



Office of the City Manager

Edmonton

**Intergovernmental Update:
Tariffs: Overview and
Impact on the City of
Edmonton**

Item 7.4, OCM02935
City Council
February 4, 2025

Purpose

- Provide context on the tariffs
- Highlight potential impacts
- Outline the City's response
- Share next steps

Background

February 1, 2025: President Trump issued an Executive Order, imposing a 25 per cent tariff on virtually all goods from Canada, with the exception of Canadian energy products which have 10 per cent tariff imposed.

- Canada announced countermeasures.

February 3, 2025: Tariffs delayed for “at least” 30 days following Canada’s additional investments in border security:

- Deployment of 10,000 new personnel to border security and law enforcement operations.
- Creation of a Fentanyl Czar to oversee efforts in dismantling transnational drug cartels.
- Listing cartels as terrorist organizations to allow for stricter enforcement measures.
- Launch of a Canada-U.S. Joint Strike Force to combat fentanyl smuggling, organized crime, and money laundering.
- \$200 million in new intelligence operations focused on international criminal networks.

Edmonton Chamber of Commerce

- Advocacy Push
- Four Year Strategy

Anticipated Impacts on Edmontonians

- Sweeping U.S. tariffs and countermeasures from Canada would be highly disruptive to the economy, potentially affecting variables including spending, trade flows, employment, prices, and gross domestic product.
- Economic impacts will depend critically on how easily businesses and households can find non-tariffed substitutes, and how long tariffs are in place. The longer the tariffs are in place, the worse the impact.

Anticipated Impacts on the City of Edmonton

- The price of all goods and services could be impacted due to increased inflation resulting from supply chain impacts
 - Increased two-way costs for raw materials (e.g. lumber and steel) could drive up housing and infrastructure costs
 - Retaliatory tariffs on U.S. steel could further increase costs for municipal projects
- Potential impacts may be highest for existing contracts with US-based companies selling products made with Canadian-purchased materials and parts

The City's Response

- **Be Ready to Respond Operationally:** estimate financial exposure and develop mitigation strategies to minimize supply chain and operational disruptions.
- **Consider Local and Domestic Sources of Supply:** consider local and domestic sources of supply, in compliance with trade agreements.
- **Collaborate with Partners - Amplify Edmonton's Strengths:** work with our local and regional economic partners to develop an economic strategy that is connected and rooted in ensuring we are strategic, resilient, and coordinated.
- **Align with the Provincial and Federal Government:** advocate to our provincial and federal partners to support our business community.

Next Steps

- Administration will continue to:
 - monitor the evolving tariff situation and US and Canadian federal government actions
 - review the impact of the tariffs on City contracts and procurement processes
 - engage with Team Edmonton to share analysis, align positioning and advocacy, and develop an economic strategy
- Administration will work with the Government of Alberta to share analysis and advocate for the City's interests to be considered in framing provincial responses
- Further updates will be provided as part of the February 19 intergovernmental update to City Council

Discussion