



Office of the City Manager

Edmonton

Intergovernmental Update - Tariffs

Item 7.8 | OCM02952
City Council
February 25, 2025

Purpose

- U.S. plans and actions
- Intergovernmental landscape and advocacy
- Edmonton economic exposure
- Team Edmonton approach
 - Shared messaging and activity
- Next steps

Bottom line up front

- Building on the integrated “Team Edmonton” approach
- Maintaining long term focus to harness potential opportunities
- Recognizing differences in local and regional exposure to tariffs

National Updates

- American action and announcements
 - Steel and aluminum tariffs
 - Reciprocal tariffs
 - Autos, pharmaceuticals and semiconductor chips
 - Canadian lumber
- Federal government
 - Fentanyl czar appointed
 - Canada-U.S. Economic Summit and interprovincial trade
 - Ongoing engagement with Premiers

Provincial and Municipal Updates

- Premiers' advocacy and engagement
 - Washington D.C. (February 11-12)
- Federation of Canadian Municipalities (FCM)
 - Big City Mayors' Caucus Discussion (February 6)
 - FCM Delegation in Washington D.C. (February 11-12)
 - U.S. Conference of Mayors Winter Meeting (February 20-23)
- Alberta Municipalities (ABmunis)
 - Spring Municipal Leaders' Conference

Overview - Edmonton's Exposure to Tariffs

Edmonton CMA Top 10 Sectors by Employment

- 1. Wholesale and Retail Trade**
2. Healthcare and social assistance
3. Construction
4. Professional, scientific and technical services
5. Educational Services
6. Public Administration
- 7. Transportation and Warehousing**
- 8. Accommodation and Food Services**
- 9. Manufacturing**
10. Finance, insurance, real estate, rental and leasing



Counter-Tariff Exposure



Export Tariff Exposure

What the Business Census Tells Us

Private Sectors Snapshot

Sectors	Business	% that Export
Retail trade	18.66%	12.8%
Other services (except public administration)	14.24%	2.63%
Professional, scientific and technical services	10.09%	22.02%
Accommodation and food services	9.79%	2.28%
Health care and social assistance	8.06%	1.71%
Manufacturing	6.81%	29.87%
Construction	6.3%	5.71%
Real estate and rental and leasing	6.27%	6.61%
Wholesale trade	4.9%	25.97%
Finance and insurance	3.09%	22.91%
Administrative and support, waste management and remediation services	2.69%	17.01%
Transportation and warehousing	2.54%	32.02%
Others	6.55%	2.28%

- 12% of businesses export internationally
- One quarter of businesses are in Retail and Wholesale
- Manufacturing & Transportation account for 15% of employment

City of Edmonton

Financial and Supply Chain Risk Assessment

- **Commodity & Supplier Review:** Analyzing purchased goods and services, materials used and supply chain vulnerability to identify high risk contracts
- **Business Continuity:** Assessing critical contracts essential for operational resilience and exploring risk mitigation strategies
- **Currency Exposure:** Reviewing USD currency contracts and purchases to assess financial impacts
- **Spend Analysis:** Reviewing 2024 expenditures to forecast potential spend for 2025 and estimating the potential impacts
- **Contract Management and Procurement Options:** Reviewing high risk contracts to identify best available contract management and procurement options to mitigate disruption risks

Mitigating Edmonton's Exposure



Action Highlights:

- Improve regulatory processes and reduce red tape
- Prioritize local and equitable procurement
- Support emerging-made-in-Edmonton technology solutions
- Develop Edmonton's competitive advantage as an international logistics hub
- Develop an integrated place brand strategy
- Promote and support academic programs that advance the local economy
- Utilize and coordinate the City of Edmonton's event strategy and Explore Edmonton Tourism Master Plan
- Shop Local Campaign

Partner Perspectives:

Edmonton Chamber of Commerce

Edmonton Global

Explore Edmonton

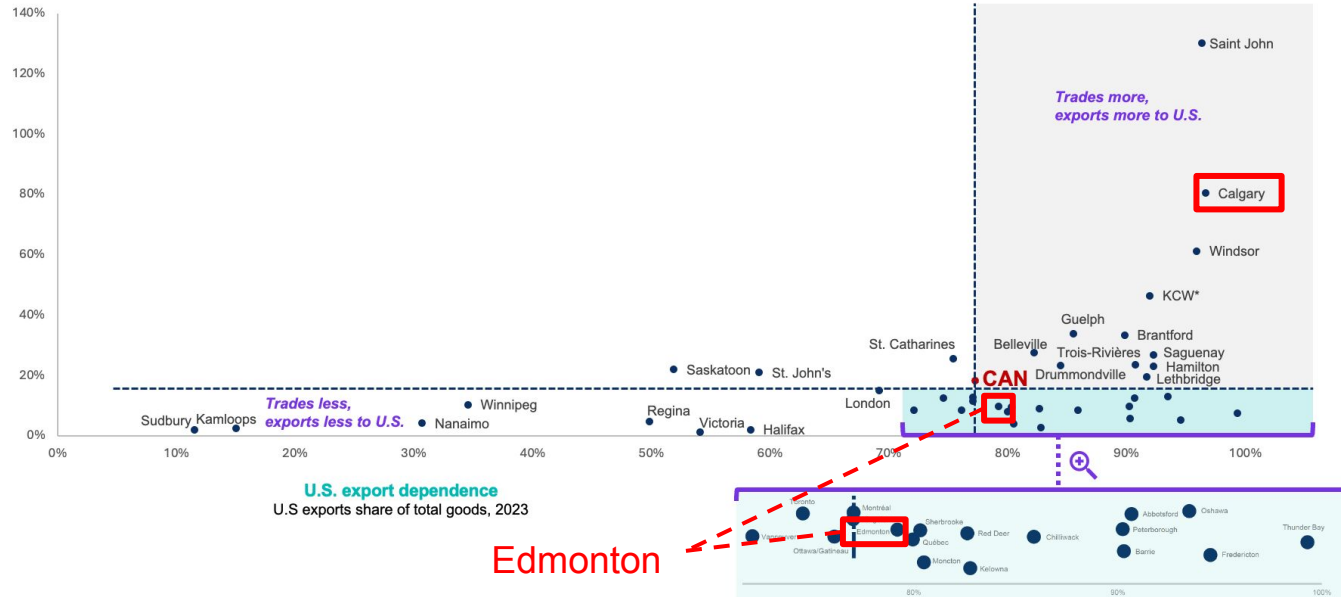
The logo for the City of Edmonton, featuring the word "Edmonton" in white text on a blue square background.

Edmonton

Edmonton Chamber of Commerce Current Views on Relative Exposure

U.S. export intensity

Goods exports to the U.S. as a share of GDP, 2021



Source: [Canadian Chamber of Commerce Business Data Lab](#) calculations using Statistics Canada custom Trade by Exporter Characteristics data.

