



The Regional Municipality of Durham Report

To: Finance & Administration Committee
From: Commissioner of Finance
Report: #2025-F-11
Date: June 10, 2025

Subject:

Tariff Response Tourism Program Funding

Recommendation:

That the Finance & Administration Committee recommends to Regional Council:

That one-time funding in the amount of \$250,000 be provided from the Economic Development Reserve Fund to be used for:

- A) A tariff response tourism promotional campaign related to the new Discovery Guide; and
 - B) Other related economic development and tourism initiatives planned for 2025 that address local economic impacts on small businesses in Durham caused by the tariff dispute primarily between Canada and the United States.
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Report:

1. Purpose

- 1.1 The purpose of this report is to recommend one-time funding to support targeted local tourism initiatives designed to stimulate economic activity within Durham Region by promoting local attractions, events and businesses and increase visitor spending and revenues for tourism industry businesses.

2. Background

- 2.1 In response to the local economic impacts of U.S. and retaliatory tariffs, and related uncertainty regarding possible future tariffs, the Durham Economic Task Force (DETF), comprised of Regional Economic Development, Area Municipal

Economic Development, the Chambers of Commerce and Boards of Trade, and the post-secondary institutions, are collaborating to deliver projects and programming that provide support to affected businesses and address broader economic impacts.

- 2.2 Local economic impacts of tariffs and the associated uncertainty may include increased costs and reduced spending at local small businesses in the retail, service, and tourism industries and on smaller local goods producers. For example, the [Tourism Industry Association of Ontario \(TIAO\)](#) reports that more than one-third of tourism businesses are already experiencing operational impacts, including price increases from suppliers, access issues, and foreign exchange pressures.
- 2.3 2025 data shows that Canadian travel plans have shifted significantly due to the impacts of tariffs and other policy measures in the United States, and a desire by Canadian tourists to support Canadian businesses. As a result, fewer Canadians are traveling to the United States for tourism purposes. The [Financial Post reports](#) that “Airport arrivals to the U.S....were down 32 per cent...in March 2025,” while future flight bookings have, “...also collapsed, declining 70 per cent”.
- 2.4 TIAO further reports that businesses are seeking policy supports such as increased investment in tourism marketing and promotion.

3. Tariff Response Tourism Program

- 3.1 The dramatic shift in travel behaviour creates a strong opportunity to attract more domestic tourism to Durham Region by capturing tourism spending that would otherwise have occurred in the United States, but which will instead be redirected domestically to within Canada.
- 3.2 Attracting tourism travelers that are seeking an alternative to the United States offers two benefits: first, that the local economy can be bolstered immediately with increased spending during a time of broad local economic impact, improving economic outcomes for businesses that are struggling with increasing costs and pressures; and second, that travelers who had previously never considered Durham for their tourism travel may enjoy Durham’s tourism offering and revisit the region in the future, permanently increasing tourism to Durham.

- 3.3 Durham Tourism, in collaboration with the DETF, is planning promotional campaigns this summer and fall to attract tourism spending to local businesses, and promote consumer products and services produced and offered by Durham employers. The DETF is also exploring opportunities to showcase and promote Durham-based producers of commercial and industrial goods.
- 3.4 The Durham Region Discovery Guide is a publication produced by the Economic Development and Tourism Division. It is created to raise awareness of Durham Region as a tourism destination. In past editions, copies have been distributed to Toronto Pearson Airport, Union Station, Ontario OnRoute, hotels in Ontario, and Ontario Travel Information Centres. [The 2023/2024 edition](#) was inserted inside Toronto Life magazine to subscribers. They are further distributed through local partners like Chambers of Commerce and through community events.
- 3.5 The quantity of guides published and the reach of a campaign to distribute and promote the guides are determined by the project budget. The quantity and reach of guides will influence its success in attracting tourism spending and resulting revenue generation throughout the local tourism industry.
- 3.6 Tourism industry businesses include any which benefit from the visitor economy, and may include restaurants, attractions, agri-tourism, main street shops, accommodations, general consumer retail, and others. Businesses selected to be included within the Discovery Guide are determined based on tourism readiness, quality of tourism offering, seasonality, and a distribution of destinations across Durham Region. Additional businesses in Durham Region not featured in the current edition of the Guide will benefit from increased visitation through the spillover effects of general tourist spending.
- 3.7 This one-time funding would be a targeted initiative to significantly increase distribution and promotion of the upcoming Discovery Guide. Critical success factors would include reach of distribution, reach of marketing initiatives, digital impressions, and feedback from tourism stakeholders. These targets would be set based on budget capabilities.
- 3.8 With the increased pressures on local businesses and the changing travel and tourism behaviours of Canadian travellers presenting a near-term opportunity, it is recommended that \$250,000 of one-time funding from the Economic Development Reserve Fund be used for a tourism promotional campaign related to the new Discovery Guide, and other related uses.

4. Relationship to Strategic Plan

4.1 This report aligns with/addresses the following Strategic Direction(s) and Pathway(s) in Durham Region's 2025-2035 Strategic Plan:

a. Connected and Vibrant Communities

- C6. Continue to revitalize and transform downtowns into hubs of economic, social, and cultural connection.

b. Resilient Local Economies

- R2. Support the growth of new business startups and small to medium local businesses.
- R3. Develop, attract, and support a skilled and qualified workforce, including youth and newcomers.
- R4. Protect and strengthen the local agriculture sector and food supply chains.
- R5. Cultivate and promote local arts, culture, quality of place, and tourism that embrace urban excitement and country charm.

4.2 This report aligns with/addresses the following Foundation(s) in Durham Region's 2025-2035 Strategic Plan:

a. People: Making the Region of Durham a great place to work, attracting, and retaining talent.

5. Conclusion

5.1 While the tariffs and associated uncertainty are causing widespread economic impacts locally, there is an opportunity for the Region to capitalize on an opportunity to attract visitor spending to local tourism industry employers and support Durham's primarily small and medium-sized businesses that are experiencing economic impacts.

5.2 By investing in promoting the Region for tourism this summer and fall through the Discovery Guide, visitor spending can drive much-needed revenue into the local economy, sustaining businesses and jobs.

Respectfully submitted,

Original Signed By

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Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine Baxter-Trahair
Chief Administrative Officer