

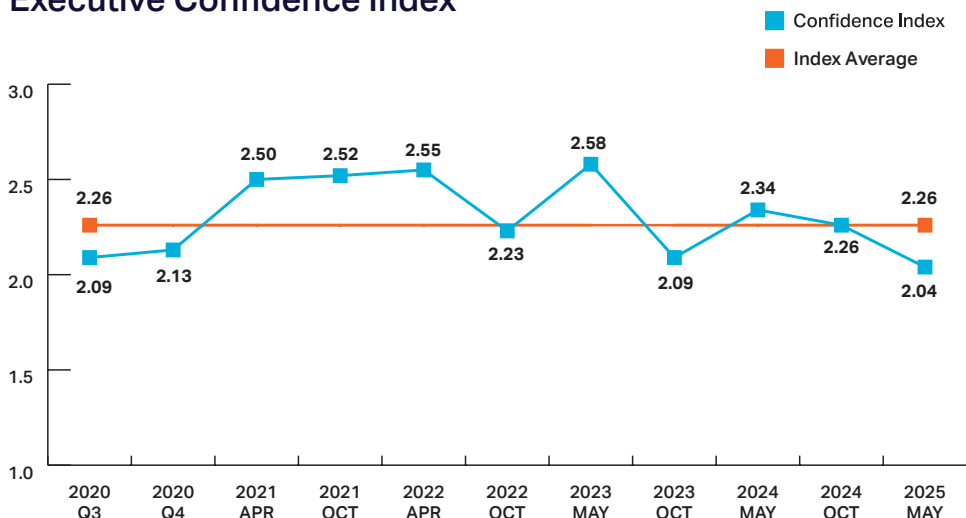
RELO

Regina Executive Leadership Outlook

A unique edition of the RELO: A Deep Dive of Tariffs

The H1 2025 RELO is unlike any previous edition. Driven by the uncertain international trade environment, we asked Regina business leaders to respond to our usual forward-looking questions in two contexts: Perception had tariffs not been levied; and perception under the current tariff regime. The resulting difference provides a compelling perspective on the impact of tariffs on Regina's business outlook. In addition, our RELO Special Topic focuses on the broad-ranging impacts of long-term tariffs on business leaders.

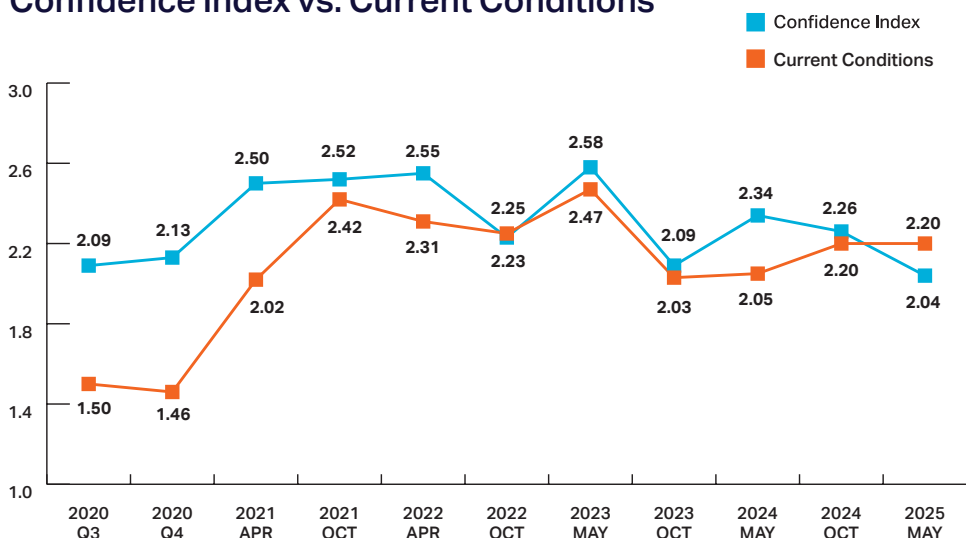
Executive Confidence Index



The Executive Confidence Index for May 2025 came in at 2.04 (down from 2.26 in October 2024, and the lowest score since the onset of the pandemic).

