

# NEW WORLD DISORDER

**THE TRADE WAR** HAS CREATED AN ECONOMY  
WHERE THE ONLY CERTAINTY IS UNCERTAINTY

**THERE'S A REASON** “wait and see” isn’t the motto of your average business owner. Passivity is the opposite of a plan and a plan is typically something you need to succeed. Right now though, the volatility that’s been caused by months of shifting American tariffs and Canadian counter tariffs means most industries have found all they can do is stand by.

We checked in with owners and employees in tourism, retail, mining, transportation and construction across all three territories to find out how the trade war has changed the way they work. In early 2025, most expected the whole thing to be a temporary tantrum. As the year has gone by, they now feel like they’re in limbo, unsure of what comes next.

THE COST OF CONSTRUCTION IS EXPECTED TO JUMP BY SEVEN PER CENT OVER PREVIOUS COSTS OF \$500 TO \$700 PER SQUARE FOOT IN NUNAVUT.



**BUILDS**  
ARE HAPPENING,  
THOUGH MOST  
WERE TENDERED  
BEFORE TARIFFS  
WERE A REALITY

## APPETITE FOR CONSTRUCTION

BUT IT'S A PRICED DISH AT THE MOMENT > BY ARTY SARKISIAN

**At the Nunavut Housing Forum in June**, a crowd watched as Bo Rasmussen, president of Birchcliff Development Ltd., flashed a 3D model on a screen of the “shovel-ready” 36-unit apartment building he plans to erect in Iqaluit this year. His was one example of the type of project that generated cautious excitement at the three-day event, where 300 developers, consultants, professors and politicians couldn't chat construction without also talking trade war.

It's been happening since this spring. As Canadians walked around wearing factory-fresh slogan hats that read “elbows up” and “not for sale,” Prime Minister Mark Carney included another catchphrase in his April election victory speech—“build, baby, build.” His government then promised to double construction rates to the tune of half a million homes per year across Canada. In the North, he promised “nation-building.” Bill C-5, which passed Parliament in June, is designed to speed up the construction of such projects, including the Grays Bay Road and Port. Questions around Canadian sovereignty have led to an increased appetite for northern development that might be an upside to the trade war. The downside is, of course, development is going to cost a lot more.

It would be one thing if costs remained stable, but tariff policies keep changing, making long-term planning difficult. “I think that we're not as bullish on trying to do builds right now with the cost of materials being uncertain,” says Mark Colley, president of the EPLS Group of Companies in Arivat. “I think all of the builders are probably under the same stress.”

That said, builds *are* happening, though most were tendered before the tariffs were a reality. Birchcliff's construction will begin shortly after the April ribbon-cutting ceremony for another one of its builds—four six-unit buildings on Iqaluit's beachfront. Ben Cox, CEO of Nunastar Properties Inc., said at the forum that Carney's commitments spurred some hustle within his company, telling the audience, “We've got projects to address.” And EPLS, which does

PHOTO BY  
ARTY SARKISIAN

most of its business in the Kivalliq Region of Nunavut, is thinking of building another hotel in Arviat.

The company is also set to start construction of 14,000- and 7,000-square-foot office buildings in Rankin Inlet for the Government of Nunavut. Owing, in part, to Canada's retaliatory charge on U.S. steel and aluminum, the cost of construction per square foot is estimated to grow by seven per cent from the current average. Before the tariffs, the cost of private development in Nunavut ranged from \$500 to \$700 per square foot.

EPLS is committed to completing existing projects, but it will have to evaluate materials costs for new builds. Depending on how those costs change, northern developers will likely have to face a choice—either use Canadian-sourced material, which could lead to supply chain disruptions due to overwhelming demand, or change the construction model in the North. Builders might have to refrain from using steel and aluminum and switch to wood-only constructions or find other ways to innovate when it comes to planning and design, while still hitting a certain bar for both quality and cost.

Another option would be to diversify. EPLS hasn't been hit as hard because it's a company with many arms: It owns and operates three hotels, two hardware stores and two auto repair shops in Arviat and Rankin Inlet. The company also does home maintenance for 150 units it owns, as well as for dozens of public housing units in the Kivalliq.

But EPLS is an outlier in this way. Most developers focus strictly on development.

"I feel for some of the smaller companies because I realize that if they're just in this one business line or very connected business lines, the downturn can really offset their earnings or ability to survive," says Colley.

