



**TAKING ADVANTAGE OF THE PORTS-TO-PLAINS
CORRIDOR: Attracting Foreign Direct Investment
To Eastern Alberta**

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***WHERE IS THE EASTERN ALBERTA
TRADE CORRIDOR?***





The Eastern Alberta Trade Corridor



***THE EATC and FOREIGN DIRECT
INVESTMENT (FDI)***

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*What are the motivations
for companies engaging in FDI?*

- Resource seeking
- Market seeking
- Efficiency seeking
- Foreign direct investment in Canada from the United States at the end of 2010 was **\$288.3 billion.**



What are key factors considered by foreign direct investors?

- Market
- Cost
- Natural Resources
- Infrastructure (i.e. Transportation)
- Policy Framework
- Business Promotion & Support
- Incentives
-Many of these factors are promoted through membership with P2P.



***MARKETING THE EASTERN ALBERTA
TRADE CORRIDOR***

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Core Marketing Principles

- In a cluttered FDI marketplace, figure out what your business can do different than competitors, and then effectively communicate that message. You need to build a competitive advantage by differentiating yourself.
- The core of assessing and implementing a competitive advantage is
 1. Understanding your own core competencies – what do you do better than the other guys or what are you offering that no one else does.
 2. If you are in a competitive marketplace, what do your competitors focus on and do well.
 3. Identifying areas where you can set yourself apart, then communicating that message to customers.
- Differentiation is the key



- Common points of differentiation for a **business** are: Price, product, quality, service, location, hours of operation, atmosphere, return policy, product knowledge, etc.
- Common points of differentiation for a **community** are: Tax policy, incentives, labour pool, infrastructure, industrial sectors, land and building availability...and *location*.
- The EATC and its association with P2P provides another point of market differentiation to sell your business or community - **location**.
- Location is seen as a point of market differentiation in four ways:
 1. Convenience
 2. Sole Provider
 3. Supplier Access
 4. Market Access



How can Eastern Alberta communities and businesses to leverage the Corridor for economic development?

- Focusing on regional key sectors and transportation routes, communities and businesses can look to:
 - Increase exports to neighbouring communities in the Corridor, especially in the U.S.
 - Attract Foreign Direct Investment (FDI) from companies along the Corridor



What are the Foreign Direct Investment opportunities that have the best chance of attracting foreign investment to EATC commercial/industrial properties?

- One of the value propositions for businesses and communities that want to leverage the Eastern Alberta Trade Corridor relates to targeting foreign companies that have an interest in Eastern Alberta key sectors.
 - Agriculture
 - Energy
 - Manufacturing
 - Tourism
 - Transportation
 - Defence/Aerospace



- Focus on the major economic drivers and therefore freight generators for the Eastern Alberta Corridor?
 - Large scale agricultural and food production mostly concentrated in the south of the Corridor
 - Oil and gas equipment and servicing throughout all regions of the corridor
 - Crude oil transport, mainly to Hardisty
 - The construction and expansion of major pipelines – opportunities associated with construction on ongoing operations
 - Chemicals, petrochemicals and fertilizers
 - Livestock transportation, primarily in the southern and central regions of the corridor
 - Metal fabrication products, scattered throughout the Corridor, but tending to be larger and more concentrated in the northern and southern regions of the Corridor
 - Three military bases generating freight demand and substantial opportunities for local business and economic activity
 - Components, parts and modules for oil sands plants and upgraders, generated from within the Eastern Alberta Corridor, and other domestic, US and international origins
 - Activity in oil and gas, oil sands and upgrader development is extremely important to economic activity in The Corridor and is a major contributor to highway traffic levels in Eastern Alberta.



***HOW CAN EATC COMMUNITIES CONNECT
WITH LIKELY FOREIGN INVESTORS AND
MARKET TO THEM?***

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- How can you connect with likely Foreign Investors and market to them?
 1. Act Regionally
 2. Look for Major Regional Projects
 3. Identify Local Companies Interested in FDI
 4. Raise Awareness of Regional Assets and Activities
 5. Identify Specific Opportunities to Market
 6. Work with Economic Development Organizations
 7. Commit to Set Amount of Time and Resources to Attract FDI
 8. Set Critical Information Path When Fielding an Investment Inquiry
 9. Leverage Your Connections



1. Act Regionally

- Cooperation is a vital element to regional economic development. What is good for your neighbour is most often good for you.
- You must sell the region and the province, not just your community.
- The more land, facilities, infrastructure, and incentives that the investor perceives as being in your region, the better.
- Government programs that support FDI initiatives (such as DFAIT's Invest Canada-Community Initiatives (ICCI) program) usually recognize regional partnerships as strengths when considering funding applications.
- A whole region is better suited to partner with an organization such as P2P, because the corridor runs through many communities.



2. Look for Major Regional Projects 10

- One way to identify possible foreign investors is to look for major regional projects that might attract new businesses.

Summary of Major Construction Projects

Project Sector	Number of Projects	Value of Projects (\$ millions) CDN
Biofuels	3	271.6
Chemicals & Petrochemicals	3	77.5
Commercial/Retail	3	36.7
Infrastructure	90	3,463.5
Institutional	15	495.9
Mining	1	30.0
Oil Sands	54	101,603.6
Other Industrial	3	54.6
Pipelines	15	6,545
Power	8	1,824.0
Residential	9	859.5
Tourism/Recreation	9	228.6
Total	213	115,490.5



3. Identify Local Companies Interested in FDI

- Using a BR&E or similar program, local or regional economic development staff should
 1. Identify companies with foreign ownership or foreign ties.
 2. Identify companies interested in foreign investment via local expansion or market expansion



4. Raise Awareness of Regional Assets and Activities

- This should be part of your ONGOING marketing strategy
- Raise awareness to federal and provincial governments of Region. Make DFAIT aware of major projects and new business opportunities available in your region
- Communicate investment inquiries to REDAs and appropriate provincial officials in a timely manner to ensure all appropriate regional and provincial recourses are brought to bear on an opportunity.
- Having the opportunity to host an event like the P2P Conference in the EATC region is a great example of raising awareness.