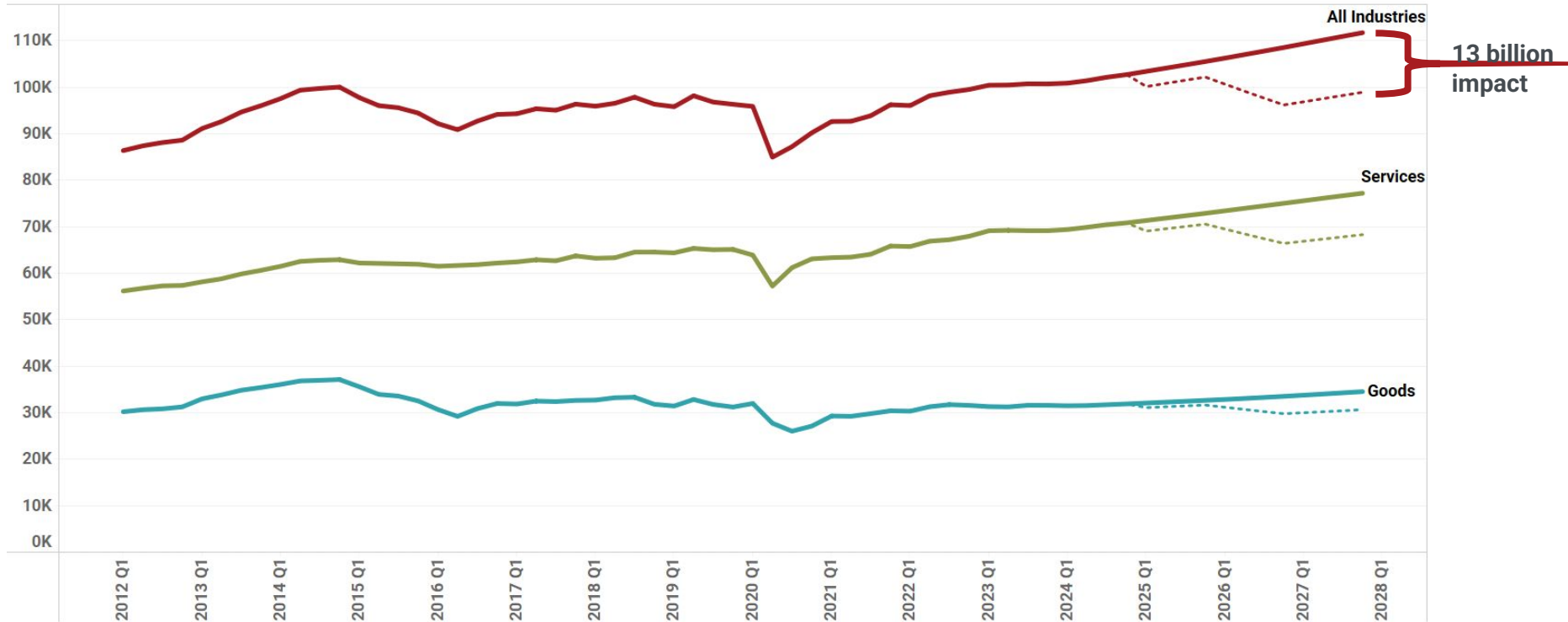
Edmonton Chamber of Commerce

- **Diplomacy and Communication:** Businesses and government must maintain diplomatic relations and communicate tariff impacts to American networks.
- **Eliminating Trade Barriers:** Repeal harmful laws, cut red tape, and remove interprovincial trade restrictions.
- **Long-Term Orientation:** Avoid short-term cash transfers; focus on long-term strategies that prioritize domestic production, trade infrastructure, and business expansion.
- **Enhancing Competitiveness:** Edmonton must think about its economic strategy, brand, and competitive advantages relative to other major urban centers.

Existing Trade- Potential Impacts

Prospective Impact of Tariffs on GDP in the Edmonton Region

Source: Edmonton Global Estimate based on Conference Board of Canada and the Bank of Canada