While the majority of business leaders saw current conditions hold level or improve over the past year, uncertainty created by the U.S. tariff regime has impacted business confidence moving forward. This trend appeared in every RELO metric but was especially pronounced when leaders were questioned about Regina's economic outlook.

Confidence Index vs. Current Conditions

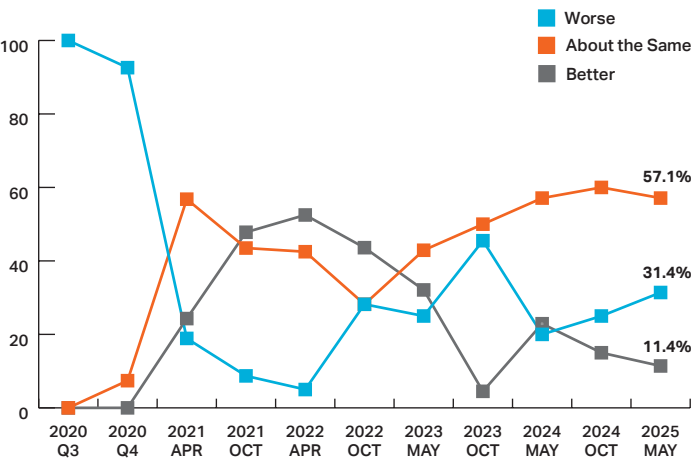


The Current Conditions Index, which aggregates executive ratings of current economic business conditions, held steady at 2.20 (compared to 2.20 in November 2024 and 2.05 in May 2024). This marks the second and most significant drop below the Current Conditions Index since the RELO was created.

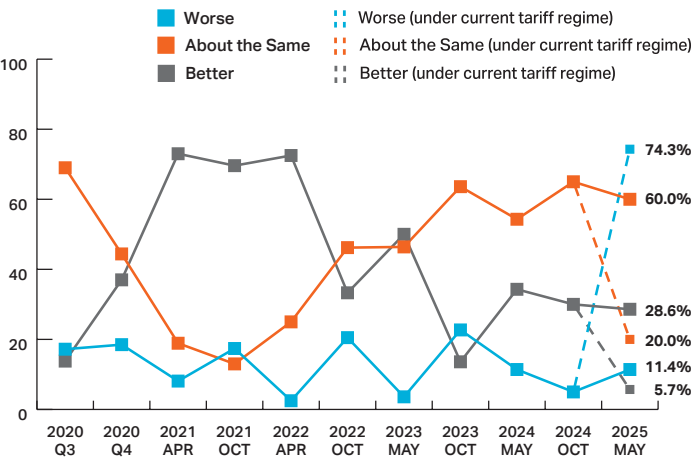
While business leaders saw opportunities over the past year to expand and improve profitability, concerns about the future impact of tariffs have affected confidence looking forward.

Economic Overview: Performance of Regina's economy

Past 12 months (current)



Next 12 months (expected)



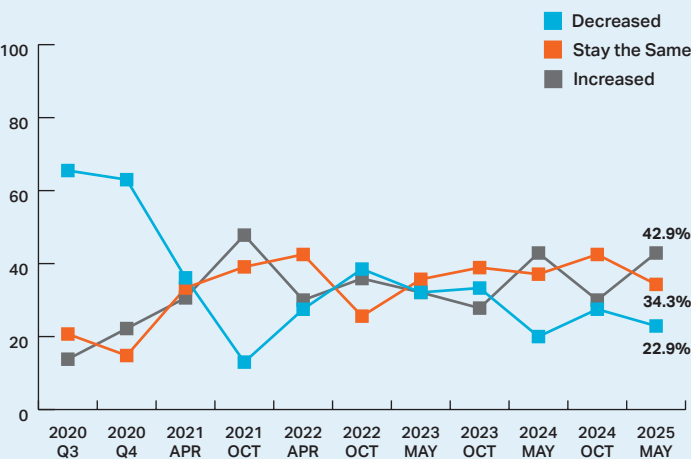
Business leaders' opinions of Regina's economic performance over the past year reflected continued nationwide economic headwinds, despite lower inflation and interest rates. Still, the majority of leaders saw Regina's economy as having remained the same (57.1%), and an additional smaller proportion of leaders reporting it improved (11.4%) over the last year.

