



Canadian SMEs and the Proposed U.S. 50% Tariffs

Expected Impacts on Competitiveness,
Revenues and Trade

Key Survey Results
August 2026

About this survey

Purpose and context:

The Survey on Proposed New U.S. Tariffs on Canadian Products was launched to assess the potential impact of proposed 50% U.S. tariffs on Canadian small businesses. The findings, gathered directly from CFIB members, provide authentic, data-driven insights that help inform public policy and strengthen CFIB's advocacy on behalf of the small business community.

Special tariffs survey 2026



Survey type:

Controlled-access online CFIB survey.



Survey period:

July 28 - August 6, 2026.



Sample:

Based on responses from 1,833 CFIB members who are business owners and key decision-makers 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 +/- 2.3%, 19 times out of 20.



Notes:

In some instances, responses may not add up to 100% due to rounding or 'select all that apply' options.

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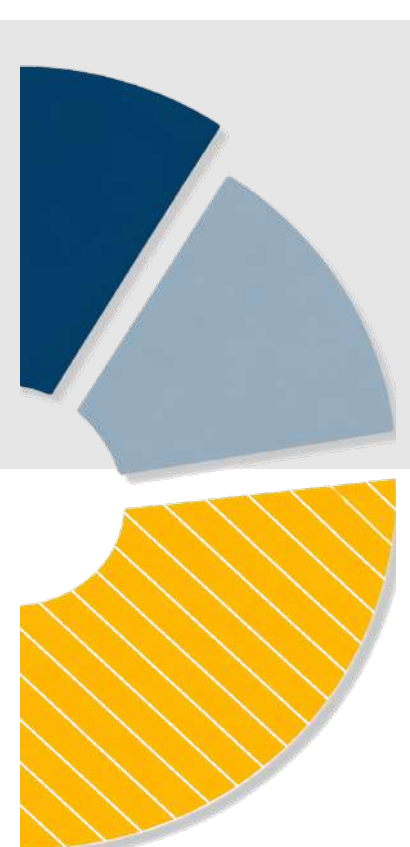
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Summary

The proposed U.S. tariffs are widely known and a major concern for exporters

- 93% of businesses exporting to the U.S. indicate they are aware of the proposed tariff
- 90% of businesses exporting to the U.S. are concerned about the potential impact of the proposed tariff

Revenue risks are significant for businesses exposed to the proposed tariffs

- 40% of surveyed exporters report affected products
- 77% of exporters with affected products expect revenue losses if the tariffs are implemented, and 35% foresee revenues falling by at least half

Competitiveness concerns are raising questions about reliance on the U.S. market

- 78% of exporters believe a 50% U.S. tariff would make their products uncompetitive in the U.S. market
- 75% of exporters say it would prompt efforts to reduce dependence on the U.S. market
- 78% of exporters remain in wait-and-see mode as trade policy uncertainty persists



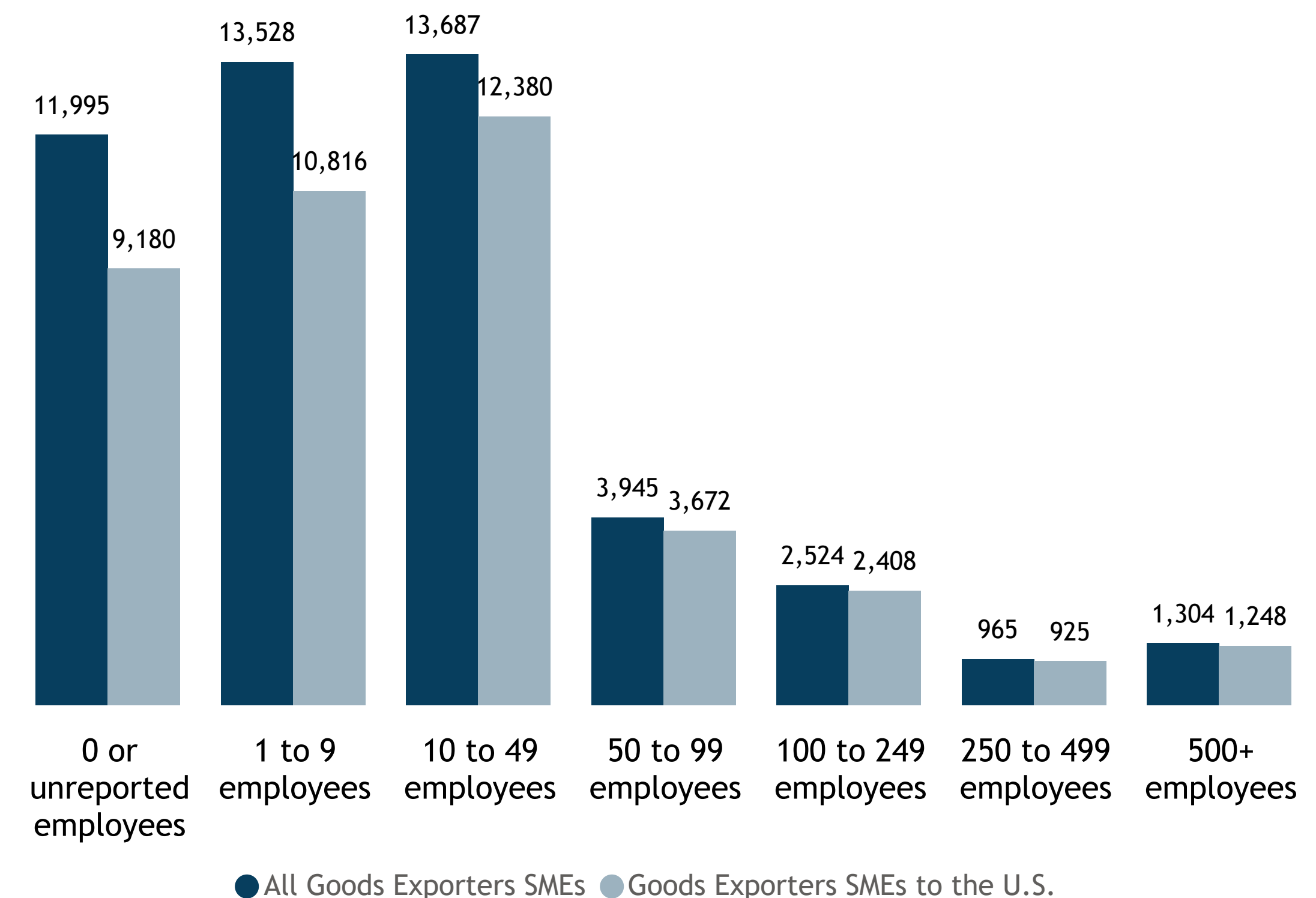
Explore more insights by region, sector and business size 

