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**Submission Brief
Pre-Budget Consultations In Advance of the 2026 Budget**

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Neighbourhood Pharmacy Association of Canada

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House of Commons**

Neighbourhood Pharmacies welcomes the opportunity to provide input to the House of Commons Standing Committee on Finance as part of its pre-budget consultations in advance of Budget 2026.

Community pharmacies are among the most accessible healthcare destinations in Canada. They are trusted points of care for medication services, vaccinations, chronic disease support, minor ailments, public health services, and everyday patient navigation. They are also significant employers, purchasers, tenants, technology users, supply-chain actors, and contributors to public revenues.

In all communities across the country, pharmacies help deliver on core federal priorities, including access to medicines, primary care capacity, public health, resilient supply chains, rural connectivity, digital health modernization, and local economic stability. As such, the sector must be consulted and considered in federal planning as both a major health contributor and economic driver. Decisions affecting pharmacy have direct implications for healthcare and medication access, employment, productivity, rural resilience, digital health infrastructure, supply-chain stability, public finances, and the national interest.

Economic Contribution of Canada's Pharmacies

A forthcoming analysis of the full economic contribution of Canada's pharmacies demonstrates the scale of pharmacy's role in the Canadian economy. In 2024, the pharmacy sector generated \$22.9 billion in GDP, including \$12.0 billion in direct economic activity from pharmacies themselves. Its direct GDP contribution is comparable to, or exceeds, several major Canadian industries, including petroleum refineries, plastic manufacturing, aerospace manufacturing, paper manufacturing, and pharmaceutical manufacturing. Pharmacy is therefore not only a healthcare service; it is a nationally significant economic sector.

The sector's impact extends well beyond pharmacy operations. In 2024, pharmacies generated \$5.7 billion in indirect GDP impacts through supply chains and \$5.2 billion in induced impacts through employee and business spending. Every dollar generated directly by pharmacies creates an additional \$0.20 in economic activity elsewhere in the economy. The sector supports activity in retail trade, commercial real estate, finance and insurance, technology and IT systems, professional services, transportation, logistics, manufacturing, and local businesses across Canada.

Pharmacy is also a major national employer. In 2024, the sector directly employed approximately 193,000 people and supported approximately 273,000 jobs when indirect and induced effects are included. Each direct pharmacy job supports approximately 0.4 additional jobs elsewhere in the economy. Because pharmacies operate in communities across the country, this employment is locally anchored and contributes to economic stability in urban, suburban, rural, remote, and northern communities.

The pharmacy sector also contributes significantly to household income and public revenues. In 2024, the sector generated approximately \$14.0 billion in labour income, including wages, salaries, and employer contributions. Labour income accounts for 61.1% of the sector's GDP contribution, well above the national all-industry average of 51%. This reflects the fact that

pharmacy's economic value is driven by skilled workers delivering community-based services across the country.

The sector also generated approximately \$6.3 billion in tax revenues across all levels of government, including \$3.3 billion federally, \$2.3 billion provincially, and \$0.7 billion municipally. Every dollar of economic activity generated by the pharmacy sector produces approximately \$0.28 in tax revenue. Pharmacy therefore supports fiscal capacity while also improving access to care.

Pharmacy as Critical Infrastructure: Priority Areas for Budget 2026

Despite this scale, pharmacy is too often considered late in federal policy development or treated narrowly as a dispensing endpoint. Budget 2026 provides an opportunity to take a more complete view. Pharmacies are where economic policy, health policy, digital policy, rural policy, labour policy, and supply-chain policy intersect. Including pharmacy early would also provide greater predictability, certainty, and clarity for businesses, investors, health system partners, technology vendors, and governments seeking to modernize care delivery and strengthen Canada's health infrastructure. Some specific examples where pharmacy inclusion in policy development benefits Canada's economic resiliency and domestic sovereignty include:

Protecting Canada's pharmaceutical supply chain, mitigating drug shortages, and strengthening life sciences policy

Federal discussions around pharmaceutical sovereignty and life sciences often focus on research, manufacturing, procurement, trade, and upstream supply. These are important, but they are incomplete without the pharmacy sector. Pharmacies are the last mile of the pharmaceutical supply chain and the frontline of patient access to medications and care.

