



VIA EMAIL: consultations@fin.gc.ca
SUBJECT LINE: U.S. Tariff Consultations

March 21, 2025

International Trade Policy Division (U.S. Tariff Consultations)
Department of Finance
90 Elgin Street, 14th Floor
Ottawa, Ontario K1A 0G5

Subject: Consultation on Notice of Intent to Impose Countermeasures in Response to United States Tariffs on Canadian Goods

On behalf of Life Sciences Ontario (LSO), thank you for the opportunity to provide input on the notice of intent to impose countermeasures in response to United States tariffs on Canadian Goods.

LSO is a not-for-profit organization that represents and promotes Ontario's vibrant and diverse life sciences sector. Dozens of LSO members are drug and medical device industry stakeholders and LSO has been active in collaborative stakeholder efforts to prepare for and respond to the U.S. tariff threat, so we are well positioned to communicate the challenges our sector is facing.

Canada is now facing an unprecedented threat to our economy and sovereignty. Industry and government collaboration are critical to ensuring that any future retaliatory actions do not inadvertently disrupt Canada's innovation ecosystem, healthcare system, or patient access to essential treatments.

In this context, LSO believes the imposition of Canadian tariffs on pharmaceuticals and medical products could have unintended consequences on Canada's health system and economy and should be avoided at all costs. Specifically, our members are concerned that tariffs could lead to potential supply chain disruptions, drug shortages, decreased access to new innovations via clinical trials, and increased overall health system costs. The lives of patients on both sides of the border should not be caught in the crossfire of this trade war.

As you may be aware, the pharmaceutical supply chain is highly integrated. The free movement of raw materials and finished products across the border is critical for this sector. Companies are now working to prepare for and mitigate these challenges by diversifying suppliers and looking to source locally. However, in the case of pharmaceuticals already in market, some companies

may be contractually obligated to continue sourcing from the US or would need to re-submit to Health Canada to change suppliers, so short-term solutions are not possible.

The imposition of tariffs could also lead to rising healthcare costs, as higher manufacturing and distribution expenses for life sciences companies will ultimately need to be passed on to the health system. These rising costs could also cut into companies' ability to invest in Canada's research and innovation ecosystem. Smaller firms and startups with lesser cash reserves to withstand tariffs will be particularly challenged by this economic uncertainty.

For these reasons, we ask the Government of Canada to:

- 1) Ensure that medicines and all ancillary related products, vaccines, medical devices, and critical inputs for their manufacturing are explicitly excluded from any Canadian countermeasures, now and in the future, and emphasize to the U.S. government that tariffs should not be placed on healthcare products. More specifically, LSO requests the removal of any and all "medicaments" from the list of goods. Item 3004.90.00, in particular, would have detrimental impacts on the pharmaceutical sector, and therefore the health outcomes of Canadian patients. We ask that the government remove this item, and all items related to "medicaments", from the scope of measures identified in Table 1.
- 2) Continue to work collaboratively with industry partners to develop a strategic response that safeguards patient access to treatments while addressing broader trade concerns.
- 3) Avoid retaliatory actions that could disrupt pharmaceutical or medical device supply chains, impact patient access, or make Canada a less attractive destination for future life sciences investment.

Thank you for the opportunity to provide input on the proposed tariff measures. We commend the government for its leadership in addressing this evolving situation and welcome the opportunity to engage on solutions that protect patients, maintain the integrity of pharmaceutical and medical supply chains, and ensure safe, secure, and reliable access to the supply of critical medications and medical devices.

Please do not hesitate to reach out to me if you require clarification or have any additional questions regarding the recommendations made in this submission.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Smith", is written over a faint, large, stylized graphic of a person's head and shoulders in shades of blue and green.

Jason Field
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About Life Sciences Ontario

Life Sciences Ontario (LSO) is a not-for-profit organization that represents and promotes Ontario's vibrant and diverse life sciences sector. Members of LSO include life sciences companies, entrepreneurs, members of academia, and service providers from many different areas of the life sciences ecosystem, including biopharmaceuticals, agriculture, agri-food, the bioeconomy, medical devices, animal health, environmental technologies, and more. Ultimately, LSO's mission is to encourage commercial success throughout this diverse sector by collaborating with governments, academia, industry and other life sciences organizations in Ontario and across Canada.

