



# BRIEF 2.1. BRINGING THE BENEFITS OF COMPETITION, TRADE, AND FOREIGN INVESTMENT TO COMMUNITIES

Local governments play a key role in economic statecraft. Their global engagement strategies help attract investments, talent, and innovation while supporting job creation and competitiveness. Promoting a region effectively requires evidence-based, targeted, and cross-sectoral initiatives (involving public agencies, academia, and business organizations). At the same time, local governments must support business retention and expansion as they navigate rising global uncertainty, trade disruption, and supply chain volatility.

## 1. The challenges of competing in a complex global economy.

At the local and regional levels, international economic and business development is often coordinated by a dedicated team and agency, in partnership with the local government's international affairs team, chambers of commerce, and business and trade associations. These partners play a key role in helping businesses manage global risk and seize international opportunities (see Brief 2.2). Global engagement at the local level yields provides measurable economic returns in the community (see Brief 1.3).

But local and regional governments face intense global competition for investment, talent, and market access. As a local government leader noted: *"We are in a tough spot sometimes being put in the position to respond to global and national events where we were not involved and have little to no control over it."*

## 2. Strategic guidance for international economic engagement.

**Evidence-based market prioritization is essential.** Successful international economic strategies concentrate resources on markets with the highest potential return. The Brookings Institution's [Toolkit for Market Prioritization](#) highlights prioritization factors including:

- Existing trade and investment flows and relationships.
- Industry sector alignment with local strengths.
- Market growth trajectories in target sectors.
- Competitive assessment of similar regions' success.
- Diaspora connections and cultural affinities.
- Transportation infrastructure and logistics connectivity.

**State and local governments, in partnership with their economic development organizations (EDOs), cultivate key relationships with business and diplomatic partners.** International economic engagement is most effective when local governments collaborate across sectors. In partnership with EDOs, universities, and private sector stakeholders, local leaders can:

- **Lead sector-specific trade missions.** For example, in 2024 Oklahoma Governor Kevin Stitt led a trade delegation to Taiwan that explored areas of collaboration in energy, critical minerals, and aerospace including Unmanned Aerial Systems (UAS) and drones.
- **Host inbound business summits and investor forums.** The Great Okinawa Trade Fair promotes Okinawa as a regional and global logistics and business hub for agriculture, forestry, and fisheries, and food products.
- **Foster academic-industry partnership.** Universities can serve as innovation engines and as anchors for public and private investments.
- **Offer export readiness and internationalization support.** Programs that support small and mid-sized companies enter or expand in international markets directly support job growth and market diversification.

**Evaluate risks and assess exposure to market changes.** Strong relations and regular dialogue with business leaders and economic stakeholders increase preparedness. Local governments can relay subject matter expertise, including from the national and regional levels, to inform the business community about key risks and opportunities, fostering a shared approach to navigating global market fluctuations (see the example from Calgary below).

**Factor in national priorities and security considerations.** Increasingly, local economic development strategies must align not only with community goals, but also to incorporate national security and supply chain resilience considerations. This includes:

- **Pursuing “friendshoring” opportunities:** Prioritizing investment attraction from allied countries in critical sectors.
- **Implementing screening mechanisms:** Evaluate sensitive investments or coordinating with national investment review mechanisms. A local government leader shared: *“There are some foreign direct investments (FDI) we don’t want, for instance unfriendly parties investing in critical minerals. This is not necessarily because of the origin of the company, but because of the specific company.”*
- **Compliance with inbound foreign investment regulations:** Awareness about mandatory review processes and national security laws governing foreign direct investments and relations in strategic sectors. *“The (local) lack of awareness about what is ok and not ok to do has led to a complete freeze in relations with a foreign country, including stopping valuable partnerships with university and academic organization,”* shared a European local government leader.

**Deliver strategic, consistent, and forward-looking messaging.** Economic development leaders play a key role in promoting the importance of trade and global engagement for the local economy. Non-political messaging best channels the importance of international economic initiatives. For instance, Calgary Economic Development focuses its messaging on the importance of trade for the region, intentionally channeling a position of neutrality which *“helps level set the situation and provides a pathway for the future or a mitigation pathway if the tariffs get severe.”*

**Invest in the long-term drivers of competitiveness.** Local governments that consistently and creatively enhance the foundations for sustained economic growth are best positioned to weather volatility. They can focus funding on talent development, invest in innovation clusters, and create economic diversification funds as countermeasures to boom-bust cycles.

## Insights from the Field



### **When trade uncertainty grows, Maryland can leverage long-standing relationships to convey its commitment to partnerships.<sup>1</sup>**

For decades, the State of Maryland has been engaging with Japan and South Korea—two of Maryland’s largest trade partners—and continues to deepen these relationships, which are critical to advancing innovation and prosperity in both regions. Maryland Governor Wes Moore conducted his inaugural trade mission to Japan and South Korea in April 2025. The timing of the trip overlapped with changes to the federal government’s industrial policies, including tariff negotiations with the leaders of Japan and South Korea.

While tariff negotiations remain in the realm of the federal government, Governor Moore consistently delivered the message to policymakers, businesses, and diplomats in Japan and South Korea that Maryland remains committed to the mutual success of foreign companies which operate in Maryland, and that our assets of connectivity, highly skilled workforce, and aggressive attraction incentives remain constant.

<sup>1</sup> Contribution from Maryland (United States)



### **Calgary's rapid response to inform and support businesses facing trade uncertainty.<sup>2</sup>**

Calgary Economic Development's working relationship with the provincial level enabled the city to benefit from sophisticated GDP forecasting model and gain early access to adjusted projections showcasing potential tariff impacts. This enabled the city to provide specific information on tariff exposure to their business community (e.g. *"yes, anticipated impact to some sectors but only a few sub-sectors, no change to others"*).

