

## Member Brief: Alberta's 2025 Budget

February 27, 2025

### Overview

On February 27, 2025, the Alberta government released its [Budget 2025: Meeting the Challenge](#). This budget addresses the province's current economic uncertainties, including potential U.S. tariffs and the pressures of rapid population growth. In navigating these uncertainties, it focuses on economic stability, cost-of-living relief, and infrastructure investment.

### Key Highlights

- **Tax relief:** An 8% personal income tax bracket for income up to \$60,000, two years ahead of schedule, saving families up to \$1,500 in 2025.
- **Infrastructure investment:** A \$26.1 billion Capital Plan over three years for roads, bridges, schools, and hospitals.
- **Economic outlook:** Forecasting a moderate economic slowdown with a \$5.2 billion deficit due to declining oil prices and potential U.S. trade tariffs.
- **Revenue volatility:** Non-renewable resource revenue is expected to drop by \$4.4 billion driven by an expected decline in oil prices.

### What Does this Mean for Enserva Members?

#### Energy and Natural Resources

- **Energy security remains a priority:** The Alberta government is reinforcing the province's role in North American energy stability. The outlook assumes a moderate trade conflict where Canada will face an average 15% tariff on all goods (to account for tariffs not being in place the entire year), while energy products will face a 10% tariff.
- **Major industrial projects moving forward**, including:
  - Dow's Path2Zero project
  - Air Products' hydrogen facility
  - Imperial Oil's Strathcona Refinery renewable diesel expansion

#### Infrastructure and Investment

- **\$26.1 billion Capital Plan**, including \$2.5 billion for provincial highways, bridges, and road safety improvements.
- **\$45 million Investment and Growth Fund** to attract new capital to Alberta's energy and resource sector.

### Skilled Workforce and Training

- **\$135 million** for skilled trades programs, including apprenticeships and adult learning initiatives.
- **\$78 million per year** to increase seats in apprenticeship training programs.

### Economic Diversification and Market Expansion

- Alberta's Innovation Employment Grant will support energy technology, clean tech, and carbon capture initiatives.
- Continued advocacy for Alberta's energy sector in the U.S., Germany, Japan, and other global markets.
- Support for mineral and rare earth resource development, reinforcing Alberta's role in critical mineral supply chains.

### Trade and Fiscal Considerations

- **U.S. trade risks:** Alberta assumes a 15% tariff on all goods and 10% on energy exports, which could impact revenue.
- **Oil and gas price assumptions:**
  - West Texas Intermediate (WTI): \$68 USD/barrel
  - Western Canadian Select (WCS): \$73.10 CAD/barrel
  - Raw bitumen production: 3.56 million barrels/day
  - Natural Gas Alberta reference price: \$2.50 CAD/GJ
- **Revenue decline:** Oil and gas revenue is projected to **drop by \$4.4 billion**, contributing to the projected **\$5.2 billion deficit**.

### What Steps Is ENSERVA Taking?

#### Advocacy & Industry Representation

- **Continually engaging with government officials** at the provincial and federal level to mitigate risks posed by potential trade barriers and policy changes.
- **Advocating for continued investment** in Alberta's energy and resource industries and ensuring infrastructure investments support the energy sector.
- **Promoting policies that sustain a competitive business environment.**
- **Aligning workforce development programs** with industry needs.

#### Further Reading

[Varcoe: Finance minister says U.S. tariffs would double deficit, crimp revenues in new Alberta budget, but economy will still grow](#)

[Alberta budget: Province expects oil revenues will help it 'weather' potential U.S. tariff storm](#)