



## Executive Summary: The Evolving Strategy for Canada's Capital Region as a National Defence Innovation Hub Serving Our Country, Forces and Allies

**Key Takeaway:** Together with and for our country, Canada's Capital Region is the only place where the assets, institutions and innovation strengths required to build a sovereign, AI-enabled defence economy come together with the G7 capital leadership, industrial capabilities and diplomatic governance required to drive national and global impact.

With \$1–3 billion in public and private investment over the next five years, Ottawa–Gatineau can deliver disproportionate national and allied impact, including an estimated 18,000 jobs and \$9 billion in GDP, while strengthening Canada's security, advancing mission-ready capabilities, and driving shared prosperity for Canadians, our Forces, and our Allies.

- **Learn More:** [www.dihub.ca](http://www.dihub.ca)
- **Experience the strategy launch event** at Ottawa City Hall: <https://shorturl.at/WYz4j>

**Canada is entering a historic moment.** The global security environment is being reshaped by geopolitical tension, hybrid warfare, cyber threats, climate disruption, and fragile supply chains. Allied democracies are rapidly investing in disruptive defence innovation powered by AI, autonomy, quantum, cyber, and secure communications. Under Prime Minister Carney's leadership, Canada has committed to increasing defence spending from 2 percent of GDP this year to 5 percent by 2035, one of the most significant defence investments in generations.

To translate this investment into lasting national benefit, Canada must build the core capabilities, industrial capacity, sovereign technologies, and innovation systems that strengthen deterrence, protect Canadians, support our Forces and Allies, and drive economic resilience. This strategy outlines how Canada's Capital Region, the nation's centre of gravity for defence and security decision-making, diplomacy, security, and innovation, will help the country further build and strengthen these fundamentals and seize this once-in-a-generation opportunity.

**Serving the Nation from the Capital:** On October 28, 2025, the City of Ottawa, Ville de Gatineau and Invest Ottawa launched an evolving strategy for Canada's Capital Region as a National Defence Innovation Hub serving our country, Forces, and allies at Ottawa City Hall together with our community. Built with and for our entire ecosystem following 265 consultations across Ottawa and Gatineau, it is a focused and integrated set of choices, capabilities and actions that position Canada's Capital Region to deliver maximum impact. This includes more sovereign capabilities for our Forces, a safe, more resilient future for Canada and our Allies, and shared prosperity for Canadians. This is a nation-building opportunity for our country.



**It highlights a powerful shared vision:** Canada's Capital Region will be the engine for sovereign defence innovation, uniting government, industry, academia, investors, and Allies to strengthen Canada's security; accelerate mission-ready technologies; and power a more resilient, competitive, and prosperous future for all Canadians.

Powerful collaboration makes this vision possible. Together, Ottawa and Gatineau strive to harness a rare combination of assets, expertise and resources in the Capital. This strategy could not be more urgent.

- Ottawa faces the risk of significant job losses tied to proposed federal public service cuts. This nation-building project will counterbalance this economic hit, and:
  - Leverage our world-leading innovation in disruptive technologies
- Help Canada meet its NATO commitment to invest 5% of GDP in defence innovation
- Build on lessons from other leading global defence hubs, from Arlington to Tallinn to Tel Aviv

**Defining Defence:** The defence sector comprises the technologies, capabilities, and institutions that strengthen Canada's sovereign ability to deter aggression, protect its people and infrastructure, and ensure our Forces can operate decisively and effectively with Allies whenever required.

**A National Defence Innovation Hub** is an integrated, mission-driven ecosystem where defence strategy and commercial innovation come together to accelerate mission-ready capabilities for Canada, our Forces, and our Allies. Anchored in Canada's Capital Region, this national hub mobilizes the nation's core defence, security, technology, research, and financial assets to strengthen sovereignty, readiness, and economic impact.

