

Election Proposal Costing

Increasing financing available from EDC and FCC

April 19, 2025

Increasing financing available through Export Development Canada (EDC) and Farm Credit Canada (FCC). Additional available funding will be increased by \$5 billion annually over five years (\$25 billion in total), beginning July 1, 2025, with subsequent increases at the beginning of the fiscal year.

Cost of Proposed Measure

Fiscal year	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Total
Total cost \$ millions	-14	-58	-117	-176	-234	-598

Notes

- Estimates are presented on an accrual basis as would appear in the budget and public accounts.
- A positive number implies a deterioration in the budgetary balance (lower revenues or higher spending). A negative number implies an improvement in the budgetary balance (higher revenues or lower spending).
- Totals may not add due to rounding.

Estimation and Projection Method

PBO used the Crown corporations' corporate reports to calculate the return on assets (net income divided by total assets). The most recent corporate plan was used to project the return on assets, with the ratio for the last available year held constant when the data did not cover the rest of the projection period.

PBO assumed the annual amounts would be allocated to EDC and FCC based on the most recent overall asset values, and this percentage was held constant over the projection period. A subsequent adjustment based on previous PBO work was made to reflect that not all funds would be fully used immediately. These annual amounts were then applied to the return on assets to calculate the incremental net income.

The estimated total cost includes the incremental cost of borrowing.

Sources of Uncertainty

The main sources of uncertainty relate to the size and timing of the take-up in additional financing activities, as well as the profitability of the additional financing.

Data Sources

EDC Financial Data

EDC Corporate Reports

FCC Financial Data
FCC Corporate Reports

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