

The U.S.-Canada trade war and your business

Special Survey, August 2025

Final results

Methodology

Title

The U.S.-Canada trade war and your business

Type

A special, controlled-access online CFIB survey.

Active dates

August 11 - September 2, 2025 .

Preliminary results

Based on final responses from 3,315 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 +/-1.7%, 19 times out of 20.

The August U.S.-Canada trade war and your business survey insights

The August 2025 CFIB special survey captures the views of 3,315 small business owners across Canada on escalating U.S.-Canada trade tensions. The results show rising costs, operational shifts, and strategic pivots in response to tariffs.

Tariff impacts and business pressures

Canadian retaliatory tariffs, U.S. steel and aluminum tariffs, and the end of U.S. *de minimis* treatment are the most cited issues. Top impacts include higher expenses (63%), reduced profits (53%), lower revenue (48%), supply chain disruptions (42%), and paused investments (34%). Only 7% reported positive effects. Among those absorbing extra costs, 36% could sustain them for more than a year, 21% for less than six months, and 24% are unsure.

Strategic pivots

One-third of SMEs have already moved away from U.S. suppliers or customers, and another third are considering it. Of those seeking alternatives, 67% turn to Canadian partners, 34% to the EU, and 21% to Mexico.

Policy views and trade strategy

In response to recent U.S. tariff hikes, 20% want to raise tariffs, 20% prefer reducing or removing them, 17% keep current levels, and 28% are undecided. Impacted businesses are more likely to call for tariff reduction (24% vs. 13%). On permanent tariffs, opinion is split—42% keep vs. 38% remove—while impacted businesses are evenly divided and non-impacted firms lean toward keeping them.

Business sentiment

Most small businesses (75%) say the trade war has increased stress, 79% cite unpredictable tariffs as a barrier to planning, only 40% are confident in mitigation efforts, and 82% support returning tariff revenue to affected firms.

These findings reveal a business community facing mounting costs, trade uncertainty, and supply chain shifts, calling for targeted support, stable trade conditions, and cost relief.



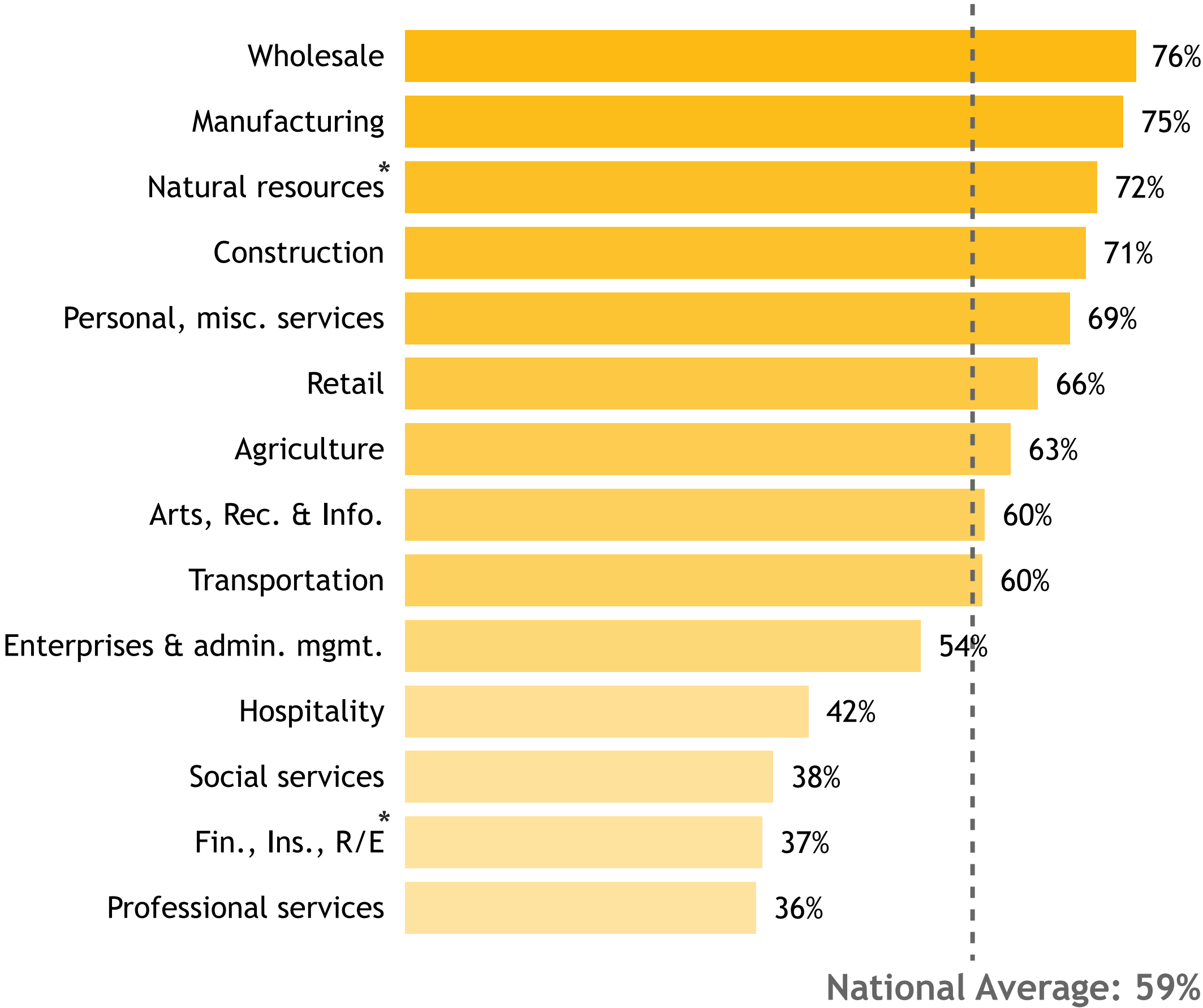
Simon Gaudreault
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Research
CFIB

Tariff impacts and business pressures

6 in 10 Canadian businesses have been directly or indirectly affected by U.S. tariffs or Canada's retaliatory measures since their introduction



Most impacted sectors: wholesale, manufacturing
Construction

Less impacted sectors: enterprise/admin
management, hospitality, social services, finance,
insurance, real estate & leasing, professional
services

Most impacted sizes: medium (50-499 employees)
and small (5-19 employees)

Less impacted size: microbusinesses (fewer than 5
employees)

