

Backgrounder: Economy

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Getting Products to Market/Supply Chain Pressures

Key Messages

SUMA is calling on the next Federal Government to:

Through the National Supply Chain Office, work with the Provinces/Territories to monitor and react to supply chain disruptions that have a negative impact on economic competitiveness.

Background

The National Supply Chain Office was created in December 2023 to:

- Examine domestic and international supply chain issues;
- Encourage data sharing and using digital tools;
- Help government and industry make smarter policy, regulatory, investment and operational decisions;
- Develop and implement a National Supply Chain Strategy; and
- Help the federal government respond to major supply chain disruptions.

The challenges of the COVID-19 pandemic highlighted the importance of a strong supply chain. We are likely to continue to experience rapid and unknown change and economic certainty for the next couple of years. This is driven by factors such as rapidly changing trade patterns, human- and climate-caused transportation supply chain disruptions, and shifting geopolitical risk.

Provinces and the Federal Government must understand the critical role resilient and efficient supply chains play in ensuring that both imported and exported materials and products are delivered in a timely and reliable manner, limiting price fluctuations and inflation and making life for all Canadians more affordable.

Given recent tensions with the U.S., two additional priorities related to supply chains arise:

- Finding new or enhancing trade with existing partners, and
- Developing or expanding export infrastructure

We must prioritize trade-enabling infrastructure like ports, roads and bridges and recognize that real economic growth is built by investing in communities. Governments across Canada must act decisively and urgently together to create a supply chain system that is more agile, flexible, resilient, competitive and efficient.

The world wants and needs Canadian natural resources and products, including critical minerals, potash, energy, and grains. We can only capitalize on that opportunity if those resources and products can be delivered competitively, efficiently, and reliably.

Border Services

Key Messages

SUMA is calling on the next Federal Government to:

Ensure all current border crossings in Saskatchewan are maintained, and require extensive municipal consultation by the Canadian Border Services Agency before any attempts to reduce hours or close crossings.

Background

Border crossings are essential to the economy in southern Saskatchewan, facilitating ground transportation of products between Saskatchewan and the United States. Those living near the border may cross multiple times each day for work, including for the purchase of necessary parts and goods that may not be easily procured nearby.

Presently, the Canadian Border Services Agency (CBSA) does not regularly or meaningfully consult municipalities when making changes to the hours and status of border crossings. The CBSA therefore has a very limited understanding of the impact of its decisions on Saskatchewan communities.

Fewer open hours for crossings can also lead to more frequent illegal crossings when the alternative option is to drive hours out of the way to reach the next crossing.

SUMA is calling on the next Federal Government to ensure all current border crossings are maintained. Further, we request that the Federal Government require the CBSA to undertake extensive municipal consultation before making any further attempts to reduce hours or shut crossings.

Inter-Provincial Trade Barriers

Key Messages

SUMA is calling on the next Federal Government to:

Take a leadership role with all Provinces/Territories to initiate the discussion on identifying and eliminating inter-provincial trade barriers.

Background

Data from the Canadian Chamber of Commerce suggests that imposing 25% tariffs on trade would deliver a 2.6% annual hit to Canada's real GDP, equating to \$1,900 per person. On March 4, 2025, the United States proceeded to impose 25% tariffs on a wide range of Canadian goods.

Measures must be taken to ensure a stronger Canada emerges from this trade crisis with the U.S. That includes:

- Prioritizing economic diversification
- Breaking down interprovincial trade barriers stifling economic opportunity,
- Prioritizing trade-enabling infrastructure like ports, roads and bridges, and
- Recognizing real economic growth is built by investing in communities.

SUMA is aware of existing arguments for and against further reducing inter-provincial trade barriers. In the current climate of uncertainty regarding Canada's trading relationship with the United States, it is increasingly important to eliminate as many domestic trade barriers as possible. Any and all barriers that limit, no matter the extent, economic benefits should be revisited and analyzed to determine their potential impact.

The overall gains to Canada's economy by opening inter-provincial trade are uncertain, but a study from the Bank of Canada in 2017 suggests that a 10% reduction in interprovincial trade barriers could improve potential output growth on average by 0.2% per year. In addition, other studies have found that eliminating interprovincial trade barriers could boost national growth by between 3% and 8% in the long-term. This would represent a potential gain of up to \$200 billion annually, or nearly \$5000 per person.

Furthermore, the Saskatchewan Chamber of Commerce estimates that addressing interprovincial trade barriers—which currently inflate costs by 7.8% to 14.5%—could unlock an estimated \$50 to \$130 billion in economic value, providing substantial opportunities for Saskatchewan businesses to grow and prosper.

