



WESTERN CANADA ROADBUILDERS &
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February 22, 2024

The Right Honourable Justin Trudeau, P.C., M.P.
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

Dear Prime Minister,

RE: FEDERAL GOVERNMENT COMMITMENT TO INFRASTRUCTURE INVESTMENT

The Western Canada Roadbuilders & Heavy Construction Association (WCR&HCA) <https://wcrhca.com/> is in receipt of the **attached** February 20 letter addressed to your attention from the Saskatchewan Heavy Construction Association (SHCA), joined by public/private sector associations and business organization signatures.

Copied as well to several Cabinet colleagues, it was responding to Minister Guilbeault's recent comments regarding the funding of 'large infrastructure projects.' We unequivocally endorse sentiments expressed in the communication.

With the greatest of respect, the minister's statement clearly cannot and should not reflect federal public policy.

The WCR&HCA has long advocated for sustainable, predictable, incremental investment in Canada's core infrastructure, including its trade gateways and corridors, in a manner that provides the highest return to the Canada's GDP.

We do not support building for the sake of building. We do support investing in '*shovel worthy*' projects, the very approach that underpinned the 1994 Canada Infrastructure Works Program launched by the Rt. Hon. Jean Chretien.

A most recent example of our national perspective is embedded in the **attached** briefing note, which proposes the broadly supported - by public and private sectors - Canada Trade Infrastructure Plan (CTIP), the purpose of which includes restoring Canada's fallen reputation as a reliable, global supply-chain partner. CTIP was explicitly endorsed by the Premiers' Council of the Federation in its July 12, 2023 communique - see **attached**.

It is of critical importance to the import and export sectors of the economy, which cumulatively contribute more than 65% of Canada's GDP and sustain more than 3 million jobs, that as Prime Minister, you clearly and publicly reiterate to, and assure Canadians, and by extension our global trading partners, that Canada's signature to free trade agreements also explicitly commits to strategically investing in our capacity and ability to move products to market -- *if you can't move it, you can't sell it*.

We ask that you clear the confusion, publicly re-commit unequivocally to strategic investments in nation-building, economic growth-enabling *shovel worthy* infrastructure assets, including the trade gateways and corridors Canada needs to be a globally competitive economy.

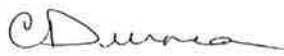
In addition, we also strongly urge that your government does not defer, but in the 2024-25 federal budget, commit to establishing a Canada Trade Infrastructure Plan, as called for in the attached CTIP briefing note.

The WCR&HCA and colleague business organizations across this country stand ready, willing and able to assist your government in moving such an investment commitment and strategy forward.

The within communication is being circulated to Cabinet colleagues named below, those copied in the correspondence from the SHCA, those in addition named below and separately broadly beyond.

We respectfully look forward to your reply.

Sincerely,
Western Canada Roadbuilders &
Heavy Construction Association (WCR&HCA)



Per:

Carmen Duncan
Chair, WCR&HCA



Chris Lorenc, B.A., LL.B.,
President & CEO, WCR&HCA

cc **Hon. Chrystia Freeland**, Minister of Finance and Deputy Prime Minister
Hon. Sean Fraser, Minister of Housing, Infrastructure and Communities
Hon. Pablo Rodriguez, Minister of Transport
Hon. Steven Guilbeault, Minister of Environment and Climate Change
Hon. Randy Boissonnault, Minister of Employment, Workforce Development and Official Languages
Hon. Dan Vandal, Minister of Northern Affairs, Minister responsible for Prairies Economic Development Canada and Minister responsible for the Canadian Northern Economic Development Agency
Hon. Mary Ng Minister of Export Promotion, International Trade and Economic Development
Hon. Dominic LeBlanc, Minister of Public Safety, Democratic Institution and Intergovernmental Affairs
Hon. Wab Kinew, Premier, Province of Manitoba
Hon. Scott Moe, Premier, Province of Saskatchewan
Hon. Danielle Smith, Premier, Province of Alberta
Hon. David Eby, Premier, Province of British Columbia
Hon. Premier Tim Houston, Chair, Council of the Federation
Mike Savage, Mayor, Halifax, Chair Big City Mayor's Caucus
Scott Pearce, Mayor, Township of Gore, QC, President, Federation of Canadian Municipalities
Hon. Perrin Beatty, President & CEO, Canadian Chamber of Commerce
Mary Van Buren, President, Canadian Construction Association
Hon. Gary Mar, K.C., President & CEO, Canada West Foundation
Dennis Darby, President & CEO, Canadian Manufacturers & Exporters
Brad Scott, Chair, Civil Infrastructure Council Corporation
David Bradley, President & CEO, Canadian Trucking Association
John D. Gamble, CET, P.Eng., President & CEO, Association of Consulting Engineering Companies of Canada
Goldy Hyder, President & CEO, Business Council of Canada
WCR&HCA Board of Directors
Director of Legislative Affairs Prairies & Northern Canada Canadian Federation of Independent Business
Association of Consulting Engineer Companies of Saskatchewan
Saskatchewan Trucking Association
North Saskatchewan Business Association
Saskatoon Chamber of Commerce
Regina and District Chamber of Commerce
Saskatchewan Auto Dealers Association
Construction Associations of Saskatchewan
Manitoba Heavy Construction Association
Saskatchewan Heavy Construction Association
Alberta Roadbuilders & Heavy Construction Association
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Saskatchewan Heavy
Construction Association

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February 20, 2024

The Right Honourable Justin Trudeau, P.C., M.P.
Office of the Prime Minister
80 Wellington Street
Ottawa, ON K1A 0A2

RE: FEDERAL GOVERNMENT COMMITMENT TO ROAD INFRASTRUCTURE INVESTMENT

Dear Prime Minister

We are writing this letter today to request clarity on the statements recently made by the Federal Minister of Environment and Climate Change Steven Guilbeault regarding the future of road building in Canada.

On Monday, February 12, 2024, Minister Guilbeault stated that the Government of Canada would no longer fund new infrastructure projects related to road building but rather only put funding towards maintenance of the existing network of roads in the country. The Minister had later indicated that he was only referring to large infrastructure projects.

As you are aware, the Canadian economy is reliant on having a strong and vibrant road system. All provinces, especially Saskatchewan depend on our road system to get our products and our resources to market. In 2022 Saskatchewan reached \$52.6 billion in exports which was the highest figure recorded in the province's history. Without the ability to upgrade and improve our network of roads in the province our economy would falter leading to a decline in jobs.

All industries and sectors in Saskatchewan depend on our road system.

Our industry alone employs close to 30,000 workers, making the industry one of the largest employers in the province. When combined, all sectors outside of public services employs over 400,000 Saskatchewan workers. Those workers jobs and livelihoods depend on our road system. It is how workers get to their job, drop their children off at school and drive to a hospital for healthcare assistance.

We live in a vast country of regions that require different needs to make our economy work.

A resident of La Ronge Saskatchewan does not have the luxury of hopping on public transportation to attend a medical appointment in Saskatoon. Nor does a resident of Willowbunch have the luxury of using "active transportation" to attend a class in Regina in January.

We need the federal government to partner with industry and work with municipal and provincial governments to build a strong foundation for a stronger Canada.

We look for clarity on this issue and further rational discussion on the future funding of road construction in Canada.

Sincerely,



Shantel Lipp, President
Saskatchewan Heavy Construction Association



Randy Goulden, President
Saskatchewan Urban Municipalities Association



Brianna Solberg, Director of Legislative Affairs Prairies & Northern Canada
Canadian Federation of Independent Business



Mark Cooper, Executive Director
Association of Consulting Engineer Companies of Saskatchewan



Susan Ewart, President
Saskatchewan Trucking Association



Keith Moen, Executive Director
North Saskatchewan Business Association



Jason Aebig, Chief Executive Officer
Saskatoon Chamber of Commerce



Tony Playter, Chief Executive Officer
Regina and District Chamber of Commerce



Larry Heggs, Executive Director
Saskatchewan Auto Dealers Association



Shannon Friesen
Co-Chief Executive Officer
Construction Associations of Saskatchewan
PACA, SCA, SKCA, RCA, MJCA



