Canada-U.K. relations: warm feelings for Britain, but lukewarm appetite for two-way trade

Most Canadians see negative consequences for U.K. if it leaves EU

December 6, 2019 – Over the past three years Brexit has paralyzed British politics, ended the careers of two prime ministers and threatened to re-ignite conflict between the Republic of Ireland and Northern Ireland. While the rest of the world waits for the outcome of the British election on December 12, Canadians are circumspect about the suitability of their long-time ally as a lucrative trade partner.

A new study from the non-profit Angus Reid Institute finds that while people in Canada think very highly of Britain, and while more than three-in-ten claim close personal ties to the country, the number saying Canada should focus on developing closer trade ties with the U.K. has dropped significantly over the past two years.

Currently, the British Parliament has yet to solidify the details needed to exit the European Union, and the deadline has been extended three times, most recently to January 2020.

Against this backdrop, a plurality (42%) see no impact on economic opportunity for Canada in a post-Brexit era. While the British government has signalled it is interested in pursuing a closer economic relationship with Canada once it is outside the EU, fewer than one-in-five (19%) in this country expect a positive impact for their own domestic economy.

More Key Findings:

- Canadians are divided when asked whether they ultimately think Britain will stay (55%) or go (45%).

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• If Britain does exit, more Canadians say the result will be a worse (54%) rather than improved situation for the U.K.’s economy (22%).

• If given the choice themselves, a majority of Canadians would vote to remain in the EU (69%).

**About ARI**

The *Angus Reid Institute (ARI)* was founded in October 2014 by pollster and sociologist, Dr. Angus Reid. ARI is a national, not-for-profit, non-partisan public opinion research foundation established to advance education by commissioning, conducting and disseminating to the public accessible and impartial statistical data, research and policy analysis on economics, political science, philanthropy, public administration, domestic and international affairs and other socio-economic issues of importance to Canada and its world.

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Part One: Canadians love the U.K. but place trade priorities elsewhere

**Two-thirds of Canadians following news on Brexit**

While three years of failed plans, extensions and growing uncertainty have triggered ‘Brexit fatigue’ for many Britons, Britain’s departure from the EU appears to be holding the attention of many Canadians from afar.

Indeed, two-thirds of Canadians (66%) say they are following Brexit relatively closely or have been discussing it periodically:
This level of engagement rises among Canadians with friends or family living in the U.K. – a segment that comprises three-in-ten respondents overall:

**Canadians love Britain**

Uncertainty about the future of the United Kingdom has not had an impact on Canadian opinions about that country itself. This survey asked Canadians whether they hold a favourable or unfavourable opinion of 11 countries that hold important relationships with Canada. The countries canvassed in this survey
represent Canada's nine largest single-nation trading partners (the United States, China, the United Kingdom, Japan, Mexico, South Korea, Germany, France, and Italy), plus India (Canada's 11th-largest trading partner and a major source of immigration) and Saudi Arabia (Canada's 20th-largest trading partner, and the subject of recent diplomatic controversies).

From this list, the U.K. emerges as the most favoured country, alongside Japan. More than four-in-five Canadians (85%) view the U.K. favourably. This represents a significant advantage over Canada’s largest trading partner, the United States (59%).

Uncertainty may be hurting trade confidence

The U.K. exports and invests more in Canada than any other EU member. Thus, the Canada-U.K. relationship no doubt weighs heavily on the mind of those tasked with negotiating future bilateral trade deals.

And while Canadian public opinion towards the U.K. itself is warm and enthusiastic, this does not necessarily translate into an increasing desire to forge closer trade ties. Notably, the most appealing destination for trade ties for Canadians is the European Union, followed by the U.S., the U.K., and China. Britain is a fourth priority:
Perhaps troubling for Canada-U.K. trade proponents, Brexit uncertainty seems to have had an effect on Canadian public opinion as well. Preference for trade with Britain has dropped by one-third since August 2017, from 29 per cent to 19 per cent. Meanwhile, after securing a new North America Free Trade Agreement (NAFTA 2.0 or the USMCA), Canadian priorities may be shifting. Canada is currently negotiating a bilateral trade agreement with India, a nation with which just only 13 per cent of Canadians say they would like to see closer trade ties.

