

Foreign Direct Investment Strengthens VERMONT'S ECONOMY

11,100
JOBS

QUALITY JOBS



11,100 workers in Vermont are employed as a result of international investment.

MANUFACTURING



2,600 workers in Vermont - **23 percent** of all FDI jobs in the state - are in the manufacturing sector.

GLOBALLY CONNECTED



Among all international employers, those from **Canada, France** and the **United Kingdom** support the largest number of jobs in Vermont.

MANY EMPLOYERS

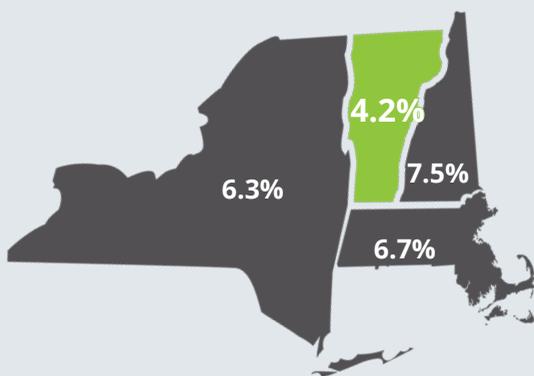


Nearly **210 international employers** have operations in Vermont.

INTERNATIONAL INVESTMENT CONTRIBUTES TO VERMONT'S ECONOMY

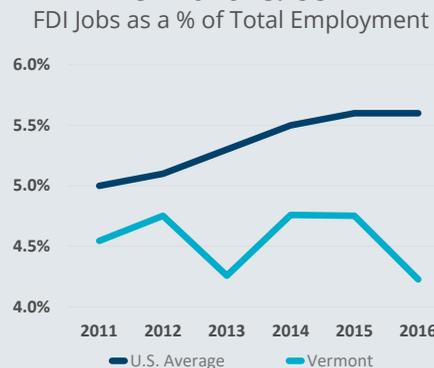
Vermont vs. Its Neighbors

FDI Jobs as a % of Total Employment



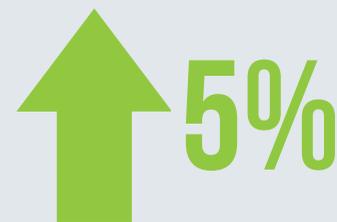
Vermont vs. USA

FDI Jobs as a % of Total Employment



Vermont trails the national average in its portion of jobs supported by international investment.

In the past eight years, Vermont's FDI employment...



while the state's overall private-sector employment



FDI BOOSTS AMERICA'S ECONOMIC ADVANTAGE



\$81,000

Good Paying Jobs. Across the nation, U.S. workers at international companies earn 26 percent higher compensation than the economy-wide average - making \$81,200 annually.



\$60 BILLION

Fueling American Innovation. International employers spend more than \$60 billion on U.S. R&D activities, supporting 16 percent of all R&D performed by U.S. companies.



↑ 33%

Investing in America's Workforce. U.S. workers at international companies have increased productivity by 33 percent over the past decade, while the economy-wide average grew by 14.5 percent.



↑ 123%

Building Stronger Communities. International companies increased their charitable contributions by 123 percent in the past decade, while the economy-wide average grew by 19 percent.

Figures based on the Bureau of Economic Analysis (BEA), Survey of Current Business, *Activities of U.S. Affiliates of Foreign Multinational Enterprises in 2016*, released December 2018, and the Organization for International Investment's *Economic Bedrock Report*, released Fall 2018.

What does this mean for Vermont?

A in-market representative would support lead generation programs by sharing valuable market insight. These insights would be leveraged to guide targeting strategies and positioning. Below is a small sample of Canadian market trends in targeted sectors that would influence Vermont's prospect engagement strategy.

Manufacturing

- Industry 4.0 has been at the forefront of innovation of the manufacturing industry in Canada
- It is estimated that 40% of Canadian companies have achieved advanced levels of digitization
- Regional data shows that Quebec leads industry 4.0 with 45% of companies having implemented digital technologies to BC and Ontario's 39% and Alberta's 35%.
- Robotics, automated machinery and 3D printing are some of the main subsectors that are driving growth in Canadian manufacturing, especially in Ontario

Software Development & IT

- A growing niche sector in Canada is AI and big data within the larger software and IT sector. There are an estimated 680 AI companies in Canada which range from early-stage start-ups to established companies with multiple hundred employees.
- The most promising applications of AI companies within the Ontario and Quebec markets were found to be Fin-tech and eCommerce, Marketing, Health and life sciences, Customer Service and Human resources.

