

MAYOR'S ECONOMIC ACTION PLAN IN RESPONSE TO US TARIFFS



A Plan to Protect Toronto Businesses,
Workers and Residents

Mayor's Message

Canada is facing a senseless and wasteful trade war.

People are feeling anxious, they are worried about jobs, the cost of food and the impact that this trade war will have on housing and transportation.

Canada and the United States have enjoyed a longstanding and deep friendship. Together, we created a successful economic partnership that was the envy of the world. This partnership supports millions of workers and businesses on both sides of the border.

President Trump's trade war is putting it all at risk, hurting our economy and testing our shared resilience. People and businesses are all dealing with massive uncertainty.

United as Team Canada, we are rising to the challenge with an action plan to protect Toronto businesses, workers and residents. Drawing on the input of an expert panel of leaders from business and labour, the plan outlines a series of urgent actions. It also builds on the City of Toronto's recently launched 10-year economic action plan, Sidewalks to Skylines.

Toronto is a beacon of hope for people in every corner of the world. We have the talent, the creativity and the connection to the global market that comes from our diversity. As Canada's economic centre, Toronto accounts for the largest share of international investment for the country.

Working together, Torontonians have tackled difficult challenges in the past: SARS, the 2008 global financial crisis and the COVID-19 pandemic. Each time we emerged stronger. United, we will do so again.

Working together, we will come out of this challenge with a more competitive, resilient and inclusive local economy.

Let's stay strong, united and optimistic.



Mayor Olivia Chow

City of Toronto



Mayor's Economic Action Team

Mayor Olivia Chow convened leaders from business and labour to advise on strategies to protect the sectors of the Toronto's economy most at risk, preserve jobs, drive long-term economic resilience, and keep workers front and centre.

Andria Babbington

*President, Toronto and York Region
Labour Council*

Brad Carr

Chief Executive Officer, Mattamy Homes

Paul Doyle

Chief Financial Officer, Atlantic Packaging

Zabeen Hirji

Executive Advisor, Deloitte

Blake Hutcheson

*Chief Executive Officer, Ontario Municipal
Employees Retirement System*

John Kiru

*Executive Director, Toronto Association
of Business Improvement Areas*

Rod Phillips

*Chair, Toronto Global,
Vice Chair, Canaccord Genuity*

Luke Robertson

*Vice President, Development
and Government Affairs, Cadillac Fairview*

Dave Samuel

Partner, Birch Hill Equity Partners

Brian Topp

Chair, Toronto Hydro

Flavio Volpe

*President, Automotive Parts
Manufacturers' Association*

Yung Wu

*Chair, Toronto Region Board of Trade, Former
Chief Executive Officer, MaRS Discovery District*



Immediate Actions

Toronto is among the most economically successful cities in the world, with a population and gross domestic product (GDP) that have grown rapidly for decades. Benefiting from a highly diversified local economy, Toronto is competitive in nearly every key sector of the economy. Toronto's economy has also shown remarkable resilience, withstanding both the 2008 Great Recession and, most recently, the COVID-19 pandemic.

The impacts of US tariffs and the economic uncertainty they create are a serious and immediate threat to Toronto's economy. Impacts will be felt across the economy, by businesses, workers and residents, although at differing intensity. In response to the tariff threat, the City of Toronto is taking a series of immediate actions to protect businesses, workers and residents.

1. Procuring Canadian: Supporting Canadian businesses through changes to the City's procurement practices:

- Only allowing Canadian companies to bid on new competitive procurement under approximately \$350,000 for goods and services and \$8.8 million for construction.
- Favouring Canadian and non-American suppliers by giving preference to Canadian businesses as well as those from the European Union and United Kingdom in competitive procurement.
- Giving the City the ability to make US-based suppliers ineligible to bid on competitive procurement when deemed in the best interest of the City.
- Increasing procurement from Toronto and Greater Toronto Area (GTA) suppliers to support the local economy. For example, the City's Fleet Services Division is already working with the Automotive Parts Manufacturers' Association to identify local suppliers for key parts to service fleet vehicles, reducing a historic reliance on US-produced automotive parts.
- Directing senior staff of City Divisions that rely heavily on US-sourced supplies to develop alternative procurement strategies – in partnership with other municipalities where possible – and report back to the City Manager within 90 days.
- Seek to have the City's agencies and corporations adopt similar policies where possible.

