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March 27, 2025

To: Finance Canada

Re: Consultation on the Notice of Intent to Impose Counter-measures in Response to United States Tariffs on Canadian Goods

On behalf of Research Canada, I am writing to express the substantial concerns of our membership regarding the proposed retaliatory tariffs outlined in the Department of Finance's Notice of Intent, particularly as they pertain to pharmaceutical and health-related products. Our members, many of whom are directly involved in the life sciences, healthcare, and research sectors, are deeply alarmed by the inclusion of these critical products in the list of retaliatory tariffs. We echo the concerns already expressed by other industry stakeholders and our national partners in health research and innovation, and urge the government to reconsider the potential negative impacts of these measures on Canadians and the broader healthcare ecosystem.

The inclusion of pharmaceuticals and medical products in these proposed tariffs could result in severe unintended consequences. Our members are particularly concerned about the potential for supply chain disruptions, drug shortages, and increased healthcare costs, which would directly affect Canadian patients, the healthcare system, and the broader life sciences sector. These sectors rely heavily on the free flow of goods between Canada and the United States, and any disruption could have far-reaching effects on patient care and the ability of Canadian companies to invest and innovate.

More specifically, we strongly urge that medicines, vaccines, medical devices, and critical inputs for their manufacturing be explicitly excluded from any retaliatory tariffs. The imposition of tariffs on these products would not only raise costs for patients and healthcare providers but could also harm the attractiveness of Canada as a destination for investment and clinical trials. We are concerned that these tariffs could result in a scenario where the cost of research and development in Canada increases, undermining our competitive edge in the global life sciences industry. Smaller firms, in particular, may find it increasingly difficult to weather the financial strain that these tariffs would impose, potentially stalling innovation and leading to job losses.

We ask that Finance Canada immediately remove pharmaceutical products, including the trade codes for "medicaments" (e.g., 3004.90), and related health products from the list of proposed

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retaliatory measures. We also request that the government continue to engage with industry stakeholders to develop a strategic response that protects the integrity of Canada's healthcare and research sectors while addressing broader trade concerns.

Retaliatory tariffs on health-related products would not only jeopardize the health of Canadians but could also undermine Canada's standing as a leader in life sciences and innovation. Research Canada urges Finance Canada to reconsider this approach and work closely with the life sciences community to find a solution that protects the well-being of Canadians and supports the ongoing development of critical healthcare and pharmaceutical advancements.

Thank you for considering our views. We look forward to further discussions on this important matter.

Sincerely,

Alison Evans
Chief Executive Officer
Research Canada