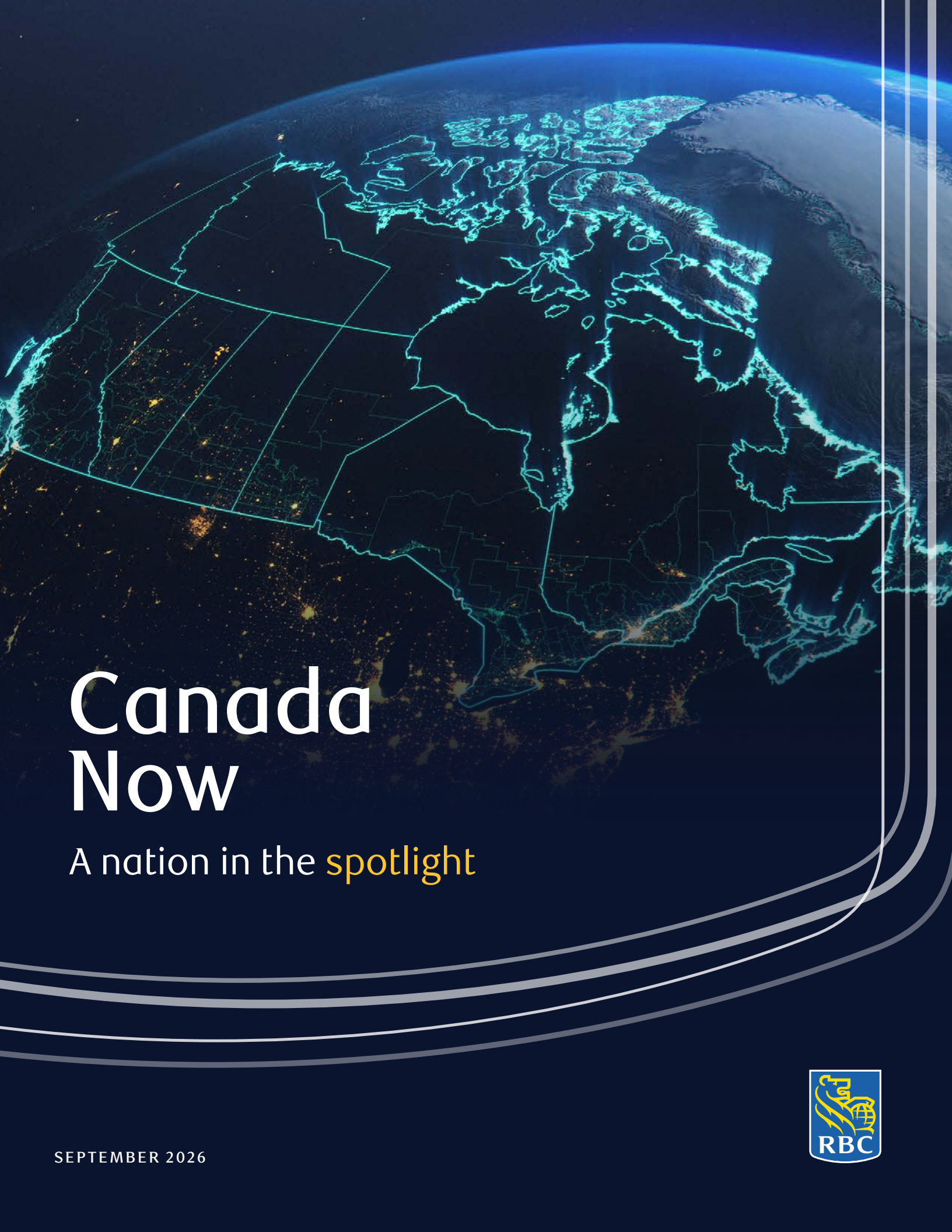




Canada Now

A nation in the **spotlight**

SEPTEMBER 2026

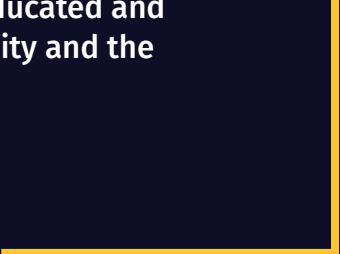




The world is changing, and so is Canada.

The 2020s have already presented several waves of disruption, from geopolitical shocks and wars to extraordinary advances and discoveries in space technology, life sciences and artificial intelligence. In the midst of these waves of change, we're seeing a shift in trade and investment flows. Canada is at the nexus of those changes.

The world's largest investors are in Toronto this September to explore and discover that changing Canadian prospectus. Beyond the deals, you will find a country with abundant resources, a resilient rule of law, and one of the world's most educated and globally-minded populations. This is the opportunity and the moment. This is Canada now.



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Canada: By the numbers



Advanced Manufacturing

Manufacturing is Canada's largest goods-producing industry, and the country's deepest link to the U.S. economy. Factories mostly located in Ontario and Quebec generated around \$850 billion in sales last year, employing 1-in-12 Canadians, with about half of the output exported around the world.

Canada's Windsor-to-Montreal corridor is home to auto assembly plants, aerospace firms, Tier-1 parts suppliers, machinery and equipment makers, robotics firms and tech companies. The corridor also features skilled labour and globally competitive universities, producing the skilled trades, R&D, and IP needed to support the sector.

\$850B

Manufacturing sales
in 2025

#1

Foreign supplier of steel
and aluminum to the U.S.

5th

Largest exporter of
aerospace products

9th

Largest auto exporter

The Opportunity

Four advanced industries anchor the sector, drawing on a base of primary and fabricated metals, chemicals and plastics that together account for nearly \$60 billion in annual GDP.

A competitive auto hub

Canada is home to five OEMs—Toyota, Honda, and the Detroit Big Three—and 700 suppliers that ship more than \$100 billion in vehicles and parts each year.

While vehicle assembly volumes have fallen since 2010, parts output has grown 10% in the same period, with value migrating to powertrains, electronics, battery systems and software, where Canadian firms like Magna, Linamar and BlackBerry QNX compete.

Canada's levelized cost for EV assembly is at parity with the U.S., with cleaner and cheaper power in Ontario and Quebec.

