



PASSPORT
SAN ANTONIO

Metro Priority Plan

Economic Workforce Development Committee
November 5, 2019

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Background

San Antonio's long history of merging cultures built the foundation of the city we enjoy today.

International Ties	Sister Cities	Formal City Relationships	UNESCO Designations	San Antonio Trade Offices
<ul style="list-style-type: none">• Diverse Cultures<ul style="list-style-type: none">• Native American• Spanish• Mexican• European• Other• Hemisfair '68	<ul style="list-style-type: none">• Monterrey, Mexico• Guadalajara, Mexico• Las Palmas, Spain• Gwangju, South Korea• Kaohsiung, Taiwan• Santa Cruz de Tenerife, Spain• Kumamoto, Japan• Chennai, India• Wuxi, China• Windhoek, Namibia• Darmstadt, Germany	<ul style="list-style-type: none">• Suzhou, China• Yangshou, China• Nanjing, China• Tel Aviv, Israel• Mie Prefecture, Japan• Mexico City, Mexico	<ul style="list-style-type: none">• Missions World Heritage Site• Creative City of Gastronomy	<ul style="list-style-type: none">• Casa San Antonio• Texas Japan Office

Metro Priority Plan



Focus efforts on key global markets



Increase San Antonio's access to the outside world through diplomacy, business, culture, and education



Elevate San Antonio's reputation as a global leader

Metro Priority Plan

- Builds on a foundation of data-driven studies:
 - ▶ 2012 Brookings Export Study
 - ▶ 2013 Deloitte Target Industry Study
 - ▶ 2014 Brookings Foreign Direct Investment Study
 - ▶ 2015 San Antonio Trade and Investment Strategy
 - ▶ 2017-2019 Brookings Metro Prioritization Exercise
- Inform SAEDF's updated Strategic Plan
- Provides tools to update and shift as necessary to maintain flexibility

Metro Prioritization Exercise

- Identify markets with industry linkages
- Assess foreign markets
- Compile data by target industry
- Solicit industry and community feedback
- Repeat process for each of the target industries
 - Aerospace
 - Advanced Manufacturing
 - Biomedical/Life Sciences
 - New Energy
 - Information Technology

Data Weighting Factors

Industry Priorities 40%		
FDI & Export	Interest Level	Market Presence
FDI into Texas	Local Interest in Market	Existing Industry Cluster
FDI into San Antonio	Awareness of San Antonio Industry	Number of FOE's in TX
US Export into Country	Overall Market Priority	
Country's Import Value		
Country's Export Value		

Macroeconomic Factors 40%

- Exchange Rate Stability
- Country GDP Growth Forecast
- Ease of Business
- Country GDP Growth
- Tax Rate
- IMF Classification
- Exchange Rate Change
- Free Trade Agreements
- Bilateral Income Tax Treaties
- Metro GDP Growth

Cultural Proximity 5%

- Foreign Students
- Foreign Faculty
- Foreign-born Population
- English Proficiency

Political Factors 10%

- Political Priority
- Allies (NATO)
- Mutual Military Defense Treaty
- Foreign Diplomat Representation
- International Relations
- Connections/Relations
- Official Relations
- Non-formal Partnerships
- Student Exchanges
- Past Missions

