

Municipal infrastructure spending ‘ingredient to economic growth’: Bank of Canada governor

Meanwhile, Ottawa Mayor Jim Watson readies for meeting with federal infrastructure minister.

By: [Lucy Scholey](#) Metro, Published on Thu Jan 07 2016

More municipal infrastructure spending can't hurt a Canadian economy that's feeling the impacts of a low loonie, according to the Bank of Canada governor.

"Economists think of it as a good thing almost all the time because infrastructure is an ingredient to economic growth," said Stephen Poloz, while speaking at Ottawa City Hall on Thursday morning during the mayor's breakfast event.

Poloz's speech touched on the loonie's 2003-level low of less than 71 cents to the U.S. dollar, falling oil prices and the need to let the economy's problems "work themselves out."

The Bank of Canada will release a more detailed economic forecast in the coming weeks.

The part of Poloz's speech on municipal infrastructure spending struck a chord with Ottawa Mayor Jim Watson.

"(It) really hit a home run from the municipal perspective," he said, after the speech. "He recognizes that in order to get us out of this economic slowdown, infrastructure is the quickest way to get people back to work."

Prime Minister Justin Trudeau has promised \$125 billion in infrastructure spending over the next decade. Watson is hoping to harness a piece of that.

He's meeting with new Infrastructure Minister Amarjeet Sohi next week for a tour of the light rail transit construction work at Tremblay Road.

During the election campaign, the federal Liberals promised to invest \$1 billion in phase two of the light rail system – or a third of the total project cost – and Watson is hoping they will formally make good on that promise by the end of this year.

The city is planning to get shovels in the ground for phase two in 2018, as soon as the first phase of light rail is complete.