



Agenda:

- Making sense of market contradictions - The loonie rises despite an economic slowdown; unemployment grows, yet over 500,000 jobs remain unfilled. aluminum prices climb, steel drops—both face the same tariffs.
- How recent trade deals affect Canada.
- Game-changing opportunity for businesses. Canada is gearing up for a massive infrastructure push, with federal and provincial governments planning over a trillion dollars in investments over the next five years.

Anchoring effect: Individuals often base their financial decisions on initial reference points, such as past prices or wages, even when those anchors are no longer relevant.

RECAP (PAGE 1 OF 2)

Please refer to individual tables for monthly values and trends.
Monthly values help identify, provide patterns, seasonality and exceptions.

Canadian Dollar Foreign Exchange	YOY %	MOM %	Imports Values	YOY %	MOM %
Chinese yuan renminbi	-1.5	3.3	Total of all merchandise	9.4	12.7
Euro	-6.6	-1.1	Appliances	20.5	15.8
UK pound	-6.9	0.9	Carpets, textile furnishings and other textile products	11.2	15.8
Japanese Yen	-8.4	-0.7	Cleaning products and toiletries	5.1	5.8
Mexican Peso	16.6	1.6	Coffee and tea	21.5	23.7
US dollar	-2.2	2.7	Computers and computer peripherals	25.4	29.0
Retail Trade Values	YOY %	MOM %	Consumer goods	12.4	12.8
Retail trade	1.1	-5.2	Electrical components	16.7	18.9
Building material and garden equipment and supplies dealers	-7.8	-11.7	Fabricated metal products	2.3	6.3
Electronics and appliances retailers	1.3	-14.9	Furniture and fixtures	6.4	13.5
Floor covering, window treatment and other home furnishing retailers	-2.2	-10.9	Heating, cooling and air purification equipment	18.0	27.2
Furniture, home furnishings, electronics and appliances retailers	-1.7	-14.9	Lumber and other sawmill products	-22.2	-29.4
General merchandise retailers	3.5	-0.8	Packaging materials	12.5	12.7
Miscellaneous retailers	11.1	-4.8	Paints, coatings, and adhesive products	13.5	15.0
			Prefabricated buildings and components thereof	-4.5	29.4
			Software and software licensing	-16.4	-2.4

Monthly Business
Conditions Report
April 2025

- 1) Economic Summary
- 2) Recap
- 3) Detailed Tables

Canadian Dollar Rises Despite Economic Headwinds

Recent Currency Trends

- The **Canadian dollar surged 5.4% against the U.S. dollar** over the past three months.
- This increase comes despite **slow economic growth, tariff threats, declining oil prices, and a weakening labour market**.

Factors Driving the Loonie's Strength

- The rise is largely fueled by **broad-based U.S. dollar aversion**.
- The Canadian dollar has solidified its position as the **world's fifth most widely held reserve currency**, further supporting its appreciation.

Economic Forecasts & Market Caution

- Forecasts suggest the **Canadian dollar could reach \$0.73 USD by year-end**, but this projection may be **optimistic**.
- The upward momentum is largely attributed to **challenges in the U.S. economy**, rather than domestic economic growth.

Pricing Considerations

- Businesses may find it **challenging to justify price**





► Manufacturing Price Index

- Alumina & aluminum production and processing: +41.6%, showing strong price growth.
- Iron & steel pipes and tubes manufacturing (from purchased steel): -16.9%, indicating a significant decline.



Manufacturers & Raw Materials Price

Nationwide Price Drop

- Diesel prices fell across all five major locations in Canada.
- Largest declines: Halifax (-\$0.32) and Montreal (-\$0.28).

Policy Shift & Implications

- March's lower fuel costs preceded the **Federal and British Columbia governments' cancellation of the carbon tax**, which took effect **April 1, 2025**.

