

# COVID-19 SURVEY

EDC Research Panel

January 2022

Insights on the impacts of COVID-19  
on Canadian exporters.

Canada

 EDC



# CONTEXT AND OBJECTIVES

## Context

The COVID-19 pandemic has had widespread impacts on the global economy, including inducing the sharpest and most synchronized economic downturn ever recorded.

As part of the Government of Canada's support package, Export Development Canada (EDC) has been working with the Business Development Bank of Canada (BDC) and other financial institutions to provide financial support to Canadian businesses dealing with economic fallout from the pandemic.

## Objectives

This is the fifth survey\* of EDC's Research Panel to collect timely insights on how the pandemic is affecting Canadian business operations. The goal of these surveys is to better understand COVID-19's impacts on sales, supply chains, business adjustment strategies, key challenges and opportunities, as well as the use of government supports.

\* This survey was conducted in April 2020, May 2020, October 2020, March 2021 and December 2021.

# SURVEY CONSIDERATIONS

## Methodology

An online survey of EDC's Research Panel provided a self-selected sample of 292 respondents, who are knowledgeable decision-makers about their company's activities, with 250 of these respondents from Maru Blue Voice of Canada Research Panel. The businesses surveyed mirror the overall Canadian business population by company size, region and sector. The survey's margin of error is +/- 5.7% with a 95% confidence interval.

For more information, please contact Jennifer Topping at [JTopping@edc.ca](mailto:JTopping@edc.ca).

## At the time of EDC's survey

This survey was conducted between November and December 2021. During that time, a fifth spike of COVID-19 cases, fuelled by the Omicron variant, was emerging in several regions across Canada.

# KEY INSIGHTS FROM THIS SURVEY

- Fewer companies are reporting negative impacts due to the pandemic on domestic sales (50%) and international sales (41%). But most expect these impacts to persist beyond 2022.
- Since the pandemic began, most companies have improved their online sales capabilities, but platform choice, data security, and pricing are key challenges.
- The top overall business concerns are reduced customer demand, supply chain disruptions and employee safety.
- Travel restrictions remain the top challenge for those expanding internationally, but transportation is also a growing concern, possibly fuelled by global supply chain disruptions.
- Businesses (85%) are experiencing difficulty attracting new talent and retaining or getting workers to return.
- Majority of businesses are having difficulty meeting current levels of customer demand (62%). Reasons for difficulty include shortage of input materials, labour and capital.
- Financing needs are much less urgent than at the start of the pandemic and close to half (49%) can operate more than 12 months without the need for additional financing.

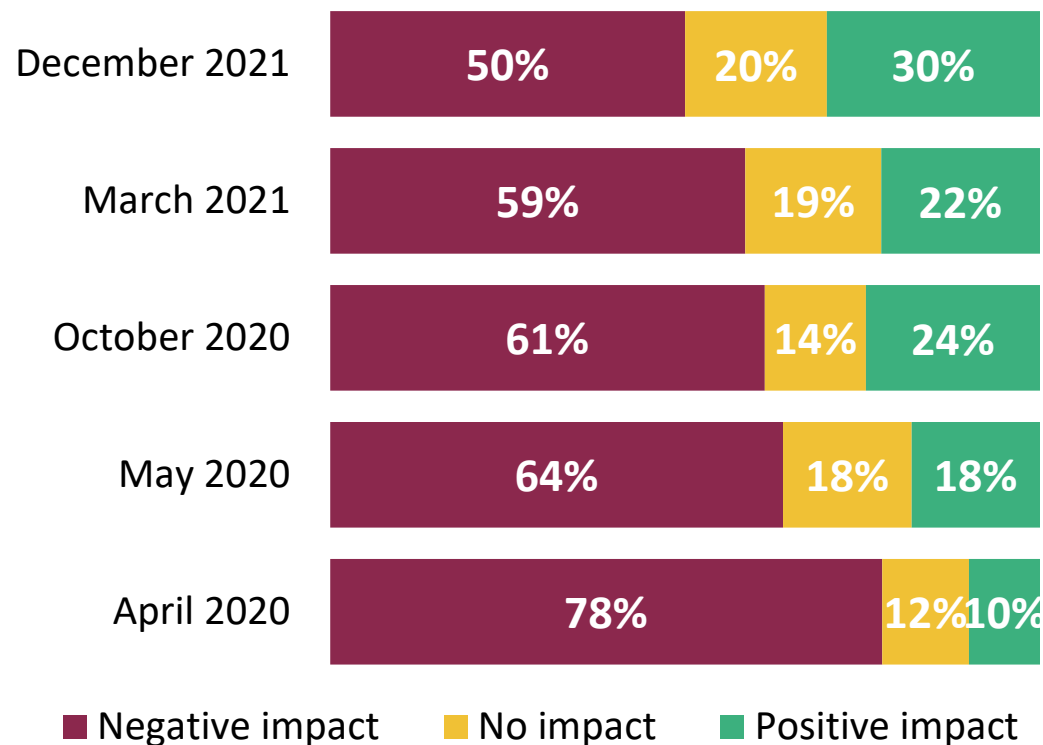
# COVID-19 SALES IMPACTS



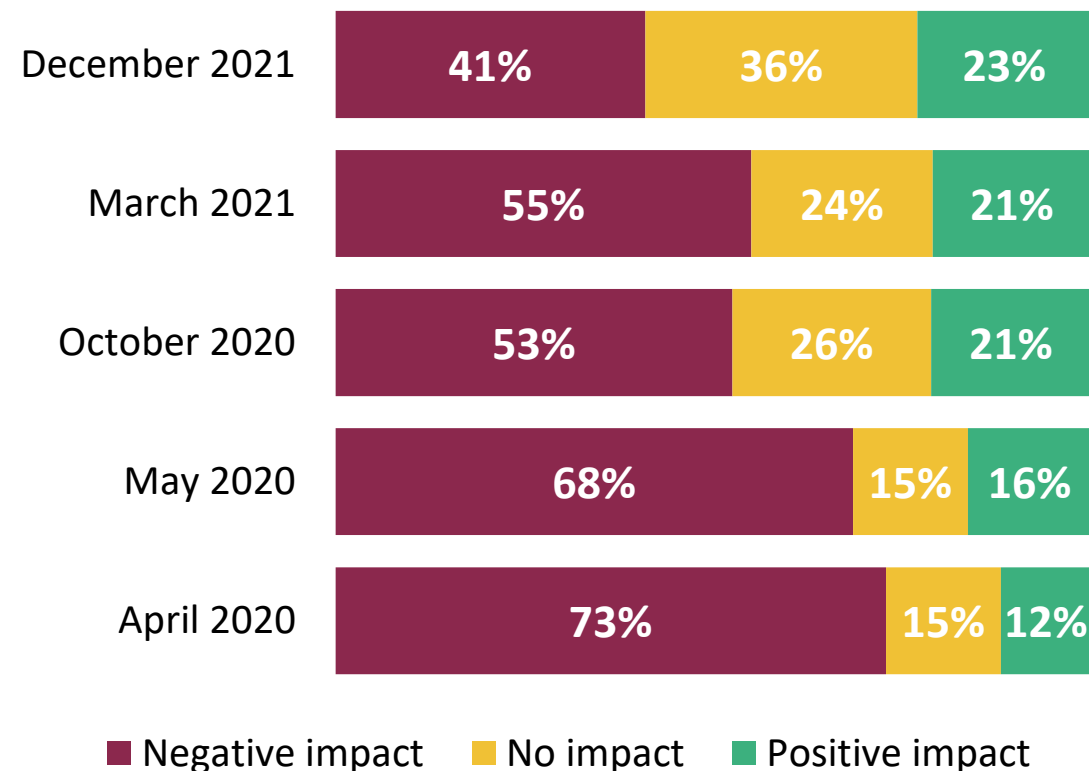
# SALES: THE NUMBER OF RESPONDENTS EXPERIENCING NEGATIVE IMPACTS ON SALES IS STEADILY DECLINING