Renewable Energy

- One the biggest subsectors in renewable energy is hydro power representing 67.1% of Canada's total renewable energy production
- Hydrogen and fuel cell technologies industry is one of Canada's biggest technology-based export sectors, with approximately 90% of the country's hydrogen and fuel cell technology being exported led by the province of British Columbia

Canada & Vermont Import/Export Trends

Canada ranks as the number 1 destination for Vermont's international merchandise exports.

Canada exported \$3.31bn worth of goods to the Northeast in the last 5 years. Of these, Vermont represents \$2.7 billion of exports in goods from Canada annually.

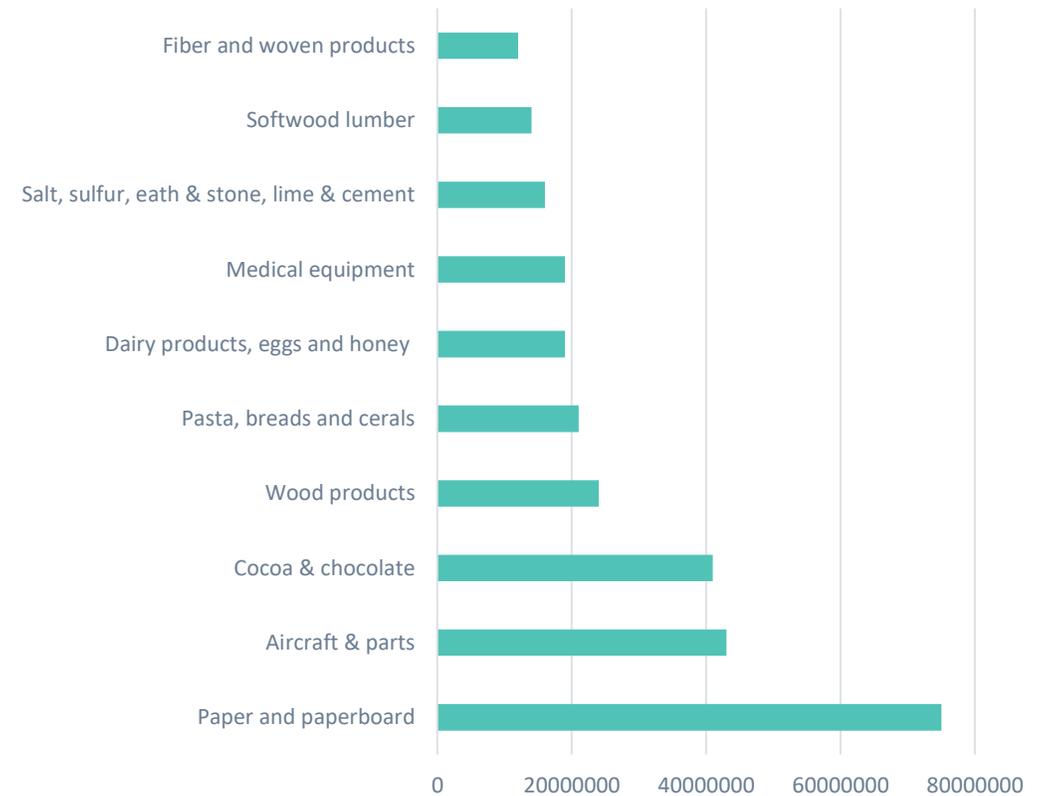
Vermont imports from Canada are dominated by equipment and machinery, energy and agriculture.

Top Exports to Canada

Vermont sells more goods to Canada than to its next six largest foreign markets combined.

It is notable that Vermont's overall exports shows strength in electronic processors and circuits, paper products and machinery. Dominant Vermont exports to Canada include paper products, aircraft products and medical equipment.

