

Sunday, March 23, 2025

**To: All of Canada's Federal Party Leaders**

**Subject: Strengthening Canada's Retail Sector – A Call to Action for Election 2025**

On behalf of the Retail Council of Canada (RCC) and our members, we urge you to prioritize policies that will strengthen the retail sector as part of your 2025 federal election platform. Retail is a cornerstone of the Canadian economy, employing 2.3 million people and serving as the final link in global supply chains, ensuring goods reach consumers across the country.

As Canada faces economic and global challenges, a thriving retail sector is critical for economic growth, consumer confidence, and community well-being. RCC's VOTE RETAIL campaign highlights five key priorities that will ensure Canada's retail sector remains competitive, resilient, and able to serve Canadians effectively:

**1. End the Tariff War**

The ongoing tariff dispute with the U.S. is increasing costs for retailers and consumers alike, while disrupting supply chains. We urge the next government to:

- Provide exemptions for retail goods where Canadian alternatives are unavailable.
- Reduce regulatory barriers, including easing labeling requirements for alternative suppliers.
- Implement temporary GST holidays to boost consumer confidence and affordability.
- Streamline inter-provincial trade with a "passport system" for regulatory recognition.
- Ensure transportation reliability by designating key infrastructure as essential.
- Offer financial support to retailers facing cost increases due to tariffs.

**2. Fight Retail Crime**

Retail crime is rising in frequency and severity, posing threats to businesses, employees, and shoppers. We recommend:

- Enhancing information sharing between retailers and law enforcement to track offenders.
- Convening a National Retail Crime Summit to develop coordinated crime reduction strategies.
- Implementing bail reforms and strengthening penalties for violent and repeat offenders.

### 3. **Drive Down Retailers' Operating Costs**

Rising costs in tariffs, credit card fees, and sustainability transitions place financial strain on retailers. To ease this burden, we propose:

- Eliminating tariffs on clothing, shoes, and baby essentials to lower costs for families.
- Reducing credit card swipe fees to align with global best practices.
- Providing tax credits and incentives for climate-friendly retail operations.
- Investing in recycling infrastructure and support for sustainable materials development.

### 4. **Create a Level Playing Field for Canadian Retail**

Domestic retailers face challenges in competing with foreign online platforms and navigating inefficient tax policies. To ensure fairness, we recommend:

- Enforcing compliance with Canadian laws for foreign online retail platforms.
- Improving the transparency and fairness of duties collection by CBSA.
- Eliminating the Digital Services Tax to prevent trade tensions and added costs.

### 5. **Introduce Programs to Increase Retail Activity in Canada**

Supporting retail growth will drive job creation and economic stability. We call on the government to:

- Strengthen Canada Post's package delivery system to support small and medium retailers.
- Reintroduce a Visitor Rebate Program to boost tourism-related retail spending.

We urge all political parties to include these measures in their election platforms to support a robust retail sector. By taking action on these critical issues, the next government will ensure Canada's retailers can continue to provide essential goods, create jobs, and drive economic prosperity.

We welcome the opportunity to discuss these priorities further and to work collaboratively to implement solutions that benefit Canadian consumers, businesses, and communities.

Sincerely,



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