

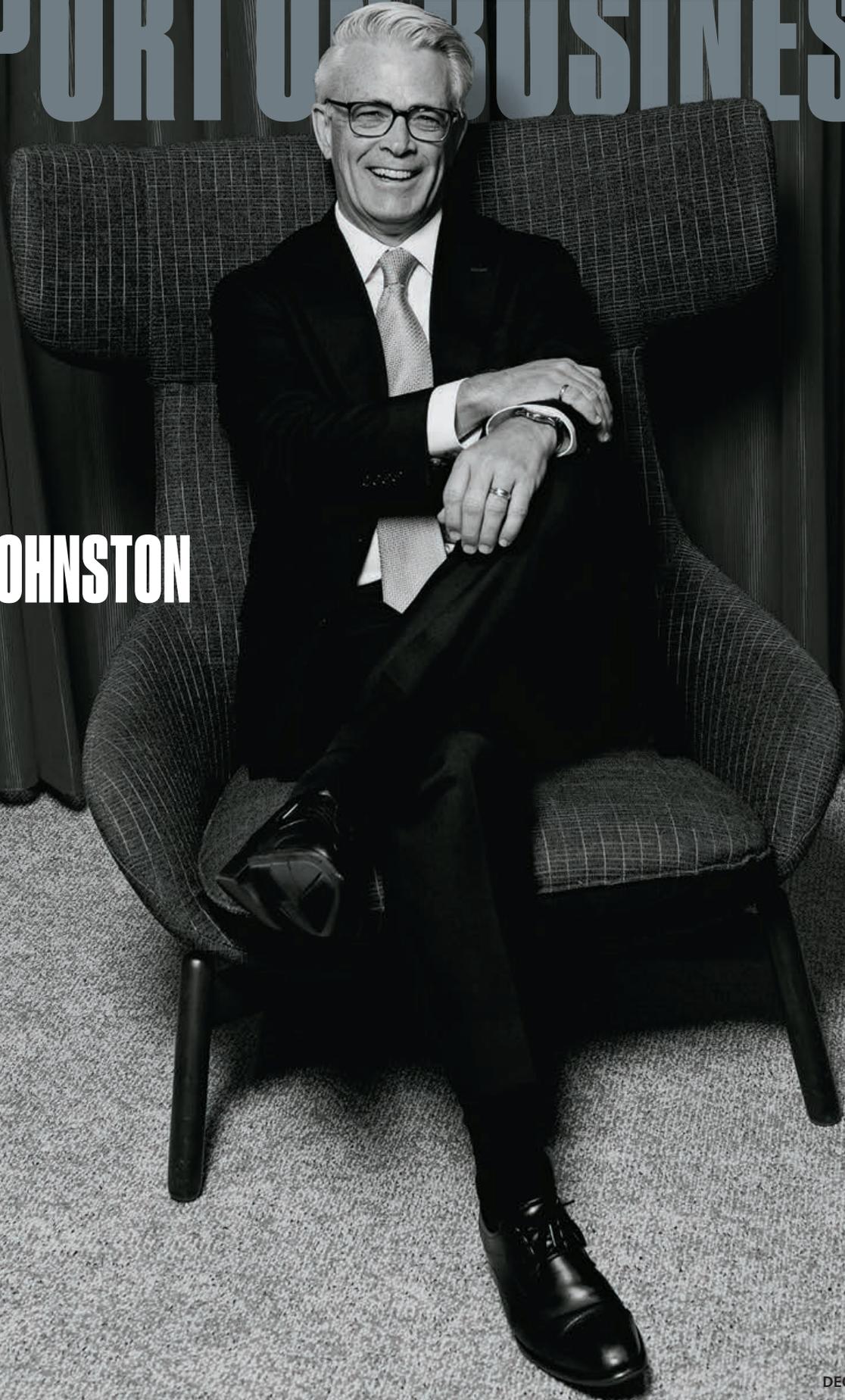
REPORT ON BUSINESS

CEO
OF
THE
YEAR

STANTEC'S

GORD JOHNSTON

IS BUILT
DIFFERENT





REACH FOR THE CROWN





THE YACHT-MASTER



SV BLACK EDITION





BY APPOINTMENT TO
HER MAJESTY
THE QUEEN
MANUFACTURERS OF
MOTOR VEHICLES
JAGUAR LAND ROVER LIMITED
COVENTRY



BY APPOINTMENT TO
HER MAJESTY
THE QUEEN
MANUFACTURERS OF
MOTOR VEHICLES
JAGUAR LAND ROVER LIMITED
COVENTRY

RANGE ROVER



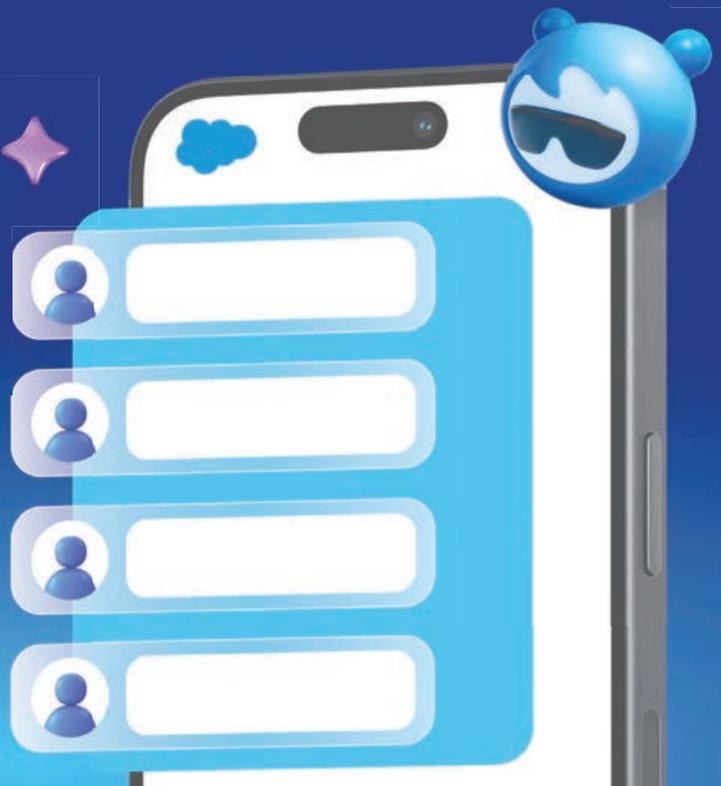
salesforce

Salesforce is proud to sponsor the Report on Business CEO of the Year awards.

What if you could solve problems before you knew they existed?

You can with Agentforce. [Explore how.](#)

Learn how you can deploy trusted enterprise AI



6 EDITOR'S NOTE

8 FEEDBACK

11 GRAPHIC DETAILS

Gobble, gobble! The holidays are coming, and it's time to talk turkey

12 THE EXCHANGE

Since Zahid Salman took over as CEO of GreenShield in 2018, he's revolutionized Canada's health and benefits business

16 BIG IDEA

Canada's productivity lags, and maybe it's because we rely too much on low-wage foreign workers rather than technology

18 MADE IN CANADA

Baffin's Titan work boots perform even when it's -49°C out there. You can do almost anything in them

20 BUSINESS INTELLIGENCE

TAWF, the Team Arm Wrestling Federation, is establishing a new top-level pro sport—tattoos and all

22 DECODER

Canada's bakeries and tortilla makers now use more energy than the slumping auto sector. Uh oh

24 FOR YOUR CONSIDERATION

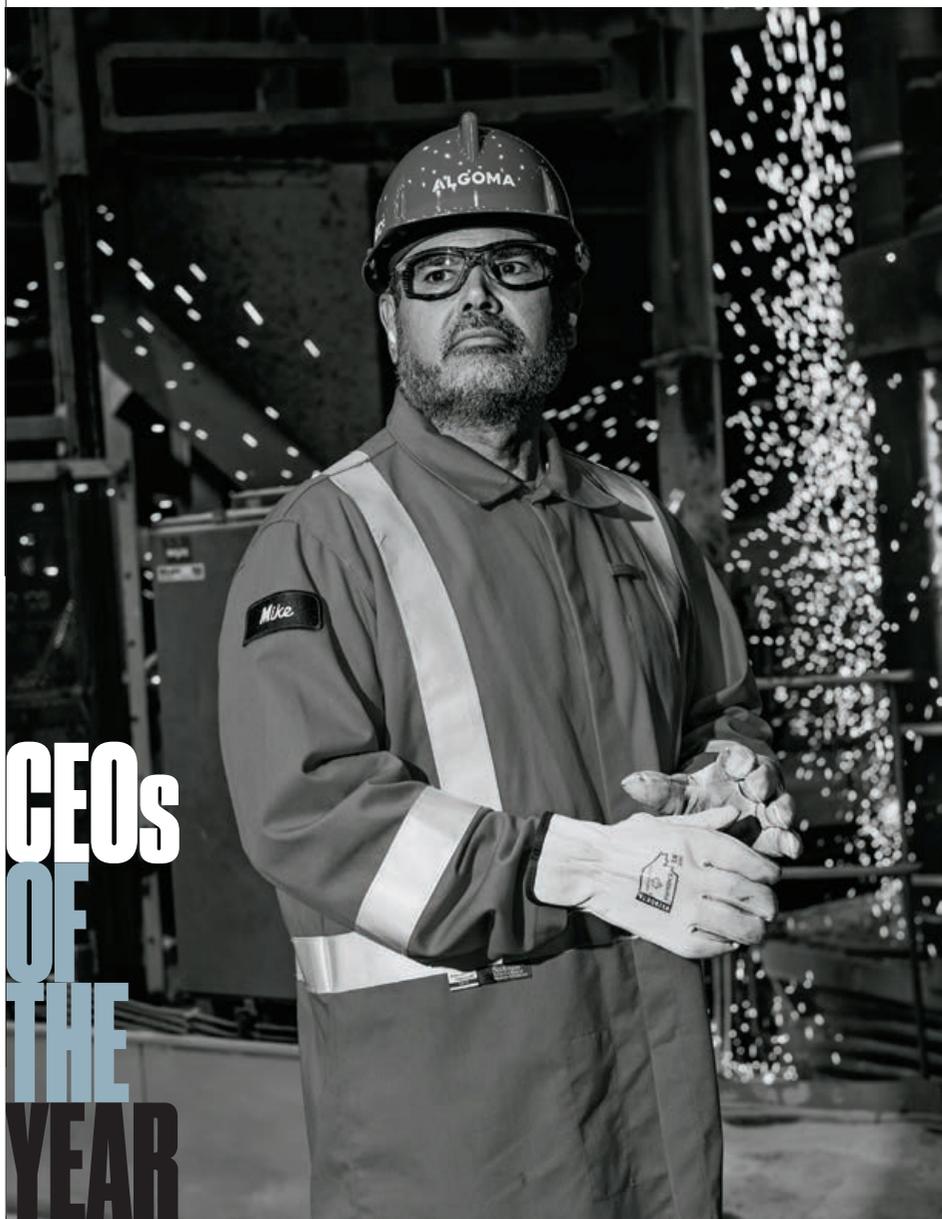
Urbana Corp. is a unique play on securities trading. And are we headed for a slump, inflation or what?

26 SMART MONEY

Emerging markets can be volatile, and Mackenzie Investments' Arup Datta now uses AI to help track them

64 WHAT I LEARNED

Katie Taylor, former CEO of Four Seasons and the first woman to chair a Canadian bank, knows how to pivot—a lot



CEOs OF THE YEAR

2025

Our annual selection of top performers in four different areas—corporate citizen, innovation, strategy and the best of the newcomers. It's getting tougher to be a corporate leader, and these four have upped their game. /By Trevor Cole, Niall McGee, Jeffrey Jones and Sean Silcoff

55

ECONOMIC OUTLOOK

As we limp into 2026, what are the possible upsides and downsides ahead for inflation, housing, trade with the U.S. and the rest of the world (and more)? Plus, some pithy advice from Canadian corporate bigwigs and AI. /By Jason Kirby and Matt Lundy

▲ Mike Garcia of Algoma is our Corporate Citizen of the Year Page 36



Follow the leader

Our annual CEO of the Year issue is, at its core, all about inspiring leadership. Because truly successful companies—ones that aren't just thriving financially but culturally, as well—don't just happen. They're nurtured by great leaders.

So what, exactly, makes for one of those? Brilliance, obviously, but having innovative ideas does not, in and of itself, make you a stellar boss—the annals of business history are littered with the bones of companies led by geniuses with zero aptitude for leadership.

No, it goes far beyond brains. The best of the best set a clear and focused vision for the organization, then hire the right people to make it a reality and (this part is crucial) stand back to let them do it. They're transparent. They're compassionate. They listen to their people—particularly the ones whose opinions differ from their own—and seek out voices that otherwise might not be heard. And they motivate their teams not through fear, but through a joint sense of purpose and camaraderie.

For this month's "What I've Learned"

column (page 64), I had the opportunity to talk to someone who knows a lot about leadership—as a CEO, board director and prolific volunteer. Katie Taylor spent 24 years at Four Seasons Hotels & Resorts, where she was legendary founder Issy Sharp's handpicked successor as chief exec. She spent three years in that role and then nine years as chair of RBC—the first woman to hold that position at a Big Five bank. Today, she chairs five boards, including SickKids, Element Fleet Management and Mattamy Homes, and sits as a director on several more, including Air Canada.

We got to talking about her early career, and specifically why she made the jump from the Ontario Securities Commission—which was undergoing a rash of exciting changes following the crash of '87—to Four Seasons, then a relatively modest outfit where she'd be the No. 2 in a two-person legal department. Her reason was simple: Her boss was a former mentor, and she loved working with him. That's when Taylor said something obvious yet revelatory: "People rarely quit and join companies. *They quit and join their bosses.*"

She's absolutely right. A toxic manager can ruin even the dreamiest of jobs. And an inspiring one can make the dreariest gig—task, deadline, meeting, repeat—into a dream.

And that's why, each year, we shine the spotlight on outstanding CEOs who are most definitely on the "join" side of Taylor's equation. Typically we profile five chief execs. This year, however, we're missing our global visionary. That award went to Jennifer Wong, who joined Vancouver-based retailer Aritzia as a teenager and took over the top job three years ago—during which time the stock is up 167%, making Aritzia by far Canada's best performing retailer. Wong, unfortunately, declined to participate, so you won't find the secrets to her wild success here.

But flip to page 29 to read profiles of four exceptional leaders with plenty of wisdom to impart. Your employees—and your bottom line—will thank you.

/Dawn Calleja

Have feedback? Email us at robmagletters@globeandmail.com

Editorial

Editor **DAWN CALLEJA**
 Senior Editor JOHN DALY
 Editors-at-Large JOE CASTALDO,
 JASON KIRBY, TAMAR SATOV
 Copy Editor SUSAN NERBERG
 Research CATHERINE DOWLING,
 LUCY UPRICHARD

Art

Art Director **DOMENIC MACRI**
 Associate Art Director
 BRENNAN HIGGINBOTHAM
 Director of Photography
 CLARE VANDER MEERSCH

Contributors

DEBORAH AARTS, LIZA AGRBA,
 JAMESON BERKOW, TREVOR COLE,
 JEFFREY JONES, JOHN LORINC, NIALL
 MCGEE, SEAN SILCOFF, PATRICK
 WHITE, SHIRLEY WON

Advertising

Vice-President, Revenue
JONATHAN DENEAU
 Managing Director, Creative Studios
 and Ad Innovation

TRACY DAY

Head of Special Products

ANDREA D'ANDRAE

Category Manager,
 Business and Finance

LAURA WU

Production

Vice-President, Print Operations

SALLY PIRRI

Print Layout Specialist
 ISABELLE CABRAL

President and CEO

ANDREW SAUNDERS

Editor-in-Chief, **The Globe and Mail**

DAVID WALMSLEY

Managing Director, Business
 and Financial Products

GARTH THOMAS

Editor, Report on Business

GARY SALEWICZ

Report on Business magazine is published 7 times a year by The Globe and Mail Inc., 351 King Street E., Toronto M5A 0N1. Telephone 416-585-5000.

Letters to the Editor:

robmagletters@globeandmail.com.

Copyright 2025, **The Globe and Mail**.

Indexed in the Canadian Periodical Index.

Advertising Offices

Head Office, The Globe and Mail,
 351 King Street E., Toronto M5A 0N1
 Telephone 416-585-5111 or toll-free
 1-866-999-9237

Branch Offices

Montreal 514-982-3050

Vancouver 604-685-0308

Calgary 403-245-4987

Email: advertising@globeandmail.com

United States and countries outside of
 North America: AJR Media Group,
 212-426-5932, ajrmediagroup@globeandmail.com

Publications mail registration No. 7418.

The publisher accepts no responsibility

for unsolicited manuscripts,

transparencies or other material.

Printed in Canada by Transcontinental

Printing Inc.

Report on Business magazine is electronically

available through subscription to Factiva.com

from Factiva, at factiva.com/factiva

or 416-306-2003.

tgam.ca/r



Downtown departures just got upgraded.

The only flights with free Wi-Fi to major U.S. airports from Billy Bishop Toronto City Airport. **Nice travels.**

Sponsored by Bell.

A STAR ALLIANCE MEMBER 

Access is subject to terms and conditions. Free Wi-Fi is available on flights equipped with in-flight connectivity.

Lawrence and the machine

Grant Robertson's feature on Aston Martin Racing owner Lawrence Stroll generated a predictable amount of Lance-bashing—and a fascinating tale of another Canadian businessman with the F1 itch.



In 1977, I wrote the first major magazine feature on Walter Wolf. Wolf, an enigmatic Canadian businessman, was determined to break into the cloistered ranks of Formula One. So it was with no surprise and absolute delight that I read Grant Robertson's excellent feature on Lawrence Stroll, a man who appears on the same path nearly 50 years later.

It's hard to avoid the comparison: both life-long car fans, both accumulated wealth and influence largely under the radar of the business establishment (Stroll through savvy investments in apparel marketers, Wolf in construction), both involved with exotic car manufacturers (Aston Martin for Stroll, Lamborghini for Wolf). Both entered F1 by assembling the remnants of distressed teams, and both raised eyebrows and generated an impact (Walter Wolf Racing won its first race with a car of its own design, the 1977 Argentine Grand Prix).

But that's where the similarity ends. As your feature deftly explains, the complexity and expense of today's F1 is orders of magnitude greater than the F1 that attracted Wolf. Wolf Racing may have gone on to win three Grands Prix, but Stroll's team seems destined to establish technological, commercial and competitive marks on the global phenomenon that is F1—impact Wolf could never have imagined.

—Doug Mephram

Let's not forget the most important part in a race car: the nut behind the wheel. You can't make that on a 3-D printer (yet). Always looking for Canadians to succeed, but even Enzo Ferrari learned 70 years ago that F1 is not a family business. —Tim Sanderson

Not much respect for Lance as a driver in the comments, but you need to have a car that competes with the top three to win races, and I don't think he's had that car yet. Time will tell. Sounds like Stroll Sr. has put together the best of the best in terms of car builders. —Randall Leigh

Canadians don't like the Strolls because Canadians don't like successful people. You have to apologize for success here. But the truth is that Lawrence Stroll is awesome. Lance may not be the best driver, but he's still pretty good. He doesn't get enough support from Canadians. —Brother Tats

Branch-plant blues

Our Made in Canada feature took readers inside an urban facility making uranium pellets for CANDU reactors.

I spent 22 years as a scientist at the AECL Chalk River Labs and six at the CNSC as staff regulating the CANDU industry. Your article came at the same time as an announcement by Mark Carney and Doug Ford about spending \$3 billion on



CONTRIBUTOR SPOTLIGHT

Duane Cole was born and raised in Toronto, and studied photography at Humber College. A regular contributor to *The Globe and Mail*, his subjects include sports, race, art, gender and pop culture, and the places where they intersect. Stylistic simplicity and pursuing honest connections with his subjects are key to creating his portraits, which came in handy when photographing our four CEOs of the Year (page 29), who were spread across the country.



small modular reactors (SMRs) at Bowmanville. Given *The Globe and Mail's* interest in our nuclear industry, I thought you may also find an interest in OPG's decision to adopt GE Hitachi's SMR design rather than invest in more CANDU units. Those of us who spent our lives maintaining CANDUs and making our tech one of the best in the world find it difficult and somewhat insulting to see Canada resorting to foreign designs when we have our own.

—Nikos Christodoulou

Disappointing to read the "Made in Canada" headline, only to learn that BWXT is a U.S.-based company that trades on the NYSE. In other words, another branch plant. And yet, the uranium comes from Saskatchewan. Is there no way Canada can ever own these businesses, from raw materials to corporate profits? What happens in the trade war if He Who Must Not Be Named says he wants this manufacturing happening in the U.S.? —JaydoubleU

Interesting story and a great presentation. Now do one on the new Moderna plant. —one-eighty

Animation nation

Joe Castaldo delved into Hollywood's existential AI crisis.

The issue isn't the amount or quality of content; it's the time available to engage with it. My backlog is so long that if Hollywood stopped making movies tomorrow, I'd have enough to last me two decades. And that's not even factoring in books and games, much less TV. I'm not sure how content producers are ever going to reconcile this issue. —Manduhatter



FREDERIQUE CONSTANT GENEVE

Live your passion



MANUFACTURE
Classic Perpetual Calendar

BEYOND CONVENTIONS

www.frederiqueconstant.ca

WORK. LIFE. BALANCED.



In St. Catharines, Ontario, life unfolds with ease. With its perfect harmony of urban sophistication and natural splendour, the city invites you to experience life at a different pace. Stress-free commutes, innovative businesses, excellent schools, gourmet bistros and cozy neighbourhoods are all set on a backdrop of lush landscapes and sun-kissed waterways.

With over 1,000 acres of parks, gardens, and trails, and nearly 5 km of shoreline, ours is a community that treasures natural beauty. St. Catharines has invested over \$300 million in sports, arts, and entertainment amenities, and that's only the beginning. The city has committed to building 11,000 new housing units over the next 10 years, leveraging \$25.7 million in Housing Accelerator Funds and \$4.5 million in Building Faster Funds to achieve its goals.

Why choose between a dynamic career and a fulfilling lifestyle? In St. Catharines, you'll have both.



www.investinstc.ca

That's the weight in pounds of the heaviest turkey ever, according to Guinness World Records (and that's dressed, meaning with all its guts removed). This spectacular bird—roughly the same heft as 3.2 gold bars, six bowling balls or eight gallons of paint—met its sad but no doubt delicious end in the U.K. in 1989.

