



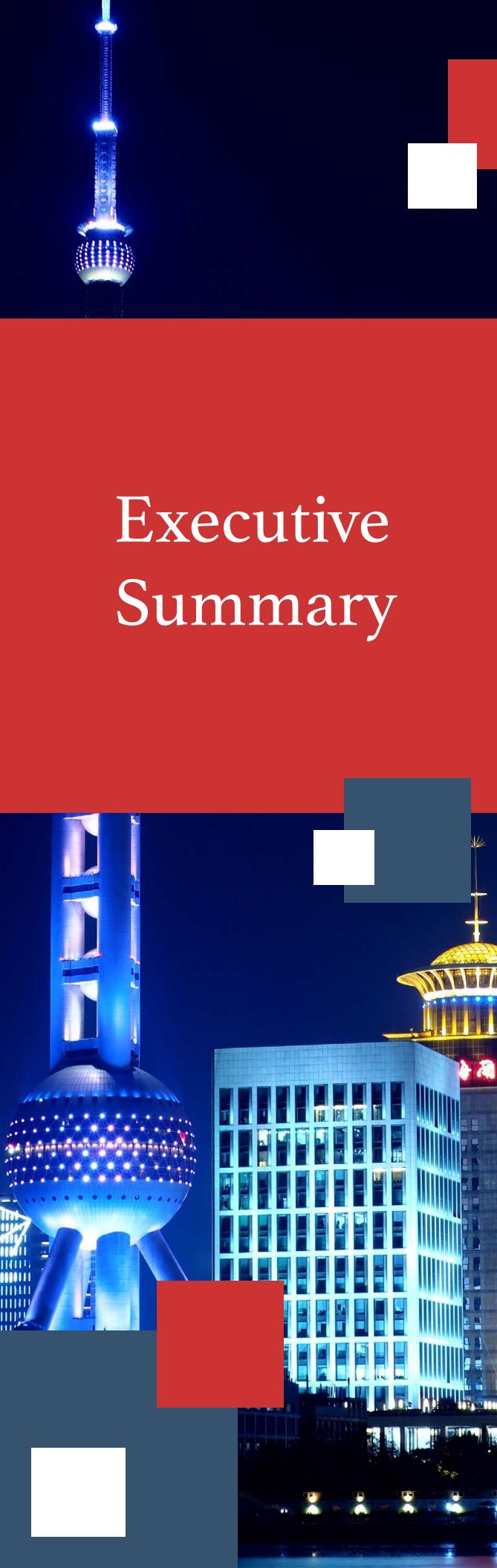
# Canada-China Business Impact Survey 2019/2020

Sarah Kutulakos  
Dr. Walid Hejazi  
Daniela Stratulativ





**MISSION:** At CCBC our mission is to create more and better business between Canada and China by identifying obstacles and pursuing strategies to reduce their impact.



# Executive Summary

Given the prolonged political and judicial tensions that have dominated the relationship between Canada and China since December 2018, the Canada China Business Council (CCBC) recognized the value of exploring the impact of these tensions on Canada-China business activity in 2019.

The Canada-China Business Impact Survey 2019/2020 was designed as an interim survey to update the Council's biannual survey, which was last published in May 2019 and reported on bilateral business in 2018. The 2019/2020 survey was conducted from February 20 to March 14, 2020, in partnership with the University of Toronto Rotman Institute for International Business.

We hypothesized that four major factors have influenced Canada-China business since the 2018/2019 survey:

- **Canada-China relations;**
- **the US-China trade war;**
- **COVID-19; and**
- **economic developments in China, including government policy, industrial goals and consumption patterns.**

The survey results—based on feedback from 282 respondents active in bilateral business—show that the first three factors had a major negative impact on business activity in 2019. However, we found that the fourth factor has enabled companies operating in some sectors to transcend broader challenges.

The main conclusions to be drawn from the survey include:

## 1.

Although both Canadian and Chinese respondents say that bilateral tensions impacted their business in 2019, **the impact has been disproportionate across industries, revealing problem areas and bright spots.**

## 2.

**Two factors have created winners and losers in bilateral business: economic developments in China and the impact of the US-China trade war.**

## 3.

Although companies remain optimistic about the prospects for business between Canada and China, **some Canadian companies are re-examining China's role in their global strategy.**

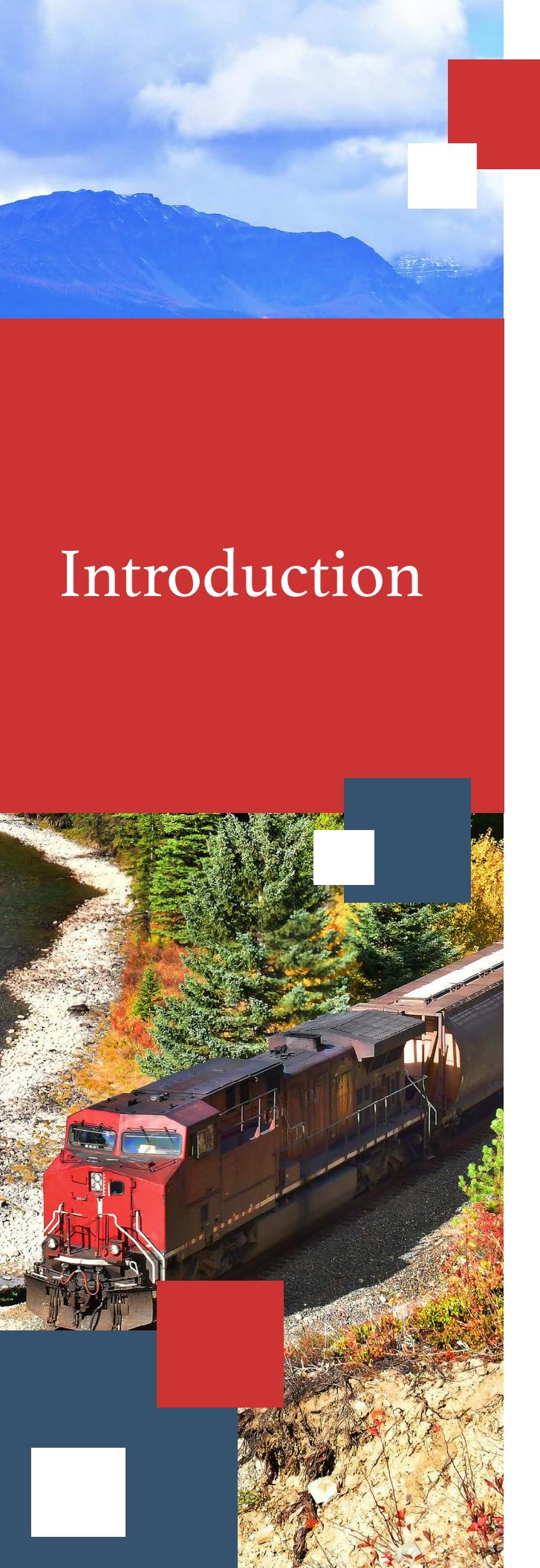
## 4.

