

## February 2025 Government Update

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### Summary

Throughout February, Canadian politics was overshadowed by the uncertainty surrounding American tariffs. The tariff threat was also a defining issue in the Ontario provincial election.

### American Tariffs on Canada

The Trump administration has paused tariffs on Canada and Mexico until March 4, with conflicting reports on whether they will be further delayed until April 2. Simultaneously, the Americans are considering new tariffs on [automobiles, chips, and pharmaceuticals](#) and have already announced steel and aluminum tariffs beginning March 12. The Canadian government has committed to retaliatory [tariffs on specific goods](#) from the US if the tariffs proceed and is working with provinces to reduce interprovincial trade barriers.

In the past month, we've hosted several webinars and in-person events for tech leaders who want to learn about the implications and mitigation strategies for widespread tariffs. We will continue to update you on future events and news in our tariff [WhatsApp group](#) and encourage those looking for more information to visit resources like Gowling WLG's [Tariff Hub](#).

[TECNA](#), our US-based advocacy organization, has been working with national and state/provincial governments on both sides of the border to protect the tech sector from tariffs.

### Ontario Provincial Election

Premier Doug Ford and the Progressive Conservative Party of Ontario were re-elected with a third consecutive majority government. Marit Stiles and the Ontario NDP maintained their official opposition status.

Ridings remained status quo across Waterloo Region, with all five incumbent MPPs re-elected: Mike Harris (Kitchener-Conestoga), Jess Dixon (Kitchener South-Hespeler), Brian Riddell (Cambridge), Catherine Fife (Waterloo), and Aislinn Clancy (Kitchener-Centre).

Notable Ontario PC platform priorities:

- Use AI to cut government red tape.
- Invest \$50M in defence start-ups and create a tax credit for defence tech.
- Counter American tariffs with Ontario government procurement bans and industry support, including temporary tax relief.

<b>Party</b>	<b>Seat count</b>	<b>Popular vote</b>
PC	80 ↓	43% ↑
NDP	27 ↓	18.6% ↓
Liberal	14 ↑	29.9% ↑
Green	2 ↑	4.8% ↑
Ind.	1 -	1.1% ↑

\*Results as of Friday, February 28

## Federal Update on Capital Gains

With the government [deferring the capital gains changes](#) and Liberal leadership candidates pledging to scrap them, it is unlikely that the changes proposed last year will be implemented. Conservative Party Leader Pierre Poilievre has also committed to undoing the increase.

## Federal Liberal Leadership Race

The Liberal Party leader and Canada's next prime minister will be announced on March 9.

## Federal Election Watch

Opposition parties have indicated they would vote non-confidence in the Liberal government at their earliest opportunity. A Throne Speech, which would be the first order of business upon Parliament's return, would face a vote of confidence. Two likely scenarios would trigger an election:

1. The new Liberal leader is sworn in as PM and immediately calls an election.
2. The government is defeated in the legislature on a confidence motion, triggering an election (barring some sort of deal with an opposition party, which seems unlikely).

In either scenario, an election would likely be held on a non-holiday Monday in late April or May.

## Key Dates

- March 4 - Potential start of American tariffs on Canada
- March 6 - Webinar: [Tariff-Proofing Your Pricing & Profitability](#)
- March 6 - KW Chamber Webinar: [Ask the Experts: Tariffs and Trade](#) (weekly on Thursdays)
- March 9 - New federal Liberal leader and Prime Minister chosen by party members
- March 20 - Webinar: [Tariffs & Trade in Focus: Understanding the Economic Landscape](#)
- Mid-March/Early April - likely start of the federal election campaign
- April 1 - Report on American Trade deficits to be sent to President Trump
- April 2 - Potential start of tariffs on automotive, pharmaceutical, and semiconductor chips.
- Late April/May - likely Federal election day

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## For more information

Stéphane Hamade

[stephane.hamade@communittech.ca](mailto:stephane.hamade@communittech.ca)