When shortages occur, patients experience them at the pharmacy counter. Pharmacy teams manage disruptions in real time by working with prescribers, sourcing alternatives, adjusting therapies where permitted, communicating with patients, and helping prevent interruptions in treatment. Neighbourhood Pharmacies' [recent submission](#) to the Standing Committee on Health emphasized that pharmaceutical sovereignty must be measured not only by whether medicines can be made or procured, but by whether they reliably reach patients. True resilience is realized at the point of care.

For this reason, pharmacy should be consulted early in federal policy related to pharmaceutical supply chains, drug shortages, procurement, domestic manufacturing, life sciences strategy, trade diversification, and emergency preparedness. A strong life sciences strategy must support resilient supply chains and recognize Canada's role as a reliable trading partner, while ensuring that supply-chain policy translates into reliable patient access. Without pharmacy insight, federal planning risks focusing on supply in theory rather than access in practice.

This is also where the concept of sovereign-first supply chains should be applied carefully. Canada should strengthen domestic capacity and diversify supply, but sovereignty cannot be achieved through manufacturing policy alone. It must include the infrastructure that ensures medicines actually reach patients. Pharmacies are central to that objective.

Digital health, connected care, and e-prescribing

Pharmacies are nexus points of healthcare data. Pharmacy management systems contain critical information about medications dispensed, adherence, immunizations, prescribing activity, patient interactions, drug shortages, substitutions, and medication histories. These data are essential to safe prescribing, medication reconciliation, chronic disease management, transitions of care, public health planning, and connected care.

As Canada advances connected care objectives, pharmacy must be included as a core partner. A connected health system cannot be fully achieved if pharmacy data and pharmacy workflows are treated as peripheral. Pharmacies are among the most frequent points of contact between Canadians and the health system. They are not simply users of digital health infrastructure; they are essential contributors to it.

There is also a continuing need for federal direction, leadership, and support for e-prescribing. While the national e-prescribing tool, PrescribeIT, has been sunset, the pharmacy sector remains strongly supportive of a coordinated national mechanism for electronic prescribing. E-prescribing can improve medication safety, reduce administrative burden, support continuity of care, reduce prescription errors, and improve communication between prescribers and pharmacy teams. However, without federal leadership, Canada risks fragmentation across jurisdictions, vendors, prescribers, and pharmacy systems.

Budget 2026 should recognize that e-prescribing and connected care are not simply technology projects. They are health system infrastructure. Federal leadership can help provide predictability, certainty, and clarity for technology vendors, pharmacy operators, prescribers, provinces, and patients. It can also help avoid a fragmented environment in which every jurisdiction or platform develops its own disconnected approach. In practical terms, Canada needs a “one project, one review” mindset for digital health interoperability: fewer duplicative processes, clearer standards, and coordinated implementation that allows pharmacies and other providers to connect once and participate effectively across the system.

Federal investments in digital health should therefore include pharmacy from the outset and ensure that pharmacy management systems can participate meaningfully in health information exchange.

Connecting rural Canadians to healthcare

Pharmacies are essential community anchors in rural Canada. The forthcoming economic analysis finds that rural pharmacies employ a disproportionately high share of local residents, with employment levels 16% to 40% higher than would be expected relative to population share. Beyond their economic role, rural pharmacies help fill critical healthcare gaps by providing convenient access, extended hours, walk-in services, chronic disease support, prescribing for minor ailments where permitted, and continuity of care.

This role is especially important in rural areas where primary care providers may be more than 35 kilometres away. Rural populations also experience higher rates of chronic conditions such as hypertension, diabetes, and heart disease, and pharmacists are well positioned to support chronic disease management and patient outcomes.

