2025 FEDERAL BUDGET:
SUSSEX OVERVIEW & ANALYSIS

What you need to know

Prepared by Sussex Strategy Group

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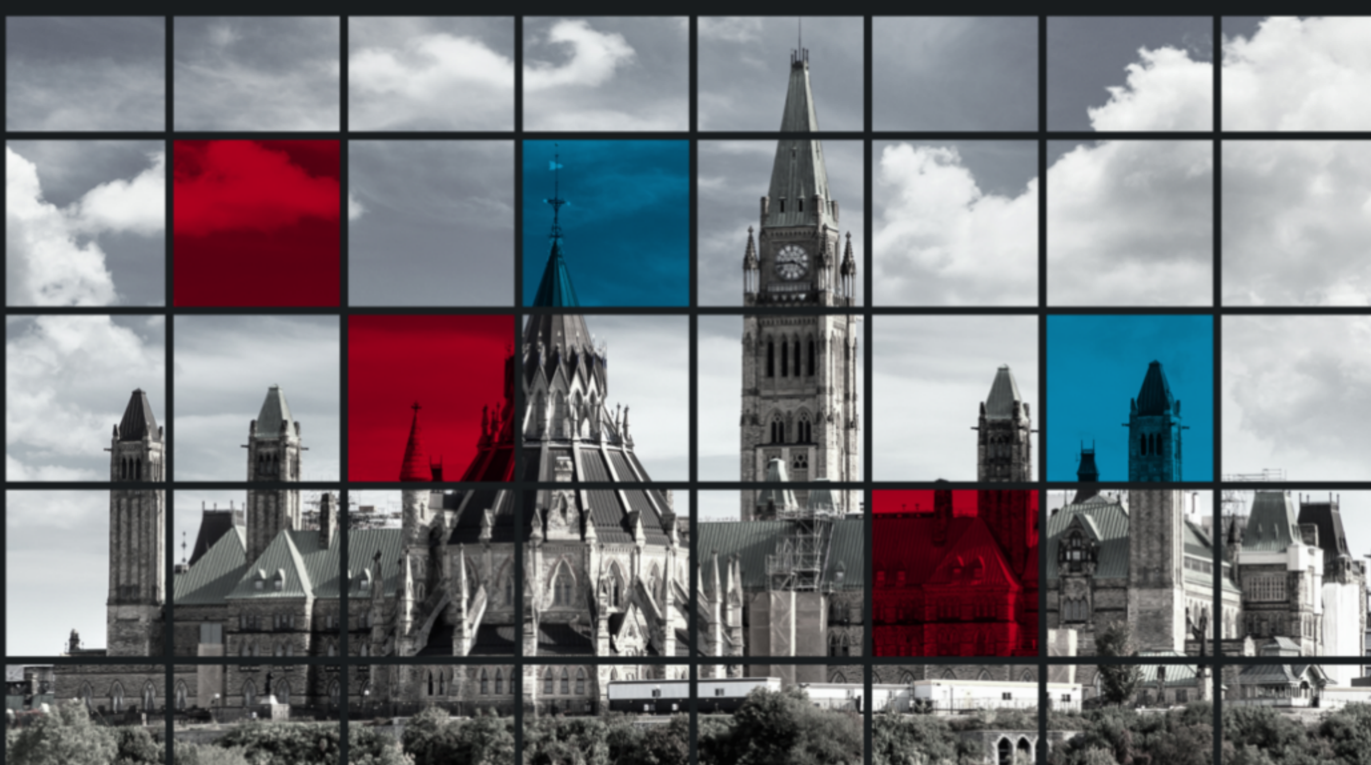

Canada Strong: Budget 2025

THE TOPLINE

- $78.3 billion deficit for 2025/2026, reducing each year to $56.6 billion by 2029/2030.
- $280 billion in capital investments: $115 billion towards infrastructure, $110 billion in productivity and competitiveness measures, $30 billion for defence, $25 billion for home building.
- Decrease in the size of the public service by about 10%; 40,000 jobs eliminated by 2028-2029.

