Canada slips in global energy transition investment rankings as Saudi Arabia surges ahead

Canada's renewable energy and storage sectors see strong growth, but not enough to offset slump in EV sector.

(OTTAWA, ON) January 27, 2026 – Canada is facing stiff competition in the global race for energy transition investment, as countries move quickly to secure low-cost, low-risk and low-carbon energy systems. BloombergNEF's *Energy Transition Investment Trends 2026* shows Canada has dropped out of the global top 10 from its eighth place ranking last year, highlighting the need to bolster private and public investment in clean electricity and electrified transportation to support economic growth and competitiveness.

While Canada saw robust investment gains in renewable energy and energy storage, a downturn in the electric vehicle (EV) sector led to a US$1 billion investment drop relative to 2024. By contrast, global investment in electrified transportation grew 21% despite trade turmoil.

Highlights of the report include:

- Canadian investment falls 8.8% to $33.4B (USD).
- Saudi Arabia took Canada's place with $34B (USD) invested in 2025.
- The fall was primarily driven by a 35% decrease in EV spending, influenced by ending of rebates and policy uncertainty, with the federal EV Availability Standard under review.
- Renewable energy had exceptional 76% y-o-y growth, with several onshore wind projects leading the way.
- Major growth in energy storage expansion, approaching $1B of investment.

In response, Merran Smith, president of New Economy Canada, said:

"These findings confirm what businesses and investors already understand: investment in clean electricity technologies, grids and electrification is now central to growth and competitiveness. As Canada works to deepen trade and investment relationships with global partners, continuing to attract and scale this investment can ensure Canada delivers on the economic formula for success: low risk, low cost, and low carbon.

As Prime Minister Carney noted in Davos last week, nostalgia is not a strategy. If we want to win a strong economic future, we have to stay in the race. We have a strong position: we're a clean energy superpower with vast reserves of critical minerals, an educated workforce with a reputation for tech innovation, and sophisticated investors. But to capitalize on these assets and seize the opportunities before us, a strong and durable policy framework is required.

To deliver on this, the federal government's electricity, auto, and climate competitiveness strategies must work together to build a bigger clean electricity system, capture new opportunities in critical minerals, batteries and vehicle electrification, and enhance the competitiveness of Canadian industries and their products."

Moe Kabbara, CEO of Transition Accelerator, said:
"Canada's advantage will lie in mastering the electro-technologies of the future at home—powering our economy while exporting solutions abroad. This means linking climate policy directly to productivity and competitiveness. Investments in clean power, manufacturing, and skills training aren't just environmental, they're nation-building.

The electricity, auto and climate competitiveness strategies are all interconnected. But with multiple origin points for those strategies, and even more delivery vehicles, the challenge will be ensuring that the whole adds up to more than the sum of its parts.

If we can align these strategies effectively and move decisively on major projects, Canada won't just participate in the global energy transition—we'll help lead it, building prosperity and resilience for generations to come."

Clean energy technology and infrastructure investment examples from 2025:

The following examples illustrate the types of investments that contribute to Canada's energy transition ranking. They reflect a diversity of regions and investment types and are not intended to suggest that any one project is more significant or valuable than another.

Energy storage: Canada's largest battery storage project starts construction
- Location: Township of Edwardsburgh Cardinal, ON
- Investment: $750 million
- Project: Lithium-ion battery energy storage facility that will store electricity from Ontario's clean electricity grid during periods of lower demand and return that stored power when demand is higher, helping to fully utilize lower-cost and cleaner renewable energy.

Renewable energy: Mesgi'g Ugju's'n 2 Wind Farm
- Location: Gaspé, QC
- Investment: $215 million
- Project: This 50/50 partnership between Innergex and three Mig'gmaq communities will expand and nearly double the capacity of the existing Mesgi'g Ugju's'n wind farm, supplying electricity for 20,000 homes.

Electrified transport: EV infrastructure expansion in British Columbia
- Location: BC
- Investment: $22.7 million
- Project: The government of BC is supporting eight charging projects that will install more than 480 electric vehicle chargers in high-demand areas.

Power grids: New transmission line to power southwest Ontario breaks ground
- Location: Ontario
- Investment: $471.9 million
- Project: The St. Clair Transmission Line will enable the expansion of manufacturing plants and farming operations in Southern Ontario, supporting reliable and secure supply chains.

New Economy Canada is a non-partisan initiative uniting over 60 companies, labour unions and Indigenous organizations, all committed to accelerating investment in Canada's clean economy. Our members employ or represent over 410,000 workers and generate annual revenues of over $200 billion CAD. https://neweconomycanada.ca

The Transition Accelerator is putting Canada on a path to a strong competitive economy in a world driving to reduce emissions to carbon neutrality. By driving projects, partnerships, and strategies to ensure Canada is competitive in a carbon-neutral world, they are harnessing the global shift towards clean growth to secure permanent jobs, abundant energy, and strong regional economies across the country. Working with 300+ partner organizations, the Transition Accelerator builds out pathways to a prosperous low-carbon economy and avoid costly dead-ends along the way. Connecting systems-level thinking with real-world analysis, they are enabling a more affordable, competitive, and resilient future for all Canadians. https://transitionaccelerator.ca

For media inquiries:
Rebecca Spring, Senior Director of Communications, New Economy Canada
Rebecca.spring@neweconomycanada.ca

Peter Hemminger, Director of Communications, The Transition Accelerator,
phemminger@transitionaccelerator.ca