

Why retaliatory tariffs could cost lives and what we should do instead

For Canada's life sciences sector, the stakes are even higher in the trade war with the U.S.—both livelihoods and lives are at risk.



Prime Minister Mark Carney must carefully consider the unintended consequences of targeting pharmaceuticals and medical devices in retaliatory tariffs, which could disrupt supply chains, lead to drug shortages, and deter clinical trial investments, writes Jason Field. *The Hill Times* photograph by Andrew Meade

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The ongoing trade war between Canada and the United States has dominated headlines, and has become a central topic of discussion at dinner tables across the country. It's even emerged as a key issue in the upcoming federal election.

Many Canadian industries are bracing for the impact of imposed tariffs, which could lead to revenue losses and potential layoffs. However, for Canada's life sciences sector, the stakes are even higher—both livelihoods and lives are at risk.

As the threat of new tariffs loom, the Canadian government has developed a list of proposed retaliatory measures spanning various industries. While we acknowledge the need for our country to respond decisively to these unjust actions by our southern neighbour and recognize that all sectors will share the burden, we must carefully consider the unintended consequences of targeting pharmaceuticals and medical devices. Imposing retaliatory tariffs on these products could disrupt supply chains, lead to drug shortages, deter clinical trial investments, and limit Canadian patients' access to crucial health innovations.



Dr. Jason Field is president and CEO of Life Sciences Ontario. *Photograph courtesy of Life Sciences Ontario*

Including life sciences products in these retaliatory measures contradicts the investments made by both federal and provincial governments through their respective life sciences strategies. The COVID-19 pandemic exposed Canada's insufficient capacity in this critical sector, prompting significant taxpayer-funded investments to bolster our life sciences capabilities. Life sciences is not just an economic priority—it is a national security imperative. Undermining these efforts now would be a step backward when we should be doubling down on our commitment to life sciences.

While U.S. President Donald Trump's administration has created economic chaos and uncertainty, it has also inadvertently opened new opportunities for Canada. In the U.S., science, public health, and diversity, equity, and inclusion (DEI) initiatives are under attack, with widespread funding cuts to the National Institutes of Health, public health agencies, and restrictions on DEI-related language. Canada has the chance to differentiate itself as a safe haven for diverse talent in science and health. Already, we are seeing prominent American professors and physicians relocating here. By positioning Canada as

the most competitive jurisdiction for commercializing life sciences technologies, we can attract innovators and investors alike.

So, how do we achieve this? The blueprint is already clear:

Support domestic research: Canada is a powerhouse of scientific research, driving groundbreaking innovations in life sciences. However, our research ecosystem faces increasing pressures, and it is crucial that we continue to invest in its growth and sustainability to maintain our global competitiveness.

Improve access to capital for innovators: With a strong “Buy Canadian” sentiment, we should reignite discussions around directing this country’s pension funds to invest domestically. Additionally, extending flow-through shares to life sciences firms could provide much-needed financial support.

Accelerate time to patient: Canada lags behind other nations in the speed at which new life sciences technologies are assessed, approved, and adopted. We need a forward-thinking, agile, and innovative approach to health technology assessments and regulatory approvals.

Leverage health procurement: Many Canadian-developed health technologies are sold globally, but remain unavailable to Canadians. This must change. Our health-care systems should be adopting our homegrown innovations for the benefit of both patients and the businesses that develop them.

Unlock health data: Our public health system holds a wealth of health data that could drive groundbreaking research and discoveries. However, we need systems and regulations to securely collect, share, and use this data to benefit Canadian patients, health-care systems, and innovators.

Canadian patients should not become collateral damage in the U.S.-Canada trade war. Instead, let’s seize this moment to reinforce our life sciences sector and position our nation as a global leader. By doing so, we will drive both health and prosperity for all Canadians.

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