

Economic Development and Trade

BUSINESS PLAN 2015–18

ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of October 15, 2015.

original signed by

Rachel Notley, Premier

THE MINISTRY

The ministry consists of the Department of Economic Development and Trade, which includes eleven international offices established in high-priority markets, as well as Alberta Enterprise Corporation and the arms-length Alberta Innovates Corporations (excluding Alberta Innovates – Health Solutions, which is accountable to the minister of Health). Although these arms-length entities have always been accountable to the minister and included in the government's consolidated financial statements, *Budget 2015* is the first time they are consolidated within the ministry for budget purposes.

Alberta Economic Development and Trade is focused on building a resilient, robust and dynamic economy for all Albertans. The ministry develops and implements economic development strategies and policies that will foster sustainable growth, support small and medium-sized enterprises, enhance market access to attract trade and foreign investment and leverage science and technology to make Alberta a world-leading knowledge economy.

LINK TO GOVERNMENT OF ALBERTA STRATEGIC DIRECTION

The desired outcomes and priority initiatives identified in this business plan are aligned with the strategic direction of the Government of Alberta.

STRATEGIC CONTEXT

From Alberta's highly educated workforce to its strong entrepreneurial spirit to its abundant natural resources, Alberta's economic advantages are considerable. At the same time, jurisdictions around the world are grappling with shifts in the global economy. These trends include intensifying competition, the spread of complex global supply chains, significant advances in technology and efficiency and new export opportunities resulting from strong growth in emerging markets. Alberta's approach to economic development, trade and innovation must adapt in response to this environment.

Economic Development and Trade will support economic development, advocating for increased trade and foreign investment and creating a world-class research and innovation system. By improving linkages between economic development, trade and investment attraction and science and innovation, the ministry will target the conditions that encourage job creation, sustainable growth and the formation of new and innovative economic sectors.

The ministry will deliver integrated and coordinated policies, programs and supports that will enable Alberta's private sector innovators and job creators to succeed. Alberta's businesses will have improved access to centralized and comprehensive services to assist them in navigating the complexities of locating investment capital, exploring new export opportunities, undertaking advanced industrial research, or commercializing a new product or process. The ministry will also play an important role in assessing the economic development implications of government policies and activities, and in collaborating with other ministries with an economic mandate.

The new ministry will lead efforts to position Alberta to take advantage of domestic and international trade agreements. The ministry's global presence, through a re-focused network of international offices, will also provide linkage points to promote the advantages of doing business in Alberta, form strategic partnerships and attract leading talent and ingenuity to Alberta. Communities throughout the province will also benefit from enhanced services to ensure that all regions in Alberta share in and benefit from opportunities available in the global economy.

Through these and other initiatives, Economic Development and Trade will lead efforts to ensure that Alberta continues to diversify its economy, strengthening existing sectors and finding new opportunities that will create jobs, attract investment and enhance market access for businesses.

DESIRED OUTCOMES, PRIORITY INITIATIVES, PERFORMANCE MEASURES, PERFORMANCE MEASURES UNDER DEVELOPMENT AND PERFORMANCE INDICATORS

Desired Outcome One: Alberta's economic environment is sustainable, diversified and knowledge-intensive

The important role for government in fostering economic development and increasing trade is as a catalyst capable of creating linkages and encouraging coordination. Government is also responsible for ensuring that the economic environment that businesses operate within is competitive and supportive. The enhanced clarity of its mandate will allow Economic Development and Trade to focus on removing barriers and create opportunities for businesses in a diverse array of industries and sectors where Alberta has competitive strengths. The ministry's vision is of broadly-shared economic prosperity that includes small and large businesses, supports growth in the province's regions and communities and creates high-quality, stable employment for Albertans.

Priority Initiatives:

- 1.1 Establish a premier's advisory committee to provide counsel on economic growth and diversification strategies and policies.
- 1.2 Create economic development strategies and policies to provide an overarching framework that identifies competitiveness challenges and sector opportunities for growth and investment.
- 1.3 Clarify roles and responsibilities within the research and innovation system, including key performance metrics for the Alberta Innovates corporations.

