



Special CFIB survey on the impact of U.S.-Canada tariffs

Preliminary results

February 12, 2025

About this data

Special survey on the impact of the tariff situation on businesses

Purpose and context

Conducted by the Canadian Federation of Independent Business (CFIB) to gain deeper insights into businesses' experiences with the evolving U.S.-Canada trade landscape. The survey's insights are gathered directly from CFIB members, ensuring an authentic representation of small business priorities. These responses help shape CFIB's advocacy efforts, driving policies that are aligned with the evolving needs of the small business community.

Survey type and period

A controlled-access online CFIB survey conducted February 6 - February 11, 2025.

Sample

Based on responses from **2236** CFIB members who are owners of Canadian independent businesses, from all sectors and regions of the country. For comparison purposes, a probability sample with the same number of respondents would have a margin of error of +/-2.1%, 19 times out of 20.

Notes

For this presentation, unless otherwise specified, "importers" and "exporters" refer to businesses engaged in trade with the U.S., whether directly or indirectly, including those involved in both importing and exporting. In some instances, responses may not add up to 100% due to rounding.



Key Takeaways From Small Business Owners

1. Dependence on the U.S. market is heavy

Many trading businesses mostly rely on the U.S. market for their goods—either for purchases (25% of firms) or sales (33% of firms)—which makes them vulnerable to trade disruptions.

2. Most SMEs are unprepared for tariff impacts

More than half of businesses are not ready to handle the consequences of U.S.-Canada tariffs, leaving them exposed to rising costs and market uncertainty.

3. Business disruptions & adjustments have already begun

Higher costs, lower demand, and uncertainty have forced businesses to shift strategies—seeking new suppliers, pausing expansion plans, and even reducing their workforce.

4. For many, a fast pivot is just not possible

3 in 10 importers and 5 in 10 exporters expect it will take over six months to adjust, with importers pivoting to new suppliers faster than exporters can shift to new markets.

5. Entrepreneurs back government actions announced so far, but want more support

3 in 4 business owners support retaliatory tariffs.

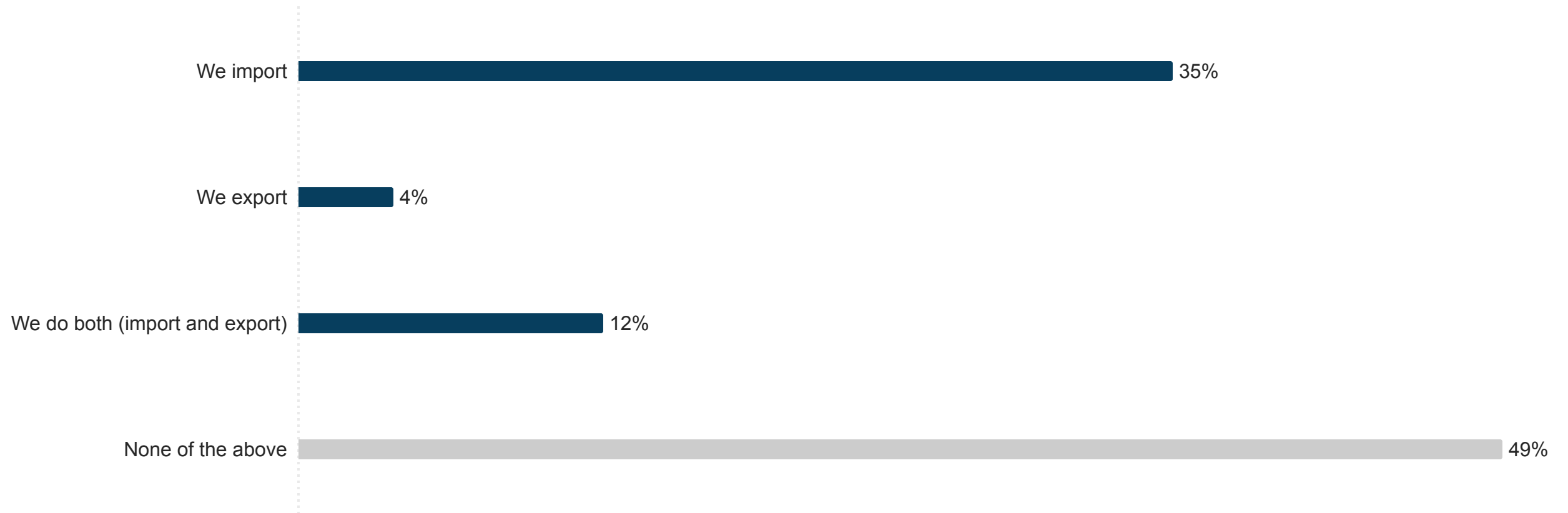
They also favor tax cuts, buy-local strategies, and reducing interprovincial trade barriers to mitigate the impact.

Heavy U.S. Market Dependence

51% of CFIB members are directly trading with the U.S. (Thousands more trade indirectly through their suppliers or business clients)

Small business involvement in U.S. Trade

1887 Responses



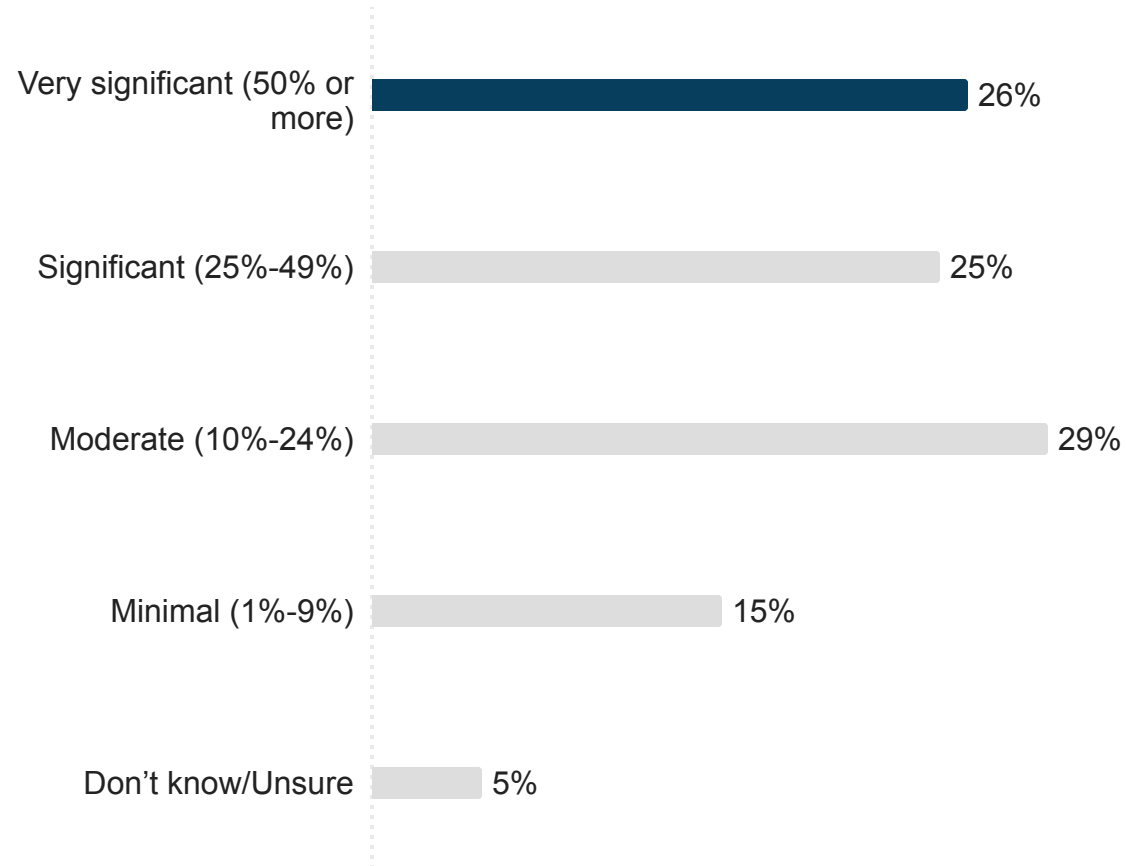
Source: CFIB, Your Voice - December 2024 survey, December 5 - 29, 2024.

Question: Does your business import or export goods to/from the U.S.? (Select one)

26% of trading businesses make more than half of their goods purchases from the U.S.

Dollar value of total goods purchases, share coming from U.S.

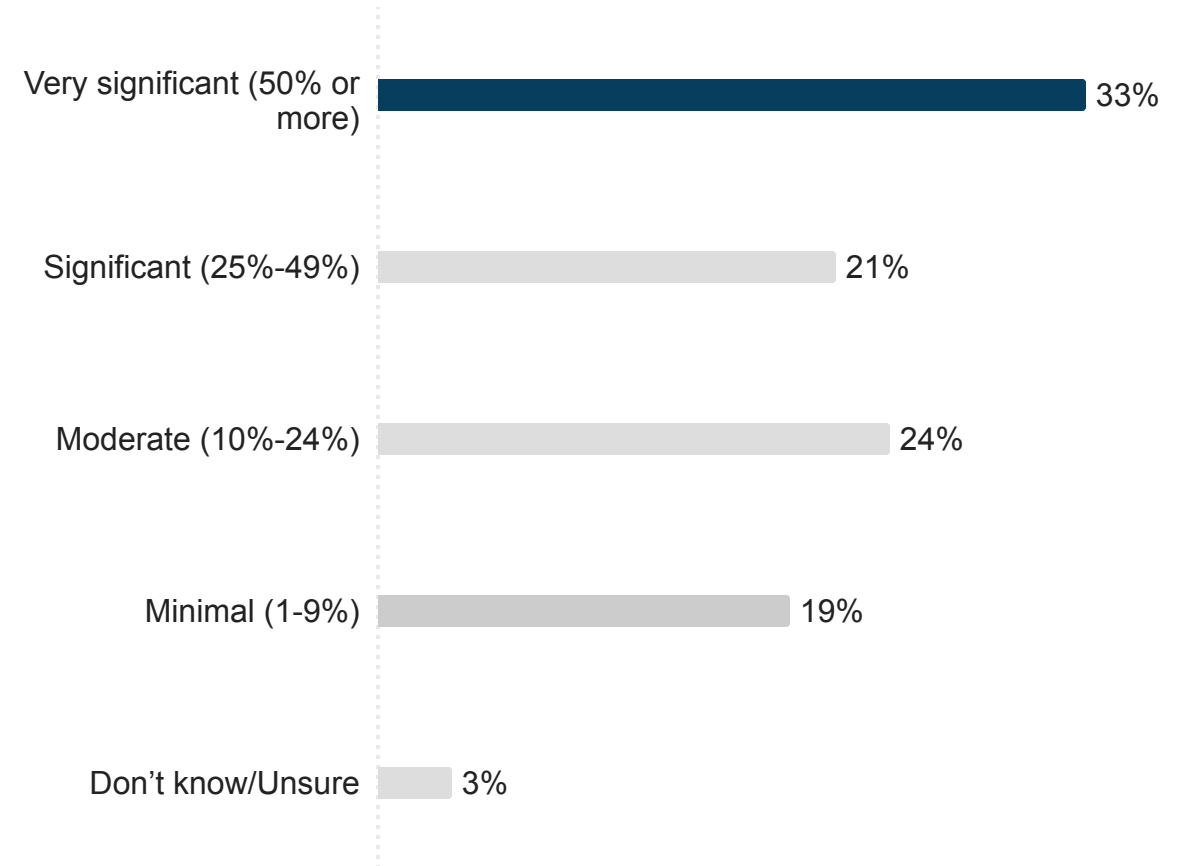
1651 Responses



33% make more than half of their sales in the U.S.

