United States Tariff Situation

April 2026 Update

SPC Finance and Economic Development

North Committee Room Council Building, 510 Main Street

Friday, April 17, 2026

Winnipeg

Presentation outline

1. U.S. Supreme Court February 20, 2026, decision on tariffs
2. Current U.S. and Canada tariff policies
3. CUSMA update
4. Updated tariff analysis on Winnipeg's economy

U.S. Supreme Court decision

- One major legislative avenue President Trump used to impose tariffs on Canada and practically every other country was the International Emergency Economic Powers Act (IEEPA).
- The emergency for Canada was premised on the influx of drugs from Canada into the U.S. (the same argument was used against China and Mexico).
  - The U.S. initially imposed 10% tariffs on Canadian energy and potash products and 25% on everything else (later increased to 35%), with a carve out for CUSMA compliant goods.
- The emergency for practically every other country was the trade deficit, which the U.S. imposed reciprocal tariffs (recall Liberation Day tariffs in April 2025), varying by country.
- On February 20, 2026, the U.S. Supreme Court found IEEPA does not authorize the President to impose tariffs, striking down those tariffs.
- Using Section 122 of the Trade Act on February 23, 2026, a 10% tariff was imposed on all goods (with exceptions) for 150 days. An extension must be passed by Congress.
- This decision does not cover sector specific tariffs (e.g. steel and aluminum) imposed using Section 232 of the Trade Expansion Act.

Current U.S. tariff measures on Canada

Item	Tariff Rate	Start Date	Notes
Non-CUSMA compliant exports	10%	March 4, 2025	Initially imposed using IEEPA at 25%, increased to 35% on August 7, 2025. Lowered to 10% using Section 122.
Non-CUSMA compliant potash and energy products	10%	March 4, 2025	Initially imposed using IEEPA, now in effect under Section 122.
Aluminum and steel and derivative products	50% and 25%	March 12, 2025	Section 232 tariff. Increased from 25% prior to June 4. Adjusted on April 2, 50% tariff on products mostly containing the metal. 25% on derivative products. No tariffs on products with the metal being less than 15% of the products weight.
Non-U.S. content on CUSMA compliant motor vehicles	25%	April 3, 2025	Section 232 tariff.

Sources: Government of Canada, United States Government. Information current as of April 16, 2026.
Note: CUSMA is an acronym that stands for Canada-United States-Mexico Agreement.

Current U.S. tariff measures against Canada

Item	Tariff Rate	Start Date	Notes
Copper and derivative products	50% and 25%	August 1, 2025	Section 232 tariff. Same April 2 changes for aluminum and steel and derivative products apply to copper and derivative products.
Lumber	35%	Mid-August 2025	Up from 14.5% prior to August 2025
$800 de minimis exemption rescinded	Varies by product	August 28, 2025	For low value products being exported from Canada into the United States
Certain upholstered furniture	25%	October 14, 2025	Section 232 tariff.
Kitchen cabinets and vanities	25%	October 14, 2025	Section 232 tariff.

Sources: Government of Canada, United States Government. Information current as of April 16, 2026.
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Current U.S. tariff measures against Canada

Item	Tariff Rate	Start Date	Notes
Medium and Heavy-Duty Trucks	25%	November 1, 2025	Section 232 tariff.
Buses	10%	November 1, 2025	Section 232 tariff.
Pharmaceuticals and pharmaceutical ingredients	100% (maximum and varies)	July 31, 2026/September 29, 2026	Section 232 tariff. July 31 start date is for 17 major firms and Sept 29 for all others. This applies to patented drugs and key ingredients. There are lower tariffs for specific countries, companies investing in the U.S. and other conditions.

Sources: Government of Canada, United States Government. Information current as of April 16, 2026.
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Current Canadian tariff measures against the U.S.

Item	Tariff Rate	Start Date	Notes
Steel and aluminum	25%	March 13, 2025	Canadian counter tariffs against U.S. steel and aluminum tariffs.
U.S. content of CUSMA-compliant automobiles	25%	March 13, 2025	Canadian counter tariffs on against U.S. tariffs on non-U.S. content of automobiles.
Steel derivative products	25%	December 26, 2025	This tariff applies to all countries. However, it does not stack on top of the existing steel tariffs against the U.S. or China as well as some other exemptions.

