

Mayor's Economic Action Plan in Response to US Tariffs – Update to Council

Date: July 2, 2025

To: Executive Committee

From: City Manager and General Manager, Economic Development and Culture

Wards: All

SUMMARY

At its meeting on March 26, 2025, City Council adopted the Mayor's Economic Action Plan in Response to US Tariffs, which laid out ten (10) immediate actions the City is taking in response to United States (US) tariffs. The cumulative effect of these tariffs, along with subsequent announcements, threatens to disrupt global supply chains, impact auto and auto parts manufacturing in Canada, and reduce the productivity of the global economy. Several major financial institutions predict a recession or significant economic slowdown in Canada.

Since the adoption of the Mayor's Economic Action Plan in Response to US Tariffs - Update by Toronto City Council on April 23, City staff across various divisions have been working to implement the actions, monitor the evolving US trade situation, and continue to work with the Mayor's Economic Action Team on the next phase of City actions. Notably, US trade policy and related Executive Orders from the White House continue to evolve.

The upcoming supplementary report to Executive Committee will provide an update on the implementation of the Council-approved action plan, outline the situation at the time of writing and the next steps for City response.

RECOMMENDATIONS

The City Manager and the General Manager, Economic Development and Culture, recommend that:

1. City Council receive this report for information.

FINANCIAL IMPACT

There are no financial implications arising from receipt of this report. Assessments of any financial implications will be outlined in the forthcoming report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information presented in the Financial Impact section.

DECISION HISTORY

On November 13 and 14, 2024, City Council adopted *Sidewalks to Skylines: An Action Plan for Toronto's Economy (2025-2035)*, a comprehensive ten-year action plan that guides and shapes Toronto's economic development for the next decade, focusing on three priorities: Strong Main Streets, Quality Jobs, and Global Competitiveness, anchored by a foundational priority of Getting the Basics Right, focusing on key City levers that improve liveability and enable a business-friendly environment.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EC16.2>

At its meeting on February 5, 2025, City Council adopted the motion MM26.7, which requested the development of a comprehensive, multi-faceted "Buy Local, Buy Canadian" campaign in response to the potential twenty-five (25) percent tariff announced by the US administration.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.MM26.7>

At its meeting February 11, 2025, City Council also directed the City Manager, as part of the forthcoming Toronto Action Plan, to develop a Resiliency Strategy to respond to the potential impacts of tariffs placed on Canadian goods and services by the United States, incorporating input from impacted sectors and the Mayor's Economic Action Team, in collaboration with the other orders of government.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.CC27.1>

At its meeting March 26, 2025, City Council adopted the Mayor's Economic Action Plan in response to US Tariffs. The Plan details ten (10) immediate actions to be implemented over the following 30 days to ensure Toronto remains resilient amidst economic adversity while continuing to build a strong and diversified economy to enable growth with a commitment to return to Council with additional measures in future.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX21.2>

At its meeting April 23, 2025, City Council adopted the Mayor's Economic Action Plan in response to US Tariffs – Update to Council. The report provided an update on the early implementation of the Mayor's Economic Action Plan in response to US tariffs and outlined six (6) long-term economic opportunities.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX22.9>

COMMENTS

Mayor's Economic Action Plan Implementation Updates

The Mayor's Economic Action Plan, approved at the March 26 City Council meeting, was developed in close collaboration with City divisions, agencies and the Mayor's Economic Action Team, and is consistent with the Council adopted 10-year economic action plan for Toronto's Economy, *Sidewalks to Skylines: An Action Plan for Toronto's Economy* (APTE). The Mayor's Economic Action Plan in Response to US Tariffs, outlined 10 initial actions the City is taking to protect Toronto workers, businesses and residents in response to US tariffs. The supplementary report will provide an update on the implementation of the Action Plan.

Long-term Economic Opportunities

The significant disruption to the global trade order engendered by US policy changes and attendant uncertainty in markets underlines the need for Toronto and Canada to strengthen the resilience of our economy and address structural inefficiencies in the local economy to achieve long-term economic resilience. The scale of the challenge, and the response of the Canadian public, is seeing all orders of governments raise the ceiling of ambition on projects with transformative potential to strengthen the economy and strive for shared prosperity.

Drawing on the advice of the Mayor's Economic Action Team to think boldly, invest in growth, and set an optimistic vision for Toronto's future economy, six opportunities have been identified to be explored further as part of the next phase of the Mayor's Economic Action Plan in Response to US Tariffs:

1. Enhancing Toronto's business environment to drive new investment, employment growth and economic resilience
2. Accelerate adoption of technology, with a focus on AI to support the competitiveness of local firms and the upskilling for Toronto workers to boost productivity
3. Accelerate housing innovations to deliver more homes and accelerate local innovation with the promise to scale globally
4. Reduce reliance on US energy and support sustainability through the advancement of electrification
5. Strengthen Toronto's industrial port
6. Support tariff-resilient sectors able to drive long-term economic growth and job creation

The upcoming report will provide an update on these six opportunities and identify next steps for the Mayor's Action Plan in Response to US Tariffs.

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SIGNATURE

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