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# Canadian Attitudes towards International Trade Executive Summary

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## Executive Summary

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This report summarizes results from a survey of 2,043 Canadians.

Cette publication est aussi disponible en français sous le titre : Attitudes des Canadiens à l'égard du commerce international

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# EXECUTIVE SUMMARY

## Background and Methodology

In alignment with the Trade Diversification Strategy, Global Affairs Canada (GAC) is pursuing efforts to help Canada diversify its trade abroad. This strategy includes efforts to advance an inclusive approach to trade that seeks to ensure that the benefits and opportunities from trade are more widely shared among all Canadians. In support of these efforts, a baseline survey of Canadians was conducted in February 2020 to provide trade communicators with a clear view of public attitudes toward trade, to help inform messaging and communications (including products such as speeches, interview briefs, news releases, and social media).

Recognizing that efforts to mitigate the spread of COVID-19 – including border restrictions and global supply chain disruptions for medical equipment and supplies – could have affected public attitudes toward trade, a follow-up study was conducted in February 2021.

The research objectives of the study were as follows:

- To determine Canadians' level of understanding and interest of general trade issues;
- To determine the level of understanding of the benefits of trade, including foreign direct investment;
- To determine Canadians' views on trade with various countries and sectors;
- To determine the level of understanding of inclusive trade elements (women, indigenous, LGBTQ2) and sustainable development (labour, environmental protections);
- To determine Canadians' awareness of Canada's free trade agreements;
- To determine Canadians' awareness of government programs, services and agencies; and
- To determine how Canadians feel directly impacted by international trade.

The results from this study will be used to help GAC with future communication efforts with the public.

The 2021 research involved a survey of 2,043 Canadians 18 years of age and older. Fieldwork took place from February 8-25, 2021. The survey was conducted primarily online using

Probit, EKOS' probability-based online panel, which contains a pool of roughly 90,000 Canadian households. However, to help with coverage of Canadians who do not have internet access, some interviews were conducted by telephone. In total, 1,538 cases were collected online and 505 were collected by telephone. Survey results were weighted based on Statistics Canada data according to age, gender, and region to ensure the sample is representative of the Canadian general public aged 18 years and over. The margin of error associated with the total sample is +/- 2.2 percentage points, 19 times out of 20.

## Survey Findings

Outlined below are key findings from this study. The remainder of this report describes survey results in more detail. Results are tracked back to the February 2020 survey where possible.

### General Trade Issues

International trade remains a popular topic in the media. When asked if they could recall hearing any news about international trade, six in ten respondents (61 per cent) indicated yes, while one in three (33 per cent) said no. However, tracking reveals a 14-point drop in recall of news related to international trade since 2020. Among other possibilities, this is possibly due to the focus on the COVID-19 pandemic over the past year, as well as the decline in coverage of the Canada-United States-Mexico Agreement (CUSMA) now that it is in force.

Consistent with 2020 results, when asked to rate the importance of various goals for Canada's approach to international trade, economic issues top the list, with nine in ten respondents rating job creation (93 per cent), encouraging innovation in Canada (92 per cent), and support for Canadian businesses (91 per cent) as key priorities. More than eight in ten also assign a high degree of importance to improving Canadians' standard of living (88 per cent), ensuring that Canada's environmental and health standards are respected (87 per cent), supporting Canada's agricultural sector (86 per cent), protecting Canadian intellectual property (86 per cent), diversifying Canada's export markets (81 per cent), and ensuring that everyone benefits from trade (80 per cent). Canadians attach comparatively less importance to lowering costs of domestic production (69 per cent), promoting gender equality (66 per cent), and offering consumers the widest possible choice of products and services at the lowest prices (58 per cent). Just 47 per cent feel that increasing foreign direct investment in Canada should be a top-tier priority, an eight-point drop from 2020. Women are more likely to place importance on enforcing health and environmental standards and promoting gender equality.

When asked to identify the five leading markets for Canadian exports, the vast majority of respondents (87 per cent) recognize the United States as Canada's largest export market, while two-thirds (67 per cent) see China as an important market. Roughly four in ten cite the United Kingdom (43 per cent), Mexico (40 per cent) and Europe (37 per cent) as key markets for Canadian exports.

Results reveal that eight in ten Canadians (80 per cent) believe that ensuring Canada is a major player in the health technology industry should be a top priority when drafting future trade policies, while slightly fewer (76 per cent) say green technologies should be a major consideration. Artificial intelligence ranks comparatively lower, with six in ten (63 per cent) saying trade policies should ensure Canada is globally competitive in this area.

Results also indicate that Canadians widely believe pandemic planning should be a key consideration when it comes to drafting international trade and investment policies. About eight in ten (83 per cent) believe trade policies should ensure pandemic preparedness to a great extent, while one in ten (nine per cent) believe they should do so to a moderate extent. Just six per cent believe matters related to pandemics should, for the most part, be left out of trade and investment policies.

