

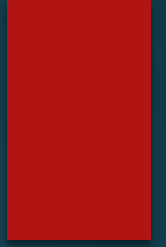
Reimagining Canada's Continental and Global Trade Future

Governing Through Uncertainty

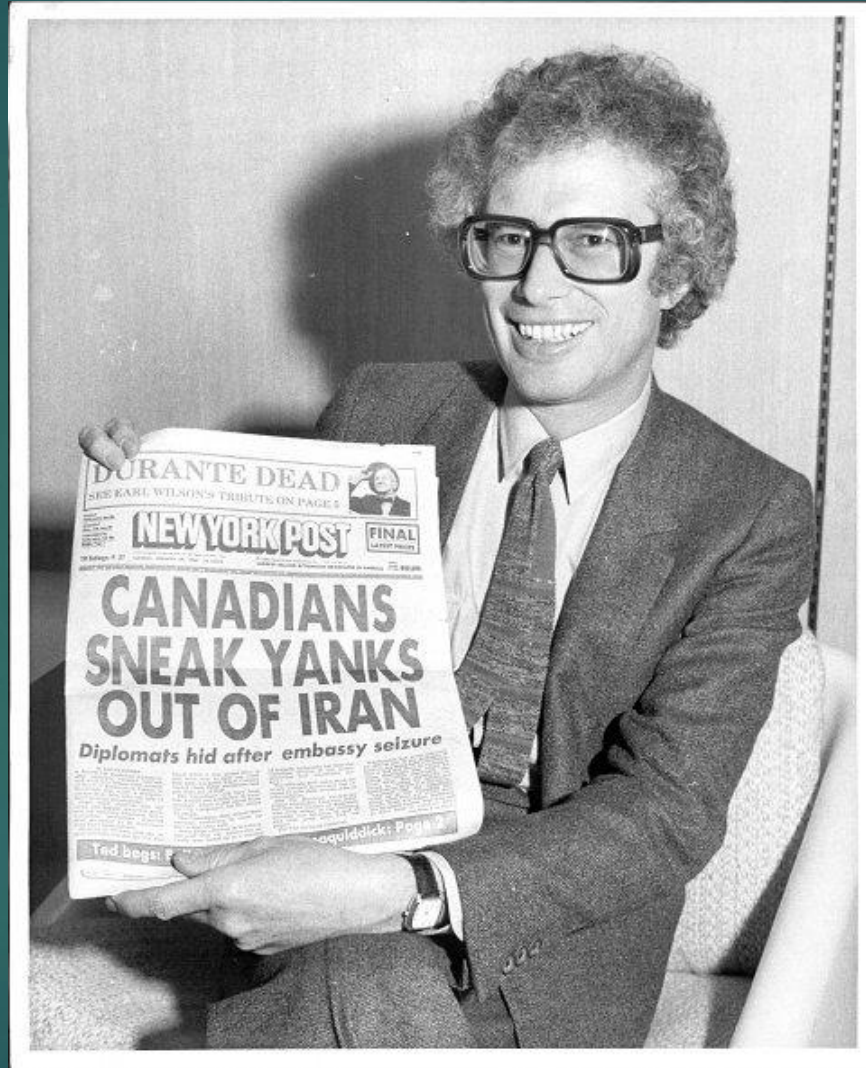


**BOARD STRATEGY IN A LEVERAGED NORTH
AMERICAN ECONOMY**











30

38

399

399











VETERANS.GC.CA


Canada



WATCH: Biden, Trudeau celebrate 'inseparable' U.S.-Canada relations in speech to Parliament

President Joe Biden and Prime Minister Justin Trudeau on Friday celebrated the close, "inseparable" US-Canada relationship and declared their nations' shared...



Donald J. Trump 

@realDonaldTrump

No one can answer why we subsidize Canada to the tune of over \$100,000,000 a year? Makes no sense! Many Canadians want Canada to become the 51st State. They would save massively on taxes and military protection. I think it is a great idea. 51st State!!!

