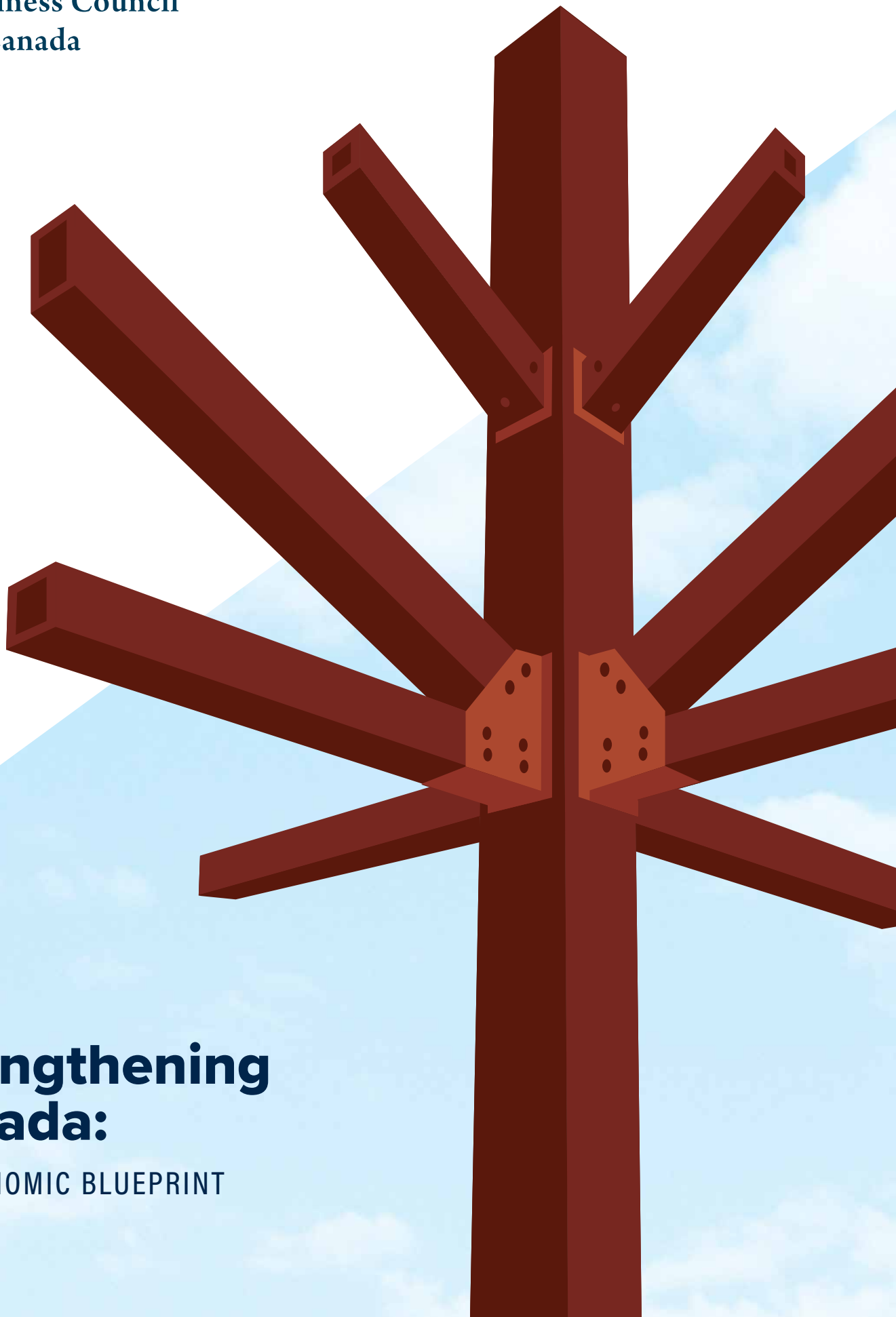




Business Council  
of Canada



# Strengthening Canada:

AN ECONOMIC BLUEPRINT



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# Purpose

The Business Council of Canada held wide-ranging consultations with members and stakeholders to help shape how we, as business leaders, can help strengthen the country's economy and institutions in an ever-more uncertain and dangerous world.

This was not a conventional policy exercise built around a long list of policy recommendations and reform proposals. Instead, we asked larger questions centered around business advocacy and engagement with government.

Governments are taking a bigger hand in shaping economic outcomes. Sovereignty, resilience and economic security are becoming more important policy priorities.

How should Canadian business think about and respond to this emerging policy landscape?

The project was led by three co-chairs: Kathleen (Katie) Taylor, former Chair, RBC; Jean-François Perrault, Senior Vice President and Chief Economist, Scotiabank; and Goldy Hyder, President and CEO, Business Council of Canada.

The consultations consisted of two stages. The first was a survey of more than 100 of our members, representing more than 60 per cent of the BCC's membership, along with about two dozen leaders from the broader business and policy community.

The second was a series of five detailed roundtables over the summer in Calgary, Toronto, Ottawa, Montreal and St. John's, in which dozens of stakeholders and more than 40 BCC members participated.

We found quite a bit of consensus on some core objectives. In particular, business leaders are united around the belief that the country must pursue an investment-led growth strategy that expands our economic capacity. We also found them deeply worried about Canada's ability to see through and implement such an agenda.

There have been important policy developments since the consultations were completed that seek to address these concerns around implementation and execution. Recently introduced Bill C-39 aims to overhaul the federal project approval and federal labour relations framework, which represents an important and consequential reform. That bill, combined with the Productivity Mega Deduction, represents a potential game changer when it comes to the business investment environment for large projects. These are important steps in response to some of the issues raised by members in our consultations.

This report should therefore be seen as a continuation of that recent progress.

# The Argument in Brief

There's a broad consensus among business leaders that Canada needs to reduce economic vulnerabilities, build greater productive capacity and strengthen our capacity to make choices in an increasingly uncertain and precarious world. In other words, Canada's business community wants the country to be more self-reliant and resilient.

**The good news is that, to achieve these objectives, much of the traditional business advocacy agenda remains relevant.**

Canada still needs a competitive tax system, predictable regulation, open markets, sound public finances and a policy environment that attracts private investment. If anything, a world of more geopolitical rivalry and competition for capital just makes those fundamentals more important, not less.

**But this new environment also requires greater pragmatism.**

Governments are playing a bigger role, necessarily, in strategic industries, defence, infrastructure, and economic security. The challenge is to distinguish where public action can genuinely help build economic capacity and help unlock private investment. We should insist that public action remains targeted, transparent and disciplined.

**Consultations also point to another big question: delivery.**

The challenge in Canada is increasingly one of implementation.

We need to ask whether the country has the capacity to deliver on our ambitions, and whether business can help solve the practical problems that stand in our way.

Resilience requires both government capacity—the ability to approve, procure, coordinate and deliver—and economic capacity—the workers, infrastructure, supply chains and capital needed to respond.

## The key message of this report:



We need to maintain the fundamentals for competitiveness and uphold the conditions that facilitate private investment. We need to be pragmatic about a targeted and strategic role for government in building productive capacity. The business community needs to be more active in helping solve execution problems.

# World of Uncertainty

## Uncertainty is the defining feature of our time.

The world is lurching from one crisis to another, upending long-held assumptions about how economies are managed and what governments should prioritize.

Lawmakers are responding with policies that place a premium on stability, and are seeking to reduce vulnerabilities by building new economic, political, defence and institutional capacities.

This is an era of sovereignty-based policymaking, and governments are asking a different set of questions.

