

THE IPSOS-REID CANADIAN MONTHLY ECONOMIC CONFIDENCE INDICATOR

***Expectations About Interest Rates and Job Security Fuel Robust
Consumer Economic Confidence***

***Three-Quarters (74%) Say Overall State of Canadian Economy is
“Good,” Fears of Interest Rate Increase Drop, Job Anxiety Near
Record Lows (20%)***

***Ipsos-Reid Canadian Economic Confidence Index Jumps 14
Points to Highest Level of 113.71 Since August 2002***



Public Release Date: July 7, 2003 – 6:00 a.m. (EDT)

Ipsos-Reid is Canada's leading marketing research and public affairs company, both in size and reputation. It operates in seven cities and employs more than 300 researchers and support staff in Canada. Ipsos-Reid has the biggest network of telephone call centres, as well as the largest prerecruited household and online panels in Canada. Its Canadian marketing research and public affairs practices are staffed with seasoned research consultants with extensive industry-specific backgrounds offering the premier suite of research vehicles in Canada, including the Ipsos Trend Report, the leading source of public opinion in the country. Ipsos-Reid is a member of the Ipsos Group, the second largest survey-based marketing research company in the world.

Visit www.ipsos-reid.com

For copies of other news releases, please visit

http://www.ipsos-reid.com/media/content/PRE_REL.cfm

© Ipsos-Reid

***Washington | New York | Minneapolis | San Francisco
Vancouver | Edmonton | Calgary | Winnipeg | Toronto | Ottawa | Montreal***



THE IPSOS-REID CANADIAN MONTHLY ECONOMIC CONFIDENCE INDICATOR

***Expectations About Interest Rates and Job Security Fuel Robust
Consumer Economic Confidence***

***Three-Quarters (74%) Say Overall State of Canadian Economy is
“Good,” Fears of Interest Rate Increase Drop, Job Anxiety Near
Record Lows (20%)***

***Ipsos-Reid Canadian Economic Confidence Index Jumps 14 Points to
Highest Level of 113.71 Since August 2002***

Toronto, ON– Despite reports of a weakening economy due to SARS, the soaring dollar, and the sluggishness of the American economy, three-quarters (74%) of Canadians believe the current Canadian economy to be good (68% “good,” 6% “very good”). Fears of interest rate hikes (39%) have dropped 17 points in the past two months—the lowest since index tracking began in August 2002.

Canadian job anxiety continues to be near record lows—only one in five (20%) Canadians are worried about either themselves or someone in their household losing their job. During the recession (1993) job anxiety reached 35%, and has been as low as 16% in the past four months.

One in three (32%) Canadians think the economy will improve in the next year or so, half (47%) of Canadians continue to think the economy will stay the same, and only 20% think it will get worse, indicating that overall economic optimism is at the second highest point since July 2000. A similar proportion (35%) feel their own economic situation will improve, while one in ten (13%) feel it will get worse—indicating that personal economic forecasting is at its

© Ipsos-Reid

***Washington | New York | Minneapolis | San Francisco
Vancouver | Edmonton | Calgary | Winnipeg | Toronto | Ottawa | Montreal***

third highest point since March 2000—the rest (51%) continue to believe their personal economic situation will remain the same.

The Ipsos-Reid Canadian Economic Confidence Index (113.71), provided exclusively to the Report on Business Section of Canada's Leading Newspaper, the Globe and Mail, reveals that it is growing expectations that interest rates will go down compiled with low job anxiety that are fuelling economic confidence.

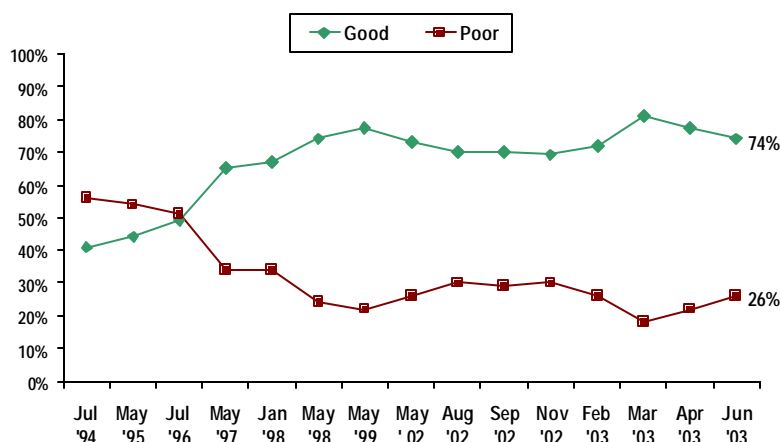
Two factors that are dampening enthusiasm in some parts of the country are big-ticket spending (24% likely to spend more in the next year) which drags and day-to-day expense spending (36% likely to spend more in the next year).