WHAT YOU NEED TO KNOW

This afternoon in the House of Commons, François-Philippe Champagne, Minister of Finance and National Revenue, tabled the federal government's Budget 2025 titled "Canada Strong," a direct echo of the Liberal campaign slogan. As Prime Minister Mark Carney's first budget, it seeks to bear his imprint as a hands-on prime minister, setting a clear direction for his administration's economic agenda amidst the chaos of the tariff dispute with the United States. He has pitched this as a budget of investment and renewal, but one that also asks Canadians, including government, business and households, by his own words, to accept sacrifices. The rhetoric is bold: revitalize the Canadian economy, modernize public service structures, respond to external pressures, and yet keep Canada's fiscal bearings. Canadian voters and opposition parties will be the ultimate arbiters of whether the right balance has been struck.

In his speech, Minister Champagne framed Budget 2025 as a generational response to a moment of profound global uncertainty. It is a time not for retreat, he said, but to "raise our sails" and build a stronger, more resilient Canada. He emphasized three overarching themes, as follows.

First, a bold investment. Canada must seize this period of global upheaval to build nation-shaping infrastructure, accelerate housing construction, attract talent, strengthen supply chains, and catalyze private capital, investing at a "speed and scale not seen in generations."

Second, disciplined government. Operational spending will be restrained, public-service growth will be brought back to sustainable levels, and a new capital budgeting framework will ensure resources are focused on productivity and long-term capacity, not bureaucracy.

Third, economic sovereignty and trade diversification. With the rules-based order shifting and U.S. trade pressures rising, Canada must become “masters in our own house,” reduce reliance on a single market, and build an industrial base capable of competing globally, supported by trade-diversification corridors, a Buy Canadian policy, and targeted support for sectors facing tariffs and global disruption.

Together, these pillars are meant to advance the Budget's central promise to move Canada “from reliance to resilience,” and to build a stronger, more confident country ready to lead in the next era of global competition.

This Budget presents a projected deficit of approximately $78.3 billion, falling gradually to $56 billion by 2029/30, which represents $321.7 billion of new debt over the next five years. As a result, the debt-to-GDP ratio of around 42% will rise gradually to 43% over the same period. The new fiscal anchors have moved away from debt-to-GDP, instead targeting a reduction in deficit-to-GDP and balancing operating expenditures with revenues. The economic outlook calls for anemic GDP growth of just 1.1% this year and 1.2% in 2026.

In sum, six months into its time in office since winning a minority government in April's election, the Carney government has tabled a Budget that also serves as one of the first guiding documents for its outlook and priorities beyond initial legislative measures. It seeks to underscore Carney's pledge that Ottawa intends to be more ambitious than a standard incremental fiscal update: the message is to modernize infrastructure, elevate exports, invest smartly, but also tighten where possible.

Whether the broader economy, provinces and private sector will respond favourably remains to be seen. Politically, the stakes are high. As a confidence measure, the Budget motion must pass the House of Commons after four mandated days of debate, and the government has already begun both quiet and, at times, public discussions with opposition parties to secure support. While the Official Opposition Conservative Party remains sceptical, having stated it would not support a budget that surpassed a $42 billion deficit we assume for the purposes of this brief, and based on many conversations held on background, that opposition leaders will ultimately find a pathway to avoid triggering an election, either by voting in favour of the Budget or abstaining from voting against it.

NEXT STEPS

Now that the Budget has been tabled in Parliament, procedural rules require four days of debate including the tabling date. The Budget vote is therefore expected to take place on Friday, November 7, which means the government has three days to secure the three extra votes needed for passage.

