

# ACEC-Canada Engineering Business Sentiment

## 2025 H2

OCTOBER 2025



acec

Research Conducted by:

**ACEC** RESEARCH  
INSTITUTE

**2025 H2**  
OCTOBER 2025

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# Executive Summary

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## Current Business Conditions

- Current sentiment is positive. The Net Ratings for firms' finances (+83) and for industry (+62) are very high. The Net Rating for the Canadian economy is +22.
- Optimism about the Canadian economy rose by eight points compared to 2025 H1. Optimism about condition of the industry and firms' overall finances, while high, dropped by nine and seven points, respectively.
- Current sentiment remains very optimistic within all market sectors. Sentiment is strongest in Energy and Utilities (+68) and Water/Wastewater (+68).
- Sixty-two percent indicate their firm has a current backlog of less than one year. The median remained steady at eight months.
- Since 2025 H1 and last year at this time, overall backlog has remained steady.
- Eighty-three percent of firms have at least one opening, down nine percentage points from 2025 H1. The median number of open positions dropped from six to five.
- Many segments saw declines in the number of open positions compared to 2025 H1. Quebec firms have a median of 25 open positions, down 50 from 2025 H1 and down 25 from last year at this time.
- On average, five percent of positions remain unfilled, consistent with 2025 H1.
- Segments saw either a slight or no decline in open positions as a percentage of all FTEs relative to this time last year. Compared to 2025 H1, results are varied.

## Future Business Conditions

- Future sentiment, 12 months from now, is positive for the firms' finances (+23), but respondents are less enthusiastic about the future of the industry (+7) and are pessimistic about the future of the Canadian economy (-7).
- Future sentiment improved dramatically for the Canadian economy (up 39 points) since 2025 H1, although it remains negative (-7) and below the level of one year ago (-2).
- While half of the segments saw improvement since 2025 H1, most are more pessimistic about the future of the firms' finances than they were last year at this time.
- Political Environment/Uncertainty (80%) and General Economic Uncertainty (75%) are fueling negative future sentiment. Forty-eight percent cite tariffs as a concern.
- Most sectors saw improvement in future sentiment compared to the first half of 2025, but most remain below year ago levels.
- Thirty-eight percent of firm executives believe their firm will see a higher backlog of projects 12 months from now, an increase of three points from 2025 H1. The Net Rating improved nine points to +19.
- While backlog sentiment for one year from now remains positive across most segments, the Net Rating has decreased dramatically since 2024 H2.
- Fifty-seven percent predict there will be an increase in hiring over the next 12 months, down six points from 2025 H1. The resulting Net Rating declined eight points to +47.
- Although future hiring sentiment remains high across all segments, most segments saw declines relative to 2025 H1 and last year at this time.

- Fifty percent of firm executives agree they are extremely concerned about the impact of inflation on their firm, up six points from 2025 H1; the Net Rating increased from +18 to +27.
- Fifty percent agree that they are extremely concerned about the impact of tariffs on their firm in the coming year.
- The perceived likelihood of recession in the next six months is 52 percent according to the average estimate among firm leaders, a decrease from 2025 H1 (58%), but well above one year ago.

## Hot Topics

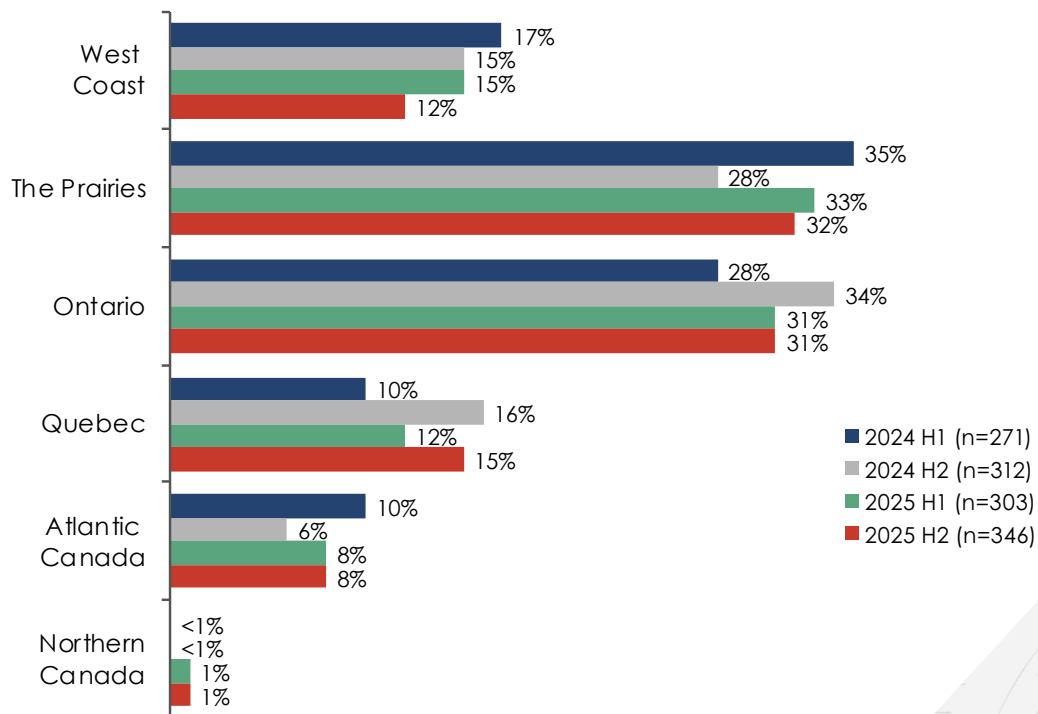
- Half of firm executives are at least somewhat familiar with Bill C-5 and both of its components. However, only 15 percent are “familiar” or “very familiar.”
- Among those at least “somewhat familiar” with Bill C-5:
  - Seventy-three percent agree that it will strengthen Canada’s long-term economic resilience and competitiveness.
  - Seventy percent agree that the “national interest project” designation will help accelerate critical infrastructures.
  - Fifty-seven percent are at least “somewhat confident” that the federal government can deliver timely and coordinated results.
  - Fifty-four percent have confidence in the Federal Major Projects Office.
  - Fifty-two percent have confidence in the federal government’s approach to Indigenous issues.
  - Eighty-eight percent are concerned about legal and political challenges delaying potential projects.
  - Seventy-five percent are confident that Bill C-5 can deliver on its stated goals.
- Project approvals is the internal trade barrier that most needs to be addressed (58%).
- Fifty-five percent are at least “somewhat confident” that the current federal infrastructure programs can strengthen Canada’s long-term economic success.
- Less than half (48%) are confident that the federal government is giving sufficient attention to local infrastructure needs.

# Demographics

For reference, this report uses a modified five-region classification for geographic breaks of the data.

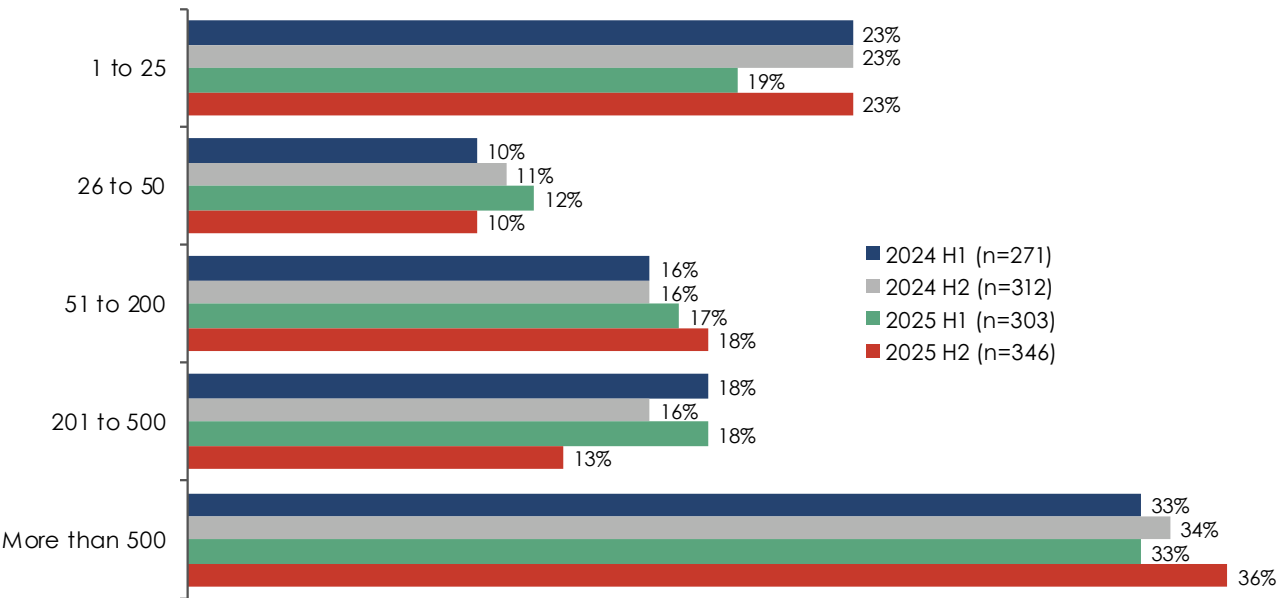
- **West Coast** includes the province of British Columbia.
  - **The Prairies** include the provinces of Manitoba, Saskatchewan, and Alberta.
  - **Central Canada** includes the provinces of Ontario and Quebec; however, they are shown separately in this report.
  - **Atlantic Canada** includes the provinces of Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick.
  - **Northern Canada** includes the territories of Nunavut, Northwest Territories, and Yukon.
- Respondents' firms are widely dispersed across Canada and have remained broadly consistent across regions throughout this study.

Figure 1: Location of Organization Headquarters – Trend



- The median number of full-time employees at respondents' firms is 200, down from 250 in 2025 H1.

