Infrastructure, in this case, is broadly defined to include public–private and other elements required to build an efficient and safe infrastructure. As with most countries, the Canadian government has established plans and policies designed to encourage and fund infrastructure spending over the next 8–10 years. Billions of dollars will be spent on roads, bridges, schools, hospitals, ports, airports, urban railways, etc.¹ These projects are typically initiated by the government and will require a wide range of products and services. Infrastructure spending will be roughly aligned with the size of the provinces and the current infrastructure deficit in each province. Based on this formula, the key provinces to watch will be Ontario (also the seat of the federal government), Quebec, British Columbia and Alberta. Many billions will be spent in other regions of the country, but these four provinces account for 85% of the population and are therefore most likely to get the vast majority of the spending.

Opportunities abound for creative financial institutions with the tools needed to partner with government because much of this activity will be funded by deficit budgets. Private–public partnerships (P3s) will be required in many cases to achieve the goals.

The focus on reducing the carbon footprint in the country will create opportunities for companies with energy-saving technologies. These may include improved process efficiency, innovative products and proven design expertise. Engineering firms will be the gateway for introducing these innovations to the market.

Companies that have designed, engineered or built innovative infrastructure projects in the past will also be in demand across the country. Partnering with or acquiring firms in architectural design, engineering or construction for their supply chain could be an effective entry strategy. Local governments (provincial or municipal) will typically lead the execution of these projects.

There is substantial connectivity between Canada and most U.S. states. Although much of the trade flows North–South, there is substantial connectivity inside Canada for moving people and goods from coast to coast. This can be an advantage for U.S. companies considering the potential of the infrastructure industry.
Challenges
A government focus on ensuring local benefit is among the challenges in this industry. In-market jobs will be important but using local firms wherever possible will also be critical politically. U.S. firms wanting to engage in this space in Canada should consider strategic partnerships with well-positioned local firms.

Additional Considerations
Many Canadian firms will not be big enough to bid on the projects; they will need bigger partners. Also, because it involves government spending, the process will be slow, and the bidding will be complicated. Working with competent partners that have experience navigating public project work processes will be critical for success.

ABOUT RAINMAKER GLOBAL BUSINESS DEVELOPMENT
Rainmaker is a recognized leader in global market expansion and strategic business development. Founded in Canada in 2007 to serve the energy industry, Rainmaker GBD’s process has evolved beyond energy, and today we excel at assisting companies in various industries to pursue international expansion opportunities. Our team of professionals works closely with our clients to develop comprehensive market entry strategies, enhanced market exposure and traction, and expanded global reach.

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