

BUDGET 2020

GOVERNMENT OF ALBERTA | 2020-23

Ministry Business Plan

Economic Development, Trade and Tourism

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Business Plan 2020-23

Ministry Mandate and Structure

Economic Development, Trade and Tourism leads efforts to grow Alberta’s economy by delivering strategic programs and services to support Alberta’s entrepreneurs and job creators, attract investment, grow trade, strengthen Alberta’s tourism sector, and ensure Alberta has an innovative and competitive business environment.



A more detailed description of Economic Development, Trade and Tourism and its programs and initiatives can be found at: www.economic.alberta.ca.

The Ministry of Economic Development, Trade and Tourism is committed to the ongoing review of programs and services to ensure that the best possible outcomes are being achieved for Albertans. As part of this ongoing review, the ministry is committed to reducing red tape to make life easier for hard-working Albertans and businesses. This includes reducing regulatory burden and unnecessary processes to encourage economic growth and job creation; and make Alberta one of the freest and fastest moving economies in the world. The ministry is committed to working towards achieving the one-third reduction in the number of regulatory requirements in its statutes, regulations, policies and forms by 2023.

Ministry Outcomes

- Alberta entrepreneurs, businesses and communities are supported to drive growth and job creation
- Investment is attracted, retained and expanded in Alberta and trade is grown
- Alberta’s innovation system is optimized to support economic growth
- A strong tourism sector creates jobs and economic growth in Alberta

Outcome 1

What We Want To Achieve

Alberta entrepreneurs, businesses and communities are supported to drive growth and job creation

The ministry works to unleash the potential of Alberta entrepreneurs, businesses and communities to drive job creation and grow our economy. Economic Development, Trade and Tourism focuses on removing policy and regulatory barriers to growth and government red tape as Alberta returns to its proud tradition of a free enterprise economy. The Ministry also delivers programs and services to address constraints on trade, access to capital, and provides timely and relevant information to support business development and attract investment. With the help of Alberta Enterprise Corporation and Travel Alberta, and advice from the Northern Alberta Development Council, the ministry works to ensure that Alberta's job creators have the supports they need to grow and thrive, paving the way to make life better for all Albertans.

Key Objectives

- 1.1 Work with other Alberta ministries to drive innovation and job creation by making Alberta the most attractive place in North America for businesses wanting to expand and hire.
- 1.2 Ensure that recommendations from business leaders inform government red tape reduction initiatives to restore the Alberta advantage by providing leadership on conducting red tape reduction industry panels.
- 1.3 Grow Alberta's film and television industry and help Alberta compete for major media projects.

Initiatives Supporting Key Objectives

- A total of \$97 million will be provided over three fiscal years from 2020-21 to the 2022-23 to implement an Alberta Film and Television Tax Credit on eligible labour and production expenses to attract medium and large film and television productions to Alberta in support of the province's cultural industries.

Performance Metrics

1.a Performance Indicator: Private sector employment

In 2019, private sector employment increased by 2.8%. An increase in private sector employment is an indication that Alberta's tradition of free enterprise is alive and well regardless of the challenges of the past few years. (Source: Statistics Canada, January 2020)

1.b Performance Indicator: Alberta self-employment

In 2019, there were nearly 363 thousand Albertans self-employed, a decrease of 9.6% over 2018. A decrease in self-employment indicates that there were greater opportunities with more established private sector companies than for individual entrepreneurs over that period. (Source: Statistics Canada, January 2020)

Outcome 2

What We Want To Achieve

Investment is attracted, retained and expanded in Alberta and trade is grown

The ministry works to ensure that investment in the province and trade continue to grow the economy and to create new jobs. Economic Development, Trade and Tourism works with other Alberta ministries to attract, retain and expand investment in the energy, agriculture, tourism, technology, aerospace, and finance sectors. The ministry works in collaboration with internal and external stakeholders to lead the development and implementation of the Government of Alberta's Investment and Growth Strategy to ensure Alberta is

the best place to invest and do business. Under the strategy, the ministry works with its partner ministries to increase the province's competitive advantage, improve the investment attraction ecosystem, and raise Alberta's reputation as an investment destination. Through the Alberta Enterprise Corporation, Economic Development, Trade and Tourism works to attract venture capital investment to the province.

Key Objectives

- 2.1 Implement an Investment and Growth Strategy to foster an economy that creates jobs and wealth while rebuilding Alberta's reputation as the best and most responsible place to do business.
- 2.2 Enhance services and expertise available to investors and investment attraction partners in order to attract and expand international and domestic investment into Alberta. This will include establishing a new investment attraction agency to provide services to support high-value, high-impact investment opportunities and to promote Alberta as an investment destination.
- 2.3 Work with the innovation and venture capital community to expand venture capital investment into Alberta technology companies.
- 2.4 Advance a free trade agenda by actively supporting Alberta's interests in international negotiations and disputes, including U.S. Buy American policies and the softwood lumber dispute, and support Alberta companies' export development.

