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The Business Monitor

Fall 2026

The Impact of Tariffs on Canadian Businesses

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Introduction

The findings presented are from the most recent Business Monitor. This edition of the Monitor features a closer examination of the impact of U.S. tariffs and views on the federal government's upcoming budget. The former is the focus of this report.

The Business Monitor

The Business Monitor is the voice of Canadian business. The Monitor runs quarterly and is powered by the Modus Business Panel – Canada's only purpose-built and probability-based B2B research panel. There is no need to compromise data quality when using an omnibus. Sample matters.

Benefits

- Measurable accuracy of a probability sample.
- Proprietary research findings at a fraction of the cost of a custom survey.
- Expert business survey design advice for your proprietary questions.
- Extensive business demographic and profile data.
- Ongoing tracking for a range of important metrics – economic and business confidence.

Specifications

- Nationally representative sample of 500+ enterprises operating in Canada.
- Survey is conducted online and via mobile devices in French and English.
- 100% of the sample is based on random probability sampling, all respondents vetted by live in-house interviewers. No bots or survey fraudsters.



For scheduling and pricing, please reach out to:

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Methodology

The Business Monitor is powered by the Modus Business Panel – Canada's only purpose-built, *fully* probability-based business research panel.

The survey was conducted online using both email and SMS invitations/reminders, and completed via desktops, laptops, tablets and mobile devices.

A total of 510 responses were gathered from Canadian managers and executives. As Modus Business Panel is 100% recruited using RDD probability-based telephone sampling, it is statistically valid to calculate the margin of error – it is plus or minus 4.3% at a 95% confidence interval.

The survey was conducted from October 29 to November 4, 2026. The data have been weighted by region and enterprise size using the latest population data from Statistics Canada.



Notes on Reporting

Numbers in charts and tables may not always add up to 100 per cent due to rounding or the exclusion of non-response.

Scale aggregates are presented in parentheses on charts and tables, and are based on either a 5- or 7-point scale.

Regional breakouts are shown in some charts with small subsamples for the Prairies (n=25) and Maritimes (n=29). Any subsamples with fewer than 50 cases are marked with an asterisk.

Key Findings

Key Findings

The Business Monitor asked about the impact of tariffs in the Summer Edition and found that the impact was more widespread than many banking analysts were suggesting. Canada has about 1.4 million businesses with employees. In the summer we found that about a quarter of a million of these businesses were experiencing a strongly negative impact on their financial health due to tariffs.

The Fall Edition explores this issue in more depth – what exactly are the impacts businesses are experiencing from tariffs? The key findings from this show:

- Over 50% more companies have had to cut operating costs and lay off staff than expected to do so in early 2025.
- Almost half of businesses are engaging in cost-cutting measures and/or raising prices in response to the tariffs.
- A quarter of businesses have either reduced operating costs and/or increased their pricing.
- Over 1 in 10 have laid off staff and/or cut back on hiring plans.
- 1 in 5 have cut back on capital expenditures.
- The only industry with a low reading on these impacts is financial services.

At the start of Trump's second presidency, we asked business leaders about their expected response to tariffs and the looming trade war. Although a plurality of businesses say the economy has responded better than expected to the tariffs, layoffs and cost cutting have been more widespread than expected in early 2025.



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Expectations vs. the Reality of Tariffs

