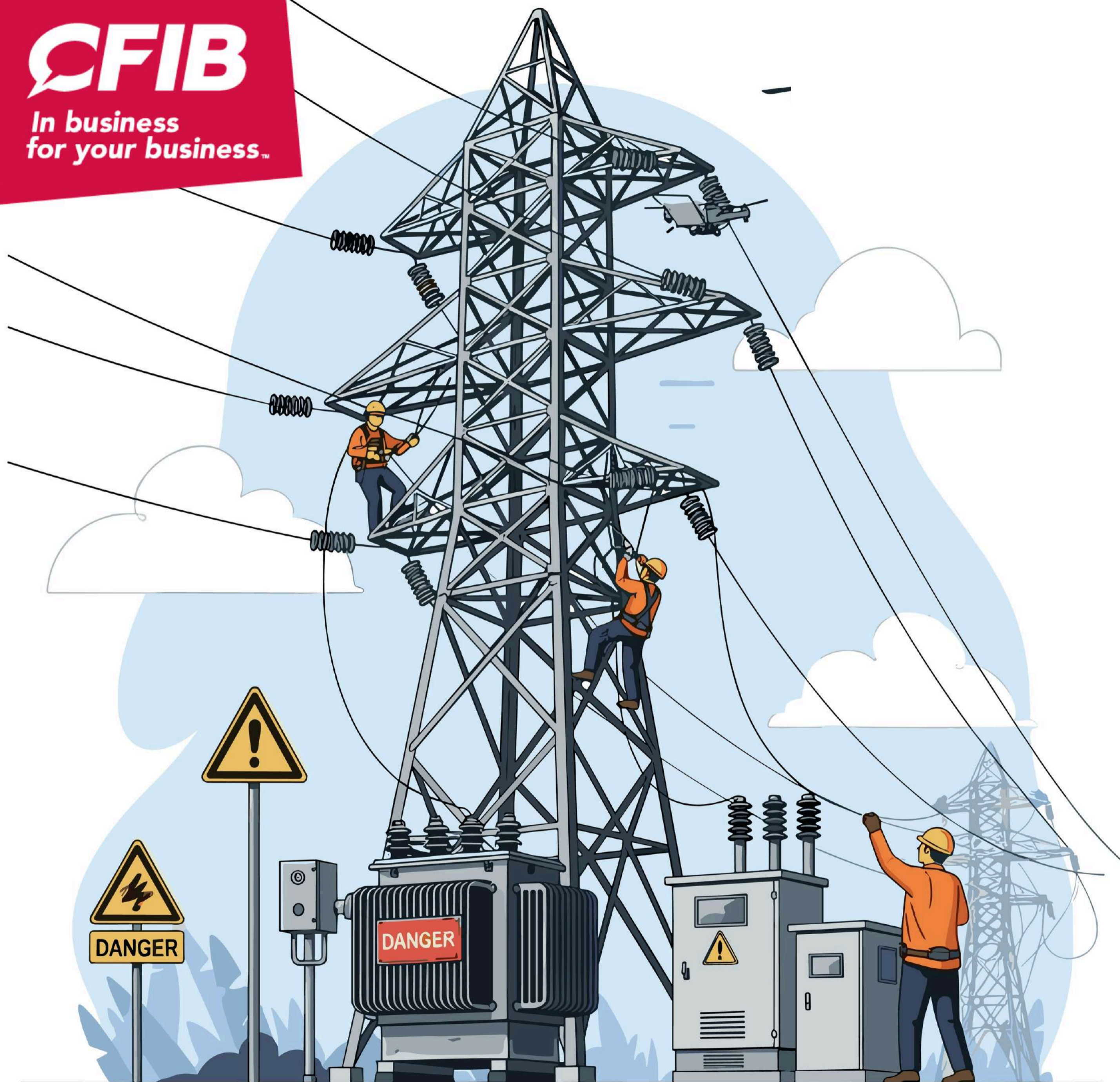


CFIB

In business
for your business™

Rising energy pressures for Canadian SMEs: Costs, needs, use.

Survey Results
June 2026



About this survey



Purpose and Context:

The CFIB *2026 Energy Survey* is a special survey designed to capture how the use and related costs of energy are affecting small and medium-sized businesses across Canada. This survey focuses specifically on the energy issues that matter most to business owners—cost pressures, reliability, and the resulting impacts on operations, investment, and pricing decisions.



Impact:

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.

2026 Energy Survey



Survey Type:

Controlled-access online CFIB survey.



Survey Period:

March 5 - May 28, 2026.



Sample:

Based on responses from 2,349 CFIB members who are owners of Canadian independent businesses, from all sectors and regions of the country. For comparison purposes, a probability samples with the same number of respondents would have a margin of error of +/- 2.0%, 19 times out of 20.



Notes:

In some instances, responses may not add up to 100% due to rounding.

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Introduction

Canadian small and medium-sized enterprises (SMEs) are facing an increasingly challenging cost environment, with energy emerging as a central pressure. Energy is an unavoidable input for most SMEs, embedded in daily operations through electricity, natural gas, and transportation fuels, leaving businesses with limited short-term ability to adjust usage when costs rise. Higher energy prices affect SMEs both directly through utility and fuel bills and indirectly through supply chains. Unlike larger firms, many SMEs lack the scale to hedge prices, secure long-term contracts, or fully pass costs on to customers, making them particularly exposed to sustained increases and volatility.

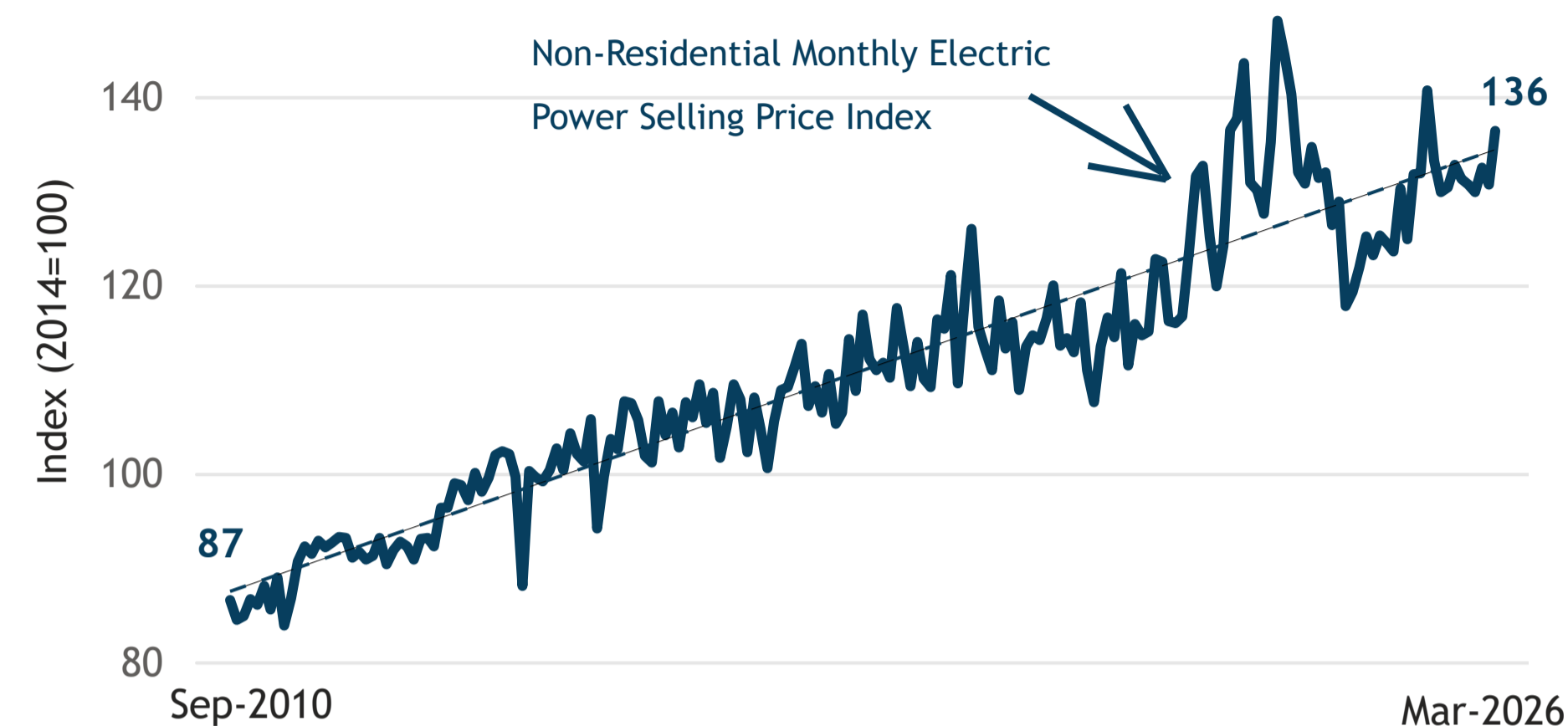
Electricity prices in Canada have shifted onto a structurally higher path over the past decade. After relative stability through much of the 2010s, prices rose sharply in 2022-2023 amid global energy disruptions and inflationary pressures (Figure 1). While prices eased after peaking in mid-2023, they have not returned to pre-shock levels and remain meaningfully higher today.

Fuel prices have added to these pressures. Following the escalation of the war in Iran in late February and growing concerns around disruptions in the Strait of Hormuz, gasoline prices have risen sharply across Canada. At the national level, the daily average price of gasoline rose from about \$1.37 per litre in late January to nearly \$1.81 per litre by end of May 2026, an increase of roughly 32% in just over four months (Figure 2). Large urban centres saw especially sharp increases, including Vancouver (over \$2.15/L), Montréal (around \$1.95/L), and Toronto (nearly \$1.80/L). Even traditionally lower-price markets like Calgary, Winnipeg, and Saskatoon recorded clear upward trends, confirming broad-based pressure on fuel costs for small businesses.

Against this backdrop, it is increasingly important to understand how SMEs view the outlook for energy prices, how they use energy, and how rising costs are affecting their profitability, investment decisions, and overall competitiveness.

