



THE HEART OF OPPORTUNITY

Alberta's Industrial Heartland

Presentation to Sturgeon County Council
August 28, 2018

ALBERTA'S INDUSTRIAL HEARTLAND ASSOCIATION



Alberta's Industrial Heartland is guided by a non profit association of municipalities dedicated to sustainable eco-industrial development.

Alberta's Industrial Heartland Association is a collaborative 20-year partnership of five municipalities and three associate members.



ALBERTA'S INDUSTRIAL HEARTLAND

582 sq.km.
value-add

**Energy
Cluster**



We are Canada's **largest**
hydrocarbon processing centre



\$40 billion in
existing
Investment

Jobs



6,000+
direct
25,000+
indirect



**Local
Spending**

\$1.5 billion
Annually



40+ Industrial Heartland
companies

ALBERTA'S INDUSTRIAL HEARTLAND AT A GLANCE



Home to two refineries with carbon capture technology



One of the world's most attractive locations for advanced chemistry manufacturing and value-add energy processing



Collaborative cluster model provides for improved efficiency, innovation, safety and sustainability

RECENT INVESTMENTS

HEARTLAND PETROCHEMICAL COMPLEX

- Propane-to-polypropylene facility
- First of its kind in Canada
- High value product in high demand worldwide



- \$4.1 Billion capital investment
- 13,000 construction jobs
- 300 Full-time permanent jobs



RECENT INVESTMENTS

STURGEON REFINERY

- First refinery built in Canada since 1984
- World's first refinery designed with integrated carbon capture
- Direct conversion bitumen to ultra-low sulphur diesel



- \$9.7 Billion capital investment
- 7,000 workers on site at peak
- 500 Full-time permanent jobs
- Partnership with Women Building Futures



PETROCHEMICAL INVESTEMENT IS GOOD FOR ALBERTA



Multiplier Effect

One petrochemical job generates five jobs in the broader economy

Adding Value

By doing more manufacturing of our resources, we can get a higher value and create more jobs

Highly Skilled, High Paying Jobs

The average annual petrochemical salary is 45% higher than the average manufacturing salary

Diversified Economy

Provides a more stable source of government revenue that is not subject to commodity price fluctuation

THE HORIZON OF OPPORTUNITY



There is a petrochemical investment window open right now for North America.

There is the potential to attract **\$30 Billion in NEW Capital Investments** to Alberta's Industrial Heartland by 2030 with a Competitive Investment Climate

A COMPETITIVE INVESTMENT CLIMATE

Welcoming Business Environment

Regulatory certainty, transparency, and timeliness are critical for attracting new investment.

21st Century Workforce

A skilled workforce that reflects the diversity of our country will benefit everyone.

Investment Attraction Tools

Creating effective tools will drive economic growth and innovation.

