



# The Heavy News Weekly



## Selinger Promises More than Pallister in Infrastructure Investment

*Premier says he will spend over \$1 billion annually*

NDP leader the Hon. Greg Selinger says his government has already committed to investing more than a billion dollars annually into infrastructure. This comment was a direct reference to opposition leader Brian Pallister, who had committed to investing \$1 billion in infrastructure, back when he spoke at the “Breakfast with Leaders” series this past January.

Selinger was the final speaker in the breakfast meeting series co-hosted by Manitoba Heavy Construction Association (MHCA) and the Manitoba Home Builders Association (MHBA).

In his speech, the Premier remarked on Manitoba’s success in creating jobs and maintaining one of the lowest unemployment rates in the country, and tied that success to his decision to energize the economy through stimulus spending on infrastructure. He referred to the government’s five year, \$5.5 billion infrastructure plan.

“It was the first time the province invested more than \$1 billion in one year, building better roads, bridges and flood protection,” said Premier Greg Selinger. “Investing in core infrastructure creates good jobs today, strengthens our economy and is an investment in our children’s future.”

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## WORKSAFELY MHCA™

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According to the Conference Board of Canada, this plan would boost the provincial economy by \$6.3 billion, hike exports by \$5.3 billion and help create 58,900 jobs over five years.

Selinger went on to say: "It was the right time to do that stimulus, when interest rates were low, and now we have a federal government who is very interested in doing the same thing and has run on a very similar platform."

The Premier acknowledged the criticism he faced over raising the PST to 8%, stating that the re-investment of this tax increase ultimately led to more than a billion dollars of infrastructure investment that year.

The importance of partnerships was also a key theme of the Premier's speech, as Selinger listed all the successful partnerships his government has initiated, including:

- Supporting the City of Winnipeg with a new \$1-billion partnership over the next five years to build and renew Winnipeg, including upgrading and paving roads in every neighbourhood;
- Launching a new Growing Communities Infrastructure Fund to help rural and Northern communities build and renew roads, sewer, water and community centres;
- Working with the City of Winnipeg on the Waverley Street underpass and easing traffic congestion on Marion Street;
- Initiating a plan to move rail lines out of Winnipeg to provide new options for aging infrastructure, investing and creating new roads, connecting First Nations communities along the east side of Lake Winnipeg and building Freedom Road to Shoal Lake 40; and most importantly,
- Providing stable, predictable and long-term funding to municipalities for future community planning and development.

The Premier also talked about his commitment to the "Pillars in Support of Growing Manitoba's Economy." These pillars are the seven key public policy statements that the MHCA and MHMA, along with four other organizations, have called upon Manitoba's political parties to demonstrate their commitment to:

- fiscal competitiveness
- global trade
- infrastructure investment
- venture capital
- aboriginal engagement
- skilled workforce, and
- new fiscal deal for municipalities.

Selinger closed with the affirmation that economic growth and opportunities for all Manitobans can only come about by fostering trade, innovation, investment and entrepreneurship in partnership with stakeholders. He also emphasized that only by supporting the development of a skilled and sustainable workforce and supporting training and employment opportunities will all citizens be able to achieve greater prosperity and fuller participation in society.



*Manitoba Premier, Gerg Selinger, speaks at MHCA's Breakfast with the Leaders event on February 23, 2016*

## In Memoriam - Dave Brown

We are very saddened to advise of the passing of Dave Brown, a dear colleague, who passed away at the Saint Boniface Hospital in Winnipeg, on Wednesday, February 23, 2016, surrounded by his immediate family and loved ones. Dave was a long time and active member of the Manitoba Heavy Construction Association (MHCA), a past MHCA Chair (1983-84) and served with distinction on Winnipeg's City Council in the late 1980s.

On behalf of the MHCA Chair, Board and all members, we would like to extend our very deepest condolences, sympathy and prayers to his wife Marsha, children Catherine (Steve), Andrew, brother Don Brown, and his extended family.

Many had the great privilege of enjoying Dave's enduring friendship, camaraderie and unreserved loyalty. He was principled, street-wise, straight as an arrow, possessed of quick wit and humor, always sincere and forever a fountain of sage, common sense advice.

