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INTERNATIONAL INVESTMENT ATTRACTION AND EXPORT DEVELOPMENT PROGRAMS UPDATE

The Planning and Economic Development Committee recommends the adoption of the recommendation contained in the following report dated December 6, 2010 from the Commissioner of Planning and Development Services.

1. RECOMMENDATION

It is recommended that:

1. This report be circulated by the Regional Clerk to local municipal economic development officers, chambers of commerce and board of trade.

2. PURPOSE

Provide an overview of progress in the implementation of the International Investment Attraction and Export Development Programs in 2010 and provide preliminary guidelines for the 2011 business plan under a joint international business development framework.

3. BACKGROUND

Proactive, cost effective and results driven approach for the attraction of international investments and business into York Region

The International Investment Attraction program was launched in August 2009 as a key component of the York Region Economic Development Marketing and Communication Strategy to influence foreign corporations to expand into the Region. Program objectives and components were approved by Regional Council on November 20th 2009.

Sales and marketing activities are aimed at generating investment leads and building awareness in select foreign markets and locally to promote York Region as a location of choice for businesses investment and growth. The program's business plan consists of these core elements:

1. Prospecting and lead generation at select international trade and industry events
2. Business development visits to select foreign markets that have potential and capacity in key York Region sectors. Initial focus has been on mid-size U.S. city regions
3. Marketing and awareness building such as a website (www.investinyork.ca), investor toolkit, sectoral brochures, business profile, presentations and email campaigns

4. Incoming corporate visitations and business delegations
5. Partnership development with York Region's local municipalities and business community as well as investment attraction multipliers in the Greater Toronto Area (GTA), Ontario, Canada, and internationally
6. Superior customer service provided to investment leads and partners

York Region also contributes, on behalf of the nine local municipalities, to GTA wide investment attraction efforts through financial support of the Greater Toronto Marketing Alliance (GTMA) alongside other municipalities in the Greater Toronto Area. This activity is executed through a marketing services agreement with the GTMA approved by Council on February 18, 2010.

York Region's Export Development Program marked its 10th successful year of assisting local businesses expand into international markets

The Export Development Program was launched in 2000 and fully funded by York Region since 2003. The program is a critical business development measure to assist and direct York Region companies in reaching global markets, promote an export culture within the Region, and expand the Region's export base. The service is provided at no cost to local businesses.

The program consists of one-on-one corporate consultations as well as group workshops to familiarize companies in all nine York Region municipalities with information and resources needed to succeed in the global marketplace. Two experienced International Business Development Advisors identify and evaluate company capabilities and provide small to medium sized enterprises with customized advisory services in the areas of:

- Export readiness assessments
- Market research and opportunity analysis
- Government programs, incentives and assistance
- Export development planning and strategy
- Business partnership within York Region and internationally
- Referral to government partners, business professionals and trade associations
- Export development training opportunities

Integration of the Investment Attraction and Export Development creates a comprehensive framework for international business development

The International Investment Attraction and Export Development Programs have been integrated in mid 2010 as part of the Economic Strategy Branch realignment under Program Manager, Investment and Marketing, with the International Business Development Advisors now supporting also investment attraction efforts.

This measure created significant synergies between the two programs and enhances the scope and depth of Branch services available for the promotion business investment in York Region by both local and foreign companies.

4. ANALYSIS AND OPTIONS

Region's 2010 investment attraction efforts resulted in 160 international new corporate contacts, 42 leads, 4 prospect visits and 2 investments

The focus of the 2009-10 business plan have been to target select U.S. city regions that are emerging as Green Business and Clean Technology hubs and are similar to York Region in terms of their size and economic profile. Market visits to targeted cities were completed by March 2010 with details reported to Council on June 16, 2010.

The Economic Strategy Branch undertook nine international outreach activities during 2010, making direct contact with approximately 160 U.S. and international corporations. Contacts were also made with multiple foreign investment attraction multipliers including government agencies, trade organizations and industry associations.

Table 1 summarizes in-market prospecting and business development activities and Table 2 provides a breakdown of direct contacts made with foreign corporations.

Table 1
Key Investment Prospecting Activities Jan-Dec 2010

Date	Activity
Feb. 2010	Tradeshow exhibit and prospecting at Green Manufacturing Expo, Anaheim, CA, (in cooperation with the Town of Newmarket and Markham)
Feb. 2010	Prospecting and lead generation - Renewable Energy Expo, Austin, TX
Mar. 2010	Business development visits to Columbus, OH and Indianapolis, IN
Mar. 2010	Prospecting and lead generation - Green California Summit, Sacramento, CA
Mar. 2010	Prospecting and lead generation - Globe 2010 International Expo, Vancouver
Jun. 2010	In-market investment attraction workshop - Salt Lake City, UT (in cooperation with the Towns of Newmarket, Markham and Richmond Hill; Southlake Regional Health Centre, York University, YORKbiotech and select York Region companies)
Oct. 2010	Direct marketing campaign and lead generation at Solar Power International Expo, Los Angeles, CA
Nov. 2010	GTMA partners market assessment mission to Brazil (delegates from six Greater Toronto Area municipalities)
Nov. 2010	Marketing campaign, lead generation and sponsored networking event at GreenBuild Expo, Chicago, IL (in cooperation with the Canadian Consulate)