We fully expect the Budget will pass narrowly, with the Conservatives and Bloc Québécois voting against it, one new Liberal floor-crosser voting in favour, and sufficient NDP support and abstentions to see it through. Once the Budget is adopted, the government is expected to move quickly to table the Budget Implementation Act (BIA), which contains the legislative measures required to enact the Budget's commitments. We have been told by officials that the government hopes to pass the BIA before the Christmas break, but this may prove challenging given that there will be only four sitting weeks left ahead of the holidays.

COMMITMENTS OF NOTE

With this context in mind, the following section outlines the key commitments announced in today's Budget. While many details will unfold in the days and weeks ahead, these measures reflect the government's stated priorities: targeted investments to drive long-term growth, disciplined spending controls within the federal public service, and strategic interventions to bolster Canada's competitiveness in a shifting global environment.

The list is not exhaustive but is rather intended to capture the most significant spending announcements.

Energy

- Budget 2025 launches Canada's Climate Competitiveness Strategy. Through this strategy, the federal government aims to reduce the carbon intensity of Canadian products to compete in the global economy, where demand is growing for cleaner products and resources, while emphasizing the federal government's commitments to a net-zero future, clean growth, and climate objectives.

- These goals will be met by leveraging competitive advantages such as Canada's clean electricity grids and ESG standards in the oil and gas sectors, as well as through investments in infrastructure, including initiatives in nuclear energy, electricity grid interties, and investments in low-carbon fuels like hydrogen, renewable energy, high-speed rail, and critical mineral development. The strategy is forecasted to cost $589 million by 2030, including boosting the Clean Economy Investment Tax Credits and support for critical mineral projects.

- The federal government will strengthen the Industrial Carbon Pricing System, including:
- Developing a post-2030 carbon pricing trajectory for industrial carbon pricing that targets net-zero by 2050, in engagement with the provinces and territories.
- Improving the application of the federal benchmark, the tool that ensures all provincial and Territorial industrial pricing systems are harmonised across the country, and a continued commitment to apply the federal backstop whenever a system falls out of compliance.
- The Canada Growth Fund will also continue to issue carbon contracts for difference to improve certainty for long-term capital investments.
- Budget 2025 also provides an update on the federal government's climate regulations and indicates that these regulations will complement industrial pricing:
    - **Clean Electricity Regulation:** Budget 2025 announces the government's intention to propose legislative amendments to the Canada Environmental Protection Act to remove the legislative requirement to review equivalency agreements every five years and offer provinces equivalency agreements as a compliance alternative
    - **Methane Regulations:** The federal government will enhance methane regulations for the oil and gas sector and landfills, and work with provinces and territories to negotiate equivalency agreements as appropriate.
    - **Oil and Gas Emissions Cap:** Budget 2025 indicates the Oil and Gas Emissions Cap would no longer be required to reduce emissions from the sector if there are effective carbon markets, enhanced oil and gas methane regulations, and scaled deployment of carbon capture and storage technologies.
    - **Clean Fuel Regulations:** The federal government will propose amendments that aim to reduce reliance on imported fuels, strengthen domestic supply chains, and support jobs in agriculture, forestry, and waste sectors.
    - **Electric Vehicles:** In the coming weeks, the government will announce the next steps on electric vehicles following the 60-day review of the Electric Vehicle Availability Standard.

- Budget 2025 also announced further changes to the Clean Economy Investment Tax Credits, including:
    - Confirming the intention to proceed with the implementation of the Clean Electricity investment tax credit and proposes to remove the conditions imposed on provincial and territorial governments for their Crown corporations to be eligible
    - Confirming the intention to proceed with the inclusion of Waste Biomass to the Clean Technology and Clean Electricity ITC, and methane pyrolysis as an eligible pathway under the Clean Hydrogen ITC.
    - Extending by five years the availability of the full credit rates for the Carbon Capture, Utilization, and Storage (CCUS) investment tax credit.
    - The government will also consult on the possibility of introducing a domestic content requirement under the Clean Technology and Clean Electricity investment tax credits.

