

# Economic Impact of Tariffs & Mississauga's Response

Economic Development Division

March 5, 2025



# What We Know (So Far)

**Jan. 20<sup>th</sup>:** US President signs executive order threatening 25% tariff on all Canadian products entering US

**Feb. 2<sup>nd</sup>:** Canada announces plan to impose counter-tariffs on \$155B worth of US products

**Feb. 9<sup>th</sup>:** US President announces plan to introduce 25% tariffs on steel and aluminum imports from all countries, starting March 12

**Feb. 18<sup>th</sup>:** US President announces plan to impose 25%+ tariffs on automotive, pharmaceutical and semiconductor imports from all countries. Details expected by April

**Feb. 1<sup>st</sup>:** US President announces intention to impose 25% tariff on all Canadian products (10% on energy exports)

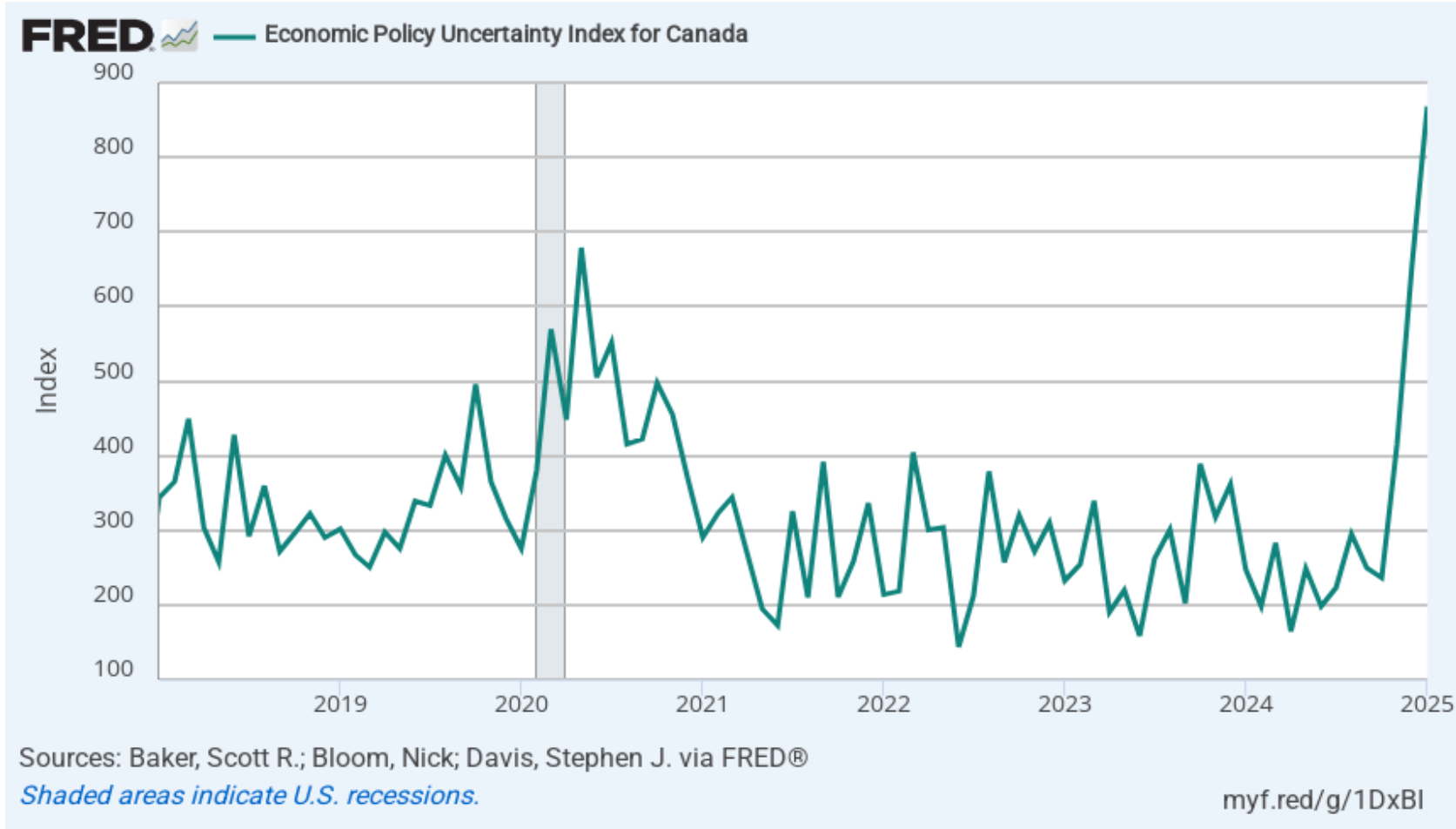
**Feb. 3<sup>rd</sup>:** US President agrees to pause tariffs until March 4 in exchange for Canadian border security measures

