



Tariffs and Canadian Cleantech

Understanding impacts through supply chains, markets and project economics

Evidence from Canadian cleantech companies and implications for competitiveness

September, 2026

Tariff exposure follows the supply chain — not the sector label.

This work was led by the Canada Cleantech Alliance, with Écotech Québec contributing to the development and analysis of the survey and CleanTech North contributing tariff and Clean Economy Investment Tax Credit analysis. CCTA also appreciates the support of partners and other organizations across Canada's cleantech ecosystem that helped circulate the survey and encourage participation.

Executive Summary

Recent U.S.–Canada tariff actions intersect with technologies, equipment and inputs used across Canada’s clean economy. But cleantech is not a single industry, and exposure does not translate into the same impact for every company. CleanTech North Solutions’ tariff / ITC cross-reference shows potential exposure across a wide range of technologies and enabling components, and in both directions: Canadian exports facing U.S. tariffs and Canadian purchasers or manufacturers facing Canadian counter-tariffs on selected U.S. inputs.

CCTA’s bilingual Cleantech Trade & Tariff Impact Survey, done in collaboration with Écotech Québec, received 128 responses, including 100 respondents identifying as cleantech companies. Seventy-one per cent report that they have already been affected by U.S.–Canada tariffs or related trade measures, or expect to be, while 60% expect at least a moderate impact over the next 12 months. The leading effects are higher component and material costs (59%), customer purchasing decisions (57%), delayed or cancelled projects (50%), and investment or financing decisions (45%). Direct export and import exposure remain significant, but they are only part of the story.

Companies are already adapting. Forty-five per cent of respondents are pursuing customers outside the United States, 42% are expanding into Europe, 42% are increasing Canadian sourcing and 38% are changing suppliers. Trade disruption is therefore influencing not only border costs, but also where companies sell, source, invest, hire and grow.

Canadian cleantech also enters this period from a position of economic significance and relative resilience. Canada has approximately 2,470 pure-play cleantech companies supporting 224,062 direct jobs and contributing \$43.3 billion to GDP. The sector spans technologies, regions, customers and supply chains, so individual tariff measures will not affect every company in the same way. That diversity is a strength, but it should not be mistaken for immunity from trade disruption or for a reason to give the sector less attention.

The case for strengthening Canadian cleantech also extends beyond the companies in the sector itself. Clean technologies help other Canadian industries reduce energy and resource use, recover valuable materials, improve industrial processes, manage water and waste, lower emissions and strengthen infrastructure and supply-chain resilience. Supporting the commercialization and deployment of Canadian cleantech can therefore strengthen the competitiveness of the industries that buy and deploy those technologies.

The policy implications are broader than tariff relief. Among respondents identifying as cleantech companies, 68% selected commercialization and scale-up financing as a helpful government response, 57% procurement of Canadian cleantech, 49% international demonstrations, and 46% support for entering non-U.S. markets. By comparison, 29% selected tariff remission or relief. These findings closely align with priorities CCTA had already advanced through its 2026 Pre-Budget Submission and Climate Competitiveness Strategy. Trade disruption is amplifying existing structural competitiveness challenges. The opportunity is not only to help cleantech companies withstand the current trade environment, but to strengthen a Canadian industrial capability that can help the broader economy become more productive, resource-efficient, resilient and globally competitive.

How Trade Disruption Is Moving Through Canadian Cleantech

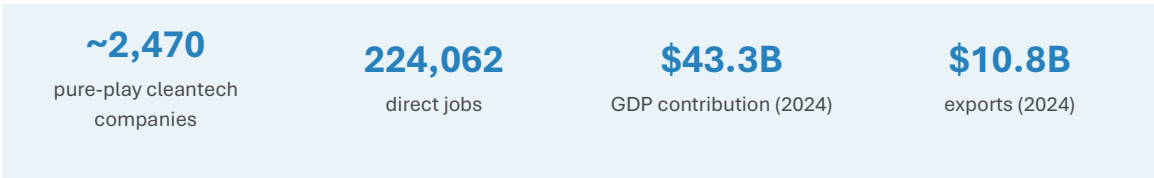
From tariffs to broader economic impacts — and a clear call for a competitiveness response.



Canadian Cleantech: An Economic Sector Worth Protecting — and Growing

Canadian cleantech enters the current trade disruption with a degree of resilience. It is diversified across technologies, customers, supply chains and regions, and tariff exposure varies considerably from company to company. That diversity means a tariff affecting one technology, input or trade route will not affect the entire sector in the same way. But resilience should not be confused with immunity — or with a lack of economic importance.

Canada has already built a substantial cleantech industrial base. The latest available data identify approximately 2,470 pure-play cleantech companies supporting 224,062 direct jobs and contributing \$43.3 billion to Canadian GDP in 2024. Cleantech goods and services exports totaled \$10.8 billion. Companies operate across Canada and across energy, industrial processes, transportation, water, agriculture, waste and advanced materials.



The scale is significant in the context of Canadian industrial policy. Using the sector definitions and latest available data assembled in CCTA’s Canada’s Cleantech Economy analysis, cleantech directly employs more Canadians than several long-established industries, including oil and gas extraction, automotive manufacturing, forestry, defence, steel and aluminum. These comparisons are directional rather than precise like-for-like measures because sector definitions and reporting methodologies differ. Their purpose is not to rank industries, but to put cleantech’s economic footprint in perspective.

Selected sector	Direct employment	2024 GDP	2024 exports
Energy sector	—	\$232B	\$199.1B
Mining & minerals	430,000	\$112B	\$152.3B
Cleantech	224,062	\$43.3B	\$10.8B
Forestry	195,000–200,000	—	—
Oil & gas extraction	186,125	\$165.1B	\$177B
Automotive	148,300	\$16.8B	\$80.1B
Defence	37,732	\$5.42B	\$8.0B
Steel	23,000	\$4.5B	\$8.0B
Aluminum	9,800	—	—

Source: CCTA, Canada’s Cleantech Economy: What the Data Tell Us (August 2026), using the latest available data from the Clean Technology Data Strategy, Statistics Canada, Natural Resources Canada, ISED and other public sources. Sector definitions and methodologies vary; see Appendix B.