Figure 2: Number of Full-Time Equivalents at Firm – Trend

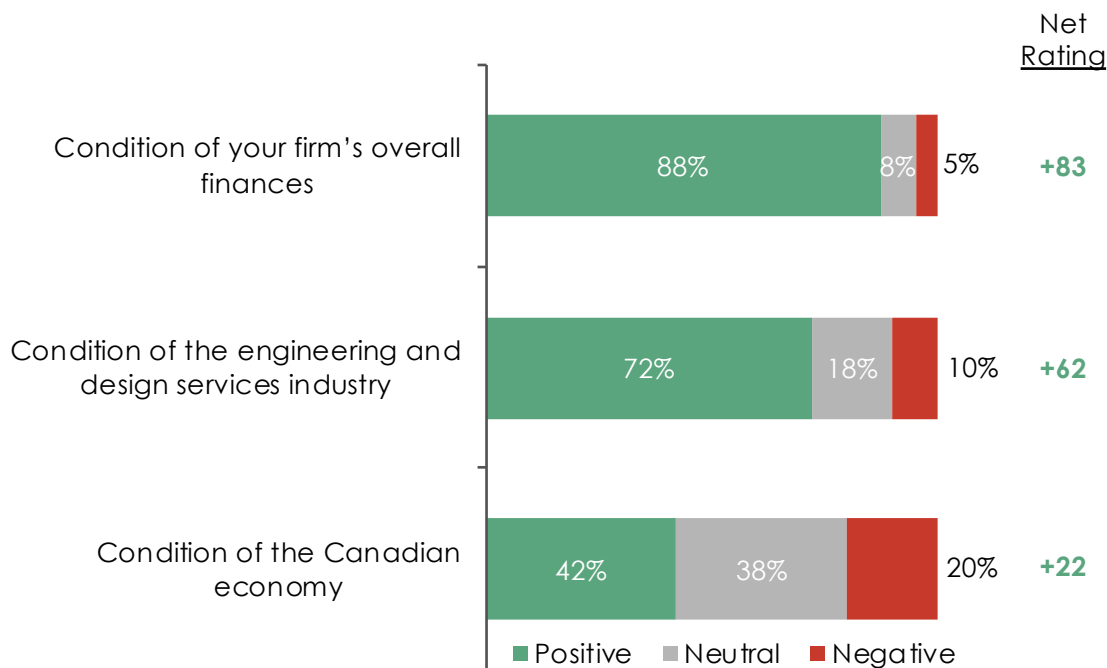


# Current Business Conditions

## Current Canadian Economy, Industry and Firm Sentiment

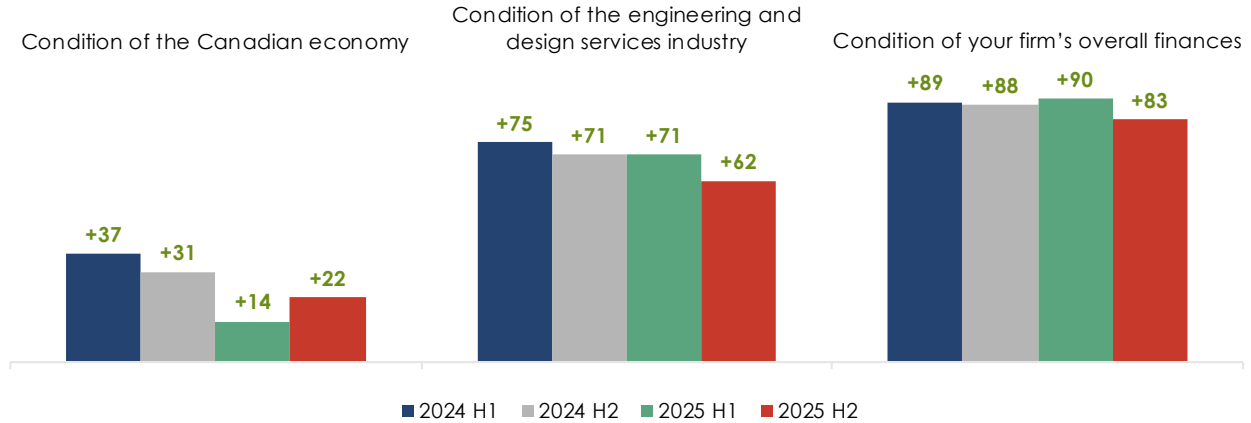
- Current sentiment is positive. The Net Ratings for firms' finances (+83) and for industry (+62) are very high. The Net Rating for the Canadian economy is +22.
- *U.S. Comparison:* Business sentiment regarding the U.S. economy (+50), as of August 2025, is significantly higher than in Canada. However, similar to Canada, sentiment towards the U.S. economy is lower than industry (+78) and firm finance sentiment (+83).
- Sentiment for the Canadian economy is strongest in Atlantic Canada (+52).
- Sentiment in Quebec (+29) rebounded by 12 points and the West Coast (+26) by 28 points.
- Among firm sizes, sentiment is strongest among those with more than 500 FTEs (+38).

Figure 3: Current Economic Sentiment



- Optimism about the Canadian economy rose by eight points compared to 2025 H1.
- Optimism about condition of the industry and firms' overall finances, while high, dropped by nine and seven points, respectively.

**Figure 4: Current Economic Sentiment – Net Rating Trend**



## Current Industry Sector Sentiment

- Current sentiment remains very optimistic within all market sectors. Sentiment is strongest in Energy and Utilities (+68) and Water/Wastewater (+68).
- Most industry sectors saw declines compared to the first half of 2025 as well as last year at this time. The largest decline was in Residential.

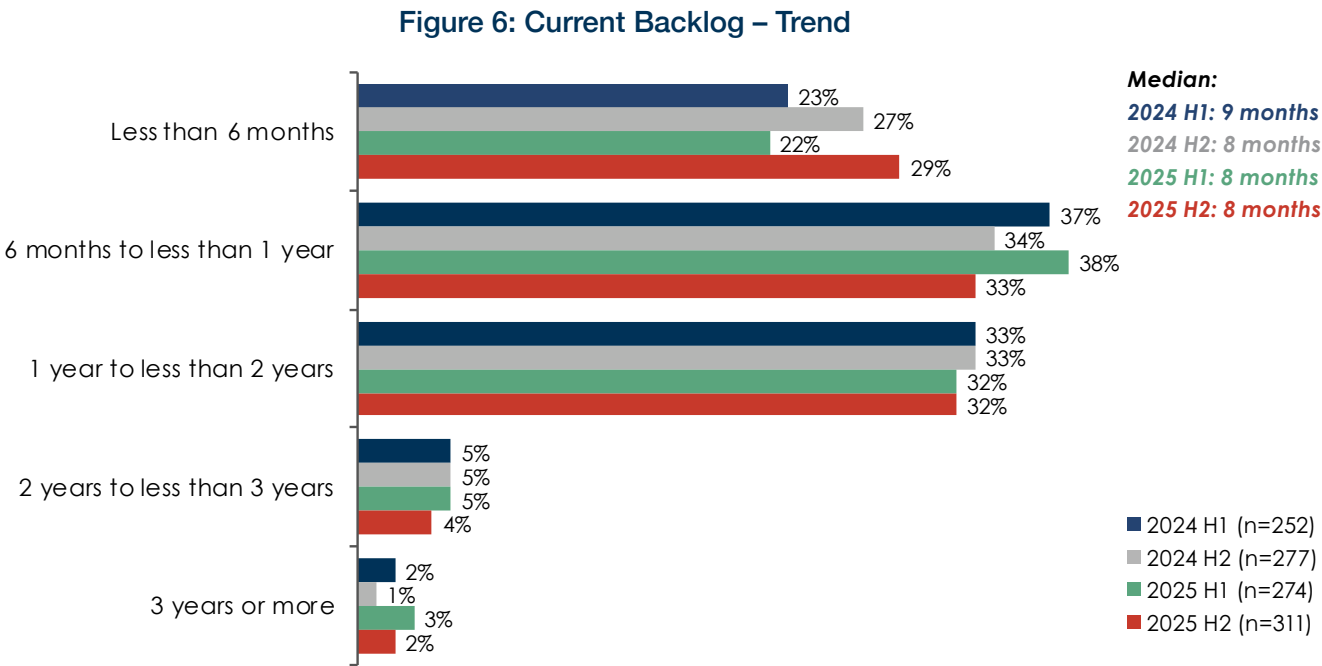
**Figure 5: Current Industry Sentiment by Sector – Net Rating Trend**

| <i>Current Industry Sector<br/>Sentiment Net Rating</i>                    | 2024 H1<br>(n=115- 206) | 2024 H2<br>(n=122- 214) | 2025 H1<br>(n=118-217) | 2025 H2<br>(n=150-240) | Change vs.<br>Previous Half | Change vs.<br>Previous Year |
|----------------------------------------------------------------------------|-------------------------|-------------------------|------------------------|------------------------|-----------------------------|-----------------------------|
| Transportation – Airports and Harbours                                     | +78                     | +62                     | +62                    | +67                    | +5                          | +5                          |
| Federal/Military, Provincial and Local Government Buildings                | +63                     | +46                     | +52                    | +48                    | -4                          | +2                          |
| Transportation – Transit (Rail, BRT)                                       | +69                     | +60                     | +62                    | +59                    | -3                          | -1                          |
| Energy and Utilities                                                       | +72                     | +71                     | +70                    | +68                    | -2                          | -3                          |
| Data Centers                                                               | +71                     | +67                     | +52                    | +62                    | +10                         | -5                          |
| Telecommunications                                                         | +70                     | +54                     | +54                    | +49                    | -5                          | -5                          |
| Science and Technology                                                     | +72                     | +65                     | +57                    | +59                    | +2                          | -6                          |
| Natural Resources (Mining, Forestry, Oil and Gas)                          | +67                     | +62                     | +66                    | +56                    | -10                         | -6                          |
| Convention Centers, Sports Facilities and Cultural Facilities              | +66                     | +57                     | +54                    | +50                    | -4                          | -7                          |
| Healthcare Facilities                                                      | +69                     | +59                     | +67                    | +51                    | -16                         | -8                          |
| Commercial Real Estate (Office, Hotel, Retail and Multifamily Residential) | +52                     | +35                     | +34                    | +25                    | -9                          | -10                         |
| Water/Wastewater                                                           | +78                     | +79                     | +68                    | +68                    | 0                           | -11                         |
| Education (K-12 and Higher Education)                                      | +51                     | +48                     | +46                    | +37                    | -9                          | -11                         |
| Transportation – Roads and Bridges                                         | +74                     | +76                     | +70                    | +65                    | -5                          | -11                         |
| Industrial and Manufacturing Facilities                                    | +62                     | +60                     | +53                    | +43                    | -10                         | -17                         |
| Residential – Land Development                                             | +61                     | +50                     | +43                    | +30                    | -13                         | -20                         |



# Current Backlog

- Sixty-two percent indicate their firm has a current backlog of less than one year. The median remained steady at eight months.
- *U.S. Comparison:* Median backlog in the U.S. is 14 months, higher than in Canada.



- Since 2025 H1 and last year at this time, overall backlog has remained steady.
- Backlog increases as firm size increases.