12.25

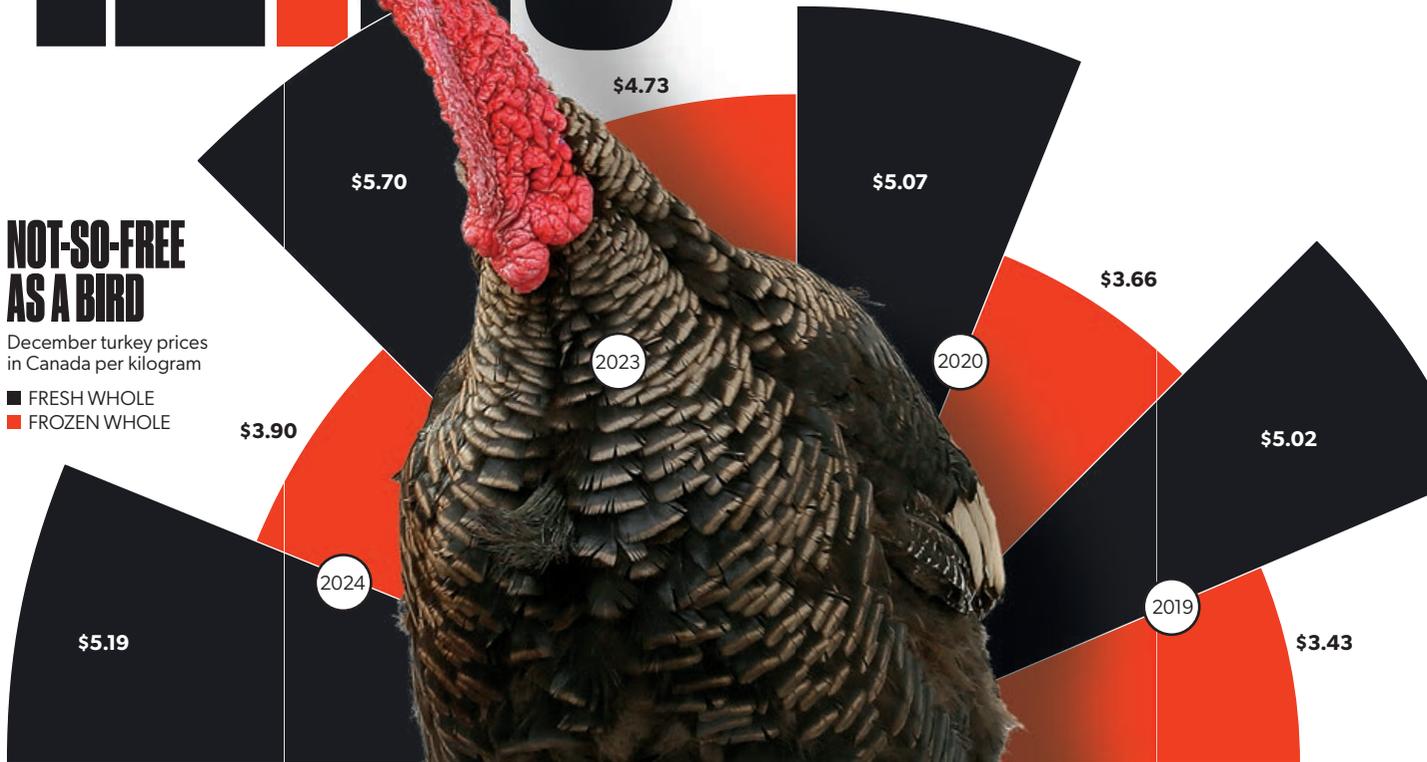
TALKING TURKEY

■ As you sit down to eat a delectably roasted bird this holiday season, give thanks to Queen Victoria's eldest son, King Edward VII, who made noshing on gobblers at Christmas-time fashionable in the early 1900s. They might not look pretty—as literary genius G.K. Chesterton wrote, “A turkey is more occult and awful than all the angels and archangels”—but they more than make up for it in festive flavour.

NOT-SO-FREE AS A BIRD

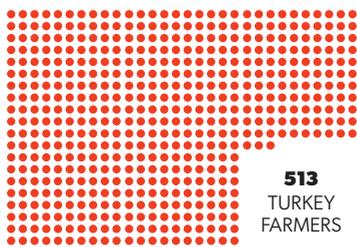
December turkey prices in Canada per kilogram

■ FRESH WHOLE
■ FROZEN WHOLE



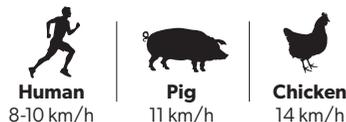
\$487 MILLION

Turkeys' farmgate value



10 COMMERCIAL HATCHERIES

Wild turkeys can fly for short distances up to 88 km/hour and can run **32 km/hour**



134 MILLION Kilograms of turkey consumed in 2023—**3.3 kg** per capita

35.3 MILLION Kg of whole turkeys purchased

9.8 MILLION Kg of turkey parts and processed turkey sold in supermarkets (excludes deli)

4.7 MILLION

Whole turkeys bought over the course of 2023 in Canada



2.1 MILLION AT THANKSGIVING

2.6 MILLION AT CHRISTMAS

“AS GOD IS MY WITNESS... I THOUGHT TURKEYS COULD FLY”

—Arthur Carlson, WKRP in Cincinnati

TURKEYS EATEN IN THE U.S.



THE EXCHANGE

FRIEND WITH BENEFITS

BY TREVOR COLE

■ About seven years ago, as the fourth-largest player in Canada's \$40-billion health and benefits industry but the only one operating as a non-profit, GreenShield found its margins getting squeezed. Seeing a threat to its charitable mission, its board realized it needed the help of someone on the for-profit side. As it happened, Zahid Salman, who'd worked with insurance companies for years as a pension consultant, admired what GreenShield was all about. In 2018, he took over as CEO and instilled a focused, commercial mindset that turned the company around. Since he reshaped GreenShield into the country's first "payer-provider," its annual revenues have more than doubled, and its social impact has grown. Maybe it's fitting that in a few months, GreenShield will move its Toronto office into the heart of the financial district, where the serious money plays. We spoke to Salman at his current office in North York.

Has GreenShield always been non-profit?

Since day one. We were founded by a pharmacist by the name of Bill Wilkinson. (1) A young mother walked into his pharmacy with two prescriptions. One was for herself, one for her young daughter. She couldn't afford both, so she ended up going without the medication she needed so her daughter didn't have to. This led Wilkinson to create North America's first pre-paid drug plan. That design didn't exist until he created it. The next thing he did was set up GreenShield as a non-profit.

What does your non-profit status allow you to do that for-profit companies can't?

It allows us to think in the long term. It took Wilkinson 20 years to get that pre-paid drug plan

1. GreenShield was founded by Wilkinson in Windsor, Ont., in 1957.

2. GreenShield's signature initiatives focus on essential medicines, mental health and chronic disease. Programs include a women's mental health program that offers free culturally sensitive virtual therapy; an essential medicines program to provide coverage to target groups in four provinces; a nurse-led chronic disease management program; and a new youth mental health program.

off the ground. It was only when he worked with the United Auto Workers Union to convince GM, Ford and Chrysler to adopt that design in their benefits plans, and then hire GreenShield to administer it, that it took off.

Would he have waited 20 years if he was not a non-profit? I don't think so. The other thing it allows is, we don't have to return excess earnings. "Excess" meaning any earnings we don't need to reinvest in the business. We can invest those in our communities. So we fund all sorts of social impact programs. (2)

When you became CEO, what was your mandate?

There were a lot of headwinds. Things like the push for single-payer pharma care, which is still an agenda item today. A lot of new entrants with new





PHOTOGRAPHS ATTILA ATANER

business and pricing models. There was a fear that Apple or Google might get into insurance. Price compression was another big one. Since we use all of our excess earnings to fund our social mission, that's a big worry—would we still be able to do that? (3) So the board asked me to chart a diversification strategy to make the company more resilient and advance the social mission.

How did you arrive at the payer-provider model?

Initially we thought, should we go into life insurance? Disability insurance? But those markets are already well served. Instead, we diversified into health care. Because we were founded by a pharmacist, we have these deep roots there. (4) And we saw a trend. More and more employers didn't want to just provide coverage for the 30% of health care services that aren't covered under government-funded services. They wanted to provide access to the care, as well. And in some cases they wanted to improve the experience of their employees around accessing the care. So what if we were actually delivering the care as well as the coverage? So we invested in some digital health startups. (5)

So now you're the country's first "integrated health and benefits company." How does that actually work?

The three services we started with were mental health, pharmacy and telemedicine. Let's say I have a splitting headache I can't shake. I can go onto the GreenShield app and access our telemedicine services, and get in front of a doctor within 30 minutes. The first thing the doctor could say is, "I'm going to give you some medication to manage the pain." The prescription automatically goes to our digital pharmacy, and it gets delivered to your door the next day. At the same time, the doctor might say, "Longer term, perhaps what's driving the headaches is stress and

3.

\$5.6 BILLION

GREENSHIELD'S 2024 REVENUE,
DOUBLE WHAT IT WAS IN 2019

7x

INCREASE IN ITS ANNUAL SOCIAL IMPACT
INVESTMENTS SINCE 2019

7.5 MILLION

PLAN PARTICIPANTS ACROSS CANADA

4. By bylaw, half the seats on GreenShield's board are held by pharmacists.

5. Over 18 months starting in late 2020, GreenShield acquired eight companies: virtual mental health platform Inkblot; Tranquility, offering internet-based cognitive behavioural therapy; BCH Consultants, Quebec's second-largest independent EAP provider; NKS, a specialty pharmacy; the Health Depot, a digital pharmacy; two health benefits administrators, Computer Workwear and Benecaid; and a numbered pharmaceuticals company.

anxiety. So you should speak to a counsellor." Through the app, you can get in front of a counsellor, as well. That's why we chose those three areas, because they fit with each other.

These extra services add cost to your clients. Why do they want to pay that cost?

Most employers already offer employee assistance plans. So we now offer an EAP that includes digital mental health services that are fully integrated with your insurance. So it may add a cost in terms of what they're paying us, but in terms of total spend, they're already paying that somehow. Employers have been seeing greater demand for telemedicine. One in five Canadians do not have a doctor. Those who do often wait four or five days to get in front of them. So there's a real demand for facilitating better access to care. Employers themselves find it beneficial because it helps with productivity and reduces absences at the back end. So there's ROI to the plan sponsor. **With your digital pharmacy, the Health Depot, have you created a preferred provider network?** It's not a preferred provider network. We don't require anyone to use the Health Depot.

They may choose to, if they see a benefit in integrating their pharmacy with the telemedicine and getting quicker reimbursement. But most individuals already have a relationship with a pharmacy, and we respect that and pay claims from any pharmacy. Where we do offer a preferred provider network is on a subset of the prescription drugs called specialty drugs. These are drugs that cost more than \$10,000 a year. They're managed by specialty pharmacies separate from the Health Depot.

Is there an inherent conflict of interest there? You've got a doctor saying you need a medicine, and you've got your own pharmacy selling that medicine.

It's a fair question. We don't see it as a conflict. If I can create an experience for a patient that provides greater integration between a doctor, a pharmacist, a mental health counsellor, and all that gets seamlessly enabled by a benefits plan—because these services aren't covered under provincial Medicare—I don't see it as a conflict. It would become a conflict if I forced it on anyone or provided large incentives to steer them, but we're not doing either of those things.

The other question would be, are you monetizing the relationship between patient and doctor?

We charge a fee for all the services we deliver, and then we pay compensation to whatever practitioner is delivering the services, whether it's a pharmacist, a doctor or a counsellor. So for sure, we look to make a margin on the fees. Again, that's how we fund the mission, and every company would do that.

GreenShield disrupted Canada's benefits industry with its payer-provider model. Has the model started to catch on here?

Yes! We've been growing at two to three times the market rate for a few years now. Obviously that raises some eyebrows. A few of our larger competitors have

adopted their own version of payer-provider. Sun Life bought a company called Dialogue (6) and put it under their Lumino Health brand. Manulife has done it through a partnership with Telus Health, which delivers the health care services, and a company called League that delivers the underlying technology. We are still viewed as the leading payer-provider in terms of the strength of the integration we're creating. As long as we can maintain that first-mover advantage and differentiation around breadth and integration, we think we'll win a disproportionate share of the payer-provided opportunities that come to market.

There must be a tension between wanting to use your excess earnings for social programs and wanting to increase your services.

How do you decide where the money goes?

Think of what we do as social dividends. You want to make sure that you're investing enough in the business so that it can grow and the dividends can increase over time. But you also want to make sure you're carving out enough funding to maintain stable dividends. When I joined, we'd contribute a small amount to the social mission—about \$2 million to \$3 million a year. Then we started to bring a more commercial mindset. The target we set for ourselves is 15% to 20% of pre-tax excess earnings. So this year it'll be about \$18 million. For the first strategic plan under my tenure, which took us through 2025, we set a goal of reinvesting \$75 million into social impact initiatives, on top of whatever investment we need in the business for technology, for new products, for acquisitions.

You've now hit your \$75-million target. What's next?

In February, our board approved the 2030 strategic plan. It continues to be focused on building out this payer-provider model, and we think the \$75



million will grow to \$125 million. We also recognize that we can't do everything ourselves. So we want to partner with other like-minded organizations to amplify the amount that we can do good with. Those other organizations could be private sector, public sector, government agencies, wherever there's alignment of interest. For 2030, the goal would be to find another \$75 million to make it \$200 million. And we believe with that pool, instead of improving the health and well-being of only a million lives, we can get to three million.

GreenShield talks about democratizing access to "culturally appropriate health care." What does that mean?

If you look at EAPs that provide counselling, the average utilization rate would be anywhere from 7% to 10%. Across the equity-seeking groups, it's much, much lower. (7) And one of the big reasons is because there's a lack of culturally appropriate care, which means, in English, ethnic fit with the counsellor.

So this is a way for you to differentiate your services and attract clients with diverse employee bases?

Exactly. Our app will ask you

6. The insurance giant bought Dialogue Health Technologies for \$365 million in 2023.

7. GreenShield's social impact programs target five underserved population groups: youth, women, low-income, LGBTQ and racialized people.

what you're looking for in a counsellor. And then it will find the counsellor that meets as many of those attributes as possible. So it might take a bit longer, but then you've matched with a counsellor who's a better fit.

You've talked about leaders exercising humility as a strategic necessity. How does that apply in your own experience?

During the pandemic, characteristics like authenticity, empathy and humility became much more valued in leaders. What is the value proposition to an employee to join GreenShield versus another organization? The purpose is really the big differentiator. So can you run a company that attracts people to the purpose if you yourself don't have that empathy, humility and authenticity, and demonstrate commitment to the social mission and doing good for people beyond just the clients that you serve? For me, it's a very, very important attribute.

This interview has been edited and condensed.

Trevor Cole is the author of five books, including the novel Practical Jean, which won the Stephen Leacock Medal for Humour.

POWER HITTER
Average U.S. cost to
drive 100 miles

EV
(home charging)
\$5.26

Gas car,
hybrid
\$6.15

Gas car,
standard
\$12.80

EV
(fast charging)
\$15.62



BIG IDEA

LABOUR PAINS

Why Canada's reliance on temporary foreign workers may be hurting growth

■ When University of Waterloo economist Mikal Skuterud ponders the triangular relationship between immigration, technology and productivity, he finds himself thinking about Norway, where his family is from. It's a place that doesn't import low-skilled workers to do jobs Norwegians don't want to do. That kind of work is mainly done by technology. The country's fish processing industry is famously and thoroughly automated, as are places like supermarkets. "Low-wage jobs like you see in Canada literally don't exist," he says. "Even cashiers. The grocery store is completely self-checkout. It's almost like there's no employees in a lot of the stores."

Norway, not coincidentally, invests in a widely accessible vocational training system closely aligned with labour market needs. It also happens to have one of the most productive economies in the OECD—a measure widely regarded as a proxy for a country's standard of living. Industries (and economies) that are highly productive tend to invest in labour-saving technologies, which allow them to increase their revenues and earnings per worker. (Automation can exacerbate income inequality, but technology also fosters new forms of higher-skilled work.)

Canada's productivity, in turn, ranks in the middle of the pack among OECD countries, well behind the U.S. and all the other G7 economies except Japan. Over the decades, experts have debated the root causes of our lagging productivity,

with culprits ranging from resource dependence to an excess of U.S. branch plants to an inability to grow global tech companies.

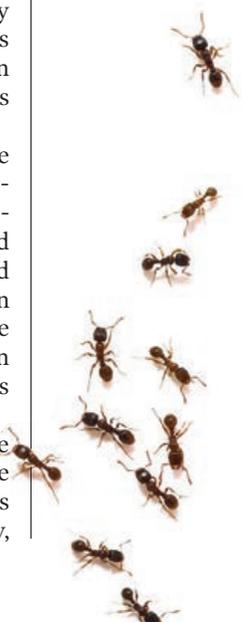
But Skuterud's observation raises another possibility: Are Canadian firms less likely to invest in technology, training and equipment that could increase productivity and reduce their reliance on low-skilled labour because it's easier and less costly to hire low-wage foreign workers? And if so, does Canada's politically besieged temporary foreign worker (TFW) program and its cousin, the international mobility program (IMP)—which allows foreign students to work while studying in Canada—contribute to Canada's stagnant productivity?

The TFW program dates back to the mid-1960s—a period when the federal government began issuing work permits to seasonal farm workers for entirely pragmatic reasons and our labour productivity was growing at a healthy clip. Ottawa later expanded the program to include caregivers and health care workers. In recent decades, it's allowed employers to bring in high-skilled workers and low-skilled non-agricultural workers, while permitting international students to secure temporary work visas. The upshot is that the numbers have jumped significantly—to 845,000 in 2021 from 356,000 in 2011, according to a 2024 Statistics Canada report—with the bulk of that growth coming from students with work permits.

"Many will agree that, with some caveats—the old seasonal agricultural workers program maybe being one—TFW/IMP workers serve as a disincentive to employers to invest in productivity-enhancing technology/capital equipment," says Arthur Sweetman, a McMaster University labour and health economist.

In places with low or no immigration, the converse seems to be true. "You can go to countries that are developed and have high living standards, like Japan and South Korea, where they virtually ban any type of immigration. And what you see is that those guys do invest more in those machines," says McMaster economist Pau Pujolas.

There's been plenty of scholarship over the years demonstrating that high-skilled immigrants benefit their



PHOTOGRAPH GETTY IMAGES

firms and the economy in general—and not just in Canada. For instance, a 2021 study on entrepreneurship, innovation and immigration published by the conservative Cato Institute cites research showing that immigrants tend to be more entrepreneurial than U.S. citizens and drive increases in patent registrations.

While Canada used to prioritize high-skilled immigrants, that's no longer the case. Many TFWs work in industrial settings, like food processing and construction, which crave low-skilled employees to address post-pandemic labour shortages. "The crux of our immigration challenge," says Skuterud, "is that historically, we've said we're going to have a 'human capital' model, where we're focused entirely on prioritizing the skills of immigrants. In recent years, we've moved away from that toward a system that's more concerned with current labour market needs that tend to be lower-skilled jobs."

For employers contending with hiring problems, the incentives are powerful: They can pay TFWs less than Canadian workers and don't worry too much about investments in training. These employees also tend to work longer hours, have lower rates of absenteeism and are less likely to be laid off, as a 2023 federal government survey found.

In a 2025 paper in the *Canadian Journal of Economics*, Skuterud and his co-authors, University of Waterloo's Matthew Doyle and Carleton University's Christopher Worswick, examine the economics of Canadian immigration levels since the 1960s. They argue that the recent skills mix among temporary workers doesn't make sense according to the long-standing logic of Canada's immigration system, which foregrounds economic benefits: "Our analysis suggests that Canada is not well positioned to leverage heightened immigration to increase GDP per capita owing primarily to weak capital investment and quantity-quality trade-offs in immigrant selection."

A study by the Bank of Canada and Western University released earlier this year comes to a similar conclusion. It found that between 2015 and 2024, temporary workers have become "younger, less experienced and more likely to migrate from lower-income countries," while the share in skilled

occupations has declined. The net result is that, in the aggregate, Canadians' wages would have been about 0.7% higher if the skills profile of TFWs hadn't shifted over the past decade. "Assuming that newcomers' wages largely reflect their labour productivity," the study's authors concluded, "these results have important implications for Canada's productive capacity and thus potential output."

Whether Canadian firms' growing reliance on low-skilled TFWs has measurably dragged down Canada's productivity is difficult to say. The total number of temporary residents with work permits is actually quite limited—only 4% of Canada's total labour force, according to a 2021 evaluation conducted by Employment and Social Development Canada.

"People perceive the temporary foreign worker program as a big threat to jobs, when in reality, numbers are relatively small," says Pujolas. What's more, economists say it's almost impossible to empirically demonstrate that Canadian firms that lean on this kind of employment instead of buying labour-saving technologies are pulling down Canada's overall productivity metrics and, if so, to what degree. "It is really hard to credibly measure the foreign worker effect on productivity," says Sweetman.

Skuterud's take on the TFW program's future is that Canada shouldn't throw

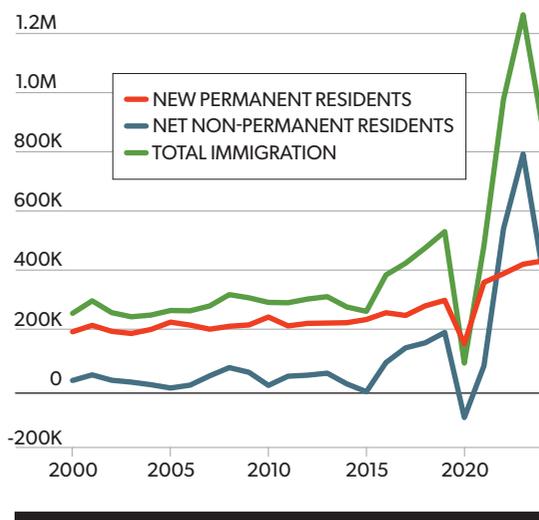
the policy baby out with the political bathwater. "The real worry I have," he says, "is that you're seeing political parties posturing on immigration policy in a way that's not really about policy."

A rational reading of the use and growth of the program indicates that the government should adjust the policy levers so Canada's use of temporary workers supports, rather than undermines, the broader health of the economy. In other words, return to a system that puts a preference on high-skilled workers, including those who want to eventually become permanent residents, because there's clear evidence that that kind of immigration delivers all sorts of benefits to the economy and the labour force, as well as Canadian society.

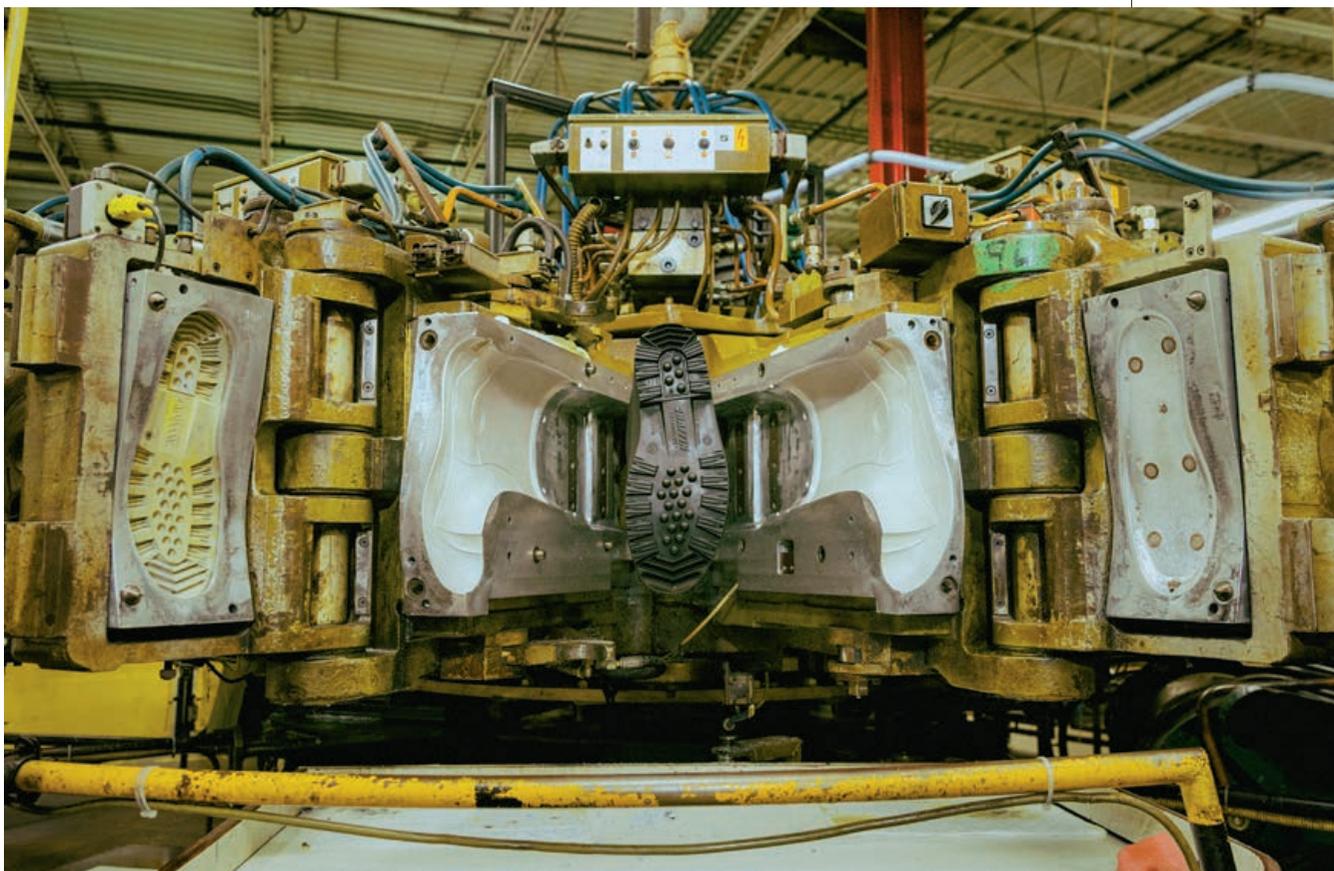
Federal policy makers should also reflect on whether the government simply made it too easy for Canadian employers, immigration consultants and international job recruiters to use these programs to deal with their HR headaches. As Skuterud says, "if you ease the access, what tends to happen over time is the numbers just grow and grow."