Dollar value of total goods sales, share coming from U.S.

520 Responses



Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.

Questions: What share of your **total goods purchases** comes from the U.S. market (in dollar value)? (Select one)

What share of your **total sales from goods** comes from the U.S. market (in dollar value)? (Select one)

“

**We do not have an alternative Canadian built option.
It will cause our industry to collapse.**

-
ON, Retail Business

**We are a very specific technical business. All parts
we use are US based. There are no other suppliers.
None of these parts are made in Canada.**

-
N.S., Retail Business

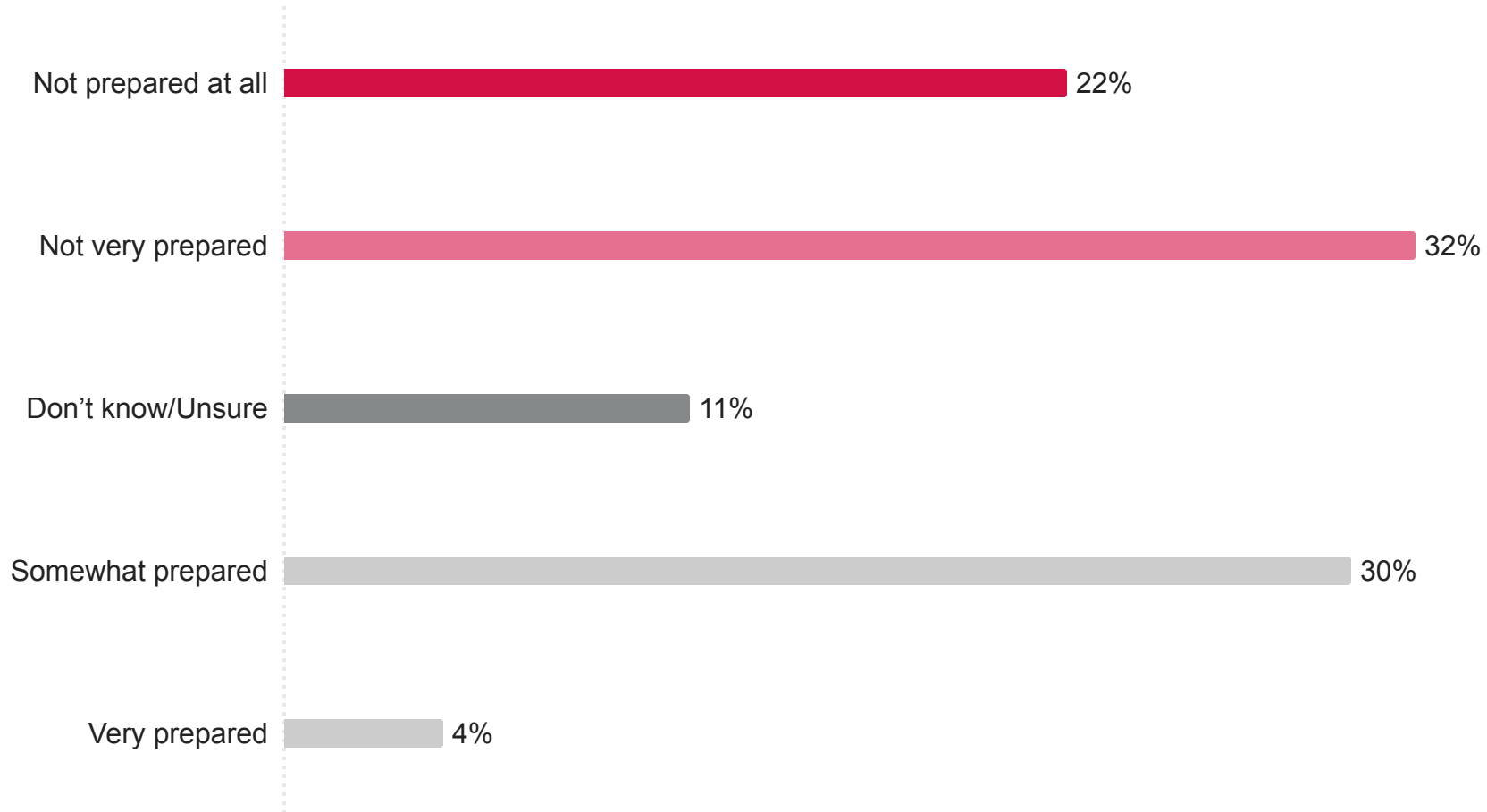
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Unprepared for Tariff Impacts

More than half of businesses are not prepared for the impact of U.S.-Canada tariffs

Business preparedness to handle the potential impact of U.S.-Canada tariffs

2231 Responses



**Importers and exporters
are similarly struggling to
manage potential disruptions.**

Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025. Preliminary results.

Question: How prepared is your business to handle the potential impact of U.S.-Canada tariffs? (Select one)

“

We work with small US brands and their ability to absorb tariffs/continue operations/find alternatives is much less than large corporations, we may lose some of our suppliers outright if they cannot afford to operate due to tariffs...After a tough winter/holiday season retailers are already hurting and this will very likely be the final nail for a lot of us.

-

BC, Retail Business

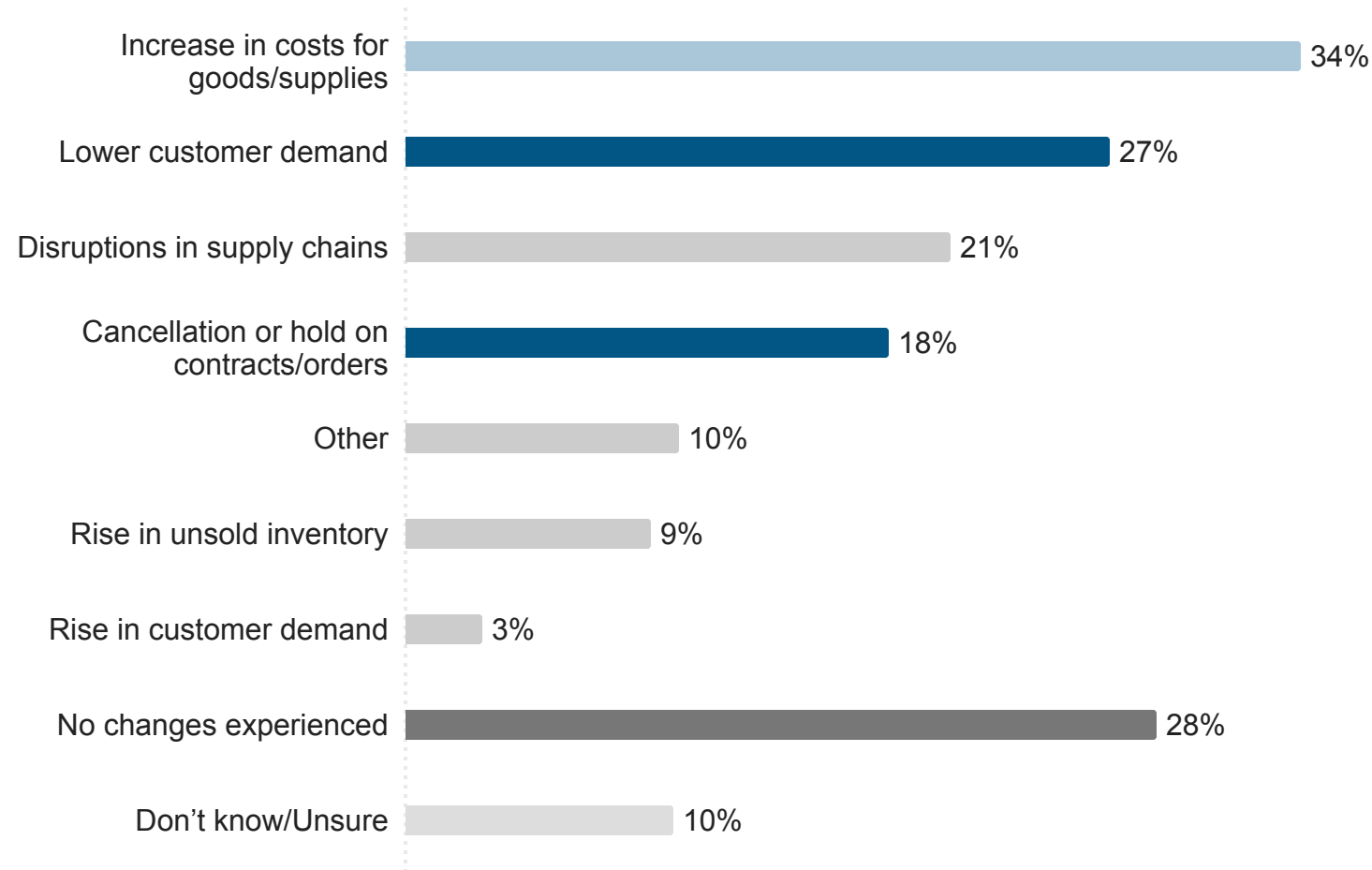
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Business Disruptions & Adjustments

Most businesses have already experienced higher costs and lower demand due to the tariff situation

Business changes experienced due to the U.S.-Canada tariff situation

2232 Responses



A higher share of exporters experienced lower customer demand and cancellation of contracts/orders.

Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.

Question: What changes has your business experienced due to the U.S.-Canada tariff situation? (Select all that apply)

“

US customers are getting wary of placing orders. Existing orders are being questioned on what the effect on pricing will be. Slow down in orders. Uncertainty is limiting new projects and spending

-

ON, Manufacturing Business

The continued weakening of the Canadian dollar is negatively impacting our profitability, increasing prices we have to charge, and that weakness against the USD combined with the tariff uncertainty is lowering demand from our customers.

