

# Budget 2025: Canada Strong Highlights and Analysis

December 2025

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## Budget overview

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On November 4, 2025, Canada's Minister of Finance and National Revenue, François-Philippe Champagne, tabled the 2025 federal budget in the House of Commons. The budget's theme is "Canada Strong," and is focused on investing in Canadian economic development and national security.

The budget has a significant focus on delivering capital investments to grow Canada's economy. Many of these investments will impact the engineering profession, particularly in the areas of national defence procurement, housing and infrastructure development, climate competitiveness, and major nation-building projects. The budget also contains important measures aimed at incentivizing innovation and facilitating labour mobility.

The budget announces \$89.7 billion in net new spending over five years, with a projected total deficit of \$78.3 billion. Significant funding commitments for the engineering profession include:

- Approximately \$115 billion in total infrastructure and capacity-building investments across the economy.
- Over \$56 billion in new national defence investments to strengthen military capabilities and capacity over the next five years.
- A Climate Competitiveness Strategy focused on enhancing existing incentives for clean technology and supporting large-scale critical minerals projects.
- The establishment of the Build Canada Homes agency to streamline housing construction.
- New supports for foreign credential recognition, artificial intelligence capacity, and recruiting international talent.

The budget emphasizes the changing Canadian economic context in the face of new tariffs, and frames its investments as a path forward to build a strong and competitive economy in the face of these challenges. The budget is the first under the federal government's new Capital Framework approach to budgeting, which accounts for capital spending separately from operational spending. The major investments in Budget 2025 fall under the capital spending framework.

Engineers Canada welcomes the Government of Canada's focus on infrastructure, national defence investments, and major projects in Canada, including a Climate Competitiveness Strategy, and are pleased to see several measures that will positively impact the engineering profession. The engineering profession will also be essential to achieving the policy goals outlined in Budget 2025.

## Housing and infrastructure

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In addition to the outlined defence infrastructure spending, the federal government is committing new resources to streamline housing construction and support community infrastructure projects

across Canada. The budget frames its infrastructure spending as a generational investment, and the spending is focused on trade and transportation as well as core public infrastructure. Several planned infrastructure spending initiatives will directly impact the engineering profession:

- The launch of the new Build Canada Homes agency, with an initial investment of \$13 billion over five years, to streamline housing construction.
- The new Build Communities Strong Fund to provide \$51 billion for local infrastructure projects for municipalities and Indigenous communities across the country.
- \$5 billion over seven years to create a Trade Diversification Corridors Fund to invest in trade-enabling infrastructure across the country.
- \$1 billion over five years for a new Arctic Infrastructure Fund to invest in major transportation projects in the North.
- \$2.3 billion over five years for First Nations infrastructure financing and access to clean water.
- Approximately \$60 million over five years for safety-related infrastructure at ports and airports.

As Engineers Canada has advocated in our National Position Statement on [The Role of Engineers in Addressing Canada's Infrastructure Challenges](#), the federal government has a responsibility to provide predictable funding for the design, construction, and maintenance of safe and resilient public infrastructure throughout its full life cycle. It is also critical that these [principles of safety and resiliency apply](#) in efforts to increase housing construction, recognizing the important role that engineers must play. As the government undertakes major infrastructure and housing development initiatives, it is important that the federal government acknowledge this important role and work with engineers to drive safety and resiliency in the built environment.

## National defence investment

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The most significant funding priority in Budget 2025 are investments in Canada's national defence, aiming to bring Canada in line with our commitments to NATO on domestic defence spending in addition to safeguarding Canada against rising threats to our sovereignty. These investments are designed to increase the resources of the Canadian Armed Forces to effectively defend Canada while also harnessing Canadian innovation to strengthen military capacity. To achieve these goals, planned defence investments include:

- \$20.4 billion over five years to recruit and retain members of the Canadian Armed Forces.
- \$19 billion over five years to repair and upgrade Forces capabilities and invest in defence infrastructure.
- \$10.9 billion over five years for upgrades to military digital infrastructure.
- \$17.9 billion over five years to expand military and defence capabilities in new and emerging areas.
- A new Defence Investment Agency for strategic defence procurement.

- \$68.2 million over three years to establish the Bureau of Research, Engineering and Advanced Leadership in Innovation and Science (BOREALIS).
- \$656.9 million over five years to develop and commercialise dual civilian-military technologies.
- \$334.3 million over five years for defence-related applications of quantum technologies.
- \$443 million over five years for innovative critical minerals processing technologies through joint investments with allies in Canadian projects.
- \$183 million over three years to establish a sovereign space launch capability.

Most significantly for the engineering profession, most of this new spending is related to the procurement of new equipment or the upgrading of existing equipment as well as the development and procurement of new technologies and innovation within existing technologies. This represents a significant opportunity for engineers to apply their professional expertise and ethical frameworks to safeguard the public interest in these projects. In our [2025 Pre-Budget Submission to the Standing Committee on Finance](#), Engineers Canada made clear that major national defence procurement initiatives should involve engineers in the public interest.

## Major projects and climate competitiveness

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A key theme of Budget 2025, in line with prior actions by the federal government, is an effort to accelerate the pace and scale of investment in major projects in various sectors across the economy. This growth strategy also includes the announcement of a new Climate Competitiveness Strategy, which is focused on clean technology development and critical minerals projects. These major project investments include:

- \$264 million over five years to launch the Major Projects Office to shepherd nation-building projects through an accelerated approvals process.
- Enhancements and expanded eligibility to clean economy tax credits announced in Budget 2024.
- \$2 billion over five years to support new critical minerals projects through the Critical Minerals Sovereign Fund.
- \$371.8 million over four years for a First and Last Mile Fund to support new critical minerals projects, with a focus on launching near term projects.

Engineers are essential to delivering major projects across Canada. Engineers Canada is pleased to see that the first [Budget Implementation Act](#) for Budget 2025 recognizes the importance of engineering assessment for critical minerals and clean technology projects, and clarifies that this engineering work must be undertaken by engineers who are licensed in the jurisdiction they are working.

## Economic growth and innovation

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In addition to major projects, a key focus for Budget 2025 is economic growth and innovation through investments in Canadian productivity. Some of these investments that will impact the engineering profession are:

- A new, \$97 million Foreign Credential Recognition Action Fund to enhance labour mobility for foreign-trained professionals.
- Continued investment in Canada's artificial intelligence activities, with approximately \$1 billion dollars in new and reallocated funds to artificial intelligence capacity and sovereignty.
- \$879 million over five years to recruit international talent to Canada, including highly talented engineers.
- Enhancements to the Scientific Research and Experimental Development (SR&ED) tax credit to further incentivize investments in advanced research.

Engineers Canada welcomes new supports for provincial and territorial governments to improve credential recognition for foreign-trained professionals, as well as measures to recruit highly skilled engineering talent to Canada. We also welcome investments in artificial intelligence capacity and sovereignty. As the Government of Canada continues to develop its artificial intelligence strategy, it is essential that they recognize the role of engineers. As a self-regulated profession, engineers are held to high ethical and professional standards. The provincial and territorial engineering regulators are responsible for upholding these standards. This professional regulatory framework can strengthen public trust in the safety and integrity of AI.

## About Engineers Canada

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Engineers Canada is the national organization that represents the 12 provincial and territorial engineering regulators that license the more than 320,000 members of the engineering profession in Canada. As the only national voice for the engineering profession, our organization has a longstanding history of working and collaborating with the federal government to help inform and develop legislation, regulations, and policies.