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Canadian goods exporting SMEs: Importance of the U.S. market

- Canadian exporters are predominantly small businesses, with more than 46,000 SMEs (less than 500 employees) engaged in international goods trade.
- The U.S. remains Canada's largest export destination, with nearly 85% of exporting SMEs serving that market, highlighting the significant exposure of Canadian businesses to the proposed tariffs.
- Recent trade developments appear to be influencing SME export patterns.
 - Between 2024 and 2025, the number of SMEs exporting goods to the United States declined by 1.4%.
 - At the same time, the number of SMEs exporting to non-U.S. markets increased by 6.6%, suggesting a gradual diversification of export destinations beyond the U.S. market.

Number of Canadian businesses exporting Goods, 2025



Source: Statistics Canada. [Table 12-10-0095-01 Trade in goods by exporter characteristics, by enterprise employment size and country of destination](#)

Business Awareness and Concerns About the Proposed 50% U.S. Tariffs



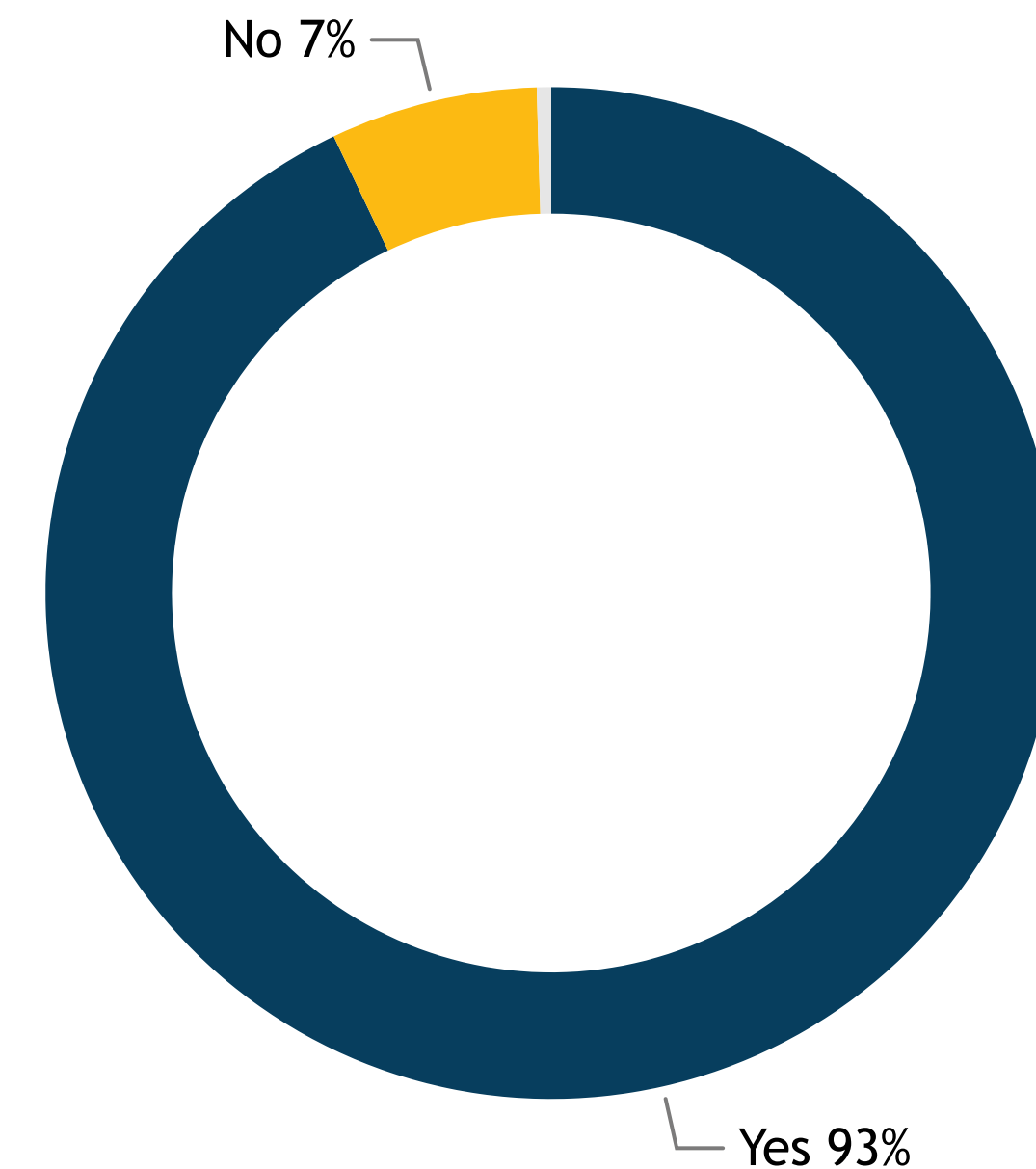
Tariff awareness is already high among exporters to the U.S.