The numbers ballooned, then there was a big pull-back for largely political reasons. At this juncture, Ottawa should turn to the emerging data and economic analysis to figure out how to reset our immigration policies so they no longer trigger unintended consequences for Canadian companies forever on the prowl for the points of least resistance. /John Lorinc

ANNUAL CANADIAN IMMIGRATION
2000 TO 2024



Some of Baffin's injection moulding machines, which form the Titan rubber boot, have been in use since the 1970s



MADE IN CANADA

COLD COMFORT

■ The promo pictures of Titan work boots on the Baffin company website look off. The rubber shines. The soles are unblemished. They're like livestock dolled up for a country fair. Everyone knows their natural habitat is muck.

First introduced in 2004 to appeal to Canadians toiling in Canadian climates, a Titan boot doesn't look right without a splash of caribou blood or a streak of Alberta bitumen or a crust of cow pie. They are polar rated, meaning a member of Baffin's testing team has trudged them through temperatures as low -49°C.

"I've skied in our boots to the geographic North Pole. I've taken them across Baffin Island, the Rockies, glaciers in Iceland, the wilds of South Africa," says Mark Hubner, Baffin's senior VP, from his office in Stoney Creek, Ont., where he can feel the rumble of the factory floor where every Titan is made.

Hubner's grandfather, Peter, founded the company in 1979, selling footwear components such as soles for hockey skates. In the mid-1990s, the company pivoted under Peter's son, Paul, to focus on boots built for Canada's extreme cold. Luxury outerwear outfitter Canada Goose bought Baffin in 2018 for a reported \$32.5 million, but it remains a standalone operation.

Today, Baffin's 166,000-square-foot facility turns out 300,000 pairs annually (about a third of Baffin's total output) and features an on-site CSA lab where boots are dropped, zapped with electricity and flexed at freezing temperatures to ensure they hold up to all manner of outdoor punishment. Hubner says appreciative customers have shared photos of Baffin boot tattoos honouring footwear that saved them from amputation and electrocution on job sites—proof that these boots are work-horses, not show ponies.

/Patrick White

TITANS ARE FLEXED
200,000
TIMES AT ROOM
TEMPERATURE
AND
50,000
TIMES AT -20°C

OTHER FAMOUS TITANS



QUARTERBACK
CAM WARD



KRONOS



WARREN BUFFETT

High-performing boards know the value of board education.

Boards in Canada are facing unprecedented challenges.

Directors gain critical knowledge, upskilling and foster vital connections through active and engaged board education.

Boards that are highly ranked in an independent assessment of governance practices*, are members of the Institute of Corporate Directors.

The ICD is unique in placing the directors' viewpoint at the centre of all our educational programs and experiences.

To benefit from ICD's breadth of governance education and insights from a network of accomplished directors across Canada, join us.

Good corporate governance, Canada's competitive advantage.



"In today's increasingly uncertain business world, effective corporate governance is essential for success. It builds trust and helps drive good corporate performance."

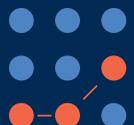
Rahul K. Bhardwaj, LL.B., ICD.D
President & CEO, Institute of Corporate Directors

membership.icd.ca/join



INSTITUTE OF
CORPORATE
DIRECTORS
*THINK BEYOND
THE BOARDROOM.*

INSTITUT DES
ADMINISTRATEURS
DE SOCIÉTÉS
*PENSER AU-DELÀ
DE LA SALLE DU CONSEIL.*



*Globe and Mail Board Games

BUSINESS INTELLIGENCE

GET A GRIP

■ *Elbows up* might be a good tactic in hockey and trade, but at the Team Arm Wrestling Federation, it'll earn you a foul.

The brainchild of Jason Costantini and Alex Keary, TAWF—pronounced “tough,” of course—aims to professionalize what has long been a clandestine sport. “You’ll find these clubs all over Ontario, Quebec and Alberta, mainly in small towns,” says Costantini, TAWF’s executive producer, a brawny and bearded former chef. “It’s very underground.”

After complications from cancer treatment left him unable to power lift, Costantini says arm wrestling saved his life. He and Keary, a personal trainer and arm wrestler, launched a Toronto club called Table Monkeys, which they incorporated two years ago with a small business loan from BDC. TAWF was born soon after, billing itself as having “the strategy of the NBA or NFL, with the intensity of the UFC,” and it’s well on its way to achieving pro-sport status. It has eight franchises across Canada and the U.S., including the Toronto Smoke, Detroit Steel, Calgary Rangers and Las Vegas Reckoning, and is in the process of finalizing a broadcast deal with the Fight Network. The preseason got underway in October with an eight-on-eight, four-round showdown between the Montreal Saints and the Smoke at a Toronto brewery. (The locals lost.) Matches continue into 2026; the league officially launches next November.

Each event consists of 32 matches across four weight classes, with teams striving to reach 100 points.

The wrestlers receive a base payment of \$300 per match, with travel and accommodations covered; the winning team receives \$2,500. Costantini says TAWF’s business model is similar to the NFL’s (albeit at a millionth the scale), with the plan to generate revenue by selling franchises and broadcast sponsorships, plus tickets and merch.

Arm wrestling already has an established fan base, and Costantini says part of the appeal comes once people realize it’s more than just a test of brute strength. “There’s a stylistic element to it,” he says, with three basic moves: the hook, the top roll and the press. “They work the same as rock-paper-scissors, where a hook will beat a press, a press will beat a top roll, and a top roll will beat a hook.”

TAWF is currently taking meetings with angel investors—though potential funders would be wise to avoid arm wrestling their way to better terms. /Jameson Berkow

Though the Montreal Saints won overall with the arm wrestling equivalent of a knockout, heavyweight Danika Lavigne of the Toronto Smoke (on left) dominated Montreal’s Tiffany Babeau.



Toronto Smoke manager Mikel Gould (below, on left) takes on veteran Ian Carnegie (a.k.a. The Grippler), who created the MAC table to reduce fouls in professional matches. Below right: Toronto’s Mike Smith gets chalked up before a match.

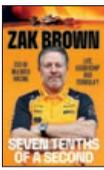




Left: Pascal Gervais of Montreal goes up against veteran Ian Carnegie. Right: Smoke lightweight Ili "The Falcon" Manchanda—a 14-year-old from Waterloo, Ont., who's won multiple national and international championships—took on Montreal's Kyrie Ann Kohoko and won decisively.



PHOTOGRAPH FREDÉ FOREST/COURTESY OF TAWF

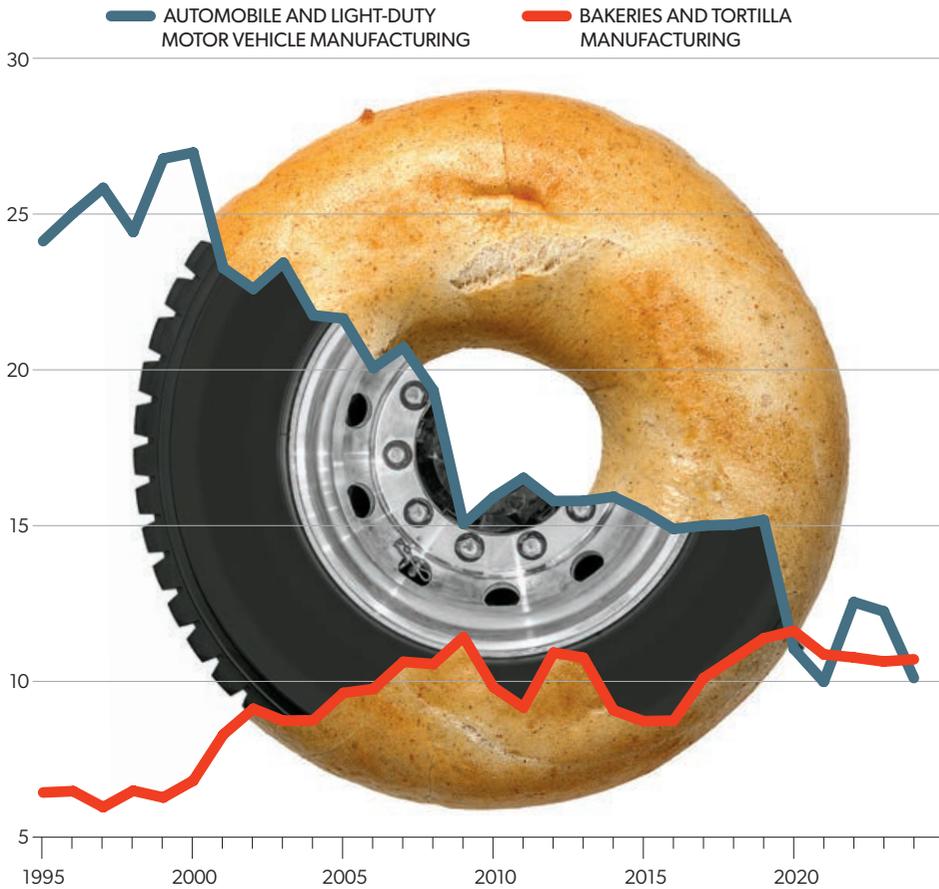


7-WORD BOOK REVIEW

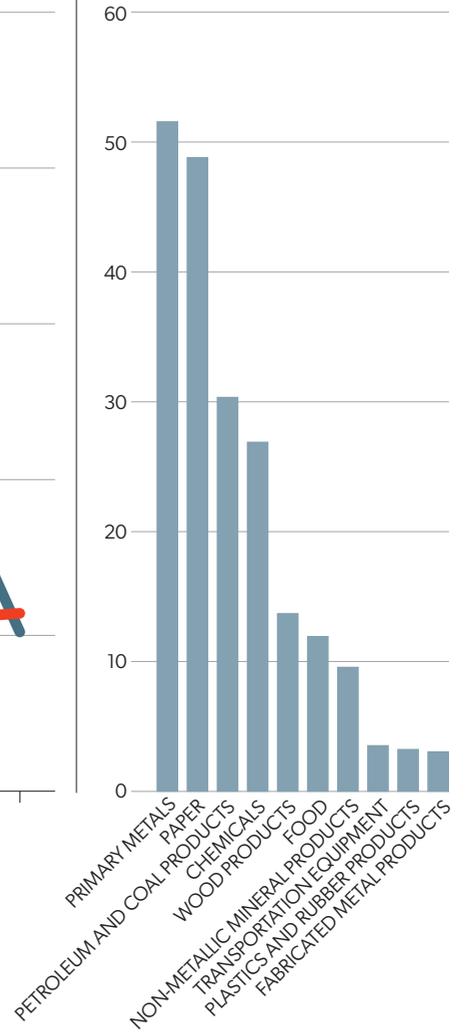
Seven Tenths of a Second: Life, Leadership and Formula 1 by Zak Brown
Inside McLaren CEO's Constructors' Championship-winning run

12.25

ENERGY CONSUMPTION BY INDUSTRY
 TOTAL ENERGY CONSUMED IN GIGAJOULES (MILLIONS)



TOP 10 ENERGY-CONSUMING MANUFACTURING SECTORS
 MILLIONS OF GIGAJOULES



DECODER

ON THE RISE

■ Canada's auto sector is feeling the brunt of U.S. President Donald Trump's campaign to force companies to move their factories stateside, but motor vehicle manufacturing has been slumping for decades. The industry's steady decline can be measured any number of ways, from falling output to dwindling exports to its shrinking workforce.

Another way to measure the long-term slide is in the energy consumed by automakers. Looking at that metric reveals a startling fact: Canadian manufacturers of bakery and tortilla products now consume more energy than automakers, a sharp reversal from 30 years ago.

Some of that decline is no doubt due to factories becoming more energy efficient over time, though the same process would be undertaken by operations churning out bread loaves and croissants.

The bigger driver here is fewer factories and fewer vehicles rolling off shop floors. Last year, Canada produced 1.3 million cars and trucks, a 40% decline from 1995, the earliest year for which Statistics Canada provides stats around energy consumption.

While the ongoing challenges facing the auto sector are troubling, especially for the thousands of workers facing uncertainty about their jobs, the reversal of fortune between the two industries hides what is indisputably a good news story: the rise of the bakers. These aren't your neighbourhood dough slingers. Canada has emerged as a major exporter of baked products. Bread, pastries and biscuits were Canada's 17th largest export to the world last year, and the 11th largest to the U.S. Canada shipped \$7.8 billion worth of baked products to the world in 2024, up nearly 1,000% from 1995. /Jason Kirby

PHOTOGRAPHS GETTY IMAGES; SOURCES: STATISTICS CANADA

We speak the same language. **Business.**



At Desjardins, you can count on the expertise of our capital market professionals to boost your growth.

desjardins.com/capital-markets

 **Desjardins**
Business



FOR YOUR CONSIDERATION

URBANA CORP. TORONTO

REVENUE (2024) **\$130.9 MILLION**

PROFIT (2024) **\$101.8 MILLION**

THREE-YEAR SHARE PRICE GAIN **85%**

P/E RATIO (TRAILING) **4.1**

Urbana chair and CEO Thomas Caldwell is 82, graduated from McGill University in 1965, married his wife, Dorothy, the following year, and has been in the Canadian securities business ever since.

He founded Caldwell Securities Ltd. in 1980, but these days, he lets his son Brendan, 55, CEO of Caldwell Investment Management, and Angela Stirpe, president of Caldwell Securities, run those companies. “My office is in the back corner there,” he says. “Because old guys can end up second-

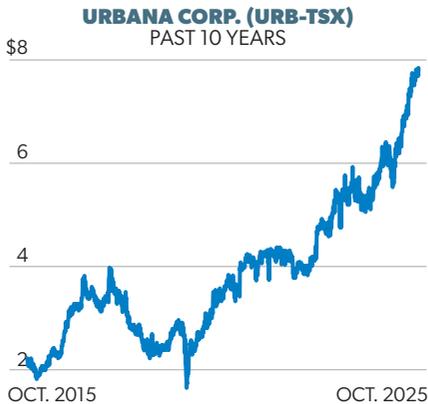
guessing people.”

Urbana is now his main focus. Back in 2002, Caldwell took over a small gold mining company in Urban Township, Que. “We still spend about \$1 million a year just doing work and development,” he says.

The company became the publicly traded vehicle for Caldwell’s lifelong fascination with securities markets and trading

technology. In the early 2000s, stock exchanges were converting from traditional venues owned by their seat-holders to publicly traded companies.

Caldwell owned a lot of seats on the New York exchange, in particular. “I was in this old boys’ club, because we were old and we were boys,” he says. At first he opposed the initial public offering of the Toronto Stock Exchange.



But then he had an epiphany—and after waiting two weeks, “I reversed my stand and said, ‘No, we should be going public to democratize.’”

Exchanges that went public included London, Toronto, New York and, in 2010, the Chicago Board Options Exchange, a big Urbana holding. Even so, Urbana’s share price drifted down after the financial crisis to less than \$1. But it has since climbed solidly.

Urbana now has investments in more than 40 public and private issues. Some exchange holdings are CBOE Global Markets and the parent company of the Canadian Securities Exchange, which in turn owns NSX Ltd., parent of the National Stock Exchange of Australia. Urbana also invests in innovative new companies individuals can’t own directly, such as Tetra Digital Group, with its stablecoin initiative, and Blue Ocean Technologies, which provides overnight trading.

Caldwell says Urbana can combine publicly traded stocks and long-term private equity investments because it has “permanent capital.” He owns about 45% of Urbana’s common shares, and he aims to stick around.

By investing in the company, though, you’ll also get his commentary about the Canadian securities industry—it’s supposed to help new ventures raise money, not just reward established players—and the state of the economy. It’s his hope that Canada can do things better, with governments encouraging entrepreneurs. /John Daly



5 things we learned from ERIC LASCELLES

If you look at the prices of precious metals and cryptocurrency recently, and the huge annual deficit figures coming out of Ottawa and Washington, you might think North America is headed for hyperinflation. But central banks are cutting interest rates to combat economic weakness. What’s an investor to do? We asked Lascelles, chief economist at RBC Global Asset Management. /J.D.

1. Lascelles knows it’s now kind of a cliché: “History doesn’t repeat itself, but it does rhyme.” Pick a theme: speculation in railway stocks in the 19th century, tariffs imposed in the 1930s, massive government debt after the Second World War, 1970s stagflation, the 1990s tech bubble and more. “You can draw parallels on individual themes,” he says.

2. The trouble is that parallels can be inexact. Yes, tariffs were high in the 1930s, but trade “was a relatively small fraction of the economy,” Lascelles says. Many tech companies went bust in the 1990s, but “a lot of fibre was laid,” he says. So is the artificial intelligence boom that now powers the Magnificent Seven U.S. tech stocks a bubble or the real thing?

3. The Bank of Canada and the Federal Reserve have been cutting policy interest rates since 2024—to 2.25% here and a target of 3.75% to 4% in the United States. “Our forecast is 2%” in Canada, Lascelles says. The Fed may have more wiggle room. “They’re going into the threes. Could they touch the twos?” he asks. Quite possibly.

4. Does fiscal policy—government spending and taxation—matter anymore in an era of massive deficits? Lascelles says he’s still “profoundly dubious” of the argument it’s irrelevant. Central banks have a lot of control over short-term interest rates, but long-term rates remain high—a sign bond markets are still concerned about inflation. “Implicitly, then, bond yields are pricing in some fiscal excesses,” he says.

5. Now is not a time for investors to be taking big swings, Lascelles says. They should be “paying particular attention to diversifying right now.” Worried about high-flying tech stocks in U.S. indexes? Or gold and silver producers in Canadian ones? “In theory, a time of volatility is a time when active money managers can outperform,” he says.

How a national menopause strategy could improve health equity – and Canada's economy

Right now, millions of Canadian women are experiencing the debilitating symptoms of menopause: hot flashes, sleep disturbances, mood swings, anxiety, heart palpitations and more. Many will suffer at work because of their symptoms. Some may even quit because of it.

It's time to lift the stigma and get women the menopause care they deserve, says Janet Ko, president and co-founder of the Menopause Foundation of Canada, a national non-profit advocacy organization.

"When these challenging symptoms are dismissed or left unaddressed, they become a barrier to women achieving their full potential," Ms. Ko says.

In an era when Canada needs all the talent it can get, our country can't afford to ignore menopause, she adds. After all, women over 40 make up one-quarter of Canada's workforce.

"We have never had so many women in midlife playing such a vital role in the economy," Ms. Ko says. "We are calling on medical institutions, health care providers and government to invest in ensuring that all women have access to high-quality menopause care."

It's a view shared by Viktoria Friedrich, country president and general manager, pharma, Bayer Canada. She says that with enough national will and intergovernmental cooperation, Canada can take the lead on this issue by creating a national strategy on menopause.

"Bayer definitely supports bringing this [to the] top of the agenda and advancing the discussions that will see Canada bend the curve on this topic," she says.

The economic impact of menopause

Studies have shown that symptoms of menopause can impact job performance and hamper career progression, and that has a sizeable impact on the Canadian economy.

In a 2023 report from the Menopause Foundation of Canada, 95 per cent of women surveyed said they experienced menopause symptoms, including hot flashes, sleep disturbances, mood swings, anxiety, urinary incontinence and heart palpitations. One-third of women said their menopause symptoms negatively impact their performance at work, and one in five said they believed their symptoms could affect their career progression.

According to the report, unmanaged symptoms of menopause cost the economy \$3.5-billion per year.

Ms. Ko knows the challenges of unmanaged menopause symptoms well. She was 48 when she stepped down from a senior vice-president position at a large Ontario-based company due to what she thought was extreme exhaustion and burnout. It wasn't until several years later, looking back, that Ms. Ko realized that her symptoms were due

to perimenopause (the years leading up to the end of fertility).

"I had no idea there were 30-plus symptoms that I could experience, and that perimenopause can last anywhere from two to ten years prior to having your last period," she says.

Ms. Friedrich says that Bayer recently conducted a survey with its female employees, who make up 60 per cent of its workforce. The company found that 37 per cent of women have experienced menopause symptoms that have negatively affected them while at work, yet just over half were aware that there was any sort of support system in place. (Bayer, along with other large companies including Sun Life, BMO and IKEA, has joined the Menopause Foundation of Canada's Menopause Works Here campaign, which provides resources to increase menopause awareness within organizations).

"Obviously [the results] were a call to action," says Ms. Friedrich.

Since then, Bayer has committed to ensuring perimenopause and menopause awareness among both men and women at the organization. The company also offers flexible working hours and support for women to have frank, one-on-one conversations with managers about issues they might be experiencing, she says.

Taking steps to change the national conversation

Ms. Friedrich says that some of the key steps to establishing a national menopause strategy include creating national standards, increasing funding for research into menopause and increasing cooperation among provinces and territories.

"We need to really strengthen the intergovernmental coordination to establish a national standard of care across provinces and territories," she says.

Because health care is within provincial purview, it results in uneven services, she adds. Very few provinces offer menopause care clinics and coverage for menopause hormone therapy (MHT) – a key treatment for menopause symptoms – varies across provinces and territories.

Physicians also need to improve their knowledge of menopause care, says Ms. Ko.

"Not only do women themselves not understand menopause, but a lot of our health care providers don't understand menopause," she says. Doctors should receive comprehensive training about menopause, beginning in medical school and throughout their careers. Pharmacists can also play a much bigger role in educating women about treatment options, adds Ms. Friedrich.

Both Ms. Friedrich and Ms. Ko point out that while health therapies related to male aging, such as treatment for erectile dysfunction, have been normalized, there is still stigma associated with asking for MHT and having frank conversations about menopause.

One of the ways to change that is to reframe the way menopause is viewed, says Ms. Ko. "When we look at menopause as a significant health transition, we start treating it differently as individuals and as a health care system."

Ms. Ko says it is her organization's hope that Generation X will be the last generation to be left in the dark when it comes to proper menopause care.

"We now have a national menopause movement and it's gaining momentum."

