



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

May 1, 2023

Wab Kinew
Leader of the Official Opposition
Leader, New Democratic Party
Legislative Building, 450 Broadway Avenue
Winnipeg, Manitoba R3C 0V8

Subject: **MHCA Policy Priorities**

Dear Mr. Kinew,

The MHCA respectfully submits the below brief highlighting its policy priorities for Manitoba for your consideration and our May 10 discussion.

BUDGET APPROACH

The MHCA submits that public sector budgets be anchored around three foundational pillars: *economic growth, socially progressive and environmentally responsible.*

GROWING THE ECONOMY JOB #1

The MHCA anchors its advocacy to the fundamental proposition that *growing the economy is Job #1* for every level of government. Without growth there are no revenues with which to fund the public services and social programs that shape our globally envied standard of living.

To that end, the MHCA is a founding member of a coalition of six leading Manitoba business organizations whose advocacy since 2015 advances the imperatives of focusing on economic growth harnessing seven guiding principles - ***see attached.***

The six are: Business Council of Manitoba, Canadian Manufacturers & Exports (MB Division), Manitoba Chambers of Commerce, Manitoba Heavy Construction Association, Manitoba Home Builders' Association and the Winnipeg Chamber of Commerce.

HARNESSING TRADE CRITICAL TO MANITOBA'S ECONOMY

Manitoba, as with Canada, is a trade-dependent economy. We produce more domestically than we can consume and so must continue developing markets for export. Our economy draws significant economic returns from trade: 53% of Manitoba's GDP is derived from trade supporting roughly 240,000 direct and indirect jobs; Canada, 65% of GDP sustaining roughly 3 million jobs across the country. Our future economic prosperity rides on strengthening and diversifying our global markets.

Manitoba's trade gateways and corridors move people to jobs and goods to market. They are indispensable to our trade-dependent economy. The transportation system requires investment because "*if you can't move it, you can't sell it.*" The investment must be purpose-driven, incremental, strategic and planned for primarily through an ROI-to-GDP lens.

In support of trade enabling investment, the MHCA is part of a coalition of seven national organizations: Business Council of Canada, Canadian Chamber of Commerce, Canadian Construction Association, Canadian Manufacturers

& Exporters, Canada West Foundation, WESTAC and the Western Canada Roadbuilders & Heavy Construction Association, which are advancing a National Plan for Trade Corridor Infrastructure (NPTCI) - ***see attached***.

The NPTCI calls for a strategy in which provincial and federal governments, jointly with the private sector, collaborate to identify and then prioritize Canada's network of trade corridors for investments, to put our country back into competition with global trade competitors.

The coalition has the support of Premiers from Alberta, Saskatchewan, Manitoba, Ontario and Quebec. It is in process of meeting with all Premiers. We are approaching the Big City Mayors' Caucus for its support. Meetings with federal officials are underway.

The end objective is a commitment from the Council of the Federation in July 2023 resulting in collaborative discussion emerging with a federal NPTCI, commencing with budget 2024-25.

Manitoba is uniquely positioned to champion a legacy-building national trade corridor investment, which will return economic dividends for generations.

RECOMMENDATIONS:

1. Embrace as General Guidelines the Seven Pillars around which to Grow the Economy

The group of six Manitoba business organizations propose the following seven pillars - ***as per the attached*** - to guide growth:

1. Fiscal Competitiveness
2. Venture Capital
3. Global Trade
4. Infrastructure Investment
5. Indigenous Engagement
6. Skilled Workforce
7. *New Fiscal Deal* for Municipalities

2. Harness Investment in Trade

For the reasons outlined above and in the attached brief, support the National Plan for Trade Corridor Infrastructure (NPTCI).

3. Support & Advance MOU on Economic Corridors

Advance the April 11 Prairie Provinces MOU - ***see attached Media Release*** - on trade corridors and harness a collaborative Western Canada approach to advance economic corridors, support the movement of products within Western Canada and to domestic and foreign markets.

4. CentrePort Canada

Support the ongoing '*Better Cheaper Faster*' proposition which CentrePort is successfully evidencing in attracting trade-related, private sector investment to its 20,000-acre footprint.