2,122 Responses

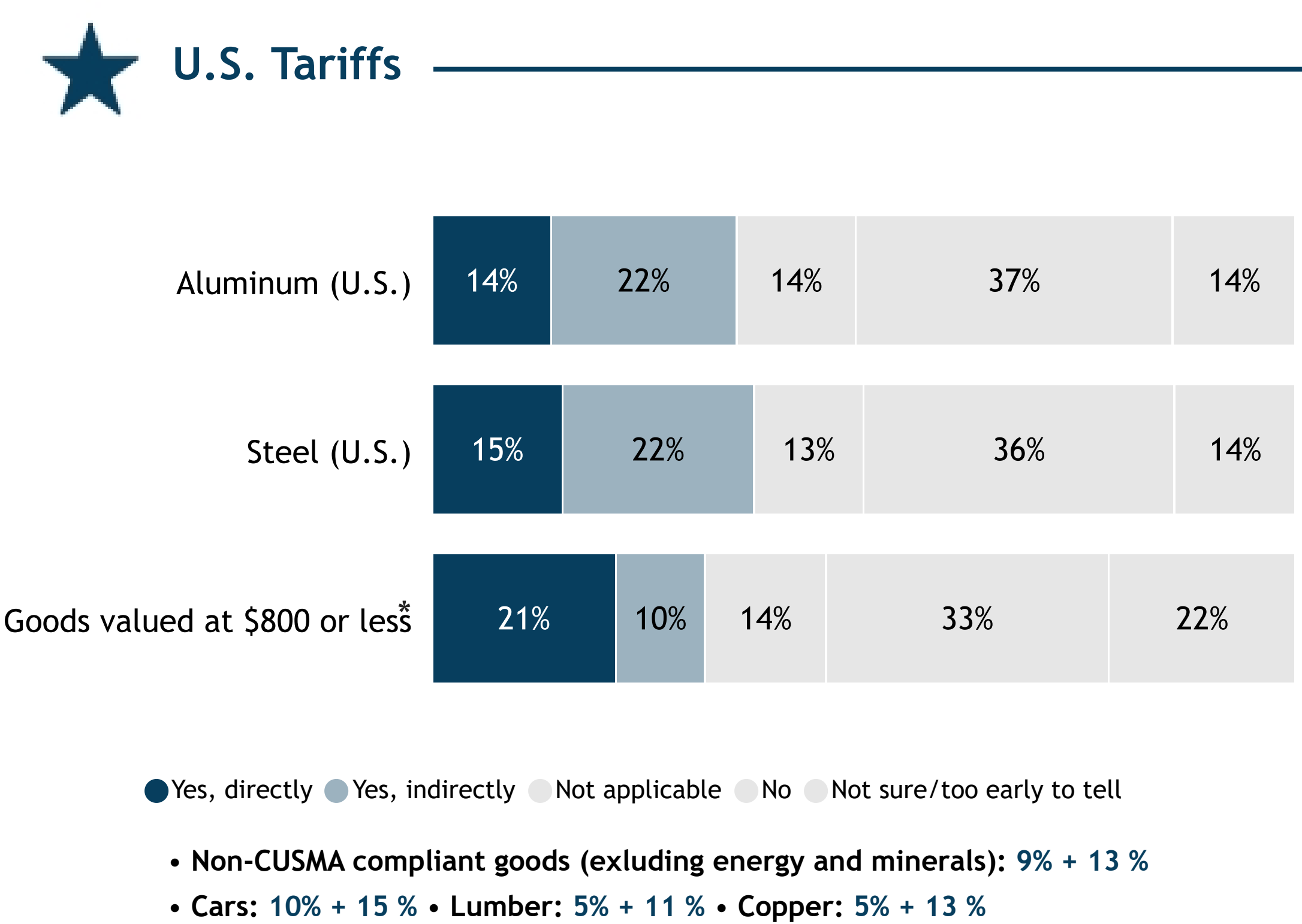
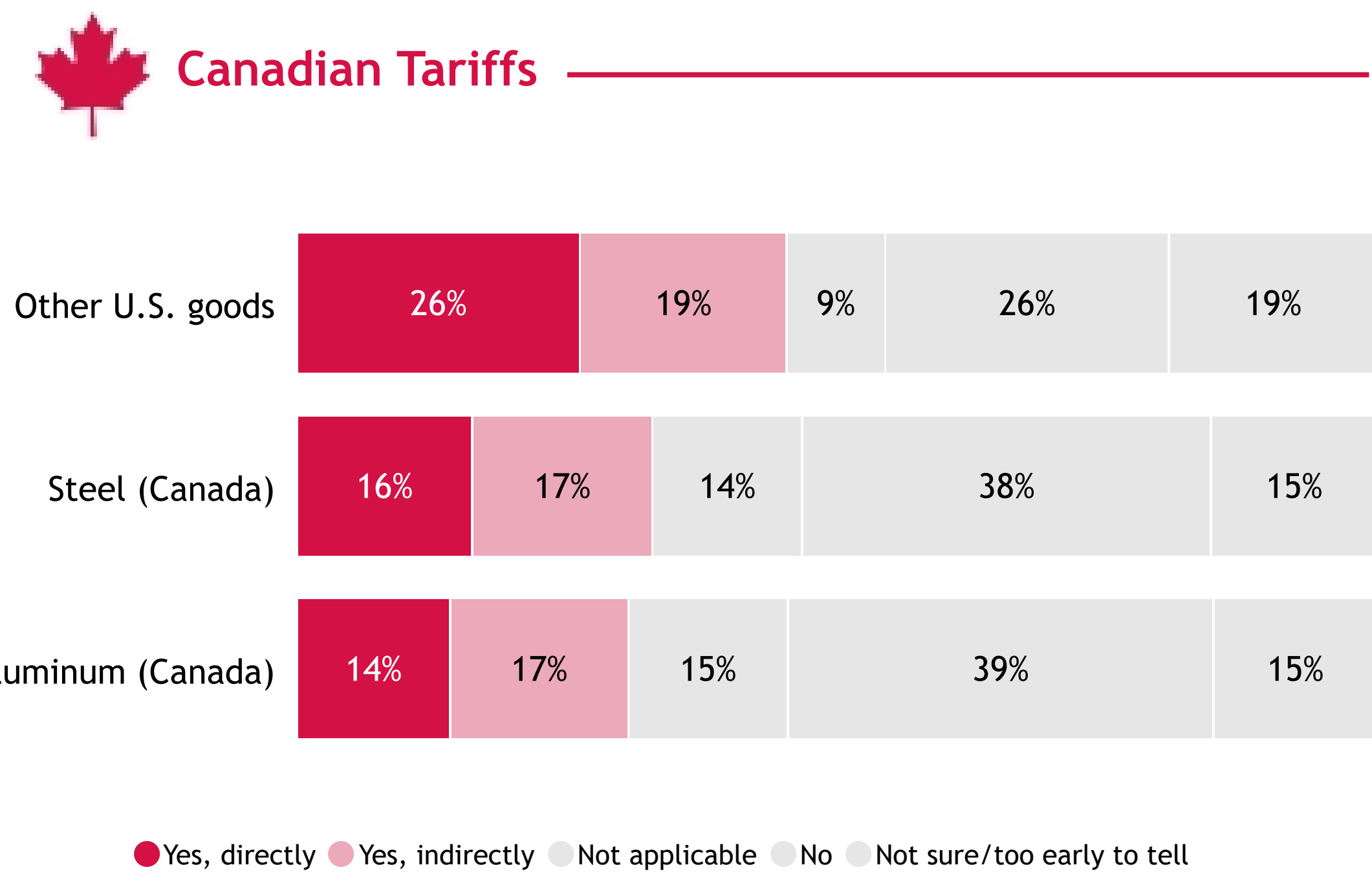
Question: Has your business been impacted by the following tariffs? (Select one for each line)

Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.

Note: *Small sample size (<40).

Canadian SMEs are so far most likely to be impacted by Canadian retaliatory tariffs, U.S. steel and aluminum tariffs, and the planned end of U.S. de minimis treatment

Share of % Canadian businesses impacted by:



