

New Canada-U.S. counter-tariffs: What contractors need to know

Background

On August 25, 2026, the Government of Canada announced new counter-tariffs in response to the United States imposing a 50 per cent tariff on \$27.6 billion in Canadian goods, effective August 22. Ottawa's response amounts to a dollar-for-dollar and rate-for-rate tariff imposition ranging from 15, 25, and 50 per cent on \$27.6 billion in imports from the United States. According to Finance Canada, the counter-tariffs will take effect at 12:01 a.m. on September 8, 2026. These measures will only apply to qualifying U.S.-origin goods. Goods that are already in transit when the measures take effect will be excluded.

Potential impacts on projects

As the construction industry is a net importer of critical construction materials, the sector is vulnerable to trade-related pressures stemming from counter-tariffs, particularly on steel, aluminum, and wood products. This latest move by the Government of Canada is set to double the tariff on U.S. steel and aluminum, including structural and derivative products, from 25 per cent to 50 per cent. Meanwhile, tariffs on lumber, plywood, and other related construction wood products remain in place ranging from 25 to 50 per cent.

Based on the latest supply and use data from 2024, only 60 per cent of all manufactured inputs used in Canadian construction are sourced domestically, while 25 per cent are supplied U.S. producers. Exposure to U.S. imports is particularly high in engineering construction, including communication and oil and gas subsectors, where roughly 40 per cent of inputs come from the U.S., exceeding the domestic share.

Reduced exports may free up capacity, but Canada still does not produce every type of steel the construction industry needs to avoid raising cost on products that cannot be sourced domestically. The federal government is providing tariff relief for 179 steel mill products not produced in Canada. The carve-outs help contain the most acute self-inflicted costs of counter-tariffs.

Nevertheless, these measures, and the foreseeable escalations, will cause significant disruption across Canadian job sites, delaying projects and raising costs. Ultimately, they will hinder Canada's ability to build the infrastructure, housing, and trade corridors our economy needs.

Given the scope of the new tariffs, CCA has reviewed the affected products to identify those most relevant to contractors and the potential implications for construction supply chains.

Tariff item	Product	Rate
4407.13.00	S-P-F sawn wood (spruce-pine-fir)	25%
4407.14.00	Hem-fir sawn wood	25%
4407.19.00	Other coniferous sawn wood	25%



4412.10.00	Bamboo plywood/laminated wood	50%
4412.31.00–4412.39.00	Various plywood products	50%
4412.41.00–4412.49.00	Laminated veneer lumber (LVL)	50%
5702–5705 series	Various carpets and textile floor coverings	25%
7225.11.00 / 7225.19.00	Silicon-electrical steel	50%
7304.51.00–7304.90.00	Seamless iron/steel tubes, pipes and hollow profiles	50%
7305 series	Large-diameter welded steel pipe, including pipeline products	50%
7307 series	Iron/steel tube and pipe fittings	50%
7308.10.00	Steel bridges and bridge sections	50%
7308.20.00	Steel towers and lattice masts	50%
7308.30.00	Steel doors/windows, frames and thresholds	50%
7308.40.00	Steel scaffolding, shuttering and propping equipment	50%
7308.90.00	Other structural steel components	50%
7309.00.00	Large steel reservoirs, tanks and vats	50%
7312.10.00 / 7312.90.00	Steel wire rope and cables	50%
7314 series	Steel mesh, fencing and expanded metal	50%
7318.14.00	Self-tapping steel screws	50%
7318.15.00	Other steel screws and bolts	50%
7318.16.00	Steel nuts	50%
7318.21.00–7318.29.00	Washers, rivets and other fasteners	50%
7322.19.00	Central-heating radiators and parts	25%
7322.90.10	Air heaters for buildings	25%
7324.10.00	Stainless-steel sinks and wash basins	25%
7324.29.10 / 7324.90.00	Steel baths, sanitary ware and parts	25%
7601.10.00 / 7601.20.00	Unwrought aluminum and aluminum alloys	50%
7604.10.00–7604.29.00	Aluminum bars, rods and profiles	50%
7605 series	Aluminum wire	50%
7606 series	Aluminum plates, sheets and strip	50%
7608.10.00 / 7608.20.00	Aluminum tubes and pipes	50%
7609.00.00	Aluminum tube/pipe fittings	50%
7610.10.00	Aluminum doors, windows, frames and thresholds	50%
7610.90.10 / 7610.90.90	Other aluminum structures/components	50%
7614.10.00 / 7614.90.00	Aluminum stranded wire and cables	50%
7615.20.00	Aluminum sanitary ware	25%
7616.10.00	Aluminum nails, staples, screws, bolts, nuts, rivets, washers, etc.	50%
8203.40.00	Pipe cutters, bolt croppers and similar hand tools	25%
8207.20.00 / 8207.30.00	Interchangeable industrial tools/dies	15%



