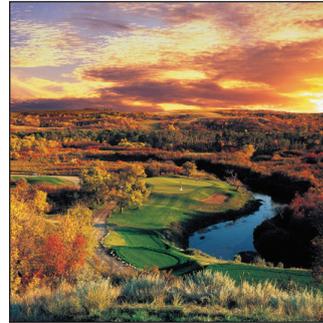


Ministry of Trade and Export Development



Annual Report for 2018-19

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Letters of Transmittal



*The Honourable Jeremy Harrison
Minister of Trade and Export
Development*

Office of the Lieutenant Governor of Saskatchewan

I respectfully submit the Annual Report of the Ministry of Trade and Export Development for the fiscal year ending March 31, 2019.



The Honourable Jeremy Harrison
Minister of Trade and Export Development



*Kent Campbell
Deputy Minister of Trade and
Export Development*

The Honourable Jeremy Harrison, Minister of Trade and Export Development

Dear Minister:

I have the honour of submitting the Annual Report of the Ministry of Trade and Export Development for the fiscal year ending March 31, 2019. This report has been prepared and carefully reviewed under our direction, and accurately represents the activities and accomplishments of our ministry during the past year.



Kent Campbell
Deputy Minister Trade and Export Development

Introduction

This annual report for the Ministry of Trade and Export Development presents the ministry's results for the fiscal year ending March 31, 2019. It provides results of publicly committed strategies, key actions and performance measures identified in the *Ministry of Trade and Export Development Plan for 2018-19*. It also reflects progress toward commitments from the Government Direction for 2018-19, the *Saskatchewan Plan for Growth – Vision 2020 and Beyond*, throne speeches and the ministry.

The annual report demonstrates the ministry's commitment to effective public performance reporting, transparency and accountability to the public.

Alignment with Government's Direction

The ministry's activities in 2018-19 align with Saskatchewan's vision and four goals:

Saskatchewan's Vision

"... to be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life."

Sustaining growth
and opportunities for
Saskatchewan people

Meeting the challenges
of growth

Securing a better quality
of life for all
Saskatchewan people

Delivering responsive
and responsible
government

Together, all organizations support the achievement of Saskatchewan's four goals and work towards a secure and prosperous Saskatchewan.

Ministry Overview

Mandate Statement

The Ministry of Trade and Export Development advances economic growth to generate wealth and opportunity in Saskatchewan. The ministry facilitates a coordinated cross-government approach to attract investment and grow export markets. The ministry fosters and supports a competitive business environment, facilitates trade and strengthens Saskatchewan's international relations.

Mission Statement

To advance economic growth, competitiveness and trade relations in Saskatchewan.

Progress in 2018-19

Government Goals



Strategic priorities from the *Saskatchewan Plan for Growth*: sustaining economic growth and meeting the challenges of growth.

Ministry Goal

Saskatchewan is *The Place to Do Business* within Canada and around the world.

Strategy

Continue to develop strong Saskatchewan brand recognition.

Key Actions and Results

Engage in targeted outreach to key markets through missions and promotions to advance Saskatchewan's reputation as a preferred global supplier.

- ⇒ The ministry refined the *ThinkSask* international investment marketing campaign to focus on specific priority sectors and geographic markets, identified in consultation with Government of Saskatchewan sector experts. As a result, the ministry was able to better target audiences online and through social media to achieve 200,217 web sessions on ThinkSask.ca compared to 137,909 in 2017-18. (Web sessions refers to the number of visits, including repeat visits from a single individual.) The LinkedIn *Invest in Sask* page reached 6,480 followers by March 2019.

Increase collaboration and coordination with Saskatchewan Trade and Export Partnership (STEP) and leaders from industries within our province to achieve economic goals.

