



FedEx Small Business Trade Index

Canada

Conducted and Prepared by Morning Consult

January 2022

Introduction



About us

Morning Consult is a global data intelligence company delivering insights on what people think in real time.

By surveying tens of thousands across the globe every day, Morning Consult is unmatched in scale and speed: It determines the true measure of what people think and how their decisions impact business, politics and the economy.

Industry leaders rely on Morning Consult's proprietary technology and analysis for real-time intelligence to transform information into a competitive advantage.

Methodology

- This poll was conducted between **January 4 and January 8, 2022.**
- The poll was conducted among small business decision makers, which are defined as those who work for companies with less than 500 employees and hold a position of manager or higher. **500 small business decision makers were interviewed in the Canada.**
- Interviews were conducted **online** using a panel of respondents.
- These data are **not weighted**, though basic stratification parameters for gender and region were in place during the sampling process.
- Results from the full survey have a margin of error of plus or minus **4 percentage points.**

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Key Findings

- 1 Small business decision makers in Canada have an optimistic outlook when it comes to current revenue: just over one third (35%) report current revenues have increased. The future looks even more optimistic, as most **small businesses are confident their revenues will increase in a year from now (55%)**.
- 2 Effects of the pandemic are still felt by small businesses but showing signs of improvement. Almost half (47%) of small businesses are finding it hard to acquire new customers, **but 90% are confident in keeping existing customers**.
- 3 **CUSMA continues to be overwhelmingly supported among small businesses in Canada**. 89% of small businesses in Canada support the trade agreement, while 63% agree that CUSMA helps them compete with other countries and further strengthen the economy.
- 4 **Foreign exchange rates and variations in fees and tariffs are large challenges for small businesses who import or export goods in Canada**. Behind costs and import/export fees, over 90% of small businesses indicate that standardizing languages, terms, and product information is important when conducting business across different countries.

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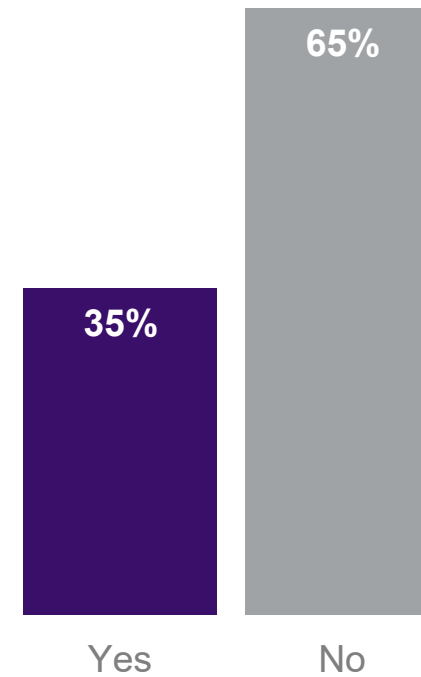
Barriers to Trade

Small Business Decision Makers

Over one third of small businesses in Canada import or export goods (35%). Of those that do, half do both.

Does your business export goods or services to another country or import goods or services from another country?

SMBS in Canada



Does your business...

SMBS in Canada who import or export

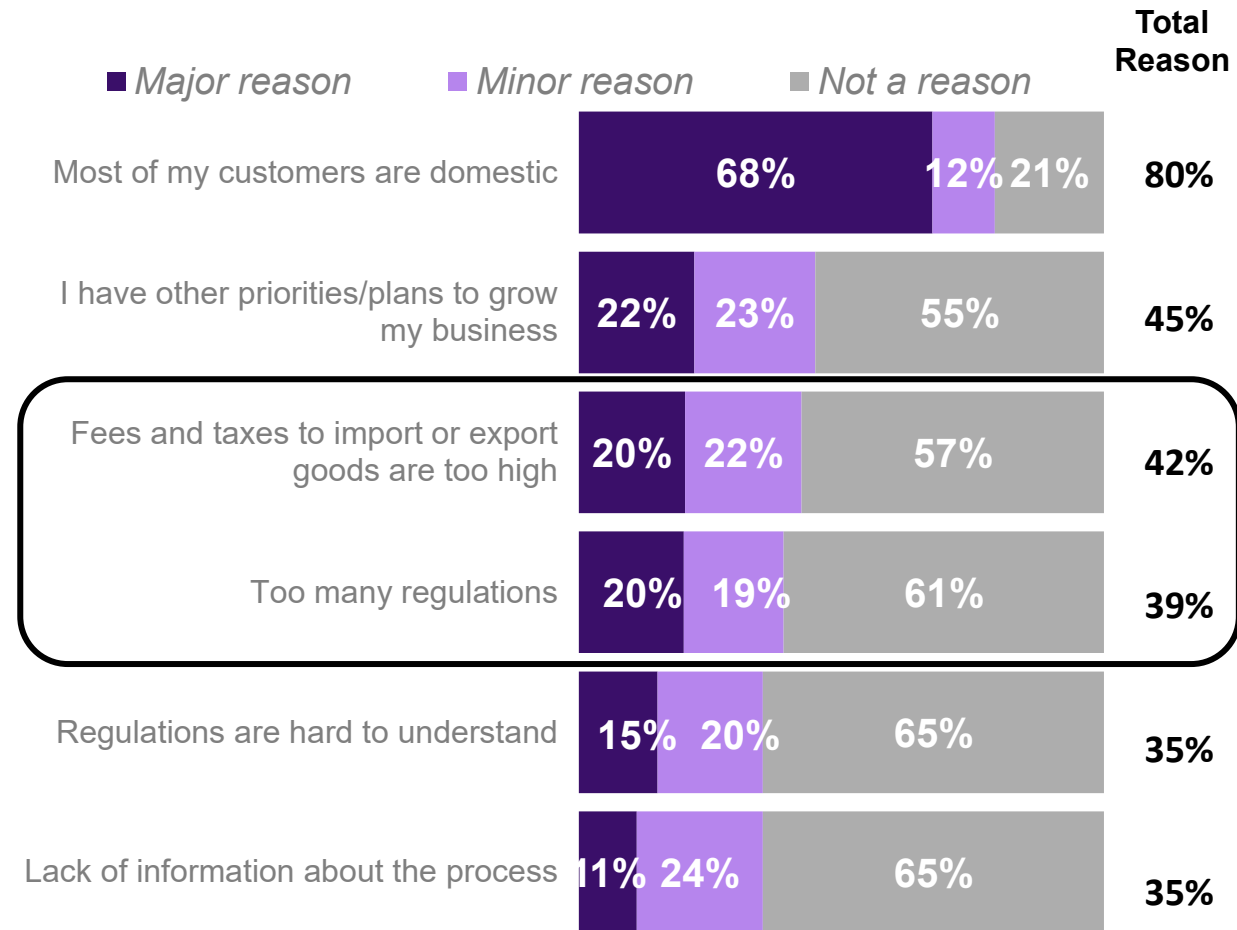


Small Business Decision Makers

Among small businesses who do not export, two in five say high fees, taxes, and too many regulations are a reason they do not export.

Please indicate if this is a reason or is not a reason why your business does not export goods or services to another country or import goods or services from another country

SMBS in Canada who do not import or export



Small Business Decision Makers

Most small businesses in Canada who do not import or export say it is because most customers are local (54%).

What is the main reason why your business does not export goods or services to another country or import goods or services from another country?

SMBS in Canada who do not import or export



Small Business Decision Makers

Nearly half (46%) of small businesses in Canada sell goods online.

Does your business sell goods online?

SMBS in Canada

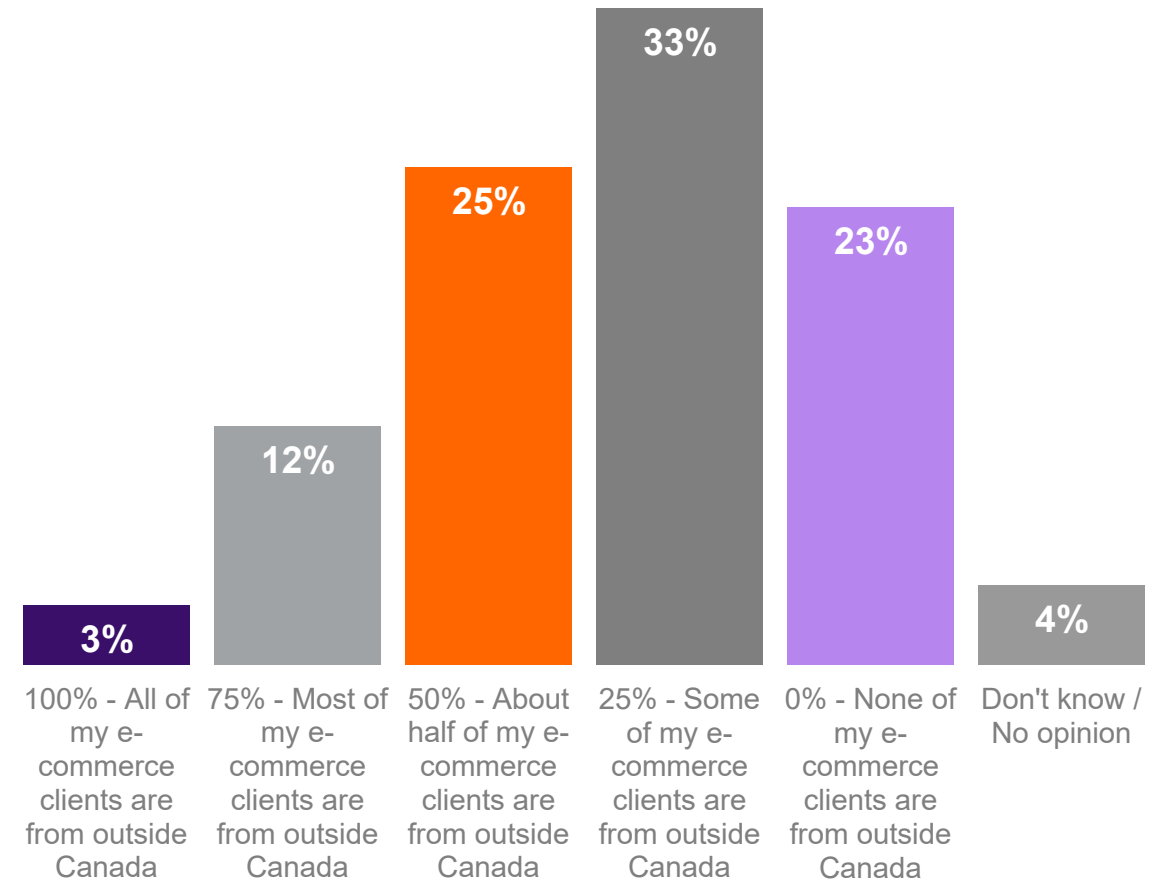


Small Business Decision Makers

Most SMBs have ecommerce clients outside Canada.

