

ECONOMIC DEVELOPMENT COMMITTEE – DECEMBER 8, 2009

CHINA TRADE MISSION 2010

Recommendation

The Director of Economic Development in consultation with the Mayor, Chair of the Economic Development Committee and City Manager, recommends that:

1. This report be received and
2. That the Committee approve participation in the Confederation of Greater Toronto Chinese Business Association's China Trade Mission in May 2010, with representation from Council and staff.

Contribution to Sustainability

Green Directions Vaughan embraces a *Sustainability First* principle and states that sustainability means we make decisions and take actions that ensure a healthy environment, vibrant communities and economic vitality for current and future generations. Under this definition, activities related to attracting and retaining business investments contributes to the economic vitality of the City. Global competition in the form of trade and business investment, forces even the smallest of enterprises to operate on the world stage. With the assistance of the City, access to government officials and business contacts can be made more readily available.

Economic Impact

This report and associated costs are budgeted within the Department's 2010 Operating Budget. As per corporate practice, the Department's budget covers the cost of staff participation, group and incidental costs. Staff costs are approximately \$6,800. Group and incidental costs is estimated at approximately \$3,000 and promotional materials may account for another \$3,000-4,000.

Council's participation (hotel, airfare, individual meals) will be covered by the Council member's corporate office budget. The anticipated cost is \$6,800, see Attachment 1.

Communications Plan

Should Committee approve participation, notification will be provided to the Vaughan Chamber of Commerce and the Vaughan Chinese Business Association.

Purpose

To seek Committee direction, on or before January 31, 2010, on participation in the Confederation of Greater Toronto Chinese Business Association's China Trade Mission in May 2010.

Background – Analysis and Options

With a population of 1.3 billion people, annual GDP growth averaging greater than 10 per cent, rising incomes levels and a growing middle class, China's potential as a consumer market is phenomenal. While other countries are undertaking measures to penetrate the Chinese markets, Canada is seriously lagging behind in both market share and two-way investment growth. We must change this or risk being left behind in the race for global competitive advantage in which China is an increasingly important player.

The process for entering the Chinese market begins with developing relationships. China is a vast and complex country, making doing business difficult. The economy is diverse and has many distinct economic regions. Obtaining reliable information is a challenge, as is forging the right connections to advance one's commercial interests, but without these connections, municipal and provincial government efforts to enter the Chinese market may be significantly hampered.

The City of Vaughan last undertook a Business Mission to China in March 2008. Since that mission, the City has received a number of business and political delegations arising from the contacts that were established. The groups received included:

- Zhejiang/Shanghai Business Leaders delegation (July 21, 2008)
- Huadu (November 26, 2008)
- Yangzhou (December 8, 2008)
- Shanghai Changning District (September 2009)
- Zibo, City (November 9 & 10, 2009)

These delegations have all expressed an interest to further develop business relationships, in addition to the cultural connections. The City has also received informal invitations from Huadu, Yangzhou and Zibo for such diverse interests as sports exchanges, culinary and food exhibitions, as well as trade and economic co-operation.

Following Shanghai Changning's visit to Vaughan this past September, a formal invitation was received to visit Changning in November or December 2009. Changning's sectors include information technology (and in particular, digital media technology), headquarters, transportation and logistics. Changning's six hospitals are a solid foundation for the development of bio and life science sectors, providing healthcare services to a strong expatriate community as well as medical research and commercialization activities.

Based on the number and nature of these incoming delegations, it is quite clear, that Vaughan has generated very positive impressions during its mission. To continue the work that began in 2008, it is necessary to take measures to build and maintain "Guangxi" (relationships) through continuity of contact. A special feature of doing business in China, "Guangxi" includes relationships with the government bodies, investors and partners that are nurtured over a longer period of time than what is commonly anticipated in the North American approach to relationship building.

China Trade Mission 2010

The Confederation of Greater Toronto Chinese Business Association (CGTCBA) is organizing a Trade Mission to China in 2010 with the goal of promoting greater economic, business and cultural ties; and to support the Canada Pavilion at the World Expo in Shanghai. The proposed timeframe for the Mission is May 19 to 30, 2010, inclusive.

