



MEDIA RELEASE

Immediate release

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(Toronto – February 13, 2025) – Ontario business confidence is improving but remains fragile, with trade uncertainty, rising costs, and ongoing productivity and labour challenges posing risks to sustained growth, according to new research from the Ontario Chamber of Commerce (OCC).

The OCC's 2025 Ontario Economic Report (OER) shows a significant rise in business confidence over the course of 2024, climbing from a historic low of 13 per cent to 26 per cent by year's end. Despite this improvement, confidence remains historically low and fragile, with 48 per cent of businesses expressing a lack of confidence in the economy. Affordability and the cost of living continue to be the most pressing concerns for businesses.

When U.S. tariff threats are on the table, business confidence drops dramatically to just 15 per cent, almost erasing the last year's gains, according to the OCC's separate tariff survey in early February. This recent research also shows that with tariffs in play, six in ten (60 per cent) business decision makers would lack confidence in Ontario's economic outlook.

"While Ontario businesses are more confident than they were a year ago, our economy should still be labelled 'Fragile: handle with care,'" said Daniel Tisch, President and CEO of the Ontario Chamber of Commerce. "The recent U.S. tariff threat is a call to action to both government and business, telling us that we must enhance both Ontario's competitiveness and its resilience in an unstable world."

"The Chatham-Kent Chamber of Commerce plays a vital role in ensuring the voices of local businesses are heard. This data reinforces what we hear from our members every day—the need for policies that ease cost pressures, streamline regulations, and create a stable, competitive environment for growth," said B.J. Griffiths, Chair, Chatham-Kent Chamber of Commerce.

Despite the challenges, respondents report relative optimism about their own business growth prospects. Nearly half (49 per cent) express confidence in their own future, citing factors such as strong consumer demand, innovation, and improved inflation management.

The 2025 OER provides regional and sector-specific insights on business confidence, economic growth, policy priorities, and key issues such as U.S. tariff threats, supply chains, workforce well-being, economic reconciliation, and climate change.

Key Findings:

- Business confidence in Ontario's economy has doubled in the past year, rising from 13 per cent to 26 per cent, but a majority of respondents (48 per cent) lack confidence in the economy.
- High costs remain the top concern for businesses, with 78 per cent citing the cost of living, followed by inflation (62 per cent), housing affordability (57 per cent), and rising operational costs (51 per cent).
- Simplifying or reducing business taxes (42 per cent) is the most frequently cited policy solution to improve economic conditions, followed by affordable housing (32 per cent), health system capacity (30 per cent) and workforce development to solve labour shortages (29 per cent).
- While businesses recognize the economic importance of technology adoption, environmental sustainability, diversity and inclusion and Indigenous reconciliation, businesses report a need for support and guidance in seizing these opportunities.
- Businesses report being ill-equipped to support workers and communities through mental health and addictions challenges. For example, while 71 per cent of businesses recognize the importance of mental health and well-being to their success, only 41 per cent have formal mental health strategies.
- Business leaders are confident in their ability to adapt to ongoing trade tensions between the U.S. and Canada with nearly half (48 per cent) reporting confidence, while 32 per cent are neutral and only 15 per cent expressing a lack of confidence.

- Ontario’s post-pandemic recovery faces significant headwinds, including potential U.S. tariff threats, geopolitical instability, lagging productivity, affordability challenges, and rising unemployment.

This year’s report was made possible by the OCC’s lead partner, *Hydro One*, presenting partner, *Bruce Power*, and its research partners, *Leger* and *BMO*. The business confidence survey, conducted between October 15 and December 2, 2024, gathered insights from 1,714 respondents representing a diverse range of industries, regions, and organizations.

In response to ongoing tariff threats from the U.S., the OCC commissioned a separate Leger survey from February 4 to 10 to assess the potential impact on the business community.

[Read the report](#)

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Quotes

"Chatham-Kent is deeply connected to the U.S. economy, as are so many communities across Ontario and Canada, disrupting this vital trade relationship through tariffs would have serious consequences. It's not just about the big numbers; it's about the jobs, businesses, and families here in Chatham-Kent that depend on cross-border trade. We need to strengthen, not break, these mutually beneficial ties to ensure a prosperous future for both our community and our trading partners."

- Rory Ring, President & CEO, Chatham-Kent Chamber of Commerce

"Now more than ever, we must work together and continue investing in clean energy, people and technology to sustainably boost productivity and support economic growth in the province. The Ontario Economic Report reminds us that our businesses are adaptable and optimistic. We’ve come a long way in a short time and have a foundation to build a stronger, cleaner more competitive Ontario and Canada for the future where we meet our growing energy needs and make ourselves even more resilient."

- David Lebeter, President and CEO, Hydro One

"The Ontario Chamber of Commerce continues to be a strong voice for businesses across the province, in advocating for the conditions that drive growth and investment. This year’s report highlights the resilience of Ontario’s business community, despite a number of challenging headwinds. A reliable supply of made-in-Ontario electricity is a cornerstone of that resilience – ensuring energy security, supporting economic competitiveness, and giving investors the confidence to build and grow here in Ontario. At Bruce Power, we’re proud to play a role in delivering clean, reliable, and affordable nuclear power to support growth and investment in the province."

- Pat Dalzell, Vice-President, Corporate Affairs & Market Development, Bruce Power

About Chatham-Kent Chamber of Commerce:

The Chatham-Kent Chamber of Commerce serves as the recognized voice of visionary leadership for over 350 members and businesses in the Chatham-Kent community. Their mission is to champion business excellence by encouraging business relations, integrating business with the community, and fostering entrepreneurship. They aim to enhance economic prosperity and quality of life for local businesses. You can find them at 54 Fourth St, Chatham, ON N7M 2G21. For inquiries, you can reach them at (519) 352-7540 or via email at info@chatham-kentchamber.ca.

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