That perception changed when leaders considered the coming year, and the potential impact of tariffs on Regina's economic performance. Nearly three quarters (74.3%) of respondents expect an economic downturn if the current tariff regime continues.

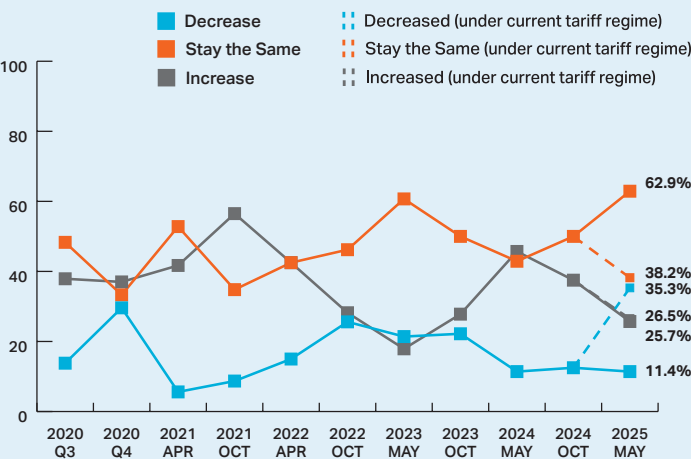
Impact of Tariffs: Regina's Economy		
	Tariff regime after May 1, 2025	Previous tariff regime (after May 1, 2025)
Better	5.7%	28.6%
About the Same	20.0%	60.0%
Worse	74.3%	11.4%

Profitability: Your firm's profitability

Past 12 months (current)



Next 12 months (expected)



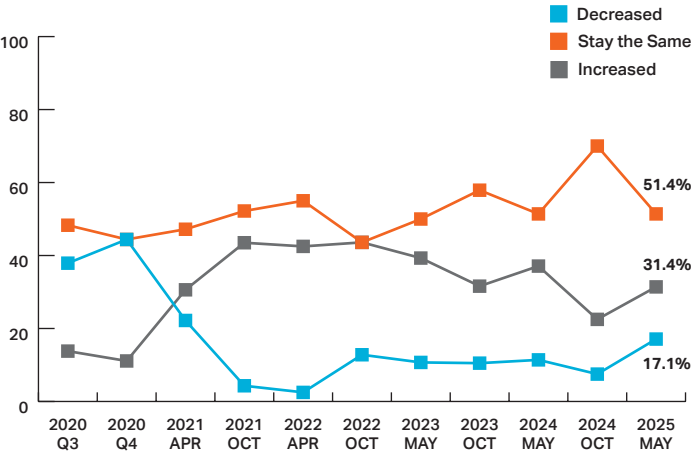
Despite economic challenges, more business leaders indicated increased profitability over the previous year in May 2025 (42.9%) than in October 2024 (30.0%), prior to the current tariff regime.

Looking forward, while fewer leaders expect an increase in profitability, *regardless of the tariff situation*, a larger proportion of leaders (35.3%) expect ongoing tariffs to lead drops in profitability. That outlook would change substantially (11.4%) had the current tariff regime never been implemented.

