

Selling Alberta to the world

An investment and growth strategy





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Overview

In early 2020, after years of economic decline, Alberta was embarking on a path to economic recovery. At that time, no one could have anticipated the devastating consequences the COVID 19 pandemic and the resulting energy price crash would have on our economy.

While the last several months have been a setback, the Alberta government's goal remains the same as it was pre-pandemic: return Alberta to its rightful position as the best place in the world to invest, run a business, visit, work, and raise a family.

Alberta's Recovery Plan, developed with the advice and input of the Economic Recovery Council, is guiding us through the early stages of our response to the pandemic, as it puts us back on course for long-term financial sustainability. Now, more than ever, we need to attract job-creating private sector investment from across Canada and around the world.

The Investment and Growth Strategy is our plan to do just that.

Private sector investment is a critical driver of sustained prosperity and job growth. Over the past two decades, Alberta led Canada in attracting foreign investment; much of it centered on energy sector projects as Alberta's natural resources became integral to the global energy economy. This private sector investment positioned Alberta as Canada's most prosperous economy and created hundreds of thousands of well-paying jobs.

Over the past three years, however, Alberta's share of foreign investment has declined markedly. At a time of uncertainty, global investors reduced their exposure to Alberta's energy sector, significantly slowing the flow of major projects and putting the brakes on any major expansion of our economy.

Reversing the decline in investment is the core challenge facing Alberta's economy. As we have in the past, Albertans must come together to meet this challenge and create jobs for today and a legacy of prosperity for tomorrow. We will achieve this through our resilience, entrepreneurial mindset, innovation, and focus on diversification.

Our province offers a diverse set of opportunities for domestic and international investors; from multibillion-dollar investments in Alberta's oil and petrochemical sector to world-scale renewable energy projects, and from new food and forestry value-added opportunities to early stage venture capital investments.

Few places in the world offer Alberta's combination of talent, market access, security and resources. While the competitive environment has grown tougher, Alberta continues to have tremendous advantages, and more than enough strength to compete on a global stage.

The Alberta government is making important decisions to shape Alberta's immediate recovery efforts, while determining what the province must do to position itself for a return to economic certainty in the future. Local factors play into investors' decision-making, and we are working to create the conditions for investment and job growth in our province.

In today's competitive global economy, we must take every opportunity to improve our standing, in ways that matter to investors. Businesses thrive in an environment that supports their growth and success, and the Alberta government has undertaken significant measures to improve Alberta's competitive position, including:

- lowering corporate taxes,
- eliminating barriers that hinder the ability to do business,
- training and retraining Albertans to meet labour market demand, and
- making strategic investments to rebuild the economy.

Overview

We are building a future for further economic growth, and new jobs across the province. Alberta's Investment and Growth Strategy lays the foundation for that growth by putting in place a strategic framework that not only tells the world Alberta is still open for business, but proves it through a number of significant actions:

- Setting up a new investment attraction agency to lead an aggressive global marketing strategy that will target key growth sectors and provide concierge service to the most promising investors in those sectors.
- Ensuring business leaders and major investors everywhere are aware of Alberta's advantages, including its top post-secondary institutions, leading research facilities, entrepreneur-driven companies, world-class infrastructure and modern, dynamic and livable cities.
- Promoting Alberta as a hub -- not just for conventional energy -- but also for energy diversification such as geothermal, renewables and minerals; artificial intelligence; value-added food processing with market access to major global economies; aviation, logistics, and aerospace; and financial services.
- Committing to investors that Alberta will deliver consolidated services with partner governments and agencies. This ensures investors receive the quick and accurate access to opportunities, information, and answers they want, especially in emerging sectors.
- Focusing and rebalancing Alberta's trade and investment attraction presence in key domestic and international markets. This will help grow investment in Alberta's principal industries: energy, agriculture, and tourism, as well as our enabling sectors that have high potential: technology, aviation, aerospace, logistics, and financial services; leading to jobs across the province.

This includes demonstrating the high environmental, social and governance (ESG) performance of Alberta's energy companies and government's efforts to regulate the energy sector without sacrificing safety and sustainable, responsible resource development.

- Serving as a gateway for potential investors and businesses seeking to increase their competitive edge through Canada's many international trade agreements with the U.S. and other world markets. These agreements offer opportunities for firms seeking stable access in key international markets such as Asia, the European Union, Mexico and the U.S.
- Continuing to engage with Alberta businesses, organizations and other levels of government to ensure Alberta succeeds. We will monitor the implementation of this strategy and if needed, make adjustments along the way to maximize the benefits to Albertans.

All initiatives under the Investment and Growth Strategy will position Alberta as an appealing place to invest and do business as we reopen our economy. We are showing the world that Alberta's entrepreneurial spirit will endure with determination and confidence.

