



AmCham Canada – Nanos
U.S. Business
Confidence Survey

Presented by:
 PNC BANK



US businesses in Canada are most concerned about NAFTA and trade loss with US; tax breaks and cutting red tape among top priorities

Semi-annual report on confidence of U.S.-owned businesses in Canada
Project 2017-893



AmCham Canada – Nanos U.S. Business Confidence Survey



At a glance

Overall, participating US businesses in Canada have a positive outlook on Canada's business environment, believing the Canadian economy will become stronger in the next six months and that its moving in the right direction, as well as predicting an increase in sales in Canada for their organizations. The biggest concerns held by participating US businesses relate to changes to NAFTA and potential trade loss with the US, and they say the Government of Canada should provide tax relief or tax breaks to improve Canada's business environment.

- **Nearly half of participating US businesses expect the number of employees at their firm to remain the same over the next six months** - Asked if they expect the number of people their firm employees to increase, remain the same or decrease in the next six months, 49 per cent of participating US businesses said they expect it will remain the same, while 41 per cent expect it to increase. Nine per cent expect it to decrease over the next six months, while two per cent are unsure.
- **More than half of participating US businesses describe Canada's current business investment environment as positive** – Just over half of participating US businesses (54%) describe today's environment for their business to invest in Canada as positive, while 27 per cent describe it as neutral. Fourteen per cent describe it as negative, while five per cent are unsure.
- **Almost half of participating US businesses believe the Canadian economy will become stronger over the next six months** – Nearly half of participating US businesses (49%) think the Canadian economy will become stronger in the next six months, while 24 per cent think there will be no change. Fourteen per cent think it will become weaker over the next six months, while 14 per cent are unsure.
- **Nearly six in ten participating US businesses report that sales in Canada for their organization have increased in the past six months** – Just under six in ten participating US businesses (59%) report that sales in Canada for their organization have increased in the past six months, while 29 per cent report they have stayed the same, and 10 per cent say they have decreased. Two per cent are unsure.



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- **Over half of participating US businesses expect sales in Canada for their organization to increase the next six months** - Asked if they expect sales in Canada for their organization to increase, remain the same or decrease in the next six months, 54 per cent of participating US businesses said they expect they will increase. Thirty-four per cent say they expect sales will stay the same, while 10 per cent expect sales in Canada will decrease and two per cent are unsure.
- **Over four in ten participating US businesses think the Canadian economy is moving in the right direction** - Asked if they think the Canadian economy is moving in the right or wrong direction, 46 per cent of participating US businesses say it's moving in the right direction, while 25 per cent say the wrong direction. Twenty-nine per cent are unsure.
- **Participating US businesses say the Government of Canada should provide tax breaks and reduce regulations to create a more positive business environment in Canada** – In terms of what they would like to see the Canadian government do to create a more positive business environment in Canada, 15 per cent of participating US businesses mentioned providing tax relief/tax, followed by breaks reducing national/provincial regulations and red tape (11%), and cooperate/harmonize tax structure with the US (nine per cent). Also mentioned was open/fair competition and opportunities, providing subsidies/incentives to keep jobs in Canada, and resolving trade uncertainty/promote NAFTA (eight per cent respectively).
- **More than one in three participating US businesses say potential changes to NAFTA and loss of free trade with the US are their biggest concerns regarding the Canada-US commercial relationship** - Thirty-eight per cent of participating US businesses mentioned potential changes to NAFTA/loss of free trade with the US as their biggest concerns regarding the Canada-United States commercial relationship, followed by President Trump/the current administration (19%), and Buy American/protectionism (11%). Also mentioned was the Canada de minimis threshold/border tax (eight per cent), the exchange rate (six per cent), no concerns (six per cent), and the instability of US business support programs (four per cent).

The findings presented in this report are based on the compiled views of 59 US businesses operating in Canada, collected in an online survey between March 15th and July 19th, 2017. Readers should note that the research is representative of the participants and should not be projected to any population, elite or general. The 59 participating business have an estimated \$906.5B in global revenue.

The data presented in this research is part of a joint project by AmCham Canada and Nanos Research, presented by PNC Bank.

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At a glance

Looking backwards...

	Increase	Remain the same	Decrease
Sales in Canada	59%	29%	10%

Currently...

	Positive	Neutral	Negative
Environment for business to invest in Canada	54%	27%	14%

Looking forwards...