93% of businesses exporting to the U.S. indicate they are aware of the proposed tariff, suggesting it is firmly on their radar.

This view is consistent across provinces, sectors and business sizes.

Awareness of proposed U.S. tariffs among Canadian exporters to the U.S.



Question: Before taking this survey, had you heard about the proposed 50% U.S. tariff on certain Canadian products scheduled to take effect on August 19, 2026? (Select one)

438 Responses

Source: CFIB, New U.S. Tariffs Proposed on Canadian Products - July 2026, July 28 - August 6, 2026, final results.

High level of concern among business exporting to the U.S.

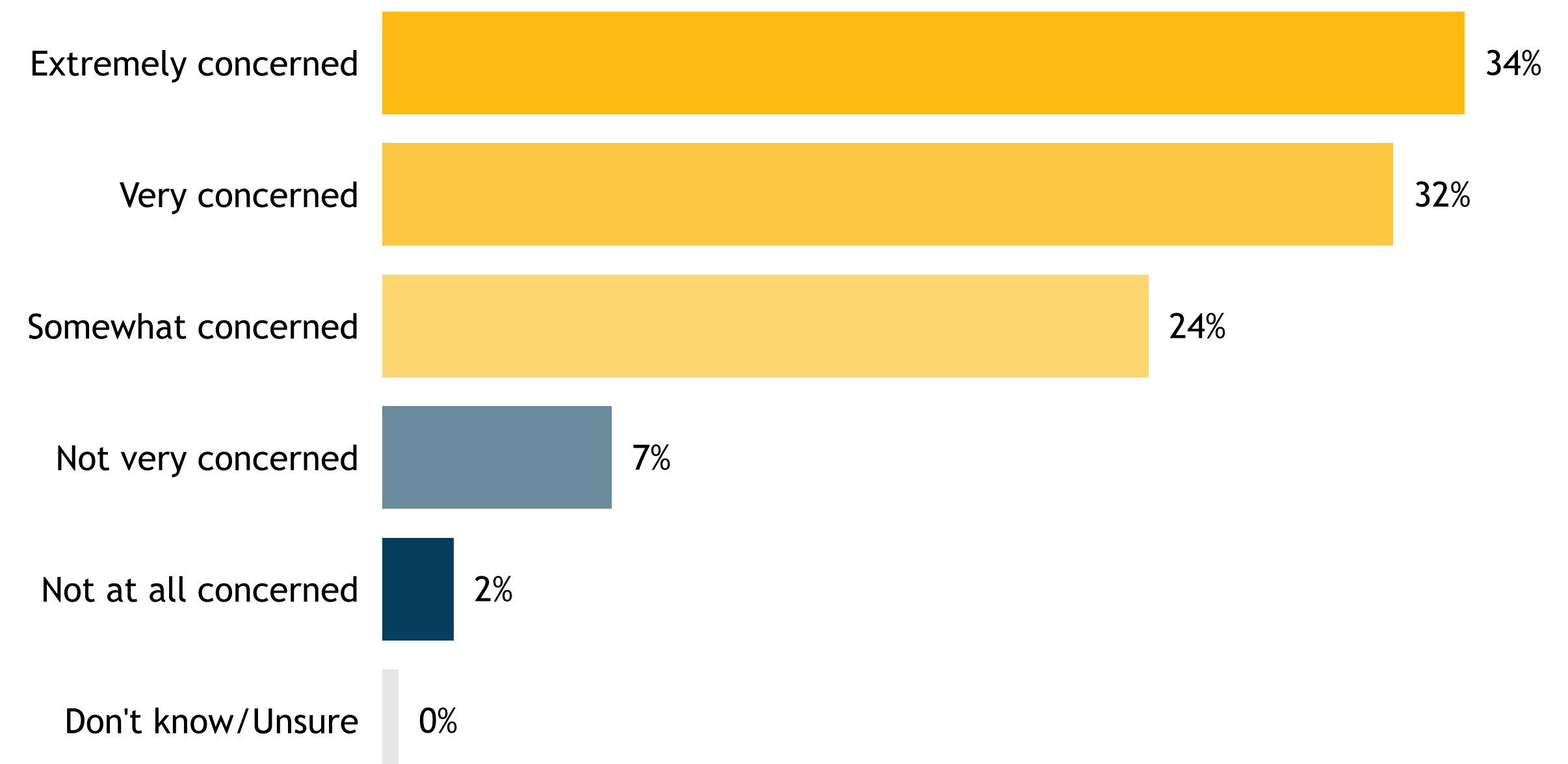


Overall, more than **9 in 10 exporters** report at least some level of concern about the proposed 50% U.S. tariffs.

- **66%** are either **extremely concerned (34%)** or **very concerned (32%)**.
- **24%** are **somewhat concerned**.
- Only **9%** report being **not very concerned (7%)** or **not concerned at all (2%)**.

Concern is consistent across provinces, business sizes, and sectors. However, businesses in the **manufacturing** and **wholesale** sectors report higher-than-average levels of concern, as do firms with **20 to 49 employees**.

Concerns about the proposed U.S. tariffs among canadian exporters to the U.S.



