

Canada

1. Industrial Strategy (Including Objectives/Goals)

Canada's industrial strategy gravitates around several documents and initiatives. Although not strictly a strategic governmental plan,¹ a report from Canada's Industry Strategy Council emphasises the importance of pursuing an industrial strategy centred around several main goals.² Those goals are heavily influenced by Canada's experience during the pandemic, and seek to boost employment and provide income and business assistance,³ to address financing opportunities for development, and to improve physical and technological infrastructure.⁴ The report also encourages the pursuit of an industrial strategy structured around four pillars:

- Turning Canada into a digital and data-driven economy;
- Becoming a world leader in environmental, social, and governance aspects surrounding resources, clean energy, and clean technology;
- Building innovative and high-value manufacturing;
- Leveraging the country's agri-food advantage.⁵

Canada has also adopted specific strategies targeting isolated sectors or layers of the economy. For instance, it has adopted a Critical Minerals Strategy.⁶ The country seeks to leverage its comprehensive presence in the critical minerals supply chain, which spans from mining to manufacturing and recycling.⁷ Emphasising both the importance of critical minerals to economic development (for instance, in sectors such as transportation or electronics) and the existing risks to the environment, Canada seeks to pursue a strategy that allows it to engage sustainably within the critical minerals supply chain.⁸ Equally, the Government emphasises the importance of including Indigenous people in the decision-making process.⁹ In this regard, the Critical Minerals Strategy pursues five main goals:

- Supporting economic growth, competitiveness, and job creation;
- Promoting climate action and environmental protection;
- Advancing reconciliation with Indigenous peoples;
- Fostering diverse and inclusive workforces and communities;

¹ Government of Canada, Industry Strategy Council <<https://ised-isde.canada.ca/site/innovation-better-canada/en/industry-strategy-council>> accessed 10 June 2025.

² Canada's Industry Strategy Council, 'Restart, Recover and Reimagine Prosperity for All Canadians' (2020) <https://ised-isde.canada.ca/site/innovation-better-canada/sites/default/files/attachments/00118a_en.pdf> accessed 10 June 2025.

³ Idem, 9.

⁴ Ibid.

⁵ Idem, 10.

⁶ The Canadian Critical Minerals Strategy (2022) <<https://www.canada.ca/content/dam/nrcan-rncan/site/critical-minerals/Critical-minerals-strategyDec09.pdf>> accessed 10 June 2025.

⁷ Idem, 5.

⁸ Ibid.

⁹ Ibid.

- Enhancing global security and partnerships with allies.¹⁰

2. *Digital (Development) Strategy*

Several policy initiatives underpin Canada's digital development strategy. Most importantly, the country's Digital Charter seeks to promote the creation of ecosystems that achieve competitive advantages in the transition towards Industry 4.0 structural features.¹¹ The Digital Charter, seeking to achieve synergies through skills upgrading, promoting innovation, and fostering privacy and trust,¹² is based on several principles:

- Universal access;
- Safety and security;
- Control and consent;
- Transparency, portability, and interoperability;
- Open and modern digital government;
- A level playing field;
- 'Data and digital for good';
- Strong democracy;
- 'Free from hate and violent extremism';
- Strong enforcement and 'real' accountability.¹³

Canada has also adopted an Artificial Intelligence (AI) Strategy.¹⁴ Besides leveraging AI technologies and solutions throughout the economy, one goal of the strategy is to prioritise widespread commercialisation of AI(-based) goods and services.¹⁵ Thus, the strategy is based on the following pillars:¹⁶

- Commercialisation (seeking, through National AI institutes and Global Innovation Clusters to streamline the process of commercial application pursuant to breakthroughs in research and development);

¹⁰ Idem, 6.

¹¹ Innovation, Science and Economic Development Canada, 'Canada's Digital Charter in Action: A Plan by Canadians, for Canadians' (2019) <https://ised-isde.canada.ca/site/innovation-better-canada/sites/default/files/attachments/Digitalcharter_Report_EN.pdf> accessed 10 June 2025, 2.

