Dear Friends of WTC San Diego,

Thank you for making 2016 a stellar year for World Trade Center San Diego. This time last year we had a brand new organization with big plans – re-launched in late 2015 as an affiliate of San Diego Regional EDC with the visionary guidance and direction of our Founding Partners: the City of San Diego, the Port of San Diego, and the San Diego County Regional Airport Authority.

We've come a long way in our first full year, working with and through all of you to increase our region's global connectivity and competitiveness. In 2016, WTC grew its internal team, successfully executed year two of MetroConnect, convened a protocol network to coordinate foreign investment opportunities and kicked off a regional global identity initiative. We've worked with dozens of local companies across industry verticals as they look to build out international sales opportunities and have guided a number of international investors interested in expanding into San Diego.

Our role as a thought leader has emerged in a big way with the publication of the “San Diego and the Trans-Pacific Partnership” report, done in conjunction with UC San Diego’s School of Global Policy & Strategy and launched with the help of US Secretary of Commerce Penny Pritzker and Qualcomm CEO Steve Mollenkopf.

I'm proud to also point out that our partners were privileged to receive several high-profile, national appointments over the past year:

- Barbara Wight, CFO at Taylor Guitars
  ◊  US Trade Finance Advisory Council
- Thella Bowens, President & CEO San Diego County Regional Airport Authority
  ◊  US Travel and Tourism Advisory Board

And because of the work all of you have done to elevate San Diego as a leader in global trade, I am proud to represent WTC San Diego on the US Investment Advisory Council.

With the future of global trade and investment poised to enter a time of general uncertainty, our efforts here in San Diego become all the more important. By working together and harnessing the strength of San Diego’s innovation economy, we will continue to grow our region’s global competitiveness, which creates jobs and opportunities for San Diegans. This collaborative, pioneering approach is what makes our home here so special, and I am proud to be part of this important work.

Sincerely,

Dr. Nikia Clarke
Executive Director
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STATE OF TRADE AND INVESTMENT

San Diego must leverage international exports and foreign direct investment (FDI) to create jobs, increase competitiveness and boost the region’s global identity. Achieving these objectives requires a strategic and collaborative approach drawing on the relative strengths of dedicated government, industry and academic partners.

EXPORTS

According to the International Trade Administration, San Diego experienced a 30 percent growth in its goods exports since 2009, a $4 billion increase overall. In 2015, San Diego goods exports totaled $17.4 billion and increased, on average, by 2.8 percent over the last ten years.

San Diego’s most concentrated industries also represent the region’s largest export industries. Audio and video equipment manufacturing, communications equipment manufacturing, electronic instrument manufacturing and pharmaceutical and medicine manufacturing represent the region’s most concentrated industry clusters and the highest value exports.

In 2015, services exports represented close to 45 percent of all exports from San Diego. Research and development services led these exports. This reflects San Diego’s competitive advantage in this industry, with relevant employment in the region’s R&D industry five times more concentrated than the national average.

Businesses that export goods from San Diego are primarily small- and medium-sized enterprises, which accounted for more than 92 percent of all goods exports. In 2015, San Diego’s top export markets were Mexico ($5.5 billion), Canada ($921 million), China ($776 million) and Japan ($712 million), which combined for more than 45 percent of all goods exports.

TOP 10 HIGHEST VALUE GOODS EXPORTS

95% of the world’s consumers live outside of the U.S.
FOREIGN DIRECT INVESTMENT

The innovation-based industries that produce San Diego’s leading exported goods and services are also the main sources of foreign direct investment (FDI). Foreign investment at a metropolitan level is tracked by counting the number of jobs in the San Diego region tied to foreign-owned establishments.

In 2015, four of the top ten industries for foreign-owned employment in San Diego were advanced industries, or innovation-based clusters. Companies within electronic instrument manufacturing, pharmaceutical manufacturing, ship building and semiconductor manufacturing accounted for more than 44 percent of the top ten industries.

San Diego’s top ten sources of FDI accounted for more than 84 percent of all employment in foreign-owned enterprises. These same ten countries accounted for a majority of the foreign employment in advanced industries.
A REGIONAL STRATEGY

More than 127,900 local jobs are tied to exports and more than 54,000 San Diegans are employed by foreign-owned businesses. Ongoing urbanization and the growing middle class across the globe ensure that export markets will continue to grow. In an increasingly integrated global economy, strategic global engagement will prove crucial to San Diego’s sustained economic competitiveness and resilience.

