

About the Corporate Confidence Indices (CCI)

The key objective of the CCI is to provide the most current and accurate business outlook for Trinidad and Tobago and the global economy as seen by the Executives and Business Leaders of Local organizations. There are six (6) dimensions to the CCI. These are:

Financial Performance
Investment Outlook
Local Economic Outlook

Financial Outlook
Employment Outlook
Global Economic Outlook

The CCI for the **Second Quarter** 2006 was disseminated during April 2006; 89 Executives responded.

Key Findings

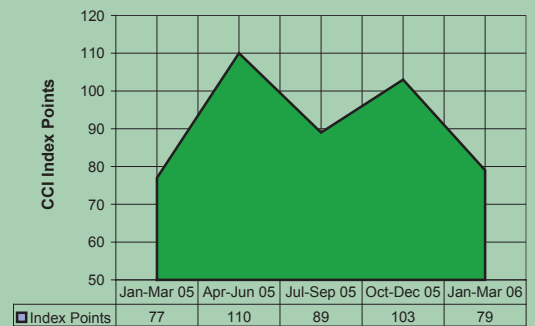
- Executive confidence in the Financial Performance, Financial Outlook, Investment Outlook and Employment Outlook indices weakened in this quarter.
- Executives were, however, more positive about the Local Economic Outlook over both the 6- and 12- month horizons.
- The Global Economic Outlook weakened over the 6-month horizon but improved over the 12-month horizon.

CCI

Corporate Confidence Index
Q2 2006

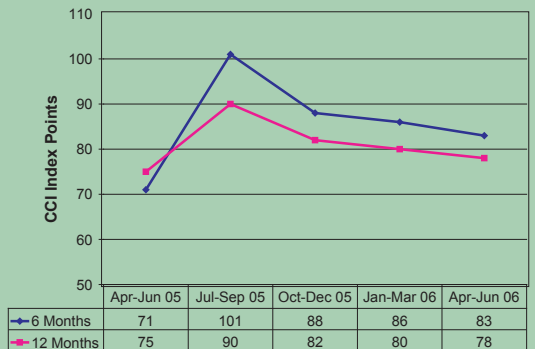
Organisation Financial Performance

- Executive opinion regarding the Financial Performance of their organizations over the past six months decreased by 24 CCI points from 103 in the last quarter to 79 in this quarter.
- Increasing costs of raw materials along with rising interest rates were cited by executives as the leading reasons for this decrease.
- It was also stated that increased market competition was another contributing factor.
- Executives noted that this downward movement could be reversed if government spending, inflation and crime are reduced.



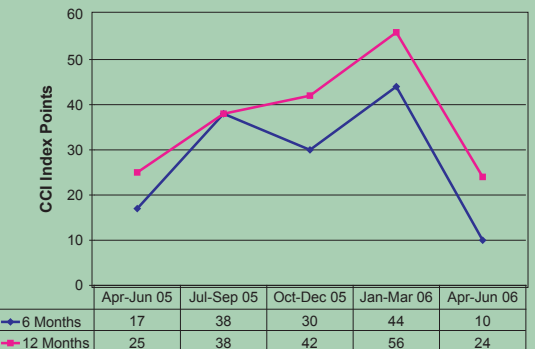
Financial Outlook

- Executive confidence in the Financial Outlook of their organisations declined slightly over the 6- and the 12-month time horizons.
- The index decreased from 86 to 83 CCI points over the 6-month horizon and from 80 to 78 CCI points over the 12-month horizon.
- This decrease continues the downward trend of this index since Q3 2005.
- Executives indicated that this minor decrease was primarily due to increased costs of production brought about by higher energy prices, competition, and to a lesser extent, industrial action taken by the manufacturing sector during the first quarter of 2006.



Investment Outlook

- The Investment Outlook index deteriorated significantly over both the 6- and 12-month horizons.
- The index decreased from 44 to 10 CCI points over the 6-month horizon and from 56 to 24 over the 12-month horizon.
- Executives stated that high interest rates was the main reason for reduced investment.
- In addition to this, it was noted that some organisations are in the final stages of their investment cycle, and as such few new investments would take place in the near future.

