Where Trade Is Felt

Canadian Municipalities and U.S. Trade Disruption:

Local Perspectives on Economic Impacts and Resilience

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A collaboration among the Lawrence National Centre for Policy and Management at Ivey Business School, Federation of Canadian Municipalities, and the City of London.

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Table of Contents

1. Executive Summary **4**

2. Background: A Different Kind of Shock **6**

3. Survey Findings **8**

3.1 Sample and methods 8

3.2 Insight one: The disruption is real, but uneven 10

3.3 Insight two: Industry exposure is an important indicator of reported impact 11

3.4 Insight three: Diversification creates breadth, not immunity 14

3.5 Insight four: Municipalities perceive dimensions the standard channels miss 16

3.6 Insight five: Municipalities are actively responding, in proportion to their exposure 17

3.7 What municipalities identify as coordination gaps 20

4. Intergovernmental Context: Historical Relationships and Coordination Gaps **22**

4.1 Constitutional architecture 23

4.2 Channels of communication 23

4.3 An evolving architecture 24

4.4 What existing research establishes, and where it stops 24

4.5 The opportunity 25

5. Key Insights and Options for Consideration **26**

5.1 What the findings tell us 26

5.2 What this teaches us about policymaking 27

5.3 What stronger coordination could look like 28

5.4 Options for consideration: Connect, Coordinate, Unblock 29

5.5 Interpretive boundaries and areas for further analysis 31

5.6 Conclusion 32

References **33**

Appendix A. Summary of Quantitative Findings **34**

Appendix B. Qualitative Evidence by Theme **35**

1. Executive Summary

Trade is negotiated at the federal level, but it is felt at the municipal level. Tariffs are set in Ottawa and Washington, yet their consequences land on factory floors, in industrial parks, and across the local infrastructure and services that support the movement of goods, people, and investment. Since early 2025, successive rounds of tariffs imposed by the United States (U.S.) and Canadian countermeasures have concentrated on key trade-exposed sectors, including automotive, aluminum, aerospace, and softwood lumber, and on communities that are border-adjacent or dependent on exports. In August 2026, the trade environment shifted again as the U.S. imposed new Section 338 tariffs on Canadian goods, followed by a further round of Canadian countermeasures in September. These developments have renewed uncertainty for firms and communities already navigating an evolving Canada–U.S. trade relationship.

As Canada mounts a national response to these measures, often described as a Team Canada effort, municipalities occupy an important local vantage point. Through their responsibilities for local infrastructure and services, and their close relationships with employers and economic-development organizations, municipalities have on-the-ground insight into how trade disruption is affecting local economies and how communities are responding. This perspective presents an opportunity to strengthen Canada's collective response to trade disruption.

This report examines three questions. First, how are municipalities experiencing trade disruption, and how do reported impacts vary by population, geography, and economic composition? Second, how are municipalities responding, and what conditions shape their ability to absorb the shock? Third, where are there opportunities to strengthen coordination across federal, provincial, territorial, and municipal governments and support the broader Team Canada response?

To answer these questions, Ivey's Lawrence National Centre for Policy and Management collaborated with the Federation of Canadian Municipalities and the City of London to analyze survey responses from 31 municipalities spanning nine provinces. The sample includes 22 large urban centres and nine smaller, mid-sized, and rural municipalities. The findings reflect trade conditions reported in May 2026 and the experiences and perspectives of participating municipalities across a range of economic contexts, from highly concentrated industrial communities to more diversified local economies.

Five insights emerge. **First, the disruption is real but uneven.** Cost pressures and supply-chain disruptions are the most commonly reported severe impacts, alongside delays or cancellations in investment, while firm relocations to the U.S. receive fewer severe ratings at this stage.

Second, industrial composition emerges as an important indicator of reported impact alongside population. Municipalities anchored by one or two trade-exposed industries, including automotive, forestry, manufacturing, and natural resources, generally report more severe impacts than more diversified economies within the sample. Small resource-based communities can report levels of disruption as severe as Canada's largest industrial centres.

Third, economic diversification creates breadth as well as resilience. Large, diversified municipalities often report lower average impacts because strength in one sector offsets weakness in another, while simultaneously experiencing trade disruption across a broader range of industries. Through their economic-development corporations, business-retention efforts, and industry networks, these municipalities can observe how shocks propagate across manufacturing, technology, life sciences, professional services, and other sectors in real time, providing a comprehensive view of emerging economic trends.

Fourth, local governments perceive dimensions of the disruption that standardized indicators do not always capture. Municipalities point to second-order effects — including investment hesitation, administrative burdens, labour migration, and shifts in local economic confidence — that may not yet appear in conventional economic statistics. This on-the-ground perspective can help surface emerging pressures and bring local economic intelligence into the broader Team Canada response.

Fifth, municipalities are already acting, with reported activity increasing alongside the level of disruption. Across diverse economic and geographic contexts, municipalities are adapting procurement practices, supporting local businesses, coordinating with industry partners, attracting investment, and using existing economic-development capacity to strengthen local resilience. While the specific tools vary according to local circumstances, the broader pattern highlights a high degree of municipal innovation and adaptability, illustrating the important role local governments play in Canada's economic response to trade disruption.

Taken together, the findings highlight the value of municipal intelligence and local response capacity within the broader Team Canada effort. Across the survey, municipalities identified opportunities for more predictable channels to share local insights, faster and clearer information-sharing during periods of disruption, and continued progress on reducing domestic barriers. These priorities inform the report's options for consideration, which work within the existing division of responsibilities across orders of government and build on coordination mechanisms already in place.

2. Background: A Different Kind of Shock

One defining feature of the current trade environment is that the disruption produced by recent U.S. tariff policy is not a spatially uniform shock. Unlike the COVID-19 pandemic, which affected most geographies with broadly comparable intensity, the current trade environment is concentrated in specific sectors, including automotive, aluminum, aerospace, and softwood lumber, and in specific geographies, particularly communities that are border-adjacent or dependent on exports.

The measures arrived in stages through 2025 and into 2026 and varied sharply by sector. In March 2025, the U.S. initially imposed broad additional tariffs on Canadian goods under the International Emergency Economic Powers Act (IEEPA), including a 25 percent rate on most goods and a 10 percent rate on energy. The measures were subsequently narrowed to exempt most Canada-United States-Mexico Agreement (CUSMA)-compliant goods and were ultimately terminated in February 2026. Sector-specific tariffs under Section 232 of the Trade Expansion Act proved more durable: duties on Canadian steel and aluminum, initially set at 25 percent, were doubled to 50 percent effective June 4, 2025; a 25 percent tariff was imposed on automobiles and certain automotive parts, subject to important CUSMA-related provisions; and in October 2025 a new 10 percent Section 232 tariff was imposed on specified softwood timber and lumber, on top of existing U.S. antidumping and countervailing duties on Canadian softwood lumber, which had risen to roughly 35 percent by August 2025.

In August 2026, the trade environment shifted again. The U.S. imposed a 50 percent tariff on $27.6 billion of Canadian goods under Section 338, effective August 22. Canada subsequently announced dollar-for-dollar countermeasures on $27.6 billion of U.S. imports, effective September 8, alongside additional supports for affected workers and businesses (Department of Finance Canada 2026).

The effects have been correspondingly uneven across sectors and places. Manufacturing experienced the largest employment losses of any industry over the year to December 2025, with approximately 50,000 jobs nationally, concentrated in trade-exposed transportation-equipment and machinery manufacturing (Statistics Canada 2026c). Those losses were concentrated in the manufacturing-heavy economies of Ontario and Quebec, while the national unemployment rate reached 7.1 percent in August 2025, its highest level outside the pandemic since 2016. As Section 3 details, pressure was particularly acute in border and manufacturing communities along the southwestern Ontario corridor, where Windsor and Kitchener-Cambridge-Waterloo recorded unemployment rates well above the national average by early 2026.

The disruption described in this report is felt most directly in local economies, by firms that trade with the U.S. and the workers they employ. Municipal governments experience these effects more indirectly, but occupy an important vantage point through their relationships with local employers, economic-development organizations, and business networks. The responses therefore provide a view of how trade disruption is unfolding locally and how municipalities are responding to it.

This distinction matters because the concentrated nature of the current trade shock can create different pressures across communities, industries, and regions. Broad sectoral or firm-level programs may not always capture this local variation. Timely, place-based information can help higher orders of government identify where disruption is emerging and inform how policy responses and support measures are designed.