Question: How concerned are you about the potential impact of the proposed 50% U.S. tariffs on your business? (Select one)

402 Responses

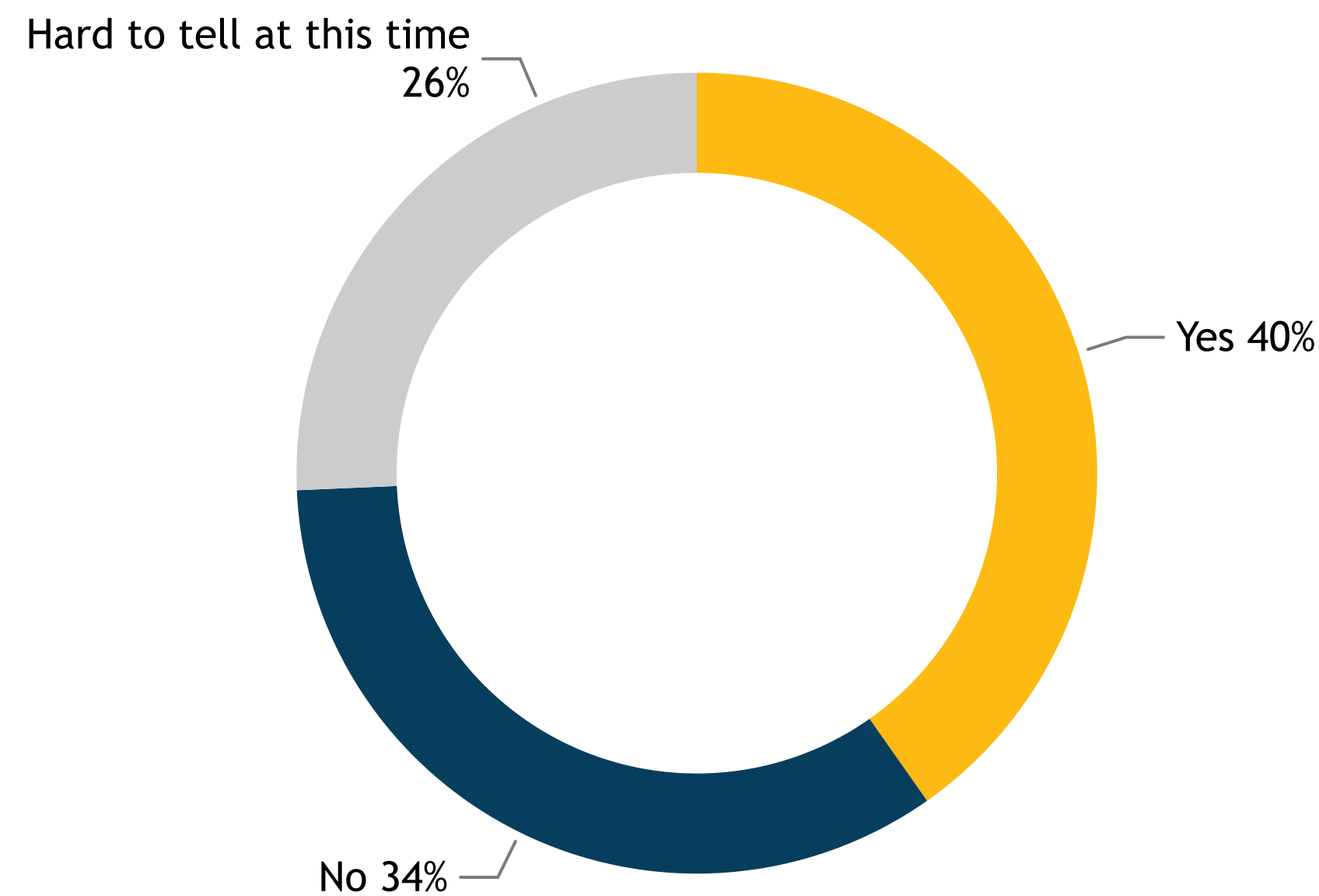
Source: CFIB, New U.S. Tariffs Proposed on Canadian Products - July 2026, July 28 - August 6, 2026, final results.

Exposure and Revenue Risks from Proposed U.S. Tariffs



The impacts are both widespread and severe: Four in ten surveyed exporters to the U.S. have affected products, and more than one-third expect revenues to fall by at least 50%

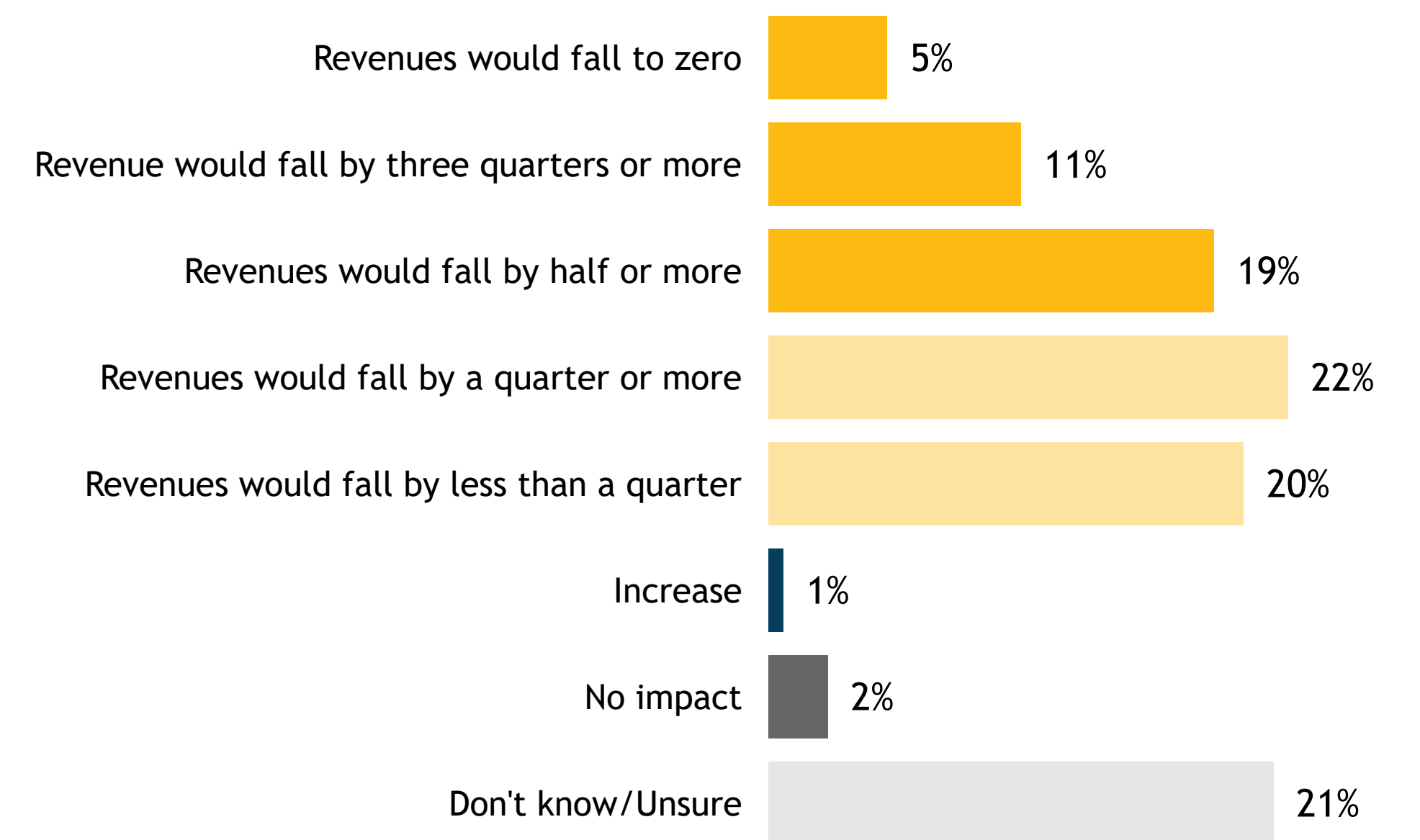
Exporters to the U.S. affected by the proposed tariffs



