



# **Opportunities for Canadian Generative AI in the Indo-Pacific**

**by Michael Petric**

November 2025

# POLICY PERSPECTIVE

---

## **Opportunities for Canadian Generative AI in the Indo-Pacific**

by Michael Petric

November 2025



Prepared for Triple Helix  
Suite 200, 8 York Street, Ottawa, ON K1N 5S6 Canada [www.cgai.ca/triple\\_helix](http://www.cgai.ca/triple_helix)

©2025 Triple Helix  
ISBN:

Canada is recognized as a world leader in artificial intelligence, particularly in research, ethics, and governance. However, Canada's significant AI capabilities have not translated into a proportional global commercial presence. Initial inroads are being made in Europe and select economies in Asia, however, the broader Indo-Pacific, offers a crucial market that Canada cannot afford to overlook. This paper argues that there is a strategic imperative for Canada's AI industry and Government to work together to develop a program of action to deliver diplomatic and commercial outcomes focused on leveraging Canada's AI talent and expertise in the Indo-Pacific. This effort should concentrate on areas where Canada has demonstrated not just research excellence but proven commercial success and promise. Prime candidates for growth include enterprise and sovereign applications for generative AI and large language models in areas such as financial services, cybersecurity, maritime domain awareness, and safety and assurance.

Why AI and why now? The economic stakes are clear: Bloomberg Intelligence projects the generative-AI market alone will top US\$1.3 trillion by 2032.<sup>1</sup> The dividends for prosperity, security and influence could be transformative if Canada captures even a modest share of this growth. The Indo-Pacific region—[home to the fastest growing markets](#) in the world, and home to 6 of Canada's top 13 trading partners—represents the arena where this opportunity is ripest.

Ensuring AI plays a central role in Canada's export priorities aligns with our broader strategic frameworks. The upcoming Defence Industrial Strategy is likely to recognize AI as a critical capability for national security and economic competitiveness, while Canada's [Indo-Pacific Strategy](#) explicitly identifies the region as essential for Canada's long-term prosperity and security.

The period for Canada to establish a meaningful presence in the Indo-Pacific generative AI ecosystem is rapidly narrowing, as regional partners accelerate their own capabilities and partnerships. Delaying engagement risks ceding strategic ground to competitors, as the opportunity to shape regional norms, standards, and market access is shrinking with each passing year. If Canada does not act decisively, its ability to secure influence and exploit its advantage in generative AI globally will diminish quickly as others consolidate their positions and reap the economic and diplomatic rewards.

---

<sup>1</sup> Bloomberg Intelligence (2025), 'Generative AI Market Size Forecast'.

## Canada's Strategic Imperative & Value Proposition to the World

Canada's capabilities in AI research and ethical governance are well recognized. We are [home to more than 1500 companies and 10% of the world's top tier AI researchers](#), and yet broad commercial success and recognition remains elusive. To date, recent initiatives such as the creation of Canada's first Minister of AI, the establishment of a strategic AI partnership with the U.K., and announcements of significant investments in AI and federal partnerships with companies like Cohere, underscores Canada's commitment to responsible and transparent AI development.

The U.S., China, France, and others are also leaning into the market and supporting the global expansion of their technology leaders, meaning the opportunity space for Canada is rapidly closing. Countries in the Indo-Pacific are already starting to make strategic choices about who they will partner and what technologies they will use. For example, Singapore [recently committed](#) to deeper cooperation with France on AI for defence and security. The U.S. [is expected to make an aggressive push](#) for adoption of its solutions at APEC in South Korea. The choices made today will have significant long-term implications and delay in action risks forfeiting our chance to shape outcomes. We must ensure that Canada is at the forefront of the discussion as our partners and allies in the region make critical decisions on the future of generative AI partnerships.

Canada has several advantages over other countries as we contemplate engagement. These are:

- Canada has world class researchers and capabilities that are globally recognized (even if not commercialized);
- In general, Canada is seen as an honest actor unencumbered by the same geopolitical Machiavellianism exhibited by China or the U.S.;
- Canadian researchers have been at the forefront of legal and ethical frameworks in and beyond AI;
- Canadians are seeking to deploy generative AI in ways that are not just safe, but are reflective of the broader values of our society including multilingualism, diversity and safe deployment.

Canada also enjoys a reputation for reliability, a factor emphasized by Southeast Asian officials who described Canada as a “trusted friend” without historical baggage. This perception is critical when establishing shared digital infrastructure and managing sensitive citizen data, making Canada an attractive partner for countries wary of geopolitical entanglements.

## Global Context: Why AI Diplomacy Matters

Increasing U.S. and Chinese competition across a range of critical sectors is shaping the global geopolitical landscape including in AI. In July 2025, both countries articulated ambitious AI strategies intertwined with their broader diplomatic and economic agendas. The U.S. [has explicitly stated its intent](#) to build global alliances around AI to safeguard innovation and prevent adversaries from exploiting its investments. China [similarly emphasizes](#) international cooperation but with strategic incentives designed to secure a leadership role in the developing world. Both countries will undoubtedly commit policy attention and resources to ensuring their technologies and solutions are adopted in economic sectors of strategic importance.

However, both countries' recent trade policies and diplomatic actions have raised trust issues across the globe creating an opportunity for Canada. Many countries, wary of relying too heavily on either Washington or Beijing, seek alternative partners who can provide reliable, secure AI solutions. Canada, with its strong ethical governance frameworks and innovative posture, is ideally suited to fulfill this role.