Dave was a wonderful husband, caring father, grandfather, brother, confidant and mentor to many, and great friend to countless well beyond our industry.

We have truly lost a great friend. May Dave's gentle soul rest in eternal peace.

There will be more information published in a coming edition of the MHCA Heavy News Weekly.



Chris Lorenc  
President MHCA



Dave Brown, Former MHCA  
Chair



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Featuring:

**Chuck Davidson**, President & CEO, Manitoba Chambers of Commerce

**Chris Lorenc**, President, MHCA

**Ron Koslowsky**, Manitoba Vice President, Canadian Manufacturers & Exporters

**Dave Angus**, President & CEO, Winnipeg Chamber of Commerce



Tickets are sold online through the Manitoba Chamber of Commerce Website

<http://www.mbchamber.mb.ca>

If you have any questions about this event contact Stephanie Allen at 204-948-0105

[sallen@mbchamber.mb.ca](mailto:sallen@mbchamber.mb.ca)

A large red Antigo machine is shown in operation on a road, breaking up concrete. The machine has 'ANTIGO' written on its side. A worker in a high-visibility vest is visible on the machine. The background shows a clear blue sky and green trees.

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# 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 political parties must address to demonstrate their political commitment to "Growing Manitoba's Economy," in their 2016 Provincial Election platforms.

### 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

Commitment to the creation of 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. ABORIGINAL ENGAGEMENT

Commitment to the creation of an Aboriginal Engagement Strategy to ensure inclusion and partnership in economic growth policies.

### VI. SKILLED WORKFORCE

Commitment to attracting, educating, training and retaining a skilled, responsive workforce is 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 supporting organizations each of which are committed to pursuing 'Growing Manitoba's Economy,' in the 2016 Provincial Election.

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)



## How to plan infrastructure spending for the greatest good

*Written by Eddie Goldenberg, published on February 19, 2016 for the Globe and Mail website and featured in the CCA Weekly*



As Finance Minister Bill Morneau prepares his first federal budget, there is a consensus among economists that, given the current state of the economy, some short-term stimulus is needed, and that infrastructure spending is the most effective tool. There is also a consensus that the best infrastructure spending is for strategic capital projects that are not necessarily “shovel-ready” today, that require more planning before they can be built, but that will increase Canada’s productive capacity for the long term.

Mr. Morneau’s challenge is to square the circle. He must address a short-term economic imperative, but must also plan to provide the longer-term support needed for large, strategic capital projects. The new government has committed to investing \$125-billion in infrastructure over the next 10 years. The minister’s fundamental issue is to decide what types of infrastructure, over how long, how to pay for it and the role of politics in the project decisions.

When Prime Minister Justin Trudeau and big-city mayors met in Ottawa on Feb. 5, the mayors had ideas about both kinds of project – relatively small, shovel-ready projects and larger ones that can transform Canadian cities and contribute to greater economic productivity over the medium and longer term.

Tens of billions of dollars are required for our cities because of many years of inadequate spending on municipal infrastructure. There is a large infrastructure deficit for deferred maintenance – repair and modernization of water and sewage lines, road repairs, modernization of civic buildings, construction of social housing and (given Canadian winters) the filling of potholes. But the larger-scale strategic infrastructure projects – public transit, green infrastructure, electricity grids, ports, critical highways, border infrastructure, science and technology infrastructure and so on – also require massive investment over the next decade.

Shovel-ready projects can begin as soon as financing is provided; longer-term strategic infrastructure requires a lengthier timeline for preparation, approvals, engineering and so on. To create jobs today, at a time of generally slow economic growth, the government’s immediate priority, for at least the next fiscal year, should be to focus primarily on the short-term projects, while preparing properly for the longer-term ones. As there is simply no fiscal room for billions of dollars toward new short-term infrastructure projects, the minister needs either to find new revenue sources, or borrow the money, or both.

Indeed, at current levels, tax revenue is not sufficient for the minister to fund the promised \$125-billion over the next 10 years. In the current economic circumstances, there is a compelling argument for some borrowing for short-term infrastructure for the next fiscal year – but not for the next 10 fiscal years. To be fiscally responsible for the long term, Mr. Morneau should set out clearly in his budget the principle that short-term, shovel-ready projects that do not produce long-term economic benefit will not, as a rule, be financed by borrowing. He should consider a new revenue source for such projects.