## **Benefits of International Trade**

Results suggest Canadians feel that trade has become more important over the past ten years. Consistent with previous survey results, eight in ten (81 per cent) say trade has grown in importance over the last ten years, while just four per cent believe it is becoming less important.

However, results also suggest Canadians continue to feel that trade benefits large corporations, offering fewer benefits to Canada's more marginalized communities. When asked to rate the extent to which various groups benefit from international trade, nine in ten Canadians (88 per cent) say large businesses benefit to a great extent from international trade, whereas just half feel that small- to medium-sized enterprises (SMEs) and community businesses benefit to the same extent (50 per cent and 48 per cent, respectively). Just over four in ten (44 per cent) feel they personally benefit from international trade, while a similar proportion (42 per cent) see immigrants as beneficiaries. Only just over one-third believe women or youth have benefited from international trade (36 per cent each) and few feel racialized groups (26 per cent), Indigenous people (23 per cent), or LGBTQ2 communities (21 per cent) have benefitted from trade. These results have remained largely stable over the past year.

## **Canada's Brand**

When asked to identify the qualities for which they feel Canadian products are best known internationally, two-thirds of respondents (65 per cent) say our products are best known for their high quality. Just over half (55 per cent) say Canadian goods are defined by Canada's fair labour practices, while just over four in ten (45 per cent) say the country's environmental standards underlie Canada's reputation. Only one in eight (13 per cent) believe that Canadian products have a reputation for low prices.

## **Sustainable and Inclusive Trade Opportunities**

Results suggest Canadians are moderately worried about the impact of trade on international environmental standards. When asked whether they agree or disagree that increased international trade is likely to result in countries lowering their environmental standards to be more competitive, roughly six in ten (57 per cent) agree this is the case, while one-quarter (23 per cent) disagree. Tracking reveals a six-point rise in agreement with this statement since 2020.

However, results also suggest that international trade is widely seen as an opportunity for Canada to promote a number of social goals. About six in ten Canadians see trade as a good way to promote environmental responsibility (63 per cent), respect for labour rights (62 per cent), and respect for human rights (60 per cent). Slightly fewer (57 per cent) say trade is an effective means to foster trade opportunities for all. These results are largely unchanged from 2020.

## **Knowledge of Trade and Canada's Trade Agreements**

When asked whether more international trade is a good thing or a bad thing for Canada, two-thirds (67 per cent) say it is a good thing, and just seven per cent think it is a bad thing. Tracking suggests a steady rise in support for international trade over the past four years (from 48 per cent in 2017 to 67 per cent today).

Survey results reveal limited public awareness of trade agreements. Canadians express a general lack of familiarity with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Comprehensive Economic and Trade Agreement (CETA), and only moderate familiarity with CUSMA. However, positive views were expressed about the agreements among those familiar with them. About half of Canadians say they are either very familiar (seven per cent) or somewhat familiar (45 per cent) with CUSMA. Among those who are at

least somewhat familiar with the agreement, most hold either a very positive (nine per cent) or somewhat positive (53 per cent) view of the deal.

When asked to rate how familiar they are with the CPTPP, most indicate they are either not very (42 per cent) or not at all (29 per cent) familiar with the agreement. Just one-quarter (25 per cent) say they are somewhat familiar with the agreement, and an even smaller proportion (three per cent) say they are very familiar with it. Among those who are familiar, however, half (52 per cent) believe it has had a somewhat positive impact on Canada, and one in five (21 per cent) believe it has had a very positive impact.

Similarly, most Canadians are either not very familiar (39 per cent) or not at all familiar (28 per cent) with CETA. About three in ten (30 per cent) say they are somewhat familiar with the agreement, and just three per cent are very familiar with it. However, among those familiar with the agreement, over half (59 per cent) say CETA's impact on Canada has been somewhat positive, and one-quarter (27 per cent) say its impacts have been very positive.

## **Awareness of Government Programs**

Just over half of respondents (54 per cent) say they are aware of programs offered by the federal government intended to help companies do business abroad, and four in ten (40 per cent) say they are not. When asked to elaborate on their response, the majority of respondents who say they are familiar with these programs (64 per cent) were unable to name a specific program.

## **Direct Impact on Canadians**

Consistent with 2020 results, Canadians express generally positive impressions of the impacts of international trade, both within Canada and abroad. Seven in ten (71 per cent) believe Canada's international trade has had a positive impact on the development of Canadian technology and innovation. Roughly six in ten say it has had a positive impact on the number of jobs in Canada (58 per cent) and that their quality of life has improved as a result of international trade (57 per cent). About half (47 per cent) feel the same about environmental standards in Canada and abroad. Four in ten (37 per cent) believe Canada's international trade has had a positive impact on improving working conditions abroad. No more than one in five respondents say international trade has had a negative impact in any of these areas.

