



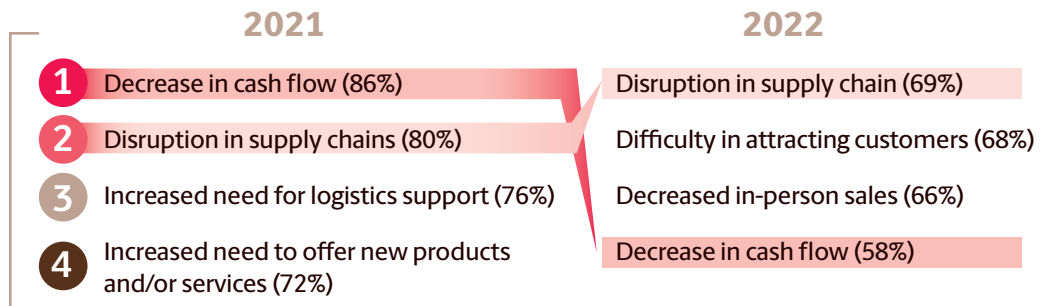
# Canada

## Supporting SMB Growth: Unlocking Recovery through E-commerce



UPS, in partnership with Nathan Associates and Startup Canada, surveyed 111 SMBs in Canada to better understand how national and international trade policy can best support SMBs to compete in the global online marketplace. 59 percent of the surveyed SMBs were women-owned. Below are some of the challenges, trends, and recommendations that emerged from this survey.

**Ongoing Impacts of COVID-19**  
Decrease in cash flow and disruption in supply chain were also reported as top pandemic-related challenges in a similar 2020-2021 survey.



## E-commerce Trends and Challenges

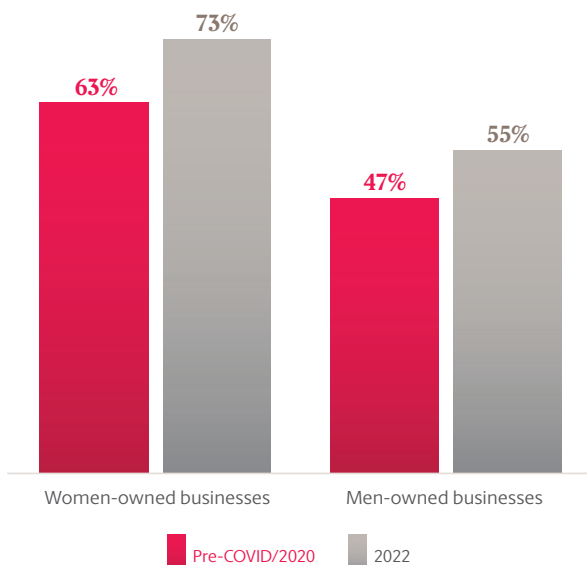
### Primary e-commerce challenges in 2022

- Supply chain disruptions
- Online marketing and branding
- Storage and management of inventory
- Learning about and complying with digital laws and regulations

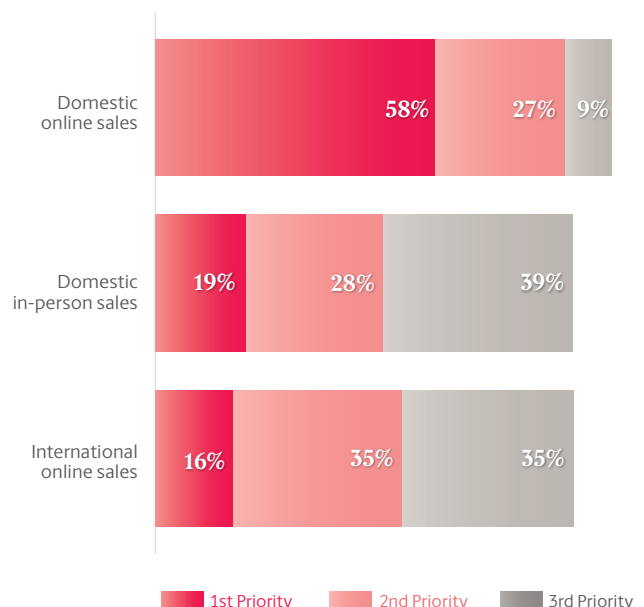
### Is e-commerce a priority?

For SMBs that are currently selling online, e-commerce is a priority area of growth for their business. Domestic online sales and international online sales were their first and second highest priorities.