**Feb. 13<sup>th</sup>:** US President announces plan to impose reciprocal tariffs on any country with tariff on US products. Details expected by April

**Mar. 4<sup>th</sup>:** Scheduled start for 25% tariff on all Canadian products (10% on energy) entering US

What's Next?

# Uncertainty at Historical High



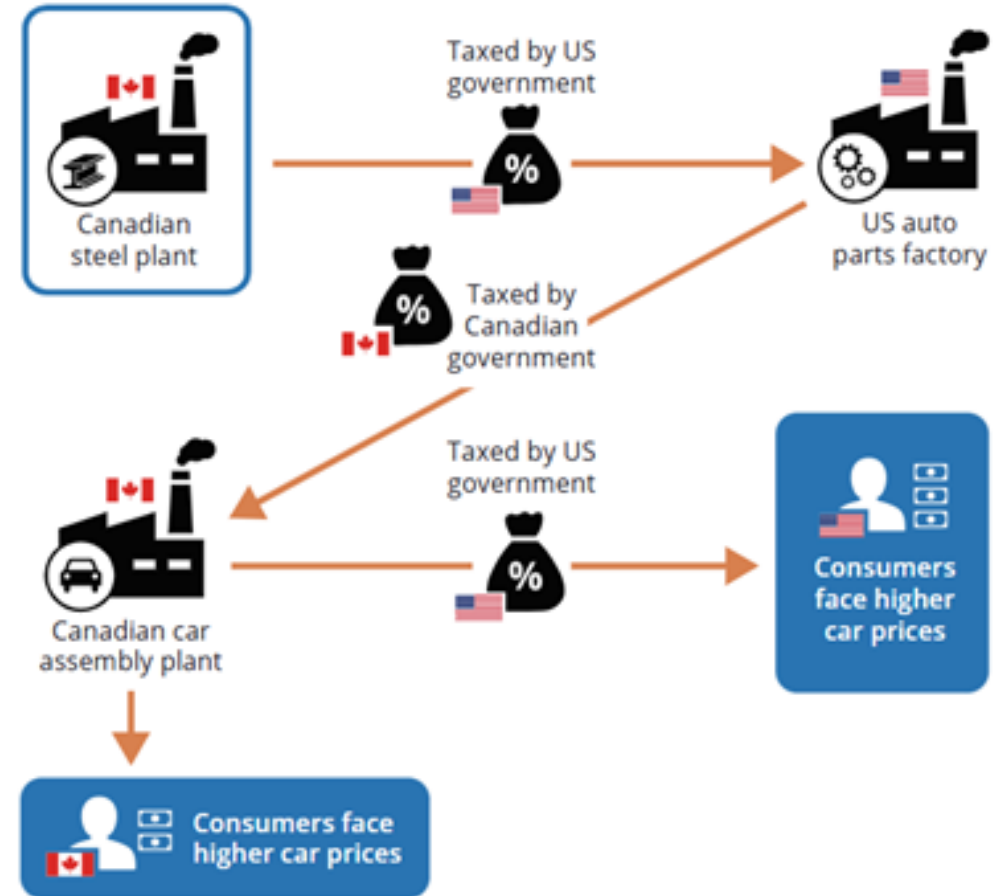
Economic policy uncertainty is greater than it has ever been in Canada since origin of index (1985).