Impact of Tariffs: Profitability		
	Tariff regime after May 1, 2025	Previous tariff regime (after May 1, 2025)
Decrease	35.3%	11.4%
Stay the Same	38.2%	62.9%
Increase	26.5%	25.7%

Fixed Investments: Firms total fixed investments

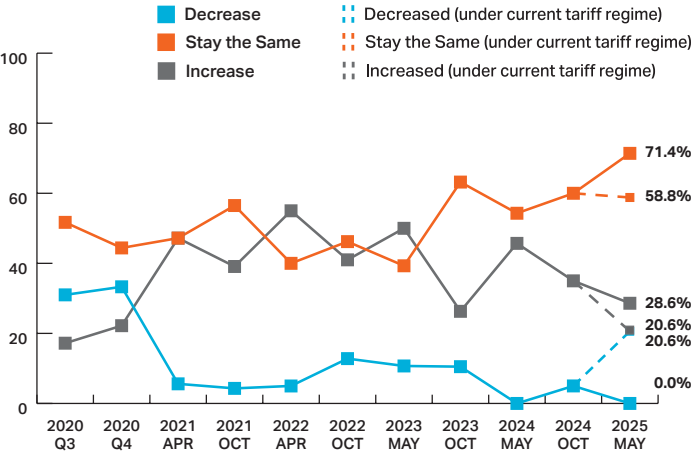
Past 12 months (current)



While the proportion of respondents indicating their firm's total fixed investments remained the same has rebounded from October 2024, the percentage reporting a decrease has risen compared to previous years. All told, 31.4% of respondents indicated they spent more over the past year (compared to 22.5% in October 2024), while 17.1% indicated they spent less (compared to 7.5% in October 2024).

Those trends appear to reverse for the coming year under the previous tariff regime, but are mixed when tariffs are taken into consideration, as businesses continue to take a more cautious approach to their fixed investments.

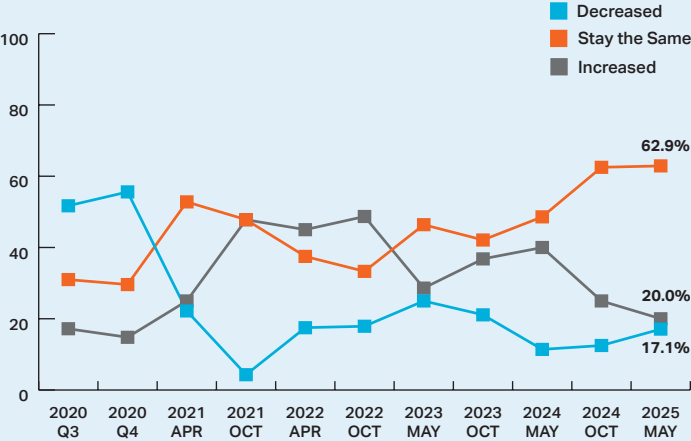
Next 12 months (expected)



Impact of Tariffs: Fixed Investment		
	Tariff regime after May 1, 2025	Previous tariff regime (after May 1, 2025)
Decrease	20.6%	0%
Stay the Same	58.8%	71.4%
Increase	20.6%	28.6%

Employment: Number of people your firm employs

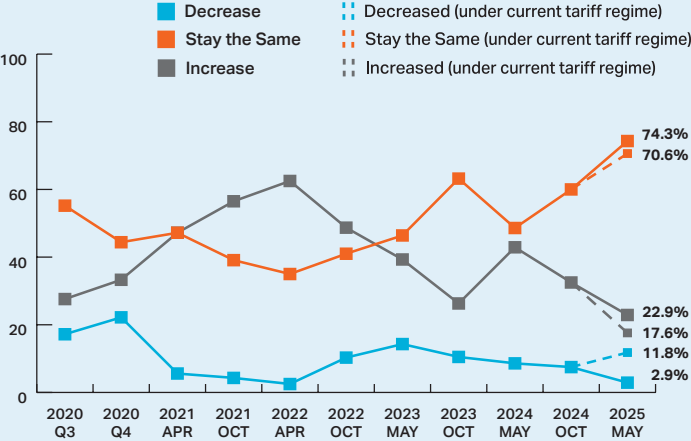
Past 12 months (current)



Nearly two-thirds of respondents (62.9%) held the line on employment over the past year. Alternatively, when looking to the coming year, under both the previous tariff regime and current tariff regime, more business leaders expressed they intend to keep their employment rate constant.

At the same time, fewer leaders expect to add employees in the coming year (17.6% under the current tariff regime).