Kevin Dureau
Co-Chief Executive Officer
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Hon. Chrystia Freeland, Minister of Finance and Deputy Prime Minister chrystia.freeland@parl.gc.ca

Hon. Sean Fraser, Minister of Housing, Infrastructure and Communities sean.fraser@parl.gc.ca

Hon. Pablo Rodriguez, Minister of Transport pablo.rodriguez@parl.gc.ca

Hon. Steven Guilbeault, Minister of Environment and Climate Change Steven.Guilbeault@parl.gc.ca

CANADA TRADE INFRASTRUCTURE PLAN

Submitted by

**Canadian Chamber of Commerce
Canada West Foundation
Canadian Construction Association
Canadian Manufacturers & Exporters
Civil Infrastructure Council Corporation
Western Canada Roadbuilders & Heavy Construction Association**

February 2024

CANADA TRADE INFRASTRUCTURE PLAN
GROWING THE ECONOMY IS THE TOP PRIORITY

Without economic growth, there are no incremental revenues with which to fund the social programs that shape our standard of living. Investing in Canada's trade-based economy is the key.

PROPOSAL

We are urging the Government of Canada to pursue a federally leveraged, nation-building plan for trade infrastructure,¹ effective 2024-25. Its purpose would be to revitalize Canada's trade-enabling infrastructure to support sustained economic growth, as well as expand and diversify our global trade profile.

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

ISSUE

The ability to move goods to and from market is central to Canada's economic well-being. Trade accounts for more than two-thirds of our national GDP, a figure almost three times higher than the U.S. and half again as important as for Australia.³ Meanwhile, those countries (and others, such as the U.K.) are already capitalizing on considerable, long-term investments in their trade infrastructure.

Yet, over the past decade, confidence in Canada's ability to move goods has plummeted. The effect of that has been compounded by extreme weather events, the lingering impact of the pandemic, repeated labour disruptions, the 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 will require the provincial and federal governments, in partnership with the private sector, to collaborate on long-term solutions that allow us to seize the opportunities presented by new trade agreements and the Indo-Pacific strategy.

The federal government and provinces have taken steps to address the decline, and there is progress upon which to build, but more must be done. There is a clear path forward, clearly demonstrated through our own past investments and now, by competing nations; we will have to make up ground if we want Canada to once again rank among the top nations in transportation infrastructure.^{4 5}

The key is sustained, long-term, national planning and investment in trade infrastructure, with gateways and corridors supporting persistent, trade-based economic growth.

Among major trading economies, Canada is the only jurisdiction without such a trade investment strategy.

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

² "REPORT | From Shovel Ready to Shovel Worthy: The Path to a National Trade Infrastructure Plan for the Next Generation of Economic Growth", J. LAW & C. DADE, *Canada West Foundation*, <https://cwf.ca/research/publications/new-report-from-shovel-ready-to-shovel-worthy/> (accessed December 20, 2023). See attached Executive Summary of the report.

³ "Trade (% of GDP) - Canada", *The World Bank Group*, <https://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?locations=CA-US-AU> (accessed December 20, 2023)

⁴ 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.

⁵ 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

Unlike nations with which we compete, Canada's investments in transportation infrastructure are made sporadically, causing investments to be more volatile, less productive and highly inefficient.⁶

Further, Canada's transportation investments have fallen markedly in the last five years, causing 30 per cent of businesses to cite transportation infrastructure as an obstacle to export.⁷

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

Given the challenges to trade Canada currently faces, a post-pandemic return to prosperity cannot be fully realized without a robust and sustained national plan for trade infrastructure.

RESPONSE - INVEST TO HARNESS OPPORTUNITIES

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 to create a national effort harnessing trade to support our economic, social welfare and national security interests:

- 01** Define Canada's trade infrastructure 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 infrastructure 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.⁸

Objectives

The program's objectives could:

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

⁶ 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.

⁷ 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.

⁸ 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.

Eligibility

CTIP 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.

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 Canada⁹
3. Future patterns in global trade and transportation: forward looking, addressing significant trends in international trade and transportation, based upon empirical evidence and analysis.¹⁰

Strategic Outcomes & Results

1. A globally recognized, efficient network of trade infrastructure, with gateways and 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.
5. Measurable GHG emission reductions across the entire trade transportation system.