# How Tariffs Impact the Economy

Due to the high degree of supply chain interdependence between Canada and the US, tariffs imposed by either country would hurt both countries.

Impacts include:

- Higher prices for business inputs and final consumer goods
- Contraction in supply and demand
- Reduced business investment
- Supply chain reconfiguration



# Impacts on Income, Employment & Investment

A full 25% across-the-board US tariff combined with equivalent retaliatory tariffs from Canada is estimated to push Canada into a recession by the middle of 2025. (Source: Canadian Chamber of Commerce)

## Personal Income

- Canada
  - \$1,900 drop per person
- United States
  - \$1,300 drop per person

## Employment

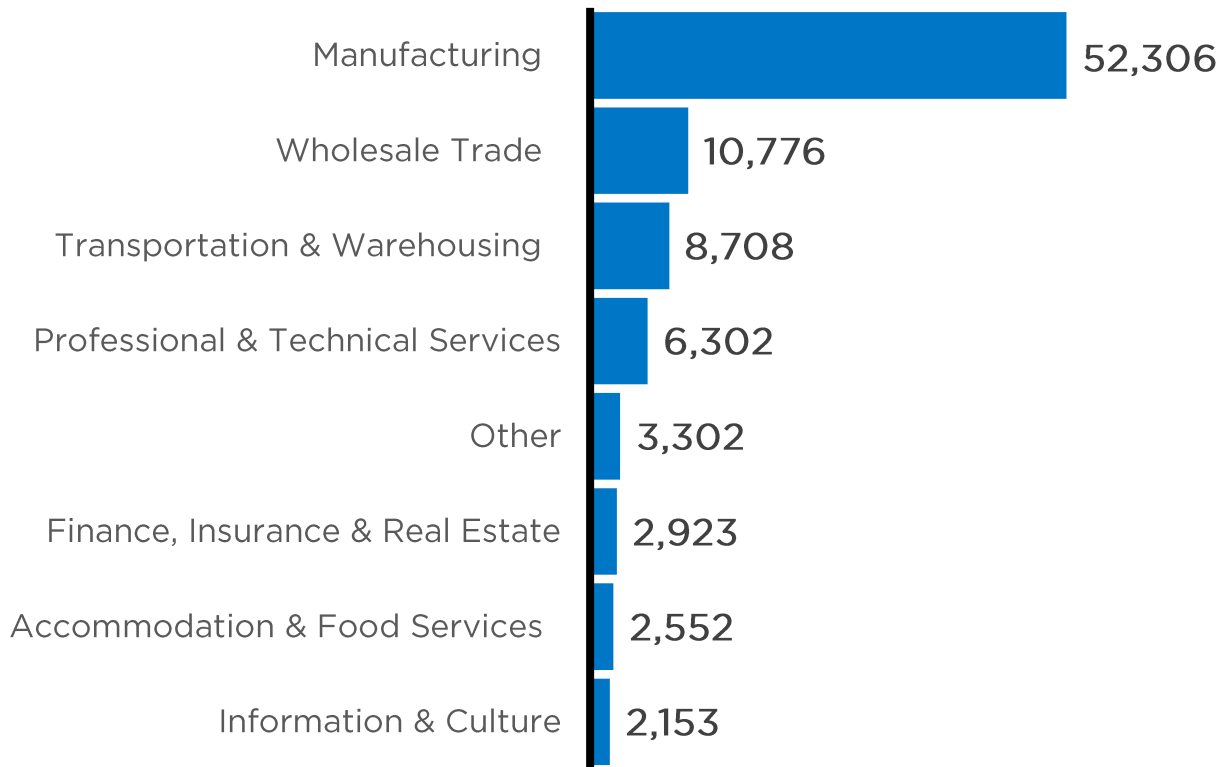
- Canada
  - Up to 600,000 jobs lost
  - 2-3% rise in unemployment
- United States
  - Up to 400,000 jobs lost