**Impact:** Canada's Capital Region can deliver disproportionate impact for our country with disproportionate investment. Preliminary economic modelling indicates that \$1–3 B in public and private investment over the next 5 years across defence and related sectors could help:

- Create up to 18,000 jobs
- Generate as much as \$9B in GDP (and significantly more following the spinout of the Canadian Photonics Fabrication Centre into a commercial compound semiconductor fab)
- Deliver 2–3 times total economic output and attract up to double in private and allied capital for every federal dollar invested

This isn't just economic growth. It's sovereign strength for Canada. As Canada's capital, and a G7 capital, it is our responsibility to lead in this way to help build the strongest, most sovereign, most self-sufficient economy in the G7.

**Why Ottawa-Gatineau:** We will achieve this by leveraging unique strengths, expertise and assets that do not exist in combination anywhere else in the country and putting them to work in new focused and powerful ways for Canada, our Forces, Allies and economy. These strengths include:



Strength	Details
<b>Unmatched concentration of defence, security, and technology firms</b>	<ul style="list-style-type: none"> <li>330 defence and security companies employing 10,000+ professionals</li> <li>1,800+ tech firms and 96,000 tech workers, the highest tech-talent concentration in North America (12.3% of total workforce)</li> <li>Home to Canada's largest technology park and 90% of Canada's industrial telecommunications R&amp;D</li> </ul>
<b>Canada's only defence VC</b>	<ul style="list-style-type: none"> <li>ONE9, the country's sole defence-focused venture capital and innovation platform</li> </ul>
<b>Full federal financial governance and regulatory ecosystem</b>	<ul style="list-style-type: none"> <li>The Bank of Canada</li> <li>Export Development Canada (EDC)</li> <li>Canada Mortgage and Housing Corporation (CMHC)</li> <li>Canada Deposit Insurance Corporation (CDIC)</li> <li>Canadian Bank Note</li> <li>Office of the Superintendent of Financial Institutions (OSFI)</li> <li>Finance Canada, Treasury Board Secretariat, and The Canada Revenue Agency Headquarters</li> <li>FINTRAC</li> <li>Corporations Canada</li> </ul>
<b>Nation's defence and security decision-making centre</b>	<ul style="list-style-type: none"> <li>Headquarters and decision-makers for DND, DRDC, RCMP, Public Safety Canada, CSIS, CSE and many fellow federal departments and agencies with responsibility for Canada's defence, security and public safety</li> </ul>
<b>Canada's diplomatic core</b>	<ul style="list-style-type: none"> <li>130 diplomatic missions and 25 NATO attachés</li> <li>Diplomats, embassies, and sovereign decision-makers within a few square kilometres</li> </ul>
<b>Leadership and expertise in disruptive technologies shaping our future, including defence, aerospace, security and related sectors</b>	<ul style="list-style-type: none"> <li>AI and machine learning, quantum, cybersecurity</li> <li>Semiconductors with 154 companies focused on actual components, modules, photonics, and MEMS; largest cluster in Canada</li> <li>Drones, counter-drones, robotics, uncrewed and autonomous systems</li> <li>Next-generation networks, sensing, secure communications</li> </ul>
<b>Leading-edge R&amp;D, infrastructure, and capabilities</b>	<ul style="list-style-type: none"> <li>65+ federal labs</li> <li>Only cluster of NATO DIANA Test Centres in Canada, including Area X.O (ITB-certified emerging tech R&amp;D complex) and three NRC labs</li> <li>Specialized labs in AI, quantum, ML, cybersecurity, robotics, drones, and advanced technologies across 8 post-secondary institutions</li> </ul>
<b>Deep and diverse talent engine</b>	<ul style="list-style-type: none"> <li>Canada's most educated workforce; 65% hold post-secondary credentials, degrees, diplomas and certificates</li> <li>Eight post-secondary institutions with 168,000 students, including 28,000 in STEM</li> <li>Tens of thousands of veterans, Canada's largest defence-skilled talent pool</li> <li>Highly bilingual workforce enabling seamless collaboration with federal institutions, Allies, and diplomatic missions</li> </ul>
<b>Global connectivity and strategic geography</b>	<ul style="list-style-type: none"> <li>Award-winning international airport serving as the gateway to the North and Arctic</li> <li>Bilingual, multicultural region bridging Ontario and Québec, including Francophonie and Eastern Ontario</li> </ul>
<b>Exceptional quality of life</b>	<ul style="list-style-type: none"> <li>Highly livable region that attracts and retains founders, innovators, companies, global talent, and decision-makers</li> </ul>



