

DATE: September 16, 2015

TO: HONOURABLE MAYOR BEVILACQUA AND MEMBERS OF COUNCIL

FROM: Jennifer Ladouceur, Director of Economic Development

RE: 2015 Business Mission to China Update Report

Recommendation

The Economic Development Department recommends:

1. THAT the City participate in the Province's Mission to China; and
2. THAT Council identifies one member of Council and one staff member to participate in the business mission.

Purpose

The purpose of this communication is to provide Council with a revised Business Mission to China program based on the receipt of a formal invitation to join the Province's mission in November 2015. Due to the time sensitivity in providing a formal response back to the Province's invitation, Staff is providing this update as a communications to Council.

Background

On September 9, 2015 Council received and adopted Item No. 22, Report No. 31 of Committee of the Whole, entitled *2015 Business Mission to China Update* which directed staff to report back to Council with a revised plan that identifies travel dates and costs for a future Business Mission to China.

Staff undertook a review of opportunities to proceed with the Business Mission and deliver on the international business development objectives without private sector involvement. There is still tremendous value with continuing the Mission with Economic Development Staff and Council. The relationships that have been cultivated with Zibo and Yangzhou have resulted in interest in the Vaughan International Commercialization Centre (VICC) as well as bilateral trade and investment interests. In addition, although the private sector was unable to make commitments to attend in person, there are trade enquiries and business and government connections that can be pursued on their behalf.

City Staff investigated other missions, and has made subsequent application to the Premier's Mission through their portal. On September 15, 2015 the City has received approval from the Ministry of Citizenship, Immigration and International Trade to participate in Premier Kathleen Wynne's business mission taking place from November 4, 2015 to November 14, 2015 should the City wish to accept.

The Province's Mission to China will highlight Ontario's expertise in clean technology and science and technology to help increase trade opportunities, innovation partnership and attract investment and jobs to the province. The Mission will also be working with research institutions, universities, innovation centres, incubators, technology transfer and commercialization organizations, and technology start-up companies.

The size and scale of the Province's Mission presents both opportunities and challenges for the City of Vaughan. With the presence of the Premier, the importance of the Mission is elevated, opening business and government connections for municipal participants. The strong sector approach and focus on commercialization / research and development (R&D) have close alignments with Vaughan's economic

development goals and within this agenda we have opportunities be flexible. The City of Vaughan has outstanding business and government obligations that it needs to fulfill.

Details of the Province's Mission are still being worked out, however Provincial staff have confirmed that Vaughan would have latitude to select which parts of the program it chooses to follow. City Staff are proposing a revision to the mission schedule to align with the Province's Mission, taking in Provincial-led visits and meetings with R&D and commercialization centres, but also customizing its own program in Yangzhou, Zibo and Shanghai Changning District to further the business interests it has cultivated in the past several years. Below is a proposed mission itinerary.

Preliminary Business Mission Itinerary - November 4 to 14, 2015

Date	Program – Province	Program - Vaughan
Wed., November 4	Flight from Toronto to Shanghai	Flight from Toronto to Shanghai
Thurs., November 5	Nanjing	
	Travel to Nanjing Meeting with Nanjing Science & Technology Commission	Travel to Nanjing Meeting with Nanjing Science & Technology Commission
Fri., November 6	Nanjing	
	Plenary Session & Signing Ceremony 2015 Global (Nanjing) R&D Summit and B2B meetings	Visit to Ionada Joint Venture & Meeting with Government Officials 2015 Global (Nanjing) R& D Summit and B2B meetings
	Ontario – Jiangsu 30 th Anniversary Banquet Dinner	Ontario – Jiangsu 30 th Anniversary Banquet Dinner
Sat., November 7	Nanjing / Shanghai	Yangzhou
	Site visit to Nanjing organizations to promote partnership development Travel to Shanghai by train (2-5 pm)	Courtesy visit to Yangzhou Municipal Government Business Meetings regarding Vaughan International Commercialization Centre (VICC) Dinner Reception with Yangzhou Officials
Sun., November 8	Shanghai	
	Free Day	Meetings with government officials and potential strategic partners
	Shanghai	

Mon., November 9	Plenary Session & Signing Ceremony	Visit to Shanghai Multimedia Park Visit to Shanghai Technology Innovation Centre
	Ontario – Shanghai Innovation Seminar and B2B Meetings	Ontario – Shanghai Innovation Seminar and B2B Meetings
Tues., November 10	Hong Kong	Beijing
	Travel to Hong Kong	Travel to Beijing Meeting with Canadian Trade Commissioner Visit to Canada China Business Council
Wed., November 11	Hong Kong	Beijing / Zibo
	Technology Pitch to Venture Capitalists Hong Kong Science & Technology Park	Visit to Centennial College's International Office Meeting with Yongtai Group Travel to Zibo Dinner Reception with Zibo Municipal Government
Thurs., November 12	Beijing	Zibo
	Technology Pitch to Venture Capitalists	Meeting with China Council for Promotion of International Trade, Zibo Sub-Council Business Visits
Fri., November 13	Beijing	Hong Kong
	Plenary Session & Signing Ceremony with Beijing Ontario – Beijing Innovation Forum & B2B Meetings Delegation Farewell Event	Flight to Hong Kong Visit to West Kowloon Cultural Centre Meeting with Hong Kong Trade Development Council.
Sat., November 14	Toronto	Hong Kong / Toronto
	Return flight to Toronto	Return flight to Toronto