Even the North's largest private landlord, Northview Residential REIT, acknowledges in its latest investor report that tariff uncertainty could influence its housing developments and costs. Right now, a lot depends on the determinations made by decision-makers way below the 60th parallel, in a tariff back-and-forth that will go on for at least two more hazy fiscal quarters. Until then, northern developers are hopeful national politics is giving them what they've been waiting for—if they can balance the budget. ■



## DEVELOPERS MAY HAVE TO CHANGE CONSTRUCTION MODELS IN THE NORTH

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## TRAVEL IN A TIME OF TRADE WAR

TOURISM TOOK A HIT DURING COVID, BUT IT'S PROVING  
TARIFF-PROOF > BY KARLI ZSCHOGNER

**Joanne Edwards-Steen** doesn't pay much attention to the news, but she does listen to the 3,000 tourists who hit up Grandma's Kitchen each summer for a burger or boiled beluga muktuk. She's overheard them talking, as they stroll Tuktoyaktuk's gravel beaches to dip their toes in the Arctic Ocean, about how they're avoiding travel to the U.S. right now. She's watched them fill up one, then two, then three of her restaurant guest books before the end of June, in a hamlet where tourist season doesn't even start until mid-June. Business hasn't slowed for her.

During the last global crisis—COVID-19—when people weren't traveling any further than their living rooms, tourism took the biggest hit. With the trade war, however, those working in the industry in the North seem uniquely shielded. Any early financial blows they felt have either tapered off or left the day-to-day unchanged (the 10-kilogram bags of Robin Hood flour Edwards-Steen uses for her homemade bread have jumped to \$50 from \$30, but she hasn't had to raise her prices). And while everyone stops short of using the word "positives," there are some.

Nahanni River Adventures, for example, always has a tight calendar in June, July and August. This summer, the company is hustling to balance running its 2025 river trips in the Yukon and Northwest Territories with managing booking requests for 2026.

Some of that has to do with a travel story the BBC ran in late June, telling readers that the Nahanni is "the Grand Canyon of the North," but Dana Hibbard, owner of the company, says it's hard to tell how much of the increased interest is due to good publicity for Canada rather than hostility toward the U.S.

Three clients cancelled Yukon River trips that dip into Alaska, despite the fact that no cash flows into the U.S. as a result, but Hibbard laughs when she cites one of her more pressing concerns—she doesn't yet have a Canadian supplier for "groovers," the stainless-steel portable toilets Nahanni takes on trips. When the time comes to replace them, she may have to source one.

"So far," she says, "in our small microcosm of the industry anyway, I don't think we've been negatively impacted."

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OF KARLI ZSCHOGNER

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Neither has Air North. Early spikes in oil and gas prices and parts levelled out for the Yukon airline. And, as with the aftermath of the pandemic, there's been more interest in travel to the territories.

The company has had its busiest summer yet, according to Benjamin Ryan, chief commercial officer, with record capacity and traffic.

Ryan, who also chairs the Tourism Industry Association of the Yukon, has noticed greater numbers of Canadians avoiding flights to the U.S., but he says one of the bigger shifts has been internal. Air North is a smaller airline, owned by Yukoners and the Vuntut Gwitchin First Nation. Sometimes, it feels like a secret among Northerners. But staff want to focus on markets that are agnostic to the current Canada-U.S. trade war, including the Asia-Pacific market.

It's developed a partnership with China Airlines, including discounted fares and schedule coordination in the hope of giving snowbirds southern options outside of the U.S., such as Taipei and Taiwan. The airline hopes a new link to the North will also appeal to international travellers looking for winter destinations.

As with most industries, it's a waiting game, where things can (and do) change daily. The overall feeling right now is one of cautious optimism. As Hibbard says, her company and many like it have lasted through recessions, the travel restrictions around 9/11 and the complete lack of travel during the pandemic.

"For us, our NWT products especially have stood the test of time," she says. "People still seem to be consistent in their interest and appetite." 📱

## BUY HIGH, SELL NOTHING?

LIKE THEIR CUSTOMERS, MANY RETAILERS AREN'T SURE WHAT'S IN STORE FOR THEM > **BY AMY KENNY**

**Erik Hougen** sits on a black leather couch at the back of Signature Home Yukon in Whitehorse. The couch used to represent his store's "value brand." But now that U.S. tariffs have increased the price by 25 per cent, Ashley furniture is just mid-range American furniture that costs closer to what people used to pay for higher-end furniture. Hougen has pushed it to the back of the showroom so Canadian-made options are the first thing customers see when they enter. In January, having enough domestic supply to meet demand was his main concern. By July, it was simply having enough demand.

Retail spending across Canada was up 1.2 per cent in the first quarter of 2025, when tariff talk was just taunts. Customers crazed for local products used barcode-scanning apps to assess the Canadian content of everything from cars to peanut butter, wielding retaliatory spending as a weapon to prove our own goods were good enough. But seven months is a long time to revenge-spend. In the same way everyone put effort into masking, sanitizing and social distancing during the early days of the pandemic, then got lax when COVID-19 didn't disappear, people have tariff fatigue. Not only are they not buying as much Canadian, they're not buying as much of anything. For retailers, who usually order inventory a full season or more in advance, that makes it tough to plan for 2026.