7.86k ReTruths **30.5k** Likes

Dec 18, 2024, 3:23 AM



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Like



▶ THE WHITE HOUSE



51ST STATE SHOWDOWN

CANADIAN PM CARNEY MEETS WITH TRUMP AT WH

THE FIVE





TRUMP PROPOSED TARIFFS

- ▶ **25% TAX**
ON PRODUCTS FROM
CANADA AND MEXICO
- ▶ AN ADDITIONAL
10% TARIFF
ON GOODS FROM CHINA

TRUMP: TARIFFS ON DAY ONE

SUNDAY STAR

WEATHER: HIGH 21, LOW 10, WIND: S.W. 10-15

MONDAY, FEBRUARY 1, 2017

CANADA HITS BACK ON TRUMP TARIFFS

U.S. president signs order imposing 25% levy on almost all Canadian goods

Trade minister responds with tariffs on \$55 billion worth of products from the U.S.

First deals in trade war that experts warn could have devastating effects



Prime Minister Justin Trudeau, flanked by cabinet ministers Chrystia Freeland (left) and Thomas Mulcair (right), announces the retaliation tariff. (Canadian Press)

'We did everything we could': GM Oshawa to lay off up to 1,200 workers on Friday | CBC News



Nearly 20% of Canadian small businesses may close from tariffs, CFIB says

Canada's Algoma Steel to Cut 1,000 Jobs Amid US Tariffs

Company Speeds Up Shift to Electric-Arc Furnace Production

Derek DeCloet | Bloomberg News

Canada slashes tens of thousands of jobs in sharp economic shift after Trump imposed tariffs

Canada lost 40,800 jobs in July, partially reversing June's gains

Crisis Response



American Whiskey

BUY
CANADIAN
INSTEAD



DISCOVER
TOGETHER



Business

U.S. tourism faces \$5.7B US loss as Canadians continue to stay home

Number of Canadians visiting the U.S. has been in steep decline since Trump took office

'It'll get figured out': Michigan border town missing Canadian customers 1 year into Trump 2.0

Canadian visitors crossing into Sault Michigan is down 23.8 per cent in the last year

Montana city launches campaign to woo back Canadian visitors: 'We miss you'