NEXT STEPS

We urge the following next steps to realize the nation-building legacy of the above proposal:

- A commitment from the federal government to launch the initial steps towards a *Canada Trade Infrastructure Plan*, commencing with Budget 2024-25.
 - As part of the above, request the federal government to immediately strike a resourced working group of provincial, federal and private-sector representatives with a mandate to guide implementation of a CTIP which coordinates alignment of, and investment in, provincial and federal trade infrastructure priorities.

CONCLUSION

The undersigned commit to assisting with the above proposal. All of which is respectfully submitted.

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, Canadian Construction Association (CCA) <https://www.cca-acc.com/>

Dennis Darby, President & CEO, Canadian Manufacturers & Exporters (CME), <https://cme-mec.ca/>

Brad Scott, Chair, Civil Infrastructure Council Corporation (CICC)

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

⁹ 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.

¹⁰ 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

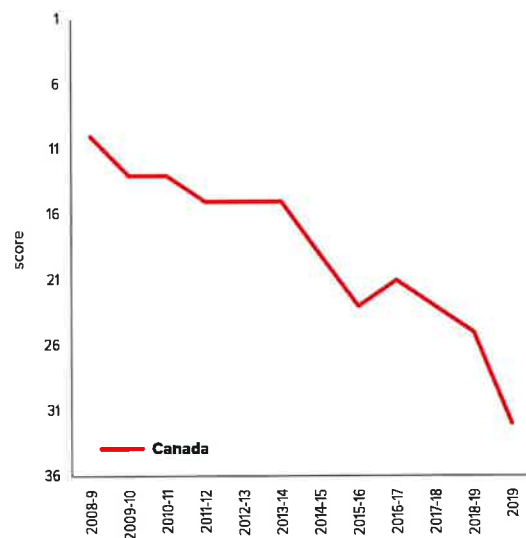
The Path to a National Trade Infrastructure Plan for the Next Generation of Economic Growth

John Law with Carlo Dade | December 2022

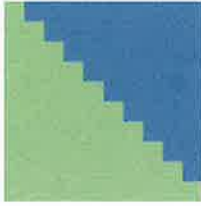
With recent headlines of empty store shelves, flooding in B.C. and truck blockades at the border, it would be understandable if Canadians viewed Canada's current supply chain vulnerabilities as a phenomenon of the last 24 months. But that interpretation would seriously misjudge the origins and nature of the problems with Canada's trade corridor infrastructure. Today's issues with the country's trade network of roads, rail, 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 (2008-19)



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 crises like the recent COVID-19 pandemic and severe weather events, the country needs a go-to list to make intelligent, productive choices to invest instead of spend public funds. 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 based on international best practice follow as the central building blocks for Canada's first national plan for trade corridor infrastructure.

The building blocks for Canada's first national plan for trade corridor infrastructure

- | | |
|----|--|
| 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.

Table 2

World Economic Forum
Quality of overall infrastructure

2008-2009	Rank	2019
Switzerland	1	Singapore
Singapore	2	Netherlands
Germany	3	Hong Kong SAR
France	4	Switzerland
Finland	5	Japan
Austria	6	Korea, Rep.
Denmark	7	Spain
Hong Kong SAR	8	Germany
United States	9	France
Canada	10	Austria
United Arab Emirates	11	United Kingdom
Sweden	12	United Arab Emirates
Iceland	13	United States
Luxembourg	14	Belgium
Belgium	15	Denmark
Japan	16	Taiwan, China
Netherlands	17	Luxembourg
Korea, Rep.	18	Italy
Malaysia	19	Sweden
Barbados	20	Czech Republic
Cyprus	21	Portugal
Taiwan, China	22	Finland
Portugal	23	Israel
United Kingdom	24	Qatar
Australia	25	Poland
Namibia	26	Canada
Spain	27	Hungary
Norway	28	Oman