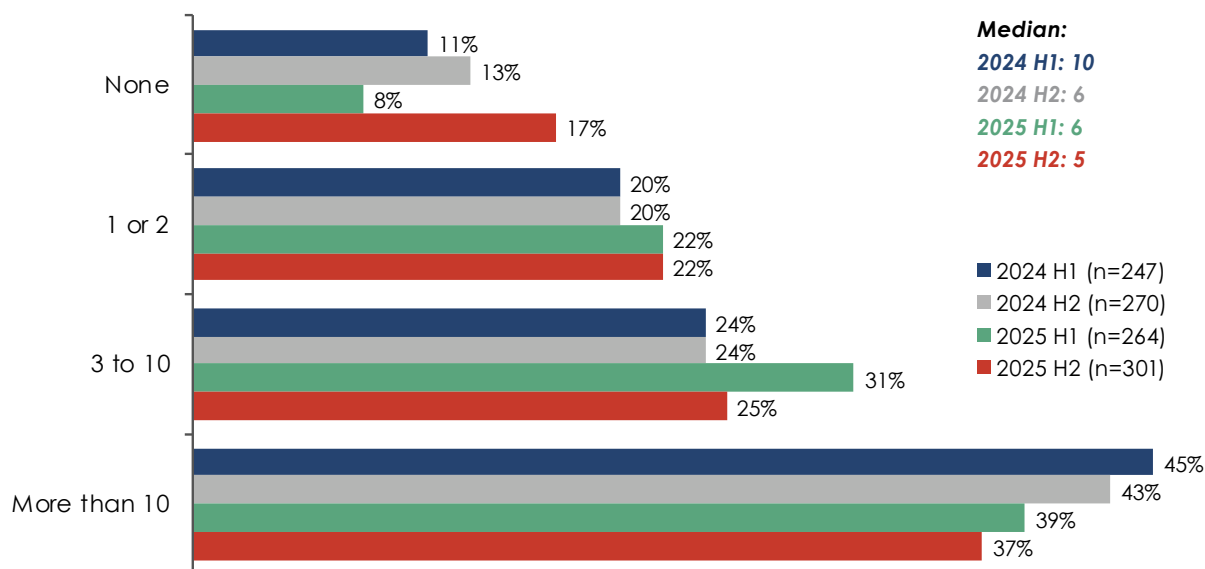
Figure 7: Current Backlog (Median) Trend – By Region and Firm Size

| Backlog         | 2024 H1<br>Median<br>(n=252) | 2024 H2<br>Median<br>(n=277) | 2025 H1<br>Median<br>(n=274) | 2025 H2<br>Median<br>(n=311) | Change vs.<br>Previous Half | Change vs.<br>Previous Year |
|-----------------|------------------------------|------------------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|
| TOTAL           | 9                            | 8                            | 8                            | 8                            | 0                           | 0                           |
| REGION          |                              |                              |                              |                              |                             |                             |
| West Coast      | 9                            | 6                            | 9                            | 9                            | 0                           | +3                          |
| The Prairies    | 10                           | 6                            | 8                            | 8                            | 0                           | +2                          |
| Ontario         | 10                           | 12                           | 10                           | 9                            | -1                          | -3                          |
| Quebec          | 12                           | 10                           | 12                           | 8                            | -4                          | -2                          |
| Atlantic Canada | 6                            | 6                            | 6                            | 6                            | 0                           | 0                           |
| FIRM SIZE       |                              |                              |                              |                              |                             |                             |
| 1-25            | 6                            | 4                            | 5                            | 5                            | 0                           | +1                          |
| 26-50           | 6                            | 6                            | 8                            | 6                            | -2                          | 0                           |
| 51-200          | 10                           | 6                            | 8                            | 6                            | -2                          | 0                           |
| 201-500         | 8                            | 12                           | 8                            | 8                            | 0                           | -4                          |
| More than 500   | 12                           | 12                           | 12                           | 12                           | 0                           | 0                           |

# Current Open Positions

- Eighty-three percent of firms have at least one opening, down nine percentage points from 2025 H1. The median number of open positions dropped from six to five.
- *U.S. Comparison:* Similar to Canada, nine out of 10 firms (89%) still have at least one opening. The median number of open positions is also five.

Figure 8: Current Open Positions – Trend



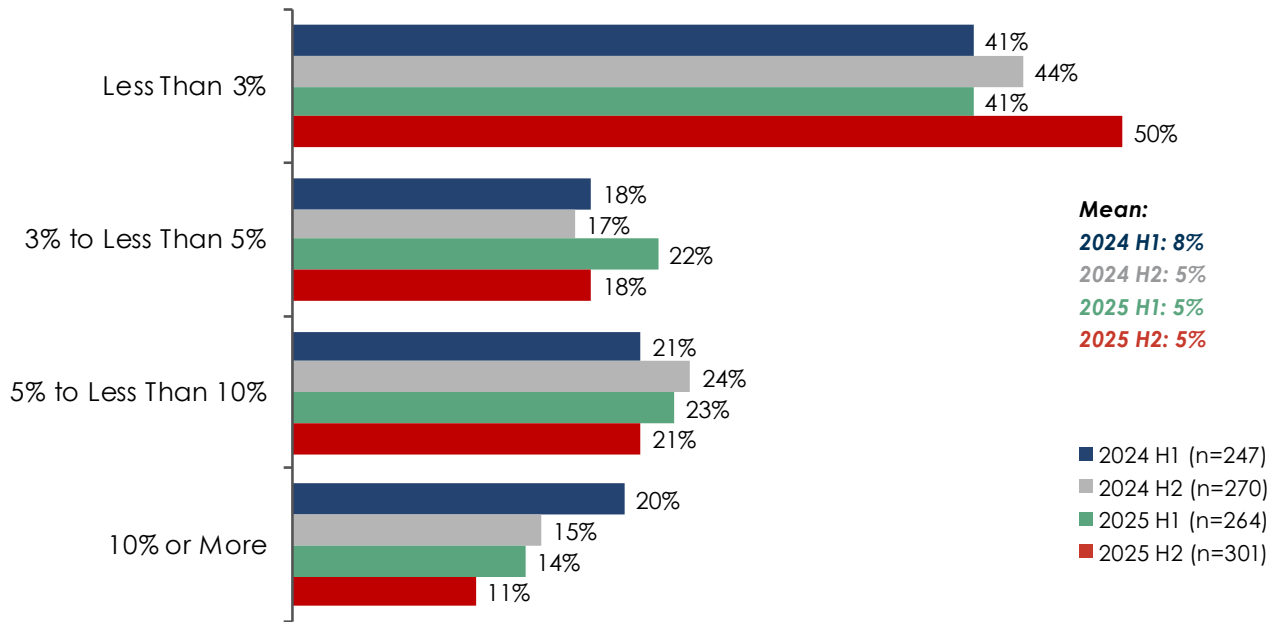
- Many segments saw declines in the number of open positions compared to 2025 H1. Quebec firms have a median of 25 open positions, down 50 from 2025 H1 and down 25 from last year at this time.

Figure 9: Current Open Positions (Median) Trend – By Region and Firm Size

| Current Open Positions | 2024 H1 (n=247) | 2024 H2 (n=270) | 2025 H1 (n=264) | 2025 H2 (n=301) | Change vs. Previous Half | Change vs. Previous Year |
|------------------------|-----------------|-----------------|-----------------|-----------------|--------------------------|--------------------------|
| TOTAL                  | 10              | 6               | 6               | 5               | -1                       | -1                       |
| REGION                 |                 |                 |                 |                 |                          |                          |
| West Coast             | 11              | 7               | 10              | 6               | -4                       | -1                       |
| The Prairies           | 3               | 3               | 3               | 3               | 0                        | 0                        |
| Ontario                | 15              | 12              | 10              | 5               | -5                       | -7                       |
| Quebec                 | 88              | 50              | 75              | 25              | -50                      | -25                      |
| Atlantic Canada        | 2               | 2               | 2               | 4               | +2                       | +2                       |
| FIRM SIZE              |                 |                 |                 |                 |                          |                          |
| 1-25                   | 2               | 1               | 1               | 1               | 0                        | 0                        |
| 26-50                  | 3               | 2               | 3               | 2               | -1                       | 0                        |
| 51-200                 | 3               | 4               | 4               | 3               | -1                       | -1                       |
| 201-500                | 16              | 15              | 12              | 15              | +3                       | 0                        |
| More than 500          | 100             | 50              | 50              | 38              | -12                      | -12                      |

- On average, five percent of positions remain unfilled, consistent with 2025 H1.
- Although the average remained the same, the percentage of firms with 10 percent or more of positions unfilled continues to fall.

**Figure 10: Open Positions as Percentage of Overall FTEs – Trend**



- Segments saw either a slight or no decline in open positions as a percentage of all FTEs relative to this time last year. Compared to 2025 H1, results are varied.

