



TARIFF TALKS



Wednesday, February 26th, 2025



Calgary Economic
Development

Alberta

LAND ACKNOWLEDGMENT

We acknowledge that there have been Indigenous economies and economic development in the Treaty 7 region since time immemorial.

The Blue Sky City inspires, connects and calls for a deeper understanding of our past and our future. As we come together to share a new collective story of Calgary, we pay respect to the people of the Treaty 7 region in southern Alberta, who are original creators in our community.

We acknowledge that we gather in the home of the Blackfoot Confederacy, comprising the Siksika, Kainai and Piikani Nations, the Îethka Nakoda, comprising the Bearspaw, Chiniki and Goodstoney Nations, and the Tsuut'ina Nation.

Calgary is also homeland to the historic Northwest Métis and to the Otipemisiwak Métis Government, Nose Hill Métis District 5 and Elbow Métis District 6.

We acknowledge all Indigenous People who have made Calgary their home. Under the blue hues of promising skies, our new story is built on fostering a better relationship with First Peoples and taking pride in a place of real possibilities — Calgary.



AGENDA

- 01 | Welcome and opening remarks
- 02 | Calgary Economic Development trade updates
- 03 | Government of Alberta-Jobs, Economy & Trade
- 04 | Government of Alberta-Alberta Export Expansion Program
- 05 | ATB Financial
- 06 | EY
- 07 | Fireside Chat
- 08 | Networking



BRAD PARRY

President & CEO
Calgary Economic
Development and the
Opportunity Calgary
Investment Fund



Welcome and Opening Remarks

Tariff Talks

Wednesday, February
26th, 2025





TRADE

Supporting Calgary Companies Global Expansion



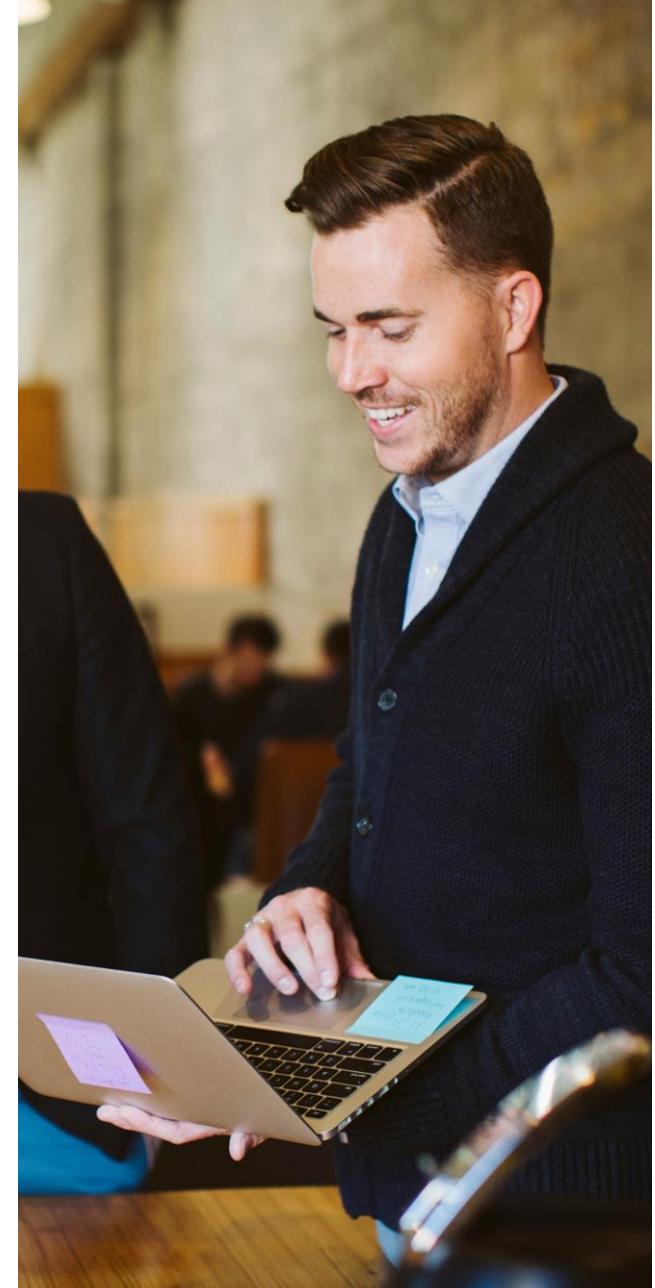
**Calgary Economic
Development**
BLUE SKY CITY

TRADE ACCELERATOR PROGRAM

The [Trade Accelerator Program](#) (TAP) is a **4-day in-person program** that helps businesses expand into international markets.

With TAP you'll gain:

- ❖ Tools to develop strategic growth
- ❖ Key connections to navigate international markets
- ❖ Expert knowledge to overcome challenges
- ❖ Dedicated support to prepare for global expansion



OUTBOUND MISSIONS

Lead and partner on Trade Missions into international markets

[Upcoming Trade Missions](#)

- ❖ Partnering with Government of Alberta, Edmonton Global, Trade Commissioner Service et.
- ❖ Support through tickets to applicable conferences
- ❖ In market meetings to educate attendees in market
- ❖ B2B meetings in market



UPCOMING MISSIONS



ARAB HEALTH | JANUARY 27 - FEBRUARY 4, 2025

Dubai, United Arab Emirates



MOBILE WORLD CONGRESS 2025 | MARCH 3 - 6, 2025

Barcelona, Spain



FOODEX JAPAN | MARCH 11 - 14, 2025

Tokyo, Japan



HANNOVER MESSE 2025 | MARCH 31 - APRIL 4, 2025

Hannover, Germany



IRELAND TRADE MISSION | APRIL 28 - MAY 1, 2025

Dublin, Ireland



ASIA TECH X SINGAPORE | MAY 27 - 29, 2025

Singapore



UPCOMING MISSIONS



WEB SUMMIT | MAY 27 - 30, 2025

Vancouver, British Columbia



VIVATECH | JUNE 11 - 14, 2025

Paris, France



PARIS AIR SHOW | JUNE 16 - 22, 2025

Paris, France



PHOENIX SISTER CITIES MISSION | OCTOBER TBD

Phoenix, Arizona



BIRMINGHAM TECH WEEK | OCTOBER 20 - 24, 2025

Birmingham, United Kingdom



TEXAS TRADE MISSION | OCTOBER TBD

Austin, Texas



CONTACT INFORMATION



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Tariffs

Current state and market diversification

Mary Ballantyne,
Executive Director, Trade Policy and Competitiveness
Government of Alberta
February 26, 2025



Current State - 2024 Trade Statistics

Who we export to, globally	
USA	88.7%
China	3.7%
Japan	1.5%
South Korea	0.6%
Mexico	0.4%

What we send to the world (incl. US)	
Mineral fuels and oils	74.9%
Vegetables	5.4%
Chemicals	3.4%
Animals	3.2%
Machinery and Equipment	3.2%

What we send to the US	
Mineral fuels and oils	82.2%
Plastics	2.7%
Machinery	2.1%
Meat	1.9%
Organic chemicals	1.3%

What we send across Canada	
Mineral fuels	43.7%
Food and non-alcoholic beverages	16.3%
Refined petroleum products	16.1%
Chemicals	5.1%
Wood products	3.4%

