

ITEM	8
MANAGER'S REPORT NO.	36
COUNCIL MEETING	92/05/19

TO: MUNICIPAL MANAGER 1992 MAY 12

FROM: DIRECTOR PLANNING AND BUILDING

SUBJECT: MUNICIPAL TRADE MISSION TO THE ORIENT

PURPOSE: To obtain Council authorization for the Municipal Economic Development Officer to undertake a Trade Mission to the Orient as a follow-up to the May 1991 Trade Mission as described in this report.

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RECOMMENDATION:

1. THAT the Economic Development Officer be authorized to undertake a Trade Mission to the Orient in October of 1992 as a follow-up to the May 1991 Trade Mission as described in this report.

R E P O R T

1.0 INTRODUCTION:

1.1 Council will recall that in May of 1991, the Municipal Economic Development Officer participated in a Trade Mission to Taipei and Hong Kong which was co-sponsored and organized by the Provincial Ministry of Development, Trade, and Tourism. The Mission included six participants from British Columbia along with staff of the B.C. Representative Offices in Hong Kong and Taipei. Council will refer to the attached report which provides a detailed summary of the 1991 Mission. The 1991 Mission was successful in terms of raising Burnaby's profile in the Orient and through the numerous personal contacts made with parties in both the private and government sectors who have expressed interest in business and investment opportunities available in the Municipality.

As outlined in the attached report, in order to realize the full potential benefits of Trade Missions, it is necessary to pursue appropriate follow-up activities. One such activity includes return missions where appropriate relationships with interested parties can be further developed, specific business and investment leads can be pursued, and exposure to new opportunities can be gained.

2.0 GENERAL DISCUSSION:

2.1 As an initial follow-up to the 1991 Trade Mission, The Economic Development Officer wrote letters to each individual with whom contact was made. Well over 100 letters were mailed and every letter was accompanied by a Burnaby information package that related to the specific interest of the individual party. Numerous responses to the letters were received and correspondence is continuing. Active contact with the Representative Offices of the B. C. Government in Taipei and Hong Kong has also been maintained. The Municipality has also established a good working relationship with a Taipei based immigration consulting firm which has a local office located in Vancouver. Since May of 1991, the firm has brought approximately 200 of their clients to Burnaby where in addition to touring around the Municipality, the Economic Development Officer has provided a number of general business/information presentations on Burnaby which included a formal introduction from the Mayor.

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As a result of these efforts, Burnaby has gained a good reputation in various communities in the Orient and particularly in Taipei. The contacts that have been established can be expected to pay dividends directly or indirectly as businesses in that part of the world consider establishing operations or making investments in western Canada. It is believed that a significant return on our investment is being realized with more to come with time and further effort.

2.2 Preliminary planning for a return mission in 1992 has already been initiated. Consideration is being given to undertaking a joint mission with the City of Richmond, where both communities could work more effectively together by sharing contacts, offering a greater variety of economic development opportunities, pursuing available cost savings etc. Richmond's Economic Development Manager has been on a number of trade missions to the Orient during the last few years. Staff have also met with Economic Development Officers from the Okanagan Region who will also be travelling to the Orient in October to determine how we may be able to combine our efforts to the best advantage.

Contact has also been made with all of the representative Federal and Provincial Offices in Taiwan, Hong Kong and Tokyo. Specific information has been requested regarding the most appropriate time for a trade mission, the promotional activities each office or department may be pursuing where our efforts may be combined, whether their Ministry or Department has any financial support programs for Municipalities, and any other assistance and support they have to offer. Only preliminary information on these items has been received thus far. Further detailed information will be provided as each office pursues their respective programs.

However, in response to these enquiries, our Economic Development Officer along with other interested Municipal level EDO's recently met with Provincial Government Officials to specifically discuss the joint trade mission approach. While no firm plans have been made to date, a mission in October to include Hong Kong, Taiwan, Japan, and Korea (tentatively) looks favourable. Several of the Economic Development Officers that attended the meeting are already committed to travel to the Orient and are interested in arranging their schedule to suit a joint mission approach. As a result, October is an appropriate time for the mission which will also provide sufficient lead time to organize and work out all of the details.

