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C-Suite Survey - Executive Summary

October 7, 2013 – This 32nd edition of the C-Suite Quarterly survey, conducted on behalf of KPMG; published and broadcast by the *Globe and Mail's Report on Business* and *BNN*, was conducted by telephone interviews with 154 C-level executives from ROB 1000 companies between September 9th and 25th, 2013. More detailed information is available at Gandalfgroup.ca.

We asked executives about profit shifting and taxation:

- 53% of executives said their companies declare at least some income overseas for tax purposes.
 - There's little pressure from shareholders to shift more taxes overseas and very few said they face pressure to pay more or "their fair share" domestically.
 - 21% of executives said their companies could legally shift more profit to low tax jurisdictions.
 - 36% of Boards have taken steps to address whether their company is paying its "fair share of taxes".
- 67% support a proposed OECD action plan to address tax base erosion and profit shifting to other countries.

We asked executives to reflect on the 5 year anniversary of the 2008 crash:

- While the vast majority of executives predict growth for their companies and the Canadian economy, less than half believe their companies have fully recovered from the recession of 2008-2009.
 - 42% said they have fully recovered, 36% said they have partially recovered and about one in ten said their business has not recovered at all.
 - Many in the resources sector report continued difficulty: only 28% said their companies have fully recovered over the last five years.
- 68% said the recession has changed the way they do business, with executives saying they keep tighter reins on spending and costs and exercise more caution around debt and borrowing.
- Concern about volatility in equity markets continues, five years after the crash of 2008. 65% of executives said this is having a somewhat (30%) or very negative (35%) impact on their business.
- Overall credit conditions have improved only somewhat since 2008
 - 55% of all executives said access to credit had improved for companies like theirs SINCE the recession; 23% said it's no different & 20% said conditions have worsened.
 - While there's been improvement since 2008, most said conditions have not returned to the way they were before 2008 i.e. before the recession and credit-crunch.