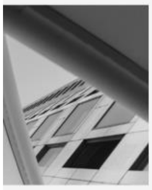
Trade Matters

UPPER OTTAWA VALLEY
CHAMBER OF COMMERCE

Navigating Trade Uncertainty:

Our Economic Report & Response Plan



Dear Partner,

As shifting tariffs and trade policies affect businesses across Canada and the U.S., the Upper Ottawa Valley Chamber of Commerce has conducted a survey to understand local business concerns and challenges. Our latest economic report highlights key findings, industry insights, and the real impact of these trade dynamics. In response, we've developed a response plan to support businesses, advocate for fair trade policies, and provide resources to help navigate this evolving landscape. Together, we're working to strengthen our local economy and ensure businesses have the tools they need to succeed.

Understanding Canada-U.S. Trade

Tariffs are the most urgent threat facing Canadian and American businesses today. Modelling from the Canadian Chamber of Commerce's Business Data Lab suggests that these tariffs would come at a huge economic cost, reducing real annual income by $1,900 CAD per Canadian and $1,300 USD per American.

To empower the Canadian and American businesses and stakeholders who are working hard to grow our best-in-class trade relationship, the Business Data Lab launched its Canada-U.S. Trade Tracker. The interactive and customizable online tool highlights the deep and vital economic interconnections at the state, province, territory and now 41 Canadian Census Metropolitan Areas (CMAs) level.

“Tariffs are a lose-lose. They would raise business costs, reduce North America’s international competitiveness, and ultimately increase consumer prices at a time when Canadians and Americans are both struggling with significant affordability challenges,” says Stephen Tapp, Chief Economist at the Canadian Chamber of Commerce. “The dynamic and localized information available in the Canada-U.S. Trade Tracker will help government leaders, businesses and citizens on both sides of the border better understand these critical cross-border linkages and then make the case to decision-makers that we should strengthen rather than break these mutually beneficial ties.”

Canada is the largest export market for 34 states, reaching all the south way to Mississippi and Florida with each province and territory having its own special trade relationship with many American states.

For Ontario:

- Michigan is Ontario’s top American trading partner.
- Two-way goods trade between the U.S. and Ontario accounts for $446,575 million.
- 985,865 Canadian jobs are supported by Ontario’s exports to the U.S.
- 19,927 companies in Ontario export to the U.S.
- Ontario’s top five export products include: Vehicles & Other Transport, Machinery & Electrical, Base Metals, Prepared Foods & Beverages, and Chemicals.

New Brunswick, Alberta, Ontario, Quebec and British Columbia are home to the twenty CMAs most at risk from tariffs due to their economic reliance on U.S. exports and dependence on the U.S. as a key export market.

“Our survey of member businesses paints a picture of direct trade war impacts on manufacturing, tourism, farming and cost of imports for our business community in Renfrew County; while many of our members express concern about indirect impacts to business through cost of living, value of the Canadian dollar, inflation and other economic ripple effects from tariffs.” said Kelly Hollihan, Executive Director of the Upper Ottawa Valley Chamber of Commerce.

With the up-to-date state of the relationship on full display through the Canada-U.S. Trade Tracker, it’s undeniable: we do better together.

What can businesses do?

- Visit the [Canada-U.S. Trade Tracker] to learn about your province, territory or city's relationship with the U.S.
- [Tell your tariff story]

Which Canadian Cities Are Most Exposed to Trump's Tariffs?

The Canadian Chamber's Business Data Lab crunches the numbers to assess potential tariff impacts using new localized trade data

February 2025
Stephen Tapp, Chief Economist, Canadian Chamber of Commerce

Even with a 30-day pause, President Trump's executive order to impose tariffs on Canadian exports to the United States marks a major protectionist shift in U.S. trade policy. A 25% tariff on all Canadian non-energy exports and a 10% tariff on Canadian energy exports to the U.S. (alongside tariffs on Mexico and China) will cause substantial economic disruptions for the global economy. This analysis explores which Canadian cities may be most affected.

[Read the comprehensive report]

Survey

A preliminary touch-base with our member businesses to assess potential impacts from tariffs

MULTIPLE CHOICE

Does your business participate in cross-border trade or supply chain?

