



MANITOBA HEAVY CONSTRUCTION ASSOCIATION (MHCA)
Unit #3-1680 Ellice Avenue, Winnipeg, Manitoba, R3H 0Z2

TRADE MATTERS - MCC Ministers Dinner

November 20, 2019.

Good evening.

The MHCA is pleased to be a founding and continuing presenting sponsor, because these gatherings remind us of the constructive working relationship between the political and business worlds.

Yesterday, we listened to the Premier's bold Throne Speech priorities. It focused on economic growth, which hinges upon trade.

Trade makes up 53% of our GDP, or roughly \$34 billion, and supports some 240,000 jobs.

The movement of goods, commodities and services in and out of Manitoba **IS** the lifeblood of our economy.

Manitoba trade statistics show we annually export roughly \$1 billion in wheat; \$900 million in pork and \$860 million in canola; and some of our high-value exports include billions of dollars in buses, aircraft parts and farm machinery.

Our top three export markets are: USA - \$9 billion; China - \$1.4 billion; and Japan - \$815 million.

So, our commodities are diversified, but more than a third of our exports' total value goes to just three countries, with a significant dependency on one market - the United States - exposing us to risk. And as we all have seen, that can be hazardous.

How could a Manitoba farmer have protected himself against a ban imposed by Manitoba's largest pork market - China - because of Canada's international obligations for extradition.

So, we are vulnerable, and we must diversify our markets.

But we are also our worst enemies at times – and now seems to be that time.

Canada's energy exports are land-locked, and its untapped reserves are threatened with sterilization – sterilization because we cannot manage to navigate obligations in our own country, that permit getting oil and gas out of the ground.

Investors are losing confidence in Canada, and companies are abandoning development. We've already lost more than 100,000 jobs.

This **IS** the **NOW** issue for Canada and Manitoba - because trade's fortune and our global reputation affect all of us.

So, what do we do?

We cannot untie the tangled knot of international intrigue. But in our own province we have our hands on the levers that flow or choke trade.

Our trade moves on infrastructure which must not only be reliable, efficient and seamlessly connect, it must also be able to move goods and people across borders, through land ports of entry and at deep-water ports. It needs to connect road to rail to vessel and to air.

It requires a strategic investment approach that not only sees Manitoba setting out a multi-year program for investment, but an approach that finds common cause and political will with our partners in Western Canada.

We have a proven model of how this works.

The Asia-Pacific Gateway and Corridor Initiative strengthened Western Canada's supply chains to booming Asian economies.

By the time it wrapped up, a \$1.4-billion federal investment grew to \$3.5 billion in total public funding and leveraged \$14 billion in total. Because the private sector saw the possibilities, the ROI.

We need to re-ignite that mission.

Manitoba should start that effort and in my view our Premier is best positioned to lead it.

We are at the center of Canada. We have access to international gateways in all directions, including the North through Churchill.

We have right here CentrePort Canada, North America's largest inland port and foreign trade zone, with access to tri-modal transportation, including three Class I railways, a 24/7 global air cargo airport, and an international trucking hub.

That's muscle to pull in our Western provincial counterparts to commit to a pan-western strategy.

We need a **Trade Team West** initiative to identify investment in strategic, multi-modal trade gateways and corridors across the West, connecting us into North America and to the world.

Imagine, all four Western premiers and business leaders fully engaged in advancing the economic interests of the region, sorting through the economics of responsible, safe development and movement of our natural resources.

Is this a guaranteed win? No. Is this a venue for authentic, healthy exchange of facts and plan development? Yes.

It clearly is a strategic way to address the barriers to trade - internal and global - to realize the potential we all know our provinces and our country possess.

Trade is not just an exchange of goods and services.

It is the means by which people from distant places with very different cultures, languages and ways of life come to know each other. Cooperate. Learn. Grow. Prosper.

So, let's harness the long-term wealth generation enabled by trade, guided by a Trade Team West vision and led by our Premier.

Thank you!



Chris Lorenc, B.A., LL.B.,
President MHCA