5. Upgrade MTI Mandate

Upgrade MTI mandate as a key economic growth ministry by aligning investment plans with trade-based opportunities through a policy framework that:

- Elevates Manitoba's national, continental and global-trade profile by investing in trade corridors and gateways to strengthen existing and develop new markets.
- Prioritizes infrastructure investment through a highest ROI to GDP lens; and

- Maximizes value in the highway capital program, moves from a 5-year published capital plan to an annual and five-year capital program, as is done by the City of Winnipeg. This helps set strategy and enables flexibility and priority adjustment.

Conclusion

We submit that favourable consideration of the above recommendations helps position Manitoba for sustained economic growth and an increased domestic, continental and global role in trade. With that come jobs for Manitobans and revenues to governments with which to fund social and community well-being priorities.

We look forward to our May 10 meeting and discussion.

Respectfully submitted,
Manitoba Heavy Construction Association



Dennis Cruise, CET, G.S.C.
Chair, MHCA Board of Directors



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

cc MHCA Board of Directors



GROWING MANITOBA'S ECONOMY

Pillars in Support of 'Growing Manitoba's Economy'

In today's globally competitive business environment it is imperative that government create a climate that attracts new business and allows existing businesses to grow and thrive. For Manitoba to reach its full potential there are seven key public policy pillars that governments must address to demonstrate their commitment to Growing Manitoba's Economy.

I. FISCAL COMPETITIVENESS

Manitoba must have an effective and fiscally prudent government committed to creating a competitive tax jurisdiction to attract and retain new investment.

II. VENTURE CAPITAL

An accessible venture capital fund and supportive tax credit policies to leverage investment in the growth of new and existing businesses.

III. GLOBAL TRADE

Commitment to pursuing an expanded global trade profile for Manitoba which derives substantial economic benefit.

IV. INFRASTRUCTURE INVESTMENT

Commitment to a strategic, sustained, disciplined approach to investment in Manitoba's core infrastructure.

V. INDIGENOUS ENGAGEMENT

Commitment to an Indigenous Engagement Strategy to ensure inclusion and partnership in economic growth policies.

VI. SKILLED WORKFORCE

Commitment to attracting, training, educating and retaining a skilled, responsive workforce as a fundamental to ongoing economic growth.

VII. 'NEW FISCAL DEAL' FOR MUNICIPALITIES

Commitment to address the existing fiscal framework between the province and municipalities to meet the challenges of the future.

CONCLUSION

The above principles are supported and respectfully submitted by the following organizations, which are committed to pursuing 'Growing Manitoba's Economy,' as a public policy priority.

Business Council of Manitoba (BCM)
Canadian Manufacturers and Exporters (CME)
Manitoba Chambers of Commerce (MCC)
Manitoba Heavy Construction Association (MHCA)
Manitoba Home Builders' Association (MHBA)
The Winnipeg Chamber of Commerce (WCC)



NATIONAL PLAN FOR TRADE CORRIDOR INFRASTRUCTURE (NPTCI)

Submitted January 19, 2023, to

**Honourable Heather Stefanson,
Premier, Province of Manitoba
Chair, Council of the Federation**

By

**Business Council of Canada (BCC)
Canadian Chamber of Commerce (CCC)
Canada West Foundation (CWF)
Canadian Construction Association (CCA)
Western Canada Roadbuilders & Heavy Construction Association (WCR&HCA)**

NATIONAL PLAN FOR TRADE CORRIDOR INFRASTRUCTURE (NPTCI)

GROWING THE ECONOMY IS JOB #1

The within is anchored to the fundamental proposition that growing the economy is Job #1 in each region of the country and for each level of government. Without growth there are no incremental revenues with which to fund social programs that shape our globally envied standard of living. The surest way to achieve growth is to invest in Canada's trade-based economy.

PROPOSAL

The Council of the Federation (CoF) is urged to pursue a federally leveraged, nation-building *National Plan for Trade Corridor Infrastructure*¹ (NPTCI), effective 2024-25. Its purpose: to revitalize Canada's trade-enabling infrastructure to support sustained economic growth, and expand and diversify Canada's global trade profile.

To help achieve this, the Plan should adopt globally recognized best practices and harness recommendations flowing from the Canada West Foundation Report '*From Shovel Ready to Shovel Worthy*'² to usher in an era of long-term, predictable and high-value investments in Canada's trade gateways and corridors.