- Do we have the capabilities to navigate a more unstable world?
- Do we have secure supply chains and resilient infrastructure?
- Do we have reliable access to critical resources and energy?
- Can we defend ourselves?
- Can we leverage our comparative strengths at a time of intensifying geopolitical rivalry?
- Do we have the institutions, technologies and productive capacity needed to withstand future shocks?

To be sure, sovereignty is a catchall that can mean many things, just like the sustainability framework before it. But at its heart it's about a country's ability to govern itself independently, without being constrained by other countries or easily destabilized by external shocks.

## Canada's Ongoing Structural Challenges

*2026 and Beyond*

### ■ Tariff and trade disruptions

Ongoing; sectoral impacts on autos, and steel remain unresolved

### ■ CUSMA review and renewal

Outcome uncertain; structural exposure to U.S. trade policy unresolved

### ■ Export infrastructure deficit

Inadequate pipeline capacity to tidewater, port constraints and rail bottlenecks limiting Canada's access to global markets

### ■ Interprovincial trade barriers

Self-imposed fragmentation of Canada's internal market; estimated cost to the economy of up to \$200 billion over time

### ■ Defence industrial base

Scaling challenge; labour, supply-chain and capital constraints binding simultaneously

### ■ Critical minerals

Competitive pressure from U.S., EU and Chinese industrial strategies; Canada's response still developing

### ■ Workforce and skills gaps

Trades labour shortfall threatening infrastructure, defence, energy and manufacturing ambitions simultaneously

### ■ Capital formation

Deep pools exist, but the architecture for deploying institutional capital into long-horizon domestic projects remains incomplete

### ■ AI and digital sovereignty

Compute infrastructure, data governance and dependence on U.S. platforms

### ■ State capacity deficit

Execution gap between policy ambition and institutional delivery capacity

## Canada's Ongoing Structural Challenges

*2026 and Beyond can't*

### ■ Major project delivery

A track record of delays, cost overruns and regulatory gridlock; the new fast-track framework has yet to prove it can close the gap between approval and execution at speed

### ■ Productivity stagnation

Sluggish GDP per capita and a decade of private investment underperformance

### ■ Fiscal sustainability

Rising debt-to-GDP ratio constraining government's ability to fund the capacity-building agenda it has committed to

### ■ National unity strains

Western alienation, Quebec relations and Indigenous reconciliation

This trend toward sovereignty has been in place for almost two decades (since the global financial crisis) but has been accelerating rapidly in recent years, driven by the COVID-19 pandemic, the war in Ukraine, inflation, the rise of populism and global economic fragmentation.

### **It's an unsettling environment, even as it creates new opportunities for Canadian businesses.**

Canada is deeply invested in the success of a stable global system.

Over the past 30 years, about one-third of everything we've produced has been exported. And it's not just trade, but our capital and wealth too. Canada is one of the world's largest creditor nations, with Canadians owning more than \$12 trillion of assets outside the country.

The return of industrial policy, meanwhile, is fraught with risk. Even if done well, allocating resources toward strategic industries can come at the expense of higher prices, rising debts and lower efficiency.

The full weight of all these structural changes will be enormous for Canadian business, including changing the way the private sector interacts with government.

Policymakers around the world are trying to persuade and incentivize their firms to do more in pursuit of priorities considered to be in the national interest. Meanwhile, protectionism threatens to change the DNA of global competition. In the global marketplace, productivity and innovation may no longer be enough to be successful.

The new landscape poses some fundamental questions for business advocacy.

- Does our traditional focus on growth and efficiency still reflect the world we are operating in?
- How do we reconcile market-oriented instincts and fiscal discipline with a renewed emphasis on industrial strategy and economic statecraft?
- What kind of policy environment will enable Canadian businesses to compete and thrive in a more fragmented and unpredictable global economy?

Those questions were at the heart of the Business Council of Canada's *Strengthening Canada* project, which canvassed Council members on economic sovereignty and resilience, industrial policy, trade

diversification, government capacity, Canada's relationship with the United States and the role business should play in shaping the emerging agenda.

## There were a number of issues raised, but two broad conclusions are worth highlighting.

### First,



we found business leaders strongly in favour of the idea of focusing more on sovereignty and resilience. Members overwhelmingly feel that Canada needs to reduce vulnerabilities in the economy, build greater economic capacity through more investment and deepen its relationships beyond the United States.

### Second,



members are equally clear that Canada today may not have the capacity to deliver on those ambitions. Our country has a lot of impediments in its way, including a federation that doesn't always act in the best interests of the whole country, a bureaucracy that is not designed for speed, and rules and laws that slow down growth at a time when we need to move faster and be nimbler.

# What We Heard

## ■ Sovereignty

Our consultations found the Canadian business community quite pragmatic about the new economic and policy reality.

Nine in ten members surveyed believe economic sovereignty and resilience should become higher priorities for Canada. Almost four in five believe Canada is at least somewhat too dependent on the U.S. economy, while 85 per cent support placing greater priority on deepening Canada's economic relationships beyond the United States. (Though there is little appetite for weakening the existing U.S. relationship outright.)

Four in five respondents agree with the overall direction of Canada's current economic agenda and its emphasis on strengthening resilience and building strategic capacity. Notably, these views—on U.S. dependence, sovereignty and diversification—are broadly consistent across sectors.

There are differences of opinion in the business community about what economic sovereignty should mean in practice. Some members see a greater role for the government. Others believe the best way to reinforce economic sovereignty is through market-based policies that enhance competitiveness. Get government out of the way, in other words.

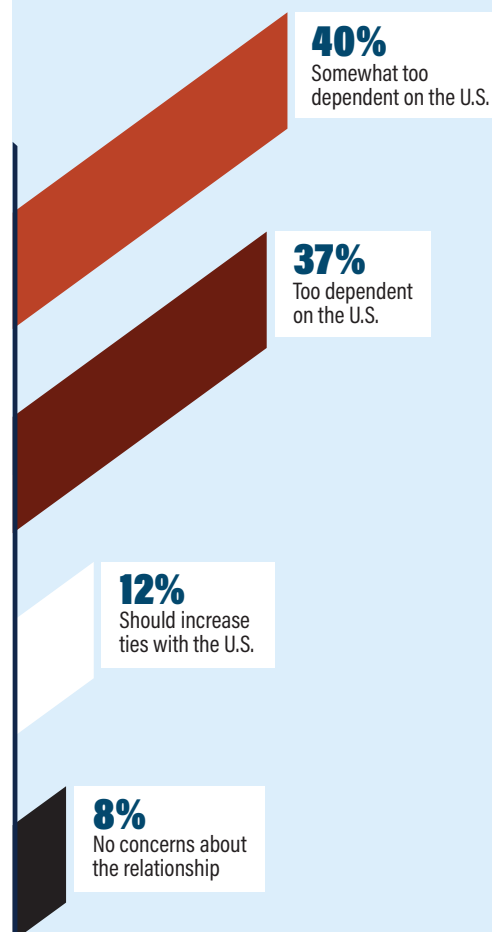
But beneath those differences is a common concern that without some type of action, Canada risks losing agency over its own economic destiny in a world where many of the forces shaping it are increasingly out of its control.

The numbers are clear. Business leaders want policy that will address economic vulnerabilities and build Canadian resilience to future shocks. Everyone wants Canada to have a greater ability to make its own choices.

### BOX A

#### *Diversification Without Decoupling*

## What is your assessment of Canada's economic relationship with the United States?



## ■ Execution

If a desire for greater sovereignty and resilience have raised Canada's economic ambitions, our consultations found that the central obstacle to achieving those goals is capacity to execute. Do we have the government capacity, institutional capacity and economic capacity to get the job done?