What impact is COVID-19 having on your ... domestic sales?

(Percent of respondents)



... export sales?

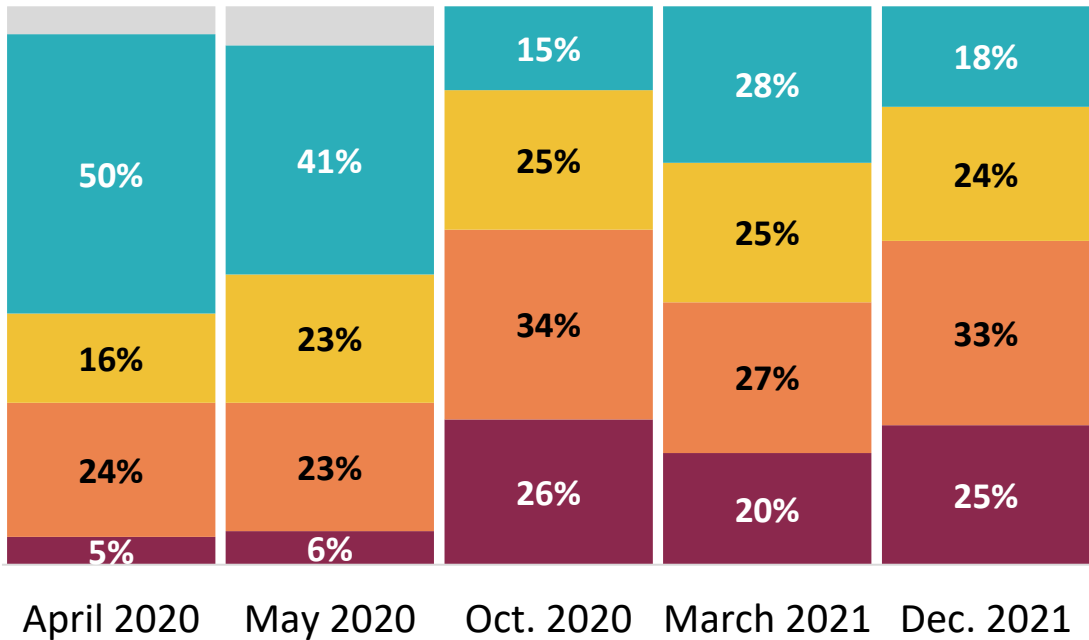


Note: "Don't knows" excluded.

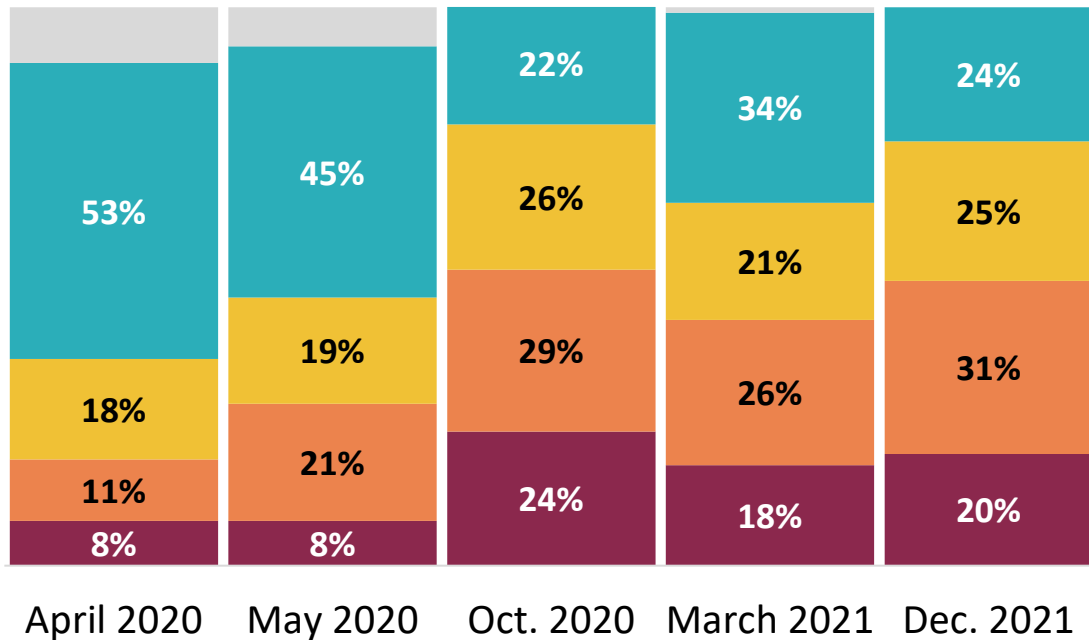


# NEGATIVE IMPACTS ON SALES: EVEN AMONGST THOSE EXPERIENCING SALES DECLINES, THE LEVEL OF NEGATIVE IMPACT HAS LESSENERED

How has COVID-19 negatively impacted your domestic sales since January 2020?  
(Percent of respondents citing negative sales impacts)



How has COVID-19 negatively impacted your export sales since January 2020?  
(Percent of respondents citing negative sales impacts)