Table 2
International Investment Attraction Company Contacts Jan-Dec 2010

Activity Sector	Origin
48% Energy, Environment	73% U.S.
17% ICT & Life Sciences	12% Europe
15% Advanced Manufacturing	12% Asia Pacific
20% Other	3% Canada and Other

Forty two (42) of the international contacts were qualified as leads for follow-up and servicing with investment interest and intentions ranging from somewhat to extremely interested. Eight companies later met with Economic Strategy's investment attraction staff in the GTA for follow-up including four prospects from the U.S., Germany and Taiwan that visited York Region to investigate specific business opportunities.

Separately, Economic Strategy also serviced eight Canadian companies that considered business expansion in York Region as well as facilitated local-municipal submissions in response to Ontario Government investment requests for information.

Economic Strategy's investment attraction team was directly involved in assisting two companies make investments in York Region including: (a) SunEdison, North America's largest solar energy services provider, who teamed with Newmarket-based Flextronics to manufacture Solar PV Panels, creating over 100 jobs starting April 2011 and; (b) MDSearch, a Toronto-based healthcare services firm that launched a pilot location in Georgina with plans to further expand in the Region during 2011. Separately, German Solar technology firm Centrosolar established distribution operations in Markham after initial servicing from partner GTMA followed by its own independent site search.

Development of the Invest in York umbrella partnership with local municipal Economic Development Officers (EDOs), business associations and the business community across York Region was a priority during 2010 and resulted in several joint initiatives including a life sciences and information technology mission to Salt Lake City, UT.

Economic Strategy also continued to develop investment attraction contacts with other Canadian partners such as the GTMA, Ontario Ministry of Economic Development & Trade (MEDT), Toronto Region Research Alliance (TRRA) and the Department of Foreign Affairs and International Trade (DFAIT) to build awareness of the Region and identify specific opportunities for collaboration.

Economic Strategy Branch also launched an upgraded web presence (www.investinyork.ca) introduced new marketing creative with professional support from Ferrand Communications of Richmond Hill. The Branch also refined investment attraction value propositions as well developed sector-specific brochures and an updated version of the Region's Business and Economic Profile.

During 2010 the International Business Development Advisors conducted 210 Export Development consultations with York Region companies

As part of the Export Development Program, Economic Strategy contacted about 1,100 companies from across York Region during 2010 to explore interest and need for one-on-one consultation with the Region's International Business Development Advisors. The two Advisors then met with 210 York Region businesses to assess their export potential and provide advice and referrals aimed at assisting them expand their export sales which in turn increases economic activity and job generation within the Region. Eighty-Six (86), or 41 per cent of the 210 client consultations were with companies engaged in manufacturing.

The Export Development Program services and supports businesses across the nine local municipalities and key York Region economic sectors. Table 3 indicates the municipal location of the client companies engaged through the program in 2010 and table 4 shows the company consultations by key industry sector.

Table 3
Export Development Program: Companies Visited by Municipality in 2010

Municipality	Number of Companies Visited
Aurora	20
East Gwillimbury	3
Georgina	5
King	2
Markham	66
Newmarket	18
Richmond Hill	33
Vaughan	61
Whitchurch-Stouffville	2
Total On-Site Consultations	210

Table 4
Export Development Program: 2010 Company Consultations by Sector

Sector of Strength	Number of Consultations
Advanced Manufacturing	86
Business Support Services	18
Building Material and Construction	20
Information Communication Technology (ICT)	8
Life Sciences	22
Other	56
Total for all focused sectors	210

In 2010 there were 471 client referrals to 23 public-sector and non-for-profit trade and business development partner organizations such as the Canadian Trade Commissioner Service, Ontario Ministry of International Trade and Investment, Export Development Corporation, Canadian Commercial Corporation, Innovation Synergy Centre Markham, Business Development Bank of Canada and National Research Council Canada.

In 2010 the International Business Development Advisors held four export management workshops in partnership with business organizations across York Region including Markham, Vaughan and Georgina, engaging over 60 participants. These workshops develop participants' skill sets necessary to properly identify and pursue export opportunities.