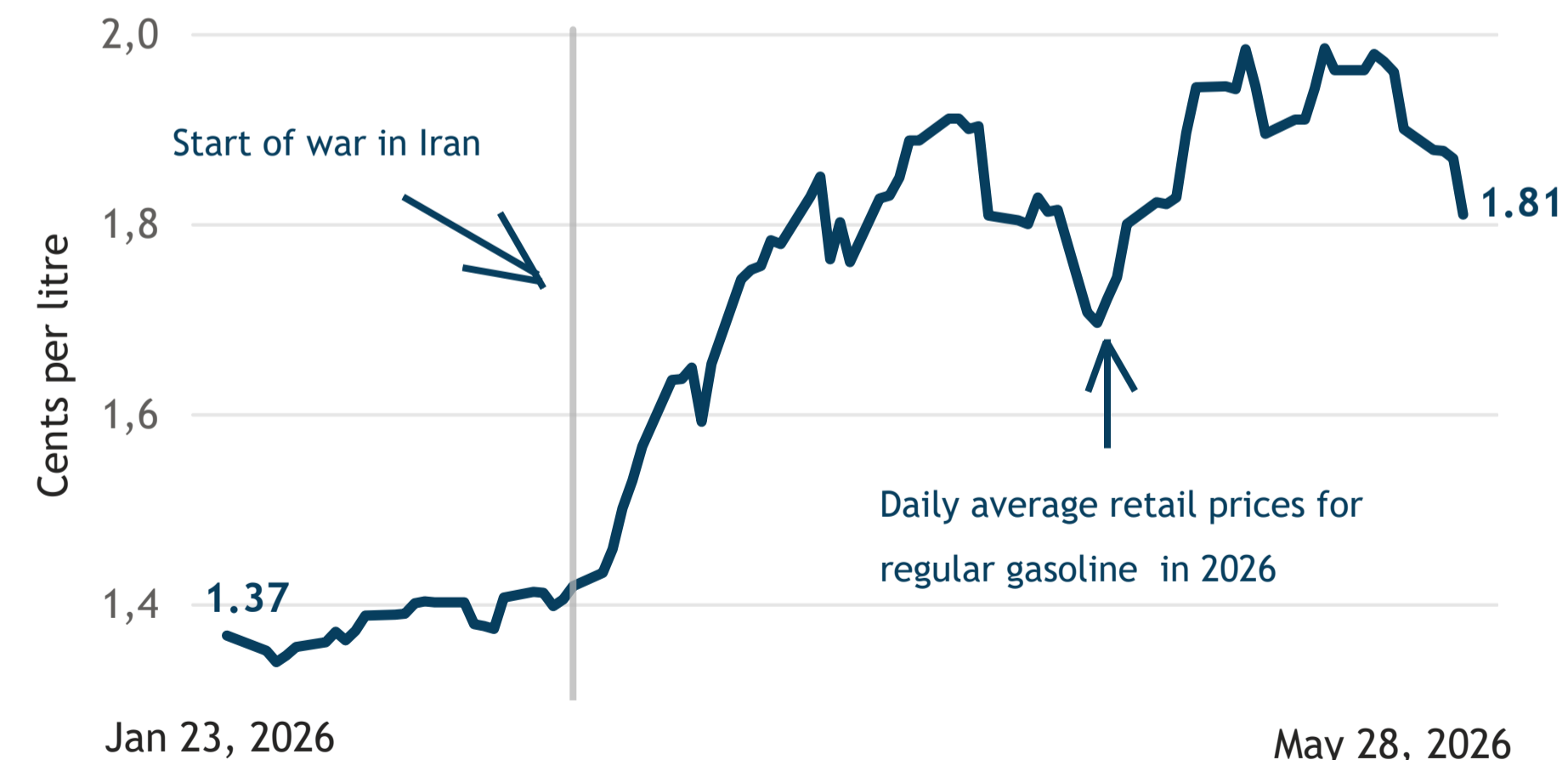
To support this analysis, CFIB conducted a national survey of small business owners across all regions and sectors, receiving 2,349 responses and providing detailed insights into businesses' energy outlook, energy use, cost pressures, and their responses within today's evolving economic environment.

Figure 1: Non-residential electricity prices show a lasting upward shift



Source : Statistics Canada. [Table 18-10-0204-01 Electric power selling price index, monthly](#)

Figure 2: Fuel prices have risen sharply following the outbreak of the Iran conflict



Source: Natural Resources Canada, [Daily Average Retail Prices for Regular Gasoline in 2026](#)

Energy costs are a growing concern for SMEs, further heightened by global risks



Rising energy costs are a widespread and growing concern for Canadian SMEs

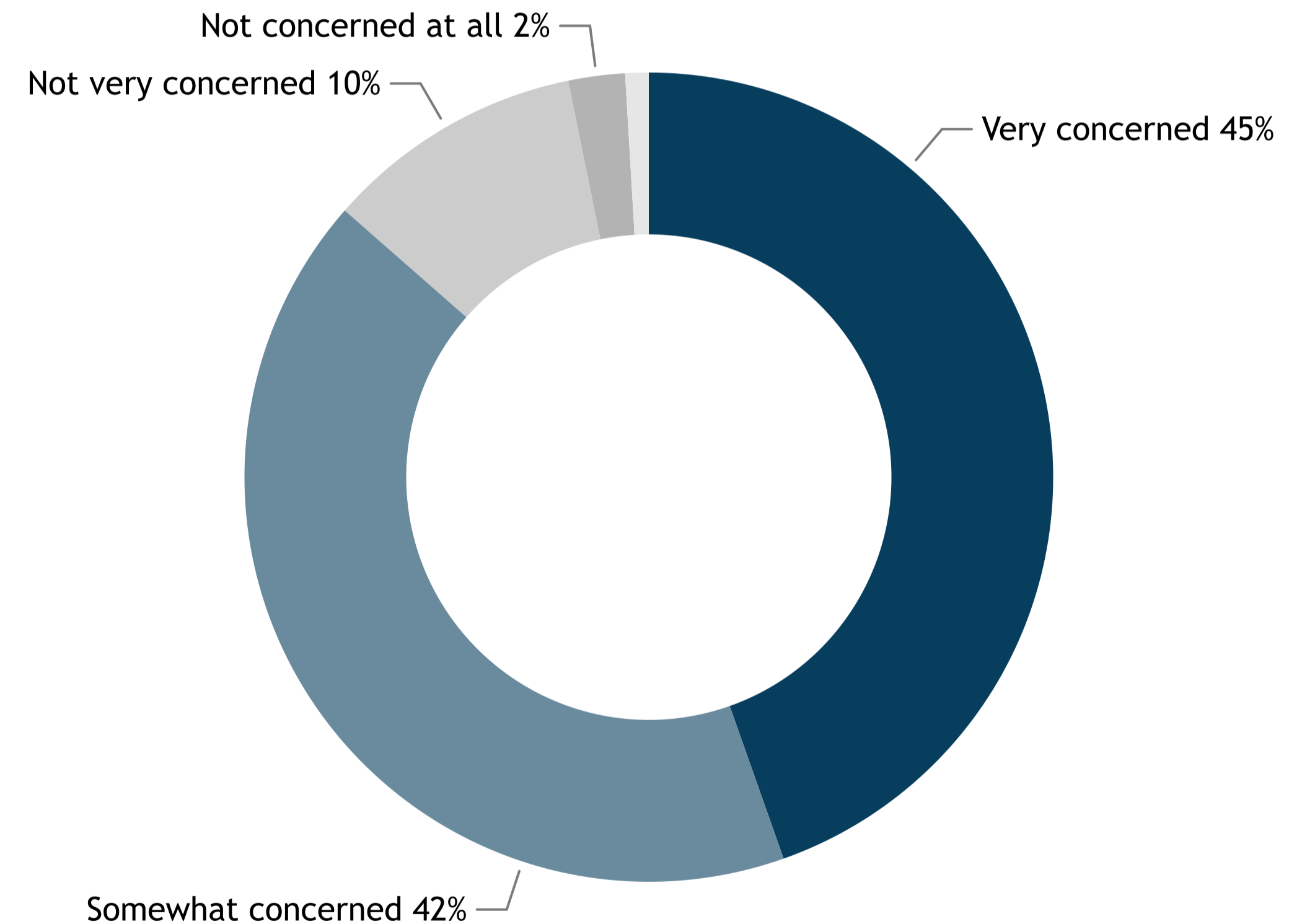


Business owners are expressing strong concern about rising energy costs.

87% of respondents say they are **very concerned (45%)** or **somewhat concerned (42%)** about the negative impact of energy costs on their business over the next 12 months.

These concerns are widespread across all regions, sectors, and size of businesses.

How concerned are you that energy costs will negatively affect your business in the next 12 months?



Question: How concerned are you that energy costs will negatively affect your business in the next 12 months? (Select one)

2,348 Responses

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

Concern about rising energy costs is widespread across industries, with particularly high levels in agriculture, transportation and hospitality

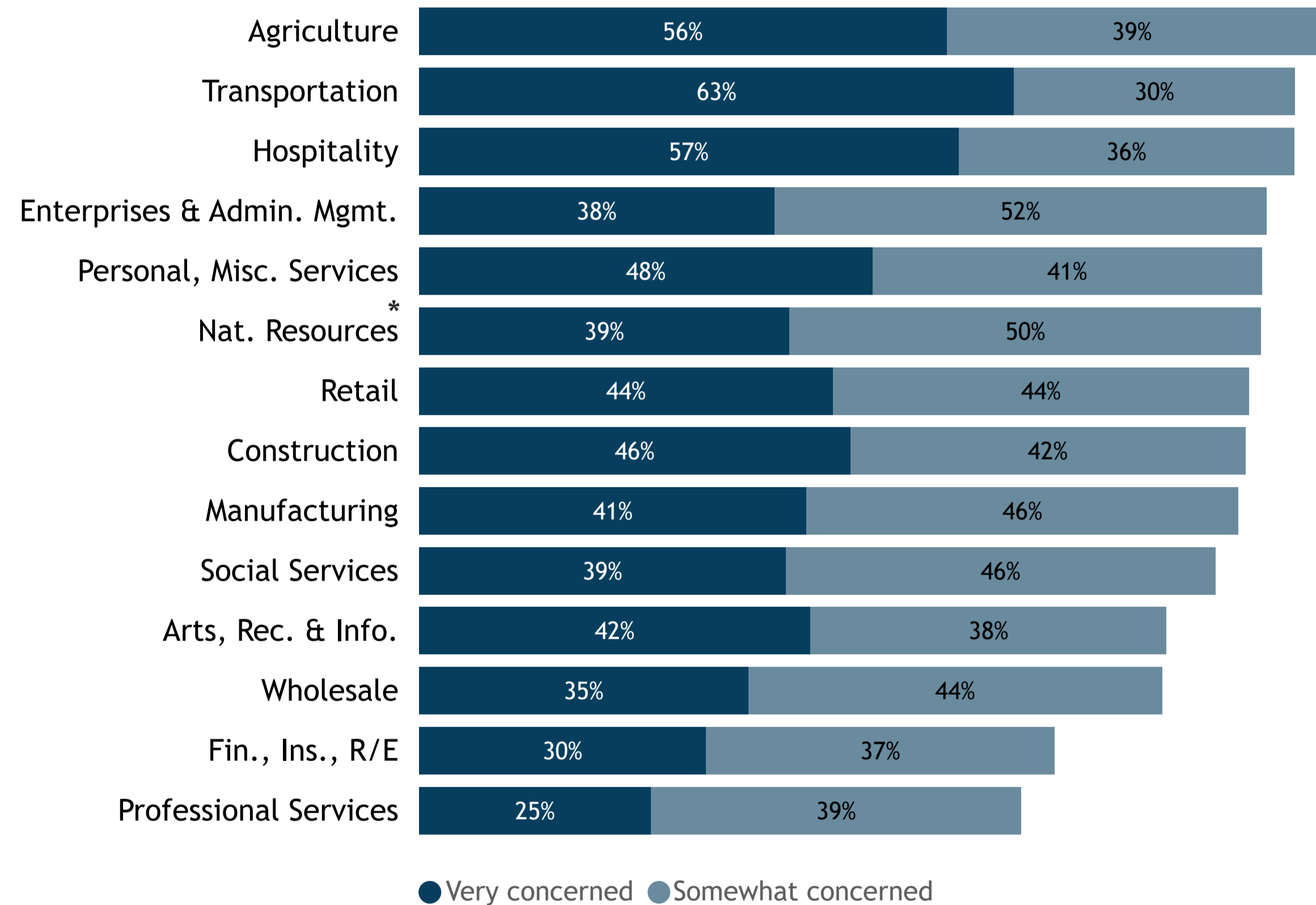


All Canadian industries are concerned about the negative impact of rising energy costs, albeit, at varying degrees based on energy consumption.

