

Budget 2021: Trade and Transportation Highlights

April 2021

On April 19th, the Liberal government unveiled the long-awaited [Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience](#). This was the first budget in over two years and reflects the government's desire for a sustainable and equitable economic recovery. Below are some highlights related to international trade and clean transportation.

International Trade

- **Recapitalizing the National Trade Corridors Fund (NTCF)** → the budget proposes to invest \$1.9 billion over four years (starting in 2021-22) to recapitalize the NTCF, which helps fund infrastructure projects across the country. Investments are focused on improvements in road, rail, and shipping routes to support international trade.
- **Travel and trade at the border** → Budget 2021 proposes to provide \$656 million over five years to the Canada Border Services Agency (CBSA) to modernize the border.
- **Boosting Canada's clean technology exports** → the budget allots \$21 million over five years to Global Affairs Canada to continue the International Business Development Strategy for Clean Technology.

Insight: Though recapitalizing the NTCF does not directly support the Government of Canada's climate ambitions, it is noted that alleviating bottlenecks and congestion through trade-enabling infrastructure can help reduce greenhouse gas (GHG) emissions. This, however, will need to be balanced with the potentially higher emissions from increased volume of trade activity.

Clean Transportation

- **Reducing transportation emissions** → the budget includes funding for Environment and Climate Change Canada to strengthen GHG emission regulations for light and heavy-duty vehicles and off-road residential equipment.
- **ZEV charging** → zero emission vehicles (ZEV) are growing in popularity in Canada. The budget includes funding for Measurement Canada to work with international partners to develop and implement codes and standards for retail ZEV charging and fueling stations.
- **Tax reduction for zero-emission technology manufacturers** → Budget 2021 proposes the creation of a temporary measure to reduce corporate income tax rates for qualifying zero-emission technology manufacturers.

Insight: Developing codes and standards is never as exciting as big investments in new technologies or facilities, but it is a critical element in transforming Canada's transportation system towards a zero-emission future.