Ottawa currently transfers 4 cents per litre of the federal gasoline and diesel tax to municipalities, to be used for infrastructure. With the sharp drop in the price of oil, gas prices at the pump have been substantially reduced. This makes it a good time to raise taxes on gasoline and diesel to address municipalities’ needs. The minister should announce in his budget an increase of 5 cents a litre, to be transferred to municipalities every year for 10 years. This would more than double the federal infrastructure transfer to municipalities from \$2-billion a year to approximately \$4.5-billion. This substantial increase in federal funding could also allow for a change to the existing project-funding formula by increasing the percentage of federal funding and reducing the percentage required of cash-strapped municipalities. A gas-tax increase would also have the ancillary environmental benefit of raising the price of fossil-fuel consumption.

**Continued on page 7**

Mr. Morneau should establish that significant deficit financing will be reserved for the types of critical strategic infrastructure projects that will bring about long-term economic benefit. The Prime Minister has rightly been clear that these important capital projects should be chosen on their merits and not be subject to political pork-barrelling. There is a simple way to meet this objective.

Canadian universities have been modernized and rebuilt since the creation of the Canada Foundation for Innovation in the budget of 1996. The CFI's funding formula has brought together federal, provincial and private-sector money. Billions of dollars have been extremely well allocated by this arm's-length body over the past 20 years. Its success has been due in large part to the appointment of thoughtful, innovative and creative senior executives from outside government.

Building the modern infrastructure needed for the Canadian economy of tomorrow will require co-operation and substantial investments from federal, provincial and municipal governments, and from large private pension funds. Given Mr. Trudeau's government's commitment to large-scale infrastructure spending over the next decade, Mr. Morneau has a remarkable one-time opportunity to structure it in a manner that sets the country on the right track. He should use the precedent and example of the CFI to create another arm's-length body with a dynamic vision for the future and the mandate to decide, free of political interference, on the large strategic infrastructure projects that will transform our country, increase our productivity and raise our standards of living.



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PLEASE CONTACT:**  
Sarah Higgins  
sarah@mhca.mb.ca

# Training Schedule

## March

COR™ Leadership in Safety Excellence  
 COR™ Principles of Health & Safety Management  
 COR™ Auditor  
 Train the Trainer  
 Flagperson (1/2 day AM)  
 Committee/Representative Training (1/2 day PM)  
 Excavating and Trenching (1/2 day AM)  
 \*Planning Work (1/2 day AM)  
 \*Document Use - Reading & Translating (1/2 day PM)  
 Traffic Control Coordinator

Feb. 29 - March 1      MHCA Office  
 March 2                MHCA Office  
 March 3 - 4            MHCA Office  
 March 14 - 15        MHCA Office  
 March 16               MHCA Office  
 March 16               MHCA Office  
 March 18               MHCA Office  
 March 24               MHCA Office  
 March 24               MHCA Office  
 March 29 - 30        MHCA Office

## April

Flagperson (1/2 Day PM)  
 Committee/Representative Training (1/2 Day PM)  
 WCB Basics  
 WCB Return To Work Basics  
 \*Environmental Practices (1/2 Day AM)  
 \*Effective Meetings (1/2 Day PM)  
 COR™ Leadership in Safety Excellence  
 COR™ Principles of Health & Safety Management  
 COR™ Auditor

April 18                MHCA Office  
 April 18                MHCA Office  
 April 19                MHCA Office  
 April 20                MHCA Office  
 April 21                MHCA Office  
 April 21                MHCA Office  
 April 25 - 26         MHCA Office  
 April 27                MHCA Office  
 April 28 - 29         MHCA Office

## May

COR™ Leadership in Safety Excellence  
 COR™ Principles of Health & Safety Management  
 COR™ Auditor  
 Flagperson (1/2 Day AM)  
 Committee/Representative Training (1/2 Day PM)  
 Traffic Control Coordinator  
 Excavation & Trenching (1/2 Day AM)  
 Train the Trainer