For example, 96 per cent of respondents in our survey rated Canada's ability to deliver on its economic agenda as either weak or uneven. Only one respondent felt the government currently has the capacity to deliver on that agenda. Skepticism about execution was remarkably consistent across sectors and regions.

## Why it matters for business?

### State capacity is an economic asset



#### Investment outcomes

Permitting systems and project execution determine whether private capital gets deployed—or goes elsewhere.



#### Labour outcomes

Getting immigration and skills policy right is critical to building the workforce that economic capacity requires.



#### Market access

Trade diversification, supply-chain security, and commercial diplomacy depend on a state that can build, negotiate, and respond quickly to global events.



#### Global competitiveness

Canadian firms compete not just against other companies, but against other states. Industrial strategies and national champions abroad change the playing field.



#### Fiscal sustainability

A government that cannot manage its balance sheet, control waste, or deliver value for money will lose its ability to be sovereign over its own economy.



#### Social & political legitimacy

State capacity includes the ability to maintain cohesion in a polarized environment. Business depends on stable institutions and public trust.

A few comments capture the sentiment:

*“The machinery of government is not aligned, nor is it appropriately resourced to match political ambition and geopolitical imperative.”*

*“The federal government’s capital-first strategy is the right approach; however, Canada’s institutional machinery is not yet designed for execution.”*

*“Canada has the base ingredients to be an economic superpower. The question is whether it can create a coherent, executable plan and sustain it beyond political cycles.”*

**Let’s be more specific about what our members mean when they talk about execution.**

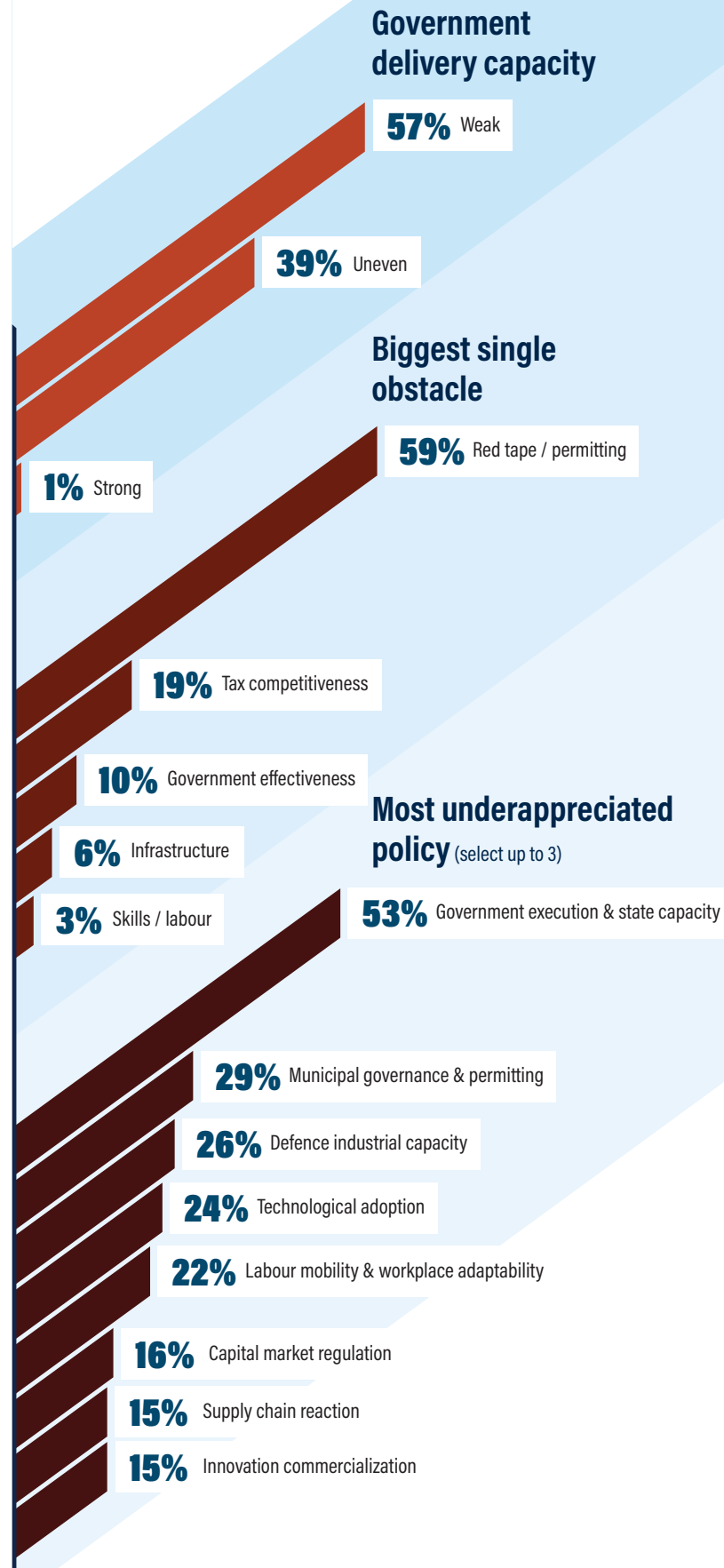
They mean permitting and the inability to get things approved and built in a reasonable timeframe. Nearly six in ten of our members named red tape and regulatory complexity as the single biggest obstacle to Canada’s economic success. That’s well ahead of tax competitiveness at 19 per cent.

They mean coordination. Many of the barriers to investment lie outside federal jurisdiction. Provincial, territorial and municipal governments control key approvals, while overlapping regulatory processes can create delays that no single government can fix. Business leaders worry that local and provincial and territorial interests too often trump national priorities.

They mean culture and governance. Governments are hampered by excessive proceduralism, unclear accountability, and incentives that often reward avoiding mistakes rather than making tough decisions or having public sector officials take calculated risks.

They mean the internal market. Canada is less economically integrated than the 27 countries of the European Union. The barriers to trade within Canada are long-documented: professional credentials, product standards, trucking regulations, etc.

These constraints to state capacity are important because business leaders increasingly see government effectiveness as a critical economic issue.



As governments take on more responsibility for infrastructure, defence, industrial policy and strategic investment, their effectiveness increasingly influences investment decisions and national competitiveness. Delays in approval, slow and risk-averse procurement or bad coordination can be barriers to productive assets being built.

Business leaders and stakeholders in our consultations argued that big government initiatives should be tested for implementation feasibility earlier; that government officials responsible for delivery need more authority and resources; and that governments need to become more comfortable managing risk rather than trying to eliminate it.

This is why recently introduced reforms, via Bill C-39, are extremely welcome. They are an attempt to directly address these concerns.

### **But execution is not just a government issue.**

The consultations repeatedly identified four economic constraints that could become equally binding: labour and skills, supply chains, infrastructure, and capital. Canada could dramatically improve its regulatory system and still not deliver on its agenda if the workers and other inputs required to build projects are unavailable.

Labour availability was the most cited concern. It was raised in every roundtable.

As one participant said:

***“When the private sector starts to spend alongside defence and data centers, demand for labour will become Canada’s Achilles’ heel.”***

## **In other words, building resilience ultimately depends on two kinds of capacity:**



**Government capacity** — institutions that can coordinate, permit, procure, decide and deliver priorities.

**Economic capacity** — the workers, skills, supply chains, infrastructure and capital needed to respond when those decisions create new demand.

Neither is enough without the other.

**At its heart, the sovereignty agenda is an agenda for capacity-building.**

## Industrial Policy

How, then, should Canada build the capacity needed to strengthen its sovereignty and resilience? What do our members think about the proper role of government?

**Overall, business leaders hold pragmatic views on government involvement and intervention.**

Seven of ten respondents think the government has an important role to play in developing strategic sectors. But that support is conditional.

