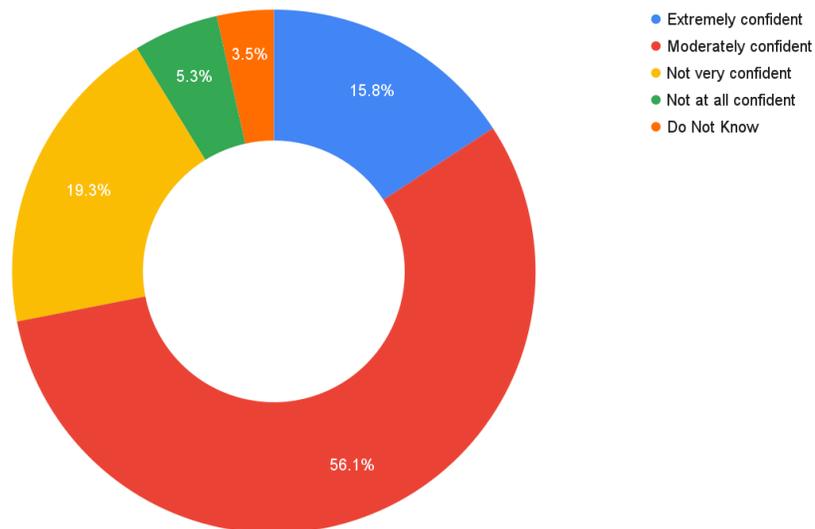
Businesses in East Hants generally report stable to positive performance and an optimistic outlook. Over 80% of the businesses that responded identified their current outlook on their operations in East Hants as moderately to extremely optimistic.

Figure 6 - Local Business's Current Outlook for their Operations in East Hants



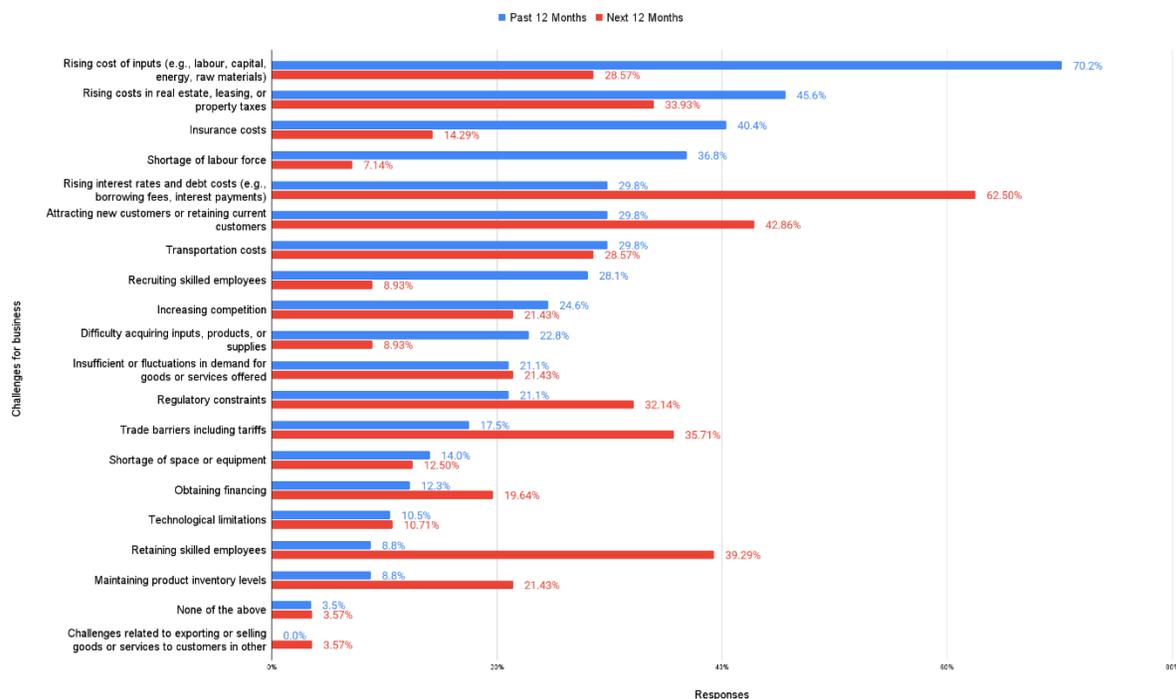
Compared to three years ago, 74% of respondents indicated that their business activity has either grown or remained steady. Looking ahead, confidence remains strong with 72% expressing at least moderate confidence in revenue growth over the next three years.