Economic impact of menopause on the Canadian workforce

Lost productivity, absenteeism and other impacts of menopause have widespread economic impacts, but more data is needed to see the full picture



25 per cent
Women over 40 as per cent of workforce

540,000

Lost days of work attributed to menopause symptom management



10 per cent

Women estimated to leave workforce due to unmanaged symptoms of menopause

\$3.5-billion

Cost to Canadian economy due to lost income and productivity

Sources: Statistics Canada, The Menopause Foundation of Canada





SMART MONEY

ARUP DATTA

HEAD OF GLOBAL QUANTITATIVE EQUITY, MACKENZIE INVESTMENTS

Arup Datta always had strong math skills and figured his future lay in numbers. He earned an engineering degree in India but didn't find that field appealing. After travelling to the U.S. to get an MBA from Cornell University, he found his passion in quantitative investing, an investment approach using math models and data to analyze securities. He spent more than 20 years at Boston-based Man Numeric, where he started as a quant analyst and later became head of portfolio management. He also founded a quant shop, which merged with another firm, before joining Mackenzie Investments in 2017. His team runs US\$16.8 billion in assets, including the \$1.2-billion Mackenzie GQE Emerging Markets Fund, which has outpaced the MSCI Emerging Markets Index in Canadian dollars since 2018. We asked Datta how he uses artificial intelligence to pick stocks and why he likes Taiwan Semiconductor Manufacturing.

What's your investment strategy to outperform?

We take an all-weather approach to try to beat markets independent of value, growth or quality stock cycles. Our portfolio is cheaper, growthier and higher-quality than the benchmark. We try to be nimble, with part of the portfolio trading daily.

How does AI figure in your approach?

Our models include traditional metrics, such as price to cash flow and free cash-flow margin for stocks. But we also use parts of AI, such as non-linear machine learning, which can come up with a revenue and earnings estimate for every company. If this model forecasts higher numbers than the Street's consensus estimate, we will favour it. We also use natural language processing in their native tongues, which can read text like financial statements and make inferences.

Emerging markets lagged developed markets for most of the past decade but are outpacing this year.**What's your outlook?**

Emerging markets look very attractive. They're very cheap compared with developed markets, especially U.S. large caps. But value alone doesn't move markets. China and South Korea, which were very cheap markets at the start of the year, are catalysts leading the charge this year.

Some investors gave up on the Chinese market in recent years following a regulatory crackdown on tech giants and a property slump. What's your view?

I'm bullish on China, but there may still be hiccups. Its hardline approach to its tech companies, like

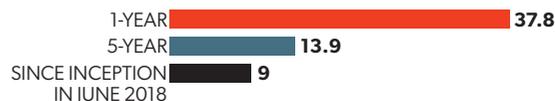
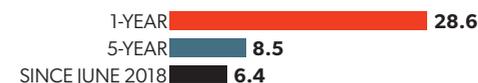
Alibaba, seems to be behind us. It's also working through excesses in the real estate market. Still, it's the only country that can compete with the U.S. in areas like AI and health care. Lots of the new drug discoveries will come from China, whereas they used to almost all come from the U.S. or Western world. The Chinese market is also cheap compared with its potential. We like drug maker Sino Biopharmaceutical, whose earnings have been strong. It's been very innovative and does a lot of work around ophthalmia (inflammation of the eye). And Pop Mart International, whose Labubu dolls have been a hit worldwide, is still a compelling growth story.

Taiwan Semiconductor is a top holding. Why?

The company, which makes chips for Nvidia, is a dominant global player. It is very profitable and has had blow-out earnings, which have beaten expectations due to AI demand. Our machine learning model believes it will continue to come ahead of the Street's expectations for revenue and earnings. The valuation is average, so it's not expensive. The Chinese threat to invade Taiwan is a concern, but we're more focused on it as a huge-growth tech play.

What's your outlook for the Indian market? It's been under pressure partly due to steep U.S. tariffs.

It's a better entry point now that some of the valuation premium has come off versus its emerging-market peers. Indian information service providers sending workers to the U.S. are affected by the fee hike for H-1B visas, but we'll see how it plays out. However, inflation is under control, and interest rates are lower. Retail money is moving into the market, so it's not just driven by foreign investors. One name we like is aluminum and copper manufacturer Hindalco Industries. /Shirley Won

MACKENZIE GQE EMERGING MARKETS FUND (F SERIES)
ANNUALIZED % TOTAL RETURN**MSCI EMERGING MARKETS INDEX (CAD)**

SOURCE MORNINGSTAR DIRECT. RETURNS TO OCTOBER 31, 2025

Powerful
impact starts
with powerful
leadership.



Congratulations to **the 2025 Globe and Mail CEO of the Year award winners**. Thank you for inspiring us with your leadership.

BMO



GORD JOHNSTON, STANTEC INC

JENNIFER WONG, ARITZIA

MICHAEL GARCIA, ALGOMA STEEL

BILL LOMAX, FIRST NATIONS BANK OF CANADA

NEIL CAWSE, GEOTAB



PHOTOGRAPHS BY DUANE COLE

After the calamitous year it's been (*again*), we could all use a little inspiration. And that's what our annual CEO of the Year issue is all about: showcasing leaders whose performances are a bright spot amid the gloom. This year's honourees across four categories—Strategist, Corporate Citizen, Newcomer and Innovator—were chosen after plenty of discussion among editors and reporters here at *The Globe and Mail*. Our overall winner is Stantec's Gord Johnston, who has transformed the engineering firm into a global giant poised to capitalize on the coming infrastructure boom.

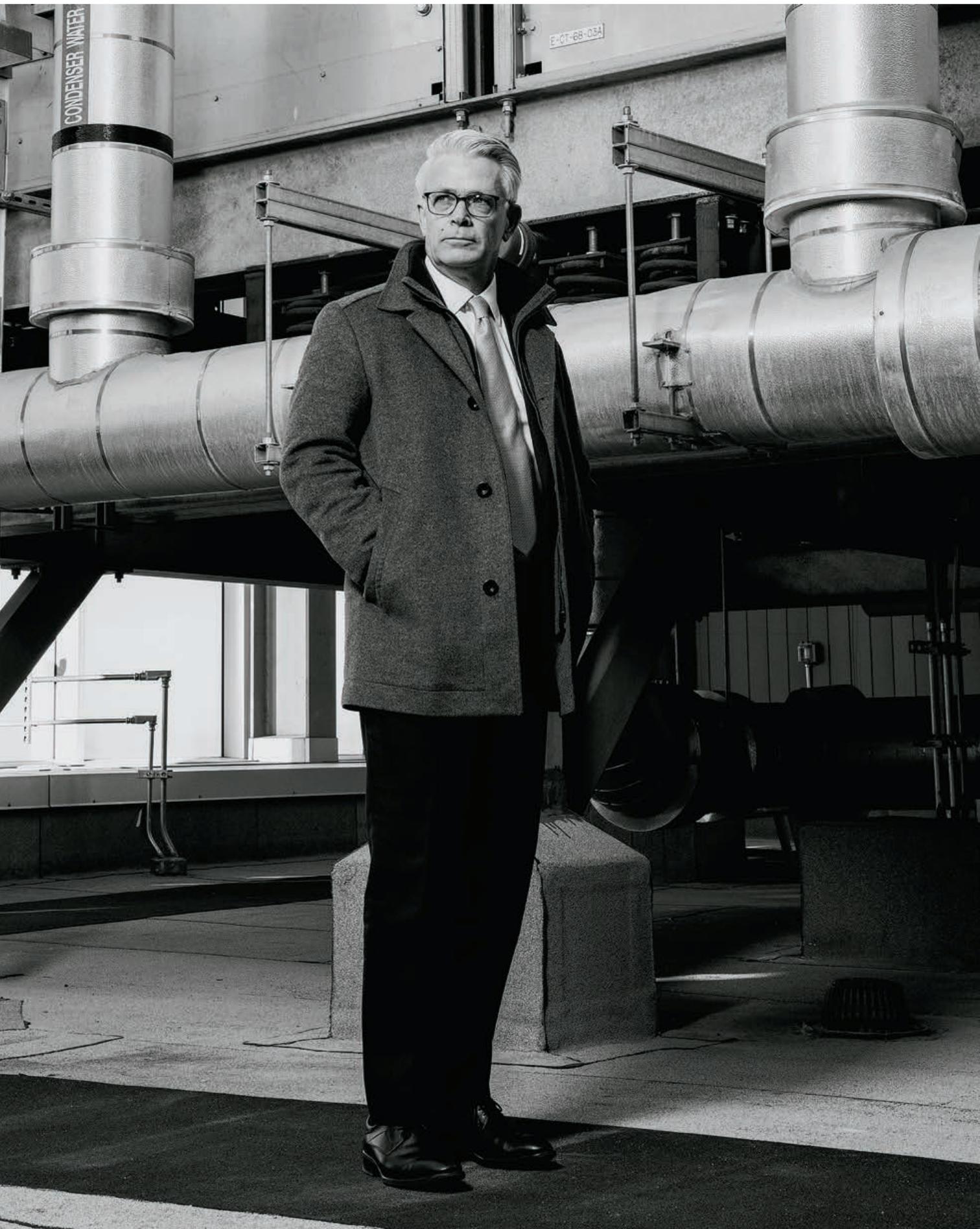
CEOs OF THE YEAR 2025

GORD JOHNSTON
STANTEC

MICHAEL GARCIA
ALGOMA STEEL

BILL LOMAX
FIRST NATIONS BANK

NEIL CAWSE
GEOTAB





GORD JOHNSTON
RESCUED STANTEC
FROM THE BRINK.
NOW, IT'S AN
ENGINEERING
JUGGERNAUT
WITH 60,000
PROJECTS UNDER
WAY WORLDWIDE—
AND A NO-JERKS
POLICY THAT STARTS
AT THE VERY TOP
BY TREVOR COLE

BUILT

DIFFERENT

STRATEGIST OF THE YEAR

GORD JOHNSTON

Right now, somewhere near you, Stantec is starting on something big. The numbers alone make that likely—at any moment in time, the giant Edmonton-based engineering and design firm has about 60,000 projects underway around the world. That project down the street could be a building or a water filtration system or some piece of vital infrastructure. But here's the thing: Until you're staring at it, you probably won't know about it. And you're not meant to know, because it's a secret.

The company that hired Stantec? Can't say their name.

The trucks Stantec uses? The vests or jackets they wear? Can't show their logo.

The project staff who need to be hired? Can't come from the local community.

If people at dinner ask a Stantec employee what they're up to in the area, they might say, "We're just here doing some...environmental work."

Uh-huh.

These are non-government projects we're talking about. Stantec does plenty of federal, state, provincial



and city projects, and because they use public money, those are all out in the open. Some of their recent projects include Vancouver's Broadway subway extension; the US\$2.1-billion modernization of Chicago's Red and Purple lines; a redesign around the U.K.'s Reading Station; a 9,000-panel solar farm in South Wales; and a spate of Metrolinx projects in Ontario, including the 15-station Ontario Line (though nothing connected to the ill-fated Crosstown Eglinton LRT). But when Stantec is working for the private sector, NDAs are signed, lips are sealed, and sometimes even people in other Stantec departments can't know.

When a company is trying to get a jump on its competitors, says Gord Johnston, Stantec's CEO, "that confidentiality piece is paramount."

As any Stantec executive will tell you, this engineering and design business they're in is a relationship business. Relationships are built on trust and reliability. Many of Stantec's clients have been with the firm for decades, some since it was founded 70 years ago.

It's rare to be able to say of a company as old as Stantec, and as big—with 34,000 employees in 450 offices flung across dozens of cities in the U.K. and Australia, along with Milan, Brussels, Lima, Taipei, Dubai and more—that it's just now coming into its own. But how else would you put it? Since Gord Johnston took over as CEO at the beginning of 2018, Stantec's market cap has risen from roughly \$4 billion to nearly \$18 billion. From a low of less than \$28 in 2019, its share price has grown a staggering 450%. The company took about six decades to build its annual net revenue to \$3.4 billion, and over Johnston's term, that number has almost doubled, to about \$6 billion in 2024, while its adjusted EBITDA has nearly tripled, to \$980 million. RBC Dominion Securities analyst Sabahat Khan, who covers Stantec, says these years "have been the most transformative in that company's long history."

There are a lot of reasons for the recent success, but they boil down to two: the moment Stantec finds itself in and the man at the top. And it's no secret to anyone familiar with the company's rise that, for a while, it looked like it might go a whole other way.

We've entered a golden age of engineering and design. In the United States, the 2021 Infrastructure Investment and Jobs Act alone is pushing over US\$1.2 trillion of government funding into water, transportation, broadband and power-grid projects. Added to that are the billions being invested in data centres and new manufacturing facilities by companies coerced by the Trump administration into onshoring their operations. In Canada, the Carney government is spending billions trying to will major projects into existence in an effort to resist America's gravitational pull. And around the world, governments are having to replace or repair hundreds of thousands of aging bridges, water systems and other pieces of major infrastructure, while needing at the same time to respond to revolutionary forces like climate change, a growing demand for critical minerals and rising concerns about resource security.

Stantec happens to be expert in all of these things.

The company separates its efforts into five verticals: infrastructure (accounting for 28% of its business by revenue); buildings (22%); water (21%); environmental services (18%); and energy and resources (11%). And one of the truths of conjuring big things is that any one project—a mine, a bridge, a hospital, a flood control system, a data centre—might require the work of experts from any or all of those disciplines. So when a retail giant needs a new distribution centre, it could hire five different consulting firms to meet the various challenges, or it could hire one. Increasingly, that one is Stantec.

Gord Johnston has set a goal for the company: to be the world's top integrated engineering, architecture and environment services firm. He admits even he's not sure what "top" means. "Is that revenue? Is that headcount?" he says. "The answer is, I don't know."

What he's sure of is that *top* does not mean *bigger*. "Some folks will say, 'I want to be the biggest. I want to be as big as Accenture.'" Johnston gives a shrug. "Bigger is kind of hollow." What he wants is to be one of the three firms, almost anywhere in the world, that a client will call to bid on a project. And he wants to be first on that list. (The others would include some combination from the rest of the "big six" in global engineering: rival Canadian firms WSP Global and AtkinsRéalis, along with major U.S. firms Jacobs, AECOM and Tetra Tech.)

One way to be there is to make sure the company has access to the best talent. As Stantec execs are fond of saying, its only assets are people, and you'll find a broad range of them on the payroll. When a potential client asks if the company can do something, the rule of thumb is, "Just say yes, and then come in and we'll figure it out."

And we're not talking just about thousands of architects and civil engineers. At any moment, a project might require the input of an expert on silverback gorillas or someone who knows about Galapagos Island turtles or deep underwater caves. Stantec has all these specialists in-house, along with someone who's mapped the migration system of monarch butterflies and experts who figured out a more economical way of testing for the local presence of a rare amphibian.

The other way Johnston aims to put Stantec on every potential client's top-three list is by expanding its geographical reach. M&A is one of the chief means of growth in this sector, and before Johnston was named CEO, the company had acquired other firms at a rate of about two a year. Under Johnston, the pace has increased to about three a year, and that's despite the CEO's extreme pickiness about which companies are a good fit.

Beyond whether the financials work, beyond whether the acquired firm helps strategically, beefing up Stantec's presence in Australia or the U.K. or Germany, what matters most to Johnston is the company's culture. "When we buy a firm," he says, "it becomes Stantec forever. And so the cultural piece is so important."

There are no sub-brands here, no subsidiaries. After a year of financial oversight and integration by the same team that acquired the company (they use a fishing analogy here: "You caught it, you clean it"), the acquired company ceases to exist. It is fully absorbed. And everybody who came aboard needs to contribute.

That's why Johnston wants to know why any company Stantec might acquire is looking to sell. Do the owners



want to retire? If so, will they take all their client relationships with them? How strong is the second string of leaders? Are they, in Johnston's phrase, "Stantec-izable"?

What he's trying to avoid is what he calls "baby-bird syndrome," whereby employees arrive in the morning waiting to be fed work. He says, in as genial a way as possible—because Johnston is always genial—"If you want to be a baby bird, you should go somewhere else." Stantec expects its employees, at all levels, to be engaged in their field, to be excited about generating contacts, happy to support and collaborate with each other.

The CEO learned a lesson from an acquisition he made in Texas earlier in his tenure. It was only after he'd bought out the owners that Johnston realized the second string wasn't as strong as he'd thought. The dedication and loyalty pieces were missing. In the first year, he identified the employees with potential and told them, "We want you to stay. We need you to get on board and be part of the one-Stantec approach." The rest, about half of the company, were released.

These days, as much as 40% of Johnston's time is spent getting to know other companies in the sector, wherever they might be in the world—he's looking closely at the Nordic countries at the moment. So when it comes time to decide whether or not to buy them, much of the most important research has already been done.

But when the subject is M&A and lessons learned, there's no getting around Stantec's 2016 acquisition of MWH Global. It's the deal that nearly derailed the company. And it's Stantec's recovery from that debacle that forms the foundational story of Johnston's leadership.

"WHEN WE BUY A FIRM, IT BECOMES STANTEC FOREVER," SAYS JOHNSTON FROM HIS OFFICE HIGH UP IN STANTEC TOWER. "SO THE CULTURAL PIECE IS SO IMPORTANT"

In the 71-year history of Stantec, there have been just five CEOs, starting with the founder, Don "Doc" Stanley, who passed up a chance to play for the Boston Bruins to start a one-man engineering firm in Edmonton. After almost 30 years of building the business, he handed the reins to Ron Triffo, who diversified it and took it public, a \$30-million firm in 1994. Then it was Tony Franceschini, who set his sights on growth, pushing the company from 1,200 people to more than 10,000. Fourth came Bob Gomes, who got Stantec through the aftermath of the financial crisis and then, in 2015, with growth prospects in North America dimming, thought it was time to take a big leap.

Based in Colorado, MWH Global specialized in water infrastructure and natural resources. With 187 offices in 26 countries, and a particularly strong presence in the U.K., it would give Stantec immediate global reach, while its 6,800 employees would boost the company's workforce by almost half.

On top of that, a major part of MWH's business was construction, a vertical Stantec had never been able to offer. Alone, the construction segment would contribute about 15% of Stantec's future revenue.



“We thought that aspect of it would be complementary,” says board chair Doug Ammerman, who as a director at the time supported Gomes’s decision. They announced the deal in March of 2016.

Things went sideways quickly. It turned out that construction revenue was lumpy. Much of the money for a project came up front, then nothing for months. Estimating costs was hard, and delays dragged on the bottom line. One of the beauties of the engineering and consulting business model—wherein the company designs a project and then oversees construction carried out by someone else—is that delays actually generate revenue. That bridge is going to take six months longer than you thought? That’s six more months of oversight and billable hours; the costs are someone else’s problem.

Amid the new uncertainty, Stantec started missing earnings targets. Margins fell. Its stock bumped along for a year while its relationship with the investment community deteriorated. Problems with the construction segment became the focus of quarterly calls with analysts. Some within the company began to treat the relationship with investors as hostile and adversarial.

In mid-2017, Stantec announced that it was searching for a new CEO. Says the chair, “It wasn’t automatic that person was going to be Gord.”

Johnston had had an on-and-off relationship with Stantec. Schooled in engineering, he started in the ’90s after working for the City of Edmonton and then the Province of Alberta. Water was his specialty—designing upgrades to wastewater treatment plants and the like. Not long after joining Stantec, he realized that he liked people more than his calculator and started working more with clients. Soon the company was sending him places, first to an office in Cambridge, Ont., then off to the Middle East to help run a project in Kuwait.

There in the desert, he saw first-hand the destructiveness of poor middle management. A supervisor in Kuwait wasn’t, in Johnston’s opinion, living up to Stantec’s values of collaboration and mutual support. “I thought my boss was a jerk,” he says. So he quit. Went to work for a competitor in an office in Mississauga.

Eventually, though, he and his wife felt the need to rejoin their families in Alberta. So he hooked up with Stantec again and rose quickly. In 2012, he was senior VP, water. Three years later, executive VP, infrastructure. That was the job he held when then board chair, Aram Keith, asked if he’d like to be considered for CEO.

A big part of his pitch to the board boiled down to: Sell construction. Beyond the trouble it was causing, it wasn’t a core asset, and owning it meant they were competing with construction companies they were better off partnering with. At his first board meeting as CEO, he launched the process to sell the construction piece. Then he set to work repairing the relationship with the investment community. He didn’t know much about that part of the job, but he was by nature inclusive and engaging, which helped. He also had the insight to convince Theresa Jang to join as CFO.

Based in Calgary, Jang had spent 25 years in the oil and gas sector, was essentially retired and had no inclination to move to Edmonton. She took the interview mostly out of politeness. But after two or three hours with Johnston and Ammerman, a voice in her head told

her to reconsider. “A big part of that was Gord,” she says. “He came across as so genuine.” He told her he wanted her help in getting Stantec’s mojo back. So she agreed to a five-year term. That she ended up staying six, she says, “tells you how much I loved it.” (Jang retired for good in September 2024.)

Together they restored the company’s relationship with the investment community, changing the messaging to focus on its economic resilience and strengths in M&A. Then they looked for ways to grow organically. And Johnston learned how much difference a CEO who liked people more than his calculator could make.

Gord Johnston has a squishy foot—a foam one about the size of a big toe. Some truck-rental company that wanted more Stantec business gave it to him. We mention it because it’s a hallmark of Johnston’s approach to his job. When he travels, which he does almost constantly (this year, he spent 158 days on the road, including trips to Australia, Paris, Geneva, London, Lima and Santiago), he sometimes returns to his Edmonton headquarters, high up in Stantec Tower, to find a to-do item on his calendar: *Where is the foot?* Someone in his office, perhaps Stantec VP Lana Bertsch, will have hidden it.

Johnston wonders how to explain the importance of something like this, “because it’s so dumb.” Essentially, the idea is: We’re all working hard, so we might as well have some fun while we’re at it. The same ethos seems to underlie the decision to sometimes include a CEO blooper reel in Johnston’s year-end video messages to the workforce. At a pizza luncheon where Johnston and another exec fielded questions from about 50 young staffers, one of the participants gushed about the bloopers: “They show how human you are!”

People talk about Johnston in ways you don’t normally hear people describe the CEO of an enormous global enterprise. “He has a very disarming way about him,” says Jang. “He’s very easy to talk to.”

Susan Reisbord, now Stantec’s COO for North America, was head of an environmental services and infrastructure firm called Cardno when Stantec acquired several of its strategic assets in 2021. She’d had 27 suitors for the company and, feeling pressure to do right by her firm and employees, she met with the leadership of every one of them in the lead-up to the decision. When she met with Johnston over dinner, she was struck by her physical sense of relief as she sat next to him. “It just felt like I had known him forever.”

Johnston’s approachability has practical benefits. It encourages underlings to knock on his door with concerns or ideas. Working relationships and partnerships with other firms form more readily. He models openness and supportiveness for Stantec’s vast ranks of project managers, reducing the potential for jerks.

Kenna Houncaren was part of the legal team handling M&A and just getting to know Johnston when he tasked her with leading the sale of the construction division. What impressed her was his ability to give the group room to work. Then, as soon as the job was completed, her husband was diagnosed with cancer and died. That’s when another side of Johnston emerged.

STACKING UP AGAINST THE COMPETITION

STANTEC	WSP GLOBAL	ATKINSRÉALIS GROUP	JACOBS SOLUTIONS	AECOM	TETRA TECH
Edmonton	Montreal	Montreal	Dallas	Dallas	Pasadena, Calif.
34,000 employees	73,000 employees	38,500 employees	45,000 employees	51,000 employees	30,000 employees
MARKET CAP \$17.7B	MARKET CAP \$35B	MARKET CAP \$16.4B	MARKET CAP US\$18.6B	MARKET CAP US\$17.8B	MARKET CAP US\$8.4B
2024 REVENUE \$7.5B	2024 REVENUE \$16.2B	2024 REVENUE \$9.7B	2024 REVENUE US\$11.5B	2024 REVENUE US\$16.1B	2024 REVENUE US\$5.2B

*Market cap as of Oct. 31

A mother with two young kids, Houncaren's M&A job required her to travel around the world, often at a moment's notice. She couldn't do it anymore. Johnston quickly came back to her with a new job—chief of corporate services—that required no travel at all. "I really appreciated his deep humanity in the moment," she says, tears in her eyes. "For me, it built loyalty for life."