Approximately what percentage of your e-commerce clients are from outside Canada?

SMBS in Canada that sell goods online



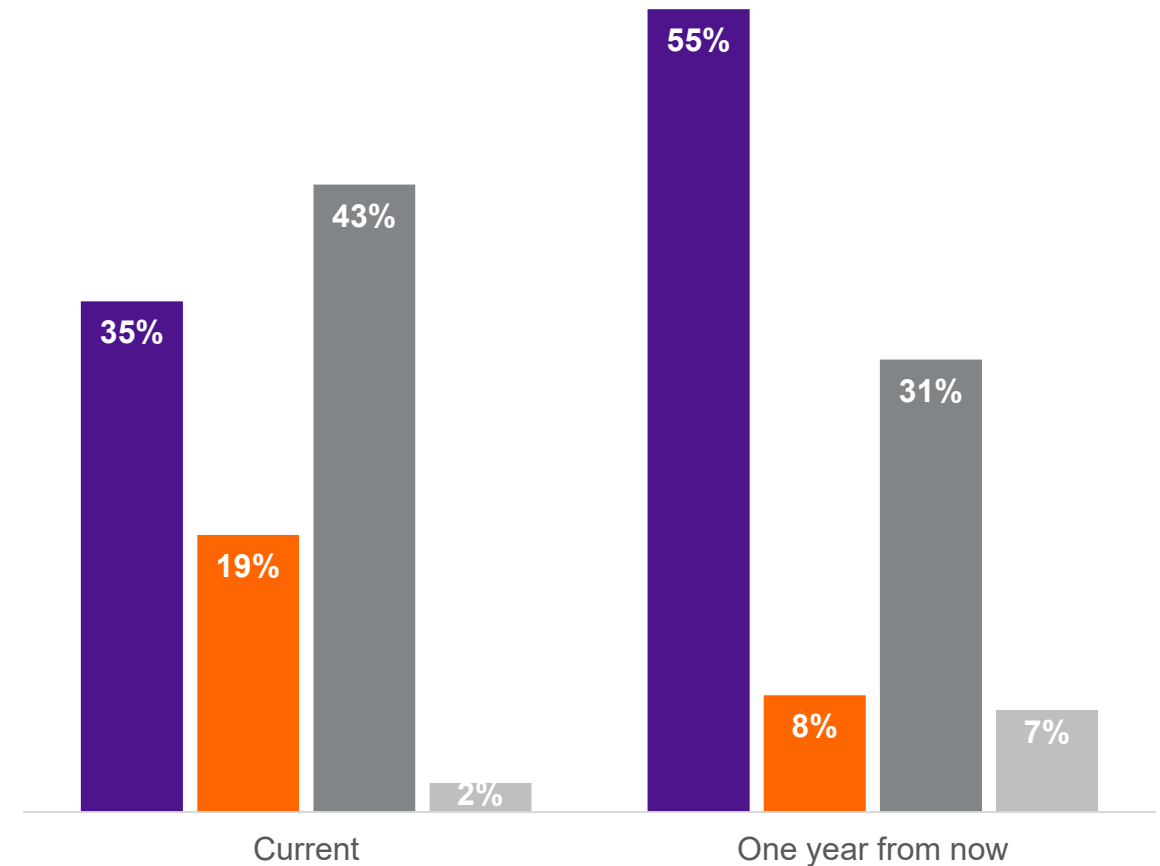
Small Business Decision Makers

A plurality of SMBs say their revenues are currently staying the same, while more than half say they expect their revenues to increase one year from now.

Thinking about your business or company's financial situation, would you say your revenues are generally... and one year from now...

SMBs in Canada

■ Increase ■ Decrease ■ Stay about the same ■ Don't know / No opinion



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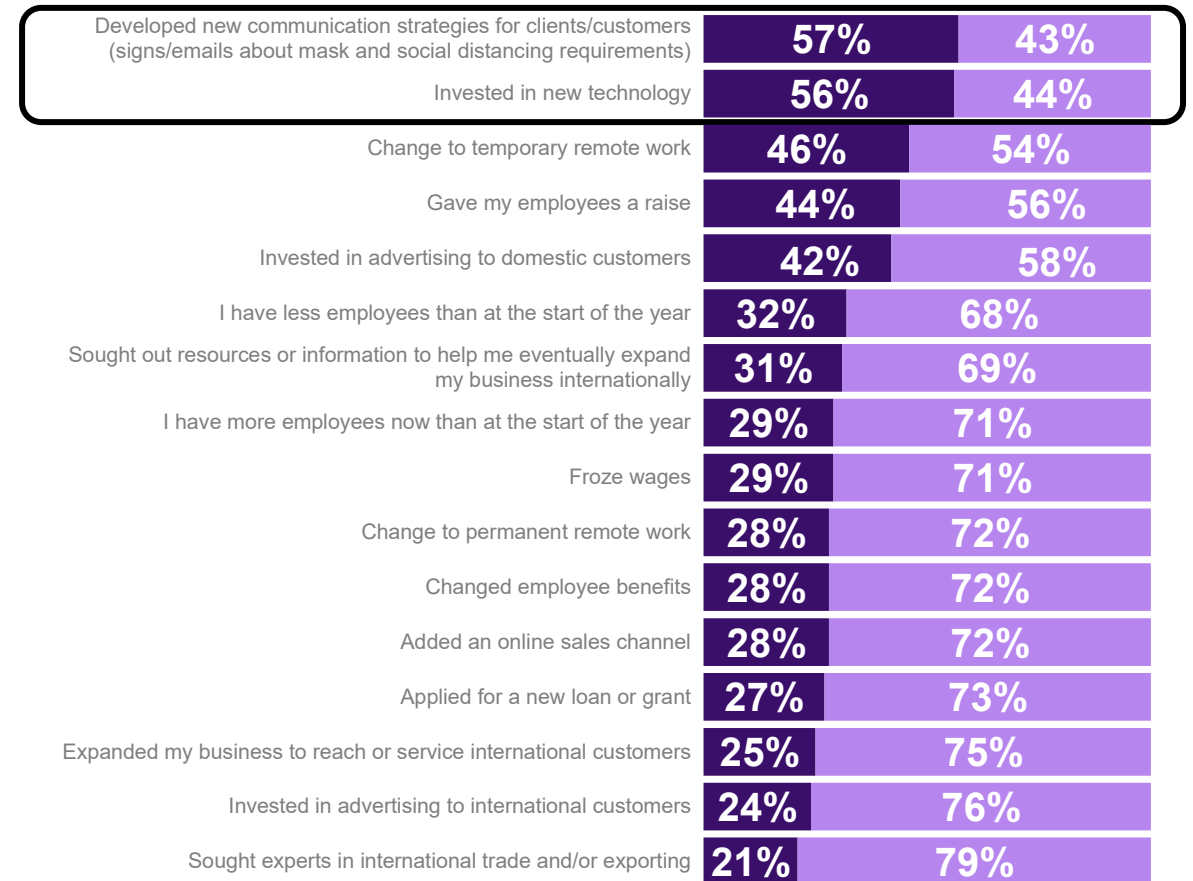
Small Businesses During Covid-19

Most SMBs say they've developed new communication strategies for customers and invested in new technology.

In what ways has your business had to change?

SMBS in the Canada whose business has changed since the start of the COVID-19 pandemic

■ Yes ■ No



Small Businesses During Covid-19

Almost half of SMBs say it's been harder to acquire new customers or business domestically since the start of the pandemic.