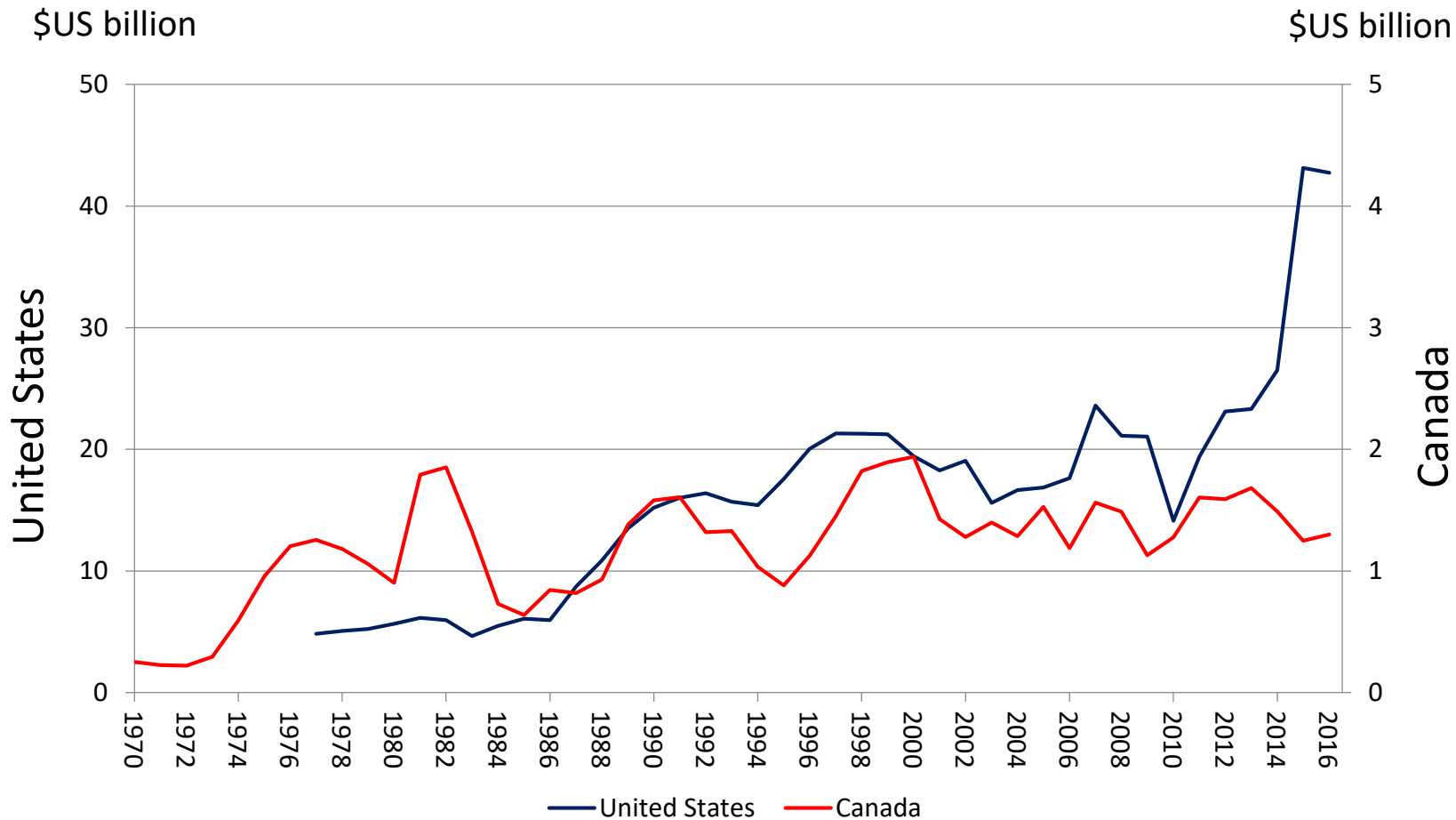
Competitive Tax Framework

Taking into account all taxes and added costs from all levels of government ensures we remain competitive overall against our biggest competitors.

Economy-Enabling Infrastructure

Investing in infrastructure will propel economic growth.

OPPORTUNITY COST



- 320 projects in last 5 years
- C\$250 billion investment
- Canada's share is historically 10%
- Canada's share in last 5 years is **less than 2%**

CURRENT INVESTMENT CLIMATE

UNITED STATES	CANADA
<p>Jobs and Tax Cuts Act:</p> <ul style="list-style-type: none"> • 100% immediate capital cost allowance permanently • Corporate tax cut (from 35% to 21%) 	<ul style="list-style-type: none"> • Carbon tax increases • Accelerated Capital Cost Allowance 50% and ends in 2025
<ul style="list-style-type: none"> • Streamlined regulatory process • Assigned state and federal contact to help investors through the process 	<ul style="list-style-type: none"> • Regulatory process takes on average 2-3 times longer than US • Timelines are uncertain
<ul style="list-style-type: none"> • Broad range of custom incentives for target sectors, primarily from state and local level 	<ul style="list-style-type: none"> • PDP & PFIP (Alberta incentives) – intake closing Oct 1 • Strategic Innovation Fund (Federal) – oversubscribed

HOW CAN WE COMPETE TO WIN

- ✓ Streamline regulatory process
- ✓ Create fair, transparent and long-term investment attraction tools
- ✓ Avoid layering of taxes and regulations from multiple levels of government
- ✓ Maintain a carbon pricing system that is globally competitive and investment-friendly
- ✓ Continue to invest in economy-enabling infrastructure

THANK YOU

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