-

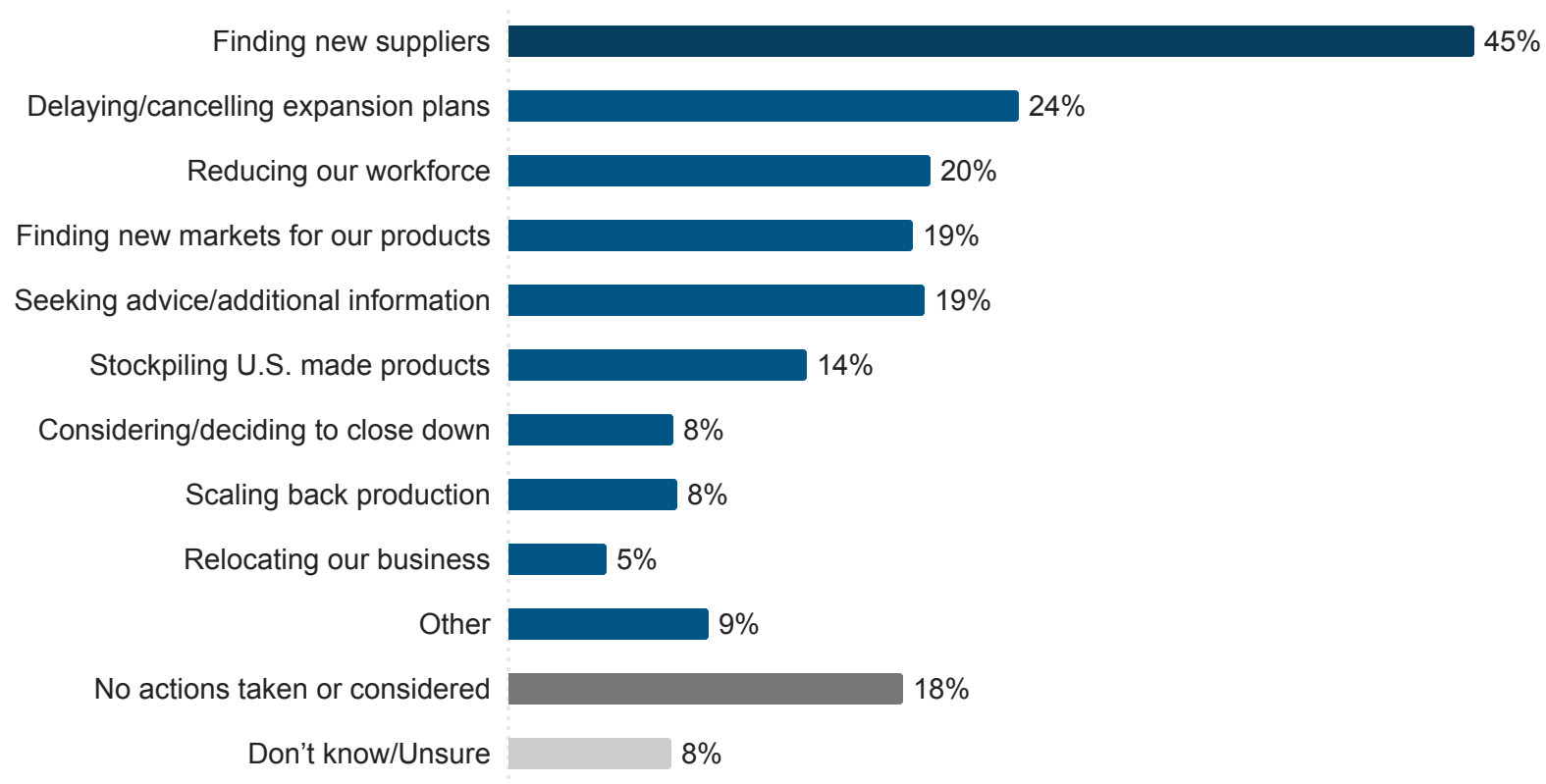
ON, Wholesale business

”

In response to tariff talks, business owners are focusing on finding new suppliers, foregoing expansion plans and reducing their workforce

Business actions taken or considered to deal with U.S.-Canada tariff situation

2232 Responses



Importers prioritize finding new suppliers.

Exporters focus on finding new markets and delaying expansion.

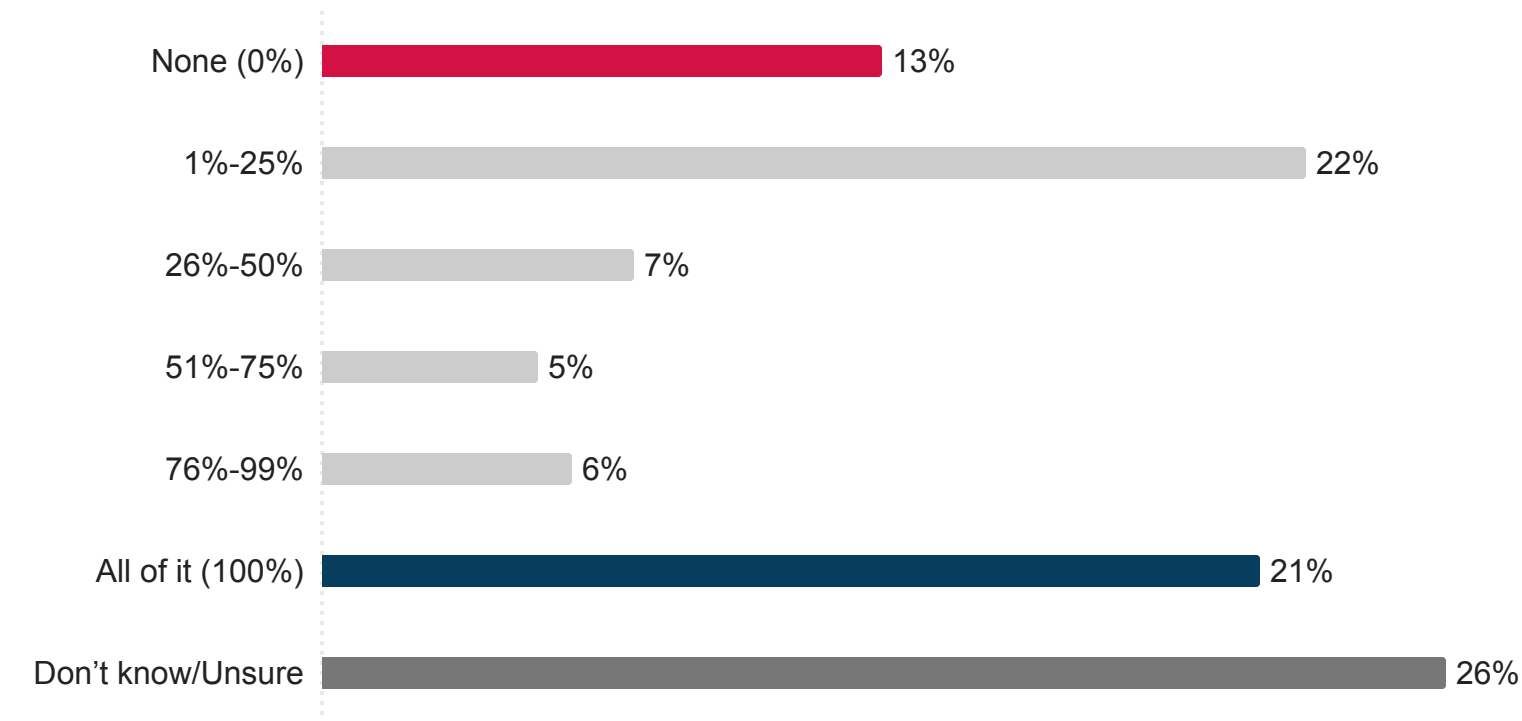
Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.

Question: Which of the following actions is your business taking or considering to deal with the U.S.-Canada tariff situation? (Select all that apply)

1 in 10 business owners are likely to **eat up all** of the costs if U.S.-Canada tariffs are imposed 2 in 10 will be able to **pass on all** of the costs to their customers/clients

Share of tariff-related costs businesses able to pass on to customers/clients

1768 Responses



**Importers are better able to pass on their tariff-related costs to their customers/clients.
(see Appendix, slides 35-36)**

Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.

Question: If U.S. tariffs and Canadian retaliatory tariffs are imposed at the previously suggested levels, how much of the additional tariff-related costs will your business be able to pass on to customers/clients? (Select one)

**The U.S. announced plans to impose a 25% tariff on all Canadian goods and a 10% tariff on energy exports. In response, Canada announced a plan to respond with 25% tariffs on \$30 billion worth of U.S. products, which would later expand to an additional \$125 billion on U.S. imports.

“

We have already signed contracts for goods coming from the US. It will be hard for us to renegotiate a signed contract so we will ultimately absorb the cost on signed contracts. Future contracts will have to pay more so that cost will get passed on to the consumer.

-
ON, Retail business

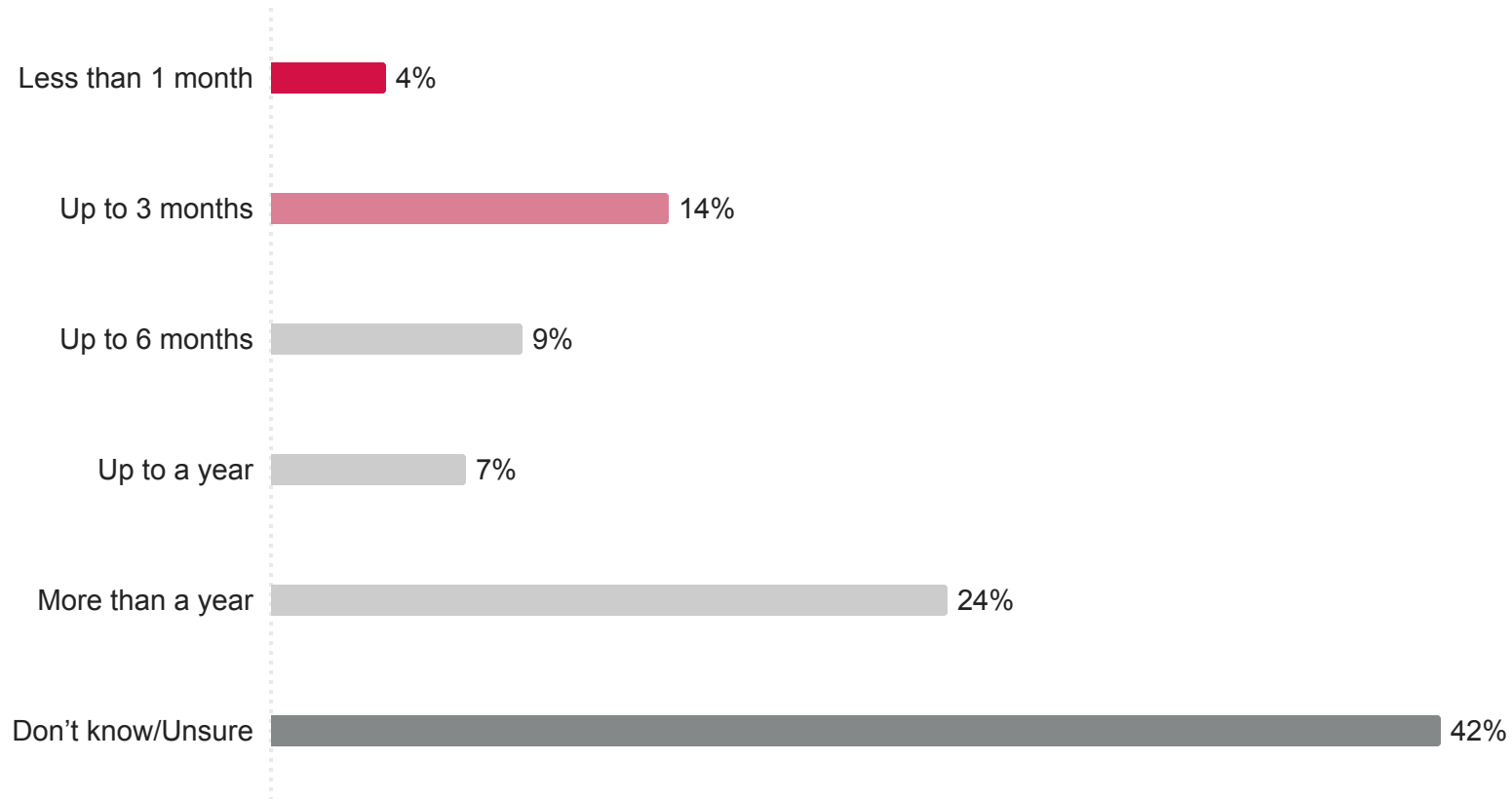
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1 in 5 firms say that, with tariffs and without government support, they would not last more than 3 months

A large share is uncertain about timing

Duration businesses can sustain operations without government support

2221 Responses



Given the impacts of suggested tariffs, a larger share of exporters will need government support in the short term.