## Business Investment

- 30% of manufacturers have already postponed planned investments
- 49% will consider shifting some production to the US

# Assessing Mississauga's Vulnerability

## Mississauga Jobs Directly Supporting Exports to US



- 89,000+ jobs in Mississauga (18% of total employment) directly support exports to the US, higher than in Ontario overall (13% of total employment)
- Vulnerable jobs are concentrated within some of Mississauga's priority growth sectors: Life Sciences, Aerospace, Automotive, and Food & Beverage

# Mississauga's Response

Mississauga's recommended response will seek to understand and mitigate disruption while positioning the city for sustained economic resilience and competitiveness through:

- Advocacy & Procurement
- Stakeholder Engagement, and
- Business Services & Support





# Partners in Trade, Response Plan

	Underway	Medium Term (2-6 months)	Long Term (6+ months)
Advocacy & Procurement	<ul style="list-style-type: none"> <li>– Mayor’s Statements and communications</li> <li>– Choose Canada campaign (SCI)</li> <li>– Procurement response*</li> <li>– Internal cross-departmental working group to coordinate response composed of Mayor’s office, EDD, SCI, Procurement, Tourism, and Legal</li> </ul>	<ul style="list-style-type: none"> <li>– Communicating local business concerns, needs and perspectives to Provincial and Federal governments</li> <li>– Letters in support of industry</li> <li>– Collaborating with other cities</li> </ul>	<ul style="list-style-type: none"> <li>– Economic Development Strategy recommendations as they relate to market diversification support, alignment with provincial and federal government policy and support, and local business supports</li> </ul>
Industry & Market Engagement	<ul style="list-style-type: none"> <li>– Mayor’s Partners in Trade Business Roundtable (late March)</li> <li>– Ask the Expert panels/webinars in collaboration with MBOT, EDC, etc.</li> </ul>	<ul style="list-style-type: none"> <li>– Mayor/Deputy Mayor outreach to key US and non-US markets</li> <li>– Economic Development Strategy engagement (Consultation &amp; Economic Advisory Group)</li> </ul>	<ul style="list-style-type: none"> <li>– To be informed by strategy recommendations and sector and stakeholder engagement</li> </ul>
Business Services & Support	<ul style="list-style-type: none"> <li>– <a href="#">Up to Date Online Business Resource</a></li> <li>– Proactive staff outreach to impacted local businesses</li> </ul>	<ul style="list-style-type: none"> <li>– Diversify investment attraction efforts in high potential markets</li> <li>– Continued business outreach</li> <li>– Continue information webinar series</li> </ul>	<ul style="list-style-type: none"> <li>– Implementation of Economic Development Strategy</li> <li>– Support business export diversification</li> <li>– Support business competitiveness (i.e. technology adoption, skill building)</li> </ul>



# Procurement Action Plan

## Procurement Bylaw Amendment

- Increase Medium Value Acquisition threshold to allow for more opportunities for invitational bidding

## Define US Bidder

- Clear definition of a US Bidder that considers US companies that employ Canadians in Canada

## Flexible Award Methodology

- Flexible award methodology that balances fiscal responsibility with support of domestic suppliers

# Procurement Action Plan

## Cooperative Contracts

- Continue to leverage cooperative procurement opportunities for economies of scale and lower costs, with an emphasis on domestic supply

