

# REGINA'S ECONOMIC BRIEF

## GRA holds steady despite challenges

Economic uncertainty remains a challenge for Canada and the Greater Regina Area (GRA), with growing U.S. tariff threats. Despite this, February year-over-year employment in the GRA rose 0.8%, adding 1,200 jobs. As job seekers outpace job growth, unemployment reached 7.0%, up from 4.3% in February 2024. Meanwhile, manufacturing sales fell 28.2% year-over-year. Ongoing tariff concerns from the U.S. and China continue to impact the economy, affecting business and consumer confidence.

Source: Praxis Consulting (Unadjusted)

### Job growth

In February 2025, the GRA added 1,200 jobs, a 0.8% increase from February 2024. Provincial job growth stood at 9,000 jobs, up 1.5%, while Canada added 398,700 jobs (2.0%) over the same period.

Source: Statistics Canada

### Stable rental prices

Regina's average 1-bedroom apartment rental in February 2025 fell 1% to \$1,236 from February 2024 (\$1,248). Regina remains the most affordable rental market among 25 cities, averaging \$1,322.

Source: Rentals.ca

### Manufacturing sector continues to struggles

Manufacturing sales in the GRA dropped from \$1.02B in January 2024 to \$736M in January 2025, a 28.2% decrease. While interest rate cuts may help, the U.S. tariff on steel and aluminum could lead to further declines.

Source: Statistics Canada

### Unemployment rises

In February 2025, the GRA's average year-over-year unemployment rate was 7.0%, up from 4.3% in February 2024. Saskatchewan's unemployment rate was 5.2%, the lowest in Canada, well below the national average of 6.7%.

Source: Statistics Canada

### Bank of Canada cuts key interest rate

The Bank of Canada cut its lending rate by 25 basis points to 2.75% in March 2025, signaling confidence in inflation control. However, inflation, U.S. and China tariffs, rising unemployment, falling manufacturing sales, and slow economic growth remain concerns for the Canadian economy.

Source: Bank of Canada

### GRA's inflation rises to 3.2% in February 2025

Inflation in the GRA rose to 3.2% in February 2025, from 2.5% in January 2025, driven by higher energy prices. Saskatchewan and Canada's rates were 3.1% and 2.6%, respectively. While above the Bank of Canada's target, this increase was expected due to economic uncertainty and the end of the GST/HST tax break. Tariff uncertainties may also add inflationary pressure.

Source: Statistics Canada

## KEY NUMBERS

### \$12.2M

SASKATCHEWAN'S PROJECTED 2025 PROVINCIAL BUDGET SURPLUS.

Source: Government of Saskatchewan

### \$329M

POTENTIAL GDP LOSS IN THE GRA AS A RESULT OF U.S. TARIFFS

Source: Economic Development Regina

### \$1B

THE TOTAL VALUE OF GOODS EXPORTED BY 199 BUSINESSES IN THE GRA TO THE U.S., MAKING UP 4.8% OF THE REGION'S GDP AND 49.8% OF ITS TOTAL EXPORTS.

Source: Economic Development Regina

### 16.9%

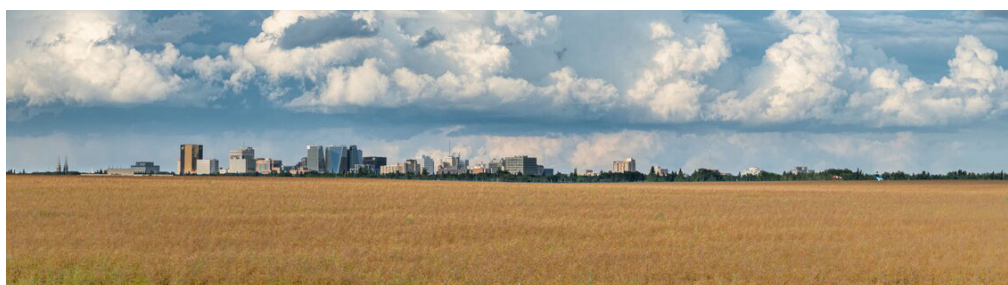
THE RISE IN PRICES SINCE 2019, DRIVEN LARGELY BY POST-PANDEMIC SUPPLY CHAIN DISRUPTIONS, RISING ENERGY COSTS, AND STRONG CONSUMER DEMAND.

Source: Economic Development Regina

### 2.75%

BANK OF CANADA'S NEW LENDING RATE, AFTER A 25 BASIS POINT CUT IN MARCH 2025.

Source: Bank of Canada



POSITIVE

NEED TO WATCH

NEGATIVE

# A DEEPER LOOK...

## The economic impact of U.S. tariffs and Canadian countermeasures

The recent implementation of U.S. tariffs has introduced significant economic uncertainty. The U.S. imposed a 25% import tax on goods from Canada and Mexico and a 20% tariff on goods from China. In response, the Government of Canada announced 25% retaliatory tariff on goods imported from the U.S. While the full scope and duration of these tariffs remain unclear, their impact will undoubtedly be felt on both sides of the border.

The effects of this trade war will be wide-ranging, impacting industries, businesses, and households across Canada. While almost every sector would be impacted, Regina's manufacturing sector, which has experienced declines in sales, could see a further impact. Consumer prices on items like food, clothing, and fuel will also rise.

### Strategic Responses and Opportunities

As business and political leaders have emphasized, a measured and collaborative response is necessary to mitigate the economic fallout. Potential strategic actions include:

- **Diversifying Trade Partners:** Reducing dependence on the U.S. by expanding trade relationships with other global markets.
- **Strategic Engagement:** Strengthening diplomatic and business ties to negotiate trade adjustments and exemptions.
- **Innovation and Competitiveness:** Investing in technology and supply chain efficiencies to offset increased costs.
- **Government Support:** Implementing targeted relief measures for industries and consumers most affected by the tariffs.

The ongoing trade tensions between the U.S. and Canada pose significant risks to economic stability, particularly for manufacturing and consumer markets. While retaliatory measures may impose costs on the U.S., they also present serious challenges for Canadian businesses and households. Strategic trade diversification, policy innovation, and collaborative engagement will be critical in navigating this complex economic landscape and ensuring long-term growth for Saskatchewan and Canada as a whole.

## ECONOMIC IMPACTS



**\$1B**

worth of goods exported from the GRA to the U.S.



**199**

business in the GRA export to the U.S.



**730**

the potential full-time jobs lost by the end of 2025



**\$2B**

economic loss in Saskatchewan, \$1,543 per resident by end of 2025



**4-5%**

the projected increase in inflation in the GRA by late 2025, intensifying cost-of-living pressures



**\$329M**

economic loss in the GRA, \$1,134 per resident by the end of 2025

Source: Economic Development Regina

## News Worth Watching

### U.S. to announce tariffs on vehicles, aluminum, and pharmaceuticals soon

The U.S. administration plans to announce tariffs on vehicles, aluminum, and pharmaceuticals soon, though it's unclear if they will coincide with reciprocal tariffs set for April 2.

Source: [The Globe and Mail](#)

### SREDA and EDR launch Saskatchewan Business Growth Program to support high-growth companies

SREDA and EDR support second-stage businesses in Saskatoon and Regina with revenues between \$1M and \$50M.

Source: [Economic Development Regina](#)

### Mark Carney triggers federal election for Canada

Prime Minister Mark Carney has triggered a federal election, with voters set to head to the polls on April 28.

Source: [Global News](#)

### Small business confidence hits record low amid U.S. tariffs

Small business confidence in Canada hit a record low in March, with the business barometer dropping 24.8 points to 25.0 amid the U.S. trade war.

Source: [Global News](#)

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