

## U.S. election results and implications for Canada

### Overview of U.S. election results

On November 5, 2024, Donald Trump won the 2024 U.S. Presidential Election after securing over 270 electoral votes. He is currently projected to win the popular vote at 51 per cent, and the Republican party will likely win control of both the House and Senate.

### Key campaign promises and potential impact on Canada

Donald Trump's campaign ran on 'fixing' the economy, immigration, and inflation, a message that resonated with over 80 per cent of Trump voters, according to a poll by the [Pew Research Center](#). These issues centred around several key promises that could have notable implications for Canada, especially regarding trade, defence, and immigration.

Below is a summary of the primary policy areas likely to impact the Canadian construction industry and broader economy:

#### 1. Trade and tariffs

There are many indications that former President Trump is committed to imposing tariffs, as he sees them as an effective policy tool. If Donald Trump's proposed tariffs were implemented and reciprocated, Canada's construction sector could face significant economic headwinds. The broad application of a 10 per cent minimum global tariff would likely encompass critical construction materials such as steel, aluminum, and lumber.

The [Peterson Institute for International Economics](#) warns that a potential 0.4 per cent hit to Canada's GDP could be coupled with a nearly 0.75 per cent drop in employment due to diminished trade. The [Chamber of Commerce's economic model](#) projects that a 10 per cent tariff imposed by the U.S. would lead to a decline of about 0.5 per cent in Canadian GDP, alongside a nearly one per cent drop in overall labour productivity within Canada. Both results do not consider retaliatory tariffs from Canada and other countries, which would further intensify the negative impacts. Monitoring potential changes to the CUSMA provisions will be essential as the agreement is set to be renegotiated in 2026.

#### 2. Immigration policy

Canada shares the biggest undefended land border globally with the United States, which means Trump's immigration policies significantly influence Canada's immigration system and outcomes. Trump campaigned on [deporting approximately 11 million immigrants](#) residing in the U.S. illegally. From Canada's perspective, this aggressive stance on immigration and mass deportation would potentially see Canada facing a spike of asylum seekers from the southern border. This potential influx is at odds with the recent federal government [cutting immigration levels by approximately 20 per cent](#) for the next

three years, especially as the GoC has mentioned that they are prioritizing 40 per cent of overall permanent resident admissions in 2025 to come from within Canada.

Both countries have cited alleviating housing pressure and prices as the driver behind their policy initiatives. The aggressive stance on immigration may intensify debates around Canadian immigration policy, potentially placing additional pressure on the construction sector's efforts to address its skilled labour shortages. Restrictions may limit access to foreign workers, a key source for filling the current labour gaps in the workforce.

### **3. NATO spending and defense**

Trump has reaffirmed his position that NATO allies should increase their defence spending to align more closely with U.S. contributions. Canada, which has historically spent below NATO's two per cent GDP target, may face pressure to boost defence expenditures. Although this focus primarily affects federal spending priorities, it could influence fiscal policies, which may impact infrastructure investment within Canada.

### **Looking ahead: Canada's election and federal landscape**

As Canada approaches its own federal election, the U.S. results may add further complexity to the dynamics in Canada. CCA will be monitoring the situation daily and keeping you informed of possible impacts on our industry. The outcome of the upcoming election will be critical in shaping Canada's policy response to an evolving U.S. agenda.