¹² Idem, 5-9.

¹³ Idem, 15.

¹⁴ Government of Canada, 'Pan-Canadian Artificial Intelligence Strategy' <<https://ised-isde.canada.ca/site/ai-strategy/en>> accessed 10 June 2025.

¹⁵ Ibid.

¹⁶ Ibid.

- Standards-based development (Canada seeks to ensure that the risks of unencumbered AI development is addressed through the implementation of standards, leveraging the expertise of the Standards Council of Canada;¹⁷
- Development of talent and incentivising research (for instance, the Government is funding R&D, establishing a budget expenditure until close to the end of the decade end that goes beyond \$200 million.

Similarly, Canada has adopted a National Quantum Strategy and a National Cybersecurity Strategy.¹⁸ The former seeks to leverage Canada's already-leading position regarding quantum technologies and seeks to drive, among others, commercialisation. The latter seeks to incentivise the creation of a country-wide awareness regarding the importance of cyber security, emphasising the importance of constant stakeholder engagement in this process.

3. Main Constitutional Provisions

While Canada's Constitutional Acts do not explicitly contain provisions that directly influence the development of industrial strategy, one provision explicitly enshrines the Parliament's, legislatures', and government's commitment to addressing regional disparities.¹⁹

4. Main Regulatory Provisions and Policy Developments

Certain legislative and regulatory acts have a considerable impact on industrial policy aspects surrounding digital development. These include the:

- Personal Information Protection and Electronic Documents Act;²⁰
- Investment Canada Act (establishing provisions for screening inbound foreign investment, including in the tech sector);²¹
- Personal Information Protection and Electronic Documents Act;²²

¹⁷ Standards Council of Canada <<https://scc-ccn.ca/>> accessed 10 June 2025.

¹⁸ Government of Canada, 'National Quantum Strategy' (2022) <<https://ised-isde.canada.ca/site/national-quantum-strategy/sites/default/files/attachments/2022/NQS-SQN-eng.pdf>> accessed 10 June 2025; Government of Canada, 'Canada's National Cyber Security Strategy. Securing Canada's Digital Future' (2025) <<https://www.securitepublique.gc.ca/cnt/rsrscs/pblctns/ntnl-cbr-scrtr-strtg-2025/ntnl-cbr-scrtr-strtg-2025-en.pdf>> accessed 10 June 2025.

¹⁹ The Constitution Acts 1867 to 1982, Part III. Equalization and Regional Disparities. On how industrial policy, owing especially to its cross-cutting and often horizontal nature, interacts, influences, and is influenced by, regional policy, see Sandrine Labory & Patrizio Bianchi, 'Regional Industrial Policy in Times of Big Disruption: Building Dynamic Capabilities in Regions' (2021) 55(10-11) *Regional Studies* 1829.

²⁰ Personal Information Protection and Electronic Documents Act (S.C. 2000, c. 5).

²¹ Investment Canada Act (R.S.C., 1985, c. 28 (1st Supp.)).

²² Personal Information Protection and Electronic Documents Act (S.C. 2000, c. 5).

- Digital Services Tax Act.²³

5. *(Regional) Economic Treaties to which Canada is a Signatory*

Canada is a signatory to multiple economic treaties. Some of the most relevant ones are the:

- Canada-United States-Mexico Agreement (signed 10 December 2019, in force since 1 July 2020);
- Canada-European Union (and its Member States) Comprehensive Economic and Trade Agreement (signed 30 October 2016, provisionally applied since 21 September 2017);
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (8 March 2018, in force since 30 December 2018).