Energy-intensive sectors such as agriculture (56%) and transportation (63%) are very concerned that prices will negatively impact their businesses in the next 12 months.

Concern is widespread across hospitality (57%), construction (46%) and manufacturing (41%) industries as well.

How concerned are you that energy costs will negatively affect your business in the next 12 months?



2,348 Responses

Question: How concerned are you that energy costs will negatively affect your business in the next 12 months? (Select one)

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

Note: *Small sample size (<40).

The conflict in Iran is having an impact on business owner's anxiety over energy costs

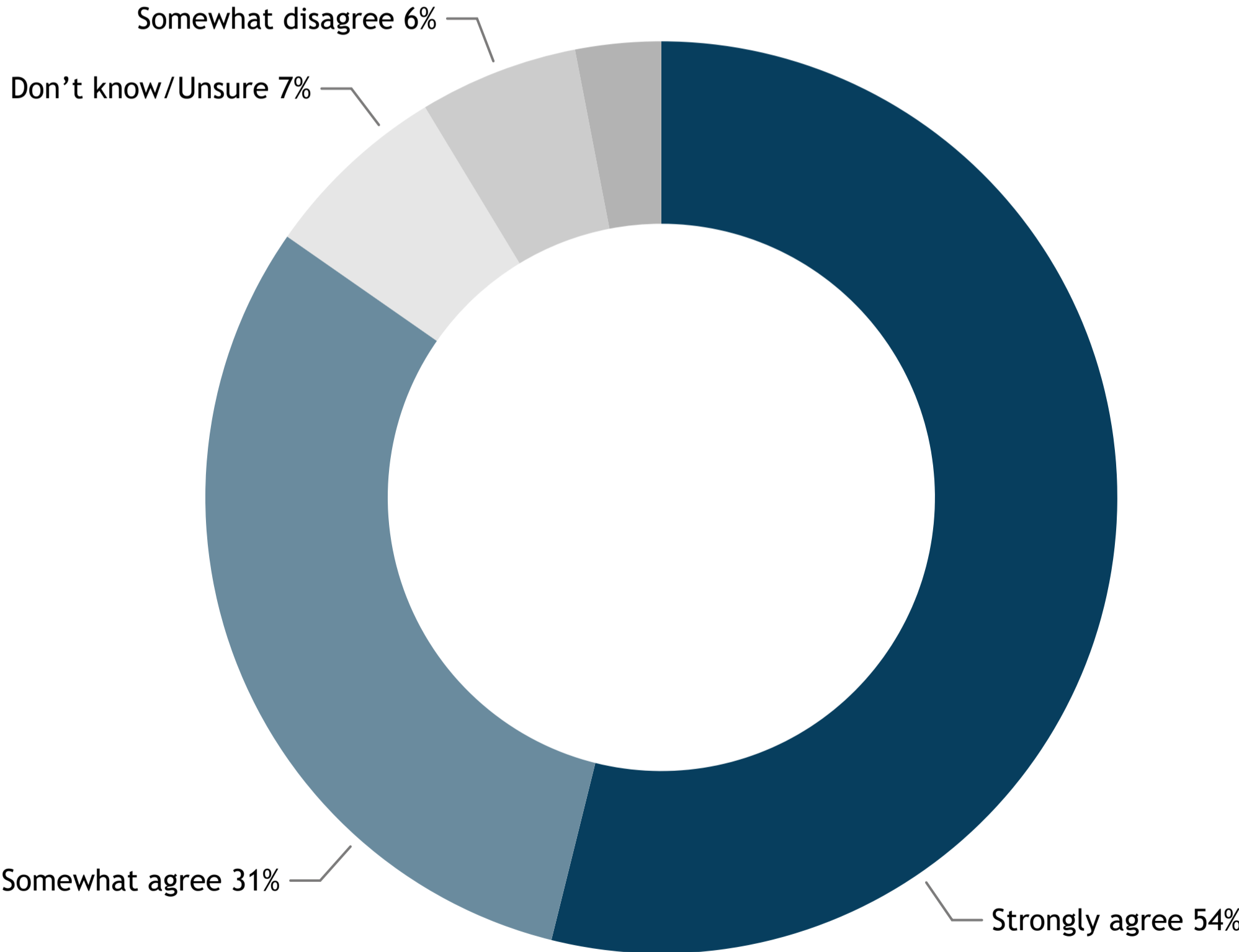


Geopolitical risk is reinforcing already high energy cost anxiety:

85% of business owners agree that the U.S.-Iran conflict could **negatively affect** their energy prices (54% **strongly**, 31% **somewhat**), underscoring that external shocks are compounding the broader concern.

Transportation, agriculture, and manufacturing show the highest levels of concern about energy price impacts from the conflict.

We are concerned about the negative impact of the current U.S.-Iran conflict on our business's energy prices



Question: To what extent do you agree or disagree with the following statements about energy? (Select one per line)

2,077 Responses

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

Energy costs are a core and unavoidable part of SMEs' operations



Businesses depend on multiple energy sources, heightening exposure to supply and price shocks

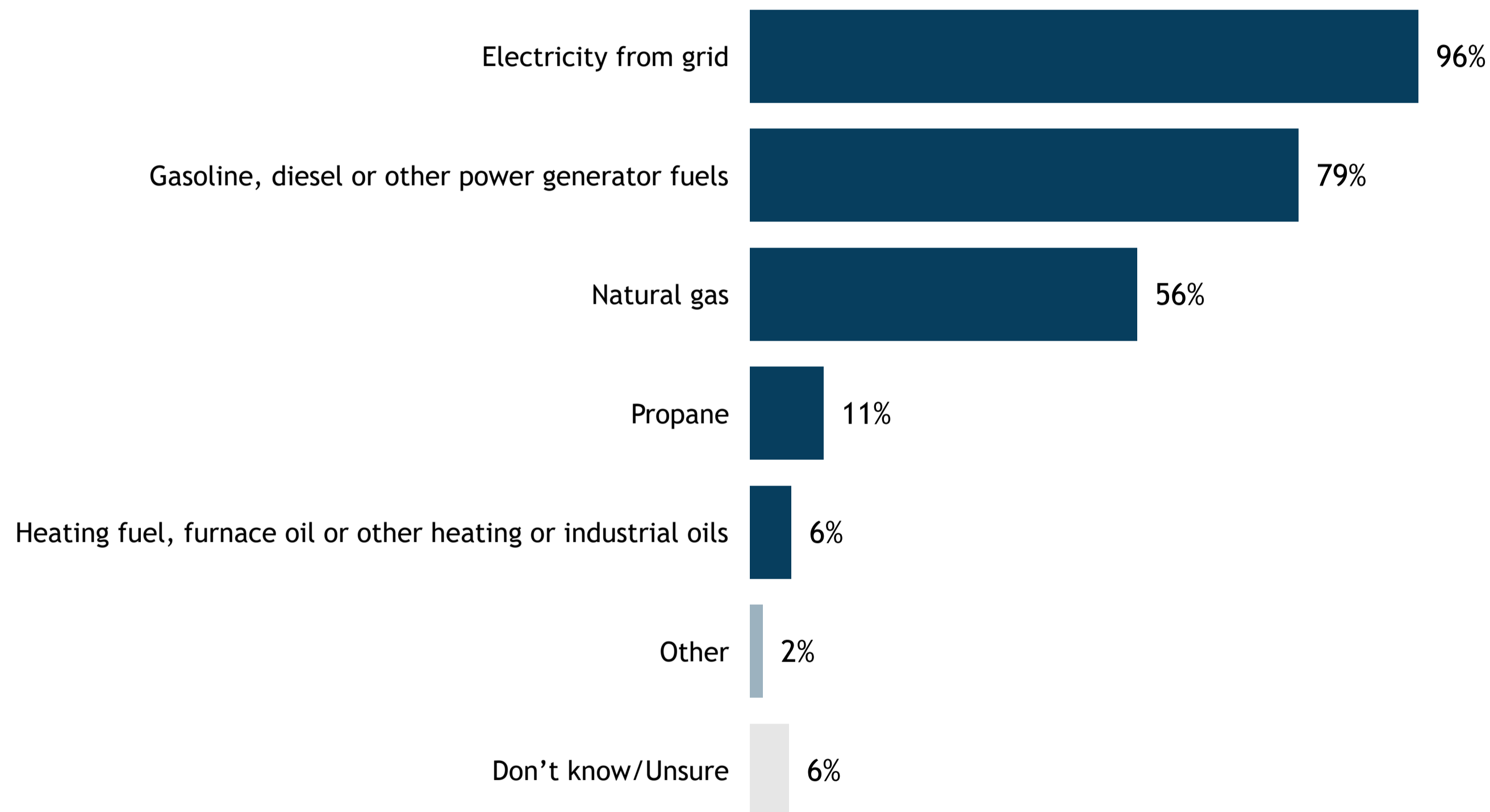


Energy use profile is broad and multi-input, with businesses relying heavily on both electricity and fuel-based sources.

Nearly all firms use electricity from the grid, while gasoline or diesel and natural gas are also widely used, reflecting the diverse energy needs required to operate.

This reliance across multiple energy sources means businesses are exposed to disruptions and price volatility in both electricity and fuel markets.

How does your business use energy, and what is the main source for each?



Question: How does your business use energy, and what is the main source for each? (Select one for each)

2,281 Responses

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

Note: The question was transformed to a select all that apply question.

