

**Date:** 2021-11-08

**Subject:** FDI 2021 Year-End Review and 2022 Strategy

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**Report Number:** Planning, Bld & Ec Dev-2021-953

**Recommendations:**

1. That the report titled: **FDI 2021 Year-End Review and 2022 Strategy (2021-953; CE.x)**, to the Committee of Council Meeting of December 1, 2021, be received; and
2. THAT Council approve the planned 2022 Missions, as outlined in this report; and
3. THAT the CAO, in consultation with the Commissioner of Planning, Building and Economic Development and Director of Economic Development, be authorized to approve investment missions which are not currently on the list of 2022 Mayor-led Investment Missions as such opportunities arise, subject to alignment with the overall FDI strategy and approved budget; and
4. THAT staff be authorized to pivot in-person plans to virtual, subject to any changes to travel restrictions due to the COVID-19 pandemic.

**Overview:**

- On February 6, 2019, under Resolution #CW057-2019, Council directed staff to begin work on establishing a Foreign Direct Investment (FDI) Strategy to drive investment and jobs in the City and to promote economic growth.
- In 2021, Economic Development successfully pivoted the City's FDI Strategy to respond to the suspension of global travel as a result of the COVID-19 pandemic. This report provides Council with an overview of 2021 Virtual FDI Missions and lead generation initiatives that focused on the

**following priority sectors: Advanced Manufacturing, Food and Beverage, Innovation and Technology, and Health and Life Sciences.**

- **While the COVID-19 pandemic has had a negative impact on Foreign Direct Investment (FDI), staff is seeing traction toward more activity in investment attraction as borders re-open and travel restrictions are lifted.**
- **Economic Development staff are continuing their efforts to drive inward investment via Foreign Direct Investment (FDI) and Business Retention and Expansion (BR&E).**
- **Staff is providing recommendations for the 2022 FDI Investment Missions.**

### **Background:**

On June 5, 2019, Council approved the implementation of a Branding, Marketing and Foreign Direct Investment (FDI) Strategy to drive investment and jobs in the city and to promote economic growth.

In the third year of this strategy, staff raised the City's profile as a competitive place to do business. By executing lead generation and place branding activities with virtual FDI missions, the City has established a unique value proposition with global investors.

The City of Brampton was the first municipality in Canada to pivot to outbound virtual investment missions in November 2020, with our successful Mayor-led FDI mission to Japan.

### **Current Situation:**

With the support of Mayor Brown and Council, five virtual FDI missions were scheduled to be completed in 2021 by the Brampton Economic Development Office. Detailed Mission results can be found in Appendix A.

### **2021 FDI Strategy**

#### **1. Virtual FDI Mission to Germany (May/June 2021)**

The City of Brampton successfully hosted its first Virtual FDI Mission of 2021 to Germany, in May and June. Germany's global leadership in manufacturing, sustainability and innovation, which are strengths shared by Brampton, make it an important region in which to seek new investment. There was a strong Business Retention and Expansion (BR&E) component to this mission, given that Brampton is home to the Canadian headquarters of several German companies, including: A Berger Precision, SEW Eurodrive, IREKS, SHW Pump and Drive, and Multivac Canada.

The goal of the mission was to market Brampton internationally and attract investment, both new and through the growth of German companies with existing operations in Brampton. The mission was supported by the Canadian Embassy and the Ontario Trade and Investment Office in Germany, and included engagements with government, businesses, industry organizations, start-ups and technology incubators.

## **2. Collision from Home (June 23 – 25, 2021)**

Collision is the fastest-growing tech conference in North America. Due to COVID-19 travel restrictions it was held virtually again this year from June 23<sup>rd</sup> to the 25<sup>th</sup>, 2021.