ISSUE

The ability to move goods to and from market is central to Canada's economic well-being. Trade accounts for almost two-thirds of the national GDP, a figure almost three times higher than for the U.S. and half again as important as for Australia. Meanwhile, those countries (and others, such as the UK) are already capitalizing on massive, long-term investments in their trade infrastructure.

Yet, over the past decade, confidence in Canada and abroad in our country's ability to move goods has plummeted. The effect of that has been compounded by the lingering impact of the pandemic, the further global economic turmoil from the war in Ukraine, rising tensions with China, and U.S. investment to enable near-shoring to North America.

Canada faces a systemic problem that calls on the provincial and federal governments, in partnership with the private sector, to collaborate on long-term solutions that allow our country to seize the opportunities presented by new trade agreements and the federal government's Indo-Pacific strategy.

The federal government and provinces have taken steps to address the decline, and there is common progress upon which to build. But more must be done. There is a clear path forward, laid by our competitors and by the lessons from our own country's past investment initiatives when Canada ranked among the top 10 in global rankings.³

The key to success is sustained, long-term national planning and execution of investment in trade gateway and corridor assets. Among major trading economies, Canada is the only jurisdiction without such a trade investment strategy.

Unlike nations with whom we compete, Canada's investments in transportation infrastructure are made sporadically rather than consistently, causing investments to be more 'volatile,' less productive and highly inefficient⁴.

Further, Canada's transportation investments have fallen markedly in the last five years, causing 30% of businesses to cite transportation infrastructure as an obstacle to export⁵.

¹ Trade corridor infrastructure includes marine, inland port, border crossings, road, rail and air supporting freight flows of national significance for international commerce.

² Full report at: <https://cwf.ca/research/publications/new-report-from-shovel-ready-to-shovel-worthy/> Executive Summary at: https://cwf.ca/wp-content/uploads/2023/01/CWF_ShovelReadytoShovelWorthy_ExecSummary_2022.pdf

³ These programs include Asia Pacific Gateway and Corridor Initiative (APGCI); the National Policy Framework for Strategic Gateways and Trade Corridors; the Ontario-Quebec Continental Gateway; and, the Atlantic Gateway & Trade Corridor.

⁴ The US has a similar five-year average investment in infrastructure as a percentage of GDP to Canada, but Canada's investment volatility is 10 times higher. Source: Statistics Canada. Annual investments in infrastructure of 0.6% of GDP in the last 5 years, half the level of Australia's investments. Sources: OECD Transport Infrastructure Investment / Statistics Canada.

⁵ Canadian Centre for Economic Analysis (CANCEA) analysis (January 2022) found that over 30% of businesses report transportation infrastructure as an obstacle to exporting. In some regions, over 50% of businesses report it as an obstacle.

Consequently, Canada must repair its global reputation as a reliable trading partner⁶ to rebuild our trade profile, and recover and expand markets, thereby growing our trade dividends to the national GDP and spurring sustained economic growth.

Given the current challenges to Canada's trade profile, a post-pandemic return to prosperity cannot be fully realized without a robust and sustained national plan for trade gateways and corridors.

RESPONSE - INVEST TO HARNESS OPPORTUNITIES

The CWF Report *From Shovel Ready to Shovel Worthy*, makes a compelling, evidence-based case for, and sets out foundational steps toward, the creation of a national trade infrastructure plan for the next generation of economic growth. It describes the critical need to plan 20 to 30 years ahead for the trade infrastructure assets Canada needs, allowing Canada to compete with other nations that adopted such strategies years ago.