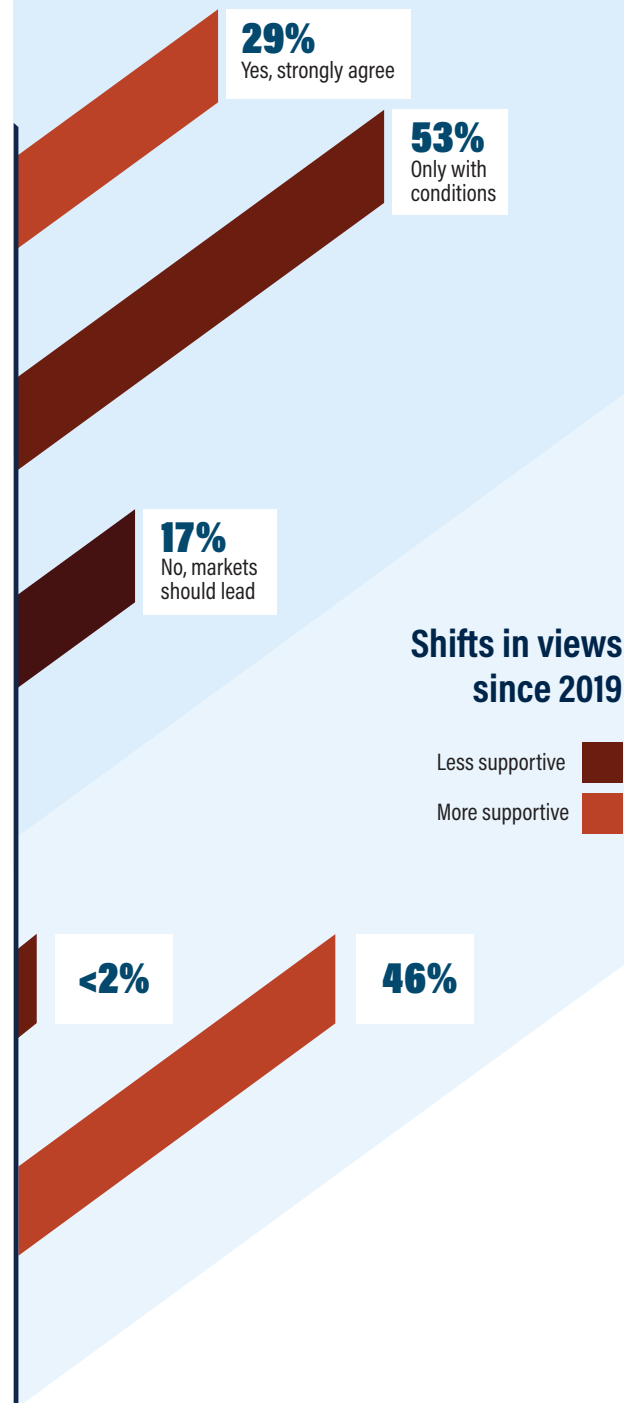
Three-quarters of respondents believe that if industrial policy is used it should be targeted, disciplined and limited. Just one in ten supports a big expansion of the role of government in the economy.

At the same time, attitudes are changing. Almost half of respondents say they are more supportive of government intervention than they were in 2019.

Overall, business leaders still believe markets should do most of the work, but there are situations where government may have to take a more active role.

The most obvious example is defence. Canada is increasing investments in a defence industrial strategy that is creating opportunities for sectors such as aerospace, shipbuilding, electronics and advanced manufacturing. That capacity will take some time to develop, and will require government support as well as significant private sector investment.

## Should the government play a more interventionist role in strategic sectors?



# From Consultations to Blueprint

One of the most important findings from the consultations is how business leaders see their role in shaping the emerging agenda and interacting with government.

Business leaders expect to play a bigger role in building Canada's economic capacity. Nearly all respondents said the private sector should be involved in helping shape the country's response.

In part, this includes ensuring our policy advocacy is fit for purpose.

- How should we think about industrial policy, public investment, and the role of government in strategically important industries?
- What role should government effectiveness and institutional capacity play in our conception of competitiveness?
- How should we think about fiscal policy in a world where governments are doing more?
- And how do we preserve market discipline while responding to a more interventionist global economy?

But it's more than just policy advocacy. Increasingly, businesses are looking to contribute directly to solving some of the big policy challenges.

The private sector has capabilities governments often do not. Companies know how projects are financed, how supply chains work, where permitting systems fail and where regulations have unintended consequences. Businesses also have established good working relationships with Indigenous communities. The question is whether that expertise can be organized in a way that helps drive implementation.

- Can we do a better job of developing solutions ready for implementation?
- Can we share technical expertise, data and operating know-how?
- Can we create coalitions across industries, jurisdictions and institutions that solve practical problems and lower barriers to investment?

## As Canadian governments pursue more sovereignty-driven policies, what role should business play?

**74%**  
Business should **actively help shape** the agenda

**25%**  
Business should **engage selectively** where it has expertise

**1%**  
Business should **avoid close involvement**

*Virtually every respondent believes business should play an active role—99% say some form of engagement is necessary. The question is no longer whether business should be involved, but how.*

One consultation participant put the opportunity this way:

***"The government cannot do the heavy lifting. It needs the private sector to do that. Find a real world problem. Make a special solution. Build support in industry. Work with key stakeholders so that by the time a proposal comes to government much of the work of implementation is done."***

# The Blueprint

The consultations suggest some broad answers to the questions we posed in the beginning.

First, the traditional business agenda remains critical; Competitiveness, private investment, open markets, predictable regulation and sound public finances matter still. If anything, they matter more in a world in which capital is mobile and countries are fighting aggressively for investment.

But the policy terrain is shifting. Governments are more active and business has to be pragmatic about that change – backing public action where it can actually build capacity or release private investment – but continuing to demand discipline, transparency and market principles.

The consultations also suggest that businesses need to consider a broader scope of interaction with government. If execution has become the more pressing constraint, business leaders may be able to provide information, expertise and coordination and, generally, assist in building the capacity needed to translate policy ambition into action.

Which brings us to a more practical question: what should business do differently?

- We offer up a blueprint built around three broad imperatives for advocacy and action: mobilizing capital, building economic capacity and improving execution.

## I. MOBILIZE CAPITAL AND INVESTMENT

**Canada can't strengthen its sovereignty without building more productive capacity. That starts with capital.**

### 1. Put investment at the heart of the economic agenda

An agenda based on economic sovereignty puts investment front and centre.

The business community has long argued that Canada needs more investment to increase productivity and living standards. That imperative is only enhanced by the sovereignty agenda.

From a policy perspective, that means sticking to the fundamentals. Rules and regulations should be simple and predictable. Fiscal policy needs to be prudent and credible. The tax system needs to be competitive. We should make Canada as open as we can to trade and investment.

At its root, the sovereignty agenda is about how to mobilize private investment and create the conditions for that capital to be deployed successfully.

**And as our members keep on reminding us, capital is mobile.**

To achieve our objectives, then, Canada must be among the most attractive places in the world to invest.

**This means, among other things, benchmarking the tax and regulatory treatment of investment against the United States, reducing unnecessary costs on capital formation, providing greater policy certainty and ensuring that projects can be completed within commercially viable timelines.**

### 2. Be pragmatic but disciplined on industrial policy

An agenda that puts investment front and centre also may mean, at times, governments taking on risks the market can't reasonably carry alone. This can include de-risking projects, acting as a buyer of first resort, or using procurement to create enough certainty for private capital to move.

