

What's next for Canada?

- Adapting to our new reality
- An abundance of opportunities
- Investing in our future

The term “winning the birth lottery” refers to the concept that most of the key drivers of a person’s success in life are largely outside of their control. Where you were born, who your parents are, your family’s relative wealth and social standing, as well as the era in which you grow up, can have a greater influence on one’s success than personal effort alone. Would Elon Musk have become the world’s richest person if he was born before the digital age? Would Wayne Gretzky be a household name if he had grown up in a warm climate? When and where we start can have a major impact on where we finish.

In that sense, being born in Canada means starting on third base. Although far from perfect, being Canadian brings opportunities much of the world can only dream of. A key enabler of those opportunities is our proximity to the U.S., a country with an almost insatiable appetite for many of the things we produce. Until recently it would be fair to ask, “Why would we trade with anyone else?”

Adapting to our new reality

Prime Minister Carney recently stated that “America has changed,” and recent trade disputes suggest that this is increasingly true. While there is always an opportunity to return to the negotiating table and try to salvage a deal, doing so may only buy time until the next dispute. Hoping otherwise is not a viable strategy.

Canada needs a new strategy. Diversifying export markets is part of the solution, although geography means the U.S. will likely remain our most important trading partner. Any long-term strategy must build on Canada’s competitive advantages while strengthening our economic leverage abroad. Fortunately, the country is well-positioned to do exactly that.

In August 2025 the Canadian government established the Major Projects Office to fast-track infrastructure projects deemed to be in the national interest. To date, 18 projects have been referred into the Office which will collectively require over \$100 billion to complete. In its 2025 budget, the Canadian government committed to attracting up to \$1 trillion in new investment over five years, split between the private and public sector – a significant amount for an economy of Canada’s size.

An abundance of opportunities

To truly understand the breadth and depth of the proposed projects, it’s useful to look across the country, from west to east, and highlight some of the opportunities taking shape.

Western Canada

Western Canada is dominated by spending on energy exploration and production, and regular capital expenditures remain healthy. However, companies continue to invest in additional infrastructure that could support further production growth. For example, projects such as the proposed **\$35-44 billion West Coast Pipeline** could meaningfully increase egress capacity, – our ability to export production out of the region – support

additional production growth, and generate significant economic activity.

At the same time, capital is increasingly flowing into a broader range of infrastructure opportunities across the region. Notable projects include **the \$10.1 billion Path2Zero** development, which will significantly expand Alberta's petrochemical industry; Meta's recently announced **\$13 billion data centre** and supporting power infrastructure; and the proposed **\$20-30 billion Pathways Project**, a 650-kilometre carbon transportation and storage network. Beyond Alberta, **LNG Canada Phase 2** in British Columbia – a proposed **\$33 billion expansion** expected to reach a final investment decision by the end of 2026 – remains one of the country's largest prospective energy developments and would further strengthen Canada's Liquefied Natural Gas (LNG) export capacity.

While these headline projects attract the most attention, they represent only part of the broader investment story. Additional spending on natural gas liquids infrastructure, power generation and transmission, data centre development, utilities, transportation networks, and industrial facilities is occurring across Western Canada and is expected to collectively represent billions of dollars annually in investment over the coming years.

Eastern Canada

As spending in Western Canada gains traction, Eastern Canada is also experiencing a meaningful increase in capital deployment. Major projects include Volkswagen's **\$7 billion battery plant** in St. Thomas, Ontario; Ontario Power Generation's (OPG) **\$20.9 billion Darlington Small Nuclear Reactor program**; and Bruce Power's proposed **4,800 MW nuclear expansion**. Together, these developments reflect growing confidence in Canada's long-term industrial and power demand outlook.

