# 10 Things Canadian Cleantech Companies Can Do Now

**The context.** Canadian cleantech companies are operating in a period of unusual U.S. trade uncertainty. The exact impact will differ by technology, product, supply chain and customer - and some measures may change. The goal should not be to predict every tariff announcement. It should be to understand exposure, protect the business and preserve strategic options.

**CCTA APPROACH** Don't panic. Know your exposure. Preserve your options.

## 1. Map your actual U.S. exposure

Start with facts rather than headlines. Determine which products, components and projects cross the border; their tariff classification and country of origin; whether CUSMA treatment applies; where key inputs come from; and who is responsible for duties under existing commercial terms. For cleantech companies, exposure can vary significantly from one project to another.

**CCTA TIP** Map exposure by project, not just by company. Equipment sales, licensing, engineering services, components and turnkey projects can have very different trade exposure.

## 2. Review contracts before a problem arises

Review current and proposed U.S. contracts for Incoterms, pricing provisions, tariff allocation, change-in-law clauses, currency provisions, cancellation rights and the ability to reopen pricing. A company should know in advance who bears an unexpected duty or cost increase.

**CCTA TIP** For new contracts, build in flexibility for material changes in tariffs, border costs and other government-imposed trade measures.

## 3. Stress-test the economics

Rather than trying to forecast the exact outcome of U.S. trade policy, model a small number of scenarios. Test what moderate and severe cost increases would do to gross margin, customer pricing, working capital, delivery schedules and project economics.

**CCTA TIP** Include indirect effects. Delayed orders, customer hesitation, foreign exchange movements, higher financing needs and longer sales cycles may matter as much as the tariff itself.

## 4. Talk to U.S. customers

Do not assume how customers will react. Ask whether they are proceeding, delaying purchases, seeking price concessions or considering alternative suppliers. For many cleantech solutions, the underlying value proposition - lower energy, labour, water, waste or compliance costs - may remain compelling even if costs rise.

**CCTA TIP** Revisit the customer's ROI. A technology with a strong payback may remain competitive even in a higher-cost trade environment.

## 5. Think 'U.S.-plus,' not 'U.S. only'

The United States will remain a critical market for Canadian cleantech. Diversification does not mean abandoning it. It means reducing dependence on a single market by deliberately building additional sources of customers and revenue. The data from the Clean Technologies Data Strategy reports that 77% of Canadian cleantech exports currently go to the U.S. and Export Development Canada (EDC) recommends a 'U.S.-plus' mindset.

**CCTA TIP** Keep pursuing strong U.S. opportunities while building credible alternatives in Europe, the Indo-Pacific, Mexico and other markets suited to your technology.

## 6. Start diversification before you need it

Market diversification takes time. Companies can begin without making a major capital commitment: identify two or three promising markets, understand regulatory and certification requirements, map potential customers and partners, use the Trade Commissioner Service and EDC, and participate selectively in missions and industry events.

**CCTA TIP** Treat diversification as option-building. The new $2-billion Canada Strong Diversification Fund, delivered through the Strategic Response Fund, is effective immediately for tariff-affected businesses with shovel-ready projects. The government has indicated a fast-track, one-step review and approval process, with Regional Development Agencies supporting project intake and triage. Companies should monitor detailed eligibility as it is released.

## 7. Examine the supply chain in both directions

Tariff exposure may sit upstream rather than with the finished product. Map critical suppliers, imported materials, U.S.-sourced components and any inputs that cross the border more than once. Canada's new counter tariffs are scheduled to take effect September 8 and apply to listed goods originating in the United States. Check the official tariff-item list against U.S.-origin machinery, electronics, metals, components and other inputs that could affect production or project delivery.

**CCTA TIP** Identify alternative suppliers now - including Canadian suppliers where practical - even if you never need to switch. Confirm origin and tariff treatment with your customs broker, monitor CBSA guidance, and consider whether tariff remission may be available where an essential input is unduly affected.

## 8. Protect cash and working capital

Trade uncertainty can quickly become a cash-flow issue. Longer sales cycles, inventory accumulation, delayed customer decisions and unexpected border costs can all increase working-capital requirements. The August 25 federal package expands support through BDC, Canada's Regional Development Agencies and the Large Enterprise Tariff Loan facility.

**CCTA TIP** Do not wait for a liquidity problem. BDC's new Pivot to Grow stream offers eligible tariff-affected businesses $250,000 to $5 million, with 0% interest for the first 12 months, interest-only payments to 36 months and 96-month amortization; the minimum revenue threshold is now $1 million. Eligible existing exporting clients may also receive a six-month principal-payment deferral. From September, RTRI[1] will raise the non-repayable contribution cap to $3 million and offer up to $2 million for demonstrated liquidity needs. For large employers, the LETL[2] facility will cover up to 36 months of liquidity needs with terms of up to 15 years. Eligibility requirements apply, so engage financing partners early.

## 9. Be cautious about irreversible decisions

Avoid major structural decisions based solely on today's trade environment. Moving manufacturing, abandoning Canadian capacity, making an acquisition or fundamentally restructuring the business can be difficult and expensive to reverse. Consider intermediate options such as U.S. warehousing, third-party logistics, contract manufacturing, partnerships, licensing or local assembly where they make commercial sense.