RE-LAUNCH OF WTC SAN DIEGO

In 2012, San Diego engaged with the Global Cities Initiative (GCI) in order to develop a data driven approach to trade and investment. The GCI – now comprised of more than 30 U.S. and international metros – seeks to help cities reorient their economies towards global markets.

After three years of development and with input from more than 350 businesses, 30 regional partners launched the Go Global San Diego Initiative in March 2015. This trade and investment initiative was created to grow jobs by increasing exports, enhancing the region’s global identity and strengthening connections to the global markets that matter most to the region’s competitiveness.

In late 2015, the Founding Partners – City of San Diego, Port of San Diego and San Diego County Regional Airport Authority – restructured WTC San Diego and relaunched it with a revitalized mandate to implement Go Global San Diego. Operating as an affiliate of San Diego Regional Economic Development Corporation (EDC), its main mission is to build on a regional legacy of trade services in order to execute the aforementioned Go Global initiative.
EXPORT PIPELINE

Cultivating a pipeline of globally competitive local firms boosts exports, strengthens the industry clusters that draw foreign investment and generates impact throughout the regional innovation ecosystem. In 2016, WTC San Diego expanded the MetroConnect program, built a curated program of educational workshops and services and hired a full-time trade and investment manager.

METROCONNECT: EXPORT SUPPORT PROGRAM

MetroConnect, the flagship program of WTC San Diego, provides small- and medium-sized enterprises (SMEs) the resources they need to engage in global markets.

On June 30, fifteen San Diego-based companies were chosen to participate in the program and received $10,000 grants each, along with access to a suite of company support services from WTC San Diego and EDC. These services included mentorship matchmaking, introductions to country-specific resources, customized market research reports, press opportunities, speaker panel participation throughout San Diego and attendance at relevant trade missions and trade shows.

2016 Cohort

Grand Prize PitchFest

In November, WTC San Diego announced five finalists - Calbiotech, Deering Banjo Company, MANTA Instruments, Rough Draft Brewing and VaultRMS. These companies were invited to pitch their international expansion strategies for an additional $35,000 in prize money. The finalists competed in front of 200 business and community leaders, who voted on the winner.
Rough Draft Brewing Company is a family-owned microbrewery devoted to creating high quality craft beers that are well balanced and approachable. Rough Draft leveraged program resources to translate product labels for the international market, explored Japan through the Japan External Trade Organization and kicked off an exploratory initiative with the Port of San Diego to export beer to South America.

2016 Program Key Performance Indicators

- **15** companies engaged
- **$185K** in grants awarded
- **30** new contracts signed
- **42** new jobs
- **$6M** in new export sales
- **6** new overseas facilities

Since the program’s launch in 2015, MetroConnect has engaged with 30 companies, of which were awarded a total of $385,000 in grants, signed 44 new contracts and launched 9 new overseas facilities, collectively.
TRADE MISSIONS

WTC San Diego traveled to Yokohama, Japan with Biocom, UC San Diego and four San Diego life sciences companies to attend BioJapan. BioJapan hosted 800 companies, 15,000 visitors and was sponsored by San Diego employers, such as Takeda Pharmaceuticals, Ajinomoto, Kyowa Kirin, Chugai and J&J Innovation, among others.

WTC San Diego participated in a trade mission to England and France in coordination with The Maritime Alliance and City of San Diego. Additionally, ten water technology companies attended Oceanology International and explored export and expansion opportunities in the UK and Southern France.
TRADE RESEARCH

WTC San Diego, in partnership with UC San Diego, produced the “San Diego and the Trans-Pacific Partnership” study. The study focuses on the effects the TPP may have on San Diego's economy and will serve as a template for other metropolitan regions interested in assessing regional trade policy impact.

WTC San Diego coordinated a launch event for the TPP study alongside Qualcomm. More than 400 people attended the event to hear remarks from U.S. Secretary of Commerce Penny Pritzker, Qualcomm CEO Steven Mollenkopf and UC San Diego Interim Executive Vice Chancellor Peter Cowhey.

WTC San Diego’s advisory board, the Global Competitiveness Council, then joined Secretary Pritzker and Mollenkopf in the Qualcomm board room for a private discussion on trade policy.

