

Investing in Market Access for Southern Alberta Business (2023)

Issue

Global commerce is increasingly reliant upon the ability for goods to reach local, regional, and international markets. As such, it is imperative to consider the crucial role that transportation networks play in economic development. Current infrastructure in and around Southern Alberta requires serious upgrades and advancements to maintain and leverage a competitive edge in advancing business success in Southern Alberta.

Background

The ever-growing international demand for high-quality foods and agri-food products, interruptions to food supply chain still being felt as a result of the Covid-19 pandemic, and planned population growth within our own country have positioned Southern Alberta to be the global leader in the distribution of products to local, regional, and international markets.

Moreover, the relative economic stability of the region, combined with low infrastructure and land costs, and the proximity for major producers and distributors to raw agricultural products, has cast an attractive light on Southern Alberta as a place to invest. The opportunity currently exists to leverage these advantages to help diversify and grow the Canadian economy by improving local transportation infrastructure.

Southern Alberta's agricultural heartland is a growing network hub for the export and import of large quantities of goods. Goods flow east and west through the region via Highway 3 and connect to Highway 1. Additionally, several major north-south corridors (Highways 6,2,62,4,889, 41 and Interstate 15) move goods through the region, particularly into the United States through the twenty-four-hour Coutts/Sweetgrass border crossing and the Wild Horse border crossing south of Medicine Hat. Furthermore, an extensive rail network (Canadian Pacific) exists, with lines moving goods both east/west and north/south.

Yet despite this considerable network, there is the distinct impression amongst the business community of Southern Alberta that clear opportunities will be missed by not investing now, at this crucial time in redirecting the Province's economy, in improving or expanding local transportation networks to encourage the growth of key industries. The development of this region as an agricultural, manufacturing, and alternative energy hub would be encouraged by the accelerated twinning of major highways that pass through the region (e.g. Highway 3), the development of an inland, intermodal port, which would open new possibilities for producers and industry stakeholders, and significant development to local airports, which would enable new opportunities for international and inter- regional trade and commerce.

These possibilities are real and are highlighted by several large investments in the region, renewable energy production (over \$1.285 Billion throughout the region), PIP International Pea Processing Facility (\$150 Million), and the Cielo Biodiesel Refinery near Medicine Hat (\$50 Million). Southern Alberta is a growing region, with a continued steady population increase. Moreover, the recent commodity price fluctuations left Southern Alberta largely unaffected, due to the diversified nature of the local economy.

Stability, in uncertain economic times, encourage investment, and a commitment from public sources to expand local transportation networks could easily tip the scales for major stakeholders who may be considering this region as a viable option.

The Government of Alberta's 2022 Capital Plan has earmarked approximately \$1.8 billion for roads and bridges across the Province¹, down from \$2.3 billion in the 2020 Capital Plan.

In short, Southern Alberta is well positioned to become a major agri-food, manufacturing, and alternative energy hub, and a global leader in the distribution of goods to local, regional and international markets. With access to major highway infrastructure, extensive rail infrastructure, and growth potential to localized airports, Southern Alberta is ready to become a leading economic force in a retooled and refocused economy.

The Alberta Chambers of Commerce recommends the Government of Canada:

1. Work with rail operators to ensure open and fair access to rail transportation, through the reduction in regulations affecting wider usages of rail as a preferred form of transportation for Canadian goods to:
 - National and international markets,
 - Shipping ports; and
 - Transportation hubs.

Further, Alberta Chambers of Commerce recommends the Government of Alberta:

1. Commit to the further the twinning of Highway 3 and provide timelines for its completion, considering the economic impact and growth-potential of opening up access to Highway 1 and national markets across Canada; and
2. Aide in creating a plan for sustainable growth in local airports as a portion of local economic progression, with an eye to growing international and inter-regional opportunities.