The report offers seven recommendations as the initial building blocks upon which to create a national effort harnessing trade to support our economic, social welfare and national security interests:

- 01** Define Canada's national trade corridor network to put all levels of government and industry on the same page
- 02** Bring the private sector to the table as an ongoing contributor of sophisticated supply-chain expertise and front-line operational experience to complement the best features of public-sector policy
- 03** Apply criteria of national significance to guide the planning process and decision-making
- 04** Develop an "evergreen," decades-long inventory of national infrastructure projects
- 05** Undertake regular assessments of infrastructure projects in relation to established criteria
- 06** Begin a new, forward-looking approach to the collection of data and use of forecasting and modelling tools
- 07** Coordinate the communications of domestic infrastructure working groups and aggressively share progress on the above recommendations with industry and foreign customers

Investment & Return

Investments in trade gateways and corridors will pay dividends – economic growth, stronger communities, jobs for Canadians -- for years to come. Analysis of current levels of investments in trade infrastructure reveal that for every \$1 million invested in transportation infrastructure approximately 151 jobs are created across Canada generating \$7.5 million in wages and \$17 million in export-related GDP activity.⁷

Objectives

The program's objectives could include:

1. Support economic revival in Canada, focusing on high-value trade investment returns
2. A multi-year, sustained national program addressing long-term strategic trade investment requirements
3. Support and leverage investment in high-value return assets, expanding connectivity to international trade
4. Attract public and private investment; and
5. Address climate resiliency considerations.

Eligibility

The NPTCI could fund projects that:

1. Incent domestic and foreign investment in high value-add trade commerce
2. Target markets to diversify Canada's global trade profile, help shield the economy from over reliance on any single market and mitigate against the weaponizing of trade.

⁶ In 2008-09 Canada was ranked 10th globally in the World Economic Forum's Global Competitiveness Index for transportation infrastructure reliability. However, with the expiry of trade programs like APGCI, which specifically targeted trade corridors, by 2019 the Index showed Canada's reliability reputation precipitously dropped to 32nd. World Economic Forum Global Competitiveness Report 2019 https://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport2019.pdf

⁷ CANCEA estimates based and calculated using Statistics Canada Table 36-10-0222-01 Gross domestic product, expenditure-based, provincial and territorial, annual; Table 36-10-0608-01 Infrastructure Economic Accounts, investment and net stock by asset, industry, and asset function, and; Table 36-10-0013-01 Input-output multipliers, summary level.

Criteria

Eligibility criteria could assess:

1. International commerce strategy - target networks harboring the most important challenges and opportunities tied to global commerce and emerging markets
2. National/regional system capacity – supported by evidence-based projections of significant levels of trade, increase the value and/or volume of goods moved in and out of Canada⁸
3. Future patterns in global trade and transportation -- forward looking, addressing significant trends in international trade and transportation, based upon empirical evidence and analysis.⁹

Strategic Outcomes & Results

1. A globally recognized, efficient network of trade gateways & corridors, supporting sustained, trade-based economic growth
2. Expanded global trade activity and, therefore, economic growth
3. A restored global reputation for Canada as a reliable trade partner and desirable market in which to invest
4. Diversified global trade, shielding the economy from over reliance on any single market and the weaponizing of trade; and
5. Measurable GHG emission reductions across the entire trade transportation system.

NEXT STEPS

Our coalition urges the following next steps to realize the nation-building legacy of the above proposal:

1. A commitment from CoF to press the federal government to collaborate to launch the NPTCI, commencing with Budget 2024-25.
2. Request the federal government to immediately strike a joint working group of provincial, federal and private-sector representatives with a mandate to develop an NPTCI which coordinates alignment of, and investment in, provincial and federal trade corridor priorities; and
3. Commit to joint resourcing of the above to enable specific recommendations for adoption by CoF at its July 2023 meeting.

CONCLUSION

The undersigned commit to assisting you and your Council colleagues in the above proposal.

All of which is respectfully submitted.

Goldy Hyder, President & CEO, Business Council of Canada (BCC) <https://thebusinesscouncil.ca/>

Hon. Perrin Beatty, President & CEO, Canadian Chamber of Commerce (CCC) <https://chamber.ca/>

Hon. Gary Mar, KC, President & CEO, Canada West Foundation (CWF) <https://cwf.ca/>

Mary Van Buren, President & CEO, Canadian Construction Association (CCA) <https://www.cca-acc.com/>

Chris Lorenc, B.A., LL.B., President & CEO, Western Canada Roadbuilders & Heavy Construction Association (WCR&HCA) <https://wcrhca.com/>

January 11, 2023

National Plan for Trade Corridor Infrastructure 2023/ NPTCI Briefing Note January 11, 2023

⁸ Approximately 10% of Ontario's and Quebec's exports transported by freight are destined to non-US / Mexico markets. Source: Statistics Canada Canadian Freight Analysis Framework, Table 23-10-0142.

