

Date: 2022-11-21

Subject: 2023 Economic Development Investment Attraction Missions

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Report Number: CAO's Office-2022-1004

Recommendations:

1. That the report titled: **2023 Economic Development Investment Attraction Missions (CAO's Office-2022-1004)**, to the Committee of Council Meeting of December 7, 2022, be received; and
2. THAT Council approve the planned 2023 Investment Attraction Missions, as outlined in this report; and
3. THAT the CAO, in consultation with the Director of Economic Development, be authorized to approve investment missions which are not currently on the list of 2023 Investment Missions as such opportunities arise, subject to alignment with the overall economic development strategy and 2023 budget; and
4. THAT the CAO, be authorized to approve participation by Mayor and members of Council in investment missions which are not currently on the list of 2023 Investment Missions as such opportunities arise.

Overview:

- **In 2021 and 2022, Economic Development successfully pivoted Investment Attraction Missions to virtual in response to global travel restrictions as a result of the COVID-19 pandemic.**
- **This report provides Council with an overview of the recommended 2023 Investment Attraction Missions as we return to international in-market activities.**

- **The recommended missions are based on data-driven analysis of which countries and sector of focus have the best opportunities for the City of Brampton in terms of investment attraction.**
- **Through these missions, Economic Development Staff are continuing their efforts to drive inward investment from international markets to the city.**

Background:

On June 5, 2019, Council approved the implementation of a Branding, Marketing and Foreign Direct Investment (FDI) Strategy to drive new investment and jobs in the city and to promote economic growth.

In the fourth year of this strategy, staff raised the City's profile as a competitive place to do business. By generating leads and place-branding activities with Virtual Investment Attraction Missions, the City has established a unique value proposition with global investors and attracted five new investments and five business expansions.

The economic impact of COVID-19 greatly reduced Canada's FDI numbers. The Statistics Canada report on Foreign Direct Investment (FDI) for the second quarter (Q2) of 2020 reported **FDI Inflow for the period was \$10.8B CAD**. For comparison, in 2019, Q2 results were \$20.3B, which reflects a decrease of 46.9% in Q2 of 2020 (Source: Invest in Canada, StatsCan).

The United Nations Conference on Trade and Development (UNCTAD) projected in June 2020 that [FDI flows will decrease by 40% globally](#) in 2020 and decrease a further 5% to 10% during 2021, to the lowest levels in the past 20 years. The Organisation for Economic Co-operation and Development (OECD) has published data that reveals [FDI flows are expected to fall by more than 30%](#) "even under the most optimistic scenario."

As a proportion of the total net flows for the quarter, Mergers and acquisitions represents, at 82.7%, the largest portion of FDI investment by type. This is followed by reinvested earnings at 13.9%, and lastly other flows at 3.3%. Though all of these types saw significant decreases when compared to the dollar amounts of Q2 2019, mergers and acquisitions saw a 57.4% growth as a proportion of the Q2 2020 net flows (mergers and acquisitions were 52.6% of net flows in Q2 2019.)

As pandemic restrictions eased in 2021, global business leaders resumed normal activities and put international expansion plans into action. Canada played a key role in their plans. Most investments came from global companies already operating in Canada, proving that once these companies choose Canada, they continue to reinvest over the long term.

Current Situation:

After executing international investment attraction initiatives virtually as a result of the COVID-19 pandemic, the Economic Development Office will return to in-market travel and initiatives. EDO is proposing Investment Attraction Missions for 2023 that would include the Mayor and designated members of Council. Staff will also carry out in-market initiatives to generate and manage investment leads.

These missions have been proposed based on data-driven analysis related to several factors including; previous international efforts in these markets, Brampton's diverse diaspora, demographic similarities, business retention and expansion, such as international headquarters with Brampton presence, and where other investment attraction partners are not actively engaged.

Missions will be focused on investment attraction in key international markets and Business Retention and Expansion (BR&E) targeting Brampton's priority sectors: Advanced Manufacturing, Food and Beverage Processing; Innovation and Technology; and Health and Life Sciences.