Figure 7 - Local Business Confidence in Revenue Growth Over the Next 3 Years



Despite this optimism, businesses continue to face significant challenges. Rising production and input costs were identified by just over 70% of respondents as a major concern, followed by real estate and property taxes (46%), insurance costs (40%), and labour shortages (38%). These pressures are widely expected to persist in the coming year, but businesses identified rising interest rates and debt costs (62%), attracting new customers or retaining current customers (42%), retaining skilled employees (39%), and trade barriers including tariffs (35%) as the most significant anticipated challenges in the next 12 months.

Figure 8 - Challenges for Local Businesses over the Past 12 Months and anticipated over the next 12 Months

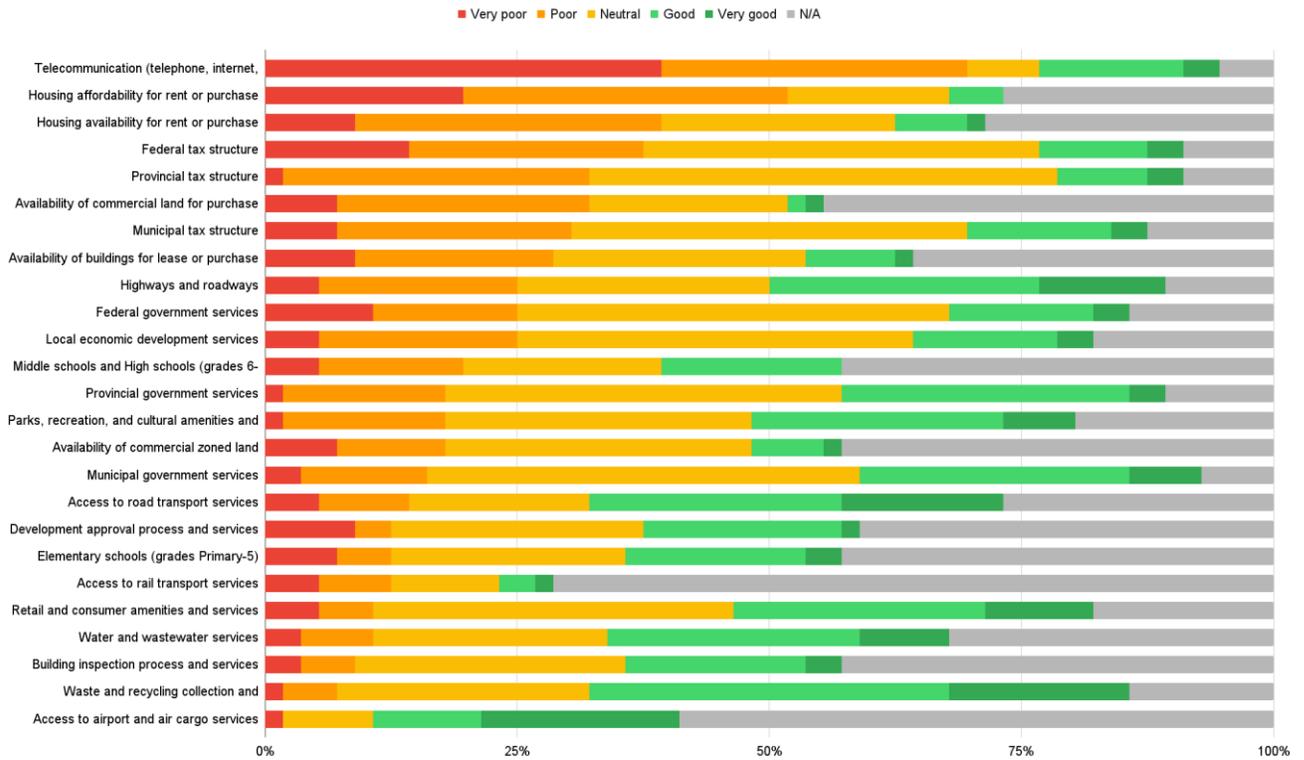


There are a number of business factors and services that are important to a business regardless of their industry. The Survey asked local businesses to rate 25 business factors and services in East Hants on a 5-point scale from “very poor” to “very good” and included a sixth “not applicable” rating.

