

**Business Panel Forecast:
Second Dip Expected, Real Recovery to Begin in Thirteen
Months, U.S. Congress Gets Failing Performance Grade**

BDO Dunwoody Weekly CEO/Business Leader Poll

By COMPAS in *Canadian Business*

For Publication August 24, 2009



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1.0 Overview

The CEOs and business leaders on the COMPAS business panel expect a second dip with real recovery to begin in thirteen months. Bank of Canada and Harper Government earn good grades for performance while U.S. Congress gets a failing grade.

These are the key findings from this past week’s Internet survey of CEOs and business leaders on the COMPAS panel. The weekly business survey is undertaken for *Canadian Business* magazine under sponsorship of BDO Dunwoody LLP.

2.0 Findings

The tables below contain the raw quantitative findings.

(Q1) Generally speaking, how would you describe Canada's economy today? Would you say it is excellent, good, only fair or poor at this time? [ROTATE POLES]

	Aug 2009	May 2009	Jan. 2008	July 2006	Jan. 2005	Aug. 2003	June 2003	Dec. 2002	June 2002
	%	%	%	%	%	%	%	%	%
Excellent	0	2	14	22	5	*1	3	5	8
Good	25	18	53	66	72	48	60	61	65
Fair	57	54	31	12	23	48	34	32	23
Poor	18	27	2	1	1	4	3	2	3
DNK/Refused	0	0	0	0	0	0	0	0	1

¹ Greater than zero but less than 0.5 percent.



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(Q2) Do you anticipate that the U.S. or world economy will take a second dip before true recovery begins?

	%
Definitely	11
Probably	46
Probably not	37
Definitely not	2
Don't know or no opinion	6

(Q3) Approximately how many months will it take for the global economy to turn around in a positive direction that is sustained?

Mean	DNK
13	1

(Q4) On a 100 point school report card-type performance scale, what score would you give for... [RANDOMIZE]

	Mean
The Bank of Canada's role in current economy	70
The Harper government in the current economy	66
The Obama administration	60
The U.S. Federal Reserve	60
The U.S. Congress	48

The following verbatims provide a nuanced sense of panel opinion:

I think personal and corporation income tax is going to go through the roof to pay for all of these giveaways.

While it looks like some parts of the economy have hit bottom and are starting to recover a bit, I personally don't



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think that overall we have completely bottomed out. I'm saying this because I don't think that all of the underlying problems have been corrected and as a result we are still vulnerable to a few more small corrections.

Hopefully the media will talk it up as much as they talked the economy down!

Too many variables impacting the recovery; U.S. unemployment, strength in the Canadian dollar, U.S. buy policy. It will be a slow recovery...

Much has to be done to develop markets in the underdeveloped world as North America and Europe will become saturated when a recovery really takes hold.

There is so much uncertainty that to change confidence around will take a long time. Consumers are paying down debt and savings and not spending. Government programs will only go so far to help, but until there is a meaningful improvement in unemployment, the current set of affairs will continue. There is also growing pressure on interest rates and inflation, despite the poor state of the economy and the U.S. dollar would drift downwards. As such the Canadian dollar will drift upwards putting more pressure on exports. Unions will not help this process as they are fighting for their lives to keep contracts intact with no roll backs or improvements in productivity. Unless they come back to reality, Canada will regress compared to other countries during any recovery.

As our manufacturing jobs disappear employment will suffer and these jobs will not come back. Other countries recognize that making things create robust economies. We are going backwards. All parties need to come together, governments, unions and businesses. We need to stop the never ending increases in wages obscene wages for top executives and adding a labor tax to those imports from countries who do not have equitable labour and currency



conditions. We seem to forget that many countries were very successful when duties were charged.

Until our government gets involved with the banks and start pushing them, all the assistance to different corporations, and helping financially is down the river, and a waste.

I believe the world economies are turning the corner and we should see some significant improvements within the next 6 months.

The rest of the world will recover (is recovering) six months ahead of North American economies.

Economists talk about the possible shape of the recovery on a graph as various letters. For example; "V" shaped or "U" shaped. I fear it will be "L" shaped: meaning that we will bounce along the bottom for some time in a technical or "jobless" recovery.

3.0 Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted August 18 -20, 2009. Respondents constitute an essentially hand-picked panel with a higher numerical representation of small and medium-sized firms.

Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than comparably sized general public studies. In studies of the general public, surveys of n=123 are deemed accurate to within approximate 8.9 percentage points 19 times out of 20. The principal and investigator on this study is Conrad Winn, Ph.D.