This economic footprint changes how the tariff question should be considered. The objective should not simply be to identify which cleantech products are directly affected by tariffs. It should be to ensure that trade disruption does not weaken a significant Canadian industrial and innovation sector at precisely the point when many companies are trying to commercialize, scale and expand internationally. The sector's diversity may provide resilience to individual tariff measures, but CCTA's survey shows that trade uncertainty is nevertheless affecting input costs, customer decisions, projects, investment and employment.

The sector also has considerable room to grow internationally. Cleantech exports of \$10.8 billion remain modest relative to the sector's domestic employment and GDP footprint and to exports from several established Canadian industries. This points to an opportunity: Canada has built significant technological and industrial capability, but many companies have not yet achieved comparable international commercial scale. Helping them secure customers, reference projects, financing and access to diversified markets can turn existing Canadian capability into greater export growth.

The sector's importance also extends beyond its own economic footprint. Canadian cleantech companies develop technologies used across mining, manufacturing, energy, agriculture, transportation, buildings and other parts of the economy. These technologies can help customers use less energy, water and material, recover resources, reduce waste and emissions, improve industrial processes and strengthen infrastructure. In a more uncertain trading environment, those capabilities can help Canadian industries control costs, improve productivity, reduce exposure to constrained inputs and remain competitive in markets that increasingly value efficiency, resilience and lower-carbon production.

The longer-term context matters as well. Canada's Changing Climate Report 2026, released by the Government of Canada in September, concludes that Canada has warmed rapidly and that, in the near term, the country will continue warming at close to twice the global rate. It projects that already-observed trends — including more frequent hot extremes and increasing wildfire areas will continue. Trade conditions may change quickly; the underlying need for technologies that improve efficiency, reduce emissions, strengthen infrastructure and increase economic resilience will not. Canada's response to current trade disruption should therefore avoid weakening an industrial sector whose technologies will be increasingly important to Canada's longer-term economic and climate resilience.

Sources: Canada Cleantech Alliance, Canada's Cleantech Economy: What the Data Tell Us (August 2026); Environment and Climate Change Canada, Canada's Changing Climate Report 2026 (September 2026).

2. What CleanTech North Solutions' Analysis Shows

The attached cross-reference prepared by Bryan Watson, Managing Director of CleanTech North Solutions, maps tariff-affected Harmonized System (HS) and Harmonized Tariff Schedule of the United States Code (HTSUS) items against Canada's Clean Economy Investment Tax Credit categories: Clean Technology (CT), Clean Electricity (CE), Clean Technology Manufacturing (CTM), Clean Hydrogen (H₂), and Carbon Capture, Utilization and Storage (CCUS). The ITC categories are used as a proxy for clean technology properties and components; the analysis is indicative rather than exhaustive.

The mapping demonstrates that tariff exposure can arise across a wide range of clean-economy technologies and enabling inputs, including wind and hydro equipment, batteries and energy storage, heat pumps, industrial robots and specialized tooling, critical-mineral processing equipment, electrical conductors, pumps, compressors, heat exchangers, converters, transformers, motors and generators, transmission equipment, steel, piping and fittings.

It also captures both directions of exposure: Canadian exports facing U.S. tariffs and Canadian purchasers or manufacturers facing Canadian counter-tariffs on selected U.S. imports.

3. Exposure Is Not the Same as Impact

The presence of a product or component on a tariff schedule establishes potential exposure. It does not, by itself, establish the economic impact on a Canadian cleantech company.

Actual impact depends on the company’s specific commercial configuration: where major inputs originate, where manufacturing and assembly occur, where the finished product is sold, the applicable tariff classification, the share of costs represented by affected inputs, and the ability to substitute suppliers or markets.

4. A Company-Level Exposure Framework

Tariff exposure depends on how an individual company’s supply chain and markets are configured. The same technology can therefore face very different impacts.

COMPANY SITUATION	POTENTIAL EXPOSURE
Non-U.S. inputs → Canada → Non-U.S. customer	LOW DIRECT EXPOSURE Limited direct U.S.–Canada tariff exposure.
U.S. inputs → Canada → Canadian customer	INPUT-COST EXPOSURE Tariffs may increase the cost of U.S.-sourced components or materials.
Canadian inputs → Canada → U.S. customer	EXPORT-COMPETITIVENESS EXPOSURE Tariffs may affect price competitiveness in the U.S. market.
U.S. inputs → Canada → U.S. customer	TWO-SIDED EXPOSURE Potential impact from both higher input costs and U.S. tariffs on the finished product.
Tariffed equipment → Canadian clean-economy project	PROJECT-COST EXPOSURE Higher equipment costs may affect project economics and deployment.
Globally sourced inputs → Canada → Non-U.S. customer	LIMITED DIRECT EXPOSURE Direct tariff exposure may be limited, although indirect effects can remain.

The key question is not whether a company is “cleantech.” It is where its inputs come from, where it manufactures, and where it sells.

5. Three Principal Channels of Potential Impact

Export competitiveness

Canadian technologies entering the U.S. market may become more expensive relative to U.S. or other suppliers, depending on the tariff classification and contractual arrangements.

Supply-chain costs

Canadian manufacturers relying on tariff-affected U.S. components, production equipment or materials may face higher costs. The effect will depend on the importance of the input and whether alternatives are available.

Project economics

Canadian clean-energy and industrial decarbonization projects may face increased capital costs where tariff-affected equipment or materials form part of the project. This can affect technology deployment even when the technology provider itself is not directly tariffed.

“Cleantech is too often considered a ‘nice to have.’ When project costs increase, project owners have to make cuts to stay within budget — and cleantech measures are often among the first to go. We have lost several projects because of rising building construction costs.”

— Survey respondent from Québec, translated from French

6. Why Enabling Components Matter

One of the most important findings in the cross-reference is that tariff exposure is not limited to finished clean technologies. Common enabling components — including motors, transformers, electrical conductors, pumps, compressors, heat exchangers, converters, transmission equipment and piping — can be used across multiple clean-economy applications.