- ⇒ The ministry maintained relationships with 102 internal and external partners to advance investment in the province's key economic sectors.
- ⇒ The ministry collaborated with several partners to strengthen business relationships and promote opportunities. For example, the ministry and its partners promoted supply chain linkages and procurement opportunities to thousands of Saskatchewan businesses, manufacturers and processors through the following activities or events:
 - ⇒ The Saskatchewan Mining Supply Chain Forum;
 - ⇒ Supply Chain Week (nearly 300 companies participated);
 - ⇒ The Saskatchewan Oil and Gas Supply Chain Forum;
 - ⇒ The Corporate Procurement Committee;
 - ⇒ The Aerospace and Defense Forum;
 - ⇒ The Business Opportunity and Procurement Forum; and,
 - ⇒ The Advanced Business Match.
- ⇒ STEP and the ministry collaborated to support the International Buyers Centre at Canada's Farm Progress Show. In 2018, there were 582 international visitors and 40 confirmed international buyers with a reported spend of over \$20 million.
- ⇒ Systematic efforts were made to ensure timely communication and follow-up with Saskatchewan-based companies. Aftercare is accomplished through support to key events with significant networking potential and opportunities for information sharing and dialogue with stakeholders. This occurred through participation in the Saskatchewan

Geological Open House, Saskatchewan Business Opportunity Expo, Saskatchewan Manufacturing Week, Saskatchewan Agri-Value Workshop, Oil and Gas Supply Chain Forum, Saskatchewan Oil and Gas Show, Ag in Motion (Western Canada's Outdoor Farm Expo), Canadian Western Agribition (more than 100,000 attending and 1,100 companies exhibiting) and Western Canadian Crop Production Show (more than 19,000 delegates and 350 companies participated).

Enable industry leaders to represent Saskatchewan in their business partnerships within Canada and globally.

- ⇒ In 2018-19, STEP organized 43 outgoing missions that took 247 members, along with STEP staff, to a range of global markets to promote commodities and products ranging from specialty crops, food ingredients, processed foods, agricultural machinery and technology, forestry products, mining equipment and contract manufacturing.
- ⇒ In 2018-19, STEP qualified 4,616 leads and STEP members made 721 deals in the market.
- ⇒ The anticipated dollar value of sales from trade activities undertaken by members of STEP amounted to \$165.8 million.
- ⇒ In 2018-19, STEP organized and hosted 15 incoming buyers' missions involving 205 of STEP's members. Incoming buyers came from 27 countries: 12 countries in Europe, two in the Middle East, five in Asia or Southeast Asia, four in Africa, two in Central or South America, the United States and Mexico.

Strengthen relationships with government and industries in key markets by improving our international presence.

- ⇒ The ministry delivered an ambitious international agenda, which included missions by the Premier or Minister to Washington, D.C.; China; India; Israel; Singapore; and the Philippines to advance Saskatchewan's trade, investment, talent and innovation priorities and support Saskatchewan industry in expanding their markets.
- ⇒ The ministry hosted numerous ambassadors and senior diplomats from around the world on official and unofficial visits to the province with the goal of furthering bilateral relations and showcasing Saskatchewan's international priorities, unique strengths and opportunities.
- ⇒ The ministry strengthened Saskatchewan's engagement with United States governors on key files such as the *United States-Mexico-Canada Agreement (USMCA)*; steel and aluminum tariffs; energy infrastructure; carbon capture, utilization and storage; and enhanced oil recovery, by supporting the Premier's participation in the North American Summit, Western Governors Association Annual Meeting and the Council of the Federation/National Governors Association Meeting.
- ⇒ The ministry led Saskatchewan's engagement in forums such as the Pacific NorthWest Economic Region and the Midwestern Legislative Conference to foster strong relationships with state legislators and policy makers that protect and advance the province's interests in the United States.
- ⇒ The ministry collaborated with the Asia Pacific Foundation of Canada and the Canada-India Business Council on initiatives to promote Saskatchewan as a key export partner and investment destination and strengthen Saskatchewan's growing network with key Asian stakeholders and executives.

Government Goals



Strategic priorities from the *Saskatchewan Plan for Growth*: sustaining economic growth and meeting the challenges of growth.