Fully integrated national innovation hub	<ul style="list-style-type: none"> <li>A region where innovators, researchers, investors, government, and Allies collaborate to invent, test, and deploy mission-ready technologies</li> <li>Strengthens Canada's Forces and Allies; enhances national security; drives inclusive economic growth</li> <li>Home to flagship defence innovation events including CANSEC (CADSI) and GCXpo (Area X.O/Invest Ottawa)</li> </ul>
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**Harnessing Capital Competitive Advantage for Canada and Its Allies:** Ottawa–Gatineau's defining strength is its uniquely integrated capability across AI-enabled command and control, cyber, sensing, semiconductors, and autonomous systems, underpinned by national assets no other Canadian region can replicate.

The Capital Region combines world-leading expertise in AI, cybersecurity, quantum, next-generation networks, and trusted semiconductors with deep operational know-how in drones, counter-drones, robotics, uncrewed systems, and Arctic technologies. Connected through Canada's only cluster of four NATO DIANA Test Centres, 65+ federal labs, Area X.O's ITB-certified R&D complex, and the country's largest concentration of defence and dual-use firms, Ottawa–Gatineau uniquely designs, tests, and validates mission-ready, cyber-secure, AI-driven technologies at scale. Supported by the headquarters of DND, DRDC, CSE, CSIS, Public Safety, and the federal financial governance ecosystem, it is the only region with the institutional and operational depth to serve as Canada's engine for sovereign, AI-enabled defence innovation.

Its differentiator is not a single technology, but the rare ability to integrate AI, cyber, sensing, semiconductors, drones, and autonomous systems into mission-ready capabilities within a secure, nationally coordinated ecosystem unmatched across Canada, and in most global capitals.

**Strategies and Goals:** Historic defence spending alone will not ensure economic growth or sovereign capability. Countries that succeed focus on innovation-first, export-oriented industrial development, strategic procurement, and domestic capacity building. Canada must do the same. Our strategic thrust is to transform the Capital Region into the engine that turns national defence spending into national advantage.

Canada's Capital Region will achieve this impact by putting its strengths to work and executing focused, intentional action on three key strategic thrusts that feature 10 integrated goals:

Goal	Action
<b>Strategic Thrust: Building, Serving, and Protecting a Sovereign Canada: Readiness and Deterrence</b>	
	<ul style="list-style-type: none"> <li>Strengthening Canada's ability to deter threats, protect sovereignty, and ensure our Forces can operate decisively with Allies.</li> </ul>
<b>Goal 1. Expand Ottawa–Gatineau Defence Leadership and Deals</b>	<ul style="list-style-type: none"> <li>Strengthen Ottawa–Gatineau defence leadership, acquisition, and deal flow to secure new federal and NATO-aligned defence contracts.</li> <li>Facilitate deeper multi-sector collaboration across the ecosystem to accelerate R&amp;D, innovation, and real-world technology adoption and deployment</li> </ul>



