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Canada and South Florida—More than Tourism and Real Estate

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Defining the Canada-South Florida relationship as exclusively one of tourism and real estate investment paints an erroneous picture of our commercial interaction with our northern neighbor.

Canada ranks as a top 3 trading partner and second largest foreign investor with over \$15 billion in property, plant and equipment, accounting for 58,000 jobs and generating over \$1 billion in local property taxes. Leading Canadian corporations such as the TD Bank Financial Group, Bombardier and the CGI Group have thriving operations in Florida.

For 2024 and beyond bilateral commercial opportunities abound in addition to tourism and real estate. Four arenas where both South Florida and Canada can thrive, jointly as well as individually are: *trade, science and technology, start-ups and renewable energy.*

When it comes to *trade* two-way merchandise trade at the state level exceeds \$11.2 billion. Canada's merchandise imports from Florida have grown by nearly 47% over the past five years. with fertilizers and civilian aircraft and engines accounting for over two-thirds of that volume. A lot of Canadian exports to Florida are production inputs for aerospace, IT, and medical devices.

In *technology and science*, Canada has a constellation of research institutes, universities, and corporate R&D centers that are noteworthy, particularly the hubs of Toronto, Montreal, Vancouver, Calgary and Edmonton. There are over 43,200 companies in this sector including leaders such as Shopify, Constellation Software, TELUS Corporation, Magma and Rogers Communications that spend millions on research and development.

Life sciences is another bastion of excellence in Canada. Illustrative is Moderna's selection last April of Laval for its new Montreal-area mRNA vaccine manufacturing facility. Medtech companies invested in Canada include GE, Eli Lilly, Siemens, Abbott and Johnson & Johnson. South Florida has its own science and technology ecosystem and was recently designated a climate resilience and technology hub by the federal government.

As for *start-ups*, this is an area where the major metropolitan areas of Canada and South Florida offer limitless opportunities, especially for technology-oriented Gen Y and Gen Z populations. Miami's start-up trajectory got underway a decade ago thanks to the Knight Foundation, local universities and eMerge Americas. Subsequently, a constellation of incubators, accelerators and

early-stage startup communities such as Startup Grind followed suit. Canada is no slouch when it comes to start-ups, with over 4600 for-profit companies and 21 unicorns including Dapper Labs, Hopper and 1Password. Venture capital firms such as BDC Ventures, Golden Ventures, and Innovia Capital and a slew of incubators and accelerators may be found from British Columbia to the Atlantic provinces. The business environment, talent pool, cost of living, quality of life and favorable immigration policies comprise strong competitive advantages for Canada.

Finally, with regard to *renewable energy* Canada has a strong and growing renewable energy sector, producing 65% of its electricity from renewables. Ranked number 2 in the world in cleantech leadership, Canada is the only country in the Western Hemisphere all the minerals required to manufacture EV batteries. Last year Stellantis and LG Energy Solution made a \$5 billion investment for EV battery manufacturing. Worth mentioning also are the universities of Waterloo, Western, and Toronto that are ranked among the top 100 in the world for energy and fuels.

In these four areas--trade, science and technology, start-ups and renewable energy—there is much Canadian and South Florida companies can do to strengthen the relationship. In the trade area, the U.S. and Canada both compete and cooperate; and data and information sharing on export opportunities in the Americas for both nations is a possibility. Regarding technology and science, there is complementarity among South Florida and Canada research universities, especially in computer technology, bioscience and environmental science. A South Florida-Canada consortium of research universities, funded by the public and private sectors, and targeting one or two high impact topics is worth exploring. As for start-ups, accelerators in Canada and South Florida should consider applicants from both locales; and multinational firms that operate in Canada and South Florida should consider funding binational start-up ventures. Regarding renewable energy, Canada is light years ahead of the U.S.; therefore, and Florida energy firms and investors would be wise to tap Canadian expertise and explore joint ventures, given the transition to renewables in the state. For its part, Canada needs hydraulic turbines, wind turbines, electrical transformers—all equipment that can be sourced from Florida.

The Canada-South Florida relationship is a symbiotic one. With over \$800 million in Canadian investment last year in Florida and 567 Canadian affiliates, our northern neighbor long ago decided that we are a good bet for business. With over \$5.3 billion of merchandise exports to Canada, not to mention our tourism and real estate, they are a good bet for us, as well. The main challenge before us is to broaden and deepen that relationship, to the benefit of all.

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