Canada's response to these measures has been framed as a Team Canada effort spanning federal, provincial, territorial, and local governments. Municipalities can contribute to that effort by providing bottom-up intelligence on how trade shocks are affecting local economies, where pressures are emerging, and how communities are responding. These responses provide that perspective and form the basis for examining the distribution of disruption, municipal responses, and what these experiences suggest for broader policy coordination.

3. Survey Findings

3.1 Sample and methods

The analysis draws on 31 municipal responses spanning nine provinces. The findings reflect conditions reported in May 2026 and represent a snapshot of a rapidly evolving trade environment.

Twenty-two of the 31 responses came from large urban municipalities with populations over 100,000, spanning eight provinces: Abbotsford, Brampton, Calgary, Edmonton, Gatineau, Halifax, Hamilton, Kitchener, Laval, London, Longueuil, Markham, Mississauga, Montréal, Ottawa, Québec City, Saskatoon, St. John's, Surrey, Toronto, Windsor, Winnipeg. The remaining nine responses came from small, mid-sized, and rural municipalities across British Columbia, Alberta, Ontario, Quebec, New Brunswick, and Nova Scotia. Table 1 lists all 31 respondents by municipality, province, and self-reported population.

Table 1. Survey respondents by municipality, province, and self-reported population

Municipality	Prov.	Population	Municipality	Prov.	Population
Brampton	ON	791,000	Calgary	AB	1,600,000
Edmonton	AB	1,057,000	Gatineau	QC	300,000
Halifax	NS	517,000	Hamilton	ON	871,000
Kitchener	ON	331,000	Laval	QC	462,000
London	ON	633,000 (CMA)	Longueuil	QC	435,000
Markham	ON	267,000	Mississauga	ON	765,000
Montréal	QC	2,172,000	Ottawa	ON	1,150,000
Québec City	QC	592,000	Saskatoon	SK	316,000
St. John's	NL	110,000	Surrey	BC	734,000
Toronto	ON	3,000,000	Windsor	ON	230,000
Winnipeg	MB	850,000	Abbotsford	BC	175,000
Smaller municipalities (population under 100,000)					
The Blue Mountains	ON	7,025*	Grand Bay-Westfield	NB	6,100
La Doré	QC	1,350	Mackenzie	BC	3,288*
Myrnam	AB	250	Sable River	NS	5,000
Sidney	BC	12,500	St-Joseph-de-Kamouraska	QC	401
Warburg	AB	800			

Note: Populations are approximate, as reported by respondents, and were standardized during data cleaning. Figures marked with an asterisk (The Blue Mountains and Mackenzie) are 2021 Census counts, used where the municipality did not report a population.

The questionnaire was circulated to members of the Federation of Canadian Municipalities, including the Big City Mayors' Caucus. Respondents were predominantly senior municipal staff in economic development and in government or intergovernmental relations, with a smaller number of chief administrative officers and elected officials (mayors and councillors). Elected officials were concentrated primarily among the smallest municipalities.

The questionnaire included closed-ended questions using a 1-to-5 scale to assess perceived trade impacts, intergovernmental coordination, and municipal response capacity, alongside open-ended questions on local impacts, policy gaps, and mitigation strategies. Twenty-four responses were in English and seven in French.

Participation was voluntary, and the sample may therefore not be representative of Canadian municipalities. Municipalities experiencing trade-related challenges may have been more likely to participate, which could have influenced the patterns observed in the survey. The findings should therefore be interpreted as reflecting the experiences and perspectives of participating municipalities rather than as representative of Canadian municipalities overall.

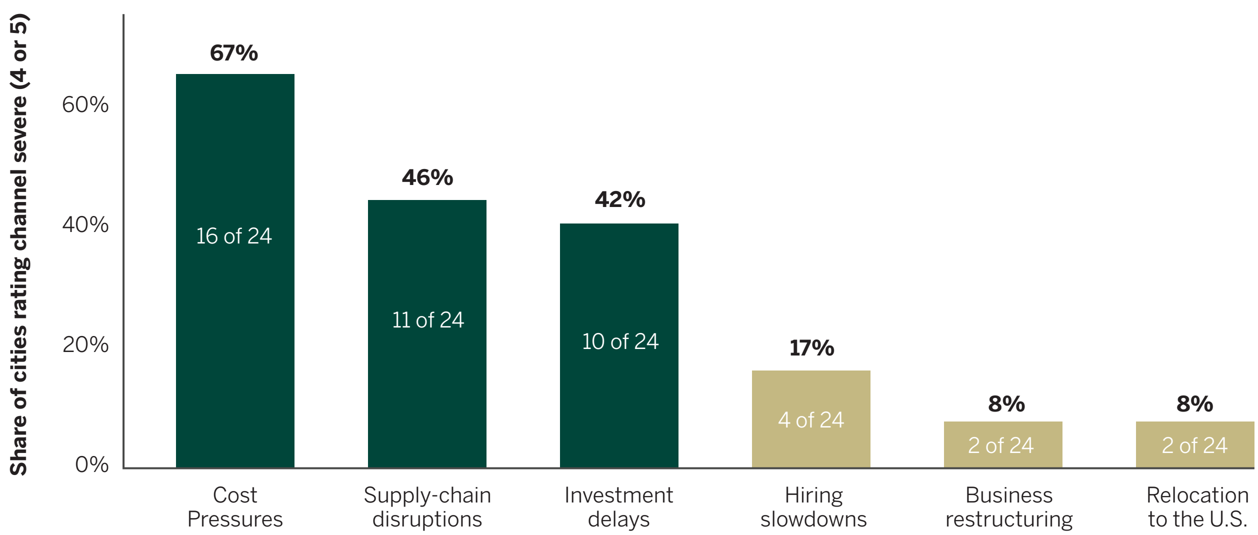
3.2 Insight one: The disruption is real, but uneven

What we mean by "impact channels".

Throughout this report, we use six "impact channels" to describe pathways through which trade and economic uncertainty can affect a local economy: (1) delayed or cancelled investment; (2) hiring slowdowns or layoffs; (3) supply-chain disruptions; (4) firms scaling down or restructuring; (5) firms considering relocation to the U.S.; and (6) increased cost pressures. Respondents rated the severity of each channel on a five-point scale.

Municipalities consistently identify cost pressures and supply-chain disruptions as the primary channels through which cross-border trade volatility reaches their local economies. Figure 1 summarizes how severely municipalities rated each of the six channels.

Figure 1. Severity of the reported trade impacts across six channels



Note: Based on the 24 municipalities that provided ratings for the six impact channels. Severe refers to a rating of 4 or 5 on a five-point scale. Cost pressures were rated severe by 67% of respondents (16 out of 24), followed by supply-chain disruptions (46%) and investment delays or cancellations (42%). Hiring slowdowns were rated severe by 17%, while business restructuring and firm relocation to the U.S. were each rated severe by 8%.

Among the respondents that assessed the six impact channels, 67 percent rated cost pressures as severe (4 or 5 on a five-point scale), nearly half identified supply-chain disruptions as severe, and a similar share reported significant investment delays or cancellations. By contrast, relatively few municipalities rated hiring slowdowns, business restructuring, or firm relocation to the U.S. as severe. Those lower ratings for downstream impacts likely reflect a wait-and-see posture among businesses facing trade uncertainty: firms are absorbing cost and supply pressure rather than committing to harder-to-reverse decisions such as layoffs or relocation. These dynamics could shift in either direction if conditions deteriorate further or stabilize. Within the large-urban subset, the same ordering holds, with cost pressures severe for 71 percent of respondents and supply-chain disruptions and investment delays each severe for 47 percent.

The picture is one of disruption operating largely through cost and supply transmission rather than through firm-level structural decisions such as relocation. Two plant-level reports illustrate the upper end of the distribution. Brampton reports the closure of its local Stellantis assembly plant, with the loss of over 3,000 employees and substantial knock-on effects for parts and supplier firms. Montréal reports that its agglomeration lost approximately 25,000 manufacturing jobs between December 2024 and December 2025, about a quarter of the sector's workforce, with investment uncertainty affecting major firms including Bombardier. These are concentrated, sector-specific shocks, not a broadly distributed downturn, which is the texture the rest of the analysis builds on.

3.3 Insight two: Industry exposure is an important indicator of reported impact

A key pattern in the data is that reported trade impacts vary with industrial exposure across a range of population sizes. Municipalities anchored by one or two goods-exposed industries, such as automotive, aerospace, manufacturing, natural resources, forestry, and oil and gas, generally report higher average impacts within the sample. The small, forestry-anchored Mackenzie and the small, natural-resource-based Grand Bay-Westfield report the same maximum impact rating, 5 out of 5, as the large, automotive-anchored Windsor. At the other end, large, diversified Markham and Saskatoon report the same moderate-to-low rating, 2 out of 5, as small, services-oriented Myrnam. The pattern suggests that industrial exposure is an important indicator of reported impact across a range of population sizes.