Ministry Goal

Increase trade, investment and exports between Saskatchewan and its partners within Canada and abroad.

Strategy

Saskatchewan creates opportunities for economic growth through trade, investment and export.

Key Actions and Results

Promote Saskatchewan's leadership and innovation in key industries.

- ⇒ In 2018-19, the ministry attracted investment for 19 projects in the agriculture/agri-value sector, worth an estimated \$345 million; 10 projects in the manufacturing sector worth an estimated \$118 million; three projects in oil and gas worth an estimated \$471 million; and two multi-sector projects worth about \$5 million.
- ⇒ Projects in the agri-value sector included flax seed oil, oats, dairy, beef, cannabis and pulses.

Increase foreign direct investment and reinvestment by existing companies in primary and value-added industries through economic development initiatives.

- ⇒ The ministry continues to implement and refine a systematic team-based approach to increase investment attraction. 2018-19 results include 25,745 companies researched, 754 leads qualified, and 388 opportunities in the investment pipeline.
- ⇒ In 2018-19, the ministry supported investment in 34 projects worth an estimated \$938.6 million.
- ⇒ The ministry works with First Nations tribal councils and bands, Métis organizations and Indigenous businesses, connecting them to the broader business community with the aim of generating revenues on- and off-reserve.
- ⇒ First Nations and Métis business successes supported by the ministry in 2018-19 include the acquisition of a \$3.4 million pulse processing facility, which is expected to employ five to six people, and expansions at two companies worth an estimated \$7.3 million that will result in the creation of 14 jobs.
- ⇒ The ministry worked with partners to introduce the Saskatchewan Value-Added Agriculture Incentive. The incentive provides a 15 per cent non-refundable and non-transferable tax credit for new or existing value-added agriculture facilities that make a minimum capital investment of \$10 million to expand productive capacity.
- ⇒ To encourage investment in early-stage technology companies, the ministry worked with Innovation Saskatchewan to develop the Saskatchewan Technology Start-Up Incentive, which offers a 45 per cent non-refundable tax credit for individual and corporate equity investments in eligible technology start-up businesses.

Represent Saskatchewan's interests in trade negotiations.

- ⇒ The ministry engaged with the federal government and industry to ensure Saskatchewan's interests were reflected in the new USMCA and worked closely with industry and the federal government on Canada's response to the United States' trade actions against Canada, including Section 232 tariffs/investigations on steel and uranium.
- ⇒ The ministry worked to understand and attempted to resolve market access issues faced by Saskatchewan companies in international markets, including pulse exports to India and durum exports to Italy. Market access issues have significant negative impacts on Saskatchewan exporters, resulting in lower value sales.

Strategy

Saskatchewan's business and investment environment is competitive.

Key Actions and Results

Reduce regulatory barriers to trade through positive relationships and negotiations with other governments across Canada.

- ⇒ As part of Saskatchewan's commitment to reducing barriers to internal trade, the ministry:
 - ↳ Led the negotiations to bring trade in financial services and cannabis for Saskatchewan under the *Canada Free Trade Agreement*. The ministry also chaired the Alcoholic Beverages Working Group;
 - ↳ Led the implementation of the Saskatchewan-Ontario Memorandum of Understanding, which commits the two provinces to work together to reduce regulatory barriers to trade and red tape; and,
 - ↳ Concluded negotiations with British Columbia, Alberta and Manitoba to establish a Bid Protest Mechanism whereby suppliers can bring forward disputes regarding specific procurements under domestic and international trade agreements.

Lead government's initiative to reduce red tape by engaging industry in the design of regulations, policies and programs.