That early surge in spending meant first-quarter sales at Signature were up 10 per cent. They've since dropped. Customers are sick of fluctuations; they're saving in case of a recession. Some are shopping online or are reluctant to spend more in June for what might cost less in July. This happens in uncertain times. Customers pull back, delay spending, wait for the problem to go away.

Hougen understands their exhaustion. He feels it, too. For the first six weeks after tariffs were introduced in March, his suppliers covered most or all of the extra costs, assuming they'd be temporary. Now, they quote pricing on Monday



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JONAH CLARK  
THINKS PRICE  
HIKES MAY HIT HIS  
STORE IN 2026.

Some of the Whitehorse bike shop's suppliers are still eating the extra costs, but Clark doesn't know how long they'll continue to do that. Others are using workarounds such as sourcing frames in China but building bikes in places such as Taiwan, Cambodia or Vietnam, where tariffs are lower.

Despite this, Icycle has endured a slow season. Sales are down 20 per cent for April, May and June. That may be due to a cooler, wetter Yukon summer, but Clark has also heard customers mention concerns about personal savings and investments or the possibility of a recession. It's hard to drop \$6,000 on an electric mountain bike when the world's dealing with economic whiplash. "There's a downward pressure on retail activity because of the general situation, the sense of global despair and chaos," says Clark.

If he had to guess, his retail prices will increase in 2026, but a guess is all he has. Volatility makes it impossible to plan, something Hougen learned earlier this year, when he doubled his inventory before the tariffs came into effect. He'd anticipated people wouldn't want to buy at higher prices but they'd still buy. Instead, he has two warehouses full of furniture representing cash out with no guarantee of cash in.

That's always the question with retail—will people buy what I sell?—but it feels more urgent in a market that changes daily. As Hougen says, "Whenever you have uncertainty, customers pull back and say, 'I'll wait and see what happens. I don't need it now. I'll buy later. Hopefully, it'll go away.' That uncertainty is never good for business." ■

they can't honour by Tuesday, so Signature must choose between taking the hit or telling customers at pick-up that they owe more than they agreed to pay. "So far, we've absorbed

it," says Hougen. "Eventually, we won't be able to."

Absorbing price increases isn't something Jonah Clark is sure he could do at Icycle Sports, though his business is not yet in the same position as Signature.

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RIVER MINE.**



# MINING IS AN ECONOMIC CORNERSTONE FOR CANADA'S NORTH

## SHAKY GROUND

EXPLORATION HESITATION IS JUST ONE REASON MINING MAY BE STALLING > **BY KIRSTEN MURPHY**

**On the northern tip** of Baffin Island, the Mary River Mine rumbles. Massive loaders dump iron-rich boulders into crushing machines. The occasional aircraft lands, carrying workers and supplies. Generators hum steadily, keeping the fly-in site operational. The activities here power more than production—they drive the economy.

Mining remains an economic cornerstone for Canada's North—especially in Nunavut, where mining is the largest private sector contributor to the economy—but rising global trade tensions are putting that foundation at risk. Northern operations rely on U.S.-made excavators, drilling rigs and safety gear. All of these have been hit by tariffs that are hiking costs in remote regions where expenses are already high. The added financial strain goes beyond logistics and equipment. Economic uncertainty makes investors reluctant to put money into exploration, especially for junior mining firms, where the exploration sector was already seeing a decline (according to Natural Resources Canada, the sector declined by five per cent in 2023). With even less funding, these projects will stall or never start and the Canadian Arctic will feel the brunt.

Baffinland's Mary River Mine, located 160 kilometres south of Pond Inlet, produces high-grade iron ore—roughly 66 per cent iron. This ore is suited to making steel for industrial uses including buildings, bridges and automobiles. It requires no chemical processing and is shipped directly to Europe. For now, the company doesn't expect any immediate hits from U.S. export tariffs. Imports, however, are a different story.

"Any retaliatory tariffs imposed by Canada on imported goods or the indirect effect of U.S. tariffs on Canadian components used in the manufacturing of machinery and equipment necessary for our operations could affect our costs," says Peter Akman, head of communications for Baffinland.

Where possible, the industry has tried to plan ahead to avoid any issues. Baffinland staff placed early orders for goods that were at higher risk for price increases. Suppliers that provide construction equipment and replacement parts worked with government themselves to ensure retaliatory tariff relief. Baffinland switched to Canadian from U.S. suppliers where possible—wire mesh was easy; tractor gears and trailer components were not. Altogether, this meant there were minimal op-

erational disruptions in 2025, but that could change.

