

The Business Monitor

THE GLOBAL AFFAIRS SERIES:
CANADA'S ECONOMIC DEPENDENCY ON THE US

March 2024





Key Findings

This version of The Business Monitor is part of our Global Affairs Series which examines Canadian business leaders' views on global affairs and Canada's international trade relationships.

In this report, the Business Monitor finds:

- › Widespread concern about Canadian dependency on the US economy.
- › While a large majority would like to see the Canadian international trade more diversified beyond the US, few are confident in the possibility.





Methodology



- › The findings presented in this report are from the most recent Business Monitor – a quarterly tracking and B2B omnibus survey. The Business Monitor is powered by the Modus Business Panel – Canada’s only purpose-built, probability-based business panel.
- › The questions used for these results were not commissioned by a client of Modus.
- › The survey was conducted online using both email and SMS invitations/reminders. It was completed via desktops, laptops, tablets and mobile devices.
- › As part of our commitment to quality, we significantly mitigate non-response bias by keeping our surveys in field for about two weeks (this is the optimal field time for online surveys). The survey was conducted from February 14 to March 3, 2024.
- › A total of 886 responses were gathered from Canadian managers and executives.
- › As the Modus Business Panel is 100% recruited using RDD probability-based sampling, a margin of error can be calculated – it is plus or minus 3.3% at a 95% confidence interval.
- › The data have been weighted by enterprise size and region using the latest Canadian enterprise population data from Statistics Canada.