- ⇒ Work supported by the ministry achieved a \$61.4 million net reduction in the cost of compliance for Saskatchewan businesses. The target was annual savings equal to a \$30 million net reduction in the cost of compliance (savings less the cost of additions) for 2018-19, based on net present value over a 10-year period.
 - ↳ The ministry launched a new *Help Cut Red Tape* web page on saskatchewan.ca. The page offers an always-on, client-centred platform for citizens and businesses to report red tape irritants they have encountered in the province. Ministry staff assess every submission received and then refer it to the appropriate Government of Saskatchewan ministry, agency or Crown corporation for effective follow up.
 - ↳ Government is on track with its commitment to review all business-related regulations in Saskatchewan once every 10 years.
- ⇒ As a reflection of its progress in reducing red tape and modernizing regulations, Saskatchewan was awarded the

highest 'A' grade in the 2019 national Red Tape Report Card issued by the Canadian Federation of Independent Business.

Ensure government activities are responsive to international economic opportunities to better connect Saskatchewan to the world.

⇒ Investment attraction missions are an important part of Saskatchewan's efforts to develop and sustain new markets. In 2018-19, the ministry undertook 41 outbound investment attraction missions to a range of markets, including five to Asia, two to the Middle East, seven to Europe, one to Mexico, 13 to the United States and 13 in Canada. During these missions, hundreds of business meetings were held to promote Saskatchewan as a destination for investment.

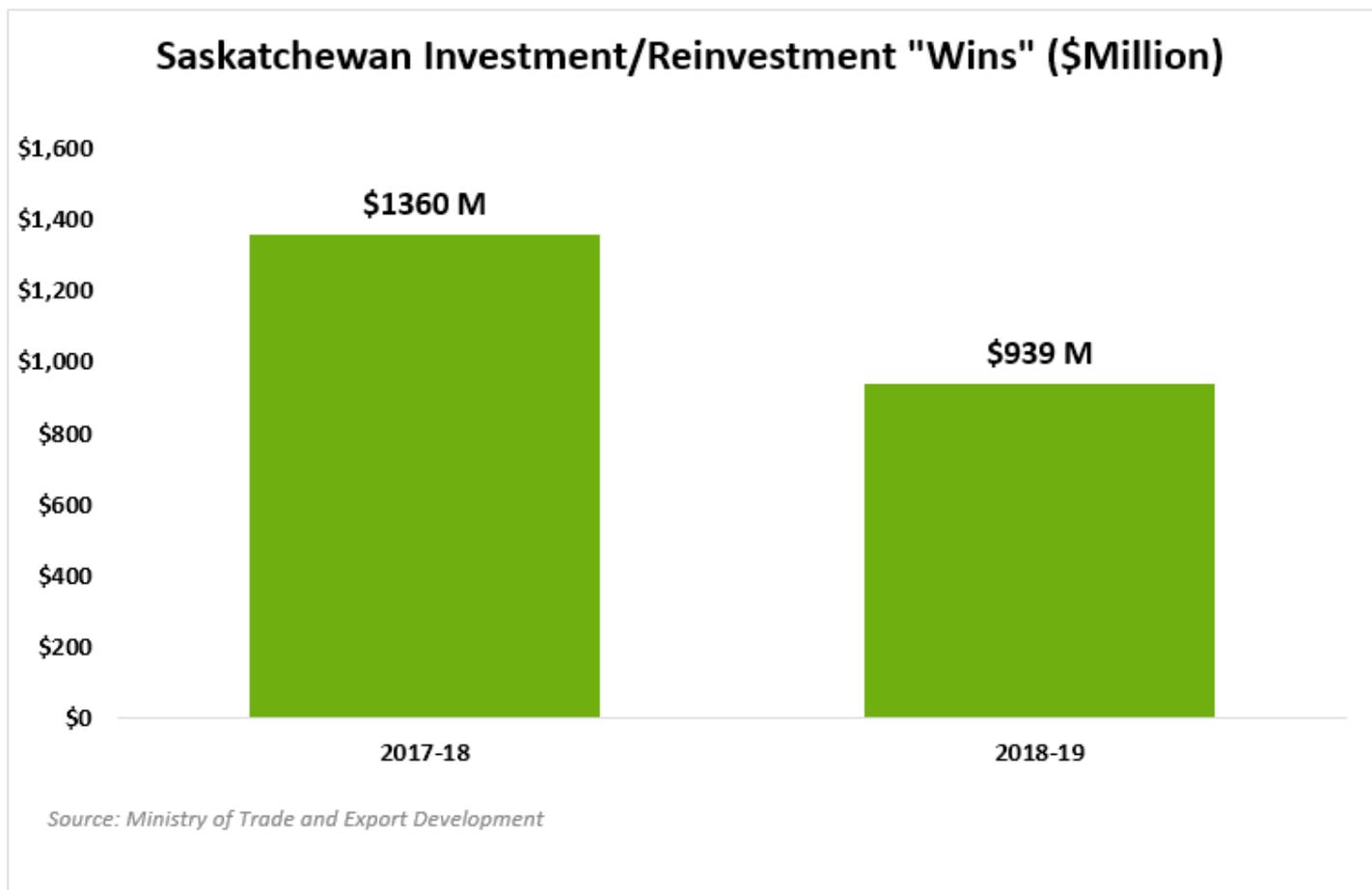
⇒ In 2018-19, the ministry hosted 102 inbound investment attraction missions for 95 different potential investors.

