

Economic Development and Trade
Written Responses to Questions Raised at the Public Accounts Committee
May 15, 2018

Question 1: Respecting Gross Domestic Product (GDP) growth in Alberta and increases in exports, how many of those relate to nonenergy markets?

Response:

- In 2017, Alberta's GDP at basic prices increased 4.9 per cent from 2016. Of 20 industries at the highest level of North American Industry Classification System aggregation: 15 increased, 4 decreased, and 1 remained unchanged.
- Mining, quarrying, and oil and gas extraction lead all industries, growing 13.3 per cent, followed by utilities (10.1 per cent) and wholesale trade (10.1 per cent). Manufacturing also saw a large increase at 8.1 per cent. Management of companies and enterprises was the only sector to experience any significant decline (-5.4 per cent). Construction, information and warehousing, and administrative support all saw decreases of less than 1 per cent.

Source: Statistic Canada Cansim Table 379-0030

Question 2: What is the average salary for the full-time equivalents employed in the overseas trade offices?

Response:

- Average salary of the full-time equivalent employees in the overseas trade offices is \$82,998 (calculations based on annual salaries as of March 31, 2018).

Note: Salaries for Locally Engaged Staff are based on local market conditions and are not directly comparable to Alberta based salaries. Salaries are set based on local salary surveys conducted by the Government of Canada.

Question 3: How many jobs will be created through the Coal Community Transition Fund (CCTF)?

Response:

- The CCTF is not about immediate and direct job creation – it is about helping communities transition away from the economic reliance on coal-fired electricity generation. Similar to CARES, it is about creating the right conditions for economic development and resiliency that will sustain and create jobs in the future for these communities. Eligible entities could apply for projects that:
 - build economic development capacity;
 - strengthen approaches to improve economic conditions; and
 - aid municipal transition towards long-term economic stability.

Question 4: How does the Alberta entrepreneurship incubator program support smaller rural communities such as Bruderheim?

Response:

- The Alberta Entrepreneurship Incubator (AEI) Program taps into the entrepreneurial capacity of Albertans across the province and fosters the development of new and early-stage innovative companies in Alberta. AEI is a two-year program designed to support entrepreneurship during the economic downturn.
- AEI has two streams. Stream 1 is the Accelerator Expansion Stream, which scales up entrepreneurial development and incubation capacity throughout the province. Stream 2 contains two programs which provide support for entrepreneurial projects and engagement.
- Stream 1 is delivered in the regions of Edmonton, Calgary, Lethbridge, Medicine Hat, Red Deer, Lloydminster, and Grande Prairie. Delivering the program in the different regions provides access to necessary supports for entrepreneurs and innovative start-up companies that are located across the province. The incubators were created and are run by local partnerships including academic and technical institutions, economic development organizations, and local industry and government.
 - For example, the incubator located in Red Deer was created and is run by a partnership which includes 16 partners from several communities in the area.
- Bruderheim is located approximately 50 kilometers northeast of Edmonton, which would make the Edmonton region incubators the closest. The Northern Alberta Business Incubator (NABI) is located in St. Albert, just north of Edmonton and is the most convenient for clients from Bruderheim, who can access support from NABI or could work with one of the other incubators they would prefer, in person or remotely.

Question 5: How does the Alberta Export Expansion Package (AEEP) support small businesses looking to access international markets?

Response:

- The Alberta Export Expansion Package (AEEP) has three programs to prepare Alberta companies for success in new international markets. The AEEP team works closely with the local trade officers to promote the various programs available.
 - The Export Support Fund will reimburse 50 per cent of eligible expenses up to \$20,000 per year for a select range of approved export activities. For instance, the costs related to:
 - registration at select tradeshow,
 - specific travel costs,
 - accommodation in a standard room, and
 - translation of marketing materials.
 - The Global Buyers and Investors Program will help export-ready companies connect with international buyers by bringing business delegations to the province. The program pays for costs related to:
 - economy airfare,

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- accommodations in a standard room,
- ground transportation, and
- meals for incoming qualified buyers and investors.
- The Global Buyers and Investors also pays the support costs for incoming delegation events such as for translators, meeting space and catering.
- The Export Readiness Program will familiarize companies with the ins and outs of exporting and enhance their readiness for the export market. This includes the Export Readiness Micro-Voucher Program, which will provide businesses with up to \$10,000 for the development of a targeted international market strategy focused on one country.

Question 6: What is the Washington trade office doing to ensure that the Keystone pipeline is built?

Response:

- The Alberta Washington Office (AWO) engages consistently with the project proponent, TransCanada, state legislators and administration officials in Montana and Nebraska, as well as the U.S. Department of State. The AWO consistently articulates the value of the project to North American energy security and the value of the U.S. sourcing crude from a progressive energy supplier. Courts in Nebraska and Montana are currently reviewing the granting of the state and federal permits. The AWO is monitoring those cases closely.

Question 7: Respecting key strategy 2.1 which addresses per capita investment and exports compared to other provinces, can the department provide a breakdown of the nonenergy investments and exports?

