



# Canada's Defence Industrial Strategy

## CADSI Member Update

The Government of Canada unveiled Canada's first Defence Industrial Strategy (DIS) on February 17, 2026. It is [available here](#).

We highly encourage members to read the DIS, and to share their thoughts with CADSI via [advocacy@defenceandsecurity.ca](mailto:advocacy@defenceandsecurity.ca)

The DIS is an ambitious, transformational blueprint. It draws upon years of your input as CADSI members, which we used to advocate on your behalf in front of parliamentary committees, at roundtables, within working groups, through one-on-one conversations with officials, and in the media.

The DIS is anchored in a "Build, Partner, Buy" framework guiding government's approach to acquisitions, investments partnerships, and more. Building in Canada and buying Canadian will no longer be an afterthought, but the default.

### The Strategy's Industry-Recommended Elements

Ambitious growth targets for the defence sector

A list of sovereign capabilities

A permanent Defence Advisory Forum that will bring industry and government together

Tie-ins to exports, increased defence funding, R&D programs, and the Defence Investment Agency

Better processes and transparency for security clearances

Commitment to a harmonized and modernized ITB regime in early 2026

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***“Buy Canadian’ is not a slogan; it will be the guiding North Star of a new way of doing business in defence acquisitions.” Page 17***

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## Implementation and Accountability

A full list of action items can be found in the first annex of the DIS (“*Commitments Under the Strategy*”). The list includes mentions of which federal department will lead each initiative and, in some cases, explicit deadlines.

If successfully implemented, the DIS will transform the Canadian defence sector, deepening its established contributions to Canada’s sovereignty and independence.

The procurement system must now accelerate acquisitions and award contracts. This will be the true demand signal for industry. The government and the Canadian Armed Forces will also need to move beyond existing culture, processes, and experience to deliver on the DIS’s ambition.

Industry input will remain critical throughout the implementation phase. Key to this will be the new Defence Advisory Forum, an accountability mechanism involving industry and lead ministers. CADSI believes this Forum must meet for the first time before the House of Commons rises for the summer. CADSI will also advocate for deadlines on programs and policies listed in the DIS which are not currently time-bound, and for improvements to the procurement system. Member feedback will help inform our work – particularly when identifying emerging areas of challenge.

## Key Targets Within the Next 10 Years



## Key Commitments



"In areas of homegrown strength and key sovereign capabilities, new procurements will typically be directed to Canadian firms as a matter of policy. If and as needed, procurement authorities and legal frameworks will be adjusted to enable this approach, including the use of the national security exception." (Page 20)



The government will "establish or strengthen innovative procurement pathways within flagship industrial support programs...that enable the (CAF) to rapidly acquire newly developed Canadian-made defence technologies." (Page 25)



New supports for SMBs, including "a dedicated ISED concierge service for companies working on defence and dual-use technologies" (Page 14) and "programs to empower Canadian SMBs to understand, manage and leverage IP" (Page 29)



Government will "stand up a dedicated unit to lead and coordinate a new whole-of-government strategy that boosts Canadian defence exports" and "substantially increase financial support for export promotion efforts." (Page 31)



The DIA will lead the establishment of "a permanent Defence Advisory Forum, co-chaired by the Ministers of National Defence, and Industry, and Secretary of State (Defence Procurement) to provide a regular scheduled venue to engage with the Canadian defence industry." (Page 13)



Government will "publish a framework for the identification and onboarding of select Canadian defence firms as key strategic partners by no later than summer 2026." (Page 15)

## Initial List of Sovereign Capabilities

Aerospace	Aerospace platforms, avionics, and aircraft communications
Ammunition	Common ammunition, battle-decisive munitions, small arms, missiles and bombs
Digital Systems	Secure Cloud, AI, Quantum computing/communications, integrated command/control/communications, high assurance communications communications equipment
In-Service Support	Air, Land, Naval
Specialized Manufacturing	Land vehicles, surface ships including icebreakers and marine systems
Personnel Protection	Medical counter measures
Space	Space-based intelligence, surveillance and reconnaissance, space domain awareness, satellite communications, space launch
Sensors	Marine sensors, quantum sensors, electronic warfare
Training and Simulation	Air, Land, Naval
Uncrewed and Autonomous Systems	Land, aerial, underwater and surface systems (including Uncrewed Collaborative Platforms)