Global Affairs Series

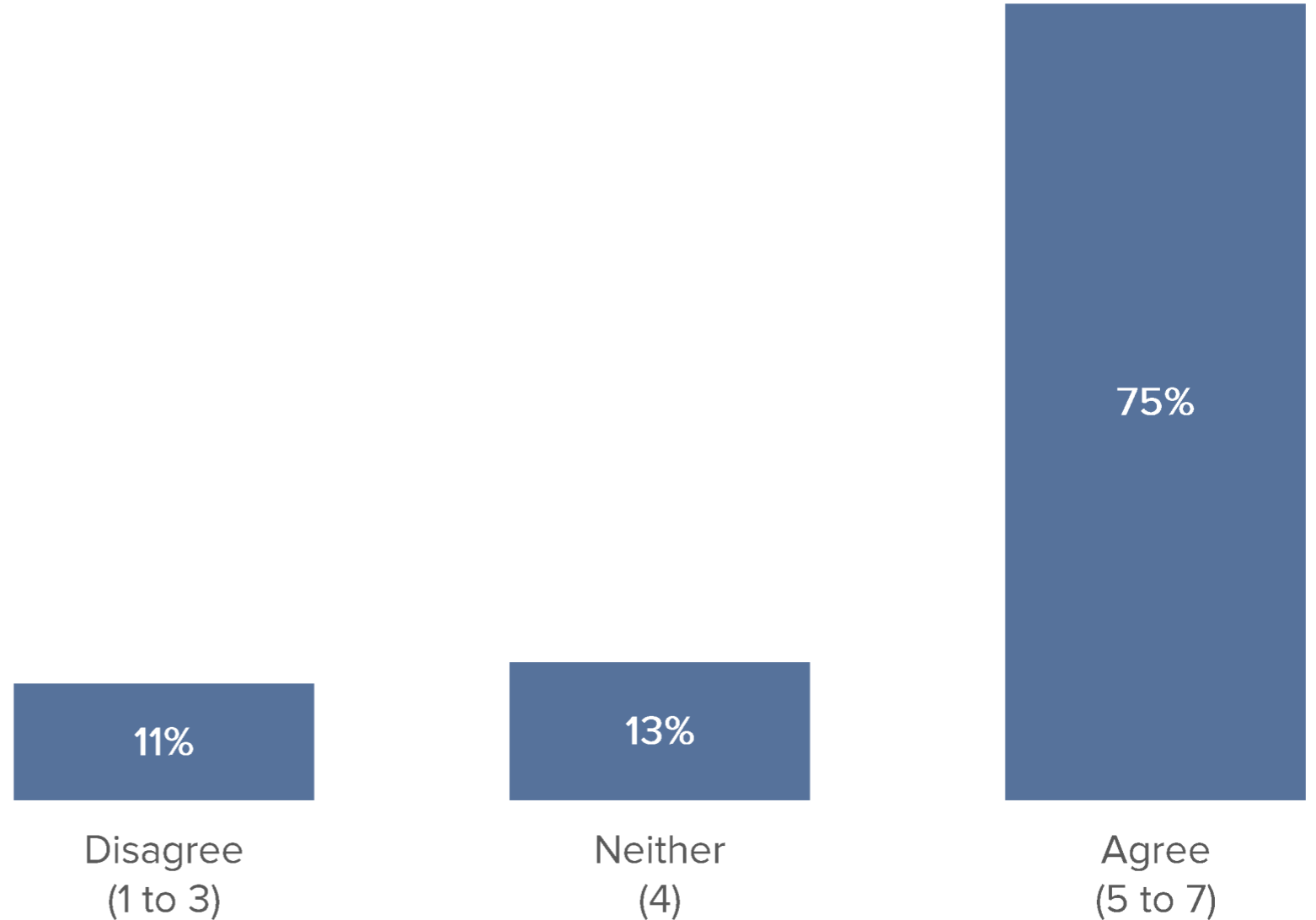
US Economic Dependency

Fully three-quarters of Canadian business leaders say Canada is too dependent on the US economy.

This result is consistent across all types and sizes of Canadian enterprises.



The Canadian economy is too dependent on the US economy.