The City of Brampton Economic Development Office sponsored Collision from Home 2021 as part of the wider Economic Recovery Strategy. With the aim of bringing resiliency and competitive advantage to Brampton's economy, this event presented an opportunity to generate qualified leads, strengthen existing corporate relationships, and further the City's brand in the cornerstones of Innovation, Technology, Entrepreneurship, and Investment. This was fulfilled by utilizing the international conference as a platform to highlight the growth of Brampton's Innovation District, and convening a number of investment meetings with potential prospects.

## **3. Virtual FDI Mission to the USA (October/November 2021)**

The City of Brampton successfully wrapped up a Virtual Mission to the United States from mid-October to November. The mission's goal was to market Brampton within US markets and attract investment, both new and through the growth of US companies with existing operations in Brampton. Brampton's growing Innovation and Technology sector, access to talent, and connectivity has drawn the attention of US technology businesses seeking opportunities on nearshoring, hiring talent, and lowering costs, which has enabled businesses to explore investment opportunities within Brampton. Brampton is already home to the Canadian headquarters of a number of US businesses, including Medtronic, Albea Canada, Taro Pharmaceuticals, SPS Commerce, Dynacare, Zochem, and Daniels Health.

## **4. Virtual FDI Mission to Nigeria (November 15 & 23, 2021)**

The City of Brampton is committed to building a strong economic partnership with Nigeria and supporting inclusive innovation and entrepreneurship. The City's Economic Development Office (EDO) has curated this mission to engage with government officials, businesses, start-ups and technology incubators. The mission will touch on the Nigerian Diaspora's critical role and increase engagement with micro-small and medium-sized (MSME) businesses. We are well-positioned to provide Nigerian companies with support and access to the North American market as a City.

## **5. Virtual FDI Mission to the UK & Ireland (December 2021)**

The City of Brampton Economic Development Office (EDO) has curated this initial mission to engage with government, business associations, businesses, start-ups and technology incubators with the intent to pursue further engagements into 2022. Galway, Ireland and the "Golden Triangle in the UK" are globally renowned medical

technology clusters. The United Kingdom's & Ireland's tech cluster, including cybersecurity, is a promising opportunity pipeline for Brampton's Innovation District.

- During the Virtual UK and Ireland Investment Mission, led by Mayor Patrick Brown, and senior City officials, the City will:
  - Connect with technology organizations, Ontario's Trade and Investment Offices, Canadian Consulates as well as UK and Ireland-based business associations
  - Showcase Brampton's investment opportunities through virtual meetings with tech associations and business associations representing Ireland, London UK and Scotland
  - Lead Business Retention & Expansion (BR&E) meetings with businesses in Brampton that are headquartered in UK and Ireland to ensure executives are connected to the City of Brampton.
  - Learn about the UK and Ireland's initiatives in economic recovery and sustainability

Staff also regularly engage in investment attraction activities and events in target markets and sectors, working with service providers, industry associations and institutions and other partners to build Brampton's brand awareness on an international scale and generate leads. A few examples of these FDI investment attraction activities can be found in Appendix B.

The City of Brampton Economic Development Investment Attraction Team continues to manage a healthy pipeline of more than 150 leads. The 2021 virtual FDI missions and staff-led FDI activities has resulted in four FDI wins (Mobii Systems, Victory Genomics, Lovis Systems and SKAAS). There are 4 active expansion leads through the 2021 Virtual FDI Mission program (BR&E).

### 2021 FDI Budget and Expenditures

In December 2020, Council endorsed the 2021 FDI Work Plan, which allocated \$600,000 of the FDI capital project (#181256) toward its execution.

Below is a summary of the **2021 FDI Expenses**:

- **Travel costs** (Total: \$0)
- **BHive (Start-Up Visa Incubator Program)** (Total \$377,813.05)
- **Research/Lead Generation/Project Management and Consulting**  
(Total \$59,264.00)
- **Memberships and Associations** (Total \$15,767.92)

- **Other costs** Marketing and (Virtual) Events (Total \$15,202.33)

## **2022 FDI Strategy**

In 2022, the Economic Development Office will focus on two main streams to drive FDI:

### **1. Mayor and Council-led Missions**

These missions will be focused on FDI and business retention and expansion (BR&E) targeting Brampton's priority sectors; Advanced Manufacturing, Food and Beverage, Innovation and Technology, and Health and Life Sciences in key international markets.

