



January 31, 2025

Sent via email to

Hon. Doug Ford Premier of Ontario and Chair of the Council of the Federation

Dear Premier Ford,

We are writing to you today in your capacity as Chair of the Council of the Federation regarding the potential tariffs on Canadian imports to the U.S. and our Canadian governments' retaliatory response strategy, including potential new Federal tariffs and any other trade measures being considered at the provincial level.

On behalf of North America's medical technology sector, our industry is integral in supporting the delivery of critical health care infrastructure that provide an essential service that our health care providers rely on to deliver care to patients daily across Canada. As you know, Medtech Canada is the national association representing the medical technology (medtech) industry in Canada—an industry that employs over 35,000 Canadians in approximately 1,500 facilities across the country. The Advanced Medical Technology Association (AdvaMed) based in the U.S. is the world's largest trade organization representing the medical technology industry and works closely in partnership with Medtech Canada to create the best possible policy environment for the medtech sector to achieve its collective goal of longer, healthier lives and stronger economies around the world.

Our members range from the smallest to the largest medical technology innovators and companies. In Canada health care providers and patients are tremendously reliant on medical technologies to enable the delivery of health care – examples include diagnostic imaging, orthopaedic implants, pacemakers, diabetes technologies, wound care products and thousands of others. The 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, as well as in the U.S.

The pandemic and post-pandemic supply chain challenges highlighted the critical nature of our sector. In recent years, there has been significant growth in the manufacturing of medical technologies in Canada, but many of these manufacturers draw on relationships with U.S. based suppliers, among the world's largest and most advanced, for intermediate products and materials. Tens of thousands of medical technologies are used each day in health care in Canada (including many that aren't available from a Canadian manufacturing facility) and 38% of Canada's medical technology imports come from the U.S.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> ISED <u>Industry profile</u>

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

Considering these facts, we would like to strongly emphasize that the medical technology sector **would not** be a viable sector for sanctions or retaliatory tariffs against the U.S. as the negative impacts on Canadian provincial health care systems and patients would be too immense.

In view of the potential adverse impact on patient health and health care expenditure, we believe medtech products should be excluded from any proposed tariff initiatives or other trade restrictive measures. In the United States, AdvaMed is making this case to Washington policymakers involved in U.S. tariff policy. The integrated nature of the North American supply chain of medical technologies means that tariffs from both sides of the border would reduce patient and clinician access to essential medical products, and would impact the affordability of health care in both Canada and the U.S. Canadian medical technology exports to the United States 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 health care providers and patients in both countries.

Likewise in Canada, we believe the negative impacts of Canadian tariffs on Canadian provincial health care systems and patients would be too immense. In addition to causing significant vulnerabilities within our Canadian health care systems that could affect patient outcomes, the medical technology manufacturing sector in Canada could also be substantially impacted. Indeed, given the disparities in size between the U.S. and Canadian medical technology industries, the disruption generated by tariffs or other trade restrictions on the provision of health care in Canada's provinces would likely be significantly greater than in the U.S.

We know that you and your fellow Premiers are working very hard to address this situation and we thank you for your efforts. In view of the potential outcome on patient outcomes and health system stability, we strongly urge that in these efforts you:

- Exclude the medical technology sector from any retaliatory measures being considered by governments across Canada, including any new tariffs being considered by the Federal Government, as the risks to providing essential services to patient care in Canada and the sustainability of provincial health care systems is immense.
- Through your engagements with U.S. lawmakers and key stakeholders, underscore the importance of Canadian-manufactured medical technologies to American patients and U.S. health care systems.

Thank you for the important work you are doing to address this situation. Please reach out if our associations can be of any assistance.

Sincerely,

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Nicole DeKort President and CEO, Medtech Canada

ASTH

Scott Whitaker President and CEO, AdvaMed

Cc:

Hon. Francois Legault Premier of Quebec

Hon. David Eby Premier of British Columbia

Hon. Danielle Smith Premier of Alberta

Hon. Scott Moe Premier of Saskatchewan

Hon. Wab Kinew Premier of Manitoba

Hon. Susan Holt Premier of New Brunswick

Hon. Tim Houston Premier of Nova Scotia

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Hon. Ranj Pillai Premier of Yukon

Hon. R.J. Simpson Premier of the Northwest Territories

Hon. Dominic LeBlanc Minister of Intergovernmental Affairs and Minister of Finance

Mr. Aaron Fowler, Associate ADM and Deputy Chief Trade Commissioner Global Affairs Canada, International Trade Branch