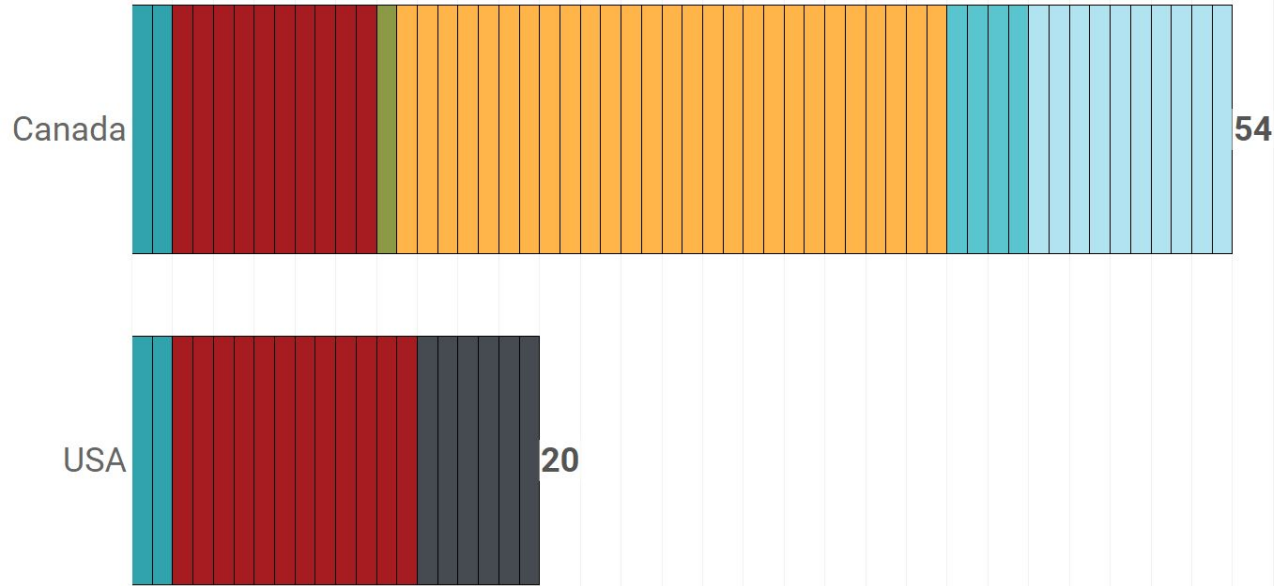
Existing Trade- Potential Impacts

	2025	2026	2027	Source
Estimated Real GDP Growth Rate	2.20%	2.80%	3.00%	<i>Conference Board of Canada</i>
Estimated Impact of Tariffs	-2.50%	-1.50%	0.00%	<i>Bank of Canada</i>
Revised Real GDP Growth Rate	-0.30%	1.30%	3.00%	<i>Calculated</i>
Estimated GDP (Jan 2025)	106.9 billion	109.9 billion	113.2 billion	<i>Conference Board of Canada</i>
Revised Real GDP Projection	104.4 billion	105.8 billion	108.9 billion	<i>Calculated</i>

Existing Trade- Possible Strategy

Diversify International Market

Countries Party to Trade Agreements with Canada and the USA - 2023



Trade Agreement

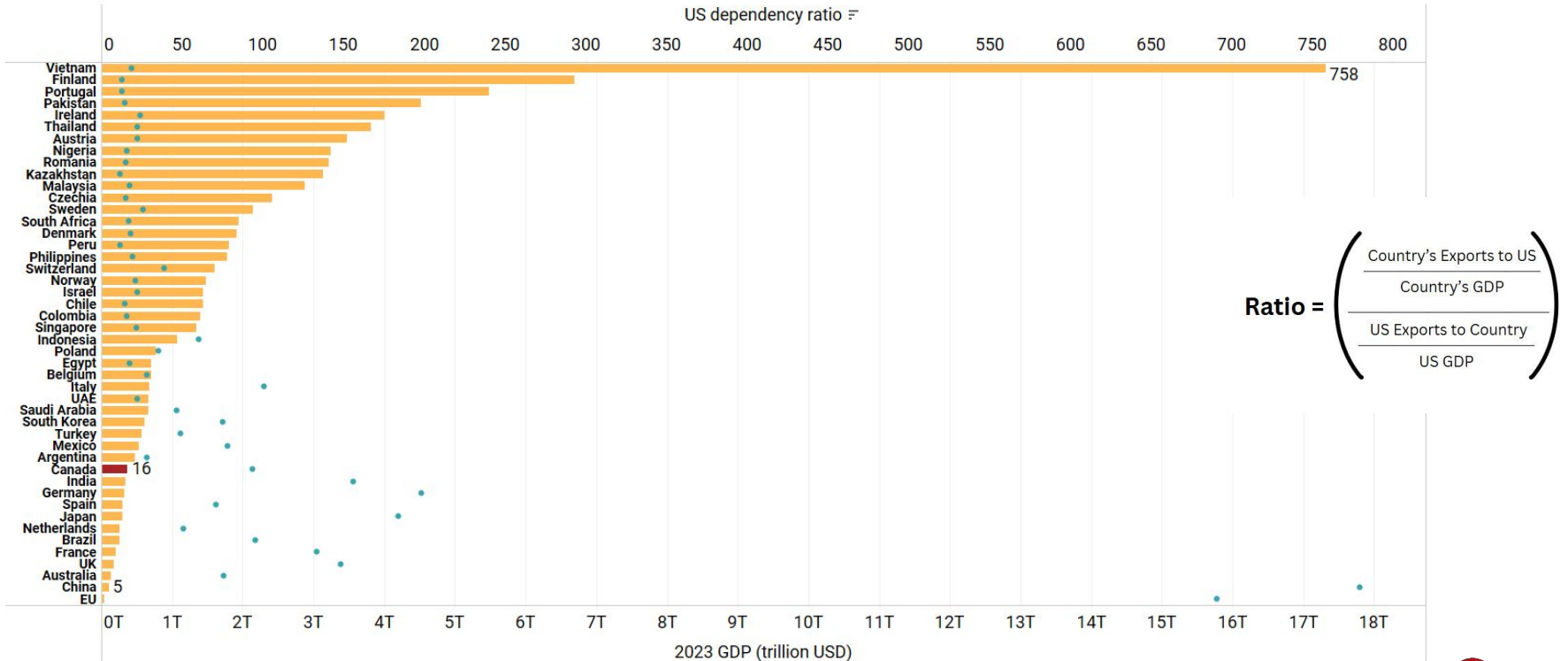
- CAFTA DR
- CPTPP
- EFTA
- EU-CETA
- United Kingdom - Canada
- Bilateral
- CUSMA