2. Deferring property taxes to provide cashflow support to industrial properties: Providing immediate cash flow support through a six-month property tax deferral to the most impacted businesses in the industrial property tax class. For example, rate payers in the class with the average property value would be able to defer approximately \$28,000 in taxes for six months and save approximately \$1,500 in waived late fees.

3. Supporting local and Canadian businesses through a "Love Local" Campaign: Encouraging residents to support and shop local through a "Love Local" campaign to launch in March which includes activations across the city, partnering with the Toronto Made Market to profile local suppliers, and promotion of 'buy local' options through Business Improvement Areas and the City's website.

- 4. Providing dedicated supports and launching a promotional campaign for Toronto's manufacturing and industrial sector:** Launching a one-window concierge service for all Toronto businesses, while intensifying business retention and expansion efforts with most at-risk businesses. Working with industry partners, the City will soon launch a promotional media campaign celebrating Toronto's manufacturing sector.
- 5. Partnering with Toronto-region municipalities and the Province to reduce reliance on US-based suppliers:** Working with regional municipalities, in partnership with Supply Ontario, to aggregate procurement. Establish a common approach towards favouring Canadian and non-US businesses in procurement, reducing reliance on US-based suppliers.
- 6. Expanding global markets for Toronto businesses, working with industry and partners:** With Canada holding free trade agreements covering 61% of the world's GDP and free trade to 51 countries, Toronto will leverage its diaspora advantage and global business connections to increase export and investment opportunities, in partnership with Toronto Global, Global Affairs Canada and foreign Consulates in Toronto to drive business engagement and trade diversification. Toronto will lead trade missions to high impact global trade events with Toronto businesses to support their diversification efforts. One such example includes participating with Toronto businesses and other levels of government to profile Toronto exporters at the world's largest advanced manufacturing event, Hannover Messe in Germany in March 2025.
- 7. Working with industry, workers and training partners to increase the adoption of new technology by Toronto businesses to increase competitiveness:** Launch consultations on the development of an AI economic development and adoption strategy focused on helping workers and businesses operate more safely and effectively while accessing new economic opportunities. The City will launch the Mayor's Innovation challenge for Toronto small and medium enterprises adopting AI and driving growth.
- 8. Increasing purchasing opportunities with Indigenous, Black and diverse suppliers and social enterprises:** The City is expanding the procurement opportunities with Indigenous, Black and diverse suppliers and social enterprises by refining contract scopes, updating solicitation criteria, organizing supplier engagement events, and offering pre-bid meetings to clearly convey the City's social procurement priorities to suppliers.
- 9. Partnering with business to prepare for tech and tariff disruptions that will impact our local workforce:** Work with universities, colleges and training partners to ensure access for Toronto workers impacted by tariffs or tech adoption to reskilling and upskilling programs tailored to workers' needs.
- 10. Directing day-to-day spending by City staff to Canadian-owned and local choices:**
 - limiting travel to the United States to essential business travel only, requiring approval by the City Manager;
 - limiting low-value business and employee expenses from US-owned retailers; and
 - limiting employee use of US-based ridesharing platforms where locally-owned alternatives exist.

Calls to Action

The current challenge requires collective action: a Team Canada approach across governments, businesses, workers and residents. To stimulate the Canadian economy and open up pathways to good jobs for affected workers, the City of Toronto is issuing a number of calls to action to the provincial and federal governments for immediate investment in the following areas:

Affordability

- Fund school food programs to improve affordability and food security for families. In addition to affordability, bulk purchasing of school foods provides an opportunity to support local businesses and domestic farmers who will be affected by tariffs.
- Provide relief through federal and provincial programs for the most impacted businesses, workers and residents, conforming to municipal advice on eligibility.

