



Business Sessions #1 & #2 with Mike Marks: Discussion Questions, The Canadian Economy, Second Half 2005

Delegates rated their views on the below business and economic factors for the second half of this year **compared to the first half** of the year 2005. Views range from one to ten.

10= Factor predicted to dramatically increase

5= Factor predicted to stay the same

1= Factor predicted to dramatically decrease

The Canadian Economy, The Second Half 2005

| Factor | Summary of Delegate Views |
|------------------------------|----------------------------------|
| Housing Starts | 6 |
| Canadian Currency Strength | 5 |
| Interest Rates | 5 |
| Staffing Levels In Your Firm | 5 |
| Your Inventory Levels | 5 |
| Your Sales Growth Rate | 6 |
| Economic Pricing Pressure | 6 |
| General Economic Conditions | 5 |

Major Factors that should be considered (based on delegate feedback)/Comments

- Automotive Industry
- First half of 2005 soft causing downward gross margin pressure
- Housing starts
- Freight costs need to increase
- U/S Canada currency exchange
- Labour shortages (skilled/unskilled)
- Asian Imports
- Political Landscape
- China!!
- Interest rates
- Industry consolidation
- Big box/retailers developing the wholesale segment
- Consumer debt levels
- Canadian dollar
- Steel availability