Answer Choice	0% 100%	Number of Responses	Responses Ratio
Yes		23	54%
No		19	45%
	Total Responses	**42**	**100%**

CHECKBOXES

If yes, how does your business participate in cross-border trade? Please select all that apply.

Answer Choice	0% 100%	Number of Responses	Responses Ratio
Exporting goods/services to the USA		4	16%
importing goods/services from the USA		16	64%
Supply chain includes goods from or passing through the USA		13	52%
E-Commerce with American customers or clients		6	24%
Other		2	8%
	Total Responses	**25**	**100%**

MULTIPLE CHOICE

What percentage of your total revenue represents business with the USA?

Answer Choice	0% 100%	Number of Responses	Responses Ratio
Less than 10%		23	60%
10% to 25%		10	26%
26% to 50%		3	7%
51% to 75%		1	2%
More than 75%		1	2%
	Total Responses	**38**	**100%**

MULTIPLE CHOICE

Do you expect your business to experience challenges when USA tariffs are implemented?

Answer Choice	0% 100%	Number of Responses	Responses Ratio
Yes		27	64%
No		4	9%
Maybe		11	26%
	Total Responses	42	100%

CHECKBOXES

If yes, what would be the immediate impacts on your business? Check all that apply.

Answer Choice	0% 100%	Number of Responses	Responses Ratio
No immediate impact		2	5%
Supply chain delays or disruption		17	45%
Price increases		31	83%
Increased cost of operation		24	64%
Declining sales		17	45%
Layoffs		2	5%
Bankruptcy		0	0%
Other		4	10%
	Total Responses	37	100%

MULTIPLE CHOICE

Are you taking precautions to mitigate impacts of ongoing trade disputes with the USA?

Answer Choice	0% 100%	Number of Responses	Responses Ratio
Yes		23	57%
No		17	42%
	Total Responses	40	100%

if yes, please provide some examples of action to mitigate impacts. (sample responses)

Expediting orders to get them delivered before 21 day grace period before Canada implements additional tariffs on imports.
Hesitating to bring back staff from winter layoff
Attempting to switch to Canadian vendors

I don’t know yet
I service other businesses that may be having more issues. I may have to freeze my prices so people can afford me.
• Cutting spending overall in case of decreased sales. Ie. Carrying less inventory • Not buying product from USA based companies • Increasing costs to cover revenue losses • Possibly employing less people in anticipation of decreased sales
We are farmers - Grains and oilseeds producers. We purchased the majority of our crop inputs needed for 2025 in late 2024/early 2025. We have pre-contracted some of our 2025 crop before it was even planted in anticipation of this.
Switching our equipment to non-US OEMs, and looking for a replacement for StarLink.
Postponing investment to create an emergency cash fund to support retail tenants if needed.
Negotiating with US suppliers on discounts and pricing issues
We were planning on acquiring some new equipment later this year, but find ourselves having to consider making these purchase sooner than later if we are to avoid supply chain and price increase issues.

MULTIPLE CHOICE

What sector is your business in?

Answer Choice	0% — 100%	Number of Responses	Responses Ratio
Manufacturing		4	9%
Retail		12	28%
Tourism		9	21%
Restaurant and Hospitality		0	0%
Construction and Trades		2	4%
Professional Services		3	7%
Communications		1	2%
Real Estate		1	2%
Technology		1	2%
Utilities		0	0%
Education		0	0%
Healthcare		3	7%
Other		6	14%
	Total Responses	42	100%

Please share any further comment on the impact of tariffs on your business operations and finances. (sample responses)

Tariffs will greatly impede our ability to source goods required to operate our business efficiently

How will people be able to buy our services if they lose their jobs or see their costs go up.

We are ALREADY in a recession and this will make it worse.

We all just rebuilt since Covid, now we have increased costs of living paired w/ exponential increased costs of operating, a weakened dollar and now tariffs? The workload is double, but who can afford staff?

If Canada does go into recession due to these tariffs, our industry is going to suffer as people will cut non-necessity spending.