	<ul style="list-style-type: none"> <li>Leverage Ottawa-Gatineau disruptive tech strengths in niche areas with local and allied decision-makers, customers and buyers, meeting the needs of our Forces and capturing global markets.</li> </ul>
<p><b>Goal 2. Leverage Technology Strengths to Modernize and Support Our Forces</b></p>	<ul style="list-style-type: none"> <li>Help Ottawa-Gatineau firms secure R&amp;D mandates and subcontracts within national recapitalization programs and modernization programs, applying regional strengths in AI, machine learning, robotics, semiconductors, and autonomous and connected systems.</li> <li>Establish Canada's Capital Region as the national centre for AI-enabled defence modernization, developing, testing, and integrating trusted, explainable AI systems that enhance situational awareness, logistics, decision-support, and autonomous operations for the Canadian Armed Forces and allied partners.</li> <li>Develop advanced mission systems integration capabilities and strengthen the health, wellness, and resilience of Canada's Forces through local innovation and global anchors.</li> <li>Evolve Ottawa-Gatineau opportunity as Canada's centre of excellence for advanced mission systems integration, building a globally competitive hub for interoperability and readiness.</li> <li>Strengthen the health, wellness, and resilience of Canada's Forces by leveraging Ottawa-Gatineau's hospitals, post-secondary research institutions, homegrown firms and global anchors.</li> </ul>
<p><b>Fueling Innovation and Capabilities: Innovation-First Industrial Capacity</b></p> <ul style="list-style-type: none"> <li>Building domestic capability in the technologies where the Capital Region and Canada can lead globally, including AI-enabled command and control, cyber defence, drones, counter drones, autonomy and uncrewed systems, quantum, Arctic technologies, secure communications, and compound semiconductors.</li> </ul>	
<p><b>Goal 3. Enable and Accelerate Multidisciplinary Defence Innovation</b></p>	<ul style="list-style-type: none"> <li>Position Ottawa-Gatineau as Canada's Disruptive Defence Innovation Hub across areas of unique technological strength including AI, quantum, drones and counter-drones, uncrewed systems, autonomy, advanced robotics, aerospace, and dual-use tech.</li> <li>Drive new and increased research funding for universities, hospitals, and economic development agents.</li> <li>Strengthen Dual-Use Innovation across many sectors: Grow a resilient economy where companies can pivot, adapt, and apply technology to both military and civilian needs</li> <li>Establish a Defence Aviation &amp; Propulsion Centre of Excellence at Ottawa's award-winning international airport to support uncrewed systems testing and Canada's gateway to the Arctic.</li> </ul>
<p><b>Goal 4. Build Sovereign and Secure Infrastructure, Labs, and Capabilities</b></p>	<ul style="list-style-type: none"> <li>Expand Ottawa-Gatineau's secure testing and demonstration infrastructure for entrepreneurs and firms through NATO DIANA Test Centres: Area X.O and three NRC labs to enable both classified and open testing, accelerate commercialization and advance the adoption of homegrown mission-ready defence and dual-use technology by Canada and its allies.</li> <li>Develop a sovereign compound semiconductor facility to anchor secure supply chains and strengthen national independence by spinning out the Canadian Photonics Fabrication Centre of NRC to reduce reliance on foreign sovereign supply chains and strengthen Canada's technology independence</li> <li>Modernize and integrate labs and facilities across Ottawa-Gatineau into an interconnected, secure innovation network that supports both defence and dual-use applications, accelerates seamless R&amp;D from bench to commercialization</li> </ul>
<p><b>Powering Our Future Economy: Shared Prosperity &amp; Talent Transition</b></p>	



- Turning defence investment into inclusive economic growth, scaling Canadian firms, opening global markets, and creating pathways for thousands of workers, including public service talent, veterans, women, Indigenous Peoples, and newcomers.