This creates the possibility of second-order effects. A tariff may increase the cost of a component used in a hydrogen, CCUS, electricity, storage or manufacturing project without directly targeting the clean technology itself. The economic effect can therefore travel through the supply chain and ultimately influence project costs, investment decisions and demand for Canadian technologies.

These different channels of exposure point to an important policy conclusion: there is no single cleantech tariff impact and therefore no single policy response. Understanding where trade disruption is creating actual economic constraints requires company-level evidence. CCTA's survey provides that evidence.

7. What Canadian Cleantech Companies Told Us

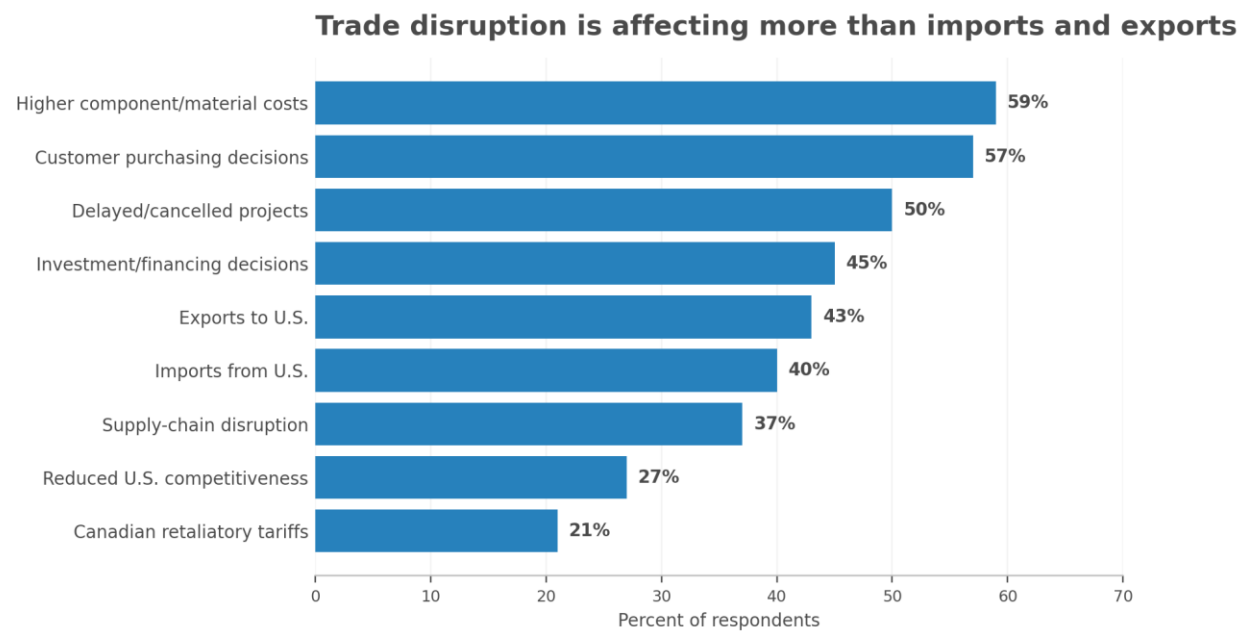
Conducted over just a few days, the survey received 128 responses, including 100 from respondents identifying as cleantech companies. The survey was a voluntary industry-network survey and should not be interpreted as statistically representative of the Canadian cleantech sector.

128 survey responses	71% already affected or expect to be	60% expect at least a moderate 12-month impact
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The results reinforce the central finding of this paper: **there is no single cleantech tariff impact**. Trade disruption is being transmitted through supply chains, customer decisions, project economics and investment decisions as well as through direct import and export exposure.

Where the impacts are showing up

Seven in ten respondents (71%) report that they have already been affected by U.S.-Canada tariffs or related trade measures or expect to be. The most frequently identified impacts are higher component and material costs (59%), customer purchasing decisions (57%), delayed or cancelled projects (50%), and investment or financing decisions (45%). Direct export exposure (43%) and import exposure (40%) are also significant, but the results demonstrate that the economic effects extend beyond goods crossing the border.