A high-flying sector

Canada's aerospace industry contributed \$33 billion to GDP and employs nearly 220,000 people.

Defence aerospace revenue reached \$6 billion in 2024, close to 15% of industry revenue, with the \$40 billion NORAD modernization creating sustained demand. Demand is expected to increase domestically and globally, partly driven by higher expenditures from NATO countries.

Canada ranks in the top five globally in civil flight simulators, engines and aircraft.

A robust heavy-industry pipeline

Machinery is a \$20 billion industry well positioned to supply LNG terminals, mines, grid expansion with \$290 billion in defence-related capital projects in Canada's pipeline.

Manufacturers' unfilled orders rose 7% to \$115 billion at the end of 2025, driven by shipbuilding and aerospace.

A range of value-add industries

Canada is the world's fourth-largest aluminum producer, with capacity of roughly 3.3 million tonnes.

Chemical manufacturing adds \$22 billion to GDP, while pharmaceuticals contributed \$8 billion.

Artificial Intelligence

Canada is the birthplace of deep learning. The chief scientific advisors of all three national AI institutes: Amii (Edmonton), Mila (Montréal) and the Vector Institute (Toronto) are Turing Award laureates. Canada was the first nation in the world to adopt a national AI strategy, in 2017. And its one of very few countries outside the U.S. and China with a frontier model company. Cohere, founded in Toronto in 2019, builds language models for enterprise and government, and is differentiated by its ability to handle sensitive data in secure and on-premise environments. Talent density is another durable advantage. Toronto ranks third globally for tech talent, behind only the San Francisco Bay Area and Seattle.



3,500

AI firms

\$14.5B

Total VC funding across
2,468 deals (2014-2025)



10%

Share of top AI researchers
worldwide—2nd globally

3

Of the world's top 10 AI
talents pools (Toronto,
Montréal and Vancouver)

The Opportunity

Canada's AI economy spans five layers: foundation models, the language systems underpinning most applications; physical AI, robotics and autonomous systems that act in the world; applied AI embedded in health, agriculture, finance and resources; compute and data centres; and research and safety institutions. Strength is concentrated at the top and bottom of that stack. The middle is where capital is most needed, and where returns are least crowded.

Compute infrastructure: the closest near-term opportunity

Canada has roughly 337 megawatts of AI data-centre capacity today and requires an estimated 5.5 gigawatts by 2030 to serve domestic commercial players.

Ottawa is targeting 850 megawatts of sovereign capacity by 2030, scaling toward 2.3 gigawatts, supported by more than \$2 billion in federal commitments and expected to draw tens of billions of dollars in private capital.

The export opportunity, serving allied markets from Canadian soil, is estimated at a further 1.7 to 6.7 gigawatts.

Sovereign AI as an export product

Canada's frontier model capability, clean power and democratic rule of law makes it a credible supplier to nations seeking alternatives to American or Chinese platforms.

Closing the scale-up gap

Nearly 70% of Canadian-founded startups end up headquartered abroad, a long-standing leakage Ottawa is now addressing through a \$500 million Canadian Tech Growth Fund, direct equity stakes in national champions, and a newly established sovereign wealth fund.

For foreign capital, this is the arbitrage: world-class research and companies priced below U.S. comparables, with government as a co-investor.

The adoption gap in a high-value economy

Only about 12% of Canadian businesses have integrated AI, against a national target of 60% by 2034.

The five priority sectors—health and life sciences, energy and critical minerals, transportation, agriculture, and manufacturing and robotics are areas where Canada holds globally significant physical assets and proprietary data.

Quantum Technology

Canada co-invented quantum cryptography. BB84 protocol, the first practical method for securing communication through the laws of physics rather than mathematical difficulty, was co-developed in 1984 by Gilles Brassard at the Université de Montréal with IBM's Charles Bennett. The two received the 2025 ACM Turing Award in March 2026. Canada also launched the world's first commercial quantum-computing computer, and Toronto-based 1Qbit was recognized by the World Economic Forum in 2015 as the first company dedicated to commercial applications for quantum computers.

Canada's quantum sector has attracted more than \$2.8 billion in combined public and private funding. Between 2018 and 2022, sector revenue rose 93%, the number of companies expanded 41%, and employment grew 111%. The industry is on track to add \$7.7 billion to the economy and unlock more than 157,000 jobs by 2045.



4

Quantum companies in Canada valued above US\$1 billion, a concentration no country outside the United States has matched

300

Quantum researchers in Waterloo, Ont., home to 20 quantum companies and institutions

3

Number of Canadian companies—Xanadu, Photonic and Nord Quantique—of the 11 that advanced to Stage B of DARPA’s flagship Quantum Benchmarking Initiative that validates commercial claims

\$695M

Total federal commitment under the Defence Industrial Strategy and the 2023 National Quantum Strategy

The Opportunity

McKinsey’s 2026 Quantum Technology Monitor projects the global market for quantum technology will be US\$60–100 billion by 2035, with computing accounting for US\$43–71 billion, and estimates up to US\$2.7 trillion in broader economic value by 2035.

Quantum-safe cryptography, the nearest-term revenue opportunity

The Canadian Centre for Cyber Security’s roadmap required federal departments to produce migration plans by April 2026, with high-priority systems transitioned by 2031 and all remaining systems by 2035. The Global Risk Institute’s 2026 Quantum Threat Timeline, produced with Waterloo-based evolutionQ, assesses a cryptographically relevant quantum computer as “quite possible” within 10 years and “likely” within 15. Because adversaries can capture encrypted data now for later decryption, migration demand exists independent of when the hardware arrives.

Quantum sensing applied to the resource base

Sensing has direct application to mineral exploration, subsurface imaging, and navigation in GPS-denied environments including the Arctic, areas where Canada has both commercial need and sovereign interest. The global quantum sensor market is projected at approximately US\$550 million in 2026.

Co-investment at reduced risk

Canadian quantum firms now carry matched federal, provincial and U.S. defence funding. Nord Quantique reached unicorn valuation on less than US\$60 million raised, indicating capital efficiency uncommon in the sector.

