

Potential response to tariffs on agenda

(Penticton, BC – February 28, 2025) – Council will discuss specific actions that can be taken in the wake of potential tariffs being imposed by the American government.

"Municipalities across the country are taking various measures to respond to the impacts of tariffs, trade barriers and economic impacts, from procurement adjustments to buy local initiatives and direct advocacy efforts," writes Cheryl Hardisty, the City's manager of Council and executive operations, in a report. "Many are choosing to focus their efforts on aligning with Provincial and Federal partners to increase awareness and impact and ensure both local business and municipal concerns are represented in broader trade discussions."

The report recommends staff prepare a letter to the provincial government that outlines four key concerns:

- Sustainable tourism opportunities – requesting dedicated provincial funding for long-term tourism infrastructure and support for year-round tourism growth
- Intra-provincial trade and regulatory consistency – reduction of regulations across Canada to reduce barriers for businesses
- Support for manufacturing and infrastructure – Requesting investment incentives for local industries
- Recognition of impacts of retaliatory actions – while retaliation is a valid response, recognition and possible mitigation of the short-term and long-term impacts to residents is crucial

As well, staff is recommending the revival of the 'Love Local' initiative and align it with the Team Canada approach encouraging residents and businesses to prioritize local purchasing and investment in Penticton and Canada's economy.

Further input on the impact for local businesses will be sought by including the issue in the upcoming business climate survey.

The report also notes that staff have conducted a preliminary review of potential tariff implications on City operations. "While further evaluation is required, initial observations indicate that the majority of the City's vendors are Canadian," writes Hardisty. "However, the City has limited knowledge of the origination of many of the products and goods purchased by third party contractors and/or vendors, and it is possible that there will be cost escalations from tariffs that we cannot foresee until they are passed along. Any increases that are attributable to those tariffs will be tracked and monitored."

The City's existing procurement policy includes flexibility to determine rating criteria and includes language around when there is no difference in value to the City, preference is given to local suppliers.

The policy also includes flexible options that allow for prioritization through evaluation criteria that consider factors beyond just the lowest cost. While trade agreements require fair competition, the policy enables rating criteria including costs, services and experience.

The full report can be found at www.penticton.ca/agendas

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