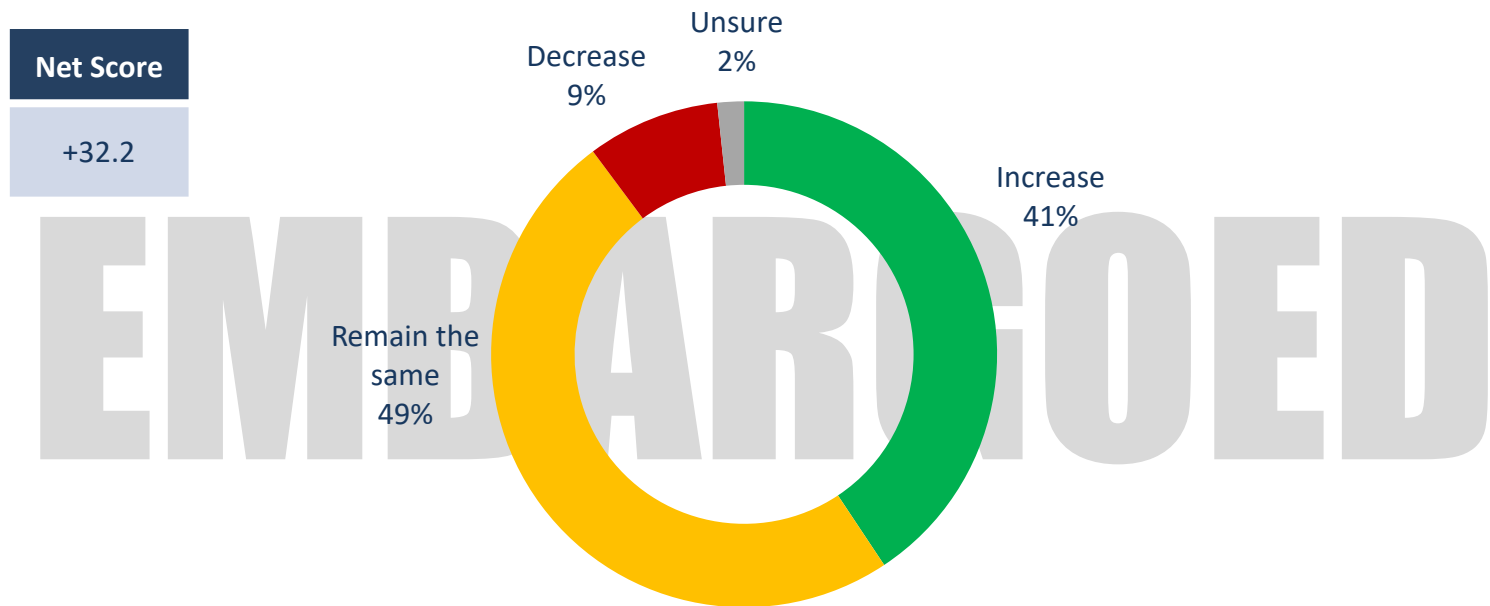
	Increase	Remain the same	Decrease
Number of people the firm employs	41%	49%	9%
Sales in Canada	54%	34%	10%
	Stronger	No change	Weaker
Canadian economy	49%	24%	14%
	Right direction	Wrong direction	
Direction of the Canadian economy	46%	25%	

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Expected change in number of employees

Source: AmCham/Nanos Research, online panel survey of 59 major US businesses in Canada between March 15th and July 19th 2017. No margin of error applies to this research.



***Note:** Charts may not add up to 100 due to rounding

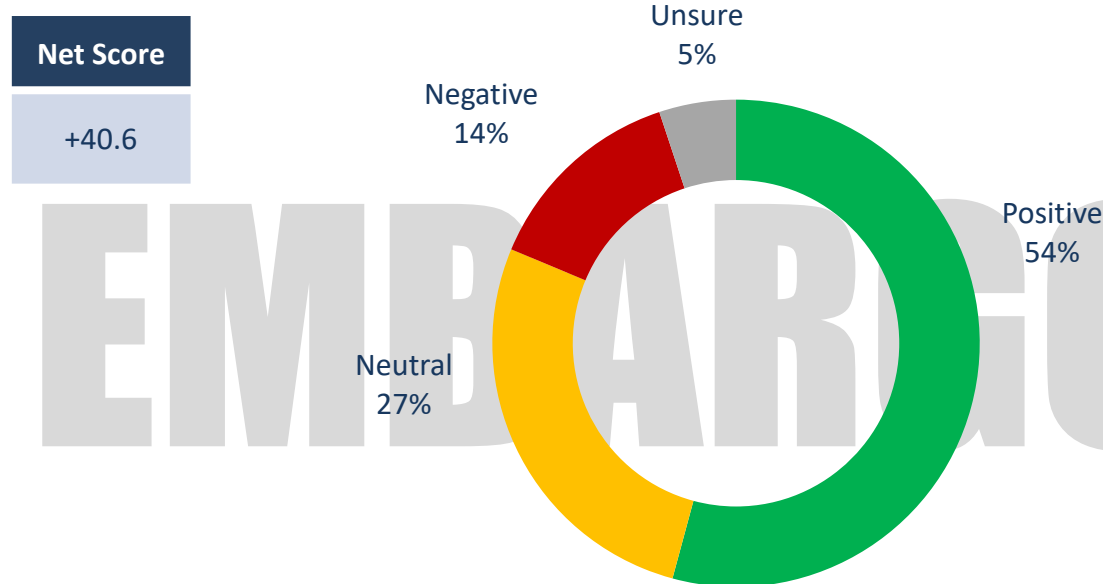
QUESTION – Over the next six months, do you expect the number of people your firm employs will increase, remain the same, or decrease?