These are the findings of an Ipsos-Reid poll conducted between June 24th and June 26th, 2003. The poll is based on a randomly selected sample of 1055 adult Canadians. With a sample of this size, the results are considered accurate to within ± 3.1 percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were statistically weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 2001 Census data.

Three-Quarters (74%) Say Overall State of Canadian Economy is “Good”

Three-quarters (74%) of Canadians describe the current economy as good (68% “good,” 6% “very good”). While this proportion has dropped since the summit levels witnessed in March (81%) and even since April (77%), the majority of Canadians continue to describe the economy in a positive manner.

Overall State of the Canadian Economy



- Residents of Ontario (78%) are the most inclined to describe the current economy as good, followed by Quebecers (77%), Atlantic Canadians (72%), Albertans (71%), and residents of Saskatchewan/Manitoba (69%). British Columbians (61%) are the least likely to say the current economy is good.
- Today, young adults (78%) are more apt than older Canadians (69%) to describe the current economy as good, while the opposite was the case in April (73% young adults, 82% older Canadians). Canadians with some post secondary education or a

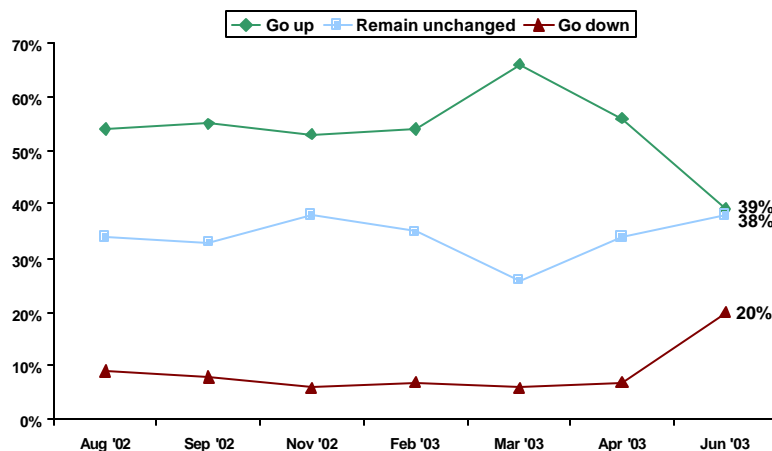
© Ipsos-Reid

University degree (78%) are significantly more likely than Canadians with a high school diploma or less (66%) to describe the current economy as good; and individuals from upper (80%) or middle (74%) income households are more likely than Canadians from lower (65%) income households to say the economy is good.

Canadians Predicting Increase in Interest Rates Drops 17 Points (39%), Canadians who Think Rates will Decrease Up 13 Points (20%)

One in four (39%) Canadians today think that interest rates will go up in the next six months—the lowest percentage since tracking began in August 2002—matching the proportion that believes rates will remain unchanged (38%). One in five Canadians (20%) believes interest rates will go down in the next six months—the highest percentage since tracking began in August 2002.

Six-Month Forecast For Interest Rates



- Interest rate predictions remain fairly static across all regions.