**Organizations feel strongly that a clear Canadian government strategy is needed** to eliminate uncertainty and advance Canada-China business.

## 5.

**COVID-19 has disrupted all business between the two countries since January 2020.** Now that China is leading the transition to post-pandemic recovery, there may be increasingly attractive opportunities for Canadian companies.





# Introduction

**Every two years, the Canada China Business Council conducts a comprehensive survey to explore issues of relevance to Canadian companies doing business in China and for Chinese companies operating in Canada.**

The survey was last conducted in February and March 2019, and it captured the initial impact of the political and judicial tensions between the two countries that first emerged in December 2018.

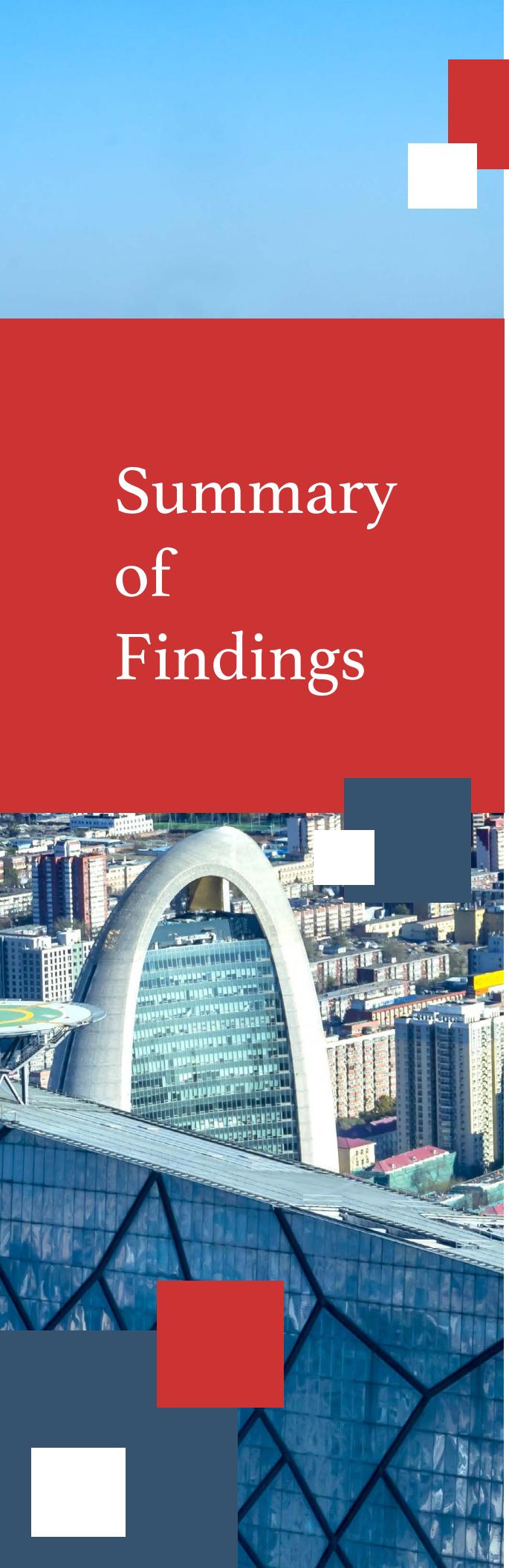
At the time of last year's survey, both Canadian and Chinese respondents were largely optimistic about Canada-China business, with 65% of Canadian respondents planning to grow their business in China. Just under two in three (64%) Canadian respondents and just over one in three (38%) Chinese respondents stated that their company's financial performance was profitable, and it appeared that the level of business between the two countries was on an upward trajectory. At the end of 2018, bilateral merchandise trade had reached a record high of C\$103 billion, and Canada-China business was on a definite up tick.

However, the December 2018 Canadian arrest of Chinese CFO MENG Wanzhou under the terms of the Canada-US extradition treaty, and the subsequent Chinese detention of two Canadians, Michael Spavor and Michael Kovrig, marked the beginning of an ongoing period of political and judicial tension that has left companies unsure how to navigate the new environment and plan for the future.

In our March 2019 survey, although many respondents cited concerns about the potential impact of bilateral tensions on their business, only 18% of survey respondents had actually changed their business plans at the time of the survey. However, business voices warned that a dispute between governments would impact their operations, and CCBC advised governments to be more sensitive to the negative impact of the dispute on business. Canada-China bilateral merchandise trade at the end of 2019 fell to C\$98 billion, indicating that bilateral tension has indeed affected business.

Given that the tensions remained unresolved throughout 2019—and with the added impact of the COVID-19 outbreak—the CCBC recognized the value of conducting an interim survey to shed light on Canada-China business performance, strategy and outlook over the one-year period from March 2019 to March 2020.





# Summary of Findings

The Canada-China Business Impact Survey 2019/2020 explores the impact of the heightened tension in the Canada-China relationship on business between the two countries from March 2019 to December 2019, as well as the early economic impact of COVID-19.

While companies continue to see opportunities and have a positive outlook for future business, 43% of respondents reported that business was down over the prior year. Seventy-nine per cent of respondents said they were impacted by the ongoing political tension in the Canada-China relationship. Respondents also identified economic developments in China, the US-China trade war and the lack of a clear Canadian government policy as major factors impacting their business. Survey results show that the situation is negatively affecting business and creating challenges for companies that work in the two countries.

The survey investigated the effect of these challenges across a range of industries. In 2019, China's moves to block the import of Canadian canola and meat raised concerns that other commodities and/or industries could also be targeted and led to increased uncertainty for businesses. We hypothesized that some industries may have encountered more challenges than others, and our findings are revealed in this report. The data also suggests that economic developments in China and the US-China trade war have created both challenges and opportunities for Canadian companies, with important differences across industries and sectors.