Amid rising cost pressures for U.S.-made machinery, parts and groceries, as well as ever-changing trade dynamics, Baffinland is looking into even more alternative suppliers in Europe and Asia to build a cost-effective supply chain that's resilient to the trade war.

Gold mining operations face similar uncertainty.

Agnico Eagle Mines Ltd. operates two gold mines in Nunavut—Meadowbank and Meliadine—which together produce approximately 900,000 ounces of gold annually. The gold is initially refined onsite, then transported to Canadian refineries for final purification before it's exported to global markets, including the U.S. and Europe.

Natalie Frackleton, Agnico's communications director, says the company is watching the daily changes and considering ways to avoid tariffs and retaliatory trade measures as they may affect the price of drilling, blasting and personal protective equipment, maintenance and repair goods, office and administrative supplies and

safety and environmental supplies.

Here, too, this could include finding new vendors, suppliers or products.

Members of the NWT & Nunavut Chamber of Mines have joined the territorial governments in pushing for northern-specific tax breaks to stay competitive—especially since limited infrastructure makes it harder to attract investment and kick-start new projects in the North.

The chamber wants "immediate support" for the newly proposed North of 60 Mineral Exploration Tax Credit, which would build on the existing credit that's part of Canada's broader Critical Minerals Strategy. At this point, it's not clear if that would be enough to counterbalance the current mix of nervous investors, disrupted supply chains, the cost of meat and potatoes to feed workers and ongoing uncertainty.

In this climate, Canada's northern mining industry is under growing pressure—and it's only the beginning. While early planning and shifting suppliers have offered some relief, simmering trade tensions suggest the full fallout is yet to come. ■

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## TRUCKING ALONG

THE QUESTION IS, HOW FAR CAN THE INDUSTRY GO BEFORE IT RUNS OUT OF GAS? > BY ARTY SARKISIAN

When Stacey Horlings started her own trucking company in 2018, the process was front-end-loaded with stress and sleepless nights. She persevered, because she believed the effort was worth it—that the payoff would be professional stability. Initially, it seemed she was right. 6S Trinity Transport Ltd. hauls heavy equipment between the U.S. and Western Canada, with about a third of its shipments going to the Yukon and Northwest Territories. It has a fleet of roughly 15 trucks, managed by a staff of five. Working with mines and oil and gas companies, finances were solid and growing until 2025.

Now, government policies are changing almost daily and the business world is in limbo. Everyone's afraid to make any sudden moves and is waiting to see how things play out. Almost 70 per cent of trucking companies in the Canadian Trucking Alliance, the national union for the industry, have reported that tariffs are bringing trade to a halt. In March, Stephen Laskowski, president of the alliance, issued a statement saying, definitively, that prolonged tariffs would lead to job losses and permanent fleet closures.


The transportation industry needs goods or its trucks, seafair ships and cargo planes sit empty. But when other industries are scaling back ambitions and projects, there's less to transport. The tariff-induced misfortune of others trickles down to companies such as Trinity. For example, a modular homes manufacturing project in Alberta that was in the works for more than two years was cancelled this spring. It was a hit for the producer, but also for Trinity, which had a contract to deliver 35 of the homes over the border to Montana each year. That gig is on indefinite hiatus.

Not only are there fewer hauling opportunities, but there are more “empty miles.” Whenever Trinity's trucks make deliveries to the U.S., the drivers typically pick up incoming orders on the return trip, so the company is making money in both directions. As fewer clients place orders, it's more difficult to do that.

With those conditions, Trinity lost 50 per cent of its revenue this year. And even though there's less work, there aren't fewer bills. The company still has fixed expenses including gas, insurance and fees for permits. In the spring and summer, Horlings had to sell some under-utilized trailers to survive financially. Five contracted drivers who owned their trucks decided to move on from the company. To Horlings, the tariff war feels like a personal attack.

“You work so hard, you build up, you make it your own,” she says. “You're proud of what you built and something such as tariffs, that's not in your control by any means, has such a huge impact on everything you've worked so hard on.”

It's different than it was with COVID-19, says Horlings. During lockdown, when the world got overly excited about gardening, the company could change gears from delivering forklifts, zoom booms and dump trucks to dirt, soil and moss. Now, she says, it feels like there are no gears left to change.

Some trucking companies have cut their prices to keep the trucks moving. Horlings hasn't done that yet, partly because she still hopes things will return to normal. If revenues drop even more though, there's no point in keeping the business running, she says—it will no longer provide the living she was once sure it would offer. 

## TARIFFS WILL LEAD TO JOB LOSSES AND FLEET CLOSURES



MANY OF CANADA'S COUNTER TARIFFS WERE REDUCED IN SEPTEMBER, BUT IT'S TOO EARLY TO TELL IF THIS WILL CHANGE FREIGHT DEMAND.

PHOTO: CHRIS COLBOURNE