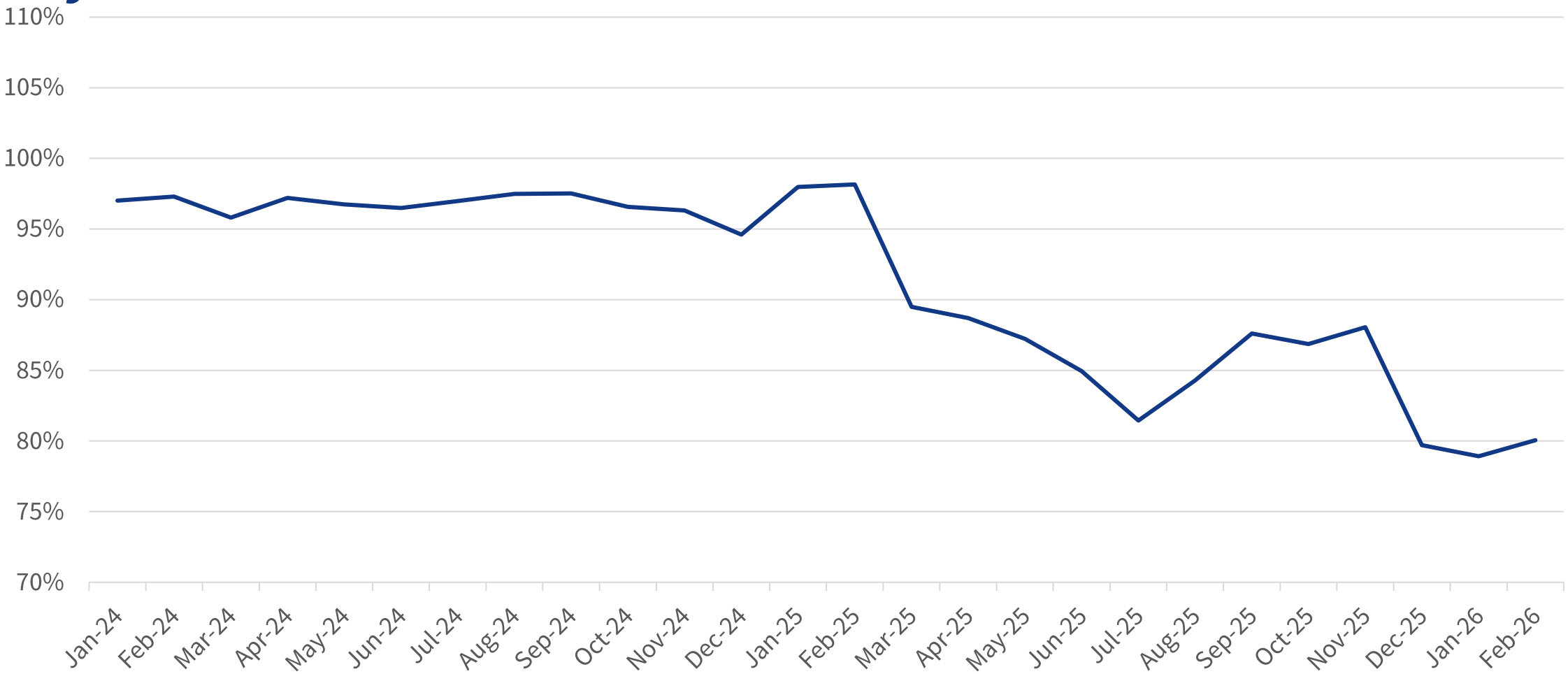
Sources: Government of Canada, United States Government. Information current as of April 16, 2026.
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CUSMA update

- July 1, 2026 is the sixth anniversary of CUSMA, which triggers an automatic review by all countries.
- Canada has completed pre-negotiation political and industrial consultations.
- Key recent comments made by U.S. Trade Representative Jameson Greer (April 2, 2026):
  - The U.S. sees value in the core parts of CUSMA, but elements need to be renegotiated;
  - The U.S. is further along in addressing trade issues with Mexico than Canada;
  - Likely need separate protocols to deal with specific issues with Mexico and Canada (e.g. dairy is a trade irritant for the U.S. with Canada, but not Mexico).
- There are broadly three options for how the CUSMA review may proceed:
  1. Renewing the agreement which extends it for 16 years.
  2. Annual review, resulting in negotiations, with a possible extension in the future.
     - Any extension would require a review 6 years later.
  3. A country withdraws from CUSMA, which requires six months notice.
     - This could turn into bilateral trade agreements.
- A decision on a renewal or annual reviews will come in either 2026 or 2027

