

From critical minerals to EVs: Canada-Korea MOU aims to attract investment and build supply chain resilience



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Key Takeaways

- Canada's EV ecosystem has recalibrated but remains focused on becoming a global powerhouse in the market.
- A new memorandum of understanding with South Korea aims to enhance cooperation in EV manufacturing and battery supply chains.
- The agreement establishes the Canada-Korea Industrial Cooperation Committee to boost local EV production and attract investments.

As outlined in our *2025 Osler Legal Outlook* [article](#), the EV ecosystem in Canada has undergone a recalibration. While Canada's ambition of becoming a powerhouse in the global electric vehicle (EV) market and supply chain ecosystem has tempered, it remains intact. This point has been reinforced through the recently announced memorandum of understanding (MOU) between Canada and the Republic of Korea (South Korea) to strengthen bilateral cooperation in "future mobility."^[1]

The MOU establishes the Canada-Korea Industrial Cooperation Committee and focuses on growth in two closely related sectors. First, building up Canada's domestic EV manufacturing capabilities through collaboration with South Korean automotive companies. Second, reinforcing Canada's battery supply chain by attracting new investments in the areas of battery production and critical minerals processing. Through the collaboration anticipated to result from the MOU, Canada plans to grow its \$16.8 billion automotive manufacturing sector and facilitate supply chain resilience for both Canada and South Korea.

South Korea has a well-established EV manufacturing industry, with Hyundai and Kia EVs already having a strong market presence in Canada. As well, several major South Korean companies are heavily invested in Canada's EV and battery supply chains, including battery cell manufacturing and cathode active material production.

We will continue to monitor developments as the Canada-Korea Industrial Cooperation Committee takes form and as Canadian EV markets and supply chain policies evolve. As well, we anticipate more announcements will be forthcoming, potentially in connection with the Canadian Minister of International Trade's trade mission to South Korea this spring.

[1] "Canada and Republic of Korea strengthen ties in key industrial sectors," Government of Canada.