Attachment 1 is the China Trade Mission 2010 program. The mission covers Shanghai, Beijing and Hong Kong; however there will be opportunities for municipal delegates to visit their sister or partnership cities. Business events planned include:

- Pre-arranged business appointments
- Visits to key industrial zones
- Meetings with local economic development agencies and business associations
- Briefings on business opportunities and sectoral information
- Attendance at the featured Economic and Business Development Forum in Beijing
- Opportunities to showcase the local municipality, its products, services or expertise are available.

The Mission will encompass the following sectors: finance; investment; real estate development; education and training; logistics, health sciences and technology. Vaughan's participation in the Mission will expand on these sectors to also include advanced manufacturing and green building

products to align with the City's recommended sectors under the draft Employment Sectors Strategy Study currently underway.

Mission Planning

The CGTCBA is comprised of associations from Mississauga, Scarborough York Region, Toronto and Richmond Hill/Markham. Mission planning and business introduction or facilitation will be handled by the CGTCBA.

Thus far, CGTCBA has fifteen confirmed delegates, including Mayor Barrow of Richmond Hill, Mayor McCallion of Mississauga, Economic Development and business delegates. Mr. Will Sung, President of the Richmond Hill & Markham Chinese Business Association will be participating. Mr. Sung also serves as President of the Vaughan Chinese Business Association. The Italian Chamber of Commerce in Toronto has confirmed that a representative will be participating.

The cost of the Mission is \$6,800 inclusive of international and domestic economy-class airfares, accommodations, group meals and receptions, local transportation, admissions and access to World Expo 2010. Costs not covered include personal expenses, travel visa and insurance.

As per corporate practice, the Economic Development Department's base budget will cover City Staff's costs and any unforeseen land transportation costs, meals and incidental costs. Costs for participating Council members shall be borne by Council member's corporate budget.

Should the Committee and Council approve the Mission, Economic Development staff will commence to customize the program with Huadu, Shanghai Changning and Yangzhou officials. In co-operation from the Vaughan Chamber of Commerce, staff will publicize this Mission to local businesses, soliciting their interest.

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

Since the City's Business Mission to China in 2008, there has been significant incoming business and government delegation activities. Undertaking this Mission in 2010, along with other Greater Toronto Area Mayors allows Vaughan to demonstrate its commitment to working in the Asian region for the longer term. The presence of a larger group of political and business representatives, at such proud events as the Shanghai World Expo, creates tremendous goodwill for both countries, as well as facilitates access to Chinese business groups for our local firms.

The desired outcome in the longer term is to derive greater employment opportunities and property tax revenues through local business expansion and new investment from China.

Attachment

1. China Trade Mission 2010 Program

Report prepared by:

Shirley Kam, Senior Manager of Economic Development
Tim Simmonds, Director of Economic Development

Respectfully submitted,

Tim Simmonds
Director of Economic Development

China Trade Mission 2010

Organized by:



CONFEDERATION OF GREATER TORONTO
CHINESE BUSINESS ASSOCIATION
大多市華商總會

Mississauga Chinese Business Association (MCBA)
Richmond Hill & Markham Chinese Business Association (RHMCBA)
Scarborough York Region Chinese Business Association (SYRCBA)
Toronto Chinese Business Association (TCBA)



密西沙加華商會
MISSISSAUGA CHINESE
BUSINESS ASSOCIATION



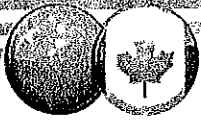
Richmond Hill & Markham
Chinese Business Association



Scarborough
York Region
士嘉堡及約克區
Chinese Business
Association



多倫多華商會
Toronto Chinese
Business Association



“The Confederation of the Greater Toronto Chinese Business Association is proud to organize this very important 2010 China Trade Mission. We look forward to building and strengthening relationships for Canadian municipalities and businesses with their counterparts in China. This comprehensive Mission will include stops in Shanghai, Beijing, Shijiazhuang, Wuhan, Chongqing, Xiamen and Hong Kong.”