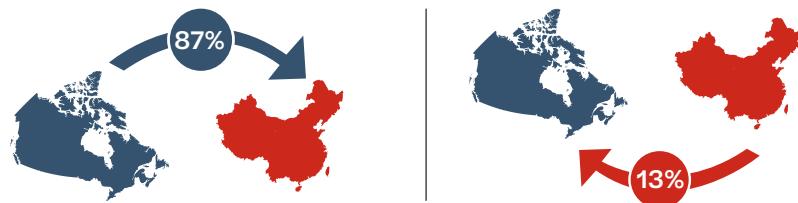
The 2019/2020 survey was conducted from late February to early March 2020 as the COVID-19 outbreak peaked in China and began significantly disrupting business travel, operations, supply chains and transactions. The survey captures businesses' early outlook on the challenges and forecasted impact of COVID-19 before COVID-19 was declared a global pandemic on March 11, 2020.

At the time of writing this report, the COVID-19 pandemic has had extensive impact on the Canadian and global economy. China claims to have largely controlled the outbreak, and we see signs that Canada-China business is already actively participating in China's transition to a post-pandemic economy.

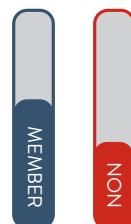
As Canada begins contemplating a return to business following the peak COVID-19 outbreak, the 2019/2020 survey results can help us identify the issues most deserving of attention to support and advance Canada-China business, a possible engine for growth for organizations operating in this space.

## Survey Respondents

The survey results are based on feedback from 282 respondents, of whom 87% represent Canadian companies doing business in/with China and 13% represent Chinese companies doing business in/with Canada.



Most of the Chinese company respondents said they are based in Canada, and it is inferred that these Chinese companies are established companies doing business in Canada with legal Canadian entities. Survey respondents did not have to be CCBC members to participate: 61% of respondents were members and 39% were not.



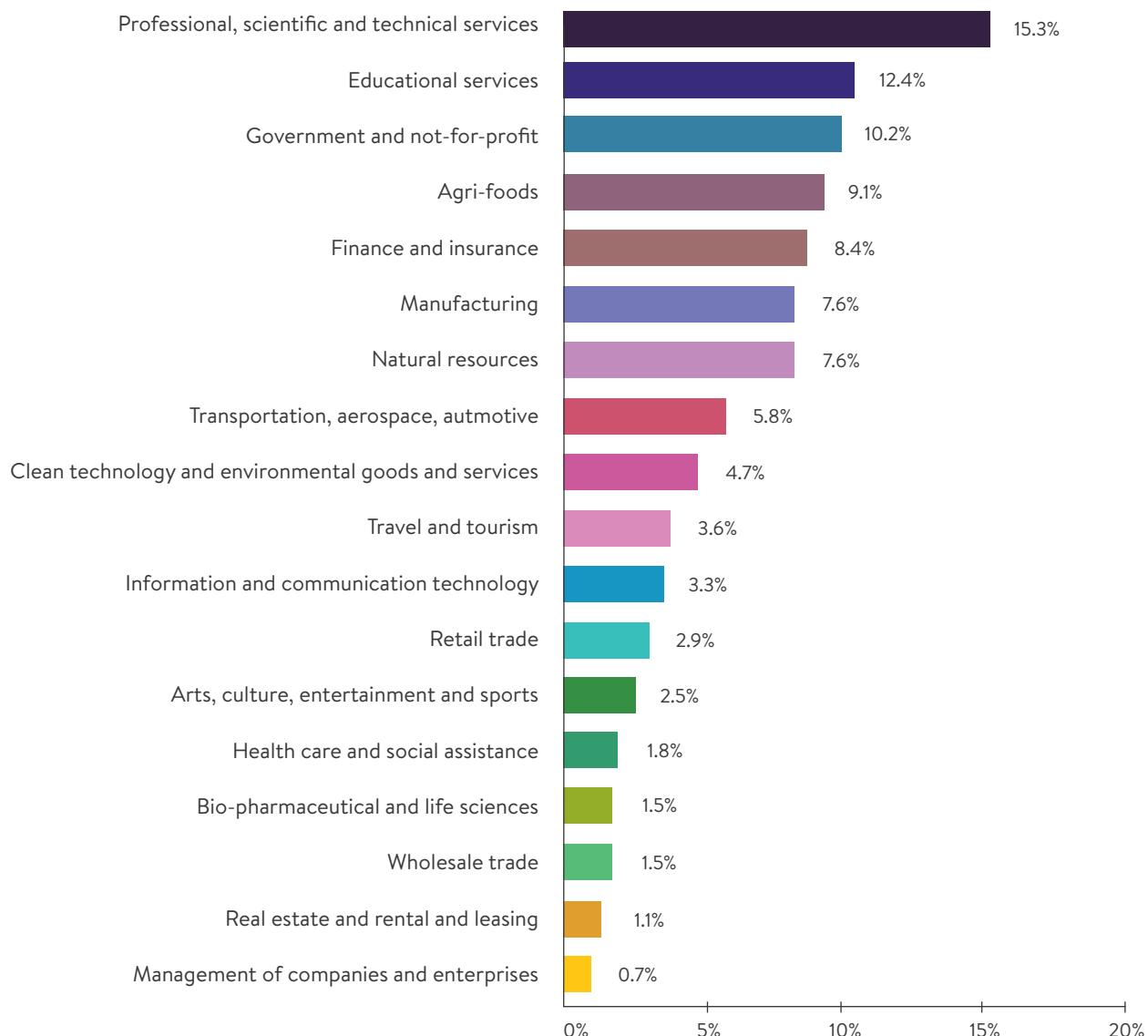
The 18 sectors represented in the survey include a broad range of cross-border business interests that generally reflect the CCBC member base.