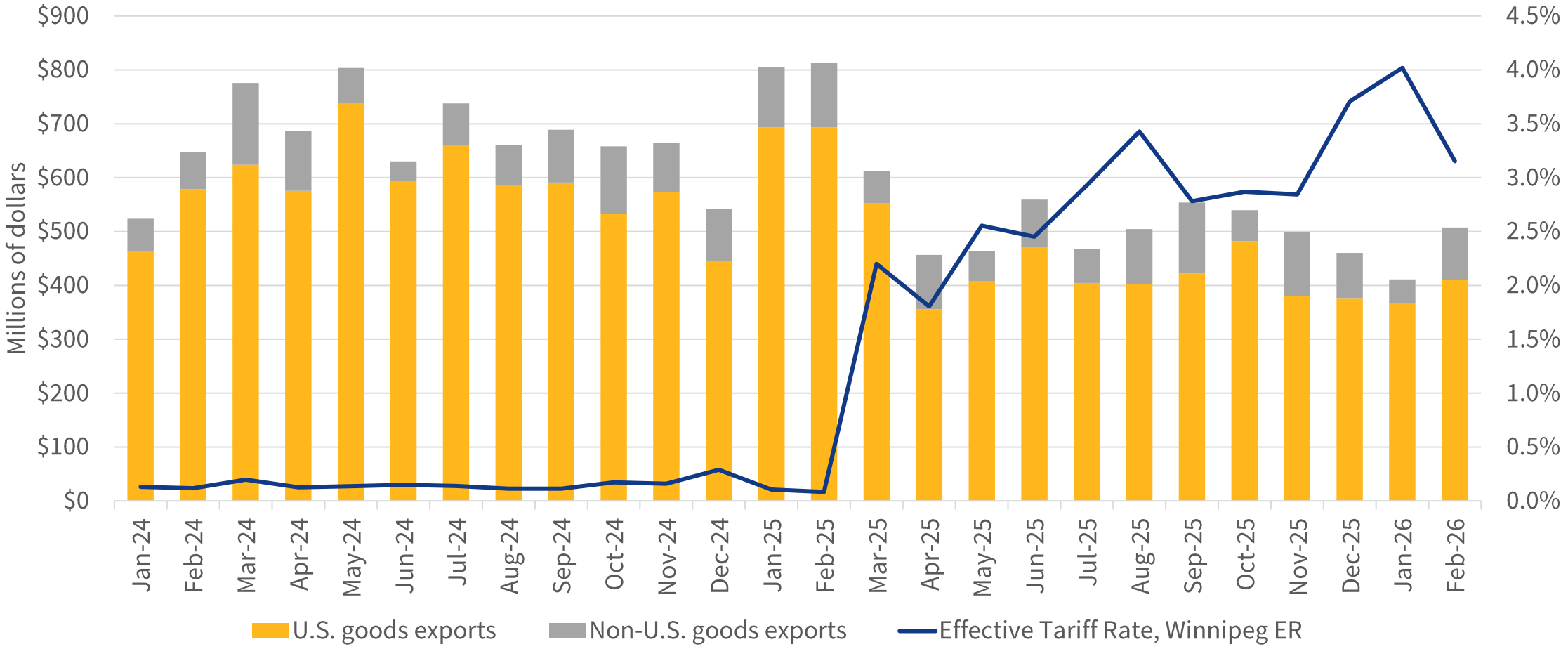
Sources: Center for Strategic and International Studies, Desjardins, Hudson Institute.
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Approximately 80% of Winnipeg ER* U.S. exports enter duty free



*Winnipeg ER is the Winnipeg Economic Region, which is the City of Winnipeg and RM of Headingley
Sources: U.S. Census Bureau, Statistics Canada, City of Winnipeg Economic Development & Policy Research calculations

Winnipeg ER nominal international goods exports down -16% in 2025 from 2024



**Winnipeg ER is the Winnipeg Economic Region, which is the City of Winnipeg and RM of Headingley*
Sources: U.S. Census Bureau, Statistics Canada, City of Winnipeg Economic Development & Policy Research calculations

10 top highest estimated tariffs collected by industry, Winnipeg ER*

Rank	Industry	December 2025 – February 2026 estimated tariffs collected (millions)	Effective tariff rate	Share of total tariffs paid	GDP Share (2024)
1	Aerospace product and parts manufacturing	$9.52	8.2%	22.9%	0.91%
2	Machinery manufacturing	$8.56	4.9%	20.6%	2.09%
3	Motor vehicle manufacturing	$6.79	7.2%	16.3%	0.42%
4	Primary metal manufacturing	$5.11	32.7%	12.3%	0.23%
5	Fabricated metal product manufacturing	$2.95	7.3%	7.1%	0.64%
6	Furniture and related product manufacturing	$1.64	7.1%	3.9%	0.31%
7	Electrical equipment, appliance and component manufacturing	$1.07	1.9%	2.6%	0.33%
8	Chemical manufacturing	$1.01	1.2%	2.4%	1.08%
9	Computer and electronic product manufacturing	$0.97	6.2%	2.3%	0.22%
10	Plastics and rubber products manufacturing	$0.87	0.8%	2.1%	0.71%
	Top 10 total	$38	5.3%	92.5%	6.94%
	All industries	$41.60	3.6%	n/a	n/a

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Questions?

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