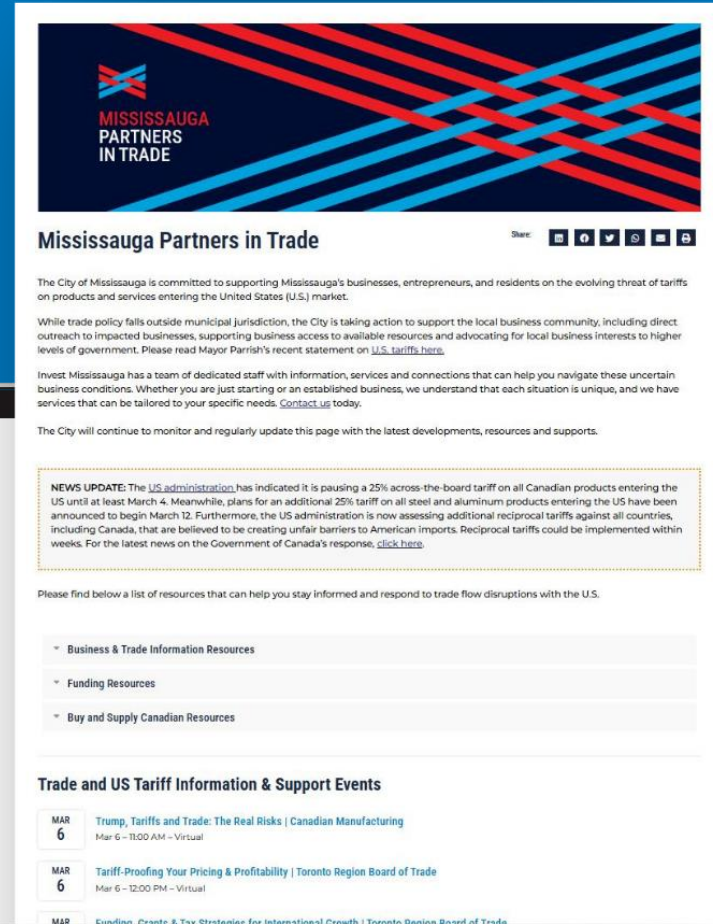
## Procurement Plan

- Review procurement plans for 2025/2026 and build strategies to minimize impacts to the City

## Low Value Acquisitions

- Continue to promote domestic supply when conducting low value acquisition procurements

Thank You  
 Christina Kakaflikas, Director  
 Economic Development Division



**MISSISSAUGA PARTNERS IN TRADE**

**Mississauga Partners in Trade** Share:

The City of Mississauga is committed to supporting Mississauga's businesses, entrepreneurs, and residents on the evolving threat of tariffs on products and services entering the United States (U.S.) market.

While trade policy falls outside municipal jurisdiction, the City is taking action to support the local business community, including direct outreach to impacted businesses, supporting business access to available resources and advocating for local business interests to higher levels of government. Please read Mayor Parrish's recent statement on [U.S. tariffs here](#).

Invest Mississauga has a team of dedicated staff with information, services and connections that can help you navigate these uncertain business conditions. Whether you are just starting or an established business, we understand that each situation is unique, and we have services that can be tailored to your specific needs. [Contact us](#) today.

The City will continue to monitor and regularly update this page with the latest developments, resources and supports.

**NEWS UPDATE:** The [U.S. administration](#) has indicated it is pausing a 25% across-the-board tariff on all Canadian products entering the US until at least March 4. Meanwhile, plans for an additional 25% tariff on all steel and aluminum products entering the US have been announced to begin March 12. Furthermore, the US administration is now assessing additional reciprocal tariffs against all countries, including Canada, that are believed to be creating unfair barriers to American imports. Reciprocal tariffs could be implemented within weeks. For the latest news on the Government of Canada's response, [click here](#).

Please find below a list of resources that can help you stay informed and respond to trade flow disruptions with the U.S.

- Business & Trade Information Resources
- Funding Resources
- Buy and Supply Canadian Resources

**Trade and US Tariff Information & Support Events**

MAR 6	Trump, Tariffs and Trade: The Real Risks   Canadian Manufacturing Mar 6 - 11:00 AM - Virtual
MAR 6	Tariff-Proofing Your Pricing & Profitability   Toronto Region Board of Trade Mar 6 - 12:00 PM - Virtual
MAR	Evening Create & Tax Strategies for International Growth   Toronto Region Board of Trade