Edmonton SWOT Analysis
Summary

Edmonton’s economic context in brief
Edmonton’s location at the heart of Alberta’s oil and gas sector and the closest large city to the northern oil sands effectively positions the city as the research and supply and services hub for oil and gas in Alberta. Global economic trends, particularly as they relate to the production and sale of energy, will continue to afford positive benefits for Edmonton in terms of population and employment growth and a strong local economy. This in turn provides opportunities for a higher standard of living and a greater level of prosperity for the residents of the city than many other city-regions around the world.

But these economic trends also pose significant challenges for the city:
- increased need for services and infrastructure to meet the demands of its increasing population,
- impact of structural labour force shortages as a result of demographic realities,
- aggressive national and international competition for needed talent and skilled workers,
- the potential impact of rapid growth on the city’s built environment and quality of life.

Development of The Way We Prosper
The City of Edmonton’s The Way We Prosper economic development plan is based upon the City’s The Way Ahead Strategic Plan’s 10-year goal to “Diversify Edmonton’s Economy”. In developing The Way We Prosper, the City of Edmonton recognizes the economic advantages and leverage points that are afforded the community in terms of its physical location, centres of excellence and its industrial and entrepreneurial advantage with local, northern and Asian opportunities.

The starting point for the City of Edmonton’s The Way We Prosper economic development plan was a comprehensive analysis of the local and broader regional and provincial economy.

This was accomplished through a lengthy literature review and background research coupled with extensive input from local business owners, key community and provincial stakeholders, economic development partners as well as elected officials and senior management within the City of Edmonton. As of March 2012, input and information has been obtained from more than 400 business and community leaders in the city.

The consultation effort was complemented by the preparation of a technical report that discusses Edmonton’s recent performance against a select range of demographic and economic indicators considered relevant to the development of the economic development plan, combined with an analysis of current and emerging business and industry investment trends.

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SWOT defined

- **Strengths (Positive, Internal):** Positive attributes or assets currently present in Edmonton, particular in comparison to region and province;
- **Weaknesses (Negative, Internal):** Local issues or characteristics that limit the current or future growth opportunities for the City of Edmonton;
- **Opportunities (Positive, Internal and External):** Areas where the City of Edmonton can remedy its weaknesses (e.g. learning from others, provincial assistance, strategic initiatives, aggressive marketing or promotion, targeted investment, etc.);
- **Threats (Negative, Internal and External):** trends that threaten Edmonton’s future and attractiveness to new industry, from local weaknesses, global changes or shifts in consumer demand.

Areas of focus for the strategy have emerged, that taken together provides a strong framework for the creation of the City’s new economic development strategic plan. These include:

- position Edmonton as a global energy hub for investment and support activities;
- position Edmonton as a centre of excellence for clean technologies;
- position Edmonton as a sustainable and livable city;
- foster a supportive business environment.

However, with success comes challenges, and there were a number of major themes identified during this phase of the project that were seen to impact the competitiveness of the city, the region and the province over the long term. These include:

- address the challenges of attracting and retaining workers;
- drive greater levels of innovation and commercialization on the part of business and educational institutions;
- develop a compelling marketing effort that raises the profile and brand of the city nationally and internationally.

Major themes of SWOT Analysis

Edmonton has a diverse and growing local economy and is widely recognized as a premier location for business and investment in Alberta.

The SWOT analysis provides insight into the challenges and opportunities for Edmonton in its efforts to sustain economic growth in light of the substantial growth pressures being experience by the city and province as a whole.
Summary of Edmonton’s SWOT

The strengths, weaknesses, opportunities and threats for Edmonton were based on the extensive input received from The Way We Prosper consultation effort, together with the key findings derived during the development of the strategic plan’s technical report.

Strengths
- An expanding and stable economy
- A competitive business cost environment
- A skilled and educated workforce
- A commitment to sustainable development
- A diverse business base
- A strong network of transportation infrastructure
- A leader in education
- A high quality of place experience

Weaknesses
- Edmonton image awareness
- Awareness and perception of business services and support
- Investment in productivity, R&D commercialization and venture capital
- Housing affordability and cost of living
- Limited profile in key provincial sectors
- External cost considerations - high cost business location
- Industrial lands and market choice
- Infrastructure and support for small and medium enterprises
- Labour force challenges, especially with the changing demand for specialized skills

Opportunities
- A global energy hub
- A centre for clean tech
- Innovation and emerging knowledge intensive industries
- Connections to emerging markets
- A young and growing aboriginal population
- A major events strategy
- Foster networking and collaboration
- A cluster-based approach to investment attraction
- Regional integration around economic development

Threats
- Reliance on energy exports to United States
- Global economic uncertainty
- External labour force constraints
- Regional competition for industrial investment

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Next Steps

In the next phase of the City of Edmonton’s *The Way We Prosper* Economic Development Strategic Plan, research, stakeholder consultation and creative planning will come together to develop the framework and strategic direction for the strategic plan.

The critical issues and implications identified in the SWOT analysis will be addressed with specific recommendations and strategies that will effectively address the desired outcomes for *The Way We Prosper*.

The plan will define Edmonton’s value proposition and outline specific activities that will build positive awareness of the city, attract prospects and drive business growth for Edmonton.

*The Way We Prosper* economic development plan will set out the long term goals to achieve the City’s 30 year vision, with three-year strategic objectives and action plans to achieve those goals that address the outcomes for *The Way We Prosper* strategy as approved by City Council:

- The Corporation is a driving force behind competitive business outcomes and delivers business friendly services;
- The City is an advocate in the development of established businesses;
- The City supports the development of high potential sectors;
- The City attracts talent and investment making it nationally and internationally competitive; and
- The City is an effective participant in partnerships and collaborative efforts that strengthen the region and beyond

A final draft plan will be presented to City Council in October 2012.

Reference Documents (available online)

- Stakeholder Consultation Findings (Draft)
- Technical Report: Economic and Industry Analysis (Draft)

To read these reports in full and to keep updated on the development of *The Way We Prosper* visit [www.edmonton.ca/TheWayWeProsper](http://www.edmonton.ca/TheWayWeProsper)