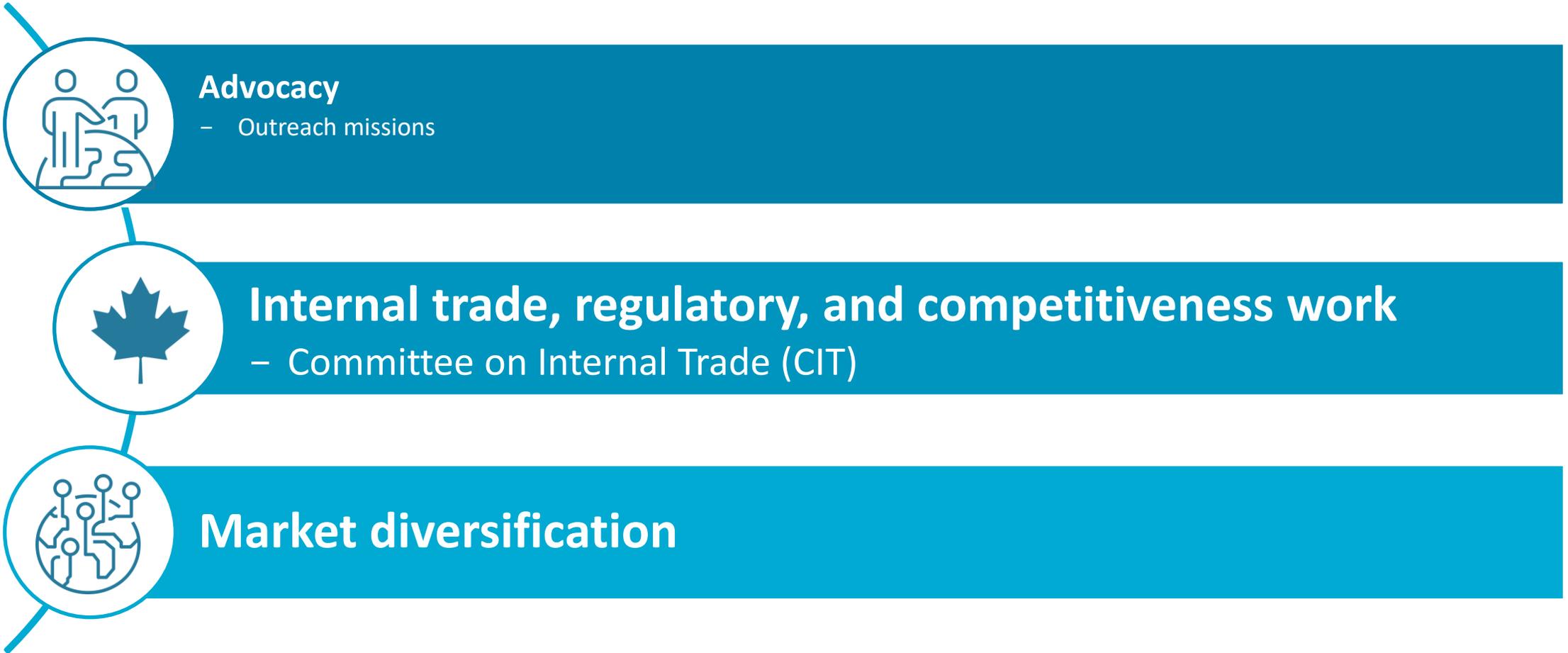
Tariffs

Timeline of trade-related executive orders

JANUARY 20 America First Trade Policy	FEBRUARY 1 Canada and Mexico Borders / Fentanyl	FEBRUARY 10 Steel and Aluminum	FEBRUARY 13 Reciprocal Tariffs
<ul style="list-style-type: none">– Reports on a variety of trade policy issues due April 1	<ul style="list-style-type: none">– 25% tariffs (10% on energy)– Originally February 4– Now March 4	<ul style="list-style-type: none">– 25% tariffs to enter into force March 12	<ul style="list-style-type: none">– US will automatically match any tariffs imposed by other countries

- US also announced 10% tariffs on China (effective Feb. 4).
- President Trump has said tariffs will be cumulative.
- Additional potential tariffs to be announced in April targeting lumber and forestry products; cars; semiconductors; and pharmaceuticals.

Response



Market Diversification

JET leads international missions to support Alberta companies in diversifying their export markets.

Alberta is globally connected with 16 international offices across the world that:

Upcoming 2025 Trade Missions



[March 3 – 6] **Mobile World Congress 2025**; Barcelona, Spain



[March 25 – 30] **Avalon Airshow**; Geelong, Australia



[March 31 – April 4] **Hannover Messe 2025**; Hannover, Germany

Alberta International Offices

- act as on-the-ground ambassadors for Alberta;
- undertake policy advocacy on behalf of Alberta;
- promote trade;
- attract international talent and labour;
- attract investment to the province.

More information on Alberta's Trade Missions can be found at export.alberta.ca/events/

More information on Alberta's International Offices can be found at alberta.ca/albertas-international-offices



Market Diversification – Supportive Services

Other services provided by the Trade and Export Expansion Team

Market Intelligence

Connections with
potential buyers

Connections with
incoming delegations

Funding Support –
Alberta Export
Expansion

More information on Alberta's trade supports can be found at export.alberta.ca/

Information on AEEP application process and eligibility criteria can be found [here](#).

Questions?



Government of Alberta

Trade & Export Expansion Branch



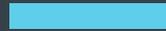
Ministry of Jobs, Economy & Trade (JET)

Tariff Talks

February 26, 2025

Alberta

Who We Are





Trade Specialist

We provide trade services for **Alberta companies** to secure markets and access new growth markets.

5 geographic regions:

Americas

Europe

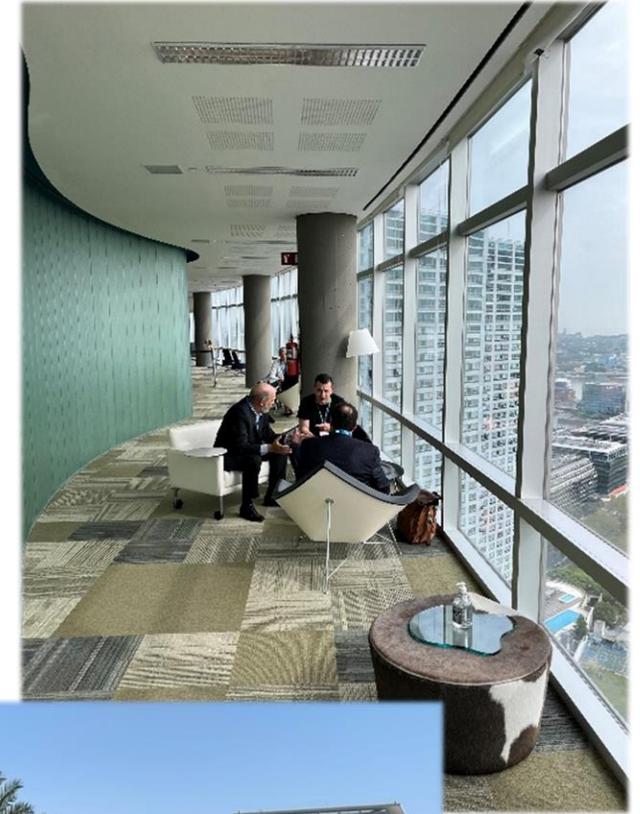
Indo-Pacific

Middle East & Africa

North Asia

Clients – Alberta SMEs

- Small and medium sized enterprises (SMEs) in Alberta
 - Fewer than 50 employees
 - 96% of Alberta businesses
- Export Ready
 - Ready
 - Willing
 - Able



Services and Support

- JET Trade missions
 - Alberta delegation into global markets & trade shows
 - In-market programming (market intelligence, B2B matchmaking, and lead generation)



Live: Events Calendar

<https://export.alberta.ca/events>



Mobile World Congress 2025

Join the Government of Alberta's technology trade mission to Mobile World Congress, the world's most influential event for the connectivity industry.
 March 3, 2025 - March 6, 2025
 Barcelona, Spain

Tuesday March 25, 2025



Avalon Airshow

Alberta companies are invited to join the Government of Alberta's mission to the Avalon Airshow, an opportunity to engage with the Australian aerospace, logistics, and defense sector.
 March 25, 2025 - March 30, 2025
 Geelong, Australia

Monday March 31, 2025



Hannover Messe 2025

Join the Government of Alberta's mission to Hannover Messe 2025, the largest trade show on industrial transformation and advanced manufacturing in all industry sectors.
 March 31, 2025 - April 4, 2025
 Hannover, Germany

March 2025						
Su	Mo	Tu	We	Th	Fr	Sa
23	24	25	26	27	28	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

Expansion Program (AEEP)

Alberta Export Expansion Program

Funding to help export-ready companies enhance access to new international markets and attract global buyers.