⁹ Western Canada is strategically situated to raise Canada's export profile and potential. It is a vast, resource rich, value-add manufacturing region, book-ended by geographically advantageous links to international markets, via Manitoba (Churchill, Emerson) and British Columbia (Port of Vancouver, Prince Rupert, Kitimat, Stewart). According to Statistics Canada Canadian Freight Analysis Framework, Table 23-10-0142 almost 2/3rd of the total rail traffic carried (by tonnage) occurred in Western Canada.

FROM
**Shovel
Ready**

TO
**Shovel
Worthy**

CANADAWEST
FOUNDATION

The Path to a National
Trade Infrastructure Plan
for the Next Generation
of Economic Growth

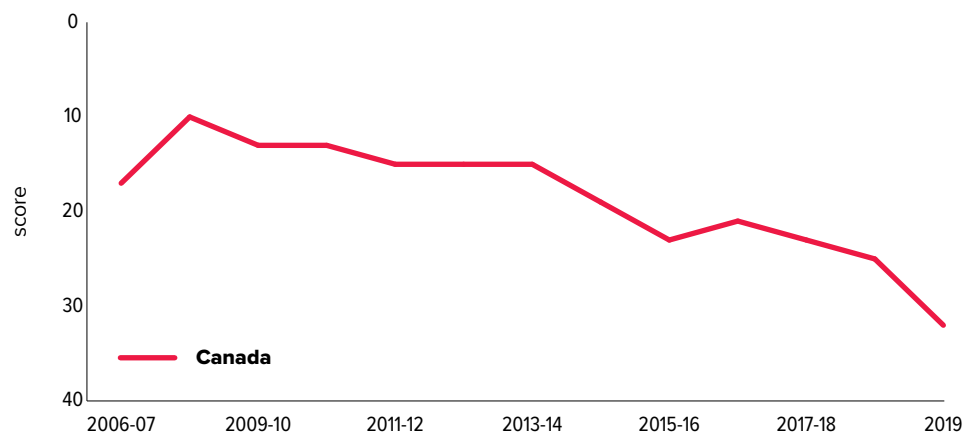
From Shovel Ready to Shovel Worthy

John Law with Carlo Dade

With recent headlines of empty store shelves, flooding in B.C. and truck blockades at the border, it would be understandable if Canadians viewed Canada's current supply chain vulnerabilities as a phenomenon of the last 24 months. But that interpretation would seriously misjudge the origins and nature of the problems with Canada's trade corridor infrastructure. Today's issues with the country's trade network of roads, bridges, air and sea ports have been in the making for more than a decade. As a consequence, the problems are more deeply rooted and threaten to imperil recovery from the pandemic and, even more importantly, Canada's longer-term economic growth. But the problem is still fixable.

For more than a decade, international surveys have shown confidence in the reliability and competitiveness of Canada's trade infrastructure has been in decline at home and abroad. This has occurred despite significant investments by the private sector and current levels of trade infrastructure spending by governments. While increased funding dedicated specifically to trade corridor infrastructure is required, it alone is not the answer. Rushing to impose quick-fix solutions to issues dominating the news will not restore confidence in Canada's trade infrastructure.

World Economic Forum Global Competitiveness Ranking, **Canada** – Overall quality of infrastructure (2006-19)



Source: World Economic Forum Competitiveness Ranking, various years



The path to returning to the top ten of global trade infrastructure rankings and restoring the confidence of foreign customers requires that, instead of “shovel ready,” Canada institutionalize an ongoing intelligence-based national plan for its trade corridor infrastructure.

Previous short-term approaches that defaulted to shovel ready as a driver of funding for trade infrastructure in Canada have contributed to concerns with the national supply chain because the term infers inadequate consideration of longer-term benefits that prioritize lasting improvements to trade corridor competitiveness. While in practise some shovel ready projects can be shovel worthy, here the term shovel ready is a metaphor for doing project selection without a long-term plan and prioritizing something simply because it is ready instead of worthy. This relegates to a secondary consideration whether investments are those of highest priority, able to produce maximum return on investment, represent the best long-term value, and can increase supply chain competitiveness. These examples of shovel worthy criteria are, by comparison, the kind upon which to build a long-term, evergreen national plan.