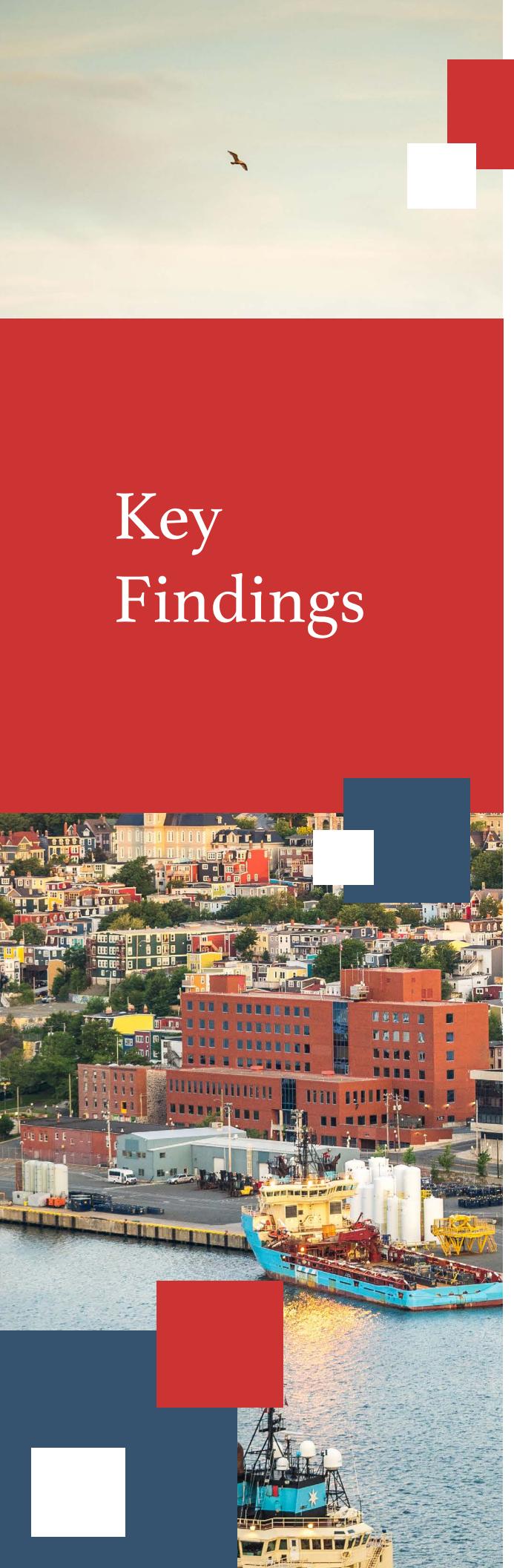


Although 282 respondents participated in the survey, not all respondents answered all questions. Figures within this document show the number of respondents for each question represented by "N."



## All respondents by sector (N = 275)





# Key Findings

## **I. Both Canadian and Chinese respondents report that bilateral tension greatly impacted their business in 2019.**

In last year's survey, respondents voiced concern about the potential impact of bilateral tension between Canada and China. This year's survey confirmed that these concerns were well-founded. Impacts on business have included increased postponements and cancellations of contracts and deals, a decrease in demand, and cancellations or delays in business development travel and negotiations. For businesses that rely on international travel and business development to secure clients and deals, these developments were particularly significant.

### **Comparing this year and last year's survey**

Seventy-nine per cent of respondents said the political situation in 2019 affected their business, with 43% saying the impact has been major and 36% saying it has been minor. This compares to last year's survey when only 20% of companies said they had been negatively impacted in the early days of the Canada-China dispute.

More specifically:

- just over half (51%) of respondents had contracts or deals postponed and 40% had contracts or deals cancelled, more than double from last year when only 18% of companies reported having contracts cancelled or postponed;
- 46% of respondents said demand for their product had decreased, more than double last year's 20% who were affected by a decrease in demand;

- 63% of respondents said they had cancelled or postponed exploratory business development trips or negotiations in 2019, compared to 2018 when about half of Canadian respondents and about one-third of Chinese respondents said they were anticipating disruptions to travel due to bilateral tension; and
- 62% of Chinese respondents said that company travel was not impacted by the bilateral situation, and only 25% of Chinese respondents said the political situation had a major impact on potential business with Canada. Chinese respondents identified economic developments in China and the US-China trade war as factors that had a greater impact on their Canada-China business than the political tensions between Canada and China.

## All respondents—How was Canada/China business/potential business affected in 2019?

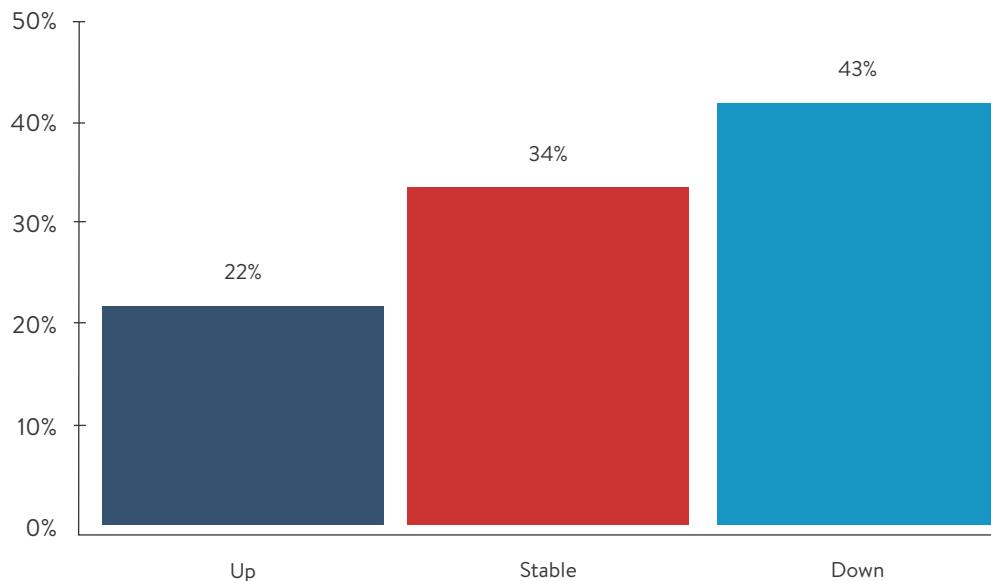
How was your Canada/China business affected in 2019 (N = 235)	Major impact	Minor impact	No impact	Not applicable
Exploratory business development trips or negotiations for new projects cancelled or postponed	29%	34%	22%	15%
Contracts or deals postponed	23%	28%	26%	23%
Demand for my product/service decreased	21%	25%	30%	24%
Signed new contracts	21%	22%	30%	28%
Contracts or deals cancelled	16%	24%	33%	27%
Non-tariff barriers imposed on my product/sector	12%	17%	31%	40%
Demand for my product/service increased	9%	24%	37%	30%

These survey results mirror CCBC's experience when hosting its November 2019 AGM in Shanghai, China. Although our AGMs usually attract a large number of representatives of Canadian companies, many Canadians were not able to attend or chose not to fly to China for the event.