Performance Measures

Investment/Reinvestment "Wins"

Investment/reinvestment "wins" in the amount of \$1 billion in 2018-19.

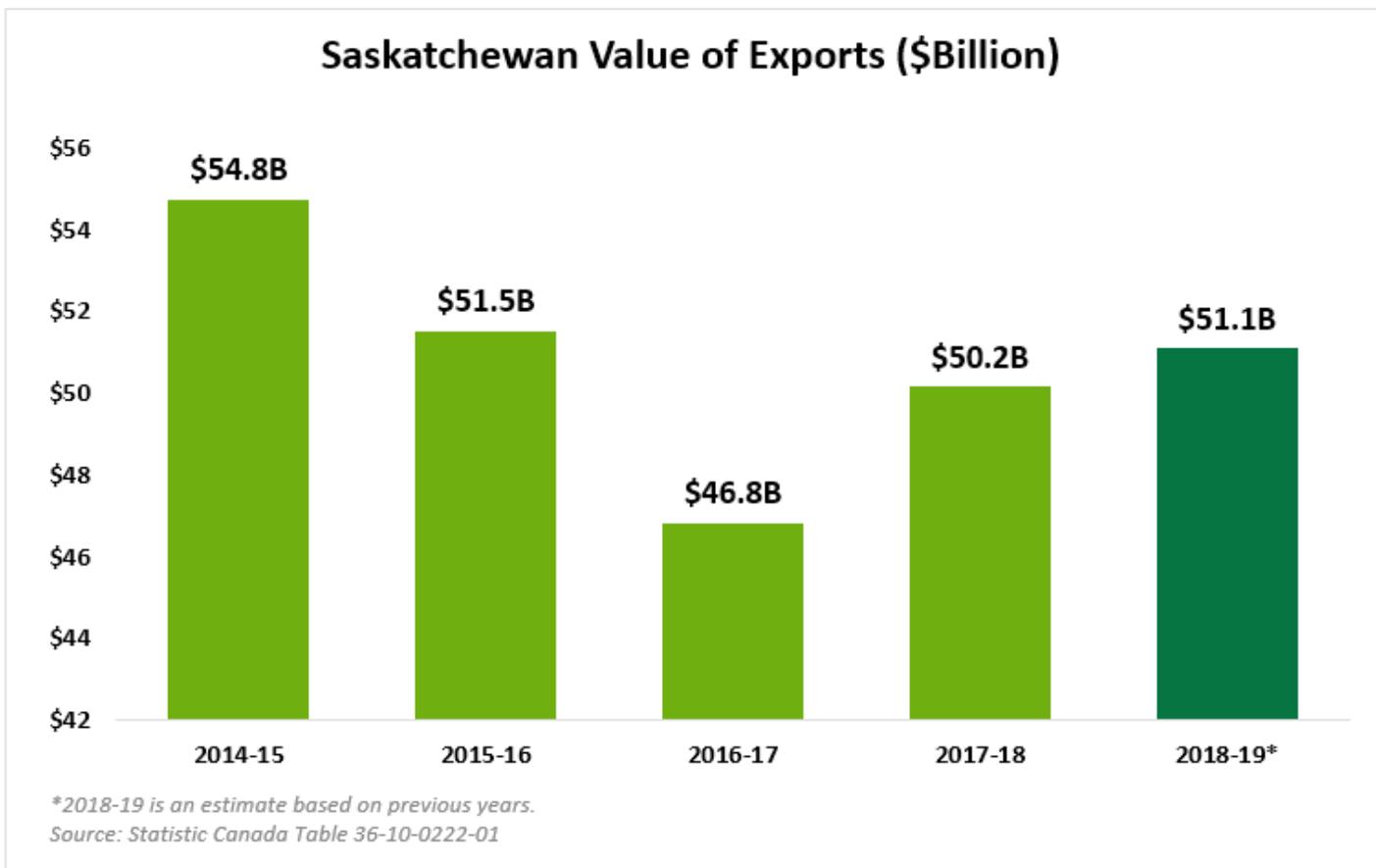
A "win" is a confirmed investment by a company from outside Saskatchewan into the province or a reinvestment from a company inside Saskatchewan, where ministry efforts supported an investment decision and the company would acknowledge it. It could take the form of a new business being established in Saskatchewan, a joint venture or partnership with an existing business, a merger/acquisition of an existing business, a research agreement, or an investment made into a Saskatchewan company.