PORT OF SAN DIEGO OPENS CHANNELS TO SOUTH AMERICA

Across its maritime, tourism and commercial business lines, the Port of San Diego generates $7.6 billion in economic impact for the San Diego region. The turbines, bananas and craft beer that move through the Port represent jobs for San Diegans, with more than 127,900 jobs tied to San Diego exports. In 2016, Rough Draft Brewing Company, MetroConnect 2016’s Grand Prize winner, through an introduction made by the Port is exploring working with Dole, which has invested $185 million in three new refrigerated container vessels. Stories like this are why the Port has played such a key role in re-launching WTC San Diego and making sure San Diego companies benefit from trade with global markets.
Maximizing foreign investment opportunities for the region requires building and institutionalizing linkages with strategic markets abroad, as well as better leveraging local companies, partners and assets. In 2016, WTC San Diego hosted 32 foreign delegations, traveled to eight global metro markets and launched a regional Protocol Network to maximize incoming FDI opportunities.

**OUTBOUND DELEGATIONS**

WTC San Diego attended the nanotech 2016 convention in Tokyo and partnered with UC San Diego to host a Technology Symposium and investor reception. WTC San Diego also participated in the SelectUSA Roadshow in Tokyo, Nagoya and Osaka. During these trips, WTC San Diego met with more than 400 Japanese investors including individuals from Denso, Nitto Denko and Takeda Pharmaceuticals to continue to foster relationships with the foreign headquarters.

WTC San Diego traveled to Stockholm for a GCI forum to speak on panels in order to share San Diego’s experience with building a data-driven trade and investment strategy and lay the foundation for key economic ties. WTC San Diego met with the Stockholm Chamber of Commerce, the Mayor’s office, the Governor’s office, CONNECT Sweden, the Stockholm Airport Authority and the CEO of AstraZeneca.

WTC San Diego traveled to Washington D.C. with the City of San Diego and the City of Chula Vista to attend the SelectUSA Summit, which brought more than 2,400 visitors from 70 international markets interested in investing in U.S. cities. The City of San Diego and WTC San Diego hosted a networking reception to showcase the assets and strengths of the region.

WTC San Diego traveled to the Farnborough International Airshow and Trade Show in England with ProMexico and Tijuana EDC. This trip highlighted how actively San Diego supports Baja California’s robust aerospace and manufacturing economy. The trip also helped lay the groundwork for a 2017 trade mission to London.
PROTOCOL NETWORK

Based on best practices interviews with peer metros and feedback from ten local partners, WTC San Diego launched a regional Protocol Network that seeks to improve coordination mechanisms among regional partners. The Protocol Network coordinates and hosts inbound delegations to and outbound missions from San Diego in order to maximize investment opportunities for the region.

Beginning with a core group of five organizations, the Protocol Network expanded into three distinct tracks – partner organizations, universities and foreign consulates – in order to seed the investment pipeline with high quality leads from target markets.

Key outcomes from Protocol Network

**UK Consulate** – WTC San Diego worked with the UK Consulate for more than ten months to set up a San Diego office and coordinate a launch event. The new office opened in October and will support two full-time consular staff who will work primarily in developing economic ties between San Diego and the UK.

**China California MOU** – Through its engagement with the Chinese Consulate in Los Angeles and the Governor’s Office, WTC San Diego has been appointed the lead agency for a new private sector secretariat under the California-China Trade and Investment MOU. This designation by the state enables San Diego to facilitate new investment from China.

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INBOUND DELEGATIONS

WTC San Diego hosted 32 foreign delegations from more than 54 countries. The delegations visited San Diego for many different reasons – from a Japanese delegation looking to meet with medical device companies in the region, to eight Swedish companies seeking investments in clean technologies and partnership opportunities with the City of San Diego and to the U.S. Economic Development Administration that brought more than 24 Latin American countries to San Diego to seek investment and partnership opportunities. In all cases, WTC San Diego worked to showcase the region’s best assets and ensure a high quality experience for all inbound attendees.

Selected Project Leads from Foreign Delegations

**Project Indian Investment** – WTC San Diego worked with a local conservation organization in order to determine the legitimacy of a high-priority foreign investment lead for the region. Due to the detailed due diligence of WTC San Diego, the client can now confidently move forward and pursue a partnership with the international contact.

**Project Chinese Investment** – WTC San Diego hosted a real estate company from China in partnership with Supervisor Ron Roberts and the Greater San Diego Association of REALTORS. Through the introductions and meetings organized for the delegation, executives from the company are investing significantly in projects in San Diego.

**KEY METRICS**

- 32 foreign delegations
- 54 countries
- 235 people hosted
FOREIGN DIRECT INVESTMENT RESEARCH

WTC San Diego partnered with WTC Los Angeles to research and publish “Foreign Direct Investment in Southern California.” This report analyzed 2015 data of foreign-owned establishments (FOE) in six of the counties located in southern California: Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura.