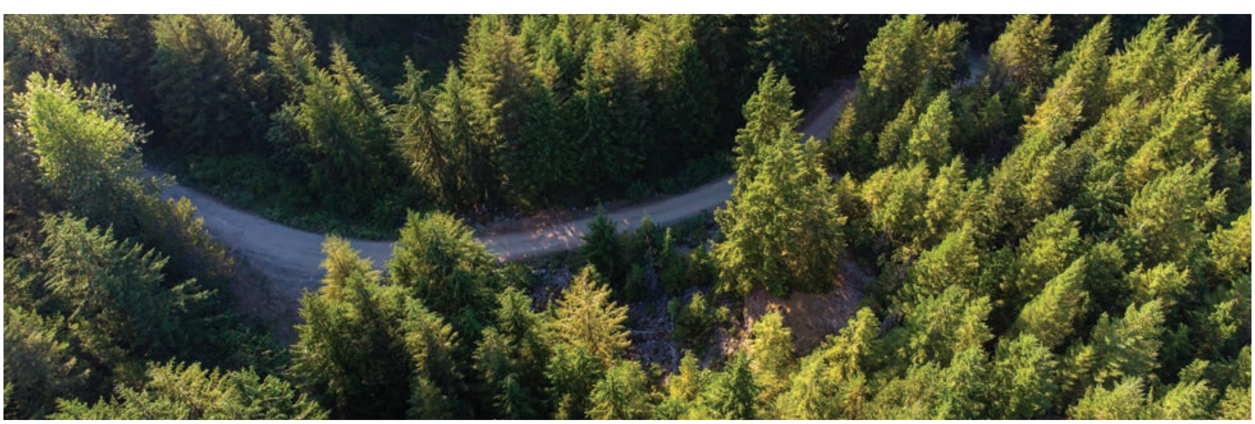
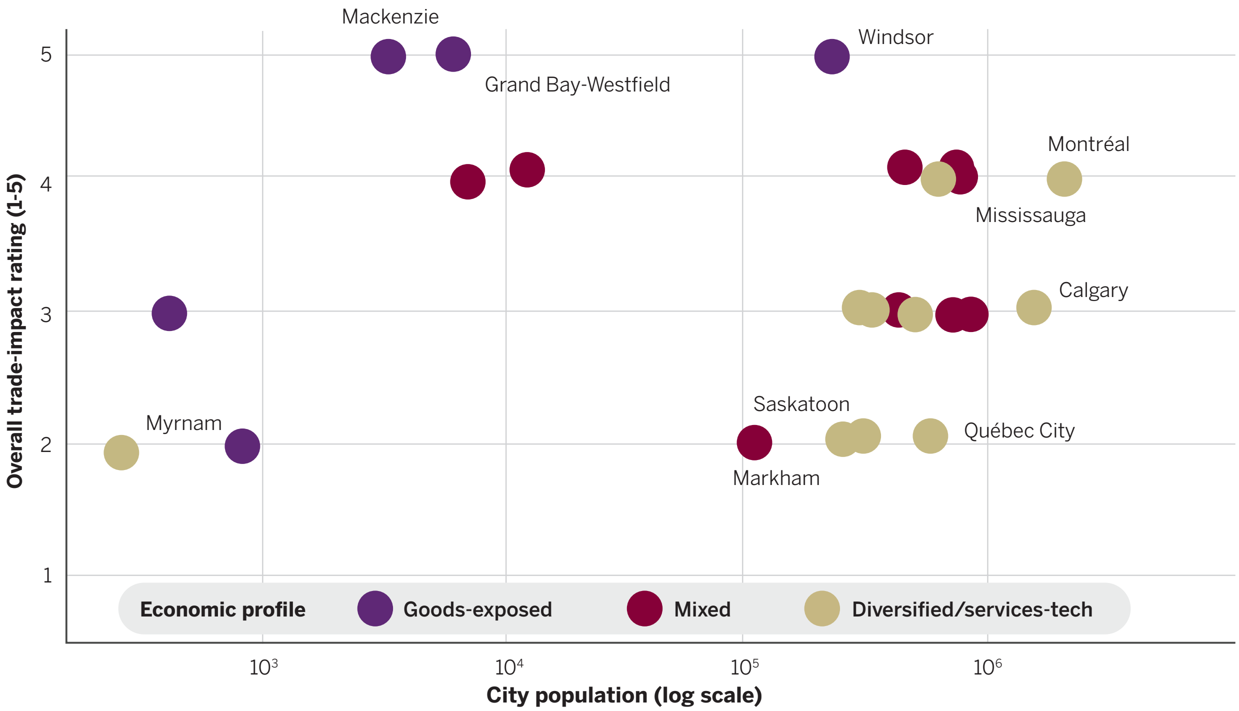


Figure 2. Overall trade-impact rating by municipal population and economic profile



Note: Goods-exposed municipalities tend to report higher impact ratings across a range of population sizes, while diversified and service-oriented municipalities generally report lower ratings.

Municipalities are grouped by economic profile according to their dominant reported industries, drawing on the municipal responses and supplementary municipal information compiled for the project. Goods-exposed municipalities are those anchored by tariff-exposed, goods-producing sectors such as automotive, aerospace, manufacturing, forestry, and oil and gas. Diversified and service-oriented municipalities span multiple sectors or are led by services, technology, and the public sector, while the mixed category in Figure 2 falls between these profiles.[1]

This matters directly for how support is targeted. A program that follows a municipality's population size, or uses census-metropolitan-area boundaries as a proxy for exposure, will systematically miss the small, concentrated communities under the heaviest pressure. Case studies 1 and 2 illustrate how the same maximum reading arises in very different places.

This is an instance of a broader issue in spatial analysis known as the modifiable areal unit problem (MAUP): what we observe can depend on the boundaries and level of aggregation chosen. The same logic that can cause population-based or census-metropolitan-area targeting to miss small, concentrated communities also applies within larger municipalities, where one industrial district may be under acute pressure while another is barely affected. An important underlying unit of trade exposure is the firm, and municipal boundaries aggregate firms whose exposure may be unevenly distributed within them. The analysis captures these effects at the municipal scale because this is where firm-level impacts become visible as local economic conditions and where governments can observe, coordinate, and respond. The findings that follow should therefore be understood as municipal-level summaries of a phenomenon that operates in large part at the firm level, rather than as evidence that geography itself determines impact.

[1] Missing responses from municipalities, including Toronto and Winnipeg, reflect missing data rather than exclusion from the analysis.

Case study 1: Windsor, Section 232 at the firm level

Windsor is a large urban centre on the U.S. border in Southwestern Ontario, with roughly 96% reliance on the U.S. market for its exports and about 1 in 4 area workers employed in manufacturing. It reports the highest overall impact in the dataset.

Survey reading. Overall impact: 5 out of 5 (highest in dataset); Channel ratings: Cost pressures 5, supply chain 4, investment delays 4, hiring 4, restructuring 3, relocation 3 (channel mean 3.83); Cross-border importance: 4.9 of 5 (highest in survey); Response: Tariff Working Group with the Windsor-Essex Chamber of Commerce and Invest Windsor Essex.

Windsor's rating is supported by both channel-level evidence and concrete firm-level reporting, including a Section 232 tooling-tariff change that raised the duty on a single mold from approximately $1,500 to $61,000. The case shows how a national measure can produce an acute, specific cost shock for a municipality's anchor industry.

Case study 2: Mackenzie, the single-industry community

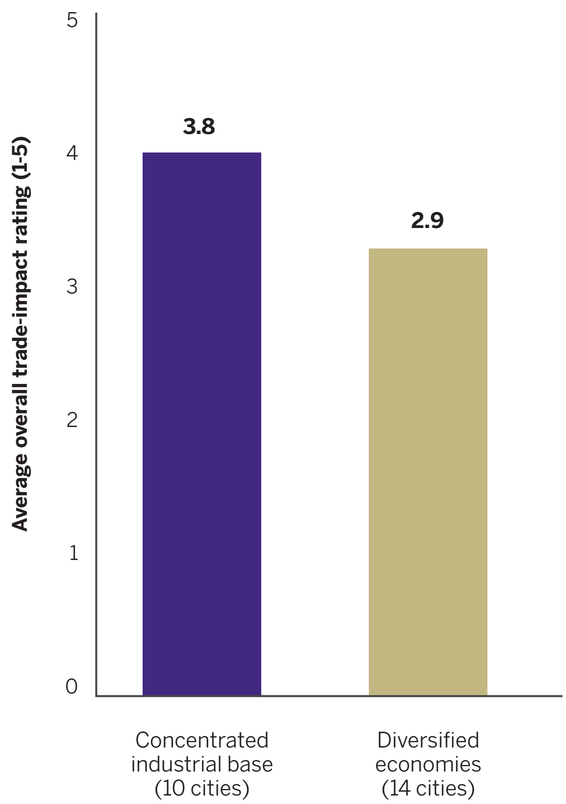
Mackenzie is a small district municipality in northern British Columbia, anchored by forestry, manufacturing, and mining. Despite its size, it reports the maximum overall impact and the highest channel-severity profile in the entire dataset.