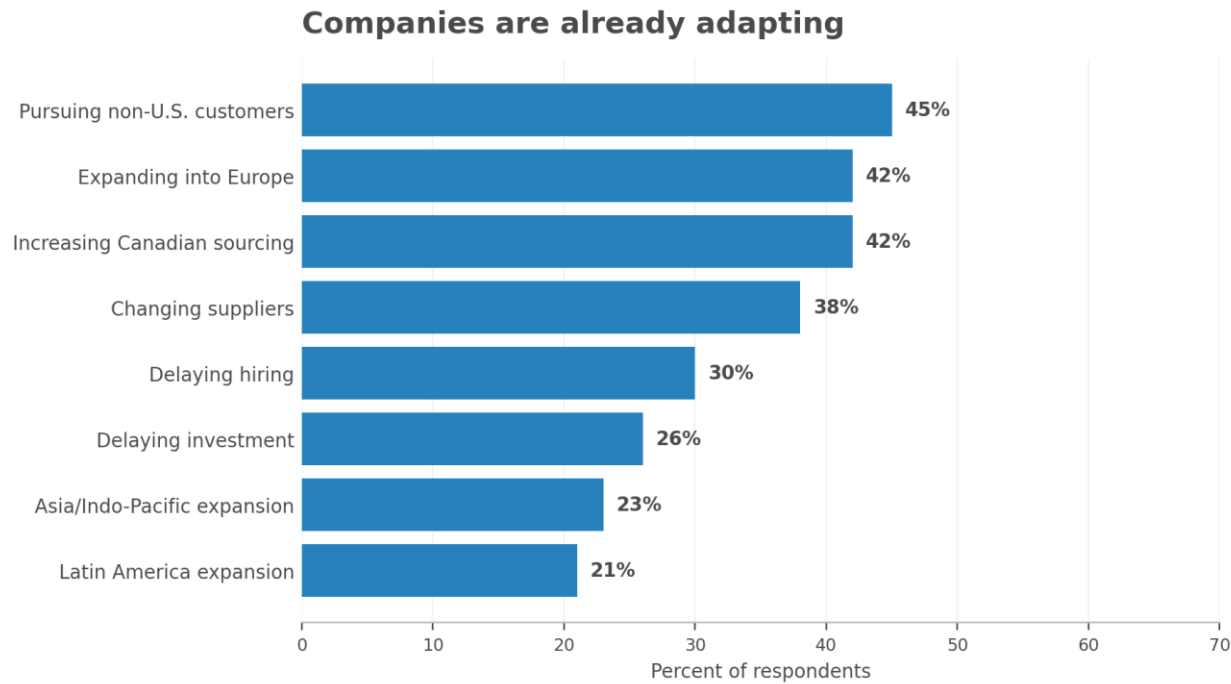


CCTA Cleantech Trade & Tariff Impact Survey, September 2026. Multiple selections permitted.

How companies are responding

Companies are already adapting. Forty-five per cent are pursuing customers outside the United States, 42% are expanding into Europe, 42% are increasing Canadian sourcing and 38% are changing suppliers. At the same time, 30% report delaying hiring, 26% delaying investment and **16% reducing employment**. While the survey does not quantify the number of jobs affected, these findings indicate that trade uncertainty is beginning to influence Canadian employment and investment decisions as well

as immediate costs and trade flows.



CCTA Cleantech Trade & Tariff Impact Survey, September 2026. Multiple selections permitted.

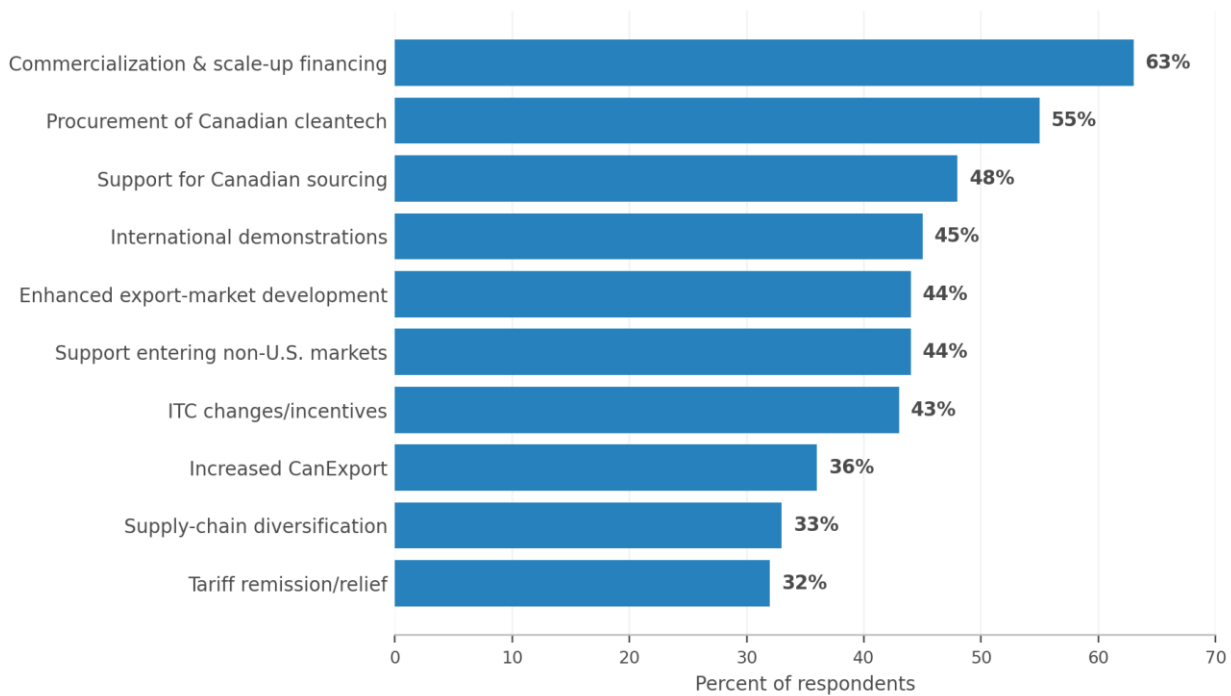
“The U.S. remains an important and likely initial export market for us, but current conditions have increased the importance of developing credible non-U.S. market pathways in parallel.”

— Survey respondent from Alberta

What companies say would help

The policy results are particularly notable. Respondents most frequently selected financing for commercialization and scale-up (63%), procurement of Canadian cleantech (55%), support for Canadian sourcing (48%), international demonstration or project funding (45%), enhanced export-market development (44%) and support for entering non-U.S. markets (44%). Tariff remission or relief was selected by 32%. This does not mean tariff relief is unimportant; rather, it shows that respondents more frequently identify measures that strengthen underlying competitiveness, domestic market opportunities, commercialization capacity and international diversification.

Companies prioritize competitiveness measures



CCTA Cleantech Trade & Tariff Impact Survey, September 2026. Multiple selections permitted.

A broadly consistent picture across regions

The principal themes were broadly consistent across the largest regional respondent groups, although the mix of exposure varied. Ontario respondents more frequently emphasized customer purchasing decisions, Quebec respondents component and material costs and delayed projects, and British Columbia respondents showed a more balanced mix of customer, project, export and input effects. The regional results reinforce the paper's central finding: exposure depends on company supply chains, markets and business models rather than a uniform sector-wide pattern.

What the cleantech-company crosstabs add

When the analysis is limited to the 100 respondents identifying as cleantech companies, several findings become more pronounced. Higher component and material costs are the most frequently identified impact (64%), while supply-chain disruption and U.S. import exposure are also more prominent than among non-cleantech respondents. Cleantech companies are particularly active in diversification: 49% report expanding into Europe and 48% pursuing customers outside the United States. On policy, 68% select commercialization and scale-up financing, 57% procurement of Canadian cleantech and 49% international demonstrations, compared with 29% selecting tariff remission or relief. The preference for broader competitiveness measures is therefore not being driven by ecosystem organizations; it is at least as pronounced among cleantech companies themselves.