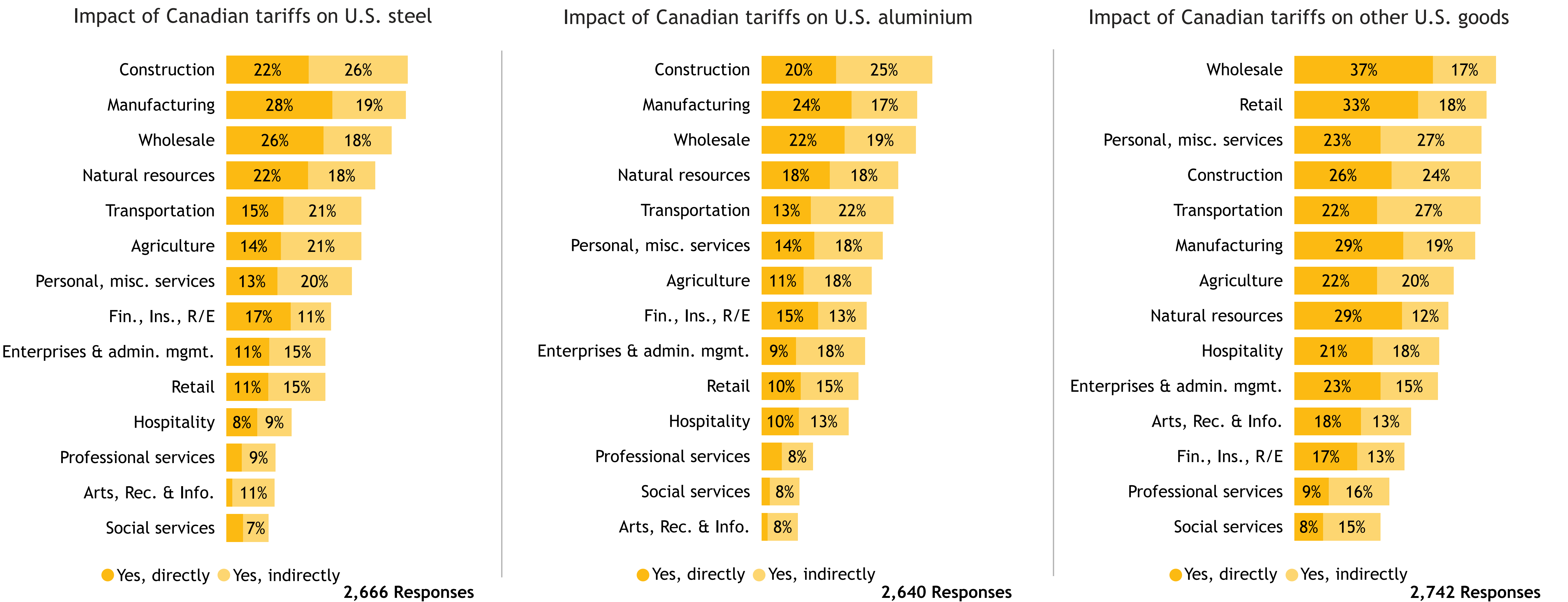
2,958 Responses

Question: Has your business been impacted by the following tariffs? (Select one for each line)

Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.

Note: *End of “de minimis” treatment by the U.S. expected August 29. Respondents were asked to evaluate likely impact.

Canadian tariffs on U.S. goods have had the greatest impact on manufacturing, construction, wholesale and retail sectors while impacts appear more muted across service-based industries



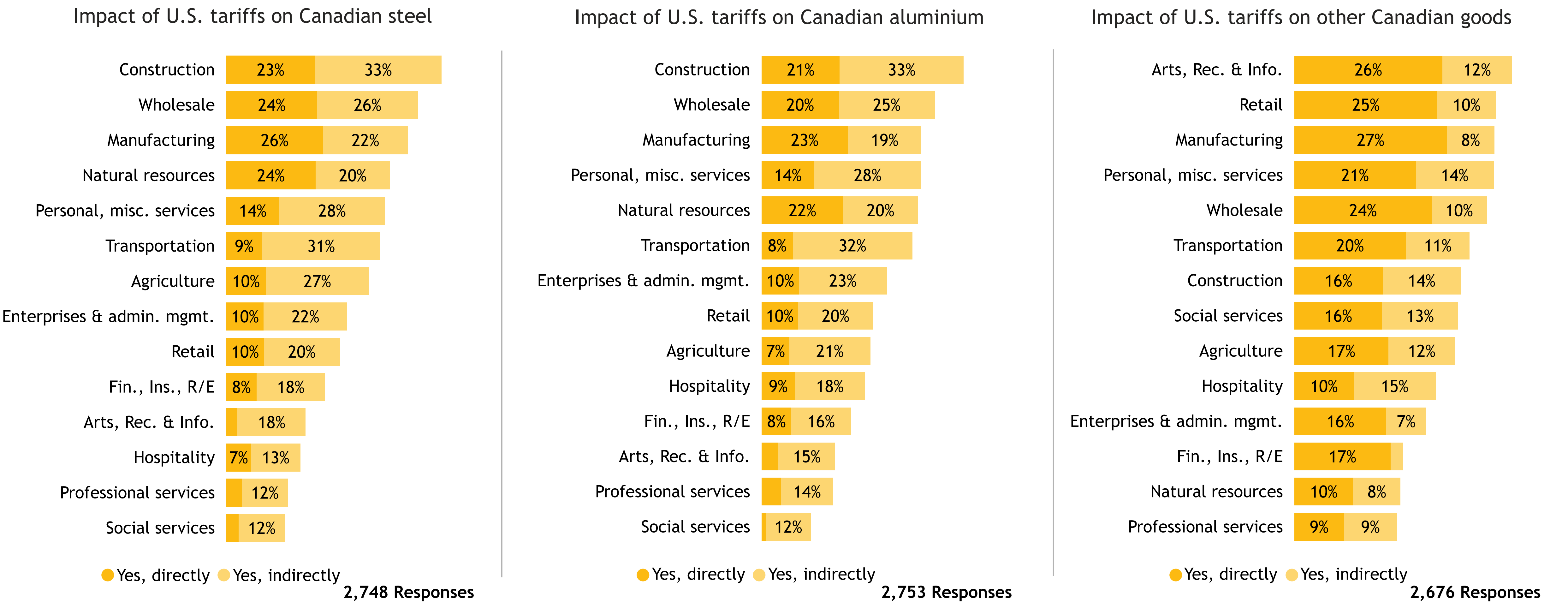
Question: Has your business been impacted by the following tariffs? (Select one for each line) (Steels, aluminium, and other goods)

Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.

Note: *Small sample size (<40). End of “de minimis” treatment by the U.S. expected August 29. Respondents were asked to evaluate likely impact.



U.S. tariffs on Canadian goods have had the greatest impact on construction, manufacturing, wholesale, and retail



Question: Has your business been impacted by the following tariffs? (Select one for each line) (Steels, aluminium, and other goods)

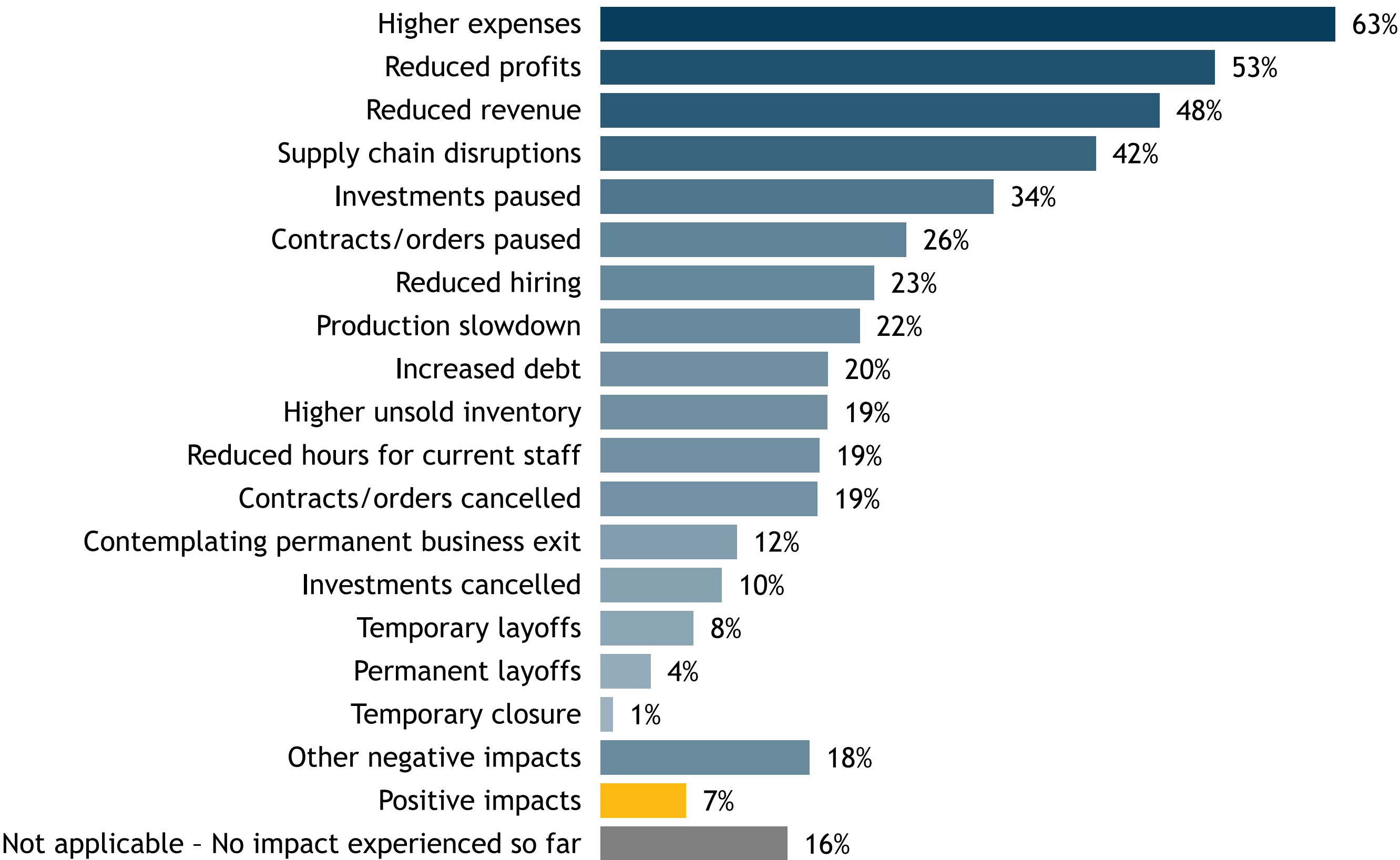
Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.

