SURVEY RESULTS SHOW BUSINESSES SHIFTING AWAY FROM AMERICAN SUPPLIERS EVEN IF IT COMES AT A HIGHER COST

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Vancouver, BC – With no end in sight to the tariff war with the United States, many consumers have shifted their buying patterns to 'Shop Local' and 'Buy Canadian' – and it appears that small and medium-sized businesses are following suit, shifting away from American distributors, even if it means it will negatively impact their bottom line.

In early April, the Business Improvement Areas of BC (BIABC) conducted a survey of business owners to establish the extent to which those receiving products from US distributors are seeking alternative suppliers.

The survey found the majority of small and medium-sized businesses have a mix of supply partnerships, with the majority tied heavily to those that are BC, Canadian, American and to a less extent, others.

Findings revealed that 12% of businesses are bound by contractual obligations that won't allow them to establish alternative suppliers, in the short term, and in some cases, for 1-3 years.

However, 58% of businesses are sourcing alternative supply arrangements and approximately that same number (59%) are looking primarily for a Canadian partner.

The survey also reveals that more than 84% of businesses are taking these actions even though it may come at a higher cost and negatively impact their profitability. The anticipated results are lower profitability, change in consumer prices, and a delay in growth or expansion plans.

"These results show that business owners, just like consumers, are shifting their buying patterns in the Canadian interest," said Jeremy Heighton, President of BIABC. "What's more, they are following their heart and exploring new sourcing alternatives, even if it means they will be taking a financial hit."

BIABC and other business-related organizations continue to encourage consumers to channel their frustration about US tariffs on Canadian exports into something tangible,

by supporting merchants in their own community, and where possible buying BC and Canadian made products.

The Association also says the current circumstances have highlighted how, as a nation, we have become too dependent on our existing trade relationship with the United States, and it has exposed how vulnerable our economy and businesses across our communities, provinces and the country are to market volatility.

About BIABC:

The Business Improvement Areas of BC (BIABC) is the provincial champion of strong, vibrant, and successful downtowns, main streets, and commercial districts throughout our province. Members represent more than 80 business districts that employ hundreds of thousands of retail, service, and office employees within defined business districts.

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