

****For Immediate Release****

BY THE NUMBERS: POTENTIAL TARIFF IMPACTS FOR CHATHAM-KENT



Chatham-Kent Chamber of Commerce, ON | February 12, 2025 — Tariffs are the most urgent threat facing Canadian and American businesses today. Modelling from the Canadian Chamber of Commerce's Business Data Lab suggests that these tariffs would come at a huge economic cost, reducing real annual income by \$1,900 CAD per Canadian and \$1,300 USD per American.

“Tariffs are a lose-lose. They would raise business costs, reduce North America’s international competitiveness, and ultimately increase consumer prices at a time when Canadians and Americans are both struggling with significant affordability challenges,” says **Stephen Tapp, Chief Economist at the Canadian Chamber of Commerce.**

Canada is the largest export market for 34 states, reaching all the south way to Mississippi and Florida with each province and territory having its own special trade relationship with many American states.

For Ontario:

- Michigan is Ontario’s top American trading partner.
- Two-way goods trade between the U.S. and Ontario accounts for \$446,575 million CAD. (\$70 million in Vehicle & Other Transportation in Michigan)
- 985,865 Canadian jobs are supported by Ontario’s exports to the U.S. (32,200 American jobs are supported by Canadian investment in Michigan)
- 19,927 companies in Ontario export to the U.S.
- Ontario’s top five export products include
 1. Vehicles & Other Transportation (\$70,235 million CAD)
 2. Machinery & Electrical (\$29,967 million CAD)
 3. Base Metals (\$20,773 million CAD)
 4. Prepared Foods & Beverages (\$13,805 million CAD)
 5. Chemicals (\$13,495 million CAD)

The potential harm that tariffs pose to the automotive sector resonates deeply here in Chatham-Kent. Impact modelling estimates that automotive and parts manufacturing would be the second most negatively impacted sector by U.S. tariffs. As a community woven into the fabric of Ontario's automotive supply chain, tariffs on steel, aluminum, and auto parts would not only raise costs for manufacturers but threaten jobs and investment across our region.

Also, Chatham-Kent's agriculture and agri-food system is a vital economic engine, contributing approximately \$4 billion annually. Recent investments have fueled greenhouse expansion, exceeding \$120 million with the greenhouse industry exporting up to 90% of its products. Chatham-Kent is an important piece of Ontario's broader agricultural exports, with a significant portion destined for the U.S. market. This robust sector, supported by over 2,400 farms, emphasizes the importance of maintaining smooth trade relations with the U.S. The industry current statistics not CMA reported are:

- \$2.3 billion in Ontario GDP
- \$1.3 billion in Ontario farm gate value
- 32,000 jobs
- 81.6% share Ontario export volume in Canada

"The impact of tariffs extends beyond just agricultural products. Tariffs on steel, aluminum, and energy significantly increase input costs for our manufacturers and agricultural producers, hindering their competitiveness. We will see broadening of tariffs increase building costs, and delay capital returns on new investment potentially delaying or cancelling those investments," said **B.J. Griffiths, Board Chair of the Chatham-Kent Chamber of Commerce.**

"However, Chatham-Kent businesses have always been resourceful and resilient. As a Chamber we will continue to support them as they navigate these challenges and advocate for policies that support open and fair trade, which is vital for the continued prosperity of our community," he adds.

To empower the Canadian and American businesses and stakeholders who are working hard to grow our best-in-class trade relationship, the Canadian Chamber of Commerce's Business Data Lab launched its Canada-U.S. Trade Tracker. [Canada-U.S. Trade Tracker - Business Data Lab](#). The interactive and customizable online tool highlights the deep and vital economic interconnections at the state, province, territory and now 41 Canadian Census Metropolitan Areas (CMAs) level. While the tracker does not drill down to Chatham-Kent what happens in our region with the auto industry will have significant impact here in Chatham-Kent. That combined with the significant agricultural sector impacts can mean some challenging times for the area.

"The dynamic and localized information available in the Canada-U.S. Trade Tracker will help government leaders, businesses and citizens on both sides of the border better understand these critical cross-border linkages and then make the case to decision-makers that we should strengthen rather than break these mutually beneficial ties." says **Stephen Tapp, Chief Economist at the Canadian Chamber of Commerce.**

With the up-to-date state of the relationship on full display through the Canada-U.S. Trade Tracker, it's undeniable: we do better together.