(See Appendix, slide 37)

Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.

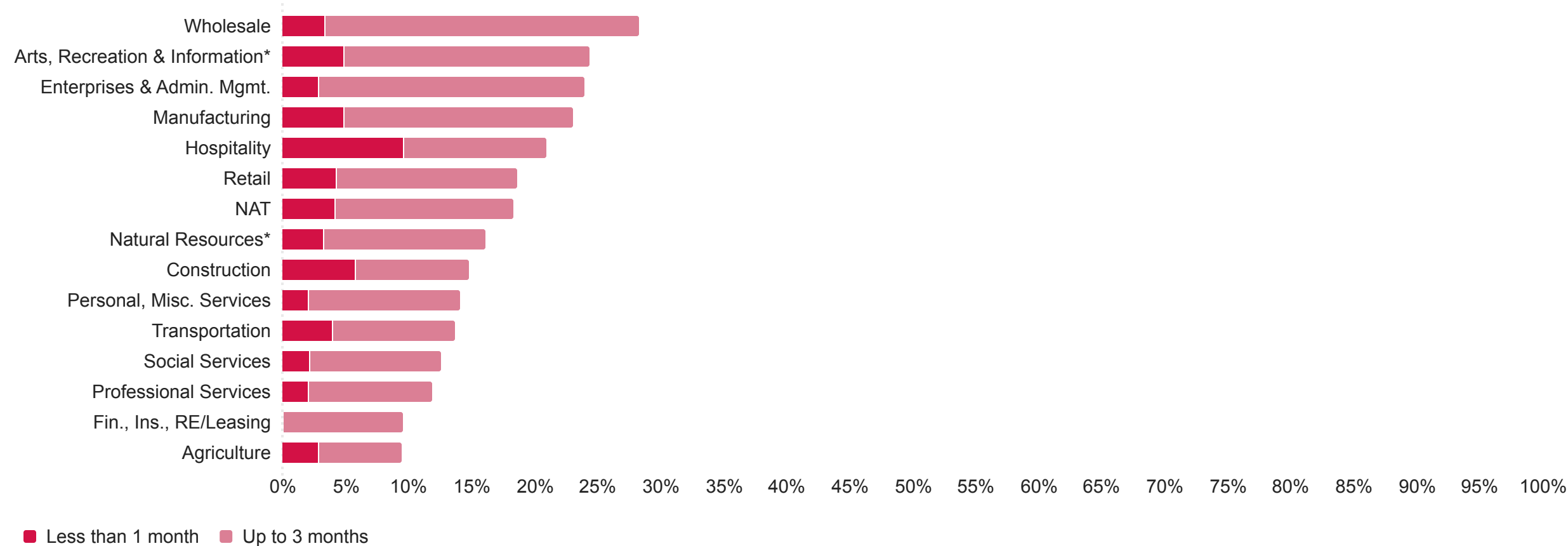
Question: If U.S. tariffs and Canadian retaliatory tariffs are imposed at the previously suggested levels*, how long can your business sustain its operations without any government support? (Select one)

*The U.S. announced plans to impose a 25% tariff on all Canadian goods and a 10% tariff on energy exports. In response, Canada announced a plan to respond with 25% tariffs on \$30 billion worth of U.S. products, which would later expand to an additional \$125 billion on U.S. imports.

In the short term, the Wholesale, Enterprises & Administration Management, and Manufacturing sectors would be most in need of government support to sustain operations

Duration business can sustain operations without government support, by sector

2221 Responses



Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.

Question: If U.S. tariffs and Canadian retaliatory tariffs are imposed at the previously suggested levels*, how long can your business sustain its operations without any government support? (Select one)



Long Road to Adaptation

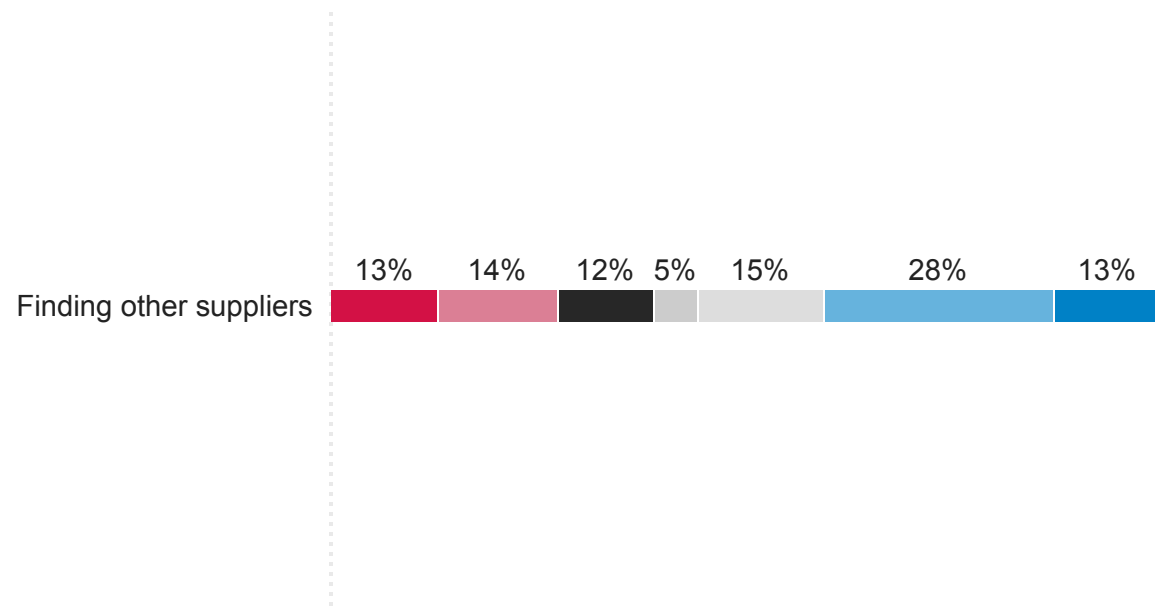
Many businesses will take **longer than 6 months** to pivot operations

Importers expect to pivot to new suppliers faster than exporters expect to pivot to new markets

Speed of pivot to other suppliers/markets

Importers

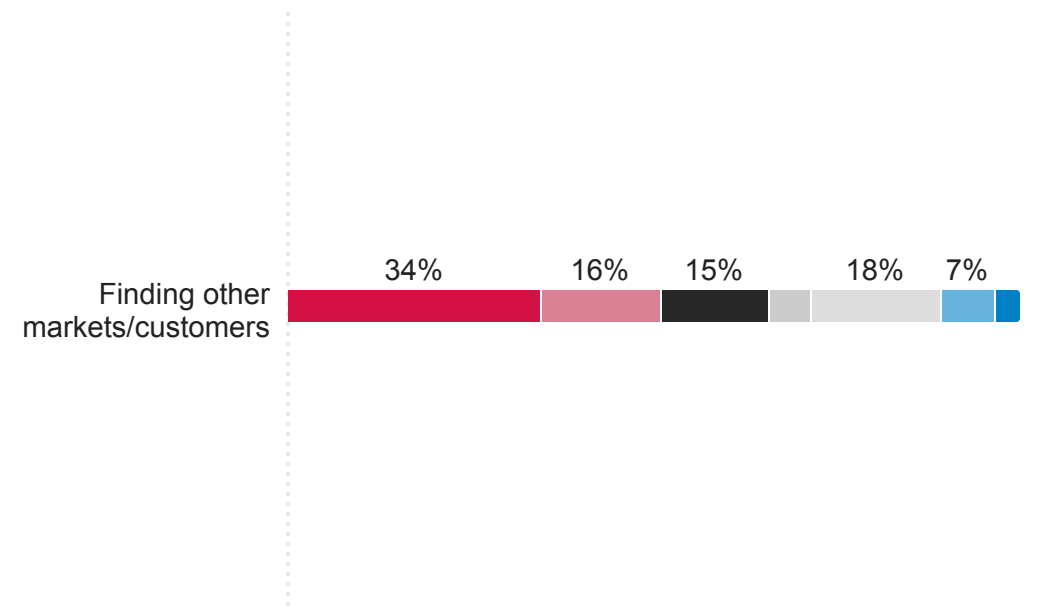
1644 Responses



- A year or more
- More than a few months (7 to 11 months)
- We would not consider a pivot
- Not applicable
- Don't know/Cannot asses
- A few months (2 to 6 months)
- Matter of weeks

Exporters

511 Responses



- A year or more
- More than a few months (7 to 11 months)
- We would not consider a pivot
- Not applicable
- Don't know/Cannot asses
- A few months (2 to 6 months)
- Matter of weeks

Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.

Question: How quickly do you anticipate your business can pivot to find non-U.S.-based suppliers or customers as alternatives? (Select one for each line)



“

We cannot pivot. We are a franchiser and bound to contracts of US suppliers with NO HELP from our franchise.