<b>Goal 5. Build a Robust Pipeline of Domestic Firms with Sovereign IP</b>	<ul style="list-style-type: none"> <li>Expand the venture development services of Invest Ottawa, AXEO and other entrepreneurship organizations to accelerate founder growth and leverage defence infrastructure, expertise and institutions (including NATO DIANA) to accelerate their launch, growth and success</li> <li>Fuel greater IP development and protection through the continued regional delivery of publicly funded IP programs such as ElevateIP, IPON, and IP Assist, enabling homegrown firms to create more sovereign IP in defence, security, aerospace and dual-use technologies.</li> <li>Help Ottawa-Gatineau innovators, founders, entrepreneurs and companies maximize increased defence investment expected in federal business support programs (such as BDC, EDC, NRC-IRAP, Global Affairs Canada, FedDev Ontario) to accelerate commercialization and export readiness</li> </ul>
<b>Goal 6. Optimize Commercialization Pilots and Procurement Reform</b>	<ul style="list-style-type: none"> <li>Promote Ottawa-Gatineau as the national catalyst for defence procurement reform through new co-development and commercialization models that give local innovators first customers</li> <li>Facilitate collaborative R&amp;D, technology and commercialization pilots and use cases that bring together homegrown startups, scaleups, researchers, innovators, government departments, and potential procurement agents to demonstrate real-world applications and showcase how new technologies can meet operational needs (such as those led and delivered by Area X.O today).</li> <li>Develop and implement an Industrial and Technological Benefits (ITB) strategy to maximize obligations tied to major defence contracts and leverage ITB-certified facilities (such as Area X.O and post-secondary institutions) to drive R&amp;D, commercialization, and supply chain activity into the region</li> <li>Fully capitalize on the Ottawa Board of Trade's exceptional advocacy for federal procurement policy reform including enhanced ITB frameworks that accelerate the adoption of Canadian innovations and incentivize greater collaboration among startups, scaleups, anchors and multinationals.</li> <li>Build multi-company consortia to help SMEs and scaleups combine and/or integrate their offerings and solutions to engage with and leverage the new Defence Investment Agency (DIA) for procurements over \$100 million (required threshold to access this agency)</li> </ul>
<b>Goal 7. Facilitate High-Value Industrial Partnerships and FDI</b>	<ul style="list-style-type: none"> <li>Establish, position and promote Ottawa as the Canadian hub for allied innovation and industrial collaboration to attract new global defence and related business, revenue, talent and investment to Canada's Capital Region</li> <li>Further equip and leverage Invest Ottawa's Global Expansion team to attract sustained, high-value foreign direct investment (FDI) and business expansion from allied defence, aerospace, and dual-use firms. Leverage these partnerships to close ecosystem gaps (such as advanced manufacturing) and fuel sector growth</li> <li>Facilitate and broker mutually beneficial strategic R&amp;D and business collaborations and co-investment between homegrown startups, scaleups, and global prime contractors or multinationals to foster tech transfer, joint ventures, accelerate commercialization, supply-chain integration, and market access.</li> </ul>



	<ul style="list-style-type: none"> <li>Strengthen engagement and innovation collaboration with NATO, NORAD, and Five Eyes partners to align capability development, share research, and expand export pathways. This could include an onsite presence for Canada's Capital Region in key global jurisdictions.</li> </ul>
<b>Goal 8. Grow and Attract Defence Capital</b>	<ul style="list-style-type: none"> <li>Fully leverage ONE9, Canada's only defence VC platform, and the emerging Defence Investor Network.</li> <li>Promote syndicated investments with BDC, Calian Ventures, Capital Angel Network, Celtic House, Mistral Ventures, and Wesley Clover.</li> <li>Establish Defence &amp; Dual-Use commercialization grants for homegrown startups and scaleups</li> <li>Pursue and land the global Defence, Security, and Resilience Bank (DSRB) headquarters in Ottawa-Gatineau</li> <li>Advocate for the Government of Canada to invest in the NATO DIANA multi-billion-dollar fund for allied entrepreneurs and companies to create a new source of capital that facilitates increased customer, market and investor potential in allied countries</li> </ul>
<b>Goal 9. Help Firms Access and Succeed in Global Markets</b>	<ul style="list-style-type: none"> <li>Double Ottawa-Gatineau's defence exports by 2035 while diversifying beyond U.S. buyers with a dedicated trade acceleration program for defence, security, aerospace, and dual-use technology companies delivered by Invest Ottawa, Area X.O and key partners.</li> <li>Help founders and companies obtain specialized certifications required to export and sell their technologies in domestic and global contracts to help reduce barriers, accelerate their time to market, and ensure local firms meet NATO and allied readiness standards for global market entry. This could be achieved by evolving and scaling targeted programming being delivered at Area X.O.</li> <li>Leverage The Icebreaker, Canada's national defence innovation network, to accelerate the global visibility of Ottawa-Gatineau firms and their solutions in target markets</li> <li>Promote Canada's Capital Region globally as the economic epicentre for secure, dual-use innovation through NATO DIANA and allied platforms.</li> </ul>
<b>Goal 10. Develop Workforce Capacity and Inclusive Talent Pipelines</b>	<p>Leveraging Ottawa-Gatineau's leading post-secondary institutions, industry partners and infrastructure providers that serve as potential collaborators</p> <ul style="list-style-type: none"> <li>Grow the next generation of defence technologists and professionals through coordinated pathways linking education, training, and employment.</li> <li>Strengthen talent attraction and retention through global recruitment and local ecosystem alignment</li> <li>Advocate for a specific number of federal net new DND hires for Canada's Capital Region and commitments to retrain public-sector talent in Ottawa-Gatineau.</li> <li>Retain and transition existing expertise while developing a future-ready defence, security, aerospace and dual-use tech workforce.</li> <li>Expand inclusive career development pathways and support for women, Indigenous Peoples, BIPOC communities, newcomers, and Veterans into defence, aerospace, security, and dual-use technology careers.</li> </ul>