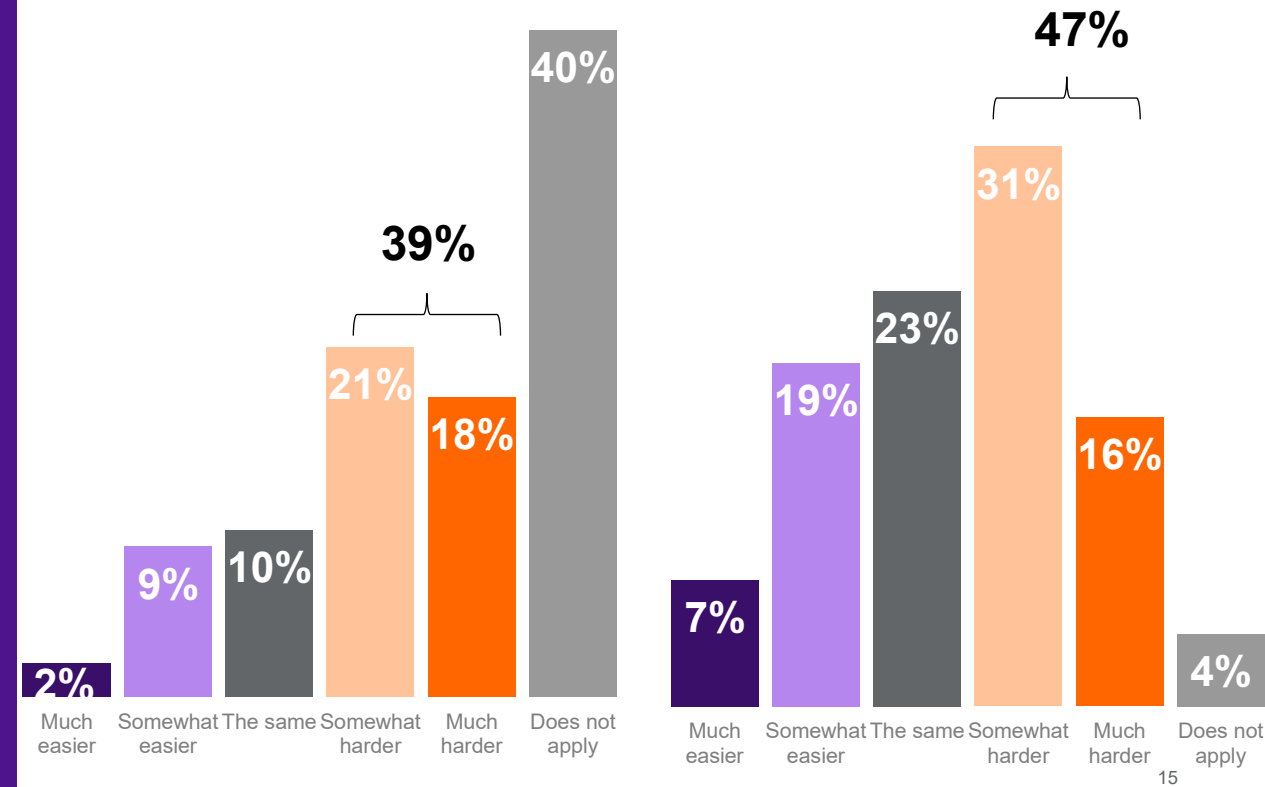


How much easier or harder has it been to acquire new customers/business since the start of the COVID-19 pandemic?

SMBs in Canada

International Business

Domestic Business

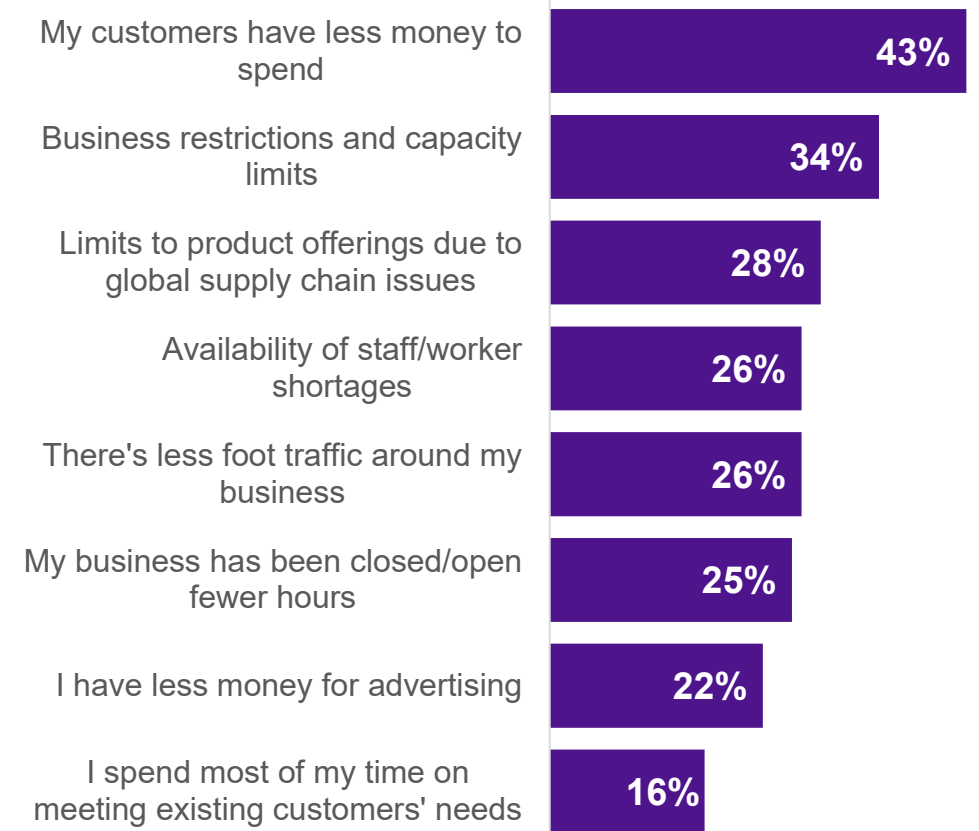


Small Businesses During Covid-19

One in three SMBs who say it's been harder to acquire new customers say business restrictions and capacity limits have been a major barrier.

Please indicate how much of a barrier each of the following have been to acquiring new customers/business since the start of the COVID-19 pandemic when thinking about your domestic business. (Showing % Major Barrier)

SMBS in Canada who say it's been harder to acquire new customers/business

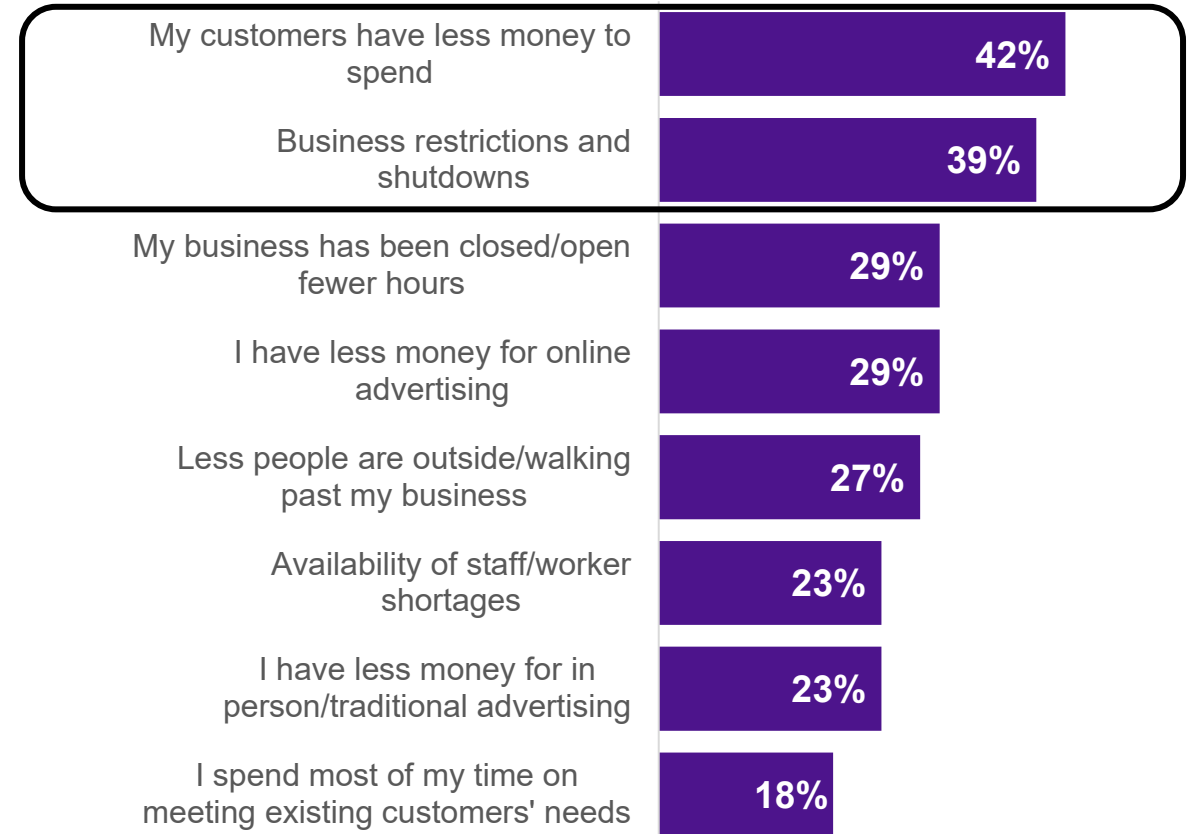


Small Businesses During Covid-19

Customers with less money to spend and business restrictions/shutdowns have both been major barriers to acquiring new business for Canadian SMBs.

Please indicate how much of a barrier each of the following have been to acquiring new customers/business since the start of the COVID-19 pandemic when thinking about your international business. (Showing % Major Barrier)