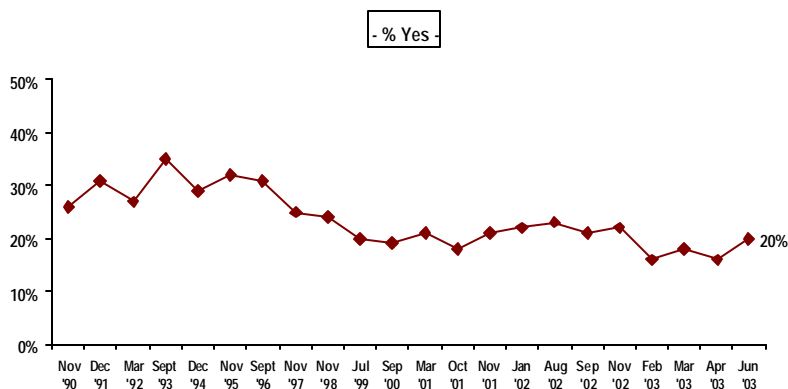


- Young adults (50%) are more likely than their older (31%) and middle-aged (38%) counterparts to believe interest rates will go up over the next six months, while older and middle-aged Canadians are more likely than young adults to believe rates will go down (22% older, 23% middle-aged, 15% younger) or remain unchanged (44% older, 37% middle-aged, 32% younger). Women (43%) are more likely than men (35%) to believe rates will go up, while men (25%) are more likely than women (15%) to believe rates will go down. Individuals from upper income households (25%) are more likely than their counterparts from lower (15%) and middle (19%) income households to believe interest rates will go down in the next six months.

One in Five (20%) Canadians Worried about Job Loss

One in five (20%) Canadians today are worried about either themselves or someone in their household losing their job. February (16%), March (18%), and April (16%) witnessed record low levels of job anxiety, today's findings suggest perhaps a return to more common levels of job security. It should be noted, during the recession (1993) job anxiety reached 35%.

Canadians' Job Anxiety



© Ipsos-Reid



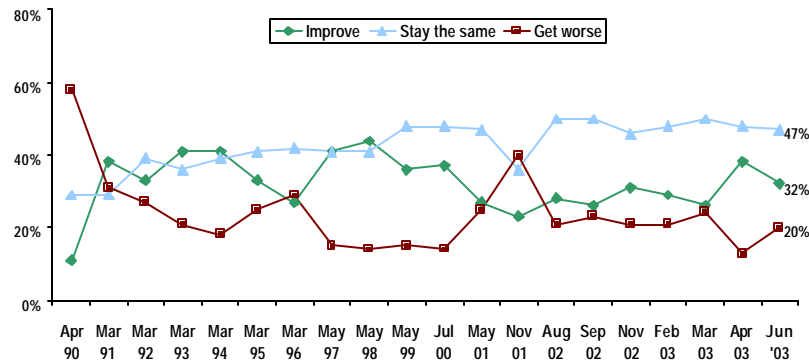
- Residents of British Columbia (25%) appear to be the most worried about losing their job or someone in their household losing their job, followed by Atlantic Canadians (20%), residents of Ontario (19%), Quebec (19%), Alberta (18%), and Saskatchewan/Manitoba (17%).
- Young adults (23%) and Middle-aged Canadians (24%) are significantly more likely than their older (10%) counterparts to be worried about losing their job or someone in their household losing their job. While job anxiety remains stable among middle-aged and older Canadians, job anxiety among young adults is up by seven percentage points since April (16%).

One in Three (32%) Canadians Think Economy will Improve, One in Five (20%) Think it will Get Worse

The one year forecast for the Canadian economy shows half (47%) of Canadians continue to think the economy will stay the same, 32% think it will improve, and 20% think it will get worse—the net score (percentage who feel it will improve minus the percentage who feel it will get worse) therefore is +12. Since our last sounding in April, the proportion that think the economy will improve has decreased by 6 percentage points (38%), while the proportion that think it will worsen has increased by 7 percentage points (13%). It should be noted that April saw the highest proportion of Canadians who think the economy will improve since May 1998 (44%), and the proportion who said they think it will get worse was the lowest since tracking began in April 1990.