Eligible activities: outbound international travel to trade shows



alberta.ca/alberta-export-expansion-program

Eligibility – [AEEP Guidelines](#)

- Must be an Alberta-based export-ready company, economic development agency, not-for-profit, Indigenous group or industry association
- Minimum gross annual sales requirement is between \$250,000 and \$25 million
- Fewer than 500 full-time equivalent employees
- Must have an exportable product or service
- Must submit application within two months of the first day of event participation
- Must meet the new market definition: \$150,000 CAD or 15 per cent or less of gross annual sales in the new market
- Attendance at formal international trade events only Must provide travel receipts (arrival and departure), and Proof of attendance/conference receipts.
- Maximum of \$15,000 per organization per year
- Stacking permitted with up to 75% of total trip costs support by federal and/or provincial funding

Eligibility

AEEP does not offer pre-approvals. However, we do provide a [self-assessment questionnaire](#)

General
Is your organization an incorporated legal entity in Alberta?
<input type="radio"/> Yes <input type="radio"/> No
Has your organization maintained a permanent establishment in Alberta for a minimum of one year?
<input type="radio"/> Yes <input type="radio"/> No
Does your travel include attendance at an international formal trade event where proof of registration can be obtained?
<input type="radio"/> Yes <input type="radio"/> No
Will your travel take place after April 1, 2024?
<input type="radio"/> Yes <input type="radio"/> No

Are the travellers who are attending the international formal trade-related event(s) based in Alberta?
<input type="radio"/> Yes <input type="radio"/> No
Will your organization submit an application no later than 2 months following the start of the formal event?
<input type="radio"/> Yes <input type="radio"/> No
Does your organization expect to cover less than 75% of total trip expenses with government funding?
<input type="radio"/> Yes <input type="radio"/> No
Are you applying for Alberta Export Expansion Program funding as:
<input type="radio"/> For-profit applicant <input type="radio"/> Non-profit applicant

Funding

Eligible Reimbursements

1. Event attendance supported at 50% of [base entry registration](#) fee for up to two travelers
 - Up to \$1,000 per organization per event
2. Per diems
 - Up to two travelers per organization per mission
 - 1st traveler \$400, 2nd traveler \$200
 - Air travel eligible for two additional travel days

Average awarded size for fiscal	Average time from complete application submission to payment (Q2)
\$2889.12	44 Days

Funding – [Funding Tracker](#)

AEEP annual requested funding tracker

For 2024-25, there is \$1 million in Alberta Export Expansion Program (AEEP) funding. As of February 13, 2025, \$741,438 has been requested through applications submitted to the [AEEP](#) portal. When the budget is fully requested, the AEEP application intake will close.

Requested funding



Application Process - [How to apply](#)

One application post-travel

- Must be submitted within two months of travel

Only submit two receipts one document

- Registration receipt for formal international trade event
- Airfare receipt
- Market Entry Plan

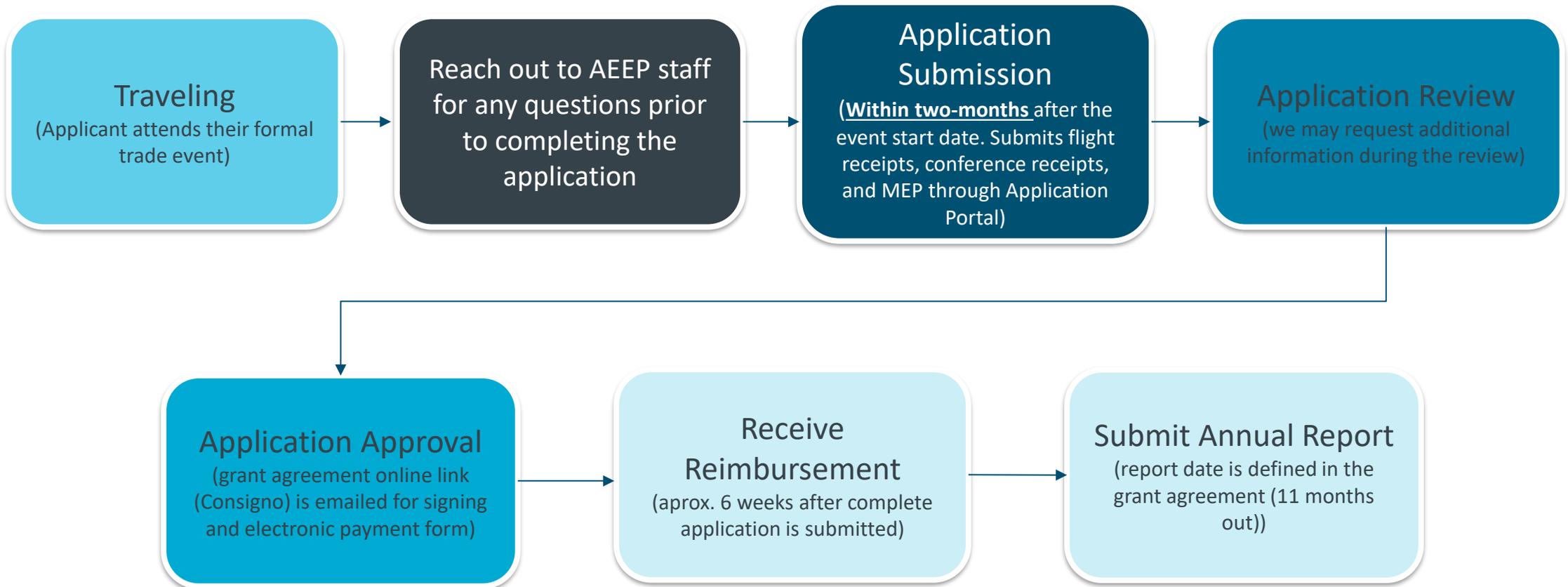
Digital signature process

- ConsignO – Cloud-based signature platform
- Completed in minutes
- Paper free!

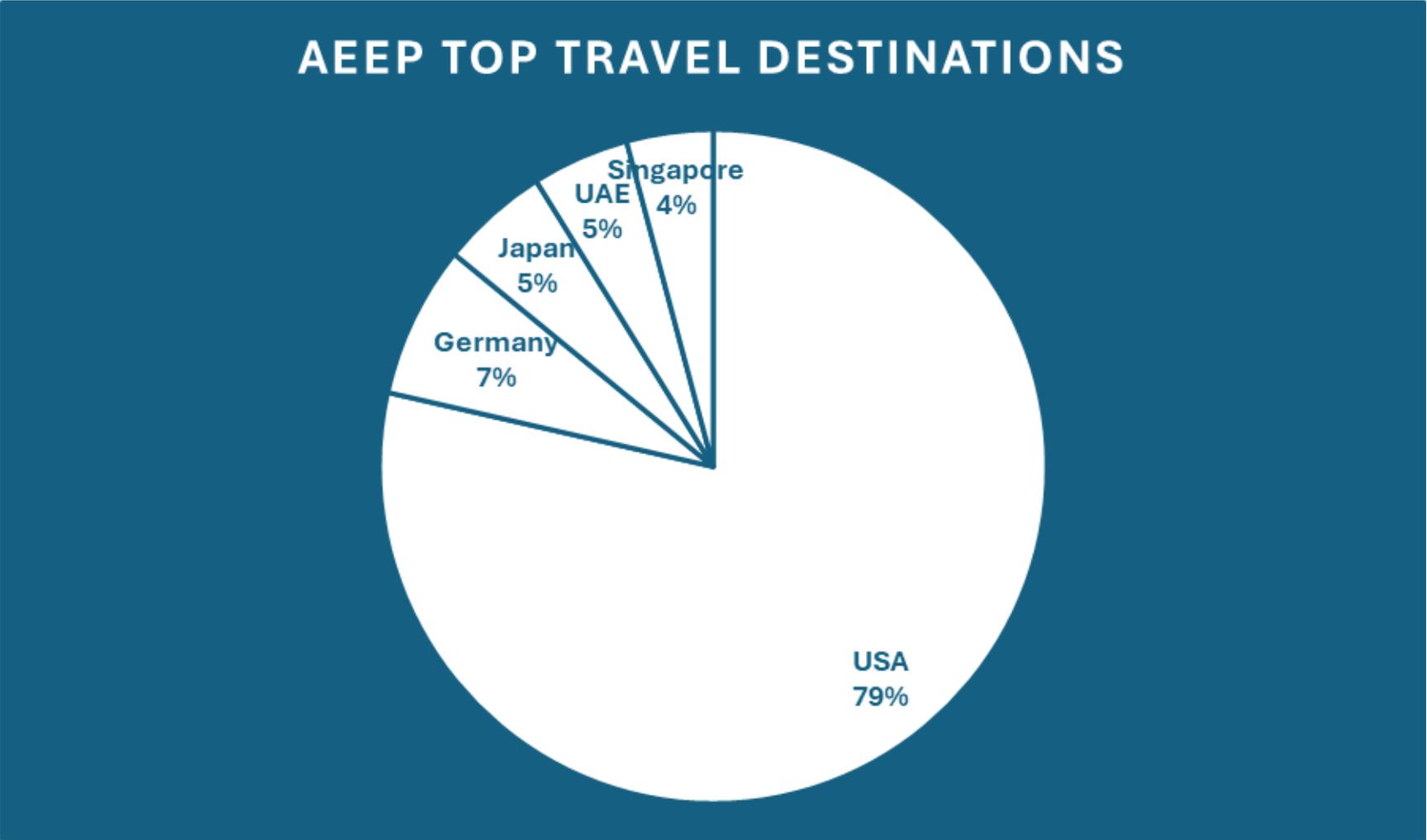
Electronic payment process

- Provide electronic payment authorization when signing grant

Application Process



AEEP TOP 5 DESTINATIONS



Questions?



