



To: Committee of the Whole

Meeting Date: April 10, 2025

From: Dino Basso
Commissioner of Corporate Services

Re: **Regional Response Plan to the Economic Impacts of United States Tariffs**

This memorandum provides Council with a preliminary assessment of the potential impacts on the York Region business community caused by tariffs imposed by the United States (U.S.) and Canadian counter tariffs. It provides a summary of the Canadian and Ontario government response including some actions taken and programs launched. In addition, it highlights activities being undertaken by the Region, local municipalities and economic development partners to support businesses during these uncertain times.

In March 2025, the U.S. administration levied tariffs on Canadian steel and aluminum products

The announcement by the U.S. of potential 25% tariffs on Canadian steel and aluminum products in November 2024, started a period of business uncertainty. Effective March 12, 2025, the U.S. implemented these tariffs and in response, on [March 13, 2025](#) Canada imposed 25% retaliatory tariffs on U.S. goods totaling \$29.8 billion. [Canada's tariffs](#) include \$12.6 billion on steel products, \$3 billion on aluminum products, as well as \$14.2 billion on other imported U.S. goods. Since then, further tariffs and counter tariffs were proposed and rescinded. As of [April 2, 2025](#) the latest announcement from the U.S. included a 25% tariff on all cars imported to the U.S. effective April 3, 2025. Canada responded with additional [countermeasures](#) on April 3.

According to the [Canadian Chamber of Commerce](#), a 25% tariff could shrink Canada's GDP by 2.6%, costing Canadian households an average of \$1,900 annually. Beyond the economic impact, tariffs disrupt industries like aluminum and steel production, automotive, agriculture and energy, making everything from groceries to cars more expensive. The [Bank of Canada indicated](#) that a prolonged trade conflict with the U.S. would permanently shrink the level of domestic GDP and lead to a decline in economic activity.

The trade conflict between the U.S. and Canada may impact many of the 2,900 exporters and 9,000 importers across several industries in York Region

Imposition of U.S. tariffs and retaliatory tariffs from Canada may have extensive repercussions throughout the Canadian economy, including York Region. Economic impacts are not fully known, but they are expected to disrupt production, supply chains and market competitiveness.

York Region's business community is comprised of 57,000 businesses providing over 624,000 jobs. While the Region's economy is strong and diverse, trade conflicts with the U.S. may have significant implications on local businesses and jobs. According to Statistics Canada, in 2023 there are nearly 2,900 exporters and over 9,000 importers in York Region. Almost 2,400 businesses export to the U.S. while 5,300 businesses import from the U.S. Exports of goods and services total \$14.5 billion annually with 81% (\$11.8 billion) to the U.S. Imports were valued at \$45.4 billion with 38% (\$17.3 billion) from the U.S.

Manufacturers are particularly exposed to U.S. tariffs due to extensive exports to the U.S.

In 2023 manufacturing was by far the largest export sector in York Region with \$11.9 billion, followed by wholesale trade at \$1.7 billion (82% and 12% of total export value respectively). Exports to the U.S. from the manufacturing sector makes up 87% of the overall export value. Transportation equipment manufacturing (including auto parts) represents the largest share (22%) of the total manufacturing sector export value. Exports of Plastics and Rubber products and Fabricated Metal products are also closely linked to the wider transportation equipment sector. This indicates that local automotive parts and equipment manufacturing businesses are particularly vulnerable to U.S. tariff threats. Table 1 provides a breakdown of the top five manufacturing exports from York Region. A more complete view of the exports can be found in Attachment 1 – York Region Economic Development Tariff Response Plan.

Table 1
Top five manufacturing exports by value from York Region companies, 2023

Manufacturing Sub-Sectors (3-Level NAICS*)	Number of Exporter Establishments	Total Exports Value (\$ billions)
336 Transportation Equipment	57	\$3.2
326 Plastic and Rubber Products	90	\$1.5
332 Fabricated Metal Products	135	\$1.3
331 Primary Metal	13	\$1.1
334 Computer and Electronic Products	79	\$1.1
TOTAL	374	\$8.2

Source: Statistics Canada, International Accounts and Trade Division, custom tabulation for York Region Economic Strategy, 2025

**NAICS – North American Industry Classification System*

Employment by exporters is estimated at over 70,000 jobs, representing nearly 12% of jobs in the Region. Over half (53%) of those jobs are with large to very large businesses (greater than 100 employees). Medium businesses (20-99 employees) account for 33% of all jobs and the remaining 14% are with small businesses (less than 20 employees).