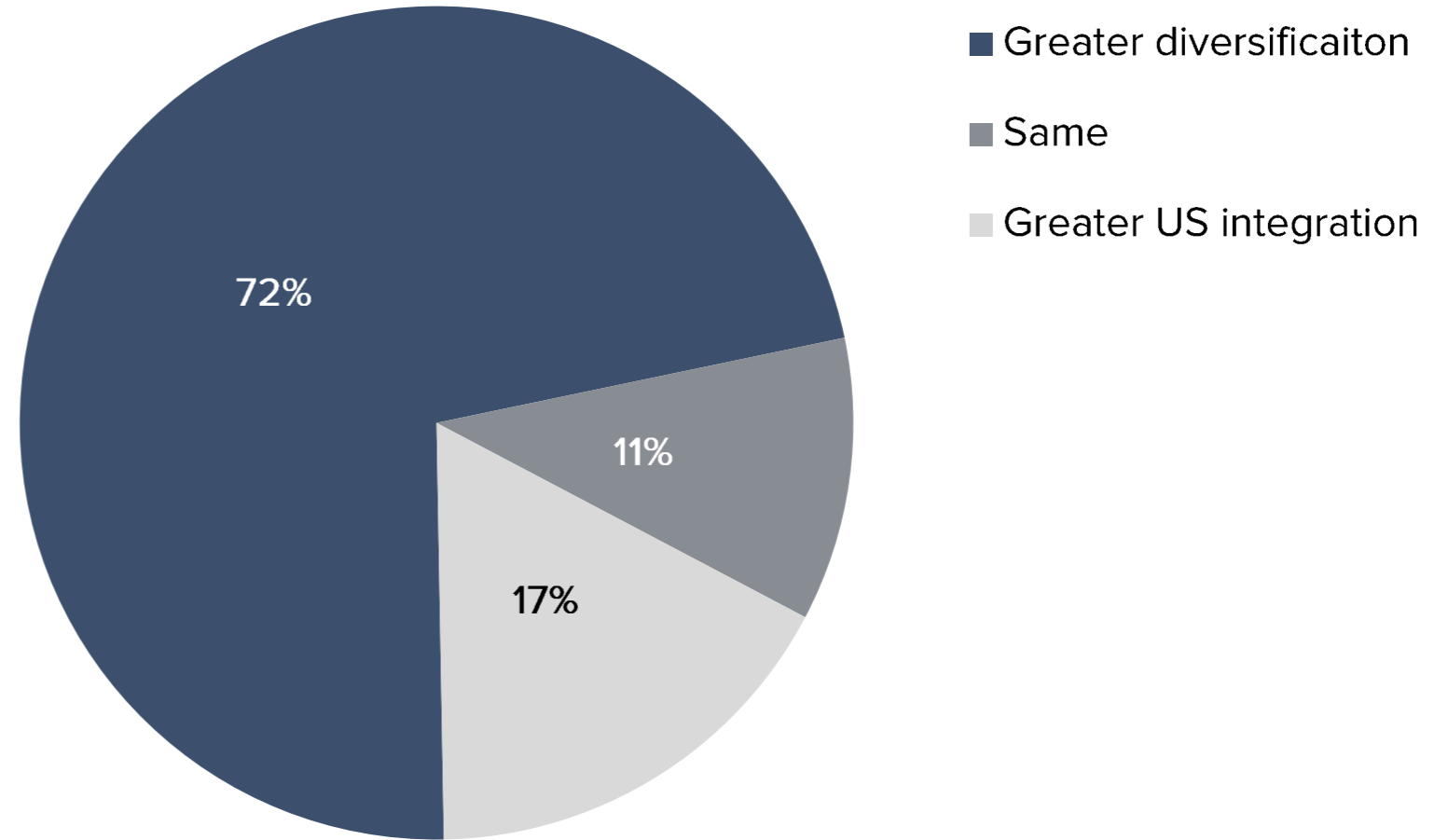


All things considered, what is in the best interest of Canada over the long-term - greater integration with the US economy or greater diversification of trade outside the US?

A large majority of Canadian business leaders want greater diversification outside the US economy.

Almost as many companies who think Canada is too dependent on the US economy, also think Canada needs to diversify its international trade outside the United States.

› While this finding is also remarkably consistent across different business types, those in manufacturing are the least supportive of diversification (46% vs. 35% greater diversification vs. integration, respectively).