San Diego, by the numbers:

54,743 people employed by FOEs

$3.3B in estimated wages by FOEs

39.4% FOE jobs in UK- and Japan-owned businesses

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY CHANNELS FOREIGN INVESTMENT INTO SAN DIEGO

There is a clear link between global connectivity and foreign direct investment, with FDI increasing by more than 33.7 percent in two years after the opening of new international airport routes. The San Diego County Regional Airport Authority has been tremendously successful over the last five years in growing nonstop connections to global markets, and alignment between these efforts and investment strategy creates big benefits for San Diego. It is no accident that Japan and the UK, the destinations of our nonstop flights, together account for more than 40 percent of all foreign investment into the region. That is why the Airport has committed to supporting WTC San Diego, and we continue to work to align route development with trade and investment goals. For example, new flights to Germany and Switzerland in 2017 will unlock investment potential for two of San Diego's top ten investment markets.
GLOBAL IDENTITY

Enhancing the San Diego region’s reputation and visibility underpins investment retention and attraction efforts as well as global connectivity goals. In 2016, WTC San Diego and EDC placed 13 stories in top-tier media, launched a regional Brand Alliance initiative and deployed the #MadeinSD micro-campaign.

BRAND ALLIANCE

In August 2016, WTC San Diego drafted a comprehensive global identity strategy and convened the first meeting of more than 60 community partners for the Brand Alliance Working Group. The brand alliance committed to developing a cohesive set of messaging and tools (collateral and digital assets) to position the region as a global economic leader. A sub-committee met again in November to launch Phase I market research.

Invest San Diego

WTC San Diego released Invest San Diego collateral in English, Chinese, Japanese and Spanish. This communications suite highlights San Diego’s strengths as a global innovation hub for international audiences and acts as an investment attraction tool when foreign delegations seek information on the region. It is available for use by all Brand Alliance partners.

#MadeinSD

Through strong support from City of San Diego and input from regional stakeholders, WTC San Diego and EDC launched a San Diego brand mark to signify to the world that the best ideas, products and innovations are created here. To be used by any entity that creates or innovates in the region, the brand will serve to unite San Diego makers and tell the world of the region’s strengths. The launch yielded local coverage in the San Diego Business Journal and NBC7, and is being utilized by ship builders and pharmaceutical companies alike.
Global Forums

In partnership with UC San Diego’s School of Global Policy & Strategy (GPS), WTC San Diego hosted three Global Forums, bringing discussions of global significance off campus and making them accessible to the business community. The first focused on trade with China, the second on NAFTA and the cross border economy and the third on the impact of TPP on the San Diego economy.

GLOBAL RANKINGS

WTC San Diego launched a pilot effort in partnership with the Brookings Institution to improve the region’s visibility on strategic, data-driven rankings where San Diego has a legitimate claim to international leadership. WTC San Diego targeted four rankings used by economic thought leaders, reporters and companies to gather information on target investment areas.

KEY METRICS

- **60+** brand alliance members
- **429M** people reached
- **14** stories secured
MEDIA RELATIONS

WTC San Diego and EDC contracted with a media relations firm to assist with San Diego's placement in top tier national and international media outlets. The firm traveled to San Diego and participated in a familiarization tour of the San Diego region. Early outcomes from these efforts include coverage of San Diego's startup ecosystem, cross-border economy, technology industries and global connectivity in publications such as Mashable, CNBC, Worth, Forbes, the Economist and others, reaching more than 429 million individuals globally.

CITY OF SAN DIEGO POSITIONS REGION AS GLOBAL THOUGHT LEADER

With its aggressive climate action plan to cut emissions in half by 2035 and the commitment to developing the city as a test bed for smart technologies, the City of San Diego has made great strides towards becoming the greenest and the smartest city in the country. Taking these local successes and elevating them to a national and global dialogue positions the region as a hub for innovation, collaboration and investment. That is why the City of San Diego supported the launch of a robust Global Identity effort as part of the WTC San Diego agenda, which seeks to enhance San Diego's reputation and visibility nationally and globally. In 2016, tech, pharmaceutical and manufacturing companies began to coalesce around the #MadeinSD micro campaign in order to unite San Diego makers and tell the world of the region’s strengths.
KEY CLIENT WORK

ROUTE DEVELOPMENT

WTC San Diego supported the efforts of San Diego County Regional Airport Authority by executing 6 route development projects with international airlines. WTC San Diego prepared market research, met with airline delegations, traveled to foreign markets with leadership from San Diego County Regional Airport Authority and provided marketing and programmatic support to airlines already in market.