You can put numbers to this. It's a fact that employees tend to leave a workplace due to their manager experience. In Stantec's industry, the average voluntary turnover rate—the number of staff who choose to leave—is roughly 13%. Stantec's is 10%, the best of the bunch. This directly boosts the bottom line, reducing the costs of adding new people, and bringing them up to speed on the company's systems and culture.

Those people eager to stay factor directly into Stantec's push for organic growth, which it has achieved at an annual rate of about 7% over the past couple of years. One of the big contributors is its improved "utilization" metric. In a business whose assets are people, you want more of those assets generating billable hours.

Sure, engineers see their work as a vocation, says Johnston. "But it's okay to make money doing this." That means a constant emphasis on driving costs down while looking for revenue. "Operational efficiency is something the industry chases overall," says Houncaren. "We're in the upper quartile, but we could improve. You have to challenge yourselves. Did you spend too much on marketing for that? Did you have too many IT people? Is that eroding your returns to shareholders?"

Johnston compares Stantec to a gangly teenager: a body that looks fully grown but isn't as coordinated as it will be. "That's where I'm so excited," he says, "because we are full-grown. But I know there's so much more we can do to get better. More efficient, so we can really grow into our body."

Part of being more efficient is trying to get a jump on opportunities. Johnston's Stantec doesn't wait on requests for proposals to start work on potential projects. Instead, they try to anticipate. Regional leaders keep feelers out so as to get in front of major projects, which can gestate for five or seven years before they're announced. Then they try to expand the scope of the firm's work across as many of its verticals as possible.

In a meeting with Scott Argent, regional leader for the

Prairies and Territories, Johnston pored over colour-coded sheets Argent had produced showing 19 projects in Western Canada. Yellow indicated those the company was already engaged on; green showed the government-announced nation-building projects in the region; purple highlighted projects Stantec was actively pursuing; a remaining unmarked few were of no interest or connected to another firm.

It's usually the environmental services team that gets in early on an infrastructure, energy or building project, says Argent—when they might, say, address concerns related to wildlife or wetland habitats. So he tries to strategize with them. "Where do they see downstream activity and opportunity, and what do we need to do?"

They want to take "wallet share" from their competitors. And when they identify the projects in a region that can help them do that, says Argent, they "swarm" the account management teams with intel and resources to help set them up for success.

Meanwhile, Johnston looks for opportunities to meet CEO to CEO. A few weeks before, a U.K. client was in the final selection process for a large project, so he flew out to meet with the regional team, get conversant on the issues and look for ways to contribute to the discussion. A competing firm sent their CEO, as well, but he didn't do the prep work. "So this guy came in," says Johnston, "said, 'Hi I'm Joe Blow. I'm an executive with the company.' But he didn't contribute. So the feedback from the client was, 'Thank you for coming, but you actually got points off, because what are you here for?'"

This is the benefit of having an engineer at the top. Johnston has run major projects and understands a client's pain. "Some of the CEOs of the other big global North American firms aren't engineers," he says. "So it's harder for them to actually add value."

Since jettisoning the construction segment late in 2018 and starting the work of increasing Stantec's margins and productivity, the value-add of having Johnston at the top has been clear. "What Gord has been able to do," says RBC's Khan, "is get this firm that was just a good firm to one that is now a global leader."

There are no baby birds in the company, no jerks. Just 34,000 people engaged in the sometimes clandestine work of designing the world around us. And a single squishy foot that must be found.

STRATEGIST OF THE YEAR



MAN OF STEEL



CORPORATE CITIZEN OF THE YEAR **MIKE GARCIA**

WHEN TRUMP'S
TRADE WAR
THREATENED TO
SINK ALGOMA, ITS
AMERICAN CEO
LAUNCHED PROJECT
SUPERMAN—
AND AVERTED
CERTAIN DISASTER
BY NIALL MCGEE

Mike Garcia, the CEO of Algoma Steel Inc., was midway through a 10-day cruise in the Baltic Sea in late May when U.S. president Donald Trump announced that he was doubling tariffs on Canadian steel imports to 50%.

Before Trump launched his trade war, 60% of Algoma's \$2.8 billion in revenue had come from U.S. customers. The president's original 25% tariff, imposed in March, had blown a giant hole in that business. Now, what was left would be going to zero. "My first reaction was, you've killed the company," says Garcia. "We're done. We're done. There's nothing we can do to pivot."

The final leg of Garcia's cruise wasn't much of a vacation. Instead of strolling through cobblestone streets and soaking up Gothic architecture, the ship became his makeshift war room. Garcia was able to use the seven-hour time difference with Algoma's headquarters in Sault Ste. Marie, Ont., to his advantage—he had quiet time in the mornings to think when it was still the dead of night back home. In those early days, he spoke several times to Industry Minister Mélanie Joly and to reporters, and kept in frequent communication with Algoma's



board of directors. One of those meetings coincided with a stopover in Kiel, Germany, a port city dating back to 1262. “My girlfriend and her son and his buddy, they went off exploring all these churches and town squares,” Garcia says. “And I found a coffee shop with good cell coverage to have a two-hour board call.”

Back in Canada, as the days turned to weeks and then to months, Garcia realized that Trump wasn’t backing down and maybe never would. He and his team debated and agonized over disparate operational scenarios, all in a bid to save Algoma from certain death. The project, fittingly for a steel company, was codenamed “Superman,” with Garcia himself emerging as the Man of Steel.

Though the odds were heavily stacked against the 123-year-old steelmaker, over the next few months, Garcia and his team would achieve the near-impossible: securing half a billion dollars in emergency funding, goading the federal government into rolling out a range of measures that would keep the entire domestic steel industry afloat, and expediting a new business plan that would completely change how the company operates.

A quiet American isn’t the first person you’d have predicted to emerge as a real-life trade-war superhero for Canada. Garcia grew up in a small mining town in Arizona, about 3,500 kilometres from the Soo. His grandparents on his mother’s side immigrated from Mexico. The first language of both his parents is Spanish, though they spoke to Garcia and his five siblings in English. In 1986, he graduated from the U.S. Military Academy, more commonly known as West Point, with a degree in computer science, and served five years of active duty, including in Operation Desert Storm.

Before Trump’s tariff gambit, Garcia almost never talked to the media. Earlier this year, however, he instructed his head of public relations to say yes to all requests. Since then, he’s made countless appearances on TV and podcasts, and in print. Amid the trade-war chaos, Garcia has emerged as the voice of Canadian steel, speaking up when the heads of the other two steelmakers with sizeable operations in Canada have either stayed quiet, in the case of ArcelorMittal Dofasco, or openly sided with Trump, as is the case with Cleveland-Cliffs, which owns Stelco. In a Feb. 25 conference call, CEO Lourenco Goncalves gave a shout-out to the American president for a job well done. “We thank the Trump administration,” the Brazilian-born Goncalves said, for having “the courage to implement these tariffs.”

Garcia, by comparison, hasn’t hesitated to speak out against Trump, his own countryman. In his media appearances, he has dispelled myths propagated by the Trump administration that Canadian steelmakers are dumping steel into the U.S. and destroying American jobs, pointing out that the Canadian steel industry is an integral part of an interconnected North American supply chain that goes back decades. Americans, he has said time and again, are being forced to pay more for steel because of tariffs and, since Canada produces a fraction of what the U.S. does, the dumping thesis is senseless.

“I am a U.S. citizen. I served in the military. I’m as patriotic as any other American,” Garcia says. “But this is a very unique situation where I feel that everything I’m advocating for is in the best interest of Canada and the U.S.”

CORPORATE CITIZEN OF THE YEAR

Earplugs are not optional at Algoma. The steel mill—on the banks of the St. Marys River, across from the Soo’s sister city in Michigan—is as loud as an Iron Maiden concert. There’s a piercing hiss as steam is released, the clanging and banging of metal, and an earth-shattering KHHHHHHHHSSSSHH each time the air brakes are deployed on the locomotives that go back and forth all day long, delivering inputs to the mill.

Garcia’s drab but functional office sits a few hundred metres from the cacophony, the ceiling adorned with old acoustic tiling. With his close-cropped hair, square jaw and compact frame, he still evokes the military man he once was. Garcia speaks in a measured timbre, and in an era defined by shameless self-promoters, he’s modest almost to a fault—more Clark Kent than Superman.

In the army, he served with the III Armored Corps’ Cavalry Regiment. As a scout platoon leader, he had 30 soldiers under his command, though during the Gulf War, he worked in logistics, away from the front lines. And while he’s intensely proud of his time in the military, Garcia says it wasn’t his calling. “I was probably on more of the laid-back scale,” he says, “which did not make me an outstanding military officer.”

After leaving the army in 1991, he carved out an international management career that saw him work for aluminum giant Alcoa in China, Evraz-Highveld Steel in South Africa, and at Domtar Inc.’s pulp-and-paper division in South Carolina, where he was president.

But in 2021, he found himself at a crossroads. He’d taken a package at Domtar, which was undergoing a restructuring, and moved back to Arizona to be closer to his family. He considered himself retired. He spent a lot of time that winter skiing in Utah, but he decided he wasn’t entirely satisfied with the quiet life. “I didn’t do an Ironman. I didn’t get into the best shape of my life. I didn’t solve world hunger,” he says. “I kind of felt, well, something is missing here.”

Then came a call that brought matters to a head: Algoma’s then CEO, Michael McQuade, was nearing retirement, and the board was looking for a successor. Would Garcia be interested in moving to Sault Ste. Marie?

There was little tying him to Arizona. His marriage had ended in 2019, and he had no children running him off his feet. Besides, the professional challenge appealed to him. “I got more and more excited about the company and how important it was to the community,” he says. “And I’m like, yeah, I could do this.”

When he took over in June 2022, Algoma was riding the tail end of a booming steel market that had seen the commodity hit a record of almost US\$2,000 a ton. One of Garcia’s earliest tasks was signing off on \$58,000 profit-sharing cheques that went to every unionized Algoma employee that year—a total giveaway of \$152 million.

The honeymoon wouldn’t last. In mid-2023, the company jacked up the budget for its new electric arc furnace (EAF) project—two years into construction with a year and a half to go—to \$900 million from \$750 million due to inflationary pressures. Then, in early 2024, a collapse in the coke oven took down the blast furnace for a month, costing about \$150 million in lost profits.

Then came the mother of all catastrophes: Trump’s trade war, which wiped out a business model Algoma—and Sault Ste. Marie itself—had relied on for decades.



"I'M AS PATRIOTIC AS ANY AMERICAN," SAYS GARCIA. "BUT THIS IS A UNIQUE SITUATION WHERE I FEEL THAT EVERYTHING I'M ADVOCATING FOR IS IN THE BEST INTEREST OF CANADA AND THE U.S."

With 2,750 employees, it's by far the biggest employer in town, with another 6,000 local retirees drawing a pension. "We don't have a broader economy like Hamilton's that's able to buttress the losses in the steel mill," says mayor Matthew Shoemaker, whose father worked at Algoma for 35 years.

Garcia has driven home both how important Algoma is to the northern Ontario economy and to Canada as a whole, as this country's last independent steelmaker. But he's been careful not to bully the government or threaten to shut down if he doesn't get the support he needs. "He's doing it in a way that I think is being received properly by the government," says Shoemaker.

There's ample evidence his message is getting through. For months, he'd hammered away at Ottawa for failing to crack down on foreign dumping of steel, which has made it extremely difficult to build up Algoma's domestic order book in the face of declining U.S. revenue. This past summer, the feds cracked down on foreign dumping twice, setting quotas and tariffs on serial abusers like China and Turkey, which don't have free trade agreements with Canada, and later imposing similar restrictions on countries that do. At the time, Garcia called the moves "a step in the right direction" but still not enough to stem its falling U.S. order book.

One of Algoma's most intractable problems was its inability to reduce costs by cutting production. Blast furnaces are designed to operate at full tilt, so Algoma was cranking out far more steel than it could sell at a profit, forcing it to take huge losses. The EAFs, which can be powered on and off on a dime, would allow it to

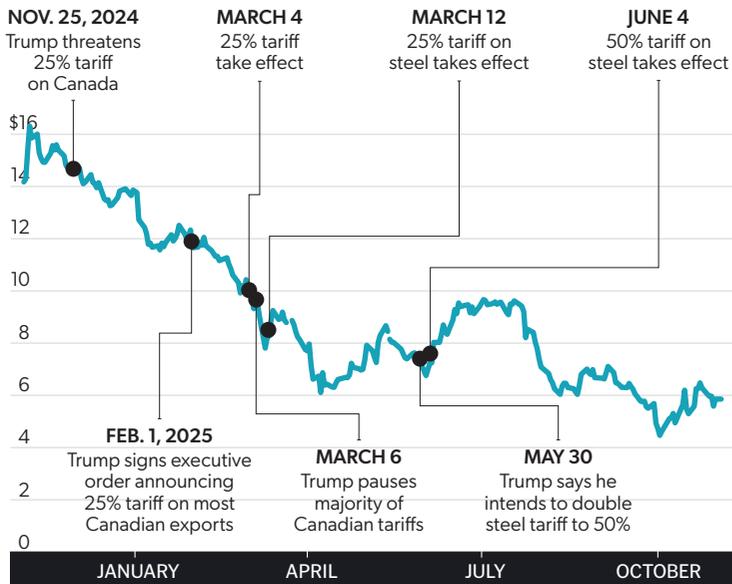
lower production to meet demand. But that reality was a long way off—the blast furnace wasn't scheduled to be powered off until the end of 2026. But with tariffs killing its revenue, there was no guarantee Algoma would have enough cash to survive that long.

Stephen Briglio, Algoma's general manager in charge of steelmaking, was one of the Project Superman team tasked with addressing this dilemma. Briglio has spent 20 years at Algoma under six different CEOs. He says he's never worked with anyone quite like Garcia. One of his boss's obsessions, he says, is making sure everyone understands the "commander's intent," a holdover from Garcia's military days: Clearly communicate the goal but leave room for employees to improvise. "You're training people to effectively deal with situations, rather than doing it for them," says Briglio. "And it does take a patient personality to allow a team to work through different solutions and gently guide, as opposed to direct."

In practice, that means Garcia has a light touch, hiring the best people and trusting them to do their work. Throughout the summer, he let the Project Superman team run with it, only occasionally popping into meetings to keep track of their progress.

Meanwhile, he spent much of his time in talks with the federal government, trying to secure \$500 million from Ottawa's \$10-billion Large Enterprise Tariff Loan pro-

HEAVY METAL PLUNDER



gram. In the early innings of the negotiations, the government was riding Algoma hard on interest rate terms, in part because there was a chance the loan would be seen as bailing out a company that was destined to fail.

What would ultimately bring both the federal and provincial governments around was the plan that came out of Project Superman: Algoma would shut down its blast furnace and ramp up the new electric technology a year earlier than planned, drastically reducing costs and allowing Algoma to better meet market demand.

On Sept. 29, Algoma announced that it had raised \$400 million from the feds and \$100 million from Ontario, at rates far below what was initially demanded. “We see a future for Algoma being a bedrock of the Canadian steel industry,” Garcia said the day the loans were announced. “And we see that future even if the 50% tariff remains as a permanent or long-term feature of the trading relationship.”

Major challenges remain. Ian Gillies, an analyst with Stifel Canada, estimates the public money gives Algoma enough liquidity to survive until mid-2027. During that time, Algoma must prove that it can reliably manufacture steel using the new EAFs and meet its customers’ stringent standards. Trade war or not, Algoma will become a smaller version of itself: About 1,000 people will lose their jobs, largely because fewer workers are required to operate the electric furnaces.

Over time, it should become easier for Algoma to win more business at home, especially since the Canadian government recently put in place new rules that require the use of domestic steel in federal construction and defence projects, both of which are about to see tens of billions in new spending. Algoma certainly has an edge over both Dofasco and Stelco on the defence side: It’s the only domestic manufacturer of discrete steel plate, which is used in military applications like ships and submarines. Though military contracts would only be a

start: Garcia has said Algoma could make enough steel plate for 10 Canadian warships in just two days, meaning it will need lots of new contracts to move the needle.

One final X factor hangs over Algoma: On Oct. 29, the company announced that Garcia is retiring at the end of 2025, with long-time chief financial officer Rajat Marwah taking his place.

Garcia, who is 61, first broached the idea of retiring with Algoma’s board late last year, with his original plan to leave this past summer. But then came the trade war, and he agreed to stay on until the end of 2025.

Given the significant challenges Algoma must continue to navigate, Garcia knows the timing isn’t ideal. But the truth is, he’s in love, and he’s relocating to Toronto to be with his girlfriend, whom he met after moving to the Soo. “I wish I could be the CEO of Algoma living in Toronto,” he says, “but it’s just not possible.”

He has no immediate plans to take on a new role, either. And he’s a tad conflicted about the decision to put his personal life over the company. “You feel a little bit like, is it unfair to Algoma for me to leave?” he says. “But I’m very happy that I have somebody I want to spend the rest of my life with.”

Algoma chair Andy Harshaw, meanwhile, says he’s highly confident in Marwah’s abilities and has high praise for his outgoing CEO—in particular Garcia’s ability to connect with all manner of people, from politicians in Ottawa to the troops in the mill. Never once, says Harshaw, did Garcia shy away from telling them the hard truths directly—including that job losses were an inevitable part of Algoma’s operational shift. “He was upfront,” says Harshaw. “And I think they appreciated the fact that they weren’t getting this from the back door. He was on the plant floor talking to people.”

Though it’s a world away from where he grew up, Garcia will miss the Soo. The Algoma CEO is a bit of a celebrity around here—“a big fish in a small pond,” as he puts it.

On the day the government loans were announced, Garcia climbed into his pickup truck and headed to Giovanni’s, an Italian restaurant that’s in his regular rotation. It was a Monday night, but the place was hopping. Garcia studied the menu before settling on a Caesar salad, chicken-and-artichoke angel-hair pasta and a Diet Coke.

A few diners recognized him and came over to shake his hand. That’s not always the case: Often when strangers find out he’s an Algoma guy, they assume he works in the mill. He recalled one particular incident at the local golf course, when a gregarious young guy kept asking if he knew so-and-so on the floor at Algoma. Garcia did not.

“We finish up,” Garcia recounted, “and the guy goes, ‘Well, it was really good to meet you. What was your name again?’”

The next day, Garcia saw the same young buck again. With zero inhibition whatsoever, the guy yelled out, “Mike, you didn’t tell me you were the f—king CEO!”

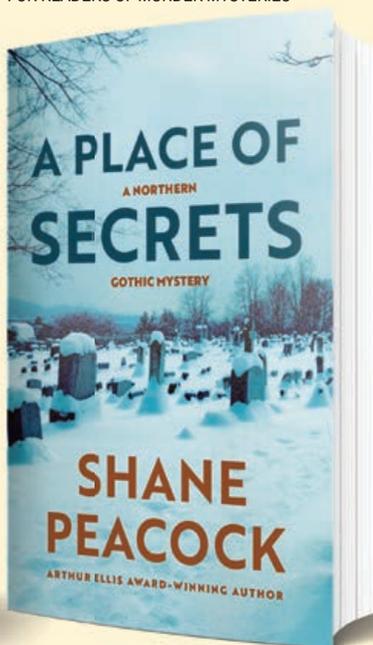
Garcia laughed heartily at the memory. It made his day, he said—maybe even his entire year, during one he’ll never forget.

FOR READERS OF HUMOROUS NOVELS



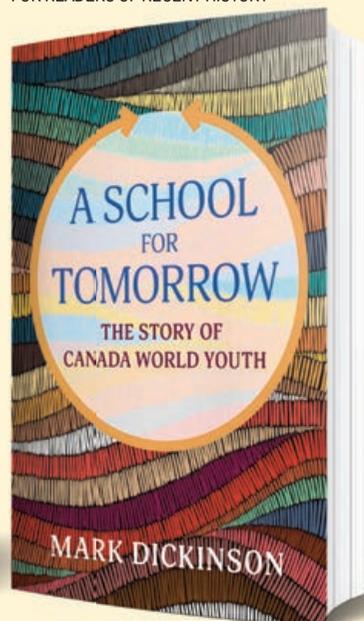
"A delicious peek into the world of spies, artists and food at the fringes of the Soviet Union. Sileika's prose is wry and wise, and conjures up a place and time that glimmers."
— Trevor Cole

FOR READERS OF MURDER MYSTERIES



"This novel is spine-tingling, haunting, and will have lovers of gothic mystery begging for more. The characters are raw, interesting, and relatable." — *Miramichi Reader*

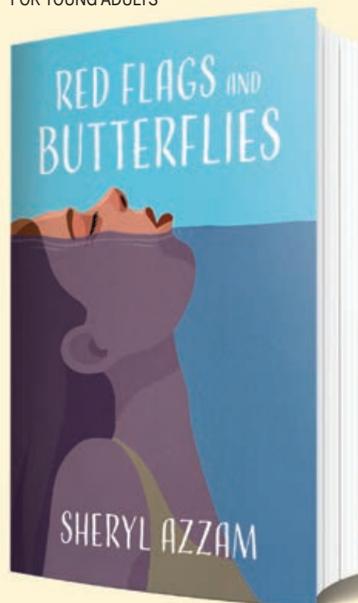
FOR READERS OF RECENT HISTORY



"Dickinson recounts the history of the global cross-cultural exchange program that would prove transformational in the lives of the young people (including him) who participated in it."
— *The Globe and Mail*

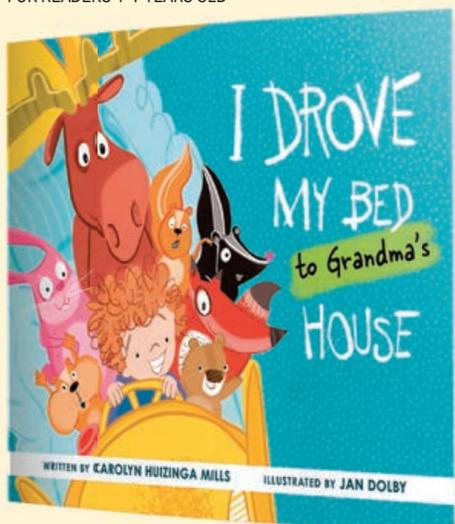
SOMETHING FOR EVERYONE

FOR YOUNG ADULTS



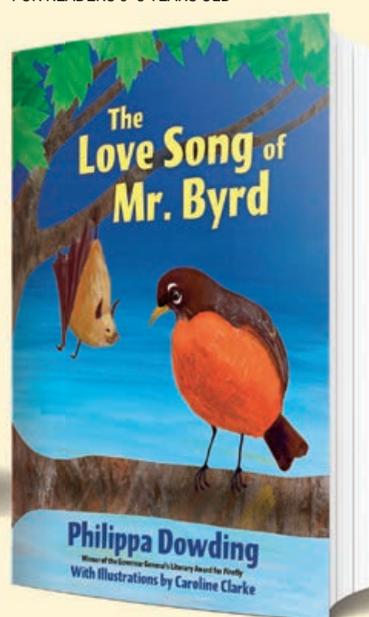
"A tender, heartfelt, and intelligent coming-of-age story that celebrates quiet strength and trusting your instincts." — *Kirkus Reviews* (starred review)

FOR READERS 4-7 YEARS OLD



"A bed overflowing with stuffed toys and naptime inspire Waterloo author's new book" — *CBC News*

FOR READERS 6-8 YEARS OLD



"A warm-hearted, sweet story that reassures us that, no matter how dark things may seem, love is at the core of our universe." — *Goodreads*

AT BETTER BOOKSTORES EVERYWHERE



CORMORANT BOOKS | www.cormorantbooks.com





NEWCOMER OF THE YEAR
BILL LOMAX

BANK SHOT

WHEN BILL LOMAX WAS LURED HOME TO RUN THE FIRST NATIONS BANK OF CANADA, HE UNDERSTOOD THE ASSIGNMENT: TO HELP FULFILL THE ECONOMIC PART OF RECONCILIATION
BY JEFFREY JONES

Bill Lomax came back to Canada at a turning point.