The retaliatory Canadian tariffs will also cause problems in our business.
Brings focus to buying Canadian made products
We would be interested in information on any grants which might be available on a cost share basis for the purchase of new technology equipment.
Finding some of these locally in Canada is going to be very tricky
The general increase of life costs to consumers will lower the ability of people to afford our services.

Ontario Chamber Network

If there is any good news in all this, it's the extraordinary unity we are seeing among Canadians – and the seriousness with which our political leaders are now taking the recommendations that Chambers of Commerce have been making for years.

Here are a few things the Ontario Chamber is doing:

Ontario Business & Trade Leadership Coalition: The OCC has set up this coalition of leaders from Ontario's trade-dependent sectors to advise government and support Ontario business competitiveness – both immediately and in the longer term. We held an emergency meeting of the Coalition with Premier Ford.

Pan-Canadian advocacy on interprovincial trade: In January, the OCC coordinated a unified call from every provincial chamber CEO in Canada for the premiers to act with urgency to dismantle interprovincial trade barriers. We are also working at the federal level, coordinating a meeting of business leaders with the Hon. Anita Anand, the federal minister responsible for internal trade, to press this case further.

U.S. advocacy: Since last summer, we have been proactive in ensuring U.S. chambers fully understand the importance of their trade relationship with Ontario and Canada. We are joining Premier Ford in Washington as he addresses the U.S. Chamber of Commerce and hosts a reception for senior American business leaders.

Support for Ontario SMEs: The OCC is ramping up educational content to help local businesses understand how to navigate U.S. tariffs. Later this week, we are meeting with the Canadian Marketing Association to discuss a new “shop local” campaign, building on Canadians’ desire to support one another at this critical time.

Ontario election advocacy: Also last week, the OCC released Ontario Competes, our priorities for the 2025 provincial election. These recommendations are essential to enhance Ontario’s competitiveness and ensure our resilience to future geopolitical and economic threats. We hope you will join us in amplifying it with local candidates from all parties, and urging local businesses and media to join in this advocacy.

UOVCC Tariff Response Plan

Protecting Local Businesses and Advocating for an End to the U.S. / Canada Trade War

The recent implementation of tariffs by the United States on Canadian goods and services (25%) and energy (10%), along with Canada’s retaliatory tariffs, presents significant economic challenges. It is estimated that this trade war will increase annual costs by $1,900 per Canadian and $1,300 per American. The Chamber of Commerce is committed to supporting our local businesses, advocating for fair trade, and working with key stakeholders to mitigate the impact of these tariffs.

This Tariff Response Plan outlines strategic actions targeted at a few key audiences: the general public, chamber members, municipal councils, provincial and federal representatives.

General Public: Educating and Mobilizing Consumers

Re-Launch a “Love Local” Campaign: Reinforce the importance of purchasing Canadian-made goods and services. Use digital marketing, social media campaigns, and local events to encourage consumers to support local businesses.

Chamber Members: Business Outreach and Story Collection

Member Impact Survey: Conduct a rapid-response survey to gather data on how tariffs are affecting businesses. Use this data to inform advocacy efforts.

Member Storytelling Initiative: Collect real business stories on how tariffs impact operations, pricing, supply chains, and employment. Use these stories in advocacy campaigns, social media, and direct outreach to government officials.

Ottawa Valley Business Summit: Host live event with trade experts, economic analysts, and policymakers to educate members on strategies to mitigate tariff impacts.

Municipal Councils: Local Government Engagement

Economic Impact Reports: Provide local governments with data and case studies on how tariffs are affecting businesses in the community to support informed decision-making.

Collaborate on “Buy Local” Initiatives: Work with municipalities to promote and fund local business support programs in response to tariffs.

Provincial and Federal Representatives: Direct Advocacy for Policy Change

Lobby for Tariff Impact Mitigation Funding: Advocate for the federal government to redistribute tariff revenue to the provinces to provide direct relief to affected industries, particularly small businesses.

Encourage Inter-Provincial Trade Barrier Elimination: Urge the provincial government to remove internal trade barriers to strengthen Canada’s economic resilience against U.S. tariffs.

Encourage Switching from US to Canadian Suppliers in All Procurement: Urge all governments to, where possible, cancel U.S. contracts, advising the provider of the reason why and then switch to Canadian service and goods providers.

Contact Details

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