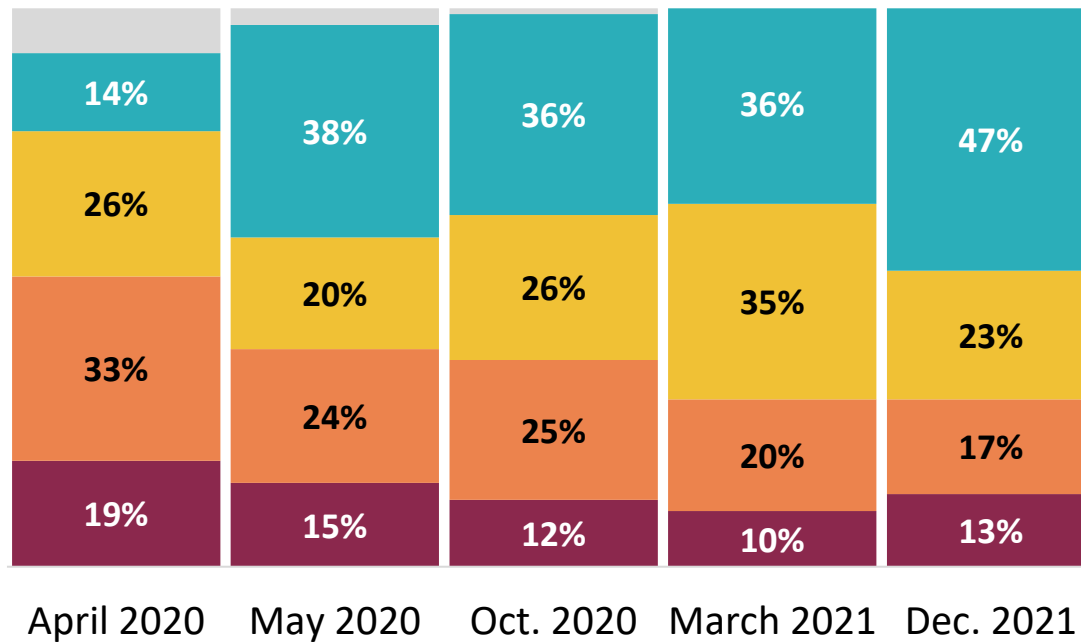


Up to 10%   11-25%   26-50%   More than 50%   Don't know

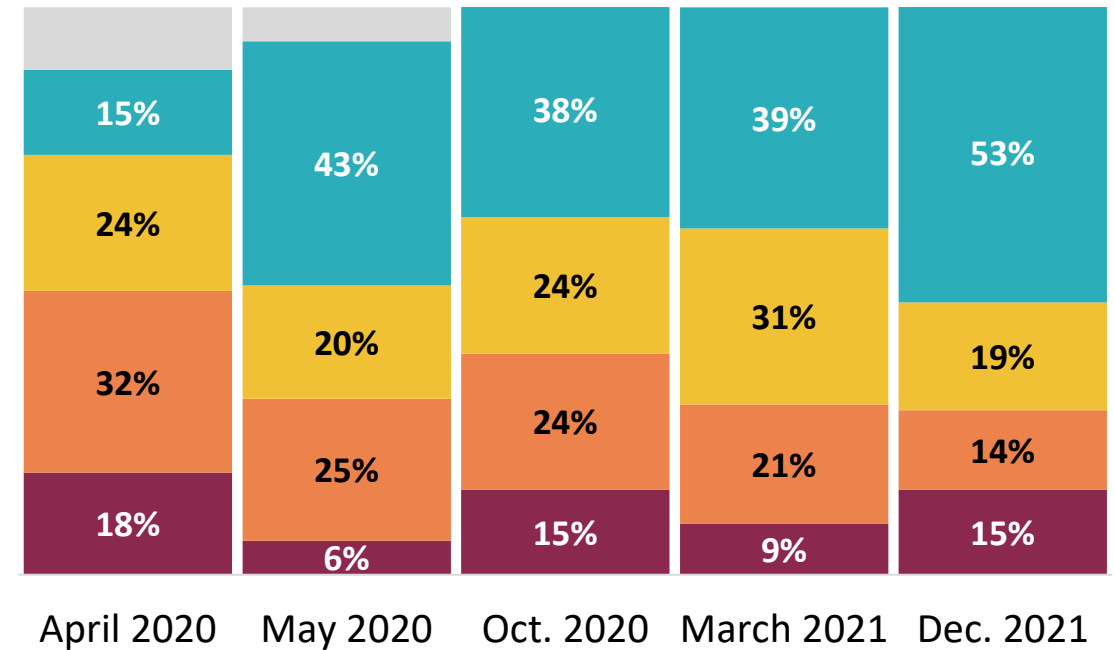
Magnitude of sales decline

# DURATION OF SALES IMPACTS: AS THE PANDEMIC CONTINUES, RESPONDENTS BELIEVE THAT IMPACTS ON SALES WILL BE LONGER LASTING

How long do you think COVID-19 will impact your ...  
domestic sales?  
(Percent of respondents)



How long do you think COVID-19 will impact your ...  
export sales?  
(Percent of respondents)



■ < 3 months 
 ■ 4-6 months 
 ■ 7-12 months 
 ■ 12+ months 
 ■ Don't know



# BUSINESS ADJUSTMENTS

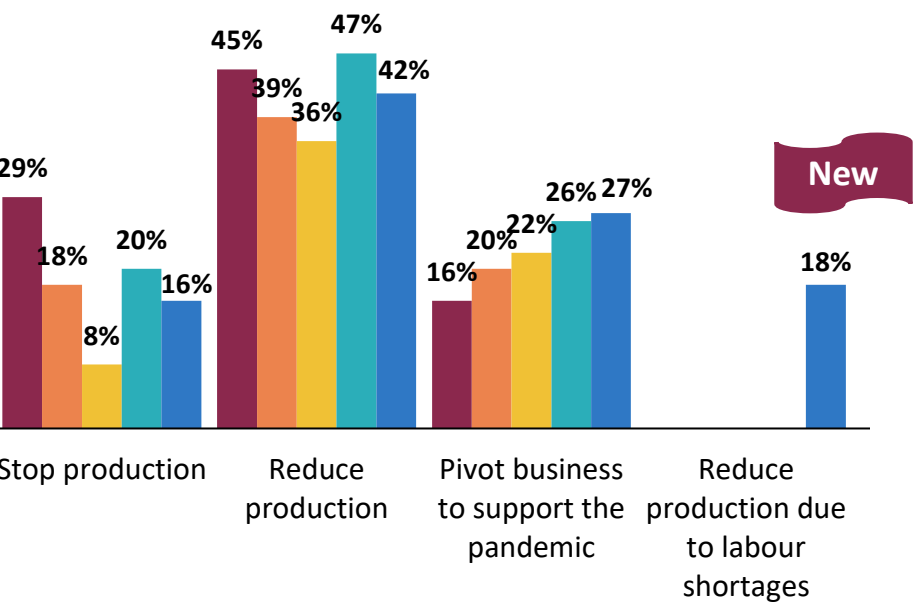


# BUSINESS ACTIONS TAKEN OR CONSIDERED INCLUDE PIVOTING, BUT FEWER REDUCED HOURS OR EMPLOYEE LAYOFFS

Is your business thinking about, or already taken, any of the following measures due to COVID-19?  
(Percent of respondents)

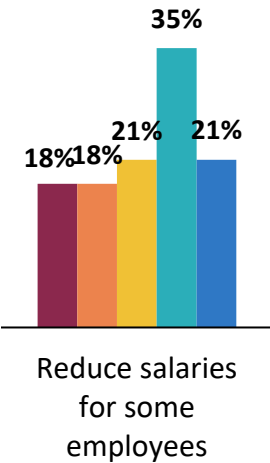
## Production

Continued production disruptions. But more businesses pivoting to weather the pandemic.