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Today's investment environment in Canada

Source: AmCham/Nanos Research, online panel survey of 59 major US businesses in Canada between March 15th and July 19th 2017. No margin of error applies to this research.



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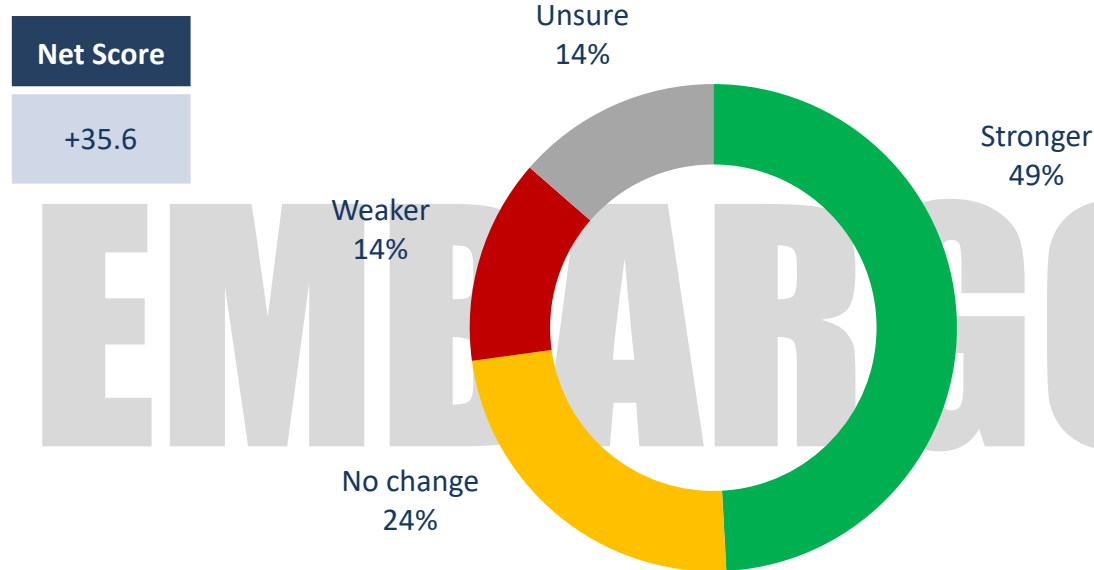
QUESTION – Would you describe today's environment for your business to invest in Canada as positive, neutral or negative?

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Expected change in Canadian economy

Source: AmCham/Nanos Research, online panel survey of 59 major US businesses in Canada between March 15th and July 19th 2017. No margin of error applies to this research.



***Note:** Charts may not add up to 100 due to rounding

QUESTION – In the next six months, do you think the Canadian economy will become stronger, weaker, or will there be no change?

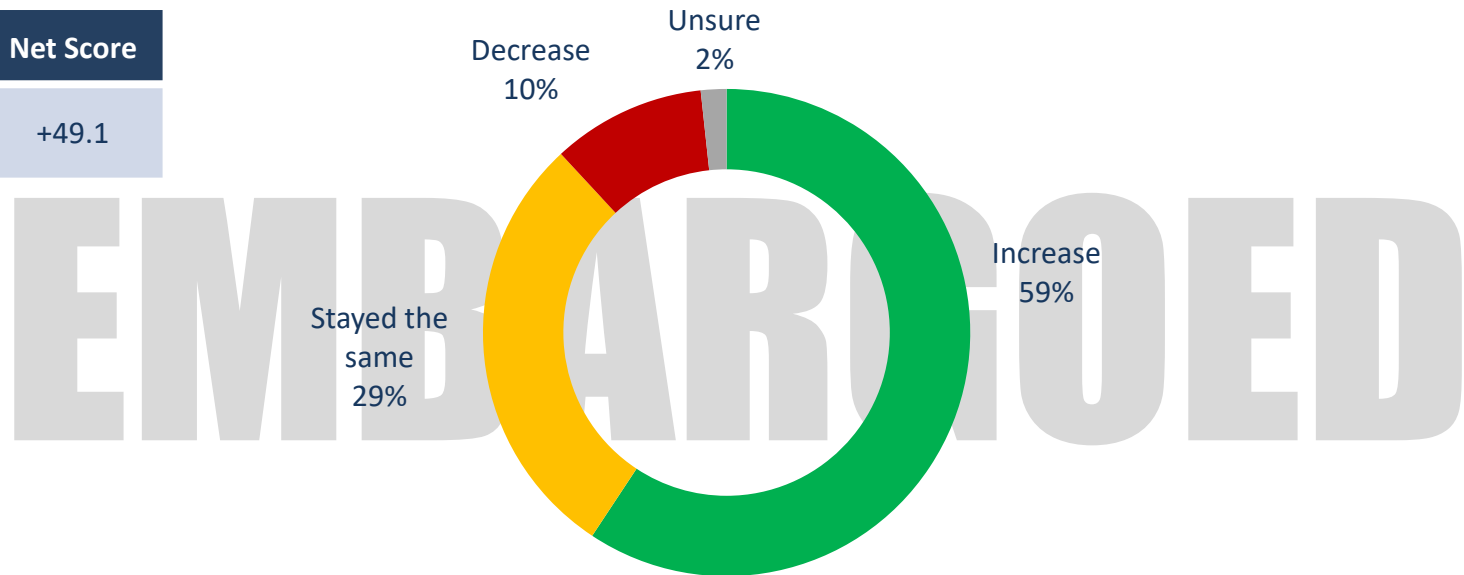
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Change in sales in past six months