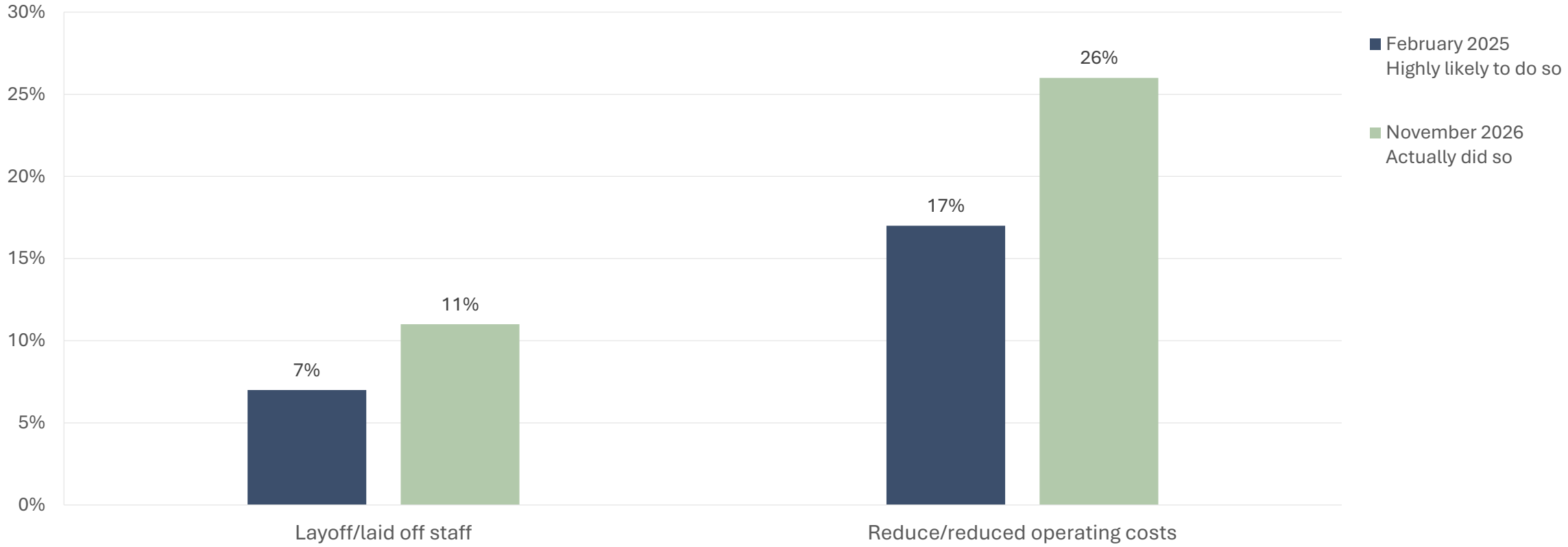
U.S. tariffs have had a worse impact on Canadian businesses than they expected

Significantly more companies cut costs and laid off staff than expected to do so in early 2025.

- Over 50% more companies have had to cut operating costs and layoff staff compared with the number than expected to do so in early 2025.

Q **November 2026:** Over the past year, has your company had to do any of the following in response to Trump's tariffs? (n=476)

Q **February 2025:** Given the nascent trade war and the potential for it to last for some time, how likely is it that your company will do each of the following in response to this trade war over the next year? (n= 819)