This approach has a number of measurable benefits for Vaughan:

- Opportunity to provide support to Ionada Incorporated, a Vaughan-based business in the clean technology sector who is attending the Premier's mission. Ionada is a world leader in marine exhaust gas cleaning systems with patented technology for its Exhaust Gas Cleaning Systems (EGCS). With the support from Vaughan's Economic Development Department, Ionada has set up a successful joint venture this year in Nanjing, China. Staff have been invited on a private tour of the joint venture company and a meeting with company officials and government representatives.
- Potential to develop high level connections in the science and technology sectors in the selected cities in China and Hong Kong to provide matchmaking opportunities for businesses in Vaughan.
- Ability to strengthen and build business relationships in Yangzhou, Vaughan's Friendship City since 1995. Vaughan will celebrate Yangzhou's 2500th Anniversary on the Mission, a gesture of goodwill and acknowledgement of the friendship that has been nurtured with Yangzhou over the past 20 years. Furthermore, this visit is an opportunity to advance the business discussions that took place this past March when the Yangzhou delegation visited with Mircom Group of Companies. Demonstrations of municipal support for local business interests are vital to opening doors in the Chinese market.
- Opportunity to establish Chinese partnerships for the VICC. During a Zibo delegation visit to Vaughan in August 2015, the delegation lead, Ms. Sun Jianbo, expressed interest in having their 200 businesses become members of the VICC.
- Business meeting with Yongtai Group, a commercial real estate company in Beijing interested in foreign direct investment (FDI) opportunities in Vaughan.

Given the change in scope of Vaughan's business mission, staff proposes that the mission team be comprised of one Member of Council and one staff person. Council has previously approved a budget of \$4,900 per person, plus incidentals to cover interpretation services, and marketing materials for the Business Mission to China. Based on the review of the proposed agenda, the original budget stands and there will be no additional costs.

Conclusion

The City of Vaughan remains steadfast in its desire to build and grow its international business development programs. Although a strong business presence is the desired condition for missions, there remains significant work that could be completed by Staff and Council on behalf of business constituents. The revised Mission program provides the City with an opportunity to leverage the Province's networks and in-country contacts, opening doors for the municipality in business and government circles. Continuing with this Mission sustains the momentum and progress that the City has made in China.

Respectfully submitted,



Jennifer Ladouceur
Director of Economic Development

Attachment 1 Letter from the Ministry of Citizenship, Immigration and International Trade

Copy to: Steve Kanellakos, City Manager
Jeffrey A. Abrams, City Clerk
Tim Simmonds, Executive Director, Office of the City Manager

Attachment 1

Ministry of Citizenship,
Immigration and International Trade

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September 15, 2015

Ms. Elaine Yim Spencer
Economic Development Officer
Economic Development Department
City of Vaughan

Dear Ms. Spencer,

From November 5-14, 2015, Premier Kathleen Wynne will lead a delegation of Ontario companies and institutions on a Business Mission to Nanjing, Shanghai, Hong Kong, and Beijing to highlight Ontario's expertise in clean technology and science and technology. The mission is part of Ontario's Going Global Trade Strategy to help the province's businesses, particularly our small- to medium- sized enterprises, expand into priority markets. It will also build on the success of Premier Wynne's first mission to China in the fall of 2014 that saw Ontario secure 11 investment projects valued at \$966 million.

We have received the completed Expression of Interest application from your office for the upcoming Business Mission to China. As the City of Vaughan will not be participating as a clean technology delegate or science and technology delegate but has indicated that they will be able to provide significant short-term business opportunities for Ontarians, we encourage the City of Vaughan or their appropriate representative(s) to join as part of the general business delegation. Should the City of Vaughan wish to participate, please contact me at your earliest convenience to receive access to the registration website .

A program fee of \$1,200 (CDN) per person will apply for this mission. There is no option to select individual cities. The program fee includes all locations and entitles each delegate to:

- Hospitality and networking events
- All domestic ground and air transfers to and from the designated mission hotels and scheduled events

Please feel free to contact me if you require additional information and clarification.

Sincerely,

Rhonda (Oud) Thomson
Manager, International Missions