Tariff trouble

February 26, 2025

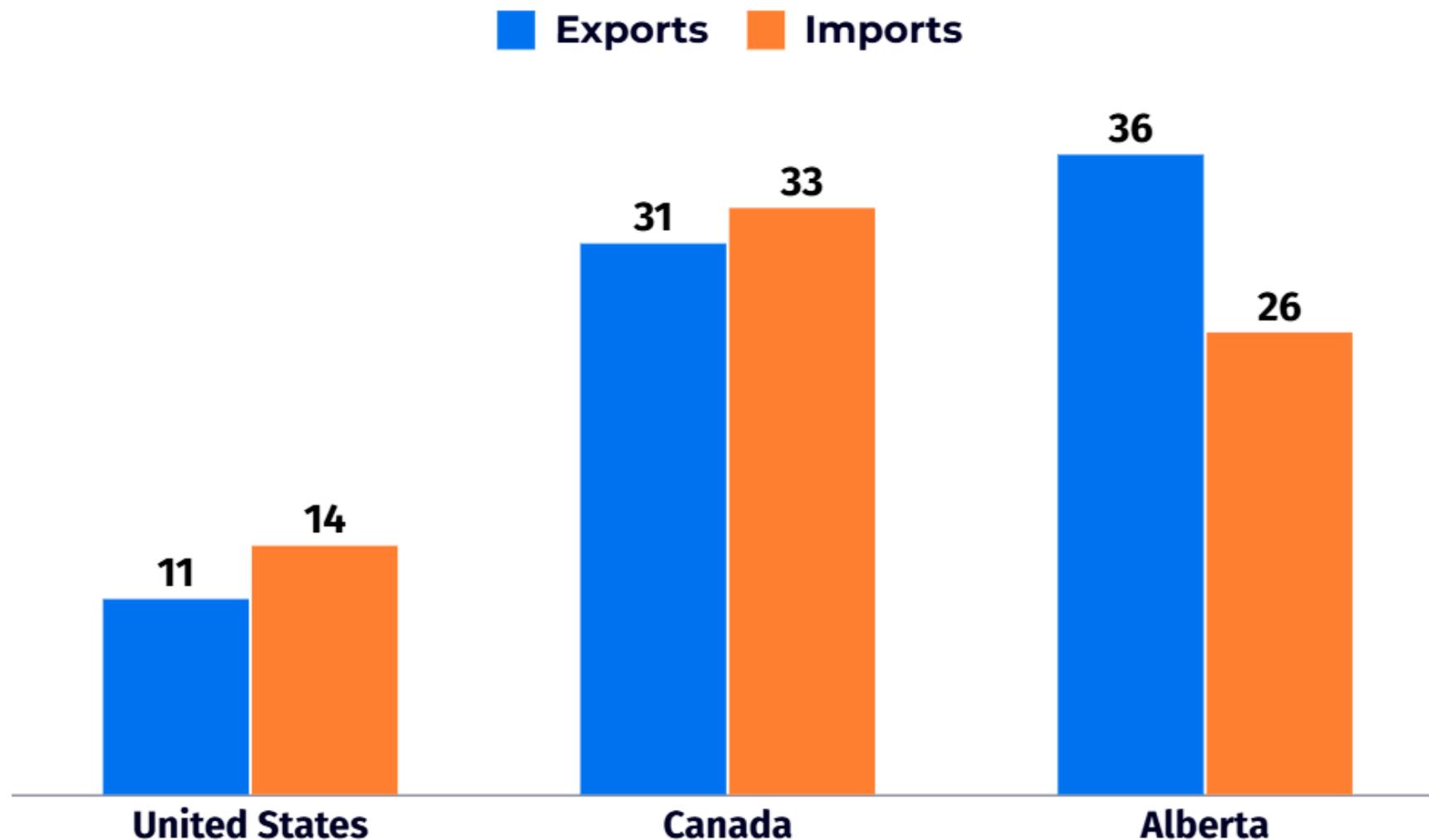
Rob Roach,
Deputy Chief Economist
ATB Financial



Trade exposure

ATB Economics

Exports and imports of goods and services as a % of GDP, 2023



Source: U.S. Bureau of Economic Analysis, Statistics Canada Table 36-10-0222-01 and ATB Economics

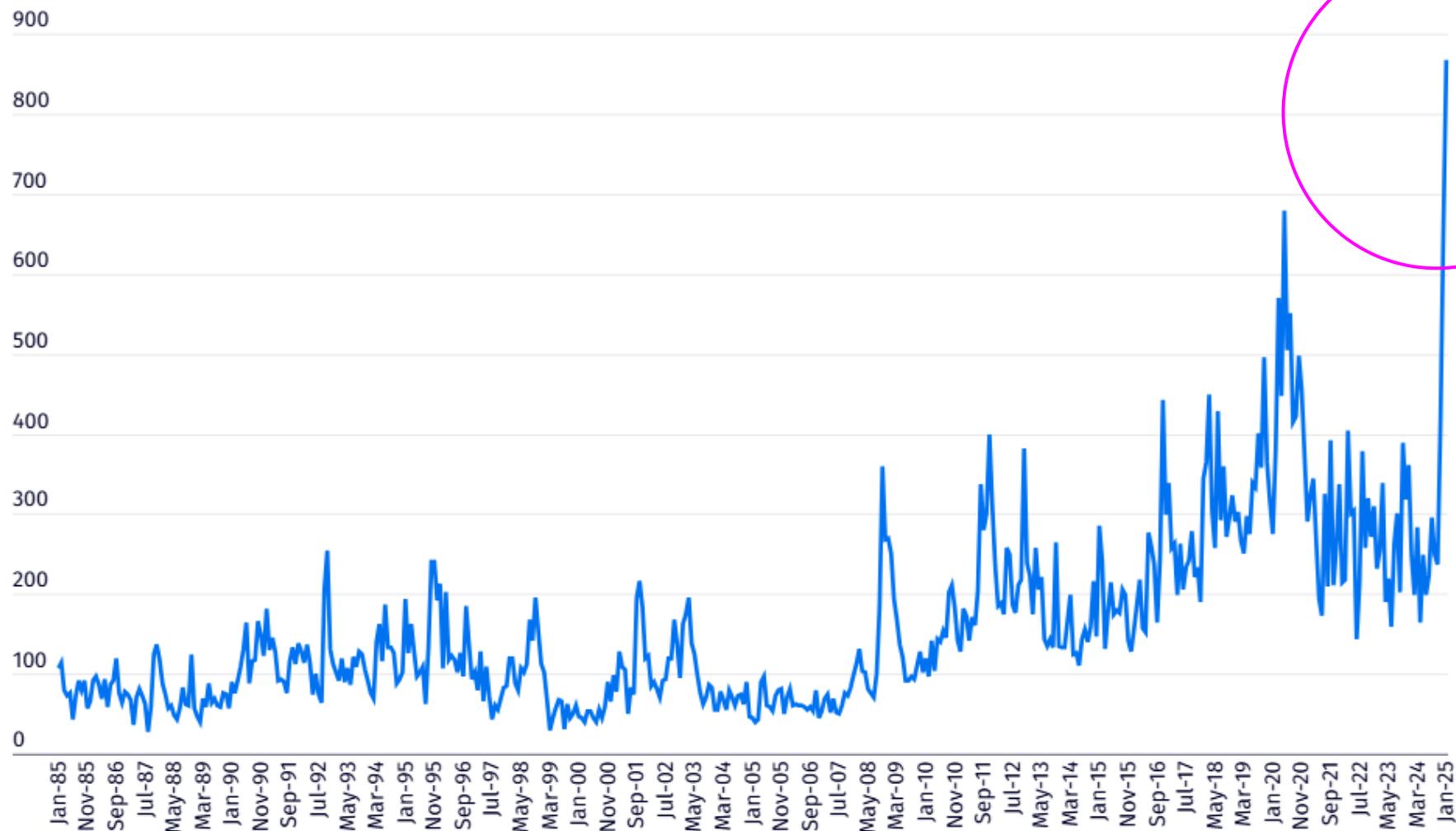
The new normal?