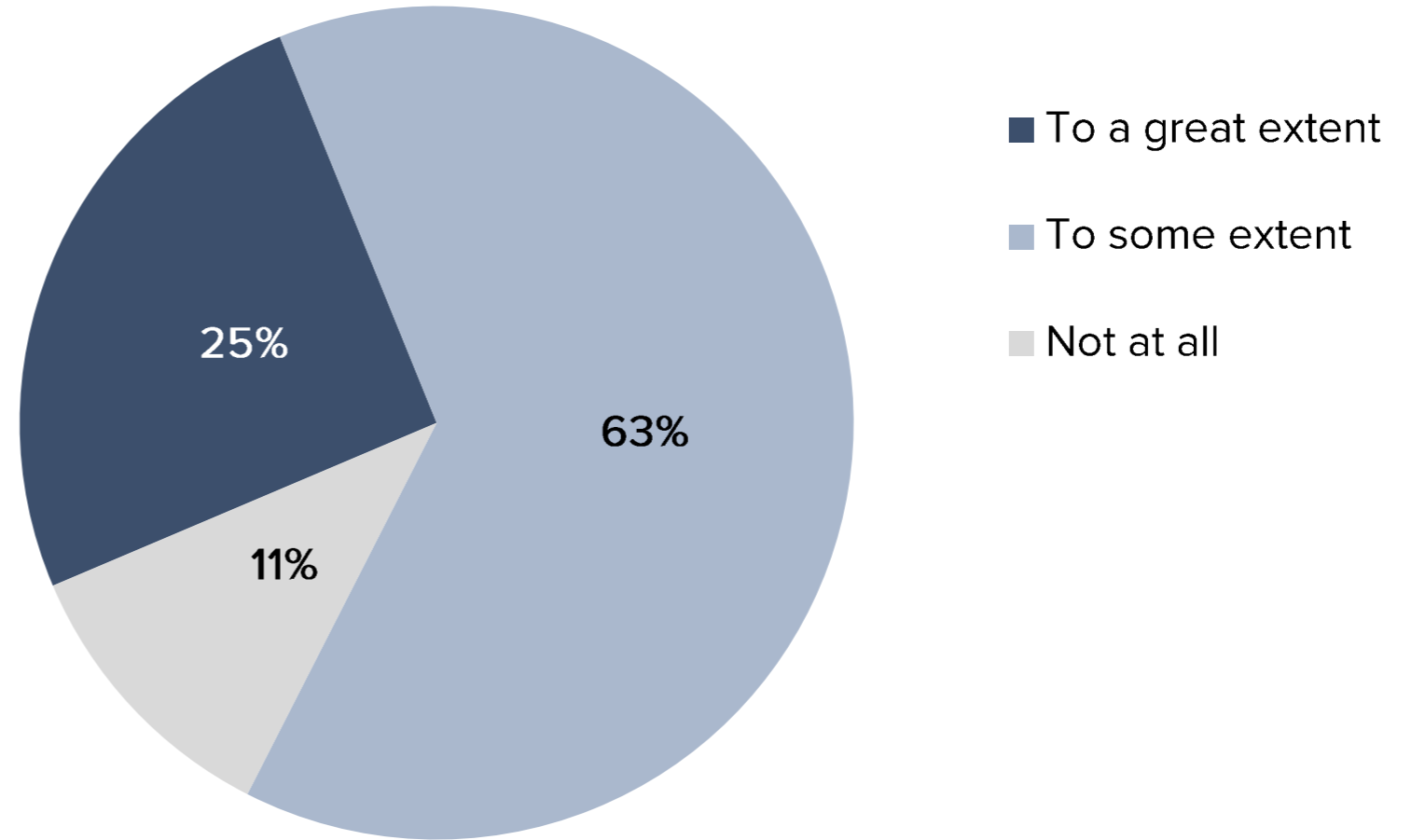


To what extent is it possible for Canada to diversify its economy outside of its traditional trading partners to increase trade with countries in Africa, South America, Asia, and Eastern Europe?

Few business leaders are confident in Canada's ability to diversify its trade beyond the United States.

Just one-quarter are confident that Canada can increase its international trade with Africa, South America, Asia and Easter Europe.

- > This is generally consistent across different types of enterprises. The lone exception is business in Quebec where a quarter say it is "not at all" possible.





Discussion



Since 2010, the [level of Canada's international trade with the United States](#) - whether imports or exports - is remarkably consistent.

It is widely held that the Canadian economy is too dependent on the US for good reason. Largely unavoidable for historic and geographic reasons, it is also viewed as something of an economic weakness.

A strong majority of business leaders say Canada needs to diversify its international trade beyond the US. And yet relatively few are confident in Canada's ability to do so. What might spur or enable greater global diversification is difficult to say. This will be explored in future editions on the Business Monitor's Global Series.

The Business Monitor



An Economical Way to Obtain High Quality Survey Results

The Business Monitor is the only Canadian business omnibus on the market today. The Monitor is ideally suited for discerning clients who need a cost-effective solution to their B2B research needs without compromising quality. The Business Monitor runs quarterly.

Modus omnibus surveys are powered by research panels that are engineered to be scientifically rigorous (i.e., 100% random probability-based telephone recruiting) and managed by leading experts in survey design and execution. As such, there is no need to compromise data quality when using an omnibus. This enables you to make confident decisions based on what Canadians actually think and do.

Benefits

- › Expertly designed proprietary business questions that are meticulously positioned to mitigate bias from other questions.
- › Confidence in the accuracy of your results. The Business Monitor relies on the Modus Business Panel – Canada’s only purpose-built, 100% probability-based B2B research panel. The panel is strictly used for business surveys – panelists are drawn from a consumer panel, much less an opt-in panel.
- › Ongoing tracking of economic confidence and other important business metrics.

Specifications

- › Nationally representative sample of 600+ Canadian enterprises.
- › Representative across a wide range of business demographics.
- › Each survey is administered in English and French with invitations delivered via email and SMS.
- › Response rates exceeding 25%.

Deliverables

- › Expertly designed business survey questions.
- › A pre-test demo of your questions.
- › Custom cross-tabs.
- › Custom report of proprietary results with key highlights and implications.

Modus

Advantage



Modus Panels vs. the Opt-ins

Modus panels rely exclusively on telephone-based random probability sampling that covers the entire population.

People cannot join a Modus panel unless we randomly select them and verify them with a live interview.

The benefits of using the Modus panel methodology are extensive. The key benefits are:

- › Our panels contain real people with no AI bots or professional respondents.
- › We have recruited from the entire population and can project the results soundly.
- › We can determine the sampling accuracy with statistical validity.

We do not use opt-in sampling, as it produces substantial, incalculable errors and biases.

As the *AAPOR Task Force on Non-probability Sampling* has pointed out:

- › “The use of opt-in panels [is] premised on a willingness to accept overwhelming coverage and selection error.”

Benefits	Modus Panels	Opt-in Panels
No AI bots	✓	✗
No ‘professional’ respondents	✓	✗
No survey fraudsters	✓	✗
No financial incentives	✓	✗
Measurable accuracy	✓	✗
High response rates	✓	✗
Adequate field time to avoid non-response bias	✓	✗
All panel members verified by live interviewers	✓	✗



- › All Modus staff are members of AAPOR in good standing
- › We adhere to AAPOR's stringent Code of Professional Ethics and Practices
- › AAPOR is one of the few survey research organizations in the world that maintains integrity and ongoing research around valid survey methodology, including explicit standards around reporting non-probability samples



Modus
RESEARCH

Real answers from real people