Table 3

World Economic Forum
Quality of transportation infrastructure

Rank	2019
1	Singapore
2	Netherlands
3	Hong Kong SAR
4	Japan
5	South Korea
6	Switzerland
7	Germany
8	United Arab Emirates
9	Spain
10	France
11	United Kingdom
12	United States
13	Taiwan
14	Austria
15	Denmark
16	Belgium
17	Italy
18	Oman
19	Qatar
20	Luxembourg
21	Portugal
22	Czech Republic
23	Sweden
24	China
25	Poland
26	Israel
27	Finland
28	India
29	Malaysia
30	Hungary
31	Azerbaijan
32	Canada
33	Turkey
34	Saudi Arabia
35	Bahrain
36	Croatia



Source: World Economic Forum Competitiveness Ranking, various years

**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.
- Canada has a high degree of inter-regional dependence on its trade infrastructure due to the substantial interconnection of its provincial economies.

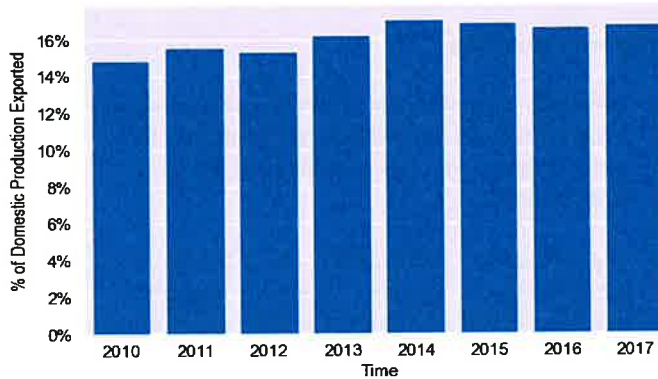


Figure 1 Source: Statistics Canada, Table 36-10-0438

- 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

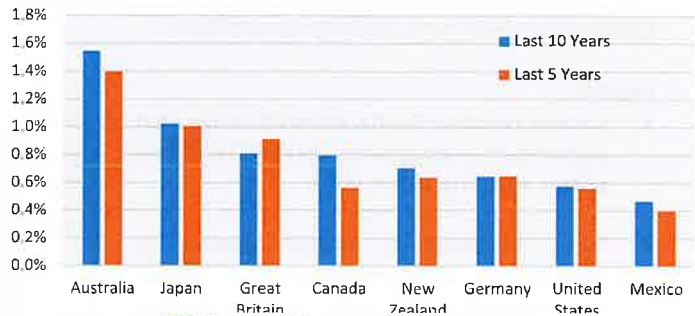


Figure 2 Source: OECD Transport Infrastructure Investment, <https://data.oecd.org/transport/infrastructure-investment.html> and CANCEA

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

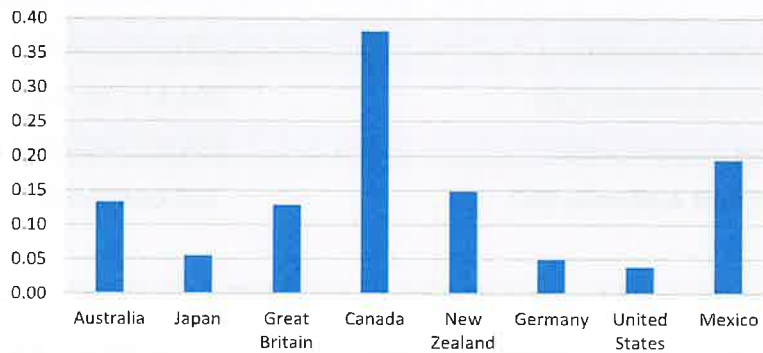


Figure 3 Source: OECD Transport Infrastructure Investment, <https://data.oecd.org/transport/infrastructure-investment.html>



Premiers Focused on Actions to Support Economic Growth and Opportunities

WINNIPEG, July 12, 2023 – Canada’s Premiers concluded their annual summer meeting with a discussion of key economic priorities to support future growth and prosperity.

Seizing the economic opportunities of the future is a focus for all Premiers. This includes supporting environmental stewardship along with economic growth and competitiveness to sustainably build the economy now, and for the next generations.

