



## Slow Vaccination Rate Hurting Canadian Earnings

### Description

With this pandemic (hopefully) coming to an end soon, investors are getting increasingly bullish. Indeed, such sentiment seems to make sense.

However, in Canada, a slower vaccination rate could inhibit this recovery. Yes, the Canadian media seems to like to tout the fact that 52% of Canadian adults have received at least one dose. This is actually higher than the percentage of the U.S. adult population with one dose (50%).

However, only 4% of Canada's population is fully vaccinated. The U.S. has fully vaccinated 40% of its population. With the priority going to first doses in Canada, questions about just how effective these vaccines will be with a longer wait time in between doses, and whether another wave of the coronavirus could take hold if the vaccine benefits wear off before Canadians receive their second dose.

It appears companies are starting to feel the effects of this vaccine policy. Let's take a look at how Canada's vaccine policy has affected **Ensign Energy Services** ([TSX:ESI](#)) as a [case study](#).

## CEO talking up importance of vaccines

Ensign's CEO Bob Geddes has not minced words about Canada's vaccine policy. The company's CEO blamed a relatively slow vaccination rollout for the company's poor performance this past quarter. The company said it's having trouble getting workers to come back amid pandemic concerns. Additionally, government programs have incentivized workers to stay at home, causing inflation in the company's labour costs.

Now, this is a pretty interesting, outspoken take. Not many CEOs would be as outspoken on the subject. However, it's clear that there are structural issues with how the vaccine rollout is effecting companies.

In Ensign's case, the company has pulled back on the number of rigs its been able to activate since the resurgence in energy prices. This has led to an unfortunate earnings miss for the company this

past quarter.

Whether more companies blame similar results on the pandemic response remains to be seen. However, the recent coverage of this issue deserves consideration among Canadian investors.

## Bottom line

Those intrigued at how Canada is doing in the race to vaccinate its population should keep everything in context. Yes, the pandemic is nearing its end. And Canada will eventually get a higher percentage of its population fully vaccinated.

Should Ensign be able to right the ship, this is a stock that could take off. However, the risks the company faces are ones that may not go away anytime soon. In this regard, it's a tough call right now.

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