~Stephen Chu, President, MCBA

“The Confederation of the Greater Toronto Area has forged solid links with municipal and business leaders in China’s largest cities. This Mission will facilitate face-to-face interactions – an essential part of doing business with China – that can open doors to new opportunities for mutual achievement and success.”

~Will Sung, President, RHMCA

“The Expo 2010 Shanghai China is one of the itineraries in our Mission. It will be a great event to explore the full potential of urban life in 21st century and a significant period of urban evolution. Exposition 2010 will attract governments and people from across the world, focusing on the theme “Better City, Better Life”.

~Johnny So, President Elect, SYRCBA

In today’s global economy, it is crucial for business to develop international markets. China, as a major world power, provides unparalleled opportunities. The Confederation of the Chinese Business Association encourages Canadian cities, companies, and business associations to take advantage of this well-organized Mission that allows participants to make the right business connections.

~Benny Cheung, President, TCBA

The Organizing Team

The Organizer

United Federation of Greater Toronto Chinese Business Association (UGTCA)

The UGTCA was formed in 1983 by four business associations: the Chinese Chamber of Commerce, the Chinese Manufacturers Association, the Chinese Retailers Association and the Chinese Restaurant Association. The organization marked an important step towards the development of a unified Chinese business community in the Greater Toronto Area. The UGTCA has been successful in promoting business and trade relations with the Chinese government and has been instrumental in the development of the Greater Toronto Area's Chinese business community. The UGTCA has also been successful in promoting the interests of Chinese business in the Greater Toronto Area and has been instrumental in the development of the Greater Toronto Area's Chinese business community.

Team Leaders

Stephen Chu, President, MCBA

Johnny So, President Elect, SYRCBA

Will Sung, President, RHMBCA

Benny Cheung, President, TCBA

Honorary Patrons

His Worship Frank Scarpitti, Mayor of Town of Markham

Her Worship Hazel McCallion, Mayor of City of Mississauga

His Worship Dave Barrow, Mayor of Town of Richmond Hill

His Worship David Miller, Mayor of City of Toronto

Her Worship Linda Jackson, Mayor of City of Vaughan

Madam Zhu Tao Ying, Consul General of The Consulate General of the People's Republic of China in Toronto

Ms. Maureen Siu, Director of Hong Kong Economic and Trade Office in Toronto

Participating Partners

Canada China Tourism Association

Consulate General of Canada in Shanghai, Economic Affairs – Ontario

China Council for the Promotion of International Trade

Department of Canadian Heritage, International Expositions – Canadian Pavilion, Shanghai Expo

Federation of Portuguese Canadian Business and Professionals

Hong Kong Economic and Trade Office in Toronto

Hong Kong Trade Development Council in Canada

Indo-Canada Chamber of Commerce

International Cooperation Centre, National Development & Reform Commission

Italian Chamber of Commerce in Toronto

Markham Board of Trade

Mississauga Board of Trade

Mississauga Economic Development Office

Richmond Hill Chamber of Commerce

The Consulate General of the People's Republic of China in Toronto

Toronto Chamber of Commerce

Toronto Board of Trade

York Region Economic Office

**Our sincere gratitude to those whose names have not been included at the time of printing.*

The Organizing Committee:

Co-chairs:

Winnie Fung, Benedict Leung

Benny Cheung
Stephen Chu

Ralph Hui
Johnny So

Will Sung
Anna Yip

About the Mission

The 2010 China Trade Mission is designed to promote greater economic, business and cultural ties between Canada and China, and to support the Canada Pavilion at the World Expo 2010 in Shanghai.

The Mission will allow participants to extend friendship, establish connections, strengthen existing relations, promote Canadian investment products and services, explore opportunities for joint ventures, and source potential suppliers.

The Mission to one of the world's fastest-growing markets will open doors to high-level networking opportunities and exchange new ideas with international governmental and business leaders. It will provide Canadian cities and businesses new access and comprehensive insight into the dynamic Chinese market – its vast scale of economy, diversity and potential. Don't miss this gateway to lucrative business opportunities.