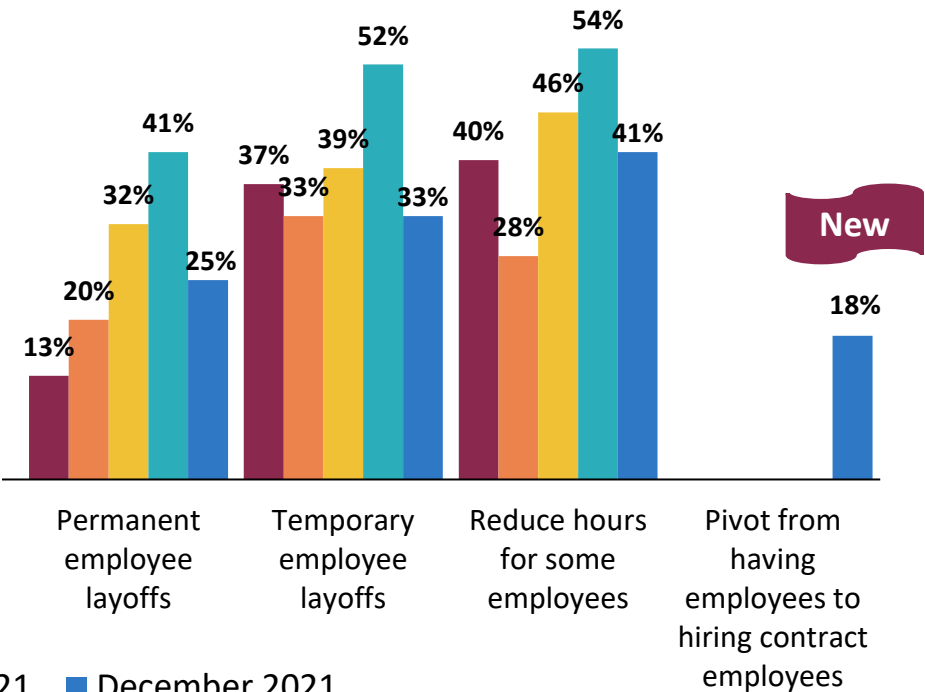
## Salaries

More salary reductions for some employees.



## Hours and layoffs

More businesses had to layoff workers or reduce employee hours.

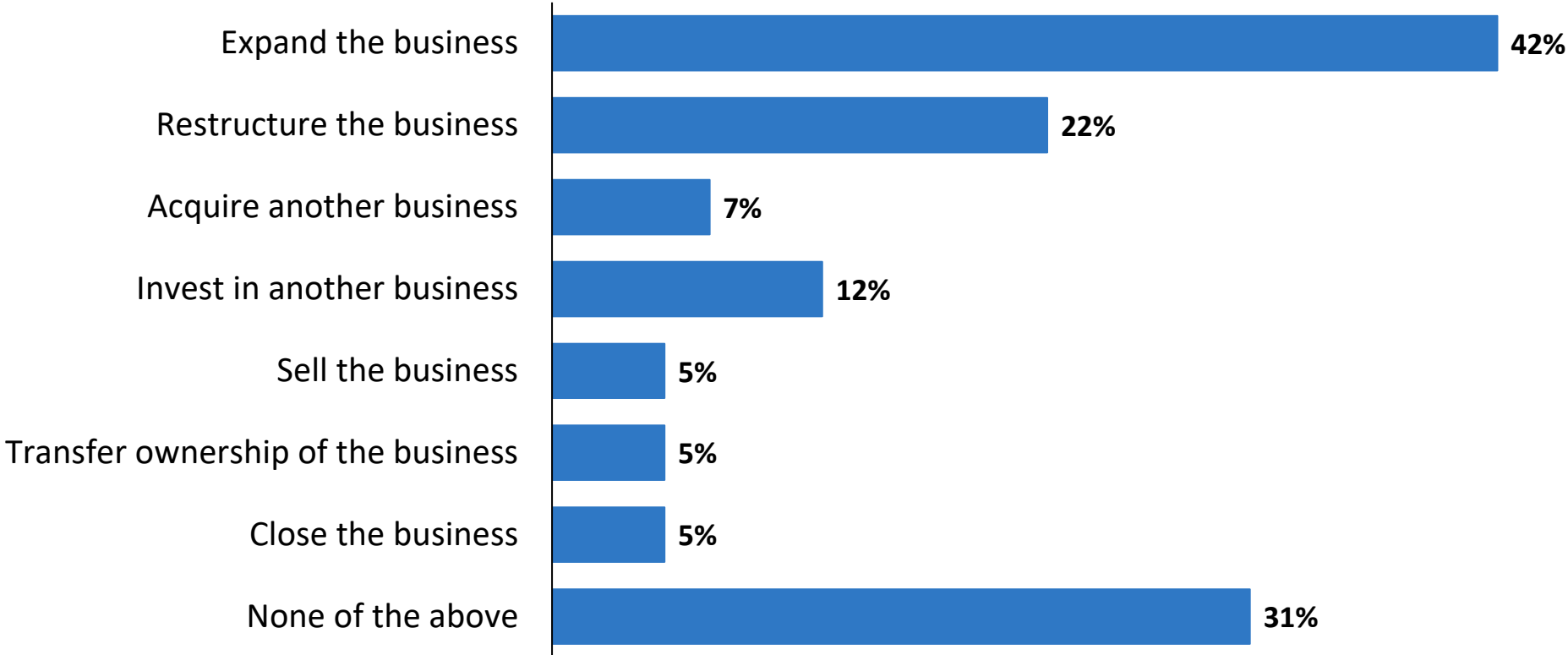


■ April 2020 ■ May 2020 ■ October 2020 ■ March 2021 ■ December 2021

Note: Multiple responses permitted.