Saskatchewan Value of Exports

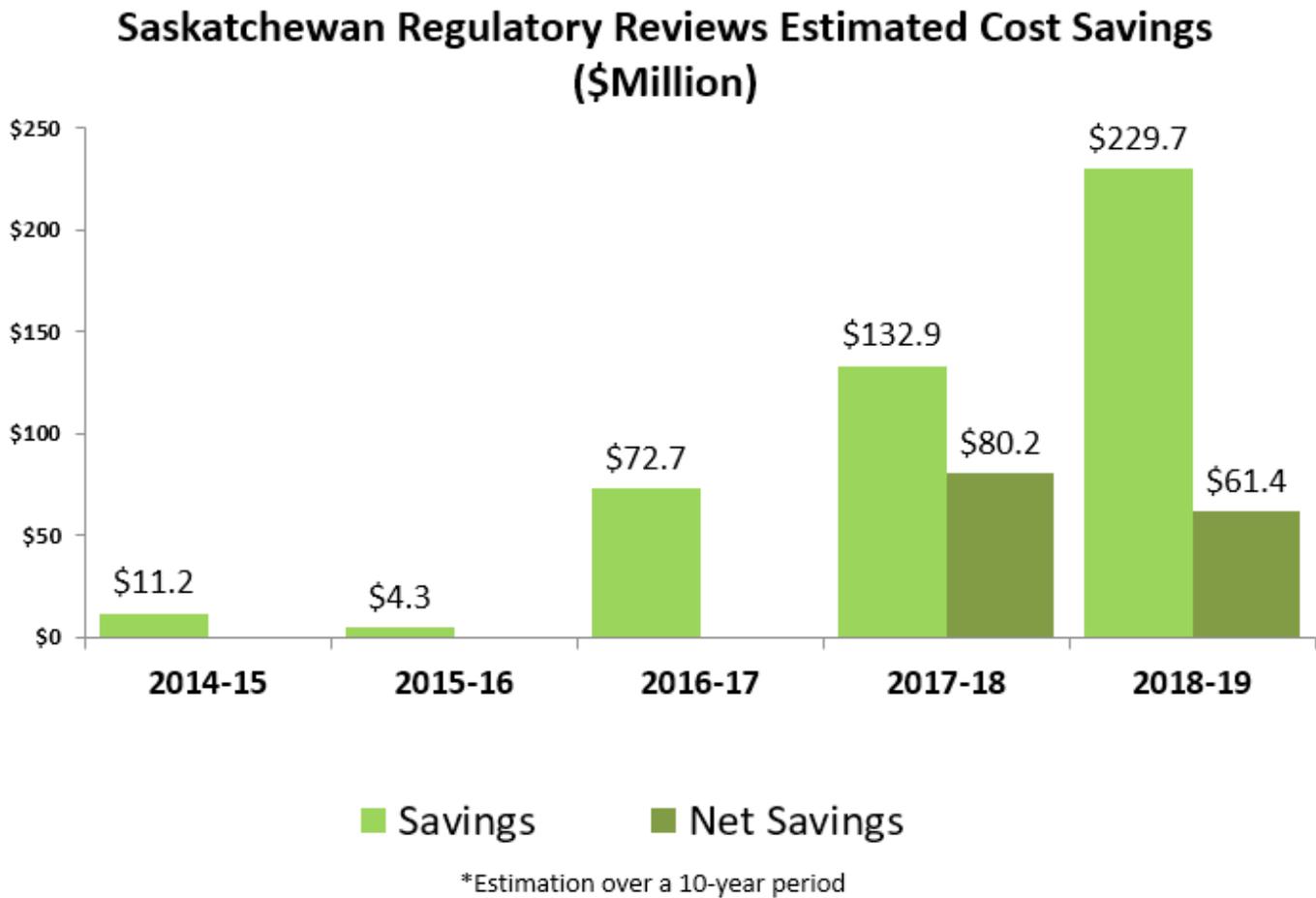
Increase the total value of exports to \$51.1 billion in 2018-19.