When asked whether they feel they currently benefit from trade, about two-thirds of Canadians (65 per cent) say yes, while only one-quarter (23 per cent) say no (these results are largely unchanged from last year). Among those who feel they are benefitting from trade, about eight in ten (83 per cent) say they enjoy a broader selection of goods and services, and more than half cite job creation (57 per cent), economic benefits (54 per cent), and lower prices (53 per cent) as personal benefits from international trade. Among those who do not feel they have benefited from international trade, just under half (46 per cent) cite the inferior quality of foreign-made products, while slightly fewer (41 per cent) attribute their disapproval to fears of job losses with Canada. One-third expressed concerns over impacts on the Canadian economy (35 per cent), impacts on the environment (35 per cent), and comparatively higher prices for imported products (33 per cent).

## **Conclusions and Implications**

The COVID-19 pandemic appears to have done little to dampen Canadians' enthusiasm for international trade. Consistent with results from 2020, respondents see trade as beneficial to Canada on most of the indicators tested, particularly when it comes to fostering innovation and stimulating job growth. Furthermore, the vast majority of Canadians believe that trade has become more important in recent years, and are open to further expanding trade. Most Canadians feel they personally benefit from trade, with the perceived benefits centred on improved choice, lower prices, and better job opportunities.

One potential problem area, however, is the continuing perception that the benefits of international trade are enjoyed to a much greater degree by large corporations. Respondents express serious doubts as to whether Canada's more marginalized communities – particularly racialized, Indigenous, and LGBTQ2 Canadians – are benefitting from trade. Nevertheless, most Canadians see trade as an avenue to promote trade opportunities for these groups, as well as other social goals.

When it comes to considering Canada's approach to trade, respondents put forward a number of important considerations, particularly economic issues such as job creation, support for Canadian businesses, and innovation. However, improving standards of living, protections for health and environmental standards, protecting intellectual property, diversifying Canada's markets, and ensuring a more equitable division of the benefits of trade are also top-tier priorities. The vast majority of Canadians also believe pandemic preparedness should be a key consideration in future trade policies.



Self-rated familiarity with CUSMA is moderately high and Canadians are generally enthusiastic regarding its benefits. Familiarity with Canada's other recently signed trade agreements – CETA, and CPTPP – is relatively low; however, among those who are familiar with the agreements, clear majorities are optimistic about their impacts.

## **Implications**

Canadians remain optimistic about international trade, and the COVID-19 pandemic has done little to lessen their enthusiasm: there is remarkable stability in positive attitudes to trade and globalization.

Canadians like international trade mainly because of the economic benefits it brings. They also recognize other benefits, and there are a number of goals that they would like to see linked to trade, such as the environment, labour, and women's issues. However, these objectives are ultimately subordinate to economic issues.

As was found last year, fluency on international trade is mixed. Canadians recognize the role of the United States, but seem to overestimate the demand for Canadian exports in China relative to markets such as Europe and the United Kingdom.

Consistent with 2020 results, Canadians see trade as primarily benefitting big business (indeed, when respondents were asked about the benefits of trade, there was a huge drop-off when the scope of the question shifted to small businesses). However, Canadians do not appear too bothered by this apparent lack of equity; they seem to acknowledge that economic growth in this country is inextricably linked to the performance of our larger companies, although they continue to express some concerns that the benefits of international trade are not being shared by all Canadians.

## **Summary of Changes Since 2020**

Tracking from 2020 suggests that public attitudes toward trade have shifted somewhat over the past year on some of the issues we examined. Below is a summary of the most significant changes that have occurred since the 2020 survey.

There has been a 14-point drop in recall of news related to international trade since 2020 (likely due to focus on the COVID-19 pandemic over the past year, as well as CUSMA now being in effect).

Tracking from 2020 reveals a decrease in the proportion of Canadians who see China as a key trading partner (67 per cent, compared to 75 per cent in 2020). Conversely, those who see the United Kingdom as one of Canada's most important export markets has risen from 32 per cent to 43 per cent.

There has been a six-point increase in the proportion of Canadians who believe they have personally benefited from international trade, and a similar rise in support for international trade in general over the past year (from 61 per cent in 2020 to 67 per cent today).

However, we also find an increase in concern about some of the impacts of international trade: there has been a six-point rise in agreement that international trade is likely to result in countries lowering their environmental standards to be more competitive.

Tracking also reveals that self-rated familiarity with programs offered by the federal government intended to help companies do business abroad has declined seven points since 2020.

## **Contract Value and Statement of Political Neutrality**

**Contract Value:** \$74,788.09 (including HST)

**Statement of Political Neutrality:** I hereby certify as a Senior Officer of EKOS Research Associates that the deliverables fully comply with the Government of Canada political neutrality requirements outlined in the Communications Policy of the Government of Canada and Procedures for Planning and Contracting Public Opinion Research. Specifically, the deliverables do not contain any reference to electoral voting intentions, political party preferences, standings with the electorate, or ratings of the performance of a political party or its leader.



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