SMEs' dependence on energy limits their ability to adapt and leaves them more exposed to energy price fluctuations

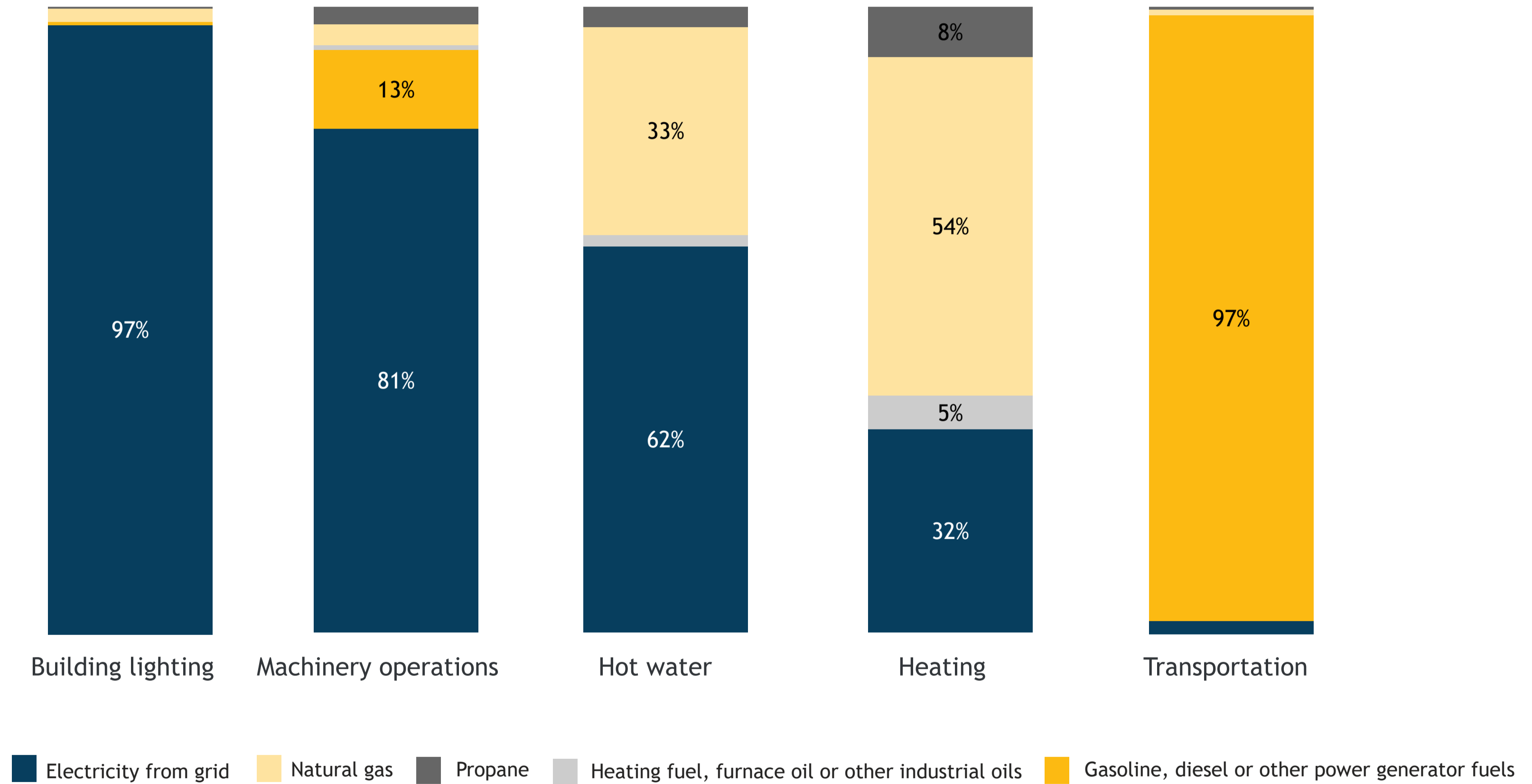
How does your business use energy, and what is the main source for each?



SMEs' energy use is highly fixed and tied to core business operations.

Electricity powers most buildings (97%) and operations (81%), **natural gas** anchors heating (54%), and transportation relies largely on **gasoline and diesel** (97%).

This structure offers little flexibility, leaving businesses persistently exposed to energy price volatility.



Question: How does your business use energy, and what is the main source for each? (Select one for each)

2,267 Responses

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

Energy represents a significant share of SMEs overall cost structures

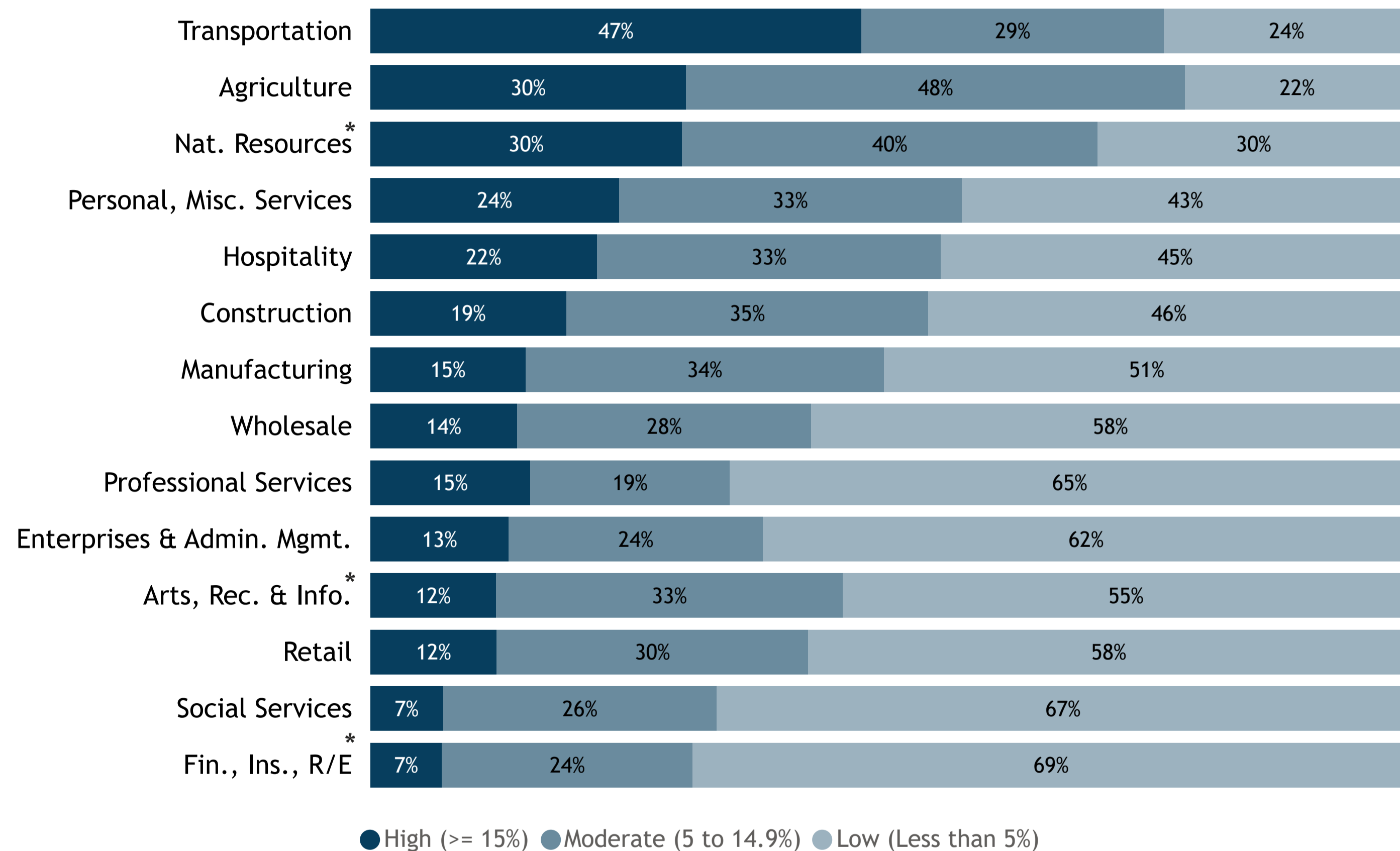


Energy is a meaningful cost for most businesses.

While most businesses report energy costs representing a small share of total operating expenses (<5%)—particularly in service sectors—a meaningful proportion face moderate cost shares (5-14.9%). High energy cost exposure (≥15%) is concentrated in energy-intensive sectors such as transportation (47%), and agriculture (30%).

This confirms that energy is a **structural, not marginal, cost** for SMEs.

About what percentage of your total business costs goes to energy?



Question: About what percentage of your total business costs goes to energy? (Select one)

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

Note: *Small sample size (<40).

1,795 Responses

Higher energy costs are squeezing SMEs from multiple directions



Energy cost increases are widespread across inputs, driving higher overall costs for most business owners over the past year

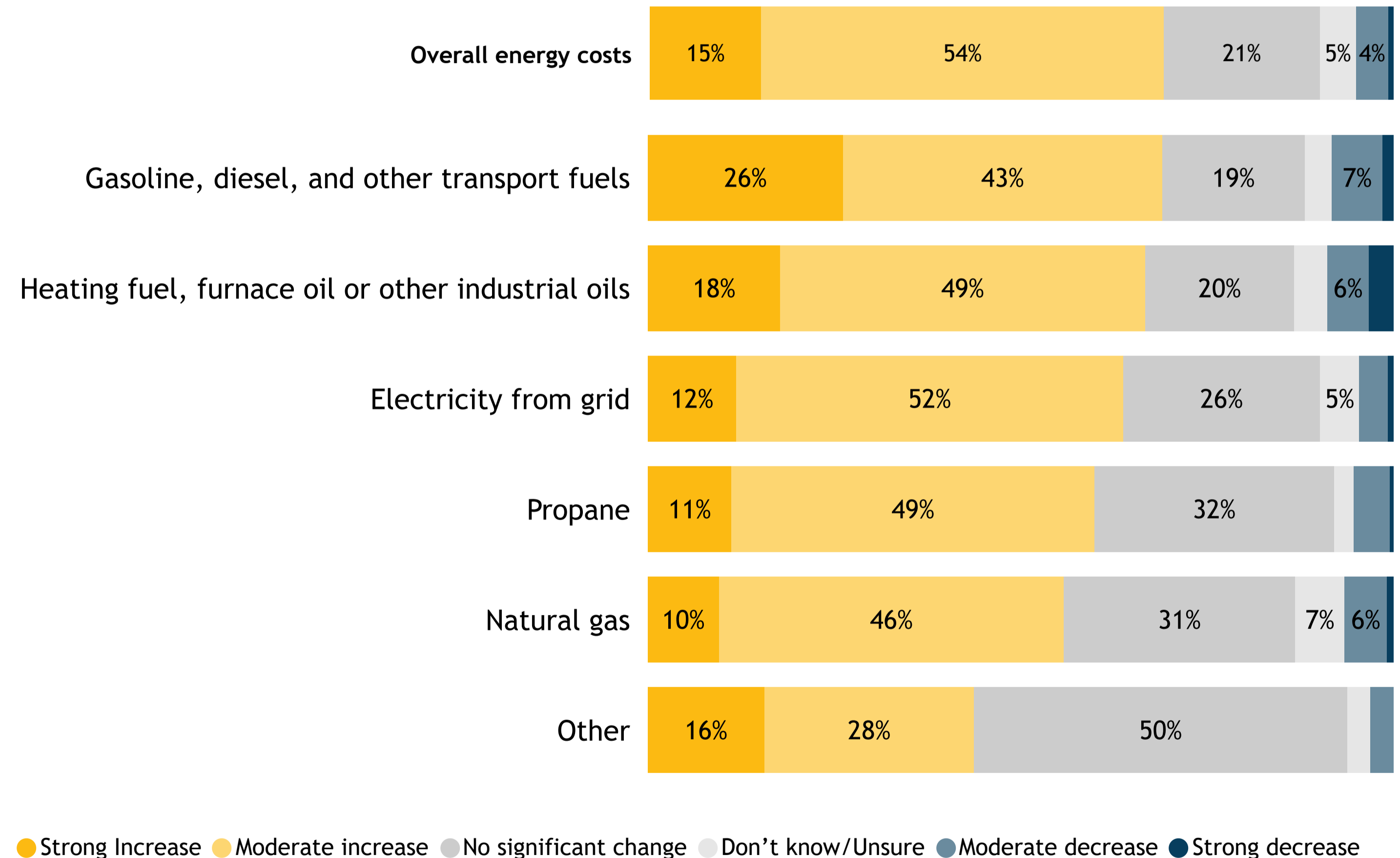


Energy costs have increased for most SMEs over the past year.

