



# Supporting Canadians and Canadian Businesses in the Face of U.S. Tariffs



## The Impact of U.S. Tariffs

The impact of the U.S.'s completely unwarranted and unjustified tariffs will be felt by Canadians and Americans alike. Over time, the effects will include disrupted supply chains, higher costs for consumers and businesses, and reduced business and household spending. Employment on both sides of the border will also be affected and they will weaken North America's competitiveness in the global economy.

The economic impacts on the Canadian economy will be uneven and will not be as immediate and across-the-board as during the COVID-19 pandemic in spring 2020. The Government of Canada understands the uncertainty and concern many Canadians are feeling as a result of the unjustified tariffs imposed by the U.S. and is committed to using every tool at its disposal to protect Canadian businesses and workers.

## Protecting Jobs and Keeping Businesses Open

Canada already has a robust system of economic support programs available to help businesses and workers directly impacted by U.S. tariffs. Ensuring businesses have swift access to liquidity support, along with Canada's strong social safety net, will act as a first line of defence against the immediate impacts of U.S. tariffs and Canada's countermeasures response.

The government will continue to closely monitor impacts across all sectors and the economy and will bring forward additional measures as needed.

Impacted Canadians	Actions
Workers who lose jobs	<ul style="list-style-type: none"> <li>✓ <b>Ensure a strong social safety net</b> through the Employment Insurance (EI) program with built-in stabilizers to reflect regional unemployment rate.</li> <li>✓ <b>Introduce temporary flexibilities under the EI Work-Sharing Program</b>, which provides EI benefits to employees who work reduced hours due to a decrease in business activity beyond their employer's control. This helps employers and employees avoid layoffs in the first place.</li> </ul>

Impacted Canadians	Actions
Businesses	<ul style="list-style-type: none"> <li>✓ <b>Expand access to existing liquidity supports</b> for businesses through financial Crown corporations. <ul style="list-style-type: none"> <li>○ <b>Export Development Canada (EDC)</b> – \$5 billion for new Trade Impact Program, for Canadian exporters and companies that supply to exporters.</li> <li>○ <b>Business Development Bank of Canada (BDC)</b> – \$500 million for favourably priced loans, for financial and non-financial support to Canadian businesses.</li> <li>○ <b>Farm Credit Canada (FCC)</b> – \$1 billion in new financing, for a range of financing products and services to Canadian farmers.</li> </ul> </li> <li>✓ <b>Introduce a remission framework</b> to protect businesses and jobs.</li> <li>✓ <b>Update the <i>Investment Canada Act</i> Guidelines.</b></li> <li>✓ <b>Use revenues</b> from Canada’s countermeasures to directly support Canadians and Canadian businesses.</li> </ul>
Hardest hit sectors	<ul style="list-style-type: none"> <li>✓ <b>Consider expanding and broadening existing supports</b> to maximize reach as the economic impacts unfold.</li> </ul>
Hardest hit regions	<ul style="list-style-type: none"> <li>✓ <b>Explore leveraging regional development agencies</b> to provide supports that address unique regional impacts.</li> <li>✓ <b>Work with provinces and territories</b> to ensure supports are in place across all jurisdictions.</li> </ul>
Consumers	<ul style="list-style-type: none"> <li>✓ <b>Empower consumers to support Canadian businesses</b> by increasing awareness of products made in Canada.</li> </ul>

## Bolstering Canada’s Competitiveness

The direct impacts of tariffs and the lingering shadow of uncertainty necessitate ongoing efforts to strengthen Canada’s competitiveness.

Goals	Actions
<ul style="list-style-type: none"> <li>✓ <b>Increase internal trade.</b></li> <li>✓ <b>Return confidence</b> to Canadian businesses.</li> <li>✓ <b>Improve access to global markets</b> and supply chains.</li> <li>✓ <b>Attract investments</b> in Canada’s growing green tech and innovative sectors.</li> <li>✓ <b>Lessen Canadian businesses’ reliance on the U.S.</b></li> </ul>	<ul style="list-style-type: none"> <li>✓ Remove interprovincial trade barriers that have tempered Canada’s growth and competitive potential.</li> <li>✓ <b>Continue to implement tax and other measures</b> to boost investment, as announced in the <i>2024 Fall Economic Statement</i>, including: <ul style="list-style-type: none"> <li>○ Deliver major clean economy investment tax credits.</li> <li>○ Enhance the Scientific Research and Experimental Development (SR&amp;ED) tax incentive.</li> <li>○ Fully re-instate the Accelerated Investment Incentive.</li> <li>○ Intent to introduce the <i>Small Business Innovation and Procurement Act</i>.</li> </ul> </li> </ul>