

# **AMBITION AND ACTION**

## AN URGENT PLAN FOR CANADA

# Introduction

**The ongoing threat of U.S. tariffs on Canadian exports is upending the fundamental assumptions Canada's economy has relied on for decades. These tariffs threaten our country's industrial competitiveness, economic stability and long-term growth prospects. While the United States will always remain Canada's largest economic partner, the nature of that partnership has changed, perhaps forever.**

Continued uncertainty around the details and timing of potential tariffs will dissuade people from investing money in Canada. Few businesses, foreign or domestic, will put their money in a country that remains so heavily dependent on preferential access to a single dominant and unpredictable customer. Businesses will suffer, jobs will decline and living standards for all Canadians will go down.

Now is the time for action. Canada must get its own house in order. For far too long, we have lacked ambition and a long-term vision for our prosperity, instead being content with our status as neighbours of the world's largest economy.

We can no longer afford that level of comfort and complacency.

The good news is Canadians are galvanized by the challenges before us. In the last few weeks our country has seen people coming together with a unity of purpose, recognizing the urgency to control our own destiny. This is not a time for short-term, band-aid solutions. We must seize this moment to make substantial and lasting change to the way we operate as a country.

To counteract the immediate economic risks and reposition Canada for future prosperity, this paper outlines a two-part plan focused on strategic industrial growth and energy and critical minerals.

It provides a high-level policy road map to strengthen Canadian industries, expand high-growth sectors and embrace Canada's energy advantage.

Many of the recommendations in this paper will take time to achieve. That's why we need to start right away. The sooner we make these improvements, the better able we will be to address future challenges.

# Strategic industrial growth plan

<b>OBJECTIVE</b>	<i>Strengthen domestic industries, accelerate investment, and enhance economic productivity and resilience</i>
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## Fast-track strategic infrastructure

Infrastructure investment is critical to economic resilience and long-term competitiveness. Canada must take immediate steps to prioritize and fast-track key projects in energy, transportation and digital infrastructure to ensure continued economic stability:

- **Immediate funding through internal reallocation** for essential infrastructure projects that support economic resilience, including energy, trade and Research and Development (R&D) infrastructure such as industrial labs.
- **Expedite project approvals**, harmonize regulations across levels of government and eliminate bureaucratic bottlenecks that delay strategic investments.

## Industrial R&D in high-growth industries

To build a more competitive and innovative economy, Canada must prioritize R&D and commercialization in high-growth industries where Canada has a competitive advantage. A new targeted industrial R&D public-private effort should be deployed in strategic sectors:

- **Advanced Manufacturing** – Invest in precision manufacturing, automation, and AI-driven production to enhance global competitiveness.
- **Ag-Tech** – Promote modernized food production and precision agriculture to increase efficiency and sustainability in farming.
- **Clean Tech** – Focus on next-generation energy solutions, including advancements in nuclear and carbon capture technologies.
- **Biotechnology** – Accelerate growth in synthetic biology and agricultural biotech to strengthen Canada’s position in global innovation.
- **Semiconductors and Advanced Materials** – Develop capabilities in microchip production and new material sciences to enhance industrial sovereignty.

## Strengthen the defence industrial base

Canada's defence industrial sector is crucial for national security and economic growth. Bolstering the defence industry not only enhances sovereignty but also supports domestic technological innovation. The federal government must take steps to:

- **Develop a national defence industrial base strategy** that enhances domestic production capabilities and strengthens international commitments.
- **Streamline defence procurement** to improve efficiency, support domestic suppliers, and drive technological innovation in defence-related industries.
- **Strengthen defence-related R&D** to support aerospace, cybersecurity, and advanced weaponry sectors, ensuring that Canada remains competitive globally.

## Canada-first procurement policy

To reduce reliance on U.S. supply chains and boost local economic activity, Canada must implement a Canada-first procurement policy which should:

- **Prioritize domestic manufacturing and suppliers** in public contracts to strengthen local industries.
- **Expand federal and provincial/territorial procurement programs** to ensure Canadian companies receive preference in government projects.