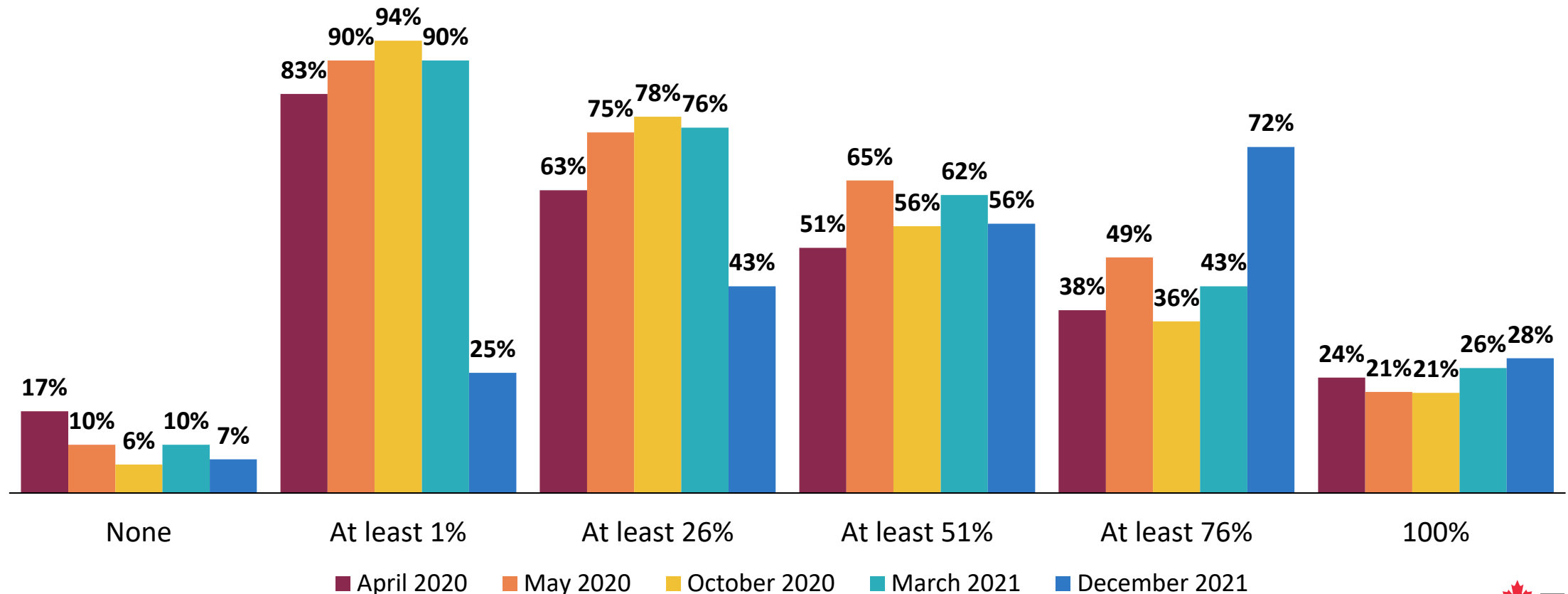
# JUST UNDER HALF OF BUSINESSES **PLAN TO EXPAND** IN THE NEXT YEAR

**In the next year does your business have any plans to ...?**  
(Percentage of respondents)



# LARGE MAJORITY OF BUSINESSES CAN **ACCOMPLISH SALES REMOTELY** COMPARED TO THE BEGINNING OF THE PANDEMIC

What percentage of your sales can be accomplished online, over the phone, or by other not in-person means?  
(Percent of respondents)

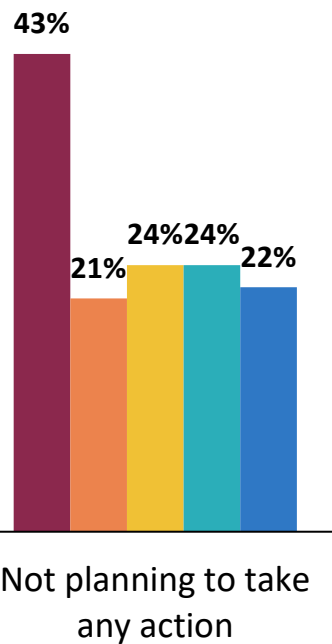


Note: Excludes "Don't knows."

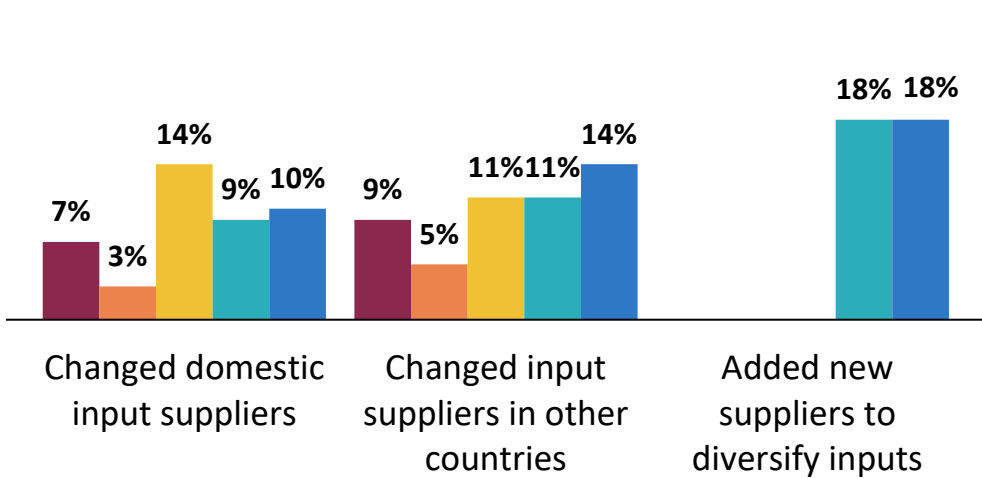
# COMPANIES ARE ADJUSTING THEIR SUPPLY CHAINS

Are you adjusting the countries or suppliers from which you source your inputs?  
(Percent of respondents)