More than **two-thirds (69%)** report **higher overall energy costs**. The increase is broad-based across energy inputs, with **69%** reporting increases in **transport fuels**, **67%** of business owners reporting higher **heating fuel and furnace oil prices**, **64%** in **electricity**, and **56%** in **natural gas prices**.

The energy cost pressures are widespread, affecting multiple core inputs simultaneously.

Over the past 12 months, how have the following energy costs changed for your business?



Question: Over the past 12 months, how have the following energy costs changed for your business? (Select one per line)

1,763 Responses

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

Business owners are reaching their limits: while cost absorption remains the most common response to rising energy costs, firms are increasingly making real economic trade-offs

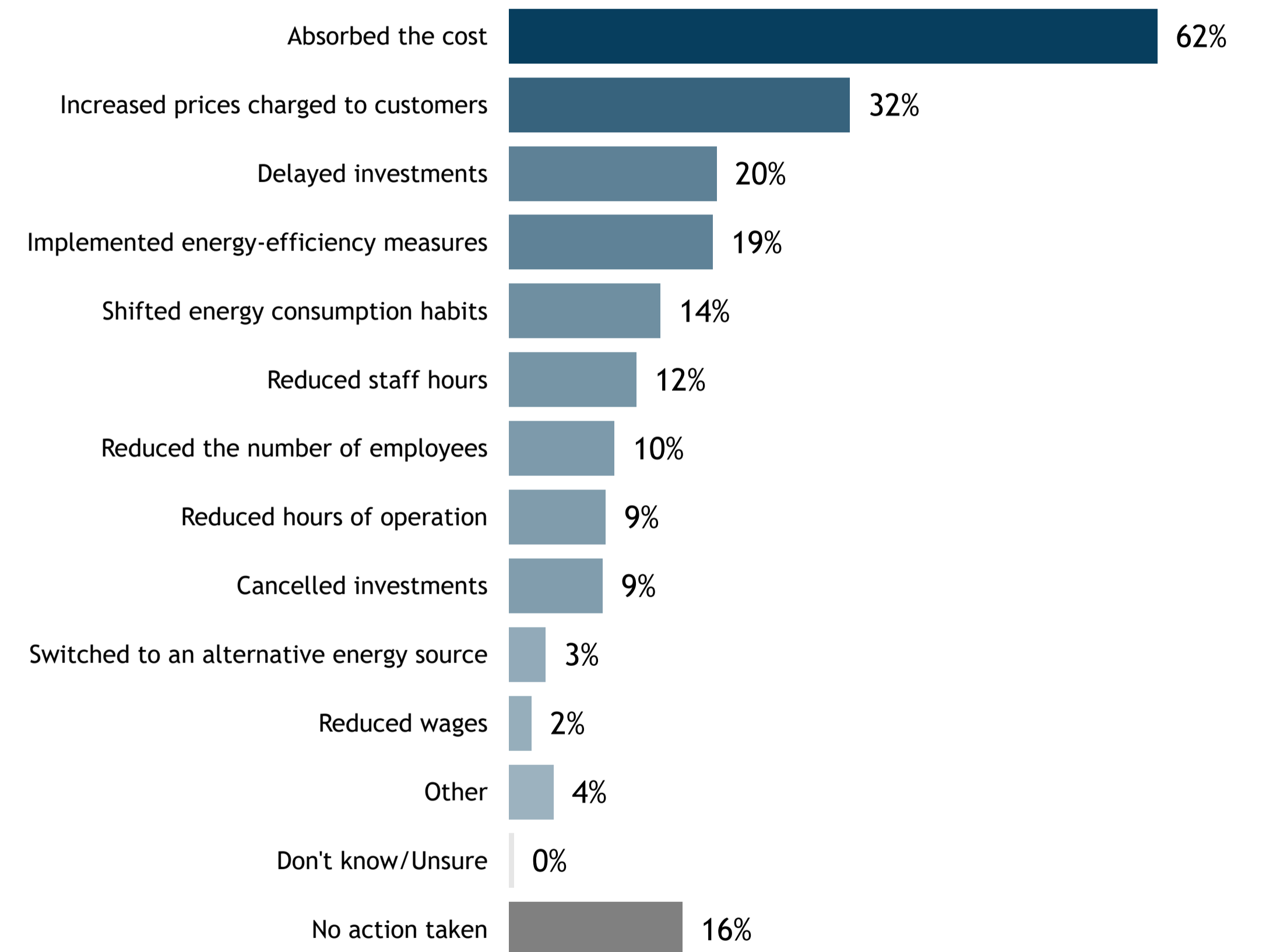


Businesses primarily absorb energy cost increases, with limited pass-through to customers.

Nearly two-thirds (62%) absorb costs, while about one-third (32%) raise prices. Responses focus on cost control. Around one in five delay investments (20%) or improve efficiency (19%).

Structural adjustments remain limited. Only a minority reduce staff hours (12%), cut employment (10%), or cancel investments (9%).

Over the past 12 months, what actions have your business taken to deal with higher energy costs? (Select all that apply)



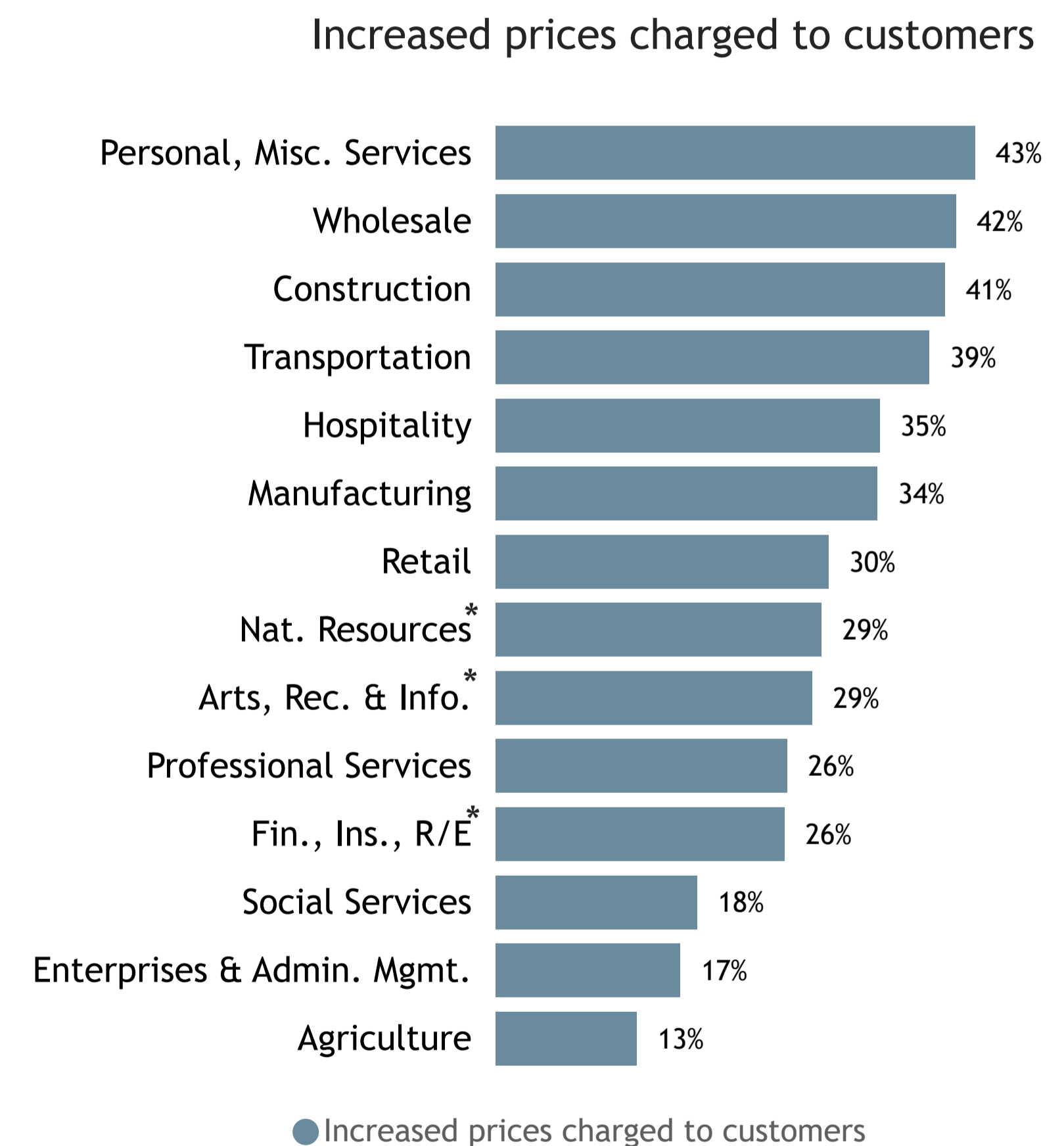
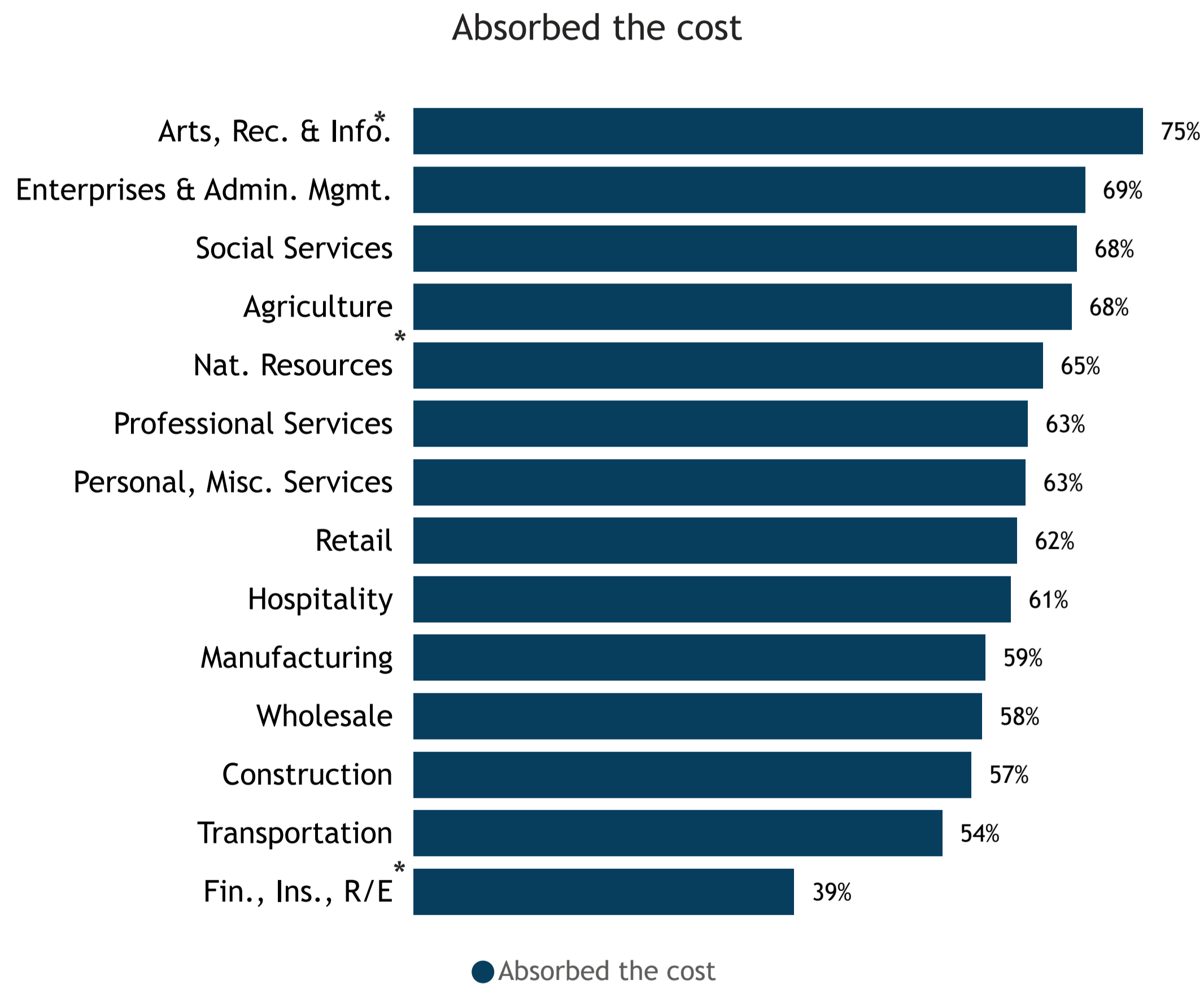
1,348 Responses