The factors or services that received the lowest ratings, combining “very poor” and “poor” selections, from local businesses in East Hants were: telecommunication services (69%), housing affordability for rent or purchase (51%), housing availability for rent or purchase (39%), federal taxes (37%), provincial taxes (32%), availability of commercial land for purchase (32%), and municipal taxes (30%). The business factors or services that local businesses in East Hants rated the highest (combining “good” or “very good” selections)

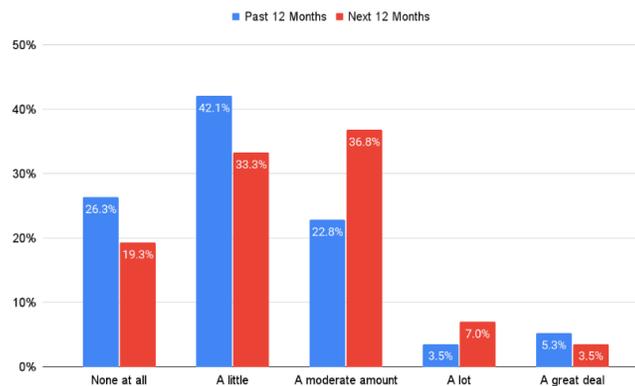
were: waste and recycling collection and processing services (53%), access to road transport services (41%), access to road transport services (41%), highways and roadways (39%), retail and consumer amenities and services (35%), water and wastewater services (33%), and municipal government services (33%).

Figure 9 - Ratings of Business Factors and Services in East Hants



Tariffs have been a global business issue over the past year. Locally, 68% of businesses reported little to no impact from U.S. tariffs to date. However, a growing share of businesses anticipate moderate or greater impacts over the next 12 months.

Figure 10 - Impact of U.S. Tariffs on Local Businesses



Operational decision-making remains cautious for local businesses with 43% of businesses reporting no major changes in the past year, and only 30% expanded operations without increasing physical space. 12% identified they have restructured the business, and 10% have reduced physical space or scaled down operations. This cautious approach is expected to continue over the next 12 months.

Figure 11 - Local Business Activities over the Past 12 Months and Plans for the Next 12 Months

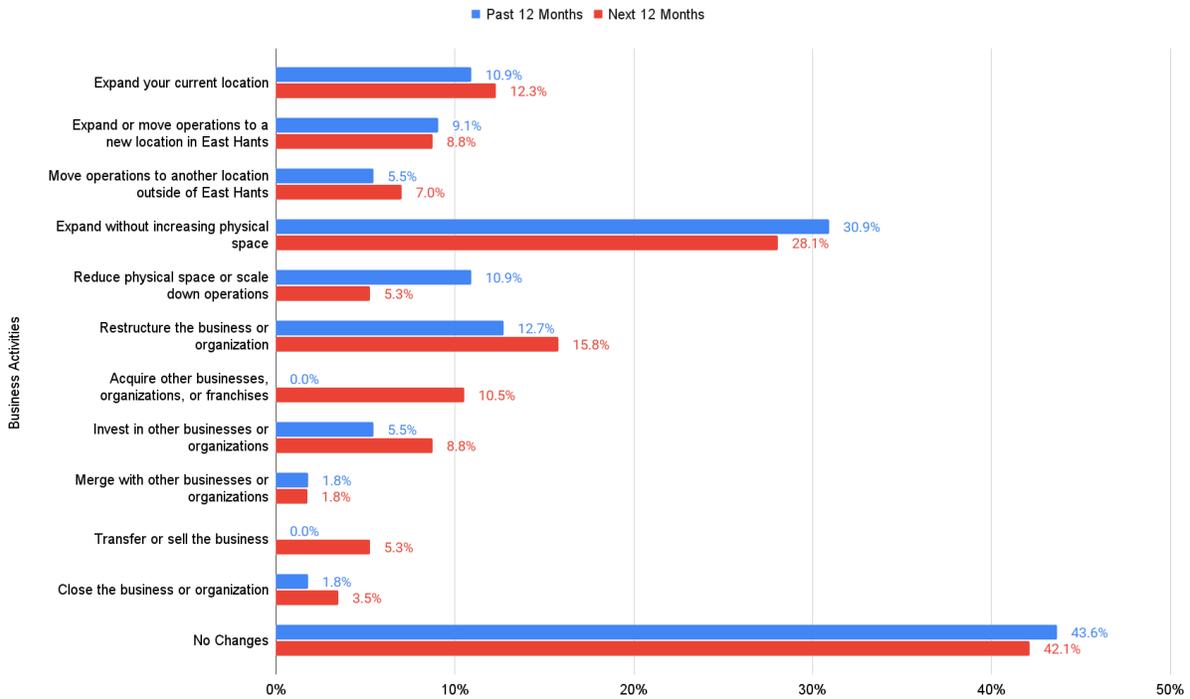
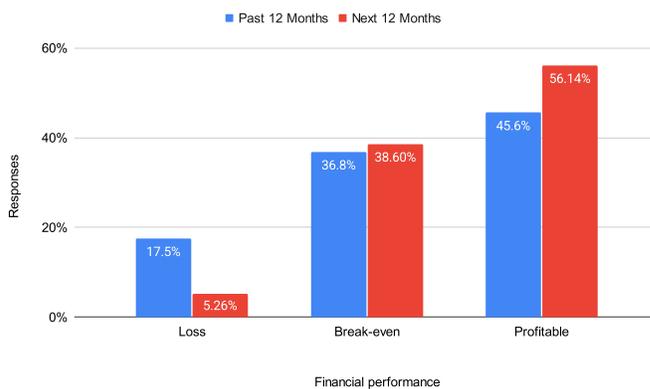