Selling Alberta to the world

Alberta is an attractive and compelling place for investment from around the world thanks to our low taxes, a skilled workforce, and an affordable, high quality of life.

As we begin to reopen our economy, Alberta needs to be ready for the months and years ahead as we recover from the economic downturn due to COVID-19 and the energy price crash.

The world needs to know Alberta is open for business and is still one of the most vibrant places to do business and invest.

Our strengths and competitive advantages

CORPORATE TAX CUT



The Job Creation Tax Cut lowered the corporate tax rate from 12% to 8%.

1/3 RED TAPE REDUCTION



The Red Tape Reduction Act aims to cut regulations by a third over three years.

HIGHLY EDUCATED WORKFORCE



71% of the workforce 25 years and older has a post-secondary certificate or diploma.

Selling Alberta to the world

Strong Environmental, Social and Governance (ESG) performance

Canada, Denmark and Norway are oil producing countries with the highest environmental, social and governance performance.

Alberta has among the highest environmental, human rights and labour standards of any major energy producer.

The province adheres to the principles that energy resource development must be environmentally sustainable and socially responsible by regulating industry and investing in new technologies that reduce emissions.

Competitive Tax Environment

At 8%, Alberta has the lowest corporate tax rate in Canada. We accelerated the Job Creation Tax Cut by lowering the tax rate to 8% on July 1, 2020, one and a half years sooner than our target of January 1, 2022.

Alberta now has one of the lowest corporate tax rates in North America.

The small business tax rate remains at a competitively low level of 2%.

Compared to other provinces, Alberta continues to offer an overall tax advantage with no provincial sales tax, no payroll tax and no health premium.

Making it easier to do business

The Alberta government is committed to taking Alberta from the most over-regulated to the freest economy in Canada. In its 2020 red tape report, the Canadian Federation of Independent Business gave Alberta its highest-ever grade when it comes to removing government regulations that put a burden on small businesses.

Strong Economic Fundamentals

With only 12% of the Canadian population, Alberta attracts nearly 22% of all non-residential capital investment in Canada.

Alberta accounts for more than 21% of all Canadian goods exported internationally.

The province has the highest provincial GDP per capita in Canada.

Talent

The province has a young, diverse, highly educated and skilled workforce with talent in many fields available to support new investments and growth.

Alberta is a province of self-starting entrepreneurs and consistently leads the country in many measures of small business and entrepreneurial success.

On average, the province's 4.4 million people are the youngest of all Canadian provinces, with a median age of 36.9 years.

Of Alberta's workforce, aged 25 years and over, 71% have a post-secondary certificate or diploma.

Hot Spot for Innovation

Recognized in Canada and internationally, Alberta is a leader in research and development, bringing new technologies to market.

Alberta is a world leader in post-secondary research across multiple sectors such as agriculture and agri-foods, energy, health sciences, advanced technology and more.

The province is one of Canada's three major artificial intelligence hubs.

