

# Staff Report to Council - for Direction

Title: Local Business Support - Tariff Impact

From: Claire Dodds, Commissioner of Community Development

**Date:** March 20, 2025

Report Number: CDO-2025-007

#### **Staff Recommendation:**

That the actions in the Business Support Framework in the "Local Business Support- Tariff Impact" report be endorsed; and

That staff be authorized to adjust the Business Support Framework as necessary to provide continued support for Bruce County businesses as tariffs take effect.

#### **Report Summary:**

The imposition of tariffs on goods and materials traded with the United States has the potential to create challenges for local businesses including increased costs, supply chain disruptions and reduced market access. These impacts are particularly pronounced in manufacturing, agriculture, and retail, where cost pressures may impact profitability and competitiveness. Bruce County's Economic Development team has developed a framework to launch Business Support Services focusing on understanding the impact, educating businesses, implementing support measures and supporting advocacy efforts.

#### Background/Analysis:

The threat of tariffs on goods and materials related to trade with the United States have led to increased costs, supply chain disruptions and market access challenges for many local businesses. The disruption caused by tariffs and the threat of tariffs will affect all three of Bruce County's core economic sectors including Agriculture, Energy and Tourism. Early impacts are starting to be seen specifically in manufacturing, agriculture and retail, creating cost pressures that affect profitability and competitiveness. Businesses reliant on export to the United States will face reduced demand for product because of the increased cost of their product in that market, while importers of goods may encounter cost increases because of retaliatory tariffs. Additionally, supply chain disruptions are occurring and are likely to continue to change as businesses look for new alternatives to previous suppliers.

Recognizing that the situation is evolving, the Economic Development team has engaged with businesses and industry groups to gather information to develop a proactive response.

One of the ways the Economic Development team has engaged local businesses is through the launch of a business impact survey on February 19, 2025. The responses to the survey, as of March 10<sup>th</sup>, 2025, are attached to this report for information. The attachment includes the results of questions with aggregated responses, however results for questions which generated individual responses have been removed from the results as to not identify individual respondents.

This report outlines the framework designed to support businesses navigating impacts from tariffs. The framework has been informed by the early results of the business impact survey.

## **Business Support Framework & Actions**

The Business Support Framework will provide dedicated assistance to businesses in Bruce County impacted by tariffs. To support this framework, the initiative will initially focus on the current actions in four key phases:

#### 1. Understand: Assess the Impact

- A Tariff Impact Survey, that was developed using the resources from Western Ontario Warden's Caucus, is currently available for businesses to fill out. As of March 10<sup>th</sup>, 70 responses were received. An overview of those responses is attached to this report.
- This survey has been shared by the Bruce County Federation of Agriculture and provided to local economic development staff, Chambers, Business Associations and Business Improvement Areas.
- Economic Development staff are utilizing data from Statistics Canada and the Province of Ontario to proactively identify companies that will be more impacted by import and export tariffs to directly understand impacts.

#### 2. Educate: Inform Businesses & Provide Resources

- A Tariff Support webpage has been developed and is hosted on the <u>Business to Bruce</u> website to provide factual information, provided by the Government of Canada, Export Development Canada, Farm Credit Canada and Business Development Canada, related to Tariffs that includes the following
  - o An overview of how tariffs work and the potential impacts to businesses
  - Information on how to find Harmonized System Codes for the products businesses are using, and links to understand how those products are proposed to be impacted.
  - Direct links to existing support measures including where companies can access advisory services and financial support announced by the Government of Canada (\$6.5 billion).
  - Specific information for businesses directly purchasing from the US and those directly purchasing from the US.
  - Links to other relevant information.

• Working with local business organizations to share these educational resources in other forums (i.e. Chamber meetings).

#### 3. Implement: Business Support Measures

- Bruce County staff are available for free one on one support through our Business to Bruce advisory services to work with companies trying to understand current and potential impacts on their business.
- Through existing social channels, there will be an increase of shop local messaging focused on supporting Bruce County businesses.
- Explore the Bruce content is targeting domestic travelers in the following ways:
  - The content provides resources and trip inspiration for visitors to book their trip to Bruce County.
  - Content focusses on longer stays with itineraries that may be interesting to those no longer travelling internationally.
  - A "Plan your Visit" ad campaign is encouraging visitors to plan and book their visit ahead.

## 4. Advocate: Work with Partners to Expand the Message

- Insights being gathered locally are being shared with organizations that currently are involved in advocacy related to business support, this includes but is not limited to:
  - Western Ontario Warden's Caucus
  - Ontario Federation of Agriculture
  - Canadian Federation of Independent Businesses

The actions above summarize initiatives currently in place to support businesses. As the County learns more as the landscape around tariffs continues to change, it is anticipated that there will be adjustments to these supports and potentially new supports developed. The Economic Development team will continue to engage with local businesses and sector organizations to further align our work with evolving needs.

## Financial/Staffing/Legal/IT Considerations:

This initiative is supported through existing Economic Development departmental resources. No direct financial support is provided to businesses through this program. Marketing materials and online resources are being developed to ensure businesses have access to relevant information and guidance.

## Interdepartmental Consultation:

Government Relations and the Office of the CAO were consulted in the development of this report.

## Link to Strategic Goals and Objectives:

Growth and Innovation - Promote responsible growth

Community and Partnerships - Enhance and grow partnerships

# Link to Departmental Plan Goals and Objectives, if any:

This initiative aligns with the Economic Development Strategic Plan's focus on business retention and expansion.

## Report Author:

Jeffrey Loney, Economic Development Manager

## Departmental Approval:

Claire Dodds, Commissioner of Community Development

# Approved for Submission:

Christine MacDonald, Chief Administrative Officer

#### Attachments:

Attachment 1 - Tariff Impact Survey Response - to Date