



New CSLS study finds above average productivity growth in transportation industries except urban transit

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Today the Centre for the Study of Living Standards released a report entitled “Productivity Trends in the Canadian Transport Sector: An Overview.”

This study finds that strong labour productivity growth occurred in Canada’s trucking (1.8 per cent annually), air transportation (3.3 per cent), and rail (2.1 per cent) sectors between 2000 and 2014 compared to a rate of 1.0 per cent in all industries. In contrast, the urban transit sector experienced a productivity decline of -0.8 per cent annually over the same period.

The report provides a detailed examination of the factors underlying these trends. The major drivers of productivity growth in rail, air, and trucking transportation included technological advances, competitive pressures, deregulation, improved fuel efficiency in response to rising fuel prices, and capital investment.

The report suggests that much of the fall in productivity observed in urban transit was related to expansion of services.

The report identifies several ways in which policymakers can attempt to enhance transportation productivity in the future. These include: minimizing unnecessary regulation, promoting greater competition, incentivizing firms to develop and adopt new technologies and train their staff to use them effectively, creating environments in which capacity can be fully utilized, and investing in infrastructure.

For further information, please contact:

Andrew Sharpe
Executive Director
Centre for the Study of Living Standards
710-151 Slater Street
Ottawa, Ontario K1P 5H3
613-233-5891
csls@csls.ca

The Centre for the Study of Living Standards (CSLS) is a national, independent, Ottawa-based not-for-profit research organization. Its primary objective is to contribute to a better understanding of trends and determinants of productivity, living standards and economic wellbeing in Canada through research.