Features of Mission Itinerary:

- Begin in Shanghai at the World Expo 2010 and with an opportunity to be part of the Canadian Pavilion.
- Participate in a series of business events such as:
 - * Meetings with Consular Officials,
 - * Local Economic Development Agencies and Business Associations,
 - * Briefing on Business Opportunities and Sectoral Information,
 - * Visit to Key Industrial Zones,
 - * Business Forums and Networking Sessions,
 - * Pre-arranged Business Appointments, etc.
- The privilege of attending the Mission's feature event – Economic and Business Development Forum in Beijing.
- Opportunity to visit your preferred "Sister City" or Partner City.

Benefits to the Delegates:

- Foster strong trade and economic ties between cities in Canada and China.
- Create new cooperation opportunities for cities and businesses.
- Lay groundwork and establish relationships with several cities that are considered economic powerhouse in China.
- Meet with companies that are establishing their presence in Canada.
- Opportunity to present a speech and introduce your cities, agencies and businesses.
- Opportunity to showcase your products, services and expertise by hosting and sponsoring Individual Information Session to a captured audience of local business leaders.

2010 China Trade Mission Schedule

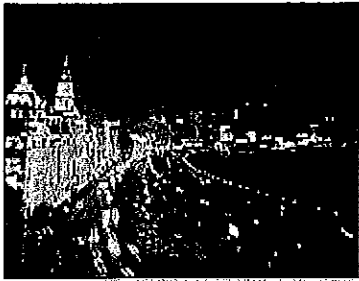
Day 1	19-May	Wed	Depart Canada for Shanghai	
Day 2	20-May	Thu	Arrive in Shanghai at 15.31pm Welcome Reception by Shanghai Government Officials	
Day 3	21-May	Fri	Business Reception / Networking Session at Canadian Pavilion Shanghai Expo Business Dinner hosted by Local Business Association	
Day 4	22-May	Sat	Visit Economic and Industrial Zones in Shanghai	
Day 5	23-May	Sun	Noon Flight to Beijing Welcome Reception by Local Government Office Briefing on Business Opportunities	
Day 6	24-May	Mon	Canada - China Economic & Business Development Forum, co-hosted by ICC - National Development & Reform Committee & GCTCBA Speeches & Open Forum Individual Business Development Seminars Business Networking Session Dinner Reception	
Day 7	25-May	Tue	Business /Industry visits: China Entrepreneur Association, China Centre for International Economic Exchanges, Other Pre-arranged Business Meetings	
Day 8	26-May	Wed	Option #1: (May 26-27) Depart for "Sister City"/Partner City RHCBA : Shijiazhuang, Wuhan (TBC) TCBA: Chongqin (TBC) MCBA: Xiamen (TBC) SYRCBA: (TBC)	Optional #2: (May 26-27) -Beijing Tour -Great Wall Tour
Day 9	27-May	Thu	"Sister City"/Partner City Program Business Development Meetings	
Day 10	28-May	Fri	Depart for Hong Kong in the morning Business Networking Session, hosted by HKETO & HKTDC Welcome Reception	
Day 11	29-May	Sat	Breakfast Meeting with Local Business Associations	
Day 12	30-May	Sun	Depart for Canada in the afternoon	

* The above planned schedule is subject to changes and final confirmation without further notice

**Post-trip Business Meetings can be arranged upon request at extra cost.

Our Destinations

Shanghai



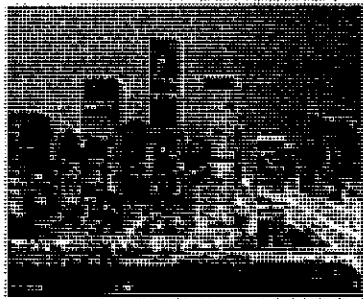
With a population of over 20 million, Shanghai is widely regarded as the centre of finance, trade and communications in China.

As one of the world's busiest ports, Shanghai is a major destination for foreign corporate headquarters, fuelling demand for a highly educated and modernized workforce. Shanghai has one of the world's busiest ports. Since 2005, Shanghai has ranked first of the world's busiest cargo ports throughout, handling a total of 560 million tons of cargo in 2007. Shanghai container traffic has surpassed Hong Kong to become the second busiest port in the world, behind Singapore. Shanghai has recorded a double-digit growth for 15 consecutive years since 1992. In 2008,

Shanghai's nominal GDP posted a 9.7% growth to 1.37 trillion Yuan.