Importers are exposed to Canadian counter tariffs on U.S. products

From an import perspective, retaliatory tariffs imposed by Canada on goods sourced from the U.S. may negatively impact manufacturers in York Region. This may be greater in cases where supply alternatives are not easily available domestically or economically viable from other international sources due to high shipping costs or supply chain source limitations. Beyond manufacturers, other sectors and business of all sizes, from farming to retail trade, construction, logistics and warehousing may also be impacted by tariffs and counter-tariffs.

Of the \$45.4 billion in total imports in 2023, Wholesale Trade importer establishments had the largest overall share, at 76% or \$34.3 billion. Table 2 provides a breakdown of the top five import sectors.

Table 2
Top five imports by value from York Region companies, 2023

Primary Sectors (2-Level NAICS)	Number of Importer Establishments	Total Imports Value (\$ billions)
41 Wholesale Trade	2,472	\$34.4
31 to 33 Manufacturing	1,489	\$ 7.2
44 and 45 Retail Trade	1,660	\$ 1.8
54 Professional Scientific and Technical Services	760	\$ 0.6
81 Other Services (except Public Administration)	404	\$ 0.4
TOTAL	6,785	\$44.4

Source: Statistics Canada, International Accounts and Trade Division, custom tabulation for York Region Economic Strategy, 2025

The Region has engaged the Conference Board of Canada to provide an in-depth economic impact analysis of the potential impact on the economy, due late April. Findings from this study will be leveraged to inform potential business support initiatives.

Federal and provincial governments have taken a strong stance against the U.S. tariffs

The significant scale and impact of tariffs on businesses and jobs nation-wide, requires that the Federal and Provincial governments lead the Canadian response. The governments have been

aligned in declaring that U.S. tariffs violate the current Canada, United States, Mexico (CUSMA) agreement and are taking steps to have these reversed and reduce impacts. The response includes:

- Negotiating with U.S. federal and state officials
- Levying retaliatory tariffs
- Taking steps to reduce interprovincial trade barriers
- Encouraging businesses to explore trade diversification through the 15 free trade agreements with 51 countries
- Launching support programs for businesses and residents
- Encouraging Canadians and businesses to not purchase from the U.S. where possible

Examples of existing and new programs offered by senior government levels to help with near-term tariff and trade risk mitigation and provide liquidity support include the following:

- [Export Development Canada \(EDC\) Trade Impact Program](#): \$5 billion new Trade Impact Program, for Canadian exporters and companies that supply to exporters.
- [Employment Insurance \(EI\) Work Sharing Program](#): temporary flexibilities to EI benefits for employees agreeing to reduced hours due to decreased business activity beyond the employer's control.
- [CanExport SMEs](#) - Supports global expansion projects including participation in trade shows and government-led trade missions. Up to 50% to a max \$50,000 in grants.
- [Business Development Bank of Canada \(BDC\)](#) – \$500 million for favourably priced loans, for financial and non-financial support to Canadian businesses.
- [Farm Credit Canada \(FCC\)](#) – \$1 billion in new financing, for a range of financing products and services to Canadian farmers.

The [Canadian](#) and [Ontario](#) responses include diplomacy, banning contracts with U.S. companies, removing U.S. alcohol from liquor stores and proposing surcharges on energy sales to the U.S.

New procurement rules introduced by municipalities and surging “Canadian Pride” amongst consumers may help ease some pressures on local businesses

In an attempt to help mitigate impacts on local economies, municipalities are examining existing and pending contracts to identify opportunities for local business participation. Municipalities across Ontario, including [York Region Council](#) and local municipalities, have passed several new procurement measures to counter U.S. tariffs. These new rules are meant to increase access to municipal projects for local and other Canadian businesses where possible, while respecting trade treaties.

Separately, business leaders are reviewing business models, clients and suppliers to mitigate critical short-term issues and develop long term plans. This includes exploring trade

diversification to reduce reliance on the U.S. and cost management strategies. The [Bank of Canada](#) has reported that in a recent survey, businesses have revised sales outlook downward. However, some are reporting a strong “Buy Canadian” sentiment which may mitigate some negative impacts from tariffs. Businesses and industry associations are advocating for fair trade practices both in Canada and the U.S.

Economic development partners in York Region are providing localized assistance with a range of initiatives currently underway

Similar to the response provided in the COVID-19 crisis, the Region has reactivated the Business Recovery Support Partnership (BRSP) to assist with localized support. The approach is to assess what is within a local control and respond accordingly. The BRSP is comprised of all local municipalities, Chambers of Commerce and Boards of Trade, the Workforce Planning Board, York University, Niagara University, Seneca Polytechnic and ventureLAB. Actions are being developed with a short, medium, and long-term tariff response lens.