**CCTA TIP** Preserve optionality. A flexible response is especially valuable while the direction and duration of trade measures remain uncertain.

## 10. Keep records of trade-related impacts

Track the real effects of trade uncertainty on the business: lost or delayed orders, additional customs costs, supplier price increases, changes in customer behaviour, financing needs, postponed investments and costs associated with entering new markets. Keep supporting documentation where possible.

**CCTA TIP** Good records help management make better decisions, strengthen applications for support programs and give CCTA evidence it can use when advocating for effective government responses.

## What should not change

Tariff uncertainty should not become a reason to stop commercializing. The underlying demand for technologies that improve energy security, industrial productivity, resource efficiency, water management, grid resilience, critical-mineral processing and waste reduction has not disappeared. The challenge is to keep pursuing growth while managing a less predictable trade environment.

**BOTTOM LINE** Stay in the U.S. market where the business case remains strong, understand your actual exposure, protect contracts and cash flow, and use this period to deliberately build markets beyond the United States. Avoid irreversible decisions based on a trade environment that is still evolving.

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[1] The federal $1-billion initiative delivered through Canada's regional development agencies (RDAs) to help tariff-affected businesses adapt, strengthen supply chains, improve productivity and diversify markets. The August 25 package added another $1.5 billion to the initiative, including expanded liquidity support.

[2] LETL stands for Large Enterprise Tariff Loan facility. It is the federal $10-billion financing facility for large Canadian businesses affected by tariffs, administered by the Canada Enterprise Emergency Funding Corporation (CEEFC).

## Sources and further information

- Trade Commissioner Service — Resources and tools for Canadian exporters facing U.S. tariffs
- Department of Finance — August 25, 2026 tariff-response measures and countermeasures
- Department of Finance — Official list of products subject to counter-tariffs effective September 8, 2026
- BDC — Trade uncertainty and tariffs
- Government of Canada — Regional Tariff Response Initiative (RTRI)
- Export Development Canada — Cleantech trends: Opportunities for Canadian exporters in 2026
- BDC — New Tariffs, Tighter Cash Flow: BDC Expands Pivot to Grow

**IMPORTANT** This Member Brief provides general business guidance, not legal, customs, tax or financial advice. Tariff treatment can depend on product classification, origin, contractual terms and current government measures. Companies should obtain professional advice for their specific circumstances and verify current program and trade requirements before acting.

# Appendix A - Understanding Key U.S. Tariffs

Section 338 and Section 232: What Canadian Cleantech Companies Should Know

Not all U.S. tariffs operate in the same way. The legal authority used to impose a tariff can affect which products are covered, whether CUSMA preferential treatment provides an exemption, how the tariff is calculated and what steps a Canadian exporter should take.

## Section 338 - Country-specific trade measures

Section 338 of the Tariff Act of 1930 allows the U.S. President to impose additional duties in response to a determination that another country has discriminated against or disadvantaged U.S. commerce. In 2026, the United States invoked Section 338 against Canada, applying additional tariffs to specified Canadian products. Companies should not assume that CUSMA compliance by itself protects a product from a Section 338 tariff; applicability depends on the specific measure and product classification.

**CCTA TIP** Check the Harmonized Tariff Schedule (HTS) classification of each product exported to the United States against the products covered by the Section 338 action. Confirm current treatment with the U.S. importer, customs broker or qualified trade adviser.

## Section 232 - Sectoral tariffs

Section 232 of the Trade Expansion Act of 1962 allows the United States to restrict imports when they are determined to threaten U.S. national security. Section 232 measures are generally sector- or product-specific. They are particularly relevant to cleantech because technologies and equipment may incorporate affected metals, components or derivative products even when the finished technology would not ordinarily be thought of as part of the targeted sector.

**CCTA TIP** Do not assume that CUSMA compliance provides a general exemption from Section 232 tariffs. Determine whether the finished product or a covered derivative falls within a Section 232 category and verify the current product definitions and tariff treatment.

## What about Section 301?

Canadian companies should also be aware of Section 301 of the Trade Act of 1974. Current U.S. measures may treat CUSMA-qualifying goods differently from non-qualifying goods. Companies that have not historically claimed CUSMA preferential treatment should reassess whether their products meet the applicable rules of origin and whether the required certification is in place.

## Five questions to ask before shipping to the U.S.

1. What is the correct HTS classification of the product?

2. Does the product qualify for preferential treatment under CUSMA, and has that treatment been properly claimed?

3. Is the product subject to a Section 338 tariff?

4. Is the product - or a relevant derivative product - subject to a Section 232 sectoral tariff?

5. Has the applicable treatment been confirmed with the U.S. importer, customs broker or qualified trade adviser?

**CCTA NOTE** CUSMA compliance does not mean that a product is automatically exempt from every U.S. tariff. Different tariff authorities have different rules, product coverage and exemptions. Companies should confirm the applicable tariff classification, country of origin, tariff measure and current treatment before shipping.