Survey reading. Overall impact: 5 out of 5; Channel ratings: Hiring 5, supply chain 4, restructuring 4, relocation 4, cost pressures 4, investment delays 3 (channel mean 4.00, highest in dataset); Response: Increased investment-attraction and business-retention programming.

Mackenzie is the clearest illustration that a small community anchored by a single trade-exposed industry can feel the shock as sharply as any large city. Its impact profile is a function of industrial concentration, not scale, which is precisely the kind of community that size-based targeting overlooks.

3.4 Insight three: Diversification creates breadth, not immunity

Figure 3. Average overall trade-impact rating by economic profile



Note: Municipalities with a concentrated industrial base (10) average 3.8 out of 5; municipalities with diversified economies (14) average 2.9 out of 5.

If industry exposure sets the level of impact, economic diversification shapes its character. Municipalities with concentrated industrial bases feel concentrated shocks sharply, as Mackenzie and Windsor show. Large, diversified urban centres feel a different version of the same disruption: a lower average impact, because strength in one sector offsets weakness in another, but a breadth of exposure across many sectors at once. Figure 3 collapses the three-way grouping of municipalities (goods-exposed, mixed, and diversified/services) into a two-way comparison. Mixed municipalities are grouped with the profile they most closely resemble, allowing Figures 2 and 3 to present the same municipalities at different levels of aggregation. On average, the municipalities anchored by one or two goods-exposed industries report an overall impact of 3.8 out of 5, while municipalities with diversified economies report 2.9 out of 5. Diversification cushions the aggregate reading; it does not make a municipality immune.

Markham describes this cushioning mechanism directly, noting that its strength in knowledge-intensive sectors, including technology, life sciences, and research and development, has held up comparatively well and helps offset losses in more exposed parts of the local economy.

This layered pattern is the basis of a distinctive value proposition for Canada's large, diversified municipalities. Because they span many sectors at once, they are uniquely positioned as observatories of the trade shock, able to see its breadth move across automotive, manufacturing, technology, life sciences, and professional services in real time, through their economic-development corporations, business-retention outreach, and chamber-of-commerce partnerships. Smaller concentrated communities feel acute single-sector shocks but do not have that cross-sectoral vantage point. Mississauga illustrates how breadth and depth of exposure combine in a single diversified economy.

Case study 3: Mississauga, administrative cost at the border

Mississauga is a large urban centre in the Greater Toronto Area, anchored by information technology, life sciences, and manufacturing across automotive, aerospace, food and beverage, and industrial machinery. Total imports by Mississauga firms are higher than in any other Canadian city, with about 89% originating from manufacturers and wholesale traders.

Survey reading. Overall impact: 4 out of 5; Channel ratings: Supply chain 4, cost pressures 4, investment delays 3, hiring 3, restructuring 2, relocation 1 (channel mean 2.83); Cross-border importance: 5 out of 5; Response: Local Business Outreach and Resource Hub prioritizing tariff-exposed firms.

Mississauga's account adds a transmission channel the standardized six do not name directly: the administrative cost of moving goods across the border under current rules, including multi-crossing tariff stacking, compliance certification, and border delays. These compound the cost and supply-chain pressures the city already rates at severe levels, and they are the kind of cross-sector, operational detail a diversified municipality's outreach networks are well placed to observe.

For federal, provincial, and territorial program design, the implication runs in two directions: targeting by population misses the small, concentrated communities under the heaviest pressure, while targeting by industry alone misses the cross-sector breadth that diversified large municipalities can supply. Section 5 returns to what this means for how support is targeted.

3.5 Insight four: Municipalities perceive dimensions the standard channels miss

Municipal respondents were asked for both ratings across the above six specific channels and an overall assessment of trade impacts. Among the 22 municipalities that rated both, six reported a higher overall impact than the average across the six channels would suggest. This gap may indicate that the six channels do not fully capture second-order effects municipal officials perceive in their overall assessment. The pattern is especially clear in two communities where impacts are linked to broader regional economic weakness resulting from tariff shocks: in Grand Bay-Westfield, a housing-investment slowdown and a halted industrial-park investment reflect deferred investment decisions, while in The Blue Mountains, tourism and agriculture pressures reflect softening demand. These cases provide additional support for the report's central insight: local governments perceive dimensions of the disruption that standardized indicators do not always capture. This on-the-ground perspective can complement existing economic indicators and contribute valuable local intelligence to the broader Team Canada response.

Case study 4: Grand Bay-Westfield, the second-order signal

Grand Bay-Westfield is a small New Brunswick municipality of roughly 6,100 people, with an economy anchored by natural resources, logistics, and health, and an export-oriented employment share of about 50%. Its overall reading exceeds its channel readings by more than any other municipality in the sample.

Survey reading. Overall impact: 5 out of 5; Channel ratings: Investment delays 4, hiring 4, supply chain 4, restructuring 3, cost pressures 3, relocation 2 (channel mean 3.33); Gap between readings: +1.67 scale points (largest in dataset).

Grand Bay-Westfield is an example of a small municipality observing downstream reverberations. While broad exemptions or temporary tariff pauses have staved off immediate devastation for certain provincial sectors, recurring threats complicate long-term business investment and workforce stability.

Case study 5: London, second-order impact through labour markets

One implication of secondary impact deserves separate attention because it runs through the labour market rather than through local plants. London reported meaningful trade impact in the survey, yet its industrial base is comparatively diversified, anchored by manufacturing, health care and life sciences, and professional, scientific, and technical services. By the spring of 2026, the London census metropolitan area nonetheless recorded the highest unemployment rate among Canada's 20 largest metropolitan areas, at 9.1% in March 2026 against 6.0% a year earlier, and it remained among the highest through May.

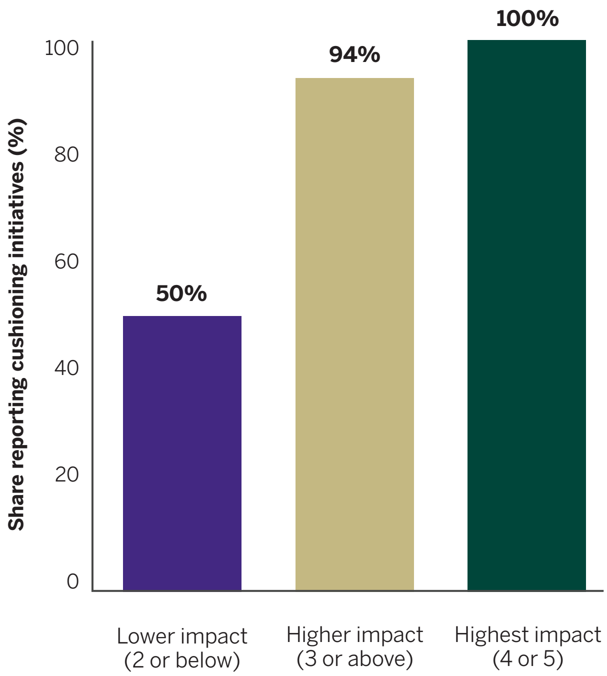
The hypothesis this report flags for further investigation is that London's deterioration is not primarily a story of local closures. The region's population growth is driven by migration, and its labour-force growth has outpaced job creation; the London Economic Development Corporation's labour-market planning records a labour force up roughly 18% over five years. A telling sign points the same way: through 2025, London continued to add jobs even as its unemployment rate climbed, the signature of a labour force expanding faster than hiring rather than of an economy shedding jobs. The same dynamic is visible province-wide, where Ontario's unemployment rate rose late in 2025 because the labour force grew faster than employment.

London functions as a destination for people looking for work, including from harder-hit manufacturing centres along the southwestern Ontario corridor, where Windsor (8.5%) and Kitchener–Cambridge–Waterloo (8.6%) also carried elevated unemployment in March 2026. This channel, trade disruption surfacing as labour-market inflow rather than as plant closures, is precisely the kind of second-order effect that Insight Four identifies as visible to municipalities before it is legible in standard indicators. By early 2026 the picture was beginning to shift, with the region recording outright job losses in the spring, which suggests that the labour-supply dynamic driving the 2025 rise may now be compounding with genuine demand weakness (see also Statistics Canada 2026a, 2026b; London Economic Development Corporation 2025).