-

ON., Personal, Misc. Services Business

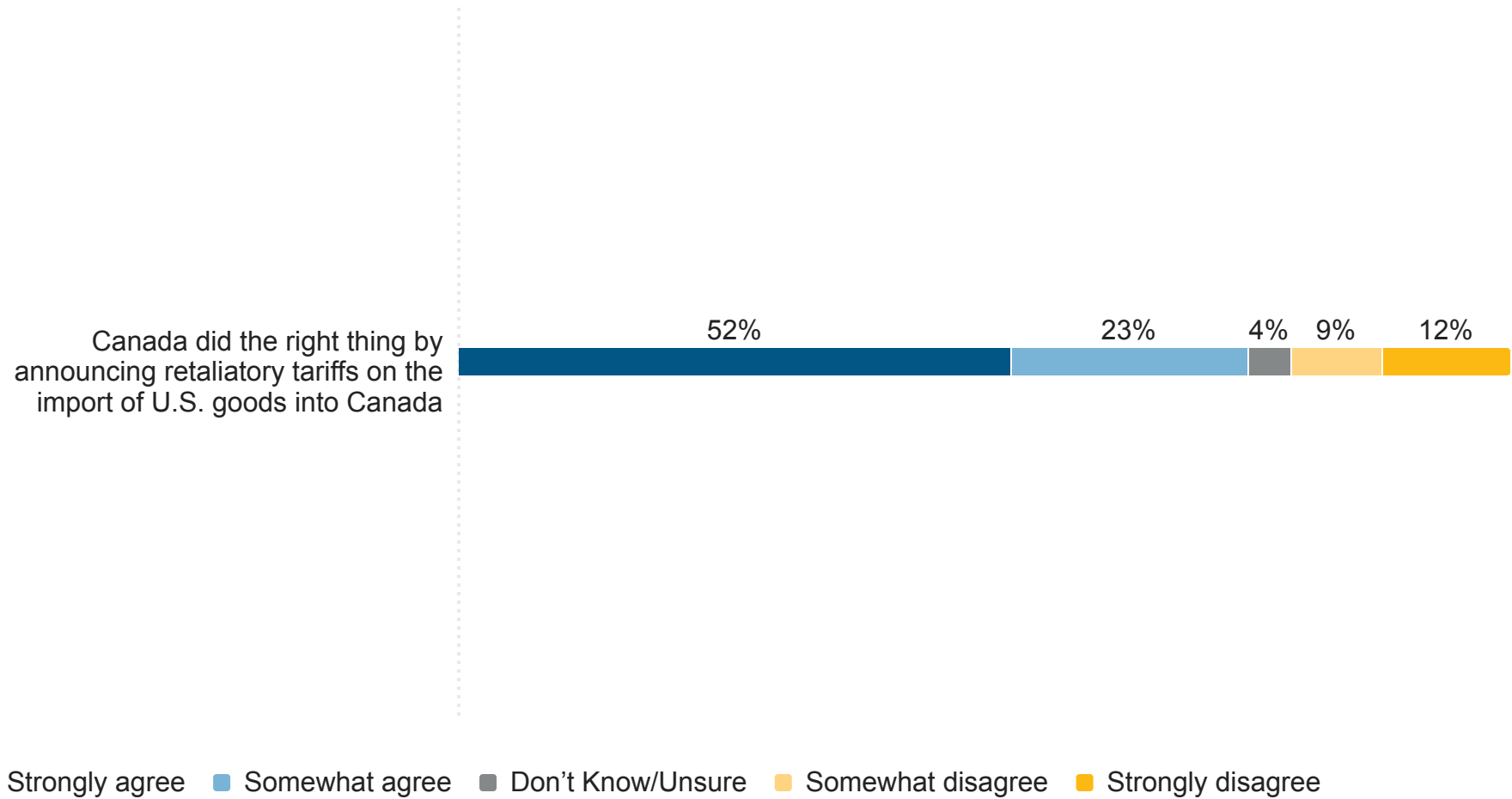
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Calls for Government Action

3 in 4 businesses support Canada's response with retaliatory tariffs

Business sentiment on tariff situation

2229 Responses



Support for retaliatory tariffs increased from 33% (CFIB's Your Voice - December 2024 survey), where it was presented as one of several mitigation options.

Support for tariffs in this instance was analyzed in isolation, providing a clear view of sentiment.

Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.

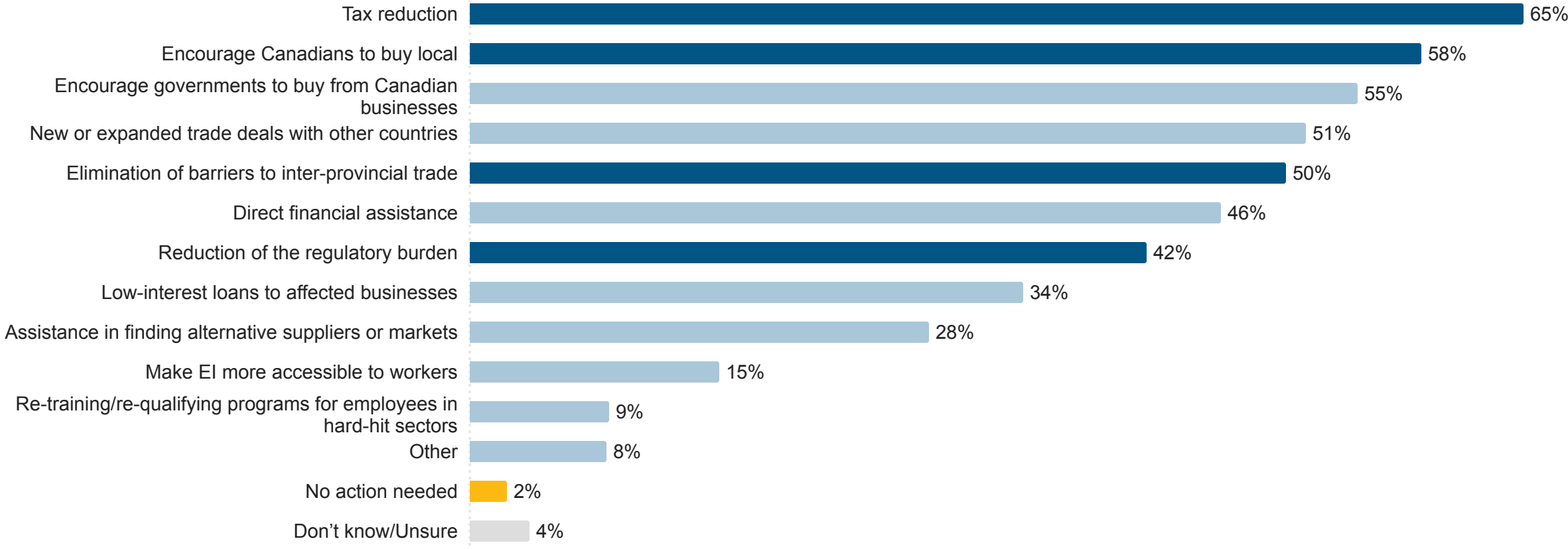
Question: To what extent do you agree or disagree with the following statements regarding the U.S.-Canada tariff situation? (Select one for each line)



Businesses favor tax cuts, buy local strategies, and eliminating interprovincial trade barriers to offset the potential tariff impacts

Helpful government actions for businesses to offset the impacts of U.S.-Canada tariffs

2235 Responses



Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.
 Question: What types of government actions would be most helpful for your business to offset the potential impacts of the U.S.-Canada tariffs? (Select all that apply)
 Note: See appendix slide 34 for tax cut preferences and slide 38 for exporter and importer breakouts.



Did You Know



For every dollar you spend
at a **local small business**

66¢ stays
local

vs.
only **11¢** when you spend
at a *multinational**



#SmallBusinessEveryDay

Presented by **CFIB**



Tariffs have created an environment of uncertainty which have disrupted business operations and strategies

Business sentiment on tariff situation

2229 Responses



■ Strongly agree ■ Somewhat agree ■ Don't Know/Unsure ■ Somewhat disagree ■ Strongly disagree

Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.

Question: To what extent do you agree or disagree with the following statements regarding the U.S.-Canada tariff situation? (Select one for each line)

“

Biggest issue is uncertainty. Customers tend to not order products (spend capital) when markets and future economy is uncertain. The Canadian economy and our business will suffer greatly.

-
AB, Construction Business

Uncertainty does not help in retirement planning and financial long term planning for clients

-
B.C., Finance and Insurance Business

”

Recommendations

- >> Ensure any counter tariffs do not have a broad impact on Canadian SMEs.
- >> Re-invest all revenues from counter tariffs into the economy.
- >> Any business supports should focus on the needs of small businesses – not just large firms.
- >> Reduce taxes and red tape to help small businesses stay competitive with their U.S. and global counterparts.
- >> Remove interprovincial trade barriers by implementing a “mutual recognition” strategy.
- >> Governments should engage proactively with the business community to gather data, shape policy and strengthen economic collaboration with their U.S. counterparts.

Questions or data requests

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Additional information

All CFIB research



cfib.ca/research

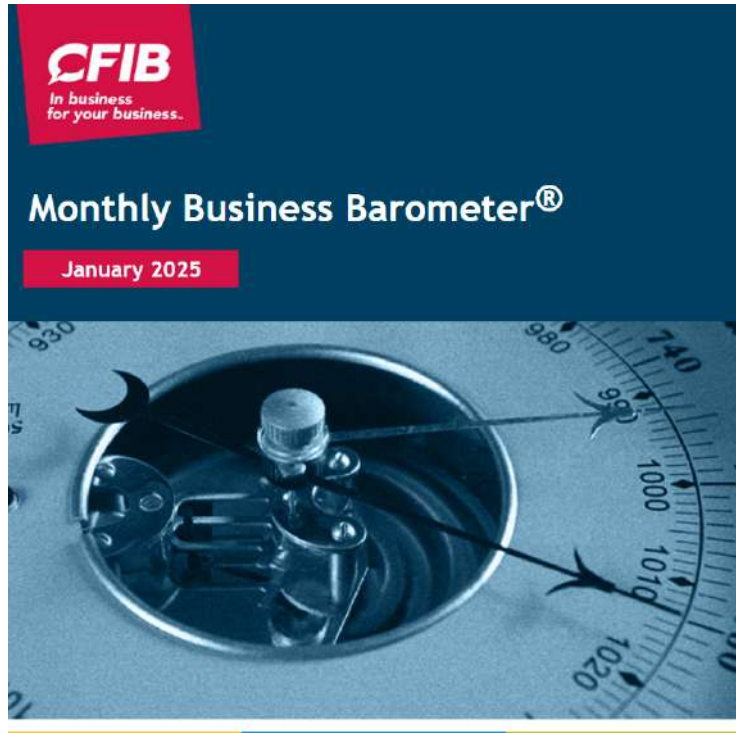


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research@cfib.ca

CFIB Research Publications and Business Stats



Monthly Business Barometer®

Our monthly survey tracks small business confidence, expectations and operating conditions in Canada.



Enterprise Pulse

Entrepreneurship in Canada is improving, but still not fully back to pre-pandemic strength.



Private Sector Job Vacancies in Canada

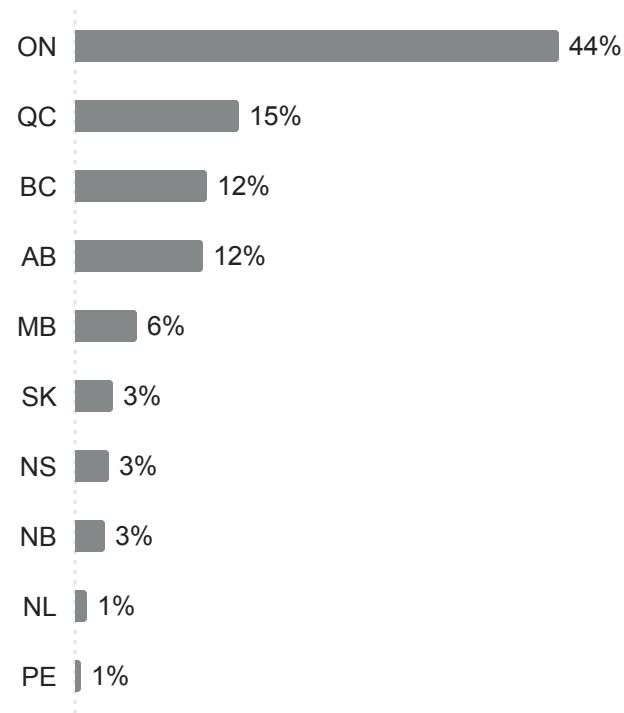
The private sector job vacancy rate in Canada edged down to 2.7% in 2024 Q4, down by 0.9 percentage points on a yearly basis.