Top Vermont Exports to Canada by \$ Value in 2019

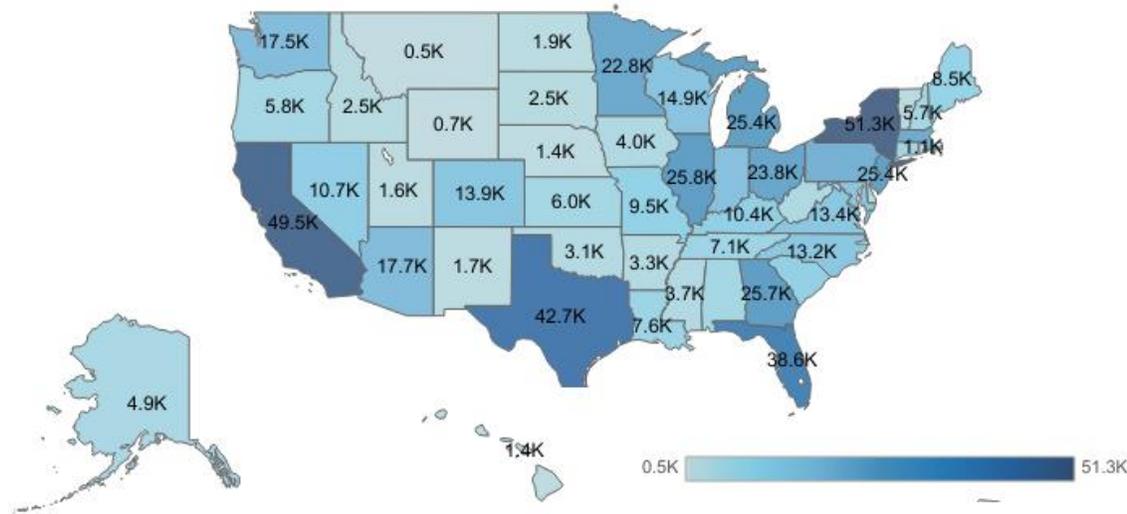


Source: US Census Bureau

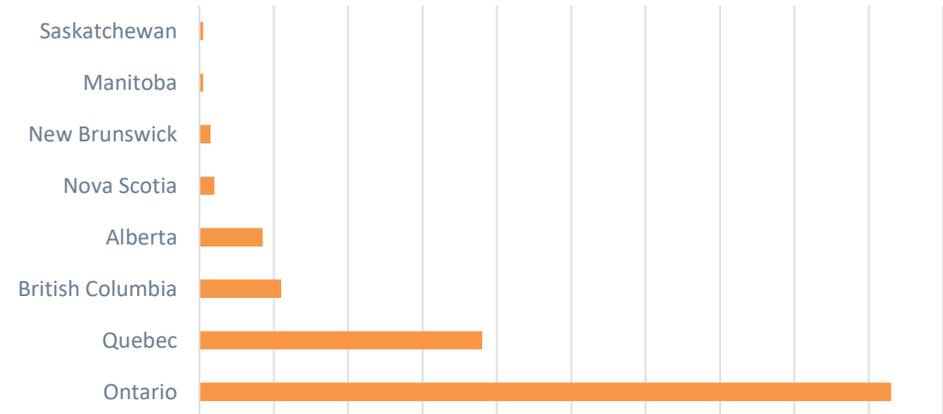
Canadian Investment to the Northeast

International investors have always been important to the US, especially Canadian investment. Historically, Canada is the US' second greatest source market for FDI. The map below demonstrates the number of jobs attributed to U.S. subsidiaries of Canadian Firms, showing a strong Northeast-Canadian relationship.

Most Canadian investment announcements in the US Northeast over the past ten years have come from Ontario, followed by Quebec. The Greater Toronto Area is a main driver of the high investment volume from the province of Ontario.



Northeast Investments projects by Canadian Province (2010-2020)



Source: selectUSA.gov



The Canadian Market

Manufacturing

Size of Market

- Accounting for approximately \$174 billion of GDP, manufacturing represents more than 10% of Canada's total GDP
- Manufacturers export more than \$354 billion each year, representing 68% of all of Canada's merchandise exports
- In 2020, manufacturing contributed 186.8 billion Canadian dollars to the total GDP
- Manufacturing represents 217 projects in terms of FDI investment over the last five years

Cluster Locations

- Alberta is one of the top manufacturing hubs and is home to approximately 60% of all manufacturing facilities in Canada some of the key subsectors include: mining, gas, oil and machinery manufacturing, meat processing and wood panelling manufacturing
- Ontario is a manufacturing hub that produces 59.3% of all cars in Canada. Other key subsectors include manufacturing, plastic production and printing
- Quebec's manufacturing base is in aircraft engineering. Other key subsectors include meat processing and plastic manufacturing



Business Recruitment



Since 2017, Canadian companies to expand their business in Vermont include

Laxson GPS in Rutland,

BHS Composites in Saint Johnsbury,

PCM Innovation purchased Lucas Industries keeping 50 jobs in Springfield

iSun Solar Facilities has merged with Peck and is on NASDAQ -Burlington

Pratiko - Plastic fabrication in Lyndonville

ZenMetal has a presence via NSA in St. Johnsbury

Gilbert Technologies- Advanced manufacturing in Lyndonville

MITI Manufacturing -making vehicle restraint devices- Saint Johnsbury

Theo Décor- Interior design fabric, furniture and lighting- Newport

Earthwise Global- Nanobubble tech, partnering with Bowles Corp to make devices. -Northfield

Granitdesign- expanding business into new location in 2021 creating 10-15 jobs- Derby

Prospects (*all expansions stalled or curtailed by COVID19*)

ILux Electrique- Trailer wiring harness manufacturer- potentially a facility in Norton

E&E Marketing- Processing invasive carp species to fish meal and fertilizer

Xpression Vin- Bottling of bulk French wine