By Bill Graveland • The Canadian Press

Posted November 6, 2025 2:19 pm · Updated November 10, 2025 7:05 pm · 3 min read

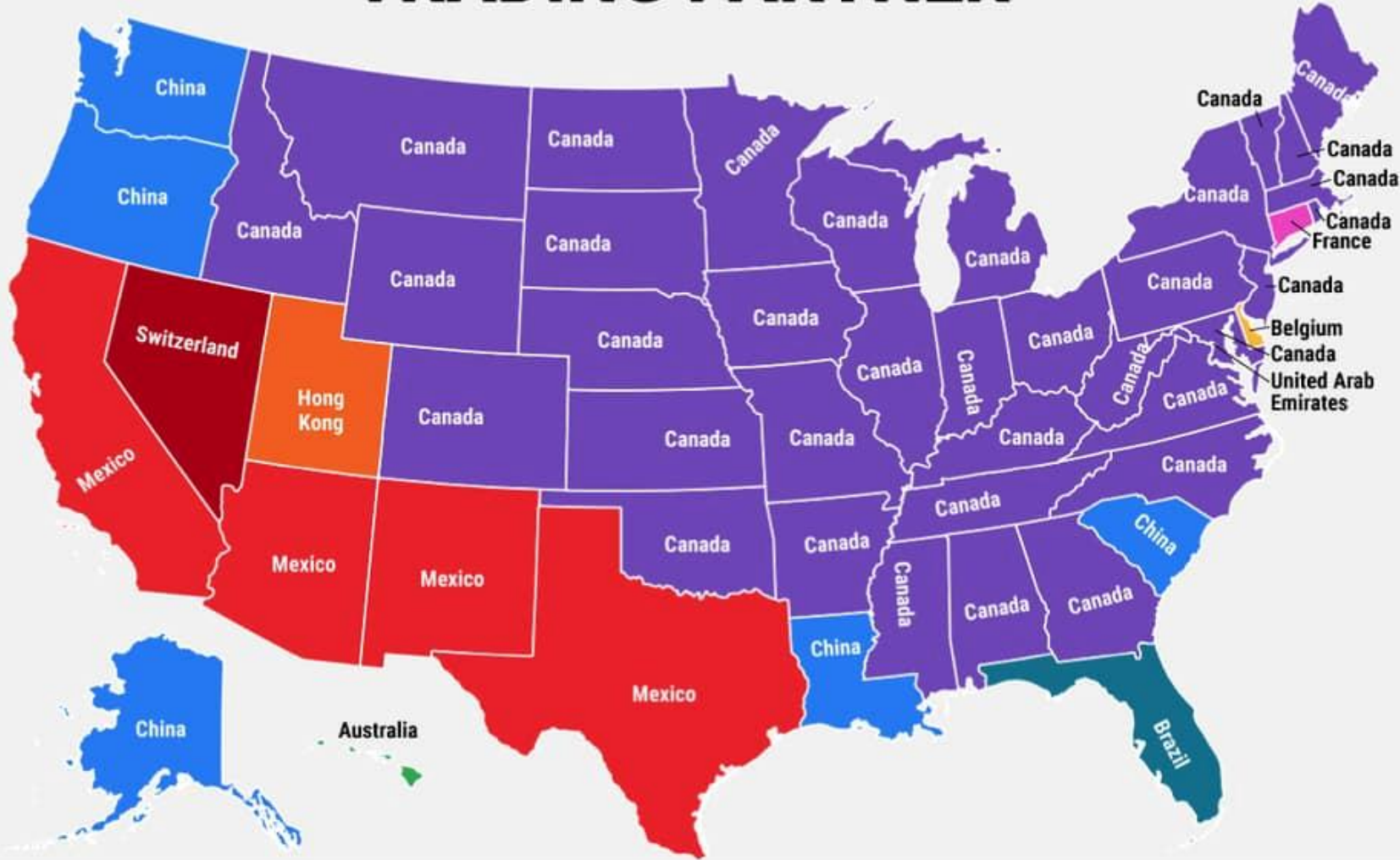
Economics Reality Check

78% of Canada's exports go to US

Most Canadian exports to the US are oil, raw materials or autos

Canada is the largest buyer of US exports of goods and services

EACH STATE'S BIGGEST EXPORT TRADING PARTNER



SOURCE: US Census Bureau

Americans Are the Ones Paying for Tariffs, Study Finds

Research contradicts President Trump's claim that foreigners are footing the bill, and could weaken his hand in the dispute over Greenland

\$200 billion collected.

\$20 – 80 billion potentially refunded.

Tariff Pain Offset by Tax Windfall?

- ▶ Net loss April 2026, **\$7 billion** and counting
- ▶ By October 2026, net loss = **\$64 billion**

(Gramm and Solon, WSJ, April 2026)

Why did
the tariff
message
not
translate
to action?



*“All lines
are down.*

*Please try
again
later”*

Inflation Spikes

ECONOMY

Wholesale inflation jumps 6% in April on annual basis, biggest increase since 2022