May 16 -17            MHCA Office  
 May 18                MHCA Office  
 May 19 - 20          MHCA Office  
 May 24                MHCA Office  
 May 24                MHCA Office  
 May 25 - 26         MHCA Office  
 May 27                MHCA Office  
 May 30 - 31         MHCA Office

## June

COR™ Leadership in Safety Excellence  
 COR™ Principles of Health & Safety Management  
 COR™ Auditor  
 Flagperson (1/2 Day AM)  
 Committee/Representative Training (1/2 Day PM)  
 Traffic Control Coordinator  
 Excavation & Trenching (1/2 Day AM)

June 13-14            MHCA Office  
 June 15                MHCA Office  
 June 16-17            MHCA Office  
 June 27                MHCA Office  
 June 27                MHCA Office  
 June 28-29          MHCA Office  
 June 30                MHCA Office

\*Leadership Certificate Program/Gold Seal

# **WORKSAFELY<sup>TM</sup> is bringing COR<sup>TM</sup> training to the University College of the North in Thompson, Manitoba**

**From March 14 - 18, 2016, training will include:**

***Monday***

1 day COR<sup>TM</sup> Leadership in Safety Excellence Refresher

***Tuesday***

1/2 day Fall Arrest

***Wednesday***

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1/2 day WHMIS

***Thursday***

1 day Flagperson w/ Practicum

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504 Princeton Dr.

Thompson, MB R8N 0A5

## HEOC Students Show off Skills to Industry Professionals

As the first intake of the Heavy Equipment Operator Certificate (HEOC) program comes to a completion, sixteen students had the opportunity to proudly demonstrate their skills they acquired over the eight weeks of training.

On February 22nd, the HEOC program opened its doors to companies and stakeholders involved in the heavy construction industry, allowing them a first-hand glance at this successful program at work.

The Manitoba Heavy Construction Association (MHCA) partnered with the Manitoba Institute of Trades and Technology (MITT) and the Manitoba Construction Sector Council (MCSC) to develop a college accredited simulation based program. The HEOC program gives industry the means to train and develop new heavy equipment operators, and to obtain certificates for existing operators, as companies are finding more and more they are being required to have operators with a HEO certificate when bidding on jobs.

Students proudly demonstrated their skills on 5 John Deere and 2 CAT simulators, showcasing skills learned on a grader, dozer, excavator and loader simulators.

What was thought to be a quick and quiet opportunity for industry to see our students at work on the simulators quickly turned into an exciting event with students demonstrating their skills and then graciously giving up their seats to give employers and stakeholders an opportunity to try the simulators themselves.

"I was pleasantly surprised to see the students switch places with employers after they showcased what they have learned in the 8 week program." Says Jackie Jones, Education and Training Advisor with the MHCA. "The students quickly turned into instructors themselves as they explained patiently and enthusiastically how to operate these high tech simulators.

Industry was able to observe the benefits of simulation training directly. Not only does simulation based learning permit novice operators to experience simulated operating without risk to him or her or to a valuable piece of equipment but also allows for cost-effectiveness with savings in operator time, fuel, maintenance to a real machine, and also revenue that would be lost using a real machine. This training also permits students to make and learn from mistakes without risk. Students completing the 8 week training program will now begin to acquire 160 hours of in-seat experience on a piece of equipment followed by a skills assessment. The MHCA is eager to follow the success of these students in the upcoming months!



Student shows off his skills on John Deere Dozer simulator at the HEOC program open house on Feb. 22, 2016

