



NEWS RELEASE

EMBARGO MONDAY MARCH 27 2006 – 10:00 a.m.

The shopping habits of Quebecers in 2006 Are Quebecers still confident about their financial situation?

Montréal, March 27, 2006 – The Conseil québécois du commerce de détail/Retail Council of Quebec (CQCD) released on March 27, 2006 the results of a survey conducted on its behalf by Groupe Géocom on consumer spending trends in Quebec.

➤ **Quebec households' perception of their financial situation**

The last 12 months

The survey reveals that 80% of Quebec households consider their financial situation to have improved or remained stable over the last 12 months. This figure compares with 84% in March 2005.

The other 20% of households indicated that their financial situation had deteriorated over the last 12 months. Among the reasons mentioned were an increase in the cost of living (56%), a deterioration in working conditions (18%) and job loss (14%).

The next 12 months

Despite a slight decline in their financial situation over the last 12 months, Quebec households remain relatively optimistic, with 81% expecting their financial situation to remain the same (53%) or even improve (28%). However 15% of households expect to see a deterioration because of the living cost increasing.

"We can conclude that for many households, the perception of their financial situation over the next 12 months should improve," notes Mr. Gaston Lafleur, president of the CQCD.

Young couples and more affluent households are the two main groups expecting to see an improvement in their financial situation over the next 12 months.

➤ **Quebec's financial situation**

Quebec households are more pessimists with regard to Quebec's financial situation. In fact, 45% of households believe that Quebec's financial situation will deteriorate over the next 12 months, compared with 12% who expect it to improve.

Quebecers over 45 years of age and those with a household income of less than \$50,000 are the two main groups expecting to see a decline in Quebec's financial situation.

➤ Spending intentions

Major purchases

The survey reveals that 22% of households intend to make a major purchase in the next 12 months. Households expecting an improvement in their financial situation account for the highest proportion of major purchases planned. On the other hand, 15% of households that expect their financial situation to deteriorate are nonetheless planning to make a major purchase.

Automobiles are in first place among the major purchases planned: 8% of Quebec households intend to buy an automobile in the next 12 months; houses and appliances come second (4%), followed by furniture (3%).

Young people under 35 and more affluent households are the two main groups planning to make major purchases.

However, Quebec households intend to spend less on these goods than last year, which leads us to expect a slowdown in major purchases.

➤ A slight increase in the Géocom – CQCD confidence index

The Géocom – CQCD consumer confidence index for Quebec is at 90.0 in March 2006, slightly higher than the 86.6 noted in September 2005. However, it has declined by 10.2 points compared with the index of 100.2 established at the same time last year.

“Overall, Quebec households intend to be more cautious in their spending and more selective in their purchase decisions. The increase in the cost of living remains a concern that will influence households’ spending intentions over the next twelve months,” concludes CQCD president Me Gaston Lafleur.

The survey polled a random sample of 1005 Quebecers between February 28 and March 13, 2006. It has a margin of error of 3.2% 19 times out of 20.

The CQCD is the largest association representing the retail trade in Quebec. Its membership encompasses all retail specialties and distribution channels, including department stores, major food distributors, specialized boutiques, pharmacies, hardware and home-renovation stores, franchise concepts, independent branch stores and retailers, as well as major commercial partners in the goods and services trade sector. The CQCD represents an industry comprising more than 54,000 commercial establishments, more than 400,000 jobs, or nearly one in five Quebec workers, and more than \$83 billion in retail sales in 2005.

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Source: Conseil québécois du commerce de détail/Retail Council of Quebec
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