

Enserva Member Brief: US-Canada Tariffs

March 4, 2025

Overview

After a 30-day pause of tariffs on Canadian goods, on Tuesday, March 4, 2025, President Donald Trump announced the imposition of tariffs on imports from Canada, Mexico, and China. A 25% tariff is being applied to all goods imported from Canada and Mexico. A reduced 10% tariff is being applied on Canadian energy products, including crude oil, natural gas, condensate, natural gas liquids, refined petroleum products, uranium, coal, biofuels, geothermal heat, hydroelectricity and critical minerals. These tariffs will remain in effect indefinitely at the discretion of the President.

In response, Prime Minister Justin Trudeau announced that Canada has implemented retaliatory 25% tariffs on approximately C\$30 billion worth of US goods. Should the US continue to apply unjustified tariffs, additional countermeasures on \$125 billion of US goods will be added in 21 days. The targeted goods include American alcohol, orange juice, clothing, appliances, lumber, and plastics.

What Does This Mean for Enserva Members

The energy services, supply, and manufacturing sector will experience significant impacts due to the highly integrated nature of our supply chains. Key considerations are:

- **Lower Prices for Canadian Energy:** The 10% tariff on Canadian energy exports to the US will lead to higher costs for US consumers and potentially reduce demand for Canadian energy products. This could result in decreased revenues for Canadian energy producers and service providers.
- **Supply Chain Disruptions:** The tariffs will disrupt established supply chains, resulting in potential delays and higher costs for equipment and materials imported from the US. Businesses may need to explore alternative suppliers, adjust procurement strategies, or renegotiate contracts to mitigate financial and operational impacts, which could result in jobs losses for Canadian manufacturers and suppliers. The interconnected nature of the North American energy market means that these disruptions could have far-reaching consequences. Our cross-border energy infrastructure includes an extensive network of pipelines, transmissions lines, and rail systems facilitating the seamless movement of oil, gas, and electricity. The US relies heavily on Canada for a steady and secure supply of crude oil, natural gas, and refined petroleum products.
- **Market Uncertainty:** The evolving trade environment introduces uncertainty, which affects investment decisions, project timelines, and market stability. The imposition of tariffs disrupts long-standing economic and logistical structures, leading to heightened risk.

- **Price volatility:** The 10% tariff on Canadian energy exports to the US could lead to increased price differentials between Canadian crude and global benchmarks such as WTI and Brent.
- **Goods and Materials Exports:** While some companies are affected by the 10% tariff on energy exports, most within the services sector will be affected by the 25% tariff on goods and materials, such as steel and oilfield service equipment. These tariffs will increase costs for essential materials, affecting manufacturers, equipment providers, and service companies. Additionally, businesses that rely on US suppliers for parts and materials may face rising import costs.

Steps Enserva is Taking

In response to ongoing developments, Enserva is undertaking the following actions:

- Continued outreach to United States officials, including the Bureau of Energy Resources in the US State Department, Energy Workforce & Technology Council (EWTC), and the US Chamber of Commerce.
- Participating in frequent and ongoing discussions with related Canadian associations through a joint working group to share information and response preparations. The working group released this statement on January 13: [Canadian energy associations united in fight against US tariff threat](#)
- Working closely with our American counterpart, EWTC, and the Bureau of Energy to find a path forward for members on both sides of the border.
- Roundtable discussions and meetings with the Canadian Privy Council and Natural Resources Canada.
- Maintaining an open dialogue with the Alberta Premier's office on response plans.
- Public statements and responding to media as this issue evolves:
 - On Feb. 1, [Enserva Responds to Tariffs Imposed on Exports to the US](#)
 - On March 4, [Enserva Responds to US Tariffs and Canadian Retaliatory Tariffs](#)
 - To view recent media appearances, go to our [In the News](#) page

Enserva will continue to collaborate with all stakeholders and government officials to amplify concerns and collectively push for solutions. ***We encourage any member wanting to discuss impacts to reach out to our policy team at policy@enserva.ca.***

Additional Info

1. [List of products from the US subject to 25 per cent tariffs effective March 4, 2025](#)
2. Executive Order: [Notice of Implementation of Additional Duties on Products of Canada Pursuant to the President's Executive Order 14193, Imposing Duties to Address the Flow of Illicit Drugs Across Our Northern Border](#)