Existing Trade- Possible Strategy

Diversify International Market

Countries Ranked by USA Dependency (Yellow bars) and 2023 GDP (blue dots)

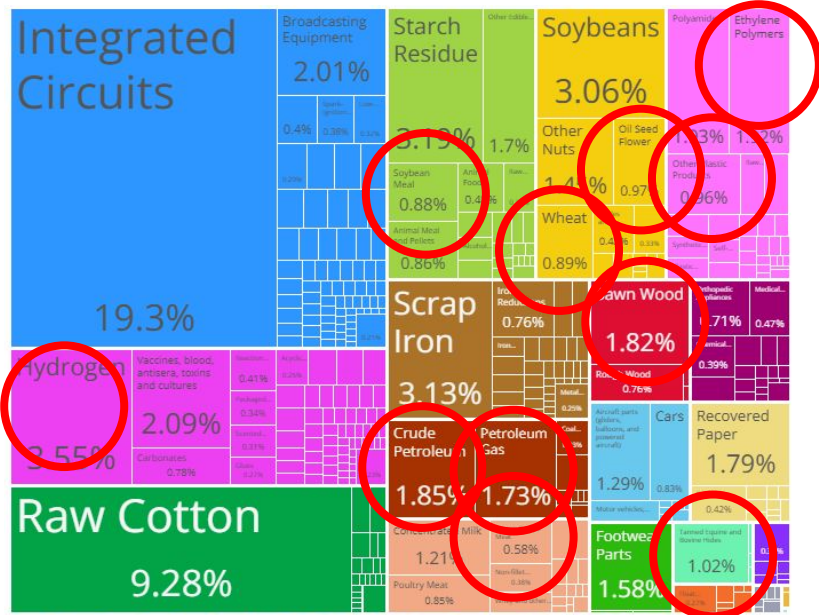
Source: Edmonton Global based on Bloomberg and the World Bank



Existing Trade- Possible Strategy

Diversify International Market

Exports from United States (🇺🇸) to Vietnam (🇻🇳) (2022)



Possible Target Products for Export Replacement to Vietnam

Source: Edmonton Global based on US Census Bureau

Total Value of Exports to Vietnam from the United States

13.50B

Total of below items	2.18B
Hydrogen	0.48B
Ethylene Polymers	0.26B
Crude Petroleum	0.25B
Sawn wood	0.25B
Petroleum Gas	0.23B
Tanned Hides	0.14B
Oil seed flower	0.13B
Other Plastic Products	0.13B
Wheat	0.12B
Soybean meal	0.12B
Frozen Bovine Meat	0.08B

Working Group Purpose

The Regional Tariff Ad Hoc WG aims to:

- Align and harmonize regional efforts to mitigate tariff impacts and drive policy recommendations.
- Enhance communication and advocacy with federal and provincial governments to ensure the Edmonton Region's economic priorities are recognized.
- Collaborate on strategic actions to diversify trade partnerships, strengthen interprovincial trade, and reinforce Canada's role as a global investment destination.