Oil and Gas

Home of the oilsands, Canada boasts the world's third largest crude oil reserves, mostly in Alberta. Canada is the U.S.'s largest source of imported crude, with both countries benefitting from a continental and integrated energy market. Canada's ambition to expand its market access to Asia helps oil-importing countries diversify their sources of oil supply. Its offshore East Coast reserves of three-billion barrels has also attracted attention from global oil majors.

The world's fifth largest producer of natural gas also has ambitions to leverage its abundant conventional and shale reserves, with several multi-billion-dollar gas export projects planned and underway on the West Coast.

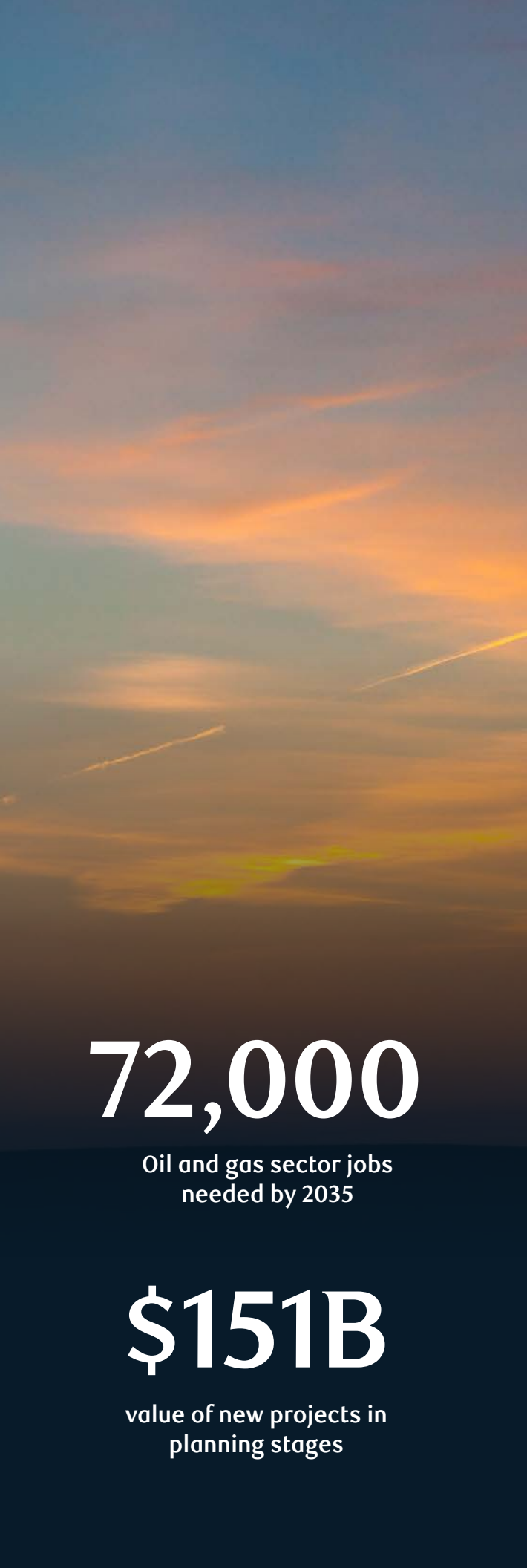


10.3%

Canada's share of the world's proven oil reserves

4th

Canada's rank among the world's top oil producers



72,000

Oil and gas sector jobs
needed by 2035

\$151B

value of new projects in
planning stages

The Opportunity

Canada set a new production record of 5.35 million barrels of oil per day (bpd) in 2025, with the key oil producing regions of Alberta, Saskatchewan, British Columbia and Newfoundland and Labrador, registering growth. Canada exported crude oil, refined petroleum products, natural gas products valued at \$157.5 billion in 2025 to the U.S.—a fifth of its total goods exported globally. More than 90% of Canadian oil and gas is shipped to the U.S.

New pipeline projects

The start of the 890,000-bpd Transmountain Expansion Project in 2024 helped Canada expand its exports to Asia and find new markets beyond the U.S.

A new comprehensive partnership between Alberta and the federal government could spur a new wave of development. It includes a one million bpd Alberta-to-British Columbia pipeline proposal that would encourage more production.

There are proposals to revive the Keystone XL oil pipeline connecting Alberta to the Gulf Coast, expanding the 450,000 kilometres of oil and gas conduits connecting the two nations.

Building on its carbon capture lead

To mitigate emissions, five major oilsands companies are collaborating with the federal government and Alberta to develop the \$16.5 billion Pathways Carbon Capture project with six million tonnes per year of captured CO₂ capacity by the mid-2030s.

A burgeoning LNG Industry

Seven liquefied natural gas (LNG) export projects and one infrastructure project are at development stages. Together, they represent a capital investment of ~\$109 billion and potential production capacity of 50.3 million tonnes per annum of LNG.

Growth beyond Alberta

The Montney formation located in the Prairies can potentially produce around 450 trillion cubic feet of natural gas—making it one of North America's largest gas resources.

Five offshore fields off Newfoundland and Labrador have boosted production and now account for 4.5% of Canadian production. Exxon Mobil and Equinor are among global investors operating in the province.

Electricity

Canada's abundant water resources and technological innovation have transformed it into a hydro and nuclear powerhouse. Hydro accounts for 60% of Canada's power generation, playing a key role in Quebec, British Columbia, Ontario, Labrador and Manitoba grids. Canada is also a nuclear technology pioneer with the home-grown CANDU reactors operational in six countries, while the G7's first small modular reactor is under construction.

Solar, wind power, and battery storage are also emerging as vital pieces of a vast network of grids and connections that power 10 provinces and three territories. Several provinces also provide power to U.S. states such as New York, Vermont, Maine, Massachusetts, and Michigan.

4th

Canada's global rank as
hydropower producer

14%

Nuclear's share of power
generation

28,000

Clean electricity jobs
openings expected by
2028

56%

Growth in wind, solar
and storage installation
(2020-2025)

The Opportunity

Despite a relatively small population of around 41 million, Canada is the world's 7th largest producer of electricity. Clean power is attracting new industries—from electric vehicles to data centres—keen to reduce their carbon footprints.