Initiatives Supporting Key Objectives

- A total of \$75 million will be invested over three fiscal years from 2020-21 to the 2022-23 to cultivate investment opportunities within Canada, the U.S. and globally, leveraging existing globally scaled networks and advice from industry and the investment community, and through technology-based solutions for lead generation and marketing strategies.
- In 2020-21, \$1.85 million in support will be provided to Alberta Enterprise Corporation to attract venture capital to Alberta through Alberta Enterprise Corporation investments.

Performance Metrics

2.a Performance Measure: Cumulative value of Alberta Enterprise Corporation attracted venture capital funds (and their syndicate partners) invested in Alberta businesses (\$ millions)

In 2018-19, the cumulative value of funds invested in Alberta businesses was \$495 million. These investments provide Alberta knowledge-based businesses access to capital that enables them to start up or grow.

TARGETS (\$ millions)

2020-21:	532
2021-22:	593
2022-23:	665

2.b Performance Indicator: Non-residential investment per capita in Alberta

In 2018, non-residential investment per capita in Alberta was \$14,051, down from \$14,197 in 2017. An increase in non-residential investment in Alberta is desired as it is an indication of Alberta's success in creating an attractive investment climate. (Source: Statistics Canada, February 2019.)

2.c Performance Indicator: The total value of Alberta's exported products

In 2019, the total value of Alberta's exported products was \$117.0 billion, a slight decrease of 0.6% from 2018. This compares with Canada's overall growth of exports of 1.1%. The total value of Alberta's exported products is an indication of Alberta's progress in growing trade in global markets. (Source: Statistics Canada, February 2020.)

Outcome 3

What We Want To Achieve

Alberta's innovation system is optimized to support economic growth

The ministry works to ensure a smarter approach to innovation, which will modernize Alberta's economy and create new and better jobs for Albertans. Through a simplified and streamlined innovation approach, Economic Development, Trade and Tourism ensures that Alberta entrepreneurs, post-secondary institutions and businesses are better able to access innovation funding and other innovation supports. Through its partnership with Alberta Innovates, and with the advice of the Alberta Research and Innovation Advisory Committee, the ministry supports and accelerates research, innovation and entrepreneurship to grow globally competitive enterprises in Alberta. The ministry will continue to explore opportunities to streamline and modernize processes, reduce red tape and remove unnecessary burdens.

Key Objectives

- 3.1 Reduce duplication and coordinate across the many innovation agencies and organizations in the province while ensuring investments of public money have a clear 'return on investment' criteria.
- 3.2 Change the current approach to innovation funding by simplifying the way start-ups and growth companies secure public and private funding.
- 3.3 Measure Alberta's innovation performance against leading global research and government networks in key innovation hubs like California, Texas, Israel, London and Hong Kong.
- 3.4 Establish the most effective intellectual property framework for the commercialization and entrepreneurial application of innovative research and development from Alberta's universities and colleges.
- 3.5 Collaborate with Service Alberta to identify and apply technology and process improvements that can help deliver public services faster, more securely and at lower costs.

Initiatives Supporting Key Objectives

- In 2020-21, \$184 million will be invested to provide streamlined research, innovation and commercialization investments and programming through Alberta Innovates and grants to innovation organizations and post-secondary institutions to develop and advance talent, grow sectors, leverage funding and attract investment.

Performance Metrics

3.a Performance Measure: Sponsored research revenue attracted by Alberta's comprehensive academic and research universities (\$ millions)

In 2018-19, Alberta's comprehensive academic and research universities attracted \$1,013 million in sponsored research revenue. The ability of Alberta universities to attract research funding is an important measure of the capability and capacity for research and innovation in the province. (Source: Alberta's comprehensive academic and research universities, January 2020.)

TARGETS (\$ millions)

2020-21:	1,033
2021-22:	1,054
2022-23:	1,075

3.b Performance Measure: Net Small and Medium Sized Enterprises (SME) revenue growth for every \$1 of Alberta Innovates funding (\$ dollars) *(Result and targets are for seven entrepreneurial investment programs delivered by Alberta Innovates, based on 5-year rolling window.)*

In 2018-19, the net SME revenue growth was \$6.29 for every \$1 of funding from Alberta Innovates. The growth of innovative Alberta SMEs is an important factor in the province's economic growth.

(Source: Alberta Innovates, October 2019.)