405 Responses

Businesses with affected products

Expected revenue impact of tariffs on affected exporters



161 Responses

Question: Are any products your business exports to the U.S. included on the proposed U.S. tariff lists? (Select one)

Question: If the proposed 50% U.S. tariffs, currently scheduled to take effect on August 19, 2026, are implemented, what impact do you expect on your business's revenues over the next 12 months? (Select one)

Source: CFIB, New U.S. Tariffs Proposed on Canadian Products - July 2026, July 28 - August 6, 2026, final results.

Industrial and building products are most commonly identified as affected by proposed tariffs



The table summarizes products identified by respondents as potentially affected by the proposed tariffs.

Examples of specific products cited are included in the Appendix.

Products affected by the proposed U.S. tariffs

Category	% of mentions ▼
Industrial machinery, equipment & manufacturing components	28%
Wood, forestry & building products	18%
Plastics, polymers & packaging products	12%
Agriculture, food & beverage products	11%
Arts, jewellery & creative products	10%
Furniture & furnishings	8%
Apparel, textiles & leather products	5%
Sporting goods & recreation products	4%
Cosmetics, candles & personal care products	3%
Other products	1%
Total	100%

Notes 1: These percentages are based on manual AI coding of the open-ended responses and represent share of product mentions, not share of respondents, since many businesses listed multiple products. n= 111.

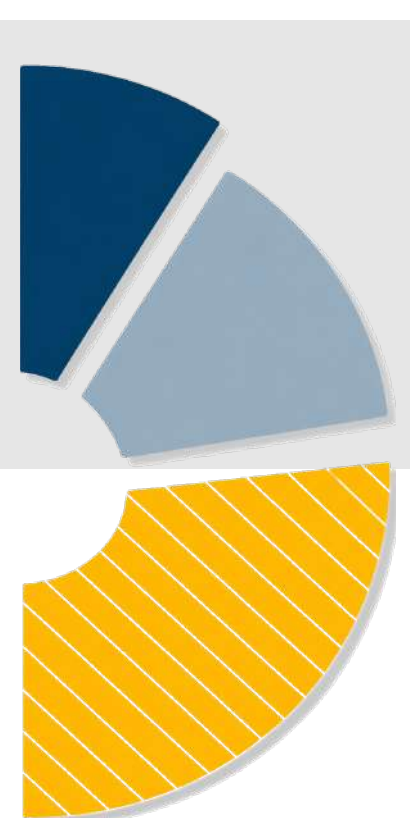
Note 2: Please check Appendix for some detailed examples.

Question: Please tell us which of your products are affected by the proposed tariffs?

Source: CFIB, New U.S. Tariffs Proposed on Canadian Products - July 2026, July 28 - August 6, 2026, final results.

Business Owners' Perspectives on Proposed U.S. Tariffs





Exporters to the U.S. worry about competitiveness and are considering reducing reliance on the U.S. market, but most remain in wait-and-see mode

Canadian exporters to the U.S.: Views on proposed U.S. tariffs

● Strongly agree ● Somewhat agree ● Don't know/Not applicable ● Somewhat disagree ● Strongly disagree

A 50% U.S. tariff would make our products uncompetitive in the U.S. market



This new tariff would cause us to take further action to reduce dependence on the U.S. market



Given the number of tariff threats made in recent months, we are taking a wait-and-see approach before making decisions in response to the proposed U.S. tariffs



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

395 Responses

Source: CFIB, New U.S. Tariffs Proposed on Canadian Products - July 2026, July 28 - August 6, 2026, final results.

Business Owners' Voices

Tariff Burden Limits Hiring and Expansion

We paid \$150,000 in tariffs last year, significantly reducing our profits. Canadian suppliers cannot meet demand, leaving us dependent on U.S. products while unable to absorb a 25% tariff increase. As a result, small businesses like ours must cut back on hiring and investment just to survive.

Wholesale, QC, 5-19 employees

Business Challenges from Tariff-Related Uncertainty

The uncertainty is hard to deal with - our customers fail to see why prices are fluctuating so quickly.