Next 12 months (expected)



Impact of Tariffs: People Employed		
	Tariff regime after May 1, 2025	Previous tariff regime (after May 1, 2025)
Decrease	11.8%	2.9%
Stay the Same	70.6%	74.3%
Increase	17.6%	22.9%

ABOUT THIS REPORT

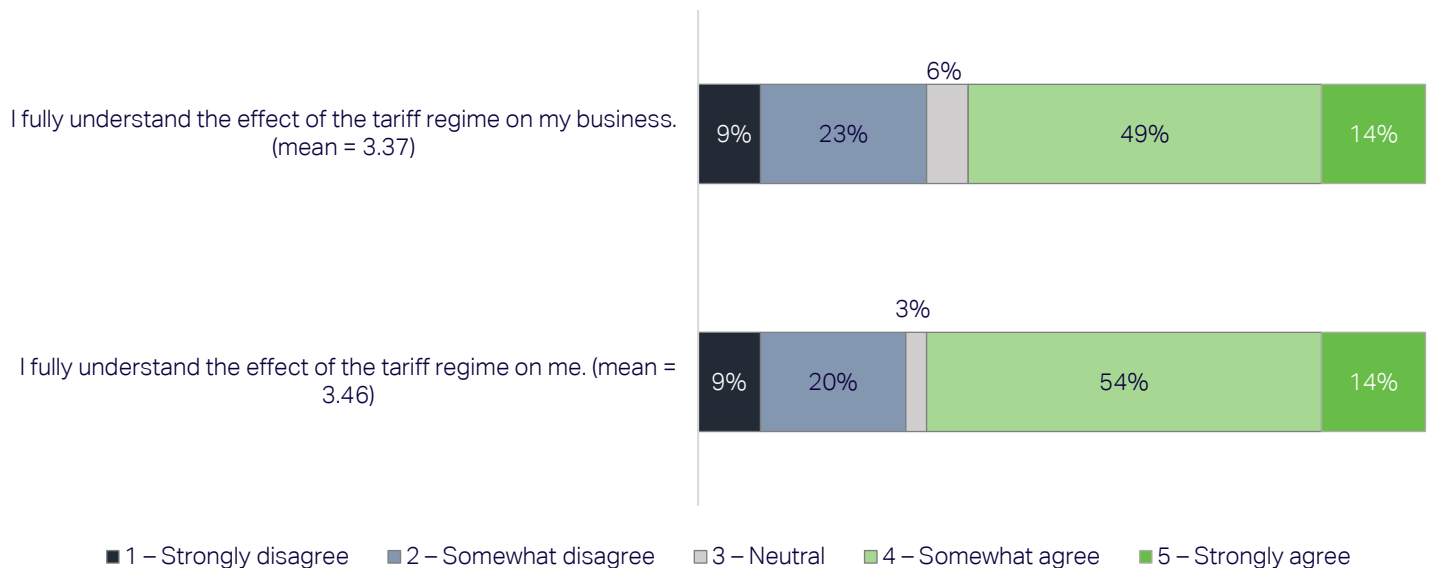
Economic Development Regina (EDR), in partnership with Praxis Consulting (Praxis), began a publication entitled, "Regina Executive Leadership Outlook" in September 2014, that captures the thought leadership of senior business leaders in the Greater Regina Area (GRA) on key issues facing Regina and surrounding areas. The survey is distributed to a list of approximately 154 senior business leaders and board chairs. The survey has a standard component entitled "The Economic Outlook."

This is a set of static questions asked semi-annually that inform a unique Executive Confidence Index. This index is used to measure how confident executives are in Regina's overall economy across each half. To view previous reports, [click here](#). For more information, contact: Chris Bonk, Director, Brand and Communications, Economic Development Regina (P: 306-565-6388) or Valerie Sluth, CEO, Praxis Consulting (P: 306-545-3755).