SMBS in Canada who say it's been harder to acquire new customers/business



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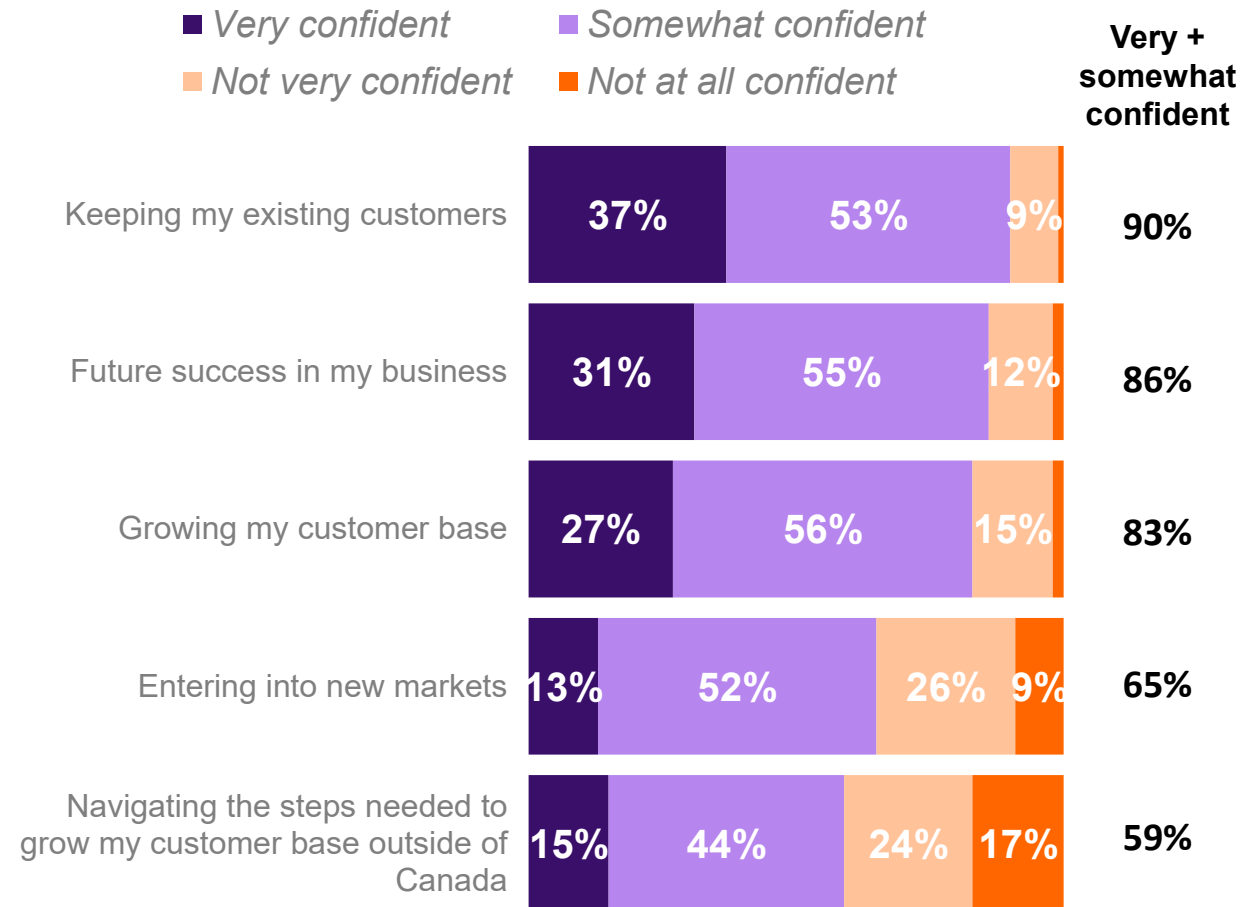
Barriers to Trade

Small Business Growth

90% of small businesses in Canada say they are 'very' or 'somewhat' confident in keeping their customers. 86% say the same about the future success of their business.

How confident are you in the following?

SMBS in the Canada

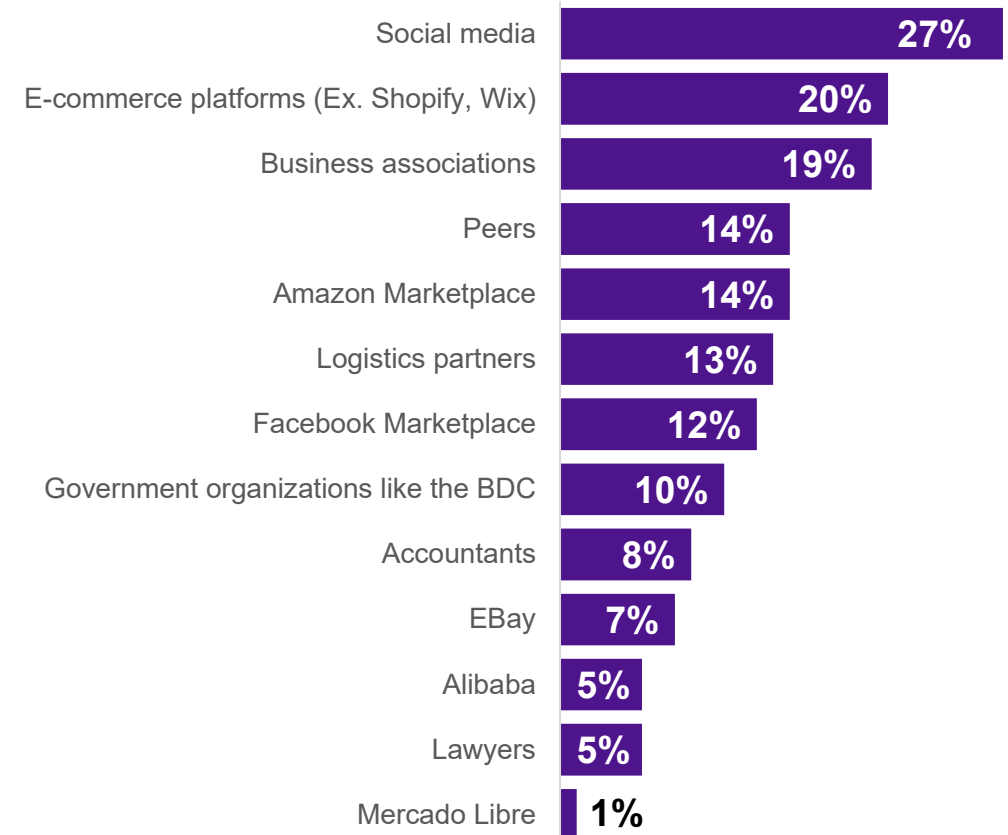


Small Business Growth

Social media, e-commerce platforms, and business associations are the most leaned on when growing small businesses internationally.

Which of the following do you lean on to grow your business internationally? Please select all that apply.

SMBS in Canada



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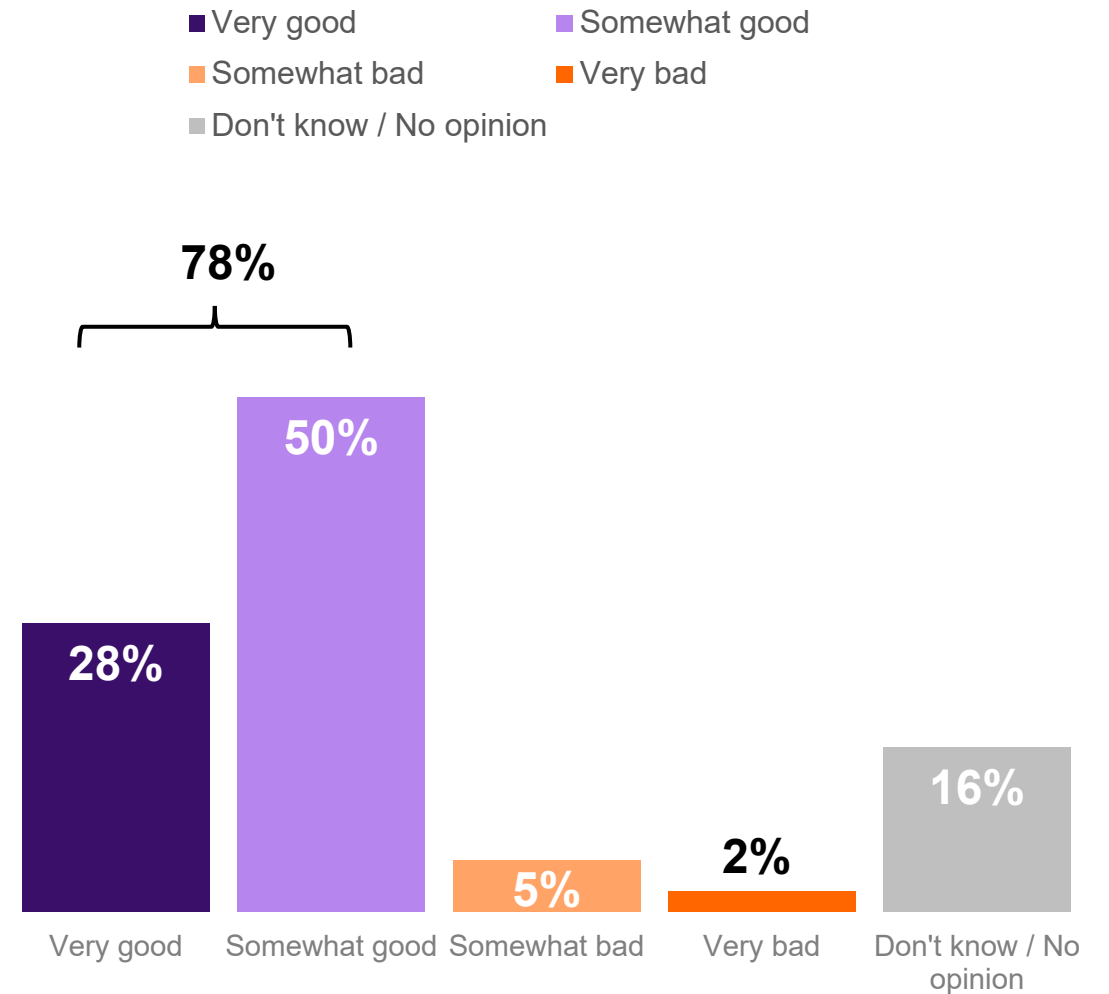
Barriers to Trade

Economic and Trade Policy

More than three in four small businesses in Canada (78%) think expanding trade and business opportunities to customers in other countries is a good thing.

In general, do you think expanding trade and business opportunities between Canada and customers in other countries is a good or bad thing?

SMBs in Canada



Economic and Trade Policy

Most SMBs in Canada agree that trade is key to growing and expanding Canada's economy and that increasing trade will create opportunities and jobs.

Please indicate if you agree or disagree with the following statements...