Note: *Small sample size (<40). End of “de minimis” treatment by the U.S. expected August 29. Respondents were asked to evaluate likely impact.



The top impacts of tariffs on business owners include higher expenses , reduced profits, lower revenue, supply chain disruptions, and paused investments. Only 7% reported positive effects, mainly driven by a “buy Canadian” sentiment, while 16% saw no impact

Impact of tariffs on Canadian businesses



Higher expenses remain the top impact across all sectors, with personal miscellaneous services, hospitality, manufacturing, and retail experiencing above-average levels of impact compared to other businesses

2,721 Responses

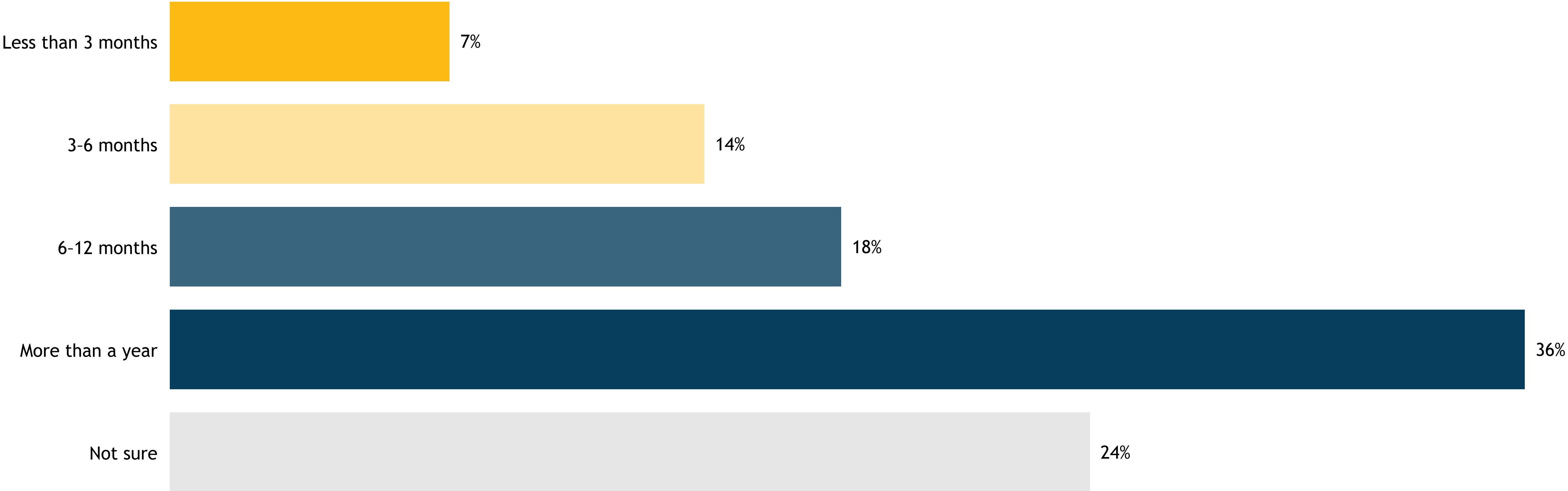
Question: What impact, if any, has your business experienced so far due to the U.S.-Canada trade war? (Select all that apply)

Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.



Among businesses absorbing additional costs from tariffs, while 36% could absorb tariff costs for more than a year, nearly 1 in 5 say they would last less than six months, revealing significant vulnerability

Business owners' views on sustaining tariff costs



605 Responses

Question: How long could your business sustain these additional costs if nothing changes? (Select one)

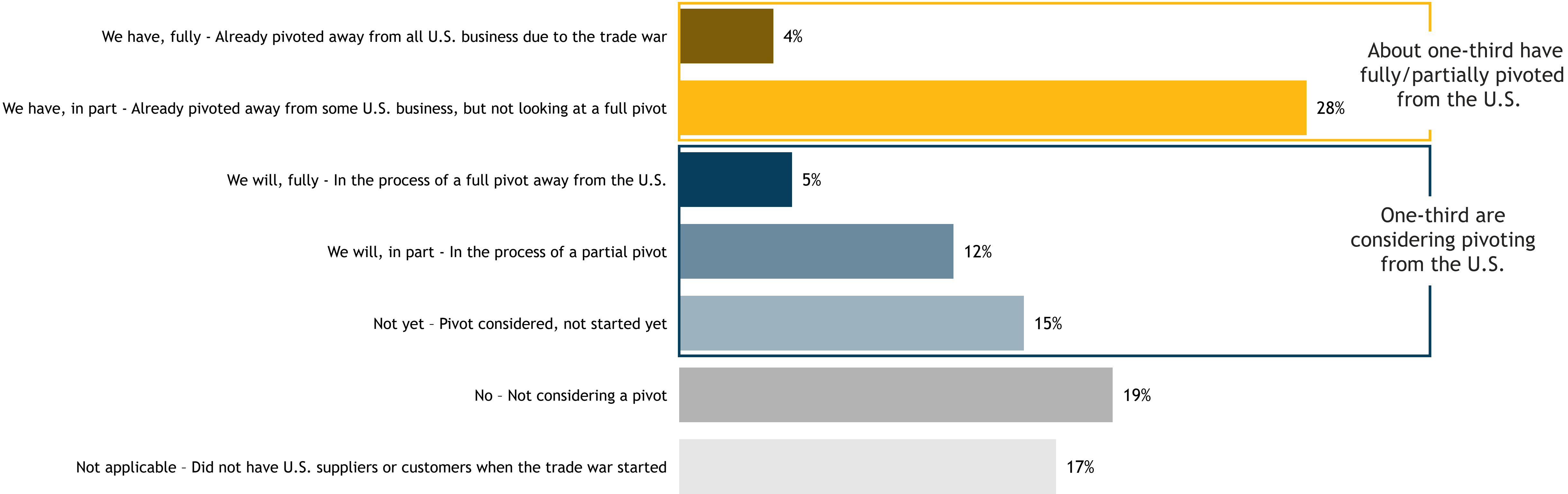
Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.



Strategic pivots

As a result of the current U.S.-Canada trade war, about one-third of businesses have already pivoted away from the U.S., and another third are considering it

Business owners' perspectives on pivoting from the U.S.