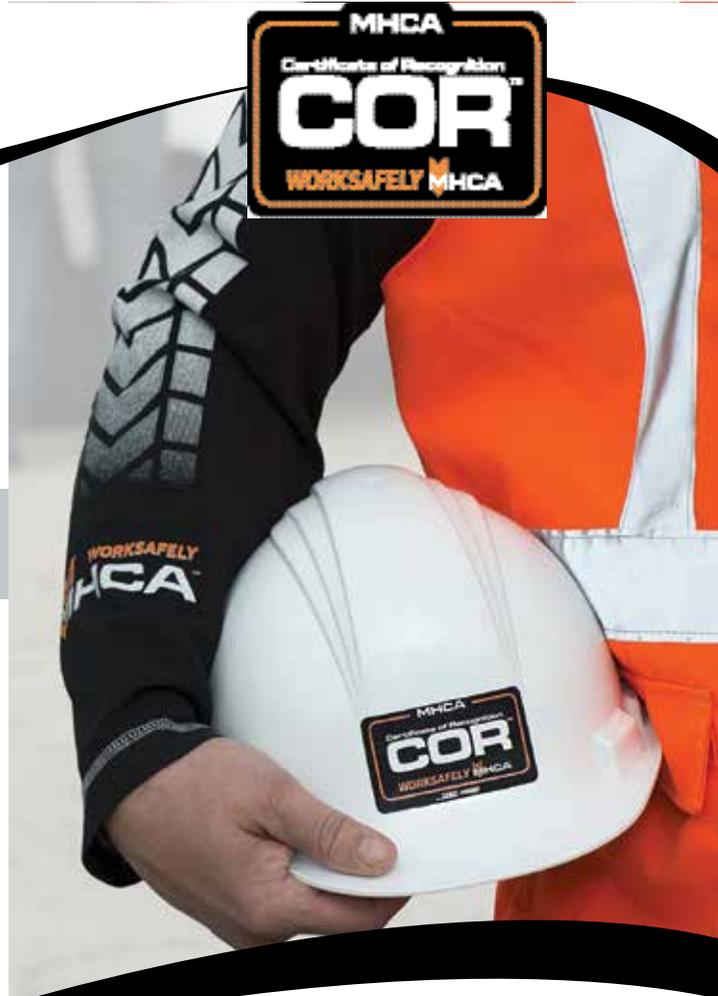


**You're invited to attend  
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**NORTHERN COR™ MEETING IN  
THOMPSON!**

**DATE:** March 15th, 2016  
**WHEN:** 10:00 a.m. - 12:00 p.m.  
**WHERE:** Smook Contractors Ltd.  
101 Hayes Rd.  
Thompson, MB R8N1M3

**Please RSVP on/before March 7, 2016 to  
Jackie Jones at [jackie@mhca.mb.ca](mailto:jackie@mhca.mb.ca)**



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## Eye Safety

March is Workplace Eye Health and Safety Month. The National Institute for Occupational Safety and Health (NIOSH) reports that around 2,000 workers sustain job-related eye injuries each day, and that 90% of these injuries could be prevented with the proper use of eye protection. Below are some tips regarding eye safety and how you can protect your eyes on the job.

### Know and Assess the dangers:

- Before starting any task or job, assess the area for any potential risks to your eyes.
- Risks can include:
  - Projectiles (dust, concrete, metal, wood, other particles)
  - Chemicals (splashes and fumes)
  - Radiation (visible light, ultraviolet radiation, infrared radiation, lasers)
  - Blood borne pathogens from blood and body fluids
- Employers can take steps to make the work environments more safe, including conducting eye hazard assessments, removing or reducing eye hazards wherever possible, and providing appropriate safety eyewear to all employees.

### Use Proper Eye Protection

- Safety eyewear includes safety glasses (prescription or non-prescription), goggles, face shields, welding helmets and full-face respirators.
- The type of safety protection you should wear depends on the hazards in your work place.
- Keep all of you safety eyewear in good condition and replace them if they are damaged.
- Make sure that anyone who is working in, or passing through areas with potential eye hazards are wearing protective eye wear.

### Outside:

- Even though there is still snow outside, it is important to keep your eyes protected from the sun's rays.
- Wear sunglasses, even while in the car. The snow on the ground can cause a mirror effect and bounce the sun's light back into your eye. This can cause temporary blindness which is very dangerous, especially when driving.
- Purchase polarized sun glasses with UVA UVB protection.