How the results should be interpreted

The survey is intended to identify patterns, emerging impacts and practical policy needs, not to produce a single measure of the tariff impact on Canada's cleantech sector. Reported impacts may reflect a combination of tariffs, exchange rates, supplier repricing, financing conditions, procurement delays and broader trade uncertainty. Timing also matters: some companies are already absorbing costs or changing suppliers, while others may not see the effects until inventories, contracts or customer orders turn over.

Taken together, the tariff cross-reference and company evidence identify where exposure is becoming economically material, the mechanisms driving those impacts, and the policy responses most likely to improve competitiveness and resilience. The survey findings support a broader competitiveness and economic-resilience response rather than a uniform tariff intervention.

8. From Tariff Disruption to Competitiveness

The survey findings should not be viewed solely through the lens of tariff policy. They closely align with priorities CCTA had identified before undertaking the survey in its 2026 Pre-Budget Submission and Climate Competitiveness Strategy: closing the commercialization and scale-up gap, strengthening domestic adoption and procurement, improving investment conditions, and diversifying Canadian cleantech companies into international markets.

This alignment matters because the survey adds current company-level evidence to priorities CCTA was already advancing. Among cleantech-company respondents, commercialization and scale-up financing is the most frequently selected government response, followed by procurement, international demonstrations, Canadian sourcing and support for non-U.S. markets. The pattern suggests that the current trade disruption is intensifying the same structural constraints that already shape whether Canadian companies can commercialize, deploy, scale and compete internationally.

What cleantech companies told us	Alignment with existing CCTA priorities
68%: commercialization & scale-up financing	Close the “missing middle”; strengthen commercialization and scale-up financing; deploy growth capital through existing commercialization infrastructure.
57%: procurement of Canadian cleantech	Use domestic procurement and major projects as commercialization tools that create reference customers and accelerate adoption.
49%: international demonstrations	Expand international demonstration opportunities, including AICTD, to help companies validate technologies and secure first customers in new markets.
46%: support for Canadian sourcing	Strengthen domestic manufacturing and supply-chain capacity through Canadian supplier development and matchmaking, including exploration of a National Supply Chain Diversification Voucher Program to help companies test, qualify and onboard new Canadian suppliers.
46%: support entering non-U.S. markets	Position trade diversification as a core commercialization and economic-resilience strategy, with emphasis on Europe, the Indo-Pacific and other growth markets.
42%: export-market development	Strengthen coordinated market-entry, Trade Commissioner Service and soft-landing support for commercialization-focused cleantech companies.
29%: tariff remission or relief	Use targeted tariff relief where direct exposure warrants it, but do not substitute short-term compensation for measures that strengthen underlying competitiveness.

The survey does not prove CCTA’s existing recommendations, nor does it diminish the importance of targeted tariff relief for companies facing direct exposure. It does show that the measures cleantech companies most frequently identify as helpful are closely aligned with CCTA’s broader competitiveness agenda.

Trade disruption is amplifying existing structural competitiveness challenges rather than creating an entirely separate set of problems. Canadian cleantech companies still need capital to commercialize and scale, customers and reference projects at home, competitive investment conditions, resilient supply chains, and support to enter and grow in international markets. The current trade environment makes that agenda more urgent.

Cleantech as an Enabler of Canadian Competitiveness

There is another reason to look beyond the immediate tariff impacts on cleantech companies themselves. Clean technologies are increasingly part of the infrastructure that allows other sectors of the Canadian economy to compete.

Canadian cleantech companies develop technologies that help industries reduce energy and resource use, recover valuable materials, improve industrial processes, manage water and waste, lower emissions and strengthen the resilience of infrastructure and supply chains. Their economic impact therefore extends beyond the companies and jobs counted within the cleantech sector itself.

This is particularly relevant in a more uncertain global trading environment. Canadian manufacturers, resource companies and project developers will be under increasing pressure to control costs, improve productivity, reduce exposure to constrained inputs and meet the requirements of customers and markets around the world. Deploying Canadian clean technologies can be part of that response.

Supporting the commercialization and deployment of Canadian cleantech is therefore not simply support for one sector. It can strengthen the competitiveness of the industries that buy and deploy those technologies.

Canada has already invested substantially in developing clean technologies. The opportunity now is to capture a greater return on that investment - not only by helping Canadian cleantech companies scale and export, but by deploying their technologies across the Canadian economy.

9. Actions Canada Can Take Now

The complexity of measuring tariff impacts should not prevent government from taking immediate action. Canada can strengthen the competitiveness and resilience of its clean technology sector through measures that make sense regardless of how long the current tariff environment persists.

These should be viewed as **no-regrets competitiveness measures**: reducing unnecessary barriers to investment, encouraging greater use of Canadian goods and services, and helping Canadian companies build the domestic capacity needed to commercialize and scale.

Simplify the Clean Economy Investment Tax Credits

Repeal Labour Requirements

Remove the labour requirements associated with the Clean Economy ITCs. At a time when companies and projects may already be facing higher equipment costs, supply-chain uncertainty and changing market conditions, government should be reducing rather than adding complexity to investment decisions.

These requirements impose a binary, all-or-nothing exposure on credit eligibility that lenders and investors cannot underwrite with confidence, even where taxpayers invest heavily in compliance — with costs for large projects reaching hundreds of thousands of dollars annually. Unlike the U.S. framework it was modelled on, Canada's regime has no published prevailing-wage schedules and no advance ruling process, leaving taxpayers exposed to after-the-fact determinations that increase both audit and financing risk. Nor is there clear evidence of a labour-market problem to justify this cost: with skilled trades in acute shortage and wages already rising to attract workers, the requirement looks more like a solution in search of a problem. If retained rather than repealed, it should at minimum be deemed satisfied where 50% of total project hours meet the criteria, with a gross-negligence or materiality threshold before any penalty applies.