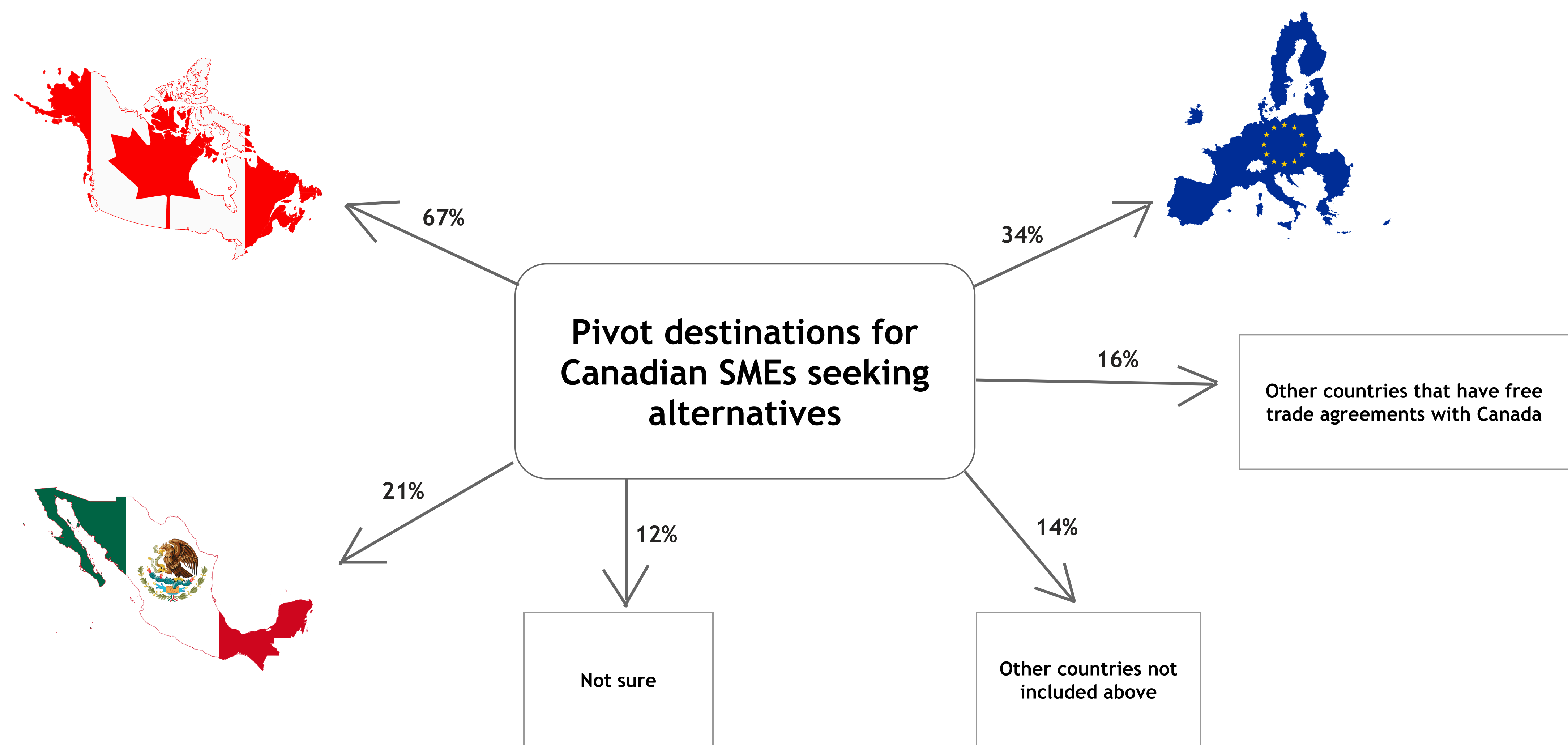
2,673 Responses

Question: Is your business pivoting to find non-U.S.-based suppliers or customers as alternatives? (Select the one answer that best describes your business situation now)

Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.



The majority of businesses (67%) seeking alternatives are turning to Canadian suppliers or customers, over one-third to the EU, and 21% to Mexico, with smaller shares exploring other markets



1,694 Responses

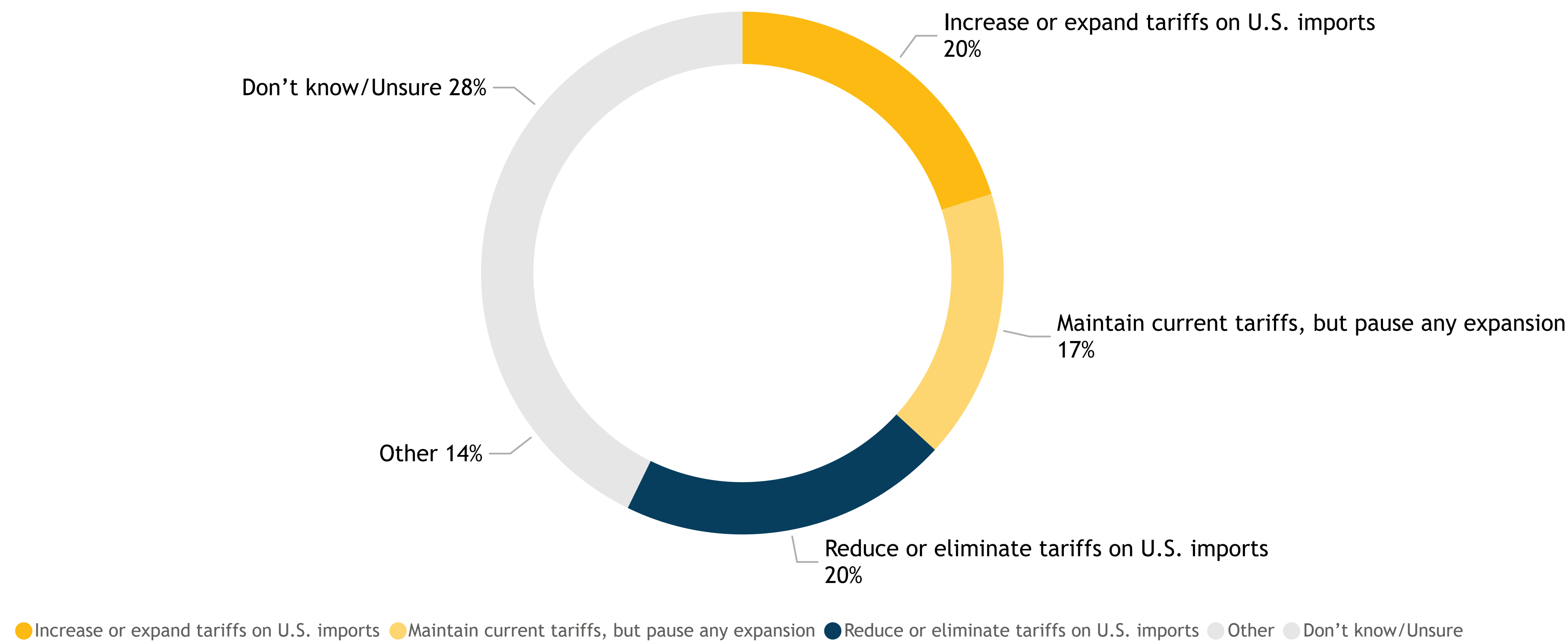
Question: Where is your business pivoting to find alternatives to U.S.-based suppliers or customers? (Select all that apply)

Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.

Business owners perspectives on the U.S.-Canada trade war

Following the August 1 U.S. tariffs hikes: 20% of SMEs want Canada to raise tariffs, 20% prefer reducing/removing them, 17% keep as is, 14% other actions, 28% are undecided