First Nations, Métis and Inuit are making meaningful strides within the national economy, and they're clamouring for financial services and expertise to help improve conditions and bolster independence for their communities. First Nations Bank of Canada (FNBC) was a pioneer in the space, having helped Indigenous peoples gain their financial footing for nearly three decades. But in 2023, as this specialized financial segment was taking off, FNBC was struggling to make a name for itself outside its home base of Saskatchewan.

It was time for change. The bank's founding CEO, Keith Martell, was retiring, and the board wanted to catapult FNBC onto the national stage. It went looking for a new leader who could build on its unique position and boost its profile as opportunities grew. It gave its executive search firm a wish list that included a rare combination of hard-core financial expertise and a deep understanding of the culture. It pinpointed its top candidate in the United States.

A member of the Gitksan Nation in northern British Columbia with years of experience at Wall Street investment houses Smith Barney, Merrill Lynch and Goldman Sachs, Lomax understood the assignment. "When I first started, we would get people all the time saying, 'Oh, are you guys new? We haven't heard of you before,'" says Lomax. "Some people would call us the best-kept secret, and when you're trying to run a business like banking, you don't want to be the best-kept secret. You want to be well known."

Lomax was immersed in the market, having managed numerous large investment portfolios for U.S. tribal nations—which, he reasoned, have many similarities to Canada's First Nations. Lomax had also run across



members of the FNBC board throughout his career. “So I thought I could help a lot with the marketing side and the sales side of things, and help build up the bank.”

Now, as CEO, Lomax is focused on expanding the Saskatoon-based institution into more locations to provide retail banking to its Indigenous clients, and fast-tracking growth in its commercial lending and trust businesses. His first mission: Get the name out there. He designed a co-ordinated sales, marketing and media blitz that included spending his first 18 months on the speaking circuit and telling the FNBC story to reporters. He also hired a chief marketing officer and another marketing staffer, who both report directly to him.

His efforts have generated results, notably a couple of multimillion-dollar partnerships to provide a suite of new financing options to Nations and their entrepreneurs, and a big expansion of FNBC’s trust arm—all aimed at lifting more Indigenous people into Canada’s broader economy.

“One of our taglines is that we do the economic part of reconciliation, the financial part of nation-building. And that is a critical part. It’s not the only part; it’s one piece of the puzzle. But if you don’t have finances, you don’t have money. You can’t pay for language revitalization. You can’t pay for drug and alcohol programs. You can’t pay for scholarships. You can’t provide jobs that keep people in the community,” says Lomax during an interview in Vancouver, where the 57-year-old and his family are now based. “Those things all cost money, and without having an understanding of finance and investments, you’re not going to do any of that stuff.”

That would leave First Nations, Métis and Inuit communities reliant on government, and for generations that record has been dismal, contributing to long-standing inequality, poverty and social ills.

FNBC was an early entrant in what’s now a fast-growing ecosystem of financial institutions, venture capital firms and asset managers that offer expertise and sophistication to Indigenous peoples as they confront energy and mining proposals on their territories, establish businesses, beef up local infrastructure and acquire equity stakes in companies.

Now, Canada’s big banks see the opportunity, too, and they’re competing for the business as capital flows into Indigenous communities across the country from legal and treaty settlements, commercial deals and equity stakes in large industrial projects. All the institutions have senior bankers and growing teams devoted to the client base.

First Nations and their development corporations have been busy buying interests in large-scale infrastructure like pipelines, power networks and liquefied natural gas projects, and are starting to take advantage of a new \$10-billion federal loan guarantee program geared to Indigenous investors.

These big-ticket buys are important, Lomax says, but it’s not FNBC’s market. Instead, the bank targets what he calls “the missing middle”—offering financing to help entrepreneurs buy businesses or assist communities in building community halls, water treatment plants and housing. It also offers lending services to retail clients.

All that comes with challenges. When the bank was established, Indigenous peoples found it difficult to get

loans; there was little interest from established banks to provide them, Lomax says. The risk calculation differs from what major chartered banks employ for non-Indigenous Canadians, because people who live on reserve don’t own their own land and houses.

This was one of many restrictions placed on Indigenous people by the long-lamented Indian Act. So FNBC looks at other metrics, including own-source or government revenues, when running the numbers on loans.

“Having access to capital was always one of the hurdles that First Nations people had to get through, because land is not held in fee-simple title on reserves, so they didn’t have a lot of access to collateral. You had to find new initiatives and new means to get around that hurdle,” says Perry Bellegarde, FNBC’s chair and former Grand Chief of the Assembly of First Nations. “Our team at the bank and Bill know that you have to work around the Indian Act. You have to look at the First Nations Land Management Act. You have to look at all these pieces of legislation in order to make a deal work.”

Despite Lomax’s Wall Street pedigree, and two decades working in New York, Los Angeles, San Francisco and Seattle, he’s far from a buttoned-down, high-finance exec from central casting. He maintains strong links to his own Indigenous roots, wearing his long hair tied back and occasionally sporting a necktie adorned with traditional West Coast iconography.

He speaks thoughtfully and frankly of his varied experiences in the financial big leagues and how they play into the sense of purpose he harbours in contributing to the financial success of First Nations. When he was first offered the CEO position, he demurred, thinking it wasn’t the right fit—he’d built up a solid franchise within Goldman Sachs, where he and his team managed US\$2.2 billion in assets on behalf of U.S. tribal nations. He didn’t know much about the bank, which then had 130 employees. But the more he learned about the operation, its “quiet success” under Martell and its potential, the more enticing it became. “I thought, well, this is a natural extension of what I’ve been doing.”

Lomax spent his childhood in Terrace, B.C., just outside the lands of the Gitksan. The First Nation has a large traditional territory of 33,000 square kilometres, but it’s not considered as wealthy as many that have, as Lomax puts it, “won the geographic lottery”—those with deep-water port sites or other natural economic advantages. A matrilineal society, the Gitksan have hereditary chiefs who work in co-operation with the elected chief system set up by the federal government.

His mother worked at BC Tel and owned a café where, starting at age 7, Lomax washed dishes. His father owned a corner store and rented out mobile homes, which gave Lomax an early understanding of how money was made. At 15, he left Terrace and moved in with his sisters in Vancouver, taking on restaurant jobs as he got older and went to university. There, he studied economics and Japanese (in preparation for a move to Japan that didn’t happen) before entering law school.

He kept close connections with his northern community, however, especially with Ray Jones, a hereditary



chief and residential school survivor whom Lomax considers an uncle. Jones was influential in Lomax's teenage years and, at age 80, still regularly offers counsel. He made a deep impression on Lomax by venturing into activities others in the community weren't taking on, like running a radio station and listening to jazz. He also instilled a sense of curiosity, especially in other people.

"I didn't know what Wall Street was, and I didn't have an understanding of banking beyond my savings accounts," says Lomax. "But Ray helped me realize that there was much more out in the world and that I should dream big. We talked a lot about education, and he inspired me to focus on working with the Indigenous community."

Lomax still seeks Jones's guidance on traditions and culture, including for his sons, who are learning the language in preparation for joining his house, a grouping that occupies a sub-territory within Gitksan lands.

For his part, Jones says Lomax exemplifies the wide impact Indigenous leaders can have when they venture beyond their communities. "Aboriginal people work just as hard as main society, and they get far from their hard work and support from families," he says.

After law school, Lomax signed on with the federal government and B.C. Treaty Commission, with a goal to help Indigenous people get the rights and compensation owed to them in long-fought land-claim settlements. He quickly discovered there were already plenty of lawyers doing that. The missing piece was the financial know-how needed to help communities invest that money to create economic opportunities. "I just thought, well, the worst thing would be if they got these large settlements,

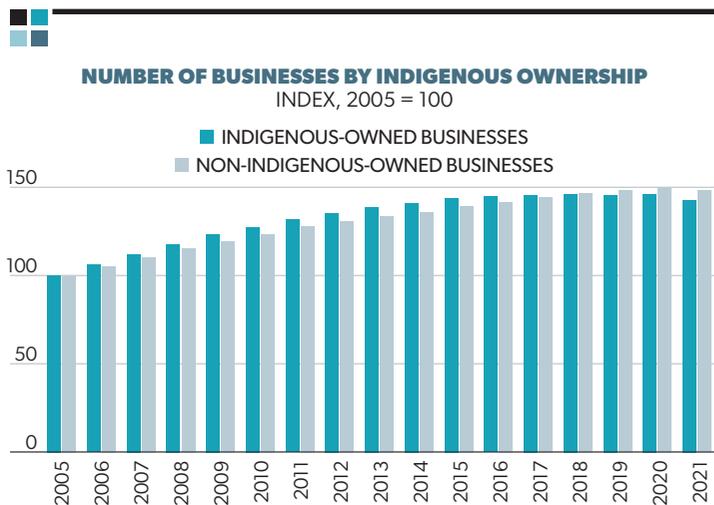
"IF YOU DON'T HAVE FINANCES," SAYS LOMAX, "YOU CAN'T PAY FOR LANGUAGE REVITALIZATION. YOU CAN'T PAY FOR SCHOLARSHIPS. YOU CAN'T PROVIDE JOBS THAT KEEP PEOPLE IN THE COMMUNITY"

and then they just gave them all out to their community members or lost them in inappropriate investments," he says. "So I thought I could probably be a decent player."

Lomax worked hard to be accepted into the MBA program at Columbia University in New York, taking a full week off work to write his entrance application. After graduation, he landed roles at Smith Barney and then Merrill Lynch. At each firm, his superiors gave him a year and a half to prove himself as he went about seeking to manage the savings of U.S. tribal nations, many of which were seeing gambling revenues soar. It was a tough sell, he says, despite the growing sums flowing into nations that operated casinos near large cities.

"All the banks were sort of interested, but it was more like, let's roll the dice on this. Let's see what happens," Lomax says. As he did that, he contacted several Canadian banks to gauge their interest in establishing a similar business in his home country. Their reaction? "Crickets. Never heard from them, whereas a number of the banks were certainly interested down in the States."

When the financial crisis consumed Wall Street in 2008, Lomax became senior portfolio manager for the Yuuhaviatam of San Manuel Nation in California, one of the most financially successful tribes in the U.S. Two years later, he moved into institutional sales for Capital



Dynamics, a Swiss-based investment fund.

He took a big step in the U.S. finance world in 2015, when he joined Goldman. Lomax was impressed by the culture at the Wall Street firm, where such notables as Prime Minister Mark Carney, former Italian PM and European Central Bank president Mario Draghi, and former U.S. Securities and Exchange Commission chair Gary Gensler spent parts of their careers. “It was definitely a step up—just to see the calibre of folks and collaboration that they would do to win business.”

At Goldman, he worked closely with vice-president Izu Akamiro, who was the more senior exec when they started on the file together. But Akamiro, who has built up that business further since Lomax moved on, credits his former associate with impressing upon him the values necessary to work with this population—realizing that financial sovereignty is a part of sovereignty writ large. “One thing he always said to me was, ‘Understand that the client is the hero of their story, and we’re here to help them achieve goals that will last, in many ways, seven generations down the line,’” Akamiro says. “And that’s one thing I really carry with me.”

By 2023, Lomax was based in Seattle and getting used to the idea of staying put in the U.S. with his family, perhaps until retirement. Plus, he says he felt supported by Goldman, even if future promotions weren’t assured. That’s when he fielded the call from FNBC.

As a chartered bank, FNBC is at once typical and unique. Established in 1996 by the Saskatchewan Indian Equity Foundation and Federation of Saskatchewan Indian Nations (now known as the Saskatchewan Indigenous Enterprise Foundation and Federation of Sovereign Indigenous Nations), along with TD Bank, its initial aim was to provide the financial services that Saskatchewan chiefs lamented weren’t available to them.

It’s now 88% Indigenous-owned and remains busy attracting First Nations into its roster of investors—in August, it raised \$9 million from five Indigenous-led organizations and communities from the Yukon, B.C., Alberta and Saskatchewan. That same month, B.C.’s Lheidli T’enneh First Nation and Tano T’enneh Enterprises invested \$10 million to gain an 8.6% equity stake. The investments help position FNBC to meet its goal of

raising \$50 million over the next year. The bank’s staff now numbers 162, and 60% of them are Indigenous, as are half the leadership and board members. (It provides services to non-Indigenous clients, as well.)

FNBC offers bread-and-butter banking—savings and chequing accounts, credit cards, mortgages, personal loans and investing services, along with a mobile app. It has 21 branches across the country, some in big cities but most in underserved Indigenous communities. The network spans five provinces and three territories—as far north as Pond Inlet, Nunavut. This is one instance where cultural know-how kicks in—in many cases, front-line staff can communicate with clients in their own languages, providing comfort to those who are wary of banking.

The wariness is understandable. Lomax cites the notorious incident in Vancouver in 2019, when Heiltsuk Nation artist Maxwell Johnson and his granddaughter were wrongly detained and handcuffed by police after visiting a branch of a major bank to open an account for the girl. A bank employee called police on the suspicion that they were using fake status cards.

Retail banking isn’t a big revenue driver for FNBC. But it sees the segment as part of its social responsibility for communities, many of which remain cash driven, Lomax says. “At some point, that’s going to change, and it’s changing already. But if I owe you \$50 and we’re here, chances are I’m reaching for my phone. If I’m out in the community, I’m probably reaching for my wallet.”

Part of the mission, then, is building up familiarity with banking and investing among the bank’s clients. This, he says, offers a far better proposition than other options, such as cheque-cashing shops, which can charge exorbitant fees.

FNBC’s longtime focus has been in the centre of the country, but it’s now beefing up its presence in B.C. and Alberta. It also aims to expand in Ontario and Quebec, and is considering opportunities in Atlantic Canada.

The big growth area, of course, is in commercial lending, and Lomax has inked partnerships with federal Crown corporations to reduce lending risks and accelerate investments in infrastructure and real estate, as well as operating businesses. The loans are nowhere as large as those used to invest in major projects, but they can help entrepreneurs serve those developments by buying firms in construction, trucking and environmental services, and even worker housing and catering.

This year, FNBC and Business Development Bank of Canada launched a program to make \$100 million in financing available for Indigenous communities and economic development agencies looking to buy operating businesses. FNBC provides loans, in the range of \$5 million, and BDC guarantees 85% of the debt. The initiative is a response to projections that the number of First Nations, Métis and Inuit entrepreneurs could increase by 23% in the next decade—more than double the rate in the rest of Canada—as demand for Indigenous-led procurement for all kinds of projects grows. “All these businesses that are locally focused provide job opportunities for the communities,” says Lomax. “That’s a win for the Nation if they have that kind of business.”

The other major initiative is a loan agreement with the Canada Infrastructure Bank (CIB) to make it easier

NEWCOMER OF THE YEAR

for communities to fund construction of homes, water treatment plants and other local projects. If a Nation wants to build a hotel on its land, for instance, CIB would fund site infrastructure like roads and parking, at a 1% financing rate; FNBC would finance the building at market rates, allowing a much lower blended cost for the communities. “That has been driving a significant amount of new business for us,” he says. “We initially agreed to \$100 million with them. We’ll blow through that within the next year.”

In May, CIB and FNBC announced a package worth more than \$9 million for Castle Rock Enterprises—wholly owned by Dakwakada Capital Investments, the economic arm of the Champagne and Aishihik First Nations—to build a new facility in Whitehorse.

The bank also has a trust arm that sets up and runs what are essentially sovereign wealth funds for Indigenous Nations. It specializes in institutional trusts of \$10 million or more, acting as independent trustees for its clients’ long-term investments. Since Lomax took over, that segment has grown by a factor of five, to \$5 billion.

It hasn’t all been smooth sailing. As it bolsters its sophistication, FNBC has had to shore up its compliance practices after a regulatory foul-up. In October, the federal anti-money-laundering watchdog, FinTRAC, fined the bank more than \$600,000. It cited FNBC for failing to submit suspicious-transaction reports when there were reasonable grounds to suspect money laundering, and failing to apply up-to-date compliance policies and procedures, among other violations.

Those violations occurred in 2023, the year Lomax joined FNBC, and the bank says it has since taken measures to correct its deficiencies, including bolstering internal oversight, seeking help from external experts and, last March, hiring a chief compliance officer who’s also in charge of anti-money-laundering procedures.

Bellegarde says FNBC’s board has set out a clear goal to be the Indigenous financial institution of choice, as First Nations shift their roles in the economy from being largely consumers of goods and services to suppliers, using their growing wealth to generate returns on investment and employment opportunities. Lomax’s unusual combination of qualities should help achieve that vision, he says. “We’ve always said, as First Nations people, we walk in both worlds. There’s an economy we want to be participating in, but the old people used to say: ‘Know who you are and where you come from.’ Bill exudes that. He’s very proud to be Gitksan, but he’s also a very proud and productive member of the finance industry who worked down in the States.”

When Lomax took the job, he set a goal to double the size of FNBC’s commercial banking business within three to five years, and he says the bank is making good progress—it grew 26% in fiscal 2025. He speaks of being innovative with capital, and that could mean new partnerships with institutions that have deep pockets.

“Even if we didn’t have any of those partnerships, we continue to grow, because the demand is there,” he says, “and we understand the way Nations work—and better than other banks, because this is what we do.”

Congratulations, Michael Garcia from the Algoma Steel Family.

Recognized by The Globe and Mail as CEO of the Year - Corporate Citizen, your leadership continues to inspire our team as we embark on a greener future.





JUST WATCH

ME

INNOVATOR OF THE YEAR
NEIL CAWSE

NEIL CAWSE FOUNDED GEOTAB 25 YEARS AGO AS A NEW ARRIVAL FROM SOUTH AFRICA. NOW, IT'S A GIANT IN VEHICLE-TRACKING TECHNOLOGY, WITH \$1 BILLION-PLUS IN REVENUE AND CUSTOMERS ON EVERY CONTINENT
BY SEAN SILCOFF

Time for a pop quiz: Name a Canadian tech CEO whose company is a global leader in its sector, has customers on every continent (Antarctica, too), and counts the U.S. government, PepsiCo, UPS and New York City as clients. This guy's company generates more than \$1 billion in annual revenue and well over \$125 million in operating profits. He owns most of it, too, which means he's a billionaire, though you'd never guess it.

Much like Shopify's Tobias Lütke, our mystery man—an electrical engineer by trade—is a techie to the core who's grown into the role of executive leader and eyes-ahead strategist. He oversees a sophisticated, elbows-up IP powerhouse that's beaten more than seven legal challenges by patent trolls, and acquired five firms, including two smaller rivals in \$100-million-plus deals apiece. And he recently launched a fast-growing side business that leverages the 100 billion anonymized data points his company processes daily to sell traffic insights to customers.

Unless you're an avid reader of trade publications like *Automotive Fleet*, you're likely still scratching your head.

The answer is Neil Cawse, founder and CEO of Geotab Inc., an Oakville, Ont.-based company with 2,700 employees that's one of Canada's largest privately held tech companies. It's one of a few global leaders in a niche industry called telematics—electronically gathering data from commercial vehicles, including location, speed and fuel consumption, along with information on whether drivers are speeding or braking hard, and even whether they're wearing seatbelts. Telematics is a must-have tech for any fleet operator, as the data helps them decide how to more efficiently manage their vehicles.

Geotab's key rival, publicly traded Samsara Inc., is worth about US\$20 billion and growing fast. But with 100,000 customers and more than 5.6 million vehicles carrying its tech as of October, Geotab has ranked as the top telematics provider for four years running, according to market intelligence firm ABI Research. It also won one of the world's largest telematics deals in 2022, a 10-year contract with the U.S. Postal Service worth close to US\$300 million. San Francisco-based Samsara appealed the award several times but ultimately failed.

As for smaller rivals, many have disappeared or thrown in their lot with Geotab, joining the hundreds of resellers that help get its tech into fleet vehicles. And Cawse maintains that it will get increasingly difficult for all but the biggest players to break into the business, especially since his company spends US\$150 million a year on R&D, much of it these days focused on artificial intelligence. That scale of effort, he says, "is absolutely needed to be able to compete in this space."

So if Geotab is a global giant in telematics, why's Cawse practically unknown here at home? First off, he's never needed to raise outside capital—he funded the company himself after emigrating from South Africa 25 years ago. His business doesn't sell to consumers, and it doesn't play in a vast market. His ultimate customers are fleet managers—nary a TikTok influencer among them—so flash is definitely not required.

He's even a bit of a mystery to his fellow tech CEOs. This past September, he had a coming-out of sorts at an event hosted by the Council of Canadian Innovators. As he detailed his origin story in front of a room full of tech execs in Toronto, many were gobsmacked at just how big Geotab is. "Everyone in the room was enamored by him," says CCI president Benjamin Bergen. "In Canada, we have a lot of hype in certain sectors of AI, but not many firms that have had those kinds of returns."

Lots of people watched *Star Trek* growing up. For Cawse, it was more than just TV time: *Star Trek*'s quaint techno-optimism provided a roadmap for his life's ambitions. "I used to dream up plans for tricorders and transporters," he says.

You can see that influence today in Geotab's core tech, a sleek wireless dongle about the size and weight of a bar of soap (97 grams, to be exact) called the GO9+. The black box plugs into a vehicle's diagnostic port, under the steering wheel, and pulls data from its onboard computer and streams it in real time via the cloud.

That data is analyzed at Geotab's high-ceilinged headquarters, which feels much like a military-industrial mission control. Wall-to-wall full-colour screens announce the number of active Geotab-equipped vehicles in use, how many subscribers are signed on, the total kilometres driven by connected vehicles (now hundreds of millions a day), and how quickly data is streaming. "We're processing more records per second than most of the largest banks," says Cawse, his wiry frame clad in a black golf shirt, tan chinos and slip-ons.

The cost of managing all that data is encapsulated in a metric called slot utilization. "It's another way of saying there's a whole pool of machines sitting at Google somewhere," says Cawse, and the more Geotab data they handle, the more it costs. "So we have to manage that."

Cawse could easily veer into didactic territory as he ushers visitors through Geotab's facility. But he has a knack for dumbing down tech talk without coming off as condescending, which helps explain, at least in part, why the company has been so successful in an industry striving to bring high tech to the trucker set. "Neil is probably the smartest guy in the room, but he never tries to show that he's the smartest guy in the room," says Mark Maybank, managing partner with Maverix Private Equity, which has been trying to persuade Cawse for years to let it invest in Geotab—unsuccessfully.

Cawse acknowledges the screens are part of a deliberate effort to showcase how Geotab thinks and operates. "Everything is data first," he says. "Decisions are made based on data and analytics, and we measure everything. The same way we offer a product to our customers is how we operate internally. We have a philosophy that you cannot manage what you don't measure."

What Geotab measures is incredibly valuable to customers. Drivers who speed or drive too aggressively, idle excessively or take circuitous routes cost companies money in wasted fuel and accidents. Using telematics, fleet operators can get the data they need to take action. Geotab even predicts and flags when vehicles require maintenance—before they break down.

It has a convincing collection of customer case studies. One freight company in California cut idling costs by 59% after installing Geotab's tech. A distributor of construction supplies in Atlanta saw seatbelt use nearly double and aggressive driving incidents fall by 62%.