TARGETS (\$ dollars)

2020-21:	6.02
2021-22:	6.14
2022-23:	6.26

3.c Performance Measure: Percentage of Alberta Innovates-funded revenue-generating SMEs that export *(Result and targets are for seven entrepreneurial investment programs delivered by Alberta Innovates, based on 5-year rolling window.)*

In 2018-19, 42% of Alberta Innovates funded SMEs exported their products and services. Exports are an important measure of SME growth potential and access to new markets. *(Source: Alberta Innovates, October 2019.)*

TARGETS

2020-21:	42%
2021-22:	44%
2022-23:	46%

Outcome 4

What We Want To Achieve

A strong tourism sector creates jobs and economic growth in Alberta

The ministry delivers strategic programs and services intended to grow tourism spending in Alberta to \$20 billion by 2030. Economic Development, Trade and Tourism, including Travel Alberta, works closely with internal and external stakeholders and partners to grow the sector by diversifying Alberta's tourism destinations, product offerings and seasonal visitation. This is done through a whole of government approach towards destination development and management. A vibrant tourism sector supports trade, investment, immigration and international student recruitment to Alberta.

Key Objectives

- 4.1 Build capacity of communities, businesses and government stakeholders to support and grow tourism. This will include working with the federal government and airport authorities in Calgary and Edmonton to secure additional flights to Alberta from tourist source countries.

- 4.2 Create a competitive and attractive tourism business environment with transparent and supportive policies and regulations.
- 4.3 Grow new, expanded and refreshed tourism product in support of destination and seasonal diversification.
- 4.4 Deliver targeted strategic marketing to grow tourism revenues.
- 4.5 Strengthen Alberta's competitive position by building on the strength of Alberta's tourism brand and growing prioritized tourism experiences. This will include working to implement a 10-year Tourism Strategy with tourism stakeholders recognizing the role that the private sector can play in assisting government in promoting Alberta.

Initiatives Supporting Key Objectives

- In fiscal 2020-21, \$38 million will be provided to Travel Alberta, the provincial tourism-marketing agency for the Government of Alberta, to deliver a strong Alberta tourism brand and manage national and international tourism marketing programs, services and activities.

Performance Metrics

4.a Performance Indicator: The annual volume of all tourism-related visitations

In 2017, the annual volume of all tourism-related visitations was 36,879,000 up from 34,772,000 in 2016. An increase in all same day and overnight visits by domestic visitors, as well as overnight visits for international visitors to our province, is an indication of Alberta's success in growing its tourism sector. *(Source: Statistics Canada, September 2019. Most recent data available.)*

4.b Performance Indicator: Tourism-related expenditures in Alberta by visitors

In 2017, tourism related expenditures totaled \$8.9 billion, up from \$8.5 billion in 2016. An increase in all spending by same day and overnight domestic visitors, as well as overnight spending by international visitors to our province, is an indication of Alberta's success in growing its tourism sector. *(Source: Statistics Canada, September 2019. Most recent data available.)*

STATEMENT OF OPERATIONS

(thousands of dollars)	Comparable			2020-21 Estimate	2021-22 Target	2022-23 Target
	2018-19 Actual	2019-20 Budget	2019-20 Forecast			
REVENUE						
Internal Government Transfers	119,134	93,730	93,730	88,730	88,730	88,730
Transfers from Government of Canada	5,244	4,000	4,000	1,000	1,000	1,000
Investment Income	796	6,350	12,150	2,350	2,350	2,350
Net Income from Government Business Enterprise	(3,322)	-	(3,000)	(900)	(300)	15
Premiums, Fees and Licences	296	390	390	390	390	390
Other Revenue	41,639	45,737	42,937	42,545	42,505	42,545
Ministry Total	163,787	150,207	150,207	134,115	134,675	135,030
Inter-Ministry Consolidations	(121,415)	(99,859)	(99,859)	(91,753)	(91,753)	(91,753)
Consolidated Total	42,372	50,348	50,348	42,362	42,922	43,277
EXPENSE						
Ministry Support Services	11,722	10,428	9,963	14,621	14,618	14,368
Tourism and Economic Development	161,273	141,320	140,215	122,162	130,495	142,330
Investment Attraction and Trade	25,772	22,399	22,749	36,279	35,279	34,554
Alberta Enterprise Corporation	1,847	1,850	1,840	1,850	2,850	2,850
Investment Attraction Agency	-	-	-	6,000	6,000	6,000
Climate Change	2,867	-	-	-	-	-
Alberta Innovates Corporation	260,535	202,425	202,225	191,201	190,801	188,541
Ministry Total	464,016	378,422	376,992	372,113	380,043	388,643
Inter-Ministry Consolidations	(125,374)	(83,587)	(83,587)	(83,587)	(83,587)	(83,587)
Consolidated Total	338,642	294,835	293,405	288,526	296,456	305,056
Net Operating Result	(296,270)	(244,487)	(243,057)	(246,164)	(253,534)	(261,779)
CAPITAL INVESTMENT						
Ministry Support Services	24	25	25	25	25	25
Tourism and Economic Development	9	-	-	-	-	-
Investment Attraction and Trade	-	-	-	1,500	1,500	1,500
Alberta Innovates Corporation	7,311	14,750	14,750	10,750	10,750	10,750
Consolidated Total	7,344	14,775	14,775	12,275	12,275	12,275