Small businesses' perspectives on how to respond to U.S. tariffs hikes



2,621 Responses

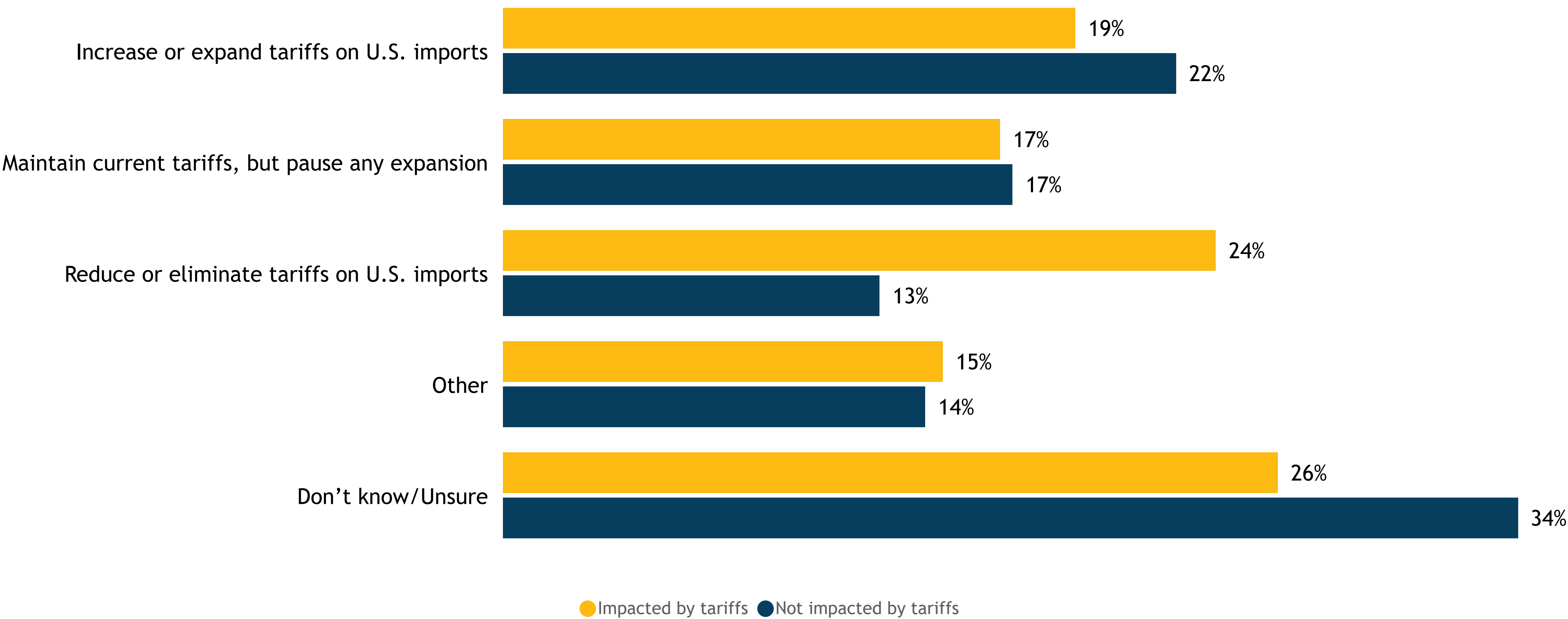
Question: As a result of the U.S. increasing tariffs on non-CUSMA Canadian exports from 25% to 35%, and imposing a 50% tariff on copper-related products, how should Canada respond? (Select one)

Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.



Affected businesses are significantly more likely than unaffected ones (25% vs. 13%) to urge the government to reduce or eliminate tariffs on U.S. imports

Small businesses' perspectives on how to respond to U.S. tariffs hikes by impact status



2,621 Responses

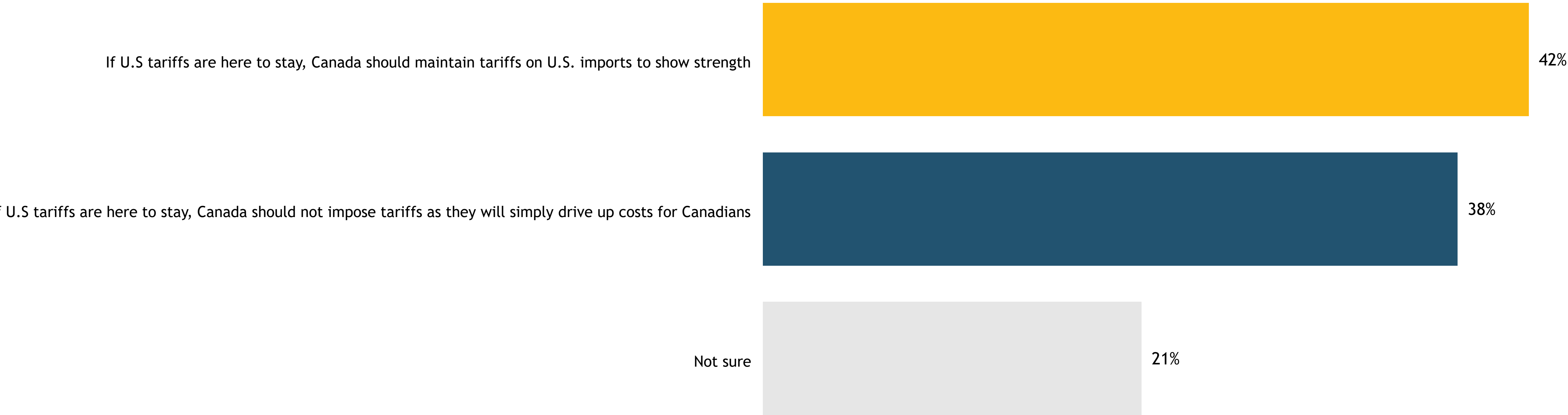
Question: As a result of the U.S. increasing tariffs on non-CUSMA Canadian exports from 25% to 35%, and imposing a 50% tariff on copper-related products, how should Canada respond? (Select one)

Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.



Small businesses’ opinions are split on permanent Canadian tariffs: 42% support keeping them to show strength, 38% favor removing them to avoid higher costs, and 21% are unsure

Business owner opinions on retaliatory tariffs



2,608 Responses

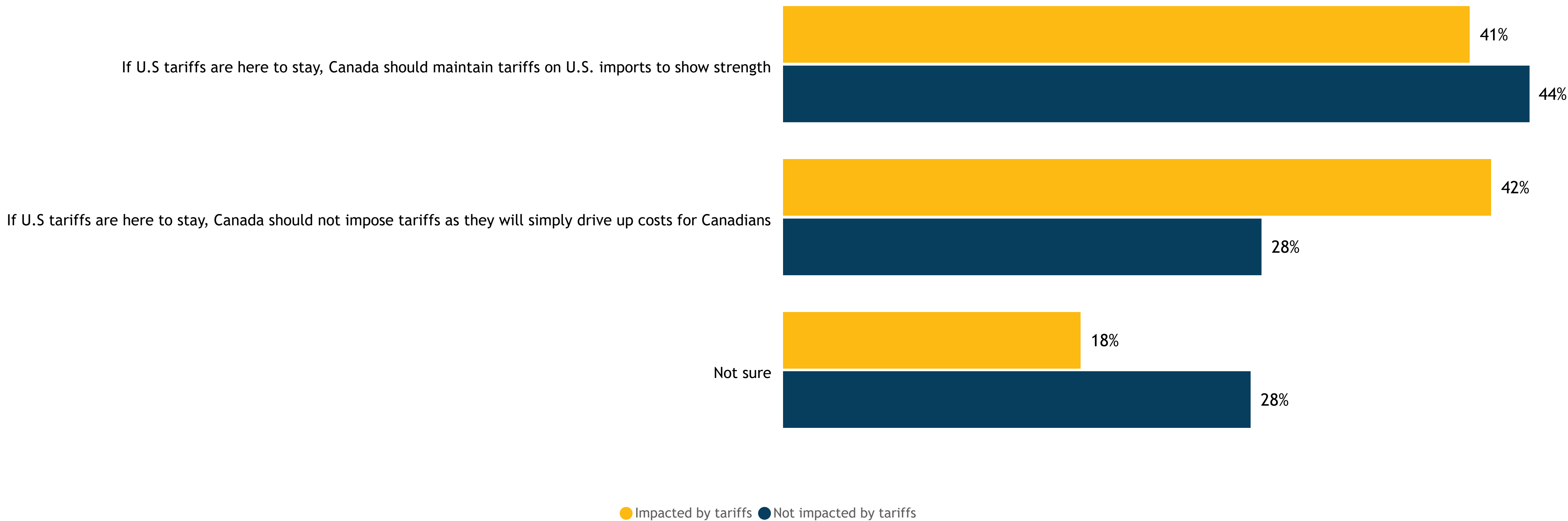
Question: In the context of Canada - U.S. trade negotiations, if at least some U.S. tariffs on Canadian goods are here to stay, should the Canadian government keep permanent tariffs of our own on U.S. products? (Select the one answer that most closely reflects your views now)

Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.



Among businesses impacted by tariffs, 42% favor removing them and 41% support keeping them; non-impacted firms lean toward keeping tariffs (44%) but show more uncertainty (28% vs. 18%)

Business owner opinions on retaliatory tariffs by impact status



2,608 Responses

Question: In the context of Canada - U.S. trade negotiations, if at least some U.S. tariffs on Canadian goods are here to stay, should the Canadian government keep permanent tariffs of our own on U.S. products? (Select the one answer that most closely reflects your views now)

Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.