**Building on Regional Momentum and Proven Global Models:** This strategy builds on years of momentum, leadership, and cross-regional collaboration already underway across Ottawa-Gatineau's defence, aerospace, and dual-use ecosystem. It reflects the unprecedented unity demonstrated through a joint regional pre-budget submission to the Government of Canada in August 2025 and a coordinated response to DRDC's Defence



Innovation Secure Hub (DISH) Request for Information. This proof of what can be achieved by one unified, collaborative Capital Region with one voice and one shared purpose.

Ottawa-Gatineau is not starting from scratch. Canada's Capital Region is building on a strong foundation and already delivering impact: a growing pipeline of startups and scaleups generating IP, revenue, jobs, and global customers; multinational firms landing and expanding here; expanded Area X.O programs, partnerships, and infrastructure, including a new federal standing offer; new research collaborations between industry, academia, and proven leaders; rising investment pursuits and the creation of Canada's first Defence Investor Network by ONE9 and The Icebreaker; and flagship events like GCXpo and CANSEC that showcase our capabilities to the world. Together, these achievements demonstrate a region in motion, with the momentum, talent, and alignment to take on an even greater national role and achieve greater national and global impact.

Learnings from international models and exemplars demonstrate that sustained coordination, investment, and public-private collaboration are essential to defence innovation success:

- **The Washington–Virginia Corridor** integrates federal leadership, venture capital (In-Q-Tel), DARPA and deep industry partnerships, a model Ottawa-Gatineau can mirror.
- **Adelaide, Australia** shows how a mid-sized city can transform into a global defence leader through long-term strategy, infrastructure investment, and workforce planning – a roadmap Ottawa-Gatineau can emulate.
- **Toulouse, France** demonstrates how integrated clusters and continuous R&D investment can anchor national aerospace and dual-use leadership.
- **Israel's Tel Aviv–Haifa** model shows the power of rapid innovation cycles linking startups, veterans, and end-users, lessons the Capital Region can apply to accelerate commercialization and agility.

**Implementation, Resources and Governance:** To implement the strategy, a new Ottawa–Gatineau Defence Hub Task Force will be established by early 2026. Co-led by a distinguished Honourary Chair from the Forces, the City of Ottawa, Ville de Gatineau, and Invest Ottawa, under the joint leadership of the Mayors of Ottawa and Gatineau, this body will unite industry, academia, government, investors, and ecosystem partners to guide priorities, execution and recommended supporting new and existing public and private resources.

The Task Force will be comprised of approximately 20-30 members, primarily from the private sector and investment community, complemented by government, academia and research leaders. Dedicated action teams will address key opportunities in AI, semiconductors, procurement reform, workforce development, and international trade. The Cities and Invest Ottawa will pursue seed funding and in-kind support to deliver this work.

The Task Force will prioritize actions, assign ownership, identify funding mechanisms, and guide implementation through phased activation over five years. It will also establish clear KPIs for each goal, including investment, innovation, talent, and economic growth, and share annual progress updates. Once the granular actions are finalized, the Task Force will determine specific target outcomes by goal to measure progress and success.



This strategy is designed to be adaptive, agile, and responsive to shifts in defence priorities, market dynamics, and technological opportunities. Its governance model enables continuous iteration, learning, and course correction, ensuring that Ottawa–Gatineau remains future-ready, competitive, and globally relevant. It is evergreen, adaptive, agile, and evolving.

**The opportunity is here. The moment is now.**

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