Remove Exclusionary Eligibility Gating For Proven technologies

Beyond labour, unnecessary technical gating is similarly holding back deployment. Narrow use and fixed-location tests exclude technologies that serve the same decarbonization purpose. Government should do the following:

- Waste heat — Qualify recovery systems regardless of source, including data centre and other "non-industrial" heat.
- Class 43.1 scope — Include all Class 43.1 property as clean technology property.
- Renewable heating — Expand beyond circulated liquid or gas to other efficient transfer methods.
- Charging and refuelling — Remove the non-road-only limit on ZEV charging and hydrogen refuelling equipment.
- Use tests — Apply one consistent "primarily" test to geothermal and waste biomass.
- Energy storage — Allow mobile, backup-only and thermal-discharge storage.
- Distribution equipment — Include the equipment needed to deliver eligible output.

The priority should be making the ITCs as simple, predictable and accessible as possible so that they accelerate investment and project deployment in Canada.

Reward Canadian Content Without Penalizing Projects

Introduce an additive Canadian-content enhancement to the Clean Economy ITCs for projects achieving at least 50% qualifying Canadian content. The enhancement should be an incentive rather than a requirement. Projects that do not meet the Canadian-content threshold should continue to receive the existing ITC without penalty, while projects meeting the threshold would receive an additional credit.

Administration should be deliberately simple. A clearly defined methodology supported by an attestation from an engineering firm or other qualified independent professional should be sufficient to demonstrate eligibility.

A 50% threshold recognizes the reality that Canada does not currently have the domestic supply-chain capacity to support a 100% Canadian-content requirement across many clean technologies. At the same time, 50% is meaningful enough to influence procurement, manufacturing and investment decisions.

Any such measure should remain strictly an optional bonus, not a reduction to base entitlement — penalizing projects for sourcing internationally what cannot yet be sourced domestically would be inequitable.

The threshold should be reviewed after two years. If domestic supply-chain capacity has expanded and trade disruptions persist, government could consider increasing the threshold toward 75% rather than establishing an automatic increase today.

Strengthen NRC IRAP Clean Technology

Increase funding available through the NRC IRAP Clean Technology program and expand eligible costs to include capital expenditures required for demonstration, commercialization and scale-up.

For many clean technologies, commercialization requires significant physical assets: specialized equipment, pilot and demonstration facilities, manufacturing equipment and first-of-kind installations. Restricting support primarily to operating expenditures can leave a significant gap precisely when companies are attempting to move from technology development to commercial deployment.

Greater flexibility for capital expenditures, combined with sufficient program funding to respond to demonstrated demand, would help more Canadian companies build, demonstrate and scale their technologies in Canada.

This also complements the proposed Canadian-content ITC enhancement. Canada cannot simply encourage projects to buy Canadian; it must simultaneously help Canadian technology companies develop the manufacturing, demonstration and commercialization capacity required to supply those projects.

Support Market Diversification

Canada should accelerate efforts to help Canadian cleantech companies diversify into markets beyond the United States. The survey indicates that companies are already responding to trade uncertainty by pursuing customers in new markets, with Europe emerging as a particularly important destination.

Federal trade programs should support this shift through enhanced market-entry assistance, stronger international business-development support and increased opportunities for Canadian technologies to be demonstrated with prospective customers in priority markets.

This should include:

- Enhancing **CanExport** support, including a higher reimbursement rate for activities in priority diversification markets;
- Strengthening and expanding **Advancing International Clean Technology Demonstrations (AICTD)** to help Canadian companies secure reference customers and demonstrate technologies internationally; and
- Providing more targeted market intelligence, customer matchmaking and in-market support in Europe, the Indo-Pacific and other priority markets.

Trade diversification should increasingly be viewed not only as an export-development objective, but as an element of Canada's economic resilience.

Support Supply-Chain Diversification and Canadian Sourcing

Market diversification addresses where Canadian cleantech companies sell. Canada must also help companies diversify where they source. The survey indicates that Canadian cleantech companies are already responding to trade uncertainty by increasing Canadian sourcing and changing suppliers. However, identifying a potential Canadian supplier does not mean that supplier is immediately able to meet the technical, quality or production requirements of a cleantech company.

Finding a potential Canadian supplier is not the same as having a qualified Canadian supplier. CCTA proposes that the Government of Canada explore the creation of a **National Supply Chain Diversification Voucher Program** to help Canadian cleantech companies and prospective domestic suppliers test and establish new supply relationships.

A voucher could support activities required to determine whether a Canadian manufacturer can become a qualified supplier, including product testing, engineering and design modifications, tooling adjustments, prototyping, qualification and certification. The initiative could be complemented by supplier matchmaking to identify Canadian manufacturers with capabilities that could be adapted to meet the needs of cleantech companies.

Such an approach would help companies reduce supply-chain vulnerabilities while creating new commercial opportunities for Canadian manufacturers. Rather than attempting to replicate entire supply chains domestically, the objective would be to identify areas where Canadian capabilities can competitively replace vulnerable or concentrated sources of supply.

Taken together, these measures would help Canadian cleantech companies diversify both where they sell and where they source, while reducing friction, rewarding Canadian content and building domestic capacity — strengthening Canada's competitiveness regardless of how the current tariff environment evolves.

10. Conclusion: From Trade Resilience to Long-Term Competitiveness

Trade disruption has not created an entirely new competitiveness challenge for Canadian cleantech. It has made an existing one more urgent.

Canadian cleantech enters this period from a position of relative strength. It is a diverse sector of approximately 2,470 companies supporting more than 224,000 direct jobs and contributing \$43.3 billion to Canada's GDP. Its companies operate across technologies, supply chains, regions and markets, providing a degree of resilience that more concentrated industries may not have. At the same time, CCTA's survey demonstrates that resilience should not be mistaken for immunity. Tariffs and broader trade uncertainty are already affecting input costs, customer decisions, projects, investment, hiring and employment.

CleanTech North Solutions' cross-reference identifies where tariff exposure intersects Canada's clean economy; CCTA's survey shows where those pressures are becoming economically material; and the broader economic data demonstrate why the competitiveness of this sector matters to Canada.

