
Subject: Economic Development Foreign Direct Investment (FDI) Update

Report to: Planning and Economic Development Committee

Report date: Wednesday, November 6, 2024

Recommendations

1. That Report ED 15-2024 **BE RECEIVED** for information.

Key Facts

- The objective of this report is to update the Planning and Economic Development Committee (PEDC) on Foreign Direct Investment (FDI) activities conducted from April to September 2024.
- Efforts focus on growing and diversifying the economy by attracting businesses in sectors where Niagara holds a competitive advantage, particularly in emerging areas that present a strong business case for investment. Key activities in this initiative include conducting lead generation and meetings in identified FDI target markets, as well as leading international investment missions with our “Team Niagara” partners.
- Economic Development staff actively partner with area municipalities, provincial and federal government officials, and FDI stakeholders such as Invest in Canada, Invest Ontario, Global Affairs Canada and the Consider Canada Cities Alliance. Additionally, the promotion of the Niagara Region as a Foreign Trade Zone (FTZ) is ongoing to enhance trade programs that advance import and export activities within the region.

Financial Considerations

The activities described in this report have been accommodated within the Council approved 2024 Economic Development budget.

Analysis

Niagara is a Prosperous Region due to its strategic location on the U.S./Canada border, along with the region’s multi-modal transportation infrastructure, and its designation as a Canadian Foreign Trade Zone Point (FTZ) making it an attractive place for companies to invest and conduct trade. The Region also acts as a conduit for international

businesses looking to enter the North America market via international trade agreements, enhancing our regions competitiveness and global supply chain network.

Investment Attraction Activities:

The Economic Development team have attended many external events since April 2024. These events provide Niagara Region with face-to-face opportunities with prospective investors, educational opportunities with in-market influencers (consular offices, trade commissioners and local Chambers of Commerce). These events raise the Niagara Region profile on an international basis ensuring brand recognition leading to potential investment opportunities.

From April 3 – 5, 2024, the Economic Development team attended the Site Selectors Guild. The conference brings together professional site selection consultants and economic development professionals from across the world.

From April 15 – 18, 2024, Niagara Economic Development was also represented at WEB Summit Rio. In partnership with Invest in Hamilton and Global Startups, Niagara had booth presence at the show and met with 17 startups with strong interest in establishing their business in the region.

From April 22 – 24, 2024, Niagara Economic Development attended Hannover Messe. Hannover Messe is one of the world's largest industrial trade shows with over 130,000 attendees and 4,000 exhibitors in 2024. Niagara Economic Development staff participated in 20 one-on-one meetings with international companies during the show.

From May 6 – 10, 2024, Economic Development staff traveled to New York City, Boston, and Chicago to meet with provincial and federal trade investment agencies. The meetings with in-market investment agents allowed Niagara Economic Development to highlight the region's key sectors for investment, learn of new opportunities in the American market and advance relationships.

Niagara Economic Development also joined Global Affairs Canada for the Latin America Roadshow from June 10 – 14, 2024. The program for the roadshow was extensive with events hosted by in-market influencers. A total of 18 one-on-one meetings with businesses were held during the week.

Investment attraction activities also entail hosting prospective investors and clients in Niagara to showcase the available industrial sites, labour capacity, and quality of life in the Niagara region.

On April 24, 2024, economic development staff hosted Invest Ontario and executives from a large Korean manufacturer. Referred to as Project Tab, the potential investment amount is \$696 Million Capital Expenditure (CAPEX) and 380 jobs. The day was spent visiting sites in Niagara and meeting with the local network.

On June 11, 2024, and August 28, 2024, economic development staff hosted the Ministry of Economic Development Job Creation and Trade and company executives for a site visit. Referred to as Project Dracaena, the potential investment amount is \$4.1 Billion CAPEX and 700 jobs.

On June 19, 2024, IAMA Global toured Niagara sites with staff. The potential investment amount is \$38 Million CAPEX and 60 jobs.

On July 16, 2024, Niagara Economic Development toured a potential site for a prospect. The company is looking to expand operations and invest \$30 Million CAPEX creating 250 jobs.