SMBs in Canada

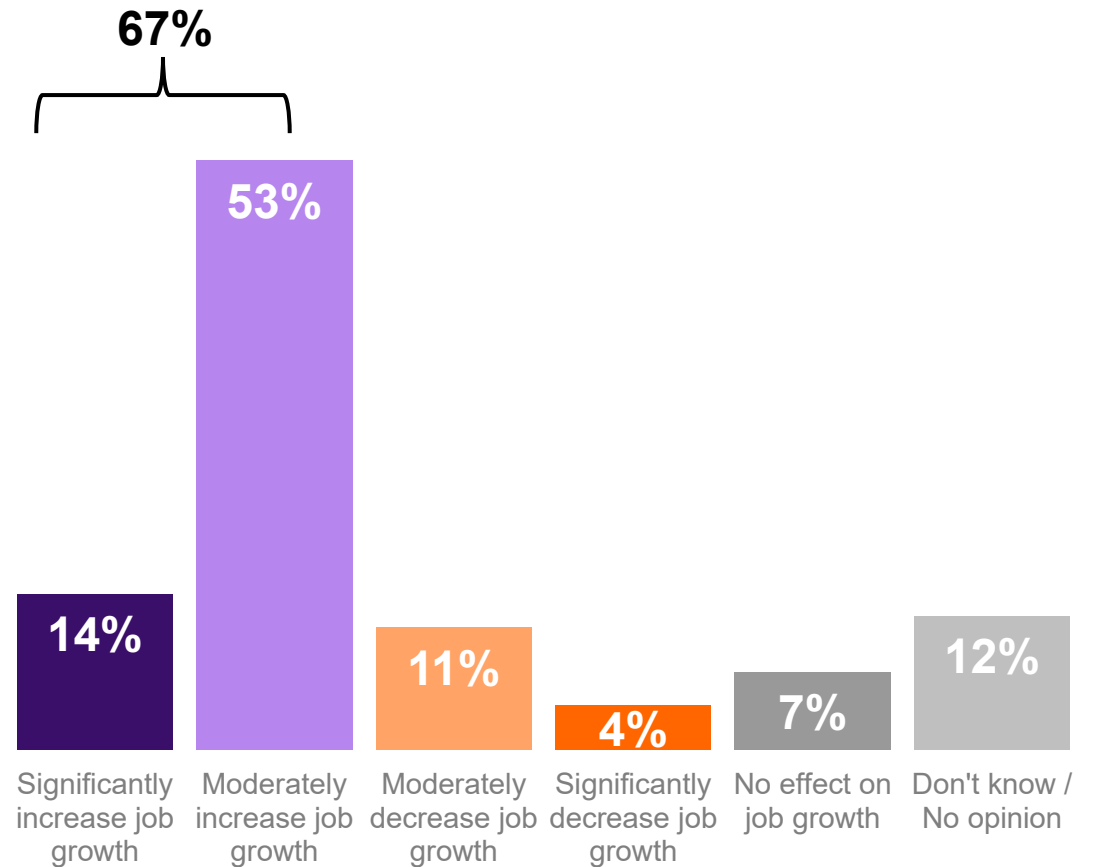


Economic and Trade Policy

Two in three Canadian SMBs say that expanding trade and business opportunities between Canada and customers in other countries will increase job growth.

In general, how do you think expanding trade and business opportunities between Canada and customers in other countries will impact Canada's job growth?

SMBs in Canada

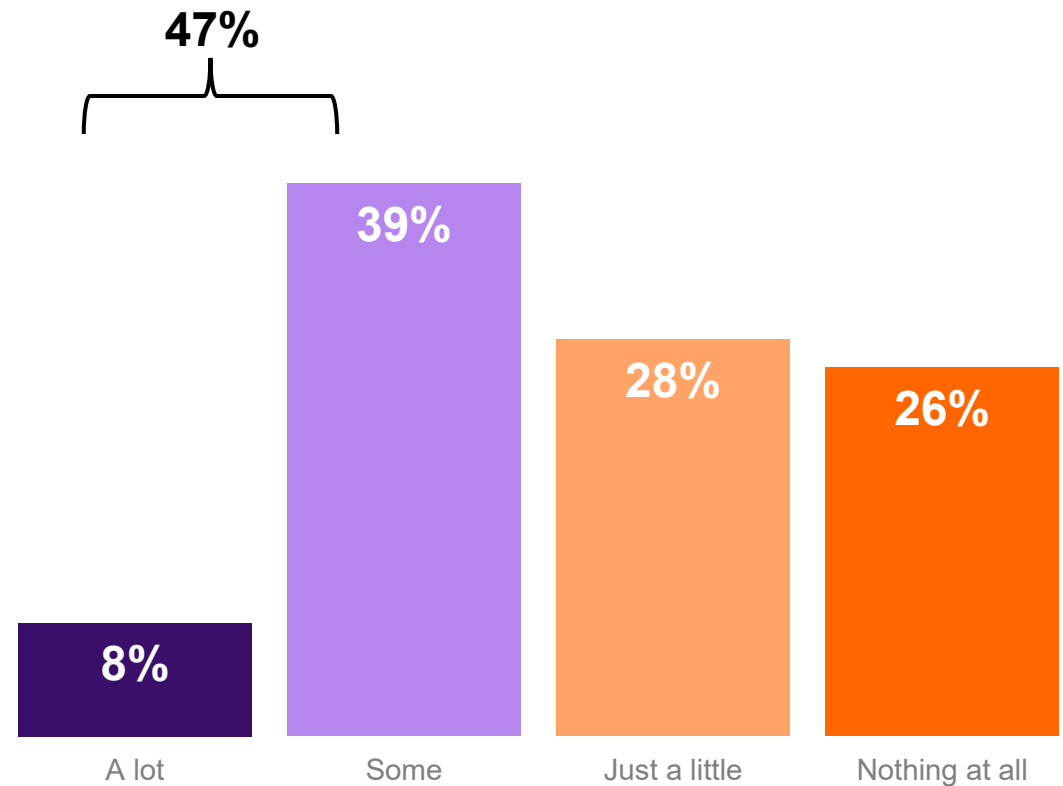


Economic and Trade Policy

Less than half (47%) of SMBs say they've seen, read, or heard about CUSMA, 7% less than Fall 2020.

How much have you seen, read or heard about the Canada–United States–Mexico Agreement, also known as CUSMA?

SMBs in Canada

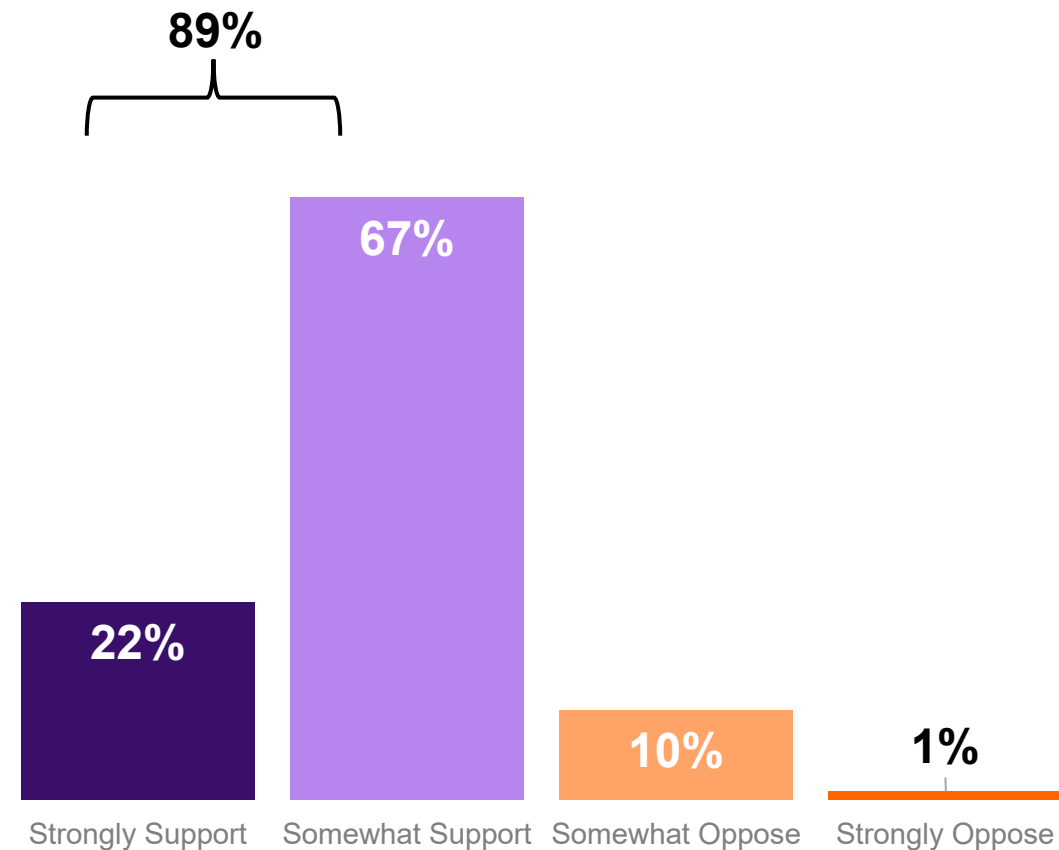


Economic and Trade Policy

Nine in ten SMBs support CUSMA, in line with support in the fall of 2020 (86%).

Do you support or oppose the Canada–United States–Mexico Agreement, also known as CUSMA?

