

Part 1 of Two Parts: International Economic Outlook
(Part 2 on Canada's Outlooks)

Some Upswing in 2013:

**Recovery Threatened by State of U.S. Economy and Iran's
Sabre-Rattling and Especially by European Weakness;
Harper Earns Very High Grade for Economic Management**

**Weekly CEO/Business Leader Poll By COMPAS in *Canadian Business*
For Publication Week of January 9th, 2012**



**COMPAS Inc.
Public Opinion and Customer Research
Week of January 9th, 2012**

1.0 Introduction

The CEOs and business leaders on the COMPAS business panel anticipate the beginning of a global upswing in 2013 but not before. The main threats to a global recovery are the state of the U.S. economy and the possibility of war involving Iran and, most especially, Europe's economic situation. Prime Minister Harper earns an exceptional high grade for his government's response to the Iranian regimes pronouncements and military threats in the Strait of Hormuz, which threaten the flow of about one-third of the world's petroleum products shipped by sea.

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.

2.0 Findings

Tables 2.1 and 2.2 portray panelists' forecasts for the global economy. Table 2.3 describe their assessments of various potential threats to the global economy while table 2.4 shows their high score for the government's response to Iran's conduct.

Table 2.1: How do you think the global economy will be in six months? Will it get...(%)

A lot better	1
Somewhat better	30
Remain about the same	43
Somewhat worse	22
A lot worse	5
Don't know	0



Table 2.2: How about in 12 months? Will it get...

	%
A lot better	6
Somewhat better	44
Remain about the same	26
Somewhat worse	18
A lot worse	6
Don't know	0

Table 2.3: On a 7 point scale where 7 means an important damper or drag on the world economy and 1, not a damper or drag at all, what score would you give to each of the following risks: RANDOMIZE

	MEAN	7	6	5	4	3	2	1	DNK
Risk of further problems in the European economy	5.7	26	46	14	7	6	0	1	0
Risk of further problems in the U.S. economy	5.2	21	26	24	16	8	3	1	0
The risk of the European Union breaking up	5.0	17	28	22	12	12	6	3	1
A war triggered by Iran	4.8	30	15	16	9	13	12	6	0
Political turmoil across the Middle East	4.6	9	20	26	24	10	5	6	0
Risk of further problems in China's economy	4.6	7	24	32	8	21	6	2	0
Risk of further problems in India's economy	4.1	2	13	27	22	22	10	3	1
A war triggered by North Korea	3.7	13	8	15	10	24	18	12	0



Table 2.4: On a 100 point performance scale, how would you rate Prime Minister Harper's recent statements about the risks to world peace posed by the Iranian regime?

MEAN	DNK
77	2

The following verbatim comments provide a nuanced sense of respondent opinion:

Commodity driven slowdown will impact exports. U.S. election will be a large drag, with an inept U.S. House and Senate, Euro/Bond market may still get messy. China will present new challenges. The Middle East is the Middle East - a large mess no solution on the horizon.

The U.S. needs to deal with its debt or result will be Force Majeure.

We are fortunate that we are in Western Canada because the resource and agricultural industries are keeping our economy healthy.

Canada is better placed than most countries in the world. We need to use the advantages we have to grow to our proper stature in the world. We can do this with a forward looking and not self-serving government. So basically we are screwed.

3.0 Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted January 7 – 10, 2012. 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,



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surveys of n=89 are deemed accurate to within approximate 10.4 percentage points 19 times out of 20. The principal and investigator on this study is Conrad Winn, Ph.D.