PUBLISHED WED, MAY 13 2026 8:31 AM EDT | UPDATED WED, MAY 13 2026 9:21 AM EDT



Jeff Cox
@JEFF.COX.7528
@JEFFCOXCNBCOM

SHARE



Change in Producer Price Index

Year over year; monthly, April 2016 to April 2026

— Overall final demand — Excluding food, energy and trade services



Data: Bureau of Labor Statistics; Chart: Neil Irwin/Axios

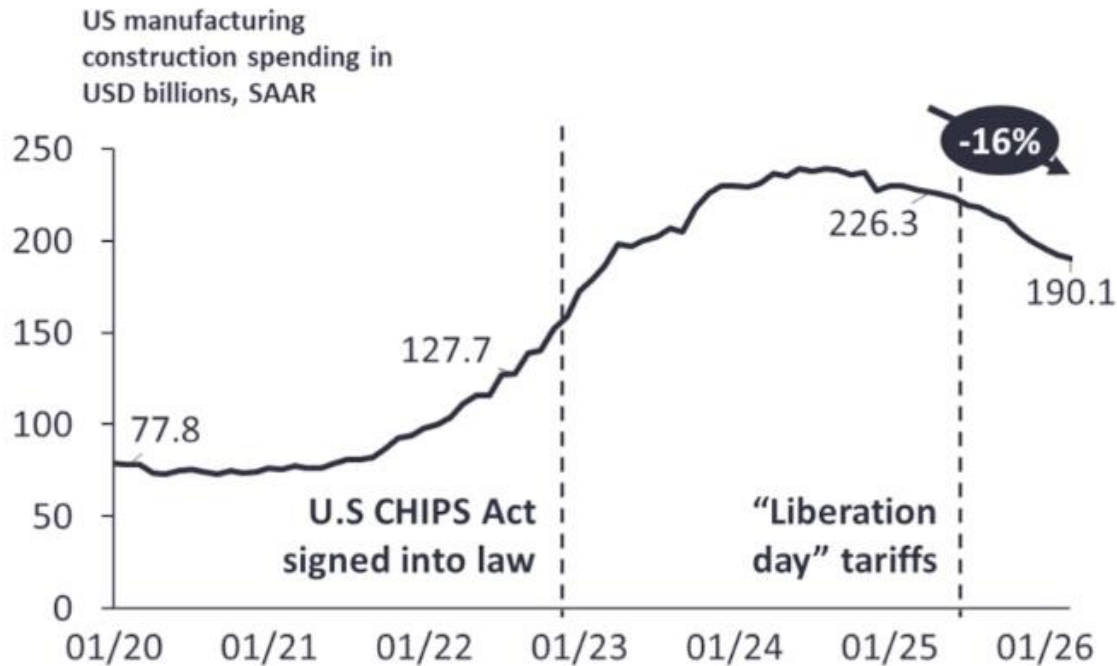
Where's the reshoring boom?

US manufacturing construction spending has steadily declined since 2024, driven by a **44% slowdown** in spending on electronics factories and semiconductor fabs since their peak in mid-2024.