Source: AmCham/Nanos Research, online panel survey of 59 major US businesses in Canada between March 15th and July 19th 2017. No margin of error applies to this research.

Net Score
+49.1



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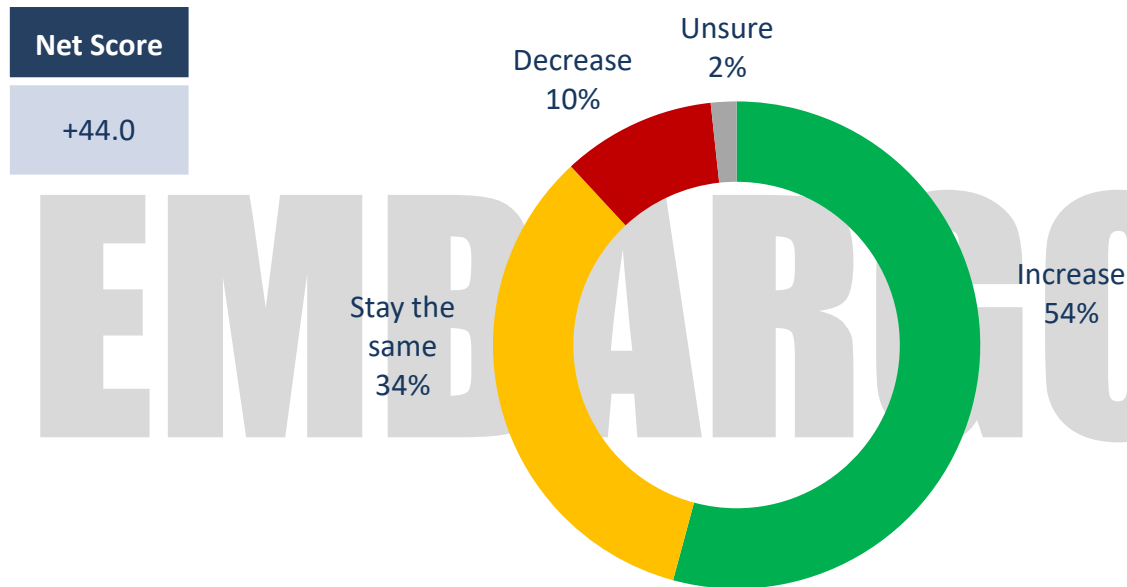
QUESTION – In the past six months, have the sales in Canada for your organization increased, stayed the same or decreased?

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Expected change in sales in next six months

Source: AmCham/Nanos Research, online panel survey of 59 major US businesses in Canada between March 15th and July 19th 2017. No margin of error applies to this research.