The adverse effects of bilateral tension have not been consistent across companies and industries. Although 43% of respondents reported that business was down in 2019 compared to the previous year, 34% of respondents said business was stable and 22% reported that business was up.

**Bilateral tension has had a disproportionate impact across industries, revealing problem areas and bright spots.**

**All respondents—How was your Canada/China business/potential business in 2019 compared to the previous year? (N=255)**



Last year's survey revealed that companies with plans to substantially expand their Canada-China business were concentrated in the agri-foods sector and the scientific and technical services sector. Companies in the finance, educational services, professional services and transportation sectors also cited moderate expansion plans.

This year's survey shows that some of the very sectors that had expansion plans or anticipated growth last year actually saw sales decrease in 2019, indicating that they met with unexpected challenges. One potential contributor to declining sales could be the reduction in business travel, given that much business development and growth has traditionally been solidified through in-person meetings.

In the 2018/2019 survey, a majority of companies in the agri-foods sector said they planned to expand substantially. In this year's survey, 35% of Canadian companies in this sector reported that 2019 business was up and 35% reported it was down, illustrating how even within one sector some companies have experienced business obstacles, while others have continued to encounter opportunities for growth.



## Although the following sectors expressed expansion plans in last year's survey, they reported that business in 2019 was down:



In the **travel and tourism sector**, **89%** reported business was down and **11%** said it was stable.



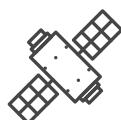
In the **professional services sector**, **64%** of respondents reported business was down, **18%** said it was stable and **18%** said it was up.



In the **educational services sector**, **47%** reported business was down, **33%** said it was stable and **20%** said it was up.



In the **government and non-profit sector**, **71%** reported business was down, **25%** said it was stable and **4%** said it was up.



In the **transportation, aerospace and automotive sector**, **53%** said business was down, **40%** said it was stable and **7%** said it was up.

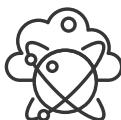


In **finance and insurance**, **27%** said business was down, **45%** said it was stable and **27%** said it was up.

## Companies in the following sectors expected business to be stable in 2019 and reported that it remained stable overall:



In **natural resources**, **52%** said business was stable, **29%** said it was down and **19%** said it was up.



In **cleantech**, **42%** said it was stable, **25%** said business was up and **33%** said it was down.



In the **manufacturing sector**, **40%** said it was stable, **45%** said business was up and **15%** said it was down.

## Chinese companies doing business in Canada have benefited from stable investment conditions

Only 9% of Chinese respondents said their business with Canada was down, with 50% of respondents reporting that business levels were stable and 36% saying business was up over the previous year. This is positive news for the Canadian economy, demonstrating that international investors are able to operate and grow as local companies.

Chinese investment in Canada, while still significantly down from a decade ago, also had a positive year. The China Institute at the University of Alberta Investment Tracker Database notes a decline in the value of Chinese investment into Canada, falling 74% from 2017 to 2018 (from C\$9.9 billion to \$2.6 billion) before rebounding by 56% (up to \$4 billion) in 2019. One-third of the 2019 total resulted from Chinese companies increasing their stake in existing Canadian investments. Recent Chinese investment has been heavily concentrated in the metal and minerals sector (which made up 97% of new investment in 2019) followed by the health & biotechnology and agri-food sectors.



## 2. Two factors have created winners and losers in bilateral business: economic developments in China and the impact of the US-China trade war.

After the Canada-China political situation, survey results show that economic developments in China and the US-China trade war are the second and third most important factors affecting Canada-China business.

### All respondents—Factors that impacted the Canada/China business in 2019

Factors that impacted Canada/China business in 2019 (N = 247)	Major impact	Minor impact	No impact
The Canada-China political situation	43%	36%	21%
Economic developments in China	32%	38%	30%
The US-China trade war	17%	48%	25%

### Effect of economic developments in China

Survey results show that the effect of economic developments in China on Canadian companies varies across industries. Generally, Canadian companies that are succeeding are active in areas that are the focus of Chinese economic plans and policies, indicating that in some cases Canadian business success is bolstered—not hindered—by Chinese economic developments.

Major Chinese policies like the Five-Year Plan and Belt and Road Initiative set forth China's strategic intentions and objectives and provide insight into areas of opportunity for Canadian companies. The 13th Five-Year Plan was adopted in 2016 to guide economic development from 2016 to 2020. The plan promoted certain industries, such as innovation, green technology and health care. It also set important targets with regard to GDP growth, increasing urbanization and bridging welfare gaps. We've seen that companies active in certain sectors have benefited from the plan's focus. For example, China's promotion of consumption, strengthened by urbanization and the growing middle class, has contributed to the positive effect on growth we see in the manufacturing and agri-food sectors. Innovation has also been a major strategic focus, and companies in the transportation, aerospace & automotive sector reported that business in 2019 was stable, despite lower growth in domestic Chinese auto sales during the year. Companies at the cross-section of areas promoted by economic policy, such as those in auto parts, have stood to benefit as China continues to build its electric car market (which aligns with the country's focus on innovation, green technology and the automotive sector). China's overall economic growth is fuelling demand for natural resources, and companies operating in this sector say business has remained stable. In some cases where Chinese industries have matured and advanced, Canadian service providers may see increased competition and decreasing demand in the China market.



## The impact of the US-China trade war on Canada-China business

The US-China trade war has had an antagonizing effect on survey respondents. Two-thirds (65%) of respondents said the US-China trade war affected their Canada-China business, with 17% citing a major impact and 48% citing a minor impact.

Even before the trade war flare-ups in 2019, the US was a major contributor to bilateral tension between Canada and China. Huawei CFO MENG Wanzhou was arrested in Canada at the request of the US and under the terms of the Canada-US extradition treaty, leading critics to regard China's subsequent block of Canadian exports like canola, soybeans and pork as acts of retaliation. Canada's solidarity with its largest trading partner, the US, would inevitably prevent the growth of trade with its second-largest trading partner, China.

