



March 17, 2025

The Honourable Doug Ford
Premier of Ontario
Room 281, Legislative Building
Queen's Park, Toronto M7A 1A1

Sent electronically

RE: Price gouging in the construction industry due to tariffs

Dear Premier Ford:

On behalf of the undersigned construction associations, we are writing to bring to your attention a growing concern in our industry that is directly impacting the critical infrastructure and housing work that we do across Ontario. Over the last several days, we have begun to experience significant and serious price gouging related in the supply chain, particularly concerning construction materials and components.

While we understand the complexities surrounding tariffs, international trade, and supply chains, there are troubling signs of suppliers exploiting the current situation, which is exacerbating the already challenging market conditions faced by industry. These practices of adding “shadow tariffs” are going to create serious long-term financial implications for industry and for the critical infrastructure and housing work that our members work to build for Ontario.

Our members have reported price increases from suppliers that either manufacture their products in Canada or that are sourced from outside of the United States. Members are reporting that they are seeing broker quotations for 20 percent increase on steel that was made in Canada. An assembly piece that is manufactured in the USA but assembled in Canada is now being marked up with a 25 percent price increase on the finished product.

While we acknowledge that tariffs on imports from the USA may lead to some price adjustments, we are witnessing what can only be described as belligerent price gouging. This is clearly not a direct result of tariffs but rather an example of suppliers taking advantage of the situation, similar to what we experienced during the COVID-19 pandemic. During that time, we saw unscrupulous practices that put undue pressure on our industry and drove up project costs.

We want you and your team to be aware of these unintended consequences that are unfolding in the market. With the economy in a precarious situation, these arbitrary price hikes only add to the burden that industry is facing and may have a significant impact on ongoing and future



construction projects. This could have far-reaching effects on the economy and employment, as many companies will be forced to raise prices and delay projects.

We urge you to consider these concerns and take steps to ensure that the pricing pressures felt by our industry do not escalate into a broader crisis. The construction industry is a cornerstone of Ontario's economy, and it is crucial that we address this issue before it further destabilizes an already fragile market.

Thank you for your attention to this important matter. We have confidence that your leadership will bring attention to these concerns and lead to a solution that helps ensure a stable and fair market for the infrastructure and housing industry in Ontario.

Sincerely,

Nadia Todorova
Executive Director
RCCAO

Peter Smith
Executive Director
HCAT

Raly Chakarova
Executive Director
TARBA

Patrick McManus
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Copy to:

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Hon. Prabmeet Sarkaria, Minister of Transportation

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Aryn Azzopardi, Chief of Staff, Minister's Office, Ministry of Infrastructure

Hon. Peter Bethlenfalvy, Minister of Finance

Cam Vidler, Chief of Staff, Minister's Office, Ministry of Finance,

Hon. Caroline Mulroney, President of the Treasury Board

Michael Klimuntowski, Chief of Staff, Treasury Board Secretariat

Michael Lindsay, President & CEO, Metrolinx

Steven Hobbs, Chief of Staff to the President & CEO, Metrolinx

Jocelyn Short, Chief of Staff to the President & CEO, Metrolinx

Angela Clayton, Interim President and Chief Executive Officer, Infrastructure Ontario