



THE GLOBE AND MAIL  
Report on Business



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## C-Suite Survey - Executive Summary

December 12<sup>th</sup> 2016 – The 45<sup>th</sup> edition of the C-Suite Quarterly Survey is conducted on behalf of KPMG; published by the *Globe & Mail's Report on Business* and broadcast by *BNN*. Telephone interviews were conducted with 155 C-Suite executives at ROB1000 companies between November 16<sup>th</sup> & December 8, 2016. The survey this quarter focused on the implications of the election of Donald Trump for business, Canada and key sectors such as energy.

- Most Canadian business leaders think the election of Donald Trump and the transition to a Trump Administration will be good for the US economy.
  - 85% of the C-Suite thinks a Trump administration will have a positive impact on the US economy over the next two years
  - Most (65%) now believe the political climate for business in the US will be better over the next five years than over the last five – last quarter less than half agreed with this
  - Most (69%) expect the Dow Jones Industrial average to post better returns in 2017 than it did in 2016.
  - Almost all now expect the US economy to grow in 2017 – 24% expect the US economy to grow strongly, a 15-point improvement in outlook compared to earlier this year.
- The C-Suite strongly believes the Trump Administration will be a boon for energy markets:
  - The vast majority (88%) expect the new administration will approve Keystone XL by 2018.
  - 69% agreed the administration will be supportive of Canada's oil and gas sector.
  - Most (60%) expect the price of Canadian crude oil to be higher by the end of 2017, with oil and gas sector executives even more certain of this.
- Half (52%) expect their businesses to benefit from the transition to a Trump administration.
  - A much smaller number have adjusted business plans to take advantage of or respond to the change in US administrations (13%).
  - Only 14% expect the transition to a Trump administration will have a negative impact on their business over the next two years.
- Despite optimism that most feel either for their businesses or specific sectors like energy, most expect the Canadian economy will be negatively impact.

TORONTO  
65 Queen Street West, Suite 510  
Toronto, ON M5H 2M5  
T 416.644.4120      info@gandalfgroup.ca | gandalfgroup.ca

OTTAWA  
116 Albert Street, Suite 300  
Ottawa, ON K1P 5G3  
T 613.699.8910

- Whereas an increasing proportion expects the US economy to grow (and grow strongly) in 2017 there is no improvement in the outlook for the Canada this quarter compared to last.
- The impact on trade is the top-of-mind concern Canadian businesses have about Trump.
- Most believe Trump will make good on his threats to renegotiate or withdraw from NAFTA and that his administration will make other moves that would hamper global trade.
- Half believe a Trump Administration will negatively impact the Canadian economy and most expect Canada-US trade will be negatively impacted.
- Most expect Canadian businesses will be less competitive than their US counterparts in two years' time.
- Executives are fairly sanguine about the world. Whether it is Europe's banks, income inequality, the real estate market or the state of oil & gas, fewer than one in five describes themselves as very worried. The only outlier is the impact of politics on trade: almost 30% are very worried about this issue and almost all said they were at least somewhat concerned about this.
  - Most (83%) said it was very or somewhat likely that a Trump administration will take trade measures aimed against China.
  - Most (59%) believe his administration will likely lead to a slow-down in global trade.
- Most doubt the current Canadian government will enjoy good relations with the President-elect; relations that will be important, they say, given the need to press Washington for continued access to markets.
- There is a division of opinion as to whether Canadian governments should suspend the introduction of carbon pricing policies. Just over half believe the change in US administrations means governments here should delay carbon pricing – 44% disagreed with this.

*More detailed information and data pertaining to additional questions including a presentation of this quarter's findings will be available in PowerPoint from [Gandalfgroup.ca](http://Gandalfgroup.ca).*

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