Value of exports is defined as goods and services to both foreign and the rest of Canada markets.



Red Tape Cost Savings

Regulatory cost savings associated with amended regulations or policies. Anticipated annual savings of \$30 million net reduction in the cost of compliance (net savings less the cost of additions) for 2018-19.



Source: Ministry of Trade and Export Development

2018-19 Financial Overview

Budget vs. Actual Expense Variance Report

Summary of Expenditures

The following table outlines information on actual and budgeted expenditures by subvote and subprogram, as per the structure for the Ministry of Trade and Export Development. Variance explanations are provided for individual variances that are greater than \$100,000.

Subvote/Subprogram	in thousands of dollars			
	Actual Expenditures 2017-18*	Estimate 2018-19	Actual Expenditures 2018-19	Variance Over/(Under) 2018-19
TE01 Central Management and Services				
Executive Management	-	485	461	(24)
Central Services	-	4,046	3,224	(822)
Accommodation Services	-	1,022	955	(67)
TE01 Central Management and Services Total	-	5,553	4,640	(913)
TE02 Strategic Policy and Competitiveness				
Strategic Policy and Competitiveness	-	1,973	1,682	(291)
TE02 Strategic Policy and Competitiveness Total	-	1,973	1,682	(291)
TE03 Economic Development				
Operational Support	-	6,846	5,802	(1,044)
Saskatchewan Trade and Export Partnership	-	3,568	3,568	-
TE03 Economic Development Total	-	10,414	9,370	(1,044)
TE04 International Relations and Trade				
International Relations and Trade	-	2,319	2,273	(46)
TE04 International Relations and Trade Total	-	2,319	2,273	(46)
Total Appropriation	-	20,259	17,965	(2,294)
Capital Asset Acquisition	-			-
Capital Asset Amortization	-			-
Total Expense	-	20,259	17,965	(2,294)

* 2017-18 amounts are related to the Ministry of Economy and no comparable numbers are available

Variance Explanations (Amounts greater than \$100 thousand):

1. General operating savings and vacancy management.
2. Reduced contract spending and vacancy management. Virement of \$160K to International Relations and Trade to cover pressures.
3. Pressures due to increased travel, trade missions and contract spending. Virement of \$160K received from Economic Development to cover pressures largely due to increased travel in relation to various missions overseas.

