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WHAT WE HEARD

The Road to Dependability: Enhancing Western Canada's role as a reliable trade partner

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In June 2025, Canada West Foundation's James A. Richardson Discovery Roundtable gathered leaders from across Western Canada to discuss pathways for diversifying trade, improving infrastructure and elevating the region's role in both national and international economic spheres. Central to this discussion were recurring themes around infrastructure inadequacy, regulatory inefficiencies, overreliance on U.S. trade and the need for political and institutional alignment across regions.

Participants recognized a limited window of opportunity exists to attract national support to make Western Canada a dependable supplier of essential resources the world needs. There was general agreement that to make progress, tangible actions will be needed in multiple areas including trade infrastructure, investment, regulation, environment and Indigenous engagement.

The roundtable was the second of two events the Canada West Foundation held to explore opportunities and challenges for Western Canada amidst this period of geopolitical upheaval. In May, CWF collaborated with the University of Calgary's School of Public Policy to host G7 Ambassadors Matthias Lüttenberg, Ambassador of the Federal Republic of Germany to Canada; Geneviève Tuts, the European Union Ambassador to Canada; and Rob Tinline, the British High Commissioner to Canada.

During this panel discussion, the audience heard there are clear signals from the European Union and others that they want to do more business with Canada. Additionally, many of the goods Europe needs can be sourced in the West, such as critical minerals, agricultural products and energy resources.

For policymakers who want to support western Canadian producers and exporters in these important sectors, there were key roundtable findings which can help guide future policy development.

Key challenges in market expansion

Overdependence on U.S. markets

Canada's trade with the U.S. accounts for 75 per cent of its exports and 25 per cent of its GDP. This disproportionate reliance exposes the country to U.S. political volatility and internal economic shifts. Diversification, though long discussed, remains largely aspirational due to existing structural dependencies.

Underutilized trade agreements

While Canada has 15 free trade agreements covering 51 countries, their potential remains underexploited. Trade with non-U.S. partners is still dwarfed by NAFTA-related activity. Despite legal frameworks being in place, businesses are not leveraging these opportunities, partly due to limited infrastructure and market intelligence.

Neglected infrastructure

Participants raised the alarm about Canada's deteriorating infrastructure, including rail, road, ports, and digital connectivity — core elements essential to market expansion. The Port of Churchill was cited as a strategic asset suffering from decades of underinvestment. Moreover, logistical bottlenecks in places like Vancouver (e.g., labour strikes, congestion) highlight systemic fragility.

Regulatory barriers

Internal trade within Canada remains stymied by inconsistent regulations and standards across provinces. Despite attempts at harmonization (e.g., Canada Free Trade Agreement), thousands of interprovincial inconsistencies persist, hindering both domestic and export trade.

Investment hesitancy and bureaucratic inefficiencies

Private capital remains wary of investing in Canadian infrastructure and innovation due to slow project approval processes, unclear regulatory frameworks and political inconsistency. There is a perception that Canada is “closed for business,” fueled by uncertainty in federal policies like Bill C-5.

Lack of technical and commercial support

Many promising technologies and innovations struggle to move from concept to commercialization due to a lack of technical de-risking support and scale-up infrastructure. Particularly in cleantech, subsidies and domestic financing options are limited, pushing innovators to seek foreign capital.

Cultural and interprovincial disconnect

Participants observed a lack of national cohesion, particularly between Western provinces and Central Canada. Misunderstanding or undervaluation of Western contributions (like Alberta's resources and Saskatchewan's agriculture) by Eastern decision-makers hampers unified policy development.

Proposed solutions

Infrastructure investment & optimization

Calls were made for a strategic, long-term infrastructure plan focused on:

- Upgrading northern corridors like the Port of Churchill.
- Enhancing rail and road networks to ensure year-round mobility.
- Investing in airports for high-value exports.
- Supporting icebreakers and Arctic infrastructure to assert sovereignty and trade capability.

Regulatory modernization

Reforming Canada's interprovincial trade rules was considered essential. Suggestions included:

- Mutual recognition of licenses and certifications.
- Streamlining standards across provinces.
- Adopting a "corridor approach" for major trade infrastructure to bypass jurisdictional disputes.

Creating a clear and supportive policy environment

A consistent, de-politicized regulatory process was emphasized. Federal leadership was urged to:

- Accelerate project approvals with firm timelines.
- Signal long-term commitment to trade diversification.
- Repeal restrictive policies like the West Coast tanker ban.

Boosting domestic and foreign investment

To counteract investor skepticism, participants proposed:

- Targeted incentives for SMEs and cleantech developers.
- Creating innovation parks or pilot zones to trial new technologies.
- Making Canada attractive to foreign investors by reducing political interference.

Strategic export market development

Participants called for:

- Enhanced market intelligence on emerging economies like Southeast Asia.
- Government support in accessing non-traditional markets (e.g., Morocco, India).
- Sector-specific branding (e.g., sustainable agriculture, clean hydrogen).

Stronger Indigenous partnerships

Indigenous communities in Western Canada are involved in mining, agriculture and energy. Participation in these sectors, as business owners, investors and workers, supports economic and food security for communities and creates career opportunities for youth.

The Arctic Gateway Group — a consortium of 41 Indigenous and Northern communities — demonstrates the potential of Indigenous-led infrastructure. Participants emphasized building on these models rather than retrofitting Indigenous participation into established frameworks.

Reframing Canada's global position

To the G7, Western Canada should project itself as a reliable, abundant and values-aligned partner. Symbolic suggestions included sending a literal "box of Alberta" filled with lithium, canola and other key exports to reinforce Western capacity.

Building political will and unity

Greater cohesion across Western provinces was advocated to strengthen the region's bargaining power with Ottawa. Speakers suggested leveraging collective GDP and landmass to demand internal trade reform and national strategic investment.

Conclusion

The discussions underscored that Western Canada possesses abundant resources and entrepreneurial spirit but remains limited by infrastructure deficits, regulatory fragmentation and political inertia. Achieving export diversification and national economic resilience demands a decisive shift — from reactive governance to visionary coordination and investment. Participants agreed the time is now.

To present a more fulsome report on issues raised at the roundtable, the Canada West Foundation undertook a detailed exploration of challenges and solutions in three key sectors: critical minerals, energy and agriculture. The results have been published in a longer companion piece is available at www.cwf.ca:

The Road to Dependability: A contextual analysis of Western Canada's role as a reliable trade partner

About the Canada West Foundation

The Canada West Foundation is an independent, non-partisan, evidence-based public policy think tank focused on Western Canada. Its team of public policy experts advance the interests of Western Canadians by working with governments, industry and partners to build a stronger, more united and prosperous Western region.

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