US reshoring: Why the data does not fit the hype

US manufacturing construction spending



US manufacturing labor

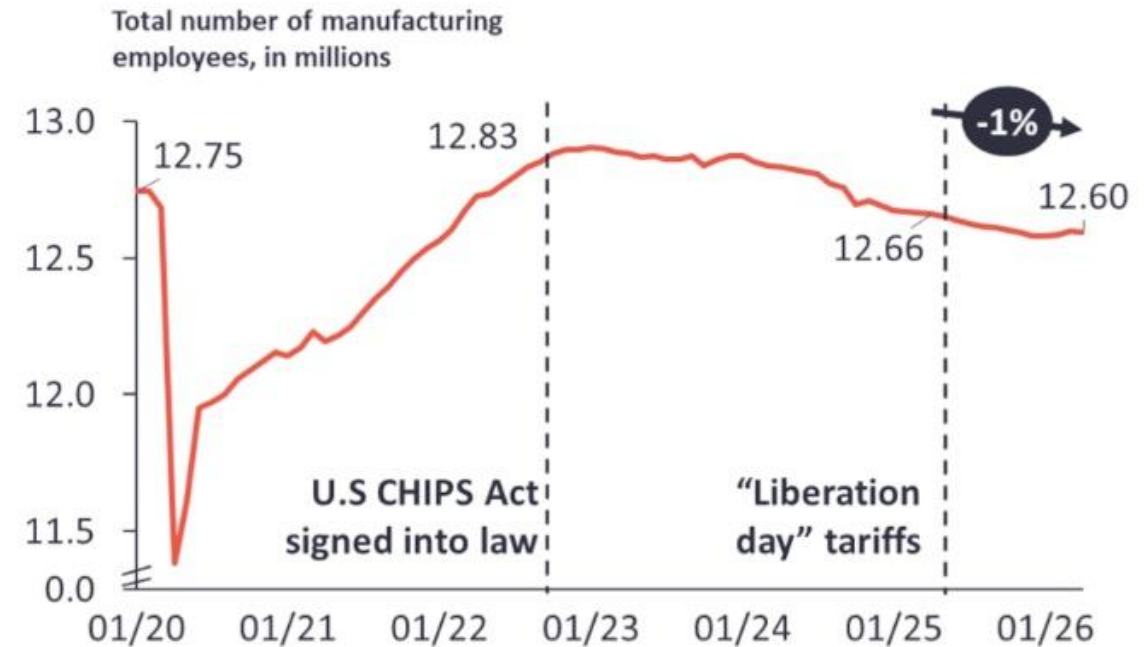
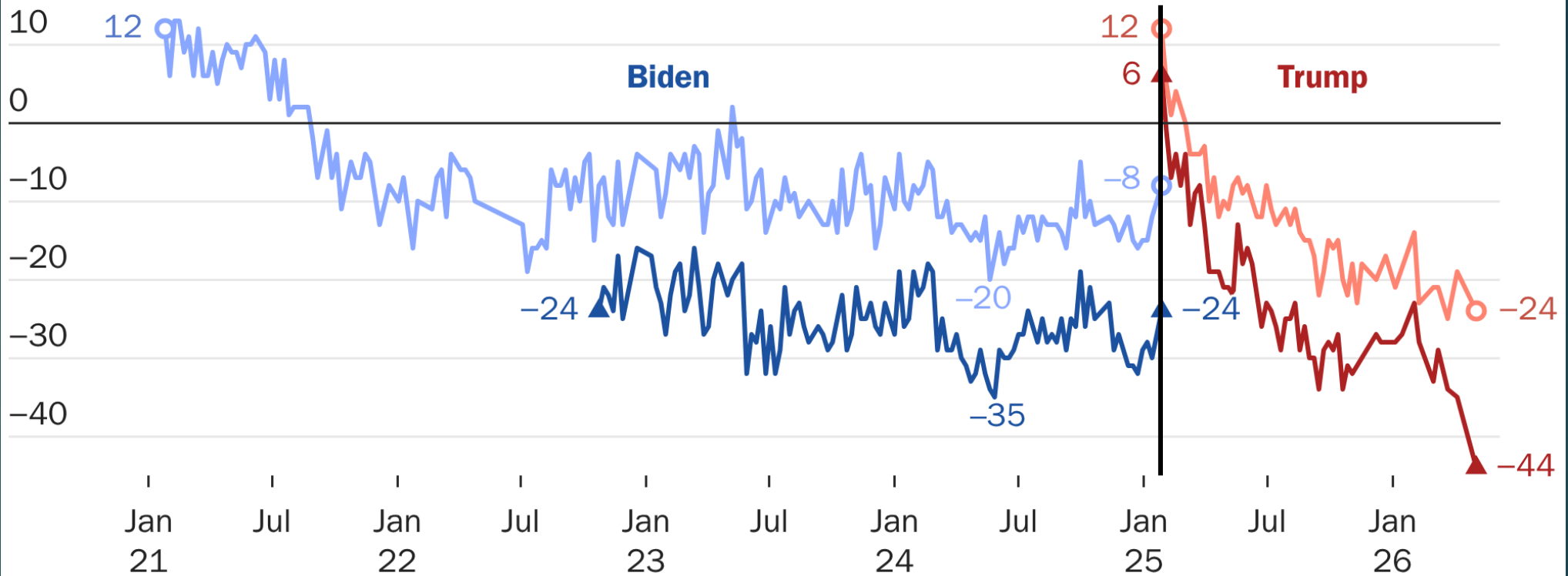


Figure 1

President Trump's net approval on the economy and inflation are now lower than President Biden's worst

Net approval of the way the president is handling jobs & economy and inflation/prices

○ Jobs & Economy ▲ Inflation/Prices



Source: *Economist/YouGov* polls on Biden and Trump.

Note: Both issues are not necessarily asked about every week. It has varied between polls whether the *Economist/YouGov* ask about "the economy" vs "jobs and the economy" and "inflation" vs "inflation/prices." Vertical line shows the January 2025 inauguration of President Trump.

Congressional Midterms

Should we care?