Question: Over the past 12 months, what actions have your business taken to deal with higher energy costs? (Select all that apply)

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

Most SMEs have absorbed higher energy costs, particularly in enterprise and administrative management, social services, and agriculture, while businesses in personal services, wholesale, construction, and transportation were more likely to raise prices

Over the past 12 months, what actions have your business taken to deal with higher energy costs? (Select all that apply)



1,348 Responses

Question: Over the past 12 months, what actions have your business taken to deal with higher energy costs? (Select all that apply)

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

Note: *Small sample size (<40).

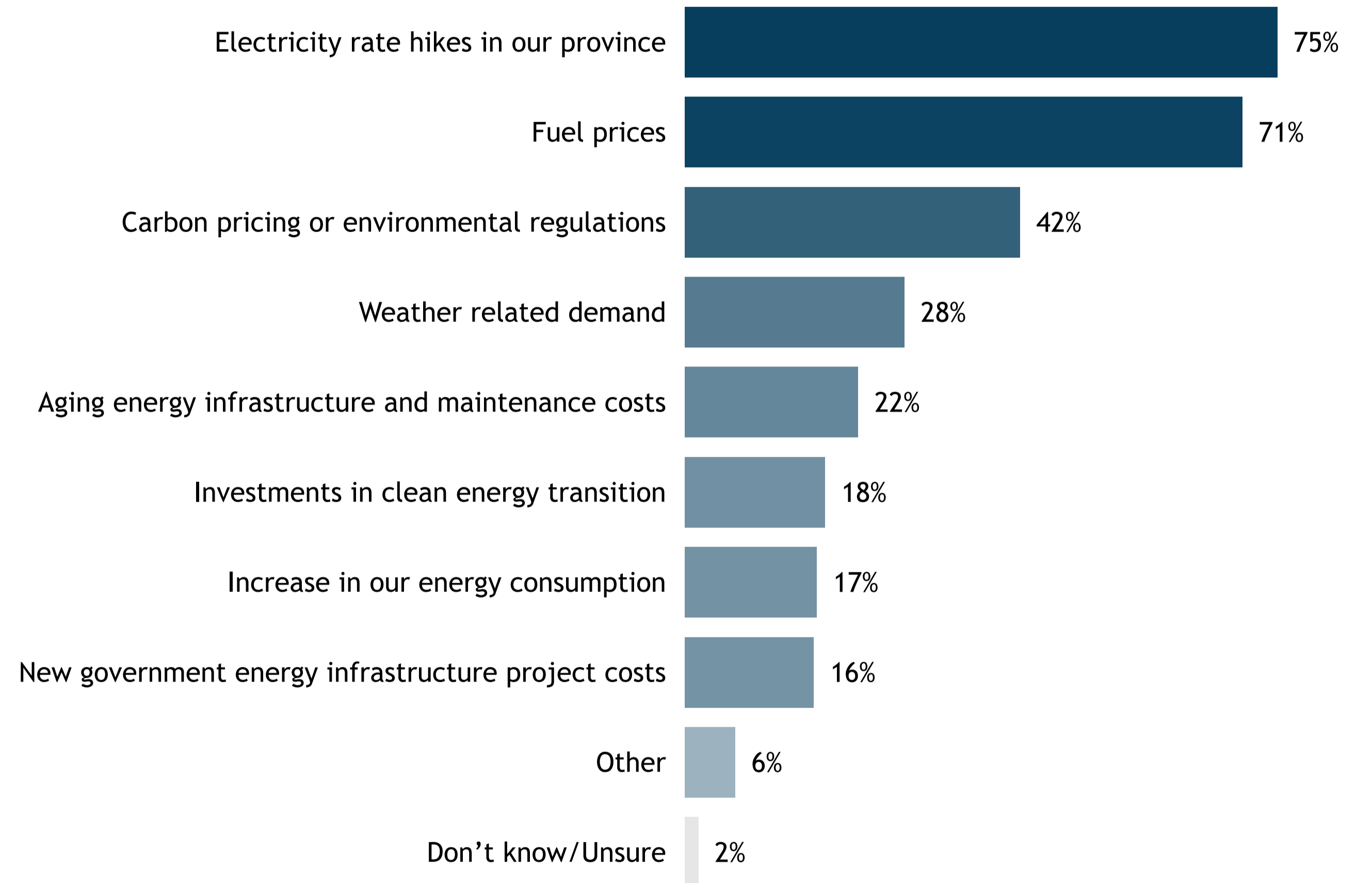
According to business owners, rising energy bills are largely driven by electricity and fuel pricing rather than increased usage



Business owners overwhelmingly attribute higher energy bills to **pricing and policy factors**, not their own usage.

Electricity rate hikes (75%) and **fuel prices (71%)** are the top drivers, indicating that rising energy costs are largely driven by **external cost pressures rather than business behaviour**.

What do you believe is mainly contributing to the increase in your business's overall energy bill?



Question: What do you believe is mainly contributing to the increase in your business's overall energy bill? (Select all that apply)

1,354 Responses

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

Relief is needed



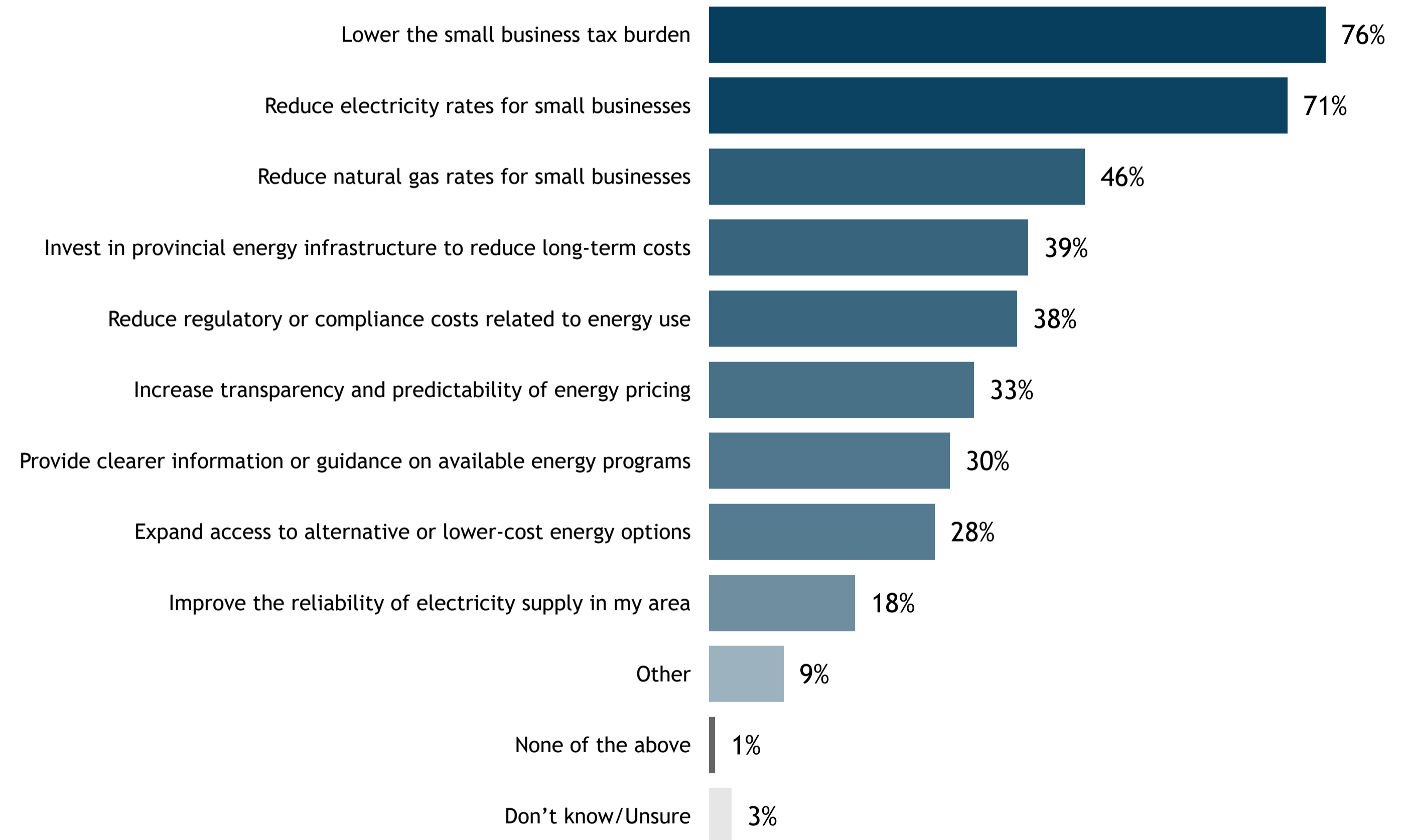
To ease energy pressure, businesses call for cost relief in the form of lower taxes, energy rates, and regulatory burden



Business owners are looking for **immediate cost relief**.

More than three-quarters (76%) want governments to lower the **small business tax burden**, while **71%** call for **lower electricity rates** and **46%** for **reduced natural gas rates**, signalling that affordability measures are clearly business owners' priorities.

