What Budget 2025 Means for You and Your Business

Overview

On November 4, 2025, the Government of Canada released *Budget 2025: Canada Strong*, projecting a 78.3 billion dollar deficit. For business, the budget introduces new capital investment incentives, export supports, workforce training programs, and updates to federal procurement. The focus is on creating a more investable Canadian economy while setting the foundation for improved long-term fiscal stability.

Five Core Budget Priorities

1. Building a Stronger Economy

Budget 2025 accelerates major infrastructure and nation-building projects, promotes private investment, and boosts productivity across industries. It also repositions Canada's climate and industrial policies to compete more effectively in global markets and attract sustainable investment.

2. Shifting from Reliance to Resilience

Budget 2025 promises to diversify trade to reduce reliance on the United States; something the Chamber has been championing. New funding will support supply chain security, expand trade partnerships, and help businesses enter and grow in more international markets.

3. Empowering Canadians

Housing affordability is a central theme. Measures include removing GST for first-time homebuyers, encouraging more multi-unit housing construction, and increasing support for Indigenous communities and essential local infrastructure.

4. Protecting Sovereignty and Security

New funding is flowing to defence, cybersecurity, law enforcement, and financial crime prevention. A new Defence Industrial Strategy and Defence Investment Agency will help scale Canadian supply chains and defence manufacturing.

5. Creating a More Efficient Government

The federal public service will be reduced by 10 percent by 2028-29. The government plans to streamline operations and reinvest savings into programs that deliver stronger value for Canadians and the business community.

WINS FOR BUSINESS

Business Operations

- **Lowering banking costs**: The government intends to ban banks from charging transfer fees on investment and registered accounts, require faster transfers and clearer disclosure of FX and cross-border fees - helping small businesses avoid hidden costs.
- **Small Business Tax Deferral**: Temporary deferral of corporate income tax and GST/HST payments (April 2–June 30, 2025), unlocking up to $40 billion in short-term liquidity for Canadian businesses to manage cash flow and operations.
- **Workforce Development Initiatives**: Over $1 billion in training, skills programs, and digital tools to help businesses recruit, retain, and upskill workers—addressing labour shortages and preparing Canada's workforce for a more competitive economy.

Investment and Tax Measures

- **Productivity Super-Deduction**: Businesses will be able to write off the full or higher costs of new equipment, clean energy systems, and productivity-enhancing assets such as data infrastructure, patents, and computers. This measure improves cash flow and encourages faster reinvestment in innovation and modernization.
- **Accelerated Investment Incentive**: Reinstates enhanced first-year write-offs for most capital assets, giving businesses a stronger incentive to invest in growth.
- **Enhanced SR&ED Program**: Expands the Scientific Research and Experimental Development (SR&ED) tax credit by increasing spending limits, restoring eligibility for capital expenses, and extending access to Canadian public corporations—supporting innovation across more sectors.
- **Clean Economy Investment Tax Credits**: Several major incentives—ranging from 15% to 60%—for clean technology, hydrogen, carbon capture, and clean manufacturing investments, helping businesses reduce emissions and compete in the green economy.

Tariff Relief and Trade Expansion

- **Strategic Response Fund**: $5 billion over six years (starting 2025-26) to help companies adapt to tariffs, retool operations, and diversify into new markets, ensuring that trade disruptions don't stall business growth.
- **Regional Tariff Response Initiative**: Up to $1 billion over three years for Regional Development Agencies to provide direct, non-repayable support for firms facing new market pressures.
- **CanExport Expansion**: $68.5 million over four years to help small and medium-sized exporters enter new international markets through cost-shared support for trade shows, legal services, and market research.
- **SME Export Readiness Initiative**: $46.5 million to train and prepare small businesses with limited export experience to expand globally and make more informed trade decisions.

Strategic Growth Opportunities

- **Buy Canada Policy and SME Procurement Opportunities**: The new Buy Canadian Policy and Small and Medium Business Procurement Program open more federal contract opportunities to Canadian firms, helping small and mid-sized businesses grow through public sector supply chains.
- **Defence Industrial Strategy**: $6.6 billion over five years to build domestic industrial capacity and supply chains, ensuring that more military equipment and advanced manufacturing is produced in Canada.
- **Buy Canada Policy and SME Procurement Opportunities**: A new Buy Canadian Policy and Small and Medium Business Procurement Program will open more federal contract opportunities to Canadian firms, helping small and mid-sized businesses grow through public sector supply chains.
- **Build Communities Strong Fund:** The federal government is launching this $51 billion fund over the next decade to revitalize local infrastructure. This program includes funding for Edmonton-based Bissell Centre and Rapid Fire Theatre.

WHAT WAS MISSING FOR BUSINESS?

The Edmonton Chamber's Federal Action Plan and Pre-Budget Submission called for several other items to support local business. Key items that were missed:

- **Comprehensive Tax System Review**: We called for a full review and simplification of Canada's tax system - reducing complexity, lowering reliance on income taxes, and improving competitiveness with other OECD countries. Budget 2025 simplified some aspects of the tax system but did not result in a comprehensive review.
- **Interprovincial Trade Barriers**: No new funding or commitments were announced to remove internal trade barriers. We urged stronger federal-provincial collaboration to eliminate remaining barriers by the end of 2025 - critical for labour mobility and cross-provincial business growth.
- **Urban Infrastructure Renewal Fund**: We recommended a $2-billion-per-year, four-year Urban Infrastructure Renewal Fund to help major cities modernize essential infrastructure like roads, water, transit, and utilities. Budget 2025 included infrastructure funding but not provide funding specifically for renewal.

BUDGET BY THE NUMBERS

Value	Metric	Why it matters for Edmonton businesses
$517.3 B *(2025–26)*	Federal operating budget	Shows the scale of federal spending and potential business demand from government projects.
$78.3 B *(2.5% of GDP)*	Federal deficit	Indicates limits on new spending or tax breaks. Lower deficits can reduce borrowing costs.
$280 B *(over 5 years)*	Total capital investments	This includes housing, defense, productivity, and infrastructure investments: directly putting federal dollars into projects that employ Canadians.
$115 B *(over 5 years)*	Total infrastructure spending	Expands opportunities in construction, infrastructure, and supply chains.
$30 B *(over 5 years)*	Defense and security spending	Opens contracts for Alberta aerospace, logistics, and advanced manufacturing suppliers.
$60 B *(over 5 years)*	Public service adjustments	Cost savings from the Comprehensive Expenditure Review redirects funds toward housing and infrastructure, shifting remaining debt to capital investment and away from operating deficit.
$25 B	Housing investment	Stimulates residential construction, building materials, and trades—key Edmonton sectors.
$51 B *(over 10 years)*	Build Communities Strong Fund	Streamlined funding for local infrastructure; creates demand for engineering, design, and construction firms.
$110 B *(over 5 years)*	Productivity and Competitiveness	Supports investments to businesses and tariff-impacted industries to expand and respond to new pressures from south of the border.