The policy response should therefore extend beyond tariffs themselves. Targeted tariff relief may be appropriate where companies face acute direct exposure, but the survey indicates that cleantech companies more frequently identify commercialization and scale-up financing, Canadian procurement, international demonstrations, Canadian sourcing and market diversification as the measures that would help them compete.

This is also an opportunity. Canada's cleantech sector already has a substantial domestic economic and employment footprint, but its \$10.8 billion export base remains modest relative to several established Canadian industries. Helping more Canadian technologies reach commercial scale, secure customers at home, build resilient supply chains and expand into global markets can turn that gap into a source of future economic growth.

The value of doing so extends beyond the cleantech sector itself. The technologies Canadian cleantech companies develop can help manufacturers, resource companies, energy producers, building owners, municipalities and other parts of the economy reduce energy and resource use, improve productivity, recover materials, reduce waste and emissions, and strengthen resilience. Supporting cleantech commercialization and deployment can therefore help other Canadian industries respond to the same competitiveness pressures that the current trade disruption has brought into sharper focus.

The longer-term imperative extends beyond the current trade environment. Canada's changing climate, growing demand for energy and infrastructure resilience, and the global transition toward cleaner and more efficient technologies will continue regardless of how today's tariff disputes evolve. Canada has already invested significantly in developing clean technologies and building a domestic innovation ecosystem. The next challenge is ensuring that Canada captures a greater return on that investment - through companies that commercialize and scale here, Canadian customers and reference projects, domestic manufacturing and supply chains, and stronger exports.

Canada should not measure the importance of cleantech by the severity of its exposure to today's tariffs. It should measure it by the economic value the sector already creates the considerably greater value it can create as Canadian companies scale and export, and the contribution its technologies can make to the competitiveness and resilience of the rest of the Canadian economy.

Cleantech is not simply a sector Canada needs to protect through the current trade disruption. It is one of the sectors Canada will need to help other Canadian industries compete through the economic and environmental challenges ahead.

Appendix A — Tariff / ITC Cross-Reference

Prepared by Bryan Watson, CleanTech North Solutions. Reproduced and reformatted for CCTA. The information is general in nature and is not legal or tax advice. For definitive guidance, consult legal and accounting advisors.

Tariff-Affected Property / Equipment	Tariffed By	HS / HTSUS Item	Indicative Description	Rate	Clean Economy ITC Impacted	Relationship to ITC
Wind generating equipment	U.S. on Canadian exports	8502.31.00	Electric generating sets — wind-powered	50%	CT; CE; CTM	Direct technology overlap; wind-generation equipment is CT/CE property and manufacturing is a CTM activity.
Small hydro turbines	U.S.	8410.11.00	Hydraulic turbines and water wheels, power ≤1,000 kW	50%	CT; CE; CTM	Direct water-generation equipment overlap.
Lithium-ion batteries / BESS	U.S.	8507.60.00	Lithium-ion batteries; includes fully housed BESS	50%	CT; CE; CTM	Direct for qualifying fixed-location storage; CTM includes batteries and storage equipment.
Other electrical-storage batteries	U.S.	8507.20.80; 8507.30.80; 8507.50.00; 8507.78/8507.80.82	Selected lead-acid, NiCd, NiMH and other storage batteries	50%	CT; CE; CTM	Potentially direct where part of qualifying fixed-location storage.
Reversible heat pumps exported from Canada	U.S.	8415.81.01	Reversible heat pumps	50%	CT; CTM	Direct technology overlap.
Reversible heat pumps imported from U.S.	Canada	8415.81.10	Specified single-package/split-system and water-source reversible heat pumps	15%	CT; CTM	Direct; Canadian purchaser may itself be acquiring CT property.
Domestic heat pumps / ductless split systems	Canada	8415.82.10	Domestic heat pumps and air conditioners, ductless split systems, etc.	15%	CT; CTM	Direct where the particular property satisfies CT requirements.
Electric industrial forklifts	Canada	8427.10.10	Rider-type, counterbalanced forklift trucks powered by an electric motor	15%	CT; CTM	Potentially direct for qualifying non-road ZEVs / CTM property.
Industrial robots	Canada	8428.70.00	Industrial robots	15%	CTM	Direct CTM property; industrial robots can be qualifying machinery.
Metal-forming dies / specialized tooling	Canada	8207.20.00	Dies for drawing or extruding metal	15%	CTM	Direct CTM overlap where used in qualifying manufacturing.
Specialized stamping/punching tooling	Canada	8207.30.00	Tools for pressing, stamping or punching	15%	CTM	Direct/conditional CTM tooling.
Moulds for metal	Canada	8480.49.00	Other moulds for metal or metal carbides	15%	CTM	Direct/conditional specialized tooling.
Injection/compression moulds	Canada	8480.71.00	Injection or compression moulds for rubber/plastics	15%	CTM	Direct/conditional CTM tooling.
Other plastics/rubber moulds	Canada	8480.79.00	Other moulds for rubber or plastics	15%	CTM	Direct/conditional CTM tooling.
Crushing/grinding/mixing/mineral-processing machinery	U.S. on Canadian exports	8479.82.00	Mixing, crushing, grinding, screening and related machines	50%	CTM — critical minerals	Strong direct overlap with mineral-extraction/processing machinery.
Specialized electrical wiring	Canada	8544.49.00	Other insulated electric conductors, voltage ≤1,000 V	25%	CTM; potentially CT/CE/H ₂ /CCUS	Direct CTM example; can also form part of qualifying systems.
Electrical conductors exported from Canada	U.S.	8544.49.30	Selected electric conductors for voltage ≤1,000 V	50%	CTM / clean-tech electrical systems	Component / supply-chain exposure.
Compressors imported from U.S.	Canada	8414.80.90	Other air/vacuum pumps, air or other-gas compressors and fans	25%	H ₂ ; CCUS	Strong eligible-equipment connection.
Compressors exported from Canada	U.S.	8414.80.05; .16; .20; .90	Selected air/gas compressors and related equipment	50%	H ₂ ; CCUS	Same technology; export competitiveness impact.
Pump parts	Canada	8413.91.00	Parts of pumps	25%	H ₂ ; CCUS	Pumps are recognized equipment in H ₂ and CCUS systems.
Pumps exported from Canada	U.S.	8413.50.00; 8413.60.00; 8413.70.10/.20; 8413.81.00; selected 8413.91	Reciprocating/rotary/centrifugal and other liquid pumps and parts	50%	H ₂ ; CCUS	Eligible-technology supply-chain exposure.
Heat exchangers	U.S.	8419.50.10; 8419.50.50	Selected heat-exchange units	50%	H ₂ ; CCUS	Direct/strong component overlap.
Static converters / rectifiers	U.S.	8504.40.40; .60; .70; .85; .95	Selected static converters / power-conversion equipment	50%	H ₂ ; CT/CE electrical systems	Important for electrolytic H ₂ and other electrical systems.