Most small businesses report higher stress and planning challenges from U.S. tariffs, low confidence in mitigation efforts, and strong support for returning tariff revenue to affected small businesses

Small business owners' perspectives on U.S.-Canada trade war

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

The money collected by Canada through retaliatory tariffs should be returned to Canadian small businesses experiencing both direct and indirect impacts of the trade war



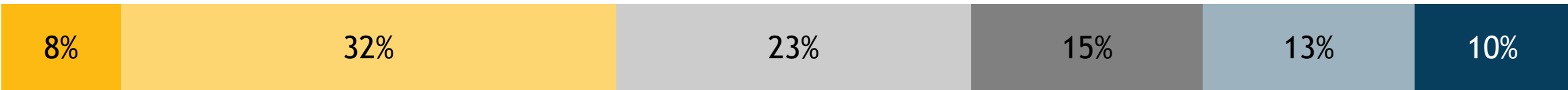
The unpredictable, on-off nature of U.S. tariffs—sudden changes, temporary exemptions, and reinstatements—has made business planning difficult



The trade war has made running our business increasingly stressful



I am confident that the actions my business has taken or considered will help offset the impact of tariffs



2,608 Responses

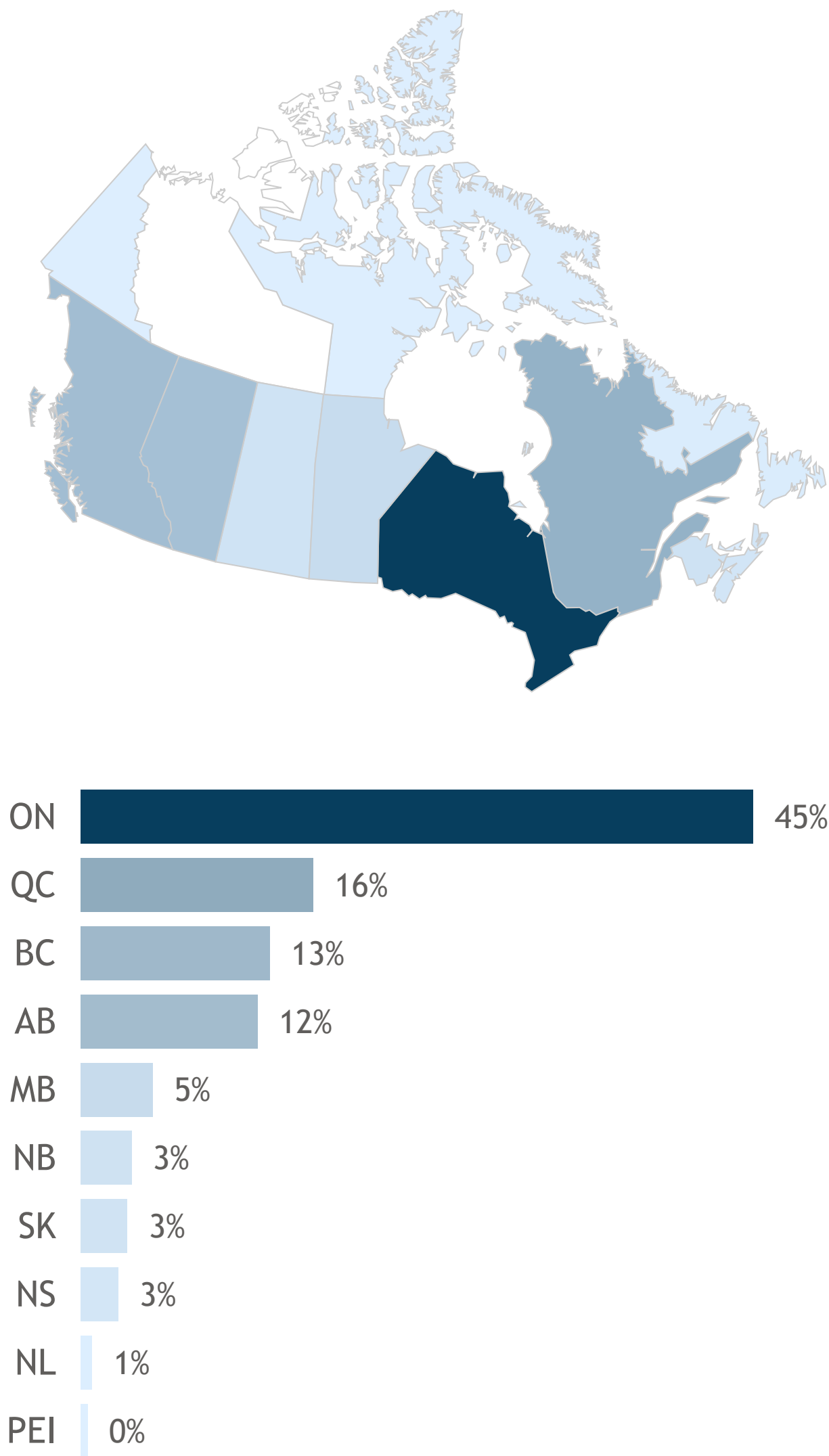
Question: To what extent do you agree or disagree with the following statements about the U.S.-Canada trade war? (Select one for each line)

Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.