Figure 12 - Local Business Financial Performance



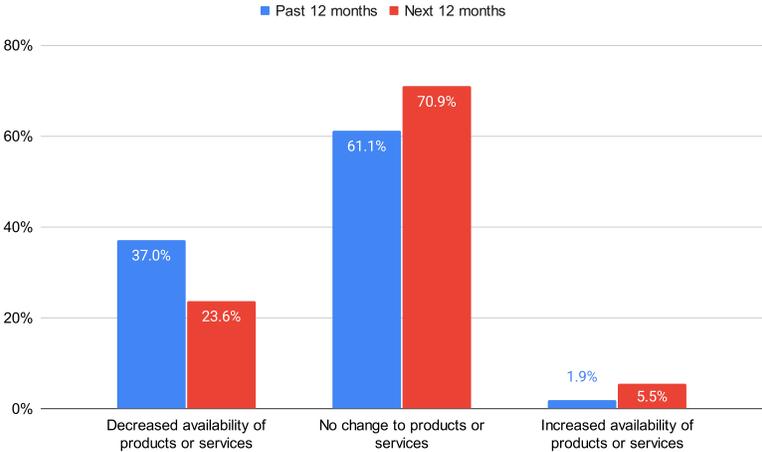
From a financial perspective, 45% of businesses reported being profitable in the past year, while an additional 36% broke even. Just over 17% identified a financial loss for the year.

Looking forward, optimism is increasing, with 56% of respondents expecting to be profitable in the year ahead.

### 3. Trade and Supply Chain

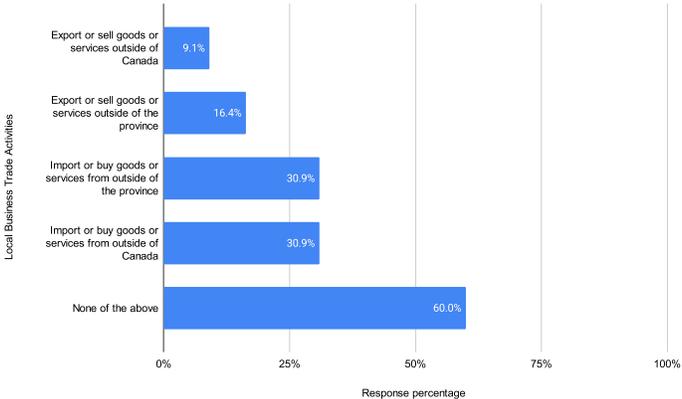
Many East Hants businesses have demonstrated resilience to recent global supply chain disruptions. Over the past year, 61% reported no change to their supply chains; while 37% experienced decreased product availability. Looking forward, confidence is improving, as only 23% anticipate supply chain challenges in the coming year; while 5% anticipate increasing availability of products or services.

Figure 13 - Change in Local Business's Supply Chain over the previous 12 months compared to the anticipated next 12 months



