WESTAC

Highlights of Budget 2025

The 2025 Federal Budget outlines a five-year plan to enable $1 trillion in total investment, with $280 billion dedicated to building infrastructure, protecting communities, and fostering economic growth. Canada maintains the lowest net debt-to-GDP ratio in the G7 (13.3%), providing fiscal room for targeted investments that strengthen trade, transportation, and supply chain resilience.

Some key points (excerpts) for WESTAC members are below. Click here to access [Budget 2025](#).

Building Trade and Transportation Infrastructure

- Trade Diversification Corridors Fund
  - $5 billion over seven years (starting 2025–26) to strengthen supply chains, expand export capacity, and build a more diversified economy.
  - Supports projects of all scales, including digital infrastructure, to improve the movement of goods within Canada and to global markets.
  - Administered by Transport Canada, with project assessment supported by the Canada Infrastructure Bank (CIB).

- Arctic Infrastructure Fund
  The Government of Canada recognizes that maintaining sovereignty in the North and connecting northern communities to domestic and global markets are crucial to both economic and national security interests.

  While expanding trade opportunities and improving defence readiness, investments in northern transportation infrastructure will enhance the quality of life for northern residents—including First Nations, Inuit, and Métis communities—through new connections to Canada's broader economy and transportation networks.
  - $1 billion over four years (starting 2025–26) for major northern transportation projects—airports, seaports, all-season roads, and highways.
  - Focused on economic development, sovereignty, and Indigenous economic reconciliation.
  - Includes dual-use infrastructure to meet both military and civilian needs.
  - Additional funding to support regulatory and consultation processes:
    - $25.5 million to Crown–Indigenous Relations and Northern Affairs Canada
    - $41.7 million to the Canadian Northern Economic Development Agency

Expanding and Diversifying Trade

Export Development Canada (EDC) Growth Mandate
EDC will increase total business facilitated by $25 billion by 2030, supporting exporters in sectors such as critical minerals, clean technology, infrastructure, and defence. Builds on EDC's $5 billion Trade Impact Program (launched March 2025) offering trade credit insurance, export guarantees, and foreign exchange guarantees.

National Trade Diversification Strategy
Canada aims to double non-U.S. exports over the next decade, adding $300 billion in trade. Emphasis on strengthening ties with reliable partners and targeting high-growth markets.

Strategic Exports Office

A new office within Global Affairs Canada will coordinate trade engagement across government, address market access barriers, and help Canadian businesses win international contracts.

European Trade Initiatives

$8 million over four years (starting 2026–27) plus $2 million ongoing for new trade missions and partnerships in Europe, supporting Canadian businesses and Chambers of Commerce abroad.

Great Lakes–St. Lawrence Port Designation Initiative

- As part of additional resources announced on October 17, 2025, the Canada Border Services Agency (CBSA) will collaborate with Public Safety Canada, Transport Canada, and Global Affairs Canada to identify additional ports for container import and export designation.
- The initiative will focus on the Great Lakes–St. Lawrence Region, including Québec City and Hamilton, to catalyze private investment and expand trade capacity.
- These new port designations will diversify Canada's trade, strengthen national supply chain resilience, and enhance access to global markets.

Strengthening Investment Capacity

Canada Infrastructure Bank (CIB) Expansion

Statutory capital envelope increased from $35 billion to $45 billion. Expanded mandate to invest in nation-building projects referred to the Major Projects Office, regardless of sector or asset class. Enhanced collaboration with private and Indigenous investors.

Indigenous Loan Guarantee Corporation

Will partner with Indigenous investors on new infrastructure projects that drive long-term economic benefits for Indigenous communities.

Enhancing Productivity and Investment

Productivity Super-Deduction

Introduces enhanced tax incentives allowing businesses to write off a greater share of new capital investments immediately. Encourages investment in machinery, technology, and equipment to improve competitiveness and productivity.

Modernizing Regulations and Operations

Reducing Regulatory Red Tape

Transport Canada (TC) will deploy automation and advanced technology to streamline processes, reduce duplication, and improve efficiency. Programs will be realigned to core mandates, phasing out initiatives that overlap or have met their objectives—such as the Zero-Emission Medium- and Heavy-Duty Vehicle Incentive, ending in 2025–26. TC will restructure operations by consolidating management layers, centralizing services, and transferring most government aviation functions to the Department of National Defence. The goal: a more agile, efficient, and environmentally responsible transportation system.

Supporting Critical Minerals and Supply Chains

First and Last Mile Fund

$371.8 million over four years (starting 2026–27) for critical minerals infrastructure and supply chains. Builds on and absorbs the Critical Minerals Infrastructure Fund, providing up to $1.5 billion in support through 2029–30. Focused on getting near-term projects into production and supporting related clean energy and transportation infrastructure.

Ensuring a Reliable Grain Supply Chain

The government recognizes the interdependence of Canada's grain supply chain and its importance to global markets. Ongoing work will continue on transportation forecasting, planning, and infrastructure capacity to ensure efficient, reliable export flows.

Clarifying Environmental Regulations

Greenwashing Legislation Update

Budget 2025 will propose amendments to the Competition Act to remove aspects of recently added "greenwashing" provisions that have created investment uncertainty. The goal is to maintain protections against false environmental claims without deterring legitimate sustainability initiatives.

Workforce Development and Skills Training

- $570 million over three years, starting in 2025–26, through Labour Market Development Agreements with provinces and territories to support training and employment assistance for workers impacted by tariffs and global market shifts.
- $382.9 million over five years, starting in 2026–27, and $56.1 million ongoing, to launch new Workforce Alliances to bring together employers, unions, and industry groups to work on ways to help businesses and workers succeed in the changing labour market and coordinate public and private investments in skills development.
- A new Workforce Innovation Fund will invest in projects tailored to local job markets to help businesses in key sectors and regions recruit and retain the workforce they need.