For a country that relies on moving goods to and from foreign customers for two-thirds of its income, reliance on shovel ready is a serious problem that cannot be solved by short-term fixes or ad-hoc consultations. Domestic users of Canada’s trade infrastructure and foreign customers alike have continued to insist that this is not enough. The country needs to follow the successful path taken by its competitors and lay the foundations, structures and institutions to replace uncoordinated shovel ready decisions with a shovel worthy national plan as the default framework to guide infrastructure decision making.

Especially in times of crisis like the recent COVID-19 pandemic, the country needs a go-to list to make intelligent, productive choices to invest instead of spend public funds. Beyond economic considerations, a shovel worthy national infrastructure plan is also the means to seriously address the challenges posed by climate change and prevent or mitigate harms to marginalized communities. Incorporating strategic climate and social criteria on a serious, thoughtful, apriori basis can help ensure that long-term, dramatically more cost-effective responses to the challenges of a changing environment and protecting vulnerable communities are pre-established as a guide to infrastructure decisions. Likewise, a shovel worthy approach better assures that equity concerns and national priorities are given life that extends past the political cycle. A shovel worthy plan will not solve all that ails trade infrastructure in Canada, but ensuring that the full range of issues and impacts of these investments are considered in a thoughtful, serious and consistent manner will significantly improve our prospects and build public confidence that money is invested instead of spent.

The path to returning to the top ten of global trade infrastructure rankings and restoring the confidence of foreign customers requires that, instead of “shovel ready,” *Canada institutionalize an ongoing intelligence-based national plan for its trade corridor infrastructure.* Drawing on the best features of already well-established national plans of competitor countries together with Canada’s own program successes, like the previous Asia-Pacific Gateway and Corridor Initiative and Transport Canada’s current Regional Transportation Assessments, offer Canada a shortcut back to trade infrastructure excellence.

Seven recommendations follow as core components from which to choose the initial building blocks for Canada’s first national plan for trade corridor infrastructure.

Initial building blocks for Canada's first national plan for trade corridor infrastructure – Seven recommendations

- | | |
|----|--|
| 01 | Define Canada's national trade corridor network to put all levels of government and industry on the same page. |
| 02 | Bring the private sector to the table as an ongoing contributor of sophisticated supply chain expertise and front-line operational experience to complement the best features of public-sector policy. |
| 03 | Apply criteria of national significance to guide the planning process and decision-making. |
| 04 | Develop an "evergreen," decades-long pipeline of national infrastructure projects. |
| 05 | Undertake regular assessments of infrastructure projects in relation to established criteria. |
| 06 | Begin a new forward-looking approach to the collection of data and use of forecasting and modelling tools. |
| 07 | Coordinate the communications of domestic infrastructure working groups and aggressively share progress on the above recommendations with industry and foreign customers. |

While the objectives in this report are specific, the exact means and mechanisms to achieve them have been deliberately afforded flexibility to allow customization and refinement by the key stakeholders. However, this approach does imply an important convenor role for the federal government to facilitate coordination efforts among key stakeholders. Cooperation and meaningful participation must receive priority to avoid exacerbating table fatigue or perceptions of pre-ordained outcomes that discourage engagement.

While process will be important, moving quickly and decisively is *even* more critical.

As important as trade infrastructure was for the well-being of Canadians pre-COVID, it has become more so as the country looks to emerge from the supply chain shadow of the pandemic. There has arguably never been a time in recent memory where key stakeholders in industry and government are better aligned around the need for collective action. The rapid emergence of pent-up global demand, projections for a near-term return to growth driven by an expanding Global Middle Class in Asia and a potential new commodity supercycle are the best and surest opportunities to fund economic recovery in Canada. But the path to realize these opportunities literally and figuratively runs through the country's supply chain trade infrastructure. There are currently several opportunities to move solutions forward including follow up work begun at the 2022 meeting of the Council of Ministers of Transportation, the National Supply Chain task force and, most promisingly, work underway on the National Infrastructure Assessment.

Nothing less than a national plan for trade infrastructure is required to realize Canada's economic future. The work to do this must begin now.