### At Home:

- It is important to assess the dangers and wear proper eye protection around your home too.
- Some dangers we don't even think about, like looking at computer and cell phone screens.
- When working on your computer for long periods of time, follow the 20-20-20 rule. Every 20 minutes, take a 20 second break and look at something at least 25 feet away.
- Sit about 25 inches away from the computer screen, positioning the screen so your eye gaze is slightly downward.
- On your phone or tablet, increase the font size and adjust the resolution instead of bringing the screen closer to your eyes.
- Reduce glare, try to make sure lighting is not directly behind the head or in front of the screen.



## Oil Recoil: Overdone?

By Peter G Hall, Vice President and Chief Economist



Rocked by the oil price shock? Wild swings in black gold aren't that uncommon if you've been around for awhile. I recall having intense conversations about the planet running out of oil back in the '70's – when I was in elementary school. It's not that I was some bespectacled wunderkind – actually, at the time it was a common topic at that level; such was the state of global concern. Since then, there have been a few hair-raising price swings, most of which persisted for a number of years. Will the current price plunge be with us for some time, or is it temporary?

The recent history of volatility goes back to the 1970's. The period of relatively stable post-war prices was interrupted by OPEC production cuts that triggered big upward movements and speculation of short global supplies. Higher prices spurred a lot of non-OPEC investment, and by the mid-1980's, fears of global oil drying up were a joke. Prices plunged in 1986 and remained in the \$20 per barrel range for 16 years.

The under-investment that ensued bumped into emerging market thirst for crude, and a demand-driven escalation began in 2003, culminating in the great price spike of 2008. Global recession – likely aided by that spike – took prices from triple digits down to \$35 per barrel inside the year. This time, the plunge didn't persist. Fears of thin supplies re-booted prices, and they were quickly back to triple-digits. Against fears that recovery would move the needle even higher, the opposite happened. US recovery has actually coincided with a dramatic plunge that is still looking for its absolute bottom. With all our experience of ups and downs, analysts are still trying to get a grip on reasons.

As in the past, the recent period of persistent high prices led to considerable new investments in the patch. In fact, it was one of just a few areas where investments were exciting over the past 7-8 years. With the expectation of high and rising prices forever, higher-cost oil was discovered in some unlikely places, and non-conventional sources that were previously unreachable or un-economic ended up flooding the market. At the same time, technology did not stand still – methods were developed that reduced the cost of those more exotic supplies. It's a classic story, proving the dynamics of demand and supply – even for non-renewable resources like oil. It's why, with all the demands of today's economy, supply is once again in great excess – against famous predictions, we're not running out of the stuff anytime soon.

But stopping the argument here could lead us to repeat the error. Now, analysts are getting the world ready for a protracted period of low prices, and many are using today's price of around \$30 as a launching point. Are they right? While prices are not likely to get back to triple digits anytime soon, barring a nasty geopolitical development, today's prices aren't likely the norm for the next number of years. First, we are still in the throes of the Fed's interest rate hike, and the bears are shorting a lot of things out there, including oil. Second, growth is spurring a reallocation of investment –sectors that were not attracting funds are now back in the picture, and the money is making its way there. Third, low prices create a shift in demand that isn't ever present right up-front. As expectations shift to a low-oil-price world, cheaper prices encourage higher usage, switching from other energy sources and investments predicated on revamped, low-price business models.

The nations that are most likely to spur this new investment are the heavy net importers of crude oil. They are now buying at a deep discount to previous expectations, and the bonus to their economies is obvious at the gas pumps and elsewhere. Savings accruing to the EU were almost \$170 billion last year. America received a \$140 billion bonus. China, India and others were also great beneficiaries. Given today's prices, these bonuses will only be augmented this year. And as this activity sets in, higher usage will lead to a recalibration of supply-demand balances, and prices should get some near-term lift.

The bottom line? The oil price rout still has the world in shock. As in the past, the extreme view is the popular one. But as in the past, the fad will fade, and as reality sets in, so too will relief to an oil patch in recoil, and a world that's convinced it's all about a frail economy. The coming months will tell the tale.



*At the Breakfast With the Leaders event on February 23, 2016.*

*From left to right: Chris Lorenc, President of MHCA; Derek Walker, Chair of MHCA; Premier Greg Selinger; Brian Arnold, Chair of MHBA; Mike Moore, President of MHBA; Michael Byrne, Aon Reed Stenhouse, Event Sponsor*



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