3.6 Insight five: Municipalities are actively responding, in proportion to their exposure

Participating municipalities are actively responding to trade disruption. Among the 25 respondents who answered the question on cushioning initiatives, 80 percent reported having acted, with reported action increasing alongside the level of disruption. Half of the lower-impact municipalities, those rating overall impact at 2 or below, reported initiatives, rising to 94 percent of municipalities rating impact at 3 or above, and to 100 percent of the municipalities reporting the highest impact. Within the large-urban subset, every city reporting an overall impact of 3 or higher reported cushioning initiatives (Figure 4).

Figure 4. Share of municipalities reporting cushioning initiatives, by overall trade-impact rating



Note: Based on the 25 municipalities that answered the question on cushioning initiatives.

One part of this pattern is easy to misread, and it is worth stating plainly. The absence of cushioning activity among lower-impact municipalities may reflect the absence of a reason to act and not a lack of municipal capacity or will. Where the shock is felt, participating municipalities have largely taken action. Sixteen municipalities described their activity, revealing six response themes that many pursue in parallel.

Procurement realignment and Buy Canadian. The most common response is to redirect municipal purchasing toward Canadian suppliers. Halifax reports that nearly all its direct purchasing now goes to Canadian companies, with procurement policies aligned to the province's tariff response. Brampton operates a Made-in-Canada procurement policy within its Tariff Action Plan and Mississauga, Markham, Montréal, London, The Blue Mountains, and Kitchener, among others, have implemented procurement variants.

How far this realignment can lawfully go is shaped by procurement rules that municipalities must navigate. CUSMA, unlike NAFTA, contains no government-procurement chapter applicable to Canada; instead, Canada–U.S. procurement access is maintained through the World Trade Organization Agreement on Government Procurement (GPA). At the domestic level, municipal procurement is also subject to the Canadian Free Trade Agreement, while procurement covered by CETA can give European suppliers access to municipal markets where the relevant municipality, procurement, and monetary thresholds fall within CETA's coverage.

These agreements do not prohibit Buy Canadian outright; they constrain it above defined monetary thresholds, above which municipalities in the covered MASH sector (municipalities, academic institutions, school boards, and health and social service bodies) must treat covered foreign suppliers without discrimination. Below those thresholds, which sit in the range of roughly $350,000 for goods and services and several million dollars for construction, municipalities retain room to weight Canadian content, local benefit, and supply-chain security. In practice, then, local governments are working within the thresholds, amending purchasing by-laws and award criteria for lower-value contracts, rather than circumventing trade-agreement obligations; the Federation of Canadian Municipalities has issued legal guidance to members on where that room exists.

> **City procurement policies were amended to support increased access for domestic suppliers. Actions included increasing the medium value acquisition threshold, clarifying the definition of a U.S. bidder, [and] implementing a flexible award methodology that balances fiscal responsibility with support for domestic suppliers.** —City of Mississauga, on procurement realignment

Formal tariff-response structures. Several municipalities have established dedicated coordination structures in response to trade disruption. Hamilton convenes a Mayor's Roundtable on Trade and Tariffs, alongside a joint City–Chamber Tariff Impact Questionnaire and resource hub. London operates an Economic Response Team designed for rapid coordination, while Brampton, Windsor, Markham, Gatineau, and Toronto have developed their own multi-pillar response structures.

These models vary in form and permanence. Some are standing bodies with defined membership, such as Hamilton's Mayor's Roundtable, which brings together manufacturers, port and airport authorities, chambers of commerce, and the city. Others, such as London's Economic Response Team, are more flexible and designed to mobilize quickly as conditions change. Most are municipally led and bring together local business and economic-development partners, with more limited formal involvement from provincial, territorial, and federal officials.

Business retention, expansion, and advisory outreach. Municipalities are reaching out directly to exposed firms. Markham's business-retention outreach targets manufacturing and food-processing employers; Mississauga's Local Business Outreach and Resource Hub prioritizes tariff-exposed firms across multiple sectors; and Kitchener advises firms on available supports, supply-chain alternatives, and engagement with the federal Trade Commissioner Service.

Market diversification and productivity support. A fourth theme helps firms reduce their dependence on the U.S. market and raise productivity. Among the municipalities reporting such programs, Montréal supports firm-level diversification, productivity, and supply-chain projects; Longueuil delivers productivity services through its DigifabQC centre; Gatineau is repositioning toward non-U.S. exports and defence demand; and Toronto operates a trade platform spanning webinars, compliance workshops, and an accelerator program.

Cross-border advocacy and subnational diplomacy. Twelve municipalities report engaging actively in cross-border forums. Toronto, Hamilton, Montréal, Laval, Québec City, and London engage through the Alliance of Great Lakes and St. Lawrence Cities; Surrey and Windsor participate in the Border Mayors Alliance, a coalition of roughly 20 Canadian mayors; and Halifax has formed a mayoral partnership with Boston.

Investment attraction. Municipalities are expanding their efforts to attract and retain investment. Brampton pairs an investment-attraction pillar with the protection of former assembly-plant lands for future manufacturing; Longueuil delivers investment-attraction work in partnership with Montréal International; and Mackenzie, St. John's, and Gatineau have each increased investment-attraction programming, with Gatineau emphasizing investment less dependent on complex international supply chains.

Much of this activity runs through economic-development institutions that predate the shock and are now being repurposed. Investment attraction, export promotion, and sector or cluster development are long-standing municipal and regional economic-development functions, and the responses show municipalities redirecting them toward trade resilience: repositioning investment-attraction efforts toward activity less dependent on complex cross-border supply chains, as Gatineau describes, and delivering firm-level productivity and market-diversification support through established agencies, as Montréal does through its own programs. The pattern is less the creation of new institutions than the reorientation of existing economic-development capacity toward a new problem, which is also why municipalities with more of that capacity, typically the larger and more diversified ones, can mount a wider response.

3.7 What municipalities identify as coordination gaps

Fourteen municipalities identified specific gaps in current intergovernmental coordination. Four recurring themes emerged, several of which were raised independently by municipalities across different regions. The following section presents these gaps as described by respondents and links them to the opportunities for improvement discussed in Section 5.

Opportunities for more consistent municipal input
The most frequently identified coordination gap concerns the consistency of municipal input and information-sharing during periods of trade disruption. Participating municipalities described having detailed knowledge of local economic impacts and business conditions, while identifying opportunities for that information to be shared more systematically across orders of government. Several municipalities raised this independently.

Communication delays and uneven access to information
Participating municipalities report that announcements of federal and provincial measures arrive faster than the details needed to act on them, and that the resulting lag falls hardest on those with the least capacity to navigate it. They note an asymmetry in which larger firms with government-relations staff move faster than small firms and municipalities, making the delay regressive in its effects.

Interprovincial trade barriers cap the domestic response
A striking and consistent theme is that municipalities are responding to U.S. tariffs by redirecting demand toward Canadian suppliers, but internal barriers limit how much of that displaced demand the domestic market can absorb. Misaligned provincial regulations and trade-agreement obligations on municipal procurement hold back the Buy Canadian response. Brampton, Halifax, Gatineau, and Calgary each identified this independently.

A key policy gap is the lack of consistent, timely coordination and information-sharing across federal and provincial governments during periods of trade disruption. Municipalities lack a formal role in trade and industrial policy discussions, despite being on the front lines of economic impacts, workforce disruption, and business engagement.

— A municipality in Western Canada, on policy gaps and barriers

Often, major funding announcements are released but lack details on how to access. When provincial and federal governments announced funding programs, information was often not easily accessible to small and medium-sized businesses. Larger firms, with access to lobbyists and dedicated government relations staff, were better positioned to navigate application processes, secure funding, and engage policymakers.