Key priorities discussed today by Premiers include:

- competitiveness, Canada-United States relations and trade;
- strategic infrastructure;
- energy security and critical minerals; and
- sustainable development and climate action.

Premiers are addressing these issues in cooperation with key partners. Premiers call upon the Prime Minister to convene a First Ministers’ Meeting dedicated to the linked priorities of competitiveness and strategic infrastructure.

At the conclusion of the meeting, Nova Scotia Premier Tim Houston assumed the Chair of the Council of the Federation. Nova Scotia will host the summer meeting of Canada’s Premiers on July 15 - 17, 2024.

Competitiveness and Strategic Infrastructure

Supporting Canada’s strategic infrastructure and our ongoing competitiveness in the global economy, while increasing international trade opportunities, is critical for the economic prosperity of all provinces and territories. Strategic infrastructure includes community, economic, and competitive infrastructure.

Trade corridor infrastructure is critical to enhance and secure the vital supply chains, transportation networks, and market access needed to maximize our economic potential and prosperity. Premiers endorse the principles set out in the Canada Trade Infrastructure Plan proposed by a coalition including the Business Council of Canada, Canadian Chamber of Commerce, Canada West Foundation, Canadian Construction Association, Canadian Manufacturers and Exporters, Civil Infrastructure Council Corporation, and the Western Canada Roadbuilders and Heavy Construction Association.

Premiers are committed to ongoing coordinated efforts to achieve Canada’s full economic potential, including:

- a regulatory environment favourable to attracting increased foreign investment;
- continued efforts to maximize opportunities for open and fair internal and international trade through existing trade mechanisms, such as Canadian Free Trade Agreement, Canada-U.S.-Mexico Agreement, and Canada’s other free trade agreements; and
- increased diversification of international markets for Canada’s goods and services, including expanding opportunities in the Indo-Pacific region and Europe, building on Canada’s economic, cultural, education, and tourism ties to the regions.

Premiers discussed the United States' *Inflation Reduction Act (IRA)*, including its potential adverse impact on Canada's clean technology sectors. Premiers urged the federal government to continue its efforts to ensure the United States treats Canadian goods and services as equal and equivalent to those from the United States. They also called for close work with provinces and territories to define the terms and conditions of federal financial incentives to mitigate potential negative impacts, secure future opportunities, ensure businesses remain competitive, and avoid putting investments at risk, particularly related to emissions reduction and clean technologies.

Premiers recognize that strong, integrated supply chains are the best way to enhance competitiveness across North America. Provinces and territories remain concerned about trade-limiting actions in the United States. Premiers discussed ongoing concerns with unwarranted duties on Canadian softwood lumber exports to the United States, and the need to resolve this long-standing dispute, as well as concerns regarding the expansion of protectionist Buy America provisions in all forms.

Premiers also discussed the urgent need to boost productivity and competitiveness, and develop policies that support business investment to encourage economic growth across Canada.

Provinces and territories are investing in strategic infrastructure to power economic development, facilitate market access for goods and resources, maintain secure and efficient supply chains, connect Canadians to the digital economy, build strong communities, and support climate-resilience.

Premiers reiterated their call on the federal government to adhere to the following principles for the next phase of federal infrastructure funding to best serve people and communities across our diverse country:

- maximize both flexibility and predictability by delivering funding on a base plus per capita basis to support provincial and territorial priorities and their ability to plan for the long term;
- provide support to provincial and territorial governments in addressing the full spectrum of infrastructure challenges unique to their jurisdiction;
- ensure enough flexibility in federal funding that flows through provinces and territories rather than municipalities so that provinces and territories are able to balance investment priorities between the restoration, repair and maintenance of existing infrastructure and future growth projects, including any new investments in housing;
- work with provinces and territories to support development of trade corridors and strategic trade-enabling infrastructure;
- immediately address the unacceptable gaps in the level of infrastructure available in Arctic and northern regions;
- minimize administrative redundancies, duplicative processes related to governance, and red tape related to approvals, claims and reporting; and
- support provincial and territorial efforts to address potential climate impacts.

The most effective way to achieve these goals is through block infrastructure transfers, which will allow provinces and territories to make efficient and strategic use of funding and create opportunities for long-term capital planning to build the infrastructure that Canada needs.