In 2019, the US-China trade war impacted Canadian companies that do business with both China and the US, as well as industries subject to tariffs. Survey respondents said the US-China trade war also impacted future business, as potential clients were uncomfortable with so much uncertainty.



## Impact of the US-China trade war on Canadian companies

Twenty-three per cent of Canadian respondents said the US-China trade war led to a decrease in Chinese demand for goods and/or services and 23% said it prompted their company to shift their business strategy to alternate markets for goods and services.

Some Canadian companies said the US-China trade war raised their business costs. Canadian companies have faced increases in supply and material costs, such as increased export costs of products from China to the US, and interruptions to the supply of US goods used in products made by Chinese partners. The decoupling of the US and Chinese economies and supply chains has heightened uncertainty, leading to a reluctance on the part of Canadian companies to make business decisions and creating obstacles in attracting new clients.

In some cases, the US-China trade war has created opportunities for Canadian companies, with one Canadian respondent from the agri-food sector saying it led to major growth in their business

in China. Another respondent said the US-China trade war led to the movement of some research and development to Canada from the US. Another commented that the trade war may have helped soften prices as Chinese companies succumbed to trade war pressures.

### **Impact of the US-China trade war on Chinese companies**

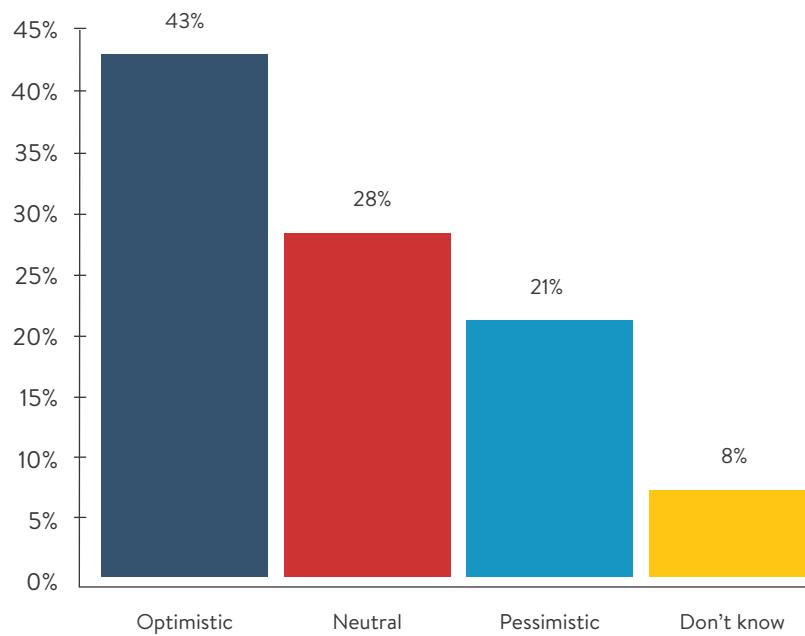
Thirty-seven per cent of Chinese respondents conducting business in or with Canada said the US-China trade war led to a decrease in demand for goods and/or services, leading 26% of respondents to consider shifting their business strategy to alternate markets for goods and services. With the majority of Chinese respondents reporting that their business with Canada remains stable or is increasing, we hypothesize that Canada has the potential to benefit from Chinese investment as a result of continued US-China trade tensions.

### **3. Although companies remain optimistic about the prospects for business between Canada and China, some Canadian companies are re-examining China's role in their global strategy.**

In the 2018/2019 survey, respondents were predominantly optimistic about future business, with 65% of companies planning to expand their operations. Only one in five Canadian companies and one in seven Chinese companies said they felt pessimistic about doing business with the other country.

This year, despite obstacles in the bilateral relationship, business outlook remains positive: 43% of the survey participants say they are optimistic about the future of their organization's Canada-China business, and negative outlook has not increased.

#### **All respondents—How do you feel about the future of your organization's Canada/China business? (N = 238)**



For Canadian companies contemplating doing business in China, 38% said their outlook on potential Canada-China business is down, and 43% said it is the same as last year, indicating that an uncertain environment has a large impact on potential business. The feedback collected in this survey indicates that while the long-term outlook is positive, companies are carefully considering the impacts of economic developments, the US-China trade war and, most recently, COVID-19, leading to a re-examination of China's role in their global strategy and business plans. Respondents have also indicated that a clear Canadian government position would help increase their optimism and provide direction for Canada-China business.

Last year's survey revealed that bilateral tension had led 52% of Canadian businesses to undertake slight to significant changes in their business plans. We took those initiatives to be a temporary response to bilateral tension, because survey respondents were also optimistic about the prospects for continued growth and development of Canada-China business: two in three Canadian companies said they planned to expand their business in the next five years, and 77% said China was a top strategic priority.

**Shifting outlook spurs Canadian companies to re-examine China's role in their global strategy, with some looking to pivot away from continued challenges.**

This year we wanted to know if Canadian companies had changed China's priority in their global plans. Thirty-three per cent of Canadian companies said China has become a lower business priority, 44% said China's role in their global plans had not changed, 18% said China became a higher priority, and 5% said China has been replaced by other countries.

**Canadian respondents—China's role in their global plan**



**Survey feedback revealed that companies in some industries were more likely to rate China a lower priority in their business plans. More specifically:**



**Travel and tourism:** **38%** said China is a lower priority, **38%** said it is a higher priority, **13%** said there is no change and **13%** said China has been replaced by other countries.



**Government and non-profit:** **48%** said China is a lower priority, **39%** said there was no change, **9%** said it is a higher priority and **4%** said China has been replaced by other countries.



**Professional services:** **58%** said China is a lower priority, **36%** said there was no change and **6%** said the country was a higher priority.



**Finance and insurance:** **47%** said it is a lower priority, **47%** said there was no change and **6%** said it has been replaced by other countries.



**Educational services** **31%** said China is a lower priority, **35%** said there was no change and **31%** said it is a higher priority, and **4%** said it has been replaced by other countries.

We found that Canadian companies are actively “seeking market diversification options” and respondents reported looking to markets such as Europe, the US, the Middle East, Korea, Japan and Thailand. One respondent reported to be “strongly considering a complete pivot away from China into more democratic and [higher] growth countries and regions such as ASEAN.”

Other respondents highlighted that changes in China are happening too fast, creating additional risk and challenges for long-term planning.