Environment

- The federal government is taking steps to accelerate the mobilization of public and private capital into sustainable activities across priority economic sectors, such as:
    - A commitment to select and announce an external organization with the expertise to develop the sustainable investment guidelines to support investors, lenders, and stakeholders in identifying green and transition investments.
    - An intent to explore the development of a Sustainable Bond Framework to finance government spending that helps industrial and agricultural sectors get cleaner and more competitive. This framework would allow for the issuance of both green and transition bonds to be aligned with a Canadian taxonomy. The federal government also intends to expand the Framework to incorporate economic sectors as the taxonomy is being developed.
    - An intent to work with provinces and territories on aligned international standards and harmonized rules across jurisdictions to improve climate disclosure across the economy

- Budget 2025 also announces that the government intends to propose legislative amendments to remove some recently amended "greenwashing provisions" from the Competition Act. Specifically, these would include enforcement provisions for false claims of environmental benefit.

- To meet up to 15 per cent in savings targets over three years and streamline program delivery, Environment and Climate Change Canada (ECCC) will prioritize activities within its core mandate. This includes streamlining its nature programming to simplify engagement with stakeholders and reduce administrative burden

Natural Resources

- Expand the list of critical minerals eligible for the Clean Technology Manufacturing investment tax credit to include antimony, indium, gallium, germanium, and scandium.

- $2 billion over five years to Natural Resources Canada to create the Critical Minerals Sovereign Fund. The fund will make strategic investments in critical minerals projects and companies, including equity investments, loan guarantees, and offtake agreements.

- $371.8 million over four years to Natural Resources Canada to create the First and Last Mile Fund. This new fund would support the development of critical minerals projects and supply chains at the upstream and midstream segments of value chains, with a focus on getting near-term projects into production. The First and Last Mile Fund would absorb the Critical Minerals Infrastructure Fund and leverage its existing funding envelope to provide up to $1.5 billion in support through 2029-30. The fund would also continue to support clean energy and transportation infrastructure projects related to critical minerals development.

- Expand eligibility for the Critical Mineral Exploration Tax Credit (CMETC) to include an additional 12 critical minerals necessary for defence, semiconductors, energy, and clean technologies: bismuth, cesium, chromium, fluorspar, germanium, indium, manganese, molybdenum, niobium, tantalum, tin, and tungsten.

- $443.0 million to support the development of innovative critical minerals processing technologies, support joint investments with Allies in Canadian critical minerals projects, and develop a critical mineral stockpiling mechanism to strengthen Canadian and Allied national security.

- Up to $700 million in loan guarantees administered by BDC to help ensure forestry companies have the financing and credit support they need to maintain and restructure their operations during this period of transformation.

- $500 million to renew and expand existing Natural Resources Canada's forestry programs focused on market and product diversification (including new export initiatives).

- In Budget 2025, the government announces its intention to amend the First Nations Fiscal Management Act to enable the First Nations Finance Authority to lend to Indigenous special purpose vehicles and further enhance access to capital support for Indigenous groups seeking equity participation in economic and resource development projects.

- In Budget 2025, the government announces its intention to introduce amendments to the Territorial Lands Act to protect and advance the national interests of Canada and the interests of Inuit in Nunavut

- $213.8 million for the Major Projects Office. Funding will also support the Indigenous Advisory Council.

- $10.1 million to Crown-Indigenous Relations and Northern Affairs Canada to continue leading the Federal Initiative on Consultation to support the meaningful participation of Indigenous rightsholders in consultation processes throughout the review cycle of national interest projects listed under the Building Canada Act.
- $40 million to support Indigenous capacity building and consultation on nation-building projects before designation under the Act.

- Budget 2025 announces the government's intention to amend the Canada Infrastructure Bank Act to increase the Canada Infrastructure Bank's statutory capital envelope from $35 billion to $45 billion and to enable the Canada Infrastructure Bank to make investments in any nation-building projects that have been referred to the Major Projects Office, regardless of sector or asset class, as long as they fall within the Bank's legal mandate.

