Worldview

GEOPOLITICAL INTELLIGENCE BRIEF

Canada's Defence Industrial Strategy and the Acceleration of Commercial Space

Why the Convergence of Sovereign Policy and Commercial Capital Is Reshaping the Sector — and What It Means for Companies Operating at the Intersection

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EXECUTIVE SUMMARY

Canada's recently released Defence Industrial Strategy — Security, Sovereignty and Prosperity — marks a structural shift in how Ottawa views defence, industrial capacity, and economic growth. It is not simply a procurement framework. It is an industrial policy document that explicitly links national security to domestic capability development — and it is now operationalizing.

Three developments in the past weeks have sharpened the strategic picture for the commercial space sector:

- Ottawa has confirmed over $900 million in new NRC investment tied directly to the DIS, and Canada has committed to a 5% of GDP Defence Investment Pledge at The Hague — $81.8 billion in new defence commitments now backed by formal targets.
- The Defence Investment Agency, established October 2025, is live — the first major procurement through it is Canada's Arctic military satellite communications program, awarded to Telesat and MDA Space.
- Prime Minister Carney's visit to Norway and the Canada-Nordic Summit placed aerospace and space cooperation explicitly on the bilateral agenda, confirming Canada's intent to embed itself in European northern security architecture.

> ***Space is no longer a niche sector. It is the execution layer of sovereign strategy — and commercial operators are being asked to deliver it. For companies positioned correctly, this is not incremental growth. It is long-term structural expansion.***

The Commercialization of Sovereign Capability

Historically, space was state-led. National agencies developed satellites, launch systems, and mission infrastructure internally or through tightly controlled prime contractors. That model has shifted dramatically.

The global space economy is approaching USD 500 billion annually, with commercial activity now representing the majority of total value creation. Independent forecasts project the sector to surpass USD 1 trillion within the next decade. Commercial launch capacity, small satellite manufacturing, Earth observation, and defence-linked space services are all expanding at double-digit growth rates. Government funding increasingly flows to private commercial operators rather than state-owned development models.

This mirrors what occurred in renewable energy two decades ago. Renewable power generation was heavily state-driven, politically uncertain, and capital constrained. Over time, falling technology costs, structured procurement frameworks, and long-term government-backed offtake mechanisms catalyzed massive private capital deployment. What was once a niche sector became a global industrial backbone.

Space is following the same trajectory — but at significantly faster velocity, and with the additional weight of sovereignty and defence now front and centre for decision-makers worldwide.

Development 1: Canada's Strategy Is Now in Execution Mode

From Policy Document to Procurement Reality

The Defence Industrial Strategy reinforces several structural themes that directly shape the commercial space opportunity: long-term procurement visibility, emphasis on sovereign capability, strengthened domestic industrial ecosystems, and deepening integration with allied defence supply chains.

The strategy's targets are substantial. Ottawa has set objectives that include a 50% boost in defence exports, 240% industry revenue growth, 125,000 new jobs, and over half a trillion dollars in cumulative defence-related activity by 2035. These are not aspirational figures — they are procurement signals for commercial operators building against a decade-long demand curve.

For space companies, this translates into multi-year demand clarity, increased access to public capital channels, and greater investor confidence underpinned by sovereign-backed demand. The proposed updates to the Industrial and Technological Benefits Policy — including a new Strategic Investment Transaction mechanism with enhanced financial multipliers — represent a further instrument to underwrite infrastructure risk and expand the commercial export base.

Strategic Implication

This is not isolated to Canada. The United States, Europe, and Indo-Pacific allies are making parallel moves. The common thread: commercial firms are now the execution layer of sovereign space strategy. The distinction between technology companies and defence industrial partners is collapsing. Companies that understand this will compete for the most valuable contracts. Those that do not will be suppliers.

Development 2: The Norway Visit and the Nordic Dimension

Canada Embeds Itself in European Northern Security Architecture

Prime Minister Carney's visit to Norway this weekend — the first official visit by a Canadian prime minister to Norway since 1980 — explicitly placed aerospace and space cooperation on the bilateral

agenda. In meetings with Prime Minister Støre, the two leaders discussed foreign investment, clean energy, critical minerals, and aerospace as strategic priorities.

