

SAFEGUARDING CANADA'S ECONOMIC INTERESTS IN AN EVOLVING TRADE ENVIRONMENT (2025)

Issue

Unpredictable trade policies, shifting international alliances, and the rise of protectionist measures – particularly from key trading partners such as the United States – pose significant and ongoing challenges to Canadian industries. For B.C. businesses, whose success is deeply tied to global trade, the uncertainty surrounding tariffs and market access discourages investment and undermines economic growth. Canada must adopt a proactive, flexible, and strategic approach to secure its economic interests, reduce dependency on volatile markets, and support domestic industry resilience.

Background

Global trade dynamics are becoming increasingly complex, with geopolitical shifts and domestic policy changes in major economies frequently altering the trade landscape. One such risk includes the imposition of tariffs or non-tariff barriers that can severely impact Canadian exports, particularly in manufacturing, agriculture, construction, and transportation. Businesses that rely on international markets are left vulnerable to sudden policy changes that disrupt operations, increase costs, and reduce competitiveness.

B.C. businesses – especially those exporting to the U.S. – have voiced serious concerns about the potential for restrictive trade actions. A recent regional survey highlighted that 64.5% of local businesses anticipate significant challenges due to cross-border trade uncertainties.¹ Manufacturing firms, in particular, are already reporting strategic shifts such as downsizing, delaying investments, or exploring relocation to more stable markets. The risks are not isolated; the ripple effect extends into consumer spending, employment, and community-level economic health.

Beyond the threat of tariffs, Canadian businesses are increasingly constrained by domestic regulatory burdens and high taxation, limiting their ability to adapt and grow. Interprovincial trade barriers and a slow pace of regulatory modernization further weaken Canada's competitive position in the global marketplace.

To thrive in this environment, Canada must adopt a whole-of-government approach that focuses on trade diversification, regulatory competitiveness, and targeted support for vulnerable sectors. Canada must also remain prepared to respond with strategic and measured actions when confronted with unfair trade practices, without exacerbating harm to Canadian businesses or consumers.

¹ Surrey Board of Trade and South Surrey & White Rock Chamber, "US Tariff Survey Results, February 2025," <https://businessinsurrey.com/wp-content/uploads/2025/02/US-Tariff-Impact-Survey-Report.pdf>.

Canada's strength lies in its role as a reliable trading partner and supplier of critical goods and services. Our strategic assets — including natural resources, technology, and a skilled workforce — must be leveraged to build resilient supply chains and deepen global partnerships. Strategic engagement with international stakeholders, including governments, legislators, and consumers, should be prioritized to counter protectionist narratives and support stable trade relations.

Diplomatic collaboration on shared security, environmental, and economic priorities can serve as a platform for constructive negotiation and long-term alignment. Domestically, all levels of government must take bold steps to reduce regulatory duplication, streamline interprovincial trade, and support SMEs through modernization initiatives.

In an increasingly unpredictable global economy, Canada must act with foresight and agility. By supporting its businesses, diversifying trade relationships, and reducing internal economic barriers, Canada — and especially B.C. — can weather global uncertainty and remain a competitive, resilient player in international markets.

THE CHAMBER RECOMMENDS

That the Government of Canada:

1. Support supply chain diversification and reduce reliance on politically sensitive markets by creating a database of Canadian suppliers across key sectors.
2. Provide export training, market diversification support, and targeted tax relief for small and medium-sized enterprises facing revenue disruptions due to trade barriers.
3. Prioritize the removal of interprovincial regulatory and logistical obstacles to strengthen the internal market and improve national economic efficiency.
4. Expand and deepen trade relationships beyond North America to mitigate exposure to single market dependencies.
5. Conduct regular consultations with affected sectors to inform responsive and forward-looking trade and regulatory policies.
6. Freeze new taxation or regulatory changes that would increase costs for businesses, particularly those in export-driven and high-growth sectors.
7. Prepare a suite of proportionate retaliatory options that uphold Canadian interests without inflicting undue harm on domestic industries.
8. Prioritize policies that reduce business costs, improve access to talent and technology, and accelerate innovation in trade-exposed sectors.