One Year Forecast for the Canadian Economy



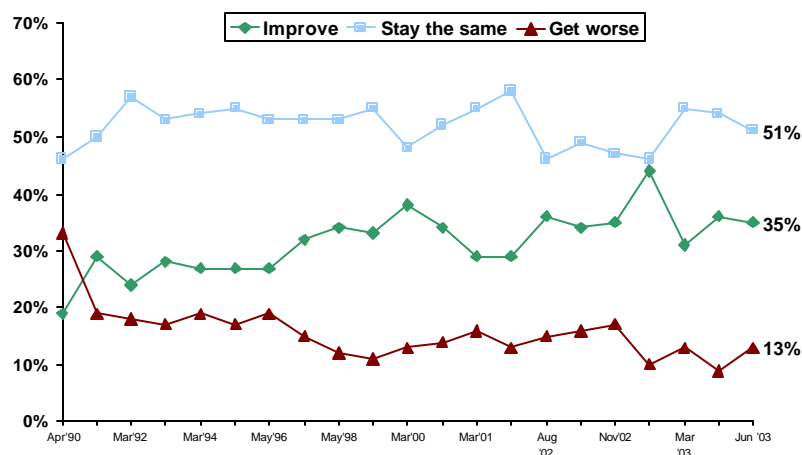
- Across the regions, Canadians are most likely to say they think the national economy will stay the same in the year to come. Considering only the net scores, residents of Saskatchewan/Manitoba (+18) are the most optimistic, followed closely by residents of Ontario (+15), British Columbia (+14), Quebec (+11), and Atlantic Canada (+9), while Alberta (+2) trails behind.
- Men (+17) are more optimistic about the economic conditions in the year to come than women (+7).

One-Year Forecast for Personal Financial Prospects Suggest Half (51%) of Canadians Think their Situation will Stay the Same, while One-Third (35%) Think it will Improve

The percentage of Canadians who feel their own economic situation will improve (35%) remains virtually unchanged since our last sounding in April (36%). The proportion that

thinks their personal economic situation will remain the same (51%) has nominally declined since April (54%), while the proportion that thinks it will get worse (13%) has nominally increased since April (9%). The net score (percentage who feel it will improve minus the percentage who feel it will get worse) therefore is +22.

One Year Forecast for Personal Financial Prospects



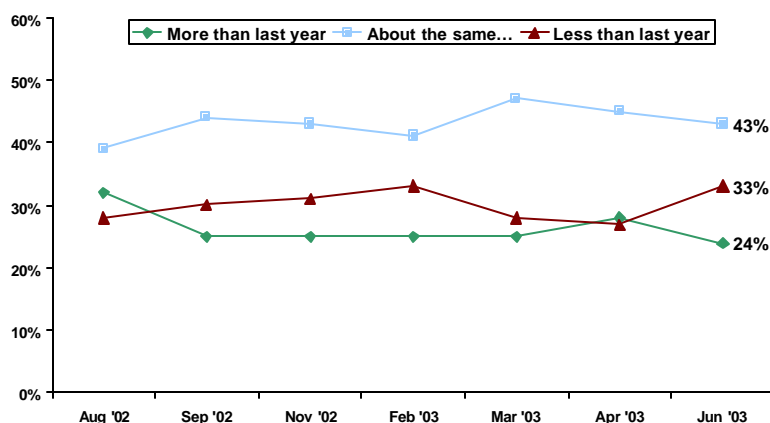
- Across the regions, Canadians are most likely to say they think their personal economy will stay the same in the year to come. Considering only the net scores, residents of Ontario (+26) are the most optimistic, followed closely by residents of Quebec (+22), Alberta (+16), British Columbia (+15), Saskatchewan/Manitoba (+14) and Atlantic Canada (+14).
- Younger (55%) Canadians are significantly more likely than their middle-aged (35%) and older (17%) counterparts to feel their personal economic situation will improve, while older (68%) Canadians are significantly more likely than their younger (35%) and middle-

aged (51%) counterparts to believe their situation will remain the same. Men (39%) are significantly more likely than women (32%) to believe their own economic situation will improve.

Big-Ticket Items Drag: One-Quarter (24%) Intend to Spend More than Last Year, One-Third (33%) Plan to Spend Less

Canadians' spending intentions vis-à-vis major purchases such as a car, household appliances, or vacations has remained relatively stable since the fall. Today, one-quarter (24%) of Canadians say they expect to spend more on big-ticket items in the next year than they did last year, down four points since April (28%). One-third (33%) say they will spend less than they did last year, up six points since April (27%). Four in ten (43%) continue to say they will spend about the same amount. The net score (percentage who intend to spend more than last year minus the percentage who intend to spend less than last year) therefore is -9.