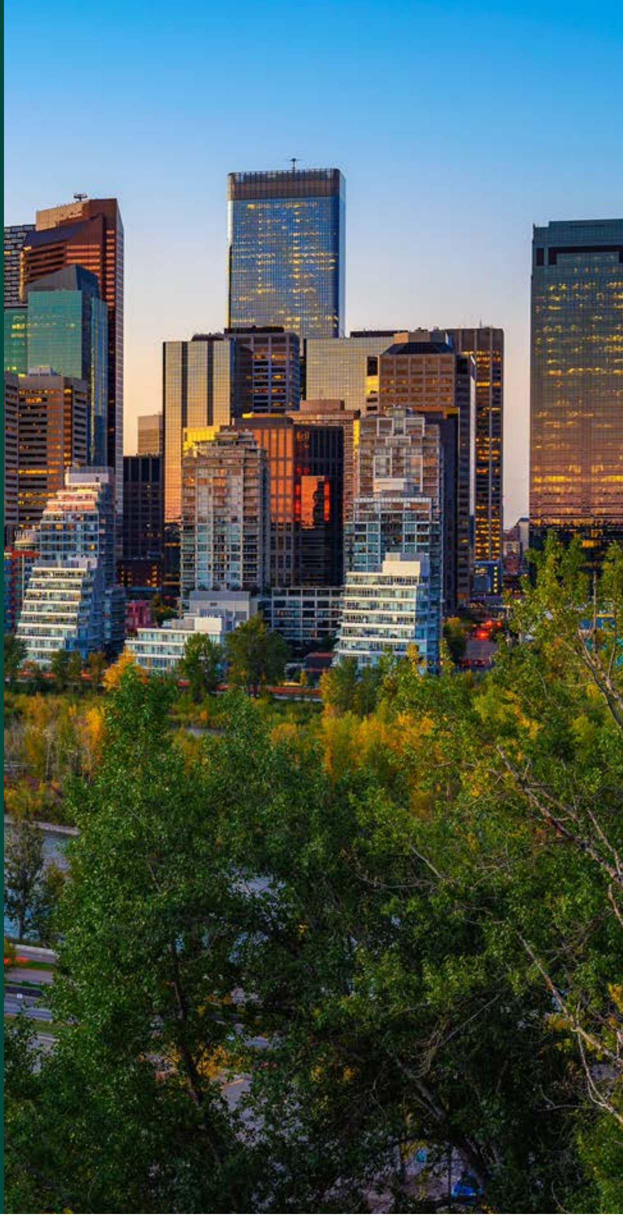
— A municipality in Eastern Canada, on access to federal and provincial support

Case study 6: Calgary, the legal architecture of Buy Canadian

Calgary is a large urban centre in southern Alberta, with energy and manufacturing concentrations and energy-product carve-outs that moderate its direct tariff exposure. It reports only moderate overall impact, yet it surfaces the most specific structural-legal gap in the dataset, illustrating that the clearest articulation of a barrier can come from a municipality in the middle of the impact range.

Survey reading. Overall impact: 3 out of 5 (moderate); Response: Supply Chain Resilience Program (predates the tariff episode).

The City of Calgary faces lack of federal guidance and legal barriers to introducing explicit 'Buy Canadian' procurement principles. Municipal procurement is constrained by public procurement law and trade agreements such as the Canadian Free Trade Agreement, CETA, and, regionally, the New West Partnership Trade Agreement (NWPTA), which applies to western Canadian municipalities and limits preferential treatment above defined thresholds. The City is also awaiting guidance and support from other orders of government on implementing 'Buy Canadian' provisions at a municipal level while maintaining compliance with applicable trade agreements.
— City of Calgary, on policy gaps and barriers



Statutory constraints on municipal economic action
A final, jurisdiction-specific constraint appears among Quebec municipalities. They have access to instruments such as business tax-credit programs and, through MRCs (Municipalités régionales de comté), local investment funds. However, the legality and design of firm-level assistance depend on the statutory authority under which it is provided, the conditions attached to that authority, and applicable trade obligations. These constraints can limit the ease with which municipalities redirect financial support toward firms or sectors during a disruption, although they do not amount to a blanket prohibition on sectorally targeted economic-development assistance. More generally, restrictions on municipal subsidies can be understood as addressing the risk of intermunicipal competition for investment in which subsidies merely relocate economic activity rather than increase aggregate productivity.

How municipalities rate federal and provincial coordination
Municipalities were also asked to rate federal and provincial coordination on a 1-to-5 scale. The most striking result is the high non-response rate: 39 percent of respondents did not provide an assessment of federal or provincial coordination, a rate higher than for items in which municipalities rated themselves. This high rate of non-response is itself the dominant signal and should be read alongside the more concrete gaps described in the qualitative responses.

4. Intergovernmental Context: Historical Relationships and Coordination Gaps

The findings presented in Section 3 are embedded within an intergovernmental architecture with a long history. This section turns to that architecture: where authority over trade sits, how subnational voices reach it, why the gaps municipalities describe have proven persistent, and what existing research has and has not established about them.

4.1 Constitutional architecture

Canadian trade policy sits at the apex of federal jurisdiction. Section 91(2) of the Constitution Act, 1867 assigns the regulation of trade and commerce, including treaty negotiation, tariff authority, and the administration of the international border, to Parliament. Provincial and territorial governments influence trade indirectly through the implementation powers conferred by sections 92(13) and 92(16): property and civil rights, procurement, labour law, and much of the regulatory architecture through which trade flows. Municipalities occupy a third, derivative position. Section 92(8) defines municipal institutions as a matter of provincial jurisdiction, a structural reality the Supreme Court of Canada reaffirmed in 2021 in City of Toronto v. Ontario (Attorney General), holding that municipalities possess no independent constitutional standing and remain subject to unilateral provincial restructuring (City of Toronto v. Ontario, 2021 SCC 34).

The practical consequence is an important coordination challenge. As owners of more than 60 percent of Canada's core public infrastructure, municipalities maintain many of the assets that support the movement of goods, services, and people, including local roads, bridges, water and wastewater systems, and public transit (Federation of Canadian Municipalities 2025b). Through these responsibilities and their relationships with employers and economic-development organizations, municipalities also hold on-the-ground information about how trade disruption is affecting local economies. The opportunity is to make better use of that intelligence within existing intergovernmental arrangements.

4.2 Channels of communication

Canada's intergovernmental trade architecture reflects this division of responsibilities. First Ministers' Meetings, the Council of the Federation, and the Federal-Provincial-Territorial Committee on Trade constitute the formal apex of Canadian intergovernmental trade policy.

At the municipal level, channels operate in parallel but through different and more localised routes. The Federation of Canadian Municipalities provides a national platform for consolidating municipal perspectives and advancing shared priorities, including through member forums such as the Big City Mayors' Caucus, Rural Forum, and Northern and Remote Forum. Provincial and territorial municipal associations offer consultation mechanisms of varying formality at the provincial and territorial level. The Memorandum of Understanding between the Association of Municipalities of Ontario and the Province, first signed in 2001, is among the strongest formal arrangements of its kind, as is the relationship between the Province of British Columbia and the Union of British Columbia Municipalities, which rests on a dedicated provincial statute together with a standing set of memoranda and protocols. Direct mayoral advocacy, subnational diplomatic relationships, and ad hoc bodies such as the Border Mayors Alliance, formed in January 2025, fill the remaining space. These mechanisms are valuable, but they remain largely ad hoc and episodic rather than systematic. Within Canada's current division of powers, the municipal role is consultative; the practical opportunity is therefore to improve the consistency and timeliness with which municipal information moves through existing intergovernmental channels.

4.3 An evolving architecture

The architecture described above is not static. Across four decades of trade policy, the federal government has progressively expanded the range of subnational voices consulted on trade files. Provincial participation in the Canada-U.S. Free Trade Agreement negotiations of 1985 to 1988 was limited and informal. The North American Free Trade Agreement, in the early 1990s, introduced a more structured federal and provincial working table that subsequently became the Federal-Provincial-Territorial Committee on Trade. The Comprehensive Economic and Trade Agreement with the European Union, negotiated between 2009 and 2017, represented the strongest case to date for provincial participation: at the European Union's insistence, provincial chief negotiators participated directly in the negotiation process (Paquin 2025; Broschek 2025).

This expansion has been incremental and driven by specific events, but it demonstrates that Canada's intergovernmental trade architecture can evolve as coordination needs change. For municipalities, the opportunity is to strengthen the consistency with which local economic intelligence can inform federal, provincial, and territorial processes during periods of trade disruption, within the existing division of responsibilities.

4.4 What existing research establishes, and where it stops

Academic and policy research over the past several years has converged on a consistent set of observations about how the current architecture serves municipalities. Hachard (2022) and Smith and Lucas (2025) examine the limited formal role of municipalities in intergovernmental policy processes. Kukucha (2016) and Eidelman and Lucas (2023) identify information asymmetry as a related pattern: information transmission between federal and provincial/territorial governments tends to be unidirectional, and municipalities receive a further filtered version of an already partial flow.

Recent work has highlighted a recurring challenge in intergovernmental policy design: federal, provincial, and territorial programs are often organized around broad national or sectoral priorities, while municipalities experience and respond to their effects at the local level (Federation of Canadian Municipalities 2025a; Institute for Research on Public Policy 2020).