Generative AI is poised to reshape virtually every major sector of the global economy – healthcare, advanced manufacturing, logistics, digital services and defence and security. Countries that move decisively will rapidly secure market share, shape standards, and embed their firms deeply into value chains. If Canada does not move quickly to invest, deploy and form strategic partnerships in this space, it risks forfeiting its economic dividend and ability to influence rules, norms and policies and standards that will govern critical sectors. Delay means not just lost revenue and jobs, but also erosion of our voice in the future architecture of global trade and digital innovation.

## Recommendations for the Canadian Government

To effectively leverage its strengths, Canada must pursue a coordinated and strategic approach in the Indo-Pacific that prioritizes commercial outcomes. The government should urgently work to develop and support MOUs, partnership agreements with key nations such as Singapore, Japan, and South Korea, embedding interoperability and responsible AI governance standards into these frameworks.

Additionally, establishing Security of Information Agreements with priority partners like Singapore could facilitate deeper collaboration in critical areas such as maritime surveillance, cybersecurity, and disaster response. These agreements would enhance trust and ensure secure cooperation in sensitive AI applications, and ensure that promising market opportunities are not encumbered or thwarted by an inability to share information and data.

Canada should also consider funding joint research initiatives, particularly focusing on multilingual AI models, cybersecurity, and ethical AI governance. Initiatives like creating a Canada-ASEAN AI Fellowship Program would foster deeper ties, mutual understanding, and shared innovation.

### **Recommendations for Canadian Industry**

Canadian AI companies need to proactively engage with Asia-Pacific markets. Establishing local partnerships, investing in regional talent development, and actively participating in innovation ecosystems are crucial steps. Companies should prioritize public sector procurement opportunities, enterprise solutions and joint ventures and pilots that align with regional priorities like citizen services, digital health, and public safety and security.

The multilingual and multicultural capabilities inherent in Canadian AI technology offer competitive advantages. Canadian firms should leverage this expertise to develop tailored solutions for Southeast Asia's diverse languages and cultures. Strategic investment in local talent hubs and collaborative R&D initiatives would further strengthen Canada's commercial positioning.

### **Conclusion: Act Now**

The competition for AI dominance is not merely technical; it is fundamentally political, economic, and diplomatic. Canada must act swiftly to leverage its unique strengths and position itself as a leading, trusted partner in the Indo-Pacific. By speaking the same language in terms of values, transparency, and strategic alignment, Canada can secure substantial economic benefits, bolster its diplomatic influence, and set international standards in responsible AI governance.

The time to act is now. Canada cannot afford to miss this pivotal opportunity to shape the future of AI diplomacy and secure long-term strategic interests in the Indo-Pacific.

## About the Author

---

**Michael Petric**, MA, MBA, PMP, currently based in Singapore, Mike is the founder of PerceptX Inc. the leading boutique defence consultancy focused on bridging the Indo-Pacific and North America. He is a defence and security professional with more than fifteen years of experience spanning consulting, government, and military service. Mike is dedicated to helping governments and their suppliers accelerate defence capability delivery and adopt emerging technologies.

He previously established and grew Avascent's Canadian presence, building a team that advised senior leaders in Canada's aerospace and defence sectors. Following Avascent's acquisition, Mike subsequently joined Oliver Wyman as a Principal. Mike has led more than 100 engagements for public- and private-sector organizations, focusing on high-value procurement, market analysis for emerging and dual-use technologies, and strategies to strengthen industrial participation and sovereign capability.

Before entering consulting, Mike completed an intensive leadership program at the McCain Institute in Washington, DC, and supported Human Rights First in advocacy efforts on Capitol Hill. He also served as an Observer for the Military Commissions at the Guantanamo Bay detention facility. Earlier in his career, he was a senior policy advisor to two Canadian Ministers of National Defence and deployed to Afghanistan as an infantry officer with the Canadian Armed Forces and was awarded the Canadian Expeditionary Force Command Commendation.

Mike is a frequent contributor on topics including defence innovation, industrial policy, and Canada-Asia security cooperation. He holds an MA in International Affairs from Carleton University's Norman Paterson School, an MBA from IE University in Madrid, and is a certified Project Management Professional and licensed private pilot.

## **Canadian Global Affairs Institute**

---

The Canadian Global Affairs Institute focuses on the entire range of Canada's international relations in all its forms including trade investment and international capacity building. Successor to the Canadian Defence and Foreign Affairs Institute (CDFAI, which was established in 2001), the Institute works to inform Canadians about the importance of having a respected and influential voice in those parts of the globe where Canada has significant interests due to trade and investment, origins of Canada's population, geographic security (and especially security of North America in conjunction with the United States), social development, or the peace and freedom of allied nations. The Institute aims to demonstrate to Canadians the importance of comprehensive foreign, defence and trade policies which both express our values and represent our interests.

The Institute was created to bridge the gap between what Canadians need to know about Canadian international activities and what they do know. Historically Canadians have tended to look abroad out of a search for markets because Canada depends heavily on foreign trade. In the modern post-Cold War world, however, global security and stability have become the bedrocks of global commerce and the free movement of people, goods and ideas across international boundaries. Canada has striven to open the world since the 1930s and was a driving factor behind the adoption of the main structures which underpin globalization such as the International Monetary Fund, the World Bank, the World Trade Organization and emerging free trade networks connecting dozens of international economies. The Canadian Global Affairs Institute recognizes Canada's contribution to a globalized world and aims to inform Canadians about Canada's role in that process and the connection between globalization and security.

In all its activities the Institute is a charitable, non-partisan, non-advocacy organization that provides a platform for a variety of viewpoints. It is supported financially by the contributions of individuals, foundations, and corporations. Conclusions or opinions expressed in Institute publications and programs are those of the author(s) and do not necessarily reflect the views of Institute staff, fellows, directors, advisors or any individuals or organizations that provide financial support to, or collaborate with, the Institute.