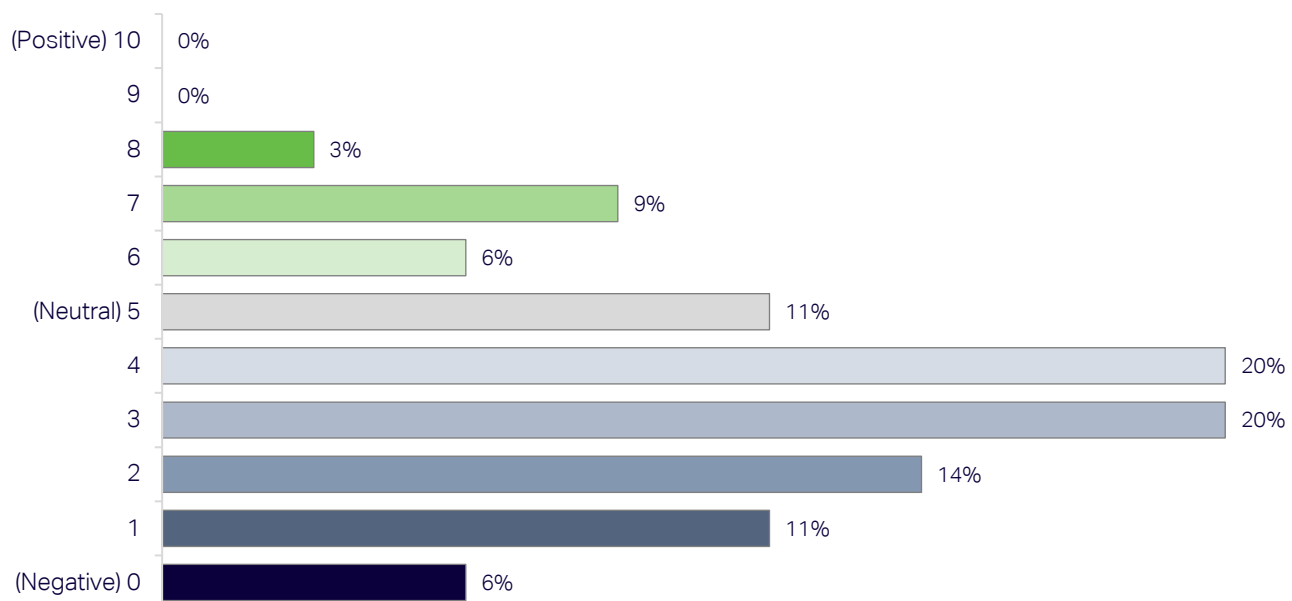
RELO

Regina Executive
Leadership Outlook
Special Topic

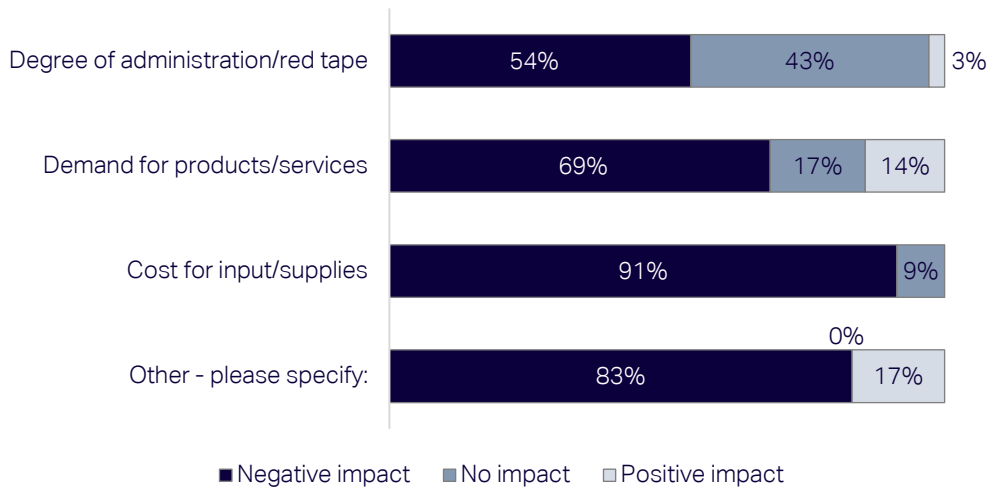
To what extent do you agree or disagree with the following statement:



Degree of positive or negative impact of tariffs



Impact of tariffs will be over the next year?



