



BANK OF CANADA

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**FOR IMMEDIATE RELEASE**  
**28 November 2005**

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### **Governor Dodge Discusses Investing in Productivity**

TORONTO, ONTARIO—Improving Canada’s productivity performance requires more efficient allocation of labour and capital resources, and continued innovation in both products and production processes, Bank of Canada Governor David Dodge said today at a conference organized by the Canadian Council for Public-Private Partnerships.

“Enterprises, sectors, and governments must follow the practices and policies that will not only allocate resources more efficiently, but also provide the framework to encourage innovation,” Governor Dodge said. This includes an appropriate legal framework, efficient labour and capital markets, and well-developed infrastructure, such as transportation systems, municipal services, communications networks, and public utilities.

Governor Dodge said that long-term investment in infrastructure will resolve Canada’s “infrastructure deficit” and support its future production capacity by helping to attract innovative people and companies. The timing is right to make these investments, the Governor added, because governments are committed to investing in infrastructure, the private market has an appetite for longer-term financial assets, and there is a pent-up need for those investments in Canada.

“The right infrastructure can support and encourage initiatives to increase productivity,” Governor Dodge said. “Finding innovative and reliable ways to fund this country’s current and future infrastructure requirements is a key element of any effort to improve Canada’s productivity and raise living standards for Canadians.”