What actions would you like federal or provincial governments to take to help your business with energy related pressures?



Question: What actions would you like federal or provincial governments to take to help your business with energy related pressures? (Select all that apply)

2,090 Responses

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

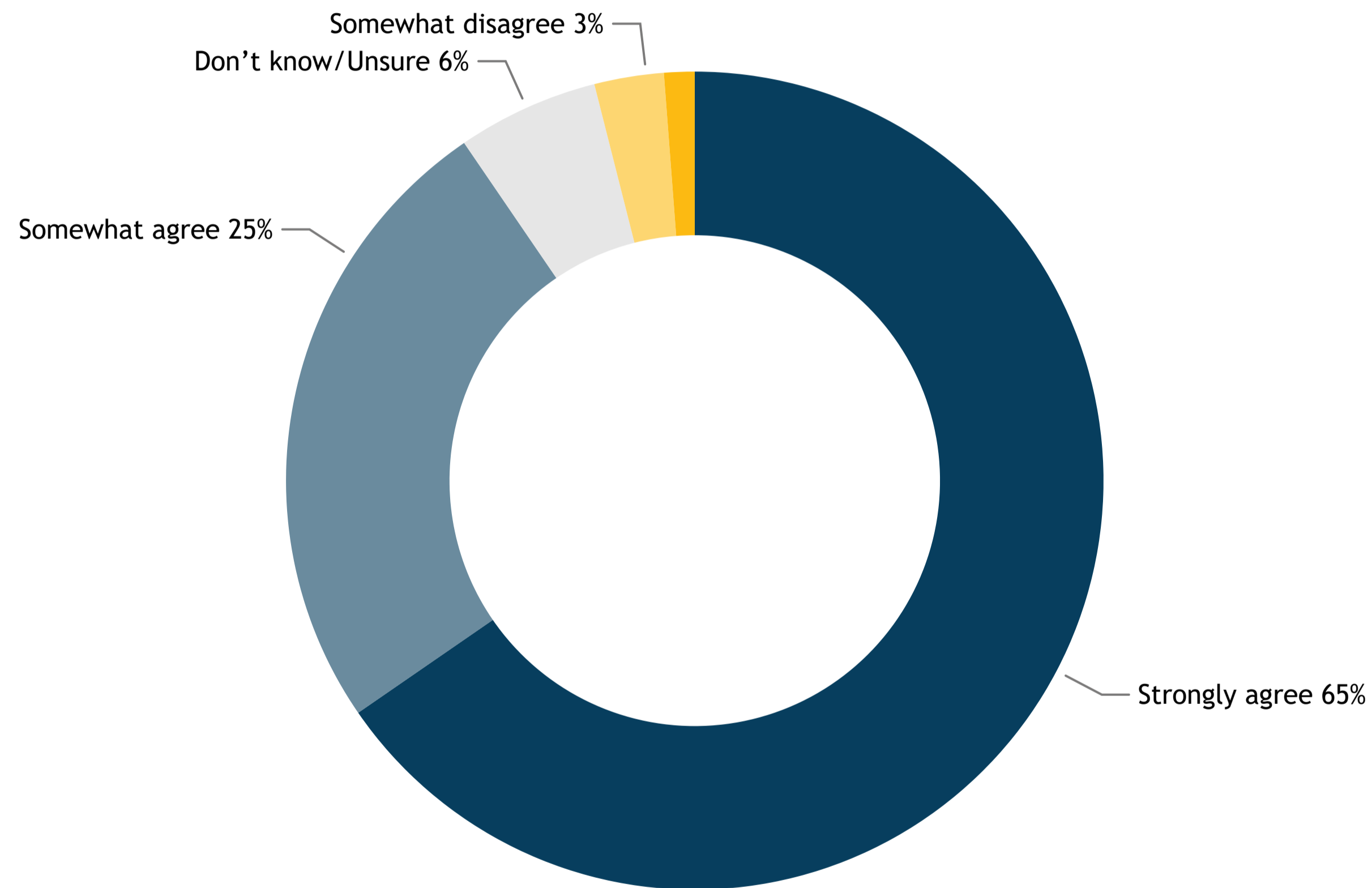
Canadian businesses call for rapid expansion of domestic energy supply



Nine in ten business owners overwhelmingly support **expanding Canada's energy supply** (65% strongly and 25% somewhat) in response to global disruptions.

This broad consensus suggests businesses view domestic energy production as a critical lever to reduce exposure to external shocks and strengthen energy security.

Canada should move quickly to increase its energy supply (i.e., oil, liquefied natural gas) to fill potential shortfalls caused by global energy disruptions



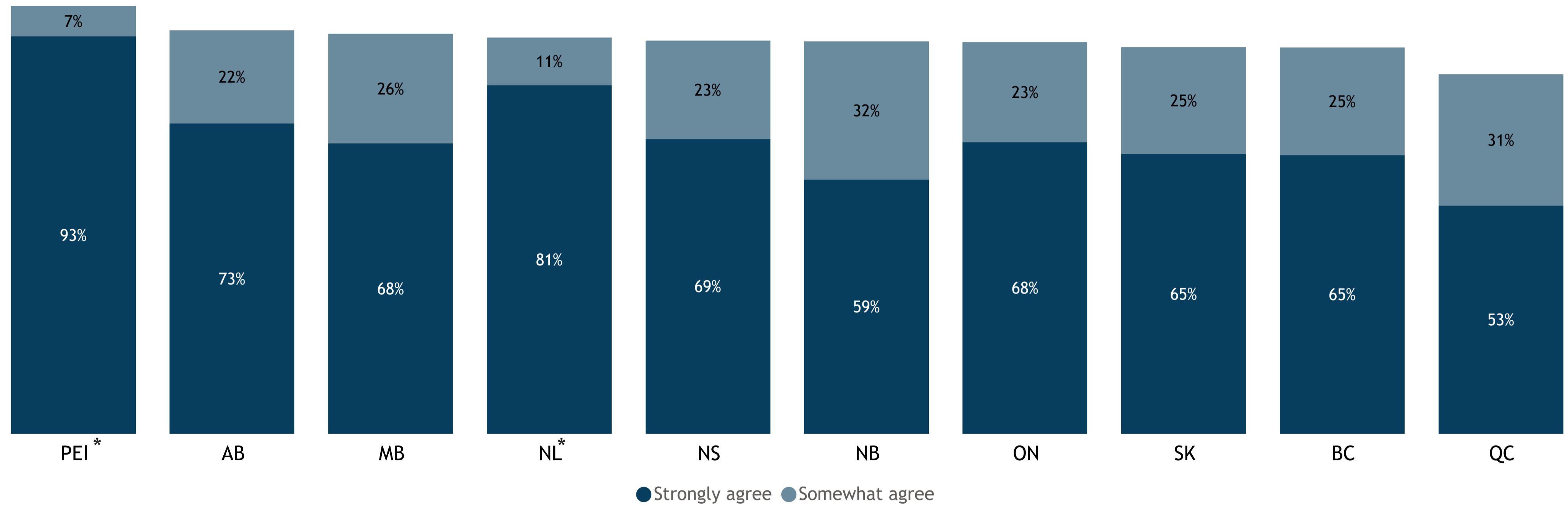
Question: To what extent do you agree or disagree with the following statements about energy? (Select one per line)

2,075 Responses

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

The majority of business owners agree Canada should increase its energy supply, with especially strong agreement in Alberta, Nova Scotia and Ontario

Canada should move quickly to increase its energy supply (i.e., oil, liquefied natural gas) to fill potential shortfalls caused by global energy disruptions



2,075 Responses

Question: To what extent do you agree or disagree with the following statements about energy? (Select one per line)

Source: CFIB, 2026 Energy Survey - March 2026, March 5 - May 28, 2026, final results.

Note: *Small sample size (<40).

Conclusion



The survey data paints a clear picture of the central role energy plays in the day-to-day reality of small and medium-sized enterprises. Business owners rely on a mix of energy sources across core business operations, with electricity, natural gas, and transportation fuels deeply embedded in operations and difficult to substitute in the short term.

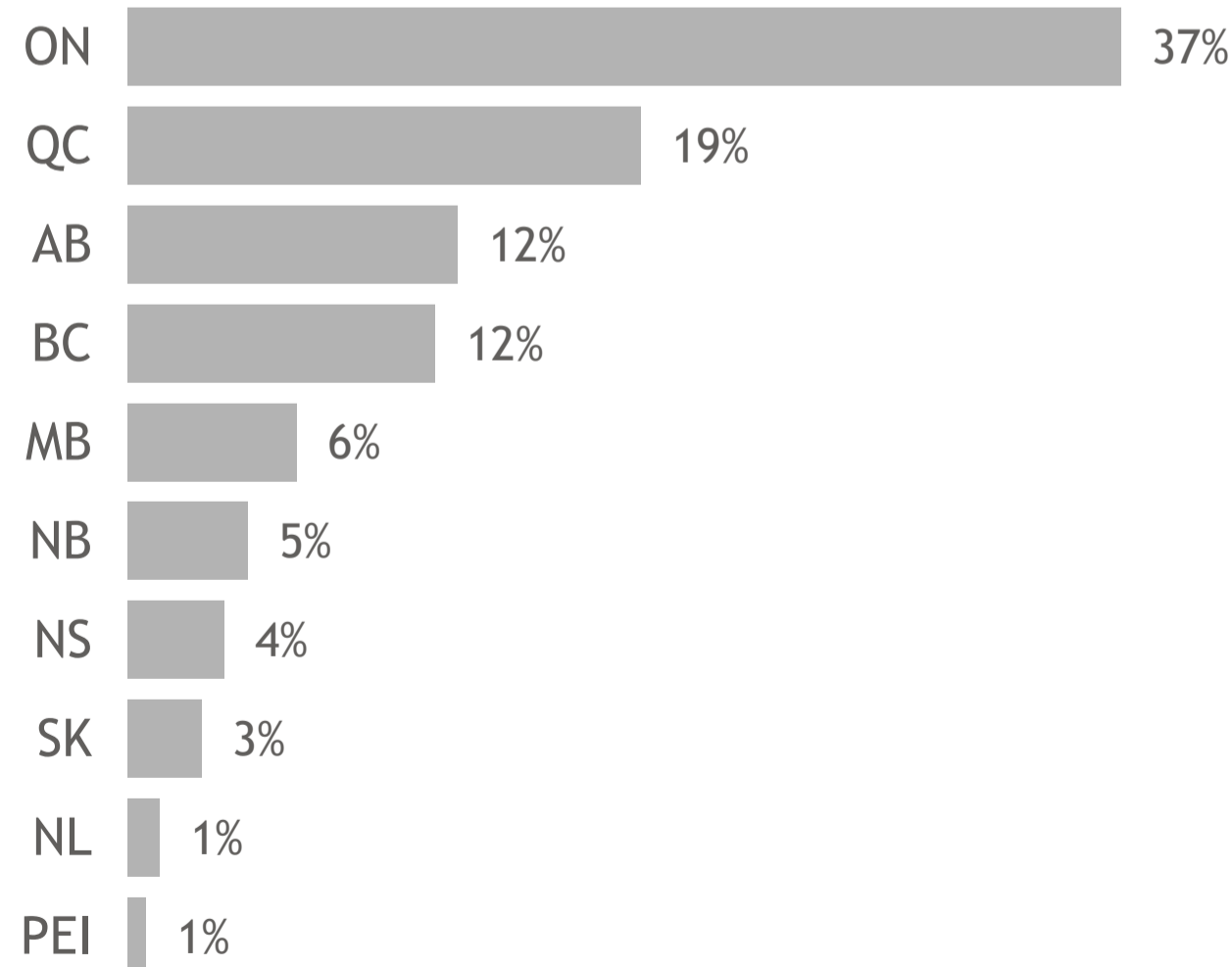
As a result, rising energy prices have had a widespread and tangible impact, with a majority of business owners reporting higher costs across multiple energy inputs over the past year. These increases are not abstract or easily absorbed. Nearly two-thirds of business owners report absorbing higher energy costs directly through reduced margins, while fewer are able to fully pass costs on to customers. The knock-on effects are evident in delayed investments, constrained hiring decisions, and higher prices for consumers. Together, the findings show that energy costs represent a structural pressure on SMEs, limiting flexibility and weighing on profitability, growth, and competitiveness.