8415.10.00	Fixed/split-system air-conditioning units	15%
8415.81.10	Certain reversible heat pumps	15%
8415.82.10	Domestic heat pumps/ductless split systems	15%
8415.83.00	Other air-conditioning equipment	25%
8415.90.30	Certain air-conditioning parts	15%
8418 series	Refrigerators/freezers and certain refrigeration equipment	25–50%
8428.90.00	Other lifting/handling machinery	15%
8431.31.00	Parts of lifts, hoists and escalators	25%
8431.41.00	Buckets, shovels, grabs and grips for heavy machinery	15%
8431.42.00	Bulldozer/angledozer blades	15%
8431.43.00	Parts for boring/sinking machinery	25%
8431.49.00	Other construction/heavy-machinery parts	15%
9405.42.90	Other LED luminaires and lighting fittings	50%

Support measures

In recognition of the Canadian workers and businesses that will be impacted by U.S. tariffs, the government has announced an additional [\\$7.5 billion package](#), on top of the \$25 billion in economic support since the trade dispute began. These measures are not all direct grants to businesses: they include loans, regional financing, worker-support programs, and funding for business adaptation projects. Eligibility, availability and application processes vary by program, and complete implementation details have not yet been released for every measure.

Key measures include:

- An additional \$1.5 billion for the [Regional Tariff Response Initiative](#) for small and medium-sized businesses (SMEs) to help manage tariff-related pressures.
- An additional \$2 billion channelled through the [Canada Strong Diversification Fund](#), including increased collaboration with Canada's regional development agencies (RDAs), programming for project intake and triage.
- Introducing a new suite of \$3.5 billion for the [Rapid Response Supports for Workers and Employers Initiative](#). Measures include extended and additional employment insurance temporary flexibilities, enhancements, and training opportunities made through Job Bank.
- Increased flexibility added to the [Large Enterprise Tariff Loan facility](#), which is housed under the Canada Enterprise Emergency Funding Corporation (CEEFC), allowing for more liquidity support from 24 months to 36 months.
- An additional \$500 million to the liquidity stream under the Business Development Bank of Canada's [Pivot to Grow Program](#) to alleviate cash-flow pressures, starting at \$250,000 to \$5M.



CCDC – Bulletin 11

Tariffs may affect individual projects differently depending on specific contractual language. The Canadian Construction Documents Committee (CCDC) previously published [Bulletin 11 – Adjustments in Contract Price Due to Tariffs](#), which provides guidance on contractual considerations related to tariff-driven cost changes. Members are encouraged to review the bulletin alongside their contracts when assessing potential exposure and to have timely and candid discussions with their project partners about tariff impacts.

CCA's position

As the counter-tariffs take effect, CCA will closely monitor their impact on construction costs, supply chains, contracts and projects already underway. We will continue engaging with the federal government to help address unintended consequences for the industry and ensure that Canada's housing, infrastructure, trade and defence priorities remain on track.

CCA remains committed to keeping members informed and advocating for the conditions the industry needs to continue **building a stronger Canada together**.