A \$1-trillion blueprint

A new National Electricity Strategy aims to double the national grid by 2050, to ensure clean, reliable, and affordable electricity will continue to power the country for decades to come.

The plan would require multi-billion-dollar investments in generation, transmission, distribution, storage, grid modernization, and connecting Canada's fragmented East-West-North grids through expanded transmissions lines.

North America's largest clean energy investment proposal

Quebec and Newfoundland and Labrador are leveraging Canada's formidable hydro resources to develop a series of landmark projects valued at \$70 billion—the largest of its kind in the continent.

The projects would include upgrades to Churchill Falls, construction of a new 2,700MW hydroelectricity facility, new transmissions lines, and onshore wind projects that will boost the region's critical minerals and infrastructure corridor.

Ontario's all-of-the-above strategy

The country's largest provincial economy will see power demand rise 65%. It intends to meet this demand with hydroelectric and nuclear facilities, and natural gas, but also wind and solar, with an estimated investment of \$450 billion.

Nuclear is a key pillar, with plans for large scale nuclear facilities and proposals for two new sites in the province. It's also building the G7's first grid-connected small modular reactor (SMR) at the new Darlington nuclear site.

Regional expansion

BC Hydro is investing \$36 billion over the next decade to upgrade grid capacity, plus new electrification expansion and greenhouse gas reduction efforts.

Quebec's Action Plan 2035 will oversee the development of 11,000 MW of clean energy through investments totalling \$200 billion.

Critical Minerals

With production of 60 minerals and metals from more than 200 operating mines, Canada is seen as a viable commodity source for countries looking to diversify their critical mineral supplies. Canada is already the world's largest producer of potash, the second-largest producer of uranium, and the second-largest exporter of aluminum. Meanwhile, deposits of lithium, graphite, nickel, copper, cobalt, and rare earth elements across the country offer fresh opportunities.

Federal policy is now focused on providing direct capital and faster permitting to accelerate critical mineral development. Canada combines a diversified resource base with growing policy support, allied demand and major processing opportunities.



\$162B

Mineral and metal exports

171

Number of advanced projects



140

Number of mining projects
planned between 2024-2034

\$72.4B

Value of critical mineral
projects planned in
Canada through 2034

The Opportunity

A high-grade resource

Saskatchewan's Athabasca Basin is home to the world's highest-grade uranium deposits. Uranium exports topped \$2.9 billion in 2025.

A formidable food security resource

Potash is a vital component in fertilizers. Canada is the world's largest potash producer and exporter and has the world's largest potash reserves.

A copper powerhouse

Canada's copper exports reached \$11.9 billion in 2025, while nickel hit \$4.3 billion and zinc \$1.9 billion.

The pending Teck-Anglo American merger will put the headquarters of a top-five global copper producer in Vancouver, with commitments to spend at least \$4.5 billion in Canada within five years.

Midstream processing opportunities

Canada's strength is upstream—most of the \$49.4 billion in critical mineral exports are primary, smelted or refined products. There is a gap in process and specialty materials. Federal capital and allied offtakes are focusing on processing, as it offers a strong investment case.

The northern Ring of Fire

The Ring of Fire, about 500-kilometres northeast of Thunder Bay, Ont., is home to many critical minerals. While no mine operates there yet, Ontario is advancing several road projects to the region, which has the potential to create 70,000 jobs and generate more than \$22 billion over 30 years.

Rare earths and magnets resource

The Saskatchewan Research Council's Saskatoon facility was the first in North America to produce rare earth metals at commercial scale. Substantial completion of the facility is scheduled for September, and it will be fully operational in 2027.

Infrastructure



As the world's second largest country by size, Canada's infrastructure is in a constant state of construction, expansion and revitalization. It began with the 4,600-kilometre Canadian Pacific Railway in 1871, which bound the country together. The country's railways network is now the world's fifth largest, supplemented by a one-million-kilometre road network, the 8th largest globally.

And there's more construction ahead. Canada's infrastructure deficit—also spanning airports and seaports—is estimated at up to \$270 billion, with Transport Canada projecting \$4.4 trillion in trade-enabling investment by 2070. That gap is beginning to be addressed with both funding and policy.

7th

Canada's rank in the
World Bank's Logistics
Performance Index, ahead
of the U.S.

224

Number of airports across
the country

\$300B

Value of goods shipped
through Canada's 17
seaports annually

\$4.6B

Federal investment
pledge to expand the
National Trade Corridors
by 2028

The Opportunity

The federal budget for 2025 committed \$6 billion to a Trade Infrastructure Strategy covering ports, railways, airports, highways, and northern corridors, while a Major Projects Office was created to streamline permitting timelines and target \$500 billion in private investment in the next five years.

A continental rail network

Two major railways, Canadian National (CN) and Canadian Pacific Kansas City (CPKC) represent more than 75% of the total tonnage moved by rail.

With 70% of Canadian exports destined for the U.S., much of the rail and road infrastructure is built around that market. But Canada's national target to double non-U.S. exports within a decade and generate \$300 billion in new trade requires moving far more volume east and west rather than south. Rail, ports, and roads will need major investment to accommodate these new volumes.

Seaport expansion to help cast a wider trade net

Seventeen Canada Port Authorities operate in marine shipping, led by Vancouver, moving \$300 billion in goods a year, alongside Prince Rupert, Montreal, Halifax, and Saint John.

Nation-building seaport projects, such as Montreal's Contrecoeur Container Terminal Project, and the Roberts Bank Terminal 2 project in the Port of Vancouver, are set to accelerate development of the country's diversified trade routes.

Proximity to Asia

B.C. coast LNG projects are 10 shipping days from Asia versus 20 days from the U.S. Gulf Coast; Eastern Canada is 6 to 8 shipping days from Europe—the shortest distance of any North American LNG project.

Bringing Arctic and Northern Corridors riches to market

The \$1-billion Arctic Infrastructure Fund is poised to kickstart investment into logistics, but private capital will be required for scaling development of the north.