SMBs in Canada

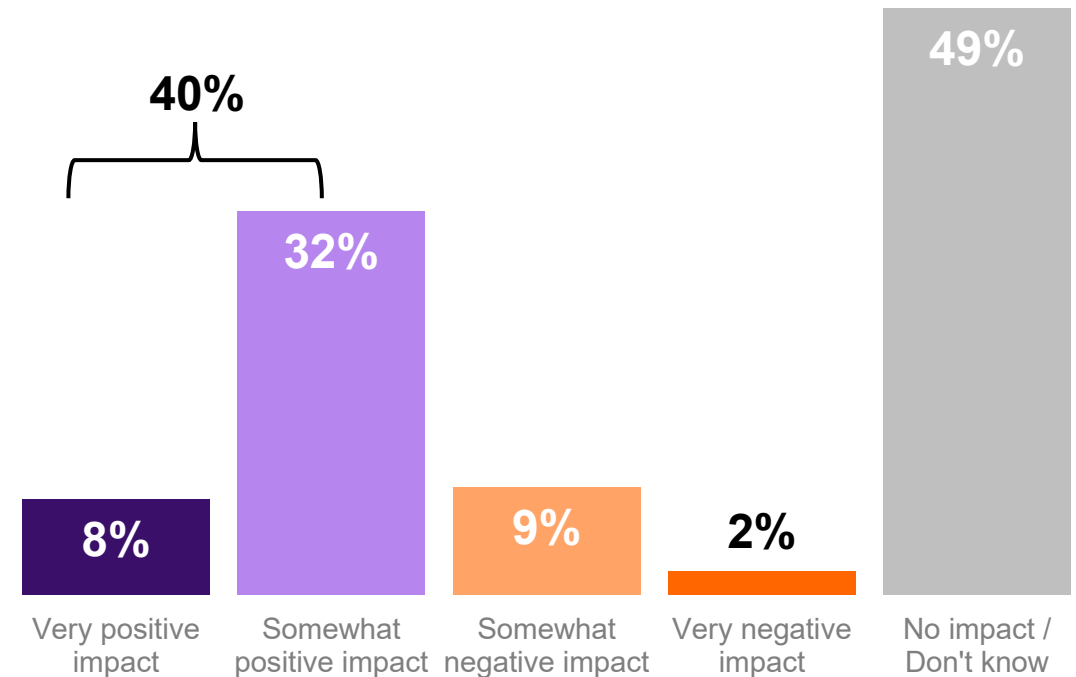


Economic and Trade Policy

While a plurality (40%) of SMBs say CUSMA has had a positive impact on their business, a majority say CUSMA has had no impact or don't know.

And, how much have an impact has the Canada–United States–Mexico Agreement, also known as CUSMA, had on your business?

SMBs in Canada

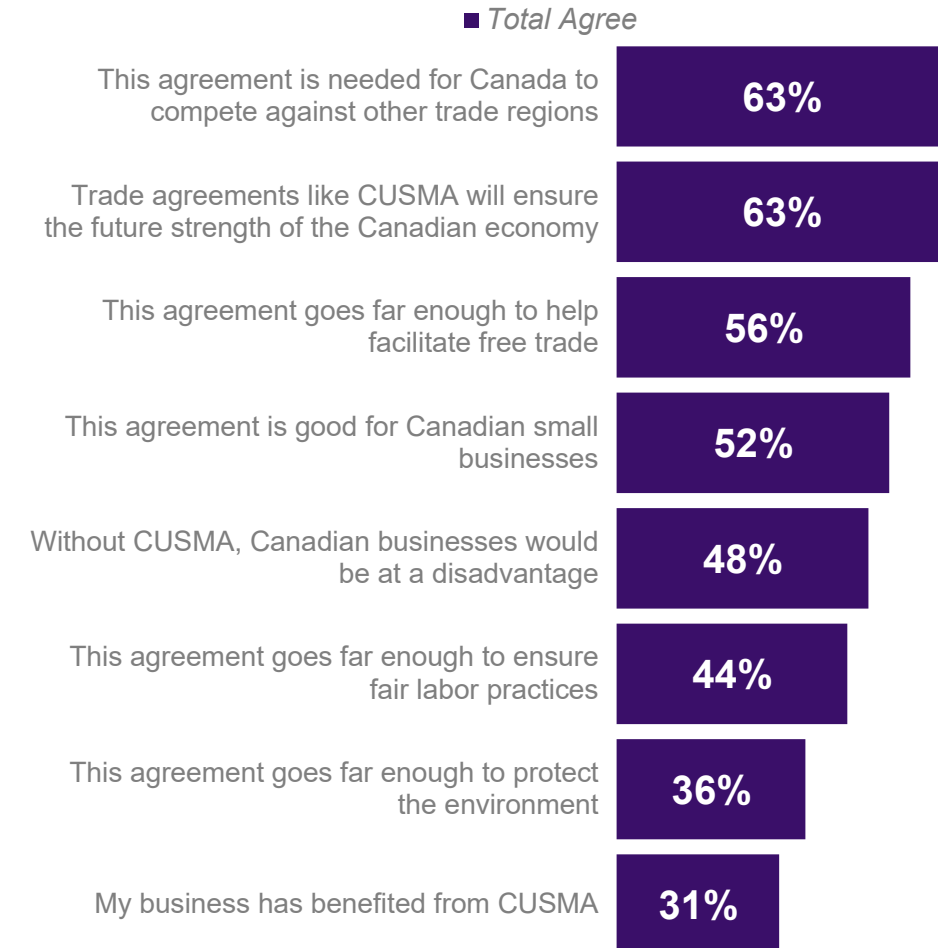


Economic and Trade Policy

Most SMBs agree that CUSMA is needed for Canada to compete against other trade regions and that agreements like CUSMA will ensure the future strength of the Canadian economy.

Based on what you know about the United States-Canada-Mexico Agreement (also known as USMCA, CUSMA, or T-MEC), do you agree or disagree with the following statements?

SMBS in the Canada

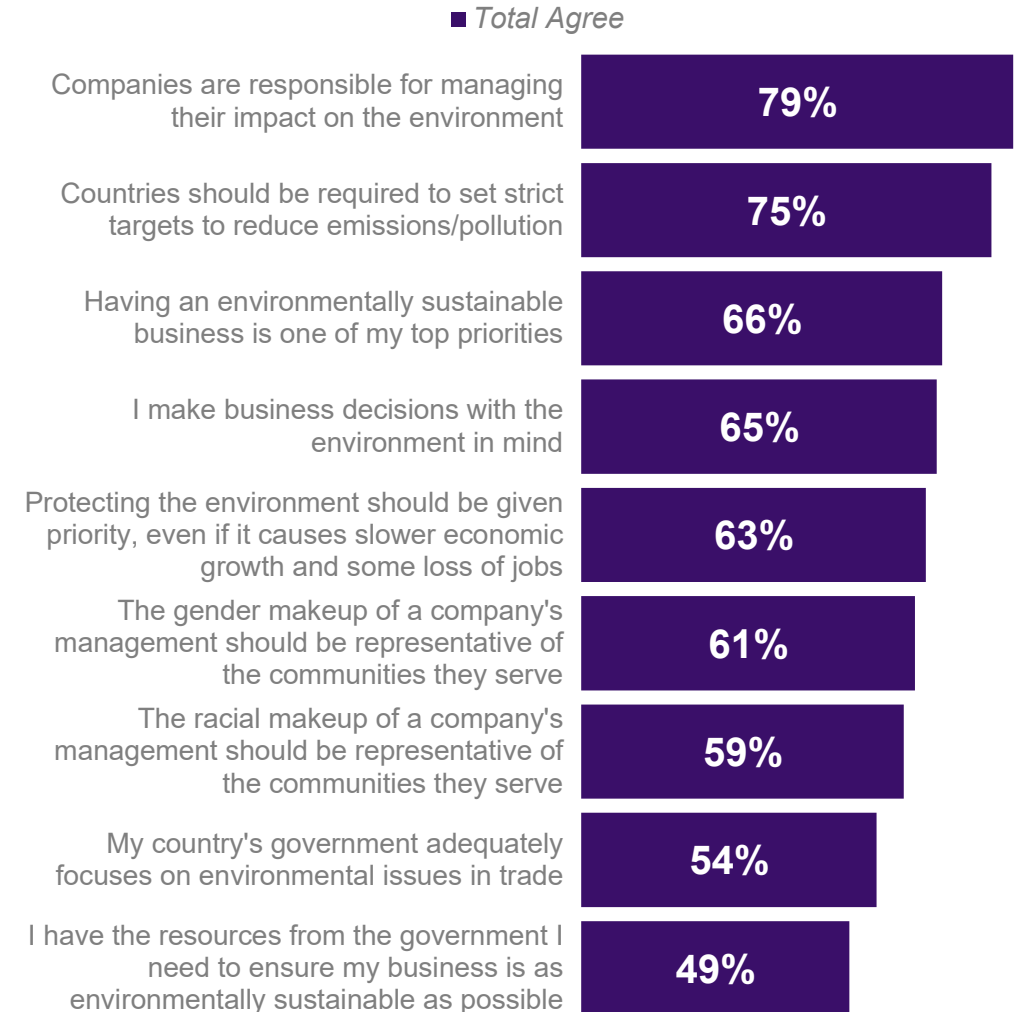


Economic and Trade Policy

Four in five SMBs (79%) agree that companies are responsible for managing their impact on the environment. Over half (54%) of SMBs in Canada agree that their country's government adequately focuses on environmental issues in trade.

Do you agree or disagree with the following statements?