- 1.4 Launch a Small Business Research Innovation program, modelled on successful examples in the United States and the United Kingdom, that will support the commercialization of new products and services by providing funding, mentoring and connections for businesses.
- 1.5 Consult with Alberta businesses and entrepreneurs to determine best practices for expanding access to early and late-stage venture and growth capital, including examining the potential for micro-financing initiatives such as marketplace loans and equity crowdfunding.
- 1.6 Foster small business growth in communities and regions throughout Alberta by providing client-centered supports and services.
- 1.7 Provide current, comprehensive and easy-to-use economic data to facilitate investment and export development decision-making.

Performance Measure(s)

Performance measure(s) that reflect progress toward achieving outcome one are under development.

Desired Outcome Two: Trade and investment attraction contributes to Alberta’s economic resilience and prosperity

Trade and investment attraction is vital to Alberta’s economic success. In 2014, provincial exports totaled over \$121 billion in goods to over 195 countries. Economic Development and Trade promotes Alberta’s goods and services to target markets and supports businesses and firms through commercial services such as market intelligence and networking. The ministry will ensure a whole-of-government approach to fostering strong relationships with foreign governments and policy-makers based on understanding of common interests, which will open doors and create opportunities for Albertans. In keeping with the role of catalyst as noted above, the ministry can also serve as a linking agent in the formation of strategic partnerships between firms and stakeholders. Economic Development and Trade also leads Alberta’s participation in domestic and international trade negotiations, ensuring that provincial priorities are addressed and that modern trade agreements are built on effective rules-based systems that support the free flow of goods, labour and capital while protecting the public interest.

Priority Initiatives:

- 2.1 Support Alberta businesses by providing market intelligence and facilitating export development and investment attraction from targeted international markets. Consult with small and medium-sized businesses to ascertain and address export barriers.
- 2.2 Develop and implement a new trade strategy to guide efforts to increase market access for Alberta’s products and services.
- 2.3 Reframe the Alberta International Offices as trade and investment hubs that provide on-the-ground commercial services for businesses active in or looking to enter priority markets.
- 2.4 Advance and develop Alberta’s strategic international interests and relationships, in collaboration with provincial and federal stakeholders in the public and private sectors.

- 2.5 Negotiate and advocate for trade rules and frameworks that enable economic prosperity while protecting Alberta's social programs, environmental priorities and labour and social standards.
- 2.6 Anticipate, prevent and manage disputes and defend Alberta's interests under existing trade and investment agreements.
- 2.7 Assess foreign investment proposals to ensure alignment with Alberta's priorities.

Performance Measure(s)

Performance measure(s) that reflect progress toward achieving outcome two are under development.

STATEMENT OF OPERATIONS

Consolidated Financial Statements Basis

(thousands of dollars)	Comparable			
	2014-15 Actual	2015-16 Estimate	2016-17 Target	2017-18 Target
REVENUE				
Internal Government Transfers	5,053	-	-	-
Transfer from Alberta Heritage Science and Engineering Research Endowment Fund	35,000	34,800	35,300	35,500
Transfers from Government of Canada	145	-	-	-
Investment Income	(1,321)	1,437	1,133	1,140
Premiums, Fees and Licences	260	2,742	3,015	3,165
Other Revenue	67,534	58,714	65,839	68,838
Inter-Ministry Consolidation Adjustment	(42,121)	(34,969)	(35,682)	(36,106)
Total	64,550	62,724	69,605	72,537
EXPENSE				
Ministry Support Services	7,526	9,724	9,764	9,764
Trade Policy	1,389	2,031	2,069	2,069
International Relations	20,017	23,650	23,543	23,630
Economic Development and Innovation	75,482	78,368	95,388	97,586
Alberta Enterprise Corporation	817	25,850	25,870	888
2013 Alberta Flooding	275	75	-	-
Alberta Innovates Corporations	221,392	228,106	227,636	231,154
Inter-Ministry Consolidation Adjustment	(91,204)	(68,954)	(66,869)	(66,791)
Total	235,694	298,850	317,401	298,300
Net Operating Result	(171,144)	(236,126)	(247,796)	(225,763)
CAPITAL INVESTMENT				
Ministry Support Services	-	25	25	25
Alberta Innovates Corporations	4,847	4,796	6,000	6,000
Total	4,847	4,821	6,025	6,025