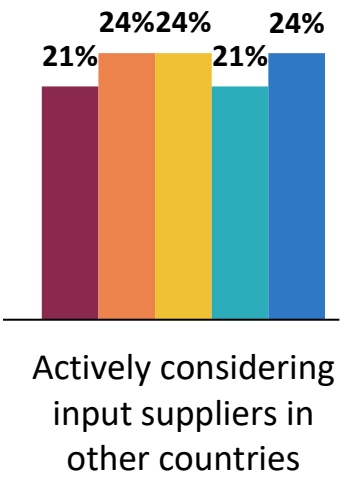
## Not planning



## Actions taken



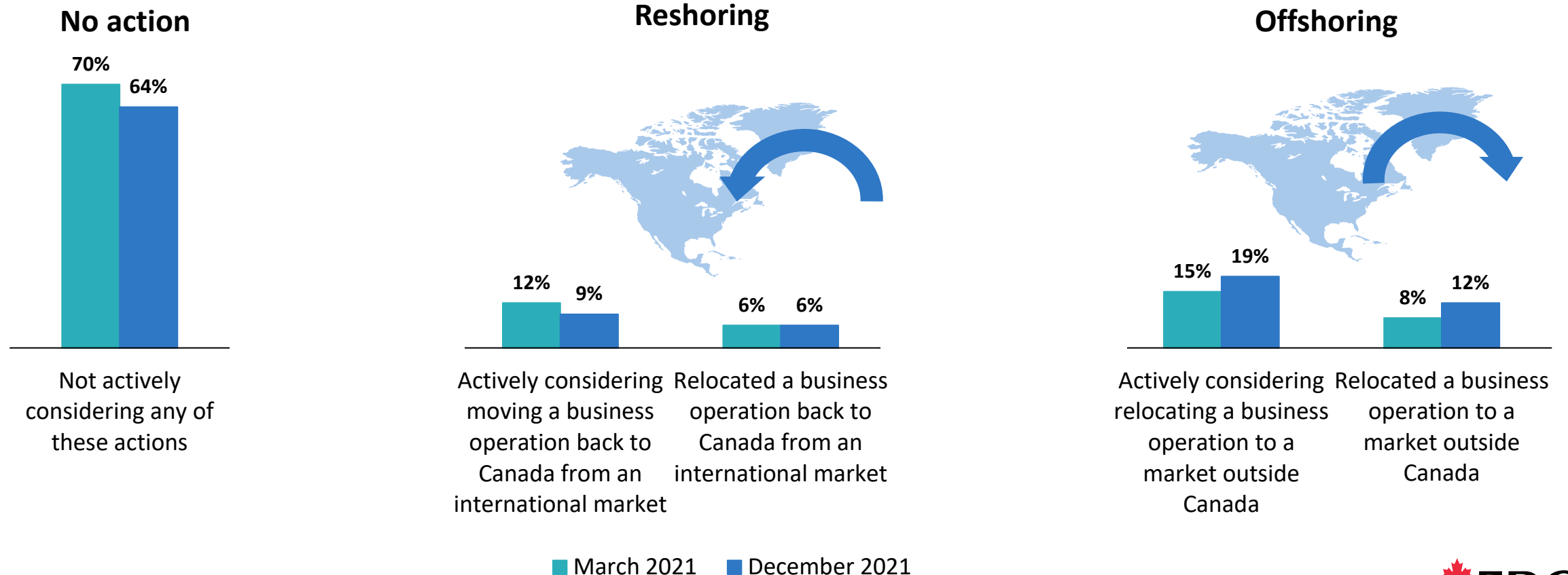
## Considering changes



■ April 2020 ■ May 2020 ■ October 2020 ■ March 2021 ■ December 2021

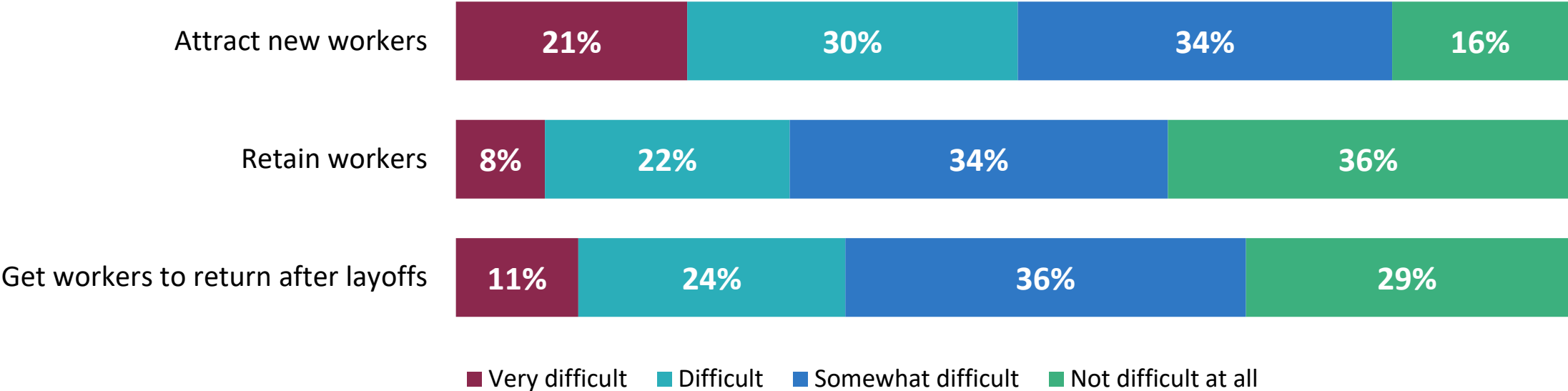
# EXPORTERS ARE CONSIDERING RELOCATING BUSINESS OPERATIONS

Is your business taking any of the following measures due to the pandemic?  
(Percentage of exporters)



# BUSINESSES ARE EXPERIENCING AT LEAST SOME DIFFICULTY ATTRACTING NEW, RETAINING OR GETTING WORKERS TO RETURN

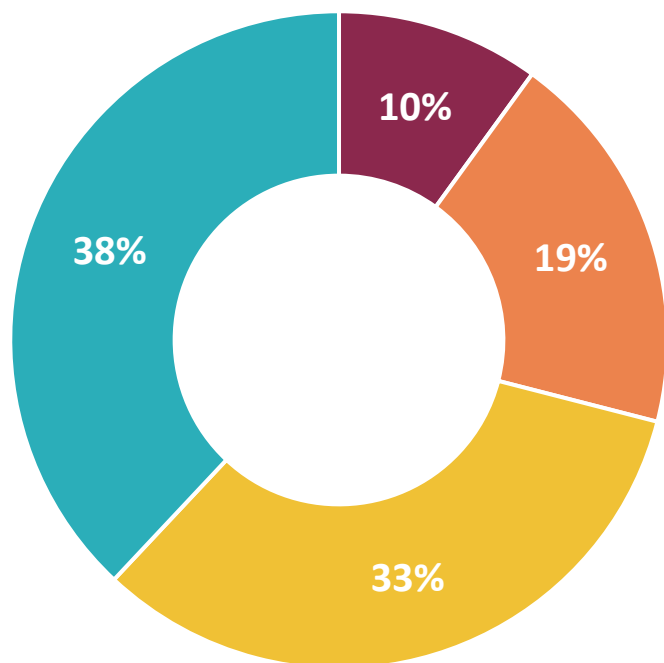
In the current environment, how would you describe your ability to...?  
(Percentage of respondents)