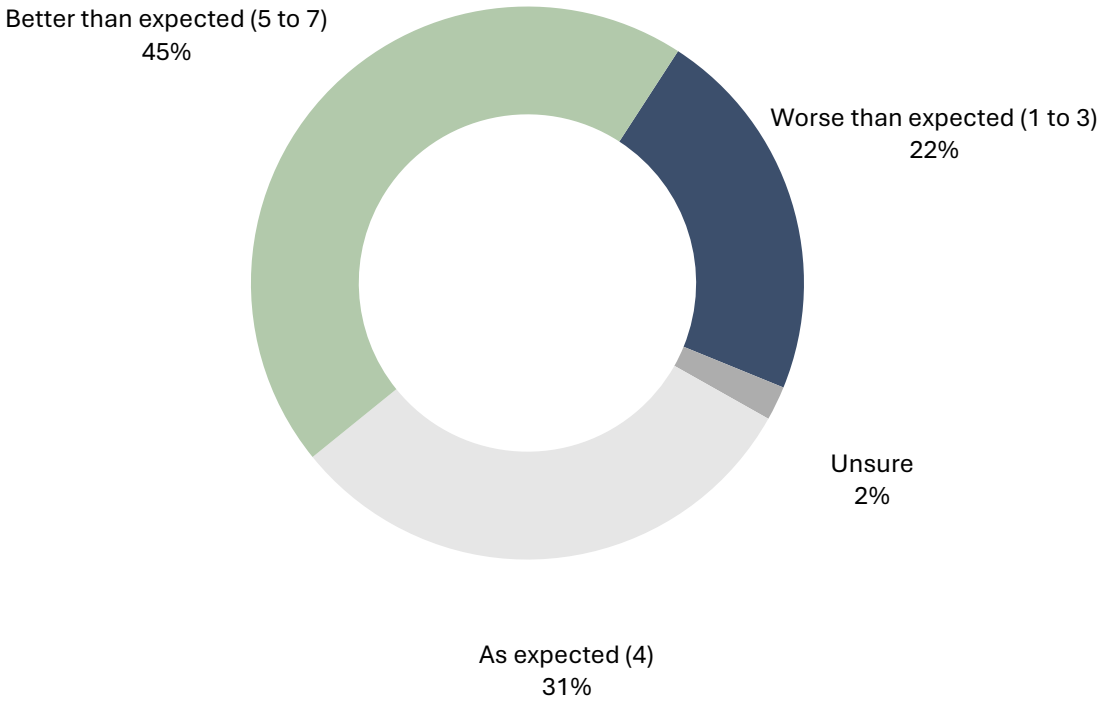


Fewer than a quarter of business leaders say the economy has responded worse than expected to U.S. tariffs

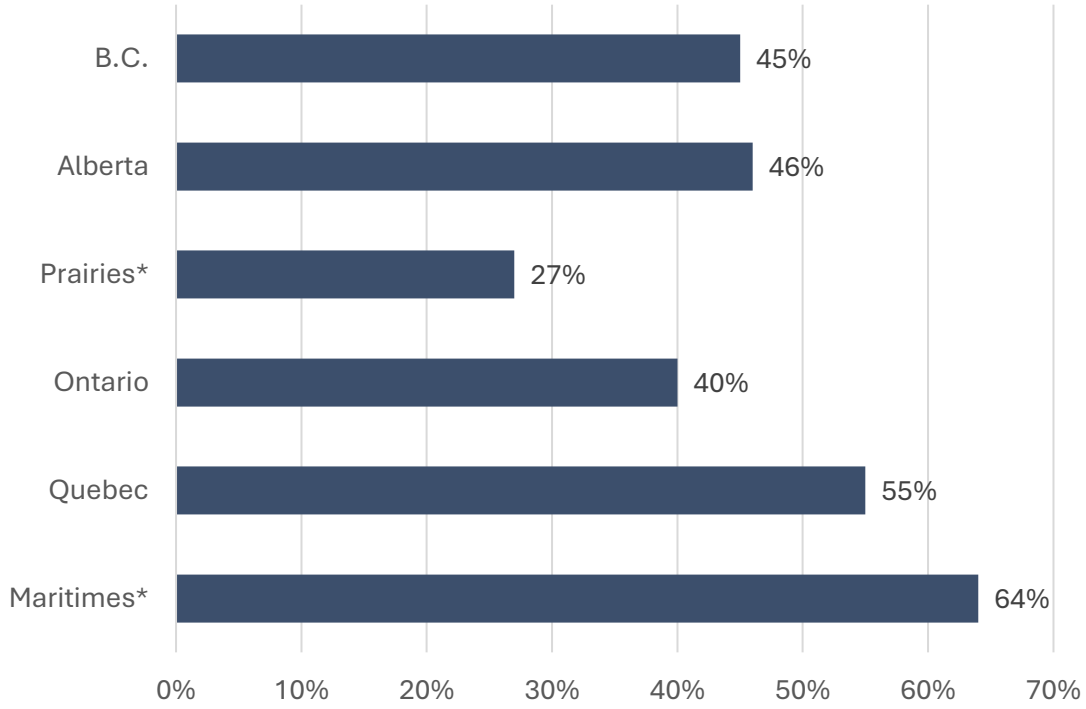
Twice as many say the economy has responded better than expected.

- Positive ratings vary by region and are strongest east of Ontario. Notably, the are no regional differences on the negative responses (all hover around the 1 in 5 mark).