This will include four investment missions in 2022 (in-person or virtual TBD)

1. USA
2. Germany
3. Portugal
4. India

### **2. Staff-led Investment Activities**

Economic Development staff plan to attend several in person and virtual international events in 2022 where opportunities are present in key markets and target sectors.

Economic Development has identified countries of interest to focus on in terms of outreach and participation in investment activities (in person or virtual) including:

1. USA
2. Europe (Germany & the Netherlands)
3. Nigeria
4. Caribbean
5. Japan
6. UK/Ireland

Staff will continue to work with the *Black African and Caribbean Social, Cultural and Economic Empowerment & Anti-Black Racism Unit* to assist in the development of our key messaging and outreach to specific demographic areas, and how we can enhance Brampton's cultural value proposition to global markets.

The Economic Development Office will continue to work with Brampton-based companies that have foreign affiliations to promote the increase of foreign investments in Brampton. This business retention and expansion work will have a primary focus on the US and European (German and the Netherlands) market.

Staff will continue to work with the Strategic Communications Division to build marketing campaigns that convey Brampton's value proposition to the international investment community to support lead generation and strengthen partnerships.

Staff are working in partnership with Toronto Global until the expiration of the current funding agreement on March 31, 2022. Future funding of Toronto Global beyond that date will be considered by Council during budget deliberations. Staff will consider other partnerships and memberships that support investment attraction activities.

All of these efforts, combined, are intended to share Brampton’s value proposition with potential investors, and retain and expand existing businesses. Prospects will be invited to visit Brampton either in-person (in adherence to current COVID-19 protocols), or virtually, for follow-up visits.

Anticipated 2022 FDI Expenses

In 2022, staff plan to execute a hybrid virtual and in person FDI plan and anticipate spending approximately \$600,000 to facilitate the Strategy.

The estimated breakdown of the **2022 FDI Expenses** is as follows:

- **Travel Costs** (total \$300,000)
  - This includes outbound international FDI investment missions.
- **Research/Lead Generation/Project Management and Consulting** (Total \$180,000)
- **Memberships and Associations** (Total \$20,000)
- **Other costs Marketing and Events** (Total \$100,000)

**Corporate Implications:**

Financial Implications:

Staff estimate that the costs to facilitate the virtual FDI plan for the 2022 FDI strategy will be \$600,000. Sufficient funding is available in the following projects:

Project #	Project	Budget Available	2021 Expenditures*	Balance Available
181256 – 001	Branding-Marketing Foreign-Direct Investment	\$472,464	\$111,864	\$360,600
201256 – 001	Branding-Marketing Foreign-Direct Investment	\$300,000	\$0	\$300,000
	<b>Total</b>	<b>\$772,464</b>	<b>\$111,864</b>	<b>\$660,600</b>

\*Expenditures to be processed

Funding is available in the event international travel can continue, and staff will pivot planned virtual FDI missions to outbound, in-person missions.

**Term of Council Priorities:**

This report supports the Term of Council Priority that Brampton is a “City of Opportunities” and Brampton will continue to implement the Foreign Direct Investment (FDI) and lead generation program to attract new business to the city.

**Conclusion:**

As one of the cornerstones of the City’s Economic Recovery Strategy, Investment Attraction initiatives like Foreign Direct Investment (FDI) are vital to economic recovery efforts in response to the COVID-19 global pandemic. The Economic Development Office will continue to develop plans, projects and activities that focus on the implementation of the FDI strategy, even if virtually, in key markets to bring jobs and investment to Brampton.

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**Attachments:**

- Appendix A: 2021 Virtual FDI Mission Activity Report
- Appendix B: 2021 Virtual FDI Event Activity Report