Highlights from the Canadian Centre for Economic Analysis: Exports and Transportation Infrastructure

The following data and analysis were compiled by the Canadian Centre of Economic Analysis (CANCEA) for the Canadian Construction Association (CCA) in January 2022.

Exports

- Canada's ratio of its total domestic production exported to international markets has slowly grown, reaching 16% in 2017.
- Every additional \$1 million invested in transport infrastructure creates approximately 151 jobs across Canada, generating \$7.5 million in wages and \$17 million in export-related GDP activity.

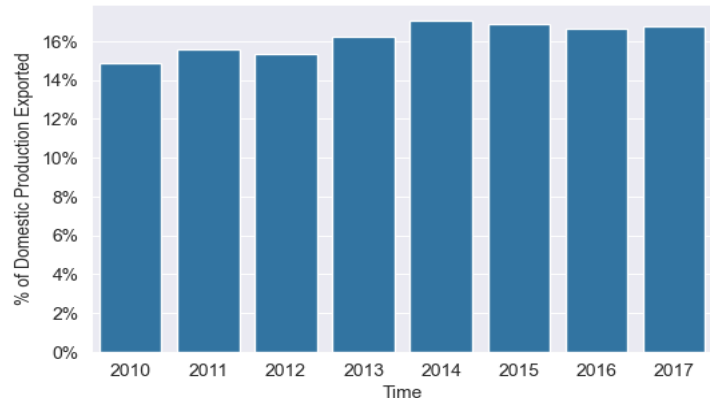


Figure 1 Source: Statistics Canada, Table 36-10-0438

- Canada has a high degree of inter-regional dependence on its trade infrastructure due to the substantial interconnection of its provincial economies.
- Provinces' exports destined to non-U.S. partners highly depend on other regions and their transport infrastructure.
- Provinces with no access to water use major ports for their exports. Ontario, for example, heavily relies on the transport infrastructure of other provinces as Ontario deals with larger distances when exporting to non-US connections.
- About 60% of goods shipped by boat left through Western Canada ports in 2019.

Port	Exports (Twenty-foot Shipping Containers, 2019)
Port of Vancouver (BC)	1,121,973 (49.8%)
Montreal Port Authority (QC)	704,111 (31.25)
Halifax Port Authority (NS)	235,223 (10.4%)
Prince Rupert Port Authority (BC)	192,068 (8.5%)

- Jobs supported by foreign demand are a vital driver of growth in all regions across Canada.
- There is a positive correlation between transport infrastructure and the growth in jobs supported by exports.
- However, Canada's investments in inland transportation infrastructure have slowly been declining.

- Australia (a country with a similar profile to Canada in terms of resources, distances between population centres, and exports to GDP ratio) invested double the amounts spent by Canada in inland infrastructure over equivalent time periods (ten- and five-year cycles).

Obstacles to Exporting

- Over 30% of businesses report transportation infrastructure as an obstacle to exporting. In some regions, over 50% of businesses report it as an obstacle.
- Unpredictable investments in transport infrastructure. Canada makes sporadic investments that seek to provide short-term resolutions rather than committing to long-term solutions.
- Making unpredictable sporadic investments reduces their productivity compared to equal-value investments made in a predictable manner.
- Canadian investment volatility in infrastructure, an indicator capturing the rate of sporadic investments in infrastructure, is 3.6 times higher than the average of all its trading partners.
- The volatility and sporadic nature of investments in infrastructure diminish their productivity and have been cited as one of Canada's greatest barriers to export growth and success.

% of GDP Invested in Inland Transportation Infrastructure

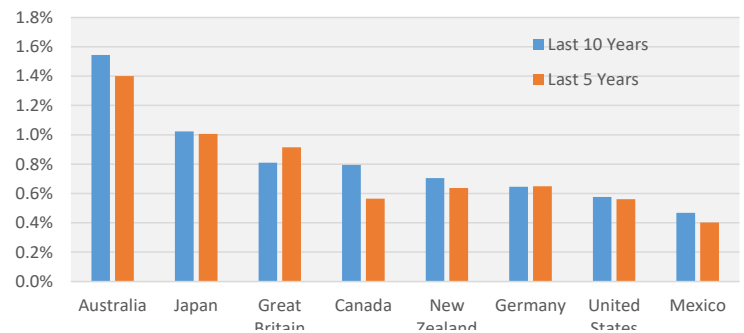


Figure 2 Source: OECD Transport Infrastructure Investment, <https://data.oecd.org/transport/infrastructure-investment.html> and CANCEA

