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For immediate distribution – August 21, 2008

NEWS RELEASE

Canada's crumbling public infrastructure hurting productivity

\$200 billion needed to repair infrastructure and lower production costs

Montreal – Canadian competitiveness and productivity depends on increased investment in our public infrastructure, according to a new study released by the Institute for Research on Public Policy.

The study, "Infrastructure Investment: The Foundation of Canadian Competitiveness," finds that investment in public infrastructure, including highways, port facilities, water treatment and distribution systems, as well as sewage treatment, has fallen dramatically since the 1970s, and an injection of up to \$200 billion will be necessary to address the problem.

"Public infrastructure has built this nation, and we will not continue to be competitive if our viaducts are in danger of collapsing and our water systems in danger of contamination," says study author James Brox. "If we do not start shoring up our infrastructure deficit now, the cost in the future may be more than we can bear either physically or financially."

New roads, sewers, schools and other facilities are needed to attract new residential construction and new investment by private manufacturing companies, according to Brox. Moreover, he warns, without constant repair and maintenance, the existing stock of public capital is eroding and becoming less efficient for production.

"Without adequate infrastructure, the result may be a less attractive environment for private production, which can lead to increased business costs and reduced productivity, and in the end may cause a relocation of industrial and commercial facilities," he says.

"Infrastructure Investment: The Foundation of Canadian Competitiveness," by James Brox, a professor in the Department of Economics at the University of Waterloo, can be downloaded free of charge from www.irpp.org.

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