SMBS in the Canada

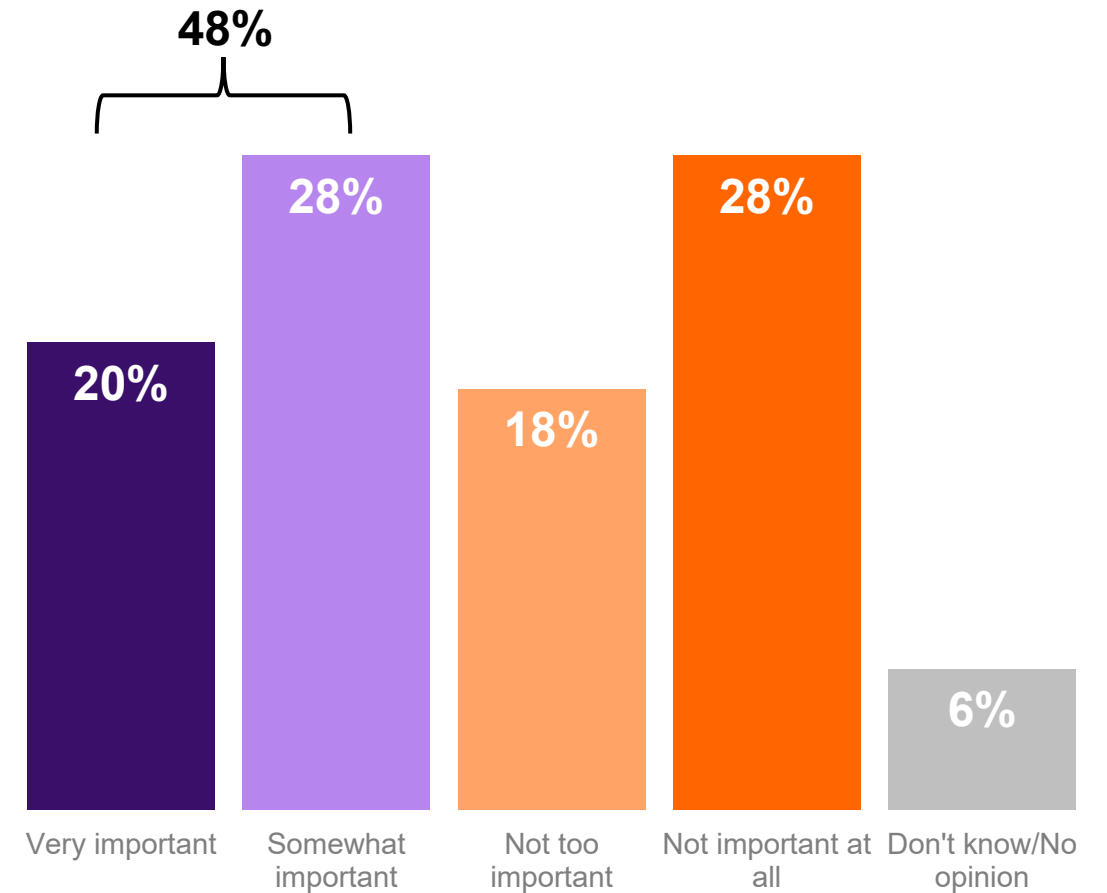


Economic and Trade Policy

Half of SMBs say selling goods online is important to their business.

How important, if at all, would you say selling goods online is to your business?

SMBS in Canada

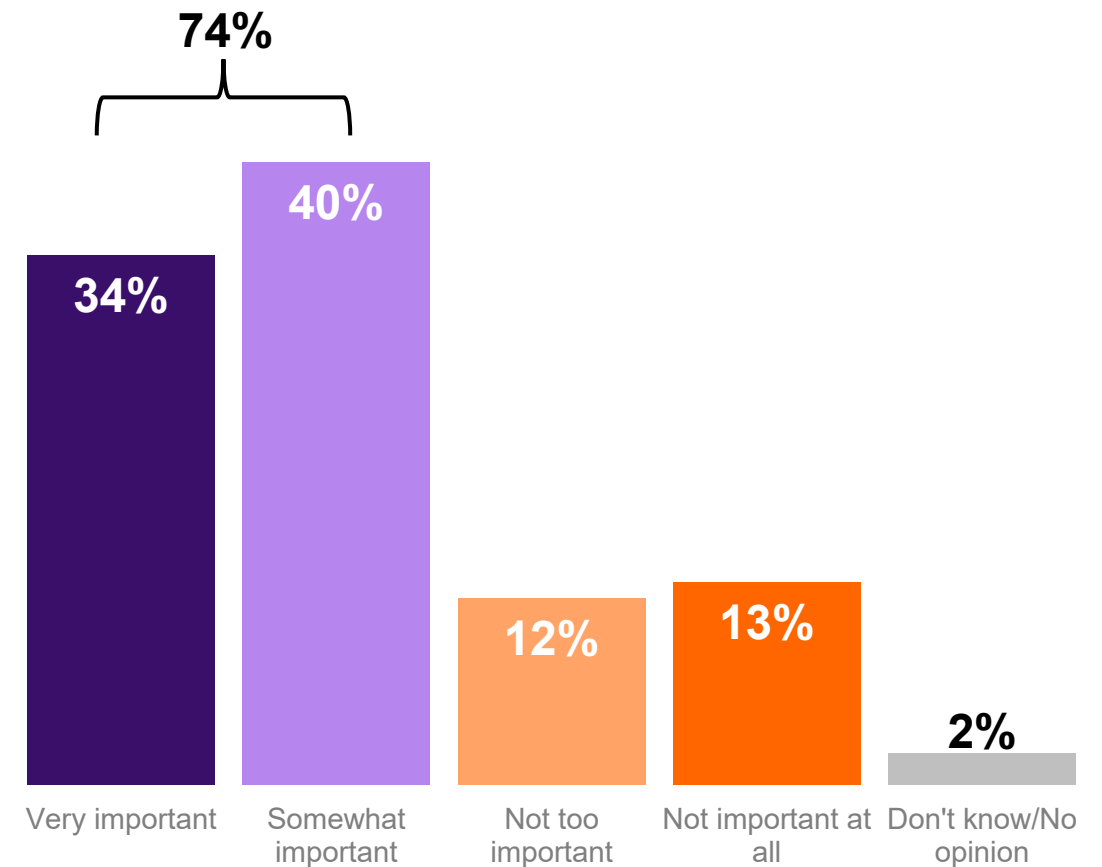


Economic and Trade Policy

Three in four (74%) SMBs in Canada who import or export say selling goods online internationally is important for growth.

How important, if at all, would you say selling goods online internationally is to the growth of your business?

SMBs in Canada who import or export goods



Economic and Trade Policy

More than half of SMBs who import or export goods import from other countries to create a product domestically.

Does your company...

SMBS in Canada who import or export goods

■ Yes ■ No ■ Don't know/No opinion



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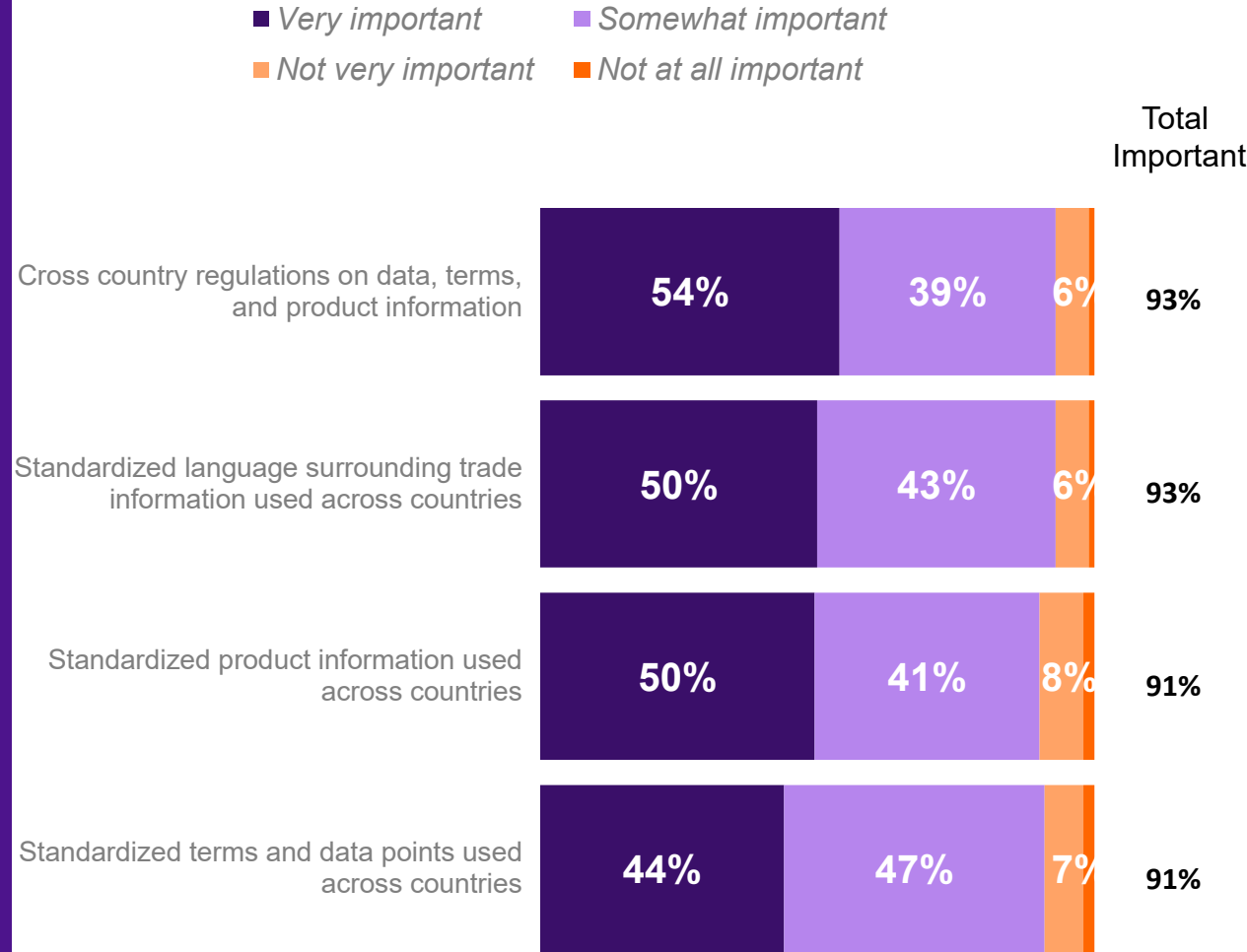
Barriers to Trade

Barriers to Trade

Almost all SMBs in Canada who import or export goods say that cross country regulations on data, terms, and product information is important, while more than half say it's "very important."

How important is each of the following when ordering products from other countries?