Major Purchase Spending Intentions



© Ipsos-Reid

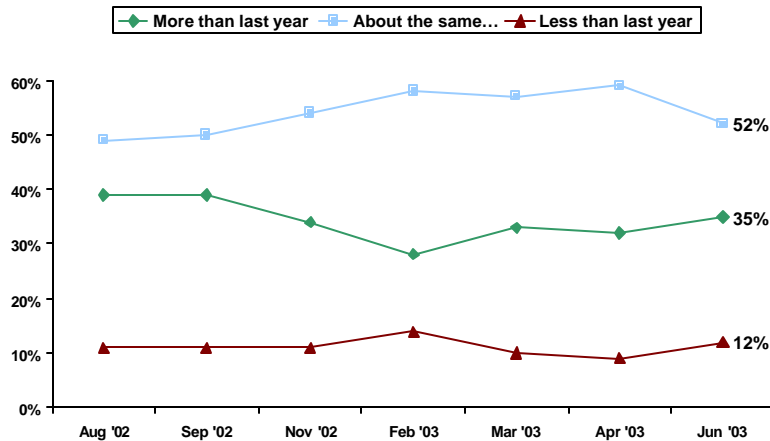


- Considering regional net spending scores, Atlantic Canadians (-20) are most likely to be cutting back on big-ticket purchases, followed by residents of British Columbia (16), Quebec (-13), Alberta (-12), Saskatchewan/Manitoba (-12), and finally Ontario (-1).
- Young (30%, +2) and middle-aged (25%, -10) adults are significantly more likely than their older (16%, -18) counterparts to spend more on major purchases in the year to come than they did the year before. Canadians from high income households (33%) are significantly more likely than their counterparts from low (16%) and middle (23%) income households to spend more on major purchases in the year to come, while individuals from low (41%) and middle (36%) income households are more likely than their counterparts from upper income households (23%) to spend less than they did last year.

One-Third (35%) of Canadians Intend to Spend More on Everyday Items than Last Year

Since November approximately one-third (35% today) of Canadians have said they plan to spend more on day-to day expenses such as groceries, clothing, or other personal goods in the next year than they did the year before. Half (52%) of Canadians intend to spend about the same amount, and one in ten (12%) continue to say they intend to spend less on day-to-day items than they did last year. Today the net score (percentage who intend to spend more than last year minus the percentage who intend to spend less than last year) is +23.

Day-to-Day Purchase Spending Intentions



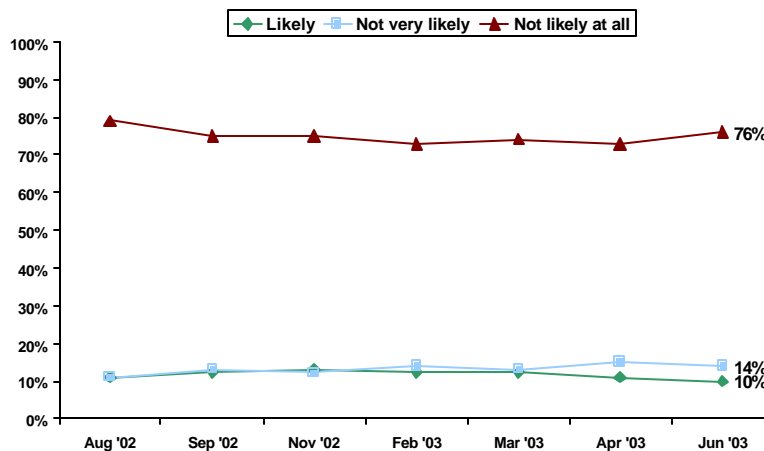
- It appears as though it is residents of Alberta (46%, +32) who will be the most likely to spend more on day-to-day expenses in the next year than they did the year before, followed by residents of Ontario (39%, +28), British Columbia (39%, +24), Atlantic Canada (39%, +21), and Saskatchewan/Manitoba (37%, +26); only 23% (+13) of Quebecers intend to spend more than last year.
- There are no socio-demographic differences in day-to-day spending intentions.

Canadians' Home Purchase Intentions Remain Stable: 10% Likely to Buy at this Time—5% “Very Likely,” 5% “Somewhat Likely”

One in ten (10%) Canadians are likely to purchase a new or another home at this time—5% are “very likely” while 5% are “somewhat likely.” One in seven (14%) Canadians say they are “not very likely” to buy a home at this time, and three-quarters (76%) say they are “not

likely at all.” These numbers have remained virtually the same since the question was first asked of Canadians in August of 2002.