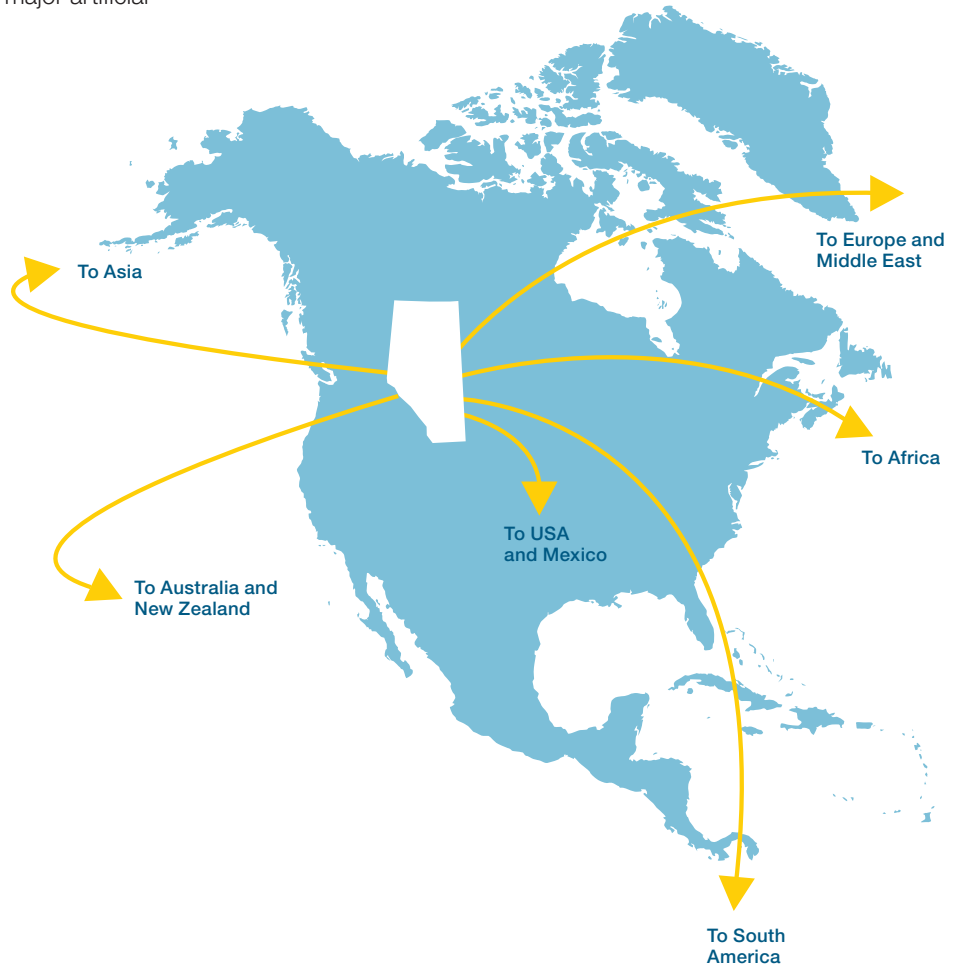
Low cost jurisdiction

Compared to other urban centres, Alberta's major cities have an abundance of competitively priced office, commercial and industrial space, offering businesses opportunities for expansion and relocation in the province.

Alberta is a gateway to the U.S. and other world markets

Alberta's access to domestic, U.S. and other world markets where Canada has established trade agreements offers benefits to investors and businesses that can grow and increase their competitiveness.

Alberta has better market access than competitor jurisdictions outside of Canada; more so than any other G8 country.



Strategy framework

Vision

Alberta is the best place to invest, run a business, visit, work and raise a family.

Our vision builds on Alberta's strengths and competitive advantages. We will attract job-creating private sector investment from across Canada and around the world to make Alberta's economy the most dynamic in North America, and to make our province the best place in the world to live, work and raise a family.

Objective

Increase employment, non-residential capital investment, and GDP in Alberta.

We will leverage our strengths to support further economic diversification, innovation, business attraction and investment in key sectors.

Outcomes

OUTCOME 1

Alberta's competitive advantage is increased.

OUTCOME 2

Alberta's investment attraction ecosystem is improved.

OUTCOME 3

Alberta's reputation as an investment destination is raised.

Key initiatives

Target critical sectors for investment growth and retention.

Create the conditions for innovation to transform Alberta's economy into the future.

Establish evidence-based methodologies to measure success.

Re-align government's investment attraction capacity to provide customized services.

Re-align government's international office network to bolster investment attraction in key markets.

Invest in tools and technologies that drive investment decisions and opportunity identification.

Strengthen relationships with investment attraction agencies, governments and others to leverage opportunities, shared priorities and investment readiness.

Market Alberta as a key investment destination.

Leverage existing and new investment attraction and trade events to promote Alberta's unique value-proposition.

Increase proactive identification of new investors, clients and businesses.

Principal sectors



Energy



Agriculture



Tourism

Enabling sectors



Finance /
FinTech



Aviation /
Aerospace /
Logistics



Technology /
Innovation

Outcomes and key initiatives

The Investment and Growth Strategy, anchored by three principal outcomes, has its own suite of initiatives that are vital for economic growth, job creation, business retention, and investment attraction.

OUTCOME 1 Alberta's competitive advantage is increased



Target critical sectors for growth and retention to more strategically grow investment.

Communicate and define the value-proposition for each of Alberta's principal and enabling sectors.

- Principal Sectors – Energy, Agriculture and Tourism
- Enabling Sectors – Technology, Aviation, Aerospace, Logistics, and Financial Services

Monitor and support the establishment and/or growth of sector clusters that generate their own investment momentum.

Identify and address strategic transportation, infrastructure, talent gaps and industry supply-chain barriers that deter investment into principal and enabling sectors.

We are working hard to **re-establish global confidence in Alberta** as a vibrant jurisdiction that welcomes innovation, commercialization, and job creation.

Create the conditions for innovation to transform Alberta's economy into the future.

Develop a forward-looking and broad-based innovation strategy.

Develop a mechanism to drive innovation capital.

Invest in solutions that will support transition from applied research to commercialization.

Commit to lead on artificial intelligence, machine learning and clean technology.

Establish data/evidence based methodologies to measure success.

Monitor Alberta's competitiveness in comparison to competing jurisdictions and develop strategies to address areas for improvement.

Monitor Alberta's investment attraction competitiveness and associated factors in comparison to competing jurisdictions to evaluate progress.

Invest in solutions that will enable ongoing effective measurement, evaluation and reporting of investment attraction outcomes.