2.3 The Trade Mission is intended to include Taipei, Hong Kong, Japan, and perhaps Korea. Return visits to Hong Kong and Taipei will provide an opportunity to pursue the contacts made on the last mission and the many potential business opportunities. A major international trade show, G-BOC (Global Business Opportunities Convention) in Osaka is also scheduled for October along with other trade shows and events in Japan. The Japan leg of the Mission would also include a stop in Kushiro, Burnaby's Sister City where specific investment, trade and cultural exchange opportunities can be explored. A visit to Kushiro will also allow for appropriate follow-up with contacts made through the upcoming large Kushiro delegation which will visit Burnaby in August and participate in the Centennial Celebrations. Staff from the Provincial Ministry of Economic Development, Small Business, and Trade have suggested that a short visit to Korea could be very worthwhile and should be seriously considered.

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2.4 The total cost of Burnaby's participation in the 1991 Trade Mission was just under \$4,000 which included 10 days and two countries. At this point in time, the proposed 1992 trade mission will include approximately 14 to 18 days and three or perhaps four countries at an estimated total cost of approximately \$6,500. An application to the Provincial Government for financial assistance for this Trade Mission has been made. While no commitments have been given thus far, assistance from the Provincial Government looks promising on the basis of a joint trade mission. Funds to cover the costs of this trade mission are available from the Economic Development account of the Planning and Building Department's Annual Budget.

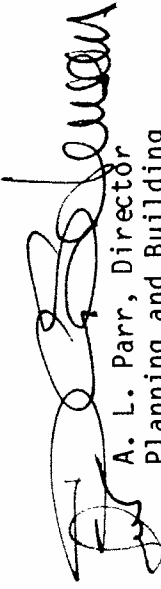
3.0 CONCLUSIONS:

3.1 The proposed Trade Mission to the Orient will provide the appropriate follow-up to the Mission that was undertaken in May of 1991. This endeavour will continue to build Burnaby's profile in the various business communities in the Orient and will assist in achieving many of the economic development and community plan objectives through further investment, trade, and business development. One of the reasons why the local economy has to a certain extent been spared from the recessionary trends experienced in the other parts of the country is attributed to the continued investment and business immigration from outside of the country and particularly, the Orient. As such, it is considered that a follow-up trade mission will assist in maintaining the current level of capital investment and trade from this part of the world towards strengthening and diversifying our local economic base. Undertaking a trade mission of this nature is also consistent with the Municipal Economic Development Strategy.

3.2 In view of the foregoing, it would be appropriate at this time for Council to authorize the Municipal Economic Development Officer to undertake this trade mission in October of 1992 so that sufficient lead time is available to plan the itinerary accordingly.

APL
PS/ds

Attachment


A. L. Parr, Director
Planning and Building

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TO: MUNICIPAL MANAGER 1991 JUNE 04 139

FROM: DIRECTOR PLANNING & BUILDING INSPECTION

SUBJECT: MUNICIPAL PARTICIPATION IN AN INVESTMENT AND TRADE MISSION TO HONG KONG AND TAIPEI

PURPOSE: To provide Council with information on the recent Investment and Trade Mission to Hong Kong and Taipei that was participated in by the Municipal Economic Development Officer from May 17, 1991 through May 27, 1991.

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RECOMMENDATION:

1. THAT Council receive this report for information purposes.

R E P O R T

1.0 SUMMARY:

- 1.1 This report provides an outline of the recent trade and investment opportunities mission to Hong Kong and Taipei in which the Municipality's Economic Development Officer participated. The mission was co-sponsored and organized by the Provincial Ministry of Development Trade and Tourism and included six participants from B.C. along with staff of the B.C. Representative Offices in Hong Kong and Taipei. The report provides the names of the participants in the mission, a summary of the Economic Development Officer's itinerary, the type of contacts made on the mission, and finally, information on follow up activities that will be examined and reported on to Council in order to pursue attracting and facilitating many of the business and investment opportunities that are possible. The total costs of Burnaby's participation on this trade mission were under \$2,000.