Perhaps the most compelling long-term opportunity lies deep in Northern Ontario, a region that is accessible only by plane or ice road, depending on the time of year. Ontario's **Ring of Fire** region spans 5,000 km² of wilderness and is one of the world's largest undeveloped critical mineral districts. After decades of discussion, construction has begun on the road network needed to access the region. While the infrastructure itself represents a multi-billion-dollar investment, its greater significance is that it helps unlock an entirely new mining district that could attract tens of billions of dollars of future investment and establish Canada as a major supplier of critical minerals required for batteries, electrification, and advanced manufacturing.

Beyond the Ring of Fire, several large mining projects are already advancing. The recently approved **\$5 billion Crawford Nickel Project** near Timmins could become one of North America's largest producers of low-carbon nickel, while Ontario's **Marathon Copper-Palladium Project** is nearing a construction decision, and Quebec's **Matawinie Graphite Project** entered construction in 2026. Together, these projects highlight how mining and critical minerals are emerging as one of the most attractive investment themes in Eastern Canada.

Investing in our future

Canada's recent economic record highlights the importance of this investment cycle. According to the United Nations, Canada has fallen from one of the world's most competitive industrial economies at the turn of the century to 19th place in 2023.

Canada's efforts to accelerate project approvals and incentivize the construction of major projects are all steps in the right direction. The investments highlighted above suggest capital is beginning to flow again. Still, more needs to be done. Canada continues to face lengthy permitting timelines,

regulatory complexity, project uncertainty, and internal barriers that can make doing business between provinces unnecessarily difficult.

For decades, Canada's prosperity benefited from having the world's largest economy next door. That advantage remains, despite today's challenges with our neighbour, but geography alone is no longer enough. To flourish, Canada needs to become more resilient by improving productivity, strengthening its industrial base, and competing harder for global capital. Canada must become a more attractive place to build, manufacture, mine, process, and innovate. Doing so will help Canada increase its global competitiveness while making our trade less reliant on simple geography alone.

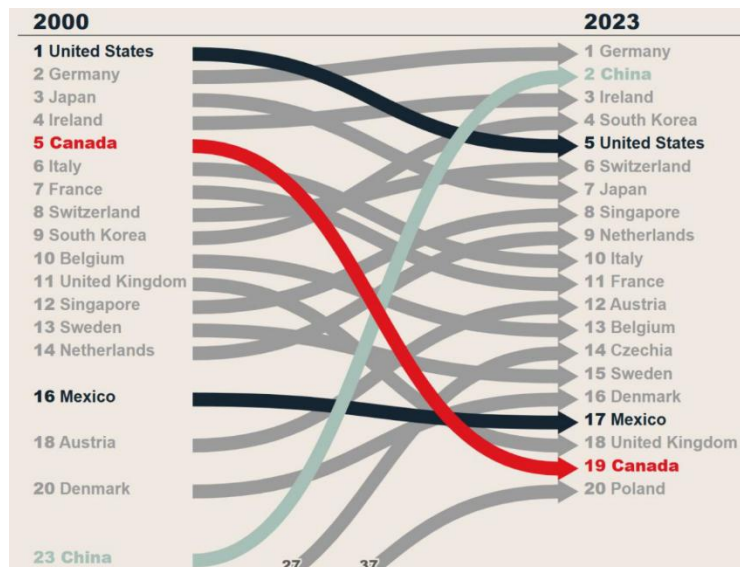
The shift to proactive investment could also be a tailwind for our capital markets. The world is in need of safe jurisdictions with abundant resources to drive this phase of technological growth. There are very few countries like Canada that can provide it. Should additional foreign capital flow into our country, investors could benefit.

Every challenge brings opportunities. Recent disputes with the U.S. have pushed Canada away from the path of least resistance – prosperity driven largely by north-south trade – and toward a much more global outlook. Put simply, while Canada has long benefited from investing alongside America, the next decade will require Canada to invest in itself.

Source: Canada.ca, FactSet, NBC Economics and Strategy

Canada: Time for Made-in-Canada solutions

Change in Competitive Industrial Performance (CIP) index rank: 2000 vs 2023



Source: NBC Economics and Strategy (data via [UNIDO Statistics Portal](#))

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