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Richard K. Taylor
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Confidence weakens a bit
as executives ponder 1988

A survey of 205 business executives throughout the Region of Waterloo shows that most are less confident as they face a new year than they were a year ago.

Issues of concern include the lack of skilled labor and a weaker market demand, the annual survey undertaken by the Laurier Institute for Business and Economic studies shows.

"Yet, despite these concerns, most executives are optimistic that 1987 levels of performance are at least sustainable in the year ahead," said Dr. J. Alex Murray, author of the report.

Murray, who is dean of the school of business and economics at Wilfrid Laurier University, said optimism is strongest among larger firms in the Region, where 57 per cent of executives polled expect an improvement in company performance in 1988-- exactly the same as in last year's survey.

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Murray said the investment climate, as companies think about making capital expenditures, has deteriorated for the second consecutive year with 44 per cent (down 24.1 per cent from a year ago), thinking 1988 will be a good year to invest. Once again, the larger firms are more in favor of making capital investments.

And free trade continues to cause uncertainty in executive offices.

"No significant shift in attitudes towards the free trade agreement has occurred over the past year," Murray said.

"Executives expressing an opinion favor the accord, at a ratio of 1.7 to 1. However, 40 per cent of them say they want to see the 'fine print' before making a decision."

Thirty-eight per cent of those polled expect that there will be less unemployment in the Region during the year, compared with 43 per cent who felt that way a year ago. Only 51 per cent felt their firms would be better off during 1988, compared with a response of 60 per cent in last year's survey.