2.0 BACKGROUND INFORMATION:

- 2.1 On 1991 April 08, Council authorized the Municipality's Economic Development Officer to participate in an investment and trade mission to Hong Kong and Taipei Taiwan which was co-sponsored and organized by the B.C. Ministry of Development Trade and Tourism. The Ministry offered to pay for 50% of the associated costs which was estimated at approximately \$4,000 of which the Municipality would provide a contribution of \$2,000. The Economic Development Officer would be participating with the B.C. Government in their booth at the Hong Kong Trade and Investment '91 Show which would be held in the Hong Kong Convention and Exhibition Center from May 23 through 26 1991 and in the delivery of two Investment and Trade Seminars promoting business in B.C. to be conducted in both Taipei and Hong Kong.
- 2.2 Upon the Economic Development Officer's return, a report outlining the contacts made, events undertaken, accomplishments and required follow up was requested by Council for information purposes.

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3.0 PARTICIPATION IN THE INVESTMENT AND TRADE MISSION:

3.1 The following people from British Columbia participated in the mission:

1. Mr. Chris Nelson, Assistant Deputy Minister, Ministry of Development Trade and Tourism.
 2. Mr. Lorne Sivertson, Assistant Deputy Minister, Ministry of Development Trade and Tourism.
 3. Ms. Susan Scullion, International Investment Counsellor, Ministry of Development Trade and Tourism.
 4. Mr. John Lainsbury, Economic Development Director, City of Vernon
 5. Mr. Lino Siracusa, Business Development Manager, City of Richmond.
 6. Mr. Phil Sanderson, Economic Development Officer, Municipality of Burnaby.
- 3.2 The Provincial Ministry of Development Trade and Tourism operates Trade and Investment Offices in both Taipei and Hong Kong. Staff from these offices had considerable involvement in this mission. The respective Directors of the Taipei and Hong Kong Offices are Mr. Michael Craddock and Mr. Dickson Hall.

4.0 MISSION ITINERARY:

The most effective way of providing an appropriate overview of the investment and trade mission will be to summarize the daily itinerary and include the important highlights, contacts made, and events attended. In order to maintain an appropriate degree of confidentiality, the majority of contacts made and related companies will not be outlined in this report, but can be provided to Council under separate cover if requested.

4.1 Saturday, May 18, 1991 (Taipei)

- Left Vancouver at 1:30 PM on Friday, May 17, arrived in Taipei at approximately 7 PM. Met with Mr. Fritz Renger, Vice President of Hitchcock International Ltd. based in Taipei who is involved in arranging for the manufacturing of a variety of specialty products in Southeast Asia for sale and distribution primarily in North America.

4.2 Sunday, May 19, 1991 (Taipei)

- The mission contingent was briefed by the Director of the B.C. Investment and Trade Office, Taipei.
- Site tour of the Taipei New Town Project conducted by the two owner/developers of the project. The Taipei New Town Project is a large hillside single family and townhouse development located south of Taipei which presently includes approximately 2,000 units. The project has been underway for about ten years and will take another ten years to complete with a total of 4,000 units to be constructed. The unique aspect of this project is that these developers are pioneering the 2 x 4 wood frame construction technique which has not previously been undertaken anywhere in Taiwan. Several of the larger single family homes in the project fully utilize standard 2 x 4 wood frame construction techniques. All of their wood products are imported from B.C. and they have also hired three construction managers from the Greater Vancouver area to manage this part of their project. The two principals of this company are also part of a larger business group who are involved in a variety of other businesses including the importation of European automobiles, dairy products, and beverages.