To help mitigate these impacts, CFIB recommends the following actions:

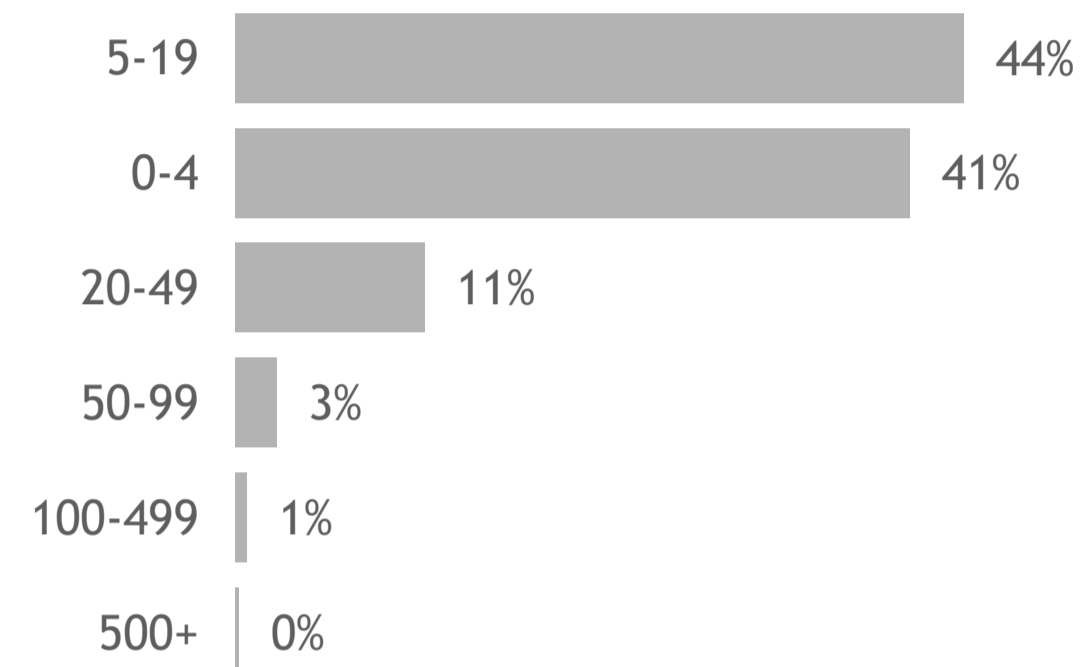
- Federal government should permanently eliminate the tax-on-tax treatment of charging the GST on gasoline and diesel fuel taxes.
- Provincial governments should also follow suit and pause their fuel excise taxes.
- Reduce the federal small business tax rate from 9 to 6%.
- Review/Freeze the electricity and natural gas tax rates, or introduce a small business credit/lower rate.

Appendix: Sample distribution

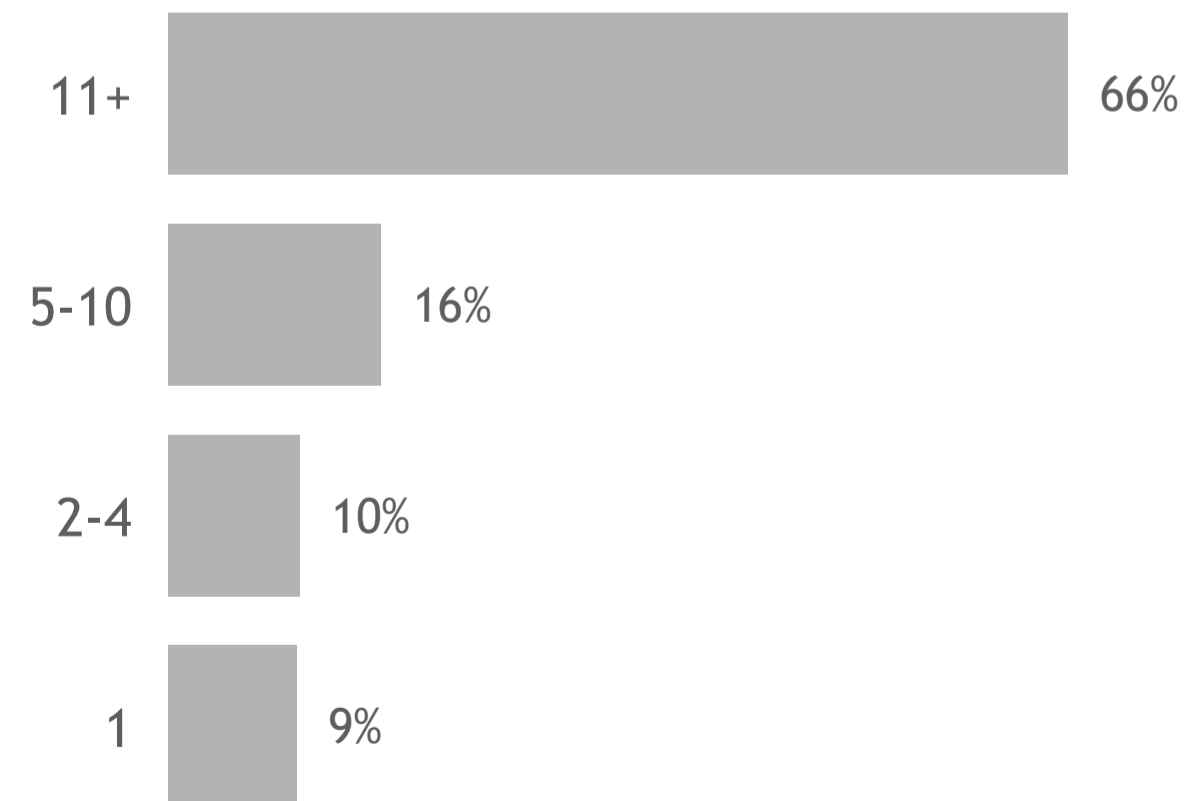
By location of the business



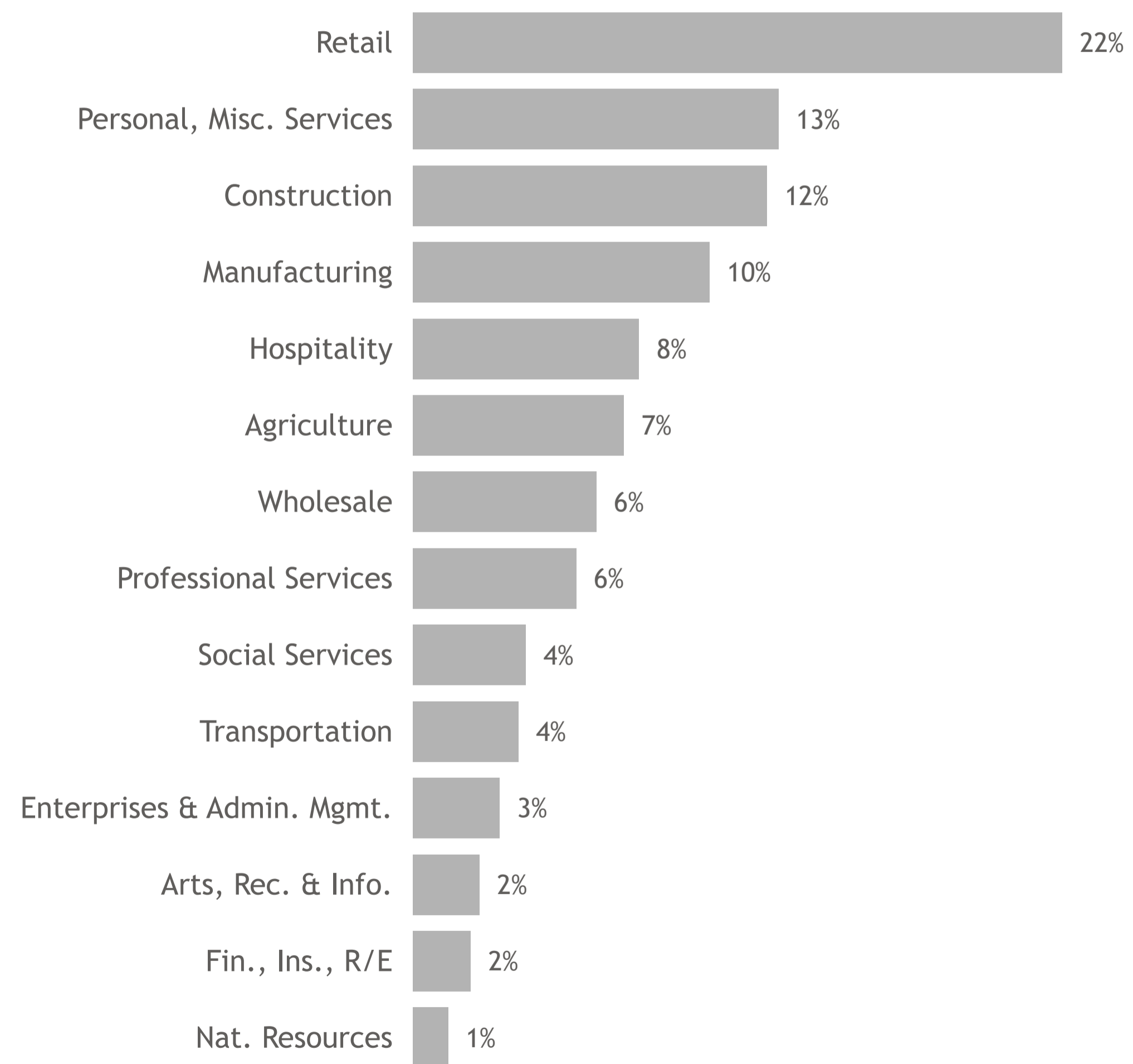
By number of employees



By years in business



By industry



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.



Private Sector Job Vacancies in Canada

Quarterly insights on private sector job vacancies in Canada, highlighting vacancy rates by province, sector, and business size.



About Our Research

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

Questions or data requests

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For any questions about this report or to request additional data, please don't hesitate to reach out.