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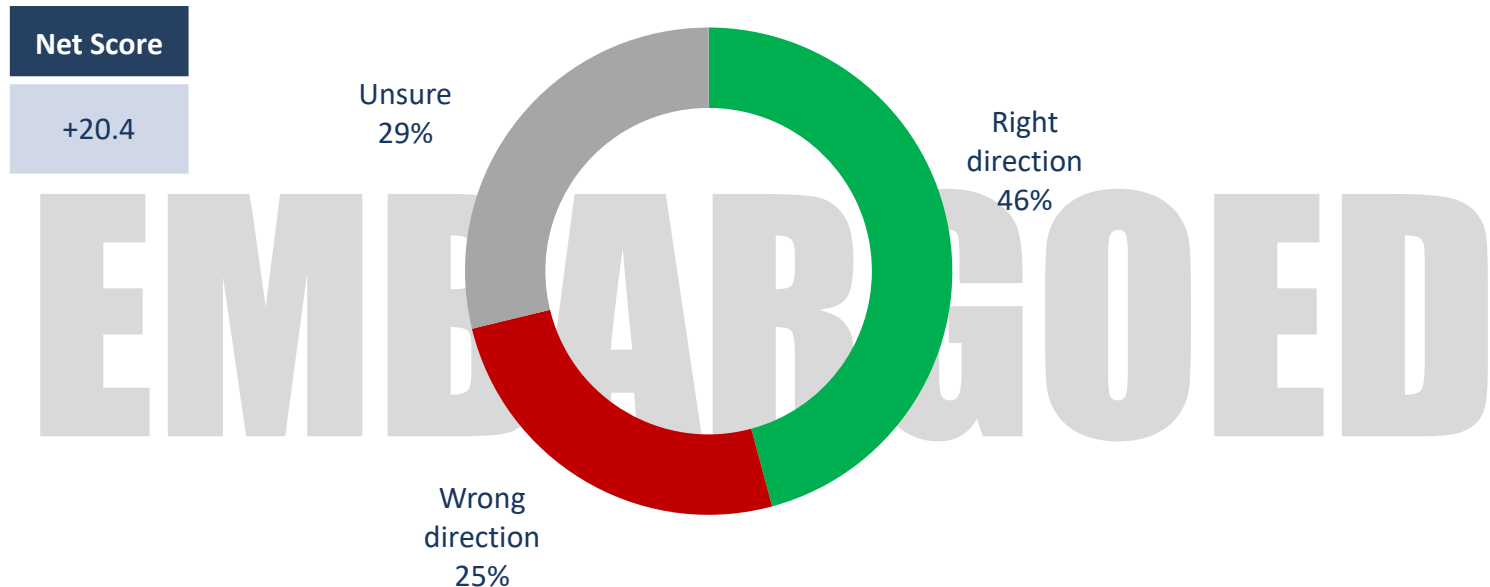
QUESTION – In the next six months, do you expect sales in Canada for your organization to increase, stay the same or decrease?

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Direction of the Canadian economy

Source: AmCham/Nanos Research, online panel survey of 59 major US businesses in Canada between March 15th and July 19th 2017. No margin of error applies to this research.



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QUESTION – Thinking of the future of the Canadian economy, do you think it is moving in the right direction or the wrong direction?

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Creating a more positive business environment

Source: AmCham/Nanos Research, online panel survey of 53 major US businesses in Canada between March 15th and July 19th 2017. No margin of error applies to this research.

	Frequency (n=53)
Tax relief/tax breaks	15.1%
Reduce national/provincial regulations and red tape	11.3%
Cooperate/harmonize tax structure with US	9.4%
Open/fair competition and opportunities	7.5%
Provide subsidies/incentives to keep jobs in Canada	7.5%
Resolve trade uncertainty/promote NAFTA	7.5%
Encourage innovation/invest in technology	5.7%
Invest in infrastructure/manufacturing in Canada	5.7%
Cut spending/balance the budget	5.7%
Reduce hydro/electricity rates	3.8%

	Frequency (n=53)
Improve perceptions of US businesses in Canada/ send positive messages	3.8%
Tax incentives for R&D in Canada	1.9%
Increase wages	1.9%
Get rid of current Liberal gov't	1.9%
Reduce tariffs on imported goods	1.9%
Strengthen the CAD relative to USD	1.9%
Other	5.7%
Unsure	1.9%

QUESTION – What would you like to see the Government in Canada do to create a more positive business environment in Canada? [Open-ended]

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Concerns for Canada-U.S. commercial relationship

Source: AmCham/Nanos Research, online panel survey of 53 major US businesses in Canada between March 15th and July 19th 2017. No margin of error applies to this research.

	Frequency (n=53)
Potential changes to NAFTA/loss of free trade with US	37.7%
President Trump/current administration	18.9%
Buy American/protectionism	11.3%
The Canada de minimis threshold/border tax	7.5%
Exchange rate	5.7%
No concerns	5.7%
Instability of US business support programs	3.8%
Tax imbalances between Canada and US	1.9%
Offset obligations are one way	1.9%
Meeting the needs of the US market while remaining competitive	1.9%
ITAR process	1.9%
Other	1.9%

QUESTION – What are your biggest concerns regarding the Canada-United States commercial relationship? [Open-ended]



AmCham Canada – Nanos U.S. Business Confidence Survey



Methodology

Nanos and AmCham Canada have created a co-branded Index and research project based on a new confidence survey of American businesses operating in Canada. The Index provides sector intelligence and data that supports understanding of business trends.