Industrial zones in Shanghai include Shanghai Hongqiao Economic and Technological Development Zone, Jinqiao Export Economic Processing Zone, Minhang Economic and Technological Development Zone, and Shanghai Caohejing High and New Technological Development Zone (see List of economic and technological development zones in Shanghai).

Beijing



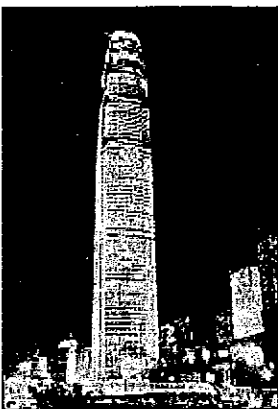
As the Capital City of the People's Republic of China, Beijing is the country's centre of politics, culture, education and diplomacy.

Beijing is amongst the most developed cities in China with tertiary industry accounting for 73.2% of its GDP, making it the first post industrial city in mainland China. Finance is one of the most important industries of Beijing. By the end of 2007, there are 751 financial organizations in Beijing that generated 128.6 billion RMB revenue accounting for 11.6% of the total financial industry revenue of the entire country. It is also accounts for 13.8% of Beijing's GDP, the highest percentage of that of all Chinese cities.

Beijing is increasingly becoming known for its innovative entrepreneurs and high-growth start-ups. This culture is backed by a large community of both Chinese and foreign venture capital firms.

Hong Kong

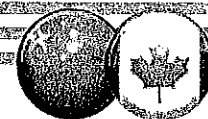
Officially the Hong Kong Special Administrative Region. Hong Kong is one of the two special administrative regions under the "one country, two systems" policy. As a result, Hong Kong is largely self-governing, has its own currency, legal and political systems, a high degree of autonomy in all areas except foreign affairs and defence. Hong Kong is one of the world's leading financial capitals, a major business and cultural hub, and maintains a highly developed capitalist economy. Its identity as a cosmopolitan centre where east meets west is reflected in its cuisine, cinema, music and traditions, and although the population is predominantly Chinese, residents and expatriates of other ethnicities form a significant segment of society.



The Government of Hong Kong plays a passive role in the financial industry, mostly leaving the direction of the economy to market forces and the private sector. Under the official policy of positive non-interventionism, Hong Kong is often cited as an example of laissez-faire capitalism.

Hong Kong is the world's eleventh largest trading entity with the total value of imports and exports exceeding its gross domestic product. Much of Hong Kong's exports consist of re-exports, which are products made outside of the territory, especially in mainland China, and distributed via Hong Kong. Even before the 1997 handover, Hong Kong had established extensive trade and investment ties with mainland China, and its autonomous

status now enables it to serve as a point of entry for investment flowing into the mainland. Hong Kong's largest export markets are mainland China, the United States, and Japan.



Who should participate:

The mission will promote and showcase Canadian products, expertise and services in the following, but not limited to, recommended sectors: Finance & Investment, Real Estate Development, Education & Training, Logistic, Health Science and Technology etc.

Delegate Cost:

Full package: Canadian \$6,800

Early Bird Discount (Reserved and paid in full by November 30, 2009): \$150 off

Member Discount: \$100 off

Double Occupancy Discount: \$900 off

- Access to the Expo 2010 Shanghai, China
- Participation in all business networking events arranged in each city
- Economic & Business Development Forum
- Promotion of your company throughout the mission
- Pre-departure Information Sessions and Seminars
- Admissions to arranged major sight seeing spots
- International and domestic airfare - economy class
- 5 star hotel accommodation single occupancy
- Group meals and official banquets
- Local transportation

Fees do not include the following:

- All personal expenses
- Travel Visa for China
- Travel, medical and flight/trip cancellation insurance

**Individual Business Promotion Session and Workshop/Seminar Sponsorship Opportunities are available upon request; please check with us for more details.*

Registration and Contact Information

For registration and further detailed information, please contact the Event Manager:

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