ISSUE IN FOCUS

Tariff and Counter-tariff Impacts on Saskatchewan Businesses

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The Saskatchewan Chamber of Commerce conducted a survey of its membership between July 23 and August 5, 2026 to gather member feedback on the expected impact of 338 tariffs. On September 10 and 11, 2026, the Chamber conducted sector-by-sector focus groups to discuss the wider impact of tariffs, counter-tariffs, and federal supports.

The survey results demonstrated that there is a disproportionate burden on trade-exposed industries, manufacturers, exporters, and businesses with U.S. supply chain connections. However, more broadly, tariffs act as a cost pressure on Saskatchewan businesses, and they have a chilling effect on business confidence, investment decisions, and long-term growth, even for those not directly impacted by tariffs.

The dominant theme across all our members is that the tariff and counter-tariff uncertainty is damaging, even where direct tariff costs remain manageable. Unpredictable trade policy creates economic drag even before direct tariff costs are incurred. Market behaviour is changing in anticipation of potential tariff actions rather than in response to actual costs incurred.

Tariff and Counter-tariff Impact in Saskatchewan

Shared Impacts

- The degree of impact varies greatly sector by sector. Depending on the business size, product, and supply chain inputs, the tariff costs range from less than $5,000 to more than $250,000.
- The impacts include increased operating costs, the need to increase prices, reduced competitiveness, delayed or cancelled investment plans, indirect impacts on valuations and growth opportunities, increased cost of capital investment, and increased costs and uncertainty for customers leading to decreased purchasing.
- Ongoing regulatory and geopolitical uncertainty results in decreased willingness and capacity to spend, hire, and grow.
- Some doing only small amounts of business in the U.S. are cutting that down to zero.
- There will likely be other flow through effects even for businesses not directly engaged in trading with the U.S.
- Businesses noted that even products sourced globally often rely on U.S.-based parts and maintenance networks, limiting substitution options.
- Diversifying the supply chain can result in a business having two different systems running, which then has implications for their future maintenance strategy. Getting alternatives in place also has implications for timelines.

Sector-Specific Impacts

Agriculture and Agri-Food

- SK businesses are having to figure out how to position themselves for contract negotiations in relation to their American partners regarding the issue of tariff and counter-tariff costs. Demand for a product may be strong in the U.S. market, but the American partners don't want to absorb the tariff impact. Some contracts are in limbo.
- Decision-making is difficult, especially where capital projects requiring materials from the U.S. are concerned. Expansion projects involving construction will be more expensive, less predictable, and will require longer run times, even in industries not directly impacted by tariffs.

Natural Resources

- The counter-tariff on electrical components is having an impact.
- Decisions to invest and grow are being delayed at least six months.
- Barriers include cash flow challenges, no alternative products, and the problems associated with being very specialized.
- Businesses emphasized the need for longer-term infrastructure planning.

Manufacturing

- In the steel manufacturing industry, tariffs have already contributed to layoffs.
- Customers are hesitating and delaying purchases.
- The counter-tariffs are affecting the supply chain when inputs come from the U.S.
- Equipment purchased globally is costing more to transport because of efforts to avoid American suppliers.

Supplier Merchant

- Tariffs are causing issues with the flow of goods across the border and uncertainty as to what to ship today and what to hold off shipping. The uncertainty drives up costs for trucking. Costs of trucks and parts coming from the U.S. are also going up.
- Even when equipment comes from other parts of the globe, parts and maintenance are often sourced from the U.S.
- Companies are diversifying their supply chains where they can.
- Suppliers talked about the impact being blended across everything.
- Capital investments are being pushed down the road.

Shared Saskatchewan Priorities

- Businesses are looking for certainty. Across sectors in Saskatchewan, the strongest ask is to return to a negotiated solution with the U.S., while also addressing Canada's internal competitiveness challenges. Members emphasized addressing the issues within Canadian control, such as labour reliability; red tape reduction; removing internal trade barriers; and getting projects up and running more quickly.
- Among Chamber members, support is strong for the Government of Canada to remain firm in negotiations until an agreement is reached that protects and enhances the long-term competitiveness of Canadian businesses operating in the North American market.
- In general, businesses in a variety of sectors support the efforts to diversify trade.