The Norwegian government's parallel engagement with Germany at Andøya Spaceport — where Chancellor Merz and PM Støre were briefed on Norwegian space infrastructure and Isar Aerospace's imminent orbital launch — placed space activities at the heart of the broader Nordic-Canadian security and industrial dialogue. Space was explicitly cited by the Norwegian government as a high-agenda item for the trilateral discussions.

The Canada-Nordic Summit brought together the leaders of Norway, Sweden, Denmark, Finland, and Iceland, with trade, innovation, and Arctic cooperation as the focus — a framework within which space-based surveillance, communications, and domain awareness are foundational capabilities. Canada's participation signals its intent to be embedded in the European northern security architecture — not merely as a customer, but as an industrial and strategic partner.

Strategic Implication

Canada's ESA investment — a tenfold increase to $528.5 million — combined with active engagement at the Nordic head-of-government level, signals that allied space industrial partnerships are now a foreign policy priority. Canadian companies with multi-jurisdictional positioning will have structural advantages in allied procurement competitions. This is not a future consideration — it is active now.

Development 3: Sovereign Infrastructure Is Being Built

Maritime Launch Services and Telesat as Proof of Thesis

Worldview Advisory's partner Sasha Jacob identified this inflection early. More than eight years ago, he became one of the earliest investors in Maritime Launch Services — recognizing that sovereign commercial launch infrastructure would become strategically indispensable before the market fully understood that thesis. Today he helps guide the company as its Board Chair, working closely with the executive leadership team.

That thesis is now being validated in real time. Maritime Launch successfully conducted its first commercial rocket launch from Spaceport Nova Scotia in November 2025. In March 2026, MLS signed a letter of intent with South Korea's INNOSPACE to evaluate hosting the HANBIT launch vehicle at the facility — demonstrating that Spaceport Nova Scotia is attracting international launch partners and establishing itself as a credible multi-customer platform within allied launch infrastructure and a potential key partner for Canada’s own sovereign defense and security capabilities.

Worldview Advisory is also proud to work with Telesat. Its opportunity reflects the same thesis applied to a different layer of the stack. Telesat's Lightspeed constellation — a Canadian-built, MDA-manufactured LEO network funded in part by a Government of Canada repayable loan — is among the most consequential sovereign space and defense infrastructure projects in the country's history. It is simultaneously a commercial broadband platform targeting enterprise, government, and aviation customers globally, and a defence-critical asset: in December 2025, Telesat was selected by the Government of Canada alongside MDA Space as a strategic partner to deliver Arctic military satellite communications for the Canadian Armed Forces under the Enhanced Satellite Communication Project – Polar.

That program — the first major procurement run through the new Defence Investment Agency — will provide the RCAF and broader Canadian Armed Forces with secure wideband and narrowband SATCOM capability across Arctic regions, directly underpinning Canada's NORAD and NATO commitments. Lightspeed pathfinder satellites are slated for launch in late 2026, with full constellation deployment through 2027. Worldview has supported Telesat's strategic positioning as the company navigates the intersection of geopolitics, sovereign procurement, allied defence requirements, and global commercial markets.

> ***In sectors where national security and private enterprise converge, competitive advantage comes from anticipating regulatory direction, government funding pathways, and geopolitical realignments before they are fully priced by markets. Worldview has been doing exactly that in the Canadian space sector for years.***

What This Means for the Space Sector

We are witnessing the industrialization of space. Launch cadence is accelerating. Satellite constellations are scaling. Defence applications are expanding into persistent monitoring, secure communications, missile tracking, and space-domain awareness. Supply chains are professionalizing. Capital markets are developing more sophisticated frameworks for evaluating and pricing space risk.

For companies operating in launch services, space infrastructure, defence-linked space applications, satellite manufacturing, and secure communications — the opportunity set is extraordinary. But this is not a purely technological opportunity. It is fundamentally a policy-aligned industrial opportunity. Success requires understanding defence procurement frameworks, structuring capital in line with sovereign funding mechanisms, navigating geopolitical risk, and aligning corporate strategy with national industrial objectives.