OUTCOME 2

Alberta's investment attraction ecosystem is improved



Re-align the Alberta government's investment attraction capacity to provide customized service to investors and other clients.

Establish a new investment attraction agency to focus on high-value, high impact investment opportunities.

Develop a service delivery model that provides seamless end-to-end concierge service for investors across orders of government, government departments and agencies.

Implement a new governance model to coordinate investment attraction activities across ministries and clearly define accountabilities for addressing barriers to investment and helping investors navigate government and regulatory processes.

Continue to develop the Alberta investment attraction website as a one-stop shop for investors.

Re-align the Alberta government's International Office network to bolster investment attraction efforts in key markets.

Adjust Alberta's international offices in Asia, Europe and North America to support the actual scale of investment opportunities.

Reposition Alberta International Offices to fall under the authority and direction of a new investment attraction agency.

Establish strategic presence in Canada, the U.S. and Europe to bolster investment attraction efforts.

Strengthen Alberta's International Office investment attraction focus.

Leverage the federal government's Trade Commissioner Service, its senior diplomatic representatives around the world, and the Invest in Canada Agency to better leverage Canada's existing tools in international markets to promote Alberta investment opportunities.

Invest in tools and technologies that drive investment decisions and enable improved opportunity identification

Develop a platform to highlight Alberta investment opportunities and value propositions for potential investors.

Develop a platform for all orders of government and intermediaries to facilitate connecting potential investors with relevant local Alberta investment opportunities.

Strengthen relationships with investment attraction agencies, governments and intermediaries to leverage opportunities, encourage shared priorities and improve investment readiness.

Develop and implement geographic investment strategies to focus on leveraging relationships with intermediaries, job creators and business organizations that will create investment activity.

- Canada Investment Strategy
- U.S. Investment Strategy
- Global Investment Strategies focused on target markets

Work with the federal government and likeminded provinces to deliver consistent messaging and facilitate regulatory efficiency improvements that advance investment.

Provide services that help collaborators and intermediaries develop investment business cases, value-propositions, investment pitches, marketing materials and online tools that improve investment readiness and follow-up.

Establish regular consultations with all orders of government to strengthen relationships, maximize municipal involvement, and maintain awareness of provincial and regional priorities.

Engage with and leverage the expertise of sector associations and businesses to develop targeted sector strategies.

We will put in place **new investment support services** that will lead to more investor engagement and coordination across governments with input from investors and companies.

Outcomes and key initiatives

OUTCOME 3

Alberta's reputation as an investment destination is raised



Market Alberta as a key investment destination

Develop and implement a strategic marketing plan focused on priority markets and sectors, ensuring Alberta is recognized as a leader in innovation, responsible energy development and safe and abundant food supply.

Coordinate marketing activities with investment attraction collaborators and other levels of government.

Leverage existing, and build new, investment attraction and trade promotion events to highlight Alberta and its unique value-proposition

Until travel restrictions and enforced lockdowns are lifted around the world, make the most of virtual trade shows and investment expos amid the COVID-19 pandemic.

Develop a strategy to leverage missions, trade shows and key investment-focused events more effectively, once travel and public events re-emerge.

Increase proactive identification of new potential investors, clients and businesses

Target sovereign wealth funds and large private equity funds.

Develop a plan to foster new business-to-business relationships.

We need the world to know there are **many business opportunities that exist in Alberta** and that our actions back our claims: that we're open for business.



Next steps

The Alberta government will work with our partners across governments and industries to carry out the many elements of the Investment and Growth Strategy.

The provincial government plays an important role between investors and the Government of Canada. The federal government is often the first contact for international investors seeking information on investing in Canada and Alberta's municipalities, which compete with communities around the world as destinations for investment.

Consistently successful investment attraction requires coordinated efforts by federal, provincial and municipal agencies. The Alberta government will take positive steps to ensure better information flow, common identification of opportunities, and targeted messaging to investors.

We also recognize the unique and vital roles Alberta's municipalities play in providing support and facilitation to concrete on-the-ground investment projects and operations. The investment attraction agency, together with relevant provincial government ministries, will form collaborative strategic partnerships with our cities, towns and counties. This will better underpin and enable them to play their part in securing investments and creating quality jobs.

The province will also leverage the expertise of industry associations and businesses to advance investment opportunities and value-propositions to retain existing investors, to attract new investors, and help create jobs.

The Alberta government will compile regular reports on our progress in achieving outcomes through measures that evaluate the strategy's effectiveness. This could include new initiatives that may emerge once the strategy is underway.

Alberta has long been the number one choice for investment from around the world thanks to our low taxes, skilled workforce and strong communities. We will continue to advance initiatives that re-establish confidence in our province as a vibrant jurisdiction that welcomes innovation, commercialization and job creation. We will make Alberta one of the most attractive investment destinations in North America.

