



Fuelling Canada's post-COVID economic recovery with trade infrastructure



John Law

An unintended consequence of supply-chain disruptions caused by the COVID-19 pandemic has been the rude awakening for the general public of the fragility of the systems that deliver goods for our on-demand, always-there, lifestyle.

What existed quietly in the background has been thrust into the media spotlight by coronavirus-related port disruptions in China, container delivery issues like the ship blockage at the Suez Canal and border-crossing challenges for truckers at the United States border. Resulting food shortages,

unavailable or delayed consumer products, a lack of used and new car inventory, major price increases like wood products for home

An opportunity to renew national leadership at the Winnipeg meeting of the Council of the Federation in October

renovations and talk of empty stockings at Christmas have all gotten the public's attention in a way that lectures or long explanations never could.

In short, consumers who are also voters, have come to

better appreciate what Canadian companies that rely upon trade and transportation to generate two-thirds of this country's income

have known for some time: In the 21st Century, international supply chains comprising key trade-corridor infrastructure serve as the platform and conduit for global commerce.

This dawning, wider realization

of the importance of supply chains and the transportation logistics that underlie them has created a renewed opportunity for political leadership and public discussion of the role that trade infrastructure plays for Canadians' quality of life.

It is also why Canada's best prospect to recover from the pandemic and kickstart a next generation of economic growth must include a national plan for trade infrastructure excellence. Doing so will facilitate delivery of both imports as well as critical exports to world markets that are demanding Canadian products to rebuild.

Enabling economic growth and funding post-COVID economic recovery means ensuring Canada is able to leverage the rebound in global demand for its exports.

Today, robust supply-chain infrastructure is not a "nice-to-have", it is a minimum requirement to participate in increasingly competitive global markets. Yet, Canada's consistent drop in global infrastructure rankings for the last decade suggests that international customers have been losing confidence in our ability to competitively deliver products that are in demand.

The significance of Canada's trade-based economy to our prosperity has some lamenting the relatively small proportion of federal program funding currently devoted to trade and transportation infrastructure, compared to other federal infrastructure spending. But the need for top quality transportation assets and the economic returns that they enable is no less a priority for provincial and territorial governments that need economic growth to replenish their respective treasuries following the financial demands of the pandemic. And the priority is the same for private sector companies to build back their bottom lines, increase profitability and create jobs.

To recover and eventually prosper post-COVID, Canada's trade infrastructure challenges need the collective attention and, equally important, the coordination of all key stakeholders.

This is not an either-or proposition in face of the broad hard and soft infrastructure needs that the country faces. Funding trade infrastructure creates the basis for revenue generation to support spending on other priorities.

In a post-COVID recovery environment when the country has huge deficits and even larger demands to enable recovery, taking the first step to put in place a long-term plan for what is needed is critical not just for those businesses that move goods but for the entire country. This is now truly a national priority of the first order.

The next scheduled meeting of the Council of the Federation, which will bring together Premiers from across the country with a newly elected prime minister, is scheduled for early October in Winnipeg. This meeting is timely for elected leaders to position Canada for supply-chain success and a strong economic recovery, by committing to a coordinated, sustainable plan that includes best-in-class trade infrastructure for its trade-based economy.

Canada's Council of Ministers of Transportation is already working on a report to improve trade corridor competitiveness and national business and research organizations are advancing recommendations to fix systemic logistics problems.

By committing to a long-term plan to improve our country's trade-enabling infrastructure, Canada's first ministers can align the work of key stakeholders and leverage current public awareness to optimize the post-pandemic recovery by ensuring Canada can successfully compete for growing global markets.

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