APPENDIX

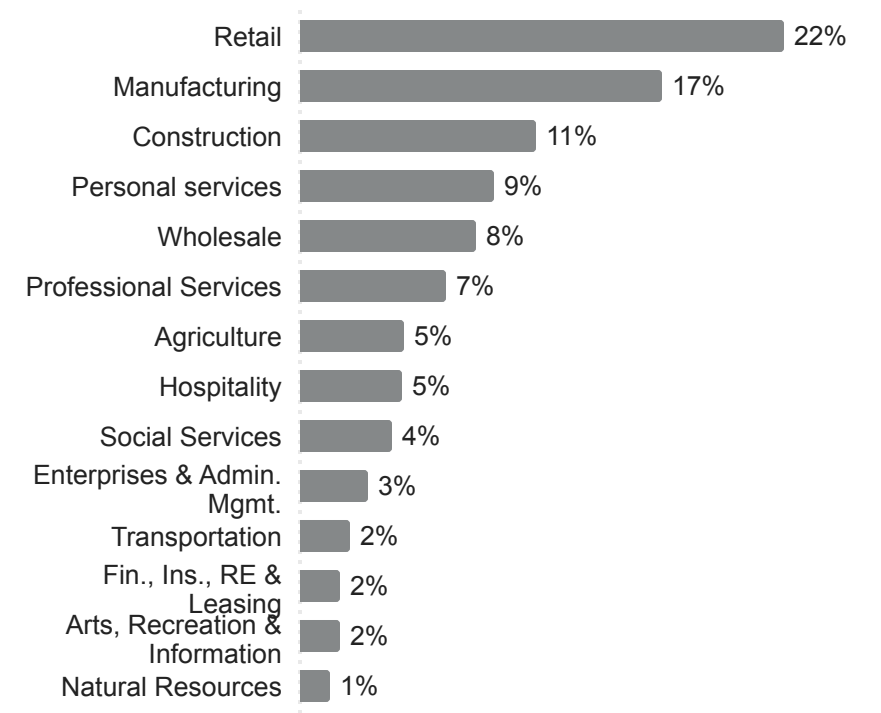
Respondent Profile

2236 respondents

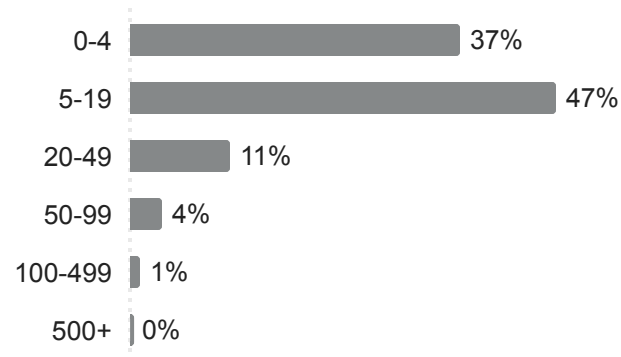
Province



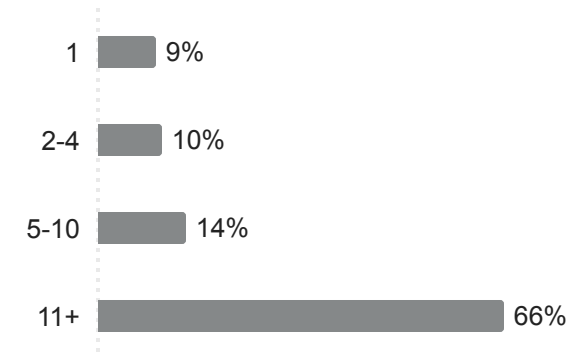
Sector



Business size



Age of business

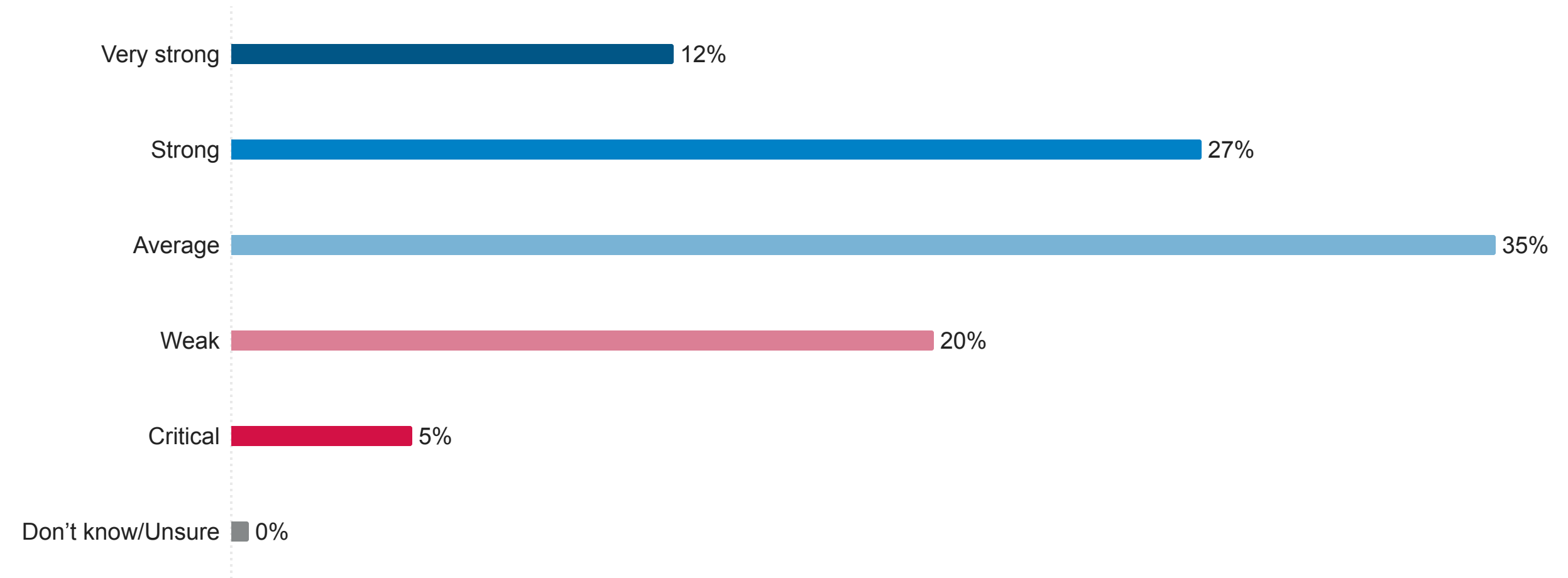


Most business owners are doing somewhat ok, with about a quarter indicating financial struggles.

Question: How would you describe the overall financial health of your business right now (e.g., cash flow, debt levels, revenues and profitability)?

(Select one)

2231 Responses



Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.

Businesses prioritize corporate income tax cuts as the most effective relief from U.S.-Canada tariffs, followed by reductions in carbon and payroll taxes, signaling a need for broad financial relief.

If governments were to reduce taxes to help businesses offset the potential U.S.-Canada tariffs, which areas should be prioritized for tax cuts? (Select all that apply)



Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.

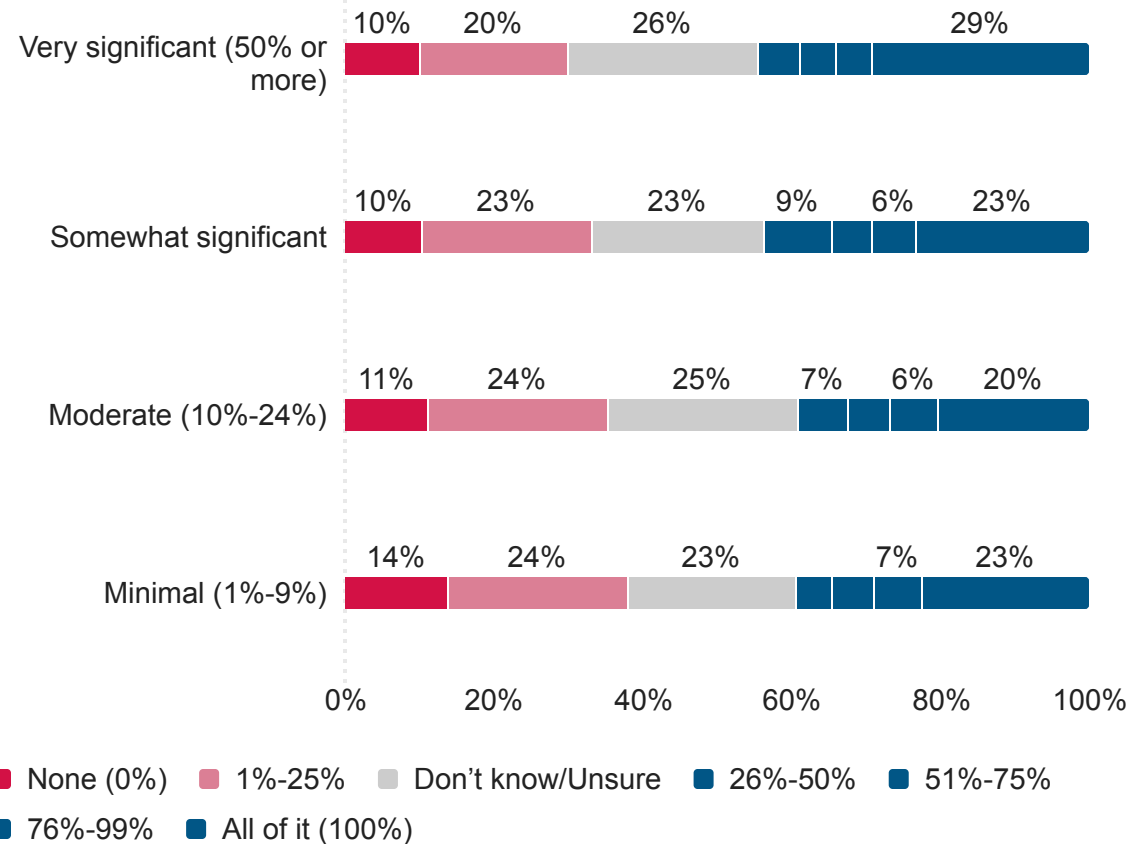


Importers are more capable of passing tariff-related costs onto customers compared to exporters.