Business Considerations

- Companies should **closely monitor fuel price fluctuations** and related charges over the next few months.
- **Think Fuel Surcharges**

Job Vacancies vs Jobs lost vs Unemployment



- *The Manufacturing sector lost 31,000 jobs. The wholesale and retail trade sector lost 27,000 jobs.*
- *Canada's unemployment rate ticked up to 6.9% in April (up from 6.7% in March).*
- **Job vacancies: 528,000 in February, marking the sixth consecutive month of little change.**

Location (Inter-Provincial Trade)

Qualifications

Timing

“The report increases the odds of a 25-basis point interest rate cut by the Bank of Canada in June”. Doug Porter, chief economist at Bank of Montreal

Note

- Most **Canadian auto parts** that comply with the **Canada-United States-Mexico Agreement (CUSMA)** are **exempt** from the **25% U.S. tariff**.

However, **automobile knock-down kits** and **parts compilations** are **still subject to the tariff**. Additionally, **non-U.S. parts** in **passenger vehicles completed outside the U.S.** will also face the **25% tariff**.



Misnomers because the knock-downs were never built in the first place. The parts shipments are often not in the form of kits.

Complete knock-down (CKD), which is a kit of entirely unassembled parts of a product.

Semi-knocked-down kit (SKD) or incompletely disassembled kit is a kit of the partially assembled parts of a product.

Imports vs

Inventory

Surge in Imports – March 2025



- **Imports increased significantly**, despite no corresponding rise in sales demand.
- **Primary reason:** Importers and wholesalers are **stockpiling inventory** to prepare for potential tariff changes.
- **Consumer Goods** saw the biggest growth in imports

Wholesale Inventory Shifts

- **Largest inventory increase:** Electrical, plumbing, heating, and air-conditioning equipment & supplies merchant wholesalers.

U.S.-U.K. Trade Agreement Announced



- The **10% baseline reciprocal tariff** remains on **all U.K. imports**.
- **British automakers** receive a **lower-tariff quota**: the first **100,000 vehicles** imported annually face only **10%**. any cars exported above that quota will be subject to a **27.5%** import tax.
- **Steel and aluminum tariffs** drop from **25% to 0%**.
- The **U.K.** reduces **non-tariff barriers** for **U.S. beef, ethanol, machinery, and other goods**.

Growth hormones, widely used in **U.S. beef and poultry production**, have been **banned in the U.K. and EU since the 1980s**.

China – United States



90-day agreement

General Tariff:

China: **10%**

United States: **30%**

Signaling

20% differential is
Acceptable

excludes steel, aluminum, cars and pharmaceuticals.

Billions	Trade	Tariff	Cost
US	\$ 436	30%	\$ 131
China	\$ 195	10%	\$ 20





Quotas



The effectiveness of this approach depends on **whether gradual quota reductions will stimulate American industries or promote inefficiency or will unforeseen global factors alter the timeline.**

The U.K. has eliminated their beef tariff and expanded the quota to 13,000 metric tons, according to a White House document. Previously, U.S. beef exports to the U.K. were subject to a 20% tariff, within a 1,000-metric-ton quota.

Trade Agreement & Future Implications



- The 10% baseline tariff remains intact, reinforcing long-term trade policies. (China 20%)
- Quota systems will be strategically applied—particularly for **motor vehicles, aluminum, and steel**, with phased reductions over time.



\$1,000,000,000,000

Canada's Economic Expansion and Independence

Canada is gearing up for a massive infrastructure push, with federal and provincial governments planning over a trillion dollars in investments over the next five years.

Infrastructure, Military, Inter-provincial Trade

This could be a game-changing opportunity for businesses.

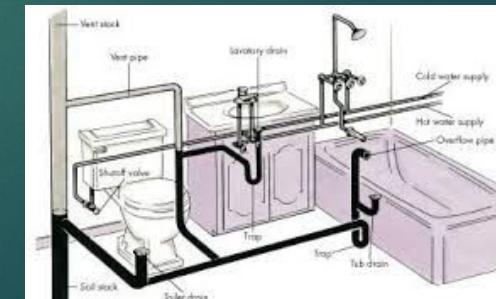
Reference:

Wholesale Trade \$1.5 trillion (incl. Auto, petroleum & commodities), Core Retail Sales: \$803 billion,

Next Month



2025



Military

2024 list military procurement:

- Royal Canadian Navy Arctic and Offshore patrols, 15 destroyers \$102 billion.
- Canadian Coast Guard's small vessels investment will fund the acquisition of up to 61 small vessels
- Six new Icebreakers (6 approved and 4 to be delivered by 2026).
- \$37 billion NORAD upgrades
- \$19 billion for the purchase of 88 F-35 aircraft from Lockheed Martin;
- \$3.6 billion for the purchase of 9 Polaris aircraft from Airbus;
- \$2.4 billion for the purchase of 11 MQ-9B Reaper drones

Under an offset program called the Industrial Technological Benefits Policy, any foreign company that wins a procurement contract is required to make an equivalent investment in a Canadian company and or in the Canadian economy.