Geography 5%

- Flight Distance
- Number of Flights

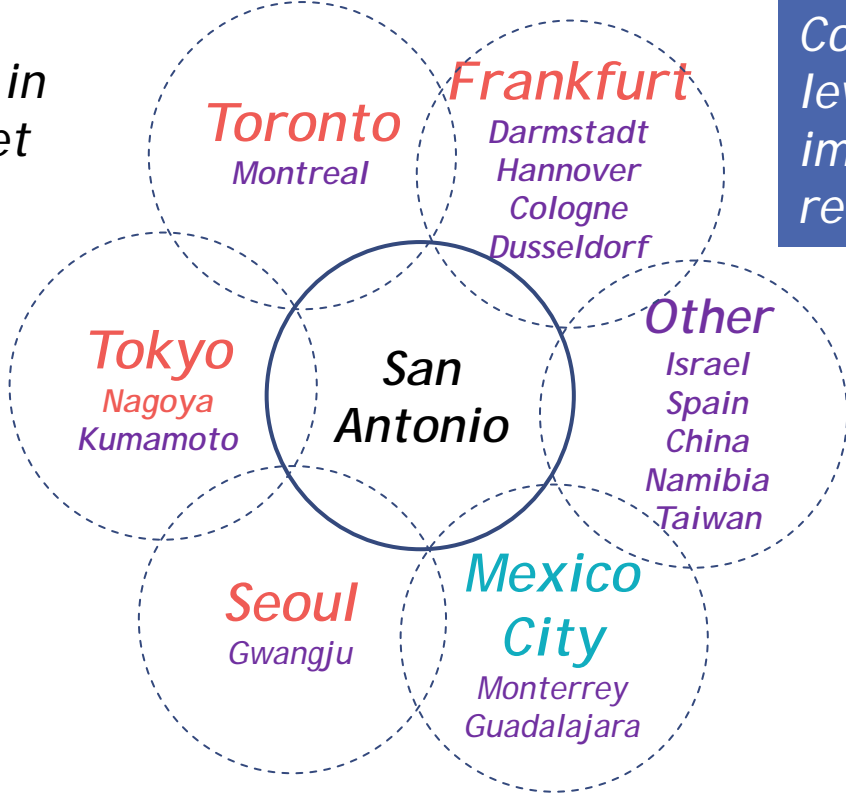
Industry Feedback



Results: Metro Priorities

Priority cities ranked highly in multiple target industries.

Continue to leverage important relationships.



Key:
Foreign Direct Investment
Trade
Collaboration

Why not other markets?



City resources are limited



Focusing on strategic countries deepens knowledge, connections and opportunities.



Lack of income tax treaties reduces motivation for foreign direct investment



Lack of free trade agreements reduces export capacities

Why not other markets?

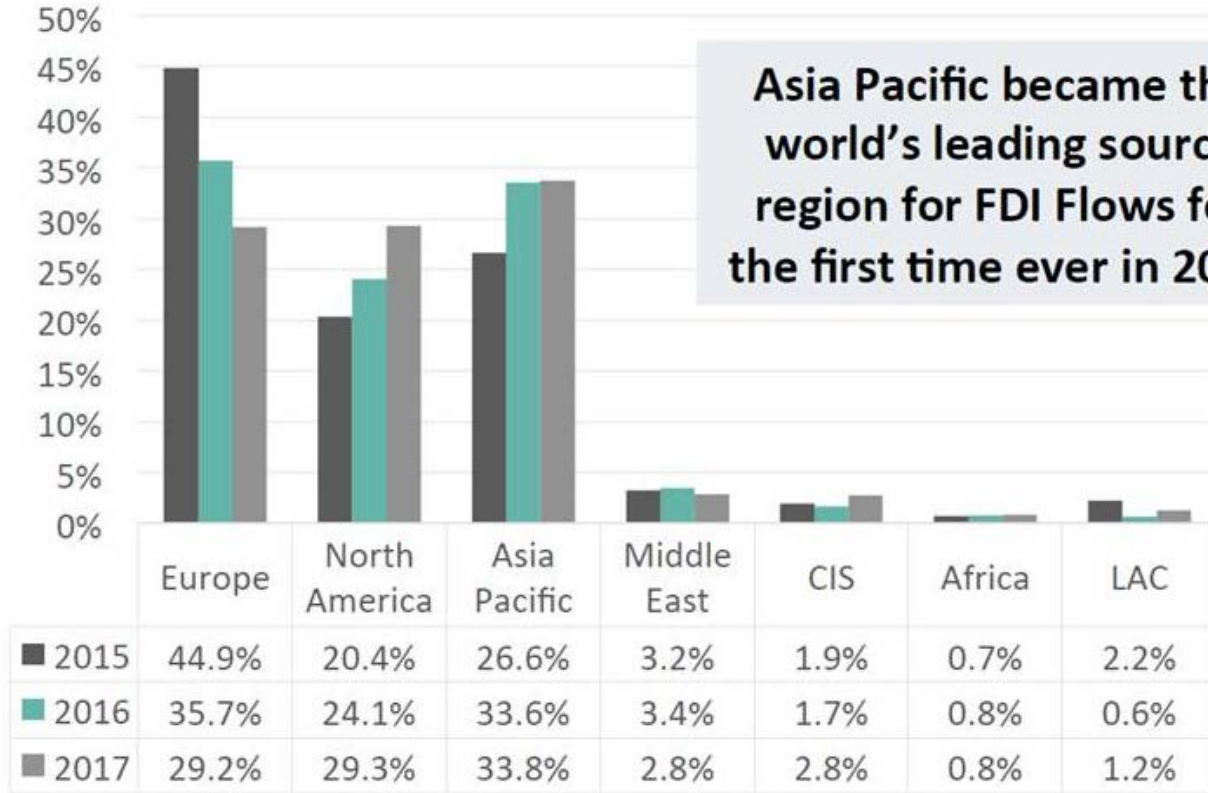
Low ease of doing business (World Bank) reduces both inbound and outbound business opportunities