Health

- To improve health care access and services, Budget 2025 announces the government's intention for the Minister of Health and the Minister of National Defence, in collaboration with the

Minister of Indigenous Services and the Minister of Northern Affairs and Arctic Affairs, to undertake a comprehensive assessment of health care and health infrastructure needs in the North, to identify innovative ways to increase access to health care in northern communities and reduce medical travel costs through engagement with Northen and Arctic Indigenous Peoples.

- $97 million over five years to establish the Foreign Credential Recognition Action Fund to work with the provinces and territories to improve the fairness, transparency, timeliness, and consistency of foreign credential recognition, with a focus on health and construction sectors.

- Budget 2025 introduces a temporary Personal Support Workers Tax Credit, under which eligible personal support workers employed in the remaining provinces and territories could claim a refundable tax credit equal to 5 per cent of their eligible earnings, providing support of up to $1,100 per year.

- Budget 2025 allocates $5 billion over three years to be dedicated to a Health Infrastructure Fund to complement existing health-related support provided to provinces and territories by helping to ensure their health infrastructure, such as hospitals, emergency rooms, urgent care centres, and medical schools, will be able to respond to the health care needs of Canadians.

- The Canada Health Transfer, Equalization, and Territorial Formula Financing amounts for 2026-27 will be finalized in December 2025, in accordance with the Federal-Provincial Fiscal Arrangements Act. Health agreements with provinces and territories are projected to remain at $4.3 billion in 2025-26 and 2026-27, reflecting $2.5 billion per year for tailored bilateral agreements, and $1.2 billion per year in transfers supporting home and community care and mental health and addictions services that expire after 2026-27. Another $600 million per year in transfers for long-term care expires after 2027-28.

Infrastructure

- Budget 2025 announces the new Build Communities Strong Fund, a 10-year $51 billion plan that seems to replace the Investing in Canada Plan, which, despite running until 2032, hasn't earmarked additional money since 2022. Premiers and Mayors had called for this on a number of occasions. The new program will be broken down into several streams:

- A Provincial and Territorial Stream that will provide $17.2 billion over 10 years to support provincial and territorial infrastructure projects and priorities. Funding will support housing enabling infrastructure (e.g., roads, water/wastewater), health-related infrastructure (e.g., hospitals), and infrastructure at colleges and universities. To access funds, provinces and territories must agree to cost-match federal funding and to substantially reduce development charges and not levy other taxes that hinder the housing supply. Of the above amount, $5 billion over three years, starting in 2026-27, will be dedicated to a Health Infrastructure Fund.

- A Direct Delivery Stream, delivered by Housing, Infrastructure and Communities Canada, that will provide $6 billion over 10 years, starting in 2026-27, to support regionally significant projects, large building retrofits, climate adaptation, and community infrastructure. Proponents of regionally significant projects would be required to seek private sector investment, including private investment leveraged through Canada Infrastructure Bank financing, before being eligible for funding under this stream.

- $5.0 billion over seven years to Transport Canada to create the Trade Diversification Corridors Fund, a reskinning of the previous National Trade Corridor Fund.

- $1 billion over four years for Transport Canada to create the Arctic Infrastructure Fund, which will invest in major transportation projects in the North with dual-use applications for civilian and military use, including airports, seaports, all-season roads, and highways. Under the previous program, the North would get standalone rounds for project application, now built out into their own stream.

- Budget 2025 announces the government's intention to unlock more of the economic potential of Canada's airports and consider new ways to attract private sector investment, including by negotiating lease extensions with airport authorities, enabling more economic development activities on airport lands, and examining the existing airport ground lease rent formulas. The government's objective is to ensure the long-term sustainability and competitiveness of Canada's airports.

- $55.2 million over four years to Transport Canada to support safety-related infrastructure projects and upgrades, including those that support dual-use priorities, at local and regional airports. Funding will be delivered through the Airports Capital Assistance Program, and will also support a priority project to extend the runway at the Transport Canada-owned Îles de-la-Madeleine Airport

Indigenous Reconciliation

- $213.8 million over five years to lead regulatory review for nation-building projects; includes support for Indigenous Advisory Council.