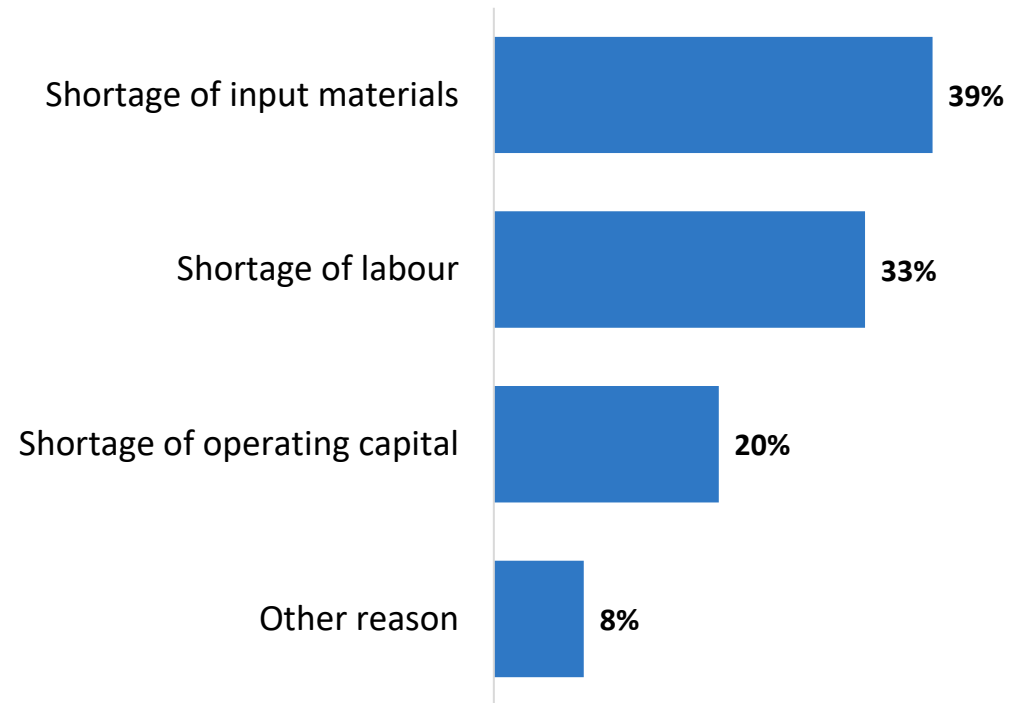
# MAJORITY OF BUSINESSES ARE HAVING **SOME DIFFICULTY** MEETING CURRENT LEVELS OF CUSTOMER **DEMAND**

How difficult is it for your business to meet current levels of customer demand?



■ Very difficult ■ Difficult ■ Somewhat difficult ■ Not at all difficult

Of the **62%** who indicated they have some difficulty meeting current levels of demand: Reasons

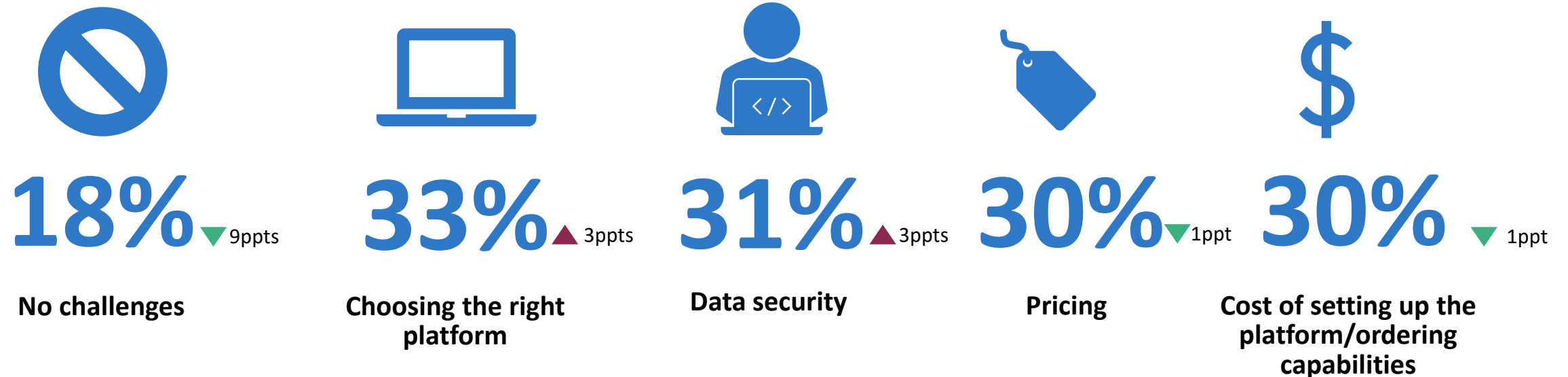


# CHALLENGES



# CHOOSING THE RIGHT PLATFORM WAS THE TOP CHALLENGE FOR COMPANIES TRYING TO INCREASE THEIR ONLINE PRESENCE

Did your company experience any challenges while increasing your online presence or starting from scratch?  
(Percentage of respondents)



# TOP CONCERNS FOR BUSINESSES ARE STILL DEMAND AND SAFETY; A NEW TOP CONCERN IS SUPPLY CHAIN DISRUPTIONS

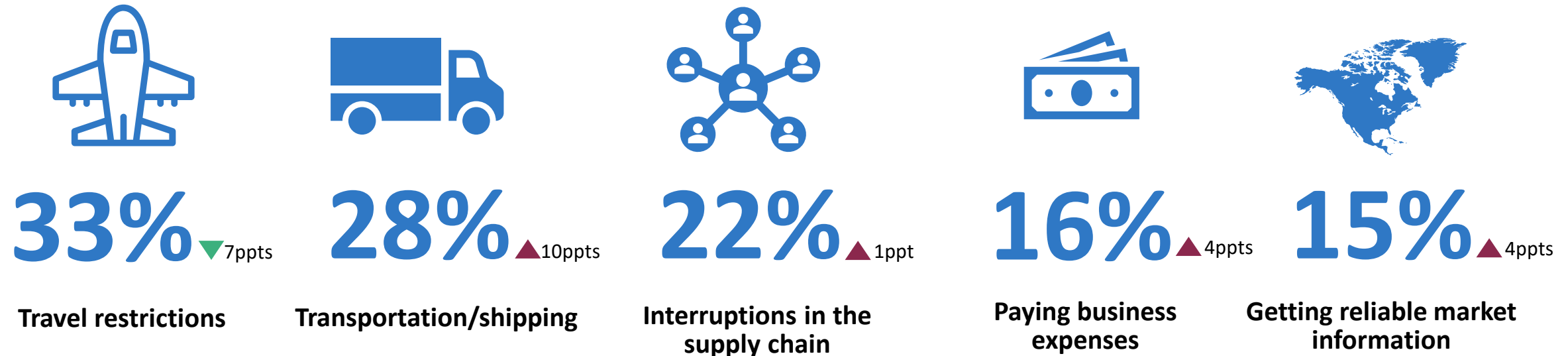
What is your No. 1 concern for your business as a result of COVID-19?  
(Percentage of respondents)



# TRAVEL RESTRICTIONS REMAIN THE TOP INTERNATIONAL CHALLENGE, WITH MORE TRANSPORTATION CONCERNS REPORTED

In terms of maintaining or growing your business outside of Canada, in the current environment, what are your biggest challenges?