Prediction markets this week:

House (435):

221 Democrats, 204 Republicans

10 Toss-up

Senate (100):

50 Republicans, 46 Democrats

4 Toss-up



Poll: Trump struggles on immigration, prices and Iran as Democrats hold a midterm edge

Voters give Trump higher marks on border security, but they disapprove of his handling of several key issues, according to a national NBC News poll.

Politics, Not Economics

- ▶ Midterm dynamics increase policy volatility but...
- ▶ Executive action replaces legislation
- ▶ Do not expect Congressional solutions to trade problems

CUSMA/USMCA Review

- ▶ Three outcomes: renew, withdraw, or continue reviewing
- ▶ Most likely: continuing review
- ▶ Rolling negotiations preserve US leverage
- ▶ Pressure points can be revisited repeatedly

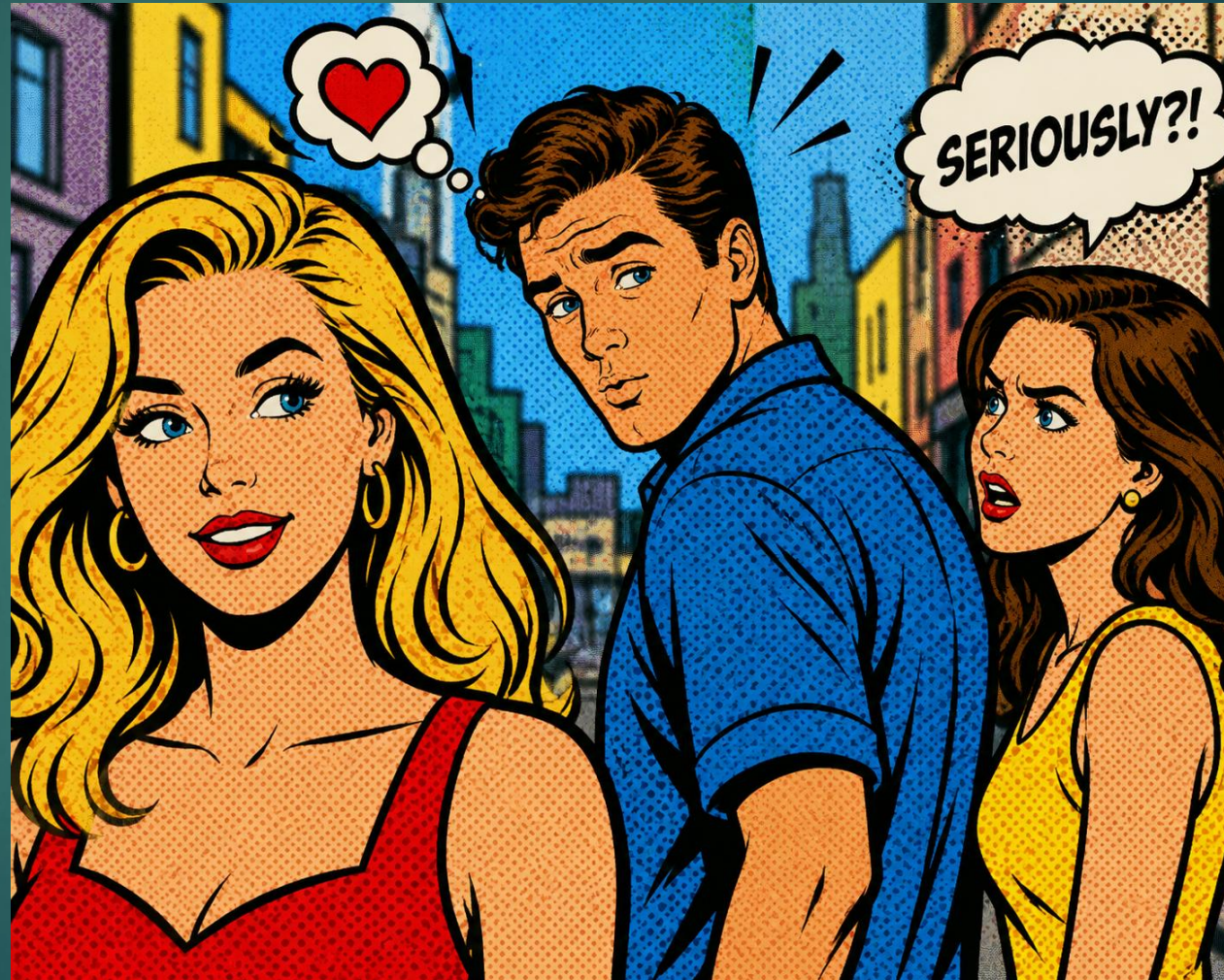
The Asymmetry Problem

- ▶ Canada is highly dependent on the U.S. market
- ▶ The U.S. is less dependent on trade, less vulnerable to uncertainty
- ▶ Asymmetry creates negotiating leverage
- ▶ Boards must manage a volatile partner

From Rules-Based to Tool-Based Trade

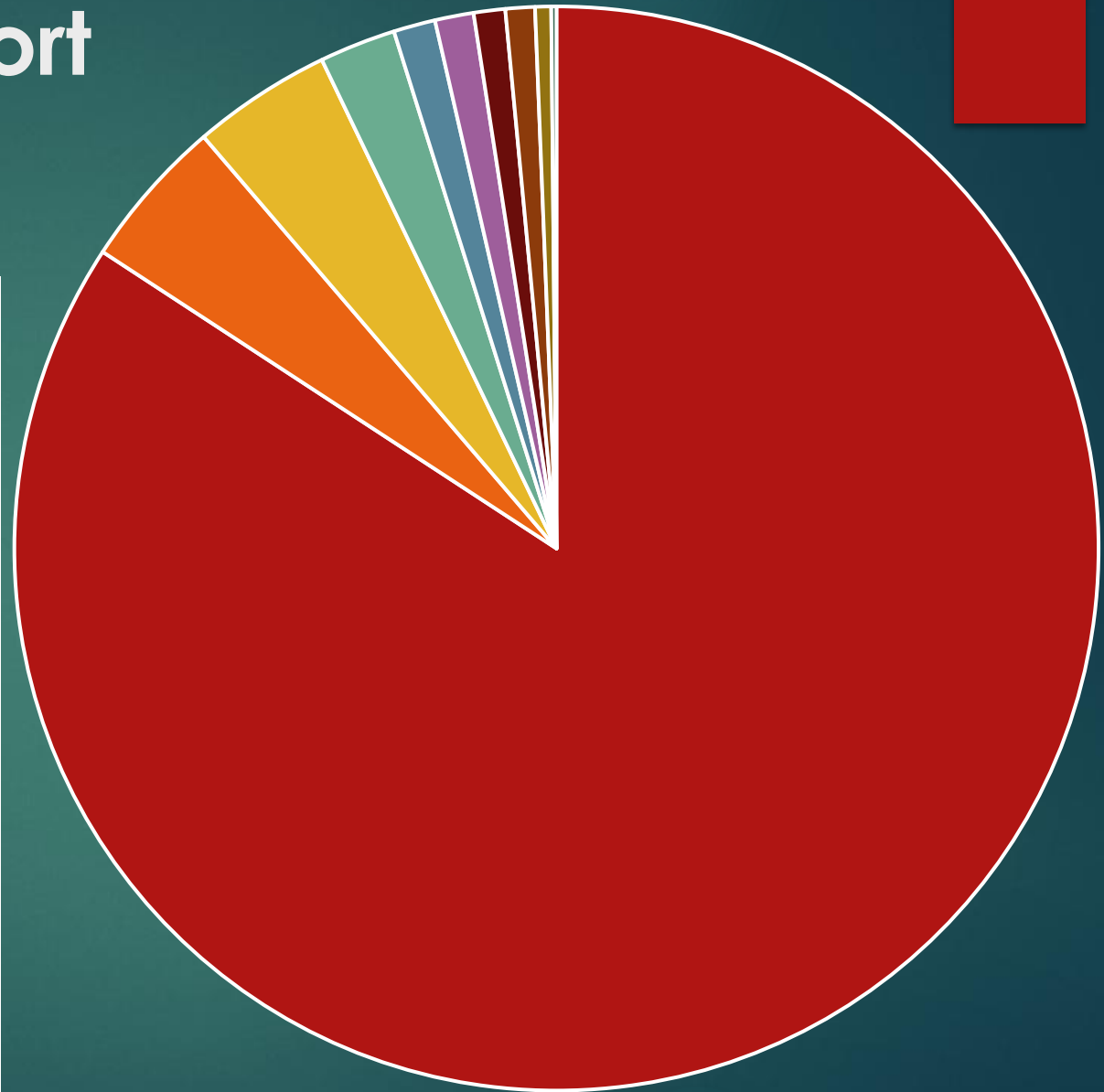
- ▶ Executive orders
- ▶ Section 232 tariffs
- ▶ Section 301 investigations
- ▶ Regulatory actions
- ▶ Boards must manage policy risk on both sides of the border