- $10.1 million over three years to support Indigenous participation in consultations for projects under the Building Canada Act.

- $1 billion over four years via Transport Canada for dual-use Northern infrastructure projects (airports, seaports, all-season roads, highways) supporting Indigenous economic reconciliation.

- $25.5 million to CIRNAC and $41.7 million to the Canadian Northern Economic Development Agency over four years to accelerate regulatory processes in Canada's North, including consultation with Indigenous governments.

- Indigenous Housing & Infrastructure:

    - $2.8 billion confirmed for urban, rural, and Northern Indigenous housing.
    - Canada Infrastructure Bank's target for Indigenous infrastructure investments increased from $1 billion to $3 billion.

- National School Food Program: New legislation and $216.6 million per year (starting 2029-30) to make the program permanent, which includes supporting children in Indigenous communities.

- Health Care in the North: Intent to conduct a comprehensive assessment of health care and infrastructure needs in Northern Indigenous communities, including a review of Nutrition North Canada.

- Strategic Partnerships Initiative (SPI): $40 million over two years to Indigenous Services Canada, previously announced in August 2025.

- Indigenous Equity Initiative and Indigenous Loan Guarantee Program: Previously announced, including doubling of Indigenous Loan Guarantee Program from $5 billion to $10 billion. Budget 2025 reiterates Canada Indigenous Loan Guarantee Corporation (CILGC) to work with Indigenous investors on greenfield projects.

- First Nations Fiscal Management Act (FNFMA): Enable First Nations Finance Authority to lend to Indigenous Special Purpose Vehicles, enhancing Indigenous equity participation in economic/resource projects.

- Naskapi and Cree-Naskapi Commission Act: Clarify Naskapi Police authority on Naskapi lands and resolve inconsistencies with the Northeastern Quebec Agreement.

Housing

- Having been announced as a campaign commitment and then formally launched in September, the new Build Canada Homes Agency receives $13 billion in operational funding over five years as part of Budget 2025 and announced four of its initial key initiatives: With an initial investment of $13 billion over five years on a cash basis, starting in 2025-26, Build Canada Homes will deploy capital to supercharge the housing industry. Build Canada Homes has a mandate to move quickly, and this fall, the government announced its first four investments and initiatives:

- Developing public land sites and prioritizing innovative, factory-built housing, starting with six sites to build 4,000 factory-built homes with additional capacity of up to 45,000 units across Canada Lands Company's portfolio.

- Protecting existing affordable housing by launching the $1.5 billion Canada Rental Protection Fund under Build Canada Homes.

- Providing $1 billion to build transitional and supportive housing for people who are homeless or at risk of homelessness.

- Partnering with the Nunavut Housing Corporation to build over 700 public, affordable, and supportive housing units.

Budget 2025 also announces that the government will increase the Canada Mortgage Bond (CMB) annual issuance limit from $60 billion to $80 billion, starting in 2026, to unlock thousands of new housing units per year. The government will maintain the current pace of its purchases of CMBs, up to $30 billion annually, to allow the private market full access to the additional issuance.

Budget 2025-26 also reannounces the elimination of the Goods and Services Tax (GST) for first-time home buyers on new homes up to $1 million and reducing the GST for first-time home buyers on new homes between $1 million and $1.5 million, which is currently before Parliament as part of Bill C-4

Artificial Intelligence

- Budget 2025 proposes to provide $925.6 million over five years, starting in 2025-26, to support a large-scale sovereign public AI infrastructure that will boost AI compute availability and support access to sovereign AI compute capacity for public and private research. The investment will ensure Canada has the capacity needed to be globally competitive in a secure and sovereign environment. Of this amount, $800 million will be sourced from funds previously provisioned in the fiscal framework.