(Percentage of respondents)



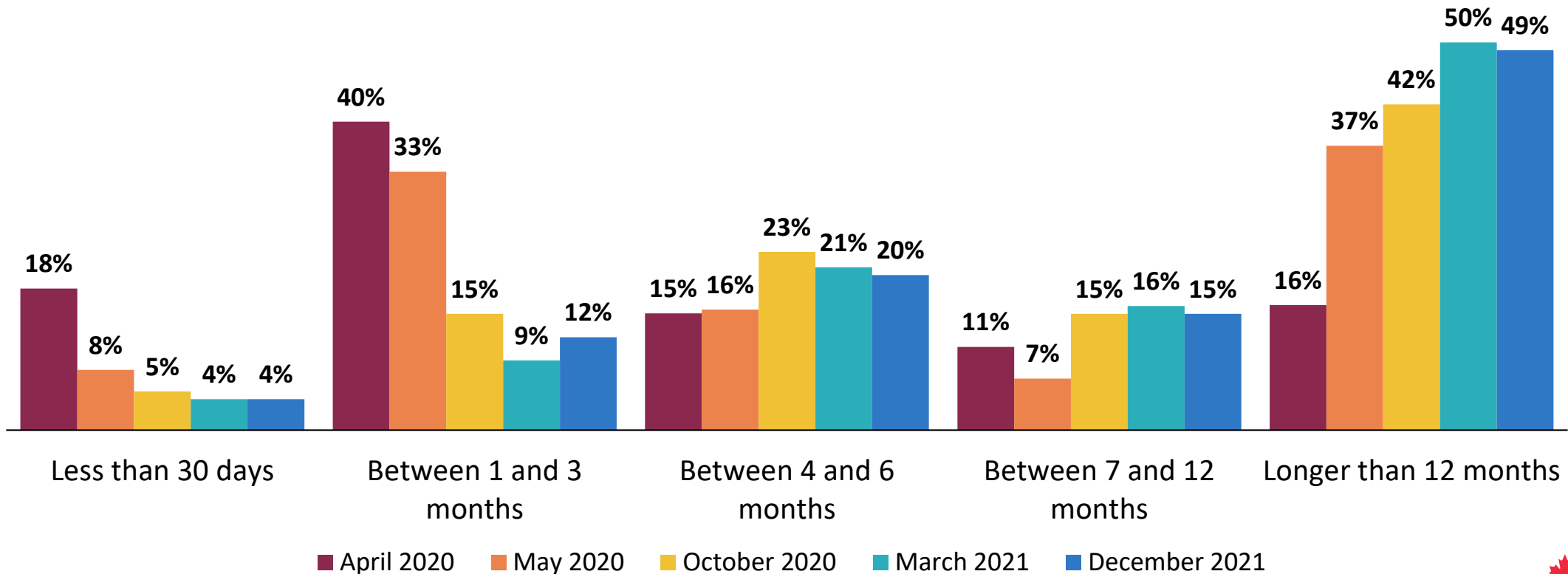
# FINANCIAL NEEDS AND GOVERNMENT SUPPORT



# FINANCING NEEDS REMAIN LESS ACUTE THAN AT THE START OF THE PANDEMIC

How long can your company continue to operate in the current environment before you'll need to access to additional financing?

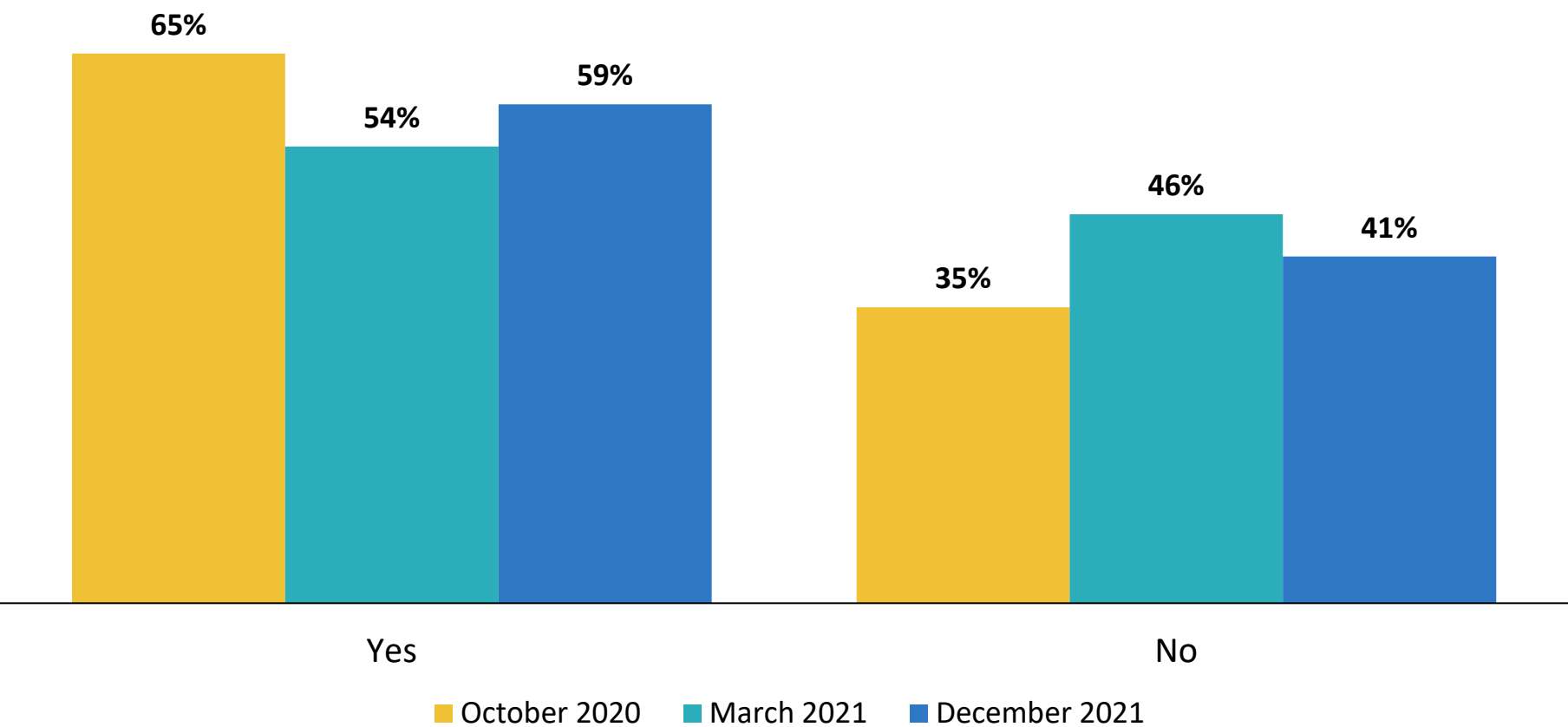
(Percent of respondents)





# A MAJORITY OF RESPONDENTS SAY ENOUGH IS BEING DONE TO HELP CANADIAN COMPANIES THROUGH THE PANDEMIC

Do you think enough is being done to help Canadian businesses through the pandemic?  
(Percent of respondents)



# DISCLOSURE

Ce document est également disponible en français.

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