The company's early devices weren't nearly as useful. Three times bigger than the GO9+, they had to be hard-wired into each vehicle, and primarily tracked where a driver had gone in the days or weeks before. After each trip, drivers had to manually upload the route data by pressing a touchkey to the device and waiting up to eight minutes for it to upload. Then they had to download the data in the office, which could take another eight minutes. You had to be a pretty dedicated fleet manager to get at the limited information Geotab initially gathered.

But the more data Geotab's technology delivered to customers, the more useful it became. "If you just plug in a device, there's no ROI there," says Bob Zimmer, the senior manager in charge of supply-chain fleet technology at Pepsi, one of Geotab's larger customers. "It's what you do with the data you're getting. Having a reliable telematics provider is critical as your fleet grows. It's very helpful when you connect to get that rich data."



"DECISIONS ARE MADE BASED ON DATA AND ANALYTICS, AND WE MEASURE EVERYTHING," SAYS CAWSE. "WE HAVE A PHILOSOPHY THAT YOU CAN'T MANAGE WHAT YOU DON'T MEASURE"

Cawse has always had a knack for connectivity. He was a teenage tech whiz, and when his dad brought home a primitive ZX81 personal computer in the early 1980s, Neil programmed it to create a digitized clock that appeared on the family's TV. The young nerd was also hypercompetitive with his younger brothers. Everything was a contest, including who could run, eat and even bathe the fastest. When his mother told him as a teen that his younger brother Clive would likely make more money because he was more entrepreneurial, Cawse became determined to start his own business.

It's a story he loves to tell, though it leaves Clive—Geotab's executive vice-president—rolling his eyes. "I don't know anyone who's more competitive than Neil," he says. All the Cawses are—but they're also incredibly close-knit. "It's a healthy dynamic," says Clive. "When something hits the fan, everything gets dropped, and we come together as a pack."

In fact, Geotab is essentially a family business. Three of its eight top execs are Cawses: Neil, who's 55, along with Clive and Alan, Geotab's chief security officer. (He and Clive, along with a few hundred Geotabbers, own a third of the company; Neil owns the rest, and employees must sell their stakes back to the company upon leaving.) Sister Lindy was once VP of HR before switching to an advisory role. A few cousins work there, too. So did Cawse's parents, Jill and Robert.

Many of them followed Cawse to Canada from Johannesburg, where he studied electrical engineering at the University of the Witwatersrand. In 1994, when he was just 24, Cawse co-founded a tech consultancy called

Vircom. South Africa was nearing the end of the Apartheid era, and Vircom landed a high-profile assignment: helping to build the database that would tabulate votes in the country's first free and fair election, and communicate real-time results to the media.

The run-up to the April election was tumultuous, and Cawse and his team had just six weeks to build the program, working in tight quarters on flimsy folding tables. During the live broadcast of results, sometime after 1 a.m., Cawse came to a terrible realization: The program was incorrectly tabulating the votes—and it was his fault. "A cold shiver ran down my spine," Cawse says. He fixed the bug, but it created a 15-minute suspension of the feed and prompted accusations of tampering.

Many would prefer to simply forget that episode. Not Cawse: "I was the kid who made a stupid mistake. I wrote the code. I take full ownership."

As dot-com fever heated up, Vircom thrived, and Cawse began to show promise as a leader, according to Clive, who describes his big brother as persistent and "one of the best negotiators ever." In 1999, Cawse turned down a handsome takeover offer for Vircom, only to sell at four times the price eight months later.

By then, Vircom was working on a joint venture—called Geotab—to develop a device that could track a vehicle's whereabouts, tapping into the global position-

ing system. Vircom's new owner wasn't interested, so Cawse and his partners held onto their Geotab stake.

The original idea was to disable vehicles that were carjacked, a big problem in South Africa at the time. It also allowed fleet owners to monitor drivers to ensure they weren't moonlighting in company vehicles or collaborating with thieves. In short, Cawse was trying to solve business problems for a country undergoing a messy and increasingly violent rebuilding process. Eventually, he decided it was time to move away.

Cawse assembled his siblings and parents to break the news: He and his wife, Tammy, planned to emigrate, and they wanted everyone to come along. Ever the engineer, he'd produced a report assessing English-speaking countries based on a range of measures. "Canada came out on top," he says. His parents moved with him and his wife in 2000. By 2009, all the siblings had joined them.

Cawse, now a father of three sons, launched Geotab 2.0 almost as soon as he landed in Canada and offered his old partners the chance to invest. They passed.

Today, the original Geotab is a reseller of the Canadian company's products.

ware around the big customers," says Sutherland.

Orkin, the Atlanta-based pest-control outfit, was Geotab's first big get. To win that one, Cawse and his brother Alan spent four weeks over the Christmas 2003 break rewriting their software to run on Microsoft SQL Server, as per the company's request. Orkin's tech team was impressed. The deal showed Cawse could win on technical prowess. But his approach shone through in other ways. He reached out to the vendor Geotab had displaced, not to gloat but to apologize and make an offer: Would the company be interested in becoming a Geotab reseller?

Until that point, Geotab had no sales force. Suddenly it had to decide how to build its go-to-market muscle. Instead of keeping all of Orkin's money, Cawse gave a share to the company that had referred them in the first place. From then on, it would generally sell its tech through third parties. "That was a very important moment in Geotab's history," says Sutherland. Sticking to that strategy, he says, enabled the company to focus on what it excels at: innovation.

In October, however, Geotab acquired Verizon's European and Australian telematics business. In addition to adding 400 staff, 44,000 customers and more than US\$100 million in sales, it has also inherited Verizon's direct European sales force.

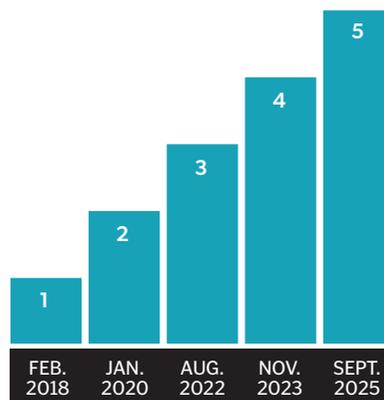
Perhaps the biggest boon for Geotab came in December 2017, when a U.S. government mandate went into force ordering truckers to replace their paper logbooks with tamper-proof electronic logging devices (ELD) to ensure they weren't driving too long and getting fatigued. Suddenly, scads of trucking companies needed exactly what Geotab was selling. After 17 years of product innovation, "we had a better suite of products when it mattered," says Cawse. "I wish we

could say we were so smart or that we realized the ELD mandate would bring in so many people. We knew it would help. We didn't realize how much." Two months after the mandate went live, Geotab hit a million tracked vehicles; this past September, it surpassed five million.

Geotab has also been a big promoter of electric vehicles, backed by in-house research that shows batteries are lasting longer and lifetime vehicle costs dropping. It's not just about sustainability—a big buzzword at Geotab—but efficiency, an even bigger buzzword for fleet bosses: Geotab regularly informs fleet operators how many of their vehicles could be replaced economically by comparable EVs. Geotab data suggests that 75% of light commercial vehicles could be replaced by EVs right now; on roughly half those, lifetime savings could amount to \$15,900. (Cawse puts his money where his mouth is: Geotab offers employees thousands in subsidies if they buy an EV.)

With access to so much data, Geotab recently spun up a market research firm called Altitude, which it pitches to governments and other organizations to inform their plans for roads, infrastructure and safety projects. Two recent findings: Trucks are moving faster on 44% of Manhattan roads since it introduced congestion pricing.

KEEPING TABS
MILLIONS OF GEOTAB SUBSCRIBERS



You'd think, given the potential savings at stake, that telematics would be an easy sell from the get-go. That most definitely wasn't the case. Cawse says some prospective customers initially recoiled at the idea of spying on their drivers. It didn't help that the company's original logo featured a giant eyeball. "It was literally Big Brother looking at you," says Colin Sutherland, the first non-family member to join Geotab, running sales and marketing in 2002. (He left in 2024 to buy a media company.) The creepy eye, he told Cawse, had to go.

The use of telematics has largely been normalized these days, thanks to tech giants surveilling all of us 24-7 through our phones. Geotab acknowledges there's still potential for blowback, though. In 2022, New York City's largest public employee union successfully fought against bad-driving reports—based solely on data collected by Geotab devices—being used to discipline members.

For most customers, and even for a lot of drivers, the savings and safety enhancements are worth it.

One of Geotab's earliest landmark customers was UPS. The delivery giant, which now has roughly 120,000 Geotabbed vehicles on the road, wanted to use telematics to minimize fleet downtime. To win the deal, Geotab figured out—on spec, and with no expectation of compensation—how to read fault codes from engine computers and predict when they'd need to be serviced. It got the contract, and Geotab's tech helped transform how UPS maintains its vehicles: Bringing them in for proactive overnight repairs reduced downtime to 2% from close to 10%, says Sutherland.

For Pepsi, Geotab adapted its tech to inform drivers when they needed to slow down, cutting fuel costs and increasing safety. "We shaped the roadmap of the hard-

ing, while ongoing construction on Toronto's Gardiner Expressway has doubled travel times in key areas.

Last year, the company also launched a safety centre to produce predictive insights, enabling clients to pinpoint the drivers deemed most likely to get into an accident. One fleet manager, shown how the system worked, declared, "You found my knuckleheads!"

Cawse has been fascinated by AI for much of his life. He even considered pursuing a master's degree in it. To say he's all in now would be a vast understatement. "AI is like quicksand," he says. "Every week that goes by, there are innovations happening around you."

To hear him talk, Geotab's continued existence depends on getting things right in the ChatGPT era. "If we do not pivot this company right now to being AI-first," he says, "then we will lose out to our competitors."

Geotab recently launched an AI copilot for customers called Ace and introduced AI-powered cameras that can be installed in fleet cabins for further monitoring. Given generative AI tools' propensity to hallucinate, Geotab focused on getting Ace up to 100% accuracy—and hit that target, Cawse says. "That has been damned, damned hard. There's more work that we have to do."

Just as data has defined every corner of his company, he's bringing a similar mindset with AI. This year, Cawse says he began "ratcheting up the temperature" to compel Geotabbers to use AI in their work—even lawyers,

recruiters and marketers. Asked by employees if they'd be replaced by AI, he replied no, but added that if they didn't start using the technology, they'd be replaced by humans who did. Geotab even started assigning everyone an AI score based on how much they use it. Enforcing that, he says, "is the next stage of the game. Otherwise, we won't survive."

That may seem alarmist, but you know what they say about the paranoid. And besides, Sutherland thinks Cawse is getting a kick from it all. "Neil is motivated by the engineering thrill, by the evolution of technology," he says. "He's completely in his sweet spot with AI."

As for the rest of Canada's business sector, Cawse's message is clear: This is a do-or-die moment.

Some of the measures that made Canada look like a great place to land 25 years ago have deteriorated significantly, including productivity, growth in GDP per capita and what the World Bank calls "ease of doing business." A recent study by Leaders Fund shows that a growing number of high-potential Canadian founders have moved away to build their startups. Using the same measures he applied 25 years ago, Cawse isn't even sure Canada would be his destination of choice today.

Don't worry—he isn't going anywhere, and he has no plans to sell out. More than anything, he's proven that despite all the griping, Canada is still a great place to build a prosperous business. "The idea that Canadian tech entrepreneurs must move to Silicon Valley to succeed has absolutely proven false," says Cawse. "We've done it, and there have been zero compromises." ■

CONGRATULATIONS

**BILL
LOMAX**

NEW CEO
OF THE YEAR AWARD



You need real support at work.

Ask for ergoCentric.

ergocentric.com

Air lumbar



Back adjusts
up & down 5"



GERMAN
DESIGN
AWARD
WINNER
2025
TCENTRIC HYBRID



ergoCentric®
The science of sitting®

Visit our showroom&store at the King Edward Hotel
37 King St. E – Toronto

2026 ECONOMIC OUTLOOK

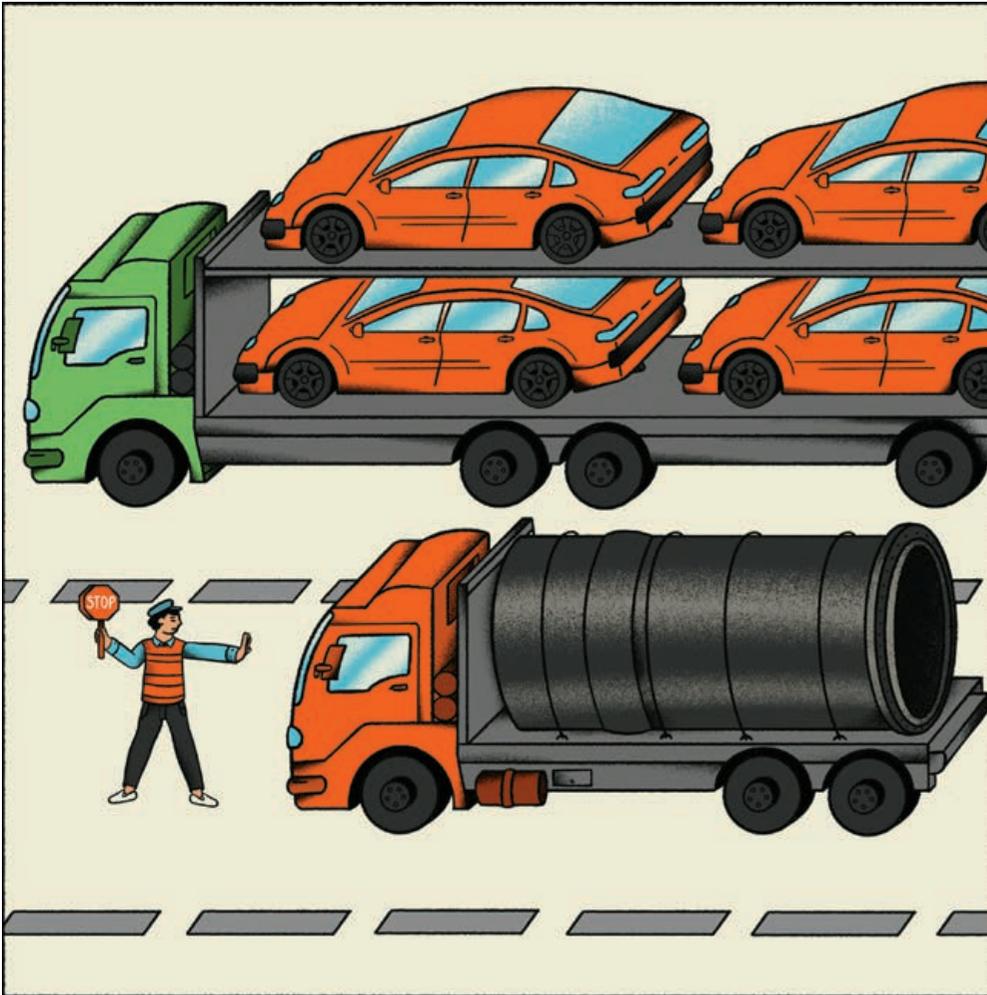


As we limp through the remaining days of 2025—one of the most economically hair-raising years in recent history—our economics team already has their eyes firmly on what’s coming in 2026, from trade and markets to defence and manufacturing.

BY JASON KIRBY AND MATT LUNDY

ILLUSTRATIONS BY ESTEBAN PLAZIBAT

PLUS we talked to five CEOs and economists about what’s ahead. And in case you're curious what AI sees on the economic horizon, we asked. The answers might surprise (or terrify) you.



TRADE with the U.S.

UPSIDE In the face of rising costs, saner heads prevail in Washington, and the Trump administration tacos—er, sorry, recognizes the benefits of continental free trade to U.S. consumers and manufacturers. To renew the United States-Mexico-Canada Agreement (USMCA), Canada makes concessions in some industries, in particular dairy, that give the president the opportunity to claim victory while inflicting minimal pain at home.

DOWNSIDE The downside risks for Canada's trade with the U.S. run the gamut. Trump could pull the plug on the three-decade-long North American free trade experiment, and though that wouldn't immediately terminate the agreement, it would amp up the level of uncertainty and seriously threaten investment in this country. Even if Trump just scales back exemptions that currently allow 90% of Canadian USMCA-certified imports to enter duty free, it could cripple Canadian exports that were already down sharply going into the year.

CANADIAN GOODS EXPORTED TO THE U.S.

As a percentage of total exports



Laurent Ferreira
CEO, National Bank of Canada

"As we look to 2026, Canada's competitiveness hinges on restoring regulatory certainty and rebuilding investor confidence. After years of stagnation, our industrial base now ranks outside the world's top 20 industrially competitive nations, held back by cumbersome regulations and an uncompetitive tax system.

The passing of Bill C-5 is a welcome step toward faster nation-building projects, and the budget proposed by Ottawa signals a shift from the past 10 years. But we need a broader effort that reduces administrative burdens, creates a more competitive tax environment, and provides clear and stable conditions for private investment. Pragmatic deregulation and smarter taxation can reignite growth, revitalize our industrial capacity and position Canada for a new era of economic leadership."

ASK AI

In a year when AI has dominated just about every conversation, we decided to ask two prominent models—OpenAI’s ChatGPT and Anthropic’s Claude—for their economic predictions for 2026. Their (edited) answers were broadly on the optimistic side. But they were also frank (and frankly terrifying) about the risks of failure.

ASK AI

WILL CANADA, THE U.S. AND MEXICO SUCCESSFULLY NEGOTIATE A NEW USMCA DEAL?

C

There’s a **70%** chance of a successful renewal, but it will be substantially modified, with tighter rules on shipments of Chinese goods coming to the U.S. through third countries, trade access linked to border security and changes to automotive content rules.

GPT

Yes, with a **65%** probability of success. There will be early agreement on auto rules and labour enforcement procedures, but the probability of success drops to **35%** if “U.S. demands expand beyond USMCA scope”—for instance, new sectoral quotas, or broader linkages with immigration or security.



TRADE

with everyone else



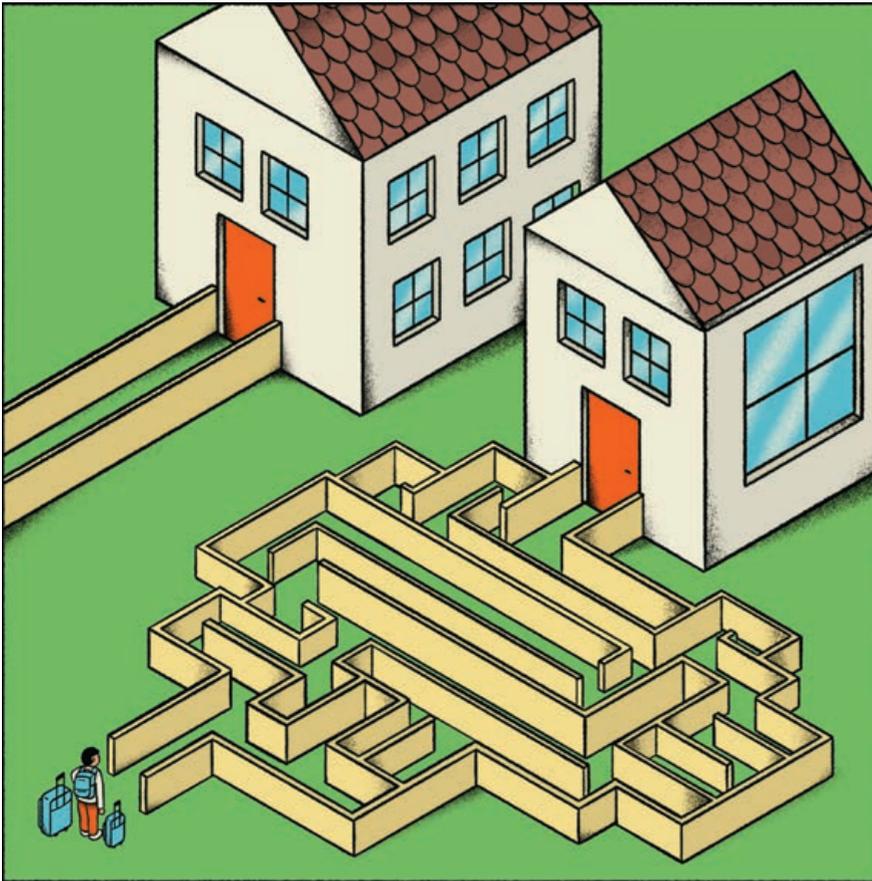
UPSIDE The Carney government is trying to double non-U.S. exports over the next decade and takes a meaningful step toward that goal in 2026. Traditionally, around three-quarters of goods exported wind up in the U.S., but that slips below 70% as companies find new markets. The country does a better job of leveraging its trade deals with Europe and the Pacific Rim, and makes headway on new agreements in South America, Southeast Asia and beyond. What’s more, Canada smooths over its tensions with China, unlocking exports of agriculture products like canola and lobster.



DOWNSIDE Sorry, but geography is destiny. Canada may be on the doorstep of the world’s most powerful economy, but it’s fairly isolated from everyone else. And that means exports to non-U.S. markets don’t show much improvement. If anything, this harsh reality underscores the importance of the USMCA and getting the best deal possible.



HOUSING



UPSIDE Good news is a matter of perspective. For homeowners, particularly in the stressed markets of southern Ontario and B.C., prices will recover some of their recent losses. For aspiring homeowners, the swoon will continue long enough to get them in the market. Investors will make a cautious return to high-rise developments, leading to more projects in the pipeline. Moreover, Build Canada Homes—a new federal agency to build affordable homes quickly—actually moves the dial on home construction, unlike past government initiatives.



DOWNSIDE Home sales and prices remain in the dumps, but affordability doesn't improve enough to entice new buyers. To make matters worse, the supply crisis only deepens. In July, Canada Mortgage and Housing Corp. projected that housing starts would amount to roughly 220,000 in 2027—a decline of 50,000 from 2021. Cities, meanwhile, continue to gorge on six-figure development charges per unit that effectively keep a lid on new builds.

NATIONAL HOUSING STARTS

In places with 10,000+ residents, four-quarter moving sum (in thousands of units)



ASK AI
WILL CANADA HAVE A RECESSION IN 2026?

C

40% to 50% chance, rising to 80% if USMCA talks fail, and falling to 20% if the agreement is successfully renegotiated.

GPT

40% chance, but "tariff/trade risk is the swing factor."

INFRASTRUCTURE



UPSIDE The new Major Projects Office hits the ground running. The federal initiative, which aims to streamline and expedite the approvals process for large infrastructure projects, gives the green light to developments that spark the Canadian economy over the long term. And crucially, these projects get buy-in from various stakeholders, including the provinces and Indigenous groups.



DOWNSIDE The Major Projects Office looks more like a branding exercise. There's no backlog of shovel-ready developments that are stuck in red-tape purgatory, and Ottawa's initial list of five projects for review have largely received the necessary approvals (some have even broken ground). The Carney government will claim some early wins, but on second glance, the country hasn't morphed into an infrastructure-building superpower.

ASK AI

WHAT WILL CANADA HAVE TO GIVE UP TO SECURE A NEW DEAL?

C

"Canada is negotiating from weakness. Canada will give up significant economic sovereignty, particularly around defence spending, China policy and dairy market access. Even with all these concessions, Canada will still face sectoral tariffs."

GPT

For dairy, expect Canada to rewrite allocation rules (again) so a larger share is contestable by U.S. exporters, and top up a bit more quota in a few categories. Canada accepts "tighter reporting/verification" of how to count core-parts content under auto rules of origin.