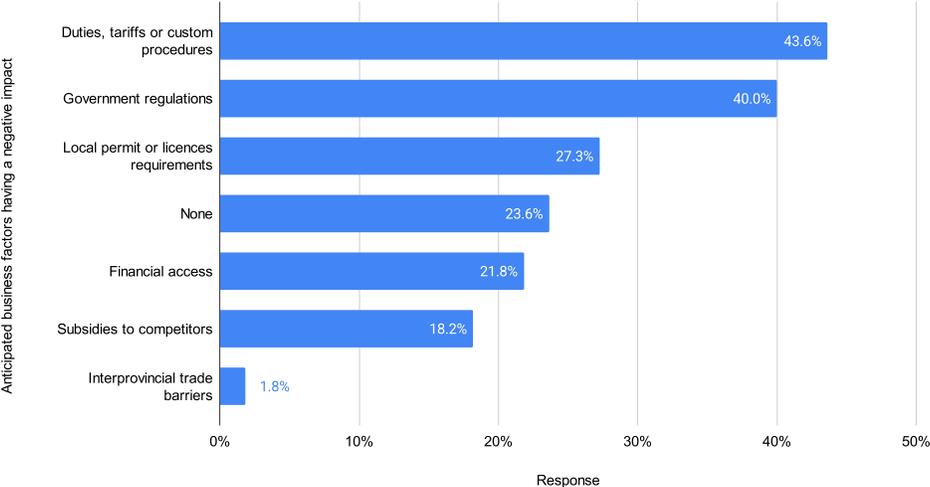
Trade activity remains primarily local and provincial. The majority of businesses rely on the Nova Scotia market, with fewer than one-quarter exporting goods or services outside the province or Canada. Approximately 30% import goods or services are from outside Nova Scotia and Canada. These patterns are expected to remain largely unchanged with a slight shift toward sourcing from other Canadian provinces rather than international markets.

Figure 14 - Local Business Trade Activities over the Past 12 Months



Duties, tariffs, and government regulations remain key concerns. Looking ahead, 43% of businesses cited duties and tariffs, 40% cited regulations, and 27% identified local permit requirements as factors most likely to negatively affect their operations.

Figure 15 - Business Factors Anticipated to have a Negative Impact in the next 12 months



## 4. Labour Market

The local labour market is dominated by small-scale businesses. Nearly 69% of the surveyed businesses employ five or fewer full-time workers, and over 70% have less than 2 part-time staff or none at all.

Figure 16 - Business Full Time Employee Numbers

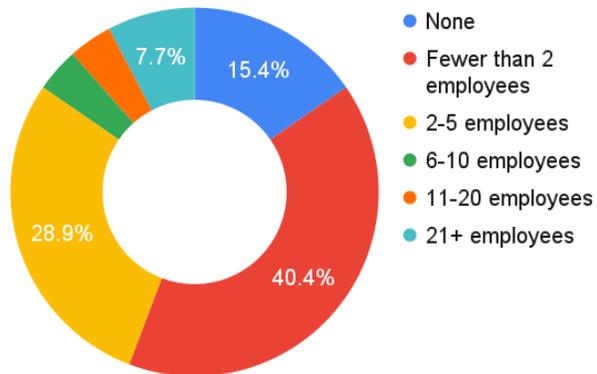
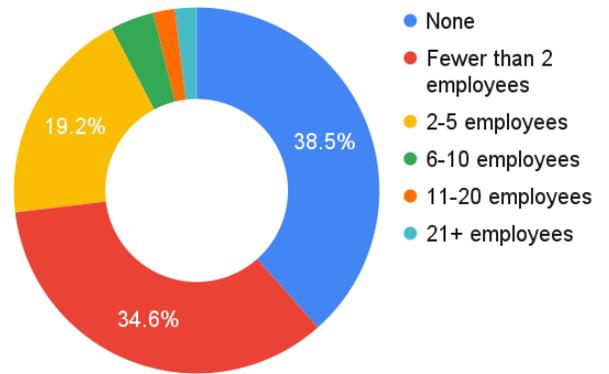
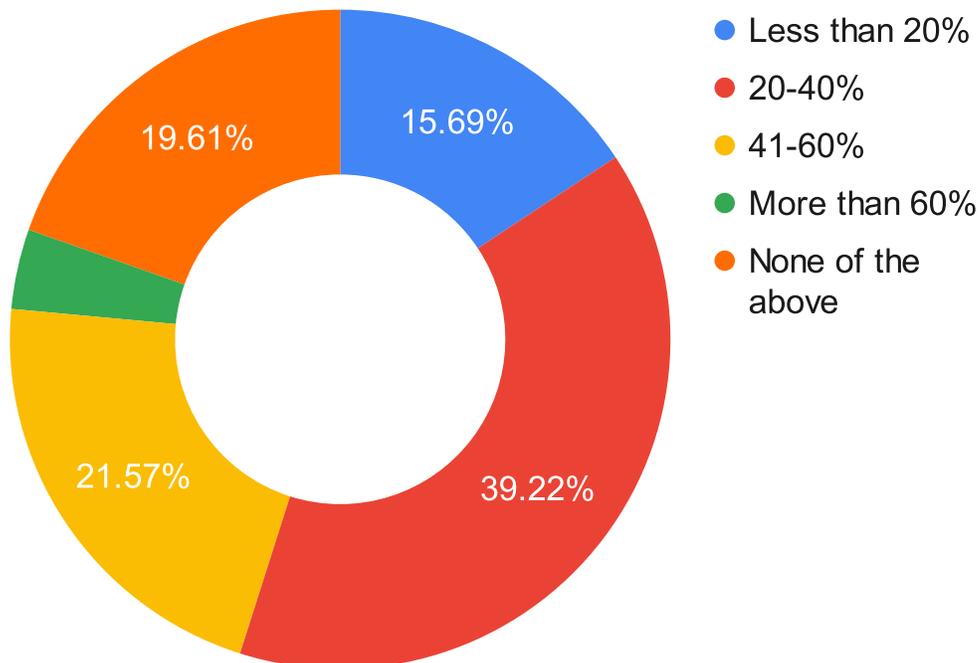


