

# Canadians still unsure about economic recovery: survey

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TNS Canadian Facts, a marketing and research group, said Friday that Canadians are listening to the positive news about the country's economic recovery, but remain unconvinced that they should start moving on the major-purchase front.

**Photograph by:** Peter Jones, Reuters

OTTAWA — Canadians consumers appear reluctant to buy into news of an economic recovery, according to the results a monthly national survey.

"They are listening to the positive news but remain unconvinced that they should start moving on the major-purchase front," TNS Canadian Facts, a marketing and research group, said Friday.

TNS its consumer confidence index slipped to 98 in October from September's reading of 98.7.

"Thinking. Thinking. That's what Canadians seem to be up to when it comes to the national economy," said Michael Antecol, vice-president of TNS Canadian Facts.

"Canadians, for the most part, only seem ready to think about the positive economic news but not ready to act on it."

The group's present situation index, which tracks sentiment about the overall state of the economy and the labour market, eased to 85.5 from 86.5 in September.

TNS Canadian Facts said its buy index, which monitors views on whether now is a good time to make major purchases, fell for the second straight month, dropping 2.4 points to 101.3.

Still, its expectations index — a measure of how consumers see the economy, household income and employment in six months — rose 1.2 points to 111.2 this month.

"With expectations rising but buying on hold, we can expect that pent-up demand will be building among Canadian consumers. Eventually, that demand has to bubble over into action," Antecol said. "True, we've been waiting for this to happen."

TNS said it polled 1,015 Canadians between Oct. 12 and 15. The survey's margin of error is plus or minus 3.1 percentage points, 19 times out of 20.

The survey was released a day after retail sales figures from Statistics Canada showed the value of purchases rose in August by 0.8 per cent, which was much higher than expected and prompted analysts to suggest consumer spending is beginning to pick up as Canada pulls out of recession.

Also Thursday, the Bank of Canada said consumer demand would be key to Canada's economic rebound, estimating that spending by consumers will help lift economic growth to three per cent in 2010 and 3.3 per cent in 2011.

"Consumer spending is expected to grow at a solid pace throughout the projection horizon," the central bank said a report. "Improvements in wealth and in consumer confidence, as well as the re-emergence of demand postponed from previous quarters, will help to fuel spending."

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