2025 - 2035 *You don't have to build ships or fighter jets to obtain major contracts. Every project involves people, new locations, living accommodations and logistics challenges. Some projects are short term (5 years) while others are long term and forever.*

Key Subcontractors:

1. **JGC Fluor Joint Venture** (JFJV): This joint venture is the Engineering, Procurement and Construction (EPC) contractor for the LNG Canada facility.
2. Bird Civeo Joint Venture: Involved in the main camp construction.
3. Boskalis Canada Dredging and Marine Services Ltd: Responsible for dredging.
4. Civeo Canada Limited Partnership: Provides accommodations.
5. Gitga'at Chemco Ventures Ltd: Involved in construction and other areas.
6. HaiSea Marine: Operates and maintains tugboats for LNG shipping.
7. Ledcor Haisla Limited Partnership (LHLP): Constructs pipelines.
8. Soletanche Bachy Canada (SBC): Worked on piling programs.
9. Chemco: Involved in engineering, procurement, and construction.

→ 4. CIVEO

- Workforce Lodges
- Catering & Food
- Hospitality & Facilities Operations



- Open Lodge Properties
- Modular Leased Facilities
- Used Modular Facility Sales
- Catering & Food Services
- Room & Travel Management
- Red Table Production Kitchen
- Laundry Services
- Water & Wastewater Management