The findings presented in this report are based on the compiled views of 59 US businesses operating in Canada, collected in an online survey between March 15th and July 19th, 2017. Readers should note that the research is representative of the participants and should not be projected to any population, elite or general.

The list of potential panel participants was provided by the AmCham Canada to Nanos. The identity and opinions of individual panelists remained confidential and managed by Nanos in accordance with the standards of the Marketing Research and Intelligence Association of which Nanos is a member.

The data presented in this research is part of a joint project by AmCham and Nanos Research.

Note: Charts may not add up to 100 due to rounding.



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Respondent Revenue Profile

The 59 participating US companies that shared their views have a combined total global revenue of \$906.5B US. To follow is the distribution of size of respondent company by estimated global revenue.

Estimated Global Revenue USD	N	P
Greater than \$10B	20	34%
\$1B to \$10B	22	37%
\$100M to \$1B	9	15%
\$10M to \$100M	4	7%
Less than \$10M	4	7%
	59	100%

Technical Note

Element	Description	Element	Description
Organization who commissioned the research	AmCham Canada/Nanos Research, sponsored by PNC Bank.	Weighting of Data	This data was not weighted.
Final Sample Size	59 US businesses operating in Canada.	Screening	Not applicable.
Margin of Error	No margin of error applies to this research.	Excluded Demographics	Non-U.S. businesses.
Mode of Survey	Online panel survey.	Stratification	This data was not stratified.
Sampling Method Base	List provided by AmCham Canada.	Estimated Response Rate	Not applicable as this was an open link survey.
Demographics (Captured)	US businesses operating in Canada.	Question Order	Question order in the preceding report reflects the order in which they appeared in the original questionnaire.
Fieldwork/Validation	Online panel survey.	Question Content	All questions asked are contained in the report.
Number of Calls	Participants were not called.	Question Wording	The questions in the preceding report are written exactly as they were asked to individuals.
Time of Calls	Participants were not called.	Survey Company	Nanos Research
Field Dates	March 15 th and July 19 th , 2017.	Contact	Contact Nanos Research for more information or with any concerns or questions. http://www.nanosresearch.com Telephone:(613) 234-4666 ext. Email: info@nanosresearch.com.
Language of Survey	The survey was conducted in both English and French.		



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About the AmCham Canada-Nanos Research Business Confidence Index

The AmCham Canada-Nanos Research business confidence index is a semi-annual measure of the confidence of U.S.- owned businesses operating in Canada, seeking to assess future trends in employment, perceptions of the economic climate and business environment for U.S. owned businesses in Canada, and the commercial relationship between Canada and the U.S.

For more information, visit <http://www.amchamcanada.ca/> or www.nanosresearch.com

For interviews contact:

Nik Nanos FMRIA

Chairman, Nanos Research Group
Ottawa (613) 234-4666 ext. 237
Washington DC (202) 697-9924
nnanos@nanosresearch.com

Rick Tachuk

Chairman, AmCham Canada
Ottawa (613-293-5250)
rtachuk@amchamcanada.ca

About PNC Bank



PNC offers a wide range of services for customers, from individuals and small businesses, to corporations and government entities, no matter how simple or complicated their needs PNC is sure to have the products, knowledge and resources necessary for financial success. PNC competes to win in the middle market, where they are one of the leading credit providers to middle market companies across the US. PNC is in the top five syndicators of middle market loan transactions for each of the last five years. Underpinning their success at building deep and lasting relationships with middle market clients is a breadth of capabilities—including extensive treasury management, capital markets and international banking services—many of which have been tailored specifically for the middle market audience.

