

## **COMMITTEE OF THE WHOLE - JANUARY 21, 2008**

### **CITY OF VAUGHAN MISSION TO CHINA**

#### **Recommendation**

Councillor Sandra Yeung Racco, in consultation with the City Manager recommends:

1. That the City of Vaughan conduct an exploratory trade mission to China in March 2008;
2. That direction on Members of Council participating in this mission be provided;
3. That the focus of the mission will be on exploring investment potential and business development opportunities related to some key Vaughan industrial sectors such as auto parts, building products, food and beverages, metal fabrication, environmental industries, etc.
4. That a visit be made to Vaughan's friendship city of Yangzhou to reaffirm our relationship and explore opportunities for growth between our industries; and
5. That Economic Development staff lend support to the planning of the exploratory trade mission.

#### **Economic Impact**

The costs associated with this trade mission will be covered by the Economic & Technology Development Department's (ETDD) 2008 base budget and individual Council budgets.

#### **Communications Plan**

The Corporate Communications Department will draft and issue media releases prior to and following the mission outlining the mission's objectives and outcomes.

#### **Purpose**

To receive Council approval to conduct a trade mission to China in March 2008.

#### **Background - Analysis and Options**

International partnerships have been part of Vaughan's economic development strategy since the early 1990s. The City has formed a number of economic and friendship partnerships to provide Vaughan residents and the business community with cultural, social and economic opportunities. Successful partnerships require regular and sustained communications, including receiving incoming delegations and conducting outbound business missions in partnership with local businesses, industry associations, foreign consulates and trade offices.

China has profoundly changed over the years. With an average annual growth rate of 9.6%, the Chinese economy has surged tenfold within the last three decades. China has become the world's fourth largest economy and the third largest trading nation. Trade and economic co-operation are already the way of the future and it cannot be ignored if Canadian businesses are to remain competitive. Trade in commodities and services, capital flows, personnel exchanges and cultural ties have the capability to deliver tangible benefits for Chinese and Canadian businesses.

The City of Vaughan is well poised to expand its reach into the Chinese market. Whether through a growing local Chinese population or through its economic sectors, Vaughan's future growth depends on developing relationships internationally, and specifically with the Chinese. Vaughan's diverse economic base includes many industrial sectors where there can be mutually beneficial exchanges with Chinese companies, such as automotive parts, building products, etc. The City could play a key role in laying the political and economic groundwork to allow local businesses to gain a foothold in China.

The trade mission's objectives are as follows:

- Explore economic ties between Vaughan, Yangzhou, Beijing, Shanghai, Tianjin, Huadu and Hong Kong
- Identify opportunities to increase investment and trade leading to jobs and opportunities for Vaughan businesses
- Raise awareness of Vaughan's competitive advantages within Ontario's economy and in particular, draw attention to the Vaughan Corporate Centre as an investment location.

### **Preliminary Agenda**

The mission will cover the cities of Beijing, Shanghai, Huadu, Tianjin, Yangzhou and Hong Kong. During the mission, the delegation will participate in industry visits, and hold business meetings with government officials, business associations and trade and consulate staff. To date, contacts have been made with Huadu Automotive Industry Base and Tianshi, an biotechnology firm in Tianjin. Informal contacts have been made with the Hong Kong Economic & Trade Office in Toronto, the Consul General of China in Toronto and Dr. Michael Sui, Associate Vice President of Research at York University. The mission will also be assisted by the Ontario Minister of Citizenship and Immigration, the Honourable Michael Chan.

The mission also includes a visit to Yangzhou, Vaughan's friendship city in China since 1995. Vaughan officials last visited Yangzhou in late 2001. This visit will be an opportunity to assess the economic development opportunities available in Yangzhou.

### **Mission Planning**

The Vaughan Chinese Business Association (VCBA) and the Federation of Chinese Canadians in York Region (FCCYR) have developed a preliminary itinerary and will handle logistics for the mission. The VCBA has engaged in a business development program in China and initiated production of a video showcasing Vaughan. The VCBA and FCCYR have attended a number of trade shows in China, specifically related to automotive parts, furniture sector and real estate development.

With Council's approval, the City will commence its marketing program, in co-operation with the VCBA, FCCYR and the Vaughan Chamber of Commerce. A database of companies will be compiled and companies will be approached for their interest in joining the mission.

As this mission is in the preliminary stages of planning, actual costs are not yet available, however organizers will endeavour to mitigate costs wherever possible. The estimated cost for promotional materials and events is approximately \$5,000. As per corporate policy, the ETDD's base budget will cover City Staff's costs and any unforeseen land transportation costs, meals and incidental costs.

### **Relationship to Vaughan Vision 2020**

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved. Specifically, this report fulfills Vaughan Vision 2020 Goal: Plan and Manage Growth and Economic Vitality.

**Regional Implications**

Not applicable

**Conclusion**

It is expected that the mission will result in a greater awareness of the business opportunities available in Vaughan amongst the business community, government offices and trade associations of the jurisdictions visited, ultimately promoting stronger economic ties with this area of the world. The desired outcome in the longer term is to derive greater employment and property tax revenues through local business expansion and new investment from China.

**Attachments**

None

**Report prepared by:**

Sandra Yeung Racco, Councillor

Respectfully submitted,

Sandra Yeung Racco  
Councillor, Ward 4