Figure 17 - Business's Part Time Employee Numbers



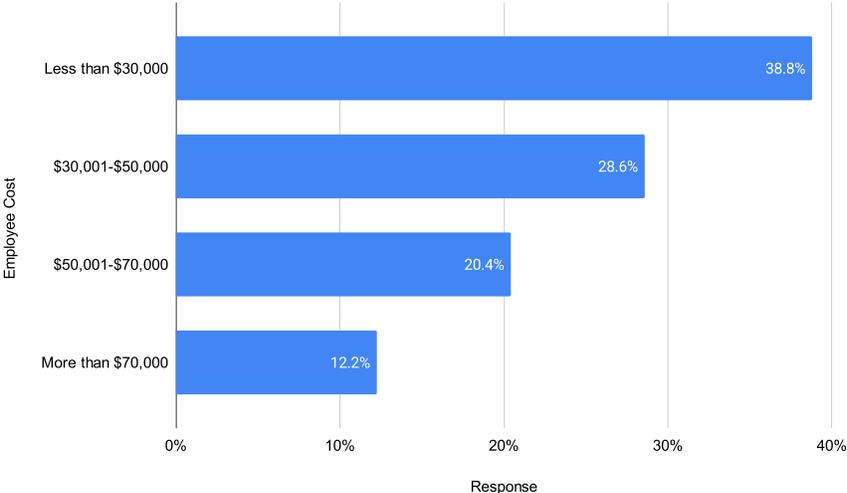
Labour costs represent a substantial portion of operating expenses for local businesses. 39% of businesses reported spending between 20% and 40% of their budgets on wages and benefits.

Figure 18 - Labour costs as a percentage of total operating expenses of the business



Most respondents (67%) reported an average annual employee costs below \$50,000. This reflects the prevalence of smaller operations, part-time positions, and seasonal employment.

Figure 19 - Average Annual Cost per Employee including Benifits



Rising salaries (43%) and employee turnover costs (22%) were identified as the most significant labour challenges, followed by increasing benefit (17%) and minimum wage costs (17%).

Despite these pressures, many businesses are investing in their workforce. Over the next year, 43% plan to invest in employee training and skill development. Businesses expressed confidence in their teams with 71% rating their employees as very or somewhat skilled, and 70% indicating they feel prepared to meet future skill requirements.

Figure 20 - Rating of overall skill level of employees in relation to the business's needs