We should start seeing other people...



Canada's Top 10 Export Destinations %

United States
China
United Kingdom
Japan
Mexico
Netherlands
South Korea
India
France



New wine in old bottles

- ▶ Mexico
- ▶ EU
- ▶ India
- ▶ China

What do we need from govt? What should business be doing on their own?

Diversification Reality Check

- ▶ The U.S. will remain Canada's primary market
- ▶ Diversification works best in services and commodities
- ▶ Harder in integrated manufacturing
- ▶ How much *new risk* are boards willing to support to secure new markets?

Smart Diversification

- ▶ Govt policies that focus on competitiveness not picking winners
- ▶ Decisions should be economically grounded
- ▶ Diversification efforts should support business decisions not drive them

Opportunity within Disruption

Most Likely Winners – Positioned to Benefit From Uncertainty

- **Energy**
- **Critical Minerals & Mining**
- **Agriculture & Food Processing**
- **Fertilizers & Potash**

Quiet Winners

Beneficiaries of Security, Defence, and Infrastructure Investment

- Defense Manufacturing & Aerospace
- Infrastructure & Construction Materials
- Border Technology & Digital Identity Engineering, Logistics & Professional Services
- Major Financial Institutions

Most Vulnerable

Sectors Facing Elevated Risk from Trade and Economic Uncertainty

- Automotive Manufacturing
- Steel & Aluminum
- Forestry & Softwood Lumber
- Consumer Retail & Discretionary Spending
- Housing-Dependent Industries
- Single-Market Exporters

The Board View: We Expected Crisis



We Got Persistent Uncertainty

- ▶ Global retaliation did not happen
- ▶ Supply chains shifted rather than collapsed
- ▶ Producers are hanging on, but not by much
- ▶ Consumers are tightening their belts
- ▶ Rules-based global trade loosened but did not disappear
- ▶ Today's environment is persistent uncertainty

Pricing in Friction

- ▶ Higher compliance costs
- ▶ Documentation and regulatory burdens.
- ▶ Price volatility and shifting supply supply chains
- ▶ Boards should model long-term friction and stress-test margins
- ▶ Data-driven analysis from the ground-up
- ▶ Emotional reactions can undermine competitiveness

Questions Boards Should Be Asking

- ▶ Are we planning for continuous renegotiation? Or are we behaving as though the same old rules prevail?
- ▶ Can margins survive permanent friction?
- ▶ Do we understand supply chain vulnerabilities?
- ▶ Are there new opportunities that are emerging from crisis?

Questions Boards Should Be Asking About Canada-U.S. Policy Risk

- ▶ Who owns U.S. relationships internally?
- ▶ Is there constant communications with our U.S. partners?
- ▶ Are we monitoring policy actions effectively?
- ▶ Are we guided by data-nerds or politicians?

A litmus test for domestic policy

- ▶ Will this policy or program make Canadian business more competitive today than it was yesterday? Is it advancing an achievable economic objective?

Leading Through Political Uncertainty

- ▶ North American integration will not disappear
- ▶ Trade will continue to be a political minefield until mid-2028
- ▶ Successful organizations will find opportunities in disruption, price in uncertainty and act anyway

Laura Dawson, PhD Executive Director Future Borders Coalition



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