Q To start, has the Canadian economy responded better or worse than you expected to the tariffs imposed by Trump?
Base: all enterprises, n=510



‘Better’ by region



*caution: small subsample

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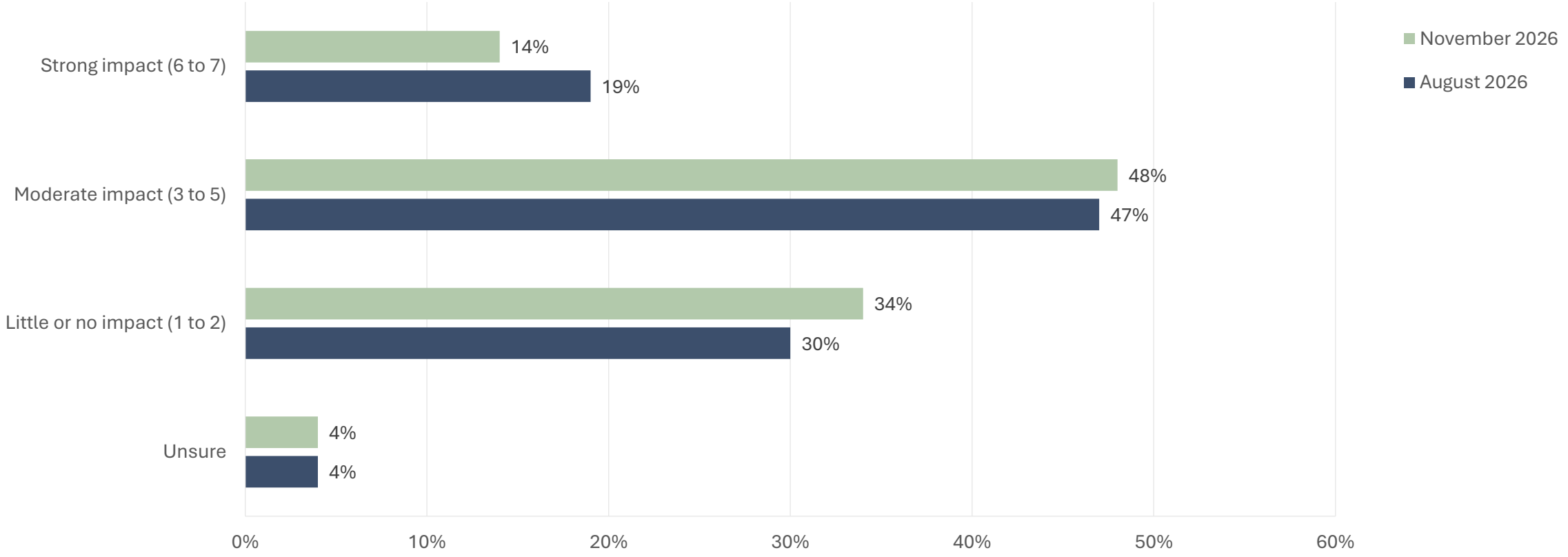
The Impact of Tariffs on Canadian Businesses

Almost two-thirds of businesses say they have felt a negative impact on their company's financial health

The number saying tariffs are having a strongly negative impact is down 5 points since August.

- This improvement may be the effect of the summer reading occurring at the height of CUSMA negotiations.

Q To what extent, if at all, do Trump's tariffs negatively impact the financial health of your company?
Base: August n=520, November n=476



