

Section IV: Profits

This final section deals with the effect of the FTA on the industries' profits.

Generally the responses seemed to be optimistic, with most industries showing a slight increase in profits. However, the Forest industry is predicting a dramatic decline in profits of approximately 10% overall. (Other forecasts predict a 25% decline during 1989 in all forest sectors except paper and related products.)

Some Reservations

Economic research in general is plagued with cause and effect problems that make economic analysis difficult. While the FTA is a new element in the business equation, the other elements of the equation will not remain constant with the introduction of free trade. Isolating the effect of the FTA is, at best, complex given the number of other elements in the business equation. What the survey sought was the opinion of BC business leaders at the outset of free trade. In coming years, the research will be repeated and trends in opinion will be compiled as real experience replaces conjecture.

The taxonomy used for industry classification was somewhat general. Predictions are that the FTA will have a "washboard" impact on several industrial sectors within given industry classification. For example, fish harvesting is expected to prosper under free trade, while fish processing is expected to decline. Likewise, in the Forest industry, little effect is expected for Pulp and Paper while problems persist with the cross-border marketing of softwoods. The industry classification scheme will be refined as the research progresses.

Finally, on the conference day, attendance (and thus participation in the research) declined as the day wore on. The third round of the survey was not summarized for lack of respondents. In a similar vein, the students had no way of being assured that the same people were responding in each round. Future research will likely be conducted through the mail which will allow closer control over participation.

For these reasons, as "pure" research, this survey does not meet even minimal criteria. Still, the results will be of interest to the participants and will serve as a qualified point of departure for the future research planned. Thanks are due to those members of the conference who collaborated with the Financial Management students in this project.

BCIT Participants

The following BCIT students participated in the planning and execution of the survey under the direction of Instructor Russ Curtis:

Andy Adolph	Franca Bonni	Carole Broger
Allan Cheung	Winnie Chu	Ramon Dizon
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The above students have all graduated from Financial Management programs from BCIT, and have been awarded their diplomas.