GOING GLOBAL

THE GLOBAL ECONOMY IS GOING THROUGH MAJOR TRANSFORMATION. FORCES SUCH AS THE RISE OF EMERGING MARKETS, AN AGING POPULATION, THE POWER OF DISRUPTIVE TECHNOLOGIES, AND GREATER GLOBAL CONNECTIVITY ARE DRIVING DEMAND FOR NEW PRODUCTS AND SERVICES AND CREATING NEW ECONOMIC OPPORTUNITIES.

WE ARE WELL-POSITIONED TO MEET THOSE DEMANDS AND CAPITALIZE ON NEW OPPORTUNITIES BY ALIGNING OUR TRADITIONAL ECONOMIC STRENGTHS WITH TECHNOLOGY-DRIVEN GLOBAL OPPORTUNITIES.

TO COMPETE TO WIN, WE MUST REASSESS OUR DEFINITION OF COMPETITIVENESS. IN ORDER TO DELIVER CLEAR RESULTS THAT ENHANCE OUR GLOBAL COMPETITIVENESS, GOVERNMENTS MUST:

- ADOPT A GLOBAL MINDSET
- CREATE AN ENABLING ENVIRONMENT
- INVEST IN A GLOBALLY COMPETITIVE TALENT POOL
- FOSTER WORLD CLASS INNOVATION

WHERE WE ARE TODAY

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1. A GLOBALIZED ECONOMY

2. AN AGING POPULATION

3. THE POWER OF DISRUPTIVE TECHNOLOGIES

THE RISE OF EMERGING MARKETS

RISING DEMAND FOR AGRI-FOOD & ENERGY

Middle class growth in emerging markets will drive an increase in protein consumption and demand for food produced in a safe and environmentally sustainable way.

Emerging markets will consume almost two-thirds of the world’s manufactured goods by 2025. By 2030, developing countries are projected to account for more than half of all global consumptions.

MIDDLE CLASS GROWTH IN EMERGING MARKETS 2010-2030: 3 BILLION PEOPLE

BY 2050, GLOBAL DEMAND FOR AGRI-FOOD IS EXPECTED TO RISE BY 70%.

THE WORLD WILL NEED TO PRODUCE AS MUCH FOOD IN THE NEXT 45 YEARS AS IN THE PREVIOUS 10,000.

DEMAND FOR PLASTICS (USED FOR FOOD PRESERVATION, ELECTRONICS, HOUSEHOLD PRODUCTS): NEARLY DOUBLED SINCE 2000.

PETROCHEMICALS SET TO ACCOUNT FOR MORE THAN A THIRD OF THE GROWTH IN OIL DEMAND TO 2030, AND NEARLY HALF TO 2050.

GLOBAL POPULATION OVER THE AGE OF 60

1980 302 MILLION

2017 962 MILLION

2050 2.1 BILLION

THE WORLD WILL NEED TO PRODUCE AS MUCH FOOD IN THE NEXT 45 YEARS AS IN THE PREVIOUS 10,000.

AN INCREASED NEED FOR HEALTH INNOVATION

The global population is aging (even more so in developing countries), health care costs are rising, and chronic diseases are increasing in prevalence driving a demand for a more efficient delivery system for patients and practitioners.

GLOBAL DIGITAL HEALTH MARKET EXPECTED TO GROW FROM $118 BILLION TO $223.7 BILLION BY 2020, A COMPOUND ANNUAL GROWTH RATE OF 45%.

AGRI-TECH – MARKET VALUE OF SMART FARMING APPLICATIONS IS EXPECTED TO REACH $233.4 BILLION BY 2022 GLOBALLY, RISING AT A COMPOUND ANNUAL GROWTH RATE OF 10.3% FROM 2017.

LIFE SCIENCES – ARTIFICIAL INTELLIGENCE (AI) AND MACHINE LEARNING APPLICATIONS IN HEALTH TECHNOLOGY VALUED AT $1.4 BILLION IN 2016, WITH EXPECTED ANNUAL 40% GROWTH RATE TO REACH $6.6 BILLION BY 2021.

CLEAN TECH – GLOBAL ACTIVITY IS ESTIMATED AT OVER $1 TRILLION AND EXPECTED TO EXCEED $2.5 TRILLION BY 2022.