Economic policy uncertainty index

Canada, monthly, not seasonally adjusted

ATB Economics



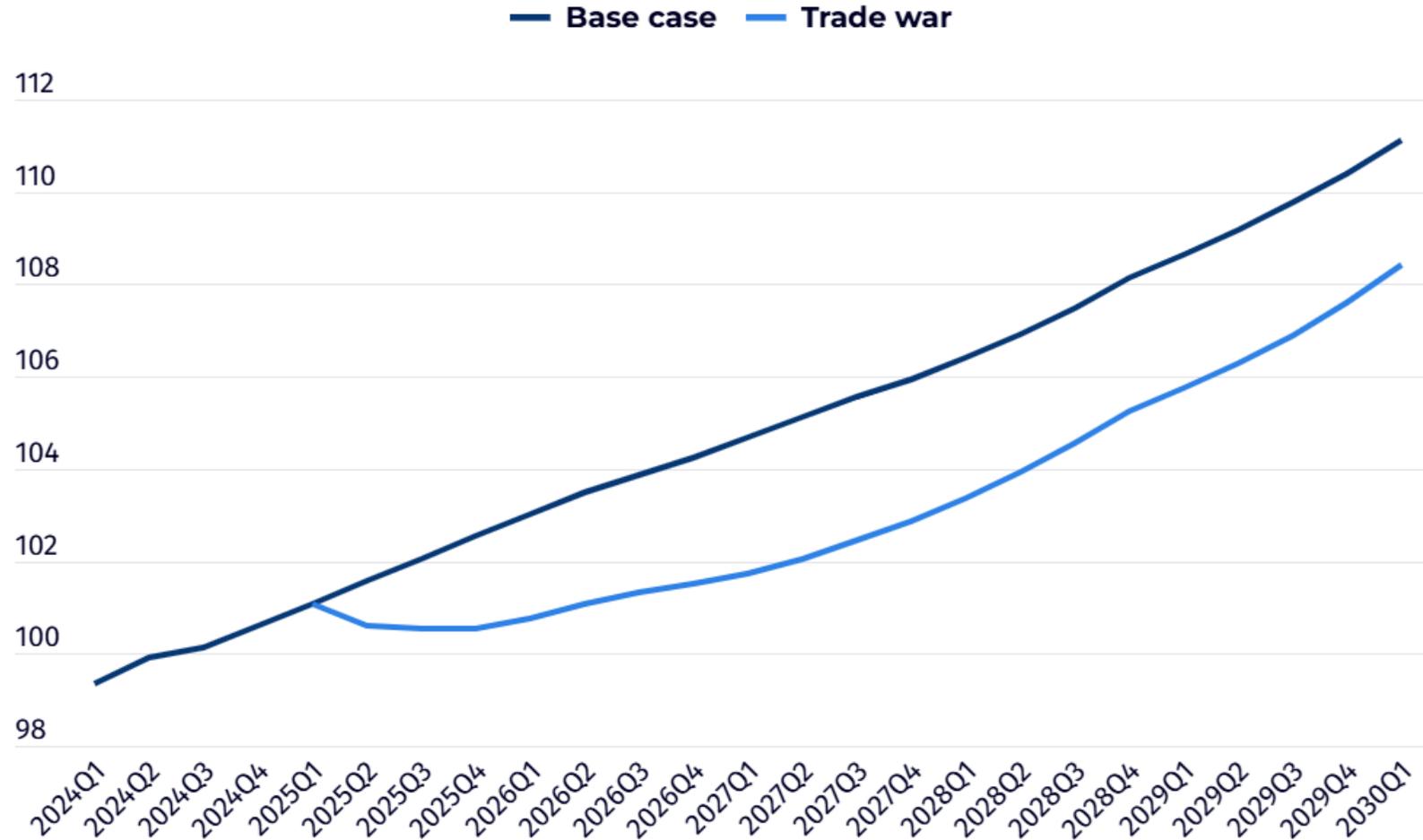
Source: Baker, Scott R., Bloom, Nick and Davis, Stephen J., Economic Policy Uncertainty Index for Canada, retrieved from FRED, Federal Reserve Bank of St. Louis; ATB Economics



IF tariffs are long-lasting and
broad-based...

Real GDP output in Canada

Index: 2024 = 100, quarterly data



Source: "Tariffs, structural change and monetary policy," remarks by Bank of Canada Governor Tiff Macklem, February 21, 2025 and ATB Economics