Housing

- Commit to improve housing affordability so that Toronto workers and families can manage inflationary pressures and more fully participate in their communities and support local businesses.
- Unlock more funding for affordable housing to stimulate the construction industry and the broader economy, including providing funding to municipalities to reduce barriers to development to accelerate the creation of more affordable housing.
- Provide immediate support to people affected by tariffs by providing housing supplements, through a program such as the Canada-Ontario Housing Benefit, and enhancing funding for acquisition of affordable housing through investment in the Multi-Unit Residential Acquisition Program (MURA) as this is how the City provides affordable housing quickly.

Mobility of People and Goods

- Provide additional funding to advance the City's capital program and work in partnership with the federal and provincial governments to create jobs for workers transitioning out of affected sectors while accelerating key City initiatives, such as addressing congestion and enhancing productivity. This should include investment in the Eglinton East Light Rail Transit (LRT), Waterfront East LRT, and Automatic Train Control (ATC) on the Line 2 subway.

Skills and Technology

- Convene business and academia to join with government to address persistent issues in commercialization and technology adoption that undermine economic resilience.
- With other government partners, create the conditions for Toronto businesses and public services alike to adopt new technologies that increase productivity, enable reskilling, and improve the quality of public services.

Looking Forward

Despite the many underlying strengths in Canada's economy, the reliance on economic partnership with the US has resulted in complacency. Among the structural issues in the economy that Canada and Toronto must face are interprovincial trade barriers, limited trade diversification, and inadequate investment in technology adoption and related upskilling of workers. Independent of the current threat posed by US trade policy measures, structural changes are required to strengthen Canada and Toronto's long-term economic resilience.

Exclusively focusing our response on US tariffs risks obscuring the greater threats to Toronto's prosperity and the opportunities from strategic investments and realignments. The rising tide of US protectionism may likely outlast the current US administration and require us to question the fundamental premises of our economic model. Stated plainly, a business model for the economy that is based on free access to the US market may not return. As the impacts of the current crisis unfold, bolder action will be required to support, invest in and grow a resilient Canadian and local economy.

To this end, the City is working with partners to assess projects with a truly transformative potential to strengthen Toronto's long-term economic resilience. The City is currently consulting with business, labour and other government partners on what such transformative projects can and should look like. Projects being explored include:

1. Supporting tariff-resilient sectors able to drive long-term economic growth and job creation

Toronto has a number of key economic sectors likely to prove resistant to trade shocks. An example is our burgeoning creative industries sector, home to a growing number of remunerative jobs. In addition to being the source of good jobs, Toronto's creative industries are the engine of Canada's cultural economy. A country – and a city – are the sum of their shared stories, as told by our authors, songwriters and filmmakers. A thriving creative industries sector in Toronto supports Canadian cultural sovereignty and allows for an independent media to underpin our local and national democracies.

2. Accelerating housing innovations

With historic levels of public and private investment in housing, all orders of government must continue to address the current housing crisis by scaling innovative local solutions with the potential to go global, such as modular housing and timber construction.

3. Reducing reliance on US energy and support sustainability

The Toronto region currently relies on imported US oil and natural gas to fuel our economy. Accelerating electrification would create new jobs and decrease dependence on US energy, while supporting Toronto and Canada's net zero plans. The intensification of electrification can bring new innovative technologies to market, including smart and green manufacturing and energy efficiency technologies like retrofits, rooftop solar and heat pumps.

4. Strengthening Toronto's ports

Toronto must seize the opportunity to modernize its ports while thinking ambitiously about maximizing their economic advantage. Great Lakes shipping and leisure cruises are rising year-over-year, and to share in the potential and support sustainability goals, Toronto must make long overdue investments in aging, unreliable or absent port infrastructure.

Closing

The ten Immediate Actions outlined in this Plan are the steps the City of Toronto is taking now to address the impacts of tariffs on our economy.

Through a Team Canada approach, we know we will see greater aligned political will, more impactful investments, and stronger results from both mitigation efforts, as well as efforts at long-term economic resilience. The Calls to Action are the City of Toronto's message to other orders of government to support Toronto businesses, workers and residents as we move towards a more resilient economy.

This plan is reacting to an ever-changing situation and Toronto must be nimble and flexible in its approach. The City of Toronto will draw on the expertise of the Mayor's Economic Action Team as the current economic crisis unfolds, to help assess impacts and define strategies. No longer can we be complacent; we need to act now for our future.