

Cost Estimate of Election Campaign Proposal

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Short title: Withdraw Canada from the Asian Infrastructure Investment Bank

Description: Canada will withdraw from the Asian Infrastructure Investment Bank (AIIB) by redeeming all current and future share capital subscriptions made to the bank.

Operating line(s): Other Transfer Payments

Data sources:	<u>Variable</u>	<u>Source</u>
	Marginal effective interest rate	PBO economic and fiscal model
	Callable capital	AIIB financial statements/ Public accounts of Canada
	Exchange rate	PBO economic and fiscal model

Estimation and projection method: The savings from Canada's withdrawal from the Asian Infrastructure Investment Bank were calculated based on the borrowing costs of Canada's current commitment of \$995.4 million USD, which is being paid in annual installments over a five-year period. The estimate assumes that Canada's \$199 million USD annual investment will be renewed over the life of the ten-year projection horizon. The borrowing costs were calculated by multiplying the projected borrowing rates by total amount of money borrowed.

Uncertainty assessment: The estimate has low uncertainty. The uncertainty is inherent in the projected marginal effective interest rates and the cost of borrowing beyond five-years.

Cost of proposed measure

\$ millions	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Total cost	-	-9	-9	-9	-9	-9	-9	-9	-9	-9

Notes:

Estimates are presented on an accruals basis as would appear in the budget and public accounts.

Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.

"-" = PBO does not expect a financial cost