Two Structural Realities

Commercial firms are the execution layer.

Governments are no longer building sovereign space capability internally. They are buying it. The companies that understand defence procurement architecture, sovereign funding mechanisms, and allied industrial policy will define the sector's next decade.

The geopolitical realignment is a commercial opportunity.

Canada's active diversification away from U.S. dependency — into European, Nordic, and Indo-Pacific partnerships — is opening new industrial corridors. The ESA investment, the Norway visit, and the Nordic Summit are not diplomatic courtesies. They are procurement pipelines in formation.

Strategic Implications for Executives

1. Map Your Position Against the DIS Target Sectors

The strategy's 2035 targets — 50% export growth, 240% revenue expansion, 125,000 jobs — are procurement signals, not aspirations. Identify where your capabilities map against the priority domains: sovereign launch, SATCOM, ISR, space-domain awareness, secure communications. If you are not in these conversations, you are not in the pipeline.

2. Engage the Defence Investment Agency Now

The DIA is live and running its first procurements. The ESCP-P award to Telesat and MDA is the template. Companies that establish relationships with DIA before the major procurement cycles open will shape requirements. Those that engage after RFP release are responding to someone else's specifications.

3. Structure Capital Around Sovereign Mechanisms

The ITB Policy update, government loan facilities, and allied co-investment frameworks represent a new generation of capital instruments for space infrastructure. Companies that understand how to structure financing against these mechanisms will have a cost-of-capital advantage over those relying purely on private markets.

4. Build Allied Industrial Positions

Canada's Nordic and European engagement is creating new competitive corridors. Canadian companies with demonstrated allied partnership capability — and the government relationships to navigate multi-jurisdictional procurement — will be preferred industrial partners as these frameworks mature. Build those positions before they are contested.

What We Are Watching

- **Canada-Nordic Space and Defence Cooperation (Active):** The Carney-Støre bilateral and the Canada-Nordic Summit opened aerospace and space as explicit bilateral priorities. Follow-on industrial and procurement engagement between Canadian and Nordic space operators is a near-term watch item — particularly given Norway's Andøya Spaceport activity and the Nordic Five's shared Arctic surveillance requirements.
- **Monday's DND Announcement at DFL:** Minister McGuinty is expected to make a sovereign space program announcement at the Canadian Space Agency's David Florida Laboratory — operated by MDA Space. This will likely have multiple far-ranging defense and security implications and is likely to further formalize the investment trajectory outlined in this brief.
- **BOREALIS Roadmap (Q3 2026):** Canada's domestic space strategy update is expected to clarify funding priorities and procurement pathways for commercial operators.
- **ITB Policy Finalization:** The proposed Strategic Investment Transaction mechanism, if confirmed, will represent a significant new capital instrument for space infrastructure financing.

- **DIA Operational Mandate:** As the Defence Investment Agency matures, procurement timelines and industry engagement processes will become more clear. The first procurements are establishing the template.

Bottom Line

Canada has long been a global leader in space and space infrastructure. What was once a strength was allowed to whither as government budgets neglected space and defense, focusing on other priorities. We are at the beginning of a new era for Canadian space sector industrialization. The policy architecture is in place. The capital is committed. The allied partnerships are forming. The procurement mechanisms are live.

The space sector today resembles renewable energy in its early commercial phase: rapid cost compression, structural demand growth, and increasing institutional capital participation — underpinned by sovereign strategic necessity. The difference is velocity. Space is moving faster, with higher strategic stakes and a more complex geopolitical backdrop.

For leadership teams and investors seeking to navigate this shift, the question is not whether space will expand. It is how to position effectively within the new defence-commercial architecture — and how to manage the geopolitical risk that comes with it.

> ***The firms that master the intersection of sovereign procurement, allied industrial policy, and commercial capital deployment will define the Canadian space sector's next decade. The window to establish that position is open. Space sector leaders must move swiftly and confidently to maximize their opportunities.***

About Worldview Advisory

Worldview Advisory Inc. is a global strategic advisory firm specializing in public affairs, capital markets, and geopolitical risk management advisory services.

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