- Brazil - 109/190
- Columbia - 65/190
- 22 of the OECD high-income countries have rankings less than 30

Foreign direct investment indicators

- Central America, South America, Africa and Middle East account for less than 7% of cross-border investments

Asia Pacific became the world's leading source region for FDI Flows for the first time ever in 2017



Source: WAVTEQ based on UNCTAD data

Share of FDI Outflows by Region

Next Steps



Characteristics of Metros

Stages of business relationships

1

- Awareness of San Antonio industry cluster
- New business relationships being formed

*Cologne, Dusseldorf,
Frankfurt, Hannover,
Seoul, Toronto,
Montreal*

2

- Target industry alignment
- Existing collaboration, clients, missions, FDI, and exports

Nagoya, Tokyo

3

- Trade office or consultant in local market
- Trade office or consultant resident in San Antonio
- Non-stop flights

Mexico City

Characteristics of Metros

Stages of collaborative relationships:

1

- University degree alignment
- Letters of intent

*Cologne, Dusseldorf,
Frankfurt, Hannover, Seoul,
Toronto, Montreal*

2

- Membership in common networks
- Student exchanges

*Nanjing, Suzhou, Yangzhou,
Tel Aviv, Mie Prefecture*

3

- Sister City Agreements
- Bilateral tourism/VSA alignment
- University campuses and exchanges

*Guadalajara, Monterrey,
Gwangju, Darmstadt, Las
Palmas de Gran Canaria,
Santa Cruz de Tenerife,
Kumamoto, Wuxi, Kaohsiung,
Chennai, Windhoek*

Tactics: Increasing Our Global Network

- Identify local and global influencers
 - Create a communication hub
 - Standardize data collection efforts
 - Design surveys to solicit international interactions
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- 1

- Prepare individualized briefing materials for each city
  - Leverage international conferences and forums held in San Antonio
  - Host inbound missions
- 2

- Host conferences and forums
  - Develop leadership program
  - Facilitate ongoing exchanges relating to diplomacy, business, culture and education
- 3

# Tactics: Elevating San Antonio's Global Reputation

- Leverage partners to promote San Antonio
- Identify San Antonio "alumni" and "ambassadors"
- Hire lead-generation and site-selection firms in target markets
- Prepare an international guide to doing business in San Antonio
- Promote San Antonio soft-landing resources
- Translate collateral in targeted languages

1



- Actively engage in specialized events promoting target industries
- Become member of key networking organizations in target markets
- Participate in global UNESCO forums and conferences promoting sustainable growth
- Participate in conferences and forums promoting sister city relationships, diplomacy and cultural relations

2



- Facilitate San Antonio participation in ongoing global initiatives
- Prepare San Antonio newsletter and maps customized for metro market
- Host and participate in outbound missions and inbound delegations