Tariff-Affected Property / Equipment	Tariffed By	HS / HTSUS Item	Indicative Description	Rate	Clean Economy ITC Impacted	Relationship to ITC
Selected transformers / inductors	U.S.	8504.10.00; 8504.31.20/.40/.60; 8504.32.00; 8504.33.00; 8504.50.40/.80	Selected transformers, ballasts/inductors and power-conditioning equipment	50%	CE; CT; H ₂ ; CCUS	Component/project input; qualification depends on system.
Electric motors and generators	U.S.	Numerous 8501 items	Selected electric motors and generators	50%	CT; CE; CTM; H ₂ /CCUS	Major components across generating, pumping, compression and industrial equipment.
Silicon-electrical steel ≥600 mm — grain-oriented	Canada	7225.11.00	Silicon-electrical steel	50%	CE; CT; CTM	Important indirect input for transformer, generator and motor cores.
Silicon-electrical steel ≥600 mm — other	Canada	7225.19.00	Silicon-electrical steel	50%	CE; CT; CTM	Indirect.
Silicon-electrical steel <600 mm — grain-oriented	Canada	7226.11.00	Silicon-electrical steel	50%	CE; CT; CTM	Indirect.
Silicon-electrical steel <600 mm — other	Canada	7226.19.00	Silicon-electrical steel	50%	CE; CT; CTM	Indirect.
Aluminum transmission conductors	Canada	7614.10.00	Stranded aluminum wire/cable, not insulated — with steel core	50%	CE	Strong transmission-system overlap.
Aluminum transmission conductors	Canada	7614.90.00	Other stranded aluminum wire/cables/plaited bands, not electrically insulated	50%	CE	Strong transmission-system overlap.
Transmission towers / lattice masts	Canada	7308.20.00	Towers and lattice masts of iron or steel	50%	CE	Strong project-input/direct-equipment connection.
Seamless stainless/alloy piping	Canada	7304.41/.49/.51/.59	Seamless stainless/other alloy-steel pipe	50%	H ₂ ; CCUS	Strong direct project-equipment connection.
Welded stainless/alloy piping	Canada	7306.40.00; 7306.50.00	Welded circular stainless / alloy-steel pipe	50%	H ₂ ; CCUS	Direct/conditional project equipment.
Large-diameter pipeline pipe	Canada	7305.11/.12/.19; 7305.31/.39/.90	Large-diameter welded iron/steel pipe	50%	CCUS particularly	Relevant to CO ₂ transportation systems.
Pipe fittings / flanges / elbows / welding fittings	Canada	7307.21/.22/.23; 7307.29.99; 7307.91/.92/.93/.99	Stainless/steel flanges, elbows, bends, sleeves and fittings	50%	H ₂ ; CCUS	Strong direct project-equipment connection.

Source note: Tariff / ITC cross-reference prepared August 25, 2026 by CleanTech North Solutions, drawing on White House reciprocal tariff annexes, Finance Canada counter-tariff schedules, and CRA / NRCan Clean Economy ITC guidance.

Appendix B — The Economic Footprint of Canadian Cleantech

Key data points from CCTA’s Canada’s Cleantech Economy: What the Data Tell Us (August 2026). The comparisons below are intended to provide perspective on economic scale, not precise like-for-like sector rankings. Definitions and methodologies vary across sources.

~2,470	224,062	\$43.3B	\$10.8B
pure-play cleantech companies	direct jobs	GDP contribution (2024)	exports (2024)

Employment: a significant Canadian industrial workforce

Cleantech supported 224,062 direct jobs in 2024, up from 205,978 in 2021. Its workforce spans energy, industrial processes, transportation, water, agriculture, waste and advanced materials.

Selected sector	Direct employment
Mining & minerals	430,000
Cleantech	224,062
Forestry	195,000–200,000
Oil & gas extraction	186,125
Automotive	148,300
Defence	37,732
Steel	23,000
Aluminum	9,800

GDP and exports: scale today, headroom for tomorrow

Cleantech contributed \$43.3 billion in nominal GDP and \$10.8 billion in exports in 2024. The relatively modest export base highlights significant headroom to convert Canada’s existing technology and industrial capability into international sales.

Selected sector	2024 nominal GDP	2024 exports
Energy sector	\$232B	\$199.1B
Oil & gas	\$165.1B	\$177B
Minerals sector	\$112B	\$152.3B
Cleantech	\$43.3B	\$10.8B
Automotive	\$16.8B	\$80.1B
Defence	\$5.42B	\$8.0B
Steel	\$4.5B	\$8.0B

How to read these comparisons

Sector definitions and methodologies vary. Direct employment is used wherever possible; nominal and chained-dollar GDP measures should not be interchanged; and GDP should not be compared directly with gross exports. The figures are directional comparisons of economic scale, not precise like-for-like rankings.

Source: Canada Cleantech Alliance, Canada’s Cleantech Economy: What the Data Tell Us (August 2026), drawing on the Clean Technology Data Strategy, Statistics Canada, Natural Resources Canada, Innovation, Science and Economic Development Canada and other publicly available sources.