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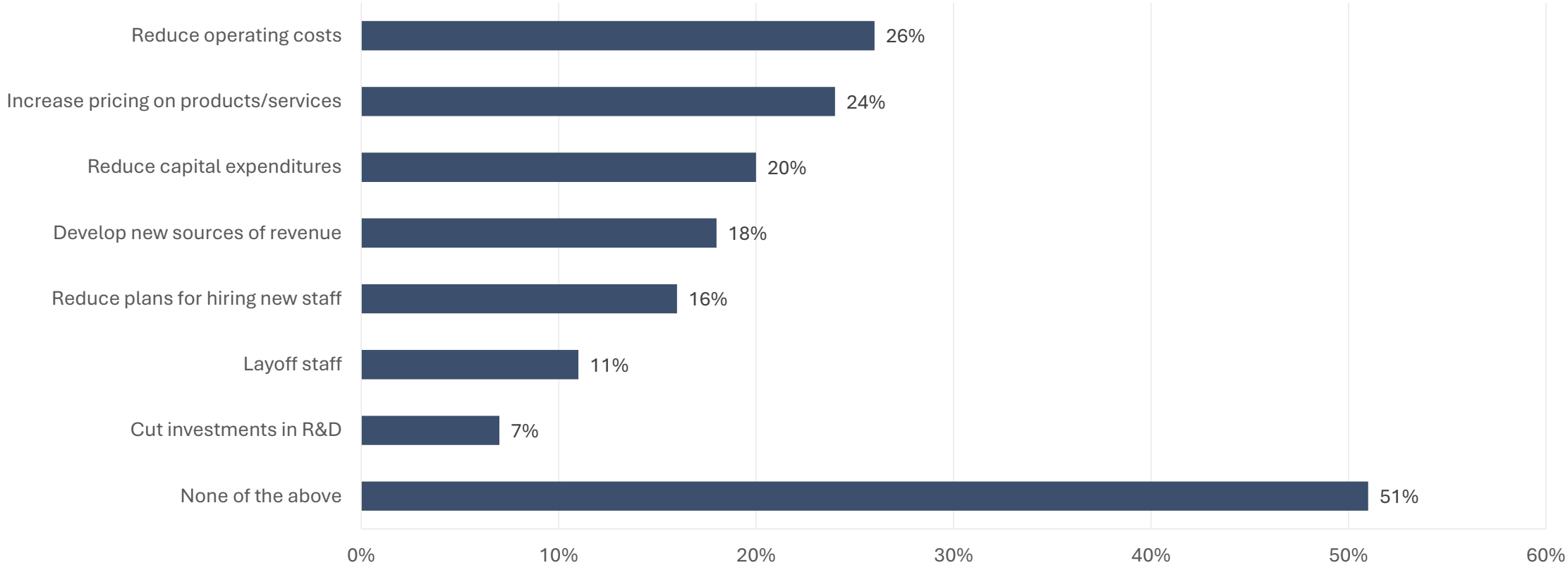
Approximately half of businesses have had to make significant changes in dealing with tariffs

Large numbers of businesses have engaged in various forms of cost cutting. Roughly a quarter of businesses have increased pricing as well, pointing to the inflationary effect of tariffs.

- The greatest impact has been in manufacturing where almost three quarters have been forced to make adjustments. Financial services shows the lowest impact.

Q To what extent, if at all, do Trump's tariffs negatively impact the financial health of your company?
Base: businesses; n=476



The Modus Advantage

Modus Panels versus the Opt-ins

All the major providers of panel research in Canada rely on opt-in/non-probability recruiting. It is important to know the difference.

- Modus panels rely exclusively on telephone-based random probability recruiting that covers the entire Canadian population (aside from those without a telephone).
- There is no need to qualify your results with awkward disclaimers like: "For comparison purposes, a probability sample would have a margin of error …"
- On the basis of probability sampling, we can legitimately cite the margin of error and project the results confidently.
- People cannot join a Modus panel unless we randomly select them and verify them with a live in-house interview. Our panels contain real respondents with none of the AI bots, professional respondents or survey fraudsters that plague opt-in panels.

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."*
- *"AAPOR has long maintained reporting margin of sampling error with opt-in or self-identified samples is misleading."*

Features	Modus Panels	Opt-in Panels
Random, probability-based recruiting	Yes	No
Coverage of the entire known population	Yes	No
Measurable accuracy (margin of error)	Yes	No
High response rates	Yes	No
Projectable results	Yes	No
Financial incentives	No	Yes
Exotic sampling, weighting and data cleaning	No	Yes
Survey pros and fraudsters	No	Yes
A.I. bots	No	Yes

Standards and Ethics

AAPOR AMERICAN ASSOCIATION FOR PUBLIC OPINION RESEARCH

- Modus staff are members of AAPOR
- We adhere to AAPOR's stringent Code of Professional Ethics and Practices
- Globally, AAPOR is one of the only survey research organizations that maintains strict standards on probability sampling, including explicit restrictions for reporting non-probability samples.

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