3



# Recent Cultural and Trade Mission to Japan and Korea

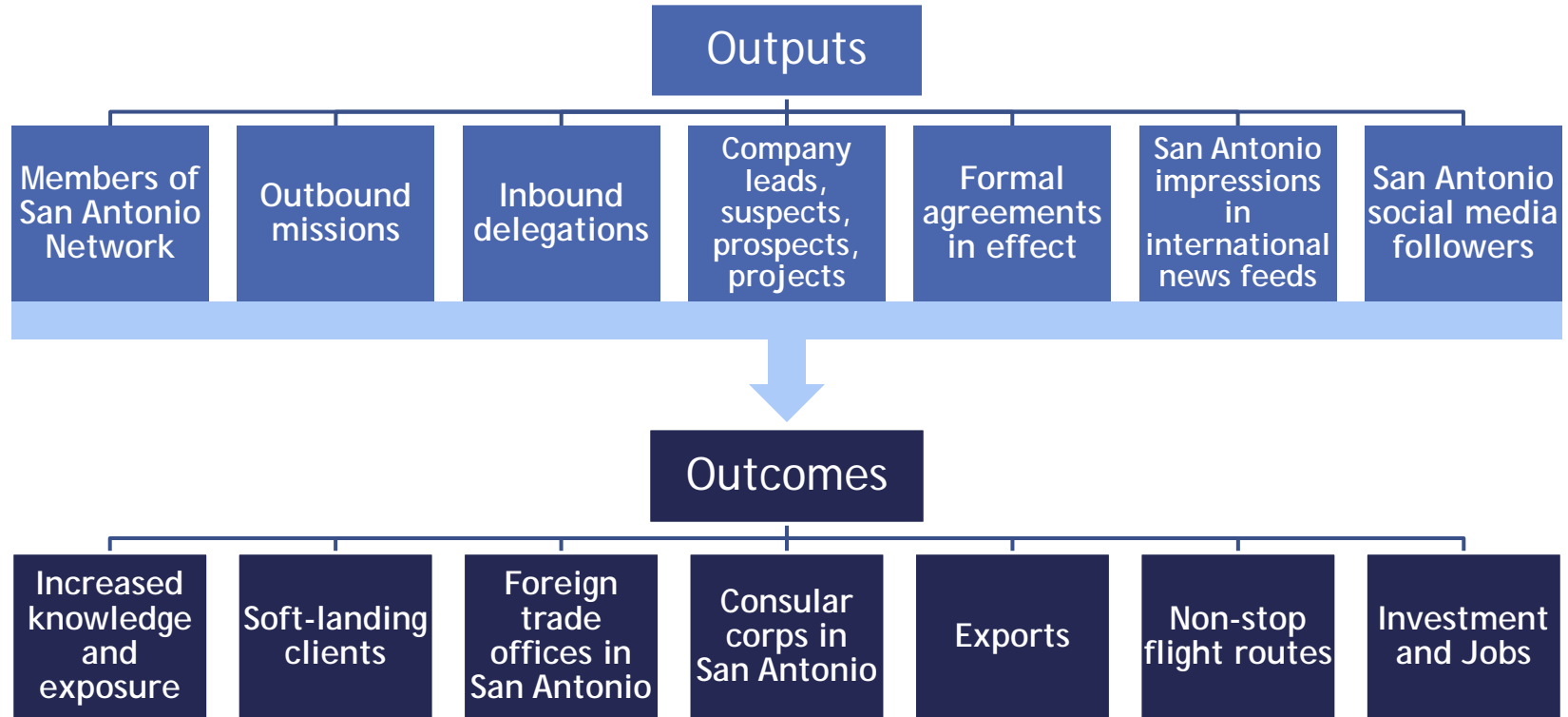
- **Kumamoto, Japan**
  - Kumamoto City's 130th Anniversary
  - San Antonio to host a Keidanren Japan Business Federation Summit
- **Seoul, Korea**
  - Discussed collaboration opportunities including smart cities, climate action, bioscience, and entrepreneurship
- **Gwangju, Korea**
  - Art installation

# Trade Mission to Seoul

- ▶ Share New Energy, Bioscience and Advanced Manufacturing target industries
- ▶ Business delegation included CPS, Brooks and Port San Antonio.
- ▶ Held 8 meetings and a networking reception hosted by the US Embassy
- ▶ OCI expressed interest in:
  - ▶ Expansion in San Antonio
  - ▶ Diversification into anti-cancer research
  - ▶ Introduced to Nexen Tire Co



# Measuring Success





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