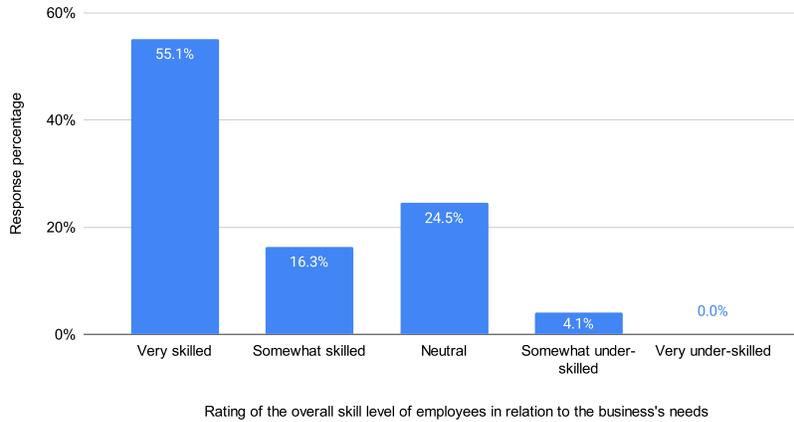
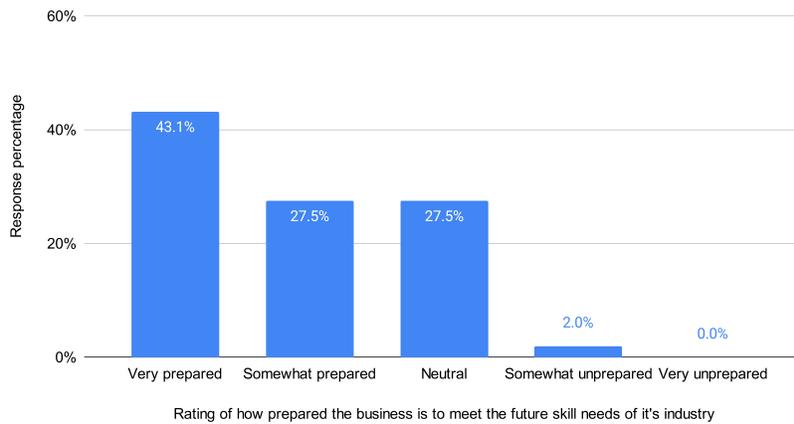


Figure 21 - Rating of how Prepared the Business is to meet the Future Skill Needs of it's Industry



Overall productivity remains strong with respondents reporting an average self-rated score of 7.7 out of 10. This suggests that while labour challenges persist, businesses are largely managing them effectively and efficiently.

## 5. Technology and Connectivity

Technology adoption among East Hants businesses is generally seen as moderate to high. A total of 83% of respondents rated their overall technology use as moderate, high, or very high. Cloud computing (50%) and point-of-sale (POS) systems (44%) and artificial intelligence (32%) are the most commonly used technologies.

Figure 22 - Technology Adoption by Local Businesses

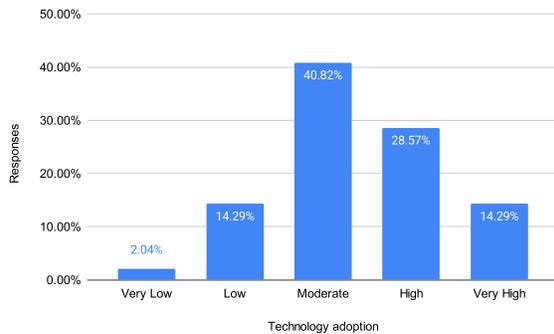
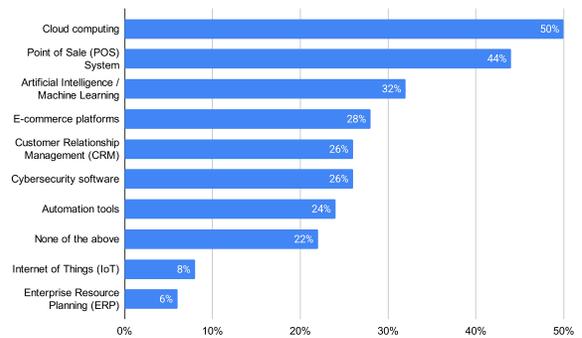
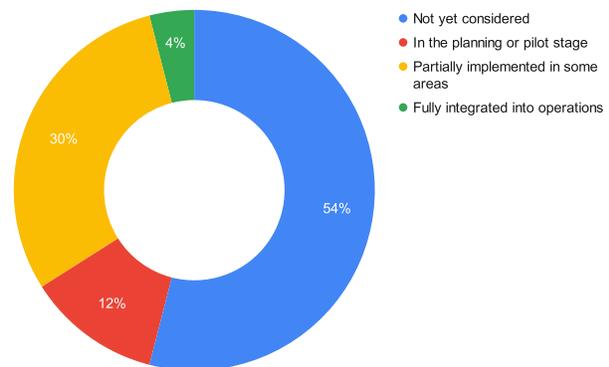


Figure 23 - Technologies currently being used by Local Businesses



Adoption of artificial intelligence (AI) remains limited by local businesses. More than half of respondents (54%) have not yet considered AI, while 30% have partially implemented it and only 4% have fully integrate AI into their operations.

Figure 24 - Local Business Adoption of Artificial Intelligence (AI) in Operations



Among adopters, AI is used locally for product innovation (26.5%), data analysis and decision making (20.4%) process automation (20.4%), and customer service (14.29%).