Key Consideration:

Recognition of other regional efforts- this work will complement existing initiatives

Working Group Members

Aligning economic development and industry

- Enzo J. Barichello, KC, Partner, Bennet Hones LLP & Board Chair, Edmonton Global
- Traci Bednard, CEO, Explore Edmonton
- Jerry Bouma, Chair of the Edmonton Consular Corps & Chair of The Little Potato Company Advisory Board
- Malcolm Bruce, CEO, Edmonton Global
- Doug Griffiths, CEO, Edmonton Chamber of Commerce
- Myron Keehn, President & CEO, Edmonton International Airport
- Tanis Kozak, VP & General Manager, North America Home – Canada, Direct Energy
- Leanne Krawchuk, KC, Partner, Dentons
- Dr. Mike Mahon, CEO, Alberta Innovates
- Dr. Robert Murray, Interim VP, Planning and University Relations, Concordia University of Edmonton and Senior Fellow at the Macdonald-Laurier Institute
- Mark Plamondon, Executive Director, Alberta's Industrial Heartland Association
- **Chris Steele, CEO & President, EBP US**

Explore Edmonton

“Tourism is one of those areas with tremendous upside.”

Mark Parsons, VP and Chief Economist ATB, February 10, 2025 TIAA Conference regarding impacts of U.S. Tariffs

Actions

Continue: Long Term Strategies

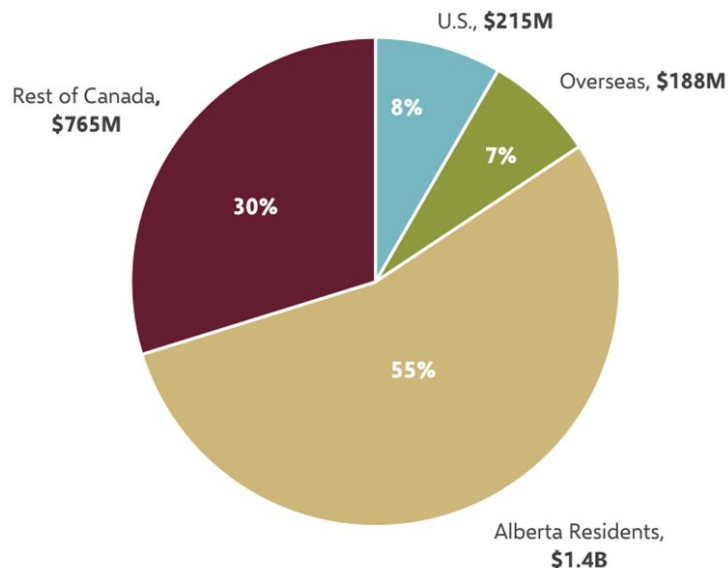
- Year-round products & experiences
- Partner campaigns in US & key long-haul markets

Adjust: Highlight Edmonton

- To regional & key provinces
- In alignment with ec dev/community to highlight Edmonton-made products & experiences to Edmontonians

Who is our visitor?

Edmonton & Area - 2024



Communications

Reassure

- Take a united “Team Edmonton” response
 - Shared, consistent messaging
- Emphasize continued need for trade to create growth

Monitor and Respond

- Clearly identify impacts of tariff decisions
- Rely on evidence based responses

Collaborate

- Provide a call to action
- Continue to build trust & confidence in “Team Edmonton” actions

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 and leveraging the City's Sustainable Procurement Policy.
- **Collaborate with Partners - Amplify Edmonton's Strengths:** work with our local and regional economic partners to refine our 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.

Discussion