Calgary Economic Development also supported the convening of a Mayoral Tariff Working Group to build an open dialogue with businesses and capture community voices on the impact of tariffs. A leader from CED shared: *"Many of us and almost all businesses were trying to make sense of the fast move situation around tariffs so this purposeful initiative helped us all have some perspective that we could then share through the community."*



### **Calgary's investment fund to catalyze economic diversification.<sup>3</sup>**

The City Council of Calgary created the Opportunity Calgary Investment Fund, as a CA\$100 million initiative to make strategic investments that diversify and transform the economy. These investments provide capital to fast-growing tech startups as well as projects related to job creation and workforce training programs in priority sectors such as data science, artificial intelligence (AI), clean energy, aerospace, and advanced manufacturing.

Calgary Economic Development has a history of creating pilot projects that are funded by different government levels to address gaps in our community. In all cases we are looking to 'spin' those out to a different organization after the pilot is successful. Many of those have been focused around talent to prepare us for certain sector growth. The Opportunity Calgary Investment Fund was a counter measure against the long history of oil and gas boom and busts. The 2014-2015 downturn almost lasted a decade for us in Calgary so mid-way through the city created this fund to catalyze economic diversification. It has been extremely successful and was just recapitalized to CA\$60 million.



### **Oklahoma City demonstrates how cities can leverage sports infrastructure and events to drive economic growth and global visibility.<sup>4</sup>**

Oklahoma City (OKC) has developed a comprehensive sports diplomacy strategy centered on strategic public investments and signature events that position the city as an international sports destination. Major sports events bring locals, national visitors, and international tourists to Oklahoma City, generating significant sales and hotel tax revenue. This is especially critical since Oklahoma municipalities rely on sales tax—not property tax—for general operations.

Oklahoma City's signature events and public investments include the following:

- OKC is home to the NCAA Women's College World Series, with the largest softball stadium in the world—earning the title softball capital of the world.
- OKC is also known as the horse show capital of the world, hosting premier equine events.
- The Oklahoma City Thunder is our only major league sports team which has elevated the city's profile globally. Mayor David Holt negotiated a 30-year extension to keep the NBA team here (as the 42nd largest market, 3rd smallest in the NBA). The deal was secured with 71% voter approval of a \$1 billion, publicly owned arena.

<sup>2</sup> Contribution from Calgary Economic Development (Canada)

<sup>3</sup> Contribution from Calgary Economic Development (Canada)

<sup>4</sup> Contribution from Oklahoma City (United States)

- Through MAPS (a voter-approved, one cent temporary sales tax), OKC has funded transformative sports infrastructure over the years, including a world-class whitewater course and now a new professional soccer stadium.
- OKC will host whitewater and softball events during the LA28 Olympics, further establishing the city as an international sports hub.

Sports unify the community, build civic pride, and project Oklahoma City as a confident, ambitious, and globally relevant place. The diversity of OKC's sports offerings—basketball, softball, a growing gymnastics scene, neighboring collegiate football, equestrian events—ensures broad appeal and sustained visibility. There is something for everyone in OKC.



#### **How the State of Maryland applies evidence and data to prioritize sectors and markets.<sup>5</sup>**

Maryland State Government is uniquely positioned to promote Maryland as a premier destination for global investment and international partnerships because it is asset rich and strategy rich. With a combination of its strategic geographic location, a highly skilled workforce, and robust innovation ecosystems, the Moore-Miller Administration deployed data-driven strategies to assess regional strengths and global market trends to identify key "lighthouse" sectors for economic growth. With these strategic sectors of life sciences, quantum computing, and aerospace/defense identified, Maryland is leveraging its assets in targeted efforts with international investors, researchers, and entrepreneurs to drive long-term economic growth.

Maryland's leadership, in coordination with State Agencies such as those which are part of the Governor's Subcabinet for International Affairs regularly lead trade delegations, host international business summits, and facilitate academic-industry partnerships. These international engagements are tracked and communicated through regular reporting within the Subcabinet for International Affairs.

Furthermore, Maryland's inclusive and collaborative approach—engaging public institutions, academia, and the private sector—creates a fertile environment for sustained global engagement. By leveraging its assets strategically, Maryland not only attracts global investment but also positions itself as a vital partner in solving global challenges through innovation.

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<sup>5</sup> Contribution from Maryland (United States)

# About this Toolkit: Strategic guidance based on experiences from the field.

State and local leaders receive visiting foreign delegations, opportunities for international partnerships, and pressure to engage globally—but no clear guidance on how to do it right. This Toolkit provides that strategic guidance, building upon the insights and best practices from a group of innovative city, state, and regional government leaders from nine countries: Australia, Canada, France, Germany, Italy, Japan, New Zealand, the United Kingdom, and the United States

The result is a practical guide organized around the core challenges local leaders face most often. It provides strategic guidance to:

- Build an international strategy that serves community's priorities while avoiding common pitfalls (Briefs 1.1, 1.2, 1.3)
- Manage relationships that create economic opportunities and jobs (Briefs 2.1, 2.2, 2.3)
- Navigate security threats and potential risks (Briefs 3.1, 3.2)
- Turn international connections into influence and resilience (Briefs 4.1, 4.2, 4.3)

Each brief includes specific steps and real examples from local leaders, experts, and practitioners. If you're using this Toolkit to apply an innovation locally or have questions or suggestions, [please fill out this short survey](#).