Verbatim responses to "Other – please specify":

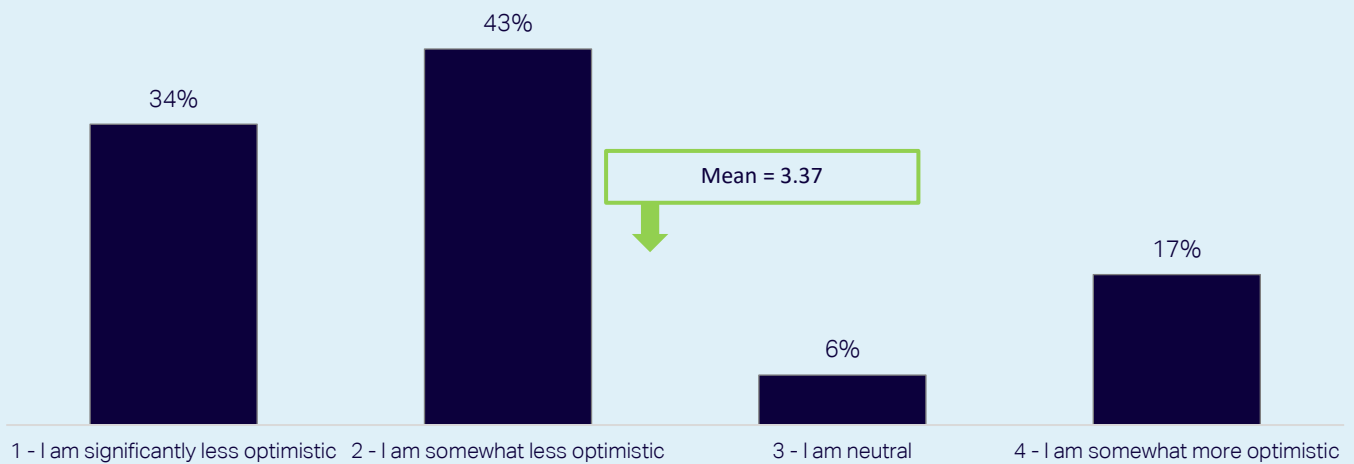
Negative impacts:

- Access to government funding for social programs
- Consumer and Investor Confidence
- Consumer Confidence
- Liberal government policies
- Safety of travel to U.S.

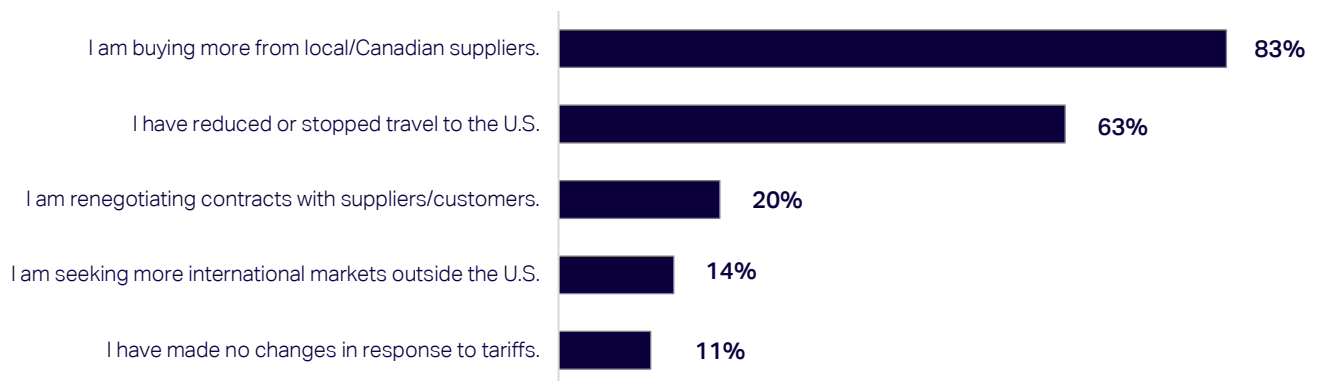
Positive impacts:

- Clients looking for Canadian Service Provider

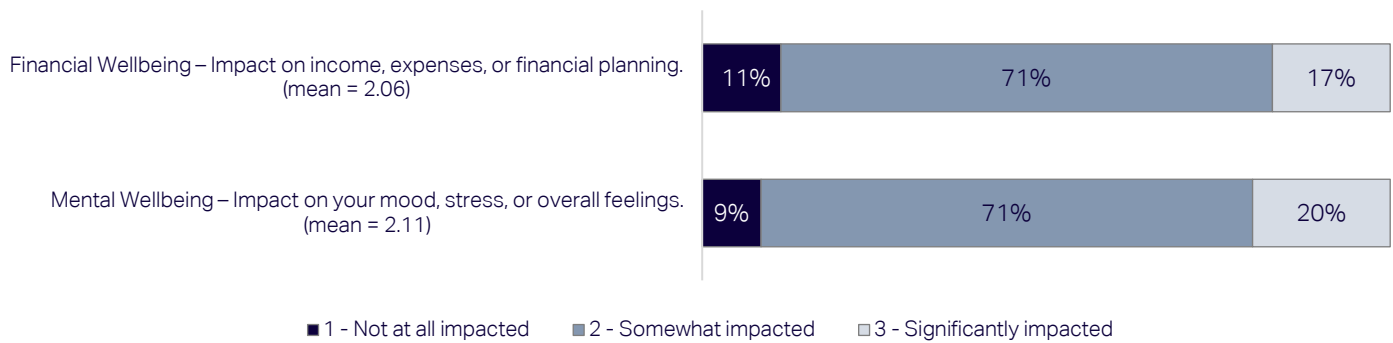
Impact of the tone of political discussions between Canada and the U.S. impacted on optimism regarding economic stability?



How have you responded to tariffs?



Over the past three months, to what extent have you been personally impacted by Canada/U.S. relations?



Verbatim responses to “What additional insights or experiences would you like to share regarding the impact of tariffs in Regina?”:

- It is becoming increasingly clear that the United States will not be a reliable trade partner under the current situation. Notwithstanding the need to continue to pursue trade with respect to agricultural products and energy, we should be aggressively building better trade pathways to Europe and doing anything we can to reduce interprovincial trade barriers - particularly the removal of silly regulatory differences between neighbours.
- It's not so much the tariffs that will cause significant harm, businesses know how to pivot to uncertainty. the tariffs will be the direct cause of the liberal government being elected which will continue to cause significant harm to the western canadian economy.
- Our business is local and promotes local so the tariffs have had a positive impact.
- Our industry expects a net positive impact from tariffs, due to increased spending by our Canadian markets. The U.S. market should remain relatively stable, with overseas spending increasing slightly.
- SK is the quiet leader so I expect our industries to work more collaboratively and co-create different ways of working that a year ago.
- The pause in investment of renewable energy projects is significant, i.e. canola crushing plant. The Chinese tariffs on canola is impacting farming, a major export for SK.
- We are a services business with some US-based clients. As services are not included in tariffs, they do not directly impact our business. Indirect impacts include more business development inquiries from existing and new Canadian-based clients looking to reduce reliance on US-based suppliers. The factor that may have an impact on our sales to US-based clients is the exchange rate. As the Canadian dollar strengthens against the US dollar, we may become less competitive vis-a-vis other off-shore providers.
- We are concerned that funding accessed by the social profit sector (corporate sponsorship and government grants) will be significantly reduced because of the tariffs. We are already feeling this with the corporate event sponsors for fundraising efforts and the elimination of several federal granting programs. In addition, we are consumers of goods and services and so our expenses have increased.
- While this current market volatility crated by the chaos of the Trump Admin, when we look at the data we conclude that SK will be the least impacted. Having said that, what the Federal Gov't has done with the EV Tariffs on China and the counter tariffs on our agriculture products is very poor public policy.