The loonie

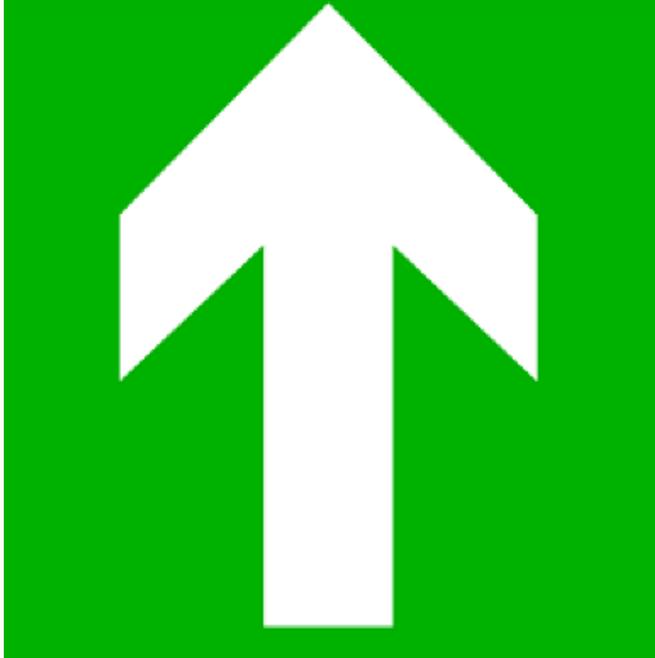
Canada-US exchange rate US\$/C\$

ATB Economics



Source: Haver Analytics and ATB Economics

Inflation and employment



Inflation



Employment

The double whammy

THE SPECTRE OF
STAGFLATION

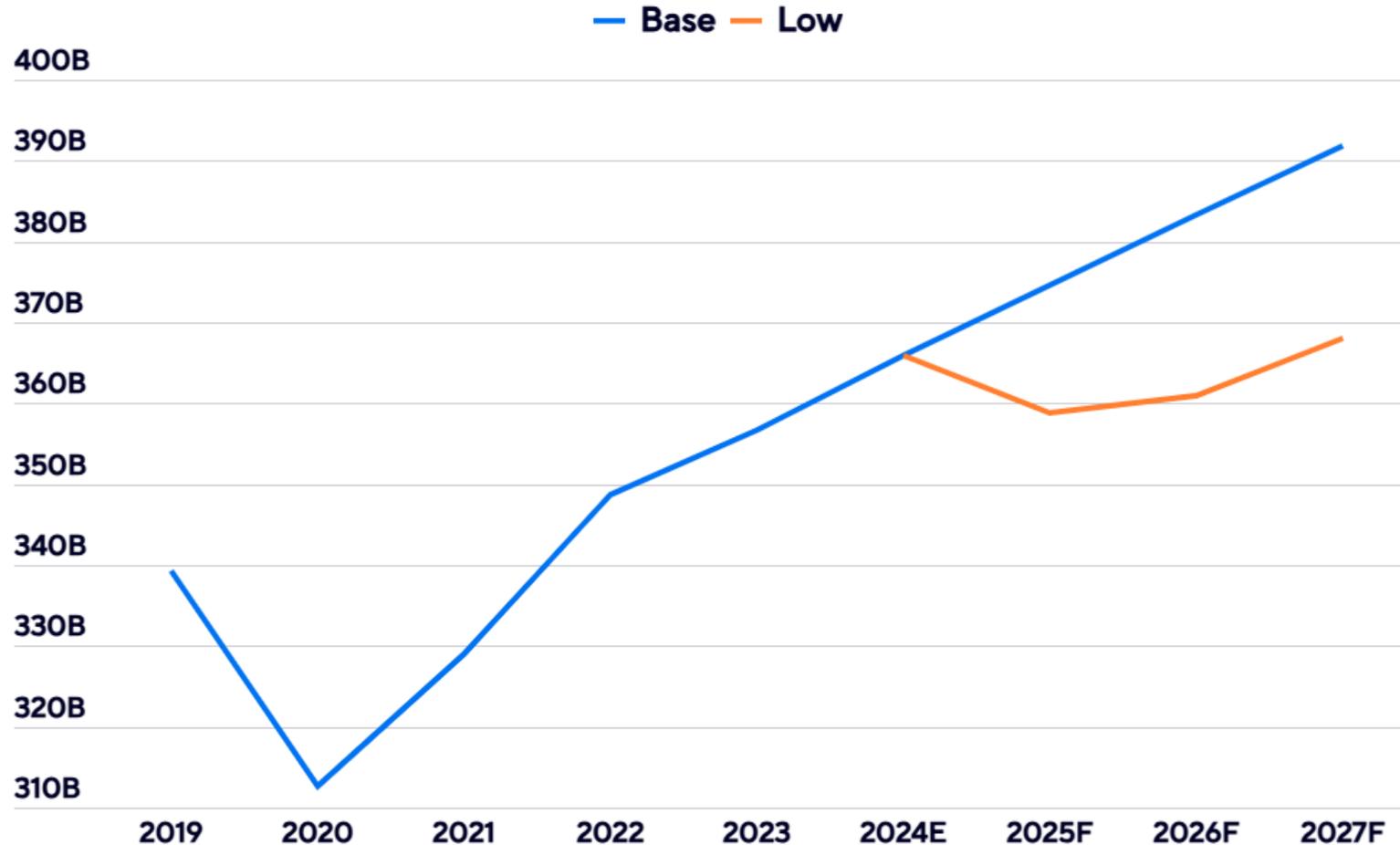
Monetary policy



Forecast for Alberta

Alberta's real GDP Chained (2017) \$

ATB Economics



Preliminary - finalized forecast coming mid-March; E=estimate, F=Forecast

Source: Statistic Canada and ATB Economics

Strong fundamentals in Alberta

Energy sector



Population growth



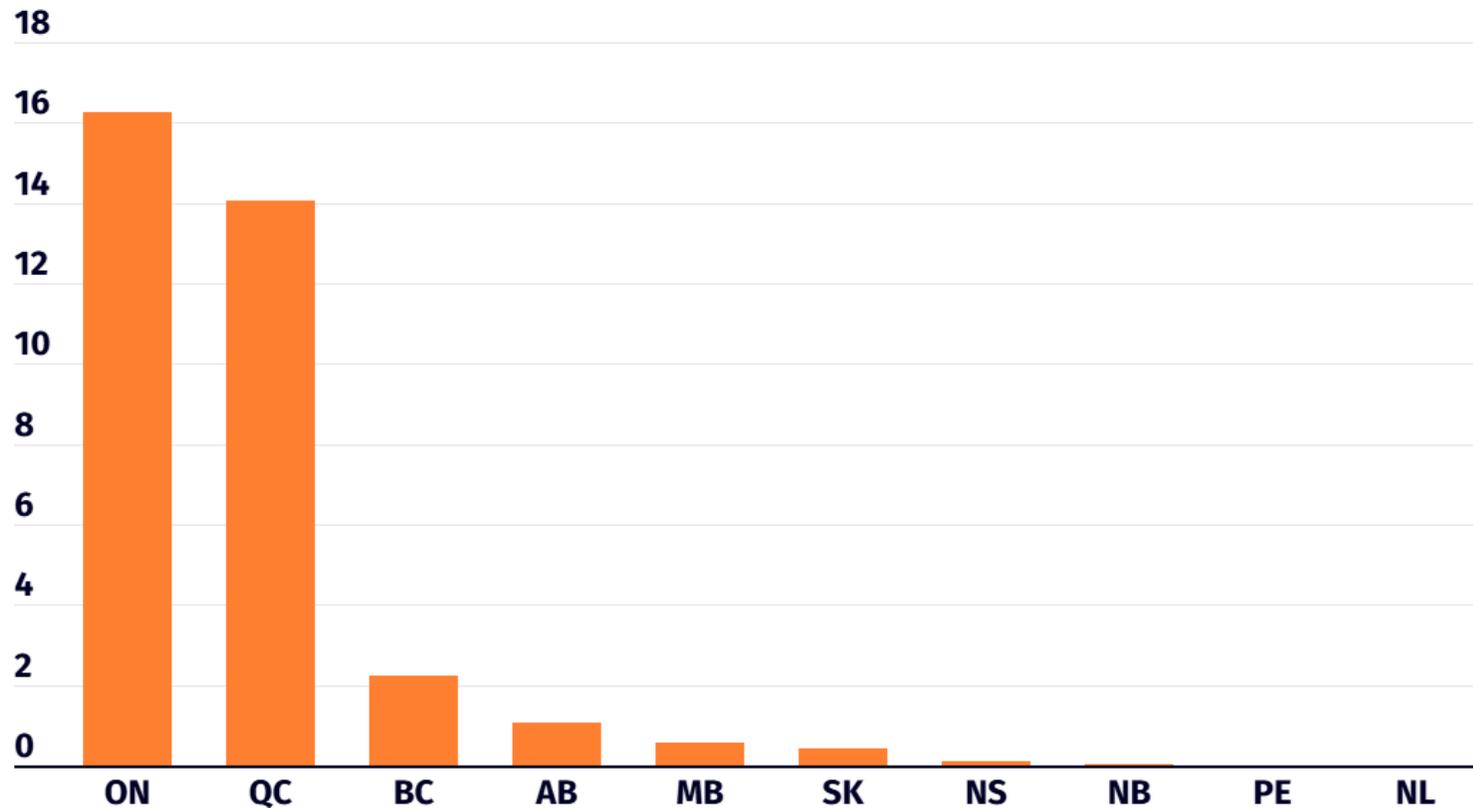
Diversification



Not as exposed on some things

Canada's aluminum and steel exports* to the U.S. in 2024 \$ billion

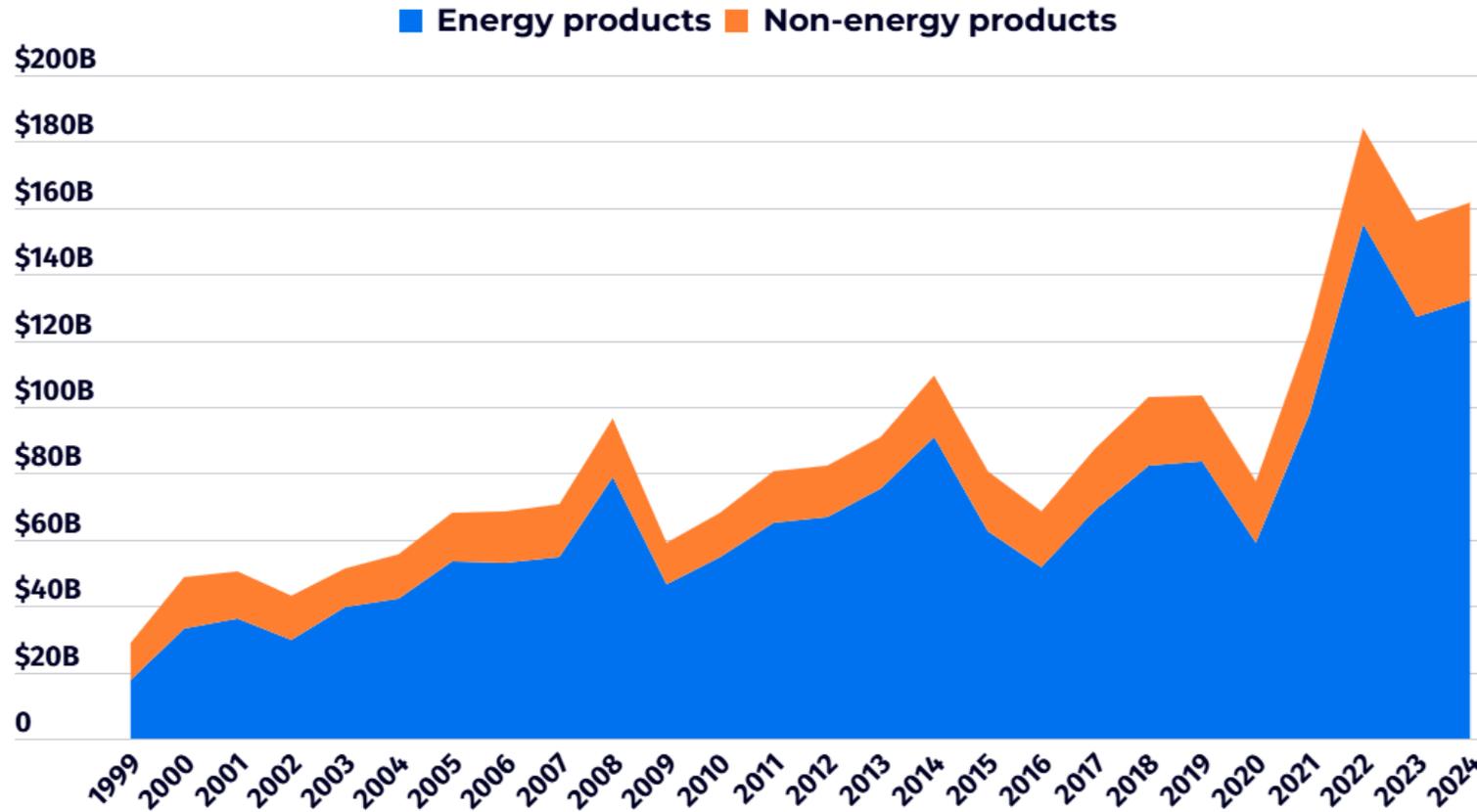
ATB Economics



*Broad definition; not necessarily the same as what is included in the U.S. tariffs. Includes HS code 72 (iron and steel), 73 (articles of iron or steel), and 76 (aluminum and articles thereof). Source: Trade Data Online and ATB Economics