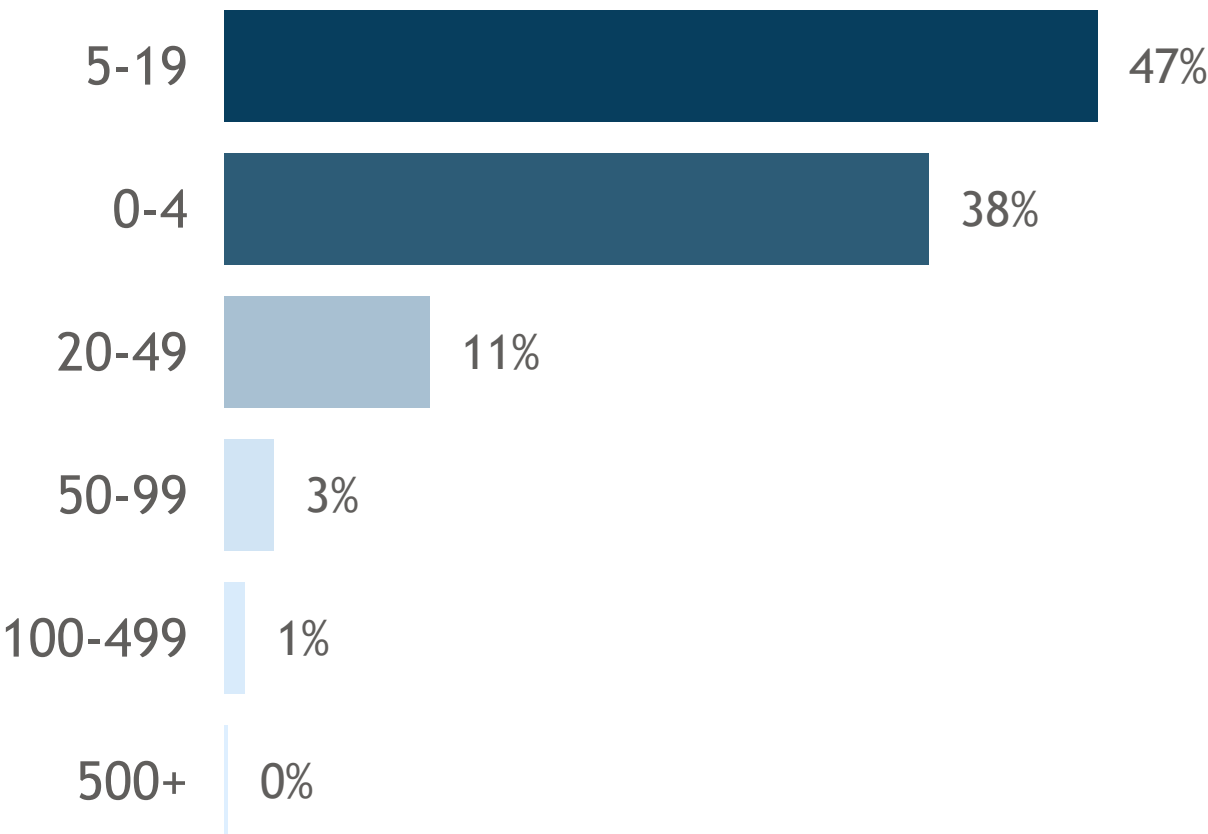


Appendix: Sample distribution

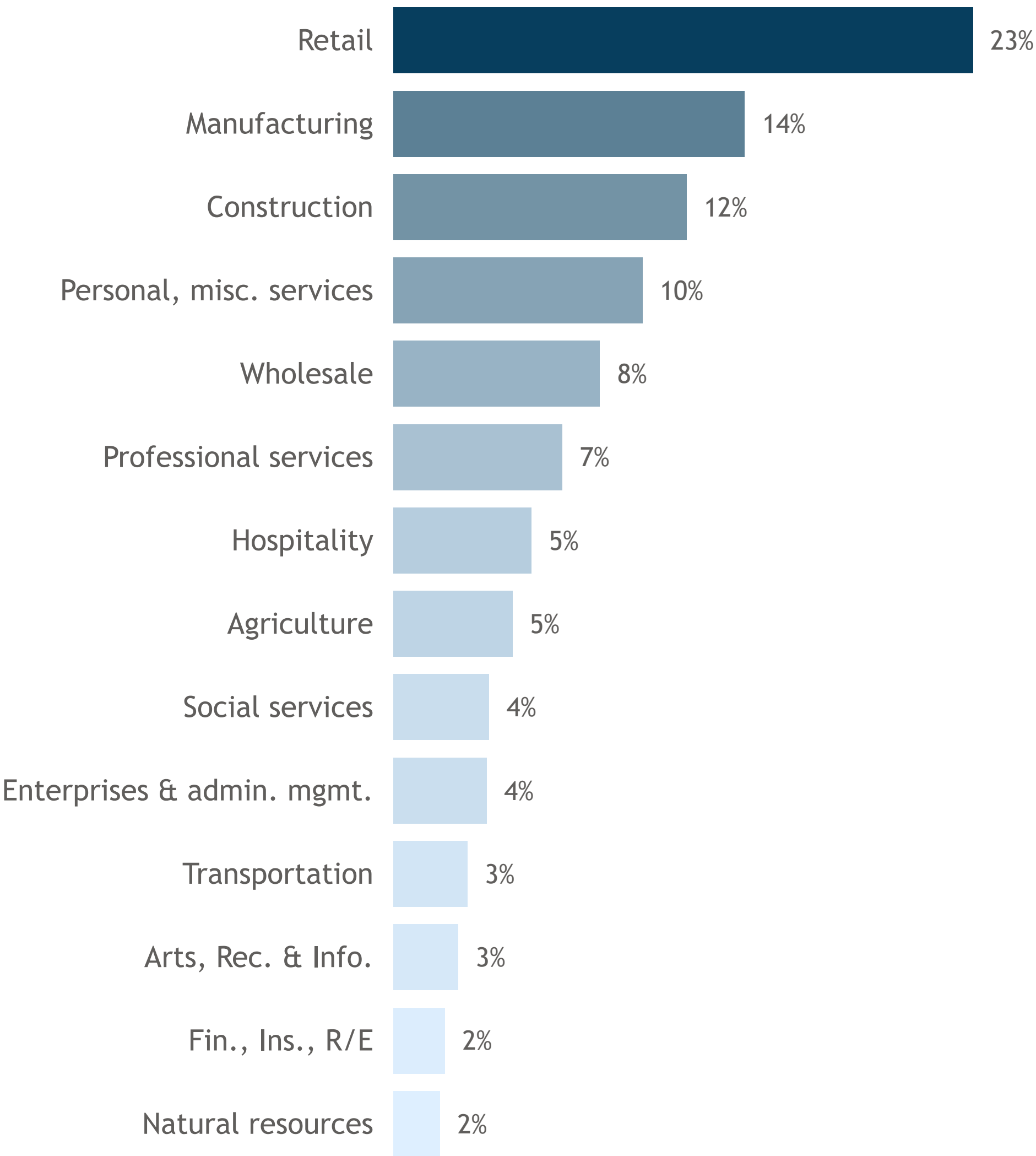
By location of the business



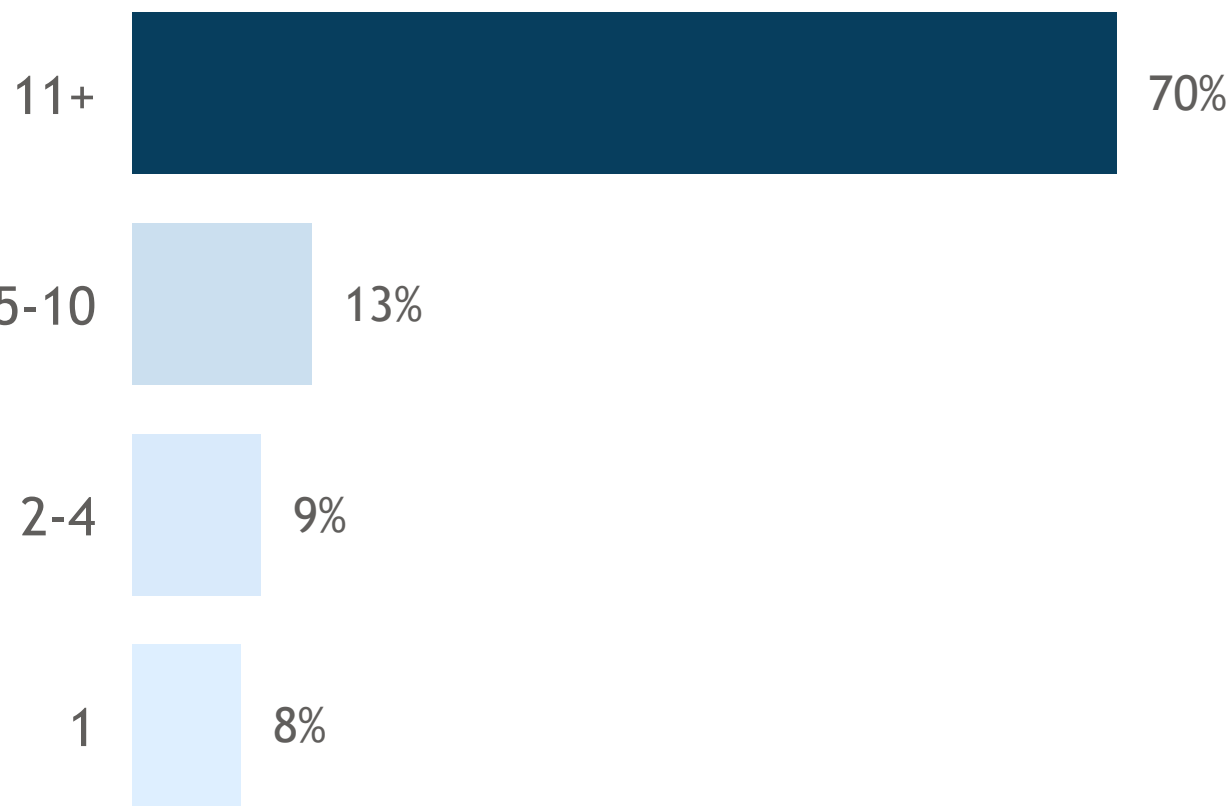
By number of employees



By industry



By years in business



Source: CFIB, The U.S.-Canada trade war and your business, special survey, August 11 - September 2, 2025, final results.

CFIB Research Publications and Business Stats



Monthly Business Barometer®

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



Enterprise Pulse

Q2 2024 - 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 remained fairly unchanged at 2.8% in 2025 Q1, though it is 0.6 percentage points lower than in 2024 Q1.

Questions or data requests

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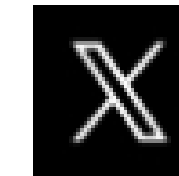


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