SMBs Selling Online from Pre-COVID to 2022



SMB Business Growth Goals for the Next Two Years



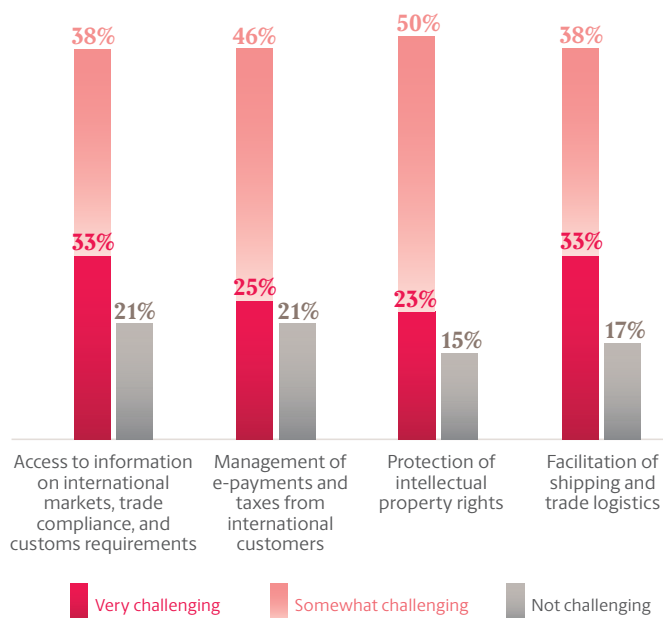


## Export Trends and Challenges

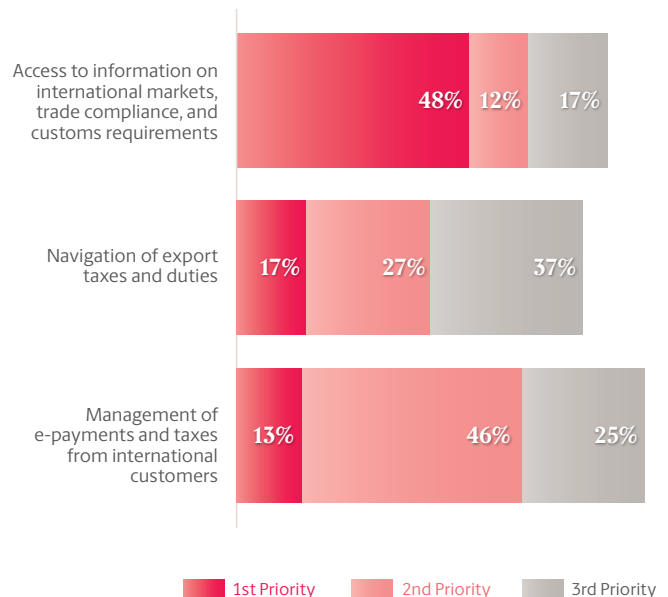
Almost half (47%) of surveyed SMBs sell internationally via e-commerce. SMBs are divided about whether e-commerce exports have gotten easier since the start of the pandemic. 40 percent reported that exporting has gotten easier, while 42 percent reported it has not gotten easier; the remaining 17 percent did not export before the pandemic. Like in 2021, protection of intellectual property rights was ranked as a top challenge. SMBs ranked the following additional challenges mostly the same:

- Access to information on international markets, trade compliance, and customs requirements
- Management of e-payments and taxes from international customers
- Facilitation of shipping and trade logistics

Challenges to SMB E-commerce Exports



SMB Policy Intervention Priorities to Support E-commerce Exports



## Policy Recommendations



### Support Supply Chain Resilience.

Work with the National Supply Chain Task Force to assess manufacturing across industries, develop a national action plan, and incentivize SMB investment in supply chain software management.



### Invest in Digital Technologies.

Invest in publicly-owned broadband infrastructure assets and support open access infrastructure that are accountable to public interests.



### Incentivize SMB Adoption of Digital Technologies.

Provide capital allowances and tax incentives to SMBs that encourage them to adopt digital technologies like blockchain and inventory management software.



### Include SMBs in Cybersecurity Strategy and Privacy Laws.

Update the current cybersecurity strategy to address risks that make SMBs particularly vulnerable. Additionally, ensure future privacy legislation and regulations are accessible to SMBs who try to increase domestic online sales.