ADVANCED MANUFACTURING – INTERNET OF THINGS (IOT) APPLICATIONS IN MANUFACTURING WILL GENERATE $1.2-$3.7 TRILLION OF GLOBAL ECONOMIC VALUE ANNUALLY BY 2025.

INDUSTRY 4.0 TECHNOLOGIES HAVE THE ABILITY TO BOOST THE PRODUCTIVITY OF THE WORLD’S FACTORIES BY 10-25%, ADDING 1-1.5% TO A NATION’S ANNUAL PRODUCTIVITY GROWTH.
THE EDMONTON METROPOLITAN REGION’S GLOBAL VALUE PROPOSITION

NATIONALLY DISTINCTIVE • INNOVATIVE • GLOBALLY RELEVANT

The Edmonton Metropolitan Region is well-positioned to meet the increased demand from an emerging global middle class and aging population. Our global value proposition is at the intersection of traditional sector strengths and their technology-driven transformations.

THE EDMONTON METROPOLITAN REGION POSSESSES UNDENIABLE POTENTIAL BOTH IN TERMS OF FORECAST POPULATION GROWTH AND BUSINESS INVESTMENT ACTIVITY.

NATIONALLY DISTINCTIVE • INNOVATIVE • GLOBALLY RELEVANT

MANUFACTURING / ADVANCED MANUFACTURING
- Metal & Machine Fabrication
- Artificial Intelligence & Machine Learning
- Industry 4.0 Technologies
- Internet of Things Applications in Manufacturing

HEALTH & LIFE SCIENCES
- Digital Health
- Applied Pharmaceutical Innovation
- Artificial Intelligence & Machine Learning Applications
- Health Data Analytics

ENERGY & CLEAN TECH
- Petrochemical Processing
- Energy Servicing
- Artificial Intelligence & Machine Learning Applications
- Renewables & Geothermal

FOOD & AGRICULTURE
- Hemp Processing
- Food & Beverage Processing
- Agri-Tech & AI / Machine Learning Applications for Food Safety
- Agri-Food Product Innovation

THE EDMONTON METROPOLITAN REGION:

+ FIFTH MOST PROSPEROUS REGION IN CANADA
+ NEARLY 1.43 MILLION PEOPLE + 725,000 JOBS
+ $105 BILLION GDP (30% OF ALBERTA’S GDP)

MANUFACTURING / ADVANCED MANUFACTURING
- Manufacturing / Advanced Manufacturing
  - Metal & Machine Fabrication
  - Artificial Intelligence & Machine Learning
  - Industry 4.0 Technologies
  - Internet of Things Applications in Manufacturing

HEALTH & LIFE SCIENCES
- Health & Life Sciences
  - Digital Health
  - Applied Pharmaceutical Innovation
  - Artificial Intelligence & Machine Learning Applications
  - Health Data Analytics

ENERGY & CLEAN TECH
- Energy & Clean Tech
  - Petrochemical Processing
  - Energy Servicing
  - Artificial Intelligence & Machine Learning Applications
  - Renewables & Geothermal

FOOD & AGRICULTURE
- Food & Agriculture
  - Hemp Processing
  - Food & Beverage Processing
  - Agri-Tech & AI / Machine Learning Applications for Food Safety
  - Agri-Food Product Innovation

Coopetition: Collaborating locally to compete globally

Edmonton Global was created by 15 municipalities to take the Edmonton Metropolitan Region’s global value proposition to the world. We use a collaborative approach to investment attraction and export promotion that incorporates data analysis, insights from key private and public stakeholders, and broader market intelligence into a process that aligns local strengths with international market trends and opportunities.
**THE INTERNATIONALIZATION IMPERATIVE**

"**THE EVIDENCE IS CLEAR THAT GREATER EXPORTS AND FOREIGN INVESTMENT ARE BENEFICIAL TO FIRMS, WORKERS AND METRO ECONOMIES. EVERY REGION CAN – AND MUST – BE GLOBAL IN ITS ORIENTATION TO TAKE ADVANTAGE OF THESE TRENDS, RATHER THAN BE TAKEN ADVANTAGE OF.**"

~ THE BROOKINGS INSTITUTE

**IN ORDER TO CAPITALIZE ON EMERGING GLOBAL OPPORTUNITIES, WE NEED TO INTERNATIONALIZE OUR ECONOMY AND BUSINESSES.**

**What is internationalization?**

For the economy, it’s increasing linkages to, and involvement in, international markets through FDI attraction, trade, and export promotion.