SMBs in Canada who import or export goods

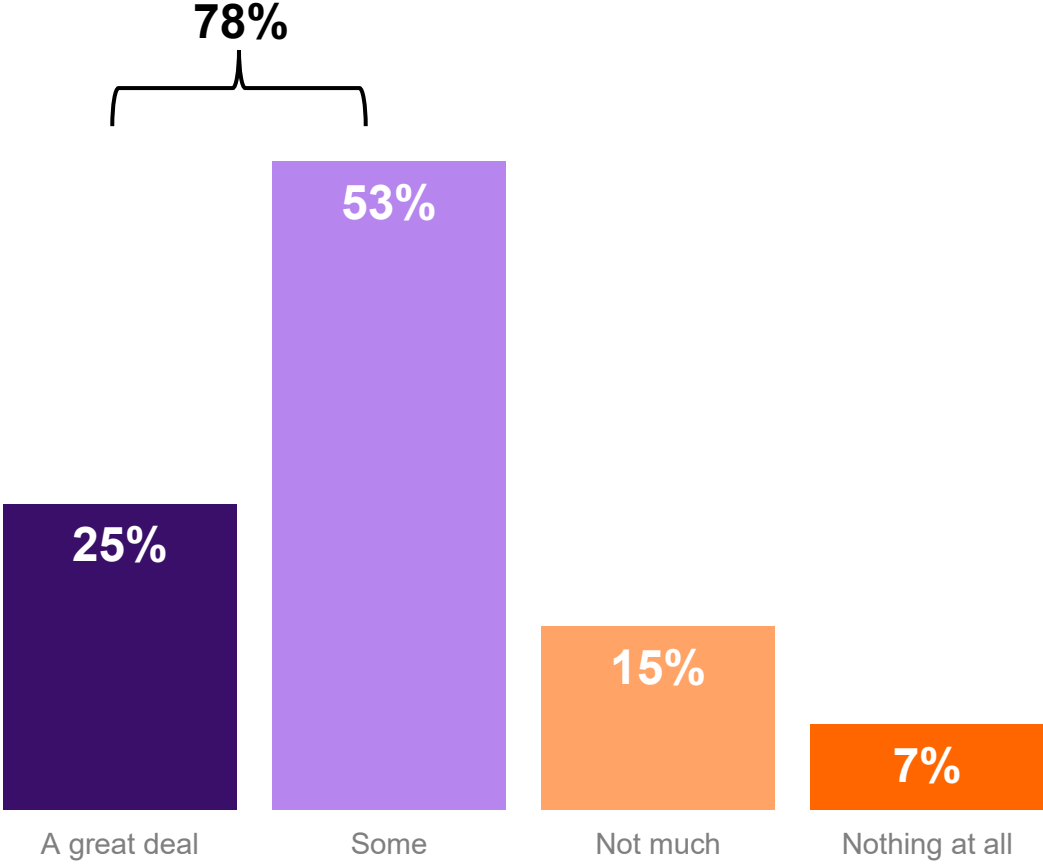


Barriers to Trade

Four in five SMBs (78%) who import or export goods say fees and tariffs have had a great deal or some impact on their business.

How much of an impact have fees and tariffs had on the growth of your business?

SMBS in Canada who import or export goods

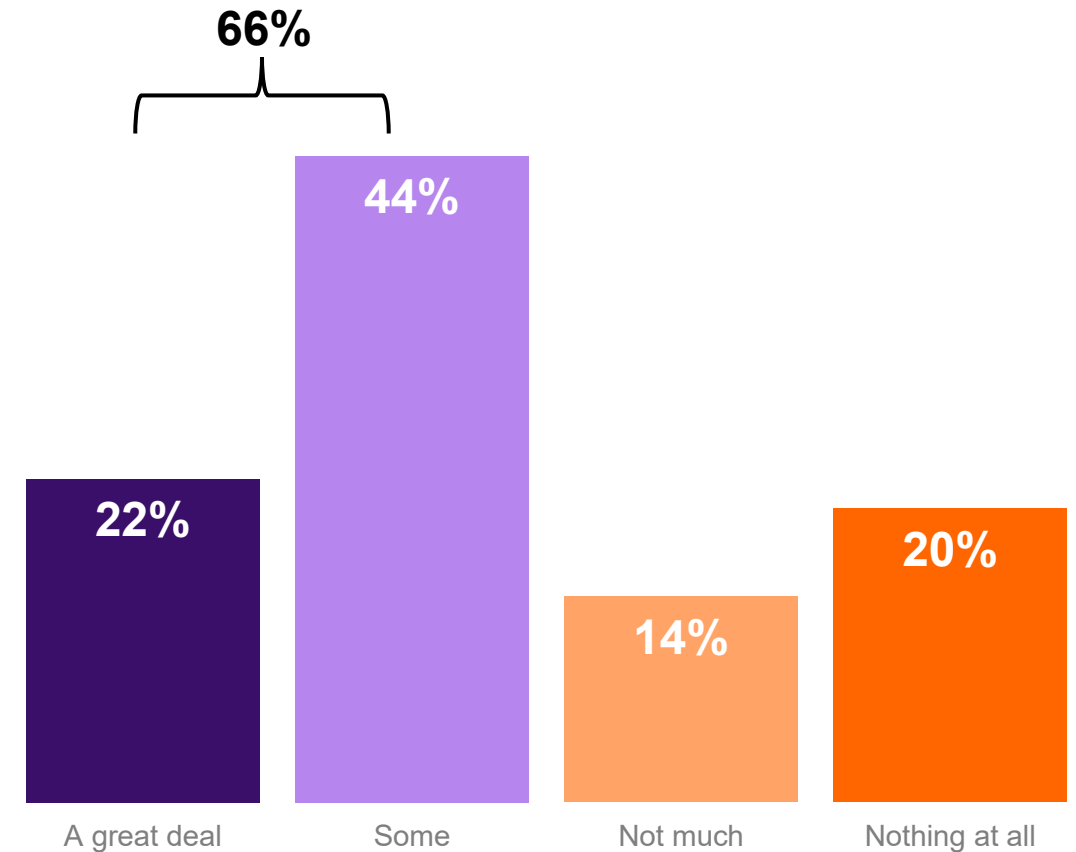


Barriers to Trade

Two in three SMBs in Canada say fees and tariffs have had a great deal or some impact on their company when buying products or parts internationally.

How much of an impact have fees and tariffs had on your company when buying products or parts internationally?

SMBS in Canada

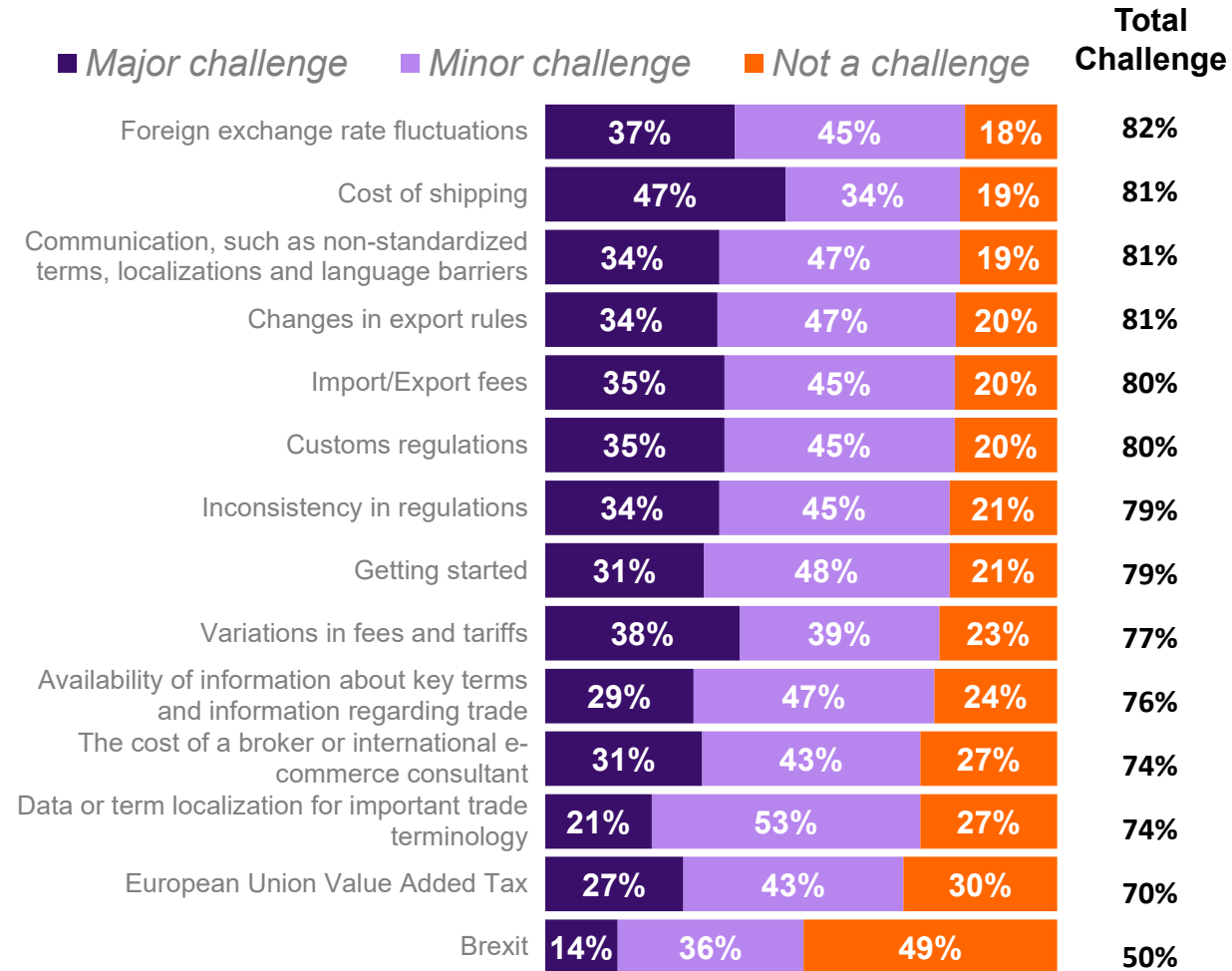


Barriers to Trade

Almost half (47%) of SMBs in Canada who import or export say the cost of shipping is a major challenge to their business.

Thinking about importing or exporting goods to and from different countries, **how much of a challenge**, if at all, have each of the following been to your business?

SMBS in Canada who import or export



Barriers to Trade

Similarly, two in three SMBs who import or export say the cost of shipping is a barrier to their e-commerce business internationally.

Please indicate how much each of the following has been a barrier to your e-commerce business internationally.

SMBS in Canada who import or export