Entreprise & Admin mgmt, ON, 0-4 employees

Uncertainty Drives Shift Away from U.S. Business

Too much uncertainty with the current US administration. We are moving away from anything USA where possible and limiting USA travel. So sad that it has come to this.

Wholesale, ON, 5-19 employees

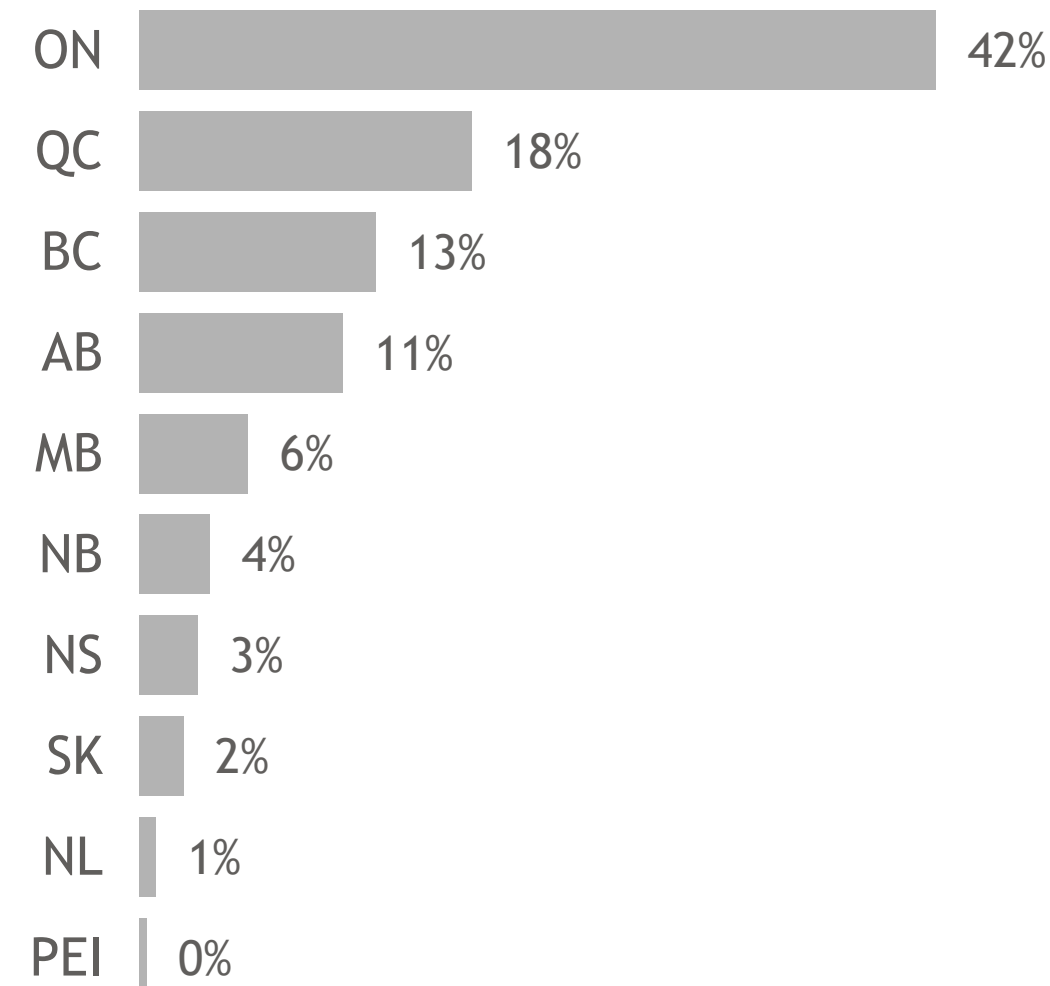
Business Challenges from Tariff-Related Uncertainty

We rent equipment for events of all kinds, with corporate events accounting for a large portion of our annual revenue. We are seeing a significant negative impact on our bottom line as companies cancel events entirely and shift sponsorship donations away from local festivals and community events in our market. The tariffs are hurting our family business.

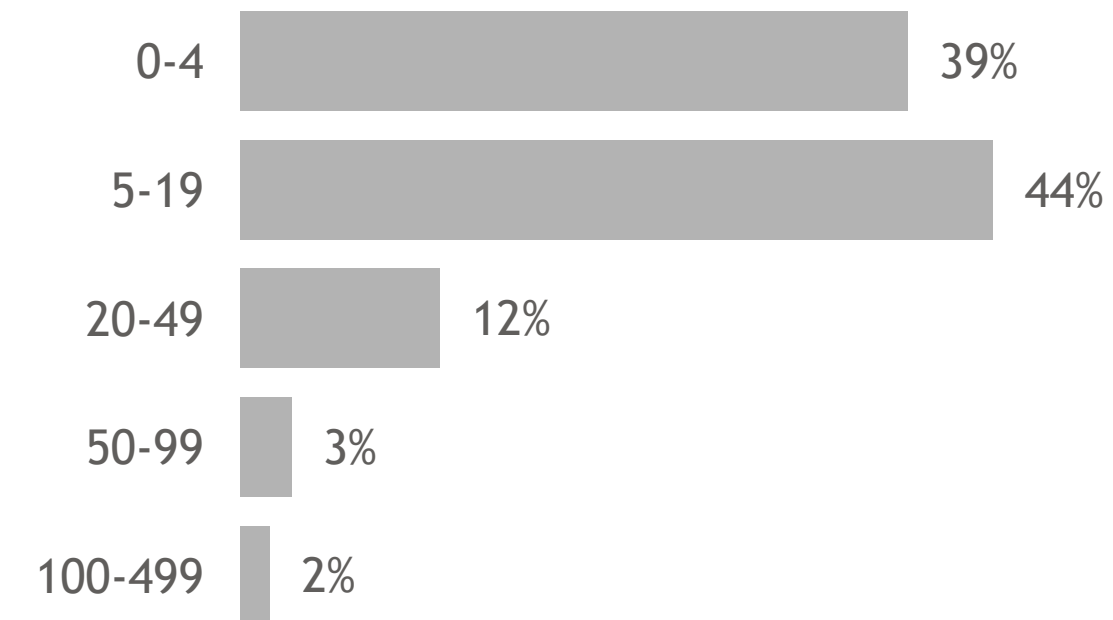
Accommodation and food services, ON, 5-19 employees