**A more active state is part of the new landscape, whether we like it or not.**

Canadian companies today are competing not only against foreign companies, but against companies that are supported, directly or indirectly, by foreign governments. So there are times when intervention is appropriate: to build strategic capacity quickly, to counter foreign subsidies, to reduce risks that private investors can't reasonably take, or to use procurement to build domestic capacity.

### **But intervention needs to be disciplined.**

Markets should still do most of the heavy lifting of capital allocation. Where governments do intervene, the objective should be clear, the intervention focused and the costs transparent.

Business leaders are prepared to support strategically important interventions or those that will attract substantial new private investment. But we must demand discipline too.

### **3. Put public balance sheets to work credibly**

As points 1 and 2 illustrate, government balance sheets should be used where they can expand the economy's productive capacity and unlock additional private investment.

But greater public investment does not remove the need for fiscal discipline. If anything, it makes choices about spending more important. Fiscal capacity is an integral part of state capacity.

That means distinguishing between spending that supports current consumption and investment that leaves Canada with a productive asset or capability.

Wherever possible, governments should favour investments with a credible economic rationale and a path to commercial viability. Public capital should crowd private investment in, not crowd it out.

**The sovereignty agenda requires government spending on productive capacity. But it should not become an argument for spending without discipline.**

## **II. BUILD ECONOMIC CAPACITY**

**To ensure capital flows translate into actual productive capacity, Canada will need the people, supply chains and infrastructure, global market access and domestic economic integration to make it happen.**

### **4. Workforce capacity is economic infrastructure**

Canada could have a better tax system, faster permitting and billions of dollars of investment and still miss out if there aren't the workers to build the projects.

### **Which is why workforce planning must be central to the agenda.**

At a time when immigration flows have slowed, our country needs to make better use of the workers already here—through training, apprenticeships, labour mobility, credential recognition, reskilling and greater use of technology. Where shortages remain, economic immigration should be more closely tied to actual labour-market needs.

There is a role for business here. Employers generally know where the pressure points are likely to be. They can see what investments are coming and what kinds of workers will be needed and where shortages will be likely to occur.

### **Here is an area where the BCC is planning some action.**

**The Council will launch a Workforce Capacity Initiative, initially led by a member task force.**

**Its mandate will be to: improve visibility into labour demand across major investments, identify where projects are likely to compete for the same workers and develop solutions before shortages begin to constrain investment.**

Where the task force identifies a persistent gap in capacity, it could propose and help develop a more durable response. That could include, for example, a shared workforce forecasting platform, a training partnership, a regional coordinating mechanism or another program capable of addressing the problem on an ongoing basis.

The task force will serve as an incubator that identifies problems, determines what capability is missing, and helps build or launches the solution.

## 5. Pursue trade diversification

Members want Canada to reduce its economic vulnerabilities, but not by weakening our relationship with the United States.

Canada should preserve the enormous advantages that come from our geography and deep integration with the U.S. economy, while building more options in Europe, the Asia-Pacific and other markets.

The objective is a U.S.-plus strategy.

### So how do we do that?

First, Canada needs more trade-enabling infrastructure, as well as domestic investment in our tradeable goods sectors, to serve new export markets.

Second, we need stronger commercial ties, both business-to-business and government-to-government that connect Canadian businesses to customers and supply chains abroad.

Third, we need to attract more foreign direct investment from Europe and Asia. Trade and investment are closely connected. Businesses investing here bring capital, technology, customers and access to global supply chains. If Canada wants to sell substantially more to Europe and Asia, attracting more investment from those regions has to be part of the strategy.

Diversification has also an industry dimension. As traditional North American supply chains come under increasing pressure, Canada needs to develop new sources of industrial demand. Defence is one example where rising global demand could support Canadian production, and create new export opportunities.

Overall, diversification should be understood as much as an investment and industrial strategy, as trade strategy.

The BCC can play a role here. Governments negotiate access to markets and create infrastructure. But trade ultimately happens between firms.

The Council can more intentionally leverage its networks to link Canadian companies with potential customers and investors abroad, work with counterpart business organizations in priority markets and help Canadian suppliers access global supply chains.

## 6. Build one Canadian economy

Canada's internal barriers to trade are wide-ranging. Differences in licensing, credentials, regulations and technical standards still make it difficult for workers and businesses to operate across provincial borders.

But lack of interjurisdictional coordination is also a part of the story, and will be increasingly so as Canada ramps up major projects that will require decisions from multiple levels of government. A country with an ambitious investment agenda can't afford to have governments working at cross purposes.

### Business can help

To do our part, the Council will launch a One Canadian Economy Initiative, initially led by a member task force, to help find solutions and alleviate some of the coordination challenges.

The task force will identify a small number of coordination failures that materially affect investment and execution and seek practical answers. Those problems could involve internal trade, overlapping regulation, labour mobility, information sharing, infrastructure sequencing or major projects caught between jurisdictions.

Where the underlying problem is the absence of an effective coordinating mechanism, the task force could help design one.

That could include standing working groups around specific issues, new channels for resolving cross-jurisdictional problems or a more structured business-government dialogue around the Council of the Federation.

The aim is to improve Canada's capacity to solve coordination problems when they arise.

## III. IMPROVE EXECUTION

The final test of policy is whether Canada's new sovereignty agenda can be delivered.

### 7. Put government delivery capacity at the center of economic policy

A more ambitious economic agenda requires a more effective government. Major projects require approval,

defence equipment needs to be procured, industrial policy must be designed and administered, infrastructure must be coordinated across jurisdictions and workforce programs must respond to actual demand.

Our consultations revealed widespread anxiety about the capacity of governments to deliver. Fragmented responsibility, overlapping jurisdictions, slow decision-making, too much process and an institutional bias against mistakes were among the reasons cited by members.

We heard that policy should be formulated with implementation in mind from the outset; that major initiatives need a clearly accountable lead within government, with the authority and resources to deliver; that governments require better mechanisms for inter-departmental and inter-jurisdictional coordination. At our Ottawa roundtable in August, we heard how faster execution will require a greater tolerance for reasonable risk. A system that is too focused on avoiding mistakes will inevitably become slower and more cautious.

There is a role for business here too. We can provide technical expertise, operating knowledge and data. Secondments and other personnel exchanges could help officials get a better handle on how investment decisions are made and how projects get built.

Business can also create room for governments to take sensible risks. Faster execution will mean there will be mistakes. We should stop treating setbacks as evidence that governments should stop trying, otherwise we'll get more process and more caution. The business community must be willing to support decisions where the outcomes are not guaranteed. In other words, we need to find more ways to support risk-taking in government.

**These execution and governance lenses can also be applied to our own advocacy. Every major proposal we put forward should pass an "execution test".**

- What decisions are needed and when?
- Is the workforce, infrastructure and supply chain ready?
- How will progress be evaluated?
- And what happens if implementation falls behind or the project fails?

**Proposals that can't answer these questions may not be ready to advocate for.**

# A Capacity-Building Agenda

## **A few final words around capacity, which is the common thread of this blueprint.**

In a world where economic security, strategic industries and national capability matter more, Canada is trying to be more resilient. But resilience has to be built.

It requires more private investment. But it also requires more effective use of public capital, the right workforce, new trade and industrial capacity, lower barriers within Canada, and governments that can deliver at the speed the moment requires.

From an advocacy standpoint, we increasingly need to ask questions like:

- Does Canada have the capacity to deliver it?
- What is holding us back?
- Can business help fix the problem?

In some cases what is missing may be better information or stronger coordination or new partnerships or some form of capacity that does not yet exist. Business can help identify those gaps and, where business has something useful to contribute, help build the solution.