As we look to the future, with which of the following countries or regions do you think Canada should try to develop closer trade ties? (All respondents, allowed up to two choices)

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Jul-14</th>
<th>Apr-15</th>
<th>Feb-17</th>
<th>Aug-17</th>
<th>Nov-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>The European Union</td>
<td>38%</td>
<td>38%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The United States</td>
<td></td>
<td></td>
<td>28%</td>
<td>28%</td>
<td>22%</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td></td>
<td></td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>The United Kingdom</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>19%</td>
</tr>
<tr>
<td>India</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>13%</td>
</tr>
<tr>
<td>South and Central America</td>
<td>13%</td>
<td>13%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southeast Asia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10%</td>
</tr>
</tbody>
</table>

As we look to the future, with which of the following countries or regions do you think Canada should try to develop closer trade ties?
Will Brexit benefit or hurt Canada? Most at home shrug

Prime Minister Justin Trudeau and Official Opposition Leader Andrew Scheer have expressed divergent views on Brexit and Canadians themselves are not particularly enthusiastic about what it means for their own country’s economic fortunes.

Four-in-ten Canadians say they don’t expect any benefit or harm to befall Canada regardless of what happens to the U.K. Similar numbers of Canadians are both optimistic (19%) and pessimistic (14%) about any impact that may be felt on this side of the Atlantic:

Suppose the U.K. does leave the EU. Do you think Canada would benefit or be hurt by that? (All respondents, n=1,499)

Optimism exceeds pessimism in all provinces except British Columbia, where fears that Brexit will hurt Canada are highest (16%).

Suppose the U.K. does leave the EU. Do you think Canada would benefit or be hurt by that? (All respondents)
Part Two: What Canadians expect from Brexit

Most expect negative economic impact from departure

While Brexit would allow the U.K. to renegotiate trade agreements with the EU and other countries on its own terms, recent studies predict that Brexit would leave the United Kingdom worse off by 70 billion pounds (equivalent to about $120 billion CAD) by 2029, lowering the country’s gross domestic product by 3.5% over that 10 year period.

Despite vigorous debate on what the economic consequences of Britain’s exit from the EU will ultimately be, slightly more than half of Canadians (54%) expect the U.K. to be worse off, while one-in-five (22%) say leaving the EU will be an economically beneficial move:

![Pie chart showing responses to the question: Do you think the following economies will be better off, worse off, or unaffected as a result of Britain leaving the EU? (All respondents, n=1,499) with 54% saying worse off, 22% saying better off, and 14% saying don’t know/can’t say.]

Domestic views of this international debate are most conflicted in Alberta, where residents’ own separatist intentions have become more pronounced in recent months. One-in-three Albertans (32%) believe that Britain’s economy will be better off if they do indeed exit, the highest proportion of positive responses in the country. Nonetheless, two-in-five Albertans (39%) believe the U.K. faces worsening economic conditions if it leaves the EU:
Majority say U.K. will ultimately remain

The future of Brexit remains unclear as Britons await a federal election on December 12. Depending on the outcome, the possibility of another referendum still looms. Asked for their outlook on the matter, a slight majority of Canadians (55%) expect Britain will remain in the European Union, while 45 per cent say that they will leave.

Notably, however, those who are following the unfolding events most closely are considerably more likely to say that leaving will be the result.

Ultimately, which outcome do you yourself think is more likely to happen with Brexit? (All respondents)

<table>
<thead>
<tr>
<th>Region</th>
<th>The UK will leave the European Union</th>
<th>The UK will remain in the European Union</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC (n=190)</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>AB (n=146)</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>SK/MB (n=207)</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>ON (n=450)</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>QC (n=400)</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>ATL (n=106)</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>Total (n=1,499)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
How would Canadians, themselves, vote?

While they’re split over what the final result will be in the Brexit saga, Canadians are more unified in what they would do if the choice was their own. Seven-in-ten (69%) say they would vote to remain in the EU rather than leave. Canadians ages 18 to 34, in similar fashion to their British counterparts, are more likely to vote “Remain” than older age groups. Regionally, Albertans are more than twice as likely as their western neighbours in British Columbia to say that they would vote to leave (45% to 20%), while seven-in-ten in the rest of the country would vote to remain:

For detailed results by age, gender, region, education, and other demographics, click here.

For detailed results by Brexit news awareness and personal connections in the U.K., click here.

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