Sample distribution

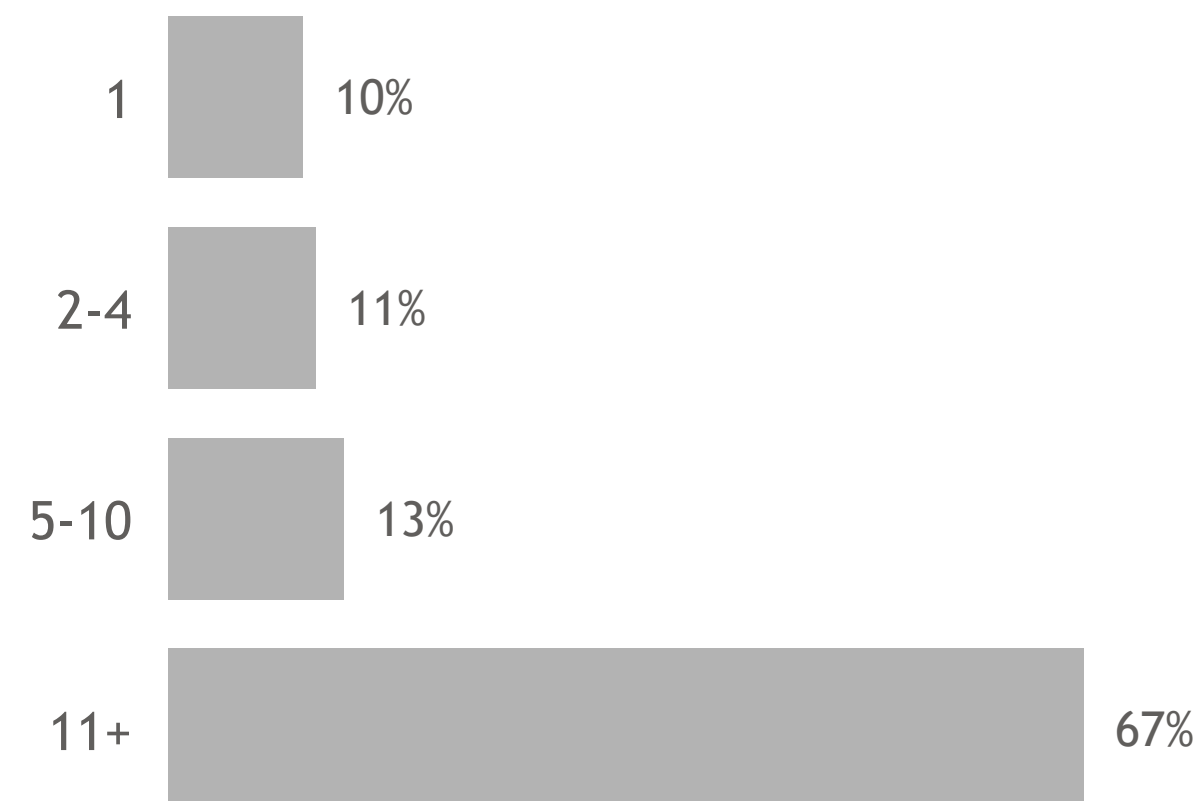
By location of the business



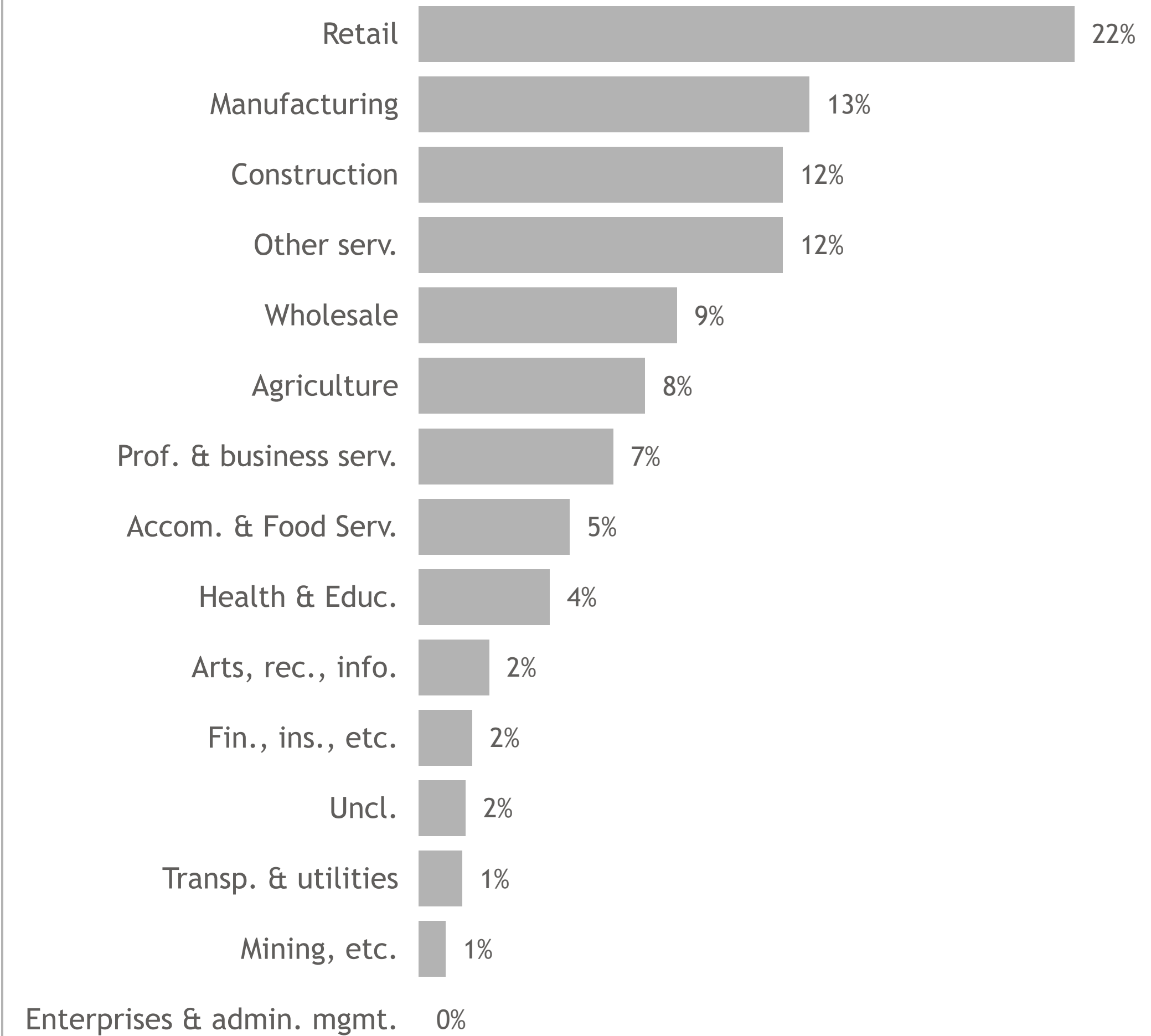
By number of employees

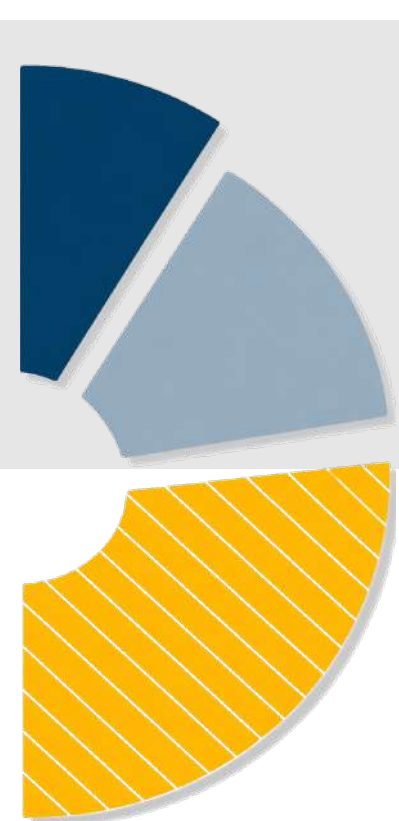


By years in business



By industry





APPENDIX: Affected Products Mentioned by SMEs

Products affected by the proposed U.S. tariffs

Category with Examples (% of mention) ▲
Industrial machinery, equipment & manufacturing components (28%) (Brewery equipment, Concrete industry machinery, Pumps and filtration systems, Packaging and labelling equipment, Tray sealing machines, Control panels, Valves and instrumentation, UV disinfection systems, Industrial tools and welding supplies, Antennas and electronic components, Automotive parts)
Wood, forestry & building products (18%) (Plywood, MDF and fibreboard, Wood panels, Wooden furniture, Kitchen cabinets, Wooden coasters, Wood products generally, Flooring materials, Vinyl building products, Railings, posts and pickets)
Plastics, polymers & packaging products (12%) (Plastic bottles and jars, Polyethylene bags, Plastic identification tags, Plastic packaging, Geogrids, Vinyl curtains, Polymer and rubber products , Plastic raw materials)
Agriculture, food & beverage products (11%) (Dairy products, Pork and meat products, Agricultural products, Cut flowers, Snapdragons, Gerbera daisies, Seaweed extracts, Liquor and beer)
Arts, jewellery & creative products (10%) (Original artwork, Paintings, Sculptures, Jewellery (gold, silver and fashion jewellery), Art prints and photography, Custom framing, Decorative products, Pewter and metal crafts)

Category with Examples (% of mention) ▲
Furniture & furnishings (8%) (Wood furniture, Office furniture, School furniture, Nursing home, furniture, Upholstered furniture, Decorative furnishings)