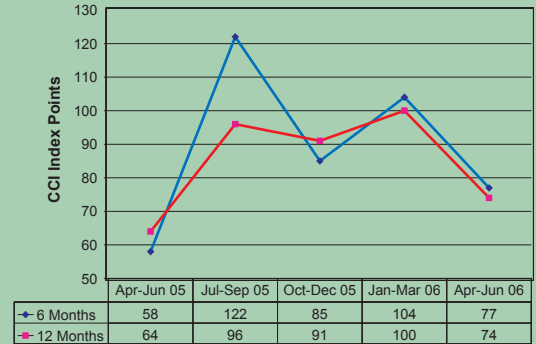




CCI Q2 2006

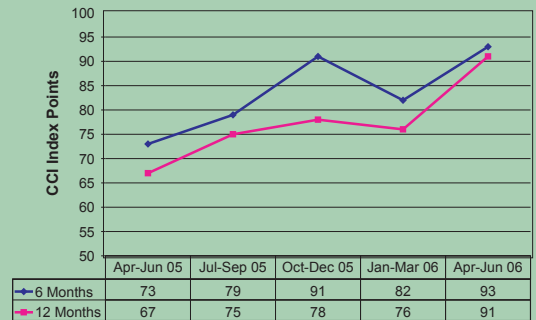
Employment Outlook

- The Employment Outlook index decreased by 27 CCI points over the 6-month horizon and by 26 CCI points over the 12-month horizon.
- Executives attributed this significant deterioration to a lack of available funding for the hiring of additional staff and the increased difficulty in sourcing skilled, competent labour.
- It was also indicated that investments in additional human resources would not be likely in the near future due to recent improvements in worker productivity and plant efficiency (the latter resulting from past investments in equipment and IT infrastructure).
- Furthermore, executives stated that corporate restructuring in an effort to cut costs added to this decrease.



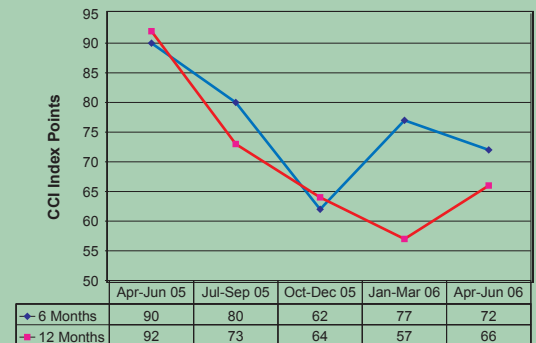
Local Economic Outlook

- Executive confidence in the Local Economy increased by 11 CCI points over the 6-month horizon and by 15 over the 12-month horizon.
- Executives attributed this increase primarily to the continued buoyancy of the energy sector, increasing international oil prices and increased disposable income for both individuals and firms.
- Enhanced government spending due to upcoming General Elections, regional preparation for the Cricket World Cup, and the introduction of the CSME were cited as additional reasons for the increase.



Global Economic Outlook

- Executive confidence in the Global Economy decreased from 77 to 72 CCI points over the 6-month horizon but increased from 57 to 66 CCI points over the 12-month horizon.
- Executives articulated that the short run decrease was due to the negative effect of inflation on exports (and associated loss of competitiveness), and increasing interest rates in developed nations.
- The long term increase was primarily attributed to strong growth and economic performance in Asia, North America, Eastern Europe and Japan.

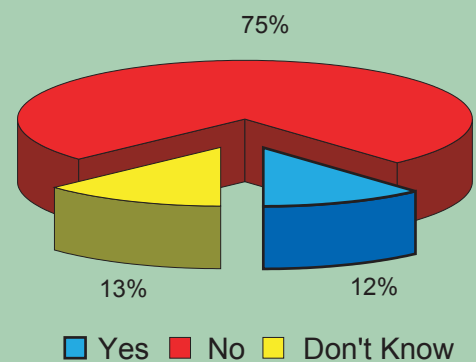


Current Pulse

Each quarter, we gauge Executive opinion on a prominent issue impacting the business environment.

