



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

Cost Estimate of Election Campaign Proposal

Publication Date:	September 2021						
Short Title:	Returning tariff levels for Personal Protective Equipment to historical levels						
Description:	The federal tariff rates for imported Personal Protective Equipment (PPE) would be returned to pre-March 2020 levels.						
Cost of Proposed Measure:	\$ millions	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	Total
	Total cost	-104	-319	-326	-333	-340	-1,422
Notes:	<ul style="list-style-type: none">· Estimates are presented on an accrual basis as would appear in the budget and public accounts.· A positive number implies a reduction in the budgetary balance (lower revenues or higher spending). A negative number implies an increase in the budgetary balance (higher revenues or lower spending).· "-" = PBO does not expect a financial cost.						
Estimation and projection method:	<p>The base of goods affected by the proposed changes to federal tariff rates was defined by the <i>Certain Goods Remission Order (COVID-19)</i>. Applicable tariff rates were defined as those immediately preceding the order, and those implemented by the order.</p> <p>PBO assumed that volumes PPE purchases would return to pre-pandemic levels by April 2022.</p> <p>Over the medium term, revenue growth was based on the EPC baseline projection for the Consumer Price Index (CPI).</p>						
Source of Uncertainty:	The main sources of uncertainty relate to the volumes of PPE purchases over the medium term and the assumed price increased based on the EPC baseline projection.						
Data Sources:	Variable	Source					
	Federal customs tariffs	Government of Canada					
	Volumes of imported PPE	Government of Canada					
	CPI	PBO EPC baseline					