Condor Airlines – WTC San Diego supported the efforts of San Diego County Regional Airport Authority to bring Condor’s nonstop service to Frankfurt. WTC San Diego prepared a package that included research related to economic ties between Germany and San Diego and company case studies. Condor will commence seasonal service beginning Summer 2017.

Edelweiss Airlines – WTC San Diego supported efforts of San Diego County Regional Airport Authority and San Diego Tourism Authority to bring an additional nonstop service from San Diego to continental Europe. Edelweiss, a Swiss leisure carrier, announced that it will offer flights between San Diego and Zurich twice a week in 2017.

COMPANY SUPPORT

In 2016, WTC San Diego, in conjunction with EDC, supported 57 global companies and influenced 1,276 jobs. WTC San Diego prepared packets of economic information, facilitated access to new markets for exporters and supported local companies in their search for foreign investment.

Hydranautics-Nitto Denko – The Japanese water membrane manufacturer, located in Oceanside, secured a contract with a Vietnamese appliance manufacturer to expand export opportunities to Southeast Asia. WTC San Diego met with the Vietnamese firm to help with its North American expansion and facilitated the partnership by providing local market research and economic intelligence.

Calbiotech – The immunoassay products manufacturer and MetroConnect company was connected to the EXIM Bank and U.S. Commercial Service. Through these contacts and educational resources provided by WTC San Diego, Calbiotech was able to mitigate some of its financial risk and ensure enhanced piece of mind when entering new foreign markets.

STA Pharmaceuticals/WuXi AppTec – Through connections with the Chinese Consulate in LA, WTC San Diego contacted the Chinese contract pharmaceutical manufacturer. The company opened an operation in San Diego and WTC San Diego is assisting the company by promoting the opening of its new office, providing expansion services and conducting research. The company plans to expand by 40 jobs.
In 1994, the City of San Diego, Port of San Diego and San Diego County Regional Airport Authority came together in order to found World Trade Center (WTC) San Diego. The function of this new organization was to develop, maintain and strengthen trade and investment ties for the San Diego region.

Over the 22 year history of the organization, the founding partners’ leadership supported WTC San Diego in its mission to successfully assist companies going global. In 2015, the Founding Partners relaunched WTC San Diego as an affiliate of San Diego Regional Economic Development Corporation. With and through the guidance and direction of the founding partners, WTC works to:

1. Build an export pipeline of companies;
2. Attract and retain foreign investment in San Diego; and
3. Strengthen San Diego’s global identity and position it as a destination for investment.
GLOBAL COMPETITIVENESS COUNCIL

The Global Competitiveness Council (GCC) is a group of senior business, academic, government and civic partners that oversee WTC San Diego’s execution of the Go Global San Diego initiative. The GCC advises WTC San Diego on programming, helps generate public support, coordinates mechanisms for the broader initiative and issues periodic trade and investment policy recommendations on behalf of the region. The GCC met quarterly in 2016.

FOUNDING PARTNER APPOINTEES

Thella Bowens, President & CEO
San Diego County Regional Airport Authority

Randa Coniglio, President & CEO
Port of San Diego

David Graham, Deputy Chief Operating Officer
City of San Diego

Mark Cafferty, President & CEO
San Diego Regional Economic Development Corporation

Nikia Clarke, Executive Director
World Trade Center San Diego

TRADE ORGANIZATION APPOINTEES

Fabienne Perlov, President & CEO
San Diego Diplomacy Council

Cindy Gompper-Graves, President & CEO
South County Economic Development Council

Joe Terzi, President & CEO
San Diego Tourism Authority

Dana Alligood, Market Executive, Southern California
Bank of America Merrill Lynch

Kim Benson, President
Zenaida Global

Peter Cowhey, Interim Executive Vice Chancellor
UC San Diego

Mark Field, CTO and Vice President Software Services
Thermo Fisher Scientific

Pablo Koziner, President
Solar Turbines

Andrew Lee, CEO
ESET North America

Shelley Lyford, President & CEO
Gary & Mary West Foundation

Magda Marquet, Founder & Co-Chairman
Alma Life Sciences

Garry Ridge, President & CEO
WD-40

Monique Rodriguez, Director, Government Affairs
Qualcomm

David Schultz, CFO
Quantum Design

Steve Shewmaker, Chairman
Cubic Transportation Systems

David Weitz, Head of Takeda California
Takeda Pharmaceuticals

Tim West, Executive Director & Region Manager
JPMorgan Chase & Co.

Barbara Wight, CFO
Taylor Guitars

Jim Zortman, Sector VP, Global Logistics and Support
Northrop Grumman

COUNCIL MEMBERS