Level of reliance on U.S. market and ability to pass on costs

(Importers)

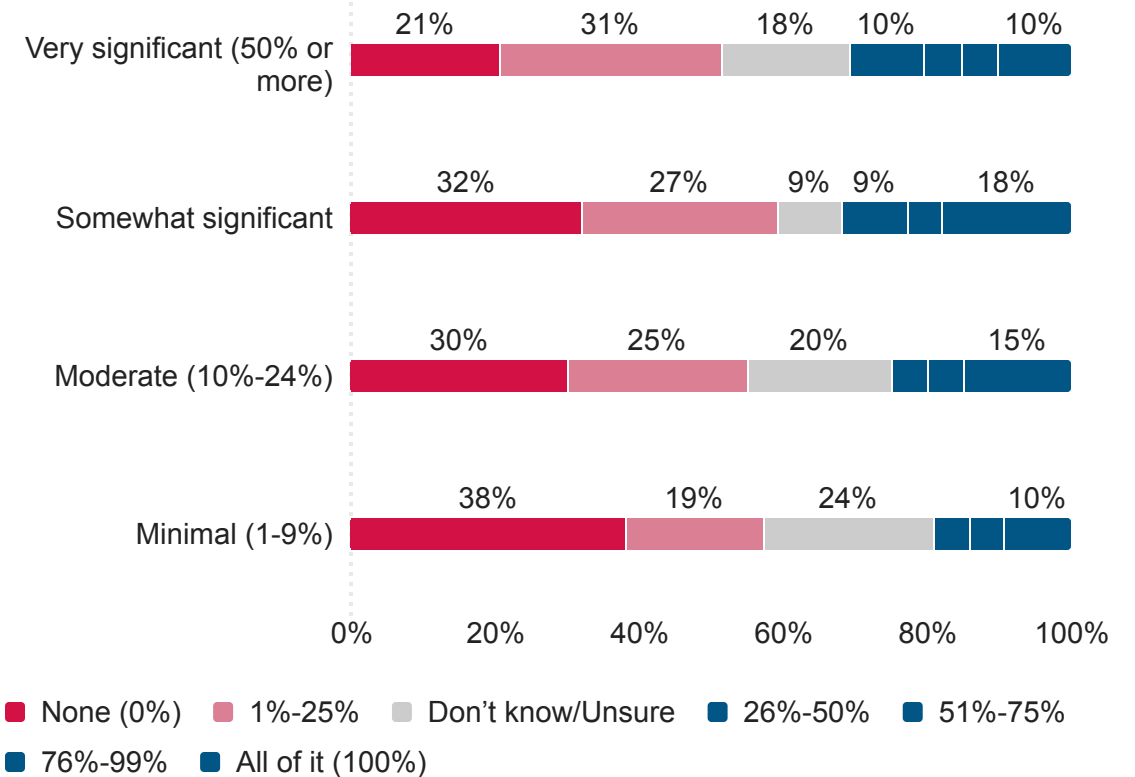
1248 Responses



Level of reliance on U.S. market and ability to pass on costs

(Exporters)

109 Responses



Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025 Preliminary results.

Question: If U.S. tariffs and Canadian retaliatory tariffs are imposed at the previously suggested levels, how much of the additional tariff-related costs will your business be able to pass on to customers/clients?

(Select one)

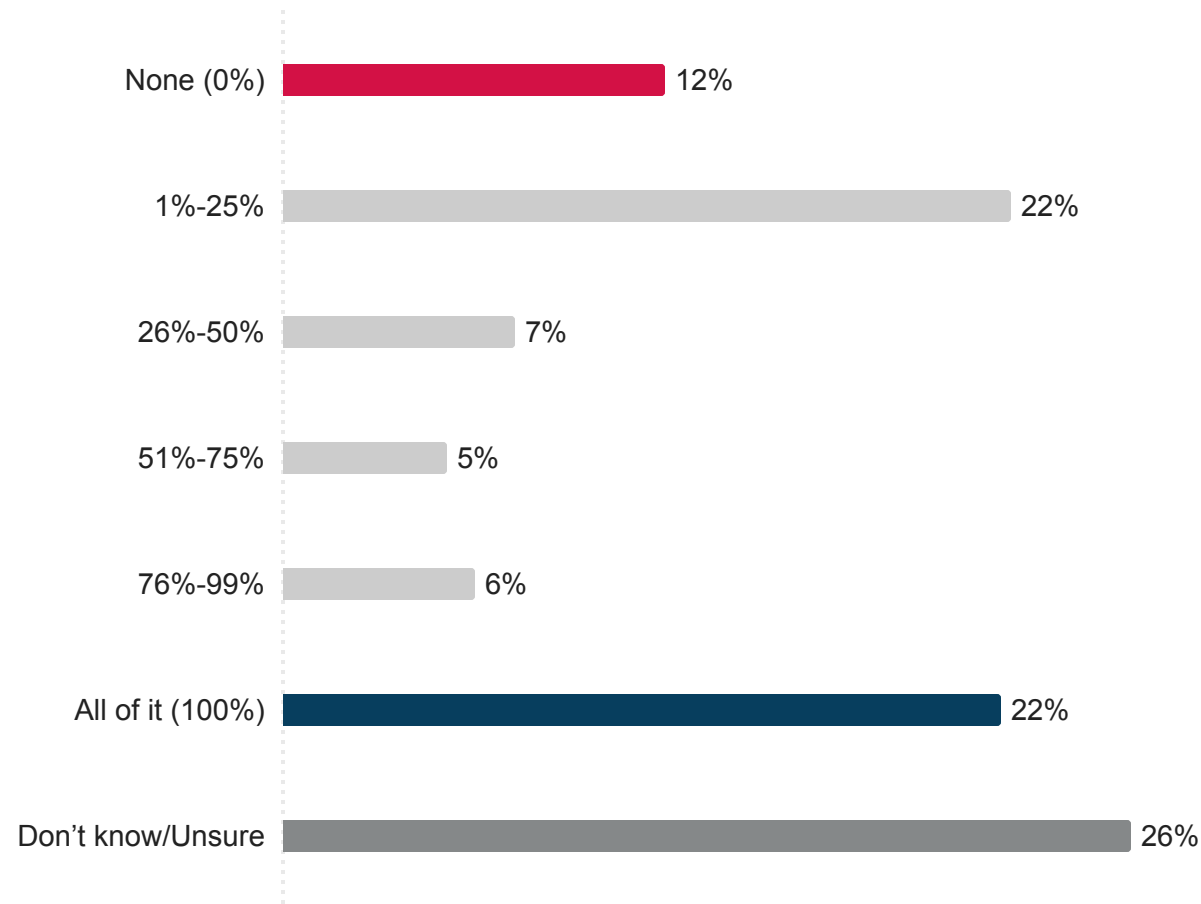
Note: Only those that import/export either directly and indirectly are included.



Importers are more capable of passing tariff-related costs onto customers compared to exporters.