Provinces, Territories, and the Federal Government must continue to diversify our trade markets, not relying on the U.S. market as much as we historically have. Opening inter-provincial trade is a key step toward this goal.

Carbon Tax Funds

Key Messages

SUMA is calling on the next Federal Government to:

Exempt municipalities from the carbon tax entirely or provide rebates to municipalities for the costs of the carbon tax, effective immediately.

Background

Carbon taxes are founded on the premise that the additional cost of paying the tax will reduce consumption of a particular product that causes emissions; they may also cause consumers to make different choices when purchasing things like vehicles, to reduce their ongoing costs of ownership.

Municipalities are already leaders in adopting more efficient technologies in order to save public funds. They also rely heavily on other orders of government to fund infrastructure and large equipment upgrades, creating a closed funding loop where more money needs to be put toward those fund transfers, just so that the carbon tax portion of a project can be paid back into the federal coffers. This put the costs back onto municipal taxpayers.

When the carbon tax was first introduced in 2019, the federal government committed to developing either a straight rebate for the municipalities, universities, schools, and healthcare/hospitals sector (MUSH sector), or a funding program to assist them with adoption of more green technologies. Rebates for individuals and small businesses were also promised. This would ensure that the money spent on the carbon tax is returned to the community, rather than transferred back to the federal government.

While the Federal Government developed the Climate Action Incentive Fund, which had a retrofit stream for the MUSH sector, there are limited funds available through this program. Additionally, these funds are shared across a broad range of stakeholders, including small businesses, non-profits, and the entire MUSH sector. Most municipalities will not be reimbursed in a meaningful way for the carbon taxes they are paying.

Additionally, municipalities already run as efficiently as they can afford to be and often do not have the same capabilities as individuals to forgo carbon-intensive purchases or choose less-emitting options. This means This makes a carbon tax surcharge on them extremely unfair, because they can't change their behaviour, as is the intent of the tax.

SUMA is calling on the next Federal Government to either exempt municipalities from the carbon tax entirely, or to provide rebates to municipalities for the costs of the carbon tax, effective immediately. A failure to do so will continue to siphon money out of communities and lead to breakdowns in services and infrastructure.

Canada Post

SUMA is calling on the next Federal Government to:

Refrain from any closure or reduction in service at any Canada Post Offices, particularly those in smaller municipalities and remote and northern communities.

Ensure municipal concerns are considered in review of Canada Post, including preserving Canada Post as a public service, emphasizing its importance to municipalities, particularly regarding postal banking, EV infrastructure, and affordable mail delivery.

Key Messages

Canada Post is a vital public service that connects communities, supports local economies, and provides essential government and financial services.

As municipalities rely on postal services for delivering tax notices, permits, and official documents, any privatization or reduction in services would significantly impact accessibility, affordability, and economic stability.

Business owners and residents in small communities also depend on Canada Post for their package delivery, as they will often deliver where for-profit companies will not. These delivery services play an essential role in small-urban economies.

SUMA is aware of the Industrial Inquiry Commission (IIC), led by Chair William Kaplan to examine the future of Canada Post.

We are advocating for the continuation of Canada Post as a public service, improved home and parcel delivery, the addition of postal banking, expanded electric vehicle (EV) infrastructure, and enhanced delivery to smaller communities, and Indigenous communities.

SUMA is aware that the report is coming out in May 2025 and is requesting that municipalities' interests are included and given adequate weight. We will continue to engage all orders of government.

If Canada Post were privatized, municipalities would face challenges such as:

- Higher delivery costs for residents and businesses
- Higher costs for municipalities that have to allocate additional resources to maintain essential mail communications
- Reduced services in smaller and remote areas, including financial service gaps in communities following past bank closures in 2017
- Labour disruptions, job losses, and reduced wages for workers in the postal sector
- Loss of federal oversight over postal operations

Beyond financial and operational concerns, reducing postal services would have serious social consequences, disproportionately affecting smaller, municipalities, Indigenous communities, as well as seniors and individuals with disabilities who rely on accessible mail delivery.

We urge the government to maintain the moratorium on post office closures to preserve them as community hubs, supporting local businesses, government services, and economic activity.

Finally, we urge the federal government to ensure a transparent public review and meaningful stakeholder engagement, including municipalities, before implementing any Commission's recommendations or making strategic changes to the Canada Post Corporation Act or Postal Service Charter.