Furthermore, a lead generated from our in-market activities at Hannover Messe is currently in discussion with a local research and innovation centre to set up a greenhouse carbon capture project. This connection was made by economic development staff after the initial meeting in Germany.

Asahi Kasei:

May 14, 2024, saw the official announcement of Phase 1 by Asahi Kasei, for their transformational investment of \$1.56 Billion, with approximately 300 jobs to build a lithium-ion battery separator manufacturing facility in Port Colborne. Over the 3 phases, the expected total investment is \$4.8 Billion and an estimated 1,000 jobs.

The Economic Development team continues to be involved in the project ensuring that our Team Niagara Task Force supports the aftercare aspects of

the project to ensure timelines are met. The team is also supporting Asahi Kasei in various projects since the first site visit in August 2023.

In the summer months, representatives from Asahi Kasei, accompanied by Niagara Region Economic Development staff, met with residents living in direct proximity to the site on June 24, 2024, as well as had positive discussions with Mississauga's of the Credit First Nations on August 8, 2024.

On September 25, 2024, Asahi Kasei held a public community open house in Port Colborne. The event was attended by over 300 residents and well received by the community.

On September 11, 2024, economic development staff was invited to present Project Eagle as a best practice process for investment attraction to Bruce County Economic Development.

On October 7 – 11, 2024, Niagara Region, Port Colborne, Brock University and Niagara College visited Japan and the Asahi Kasei plant in Moriyama. The delegation met with Asahi Kasei executives, academic institutions, The City of Moriyama, Tokyo Metropolitan Government along with Global Affairs Canada and Ontario investment representatives to understand the capacity requirements, labour force needs, academic partnerships and the overall supply chain investment ecosystem potential.

The official ground-breaking at the Asahi Kasei site in Port Colborne is scheduled to take place on November 14, 2024.

Confirmed Pipeline Investments:

There have been additional companies that have confirmed investments in Niagara Region due to the efforts of Economic Development staff. Those efforts have yielded two new companies at a total CAPEX investment of \$7 Million and the creation of 35 jobs, ultimately contributing to Niagara's growing industrial sector.

Additional hosting opportunities have been presented to the Economic Development team. These hosting opportunities allow us to educate and

showcase the region to local influencers with networks that we don't have direct connections with, promoting the benefits of doing business and living in Niagara.

Notable events include the visit from Innovation Norway on August 1, 2024, and the Consider Canada City Alliance meeting on June 26, 2024. Economic Development staff also hosted the Consular Corps Association of Toronto during the 2024 World Rowing Championships and Nations Dinner, which featured representatives from 18 countries from August 22 to 24, 2024.

Other events included engagements with the Port of Baie Comeau on September 13, 2024, and a tour of the Vineland Research and Innovation Centre with a delegation from Dong Thap Province, Vietnam. Additionally, Life Sciences Ontario was engaged on September 23, 2024 to foster effective relations in this sector and continued relations welcoming the Invest Ontario Senior Management Team on November 4, 2024.

FDI Pipeline:

The Economic Development team continues to conduct meetings with leads identified in FDI target markets and sectors. In the second and third quarter of 2024 the team has had meetings with 66 new businesses that have expressed interest in investing in Niagara Region. Niagara Economic Development continues to distinguish between leads and opportunities based on in market activities and working with our government partners and third party in market lead generators. In the second and third quarter of 2024 there were 29 total new opportunities, two of which were converted from leads.

Alternatives Reviewed

Foreign Direct Investment (FDI) is a key function of Regional Economic Development and the tactics being used are consistent with accepted economic development practices.

Relationship to Council Strategic Priorities

Foreign Direct Investment activities support Council's strategic priorities for an Effective and Prosperous Region.

Other Pertinent Reports

- [ED 5-2024: Economic Development Foreign Direct Investment \(FDI\) Update](https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=e32f76c9-d12f-482c-9109-986f7ed6c503&Agenda=Agenda&lang=English&Item=16&Tab=attachment)
(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=e32f76c9-d12f-482c-9109-986f7ed6c503&Agenda=Agenda&lang=English&Item=16&Tab=attachment>)

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Appendices

N/A