

MUNICIPALITIES PURSUE GLOBAL TRADE

Cities are competing for international profile, funds and skills.

When financial giant Deutsche Bank looked to expand its commodities operations beyond world financial centres such as Frankfurt, London and Singapore, it opened an office in Calgary, Alberta. New York's Goldman Sachs has also settled in the western Canadian city. The presence of two international financial services companies there signals a community that's marketing itself on the world stage.

Attracting such firms is a major step in drawing foreign trade and investment, and Calgary's success underscores an effort in which hundreds of Canadian municipalities today are engaged: looking for international profile, funds and skills.

"There's been a significant increase in awareness of municipal governments of their potential internationally," observes Brock Carlton, Director of the International Centre for Municipal Development at the Federation of Canadian Municipalities in Ottawa. Carlton says that cities such as Vancouver receive several international delegations a week looking to strike up or advance business relationships. "The connections are expanding exponentially."

The phenomenon of cities acting as trading centres dates back more than 3,000 years, when legions of mariner traders set sail from the ports of ancient Phoenicia. The practice is becoming more common and evolving rapidly in an age of urbanization, notes Bob Schulz, professor of strategic

management at the University of Calgary's Haskayne School of Business, adding that benefits accrue to cities that market themselves directly.

"This is more targeted now," Schulz remarks. "There's less travelling to other places without knowing who is going to be on the other end."

There's also far more promotion of Canadian cities—or "clusters" of communities within regions—focusing on key economic sectors, which was a major topic of discussion at the World Urban Forum. "There's no question that the federal and provincial governments set the framework, but the really competitive area today is the region," comments Michael Darch of the Ottawa Centre for Research and Innovation, which promotes Ottawa's knowledge-based industries.

For example, in setting itself up as a "hub" for the high-technology sector, Darch says, Ottawa competes more directly with California's Silicon Valley and India's high-technology centre in Bangalore than it does with Calgary, Vancouver or the so-called Canadian Technology Triangle around Kitchener-Waterloo and Guelph.

Canadian municipalities accentuate different specialties according to which international partner or industry they're approaching. Just east of Toronto, for example, the Regional Municipality of Durham is home to a major automobile manufacturing facility. However, it is primarily the region's status as a centre for nuclear power that will send a Durham delegation to India later this year to promote a 318-acre "energy park" near the Darlington nuclear power station.

"There are Indian companies looking to invest here and there may be opportunities in India for our companies," explains Doug Lindeblom, Director of Economic Development and Tourism for Durham, adding that the key today is partnerships between municipalities and companies in Canada and abroad.

The central driver in all this, of course, is globalization, which has created an imperative for cities to gain a presence in international markets.

"There's a more generalized competitiveness, not just for investment but for talent, for labour," says William Strange, a professor of urban economics at the University of Toronto's Rotman School of Management.

Cities have long collaborated in areas such as transportation and physical planning, and now cooperate on fiscal management issues through tax-base sharing. In an era of globalization, cities are joining together through networks. One such network, called the North American International Trade Corridor Partnership, is designed to build a huge regional market, facilitating contact between businesses, organizing virtual trade missions and putting together a huge directory of enterprises that can be consulted online. ♣

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World stage: Cities such as Calgary are taking major steps in drawing foreign trade and investment.