

*At the start of February 2025, American President Donald Trump announced he would be implementing a 25% additional tariff on imports from Canada and Mexico and a 10% additional tariff on imports from China. Energy resources from Canada will have a lower 10% tariff. President Trump is taking bold action to hold Mexico, Canada, and China accountable to their promises of halting illegal immigration and stopping fentanyl and other drugs from flowing into the United States.*

### **UPDATES**

- 1. As of February 4, 2025, the proposed tariffs by the United States and the retaliatory measures by Canada have been delayed for at least 30 days while the two countries work together to resolve the issues.*
- 2. As of February 10, 2025, President Trump has initiated a new tariff of 25% on all steel and aluminum imports that will start March 12, 2025.*

I've heard countless comments from far and wide about the impact of Trump's tariffs, none of which totally detail the impact, because the truth be known, no one really knows the impact nor the outcome of this tariff war.

One thing is certain, the Trump trade war is going to create significant turmoil to the Canadian economy.

In my *humble* opinion, the economic impact of the tariff war will follow the course of a recession or more recently the economic impact of COVID-19 from 2020 through 2023. All significant business decisions will be deferred. Major projects will be put on hold, no new activities will be initiated, most decisions will be to hold steady, and/or activities will be consolidated to save costs. Inventories will shrink, production will slow, sales will drop, banks will be hesitant to fund, and the list goes on.

What we do know is that during a recession, consumers:

- will defer or delay major purchases
  - automobiles, furniture, appliances, homes
- stop visiting bars / restaurants / postpone travel and vacations

What we also know is that businesses will:

- defer any major capital expenses
- curtail all unnecessary expenses
- reduce inventories, both finished and raw
- not produce on spec, only to orders
- will reduce staff as much as possible as revenues drop

However, during times like this, progressive business owners take the time to analyse virtually everything about their business and will develop a detailed business plan for their future. Many will hire specialists to assist this process, particularly in areas they lack expertise.

New sales and marketing plans will be created, strategic alliances will be initiated, and joint ventures will be established to increase revenues and reduce costs. Manufacturing processes will be reviewed, new production equipment will be assessed, and distribution programs will be screened for better alternatives.

This business interruption provides an opportunity for business owners to reach out to members of the **“Robbinex Cooperative Network”** <https://www.robbinex.com/cooperative-network/> to obtain assistance in performing assessments of their business to develop those plans for the future when the tariff wars dissipate, as I’m sure they will.

## Bottom Line

Many folks who are considering selling their businesses for retirement will postpone that decision and will look at the Robbinex **“14 Alternatives to Selling”**. They will have Robbinex value their business and assess it for profitability. They will then initiate restructuring to minimize taxes for when the business is ultimately sold.

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