Reliable telecommunication connectivity is critical to business operations. Internet access is relied upon at all times by 67% of businesses, and is generally reported as reliable. However, 15% of businesses report experience frequent disruptions in service. Common concerns include outages (30%), high costs (20%), and limited provider choice (14%).

Figure 25 - Reliability of Business's Internet Service

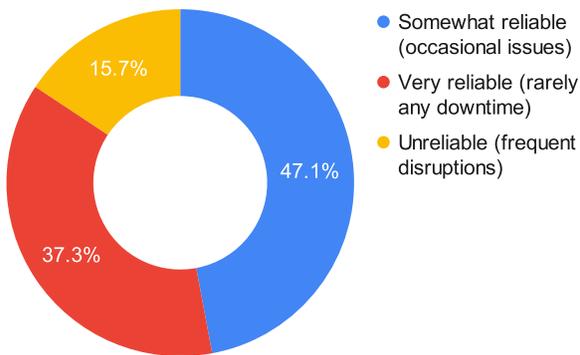
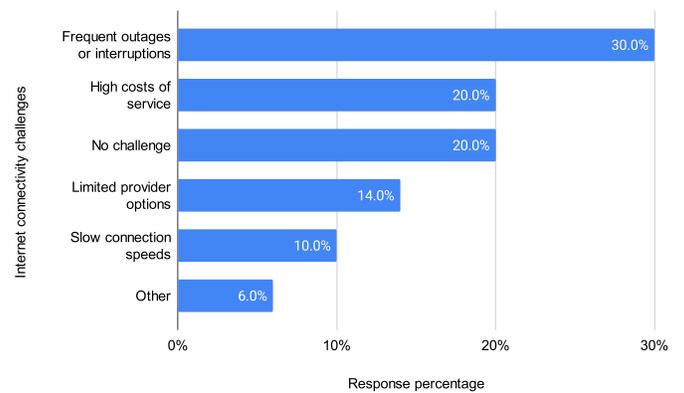


Figure 26 - Internet Connectivity Challenges experienced by Local Businesses



Cellular service reliability is a more significant issue for the local business community. While 55% of businesses feel they can rely on cellular service at all times, 60% report frequent disruptions in service. Carrier coverage was cited as the primary challenge for cellular service overall. The Business Climate Survey showed that phone and internet connections — especially cell service — are a major problem for local businesses and are affecting how they operate.

Figure 27 - Reliability of Business's Cellular Service

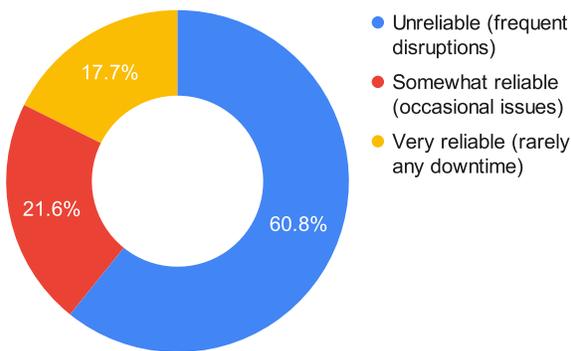
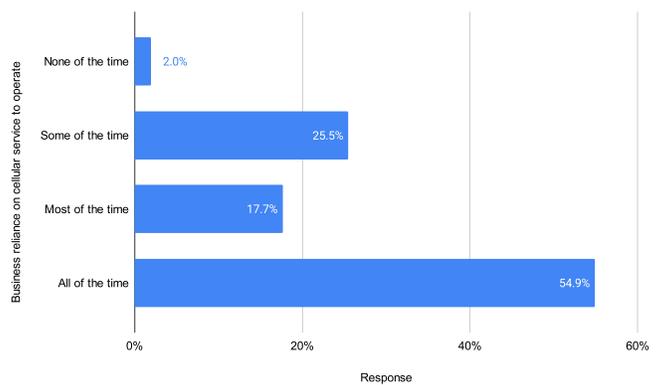


Figure 28 - Reliance of Business on Cellular Service to Operate



## **Conclusion**

The 2025 East Hants Business Climate Survey highlights a resilient and entrepreneurial business community with a generally positive outlook. While cost pressures, labour challenges, and infrastructure issues continue to affect operations, businesses remain confident and adaptable. The findings provide valuable insight, and information to help guide future projects and plans to support sustainable growth and long-term business success in East Hants. The information collected from this survey will provide a baseline understanding of the local business climate and allow yearly reviews of challenges, opportunities, and trends as the survey is repeated each year.