This is the idea behind the BCC initiatives proposed in this report. They are entry points to a more pragmatic model of engagement that will seek to tap into members' expertise and convening power around particular execution problems.

Business will remain a voice for competitiveness, private investment and market discipline. But there is also room for a more collaborative relationship with government as we strive to collectively build the nation's economic capacity.

# Survey Results

## QUESTION 1:

**Which statement best reflects your view of the federal government's economic agenda?**

**62%**

Right direction, concerned about execution

**20%**

Support the overall direction

**9%**

Too much government intervention

**6%**

Too early to assess

**3%**

Not sure it will be successful

## QUESTION 2:

**To what extent do you agree with the following statement:**

Economic sovereignty and resilience must become more important policy priorities for Canada.

**66%**

Strongly agree

**25%**

Somewhat agree

**4%**

Neutral

**4%**

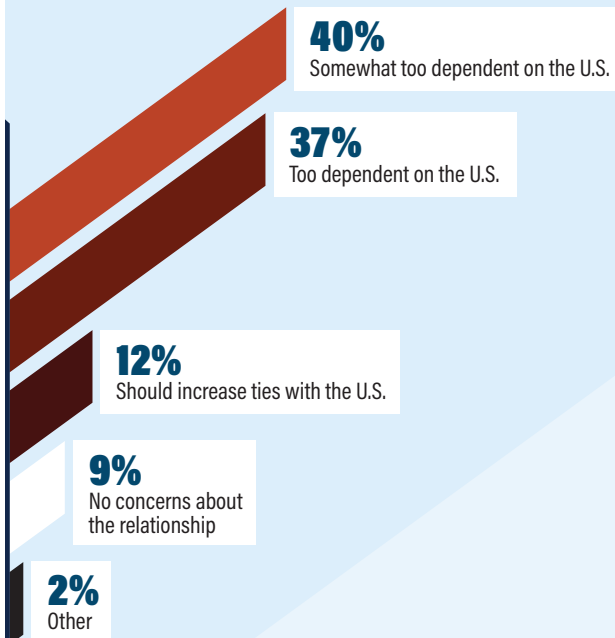
Somewhat disagree

**1%**

Strongly disagree

QUESTION 3:

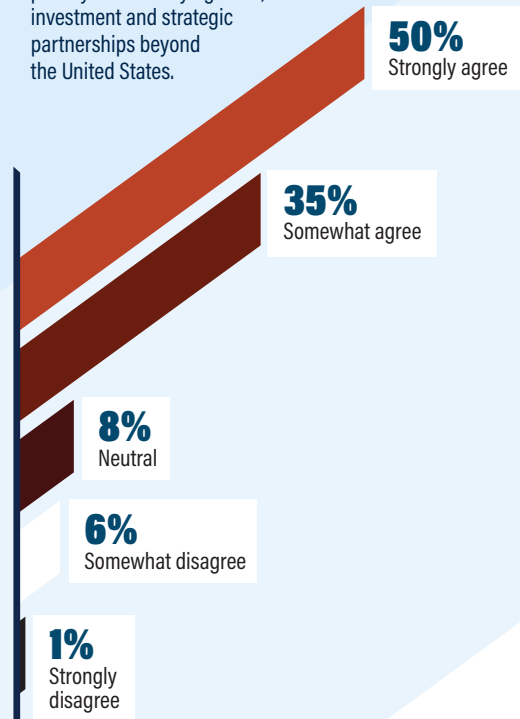
**What is your assessment of Canada's economic relationship with the United States?**



QUESTION 4:

**To what extent do you agree with the following statement:**

Canada should place greater priority on diversifying trade, investment and strategic partnerships beyond the United States.

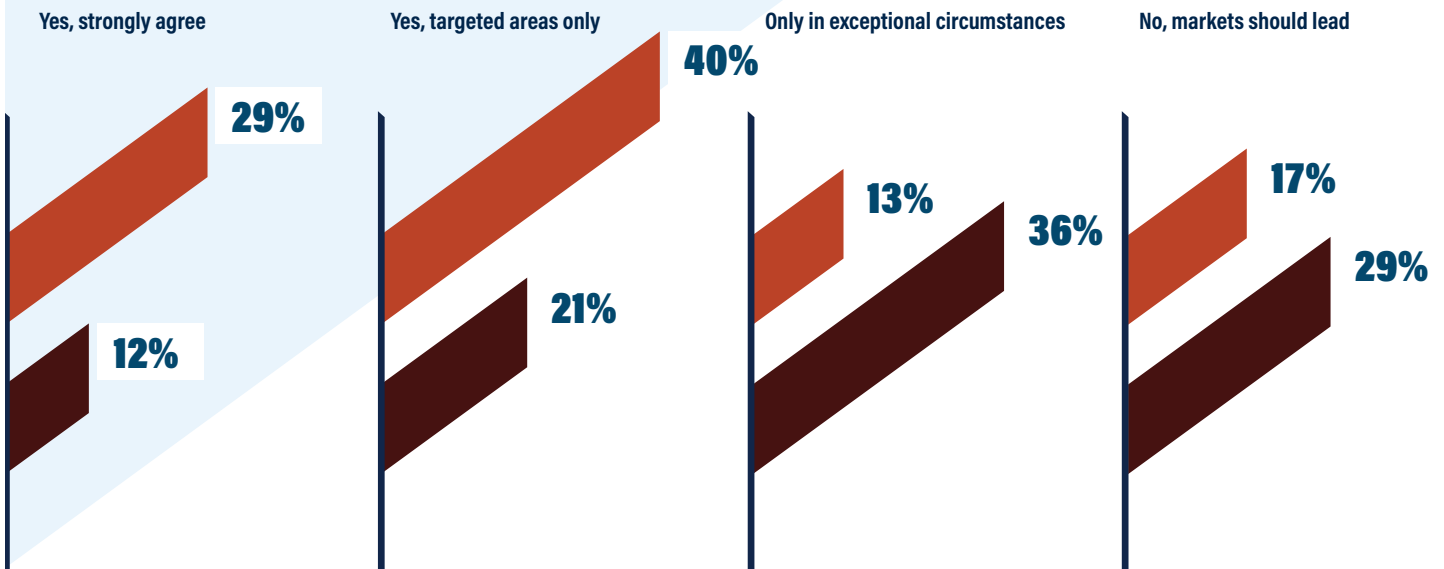


QUESTION 5 & 6:

**Should the federal government play a more interventionist role in fostering strategic sectors?**

Current view compared to 2019 view

Current  
2019



QUESTION 7:

Which statement best matches your view of industrial policy in Canada?

**41%**

Use selectively, with strict criteria and discipline

**35%**

Keep minimal, focus on competitiveness

**10%**

Expand significantly

**8%**

Unsure / depends on the sector

**6%**

Avoid industrial policy entirely

QUESTION 8:

How would you assess the federal government's institutional capacity to deliver on its economic agenda?

**57%**

Weak: major institutional gaps limiting execution

**39%**

Uneven: targeted reforms needed

**3%**

Unsure

**1%**

Strong: has the capacity to deliver

QUESTION 9:

As Canadian governments pursue more sovereignty-driven policies, what role should business play?

