

Memorandum

CL-C 25-2025

Subject: United States Tariff Update

Date: Thursday, March 20, 2025

To: Regional Council

From: George Spezza, Director Economic Development

The United States (US) has imposed tariffs on a range of Canadian products, including energy, potash, steel, aluminum, and other non-CUSMA (Canada United States Mexico Agreement) goods. In response, Canada retaliated with tariffs on a significant amount of US imports. The current US tariffs on Canadian products are as follows: 10% on non-CUSMA energy products (including oil and mineral products), 10% on non-CUSMA potash, 25% on all other non-CUSMA goods, and 25% on steel and aluminum.

On April 2, the US intends to impose reciprocal tariffs on all countries, including Canada and Mexico, with existing tariffs and other non-tariff barriers that restrict US market access. After the initial tariffs were imposed, Canada retaliated with 25% tariffs on approximately \$30 billion worth of imported US goods, including items like orange juice, peanut butter, wine, spirits, beer, coffee, appliances, apparel, footwear, motorcycles, cosmetics, and certain pulp and paper products. In addition, after the US tariffs on steel and aluminum took effect, Canada imposed an additional 25% tariff on \$29.8 billion worth of US goods, including steel (\$12.6 billion), aluminum (\$3 billion), and other products (\$14.2 billion), such as computers, sports equipment, and cast-iron products.

Canada has pledged to impose tariffs on an additional \$95 billion worth of US goods on April 2, bringing the total to \$155 billion, unless the US removes all tariffs against Canada.

In response to the US tariffs, the federal government has announced several support measures to assist businesses and workers:

- **Trade Impact Program:** Export Development Canada will deploy \$5 billion over two years to support Canadian exporters in accessing new markets and overcoming challenges such as tariffs, currency fluctuations, cash flow issues, and barriers to expansion.

- **Business Development Bank of Canada (BDC) Loans:** \$500 million in loans at favorable terms will be available for businesses affected by tariffs, including those in supply chains. Advisory services will also be provided in financial management and market diversification.
- **Farm Credit Canada Financing:** \$1 billion in new financing will be available to the Canadian agriculture and food industries to help address cash flow challenges and ensure the continued supply of high-quality products.

Team Niagara, including Niagara Economic Development, local economic development officers, and partners including Chambers of Commerce and Niagara Industrial Association (NIA), have been holding weekly meetings to monitor the situation and discuss strategies to support local businesses and advocate for solutions to protect Niagara's economy.

As part of these efforts, Niagara Region is launching a "Buy Local" campaign with the support of area CAOs to encourage residents to support local businesses and strengthen the regional economy. The campaign highlights the Niagara Business Directory as a key resource for finding local businesses. The initiative aims to increase purchases and raise awareness about supporting businesses through actions like reviews and social media engagement. The campaign will feature print and digital materials, business kits with window decals, and stickers for supporters. Approximately 85% of the campaign's focus will be on local media, with 15% dedicated to social media platforms to extend its reach. The campaign will begin the week of March 17.

Niagara Economic Development will continue to monitor the situation closely, providing regular updates as required and act as a key conduit for information as this fluid situation continues to evolve. It is important to note that there is ongoing advocacy taking place at all levels of government and trust in the diplomatic process to achieve successful outcomes that benefit both Canada and the United States as vital trading partners.

Respectfully submitted and signed by

George Spezza, Ec.D., CEcD.
Director, Economic Development