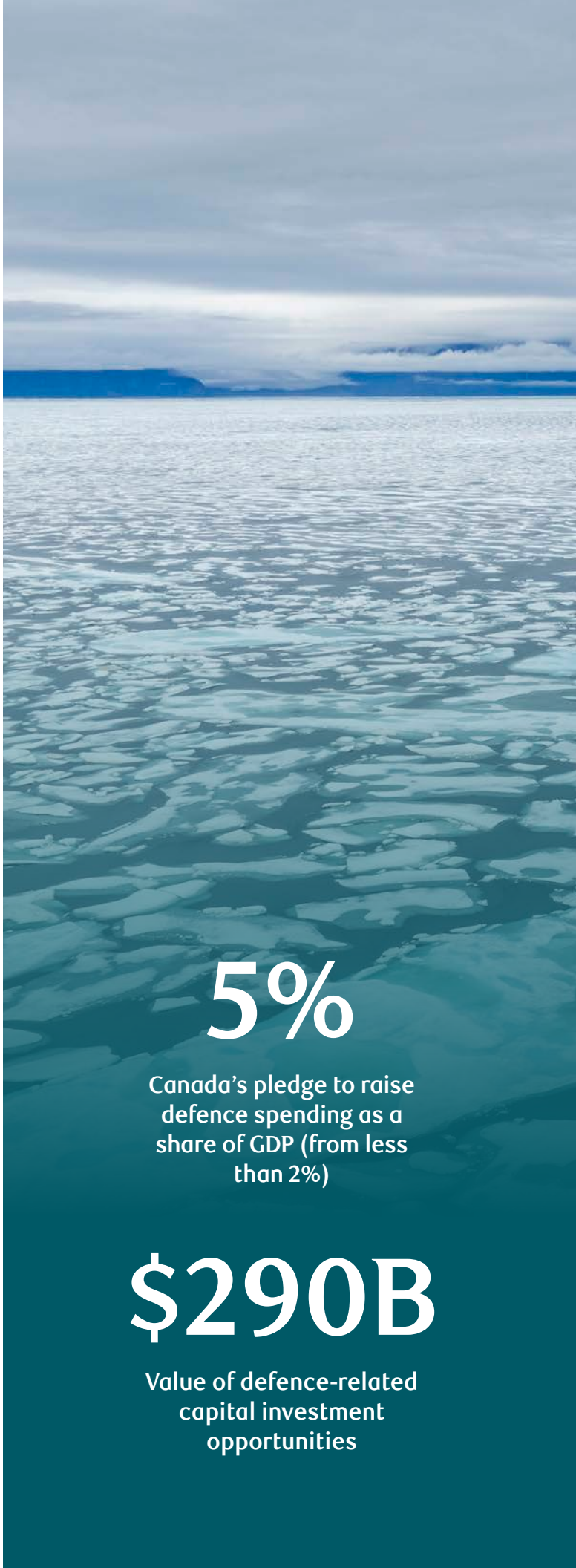
The airport privatization opportunity

Canada's major airports are run by not-for-profit authorities that are closed to private equity since the model was created in the 1990s. More than \$28 billion in upgrades are needed over the next decade to revitalize major airports. The federal government has committed to introducing legislation in 2026 to review ownership and lease reform, potentially creating significant opportunities for private investors.

Defence

Surrounded by three oceans, and a vast Arctic territory, Canada is exposed to a rise in military activity. As allied defence spending surges, Canada is stepping up military innovation and laying the ground for a globally competitive defence industry.

Canada shares responsibility for continental defence with the U.S. through the North American Aerospace Defence Command, and is part of the Five Eyes intelligence network, and a founding member of NATO. In the past 18 months, Canada has secured more than 20 international defence and security partnerships and agreements, and has become the only non-European state with preferential access to the European Union's €150-billion SAFE defence procurement program.

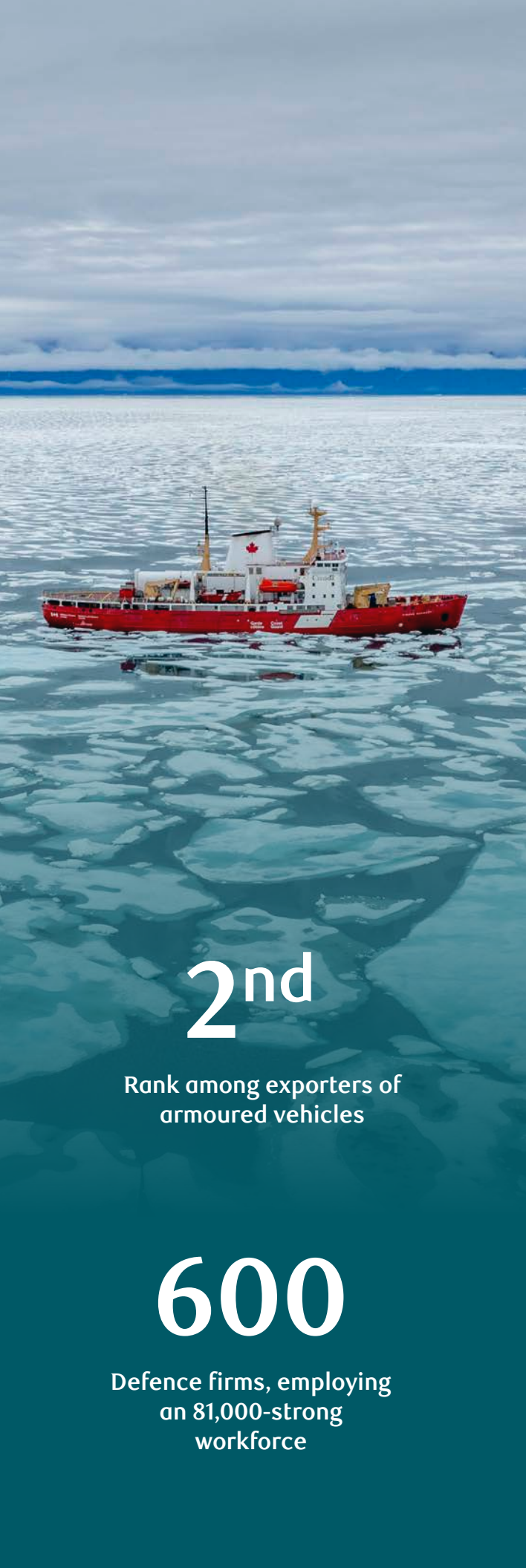


5%

Canada's pledge to raise defence spending as a share of GDP (from less than 2%)

\$290B

Value of defence-related capital investment opportunities



2nd

Rank among exporters of
armoured vehicles

600

Defence firms, employing
an 81,000-strong
workforce

The Opportunity

The surge in Canada's defence spending includes a \$180 billion defence procurement pipeline and a projected \$290 billion in defence-related capital investment opportunities.