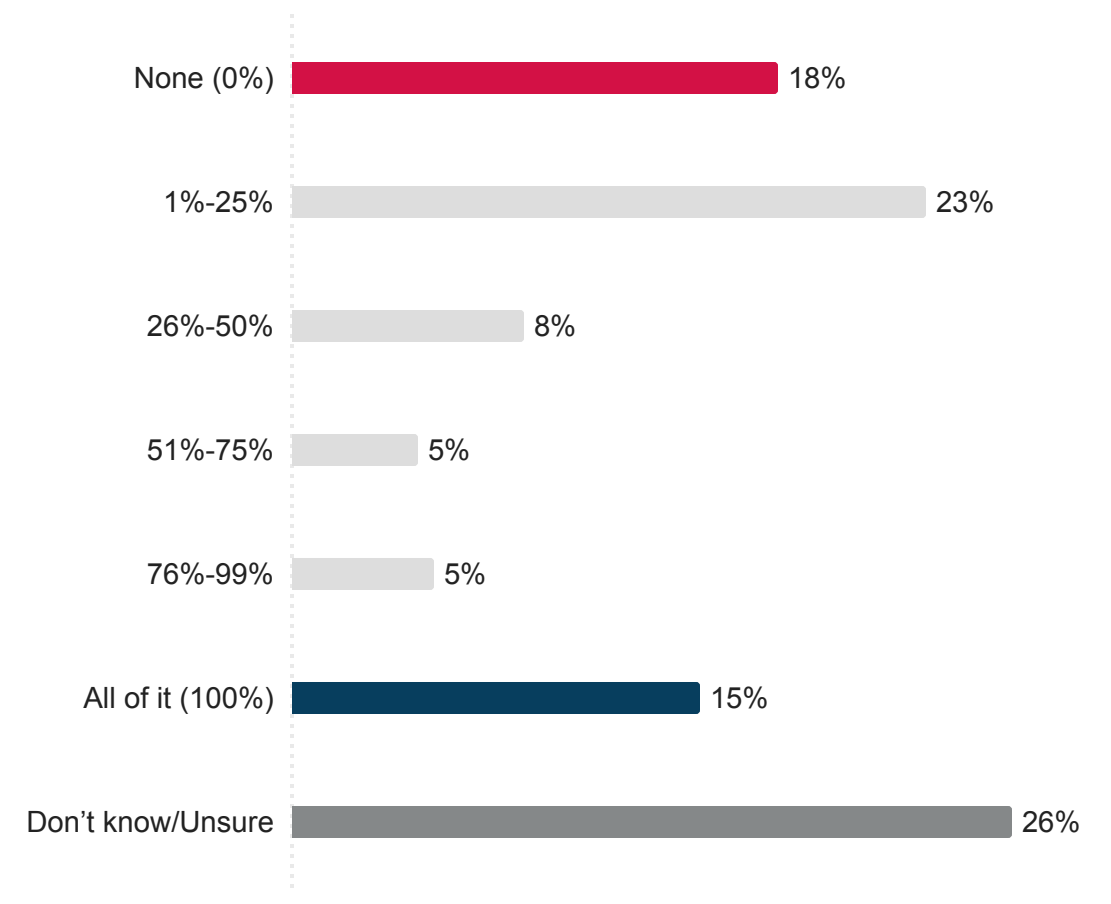
Importers

1659 Responses



Exporters

520 Responses



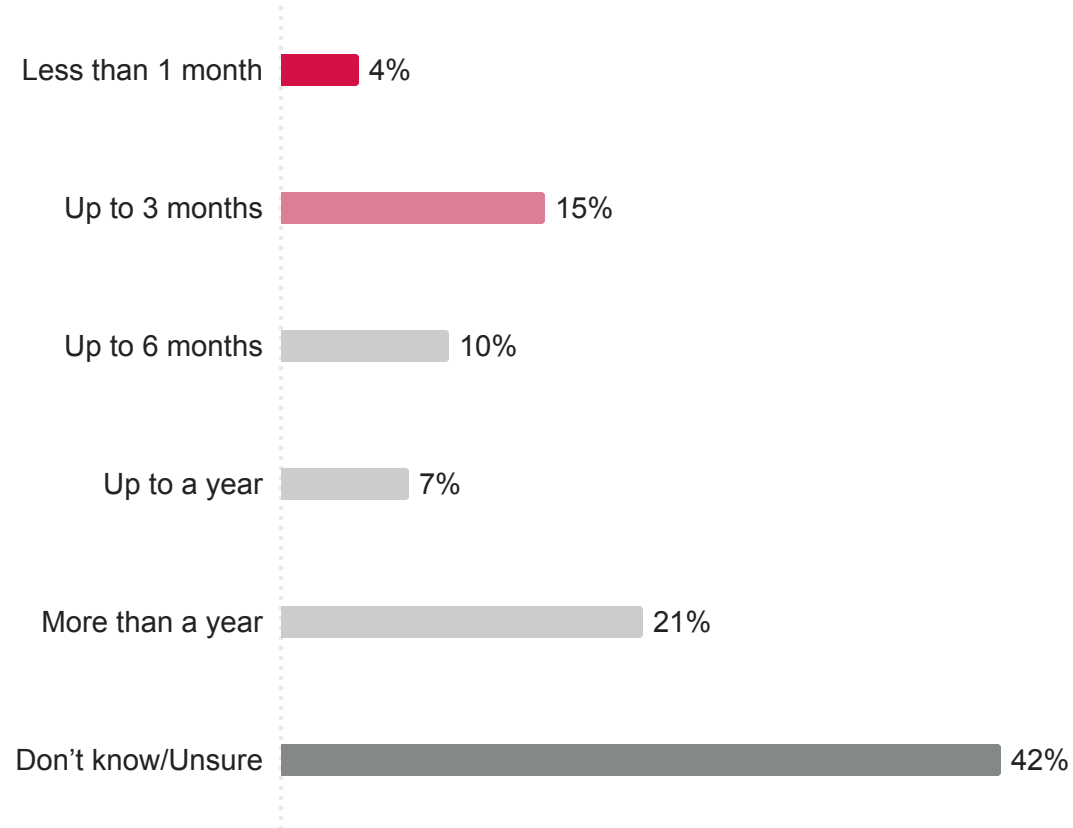
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Given the impacts of suggested tariffs, a larger share of exporters will need government support in the short term.

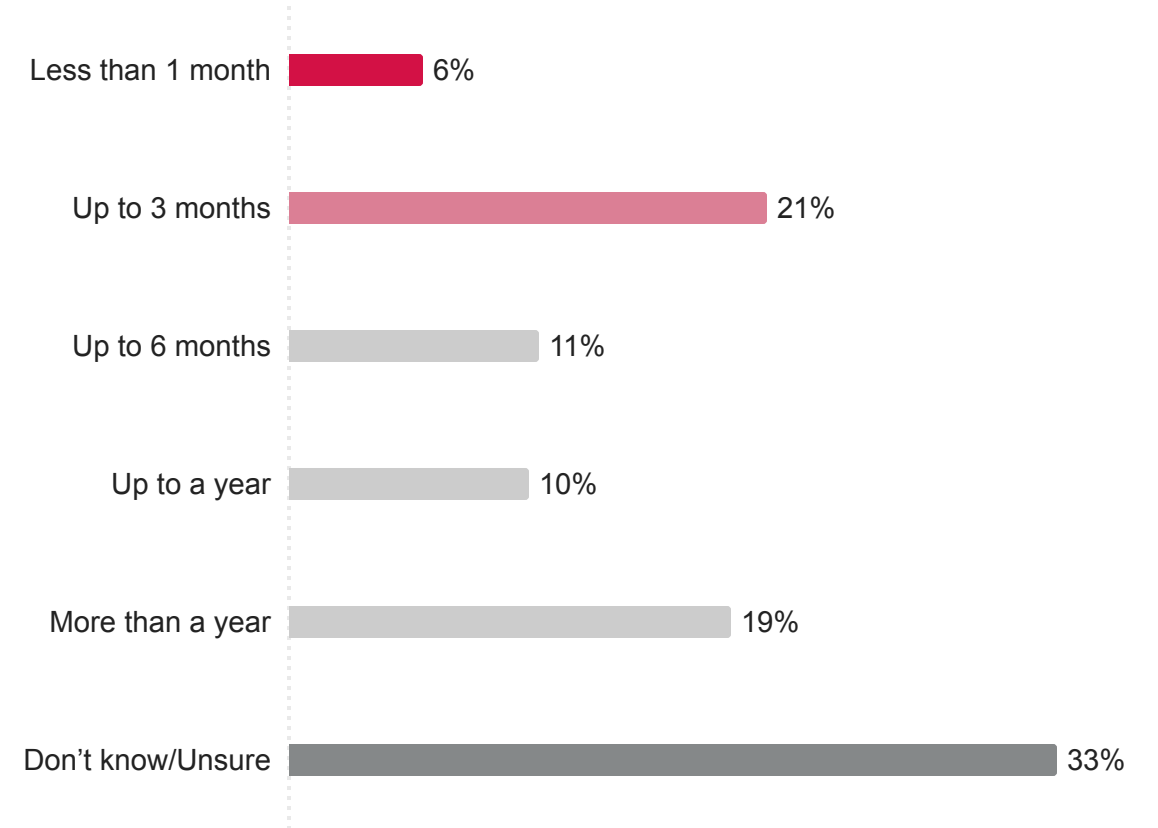
Importers

1650 Responses



Exporters

518 Responses



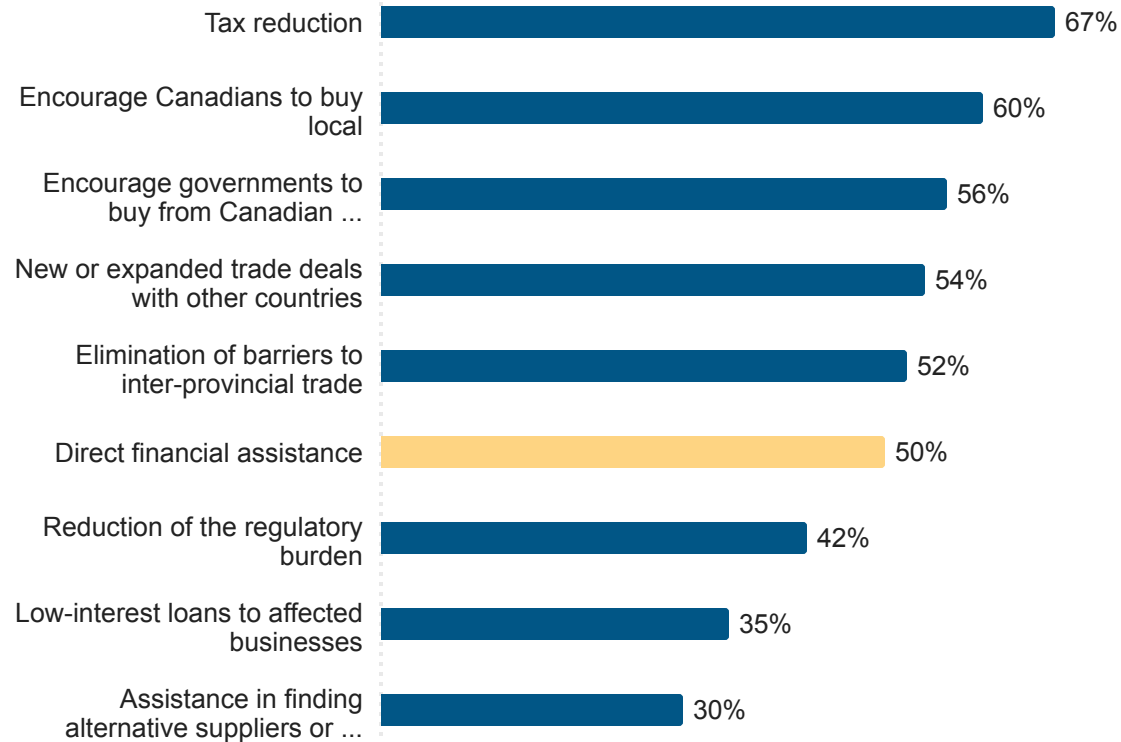
Source: CFIB, Survey on the impact of U.S.-Canada tariff situation on businesses, February 6 - February 11, 2025, Preliminary results.

Question: How long can your business sustain its operations without any government support? (Select one)

Both importers and exporters favor similar actions, with a larger share of exporters prioritizing direct financial assistance

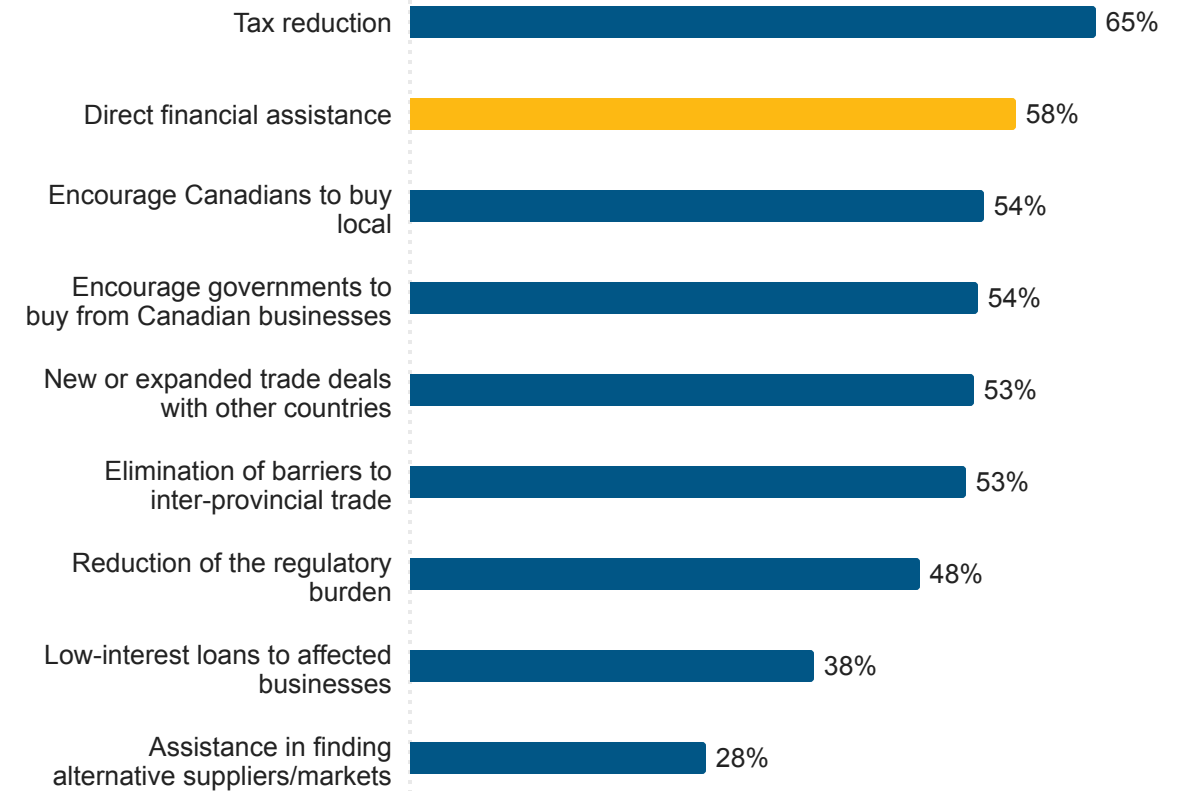
Importers

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