About AmCham

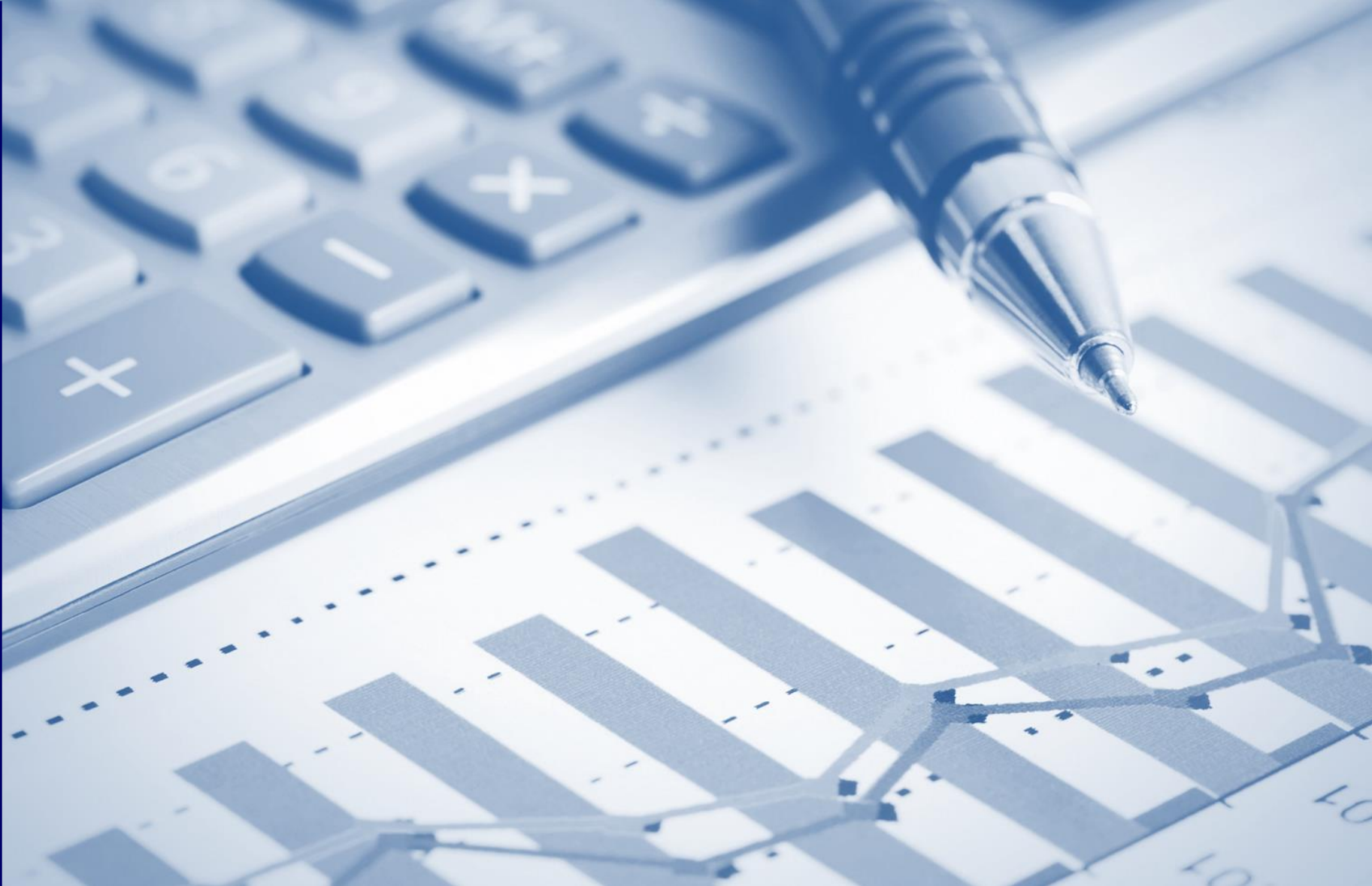


The American Chamber of Commerce in Canada (AmCham Canada) is a private, non-profit, membership organization that promotes the two-way flow of trade, goods, services and investment between Canada and the United States. AmCham Canada, with seven chapters located throughout Canada, is committed to promoting trade opportunities, advancing economic growth, and facilitating the mobility of people, goods and services across the longest undefended border in the world. AmCham Canada continually strives to promote and foster a positive climate for commerce, trade and investment between the United States and Canada, as well as positive working environment among the business people and professional who facilitate and strengthen economic ties between the two countries.

About Nanos



Nanos is one of North America's most trusted research and strategy organizations. Our team of professionals is regularly called upon by senior executives to deliver superior intelligence and market advantage whether it be helping to chart a path forward, managing a reputation or brand risk or understanding the trends that drive success. Services range from traditional telephone surveys, through to elite in-depth interviews, online research and focus groups. Nanos clients range from Fortune 500 companies through to leading advocacy groups interested in understanding and shaping the public landscape. Whether it is understanding your brand or reputation, customer needs and satisfaction, engaging employees or testing new ads or products, Nanos provides insight you can trust.



Tabulations



2017-983 – AmCham – Business Confidence Survey - STAT SHEET

		Frequency	Percent	Valid Percent	Cumulative Percent
Question 1 - Over the next six months, do you expect the number of people your firm employs will increase, remain the same, or decrease? [PROSPECTIVE]	Increase	24	40.7	40.7	40.7
	Remain the same	29	49.2	49.2	89.8
	Decrease	5	8.5	8.5	98.3
	Unsure	1	1.7	1.7	100.0
	Total	59	100.0	100.0	

		Frequency	Percent	Valid Percent	Cumulative Percent
Question 2 - Would you describe today's environment for your business to invest in Canada as positive, neutral or negative? [TODAY]	Positive	32	54.2	54.2	54.2
	Neutral	16	27.1	27.1	81.4
	Negative	8	13.6	13.6	94.9
	Unsure	3	5.1	5.1	100.0
	Total	59	100.0	100.0	