A new Defence Industrial Strategy

The new strategy aims to accelerate domestic revenue by 240%, while raising domestic procurement share to 70% and boosting defence exports by 50%.

A new dedicated Defence Investment Agency aims to streamline major procurements targeting 10 key sovereign capabilities, including aerospace, ammunition, and specialized manufacturing.

The multilateral Defence, Security and Resilience Bank will be headquartered in Canada, while the Business Development Bank of Canada and Export Development Canada have established dedicated defence platforms.

Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR)

Canada's \$38.6 billion, 20-year NORAD modernization creates sustained demand across sensors, secure communications and space-based surveillance. Unmanned Autonomous Systems (UAS) will play a key role in these networks and represent a growing sector of Canada's defence industry.

A training and simulation hub

Canada ranks in the top five globally for in-flight simulation, with an export-oriented base for training and mission rehearsal.

Training and simulation are designated sovereign capabilities, while new defence programs are expanding access to operational environments, ranges and test infrastructure for Canadian technology developers.

Raising dual-use industrial capacity

A \$5-billion industrial fund was launched to support retooling (including to the defence sector) in steel, aluminum and other tariff-exposed industries. And in April 2026, Canadian manufacturers established the country's first integrated ballistic-steel production venture.

Defence infrastructure spending includes a \$3.7-billion pipeline to build military housing, using modular construction and Canadian steel, lumber and building systems. \$40 million has also been allocated to assess microreactors for remote and Northern operations.

Space



Canada has a proud history as a space-faring nation dating back to 1962, when it became only the third nation to successfully orbit a satellite with Alouette 1. A decade later, Canada became the first country to launch a domestic communications satellite into orbit. And in 1981 when the Canadarm technology made its debut on NASA's second Space Shuttle mission, it revolutionized space exploration and satellite maintenance.

More recently in 2020, Canada joined the NASA-led multinational Artemis mission to return humans to the moon and prepare for crewed missions to Mars. Earlier this year, Canadian astronaut Jeremy Hansen flew on the Artemis II mission looping behind the far side of the moon, making him the first non-American to ever travel beyond low Earth orbit.

200

Organizations

\$5B

Annual revenue
(43% from exports)

170%

Increase since 2019
in upstream revenue
from space-systems
manufacturing, navigation
and Earth observation

413

Number of space-related
patents in 2024, a 21%
increase year-on-year

The Opportunity

Launching a commercial space system

Canada is already globally recognized for its expertise in sensing technologies. The country is building one of the largest commercial space systems around a sovereign low Earth orbit broadband constellation and expanding satellite manufacturing.

Space data, sensing & in-orbit infrastructure

Canada has long-established Earth observation capability and new systems are moving data and computing into orbit.

A higher orbit

Canada is targeting initial sovereign orbital launch capability by 2028 from its Atlantic coast with geography that places satellites into polar paths that can scan the entire globe.

A stellar communications opportunity

Roughly \$12 billion in new capital for Canadian space ventures over the next decade, could in turn generate more than \$20 billion in annual industry revenue building on these capabilities and unlocking new opportunities.

Now, Canada is investing in programs focused on next-generation technology in robotic space exploration, sovereign orbital infrastructure and satellite communications. Last month, the government awarded an initial \$2.3 billion contract to expand Arctic low Earth orbit satellite systems entirely to Canadian firms.

A North American opportunity

NASA's US\$24-billion budget for 2026 includes more than US\$7 billion for lunar exploration and US\$1 billion in new investments for Mars-focused programs. Private developers also have multi-billion-dollar plans spanning satellite communications, spacecraft development and space travel. Several of these plans span the continent.

A burgeoning export industry

While 68% of Canada's space-related exports are destined for the U.S., Europe has emerged as Canada's second-largest market. Last year, Canada invested more than \$660 million in European Space Agency programs to advance research and development of Canadian-made space technologies for both civilian and defence purposes.

Agriculture

Canada's abundant and fertile lands have transformed it into one of the world's biggest food exporters. The sector employs more than two million people, making up 7% of the country's GDP. Agricultural innovation has long been a Canadian strength—it is where canola, named after the nation, was invented in the 1970s. Canada is now the world's largest canola exporter.

Today, Canadian agriculture continues to undergo a technological transformation, with AI, drones, robotics, genetics, biologicals and precision tools playing increasing roles in production, and creating significant opportunities for Canada.