For a business, it’s taking steps to increase their footprint, or capture greater market share, by branching out into international markets.

**Why is it important for Canada and Alberta?**

Canada’s and Alberta’s economies are heavily dependent on internationalization and the global economy because our market size is too small to sustain all domestic production. Essentially, we can grow our economy by going global.

"**THOSE COMPANIES THAT DON’T WORK IN INTERNATIONAL MARKETS BECOME LESS COMPETITIVE AND MORE VULNERABLE.**"

~ IESE BUSINESS SCHOOL, FORBES MAGAZINE

**Benefits of Internationalization**

To put the benefits in terms of simple numbers: when countries increase their level of globalization by 1%, their GDP growth rises by 10-15 basis points. That’s a linkage we can’t afford to ignore with our inbound FDI and our GDP growth steadily on the decline.

**INCREASE IN INBOUND FDI FROM 2% TO 6% = ~$43 BILLION ADDED TO CANADA’S GDP**

**NEW CUSTOMERS**

**LOWERING COSTS**

**DIVERSIFICATION OF RISK**

**INCREASED COMPETITIVENESS**

**OPEN AVENUES TO RISING CORPORATE PROFITS**

**ACCESS TO INTERNATIONAL SUPPLY CHAINS AND BUSINESS PARTNERSHIPS**

**INTRODUCTION OF NEW TECHNOLOGY AND INNOVATION**

**INCREASED COMPETITIVENESS**
GOVERNMENT’S ROLE

CHALLENGE ORTHODOXIES • RE-EVALUATE COMPETITIVENESS • SET AMBITIOUS GOALS

CONCERNS AND HOPES ABOUT INTERNATIONAL INVESTMENT REVOLVE IN MANY WAYS AROUND WHAT GOVERNMENTS MAY DO.

The reality of the globalized economy is that competitors are not all offering identical products under the same conditions. Governments play an integral role in setting the conditions, ensuring stability and predictability, leveling the playing field and capitalizing on competitive advantages.

This forces us to question our core assumptions around competitiveness and productivity, take close note of the shifting landscape and move quickly to adapt. Many of our institutions, policies and regulations are based on a 20th century economic model, which means in many respects we are barely keeping up with our global competitors, let alone leading them.

We cannot compete in a 21st century data-driven globalized economy with a 20th century mindset.

Global Competitiveness Principles for Governments:

• Strive to regulate and operate at the speed of commerce, responding quickly to new and emerging global competitiveness trends
• Strive to continuously reform and strengthen traditional policy levers
• Have a strategy for promoting and enabling internationalization
• Create a culture of innovation and entrepreneurship both within government and in the broader public sector
• Know government’s role and operate within it to avoid being in the business of business

“THE WINNERS IN THE NEW ERA OF GLOBALIZATION WILL BE THOSE WHO CAN REALLOCATE RESOURCES WHILE QUICKLY ADOPTING STRATEGIES AND POLICIES TO TAKE Advantage OF THE TRENDS.”

~ PUBLIC POLICY FORUM
ADOPT A GLOBAL MINDSET

Whole-of-government systemic and cultural shift
1. That the Government of Canada and Government of Alberta ensure all of government is more focused on working with businesses and enabling new investment, economic growth, and creating an environment where risk, creativity and experimentation are applauded and rewarded. Attribute specific mandates and metrics for ministries and departments focused on collaboration, innovation and enabling economic growth.

Data-driven decision making
2. That the Government of Canada and Government of Alberta commission independent, sector-based, global competitiveness reviews of the province and country regularly, including an economic impact analysis of government programs and initiatives and an environmental scan of policy and regulatory changes in competing jurisdictions. Publish the details and use the data to inform policy changes to increase global competitiveness for investment attraction and economic growth.

A coordinated approach to investment attraction
3. That the Government of Alberta reform FDI attraction and export promotion efforts across all ministries to provide coordinated end-to-end investor care based on global best practices: government-funded, operationally independent, support from the highest political levels, employment of sectoral experts and strategies based on competitive strengths, use of private sector ambassadors and involvement of all relevant public and private sector agencies.