In comparative federalism terms, Broschek (2025), Paquin (2025), and Good (2021) note that Canada lacks the permanent trilateral trade coordination frameworks observed in Switzerland, Germany, and Belgium. While Hachard (2022) and Broschek and Goff (2018) have proposed such frameworks for Canada, the permanent, densely institutionalized models found in these countries reflect their more compact, coordinated-market contexts and may not transfer directly to Canada's larger and more regionally differentiated federation.

These observations have been developed across distinct bodies of literature, including municipal finance, trade coordination, communication between municipalities and senior governments, and comparative federalism, but little existing work treats their intersection directly. The question of intergovernmental coordination at the municipal level, specifically as it manifests during trade disruption, is the gap this report examines.

4.5 The opportunity

Many opportunities exist within the current architecture to improve how information moves across orders of government as it relates to trade policy. These could include more consistent municipal economic-impact reporting through existing federal-provincial-territorial processes, consultative touchpoints during periods of significant trade disruption, and closer operational coordination among the Federation of Canadian Municipalities, provincial and territorial municipal associations, and federal trade officials. Together, these measures could strengthen the use of existing information, relationships, and coordination mechanisms during periods of trade disruption.

5. Key Insights and Options for Consideration

5.1 What the findings tell us

Read together, the insights point to three broader conclusions: the shock is concentrated, municipalities can perceive dimensions that national indicators may not immediately capture, and they are already acting.

First, the shock is heterogeneous: it concentrates by sector and geography, not necessarily by a municipality's population size, landing very differently on a forestry town, an automotive border city, and a diversified metropolitan economy. A response built on broad, uniformly distributed programs, the design that suited COVID-era disruption, is poorly matched to a shock this concentrated.

Second, municipalities perceive dimensions the aggregate indicators may not immediately capture, especially uncertainty-driven effects that surface in local investment pipelines. This provides a case for using municipal intelligence as a complement to existing economic information and broader Team Canada coordination.

Third, municipalities are already responding in proportion to their exposure; the question is not whether municipalities will act, but how their action can be better informed, supported, and connected to the national effort.

There is also an encouraging signal worth stating plainly and reading carefully. So far, there is little evidence that the disruption has driven firms to relocate to the U.S. As Section 3 showed, relocation and restructuring drew the fewest severe ratings of the six channels. For the purposes of this analysis, firm relocation is distinct from the production shifting observed among some multinationals, which have wound down Canadian lines while expanding U.S. capacity to sit behind the tariff wall. The Brampton assembly-plant closure noted in Section 3 is an example of the latter rather than a firm relocating in its entirety.

The pressure municipalities report is operating through cost and supply transmission rather than through the wholesale loss of productive capacity. This is a cautious bright spot, but it should not be overstated. In highly exposed places such as Windsor, sustained uncertainty and higher input costs are themselves delaying investment, and prolonged delay carries a cost of its own: forgone spending on equipment, technology, and workforce skills can become a slow drag on productivity long before any plant closes. The data is a snapshot of an evolving situation, and the absence of relocation today is not a guarantee against it if uncertainty persists. The encouraging counterpart is that municipalities are responding inventively, but local action has limits, and without stronger intergovernmental coordination, municipal effort alone cannot offset a disruption set in motion at the national and international level. The cost of acting now is an investment in prevention rather than in recovery.

5.2 What this teaches us about policymaking

One policy lesson concerns targeting. Because impact tracks industry rather than size, support that is allocated by population or by census-metropolitan-area boundaries will systematically miss the small, concentrated communities under the heaviest pressure, while support allocated by industry alone will miss the cross-sector breadth that diversified large municipalities can see and convey. Effective targeting needs both lenses, and the analysis illustrates that local governments of different sizes and economic profiles hold complementary pieces of the national picture. Large, diversified municipalities function as observatories of the shock's breadth; small, concentrated communities are early and acute sensors of its depth. A response that draws on both is better informed than one that draws on neither. These lenses are complementary rather than competing because the shock is distributed jointly across sectors and places; neither a purely sectoral nor a purely geographic view is sufficient on its own.

The second lesson concerns coordination. Federal trade consultation has broadened over several decades, and existing intergovernmental mechanisms already provide a foundation for collaboration. The opportunity is to improve how the operational intelligence municipalities gather — through tariff working groups, mayors' roundtables, economic-development organizations, and business outreach — is shared through existing channels. Strengthening the Team Canada response is therefore less about building something new than about connecting what already exists, improving how information moves during periods of disruption, and unblocking the internal barriers that constrain local adaptation.

5.3 What stronger coordination could look like

Participating municipalities not only described what is missing; many described what a well-functioning system would look like. Three elements recur across the open-text responses.

More predictable sharing of municipal intelligence
Municipalities are already gathering granular, sector-level data on firms, supply chains, and local labour-market conditions, although smaller and lower-resourced municipalities may lack the capacity to do so consistently. Participating municipalities identified opportunities for that operational view to be shared more consistently through existing intergovernmental channels. Markham proposes the form directly.

> **Joint federal, provincial/territorial, and municipal task forces may be beneficial in situations such as these. Municipal partners, with on-the-ground knowledge, can provide practical insight to policymakers as policies are being developed. As well, in some cases, multiple levels of government contacted the same businesses; greater coordination could help avoid duplication.**
>
> — City of Markham, on opportunities for action

Faster, clearer information flow during periods of trade disruption
Municipalities ask for the information needed to act to be shared promptly, with clearer municipal points of contact during periods of disruption, so that smaller firms and municipalities are not disadvantaged relative to those with government-relations capacity.

Interprovincial regulatory alignment as a parallel priority
Finally, municipalities frame the reduction of internal trade barriers not as a criticism of any province but as the complement to any external trade response: internal barriers set the ceiling on how much of the Buy Canadian shift the domestic market can absorb. Several local governments also see a role for municipal voice here: by documenting the local cost of internal barriers, municipalities can give the federal government concrete evidence to build consensus with the provinces and territories for removing them.

5.4 Options for consideration: Connect, Coordinate, Unblock

The options below emerge directly from the gaps and priorities identified by participating municipalities. They are organized around three connected pillars for strengthening the Team Canada response.

Connect brings municipal intelligence into Team Canada coordination. **Coordinate** improves the flow and timing of information during periods of trade disruption. **Unblock** reduces barriers to a coordinated domestic response (Figure 5). Consistent with the report's analytical approach, these are presented as options for discussion among governments.

Each builds on mechanisms and relationships that already exist within the current division of responsibilities. Implementation would depend on collaboration among federal, provincial, territorial, and municipal governments, supported by municipal associations.

Figure 5. Connect, Coordinate, Unblock: A framework for strengthening intergovernmental coordination

Connect

Bring municipal intelligence into Team Canada coordination

- A standing municipal intelligence channel
- Joint federal, provincial, territorial, and municipal task forces

Coordinate

Improve the flow and timing of information during disruption

- Prompt, clear information and municipal points of contact
- Less duplication of outreach across orders of government

Unblock

Reduce barriers to a coordinated domestic response

- Federal inter-provincial barrier reduction
- Mutual recognition of standards, certifications, and procurement

Note: The three pillars organize options raised by municipalities for discussion among governments; they are not ranked or presented as directives.

Connect

Bring municipal intelligence into Team Canada coordination

- **More consistent municipal intelligence-sharing.** Create more consistent ways to share the operational intelligence local governments already gather through existing federal-provincial-territorial trade processes, anchored in the response structures municipalities have built, such as those in Hamilton, London, Windsor, and Brampton, with the Federation of Canadian Municipalities and provincial/territorial municipal associations as the institutional spine. A standing channel of this kind could track the early, local indicators that national data captures slowly, including changes in local employment, export disruptions, industrial-production slowdowns, investment delays, and infrastructure bottlenecks.

- **Municipal perspectives in trade consultations.** Where trade agreements or tariff responses carry significant local implications, existing consultation processes could draw more systematically on municipal perspectives and local economic information. Municipal representatives could be included in consultations led by bodies such as Global Affairs Canada when trade agreements or tariff responses carry significant local implications. This advisory role could inform decisions without shifting jurisdiction.

- **Coordination during periods of disruption.** During periods of significant trade disruption, governments could use existing or time-limited coordination mechanisms to bring together federal, provincial, territorial, and municipal perspectives where practical. This could help surface local impacts and reduce duplication in business outreach.