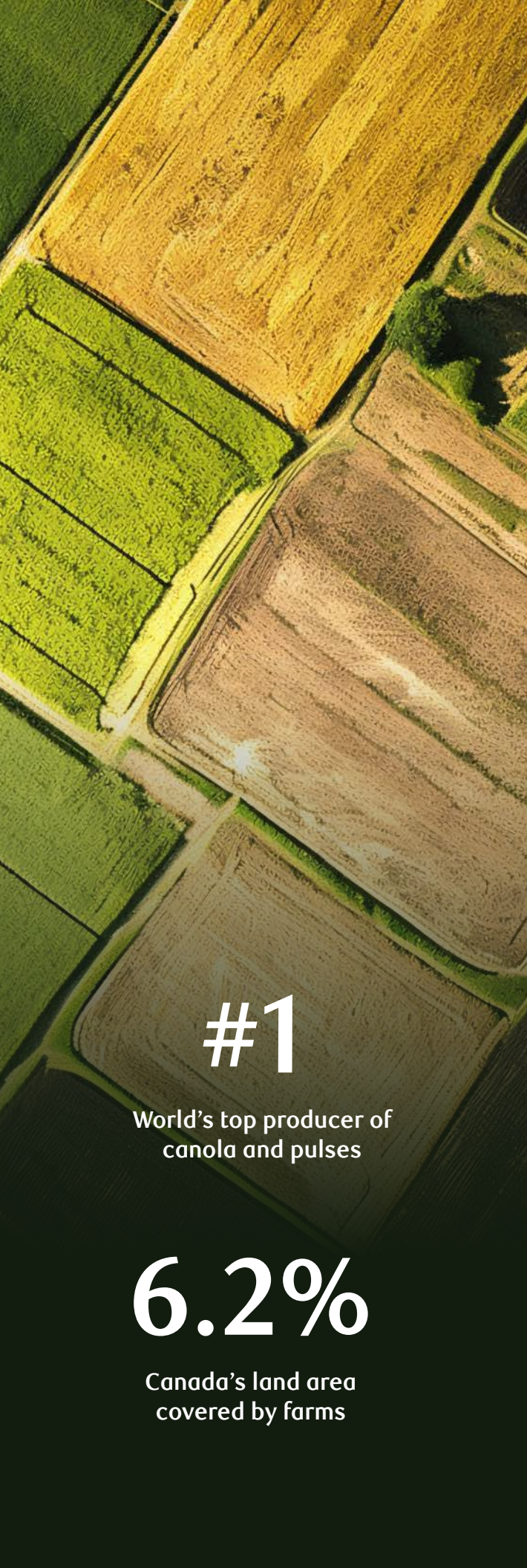
An aerial photograph showing a patchwork of agricultural fields in various shades of green and brown, separated by thin lines of roads or ditches. The fields are arranged in a grid-like pattern, with some larger rectangular plots and some smaller, more irregular ones. The overall scene depicts a vast, cultivated landscape.

1 in 9

Jobs that are supported by
Canadian agriculture

\$100B

The value of Canada's
agri-food exports



#1

World's top producer of
canola and pulses

6.2%

Canada's land area
covered by farms

The Opportunity

Value-add and processing

Food and beverage processing is the second largest manufacturing sector in Canada, with sales reaching \$173.4 billion in 2024.

Canada is now home to 15 canola crushing and refining plants that process 14 million tonnes of canola each year, helping meet growing demand for biofuels and cooking oil. Similar opportunities exist across other commodities.

The era of agri-tech

Agricultural technology is transforming farming, through the use of AI, drones, robotics, as well as the use of genetics and biologicals. The precision farming market—using technology to make the process more efficient—is growing and expected to reach \$4.9 billion by 2030.

Public research capacity in seed genetics and crop protection is well established in Canada and closely tied to industry, with companies eager for capital to scale their solutions.

Infrastructure expansion plans

Agricultural value chain opportunities are rife, such as the Westside Irrigation Rehabilitation Project in Saskatchewan that is expected to open 90,000 acres of irrigated land, contributing \$12.9 billion to GDP.

Most of Canada's agri-food is produced in regions that depend on railway systems and inland terminals. Infrastructure will have to keep up with rising global demand, requiring investments in capacity, terminal throughput and storage.

Export opportunities

Global demand for food continues to rise, while arable land and freshwater is scarcer—and Canada holds both in a surplus.

Canada is the ninth largest exporter of agri-food, fish and seafood products, exporting to more than 200 countries as of 2024. While the U.S. is the destination for most agri-food exports, Canada has been diversifying to other markets.

Life Sciences



Canada's life science sector is a growing economic and innovation centre, featuring a world-class research network and top pharmaceutical, biotechnology and medical technology firms. Canadian researchers have made foundational contributions to public health—including the discovery of insulin, stem cells and the GLP-1 hormone—and have contributed to major advances in vaccine development and disease treatment.

With billions of dollars invested in research and development, the sector combines scientific expertise with commercial potential. Innovative research, major multinational presence and government investments aimed at growing the sector position Canada to become a more prominent player in the years to come.

+15K

Number of clinical trial
researchers

\$51B

Pharmaceutical sales

23.6%

10-year internal rate of
return

\$250- 300B

Economic value that
Canadian innovations are
projected to generate by
2035

The Opportunity

A pharmaceuticals and biotechnology hub

The worldwide pharmaceutical market exceeded US\$1.7 trillion in 2025 and continues to grow. Last year, roughly 95% of innovator drugs in major pharmaceutical pipelines traced back to smaller biotech firms. As pharmaceutical firms diversify their innovation activities, Canadian companies and research organizations are taking on an increasingly important role in R&D.

Canada's pharmaceutical sector is the 9th largest in the world and has been growing rapidly at 9% per annum since 2020.

Since 2021, more than \$15 billion in Canadian biotech value has been acquired by global pharmaceutical players—including Trillium (acquired by Pfizer, 2021), Inversago (Novo Nordisk, 2023), Chinook (Novartis, 2023), Bellus Health (GSK, 2023), Fusion (AstraZeneca 2024).

Some of the world's largest global firms—such as AstraZeneca, Merck, Novartis, Pfizer and Sanofi—have made significant investments in operations, as well as research and development in Canada.

Clinical trials and R&D

Canada ranks No. 1 in active clinical trial productivity (number of trials per capita) among G7 nations. It's No. 4 in the world in terms of clinical trial sites. In 2025, there were approximately 3,100 clinical trials taking place countrywide.

Canada offers world-class research infrastructure, with an extensive network of academic institutions conducting clinical research, including 17 medical schools, 40 academic healthcare organizations and more than 15,000 researchers.

Expertise in oncology, immunotherapy and specialty medicines positions Canadian companies to attract international partnerships and investments in these high-value therapeutic areas.

Health Canada's Agile Licensing pathway allows for promising therapies to be accelerated, with some treatments getting authorization in as little as 200 days, comparable to the Food and Drug Administration (FDA), but with early access to the Canadian market.





Investor guide: How to de-risk projects in Canada



Foreign investors can tap various government organizations and programs to mitigate risk and help enhance return on investment

First-loss / concessional risk absorption

Public capital can be structured to absorb a disproportionate share of downside risk

The **Canada Growth Fund (CGF)** was incorporated in 2022 with \$15 billion to invest in strategic sectors, using public capital to absorb policy, execution, and market risks.