In this quarter, 75% of Executives said that they do not believe the government is doing enough to curb the rising rate of inflation, whilst 13% said that they were doing enough. 12% said that they did not know.

Do you think that the government is doing enough to curb the country's rising rate of inflation?



Arthur Lok Jack Graduate School of Business
 Corporate Confidence Index
 Third Quarter 2006 (July - September 2006)
 Please complete and return to us by June 9th 2006
 This is to ensure that results are released promptly.
 PLEASE TICK THE MOST APPROPRIATE ANSWERS

FINANCIAL PERFORMANCE					
Is your organisation's financial performance better or worse off compared to six (6) months ago, based on:					
	Much Better	Better	No Change	Worse	Much Worse
Sales/Revenue					
Profitability					
Market Share					

Please indicate the reason for your answer

FINANCIAL OUTLOOK										
What is the financial outlook for your organisation based on:										
	6 MONTHS					12 MONTHS				
	Much Better	Better	No Change	Worse	Much Worse	Much Better	Better	No Change	Worse	Much Worse
Sales Revenue										
Profitability										
Market Share										

Please indicate the reason for your answer

INVESTMENT (CAPITAL) OUTLOOK						
Are there any major capital investments planned or foreseen for your organisation based on:						
	6 MONTHS			12 MONTHS		
	Yes	No	Don't Know	Yes	No	Don't Know
Fixed Capital						
Financial Capital						
Human Capital						

Please indicate the reason for your answer

EMPLOYMENT OUTLOOK			
What is the outlook for employment in your organisation in the next:			
	Increase	No Change	Decrease
Six Months			
Twelve Months			

Please indicate the reason for your answer

LOCAL ECONOMIC OUTLOOK										
What is your outlook for the LOCAL ECONOMY based on:										
	6 MONTHS					12 MONTHS				
	Very Positive	Positive	No Change	Negative	Very Negative	Very Positive	Positive	No Change	Negative	Very Negative
Consumption										
Government Spending										
Imports										
Exports										

Please indicate the reason for your answer



GLOBAL ECONOMIC OUTLOOK

What is your outlook for the GLOBAL ECONOMY based on:

	6 MONTHS					12 MONTHS				
	Very Positive	Positive	No Change	Negative	Very Negative	Very Positive	Positive	No Change	Negative	Very Negative
Consumption										
Government Spending										
Imports										
Exports										

Please indicate the reason for your answer

CURRENT PULSE QUESTION

Are you in favour of price controls on aggregate, concrete, cement and steel?

	Yes	No	Not Sure/Don't Know
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Please indicate the sector to which your organisation belongs:

<input type="checkbox"/>	Agriculture	<input type="checkbox"/>	Educational & cultural community services	<input type="checkbox"/>	Government	<input type="checkbox"/>	SME
<input type="checkbox"/>	Assembly – type & related industries	<input type="checkbox"/>	Energy & energy related industries	<input type="checkbox"/>	Hotels & Guesthouses	<input type="checkbox"/>	Textiles, garments, footwear & headwear
<input type="checkbox"/>	Chemicals & non metallic minerals	<input type="checkbox"/>	Entertainment	<input type="checkbox"/>	Miscellaneous Manufacturing	<input type="checkbox"/>	Transportation, communication & storage
<input type="checkbox"/>	Construction	<input type="checkbox"/>	Finance, insurance, real estate & business services	<input type="checkbox"/>	Personal services	<input type="checkbox"/>	Wood & related products
<input type="checkbox"/>	Distribution	<input type="checkbox"/>	Food & drink processors	<input type="checkbox"/>	Printing, publishing & paper converters	<input type="checkbox"/>	Other

For further information, please contact

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