CREATE AN ENABLING ENVIRONMENT

Economy-enabling physical and digital infrastructure
4. That the Government of Canada and Government of Alberta take a strategic approach to infrastructure planning and funding with a coordinated 20-year economy-enabling infrastructure plan that includes a rolling list of high-priority, short-, medium- and long-term infrastructure needs (including ongoing maintenance) put through a competitiveness filter to prioritize projects that will enhance our global competitiveness, productivity, and market access.

5. That the Government of Canada and Government of Alberta leverage public-private funding mechanisms to invest in the required infrastructure to achieve 100% internet coverage across the Edmonton Metropolitan Region by 2025 – with unlimited data and a minimum of 100 Mbps download speeds and 50 Mbps upload speeds.

6. That the Government of Canada and Government of Alberta promote public-private collaboration to pool data assets through open big data libraries. For sensitive data, create data trusts that use an independent institution with trustees to make decisions about how data is collected, used and shared and ensure competitors have common levels of access.

Modernized taxation tools
7. That the Government of Canada and Government of Alberta implement a mandated and regularized review process that evaluates and reforms different components of the tax system annually based on the findings of economic impact analysis and global competitiveness reviews (see Recommendation 2).

8. That the Government of Alberta and Government of Canada each implement a broad-based tax credit, that can be leveraged together to focus on attracting anchor tenants in target sectors. The tax credit structure should align with global best practices: transparent criteria and process, ongoing intake, at least six years of certainty to align with corporate planning timelines, processing at the speed of commerce, and determined by open and clearly weighted criteria.

Growth-focused regulatory system
9. That the Government of Canada and Government of Alberta incorporate the objective of regulatory harmonization with key competitor jurisdictions into the government’s regulatory budgeting model so that departments are credited and penalized for regulatory changes that converge or diverge with other global standards. And include a mechanism for real-time public tracking on those key performance indicators.

10. That the Government of Canada and Government of Alberta include “innovation, economic growth and global competitiveness” as core considerations in the mandate of all regulators.

11. That the Government of Canada and Government of Alberta establish a mechanism for industry experts to advise regulators on an ongoing basis of unintended impacts of regulations and ways to mitigate or eliminate them and identify opportunities to achieve health and safety outcomes at the lowest cost to the economy.
Skills for the modern economy

15. That the Government of Canada and Government of Alberta partner to collect and analyze data on labour market supply and demand on an ongoing basis and make this information electronically available in real-time to the post-secondary and K-12 education institutions to facilitate informed and market-driven decisions about programming, research, and curriculum.

Retain international students

13. That the Government of Canada and Government of Alberta work together to create an international student retention program across all Alberta-based universities to fast-track work permits and immigration for international students in STEM fields who obtain full-time employment or pursue entrepreneurship in Alberta.

Empower Indigenous Peoples

14. That the Government of Canada fund Indigenous-led education at a rate comparable to average provincial per pupil K-12 funding and continue to direct funding to Indigenous-led programs that offer a tailored and culturally appropriate approach to Indigenous post-secondary education and employment training.

FOSTER WORLD CLASS INNOVATION

Scale for global growth

18. That the Government of Canada and Government of Alberta modernize innovation grants and tax credits so that the criteria are more in line with the kind of research that characterizes today’s digital era, the process is more in line with business timelines and practices, and the focus is on helping companies with high-growth and export potential scale up.

Speed to market

19. A) That the Government of Canada work with the Government of Alberta and relevant public and private sector stakeholders to implement a regulatory sandbox for new health technology commercialization and adoption within the Edmonton Metropolitan Region to enable early testing, validation, and idea-sharing related to regulatory options for emerging technologies that would increase efficiency, reduce costs, and have high export potential.

B) That the Government of Alberta work with industry to develop a clean technology regulatory sandbox in the Edmonton Metropolitan Region for testing, commercializing, and adoption of new technologies for the oil and gas sector that would increase efficiency, reduce costs, reduce carbon intensity and emissions, and have high export potential.

Facilitate digitization and adoption

20. That the Government of Canada and Government of Alberta support the establishment of a digitization and technology adoption program for Alberta businesses that identifies companies with high potential for growth and export, and assigns a case manager to help them assess opportunities for digitization and technology adoption and navigate implementation through the support of their local innovation ecosystem.