Red table

the capacity to prepare up to 30,000 menu items every day

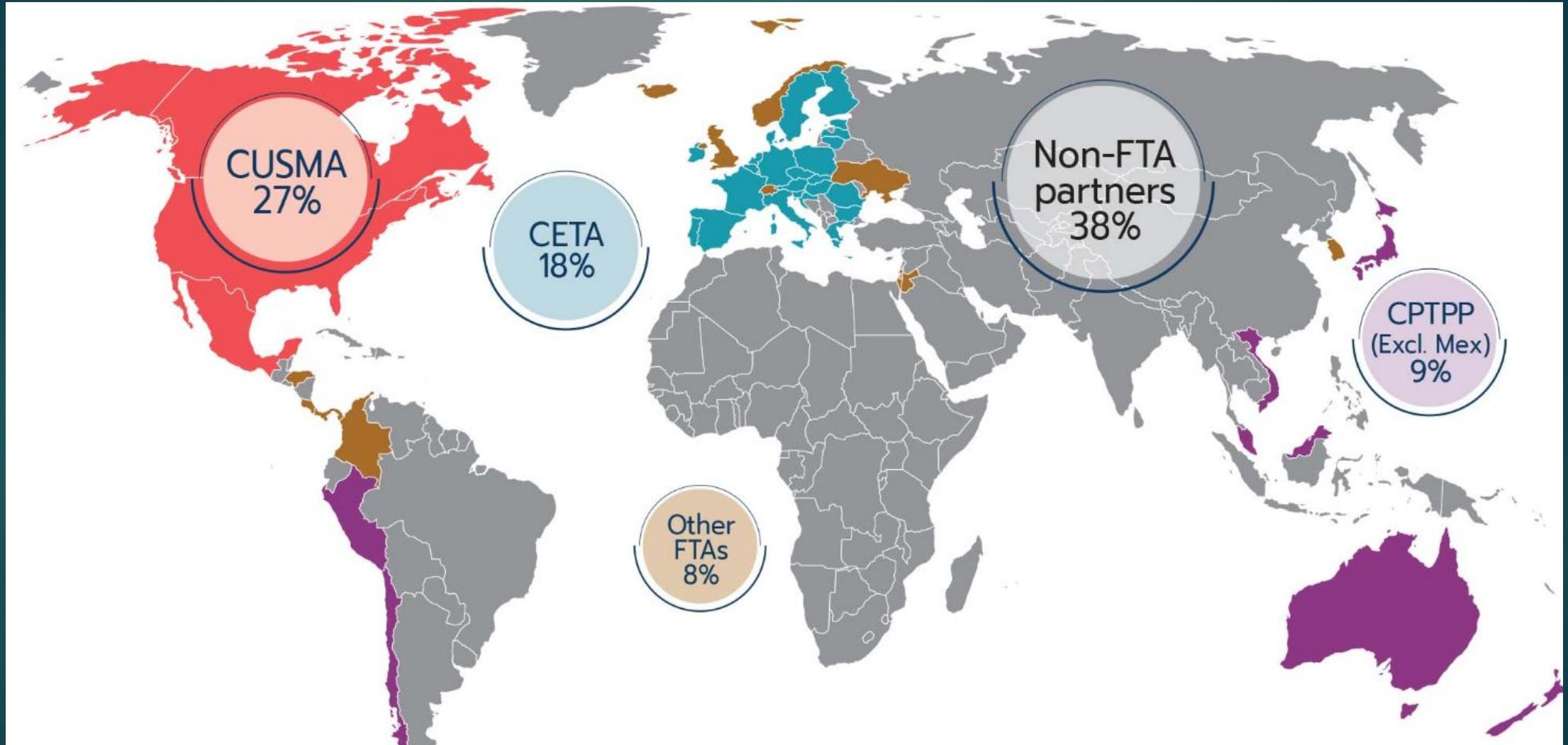


,000 – 9,000 workers at different stages
Over 5 years

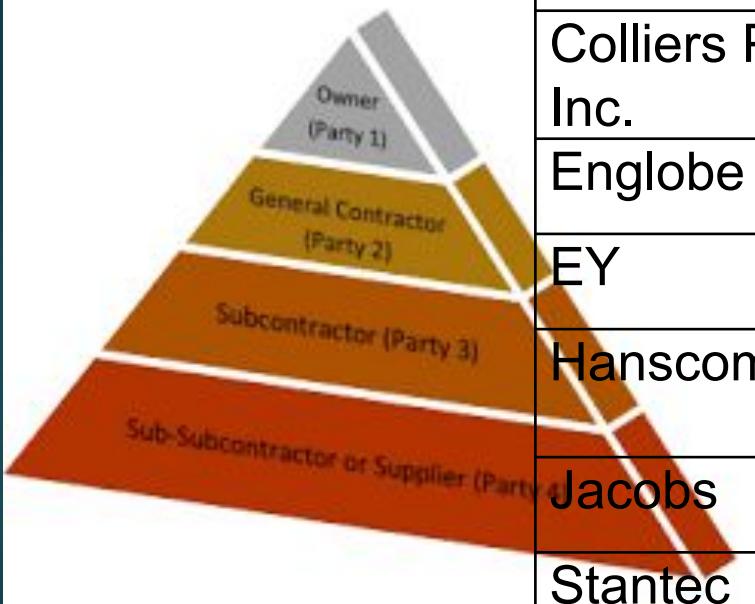


Trade Agreements

61% of global GDP



Do you know these companies?



Accenture	AECOM	Aon
Arcadis IBI Group	Borden Ladner Gervais	CIMA+
Colliers Project Leaders Inc.	E.S. Fox	EllisDon
Englobe	Entuitive	EXP
EY	GHD	Golder (WSP)
Hanscomb	Hatch	INTECH Risk Management
Jacobs	McElhanney	Parsons
Stantec	Turner & Townsend	Wood (WSP)
WSP	Dentons	Egis

Everyone knows EllisDon if you've driven on a highway in Ontario

NEXT : Find an expert

- How to get involved?
- Where do you start?
- Logistical requirements and capabilities.
- RFP process (rigid & digital)
- Liabilities
- Partner – Joint Ventures

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Other Changes:



De Minimis Exemption Expired for China/Hong Kong Imports: Just after midnight on May 2, the de minimis exemption—which allows shipments under \$800 to enter the U.S. duty-free—expired for Chinese-origin imports. Effective May 2, shipments under \$800 from China/Hong Kong are subject to the following fees:

Ultra low cost: Shein, Temu, and AliExpress, along with Amazon's Haul service