Candace Laing, President and CEO, Canadian Chamber of Commerce calls for unity at this pivotal moment, including calling for leaders to reconvene Parliament so that all parties can address critical roadblocks that have left Canada too dependent on trade with the United States. Priorities for a bipartisan plan need to include:

1. **Deliver on the promise of internal trade** so that it's easier to trade within Canada so that we can build Canada's economy and resilience from within
2. **Build, build, build** so that modern trade infrastructure is ready to get goods overseas.
3. **Reduce red tape** so that we can build and build up businesses, without piled up paperwork holding us back.
4. **Reduce taxation** so that businesses can focus on competing globally while also diversifying trade relationships.

A plan that is incremental or siloed won't rise to this challenge. We need governments, parties and businesses at all levels to boldly tackle it together. The Canadian Chamber and our Canadian Chamber Network stand ready across the country to do our part. Businesses have durable relationships, which will chart a secure, prosperous future, but Canada's leaders need to get back in gear for it to work.

"Today, the Canadian Chamber of Commerce is calling on the government to reconvene Parliament, and all parties to get back to work on behalf of Canadians," said Laing. *"We need to send a strong message to President Trump and the world that we will rise to this occasion, as a unified Canada. Tariffs tomorrow instead of tariffs today still leave businesses, workers and families in the lurch. \$3.6 billion in trade every day hangs in the balance."* Candace Laing, President and CEO, Canadian Chamber of Commerce

Returning today from meeting in Washington, DC, **Daniel Tisch, President and CEO of the Ontario Chamber of Commerce**, released the following statement following President Trump's announcement of 25% tariffs on Canadian steel and aluminum:

"This announcement is a serious blow to Canada's steel and aluminum industries, our workers, the communities they support and our economy. Canada's 9,500 aluminum workers supply essential materials to over 700,000 American manufacturing jobs, driving \$228 billion in U.S. economic output. With 90% of Canadian steel exports destined for the U.S., these tariffs will disrupt supply chains, harm North American manufacturers, and put thousands of jobs at risk on both sides of the border.

"History has already shown us the consequences of such measures. When similar tariffs were imposed in 2018, Canadian steel exports to the U.S. plummeted by nearly 38%. The result? Higher costs for businesses and weaker competitiveness."

"Canada and the U.S. have long been partners in a deeply integrated trade network that supports jobs and prosperity in both countries. Now, more than ever, we must work with all levels of government and U.S. business allies to restore stability, defend our industries, and reinforce the principles of fair and open trade. The stakes are too high for anything less."

"The potential harm that tariffs pose to the agri-food system and automotive sector resonates deeply here in Chatham-Kent. As a community woven into many supply chains, tariffs on steel, aluminum, and auto parts would not only raise costs for manufacturers but threaten jobs and investment across our region. We stand with our automotive partners and advocate for policies that ensure their continued success, as their success is inextricably linked to our own."

The Chatham-Kent Chamber of Commerce continues to work with colleagues across the country and in the U.S.A. to keep our communities viable and prosperous.

"Chatham-Kent is deeply connected to the U.S. economy, as are so many communities across Ontario and Canada, disrupting this vital trade relationship through tariffs would have serious consequences. It's not just about the big numbers; it's about the jobs, businesses, and families here in Chatham-Kent that

depend on cross-border trade. We need to strengthen, not break, these mutually beneficial ties to ensure a prosperous future for both our community and our trading partners." **Rory Ring, President & CEO, Chatham-Kent Chamber of Commerce**

About Chatham-Kent Chamber of Commerce:

The Chatham-Kent Chamber of Commerce serves as the recognized voice of visionary leadership for over 350 members and businesses in the Chatham-Kent community. Their mission is to champion business excellence by encouraging business relations, integrating business with the community, and fostering entrepreneurship. They aim to enhance economic prosperity and quality of life for local businesses. You can find them at 54 Fourth St, Chatham, ON N7M 2G21. For inquiries, you can reach them at (519) 352-7540 or via email at info@chatham-kentchamber.ca.

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