**Figure 11: Open Positions as Percentage of Overall FTEs Trend – By Region and Firm Size**

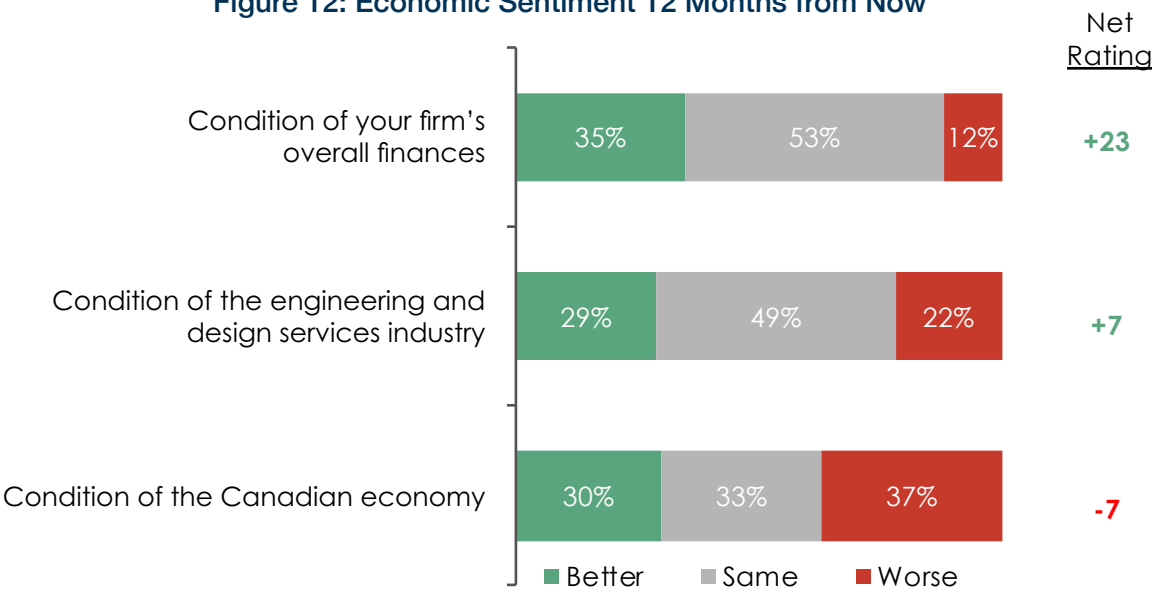
| <i>Open Positions</i> | 2024 H1<br>(n=247) | 2024 H2<br>(n=270) | 2025 H1<br>(n=264) | 2025 H2<br>(n=301) | Change vs.<br>Previous Half | Change vs.<br>Previous Year |
|-----------------------|--------------------|--------------------|--------------------|--------------------|-----------------------------|-----------------------------|
| TOTAL                 | 8%                 | 5%                 | 5%                 | 5%                 | 0                           | 0                           |
| REGION                |                    |                    |                    |                    |                             |                             |
| West Coast            | 9%                 | 4%                 | 4%                 | 4%                 | 0                           | 0                           |
| The Prairies          | 8%                 | 5%                 | 5%                 | 3%                 | -2                          | -2                          |
| Ontario               | 6%                 | 5%                 | 5%                 | 5%                 | 0                           | 0                           |
| Quebec                | 6%                 | 6%                 | 6%                 | 5%                 | -1                          | -1                          |
| Atlantic Canada       | 10%                | 10%                | 6%                 | 8%                 | +2                          | -2                          |
| FIRM SIZE             |                    |                    |                    |                    |                             |                             |
| 1-25                  | 15%                | 10%                | 10%                | 10%                | 0                           | 0                           |
| 26-50                 | 15%                | 6%                 | 9%                 | 5%                 | -4                          | -1                          |
| 51-200                | 4%                 | 4%                 | 4%                 | 4%                 | 0                           | 0                           |
| 201-500               | 5%                 | 5%                 | 4%                 | 5%                 | +1                          | 0                           |
| More than 500         | 4%                 | 3%                 | 3%                 | 3%                 | 0                           | 0                           |

# Future Business Conditions

## Future Canadian Economy, Industry and Firm Sentiment

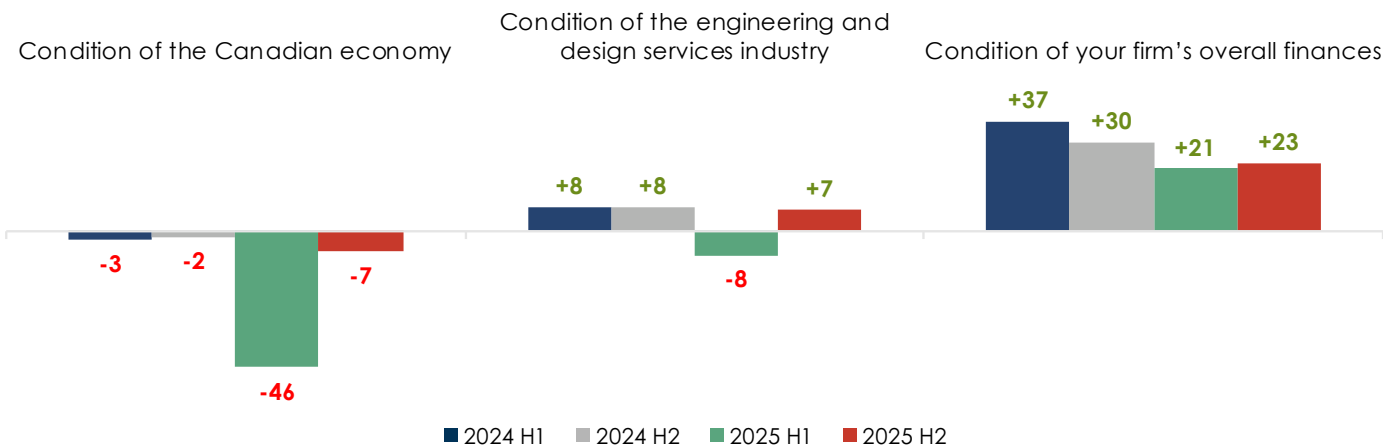
- Future sentiment is positive for the firms' finances (+23), but respondents are less enthusiastic about the future of the industry (+7) and are pessimistic about the future of the Canadian economy (-7).
- *U.S. Comparison:* Future sentiment remains generally more positive in the U.S., although the trend is similar in that firm executives are more positive about the firm's finances (+29) and less positive about the industry (+7) and the overall U.S. economy (+5).

Figure 12: Economic Sentiment 12 Months from Now



- Future sentiment improved dramatically for the Canadian economy (up 39 points) since 2025 H1, although it remains negative (-7) and below the level of one year ago (-2).
- Future sentiment regarding the industry and firm finances also improved and are both positive.

Figure 13: Economic Sentiment 12 Months from Now – Net Rating Trend



- While half of the segments saw improvement since 2025 H1, most are more pessimistic about the future of the firms' finances than they were last year at this time.

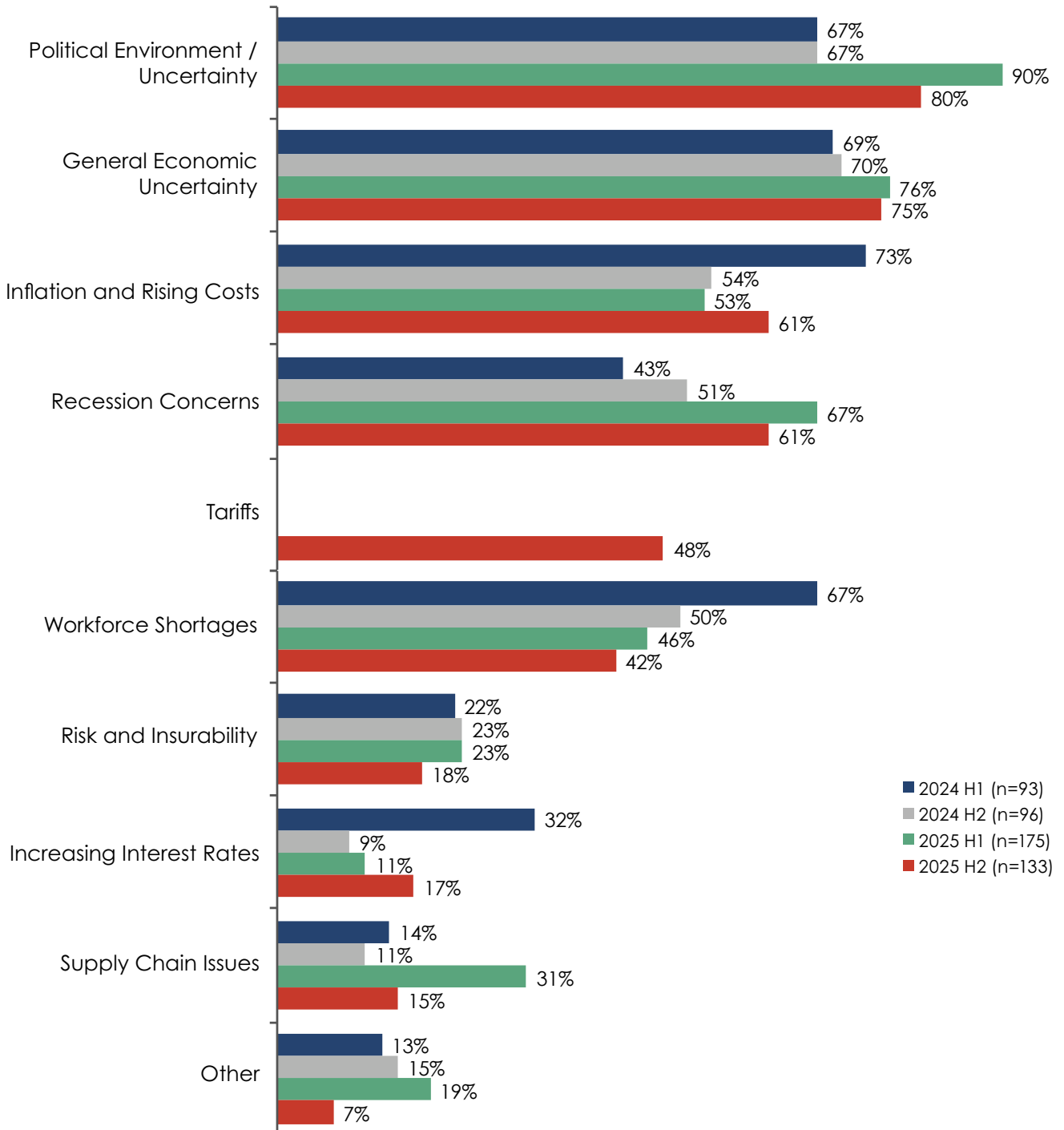
**Figure 14: Condition of Firm's Finances 12 Months from Now Trend – By Region and Firm Size**

| <i>Condition of your firm's overall finances</i> | 2024 H1<br>(n=251) | 2024 H2<br>(n=270) | 2025 H1<br>(n=267) | 2025 H2<br>(n=306) | Change vs.<br>Previous Half | Change vs.<br>Previous Year |
|--------------------------------------------------|--------------------|--------------------|--------------------|--------------------|-----------------------------|-----------------------------|
| TOTAL                                            | +37                | +30                | +21                | +23                | +2                          | -7                          |
| REGION                                           |                    |                    |                    |                    |                             |                             |
| West Coast                                       | +43                | +41                | +23                | +41                | +18                         | 0                           |
| The Prairies                                     | +41                | +35                | +22                | +25                | +3                          | -10                         |
| Ontario                                          | +43                | +30                | +18                | +18                | 0                           | -12                         |
| Quebec                                           | +12                | +12                | +22                | +4                 | -18                         | -8                          |
| Atlantic Canada                                  | +28                | +22                | +23                | +18                | -5                          | -4                          |
| FIRM SIZE                                        |                    |                    |                    |                    |                             |                             |
| 1-25                                             | +37                | +13                | +17                | +29                | +12                         | +16                         |
| 26-50                                            | +26                | +28                | +23                | +14                | -9                          | -14                         |
| 51-200                                           | +47                | +44                | +32                | +34                | +2                          | -10                         |
| 201-500                                          | +45                | +33                | +28                | +12                | -16                         | -21                         |
| More than 500                                    | +34                | +33                | +14                | +19                | +5                          | -14                         |

# Reasons for Economic Sentiment 12 Months from Now

- Political Environment/Uncertainty (80%) and General Economic Uncertainty (75%) are fueling negative future sentiment. Concerns about Inflation and Rising Costs increased from 53 percent to 61 percent since earlier this year. Forty-eight percent cite tariffs as a concern.
- *U.S. Comparison:* Similar to Canada, the three areas fueling negative economic sentiment in the U.S. are: Political Environment/Uncertainty (87%), General Economic Uncertainty (80%), and Inflation and Rising Costs (73%).