Response:

Type	Non Oil and Gas	2011	2012	2013	2014	2015	2016	2017	2018 (preliminary)
Total	Exports (\$ millions):	\$ 28,894	\$ 28,990	\$ 28,596	\$ 31,486	\$ 30,969	\$ 28,481	\$ 32,162	-
	Investment (\$ millions):	\$ 29,471	\$ 31,383	\$ 40,126	\$ 39,735	\$ 37,671	\$ 33,336	\$ 31,523	\$ 31,605
Per Capita	Exports:	\$ 7,623	\$ 7,393	\$ 7,153	\$ 7,664	\$ 7,413	\$ 6,723	\$ 7,504	-
	Investment:	\$ 7,775	\$ 8,087	\$ 10,037	\$ 9,672	\$ 9,018	\$ 7,869	\$ 7,355	-

¹ Exports excludes oil and gas, but includes coal, sulphur and other mining

² Investment excludes oil and gas, but includes other mining and support activities for mining (including oil and gas) and utilities

Source: Statistics Canada

Question 8: The federal government is creating superclusters [innovation superclusters initiative]. What is the department doing to magnify the benefit of these clusters for Albertans?

Response:

- The Government of Alberta, through the Ministry of Agriculture and Forestry, is working with the Plant Protein Alliance of Alberta in partnership with the Protein Industries Canada supercluster to assist the organization's start-up.
- While the Clean Resource Innovation Network (CRIN) was not successful in accessing funds through the federal innovation supercluster initiative, the government

of Alberta recognizes the value of this organization to the oil and gas sector. As a member of the CRIN steering committee, the Ministry of Economic Development and Trade and Alberta Innovates continue to work with CRIN to identify potential funding opportunities to support the work of this organization. In particular, CRIN was advised of several government programs such as the Climate Change Innovation and Technology Framework programs and other relevant programs delivered by government agencies such as Alberta Innovates and Emissions Reduction Alberta. CRIN has applied for funding through some of these competitive programs.

Question 9: What is the department doing specifically to incent attraction of research grants amongst universities?

Response:

- EDT investment in university infrastructure, talent, and training, collectively create an environment that universities leverage to attract investments from the federal government, industry, and non-profit organizations.
- EDT led the development of the Alberta Research and Innovation Framework (ARIF) and Climate Change Innovation Technology Framework (CCITF), providing direction which institutions can rally around and demonstrate Alberta's priorities to other funders.
- EDT, Alberta Innovates, and Advanced Education work closely with post-secondary institutions to develop shared priorities, pursue funding partnerships and incent the attraction of research grants.
 - This 'Team Alberta' approach resulted in several successful missions to Ottawa to meet with counterparts at the federal level including the Ministry of Innovation, Science and Economic Development; Natural Resources Canada; the Natural Sciences and Engineering Research Council; Health Canada; the Canada Foundation for Innovation; and others; to communicate Alberta's research and innovation priorities and explore potential partnerships.
 - These missions also provided the venue to communicate Alberta's research and innovation direction, strengths and opportunities, as articulated in the ARIF, raising awareness of Alberta's expertise and focus to address national opportunities and challenges.
- EDT is maintaining its commitment to university research support in order to enable partnerships and investments from other organizations, as follows:
 - The Research Capacity Program that directly leverages the federal Canada Foundation for Innovation for post-secondary research infrastructure in areas of priority for the province.
 - Strategic investments (e.g. CCITF programs through EDT and Alberta Innovates; Water Innovation and Bio Future Programs through Alberta Innovates; and Genome Canada competitions through Genome Alberta) and centres (e.g. Alberta Machine Intelligence Institute and Alberta Prion Research Institute) that support research and innovation in Alberta universities and encourage partnerships with industry and other stakeholders.

- Alberta Innovates investments in innovative research projects that have potential economic benefits and position researchers to attract funding from other organizations.
- Together, these programs support the recruitment and retention of international leaders to develop Alberta talent for companies, create new knowledge to underpin economic growth and development, and augment success in national competitions.

Question 10: Again in key strategy 2.1, how does the referenced branch track its success and does it offer recommendations to the government respecting attracting and retaining investment, including competitiveness in taxation and employment costs? If so, what are the recommendations?

Response:

- Invest Alberta tracks the status of its investment leads and successes on a monthly basis. Each month, a dashboard reflecting the current state of Invest Alberta's investment activity is produced with supporting background documentation.
- Where practical, knowledge gained from interactions with investors and through analysis of investment trends is shared across government to inform investment policy discussions.

Question 11: With respect to Alberta Enterprise Corporation investments, what lessons if any have been learned about which industries are more successful than others?

Response:

- The key lesson learned from Alberta Enterprise Corporation (AEC) in regards to industry development is, through active engagement, the Government of Alberta can foster innovation in both emerging and traditional sectors. AEC has invested in companies that commercialize technologies, including those related to oil and gas and agri-food industries. AEC has also invested in companies in other industries including those involved in the Internet of Things, artificial intelligence, social media, medical devices and interactive digital media.
- Since 2015, the Government of Alberta's investment has enabled AEC to foster an expanded venture capital industry.

Question 12: Please provide a breakdown of how many jobs have been created through the Community and Regional Economic Support (CARES) program to date?

Response:

- The CARES program is not about immediate and direct job creation – it is about helping communities create the right conditions for economic development and resiliency that will sustain and create jobs in the future for these communities.
- It's complimentary to some of our other programs – for example – the tax credit program, that funds industry and investors directly to make investments that spur immediate job creation.

- The CARES program is not open to investors or industry – it is open to municipalities, first nations, and not-for-profits to pursue foundational initiatives to improve their communities and regions (marketing, planning, small business training, investment attraction).