6. *Plurilaterals*

Canada is participating in multiple plurilateral initiatives and agreements. Some of the most relevant ones are:

- Government Procurement Agreement;²⁴
- Investment Facilitation for Development Agreement;²⁵
- Information Technology Agreement.²⁶

7. *Proceedings Initiated Against Canada, or by It, Before International Fora for the Adoption/Implementation of Industrial Policy Measures (e.g., Before WTO Panels, the WTO's AB)*

Although most proceedings initiated before the World Trade Organization's dispute settlement mechanism concerning Canada are not directly related to industrial policy considerations that have an impact on digital or sustainable development, a few of them are indirectly relevant:

- United States – Additional Duties on Imports of Automobiles and Automobile Parts from Canada (indirectly relevant considering the importance of the auto industry for digital development, at least regarding the advances in automotive technology), where Canada

²³ Digital Services Tax Act (S.C. 2024, c. 15, s. 96).

²⁴ Revised Agreement on Government Procurement, Mar. 30, 2012, Marrakesh Agreement Establishing the World Trade Organization, Annex 4(b), 1915 U.N.T.S. 103.

²⁵ Investment Facilitation for Development Agreement (signed 13 February 2024, not yet in force) <<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/INF/IFD/W55.pdf&Open=True>> accessed 10 June 2025.

²⁶ WTO, 'Information Technology Agreement – An Explanation' <https://www.wto.org/english/tratop_e/inftec_e/itaintro_e.htm> accessed 9 June 2025.

initiated proceedings pursuant to the imposition by the United States of 25% tariffs on automobiles and automobile parts;²⁷

- Canada – Certain Measures Affecting the Renewable Energy Generation Sector (Japan initiated the proceedings against Canada for the latter’s domestic content requirements that it applied to its feed-in tariff program). The Panel found that Canada had violated several provisions of the Trade-Related Investment Measures Agreement and of the General Agreement on Tariffs and Trade.²⁸ The Appellate Body mostly upheld the Panel’s findings.²⁹

Equally, investment disputes initiated against Canada can have an (indirect) impact on the country’s adoption of industrial policies for digital development and sustainable development. For instance:

- *Einarsson v. Canada* has been initiated pursuant to Canada’s unilateral disclosure of the claimant’s proprietary marine seismic data, which was either created or acquired by the claimants’ company, GSI.³⁰ Considering the importance of data for digital development, the reasoning in this case might have a major impact on how investment arbitral tribunals assess government measures that target the data of businesses;
- *Global Telecom Holding v. Canada*.³¹ Despite being decided in favour of the state, the case turned on Canada’s alleged failure to create a fair, competitive and favourable (regulatory) environment for investors active in the telecommunications sector. Although this represents one of the most controversial aspects in international investment law,³² the potential duty of a government to create a stable regulatory framework for the business environment arguably represents a major catalyst to industrial development.

Alexandros Bakos (last updated 10 June 2025)

²⁷ United States – Additional Duties on Imports of Automobiles and Automobile Parts from Canada (WT/DS637/2).

²⁸ Canada – Certain Measures Affecting the Renewable Energy Generation Sector; Canada – Measures Related to the Feed-In Tariff Program, Reports of the Panels (19 December 2012) (WT/DS412/R and WT/DS426/R).

²⁹ Canada – Certain Measures Affecting the Renewable Energy Generation Sector; Canada – Measures Related to the Feed-In Tariff Program, Reports of the Appellate Body (6 May 2013) (WT/DS412/R and WT/DS426/R).

³⁰ *Harold Paul Einarsson, Russell John Einarsson and Theodore David Einarsson v. Canada*, ICSID Case No. UNCT/20/6.

³¹ *Global Telecom Holding S.A.E. v. Canada*, ICSID Case No. ARB/16/16, Award of the Tribunal (27 March 2020).

³² For instance, see Chen Yu, ‘Disentangling Legal Stability from Legitimate Expectations: Towards Greater Deference to Regulatory Changes in Renewable Energy Transition Policies in Investment Arbitration’ (2025) 24(1) *World Trade Review* 101.