**74%**

Actively help shape the agenda

**25%**

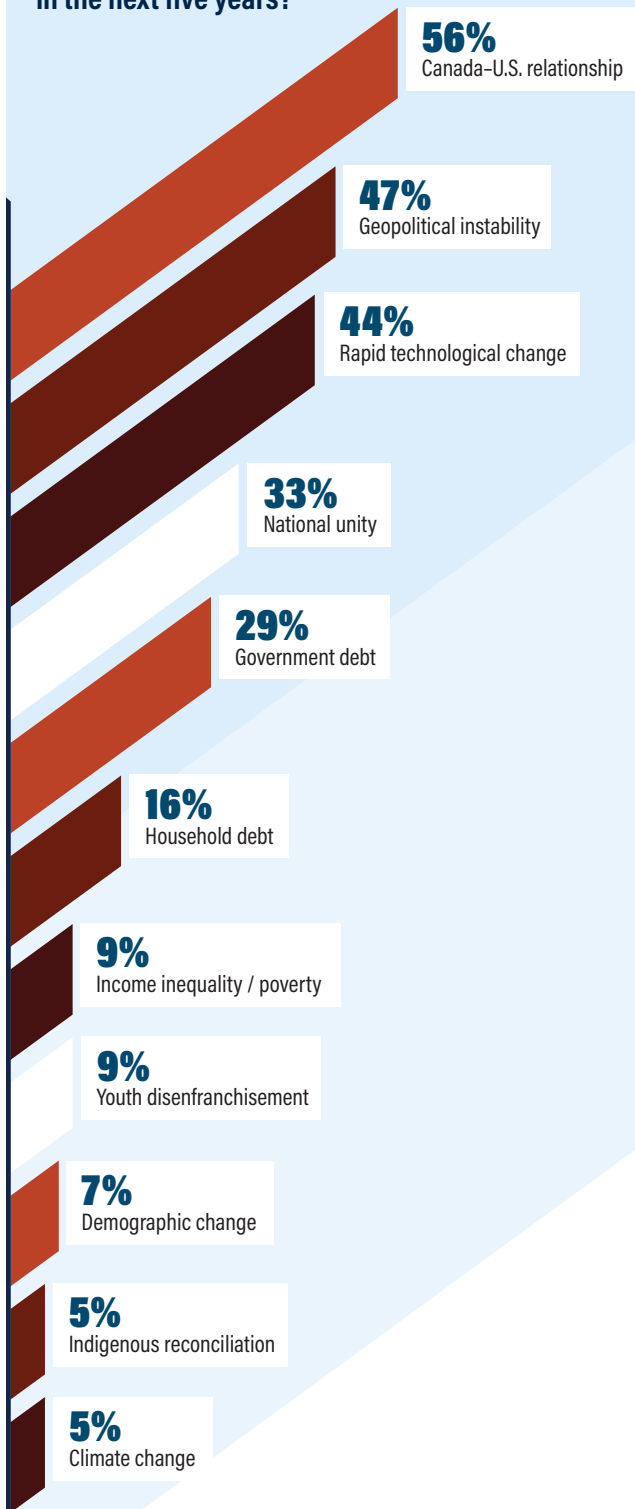
Engage selectively where it has expertise

**1%**

Avoid close involvement

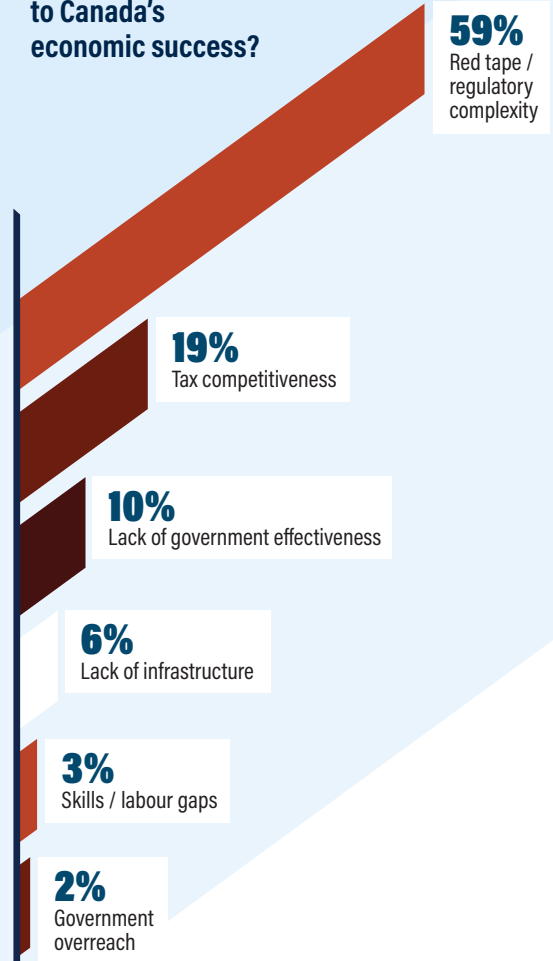
QUESTION 10:

**What will be the biggest challenges Canada faces in the next five years?**



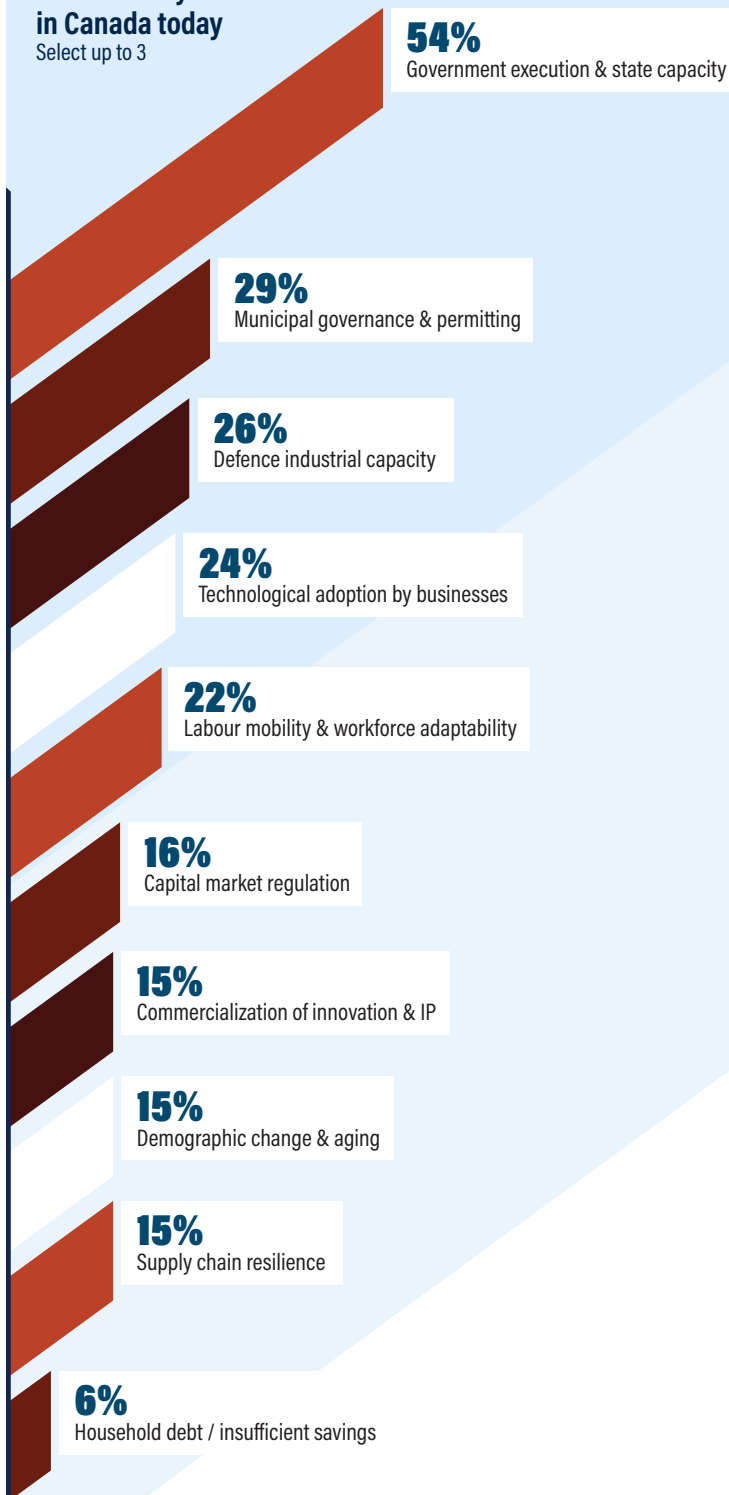
QUESTION 11:

**What is the single biggest obstacle to Canada's economic success?**



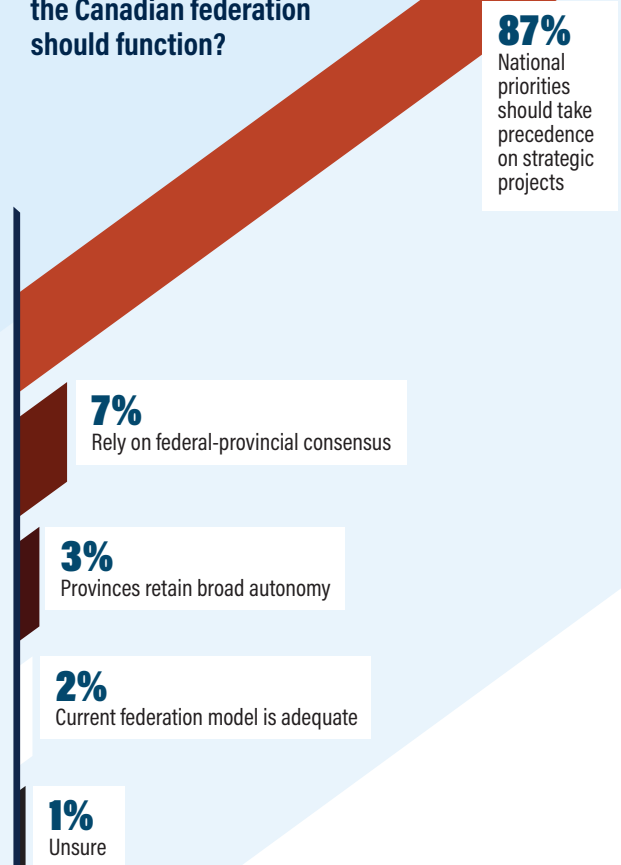
QUESTION 12:

**Which policy areas are underappreciated or insufficiently discussed in Canada today**  
Select up to 3



QUESTION 13:

**Which statement best reflects your view of how the Canadian federation should function?**





# Acknowledgment

The Business Council of Canada would like to thank the Council members and external experts who contributed their time and insights to this report. Although the Business Council of Canada alone bears responsibility for this report, their insights and perspectives helped shape the thinking behind it.

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## ■ Report Citation

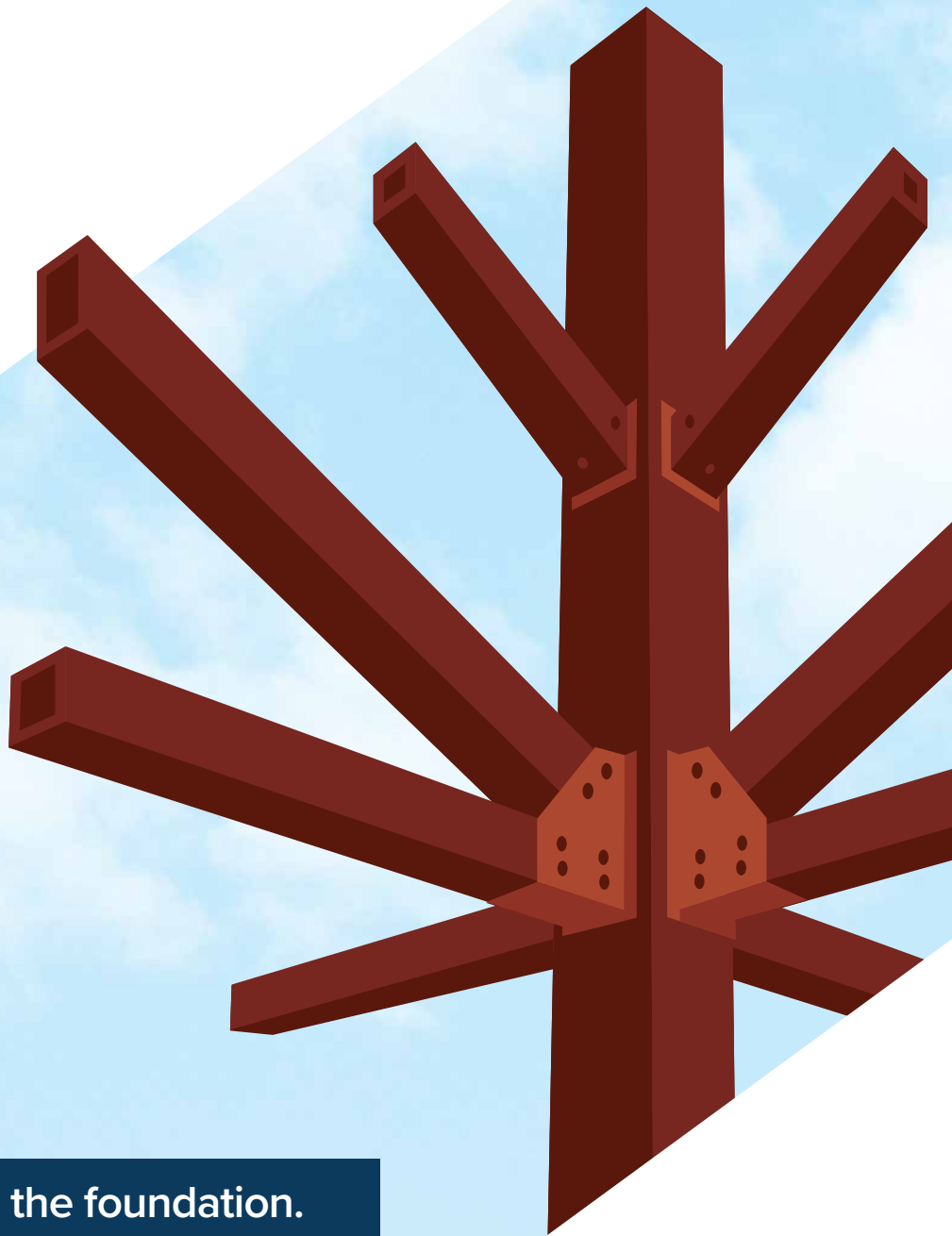
Business Council of Canada (2026, October 26).  
Strengthening Canada. [thebusinesscouncil.ca/report/strengthening-canada/](https://thebusinesscouncil.ca/report/strengthening-canada/)

## ■ About the Business Council of Canada

Founded in 1976, the Business Council of Canada is a not-for-profit, non-partisan organization representing business leaders in every region and sector of the country. The Council's member companies employ more than two million Canadians, contribute the largest share of federal corporate taxes, and are responsible for most of Canada's exports, corporate philanthropy, and private-sector investments in research and development. Through supply chain partnerships, service contracts and mentoring programs, Business Council members support many hundreds of thousands of small businesses and entrepreneurs in communities of all sizes, in every part of Canada.

## ■ Disclaimer

This report reflects the views of the Business Council of Canada. This report may or may not necessarily reflect the perspective of individual Business Council of Canada members, and therefore should not be attributed to any one or more member.



Competitiveness is the foundation.

Capacity is the agenda.

Delivery is the challenge.



**Business Council  
of Canada**