2018-19 Financial Overview

Summary of Revenue

The following table outlines information on actual and budgeted revenue by category for the Ministry of Trade and Export Development. An explanation of major variances is provided on all revenue that is greater than \$3 million.

Summary of Revenue (In thousands of Dollars)			
Revenue Category	2018-19 Budget	2018-19 Actual	Variance Over/(Under)
Investment Income	32	14	(18)
Miscellaneous Revenue	297	692	395
Other Fees and Charges		1	1
Total Revenue Ministry of TED	329	707	378

Explanation of Major Variances:

N/A

For More Information

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www.saskatchewan.ca/government/government-structure/ministries/trade-and-export-development

Appendix

Appendix A: Legislative Responsibilities (2018-19)

The ministry derives its mandate, responsibilities and authority from a number of Acts and Regulations under those Acts. Acts currently assigned to the Minister of Trade and Export Development are:

<p>THE AGRICULTURE ADMINISTRATION ACT</p> <p>Only with respect to:</p> <ul style="list-style-type: none"> • Sections 7 and 7.1 which are jointly assigned to the Minister of Trade and Export Development and the Minister of Agriculture; and • Section 9.2.
<p>THE CULTURE AND RECREATION ACT, 1993</p> <ul style="list-style-type: none"> • Jointly assigned to the Minister of Trade and Export Development, the Minister of Parks, Culture and Sport, the Minister Responsible for the Provincial Capital Commission and the Minister Responsible for Tourism Saskatchewan.
<p>THE ECONOMIC AND CO-OPERATIVE DEVELOPMENT ACT</p> <p>Except:</p> <ul style="list-style-type: none"> • Clause 8(a) which is jointly assigned to the Minister Trade and Export Development, the Minister of Energy and Resources, the Minister of Agriculture, the Minister of Parks, Culture and Sport and the Minister Responsible for Tourism Saskatchewan; • Clause 8(b) which is jointly assigned to the Minister of Trade and Export Development, the Minister of Agriculture and the Minister of Parks, Culture and Sport; • Clauses 8(c) and 9(1)(h) and subsection 9(3) which are assigned to the Minister of Central Services; • Clause 9(1)(d) which is jointly assigned to the Minister of Trade and Export Development and the Minister of Agriculture; and • Clause 9(1)(e) which is jointly assigned to the Minister of Trade and Export Development and the Minister of Parks, Culture and Sport.
<p><i>The Northern Economic Development Regulations</i></p>
<p><i>The Small Business Loans Association Program Regulations</i></p>
<p>THE ENTERPRISE SASKATCHEWAN ACT (REPEALED – EFFECTIVE MAY 9, 2018)</p>
<p><i>The Enterprise Saskatchewan Regulations</i></p>
<p>THE GOVERNMENT RELATIONS ADMINISTRATION ACT</p> <p>Only with respect to:</p> <ul style="list-style-type: none"> • Clause 3 (1)(e) which is jointly assigned to the Minister of Trade and Export Development and the Minister of Government Relations; and • Subsection 3(2), which is jointly assigned to the Minister of Trade and Export Development and the Minister Responsible for First Nations, Métis and Northern Affairs.
<p>THE LABOUR-SPONSORED VENTURE CAPITAL CORPORATIONS ACT</p>
<p><i>The Labour-Sponsored Venture Capital Corporations Regulations</i></p>
<p>THE REGULATORY MODERNIZATION AND ACCOUNTABILITY ACT</p>
<p><i>The Regulatory Modernization and Accountability Regulations</i></p>
<p>THE SASKATCHEWAN COMMERCIAL INNOVATION INCENTIVE (PATENT BOX) ACT</p> <ul style="list-style-type: none"> • Jointly assigned to the Minister of Trade and Export Development and the Minister responsible for Innovation.
<p><i>The Saskatchewan Commercial Innovation Incentive (Patent Box) Regulations</i></p>
<p>THE SASKATCHEWAN VALUE-ADDED AGRICULTURE INCENTIVE ACT</p>
<p><i>The Saskatchewan Value-Added Incentive Regulations</i></p>