**Figure 15: Reasons for Economic Sentiment 12 Months from Now Trend – Among those Predicting Worse Business Conditions**



# Future Industry Sector Sentiment

- Most sectors saw improvement in future sentiment compared to the first half of 2025, but most remain below year ago levels.
- Future industry sentiment is positive in most sectors. It is highest in Energy and Utilities (+34), Data Centers (+32), Natural Resources (+32), and Transportation – Roads and Bridges (+32).
- Future sentiment is weakest in Commercial Real Estate (-8) and Convention Centers, Sports Facilities and Cultural Facilities (-5).

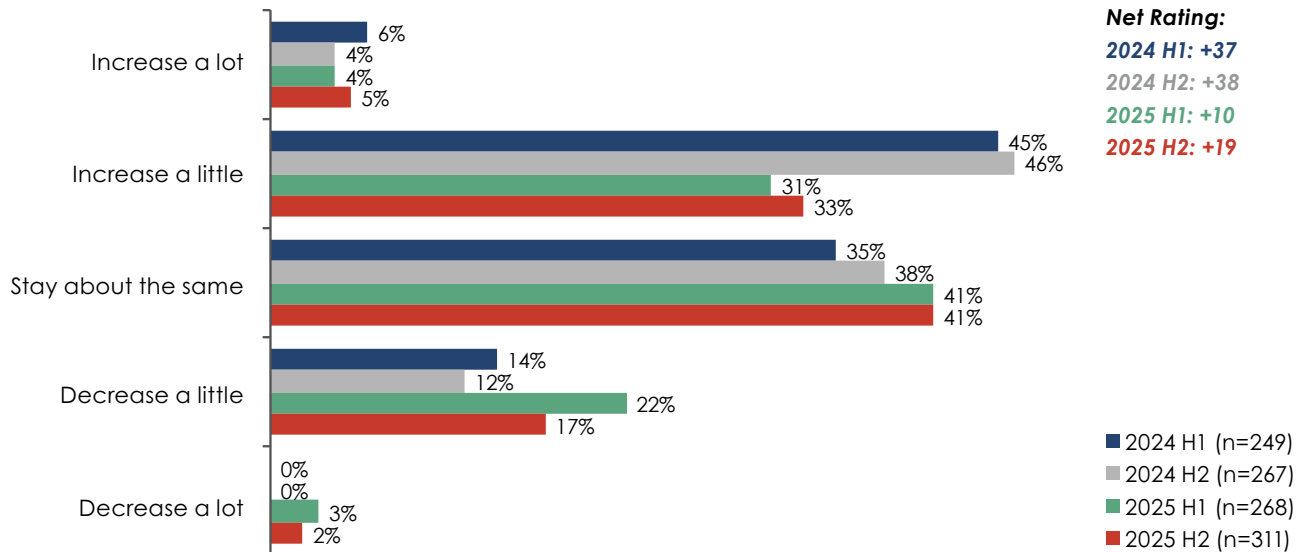
**Figure 16: Industry Sentiment by Sector 12 Months from Now – Net Rating Trend**

| <b>Future Industry Sector Sentiment<br/>Net Rating</b>                     | <b>2024 H1<br/>(n=124- 199)</b> | <b>2024 H2<br/>(n=125- 200)</b> | <b>2025 H1<br/>(n=121- 197)</b> | <b>2025 H2<br/>(n = 161- 229)</b> | <b>Change vs.<br/>Previous Half</b> | <b>Change vs.<br/>Previous Year</b> |
|----------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| Federal/Military, Provincial and Local Government Buildings                | +12                             | +7                              | +6                              | +30                               | +24                                 | +23                                 |
| Natural Resources (Mining, Forestry, Oil and Gas)                          | +20                             | +14                             | +25                             | +32                               | +7                                  | +18                                 |
| Data Centers                                                               | +17                             | +24                             | +39                             | +32                               | -7                                  | +8                                  |
| Transportation – Airports and Harbours                                     | +25                             | +22                             | +16                             | +26                               | +10                                 | +4                                  |
| Healthcare Facilities                                                      | +24                             | +17                             | +7                              | +21                               | +14                                 | +4                                  |
| Transportation – Roads and Bridges                                         | +29                             | +28                             | +19                             | +32                               | +13                                 | +4                                  |
| Transportation – Transit (Rail, BRT)                                       | +20                             | +27                             | +17                             | +27                               | +10                                 | 0                                   |
| Telecommunications                                                         | +14                             | +11                             | +8                              | +10                               | +2                                  | -1                                  |
| Energy and Utilities                                                       | +31                             | +36                             | +31                             | +34                               | +3                                  | -2                                  |
| Science and Technology                                                     | +26                             | +22                             | +7                              | +18                               | +11                                 | -4                                  |
| Education (K-12 and Higher Education)                                      | +11                             | +11                             | -3                              | +6                                | +9                                  | -5                                  |
| Water/Wastewater                                                           | +32                             | +27                             | +25                             | +20                               | -5                                  | -7                                  |
| Convention Centers, Sports Facilities and Cultural Facilities              | 0                               | +3                              | -17                             | -5                                | +12                                 | -8                                  |
| Industrial and Manufacturing Facilities                                    | +23                             | +9                              | -7                              | 0                                 | +7                                  | -9                                  |
| Commercial Real Estate (Office, Hotel, Retail and Multifamily Residential) | +12                             | +9                              | -11                             | -8                                | +3                                  | -17                                 |
| Residential – Land Development                                             | +32                             | +24                             | +5                              | +4                                | -1                                  | -20                                 |

## Future Backlog

- Thirty-eight percent of firm executives believe their firm will see a higher backlog of projects 12 months from now, an increase of three points from 2025 H1. The Net Rating improved nine points to +19.
- U.S. Comparison:* Future backlog sentiment is similar in the U.S. (+21).

Figure 17: Backlog 12 Months from Now – Trend



- While backlog sentiment for one year from now remains positive across most segments, the Net Rating has decreased dramatically since 2024 H2.
- Firms in Quebec have the highest future backlog sentiment (+37) compared to other regions.
- Firms with 201-500 FTEs have the lowest future backlog sentiment (+9) compared to other firm sizes.

Figure 18: Backlog 12 Months from Now Net Rating Trend – By Region and Firm Size

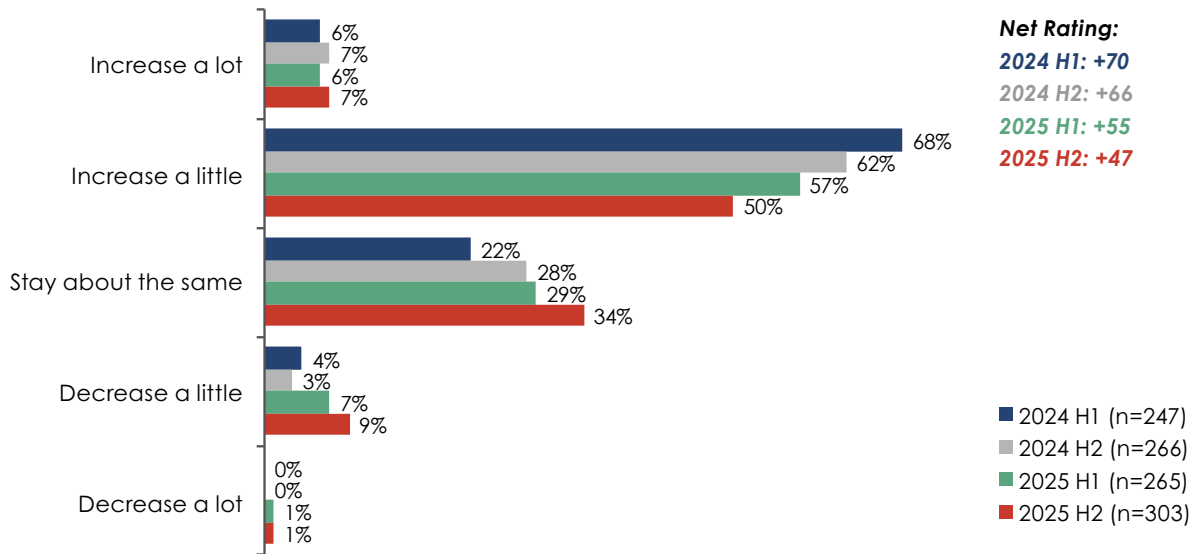
| Future Backlog  | 2024 H1 (n=249) | 2024 H2 (n=267) | 2025 H1 (n=268) | 2025 H2 (n=311) | Change vs. Previous Half | Change vs. Previous Year |
|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------|--------------------------|
| TOTAL           | +37             | +37             | +10             | +19             | +9                       | -18                      |
| REGION          |                 |                 |                 |                 |                          |                          |
| West Coast      | +37             | +27             | +10             | +35             | +25                      | +8                       |
| The Prairies    | +36             | +46             | +10             | +10             | 0                        | -36                      |
| Ontario         | +32             | +32             | +11             | +9              | -2                       | -23                      |
| Quebec          | +61             | +54             | +7              | +37             | +30                      | -17                      |
| Atlantic Canada | +28             | +5              | +14             | +27             | +13                      | +22                      |
| FIRM SIZE       |                 |                 |                 |                 |                          |                          |
| 1-25            | +34             | +16             | +6              | +11             | +5                       | -5                       |
| 26-50           | +8              | +28             | +17             | +29             | +12                      | +1                       |
| 51-200          | +35             | +44             | +13             | +32             | +19                      | -12                      |
| 201-500         | +51             | +31             | +10             | +9              | -1                       | -22                      |
| More than 500   | +41             | +55             | +9              | +15             | +6                       | -40                      |



## Future Hiring Projections

- Fifty-seven percent predict there will be an increase in hiring over the next 12 months, down six points from 2025 H1. The resulting Net Rating declined eight points to +47.
- U.S. Comparison:* Future hiring projections are slightly higher in the U.S. where 60 percent predict there will be an increase in hiring over the next 12 months at their firm, resulting in a Net Rating of +52.

