United States Tariff Situation

September 2026 Update

SPC Finance and Economic Development

North Committee Room Council Building, 510 Main Street

Monday, September 14, 2026

Winnipeg

Presentation outline

1. New U.S. tariffs
2. New Canadian retaliatory tariffs
3. Economic impacts of new tariffs on Winnipeg's economy
4. New federal and provincial supports
5. Implications for city finances

New U.S. tariffs

- On July 20th the President Trump signed three proclamations tariffing ~$28 billion CAD Canadian goods with 50% tariffs, framed as a response to Canadian policies regarding dairy, automotive and alcoholic beverage sectors.
- The list of tariffed products is diverse and beyond those three sectors . The largest groups by exports values are electrical machinery equipment and parts, plastic products, various furniture, wood and wood products and paper products.
- Products excluded from the tariffs include energy, potash, fish, critical minerals and products already subject to section 232 tariffs such as steel and aluminum products.
- There are no CUSMA compliant exemptions
- Tariffs were to go into effect August 19, but delayed after ongoing negotiations between Canada and U.S., which ultimately fell apart. The tariffs went into effect August 22.
- The tariffs hit ~6.0% of Canadian exports to the U.S., disproportionately impacting B.C. (12.1%), Quebec (10.4%), Ontario (9.0%). This impacts 5.1% of Manitoba ‘s exports to the U.S.

Sources: U.S. Government, Statistics Canada, City of Winnipeg Economic Development & Policy Research calculations ns

New Canadian retaliatory tariffs

- In response to the new U.S. tariffs Canada announced retaliatory tariffs to go into effect September 8th targeting ~$27.6 billion of American goods
- The retaliatory tariffs target a mix of products with 15%, 25% and 50% tariff rates. The list includes:
  - Iron and steel and their products and aluminum previously tariffed at 25% since March 2025, now at 50%;
  - New retaliatory tariffs have been applied to dairy, appliances, agricultural equipment, pulp and paper, and electronics;
- The new retaliatory tariffs affect 5.0% of Canadian imports from the U.S., with the greatest impacts on B.C. (7.2%) and Manitoba (7.1%)

Sources: Government of Canada, Statistics Canada, City of Winnipeg Economic Development & Policy Research calculations

Winnipeg ER industry impacts from new U.S. tariffs

Rank	Industry	Tariff impacted value added in exports (millions)	2025 GDP (millions)	Total tariff impacted value added exports as % of GDP
1	Plastics and rubber products manufacturing	$98	$339	28.9%
2	Furniture and related product manufacturing	$43	$170	25.6%
3	Paper manufacturing	$31	$159	19.5%
4	Textile, clothing and leather product manufacturing	$31	$144	21.4%
5	Chemical manufacturing	$28	$524	5.3%
6	Rail transportation	$9	$899	1.0%
7	Truck transportation	$8	$955	0.9%
8	Electrical equipment, appliance and component manufacturing	$8	$208	4.0%
9	Wood product manufacturing	$8	$81	9.7%
10	Building material and supplies merchant wholesalers	$7	$487	1.4%
	Remaining industries	$96	$50,487	0.2%
	Total	$367	$54,452	0.7%

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

Winnipeg ER industry impacts from September 8 Canadian tariffs

Rank	Industry	Estimated maximum tariff cost (millions)	2025 GDP (millions)	Tariff cost as percentage of GDP
1	Machinery manufacturing	$52	$1,076	4.8%
2	Residential building construction	$50	$1,158	4.3%
3	Other construction industries	$35	$1,980	1.7%
4	Fabricated metal product manufacturing	$28	$320	8.9%
5	Electrical equipment, appliance and component manufacturing	$11	$208	5.5%
6	Food manufacturing	$8	$913	0.9%
7	Aerospace product and parts manufacturing	$8	$487	1.6%
8	Motor vehicle parts manufacturing	$5	$33	16.1%
9	Religious, grant-making, civic, and professional and similar organizations	$5	$477	1.0%
10	Printing and related support activities	$4	$163	2.7%
	Remaining industries	$71	$47,636	0.1%
	Total	$277	$54,452	0.5%

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New federal and provincial supports

- **Federal government supports:**
  - Short-term business support: $1.5B in regional SME funding, $500M in BDC liquidity, and expanded flexibility under the $10B large-enterprise loan facility.
  - Trade diversification: $2B for diversification, productivity, capital maintenance, and supply-chain adjustment projects.
  - Worker support: $3.5B for EI measures, job matching, and retention/retraining support of up to $1,000 per participant.
- **Provincial supports:**
  - Short-term business support : $100,000–$1M loans per business, backed by up to $50M in loan authority, plus tax-payment deferrals.
  - Trade diversification: $1.75M for export programming, advisory services, Canadian market connections, and alcohol-sector trade.
  - Workforce and agriculture: $13.7M for wage subsidies, plus agricultural loan guarantees up to $3M for operating credit and $5M for diversification.

Sources: Government of Canada, Government of Manitoba

Implications for city finances

- Preliminary analysis of the impact of cumulative Canadian counter-tariffs as of September 8, 2026 on Water and Waste (WWD) and Public Works (PW) projects and programs shows the main impacts are from tariffs on pumps, steel and aluminum products
- Total analyzed WWD and PW projects and programs expenditures over 2026 and 2027 was $988.6 million
  - Of which a maximum tariff risk of $4.7 million was identified on $913.7 million expenditures
  - The remaining $74.8 million in expenditures has an unknown maximum tariff risk.
- Contracts have language requiring builders to seek alternative sources to U.S. products subject to Canadian tariffs to avoid increased costs
- Tariff relief can be granted if the good cannot be sourced domestically or reasonably from non-U.S. sources, or other exceptional circumstances could create severe adverse impacts on the Canadian economy, however the cost of seeking relief can be $40k-$60k

Questions?

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