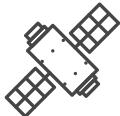
Some companies continue to make China a priority or have not changed their emphasis on China in their global strategy. Forty-one per cent of Canadian companies doing business in China said that the events of the last year have not altered China's role in their global strategy and 19% said they have made the country a higher priority as is shown in the following industry-specific results:



**Travel and tourism:** **38%** said China is a higher priority, **38%** said it is a lower priority, **13%** said there has been no change and **13%** said it has been replaced by other countries.



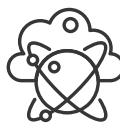
**Natural resources:** **20%** said China is a higher priority, 73% said there has been no change and **7%** said it is a lower priority.



**Transportation, aerospace and automotive:** **8%** said it is a higher priority, **54%** said there has been no change and **38%** said it is a lower priority.



**Agri-foods:** **38%** said China is a higher priority, **33%** said there has been no change, **14%** said it is a lower priority and **14%** said it has been replaced by other countries.



**Cleantech:** **18%** said China is a higher priority, **27%** said there has been no change, **45%** said it is a lower priority and **9%** said it has been replaced by other countries.



**Manufacturing:** **6%** said China is a higher priority, **69%** said there has been no change and **25%** said it is a lower priority.

Again, we can see there is a correlation between Canadian companies who are continuing to prioritize China in their global strategy and those that are active in areas that China has emphasized in its economic plans and policies. This reinforces the finding that some sectors are more likely to benefit from China's targeted focus on developing certain sectors of the economy. Canadian companies should pay close attention to China's economic development and Five-Year Plans for insight into new opportunities.



## 4. Organizations feel strongly that a clear Canadian government strategy is needed to eliminate uncertainty and advance Canada-China business.

Only 38% of Canadian respondents believe that the Government of Canada's strategy with respect to China has been clearly communicated. This compares to 58% of Chinese respondents who feel the government's strategy has been clearly communicated. While Chinese respondents are small in number, their responses indicate that Canada's policy on Chinese investment in Canada is clearer than its broader China policy, especially as it relates to Canadian business in China. An overwhelming number of Canadian respondents say they do not know if the Canadian government actually has a strategy for China and they were explicit in their requests for specific short- and long-term plans to mitigate tensions and smooth business relations.

In last year's survey we learned that Canadian business depends on "Brand Canada," with 58% of Canadian companies reporting that the Canadian brand plays a major role in their business development with China. A year later, some companies are now saying they need to downplay their Canadian background. This year's survey feedback has shown that companies hesitate to promote the Canadian aspect of their brand. Canadians companies have expressed that a lack of transparent government policy inhibits embarking on new bilateral business ventures.

Drilling down into the comments, companies told us that:

- **the Canadian government's strategy is "unclear," "ambiguous," "uncertain" and "undefined;"**
- **enhanced communications and coordination could better inform Canadian businesses;**
- **government strategy is important for furthering Canadian business in China as well as Chinese investment policy in Canada;**
- **they are concerned about Chinese partners' perception of Canada as a sovereign nation separate from the US; and**
- **a clear policy would enable the Canadian government and its agencies to advocate for Canadian business, political and judicial interests.**

Lack of a clear strategy creates doubt and is an impediment to long-term partnerships, educated forecasts and informed business plans.



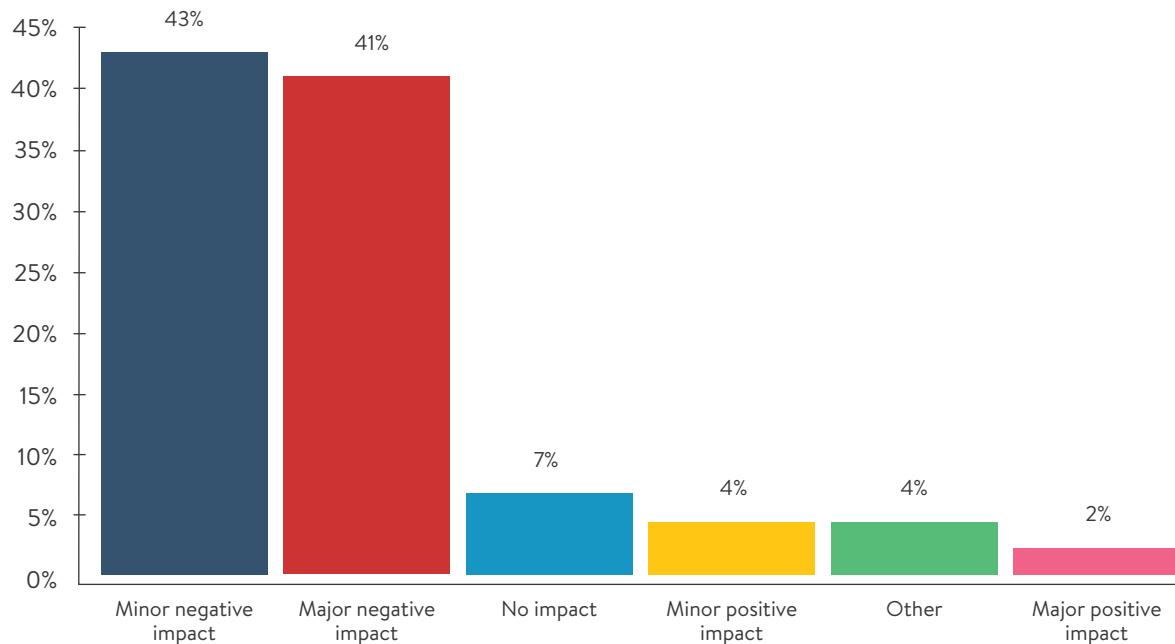
## 5. COVID-19 has disrupted business between the two countries since January 2020. Now that China is leading the transition to the post-pandemic recovery, there may be increasingly attractive opportunities for Canadian companies.

Since January 2020, Canada-China business has suffered disruptions due to COVID-19. The vast majority of survey respondents submitted their answers by March 4, 2020, before COVID-19 was declared a global pandemic on March 11. Their outlook is indicative of how they thought COVID-19 would affect their business in China.

Survey results show that by March 2020, COVID-19 had already had a major impact on Canada-China business, resulting in major disruptions to logistics and employee and customer travel. Demand for products and services decreased, and companies started to face logistics challenges related to shipping products in and out of China. Companies involved in bilateral business were early actors in experiencing pressures to migrate their business online wherever possible.