At the same time, rural pharmacy workforce pressures are worsening. The forthcoming analysis notes that pharmacy is the only healthcare profession in Canada where the rural supply-demand gap is projected to widen significantly, with 14% growth from 2022 to 2029. This creates a risk for healthcare access, medication access, and local economic stability. Federal planning related to rural healthcare access, health workforce capacity, immigration, training, Indigenous and remote health, emergency preparedness, regional economic development, and digital connectivity should therefore consider pharmacy as a core partner.

Supporting rural pharmacy is in the national interest because it strengthens both healthcare access and local economic resilience in communities that are essential to Canada's social and economic fabric.

These examples reinforce the same principle: federal policy is stronger when pharmacy is included early. Whether the issue is drug shortages, life sciences, connected care, e-prescribing, pharmacare, rural access, health workforce planning, or emergency preparedness, pharmacy brings practical, patient-facing, community-level, and economic insight that should inform federal decisions.

Pharmacy is not only part of Canada's healthcare system. It is economic infrastructure. It is employment infrastructure. It is supply-chain infrastructure. It is digital health infrastructure. It is rural infrastructure. It is public health infrastructure. Federal planning should reflect that reality. A modern federal approach would provide greater clarity for the sector, stronger alignment across governments, more efficient implementation of national priorities, and better outcomes for patients. It would also help ensure that federal investments in health, digital infrastructure, life sciences, and regional development produce results at the community level.

Summary of Recommendations

1. Recognize the value of community pharmacy as essential economic and healthcare infrastructure in federal policy, planning, and funding decisions.
2. Consult and engage the pharmacy sector early and consistently in federal policy, investment, and implementation discussions related to healthcare and pharmaceutical access and supply, in particular current dialogue on:
 - Pharmaceutical supply chain and life sciences policy
 - Digital health, connected care, and e-prescribing
 - Connecting rural Canadians to healthcare
3. Support the sustainability and modernization of Canada's pharmacies so they can continue delivering accessible frontline care while contributing to jobs, public revenues, regional resilience, and Canada's broader economic security.

Conclusion

Canada's pharmacies deliver dual public value. They support economic growth, jobs, wages, public revenues, local business activity, supply-chain stability, digital health infrastructure, and regional resilience while also providing accessible, trusted, frontline healthcare in communities across the country.

As the Committee considers priorities for Budget 2026, Neighbourhood Pharmacies urges parliamentarians to recognize pharmacy as a major economic and health contributor and to ensure the sector is consulted in federal policy making and financial decisions. This is particularly important in areas where federal leadership will shape medication access, healthcare access, connected care, rural care, pharmaceutical supply-chain resilience, drug shortage response, trade diversification, and Canada's life sciences strategy.

Pharmacy is central to the national interest because it helps ensure that medicines, care, and health information reach Canadians where they live. Policies that strengthen pharmacy will also strengthen communities, patients, workers, local economies, resilient supply chains, and the broader health system.

Neighbourhood Pharmacies would welcome the opportunity to provide further evidence to the Committee and looks forward to sharing the full forthcoming economic impact analysis with members when it is published in June.

About Neighbourhood Pharmacies

The Neighbourhood Pharmacy Association of Canada (Neighbourhood Pharmacies) represents leading pharmacy organizations across the country, including chain pharmacies, grocery and/or mass merchandizers with pharmacies, banners and independent pharmacies, and pharmacies providing specialty medicines and services. We advance the delivery of care through more than 12,000 pharmacies of all models, that serve as integral community health hubs in urban, suburban, rural, remote and First Nations neighbourhoods.

As the only Canadian association mandated to represent the voice of pharmacy operators, we across the country to support policy makers with the development of innovative solutions that allow pharmacies to support public health and primary care needs in their communities while advocating for a thriving and sustainable pharmacy sector.