- Budget 2025 announces that the Minister of Artificial Intelligence and Digital Innovation will engage with industry to identify new promising AI infrastructure projects and enter Memoranda of Understanding with those projects. Budget 2025 also announces the government's intention to enable the Canada Infrastructure Bank to invest in AI infrastructure projects. Understanding the broader effects of AI is also essential, helping to guide our efforts to maximize its benefits.

- Budget 2025 proposes to allocate $25 million over six years for Statistics Canada to implement the Artificial Intelligence and Technology Measurement Program (TechStat). TechStat will utilize data and insights to measure how AI is utilized by organizations and understand its impact on Canadian society, the labour force, and the economy. This amount will be fully sourced from existing departmental resources.

Defence

- Budget 2025 provides $81.8 billion over five years, starting in 2025-26, to rebuild, rearm, and reinvest in the Canadian Armed Forces (CAF). This includes over $9 billion in 2025-26 that the Prime Minister announced in June 2025.

- Key investments include:

- $20.4 billion to recruit and retain a strong fighting force, including generational pay raises for the CAF, and support CAF health care.
- $19.0 billion to repair and sustain CAF capabilities and invest in defence infrastructure, including expanding ammunition and training infrastructure.
- $10.9 billion for upgrades to the Department of National Defence, CAF, and Communications Security Establishment digital infrastructure, including those needed for modern warfare, such as cyber defence.
- $17.9 billion to expand Canada's military capabilities, including investments in additional logistics utility, light utility, and armoured vehicles, counter-drone and long-range precision strike capabilities, and domestic ammunition production, among other investments.
- $6.6 billion to strengthen Canada's defence industry through a Defence Industrial Strategy. As the Strategy is implemented, starting with initial investments announced in Budget 2025, we will develop our defence industrial base so that more of our military capabilities are procured from Canadian supply chains.
- $6.2 billion to expand Canada's defence partnerships, including expanded military assistance to Ukraine and increased military training and international policy programming.
- $805 million over five years to the Canadian Coast Guard, the Canadian Security Intelligence Service, and Public Services and Procurement Canada for complementary initiatives to support Canada's defence capabilities.

The $6.6 billion in support of the Defence Industrial Strategy includes $1 billion for a new Defence and Security Business Mobilization Program at the Business Development Bank of Canada (BDC) and $656.9 million over five years, starting 2025-26, to ISED to develop and commercialize dual civilian-military technologies.

$617.7 million over five years for the Canada Border Services Agency (CBSA) to increase its capacity to detect and intercept illicit goods and defend Canadian industries by enforcing import measures and bolstering its trade remedy capacity.

Finance / Tax

To boost productivity and attract investment, the government is introducing a "Productivity Super-Deduction" that includes:

- Reinstatement of the Accelerated Investment Incentive, which provides an enhanced first-year write-off for most capital assets
- Immediate expensing (i.e., 100-per-cent first-year write-off) of manufacturing or processing machinery and equipment.
- Immediate expensing of clean energy generation and energy conservation equipment, and zero-emission vehicles.
- Immediate expensing of productivity-enhancing assets, including patents, data network infrastructure, and computers.
- Budget 2025 introduces immediate expensing for manufacturing or processing buildings.
- Budget 2025 proposes reinstating accelerated CCAs for LNG equipment and related buildings, but only for low-carbon LNG facilities.

To encourage investment in Canadian innovation, Budget 2025 also proposes to further increase the annual expenditure limit on which the SR&ED program's enhanced credit can be earned from $4.5 million (as previously announced) to $6 million, effective for taxation years that begin on or after December 16, 2024.

Immigration

Budget 2025 announces that the 2026-2028 Immigration Levels Plan will stabilize permanent resident admission targets at 380,000 per year for three years, down from 395,000 in 2025, while increasing the share of economic migrants from 59 per cent to 64 per cent.

The new plan will also reduce the target for new temporary resident admissions from 673,650 in 2025 to 385,000 in 2026, and 370,000 in 2027 and 2028.

