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# NEWS *Release*

**FOR IMMEDIATE RELEASE**

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## **US Trade Policy Tops List of Challenges Facing BC Business -- Survey**

Future terrorist attacks are seen as a minor threat.

VANCOUVER – An Ipsos-Reid survey shows that 92% of BC's chartered accountants consider US trade policy a major or moderate challenge facing BC businesses, higher than any other issue. The Chartered Accountants of BC, who commissioned the poll, said that the lack of resolution on the softwood lumber dispute with the US is certainly the primary reason why trade policy topped the list of challenges.

"Forestry is crucial to the BC economy, and the survey shows that CAs are terribly concerned about the impact of US trade policy on the provincial economy," said Richard Rees, CEO of the Chartered Accountants of BC. "While we have heard that a resolution to the dispute may be coming soon, the survey shows that concerns are currently very high."

All regions of the province listed US trade policy -- more than any other issue -- as a challenge facing BC businesses. CAs on Vancouver Island rated the issue slightly higher than the other regions of the province (95% compared to 91% in the rest of the province). The Island's concern about US trade policy is understandable given the importance of the forest industry to the Island's economy.

While CAs are concerned about international trade, they are not as concerned about international terrorism. The poll found that 56% of CAs consider future terrorist attacks a minor challenge or not a challenge at all, compared to 39% who regard terrorism as a moderate or major challenge.

"The longer-term economic impacts of September 11<sup>th</sup> have more to do with trade barriers and border delays than fears of another terrorist attack," said Rees.

Interestingly, after US trade policy and the global economy, the survey results ranked the ability to attract and retain high calibre employees as the next biggest challenge facing businesses today. Fully 86% of CAs said that finding and keeping good employees was a moderate or major challenge.

"BC has been losing people to other provinces for several years through inter-provincial migration, and our high personal tax rates in the last decade have taken a toll on our ability to attract employees to the province," said Rees. "It's easy to see why CAs were so optimistic about the BC government's personal tax cuts, given their concern about finding and retaining good people."

The *CA Business Outlook* survey was conducted by Ipsos-Reid and commissioned by the Chartered Accountants of British Columbia. Ipsos-Reid surveyed 450 senior chartered accountants by telephone between December 5-17, 2001. A random survey of 450 people is considered accurate to within +4.6%, 19 times out of 20. More details on the Ipsos-Reid *CA Business Outlook* survey results are available online at [www.ica.bc.ca](http://www.ica.bc.ca).

The 8,300 CAs in BC provide expert advice to a variety of small and large business; are key members of management teams; or consult to private industry and the public sector. As members of the Institute of Chartered Accountants of British Columbia, they adhere to a strictly enforced code of conduct and ongoing professional development.

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## Tables

### Challenges Facing BC Businesses

Please tell me whether you feel the ABILITY TO RAISE CAPITAL is currently a major challenge, a moderate challenge, a minor challenge or not a challenge at all.		
	n	%
Major challenge	197	44%
Moderate challenge	176	39%
Minor challenge	53	12%
Not a challenge	2	0%
Don't know	22	5%

ATTRACT AND RETAIN EMPLOYEES		
	n	%
Major challenge	212	47%
Moderate challenge	174	39%
Minor challenge	40	9%
Not a challenge	2	0%
Don't know	23	5%

CONSUMER CONFIDENCE LEVELS		
	n	%
Major challenge	181	40%
Moderate challenge	189	42%
Minor challenge	58	13%
Not a challenge	0	0%
Don't know	22	5%

CURRENT ECONOMIC ENVIRONMENT IN CANADA		
	n	%
Major challenge	180	40%
Moderate challenge	212	47%
Minor challenge	35	8%
Not a challenge	1	0%
Don't know	22	5%

THE GLOBAL ECONOMIC ENVIRONMENT		
	n	%
Major challenge	213	47%
Moderate challenge	168	37%
Minor challenge	41	9%
Not a challenge	3	1%
Don't know	24	5%

CORPORATE TAXATION LEVELS		
	n	%
Major challenge	102	23%
Moderate challenge	209	46%
Minor challenge	110	24%
Not a challenge	7	2%
Don't know	22	5%

PERSONAL TAXATION LEVELS		
	n	%
Major challenge	137	31%
Moderate challenge	212	47%
Minor challenge	71	16%
Not a challenge	8	2%
Don't know	22	5%

CANADIAN DOLLAR VALUE		
	n	%
Major challenge	188	42%
Moderate challenge	153	34%
Minor challenge	64	14%
Not a challenge	21	5%
Don't know	23	5%

LAND CLAIMS UNCERTAINTY		
	n	%
Major challenge	134	30%
Moderate challenge	185	41%
Minor challenge	99	22%
Not a challenge	10	2%
Don't know	22	5%

CURRENT LABOUR LAWS		
	n	%
Major challenge	161	36%
Moderate challenge	205	45%
Minor challenge	53	12%
Not a challenge	8	2%
Don't know	23	5%

FUTURE TERRORIST ATTACKS		
	n	%
Major challenge	41	9%
Moderate challenge	133	30%
Minor challenge	216	48%
Not a challenge	35	8%
Don't know	24	5%

US TRADE POLICY		
	n	%
Major challenge	308	68%
Moderate challenge	106	24%
Minor challenge	14	3%
Not a challenge	0	0%
Don't know	22	5%

Note:

n = number of respondents

% = percentage of respondents

Percentages may not add up to 100 due to rounding.