Figure 19: Hiring Over the Next 12 Months – Trend



- Although future hiring sentiment remains high across all segments, most segments saw declines relative to 2025 H1 and last year at this time.
- The West Coast saw an increase in future hiring sentiment over 2025 H1 (+8).
- Firms with more than 500 FTEs was the only segment to improve from 2025 H1 (+1) but are well below one year ago (down 34 points).

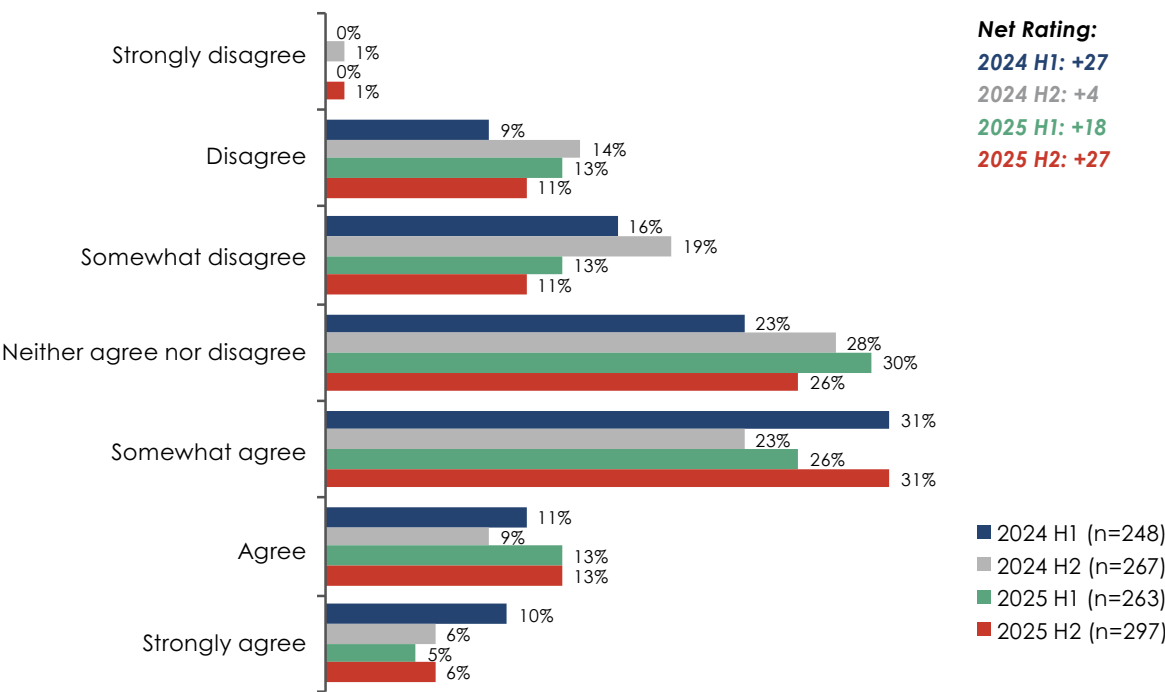
Figure 20: Expectations for Hiring Increases Over the Next 12 Months Net Rating Trend – By Region and Firm Size

| Future Hiring   | 2024 H1 (n=247) | 2024 H2 (n=266) | 2025 H1 (n=265) | 2025 H2 (n=303) | Change vs. Previous Half | Change vs. Previous Year |
|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------|--------------------------|
| TOTAL           | +70             | +66             | +55             | +47             | -8                       | -19                      |
| REGION          |                 |                 |                 |                 |                          |                          |
| West Coast      | +68             | +58             | +52             | +60             | +8                       | +2                       |
| The Prairies    | +65             | +68             | +54             | +39             | -15                      | -29                      |
| Ontario         | +74             | +70             | +58             | +41             | -17                      | -29                      |
| Quebec          | +81             | +69             | +48             | +50             | +2                       | -19                      |
| Atlantic Canada | +72             | +44             | +65             | +63             | -2                       | +19                      |
| FIRM SIZE       |                 |                 |                 |                 |                          |                          |
| 1-25            | +56             | +45             | +40             | +38             | -2                       | -7                       |
| 26-50           | +64             | +59             | +74             | +52             | -22                      | -7                       |
| 51-200          | +71             | +68             | +60             | +50             | -10                      | -18                      |
| 201-500         | +80             | +69             | +73             | +48             | -25                      | -21                      |
| More than 500   | +77             | +82             | +47             | +48             | +1                       | -34                      |

# Inflation

- Fifty percent of firm executives agree they are extremely concerned about the impact of inflation on their firm, up six points from 2025 H1; the Net Rating increased from +18 to +27.
- *U.S. Comparison:* Inflation concerns are higher in the U.S. where 64 percent of firm executives are concerned resulting in a Net Rating of +44.

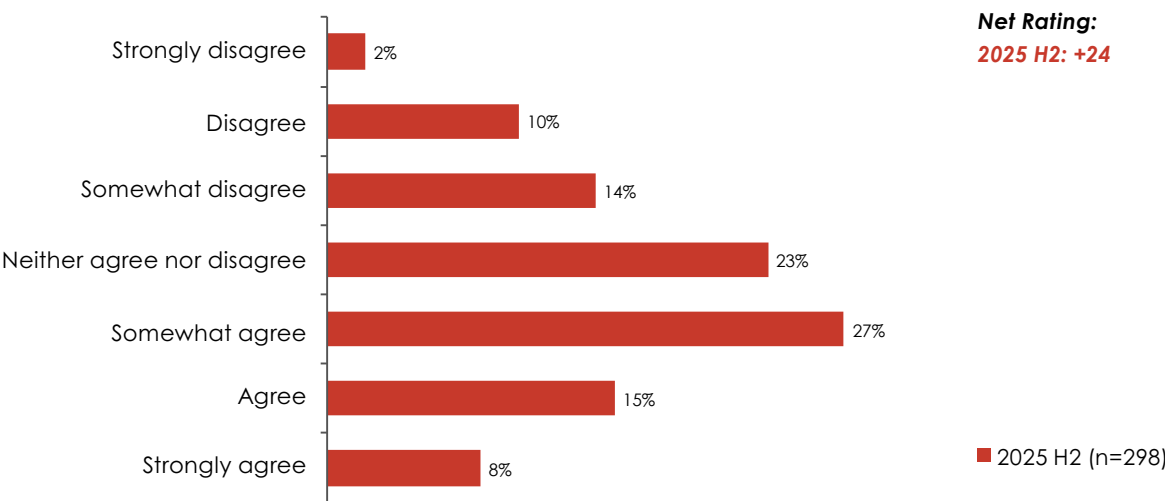
Figure 21: Inflation Concerns – Trend



# Tariffs

- Fifty percent agree that they are extremely concerned about the impact of tariffs on their firm in the coming year.

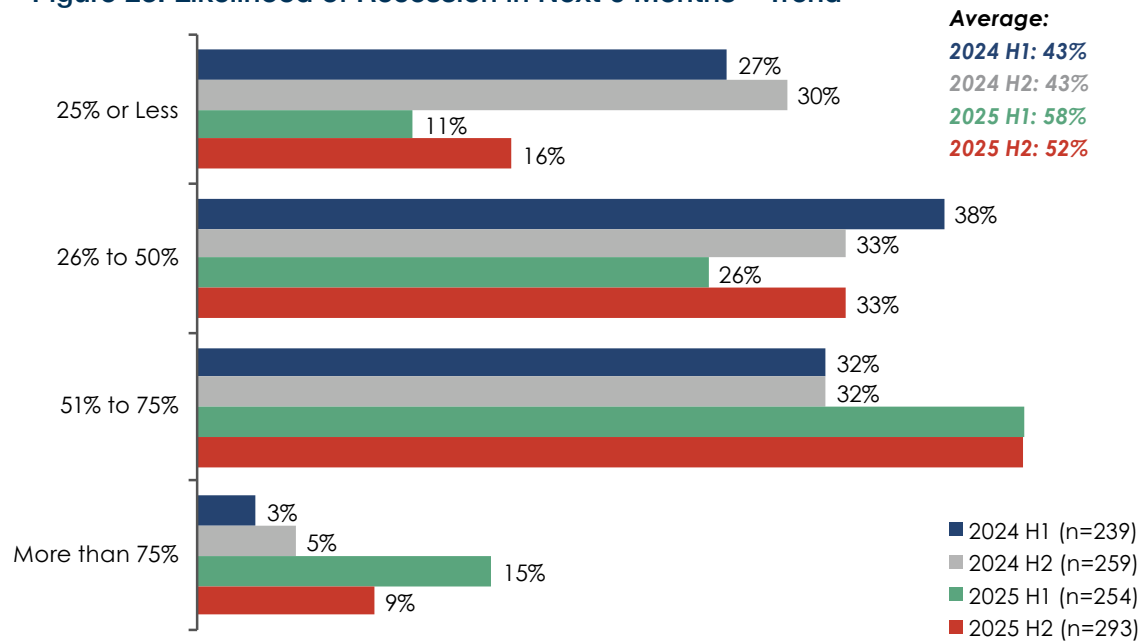
Figure 22: Impact of Tariffs



# Likelihood of Recession in Next Six Months

- The perceived likelihood of recession in the next six months is 52 percent according to the average estimate among firm leaders, a decrease from 2025 H1 (58%), but well above one year ago.
- *U.S. Comparison:* The likelihood of a recession (41%), according to firm executives, is lower in the U.S as of August 2025.