## Accelerate business investment

To stimulate immediate business investment, Canada should:

- **Implement a five-year 100 per cent capital cost allowance** for businesses making strategic investments in domestic production.
- **Partner with the private sector** to ensure talent development in AI, advanced manufacturing and other high-growth fields, thereby strengthening Canada's industrial competitiveness

## Eliminate interprovincial barriers to trade and labour mobility

The Canadian economy has been constrained by internal barriers to trade and labour mobility, which essentially act as domestic tariffs. The negative impact that these barriers have on our economic competitiveness, productivity and growth are as great if not greater than the impact of the threatened tariffs on Canadian exports to the U.S. They must be eliminated, completely and immediately.

# Energy and critical minerals strategy

<b>OBJECTIVE</b>	<i>Expand energy production, secure new markets, and enhance national energy independence.</i>
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## Accelerate development and secure the full value of Canadian energy and natural resources

Canada's energy sector must expand rapidly to secure long-term energy independence and new markets. The federal government should:

- **Expedite approvals** for energy and critical mineral projects.
- **Expand domestic refining and processing** of critical minerals essential for advanced materials, batteries, military and clean energy technologies.
- **Streamline project approval and permitting processes** for major projects by advancing the principle of “one project, one assessment, one decision.”
- **Ensure efficient and predictable operations** of Canada's port and railroad systems.

## Expand energy export corridors

To expand the capacity to export energy and critical mineral resources, Canada should:

- **Develop new export opportunities** to support the long-term energy security goals of our allies and trading partners.
- **Prioritize new pipeline development, LNG terminals, and port capacity** to facilitate competitive energy exports.
- **Partner with provincial/ territorial governments and Indigenous communities** to ensure jurisdictional harmony, public support and shared benefits through additional export opportunities.

## Invest in nuclear technology

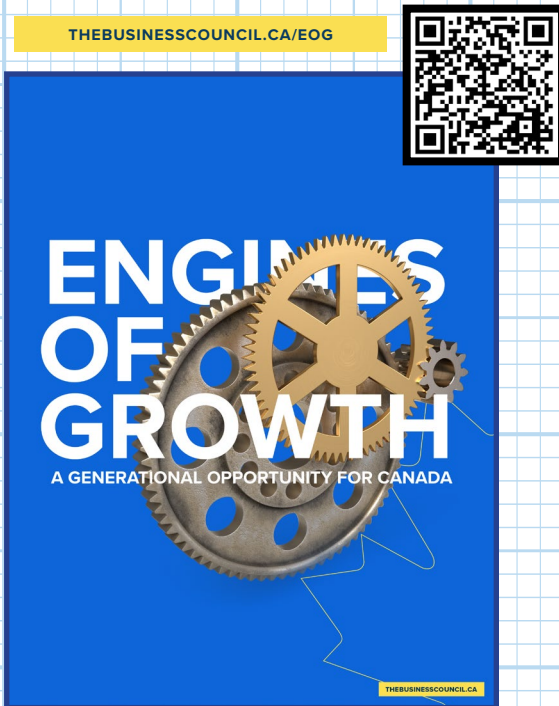
- **Expand partnerships with private sector firms** to drive innovation and create high-value jobs in the nuclear sector.
- **Accelerate commercial-scale deployment** of proven and innovative nuclear technologies including both large and small modular reactors to establish Canada as a global leader in next-generation nuclear energy.
- **Ensure a robust and responsive nuclear regulatory system** that supports the development and application of new technologies while maintaining public confidence.
- **Develop export markets** for Canadian uranium, nuclear fuel, equipment, technology and services

# Conclusion

The potential imposition of U.S. tariffs on key Canadian exports poses a significant economic challenge, but it also presents an opportunity to strengthen Canada’s industrial base and enhance energy security for generations to come.

By swiftly implementing the strategic industrial growth plan and energy and critical minerals strategy, Canada can mitigate the immediate economic risks while positioning itself for sustained long-term prosperity.

## Further Reading



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