

# Paving the way for strong trade

## DON LEITCH

THIS is a time of much economic uncertainty. That's no secret to anyone. The rising price of goods and job-security anxiety are the wingmen of economic uncertainty.

That's how global trade disputes hit home in a personal way.

We're all trying to figure out what the new NAFTA— USMCA— really means, and doesn't mean, for Canada's trade prospects. We're trying to figure out how we'll diversify, something we have talked about for decades.

What is certain: we have to look for, develop and seize opportunities.

The new, revised Trans-Pacific Partnership being ratified now by its signatories holds immense potential for Manitoba. It is one of the largest free-trade agreements in the world. Canada will get greater access to Japan, Australia, Chile, Mexico and New Zealand, as well developing Asian markets such as Malaysia, Singapore and Vietnam.

Manitoba has shown that, with the right foundation and planning, it can compete in global trade. Trade supports 53 per cent of our provincial economy — that's some \$37 billion worth of "business."

But to compete, we have to get the foundation right.

As president of the Business Council of Manitoba, I am concerned about our ability to capitalize on those and other emerging trade opportunities, and about the implications of that for our economy.

There are four critical things companies look for when locating or looking to expand: people, power, water and transportation.

We have talented people and have shown we can train, recruit and attract more.

Although we are facing increases to our hydro rates due to the past decade of development, our rates remain very competitive, and will continue to be.

And we have an abundance of water. We need to ensure a sustainable, reliable supply. That means well-maintained water and sewer infrastructure. That requires long-term planning and investments— we have to take the opportunity presented by the large federal commitment to infrastructure and sign cost-shared project agreements. Green infrastructure is a priority for them.

And, what of transportation?

This is where the rubber hits the road— or hits the ditch.

Everything rides on a road. Our goods may eventually move by rail, water or air, but getting them from the point of production to the customer will always rely on roads. Good roads pave the way for strong trade. Prosperity.

The strongest case for public investment, for high-value return to the economy, has been proven, time and again, to be our investment in core infrastructure. There is an immediate lift to the economy, from the surge in employment and the local sourcing of materials. But there is also a

long-term return from the impact on the GDP, most noticeably from increased productivity and trade.

That's why there isn't an economist, investment advisor or business owner who doesn't recognize the critical role that good roads and strategic infrastructure investment play in economic growth and moving goods, services and people.

We at the Business Council are keenly aware of Manitoba's debt and deficit position. We strongly advocate for prudent fiscal management. But economic stewardship is not just about controlling costs and cutting the deficit. Strong fiscal policy has economic growth as its complementary goal.

Reduced expenditures across government affect many sectors, some immediately, some over time. Reducing investments in infrastructure of all types, including long-term cuts to the highways budget, hurts economies. The City of Winnipeg developed a large infrastructure deficit. Reduced investments have an affect on the people commuting to jobs and on the shipment of goods they produce to markets.

The Business Council has also advocated for a comprehensive, provincial infrastructure investment strategy. There is no multi-year plan to guide sustained investment in our strategic trade-transportation assets, our highways and our regional roads. These are the arteries that keep our economic heart pumping.

In my circles, you don't do business without a multi-year plan. You don't scope a budget without knowing where you should be five years forward, and how you get there. Simply put, that's the "infrastructure" plan of any business hoping to stay in business.

The Business Council of Manitoba has advocated a focused, strategic approach to infrastructure investment that includes stable and predictable funding, innovation and incorporation of technology and community sustainability. The end goal is improving Manitoba and increasing prosperity.

We need to plan now to ensure Manitoba capitalizes on the trade potential at our doorstep. Trade uncertainty will continue as we try to diversify. But we must diversify.

In Manitoba, we can do that. We have shown we can compete and succeed.

But we need government to play its role. Alongside prudent fiscal management, it must develop and successfully implement its growth strategy, including proactive trade promotion, and commit to sustained, innovative investments in infrastructure.

We need to get the building blocks right and lay them down. Pave the road.

It leads to economic growth and prosperity.

Don Leitch is the President and CEO of the Business Council of Manitoba.