Energy is key

Alberta's international exports to the U.S. Merchandise only, customs basis



Source: Statistics Canada Table 12-10-0173-01 and ATB Economics

ATB Economics

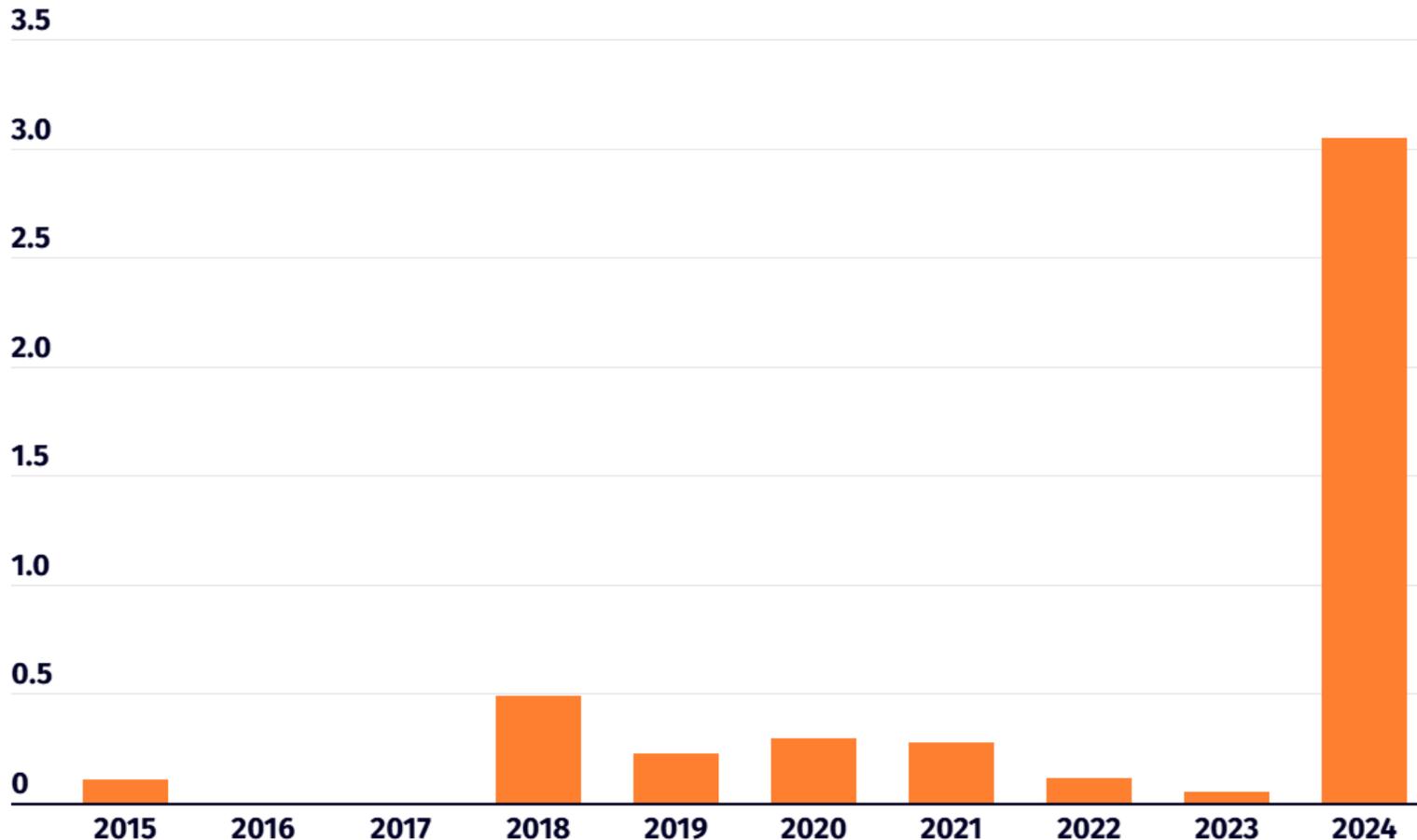


More barrels to Asia - baby steps

Alberta's exports of crude oil to Asia

ATB Economics

\$ billion



HS Code 2709: Petroleum oils and oils obtained from bituminous minerals, crude

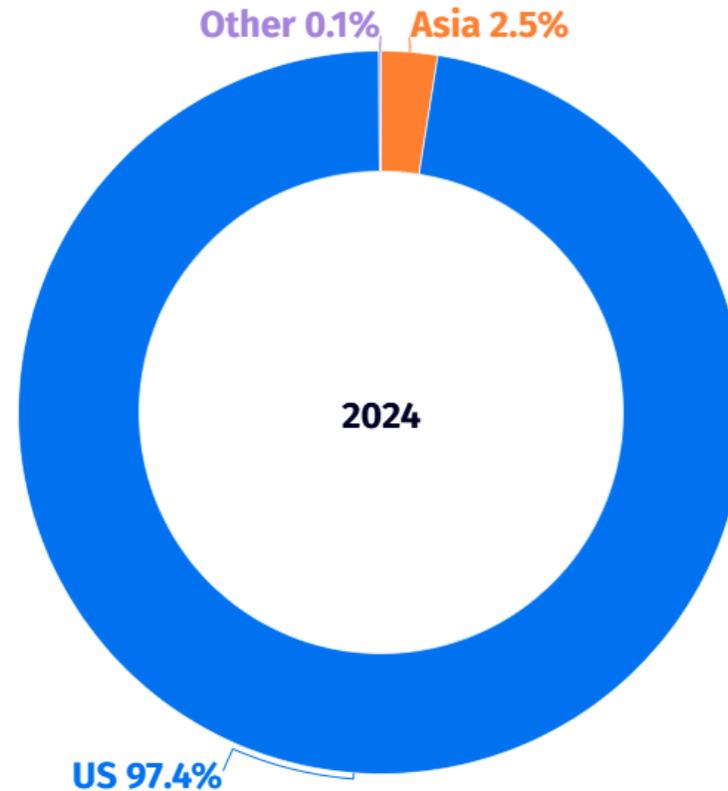
Source: Trade Data Online and ATB Economics

More barrels to Asia - baby steps

Alberta's exports of crude oil, 2024

ATB Economics

% of total Alberta international crude oil exports



HS Code 2709: Petroleum oils and oils obtained from bituminous minerals, crude
Source: Trade Data Online and ATB Economics

More barrels to Asia - baby steps

Alberta's non-energy exports to the U.S. in 2024 \$ billion, merchandise only

ATB Economics



Source: Statistics Canada Table 17-10-0173-01 and ATB Economics. NOTE: The consumer goods category includes cuts of meat and packaged food.