2023 Investment Attraction Missions

1. India (January)

Brampton has a longstanding and valued cultural and economic relationship with India. This mission will be a continuation of the in-market Investment Attraction Mission in January of 2020 and the virtual Investment Attraction Mission in 2021. In September of 2022, staff delivered an investment mission to India in effort to meet with in-market government representatives, prospective business investors and stakeholders to lay the groundwork for 2023.

The proposed mission in 2023 will include visiting four key cities based on ongoing investment attraction activities: Delhi, Ahmedabad, *Chandigarh* and Jaipur (TBC). Initiatives will include launching a special relationship with Ahmedabad.

There will be a focus on strategic economic development alliances, and on highlighting the success of Brampton's BHive, an initiative born as a result of the 2020 Investment Attraction Mission to India. Brampton BHive adds to Brampton's value proposition as a welcoming soft-landing pad for foreign companies through the Start-Up Visa Program.

2. Ireland (May/June)

Following up on a Virtual Investment Attraction Mission in 2021, staff visited Ireland in November, 2022 to identify strategic partners and influencers, and to fact-find the

innovation ecosystem. This mission will continue to develop opportunities and encourage company expansion, startup-exchange, and innovation in this market.

The mission will coincide with the Dublin Tech Summit, a two-day conference that sits at the heart of the international technology sector. It will feature more than 8,000 participants from around the globe and 200 global media representatives. There is an opportunity to highlight Brampton's value proposition as it relates to our Innovation District and focus on cybersecurity initiatives.

Along with attending the Dublin Tech Summit, Economic Development Staff will coordinate in-market investment meetings and opportunities to connect with prospective investors outside of the conference.

This proposed Mission will also include meeting with the Irish headquarters of businesses in Brampton and focus on the Medtech and Cybersecurity sector.

3. Portugal (Web Summit, November)

To coincide with Web Summit, staff are planning an Investment Attraction Mission to Lisbon, Portugal. Web Summit is a sister event to Collision in Toronto (June 2023) and RISE in Hong Kong (March 2024). It is the world's premier tech conference, which features more than 71,000 participants from around the globe including more than 2,300 start-ups and 2,000 international media partners. Brampton has been significantly engaged with Collision, not only in Toronto but also in Portugal, when the Mayor led a Mission to Lisbon in 2019.

Web Summit provides an opportunity for the City of Brampton to continue the momentum generated at the Collision Conference in Toronto, and engage technology start-ups and SME's by sharing Brampton's value proposition as it relates to the innovation and technology sector.

Along with attending Web Summit, Economic Development Staff will coordinate in-market investment meetings and opportunities to connect with prospective investors outside of the conference.

Other International Investment Attraction Activities

Economic Development Staff will continue to analyze other international opportunities to targeted countries and sectors (including the United States) and Business Retention and Expansion (BR&E) prospects. There will be an opportunity for the Mayor and members of Council to participate in these activities on an ad hoc basis. The proposed additional activities may include:

- Web Summit Japan, September 2023
- Minneapolis, USA, Business Retention & Expansion (BR&E)

A reverse Investment Attraction Mission will be organized with Caribbean and African governments and businesses.

Other opportunities will be identified by Post-Secondary Partners, where joint Missions or activities in market will arise.

Corporate Implications:

Financial Implications:

Sufficient funding is available to fund the 2023 Investment Missions in the following projects:

Project #	Project	Budget Available
181256 – 001	Branding-Marketing-FDI Strategy	\$381,561.83
201256 – 001	FDI Strategy	\$300,000.00
	Total	\$681,561.83

Any additional funds required for future missions will be requested as part of future capital budget submissions, pending Council approval.

Term of Council Priorities:

This report supports the pervious Term of Council Priority that Brampton is a “City of Opportunities”. Staff will ensure that this work aligns with new Term of Council Priorities once they have been established for this Term of Council.

Conclusion:

After more than two years of virtual investment attraction initiatives as a result of the travel restrictions imposed by the COVID-19 pandemic, there is a significant opportunity for the City of Brampton to attract new business investment by returning to in-market international activities. The Economic Development Office will continue to develop plans, projects and initiatives that focus on attracting investment in key markets to bring jobs and investment to the city.

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