Home Purchase Intentions



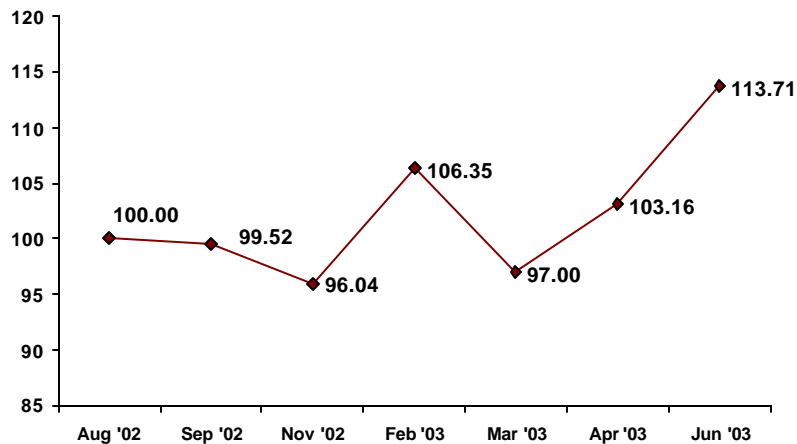
- Residents of British Columbia (13%) and Ontario (13%) are more likely than residents of Saskatchewan/Manitoba (3%) and Quebec (6%) to be purchasing a home right now. One in ten Albertans (10%) and Atlantic Canadians (10%) report being likely to purchase a home at this time.
- Young adults (15%) are more likely than their middle-aged (9%) and older (6%) counterparts to say that they are likely to purchase a home at this time. Canadians from middle (11%) or upper (12%) income households are more likely than Canadians from lower (5%) income households to be considering purchasing a home right now.

Ipsos-Reid Canadian Economic Confidence Index Jumps 14 Points to Highest Level of 113.71 Since August 2002

The Ipsos-Reid Canadian Economic Confidence Index score for August 2002 is 100.00 because that was when it was first constructed; the chart outlines how economic forecasting has fluctuated since that time. April's index of 103.16 was a predictor for the positive descriptions of the economy today (74% "good/very good"). Today's index of 113.71 outlines the above-mentioned ongoing optimism with regards to the state of the economy for the year to come.

Upon examining the individual attributes that make up the index or economic forecasting we learn that it is specifically expectations that interest rates will go down in the next six months (+15.3% weighted change) and job security (+4.0% weighted change), to a lesser degree, that are fuelling the current confidence in the economy. However, expectations about major purchases in the next year (-3.4% weighted change), expectations about day-today spending in the next year (-1.0% weighted change), home purchasing intentions (-0.8% weighted change), and expectations that personal economic situation will improve (-0.4% weighted change) are all factors which may soften the current optimism in the economy.

The Ipsos-Reid Canadian Economic Confidence Index



The Canadian Economic Confidence Index developed by Ipsos-Reid functions as a predictor for the Canadian economy. The index is based on the question: “Thinking about the next year or so, do you, yourself, generally feel that the Canadian economy will...improve, stay the same, or get worse?” The improvement of the economy is attributed to six features: one-year forecast for personal financial prospects; Canadians’ job security; Canadians’ home purchase intentions; Canadians’ predictions for interest rates; spending intentions on big-ticket items; and spending intentions on everyday items. These six attributes are then weighted for importance, which is based on the magnitude of difference between their assigned reward and penalty scores. % Expectations that own economic situation will improve makes up 16.6% of the index; Job security (% Yes) makes up 27.1% of the index; % Likely of purchasing a home in the next six months makes up 20.8% of the index; % Expectations about interest rates in the next six months (% will go down) makes up 12.9% of the index; % Expectations about major purchases in the next year (% spend more) makes up 12.8% of the index; and %Expectations about day-to-day spending in the next year (% spend more) makes up 9.8% of the index).



Ipsos Reid

-30-

For more information on this news release, please contact:

***John Wright
Senior Vice-President
Ipsos-Reid Public Affairs
(416) 324-2900***

For full tabular results, please visit our website at www.ipsos-reid.com. News Releases are available at http://www.ipsos-reid.com/media/content/PRE_REL.cfm

© Ipsos-Reid

***Washington | New York | Minneapolis | San Francisco
Vancouver | Edmonton | Calgary | Winnipeg | Toronto | Ottawa | Montreal***