At the time of the survey, 84% of both Canadian and Chinese respondents expected COVID-19 to have a negative impact on business, with many anticipating a lasting impact.

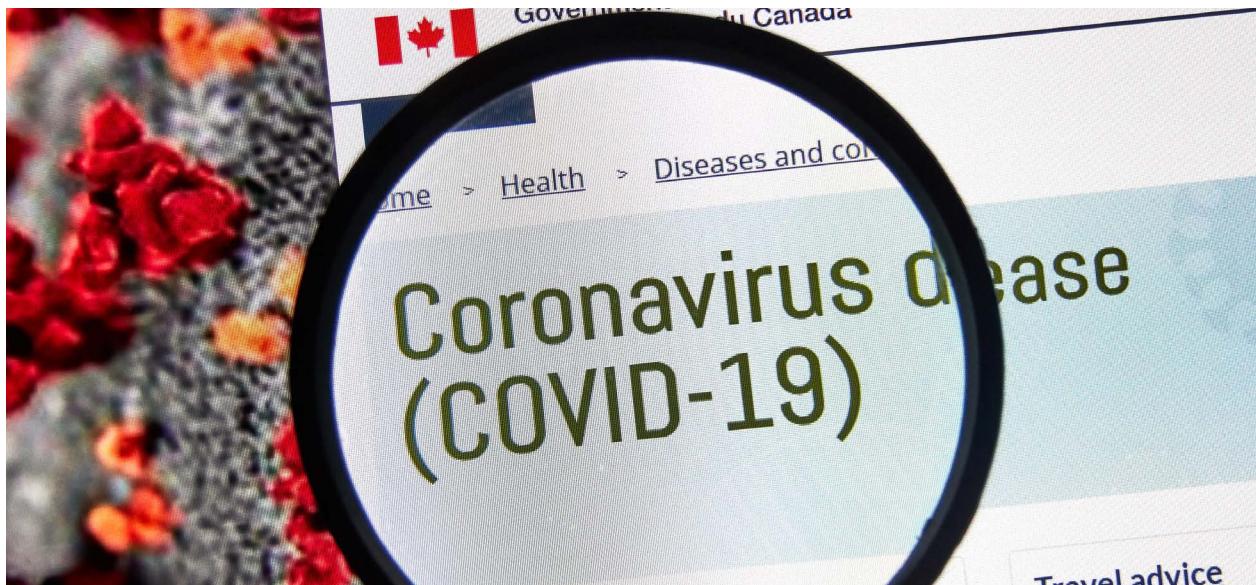
### All respondents—COVID-19 effect on business in 2020 (N = 229)



Both Chinese and Canadian companies have similar expectations about the timeframe of the COVID-19 impact: 66% of respondents expect the impact to end by September 30, 2020, and 14% expect it to last until the end of the year. A smaller percentage of respondents believe the impact will extend beyond year-end. We believe that if companies were re-surveyed today, their responses would be more pessimistic.

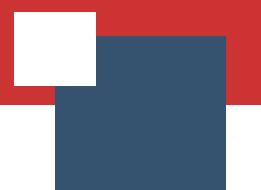
The outbreak hit Canada in March 2020, and as of April 2020, Canada is still in the throes of managing the COVID-19 pandemic and its repercussions on the economy. After largely controlling the outbreak, China is slowly starting to reopen for business. Business activity between Canada and China may recover sooner than between Canada and other countries, and before most of Canada goes back to work.

Should China successfully make the transition to “back open for business” ahead of the rest of the world, opportunities for Canadian business in China may suddenly become more appealing than opportunities in other global markets, causing a subsequent shift of strategic focus among Canadian companies. Canadian companies should be prepared and enabled to take advantage of growth where it exists in the world.





# Conclusion



The Canada-China Business Impact Survey 2019/2020 revealed that Canada-China business was significantly impacted in 2019 by tense Canada-China relations, the US-China trade war, COVID-19 and China's economic development, including government policy, industrial goals and consumption.

Digging into the survey data, interesting patterns and observations emerge. We can see that despite challenges, some Canadian companies in specific industries fared quite well in 2019. China's economic policy and priorities reveal areas where demand for Canadian products and services, as well as cross-border collaboration and partnership, will continue to grow. There may also be opportunities for Canadian companies as China transitions to a post-COVID-19 economy.

But the fact remains that 43% of respondents' business fell in 2019, following a record year in 2018, and the lack of a clear Canadian government strategy remains a barrier for businesses. Survey respondents call for a specific Canadian government strategy to help alleviate the impact of these challenges on Canada-China business while also helping to dispel uncertainty, provide direction and better position Canada-China business to succeed and grow.

Looking ahead, we may find useful guidance from Wendy Dobson's 2019 Donner Prize-nominated *Living with China: A Middle Power Finds its Way*. Dobson's book explores many of the same issues cited by our survey respondents, and she points a way forward that includes the need for a proactive strategy that encompasses government leadership, a stronger Canada brand and an emphasis on human capital, security issues and bilateral trade and investment liberalization.

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## About the Canada China Business Council

At the Canada China Business Council (CCBC), membership means business. We are a truly bilateral non-profit organization with seven offices in both Canada and China. Founded in 1978, we have been the leading voice of Canadian businesses in China for over 40 years and provide the knowledge and connections you need to succeed in China and Canada. In addition to its focused and practical services, CCBC is the voice of the Canadian business community on issues affecting Canada-China business, trade, and investment.

CCBC members include some of the largest and best-known Canadian and Chinese firms, as well as small to medium-sized enterprises (SMEs), entrepreneurs, and non-profit organizations. Members represent a wide range of sectors, including education, financial services, professional services, manufacturing, construction, transportation, oil and gas, natural resources, ICT, and public sector.

In addition to its corporate head office in Toronto, CCBC has offices and staff in Toronto, Montreal, Halifax, Vancouver, Calgary, Beijing and Shanghai. CCBC's network of staff offers programs and services in both Canada and China, and introduces members to opportunities in China's emerging markets. CCBC also operates a Chamber of Commerce in Beijing, offering a range of events and broad networking opportunities at the local level.

Through its member services and events, CCBC provides its member companies with business insight, intelligence, connections, and networks that help resolve the inevitable challenges of doing business in another country.

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