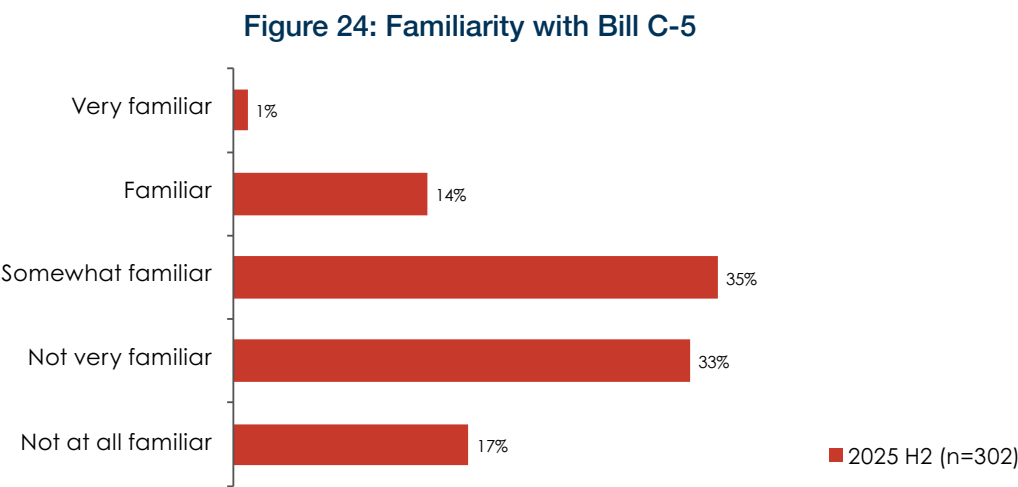
Figure 23: Likelihood of Recession in Next 6 Months – Trend



# Hot Topics

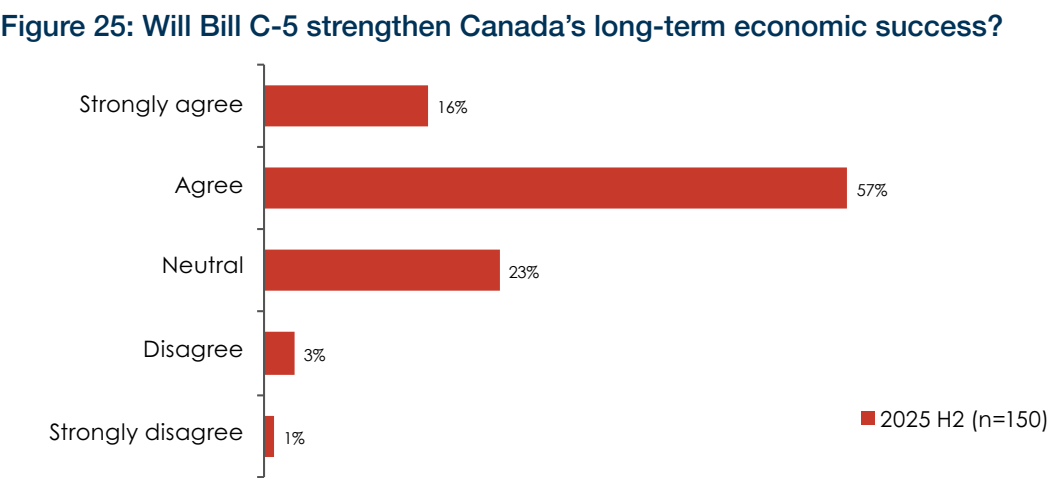
## Familiarity with Bill C-5

- Half of firm executives (50%) are at least somewhat familiar with Bill C-5 and both of its components.



## Will Bill C-5 strengthen Canada’s long-term economic success?

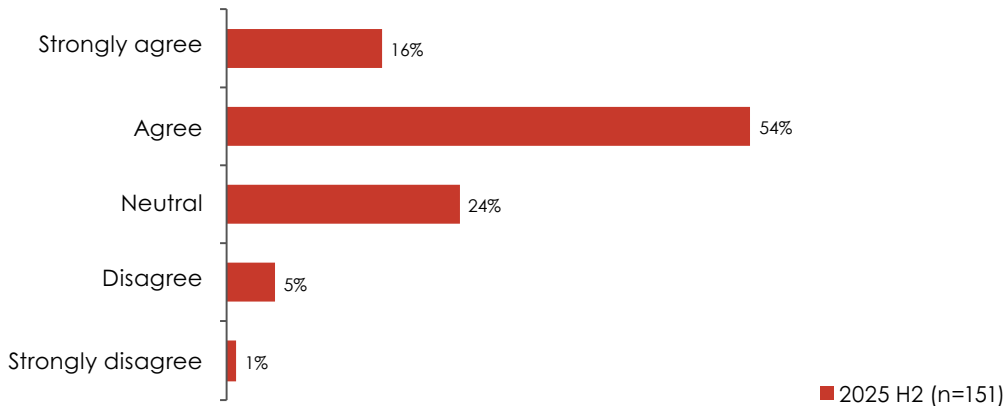
- Among those at least “somewhat familiar” with Bill C-5, 73 percent agree that it will strengthen Canada’s long-term economic resilience and competitiveness.



# The “National Interest Project” Designation

- Among those at least “somewhat familiar” with Bill C-5, 70 percent agree that the “national interest project” designation will help accelerate critical infrastructures.

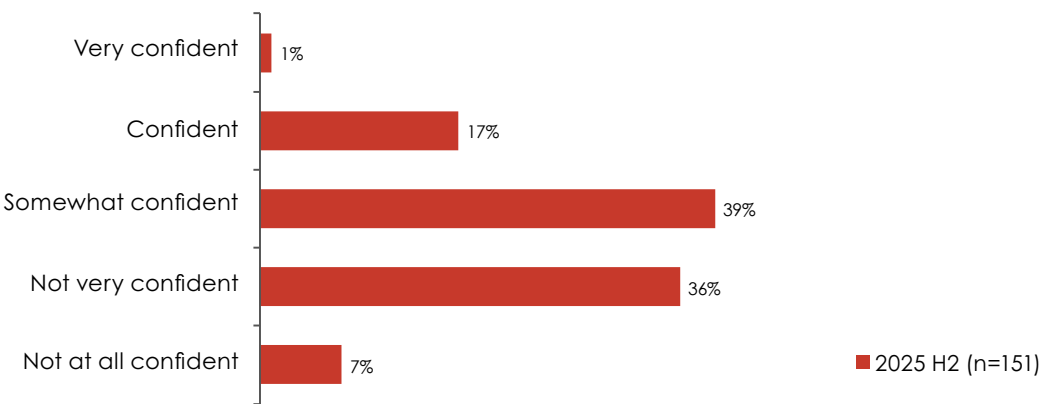
Figure 26: The “National Interest Project” Designation



# Confidence in Federal Government

- Among those at least “somewhat familiar” with Bill C-5, 57 percent are at least “somewhat confident” that the federal government can deliver timely and coordinated results.

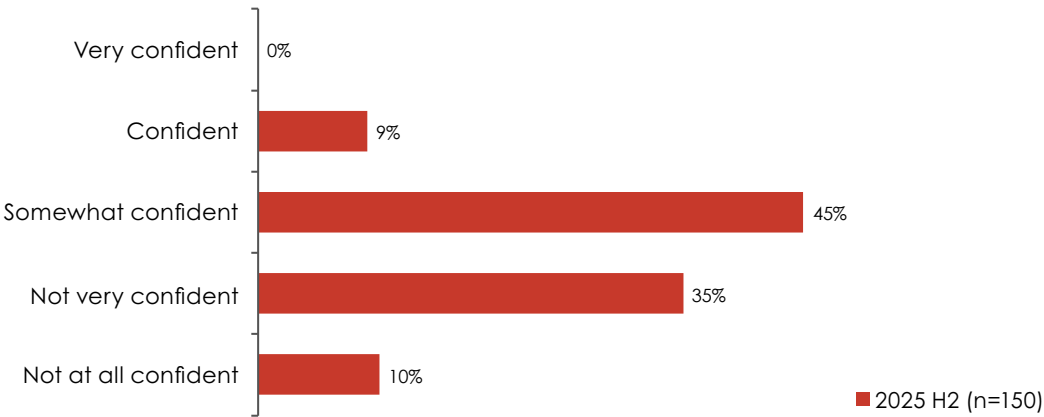
Figure 27: Confidence in Federal Government



# Confidence in Federal Major Projects Office

- Among those at least “somewhat familiar” with Bill C-5, 54 percent have confidence in the Federal Major Projects Office.

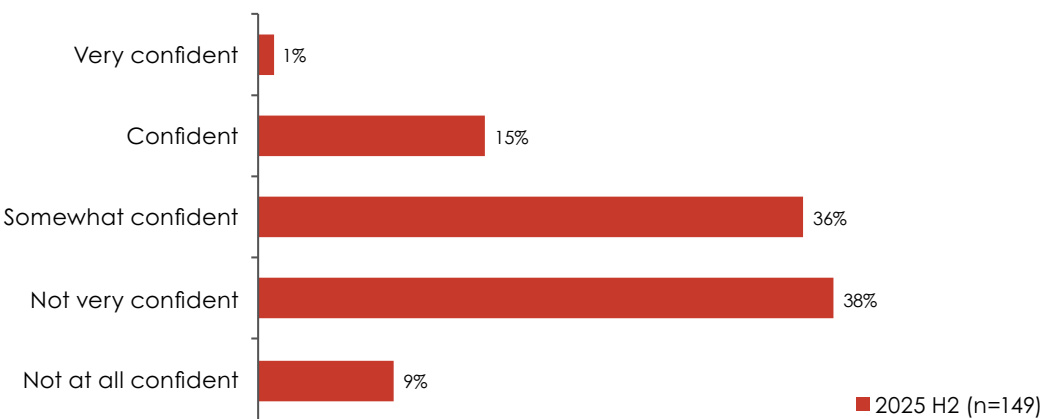
Figure 28: Confidence in Federal Major Projects Office



# Federal Approach to Indigenous Issues

- Among those at least “somewhat familiar” with Bill C-5, 52 percent have confidence in the federal government’s approach to Indigenous issues.

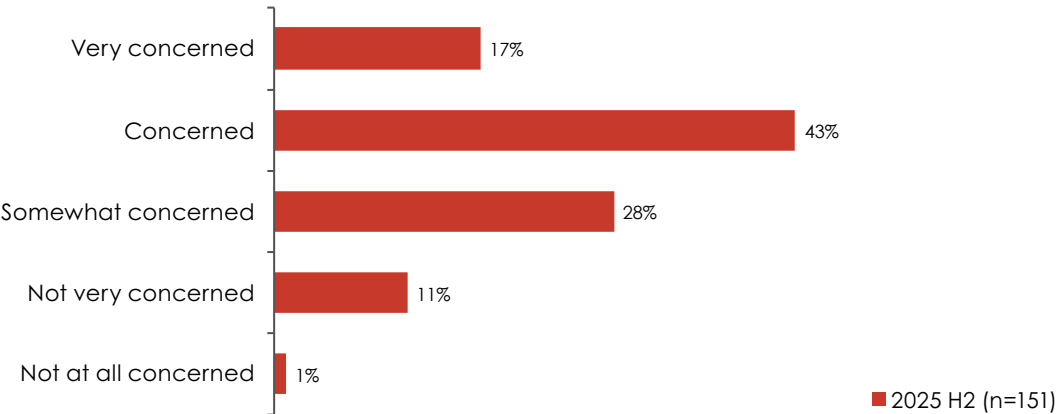
Figure 29: Federal Approach to Indigenous Issues



# Legal and Political Challenges to Projects

- Among those at least “somewhat familiar” with Bill C-5, 88 percent are concerned about legal and political challenges delaying potential projects.