Targets and business plan guidelines for York Region's 2011 Investment Attraction and Export Development initiatives

Economic Strategy plans to undertake six to eight in-market investment attraction and business development activities

In 2011 lead generation contacts will be made with a minimum of 150 foreign corporations. To facilitate this Economic Strategy will develop targeted direct marketing campaigns that will reach a much larger pool of potential leads in select sectors and target markets. Planned in-market investment attraction initiatives are based on the following guidelines:

- Generate investment leads and international contacts exclusively for York Region and the local municipalities
- Focus on core sectors in York Region's economy that represent meaningful potential for attracting Foreign Direct Investment
- Complement, rather than duplicate, international business development initiatives of York Region's local municipalities and the GTMA
- Target niche markets that represent a high visibility opportunity for York Region, versus "getting lost in the crowd" in markets such as China and India
- Cost-effective in-market initiatives that follow extensive preparation and are based on specific objectives and targets
- Leverage existing contacts and partnerships established earlier in the Program

Green Business has been the sectoral focus in the Program's start up phase and will continue to be addressed in 2011 alongside other key York Region sectors

Other core York Region sectors to be targeted under the Investment Attraction program will include Information and Communications Technology (ICT), Life Sciences and Advanced Manufacturing.

Marketing activities in select U.S. industry events have proven to be a cost effective strategy for York Region to engage not only potential U.S. prospects but also international companies from Asia-Pacific and Europe that consider expansion into the North American market. U.S. in-market lead generation activities planned for 2011 include the following: Florida (ICT industry event/Life Sciences/CleanTech), Charlotte NC (Life sciences), Texas (CleanTech industry event), Denver CO (ICT industry event).

York Region will also co-lead a life science investment attraction mission to Israel in May 2011 organized by the Town of Markham, York Region, York University and law firm Miller Thomson. York Region may also take part in a GTMA partners mission to Brazil centred on a technology industry event, as follow-up to the GTMA municipal partners market assessment mission to Brazil in November 2010.

Economic Strategy will introduce a creatively consistent Invest in York toolkit

An integrated marketing toolkit will be introduced, consisting of a folder, data sheets, sectoral brochures, website updates and a business attraction video. Marketing presentations, sales themes and value propositions will continue to be developed and refined so as to better engage investment attraction customers and partners/multipliers. A digital media strategy is to be implemented to increase website traffic utilizing search engine optimization and social media resources.

The existing GTMA marketing services agreement is to be renewed for 2011

The budget included renewal of the Region's existing marketing services agreement with the GTMA for 2011. There will be no proposed changes to the terms of this agreement for 2011. The agreement is to be revisited and revised for 2012 at which point terms and conditions will be brought forward for Regional Council's reconsideration.

International investment attraction and export development initiatives to be further integrated

Further integration of international investment attraction and export development initiatives will continue during 2011 under a joint international business development framework to further enhance prospect servicing and create additional opportunities for facilitation of investment in York Region by both local and international businesses.

York Region's international business development advisors plan to target up to 200 local businesses for export development support consultations

The two International Business Development Advisors plan to target between 150-200 York Region companies in 2011 for consultations and advisory meetings. In addition to providing companies with export development resources, information and referrals, the Program will also support the development of industry clusters in the Region and facilitate business matching within York Region and with international contacts. The Advisors will also explore the feasibility of implementing export development training modules developed by Canada's Forum for International Trade Training (FITT), in partnership with small business centres throughout the Region.

Relationship to Vision 2026

York Region's International Investment Attraction and Export Development Programs directly support the Economic Vitality agenda of Vision 2026 by attracting additional foreign companies to York Region and assisting our local companies to increase their export potential, contributing to the Region's economic growth and job generation.

5. FINANCIAL IMPLICATIONS

The International Investment Attraction and Export Development Programs account for 25% of the overall Economic Strategy and Tourism 2011 budget.

6. LOCAL MUNICIPAL IMPACT

The International Investment Attraction and Export Development Programs are implemented in partnership with local municipalities and business organizations across York Region. Specific areas of cooperation include marketing, tradeshow prospecting, sharing of market intelligence, corporate visitations and business delegations, prospect servicing and business retention/expansion.

Both programs created a highly positive, effective and growing partnership model with York Region's local municipalities and the business community that Economic Strategy will continue to develop and evolve to promote business expansion in the Region.

7. CONCLUSION

York Region's Investment Attraction and Export Development Programs demonstrate a commitment to generating new business investment from both local and international companies, a key component in achieving the Region's Growth Management plan of additional 280,000 new jobs by 2031.

The Investment Attraction Program has made significant progress since its launch in August 2009, expanding the Region's international business networks, creating awareness in U.S. markets, outreaching to hundreds of potential prospects and facilitating job generation across York Region. Similarly, encouraging businesses across the Region's nine local municipalities to develop their exports results in the creation of high quality jobs and enhances the economic prosperity of the Region.

For more information on this report, please contact Robert Unterman, Manager, Business Investment and Marketing at (905) 830-4444, Ext. 1491 or Doug Lindeblom, Director, Economic Strategy and Tourism, Ext. 1503.

The Senior Management Group has reviewed this report.