

# Canada's economic shield: Fortifying national security in a fractured trade landscape

06 mars 2025

As the [North American trade war unfolds](#), Canadian Minister of Innovation, Science and Industry, François-Philippe Champagne (the Minister), [announced on March 5, 2025](#), that Canada will now factor economic security into national security reviews (NSRs) of foreign investments under the Investment Canada Act (ICA). Though not explicitly tied to the trade war, the move reflects a “rapidly shifting trade environment” and an “increasingly geopolitically fractured world,” hinting at reactions to the Trump administration’s recent trade actions.

## What you need to know

- The Canadian government will now explicitly consider the potential of foreign **investments to undermine Canada’s economic security in the NSR process**.
- This continues a trend of blending national security and economic impacts under the NSR process.
- While not closing Canada to inbound US foreign investment, the announcement was clearly spurred by the ongoing trade war, and suggests that Canada will seek to more broadly protect its national interest in assessing inbound investment.

## Economic security is officially national security

The ICA governs Canada’s review of foreign investments. The NSR provisions allow scrutiny of virtually any investment of any value into Canada by a non-Canadian, including non-controlling investments, to determine whether they “would be injurious to national security”, and afford the government significant scope to block or impose conditions on investments.

In 2021, the government published [Guidelines on the National Security Review of Investments](#) (Guidelines), which provides a list of factors that that may be taken into account in conducting NSRs. With the latest announcement, “economic security” joins the list, defined as:

**“The potential of the investment to undermine Canada's economic security through the enhanced integration of the Canadian business with the economy, or any sector of it, of a foreign state ”.**

The Minister noted that “as a result of a rapidly shifting trade environment, some Canadian businesses could see their valuations decline, making them susceptible to opportunistic or predatory investment behavior by non-Canadians.” [In a statement](#) accompanying the announcement, the government noted that in applying this factor, it will consider, among other things, “the size of the Canadian business, its place in the innovation ecosystem, and the impact on Canadian supply chains.”

## **Consideration of economic security in the NSR process is not new**

This echoes [Covid-19-era policies](#), when the “unique” and “extraordinary circumstances” of the global pandemic and “sudden declines in valuations [that] could lead to opportunistic investment behaviour” were the rationale for the government using the ICA to “subject certain foreign investments into Canada to enhanced scrutiny.” Following that announcement, the [government took action in blocking the acquisition](#) of a Canadian gold mine by a Chinese state-owned investor under the NSR provisions of the ICA.

More recently, the government has been clear, [particularly in the context of critical minerals](#), that it is concerned about safeguarding access to global supply chains, which is clearly related to economic security amongst other factors. A [recent approval under the NSR provisions of a Canadian mining company's sale of a mine in Peru to a Chinese company](#) involved extensive economic security considerations, and may have been influenced by sale proceeds indirectly being applied by the Canadian company to extend the life of and expand mines in Canada.

## **No threat of broad action against U.S. investment**

Though the statements and revised Guidelines do not explicitly target inbound foreign investment from U.S. investors, and there is no indication that Canada is closing to U.S. investment, the announcement is consistent with the Canadian government's strong response to current U.S. trade and tariff policies - suggesting that Canada will seek to more broadly protect its national interest in assessing inbound investment under a national security lens.

All foreign investors must be prepared for increased scrutiny of investments under the ICA, with [significant changes to the NSR provisions](#), including much broader pre-closing filing requirements, expected to come into effect in the near future.

### **Par**

[Subrata Bhattacharjee, Denes A. Rothschild, Joshua Abaki](#)

### **Services**

[Concurrence/antitrust et investissements étrangers, Technologies de l'information, Commerce international et investissements, Fusions et acquisitions, Agro-industrie, Énergie – Pétrole et gaz, Foresterie, Soins de santé et sciences de la vie, Mines, Technologies, Transports](#)

## BLG | Vos avocats au Canada

Borden Ladner Gervais S.E.N.C.R.L., S.R.L. (BLG) est le plus grand cabinet d'avocats canadien véritablement multiservices. À ce titre, il offre des conseils juridiques pratiques à des clients d'ici et d'ailleurs dans plus de domaines et de secteurs que tout autre cabinet canadien. Comptant plus de 800 avocats, agents de propriété intellectuelle et autres professionnels, BLG répond aux besoins juridiques d'entreprises et d'institutions au pays comme à l'étranger pour ce qui touche les fusions et acquisitions, les marchés financiers, les différends et le financement ou encore l'enregistrement de brevets et de marques de commerce.

[blg.com](http://blg.com)

### Bureaux BLG

#### Calgary

Centennial Place, East Tower  
520 3rd Avenue S.W.  
Calgary, AB, Canada  
T2P 0R3

T 403.232.9500  
F 403.266.1395

#### Ottawa

World Exchange Plaza  
100 Queen Street  
Ottawa, ON, Canada  
K1P 1J9

T 613.237.5160  
F 613.230.8842

#### Vancouver

1200 Waterfront Centre  
200 Burrard Street  
Vancouver, BC, Canada  
V7X 1T2

T 604.687.5744  
F 604.687.1415

#### Montréal

1000, rue De La Gauchetière Ouest  
Suite 900  
Montréal, QC, Canada  
H3B 5H4

T 514.954.2555  
F 514.879.9015

#### Toronto

Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada  
M5H 4E3

T 416.367.6000  
F 416.367.6749

Les présents renseignements sont de nature générale et ne sauraient constituer un avis juridique, ni un énoncé complet de la législation pertinente, ni un avis sur un quelconque sujet. Personne ne devrait agir ou s'abstenir d'agir sur la foi de ceux-ci sans procéder à un examen approfondi du droit après avoir soupesé les faits d'une situation précise. Nous vous recommandons de consulter votre conseiller juridique si vous avez des questions ou des préoccupations particulières. BLG ne garantit aucunement que la teneur de cette publication est exacte, à jour ou complète. Aucune partie de cette publication ne peut être reproduite sans l'autorisation écrite de Borden Ladner Gervais S.E.N.C.R.L., S.R.L. Si BLG vous a envoyé cette publication et que vous ne souhaitez plus la recevoir, vous pouvez demander à faire supprimer vos coordonnées de nos listes d'envoi en communiquant avec nous par courriel à [desabonnement@blg.com](mailto:desabonnement@blg.com) ou en modifiant vos préférences d'abonnement dans [blg.com/fr/about-us/subscribe](http://blg.com/fr/about-us/subscribe). Si vous pensez avoir reçu le présent message par erreur, veuillez nous écrire à [communications@blg.com](mailto:communications@blg.com). Pour consulter la politique de confidentialité de BLG relativement aux publications, rendez-vous sur [blg.com/fr/ProtectionDesRenseignementsPersonnels](http://blg.com/fr/ProtectionDesRenseignementsPersonnels).

© 2026 Borden Ladner Gervais S.E.N.C.R.L., S.R.L. Borden Ladner Gervais est une société à responsabilité limitée de l'Ontario.