Coordinate

Improve the flow and timing of information during periods of disruption

- **Prompt, clear information and municipal points of contact.** Share the information municipalities and firms need to act without delay, with clearer municipal points of contact during periods of trade disruption, so that those with the least capacity to navigate the system are not disadvantaged.

- **Less duplication of outreach across orders of government.** Coordinate engagement so that federal, provincial, territorial, and local governments are not separately contacting the same businesses.

- **Capacity support for smaller municipalities.** Many municipalities, especially smaller ones, may lack dedicated trade expertise. Trade-literacy resources, shared analytical tools for local economic assessment, and access to regional trade specialists would strengthen their ability to assess local impacts and engage effectively in policy discussions, narrowing the gap between large local governments with economic-development capacity and the small communities often most exposed.

Unblock

Reduce barriers to a coordinated domestic response

- **Federal leadership on interprovincial barrier reduction.** Advance internal-trade alignment in parallel with the external trade file, including mutual recognition of standards and certifications and alignment of procurement and construction requirements, so that the Buy Canadian response local governments are pursuing has more room to work. Municipalities can support this directly: the local evidence they have on the cost of internal barriers can help the federal government build consensus with the provinces to remove them.

- **Mutual recognition of standards, certifications, and procurement requirements.** Align provincial and territorial standards, certifications, and procurement and construction requirements so that the Buy Canadian response municipalities are pursuing reaches more suppliers.

5.5 Interpretive boundaries and areas for further analysis

Several considerations should inform the interpretation of the findings in this report. Geographic coverage is uneven: Prince Edward Island and the three territories are not represented, while Saskatchewan, Manitoba, and Newfoundland and Labrador each have a single municipal response. Five submissions are partial. The analysis is descriptive throughout; reporting conventions, including the treatment of small cells and the aggregate-only reporting of coordination ratings, are documented in Appendix A. In addition, since impact is measured at the municipal level, the findings are subject to the modifiable areal unit problem discussed in Section 3.3: they summarize a firm-level phenomenon at the level of municipal boundaries, within which exposure may itself be unevenly distributed.

Future analysis could strengthen this picture by combining more systematic measures of place-based trade exposure with broader municipal and firm-level evidence. This would provide a fuller understanding of where trade exposure is concentrated, how municipal assessments align with local business conditions, and how responses vary across different economic contexts. The present analysis provides an initial bottom-up view of municipal experience that can inform this broader work.

5.6 Conclusion

Trade is negotiated at the federal level, but it is felt at the municipal level, and the responses analyzed here show how unevenly impact is distributed. The disruption is real but concentrated: it falls disproportionately on industries and communities rather than on municipalities according to size alone, and it is already prompting active responses from local governments closest to the effects. An encouraging signal is that the survey provides limited evidence, at this stage, of widespread permanent relocation or restructuring. The policy opportunity is to make better use of municipal intelligence and capacity within the broader Team Canada response, recognizing differences across places and industries while strengthening channels for information, coordination, and action.

Doing so does not require a new institution. It requires connecting the intelligence and effort municipalities already bring to the table, improving how information moves across governments during periods of disruption, and removing the internal barriers that limit a unified domestic response. The Team Canada approach is strongest when it draws on the knowledge and capacity of every order of government. On the evidence presented here, municipalities have a distinctive contribution to make: they see the effects of trade disruption early, understand how those effects vary across local economies, and are already mobilizing responses. Making better use of that local intelligence within the Team Canada response is the clearest opportunity identified by this analysis and a practical way to turn municipal proximity to the effects of trade disruption into an asset for national economic resilience.

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Appendix A. Summary of Quantitative Findings

All quantitative findings are drawn from the 31 municipal responses and are reported descriptively: the report does not present correlation coefficients or other inferential statistics, and cells with fewer than three respondents are not used as the basis for substantive claims. Five submissions were partial: Abbotsford, Ottawa, and Sable River were less than 20 percent complete, while Sidney and Grand Bay-Westfield were 41 percent complete.

Finding area	Result
Sample	31 cleaned responses across nine provinces; 22 from large urban municipalities (population over 100,000); 24 responses in English and seven in French. Prince Edward Island and the three territories are not represented; Saskatchewan, Manitoba, and Newfoundland and Labrador each have one response.
Dominant impact channels (severe, 4 or 5 on a five-point scale; 24 municipalities rated any channel)	Cost pressures: 16; supply-chain disruptions: 11; delayed or cancelled investment: 10; hiring slowdowns or layoffs: 4; business restructuring: 2; firm relocation to the U.S.: 2.
Large-urban subset (severe ratings)	Cost pressures: 71%; supply-chain disruptions: 47%; investment delays: 47%.
Industry exposure versus population size	Municipalities with a concentrated industrial base (10) had an average overall impact rating of 3.8 out of 5; municipalities with diversified economies (14) averaged 2.9. The pattern was observed across a range of population sizes within the sample.
Cushioning initiatives	Twenty-five municipalities responded; 80% reported cushioning initiatives. By reported overall impact: 50% of municipalities rating impact at 2 or below reported initiatives, compared with 94% rating impact at 3 or above and 100% rating impact at 4 or 5.
Federal and provincial coordination ratings	Nineteen municipalities rated federal coordination and 19 rated provincial coordination; 12 municipalities (39%) did not rate either. The median rating for both was 3.0 out of 5. Results are reported only in aggregate.
Qualitative structure	Six municipal-response themes, four coordination-gap themes, and three elements describing a better-functioning coordination system.

Appendix B. Qualitative Evidence by Theme

This appendix consolidates representative open-text survey responses under the themes used in the qualitative analysis. Each theme is illustrated with selected municipal responses. Comments have been lightly edited for length and clarity; municipalities are identified, while individual respondents are not. French-language responses are translated into English.

Cost pressures and supply-chain disruption

Mississauga. Increased input costs resulting from U.S. tariffs on intermediate goods crossing the border, sometimes multiple times, alongside higher administrative costs associated with CUSMA compliance and border delays.

Brampton. Closure of the local Stellantis assembly plant, with production transferred to the U.S. amid tariff threats, resulting in the direct loss of more than 3,000 jobs and impacts on parts and supplier firms.

Montréal. The agglomeration lost approximately 25,000 manufacturing jobs over a year, about 25% of the sector's workforce, with investment uncertainty affecting major firms

Second-order and uncertainty-driven effects

Grand Bay-Westfield. New housing investment slowed by about 50% relative to earlier developer projections; investment in the industrial park stopped amid economic uncertainty.

The Blue Mountains. Tourism and agriculture pressures were reported to be operating through softer demand rather than direct tariff exposure.

Windsor. A Section 232 tooling-tariff change raised the duty on a single mold from roughly $1,500 to $61,000.

Procurement realignment and Buy Canadian

Halifax. 99.24% of municipal direct purchases now go to Canadian companies; procurement policies were reviewed to align with the province's tariff response.

Brampton. A Made-in-Canada procurement policy within the Tariff Action Plan and a campaign encouraging other municipalities to adopt similar policies.

Calgary. A Supply Chain Resilience Program using contract-by-contract risk assessment, established before the current tariff episode.

Formal response structures and business outreach

London. An Economic Response Team operates as a real-time coordination mechanism focused on alignment, advocacy, and rapid response rather than as a standing program.

Hamilton. A Mayor's Roundtable on Trade and Tariffs with a joint City-Chamber Tariff Impact Questionnaire and a resource hub.

Markham. Dedicated business-retention outreach with manufacturing and food-sector employers to assess the extent of tariff impacts.

No formal municipal role and coordination gaps

Surrey. Municipalities lack a formal role in trade and industrial policy discussions despite being on the front lines

Markham. Major announcements are released but lack the details needed to act; larger firms with government-relations staff navigate the lag better than SMEs and municipalities.

Interprovincial trade barriers

Calgary. Buy Canadian procurement is constrained by public procurement law and trade agreements including CFTA, CETA, and the New West Partnership Trade Agreement, which limit preferential treatment above defined thresholds.

Brampton. Inconsistent regulations across provinces, including labour mobility, food inspection, and certifications, create friction that hinders a united economic response

Laval. Laval identified constraints under the Loi sur les Cités et Villes affecting its ability to provide targeted assistance to businesses in exposed sectors.

Cross-border diplomacy and the picture of a closed gap

Hamilton. A March 2025 mayoral delegation to Great Lakes Day in Washington to communicate concerns about tariffs on integrated cross-border supply chains.

Markham. Joint federal, provincial/territorial, and municipal task forces could let municipal partners provide practical, on-the-ground insight as policies are developed and reduce duplication.

Halifax. Mutual recognition of standards and certifications across provinces, along with greater alignment of procurement and construction requirements, could expand markets for smaller firms.

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