

FOR IMMEDIATE RELEASE

**GLOBAL EVENTS MEAN DARK CLOUDS**

**BACK ON THE ECONOMIC HORIZON: SURVEY**

**TORONTO, March 17, 2011** – Just as things were looking brighter with regard to Canadians' confidence in the economy, the events of last week (primarily the unrest in the Middle East and oil prices - the Japan Earthquake/tsunami happened only at the tail-end of the survey) have caused Canadians to feel that things are good now, but future prospects may be in jeopardy again. TNS Canada's Monthly *Consumer Confidence Index* lost the gain of 1.3 points from February, back down to 98.4 from 99.7. The drop is solely attributable to concerns about future prospects. Canadians' still feel good about their economic situation right now, as the present situation index rose another full 3 points (from 94.5 to 97.4). However, the *Expectations Index*, which had been climbing steadily for the last six months, lost almost four points in March. Consumers continue to watch their spending plans carefully, with the *Buy Index*, which measures consumers' intent to purchase "big ticket items", showing an even sharper decline in March.

"While right now Canadians are pleased with things, events of the past few weeks, together with on-going concern about debt, once again have Canadians very cautious about future prospects" said Norman Baillie-David, vice president of TNS Canada and director of the marketing and social research firm's monthly tracking study. "These global events have taken place just as we were coming out of the confidence doldrums. We're seeing the impacts of the Middle East and rising oil prices, and now the disaster in Japan, directly on Canadians' outlook."

The *Present Situation Index*, which captures evaluations of the overall state of the current economic and employment situation, continues to rise, from 94.5 in February to 97.4. It's at its highest since late 2008, and before the 2009 recession.

Global events, primarily the spike in oil (and gasoline) prices, had a significant impact on the *Expectations Index*, which measures consumers' outlook for the economy, household income and employment in the next six months. After rising continuously since September of last year, the *Expectations Index* took a significant hit of almost 4 points, dropping from 109.5 to 105.8. Canadians are clearly concerned that these events are going to have an impact somewhere down the road.

The *Buy Index*, which gauges the degree to which people think the current period is a good time to make major purchases, also dropped a considerable 4.3 points, from 96.7 to 92.4, which clearly reflects the fact that Canadians are concerned about rising oil prices and other events having an impact on their future income, as well as the continuing overall concern about debt levels. "Canadians are watching events closely, and it will likely take some stability in the Middle East, some relief at the pumps, and some progress in alleviating the suffering in Japan before our outlook improves." Mr. Baillie-David reiterated.

*Consumer Confidence Index* tracks Canadians' attitudes about the economy each month and is part of a global study conducted by TNS in 18 countries. Three indices are produced each month to show how confidence in the economy is changing: *Present Situation Index*; an *Expectations Index*; and a *Buy Index*. The Canadian fieldwork is conducted using the firm's national bi-weekly telephone omnibus service, TNS Express Telephone. A total of 1,018 nationally representative Canadian adults were interviewed between March 7 and 11, 2011. For a survey sample of this size, the margin of sampling error is plus or minus 3.1 percentage points, 19 times out of 20.

TNS Canada ([www.tns-cf.com](http://www.tns-cf.com)) is one of Canada's most prestigious full-service marketing, opinion and social research organizations.

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