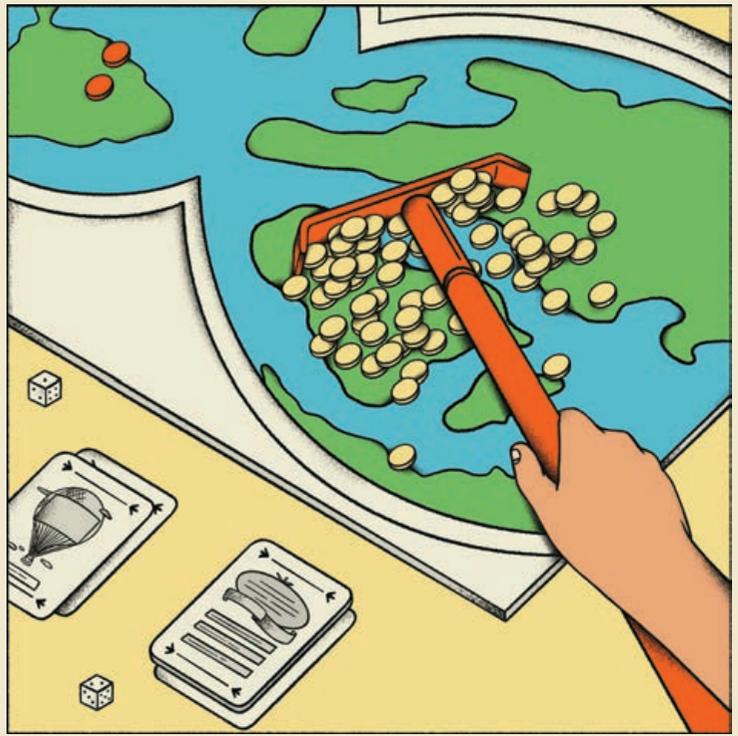


Jimmy Jean

Chief economist and strategist, Desjardins

"Since the beginning of the decade, Canada has seen construction costs soar by nearly 68%, about four times the pace of overall inflation. Pandemic disruptions were a factor, but that's no excuse: Construction prices haven't surged as much elsewhere. This is another manifestation of our chronic productivity problem. An hour of work in construction today produces about the same real value added as 25 years ago, yet wages have steadily risen. Workers are clawing back their loss of purchasing power, and with persistent labour shortages, they have the upper hand in bargaining. Stagnant productivity combined with higher pay means soaring unit labour costs.

This illustrates a basic economic mechanism: When productivity stagnates, costs eventually explode. Left unaddressed, this fuels inflation, worsens housing affordability and erodes purchasing power. But it also drives up the cost of capital projects. For a manufacturer considering expanding its facilities (say, to diversify its export markets), the surge in domestic costs will play against making that decision. And for a government investing in nation-building projects, the bill will be even steeper, making many of these projects uneconomical."



DEFENCE



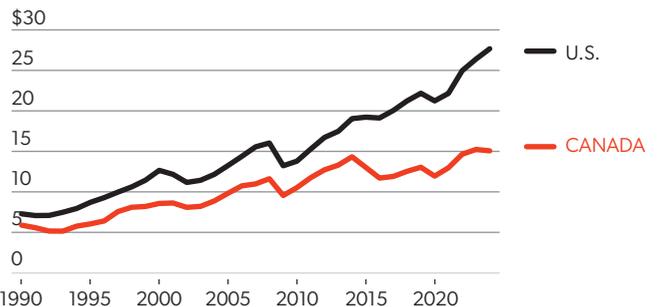
UPSIDE It turns out living up to Canada's NATO obligations on defence spending pays dividends. As Canada's new Defence Investment Agency ramps up, Ottawa's pledge to boost spending by \$150 billion to 5% of GDP by 2035 provides a stimulative boost to the economy when Canada needs it most. While helping provide a floor for economic growth, defence procurement revives business investment after years of weakness, while reversing another area where Canada is a perennial laggard: R&D spending.



DOWNSIDE We've heard this tune about higher government spending before. Whatever short-term growth bump defence spending generates is offset by a staggering increase in the federal deficit that weighs on investor confidence. Waste, mismanagement and other scandals that inevitably come with large-scale defence contracts promise to make the word "boondoggle" popular again.

INVESTMENT PER AVAILABLE WORKER

In thousands of Canadian dollars



MANUFACTURING

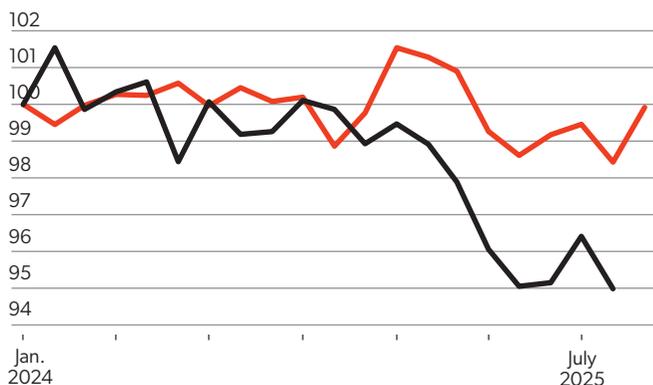
UPSIDE In year one of Trump’s trade war, and despite headlines about plant closures, employment in Canada’s manufacturing sector held up reasonably well (even if manufacturing sales faltered). Things look up in 2026 as exporters take greater advantage of USMCA exemptions from U.S. tariffs unavailable to other countries.

DOWNSIDE The former Trudeau government placed all its industrial bets on electric vehicles and batteries, throwing tens of billions at companies to build plants here. That bet continues to unwind in 2026, compounded by Trump’s widening use of sectoral tariffs to compel businesses to shutter factories here and move operations south of the border.

CANADIAN MANUFACTURING EMPLOYMENT AND SALES

Index, 100 = January 2024

— MANUFACTURING EMPLOYMENT — REAL MANUFACTURING SALES



Mark Podlasly
CEO, First Nations Major Projects Coalition



“Infrastructure will guide Canada’s next wave of economic growth, and First Nations are taking on a more central role in that future. With the \$10-billion Indigenous Loan Guarantee Program now in place, we finally have a practical pathway to own meaningful stakes in the energy, transportation and resource projects built on our lands. That changes how decisions are made and who shares in the benefits. The next phase of development in Canada will be marked by Indigenous equity and leadership—where reconciliation is reflected not in statements, but in ownership, participation and shared prosperity.”



JOBS

UPSIDE Companies shake off their trade-war jitters and start hiring again. In turn, the jobless rate—recently hovering around 7%—starts to decline after years of steady increases. A turn in the economic cycle would be particularly beneficial to younger workers (ages 15 to 24), who are contending with an unemployment rate of nearly 15%. Job vacancies, which have been tumbling since 2022, begin to rebound in broad-based fashion, with more opportunities in tech, construction and health care.

DOWNSIDE Tariffs get ratcheted up, and companies start laying off more staff. The unemployment rate climbs to 8% (or higher) as the more trade-exposed provinces, like Ontario and Quebec, struggle to sell in non-U.S. markets. With more people out of work, consumer spending hits the skids, sending the economy into recession. Worse yet, the next generation of workers—already struggling with high unemployment—get jaded about the direction of the country and look elsewhere to build careers.



ASK AI
WHERE WILL THE S&P/TSX AND THE S&P 500 CLOSE AT THE END OF 2026?

C

35,000, with a range of **34,000** to **36,000** (a 17% change from Nov. 6 price). "This assumes no major escalation in trade tensions and that interest rates remain supportive."

GPT

33,800, with a range of **25,000** to **39,000** (up 13% from Nov. 6 price). "Consensus earlier this year saw ~30K by end-2026; with rates lower now and earnings holding up, I'm nudging above that."



Kevin Strain
 CEO, Sun Life

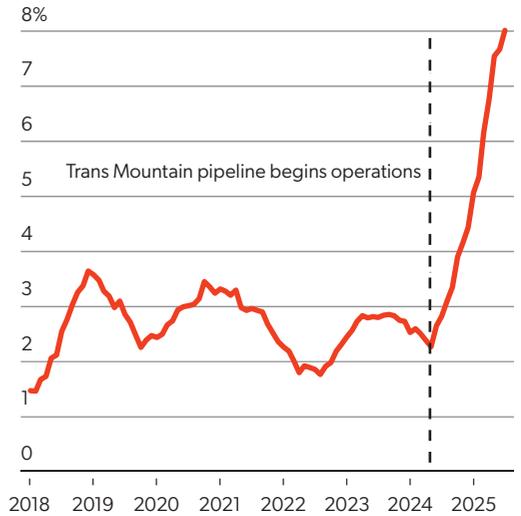
"Geopolitical shifts and rapid advances in AI are transforming global economies. These changes add pressure to inflation, interest rates, credit, currencies and equity markets. Businesses need resilience and bold action to succeed. For navigating the uncertainty ahead, look to three principles: Build the domestic economy; expand to new markets; deepen existing partnerships.

Governments can help with globally competitive economic and tax policies. Cut red tape so companies can move quickly. Run trade missions to help diversify the economy.

We too often think of Canada as a small country. We are more than that. We have vast resource-rich lands. We are a G7 economy, with the world's most educated workforce, and strong and stable financial services, energy, resources and tech companies. With a "can do" attitude, Canada can succeed. Let's go, Canada!"

NON-U.S. SHARE OF CANADIAN PETROLEUM EXPORTS

Percentage of rolling 12-month sum of volume exports



ENERGY AND MINERALS



UPSIDE The world, and the U.S. in particular, needs what Canada has.

After years of neglecting Canada's resource wealth, the federal government's critical-mineral strategy and openness to new pipeline projects revives investment in the sector. Even with the automakers pulling back from EVs, demand for critical minerals like lithium and nickel for batteries, electronics and defence technologies stays strong. This all gives Canada a powerful card to play in trade talks with the Trump administration.



DOWNSIDE There's saying and then there's doing. For all the talk of fast-tracking major projects, a familiar combination of red tape, interprovincial wrangling and Indigenous land claims disputes pour cold water on Canada's energy and mineral superpower ambitions. Capital spending and employment in those industries remain below decade-ago levels. Cue more Western resentment.

CANADA'S UNEMPLOYMENT RATE

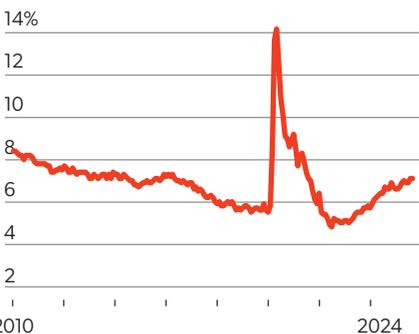
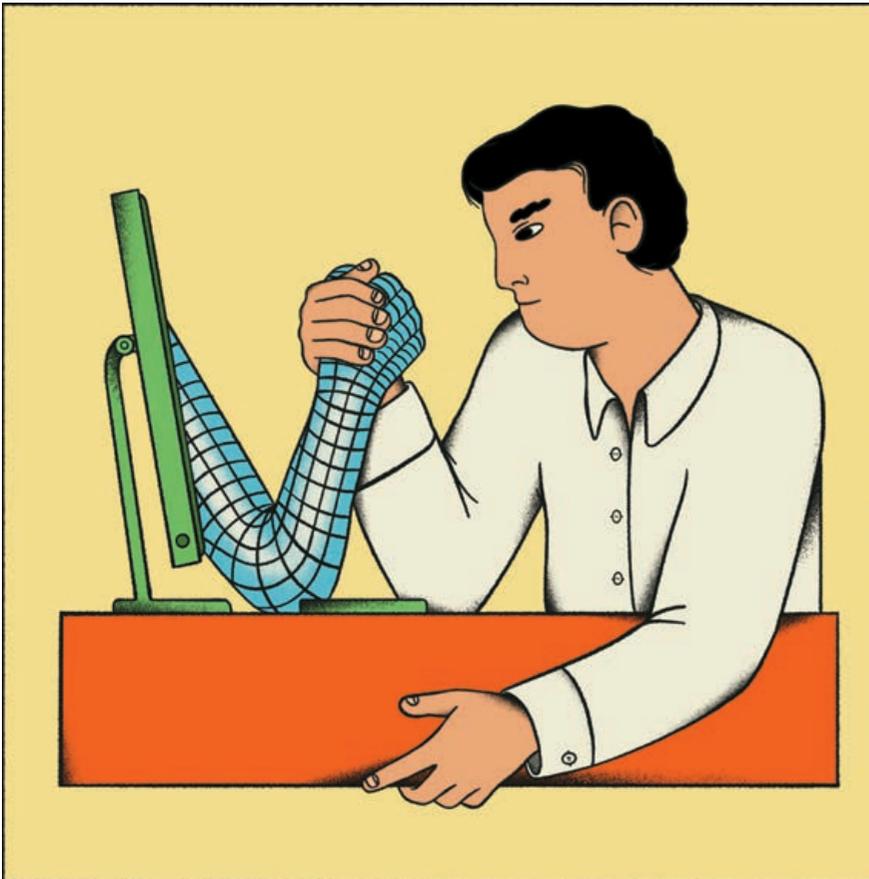


CHART SOURCES: STATISTICS CANADA



ARTIFICIAL INTELLIGENCE



UPSIDE Two years after the Bank of Canada's senior deputy governor, Carolyn Rogers, said it was "time to break the glass" on Canada's low-productivity emergency, AI begins to show its value. Rather than being a job destroyer, as many fear, AI investment allows Canadian companies to close the productivity gap with the U.S. Ottawa also finally embraces AI to solve service problems at the Canada Revenue Agency and other departments—a few hallucinated tax returns aside.

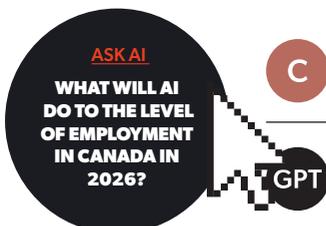
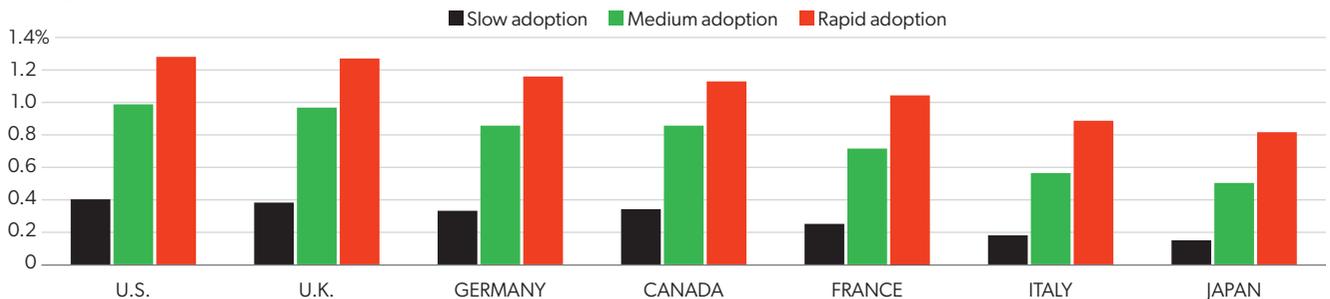


DOWNSIDE The dystopian warnings about AI layoffs are true. As more companies adopt AI, they're able to downsize whole departments of white-collar workers. The result: higher unemployment and elevated office vacancy rates in major cities. Despite the technology's adoption, strained valuations of AI stocks threaten a market correction akin to the dot-com crash.



AI CONTRIBUTION TO PRODUCTIVITY GROWTH OVER NEXT 10 YEARS

Percentage points



"There will be very little job loss in 2026 due to AI. Any job losses will be overwhelmingly due to the trade war and economic slowdown, not AI."



"I expect AI to be neutral to slightly positive for employment. There will be reallocation inside white-collar services," but a "broad macro slowdown from trade shocks would swamp AI's effect on employment."



Darryl White
CEO, BMO

“There are some reasons for optimism amid this uncertainty. Pro-growth policy consensus has emerged in Ottawa, reinforced by the federal budget’s focus on investment, productivity and infrastructure development. While we’ve seen signs of greater internal free trade from provincial capitals, there’s still more talk than traction. More and faster, all contribute to structural improvement in Canadian competitiveness.

We must act with urgency. We need fundamental culture change that prioritizes pace and predictability in permitting processes for all projects, not just those considered in the national interest. From faster municipal rezoning that helps a homebuilder complete their project and get a family in sooner, to helping a mining company strengthen a business case to invest in Canada. Pace and predictability are where every government in Canada can make a difference—not just Ottawa.

We’ve had the conversations. Now it’s time for action, with the full force of public and private-sector co-operation.”

ASK AI
IF YOU REQUIRED SLEEP, WHAT WOULD KEEP YOU UP AT NIGHT?

C

“The USMCA cliff edge. If its future is uncertain, every multinational with operations in Canada starts quietly planning their exit.

2026: USMCA talks stall or produce only a temporary deal.

2027: Foreign direct investment to Canada drops 40% to 60%.

2027–2028: Manufacturing quietly relocates south.

2028: Canadian dollar crashes.

2029: Jobless rate hits 9% to 10% despite no ‘official’ crisis.

2030: Canada becomes permanently poorer. It’s not the recession. They end. It’s not the tariffs—they can be negotiated. Once capital leaves, once talent emigrates, once Canada accepts permanent second-tier status, you don’t get it back.”

GPT

A policy-driven trade shock with the USMCA review going sideways and snowballing into a tariff/retaliation spiral. What to watch for: Bank of Canada rhetoric shifting from “orderly disinflation” to “trade-shock vigilance.”

MARKETS



UPSIDE The good times keep rolling in equity markets. Not only do stock prices continue rising, but they justify the sky-high valuations that invite comparisons to the dot-com crash. Earnings growth is strong, powered by major investments in artificial intelligence that pay off. The Federal Reserve delivers a handful of rate cuts that help Americans spend and companies invest, despite the high costs imposed by tariffs. And because stocks are rallying, everyone gets wealthier—even more reason to make big purchases that power the economy.



DOWNSIDE The good times end. Abruptly. The Shiller price-to-earnings ratio—a popular measure of share valuations—says we’re back to exorbitant levels seen in late 1999. (Not long after, the stock market cratered.) Maybe the AI investment boom goes bust, or maybe protectionist trade policies result in stagflation. Either way, any drastic loss of paper wealth could force consumers to tighten their belts.

CANADIAN POLITICS



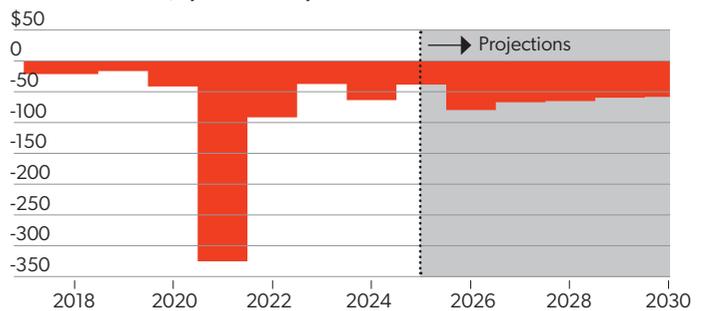
UPSIDE The federal government holds Team Canada together in its talks with the U.S., keeping squabbling provinces in check through a combination of support measures for struggling industries and generational infrastructure projects. This all may strain Canada’s fiscal health, but we’re in a far better position than most countries. The International Monetary Fund expects the country’s general government deficit to come in at -2.4% of GDP next year, well below the G7 average of -6%, while the U.S. faces a -7.9% deficit.



DOWNSIDE A surge in deficit spending, in combination with a weakening economy, stagnant population growth and low investment, trigger a fiscal crisis that puts Canada’s cherished AAA debt rating at serious risk. Ottawa is forced to slash spending and raise taxes, further compounding the growth crisis brought on by the trade war with the U.S. and sparking a political crisis that threatens to topple Carney’s minority government.

FEDERAL BUDGET BALANCE

In billions of dollars, by end of fiscal year





KATIE TAYLOR

Former CEO of Four Seasons Hotels, first woman to chair the board of a Big Five bank, prolific director and volunteer

My first job was as a banquet waitress. We had to work as a team, and we worked in service of people. I'm a classic extrovert, so those kinds of roles were the ones I found easiest to do. They didn't deplete my energy.

I wasn't someone who went to law school because I wanted to be lawyer, but I ended up at Goodmans. I cycled through every department and hated them all. I ended up in corporate securities and loved the excitement of it.

When the market crashed in 1987, we went from working 18 to 20 hours a day to having nothing to do. Being a kid with no net to fall back on, my main objective was to stay employed. So I said to my

boss, "What would you think if I went to the OSC and learned the other side of the Street?"

It was an unbelievably exciting time for the OSC, but then my mentor from Goodmans asked if I wanted to be No. 2 at Four Seasons. He said, "You'll have so much fun." And I got to work with him again. People rarely quit and join companies. They quit and join their *bosses*.

It was one of the more fantastical career experiences: an iconic founder of an unbelievably successful global brand. I was never more than 50 paces from Issy's office. And I was general counsel, so almost everything ran through my office.

I had a seat at the table, which

was mostly men. They were all, including Issy, interested in developing me as a more rounded, more successful leader.

Like any young mother, it was hair-on-fire most of the time. I had an incredible support system, but there's no replacement for the mom. That's why I do a lot of talking about why there's no work-life balance; there's only work-life integration. You try to fit your lives together the best you can.

We'd taken Four Seasons private in 2007, and by 2013, the new investors were looking to have a larger role in running the business. In the circumstances, my departure—though sudden—was not too surprising.

I'd spent years on the road, sometimes 150 or more days a year. So never going to Pearson again seemed like a good thing.

I went out with Phyllis Yaffe, who'd been CEO of Alliance Atlantis. I asked why she'd hung up the skates. And she said, "Because I had the extraordinary luck of working for the best company in the best industry with the best people and the best team. The chances of repeating that twice in one lifetime is close to zero, so I decided not to set myself up for disappointment." I went home and told my husband, "I'm not being a CEO again."

When I became the first woman chair at RBC, it was zero out of five at the Big Banks, then it was one out of five. Now it's two out of five. I call that progress.

If you look at the composition of the largest companies in Canada, most have a very diverse slate of directors. Where things have not progressed at nearly the pace I expected is on the executive and executive pipeline side.

Take more risk in your 20s. Pivot, pivot, pivot. Because once you're in your 30s, the cement has formed around your feet.

We're in a relationship deficit. People are spending less time together. Get out there and get connected. Over time, that's going to matter hugely.

WHAT MAKES A GREAT LEADER?

MENTORS

"Teach business skills and provide constructive feedback."

Shoutout:

John Sharpe and Roger Garland



SPONSORS AND CHAMPIONS

"Use their personal capital to create pathways for you to advance, both inside and outside your organization."

Shoutout:

Rob Prichard and Issy Sharp



EXECUTIVE ASSISTANTS

"Help put us into the right places and keep us out of the wrong ones!"

Shoutout:

Lindsey O'Shea

ARE YOU PREPARED
TO BE DARING?



GREENWOOD IS.

At Greenwood College School, we deliver a student-centred education with the ideal combination of challenge and support. The Greenwood experience includes purposeful learning and a welcoming community that empowers every student to daringly venture further together.

greenwoodcollege.org

Greenwood 

Venture further together.



Celebrating entrepreneurial leadership, creativity and innovation.

Congratulations to the 2025 CEO of the Year honourees:

- **New CEO of Year:** Bill Lomax, CEO, First Nations Bank of Canada
- **Corporate Citizen of the Year:** Michael D. Garcia, CEO, Algoma Steel
- **Strategist of the Year:** Gord Johnston, CEO, Stantec
- **Innovator of the Year:** Neil Cawse, CEO, Geotab
- **Global Visionary of the Year:** Jennifer Wong, CEO, Aritzia Inc.

capitalmarkets.nbc.ca

 **NATIONAL
BANK**
CAPITAL MARKETS

© The NATIONAL BANK CAPITAL MARKETS logo is a registered trademark of National Bank of Canada.