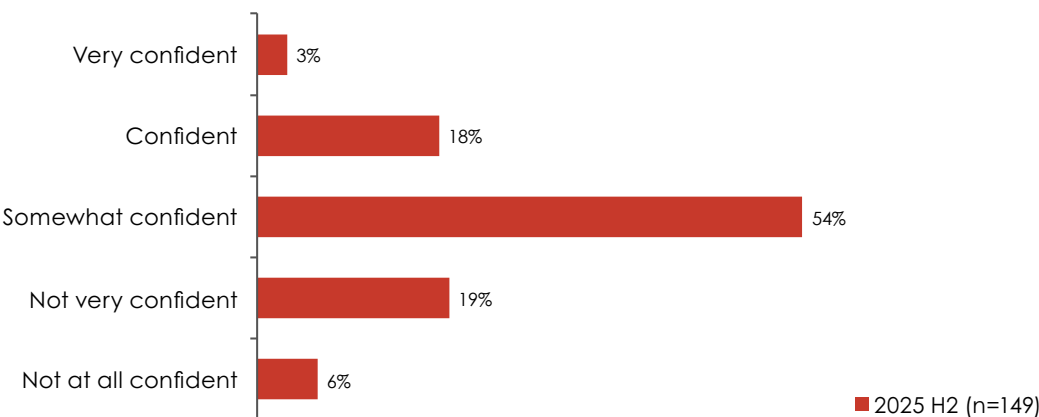
Figure 30: Legal and Political Challenges to Projects



# Can Bill C-5 Deliver on Its Goals?

- Among those at least “somewhat familiar” with Bill C-5, 75 percent are confident that the bill can deliver on its stated goals.

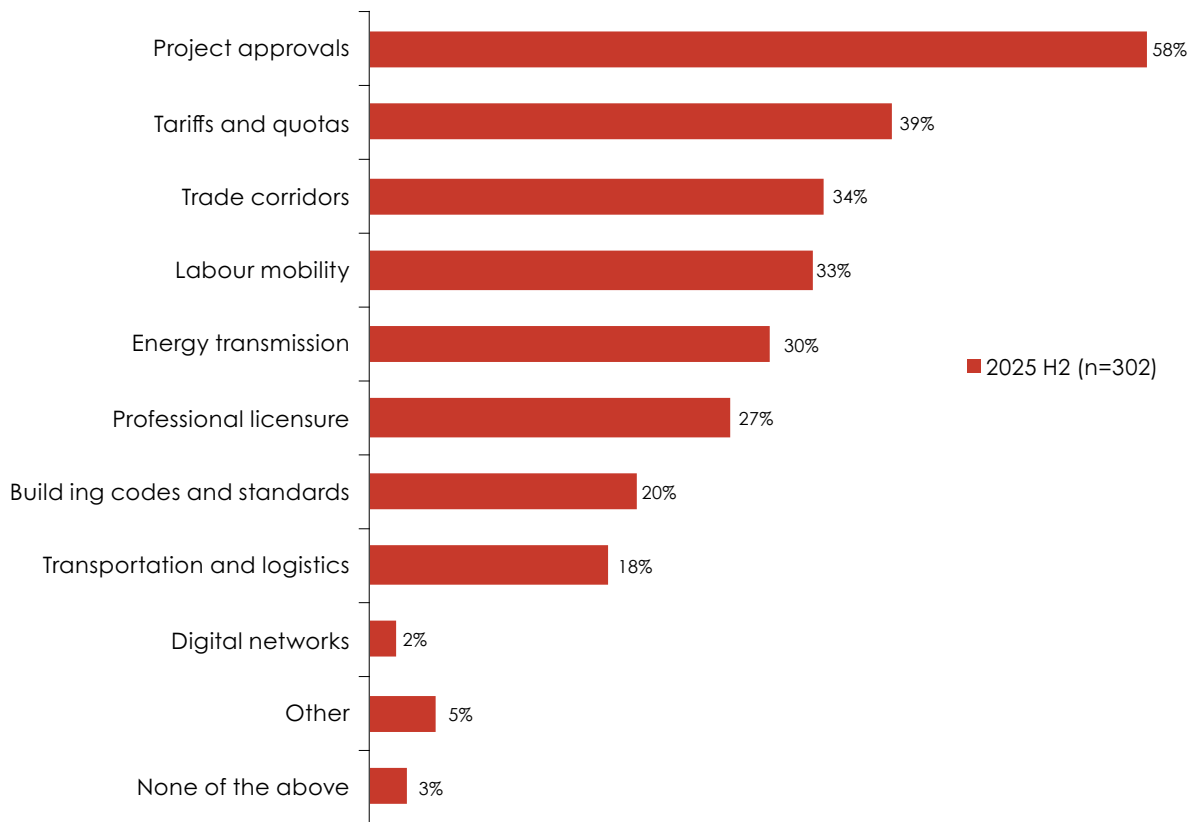
Figure 31: Can Bill C-5 Deliver on Its Goals?



# Internal Trade Barriers

- Project approvals is the internal trade barrier that most needs to be addressed (58%).

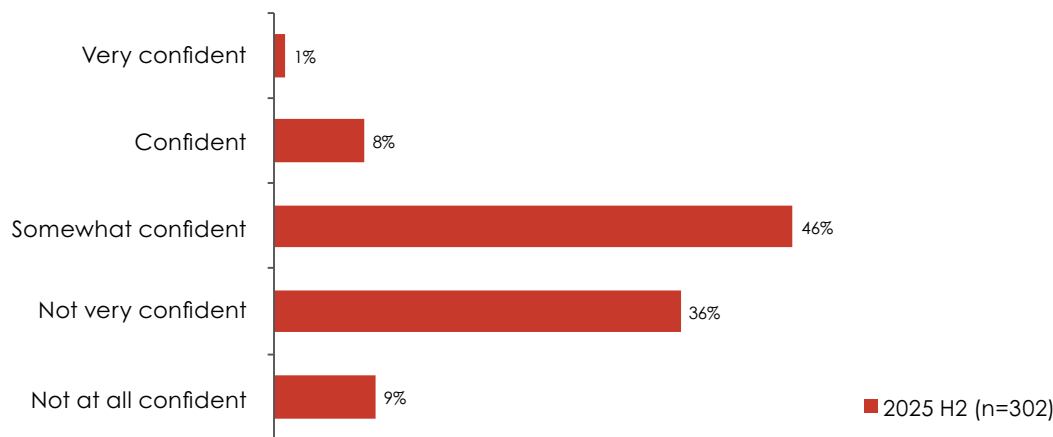
Figure 32: Internal Trade Barriers



# Confidence in Current Federal Infrastructure Programs

- Fifty-five percent are at least “somewhat confident” that the current federal infrastructure programs can strengthen Canada’s long-term economic success.

Figure 33: Confidence in Current Federal Infrastructure Programs

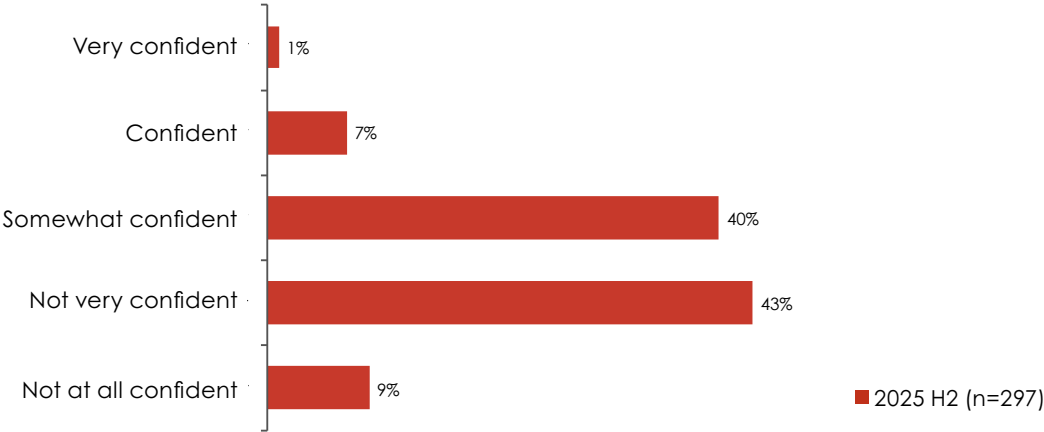




# Municipal and Community-Level Infrastructure

- Less than half (48%) are confident that the federal government is giving sufficient attention to local infrastructure needs.

Figure 34: Municipal and Community-Level Infrastructure



# Methodology

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The Institute for Association and Nonprofit Research (IFANR) surveyed senior executives from among the database list of members provided by ACEC-Canada. Data collection occurred between August 19 and September 2, 2025.

In H2 2025, a total of 1,533 invitations were emailed, although 346 bounced and 8 opted out, resulting in a total of 1,179 potential respondents. Individuals who did not respond to the first email were sent up to three follow-up reminders.

In all, 346 individuals completed the survey for an overall response rate of 29 percent.

Throughout this report meaningful, statistically significant differences are noted for various subgroups, including geographic region and firm size.

NOTE: Throughout this report, “Net Ratings” are shown on many graphs to quantify the sentiment of respondents. The Net Rating is calculated by subtracting the negative ratings from the positive ratings. Therefore, a positive Net Rating indicates overall sentiment is optimistic while a negative Net Rating indicates an overall pessimistic sentiment. The higher the numeric value the stronger the sentiment (either optimistic or pessimistic).

## Statistical Notes

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Statistically significant differences are evaluated at a 95 percent confidence interval.

There is no margin of sampling error as this was a census of all executive-level individuals at member firms in the ACEC-Canada database.

Although every effort was taken to minimize survey bias, there is no way to eliminate all sources of potential bias. Sources of potential bias include, but are not limited to, the following:

- Non-response bias
- Confounding bias
- Question wording bias
- Question order bias
- Habituation
- Sponsor bias
- Confirmation bias