5. Identify Specific Opportunities to Market

- This should be part of your TARGETED marketing strategy
- Raising awareness of Regional Assets and Activities is important but when it is time to connect with a specific potential investor, **specific** opportunity needs to be presented.
- A business case needs to be shared with local EDOs, REDAs, Provincial Sector Specialists and Trade Officers, and Foreign Trade Commissioners. These specialists along with local businesses and individuals that have foreign connections will help identify the companies to target
- Ensure that marketing materials sent to Trade Consulates or target companies are clear, consistent, professional, and **specific**
- Use these resources to help target specific foreign companies and marketing channels such trade publications, trade shows, and trade organizations.



6. Work with Economic Development Organizations 10

- The Regional Economic Developments Alliances such as PEP, BRAED and HUB assist member communities in attracting new investment:
 - Palliser Economic Partnership (PEP) - www.palliseralberta.com
 - Battle River Alliance for Economic Development (BRAED)
www.braedalberta.ca
 - Alberta HUB (HUB) - www.albertahub.com



- What are some of the aims of the Regional Alliance Approach?
 - Coordinated effort reduces duplication
 - Provides focus on regional priorities and solutions
 - Improved local capacity to undertake projects individual communities could not do on their own
 - Develops an attitude of collaboration and cooperation
 - Establishes a respected regional voice on economic issues, priorities and policies
- REDAs are organizations that are a natural fit to help bring communities and resources together for initiatives such as the Eastern Alberta Trade Corridor and Foreign Direct Investment programs.
- They are conduits between those engaged in local economic development activities and the resources of provincial government, as well as organizations such as P2P.



What can REDAs do to support regional investment attraction?:

- REDAs are a conduit to **information** – an amalgamator of information and “agent of the region”
- Support, organize and even host investment attraction **training**
- Develop **labour attraction/retention** programs (marketing material development and strategy development, etc)
- Gather and store of public domain **industry information** (maintenance of Investment Attraction website, R&D, business statistics, feasibility studies, opportunity analysis, etc)
- Identify governmental and non-governmental **business resources** such as grants, loans, information, etc
- **Promote their regions** and raise site selection awareness (raising the regional profile to potential investors and acting as an investment information portal)
- **Facilitate** on key regional business issues between stakeholders, business, government, citizens, etc
- Disseminate investment attraction **inquires** to the appropriate member communities

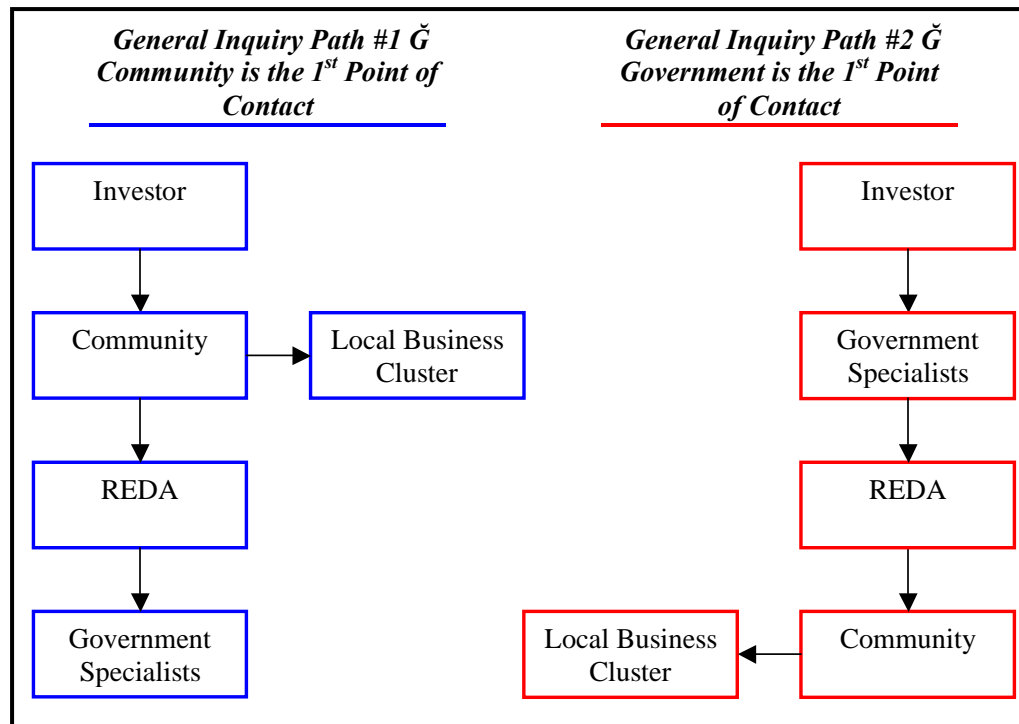


7. Commit to Set Amount of Time and Resources to Attract FDI

- Commit a set amount of staff time to their local REDA for regional investment attraction efforts (research, marketing, data gathering, trade missions, etc)
- Define specific time and budget allocations that their REDA should make towards its investment attraction mandate
- Submit information on a timely basis to keep investment attraction tools such as websites up to date.
- Participate in events like this P2P Conference that facilitate FDI



8. Set Critical Information Path When Fielding an Investment Inquiry





9. Leverage Your Connections!!!

