



STAFF REPORT TO BOARD

DATE OF REPORT March 13, 2025
MEETING TYPE & DATE Regular Board of March 26, 2025
FROM: Economic Development Division
Corporate Services Department
SUBJECT: Economic Development Cowichan Response to Tariffs
FILE: 6750-20 REG 2025 Tariff Response

PURPOSE/INTRODUCTION

The purpose of this report is to update the Board on Economic Development Cowichan's response to Canada's trade dispute with the United States (US). The report will be accompanied by a presentation from Economic Development Cowichan staff (Attachment A).

RECOMMENDED RESOLUTION

For information.

BACKGROUND

The trade tensions between Canada and the US have escalated significantly in recent weeks. The situation remains fluid, evolving daily so this report will not attempt to summarize the current situation and may not account for changes that occur following the writing. Needless to say, the Canadian government is implementing countermeasures against the US-imposed tariffs, while the BC government is also responding to the tariffs with tools under its control such as liquor and purchasing.

The US is a significant trading partner of Canada and the tariffs represent a significant and immediate threat to both the Canadian and BC economies and workers. The US is the number one destination for exports of BC (52.8%) and Canadian (75.9%) origin, and it is also the primary source of imports into Canada (49.5%). Meanwhile, Canada represented only 13.7% of US exports and 12.8% of imports in 2023.

Within Canada, Ontario, Alberta, and Quebec are by far the largest exporters of goods to the US. BC is relatively less susceptible to tariff impacts, representing only 5.3% of Canadian exports to the US in 2024. BC's location gives us better linkages to Asian countries for trade. Nevertheless, the US remains a significant trading partner with BC. The top 5 products BC exported to the US in 2024 include lumber, liquified petroleum, crude oils, unwrought aluminum and unwrought zinc.

ANALYSIS

The recent US tariff announcements have raised concerns for businesses across Canada, including those in the Cowichan region. As the situation continues to evolve, Economic Development Cowichan (EDC) is committed to keeping businesses updated with the latest information, resources, and support programs.

EDC has published a resource page on its website, [Navigating Tariffs](#). This page serves as a central hub, providing guidance, exploring new market opportunities, and leveraging available federal and provincial assistance. As trade conditions evolve, staff will continue to update this page with relevant insights and tools to help Cowichan businesses adapt and remain competitive. By curating these resources, we aim to equip the Cowichan community with the tools needed to adapt to evolving trade conditions and strengthen economic resilience within the region. The page has been shared with the business community through the EDC email list, as well as chambers, business improvement associations (BIAs), and other business support organizations.

On February 6, 2025, EDC met with staff from the Ministry of Jobs, Economic Development & Innovation (JEDI) to discuss the trade dispute situation. EDC was advised that the Government of Canada's [Work-Sharing Program](#) would be a key resource for businesses looking to avoid layoffs in the event that tariffs caused a reduction in business activity. This program features prominently on EDC's Navigating Tariffs page, and has been shared with other business support organizations.

On February 27, 2025, EDC hosted a [Workforce Summit](#), bringing together business support organizations, government, educational institutions, and local employers to discuss workforce challenges and opportunities in the Cowichan region. Attendees were encouraged to complete a brief two-question survey on the tariffs. The survey asked:

1. What do you see as the greatest challenges facing the Cowichan economy as a result of the proposed US tariffs?
2. What do you see as the greatest opportunities facing the Cowichan economy as a result of the proposed US tariffs?

The responses are summarized below.

Challenges:

- Rising costs, inflation
- Layoffs, unemployment
- Reduced discretionary spending
- Instability
- Difficulty identifying local products

Benefits:

- Buy local – both consumers and businesses
- Increased trade with non-US partners (local, provincial, national, international)
- Innovation (manufacturing, supply chain, circular economy)
- Unity

On March 11, 2025, EDC convened a meeting with chambers, BIAs, Tourism Cowichan, Community Futures Cowichan, Export Navigator, and WorkBC to discuss the region's response to the tariffs. Several action items were identified and are being pursued as a result. As in the initial stages of the COVID-19 pandemic, EDC will continue to host regular collaborative meetings with this group to share information and coordinate actions and messaging across the region.

EDC will continue to monitor the situation via regular communications with local groups, as well as regional and provincial partners, including Export Navigator, the Ministry of Jobs, Economic Development and Innovation (JEDI), Vancouver Island Economic Alliance (VIEA), and the Vancouver Island Coast Economic Developers Association (VICEDA). Staff will continue to update the community and Board, and seek direction as needed to inform our ongoing response to the trade disputes.

FINANCIAL CONSIDERATIONS

There are no financial considerations related to EDC's response to the trade dispute at this time. However, as noted above, the situation continues to evolve and may require further response in the future, and that response may have financial implications.

COMMUNICATIONS CONSIDERATIONS

EDC will continue to update the Navigating Tariffs page and send updates to businesses via its email list and partners as the trade dispute evolves.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

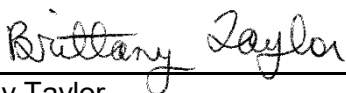
This work supports Strategic Objective 5 of the CVRD Corporate Strategic Plan (2023-2026): to increase the levels of economic resiliency, security, and prosperity for residents of the Cowichan region.

Referred to (upon completion):

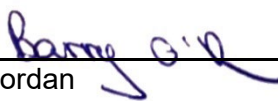
- ☐ Community Services (*Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Arts & Culture, Facilities & Transit, Emergency Management*)
- ☒ Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services, Communications & Engagement*)
- ☐ Operations (*Utilities, Parks & Trails, Recycling & Waste Management*)
- ☐ Land Use Services (*Community Planning, Strategic Initiatives, Development Services, Building Inspection & Bylaw Enforcement, Environmental Services*)

Prepared by:

Reviewed by:



Brittany Taylor
Economic Development Analyst



Barry O'Riordan
Manager, Economic Development



Clayton Postings
General Manager, Corporate Services

Reviewed for form and content and approved for submission to the Board:

Resolution:

Financial Considerations:

☒ Corporate Officer

☒ Chief Financial Officer

Chief Administrative Officer's Comments / Concurrence



Danielle Myles Wilson
Chief Administrative Officer

Attachment:
Attachment A – Tariff Response PPT