Volatility of % of GDP Invested in Inland Transportation Infrastructure -- 10-Year Average

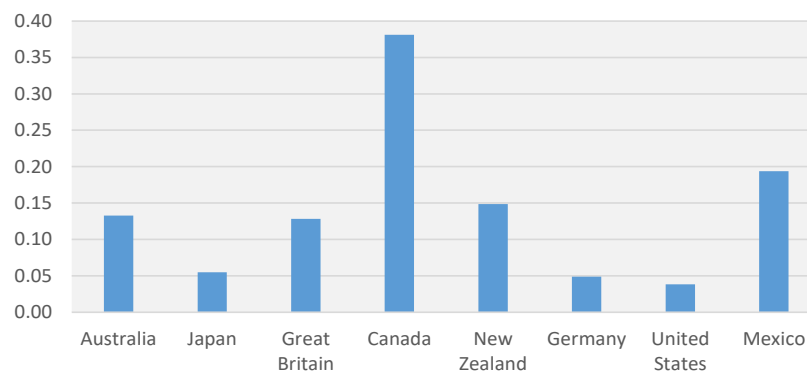


Figure 3 Source: OECD Transport Infrastructure Investment, <https://data.oecd.org/transport/infrastructure-investment.html>

APRIL 11, 2023

MANITOBA GOVERNMENT SIGNS MEMORANDUM OF UNDERSTANDING WITH OTHER PRAIRIE PROVINCES TO ADVANCE ECONOMIC CORRIDORS

Agreement Supports Movement of Products within Canada: Piwniuk

Edmonton - The Manitoba government has signed a memorandum of understanding (MOU) with the governments of Saskatchewan and Alberta to advance economic corridors and support the movement of products within Western Canada and to various markets, Minister of Transportation and Infrastructure Doyle Piwniuk announced today.

“Manitoba’s unique gateway and hub initiatives cannot develop in isolation, that is why external co-operative partnerships will leverage our initiatives for success,” said Piwniuk. “With similar trade and transport access such as distance to markets, reliance on international ports and railway services, and similar commodity basis, Saskatchewan and Alberta are natural partners to work with on improving trade through transportation.”

Strategic transportation investments are a priority interest to develop and grow Manitoba’s trade capability and trade market access, the minister noted, adding that the intent of the MOU is to improve multi-modal transport infrastructure and services linking prairie economic and trade nodes to world markets.

The Manitoba government is delivering major highway and other transport investment strategies to grow its trade gateway capacity including:

- Trade and Commerce Grid Initiative to increase the proportion of strategic highway networks able to accommodate the heaviest truck loadings from 30 to 35 per cent over time;
- Winnipeg One Million Perimeter Highway Freeway Initiative to transform the Perimeter Highway to freeway standards by removing all at-grade access points and increasing lane capacity to meet the transport-based economic needs and travel demands as the Capital Region approaches 1 million people by 2035;
- \$74-million investment in the Hudson Bay Railway to position the development of a sustainable northern economic corridor through the Port of Churchill; and
- \$40 million in servicing infrastructure to support the expansion and future development of CentrePort South.

“The world needs what Saskatchewan has to offer,” said Saskatchewan Highways Minister Jeremy Cockrill. “We rely on dependable, robust, road, rail, air and port networks to ship our food, fuel and fertilizer across North America and around the globe.”

“Alberta is proud to partner with Saskatchewan and Manitoba, taking a leadership role in building new trade corridors that will help our provinces and our country,” said Alberta Transportation and Economic Corridors Minister Devin Dreesen.

The MOU will promote co-operation on matters such as improving joint highway planning, efficiency measures supporting trade, joint advocacy on federal regulatory and funding issues impacting prairie transportation-based trade, and assessing private-sector investments and Indigenous partnerships in improving or developing new economic corridors.

Advancing Indigenous economic reconciliation is a key informing principle underlying the co-operative efforts, Piwniuk noted.