		Frequency	Percent	Valid Percent	Cumulative Percent
Question 3 - In the next six months, do you think the Canadian economy will become stronger, weaker, or will there be no change? [PROSPECTIVE]	Stronger	29	49.2	49.2	49.2
	Weaker	8	13.6	13.6	62.7
	No change	14	23.7	23.7	86.4
	Unsure	8	13.6	13.6	100.0
	Total	59	100.0	100.0	

		Frequency	Percent	Valid Percent	Cumulative Percent
Question 4 - In the past six months, have the sales in Canada for your organization increased, stayed the same or decreased? [RETROSPECTIVE]	Increased	35	59.3	59.3	59.3
	Stayed the same	17	28.8	28.8	88.1
	Decreased	6	10.2	10.2	98.3
	Unsure	1	1.7	1.7	100.0
	Total	59	100.0	100.0	

Nanos conducted an online survey of 59 US businesses operating in Canada, between March 15th and July 19th, 2017. The list of potential panel participants was provided by the AmCham Canada to Nanos. No margin of error applies to this research.

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2017-983 – AmCham – Business Confidence Survey - STAT SHEET

		Frequency	Percent	Valid Percent	Cumulative Percent
Question 5 - In the next six months, do you expect sales in Canada for your organization to increase stay the same or decrease? [PROSPECTIVE]	Increase	32	54.2	54.2	54.2
	Stay the same	20	33.9	33.9	88.1
	Decrease	6	10.2	10.2	98.3
	Unsure	1	1.7	1.7	100.0
	Total	59	100.0	100.0	

		Frequency	Percent	Valid Percent	Cumulative Percent
Question 6 - Thinking of the future of the Canadian economy, do you think it is moving in the right direction or the wrong direction? [PROSPECTIVE]	Right direction	27	45.8	45.8	45.8
	Wrong direction	15	25.4	25.4	71.2
	Unsure	17	28.8	28.8	100.0
	Total	59	100.0	100.0	



2017-983 – AmCham – Business Confidence Survey - STAT SHEET

		Frequency	Percent	Valid Percent	Cumulative Percent
Question 7 - What	Tax relief/tax breaks	8	13.6	15.1	15.1
would you like to see	Reduce national/provincial regulations and red tape	6	10.2	11.3	26.4
the Government in	Cooperate/harmonize tax structure with US	5	8.5	9.4	35.8
Canada do to create	Open/fair competition and opportunities	4	6.8	7.5	43.4
a more positive	Provide subsidies/incentives to keep jobs in Canada	4	6.8	7.5	50.9
business	Resolve trade uncertainty/promote NAFTA	4	6.8	7.5	58.5
environment in	Encourage innovation/invest in technology	3	5.1	5.7	64.2
Canada?	Invest in infrastructure/manufacturing in Canada	3	5.1	5.7	69.8
[Open-ended]	Cut spending/balance the budget	3	5.1	5.7	75.5
	Other	3	5.1	5.7	81.1
	Reduce hydro/electricity rates	2	3.4	3.8	84.9
	Improve perceptions of US businesses in	2	3.4	3.8	88.7
	Canada/send positive messages				
	Tax incentives for R&D in Canada	1	1.7	1.9	90.6
	Increase wages	1	1.7	1.9	92.5
	Get rid of current Liberal gov't	1	1.7	1.9	94.3
	Reduce tariffs on imported goods	1	1.7	1.9	96.2
	Strengthen the CAD relative to USD	1	1.7	1.9	98.1
	Unsure	1	1.7	1.9	100.0
	Total	53	89.8	100.0	
	No Answer	6	10.2		
Total		59	100.0		

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		Frequency	Percent	Valid Percent	Cumulative Percent
Question 8 - What are your biggest concerns regarding the Canada-United States commercial relationship? [Open-ended]	Potential changes to NAFTA/loss of free trade with US	20	33.9	37.7	37.7
	President Trump/current administration	10	16.9	18.9	56.6
	Buy American/protectionism	6	10.2	11.3	67.9
	The Canada de minimis threshold/border tax	4	6.8	7.5	75.5
	Exchange rate	3	5.1	5.7	81.1
	No concerns	3	5.1	5.7	86.8
	Instability of US business support programs	2	3.4	3.8	90.6
	Tax imbalances between Canada and US	1	1.7	1.9	92.5
	Offset obligations are one way	1	1.7	1.9	94.3
	Meeting the needs of the US market while remaining competitive	1	1.7	1.9	96.2
	ITAR process	1	1.7	1.9	98.1
	Other	1	1.7	1.9	100.0
	Total	53	89.8	100.0	
	No Answer	6	10.2		
Total		59	100.0		

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