FOR MORE INFORMATION, CHECK OUT:

- The Twenty-Four - Daily Insight
- The Seven - Weekly Commentary
- Quarterly Outlook with Scenarios

www.atb.com/economics

THE TWENTY
FOUR SEVEN

24|7

Preparing for Trump's tariffs

EY Commentary

Calgary Economic Development Tariff Talks February
2025



The better the question. The better the answer. The better the world works.



Shape the future
with confidence



Agenda

1

- Primer – The context

2

- Potential impact – The perspective

3

- What to do?

4

- Questions?

Chapter 1

Primer – The context

President Trump announced tariffs effective February 4, 2025

- Tariffs would apply to all sectors, industries and products and are in addition to any other existing duties.
- Executive Orders related to Mexico and Canada do not address impact on USMCA.
- “Duty drawback” (refund of import duties when products are exported) is not available for the 25% additional punitive duties.
- President Trump stated that retaliation by any country may result in an increase in rate or broadening of scope.

(Steel and aluminium added February 11th)



25% on all products, except...
10% on “energy resources”
(delayed until March [4th?] 2025)



25% on all products
(delayed until March [4th?] 2025)



10% in addition to existing tariffs on
all products



Retaliatory responses to the US tariffs



- 25% tariff of \$155 billion of US goods
 - Immediate traffic on \$30 billion of goods
 - Additional \$125 billion of goods impacted in 21 days to allow Canadian companies to adjust supply chains
- Applies to (non-exhaustive list):
 - Beer, wine, bourbon
 - Vegetables, fruits, fruit juices
 - Perfume, clothing and shoes
 - Major consumer products (e.g., appliances, furniture and sports equipment)
 - Materials (e.g., lumber, plastics)



- President Sheinbaum instructed the Economic Minister to “implement Plan B” without providing specifics beyond saying that it “includes tariff and non- tariff measures”.



- China said it would file a lawsuit with the World Trade Organization.
- On Feb 4 announced a 15% tariff on coal and LNG and a 10% tariff on crude oil, agricultural machinery and certain cars and trucks.

Importance of Canada-US trade relationship

77%

of all Canadian exports were
to the US in 2023

50%

of all Canadian imports were
from the US in 2023

Potential impact – The perspective

Potential impact – How might my business be affected?

Type one: Multinationals with NA supply chain (manufacturing, production/ processing in the US with heavy imports of inputs)

Impact Rating: Very High

Timing: Short Term

Exposure

- US-bound imported inputs impacted by US tariffs
- Exported products possibly impacted by retaliatory action

Example Businesses:

Extractives, Engineering, Manufacturing, Automotive

Type two: US companies that source goods in China, Canada and Mexico and sell in the US

Impact Rating: Very High

Timing: Short Term

Exposure

- US-bound imports impacted by tariffs
- Possible price hikes that could impact demand or increased costs/margin pressure (if tariffs absorbed)
- Competitive pressure in non-US markets through trade diversion

Example Businesses:

Consumer, E-commerce, Automotive

Type three: Canadian (et. al.) companies that export goods to the US from home market

Impact Rating: Very High or High to Moderate

Timing: Short Term

Exposure

- US-bound imports impacted by tariffs
- Possible revenue loss (softening demand) or increased costs/margin pressure (vertical + tariff absorption)

Example Impacted Clients:

Agriculture, Food Processing, Manufacturing, Extractives/Resources, Consumer Goods

Type four: US companies that export US-origin goods

Impact Rating: High

Timing: Medium Term

Exposure

- US origin exports that are caught up in retaliatory measures

Example Impacted Clients:

Brand Name Businesses / Sectors

The possible financial impact – a simple example

- Where will it land?
- The below diagram shows an illustrative example of a 10–25-point difference from a base case of 0% (in most cases), to 10% and 25% (respectively) tariffs on US-imported goods.
- Heavily facts specific but may be applicable to type one to three companies (assumes a US presence).

Sales	1000	Sales	1000	Sales	1000
Cost	500	Cost	500	Cost	500
Tariff (0%)	0	Tariff (10%)*	50	Tariff (25%)*	125
SG&A Expenses	435	SG&A Expenses	435	SG&A Expenses	435
Operating profit	65	Operating profit	15	Operating profit	-60

*assumes increased tariffs are absorbed

The introduction of higher tariffs generates a **choice between less profit or higher prices which may impact sales.**

To avoid significant impacts to profit and loss, businesses exposed to the Trump administration's tariffs should consider their options to address this exposure.

What to do?

What should you do now?

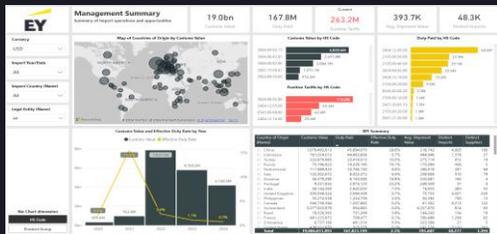
- Review **vendor, customer and intercompany agreement terms** and transfer pricing policies.
- Assess impact on **goods in transit**.
- Review sufficiency of **custom bond** to manage **clearance delays**.
- **Obtain import/export data and model tariff impact** using US Customs import/export data (e.g., ACE Data).
- Review **customs classification and origin**.
- Evaluate and implement **mitigation strategies**:
 - Chapter 98 Special Classification Provisions (e.g., Ch. 9802).
 - Customs valuation analysis (e.g., first sale planning, **transfer pricing and customs value optimization, bifurcate dutiable and non-dutiable products**).
 - Country of origin planning (e.g., alternative supply from current suppliers located in countries not in scope of EOs).
 - Store goods in FTZs or bonded warehouses to defer duties.
 - Evaluate cash flow and ancillary corporate income tax, transfer pricing and indirect tax implications.



Next steps – Comprehensive approach to trade challenges integrating supply chain, trade and tax to identify and implement solutions

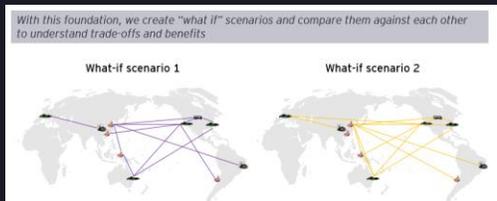
Rapid assessment

Rapid assessment to understand current state, tariff impact, and operational flexibility



Scenario Modelling

Evaluate supply chain + tax options to mitigate duty impact (short-term adjustments versus strategic footprint changes)



Shorter term changes and "quick hits"

- Supplier or product substitution
- Product flow path changes
- Customs value planning (bundling vs. unbundling, first sale)
- Pricing power / negotiations with suppliers and customers
- Re-align risks through intercompany relationships and agreements

Target Benefits

- ✓ Reduce tariff and supply chain costs with minimal disruption to operations
- ✓ Distribute addressable costs among suppliers, customers, or elsewhere in the global supply chain

Medium-to-long term / strategic changes

- Product/BOM re-engineering
- Strategic footprint changes (onshore or nearshore manufacturing)
- Operating model changes (center of excellence in cost efficient location)
- Exit the business (selectively exit unsustainable markets)
- Explore strategic partner relationships

Target Benefits

- ✓ Reduce operating costs
- ✓ Improved resiliency
- ✓ Improved carbon footprint
- ✓ Reduced risk of global disruption
- ✓ Focus on core business and avoid unsustainable profits

*Quick win opportunities and medium / strategic supply chain changes should be reviewed and can be done in parallel to obtain maximum benefits with reduced time

Chapter 4

Questions?

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

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FIRESIDE CHAT



MODERATOR

Kate Koplovich
Director, Strategy
Calgary Economic
Development



PANELIST

Sam Woods
Vice President
JORI International Ltd.



PANELIST

David Rist
Executive Director
MEE Cluster





THANK YOU



Wednesday, February 26th, 2025



Calgary Economic
Development

Alberta