Premiers expressed concern about the federal government's proposal to add further conditions, reporting and red tape to the renewed Canada Community-Building Fund (formerly the Gas Tax Fund). Premiers agree that the CCBF must be flexible, enable provinces and territories to fund their diverse priorities, and be free from burdensome approval and reporting requirements.

Energy Security & Critical Minerals

Premiers agreed on the importance of developing resources in a responsible manner, meeting domestic needs, and positioning Canada as the optimal solution to global energy needs and security. Provinces and territories have diverse energy and natural resources assets, which is reflected in their respective jurisdictions' priorities. Hydrogen, natural gas, hydroelectricity, wind, carbon capture utilization and storage, small modular reactors, uranium and oil, are examples of Canada's abundant energy sources and technologies, which are among the most sustainable and ethical in the world. Canada's energy sector will continue to evolve and adapt to new technologies in search of lower to zero-emitting energy sources, and provide new, higher-paying skilled jobs for decades to come.

Premiers are also focused on promoting Canada's potential as a global powerhouse in the reliable sourcing and supply of critical minerals and rare earth elements. Critical minerals extraction and processing will continue to generate economic prosperity, and create potential to support high-value activities in the electric vehicle supply chain. Premiers called on the federal government to take action to ensure the accelerated approval processes identified in Budget 2023 are implemented in a timely manner.

Premiers called on the federal government to respect provincial and territorial jurisdiction over natural resources, while working collaboratively with provinces and territories on their respective priorities. These include:

- continuing to produce and supply ethical, sustainable and affordable Canadian energy and critical minerals to domestic and international markets;
- maintaining and expanding critical energy infrastructure, including securing the future of Line 5;
- investing in the clean energy infrastructure needed to realize Canada's economic potential; and
- ensuring predictable and streamlined federal impact assessments and regulatory regimes, without duplicating provincial and territorial processes.

Premiers discussed policies the federal government intends to impose including the Clean Fuel Regulations, and the proposed Clean Electricity Regulations, and cap on oil and gas emissions. Premiers affirmed that electricity and energy regulation is the exclusive jurisdiction of provinces and territories, and are taking action to reduce emissions. Federal policies must not infringe on their authority and must recognize their unique needs and situations. Premiers discussed the impacts of these federal policies including overlap, affordability and inflationary impacts, feasibility and attainability, and called on the federal government to ensure federal climate policies recognize early and ongoing action by provinces and territories in these areas. Premiers expressed concern that the federal Clean Electricity Regulations are unattainable and unaffordable for some jurisdictions given current technologies and timelines.

Sustainable Development & Climate Action

Climate change is a global threat. Catastrophic weather events have inflicted devastating losses on Canadian communities and infrastructure, and pose an ongoing threat to Canadians' health, safety, prosperity and natural environment. Canada's future economic stability and the wellbeing of Canadians depends on addressing this challenge. Premiers discussed the urgency of global action to reduce greenhouse gas emissions. They agreed on the importance of provincial and territorial leadership in moving to achieve shared objectives, including emissions reduction and growing business opportunities.

Premiers discussed the economic and emission-reduction opportunities offered by cleaner energy and technologies. They noted the value of collaboration on the production, transmission, shipment and use of cleaner fuels and lower-carbon electricity. Provinces' and territories' lower-emission

energy exports also have a potential role in international and global emissions reduction targets. Premiers repeated their call on the federal government to support the adoption of international emission-reduction trading systems through Article 6.

Provinces and territories are facing increasing costs of adapting to our changing climate. Climate adaptation demands collaborative action among governments. Premiers called on the federal government to:

- engage in partnership with provinces and territories on their climate adaptation priorities;
- develop timely, long-term federal funding to support provincial and territorial adaptation priorities and strategies;
- engage in continued intergovernmental dialogue on climate adaptation through the Canadian Council of Ministers of the Environment; and
- collaborate on changes to Disaster Financial Assistance Arrangements to ensure provinces and territories have timely, flexible, and adequate support, and that risks and costs are not shifted to provinces, territories, and municipalities.

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