Budget 2025 also launches the International Talent Attraction Strategy and Action Plan, which will provide up to $1.7 billion for a suite of recruitment measures:

- $1 billion over 13 years to the Natural Sciences and Engineering Research Council, Social Sciences and Humanities Research Council, and Canadian Institutes of Health Research to launch an accelerated research Chairs initiative to recruit exceptional international researchers to Canadian universities.
- $400 million over seven years to the Canada Foundation for Innovation to establish a complementary stream of research infrastructure support.
- $133.6 million over three years to enable top international doctoral students and post-doctoral fellows to relocate to Canada.
- $120 million over 12 years to the granting councils to support universities' recruitment of international assistant professors, as appropriate.

Labour & Training

- Budget 2025 announces a new reskilling package for workers, as well as a new digital jobs and training platform with private-sector partners to connect Canadians more quickly to careers. Funding support includes:
- $570 million over three years 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 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.
- Temporary Employment Insurance measures that enhance income supports for Canadian workers whose jobs have been impacted by the economic uncertainty caused by foreign tariffs. These supports are expected to cost $3.7 billion over three years, starting in 2025-26.

- $50 million over five years, starting in 2026-27, and $8 million ongoing, to implement a new digital tool to facilitate job search and applications, and launch a national online training platform in partnership with the private sector.

- Budget 2025 proposes to provide $75 million over three years, starting in 2026-27, to Employment and Social Development Canada to expand the Union Training and Innovation Program, which supports union-based apprenticeship training in the Red Seals trades.

- Budget 2025 has a strong emphasis on youth employment, committing $594.7 million to ESDC for Canada Summer Jobs to support around 100,000 summer jobs; $307.9 million for the horizontal Youth Employment and Skills Strategy to provide employment, training, and wraparound supports to around 20,000 youth facing employment barriers annually; and $635.2 million for the Student Work Placement Program to support around 55,000 work-integrated learning opportunities for post-secondary students.

Trade

Budget 2025 focuses on reducing reliance on the U.S. market, building new infrastructure to support export growth, and helping Canadian businesses access new international markets. The largest new funding is for trade corridors and Arctic infrastructure, both aimed at improving supply chain resilience and opening new export routes. EDC's expanded mandate and the new funding for export readiness and market access programs are designed to help Canadian firms compete globally, especially in Asia and Europe.

- The budget allocates $4.2 million over three years to Natural Resources Canada to maintain capacity for nuclear energy exports and strategic engagement in key international markets. This funding is intended to help Canadian nuclear technology and supply chain companies access new export opportunities, particularly in Asia and Europe, supporting the government's broader trade diversification goals.

- $5 billion over seven years for the Trade Diversification Corridors Fund to build trade and transport infrastructure and double non-US exports.

- $1 billion over four years for the Arctic Infrastructure Fund for transportation projects in the North.

- $25 billion increase in total export and trade deals supported by Export Development Canada by 2030.
- $68.5 million over four years for CanExport to support SME export diversification.
- $7.6 million over four years for the Innovation Partnership Program and Canadian Technology Accelerator for export support.
- $46.5 million over four years for the SME Export Readiness Initiative for SME export training.
- $4.2 million over three years for nuclear energy export promotion and engagement in key markets.
- $39.9 million over four years for the Clean Technology Demonstration Initiative to expand global market access for clean tech SMEs.
- $2 billion concessional trade finance envelope to be launched by Export Development Canada to encourage international partners to buy Canadian.

CONCLUSION

Beyond the fiscal measures themselves, many of which require further detail and implementation clarity, today's Budget serves as a clear statement of the Carney government's priorities six months into its mandate.

As the policy landscape continues to take shape, Sussex is well-positioned to engage with key decision-makers across government, both elected and within the public service, to advance the interests of our clients. In the coming days, weeks and months, we will leverage our connectivity and insights to ensure our clients remain informed, heard, and aligned with the federal agenda as it evolves.