

January 21, 2025

Sent via email to iga.minister-ministre.aig@pco-bcp.gc.ca

Hon. Dominic LeBlanc Minister of Intergovernmental Affairs

Dear Minister LeBlanc,

We are writing to you today regarding the potential tariffs on Canadian imports to the U.S. and the federal government's retaliatory tariff response strategy.

Medtech Canada is the national association representing the medical technology industry in Canada—an industry that employs over 35,000 Canadians in approximately 1,500 facilities across the country. The technologies our industry provides save lives and enable the delivery of health care in Canada—examples include MRIs, orthopaedic implants, pacemakers, diabetes technologies, wound care products and thousands of others. The Canadian medical technology sector is a cornerstone of Canada's innovation economy, driving advancements in health care and contributing significantly to improved health outcomes in Canada and the U.S.

Canada's health care providers and patients are tremendously reliant on medical technologies to enable the delivery of health care. The pandemic and post-pandemic supply chain challenges highlighted the immense importance of our sector. In recent years, there has been significant growth in the manufacturing of medical technologies in Canada, but many of these manufacturers are reliant on U.S. based suppliers for raw materials and intermediary products. Additionally, given the tens of thousands of technologies used each day in health care in Canada (including many that aren't available from a Canadian manufacturing facility) and the fact that 38% of Canada's medical technology imports come from the U.S.¹, we would like to strongly emphasize that the medical technology sector <u>would not</u> be a viable sector for retaliatory tariffs against the U.S., as the impact on our health care system and patients would be too immense.

Additionally, the medical technology manufacturing sector in Canada would be substantially impacted if the U.S. were to implement tariffs on medical technologies coming from Canada to the U.S. In 2022, Canada's medical technology exports to the U.S. were \$3.08 billion, or 74% of Canada's total medical device exports.² These technologies support the delivery of health care to the U.S. health care system and its citizens, and U.S. tariffs on these products would inflate production costs ultimately affecting affordability for healthcare providers and patients in both countries. Furthermore, US tariffs diminish the ability of Canadian medical technology

¹ ISED <u>Industry profile</u>

² ISED <u>Industry profile</u>

Medical Technology Association of Canada | Association des technologies médicales du Canada

companies to compete in the US market, which, as previously mentioned, is our largest export destination.

The integrated nature of the North American supply chain of medical technologies means that tariffs from both sides of the border will reduce market access and impact the affordability and accessibility of healthcare in both Canada and the U.S.

Thank you for your efforts in seeking to address this situation and please reach out if our association can be of any assistance.

Sincerely,

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Nicole DeKort President and CEO, Medtech Canada

Cc: Mr. Aaron Fowler, Associate ADM and Deputy Chief Trade Commissioner Global Affairs Canada International Trade Branch Aaron.fowler@international.gc.ca