



Labour Market Ministers Prepare to Respond to Potential Tariff Impacts

February 26, 2025 – Gatineau, Quebec

The Forum of Labour Market Ministers met virtually yesterday for discussions as all governments prepare an appropriate response to mitigate the impacts of potential U.S. tariffs on the workforce.

This meeting followed previous ministerial discussions on January 31, 2025, when Ministers explored possible solutions to address labour market issues in Canada resulting from the threat of U.S. tariffs. At that time, Ministers also discussed what federal, provincial and territorial governments could put in place to actively contribute to strengthening Canada's workforce and economy.

Ministers agreed on the need to adopt an effective and coordinated response to protect the economy, while considering the needs of provincial and territorial labour markets. Ministers also discussed the need to build a more resilient workforce and to support stronger domestic growth. To this end, Ministers look forward to collaborating with the Committee on Internal Trade on bold action that could be taken by governments on labour mobility. Ministers look forward to providing an update to the Committee on Internal Trade at its next meeting.

Minister MacKinnon reiterated the importance of foundational federal programs that provide an effective first line response, including the Employment Insurance (EI) Work-Sharing Program, which allows EI-eligible workers to receive partial EI income support while they work reduced hours, EI regular benefits. As part of a first line response, Ministers also noted the critical role of employment assistance and reskilling services delivered by provinces and territories, provided through the Labour Market Development Agreements (LMDAs).

Provincial and territorial ministers reiterated to the federal government that they are best placed to respond to the unique needs of their respective labour markets. Noting that LMDAs are funded through the EI contributions of employers and workers, they emphasized that additional funding for these workforce supports would be vital to Canadian businesses and workers in the event of tariffs. They recognized that the Work-Sharing Program, EI regular benefits and increased LMDA funding helped to prevent layoffs and retained skilled workers in sectors impacted by past tariffs, such as those in 2017–2021 in the forestry, steel, and aluminum sectors.

Ministers also agreed to examine additional ways to support workers and employers impacted by economic disruption, emphasizing the need to respond quickly during this time of uncertainty.

Focusing on longer term solutions, ministers recognized the progress made to date to remove barriers to labour market mobility and will work together to identify additional measures to support workers and employers and enhance Canada's productivity and economic competitiveness. They also acknowledged the importance of respecting the unique needs of provinces and territories, such as Québec's linguistic specificity.

Labour market ministers closed the meeting by restating their commitment to work collaboratively to closely monitor the situation and ensure readiness to respond to immediate workforce impacts and identify long-term solutions in the best interests of all Canadians.

Ontario is not a party to this communiqué, as it is in an election period.

About the Forum

The FLMM was established in 1983 as an intergovernmental forum aimed at strengthening cooperation on federal, provincial and territorial labour market priorities.

Quotes

"Any threat to Canadian jobs requires a calculated and coordinated response. Canada's labour market ministers stand at the ready to protect Canadian workers, sectors and prosperity against a possible tariff threat - today's meeting underscores that readiness and our unity."

- The Honourable Steven MacKinnon, Minister of Employment, Workforce Development and Labour, and Co-Chair of the FLMM

Associated Links

[Forum of Labour Market Ministers](#)

[FPT Communique: Federal, Provincial and Territorial Labour Market Ministers meet in Winnipeg to discuss ongoing priorities to support Canadians](#)