Activities in the Council approved [2024-2027 York Region Economic Development Action Plan](#) are being rescoped to incorporate initiatives that help businesses respond to the impact of U.S. trade tariffs. Initiatives launched or underway, beyond corporate procurement or advocacy decisions, are grouped into three key action areas:

- Tariff impact research & analysis: to provide insight on challenges and opportunities
- Regional business advisory support: providing one-to-one or group business support
- Regional business communications: links to government support programs, resources and workshops and promotion of these on social media

Short term initiatives have been focused on raising the profile of local businesses as well as providing timely information and advisory support

Information regarding the tariffs is changing very quickly, so short term actions have been focused on delivering timely digital initiatives and business advice such as:

1. [York Link Trade Support Portal](#): providing links to multiple resources, currently being leveraged by businesses and economic development partners.
2. [The Tariff Impact Podcast](#): providing businesses with insights on support programs and tariff mitigation strategies. Four podcasts featuring c-suite guests from [Export Development Canada \(EDC\)](#), [Canadian Manufacturers & Exporters \(CME\)](#), [Ontario Government's representative in Washington](#), and York Region-based manufacturer Alps Welding, have been produced and posted on the York Link website and social channels.
3. [#MadeInYR social media campaign](#): raising the profile of companies that make products at scale here in York Region. Local municipalities have provided companies to be considered for inclusion in the campaign.

4. [Regional Support Local initiative](#): amplifying Shop Local campaigns by the local municipalities are also being amplified on York.ca
5. Business advisory consultations: delivered jointly with local municipalities to support on-demand requests from businesses

Trade diversification activities have also been implemented and a short-term opportunity for advocacy was identified

Another area of focus has been assisting businesses in trade diversification support. This was delivered through the tariff podcast referenced above and two targeted initiatives exploring opportunities in non-U.S. markets described below.

1. [March 31 - April 4 | Hannover Messe](#); York Region led a delegation of eight companies, three innovation partners, three local municipalities (Markham, Richmond Hill and Vaughan) to the world's largest [advanced manufacturing conference](#). Other partners included Toronto Global, Trillium Network for Advanced Manufacturing, York University, ventureLAB, and the German Canadian Chamber. Canada was the 2025 partner country and the York Region delegation was part of the broader Canadian presence. Richmond Hill Mayor, David West, delivered introductory remarks at three industry panel discussions that included several York Region-based businesses. The delegation, originally planned for foreign direct investment (FDI), was rescoped to include a trade diversification focus.
2. [April 1 | Agri-Food Buyers Mission and Masterclass](#); providing opportunities for York Region food and beverage companies to expand into the Danish market. This event was in collaboration with the Canadian Trade Commissioner in Denmark and Vaughan Economic Development. Local municipalities assisted in securing 11 select companies to pitch products for the Danish market and receive input on market entry strategies from buyer's representatives.

From an advocacy perspective, the Automotive Parts Manufacturing Association (APMA) will hold the [Canada Automotive Summit](#) on June 10 in Vaughan. This is an opportunity for auto parts manufacturers to engage with policy makers and industry leaders from across Canada. York Region and Vaughan Economic Development are co-hosting from 2024 – 2026.

Going forward, municipalities, Chambers of Commerce and Boards of Trade will continue conducting business outreach and surveys to gain more local context. This, along with insights from the Conference Board of Canada study and broader industry studies, will be leveraged at BRSP meetings to develop medium and long-term activities for consideration. Attachment 1 – York Region Economic Development Tariff Response Plan provides more details of activities being pursued by York Region and the BRSP.

Conclusion

The trade conflict initiated by the U.S. is causing significant disruption in the Global and Canadian economy. Governments are using various means to resolve and/ or mitigate the fall out, exploring both domestic and international solutions. Business leaders are grappling with the uncertainty, impact on business operations and business investment while residents are faced with concerns of job security and general financial health. Although the Region's economy is diverse and strong, there is significant exposure for both exporters and importers in several industries.

Collaboration amongst all stakeholders is essential for assessing impacts and maximizing supports necessary as business leaders navigate decision making in this environment. Initiatives such as the #MadeInYR campaign, trade diversification assistance, and business advisory assistance are reaching businesses and making a difference.

The economic development community in the Region will continue to work with businesses to provide support at the local level. The situation remains fluid and business leaders are encouraged to continue monitoring federal and provincial government announcements, working with industry groups and connecting with local economic development teams.

For more information on this memo, please contact Jonathan Wheatle, Director of Economic Strategy at 1-877-464-9675 ext. 71503. Accessible formats or communication supports are available upon request.



Dino Basso
Commissioner of Corporate Services



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Chief Administrative Officer

April 2, 2025
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Attachments (1)

Attachment 1 – York Region Economic Development Tariff Response Plan