- The Fund's investments will look to accelerate the deployment of key technologies, support emissions reduction, scale up companies, encourage the domestic retention of intellectual property, capitalize on Canada's natural resources, and strengthen supply chains.

In some cases, the **CGF** will "invest concessionally by accepting, where necessary, below-market returns relative to the risk it incurs," using the lowest discount or risk absorption necessary to allow a project to move forward.

- Private investors will not get disproportionate returns compared to the risk they carry and must share in the downside even if the Fund absorbs first-loss.

Common equity

Public institutions can anchor or enlarge the equity pool

In April this year, the federal government announced Canada's first national sovereign wealth fund: the **Canada Strong Fund (CSF)**, seeded with \$25 billion over three years.

- The CSF is intended principally as a commercial equity co-investor in nation-building projects, alongside private capital.
- It will be designed to allow retail Canadian investors to participate, and the government has committed to delivering "commercial market-rate financial returns" for Canadians.

The **Canada Infrastructure Bank (CIB)** was created in 2017 to help address Canada's infrastructure deficit, supporting revenue-generating projects "in the public interest."

- The CIB is focused on supporting community and housing infrastructure and clean energy development. It has committed \$18.6 billion across 112 projects worth \$55 billion.
- It can take equity positions where an infrastructure financing gap prevents a project proceeding.

The **Business Development Bank of Canada (BDC)** is Canada's national development bank mandated to help Canadian entrepreneurs and small and medium-sized enterprises create and develop stronger businesses, with \$58.6 billion committed to clients.

- Its subsidiary, **BDC Capital**, takes equity positions primarily in Canadian growth companies.

Export Development Canada (EDC) is Canada's trade and export financing agency to help Canadian companies access and expand in foreign markets with over \$52 billion in assets.

- EDC can make equity investments where there is a relevance to Canadian trade or export activity.

Preferred / hybrid equity

Public institutions can provide capital between common equity and debt

The **CGF** can use preferred shares and hybrid securities with negotiated priority, return or conversion rights.

The **CIB** can similarly utilize preferred or hybrid equity to absorb specific project risks that deter private investors.

The **CSF** is expected to have flexibility within equity structures.

In some cases, **EDC** can take preferred or hybrid equity positions to match the lead investor's commercial terms.

Subordinated / mezzanine debt

Junior debt from public institutions can add loss-absorbing capital beneath senior lenders

The **CIB** provides subordinated and mezzanine debt on concessionary terms for projects and will accept commercial risk that other investors are unwilling to bear, at a reasonable price, to crowd in private lenders.

At the corporate level, **BDC Capital** can provide junior debt to Canadian growth companies.

Senior debt

Public lending can extend financing capacity

Senior financing is generally supplied by commercial banks and institutional lenders.

EDC can lend directly alongside them where Canadian trade or export activity is involved, including structured and project finance.

The **CIB** can also provide senior project loans where financing constraints such as tenor or risk allocation prevent sufficient private lending.

Revenue / price floors

The **CGF** can support project investment through contracts for differences and offtake agreements.

- These instruments may apply to industrial carbon credits and commodities and are designed to underwrite demand, insulating investors from future policy or regulatory changes.

Credit / political-risk protection

Defined credit or political risks can be transferred to a public balance sheet

EDC can provide trade and credit insurance, political-risk protection, and guarantee commercial lending; its credit insurance can typically cover up to 90% of an insured loss.

- This can include trade credit insurance for when a foreign buyer does not pay, political risk insurance to cover currency inconvertibility and transfer restrictions, and expropriation, and commercial lending guarantees.

The **CIB** can also provide project loan guarantees on major infrastructure to crowd-in private lending on higher-risk projects.

Indigenous partner-level credit support

Sovereign guarantees can finance Indigenous equity ownership in projects

Indigenous land rights are constitutionally embedded in Canada, and the Crown has a duty to consult Indigenous groups which can lead to delays or halt infrastructure projects with government backing.

- Most Indigenous reserve assets cannot be pledged as collateral, previously leaving communities largely unable to finance equity positions in projects.
- Loan guarantees programs, designed to supply that financing while giving communities an ownership stake in a project's performance, have proliferated across Canada to address this issue.

Through federal and provincial **Indigenous Loan Guarantee Programs**, an Indigenous community, or group of communities, can form an entity that borrows money to buy an equity stake in a project, with the government guaranteeing the lender.

- If the project fails, the Indigenous partners' equity is lost in the same order as other common shareholders, and the lender is repaid by government.
- There are six government Indigenous Loan Guarantee programs in Canada (one federal, five provincial holding \$18 billion of combined authority). Federal and provincial guarantees can be combined on a single transaction.

An Indigenous partner may also borrow directly. The **CIB's** Indigenous Equity Initiative lends \$5 million to \$100 million for up to 90% of an equity purchase price where the **CIB** is already investing in the same project.

Permitting / schedule risk

A new government office will accelerate regulatory timelines for major projects

Established in August 2025 to cut regulatory and permitting bottlenecks impeding the development of critical national infrastructure, the **Major Projects Office (MPO)** assesses project proposals against national resilience and security, economic benefit, likelihood of successful completion, Indigenous benefit, and climate objectives.

- Successful projects will be listed as a project of national interest, with the office mandated to cap the review timeline for these at a maximum of two-years compared to previous timelines of five years or more.
- The process must run alongside Indigenous consultation and provincial permitting where relevant.

Canada: By the numbers

6

Time zones

#3

Rank among the world's
biggest exporters of music

57.5%

The workforce with college
or university credentials

55%

Participation rate in organized
sports of those 15 and older

5%

Canadians with a net worth
exceeding US\$1 million

29

Nobel Laureates—from AI to
Economics and Chemistry to Medicine

1 IN 4

Canadians classified as immigrants—
the highest among G7 countries

8,891 KM

The Canada-U.S. border, considered
the longest undefended border

#2

The financial system's rank in the G7
and G20 in terms of soundness

15

Free trade agreements with access to
1.5 billion consumers worldwide

