



Manitoba, the West's road to economic revival is built on trade



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By Chris Lorenc

The provincial government has said it recognizes Manitoba's highways and roads need work, that cuts made in the past went deep and now we have to rebuild.

How we rebuild, however, is about more than increasing budgets, it is about positioning infrastructure investment as part of economic revitalization, in the wake of a pandemic-triggered recession.

Our economy, like Canada's, relies on trade. And that's why investing in our transportation system – the gateways and corridors that move trade along seamlessly, efficiently and for lowest cost – must be central to broad economic growth policy and planning.

Economic analyses verify investment in strategic infrastructure holds amongst the highest public 'return on investment' to GDP. Those returns range between \$1.30 to \$1.90 in the same year, for every \$1 invested. That being the case governments need to ask: Are our program dollars working as hard as they can to grow the economy?

Getting the most out of every dollar requires rethinking Manitoba's infrastructure investment strategy and priorities, and, because our goods move beyond provincial and national borders, working regionally with Western provinces to raise our trade profile and potential.

First, in Manitoba, we need a robust trade policy framework that organizes infrastructure investment around 'ROI to GDP' as



a core principle to attract investor interest. Lest you think that a pipe dream, CentrePort Canada has already attracted more than \$1 billion to its footprint - with more to come - because of its cheaper-better-faster connection to global markets proposition.

Manitoba Infrastructure's mandate should be re-imagined and re-purposed to identify and lead investments that capitalize on the potential in Manitoba's trade advantage as a geographic hub

connected to all four points of the globe by air, land and marine ports.

MI's new mandate should include identifying trade gateways and corridors as key assets for strengthening existing markets and developing new trade partners, while ensuring all highways and provincial roads are designed to carry heavy trucks and high traffic volumes to support Manitoba's producers and encourage value-added enterprise.

Second, and equally important, Manitoba should step up to pull Western provinces together, in a Western Canada Trade Gateways and Corridors Initiative.

The concept that would see the Western provinces working to coordinate and prioritize investment plans as a region, selecting through merit-based criteria projects that contribute to raising the West's global trade profile. In turn, this would elevate Canada's profile and allow the country to capitalize on newer trade agreements that expand or enter new jurisdictions to diversify our trade markets and partners.

The idea is not without precedent. The federal Asia-Pacific Gateway and Corridor Initiative (2006) focused investment on strengthening Canada's routes to the growing Asian market. It released transportation and supply-chain pinch points and increased flow and volume in the trade network of road, rail and ports.

Federal seed money of \$1.4 billion leveraged \$3.5 billion in

total public funding and triggered private investments of \$14 billion. The legacy: a string of new roads, bridges and grade crossings, and increased capacity at terminals and ports. It increased the volume of cargo containers that western ports can handle by about 630% over 20 years.

Most of the investment focused on British Columbia, but the intent was to see similar investment rollout across the West.

Yet, there has been no successor program in its wake.

That's hurt Canada's international trade profile, because our trade partners and potential investors keep close watch on national trade policies and investment plans. In 2008-09, Canada was ranked 10th globally in the World Economic Forum's Global Competitiveness Index for transportation infrastructure reliability. As of 2019, Canada's rank dropped to 32nd.

The concept for a renewed federal capitalization of trade infrastructure is gaining support, along with the idea of a Western Canada Trade Gateways and Corridors Initiative. A sense of urgency is growing as economies across the globe are emerging from pandemic lockdown, hungry for the prospect of trade.

The West has shown it can raise its and Canada's trade game with coordinated effort and investment. As a keystone province, Manitoba is positioned to help push the West to expand and enter new trade markets, and secure Canada's future prosperity.

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