Apparel, textiles & leather products (5%) (Gymnastics apparel, Clothing and apparel, Belts and leather goods, Textiles used in furniture, Fabrics and specialty textile products, Saddles and equestrian products)
Sporting goods & recreation products (4%) (Hockey equipment, Goalie equipment, Hockey training aids, Wetsuits, Scuba gear, Watersports equipment, Mini-golf and laser tag equipment)
Cosmetics, candles & personal care products (3%) (Candles, Essential oils, Fragrance oils, Skincare products, Makeup, Soaps, Lotions, Bath products)

Question: Please tell us which of your products are affected by the proposed tariffs?

Source: CFIB, New U.S. Tariffs Proposed on Canadian Products - July 2026, July 28 - August 6, 2026, final results.

Notes: These percentages are based on manual AI coding of the open-ended responses and represent share of product mentions, not share of respondents, since many businesses listed multiple products. n= 111.

CFIB Research Publications and Business Stats



Monthly Business Barometer®

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



Enterprise Pulse

Overview of self-employed, businesses with employees, entries/exits, and insolvencies.



Impact of the U.S.-Canada trade war on businesses

CFIB is examining the impact of the U.S.-Canada trade war on small businesses through insights gathered directly from its members via surveys.



About Our Research

CFIB's research delivers timely, relevant and actionable insights to help small businesses navigate challenge and seize opportunities.

For additional information or to contact us



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