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- This is of particular interest to Burnaby since Royal Oak College was recently developed in Burnaby which specifically provides training to Japanese architects and construction people in the 2 x 4 wood frame construction technology which ultimately promotes the sale of B.C. Lumber products to the Orient.

4.3 Monday, May 20, 1991 (Taipei)

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- Meeting at the head office of CETRA, the China External Trade Development Council located in the Taipei World Trade Center. Co-sponsored by the government and private industrial and business organizations, CETRA is Taiwan's foremost trade promotion body which provides a wide range of services to the local and foreign business communities. CETRA has 29 overseas branch offices including one in Vancouver. Prior to leaving for Taiwan, Mr. Sanderson met with the Director of their office in Vancouver for a briefing. After receiving a formal presentation from Mr. Richard Tsai, the Deputy Executive Director of the CETRA head office, the B. C. contingent was given a tour of the Taipei World Trade Center which includes a recently completed, state of the art Exhibition Hall, International Convention Center, and International Trade Mart.

- Meeting with the President and principal of a well established immigration consulting firm with head offices in Taipei and branch offices in the Vancouver, Montreal, Toronto, and Hong Kong. Mr. Sanderson had met previously with their Vancouver office staff and assisted their office some months ago by conducting a Burnaby seminar for approximately 30 of their investor/immigrant clients which was conducted at the B.C. Club located on the former Expo grounds.

- Dinner meeting with the B.C. contingent and a group of leading Taipei businessmen which included one of the principals of the Taipei New Town project mentioned above; a person who is involved in real estate development, media, manufacturing, etc.; the owner of a large steel business; a businessman who among many business interests is the owner of a professional baseball team in Taipei; the president of a major Asian hotel chain; a businessman and former Rotary Club President. Three other well established Taipei businessmen who own various trading companies were also in attendance at the dinner meeting.

4.4 Tuesday, May 21, 1991 (Taipei)

- Participated in the B.C. Regional Business and Investment Seminar which was held at the Grand Hyatt Hotel in Taipei. A copy of a newspaper article that appeared in the China Post regarding this seminar has been attached for Council's reference.
- Each of the members of the B.C. contingent presented a specific portion of the seminar which was conducted over a two hour period. The seminar was attended by approximately 75 Taiwanese business people who were interested in the business and investment opportunities in B.C. along with information regarding immigration. Mr. Sanderson has obtained a list of the attendees and will be sending appropriate information about Burnaby to each person.
- Left Taipei in the late afternoon and arrived in Hong Kong at approximately 9:00 pm.

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4.5 Wednesday, May 22, 1991 (Hong Kong)

- Meetings with the president of a company involved with international banking and investment brokering. This person provided a tour of Hong Kong, Kowloon, and the New Territories to include, new town developments, housing sites, the university, sports stadium, business and retail districts of Kowloon, the banking district of Central in Hong Kong and the Stanley area on the south side of the island.
 - Dinner meeting with Mr. Jay Branegan, Deputy Bureau Chief of Time Magazine in the Hong Kong Bureau Office. Through mutual friends living in Vancouver, meeting arrangements were made prior to Mr. Sanderson's departure. Mr. Branegan coincidentally authored the recent cover story appearing in the May 13, 1991 issue of Time Magazine which covered Hong Kong and the concerns over the 1997 takeover. A copy of this article is attached for reference purposes.
- 4.6 Thursday, May 23, 1991 (Hong Kong)
- Briefing given to the B.C. contingent by the Hong Kong office of B.C Trade and Investment.
 - Opening ceremonies of the Hong Kong Investment & Trade '91 at the Hong Kong Convention and Exhibition Center.
 - Attendance at the Trade Show in the Hong Kong Convention and Exhibition Center which ran from 10 am until 7 pm. The Province of British Columbia with the assistance of the Economic Development Officers operated a booth at the trade show along with approximately 100 other government and private sector participants. The Trade Show ran from 10 am to 7 pm Thursday May 23 through Sunday May 26.
 - Participated in the last of the two B.C. Regional and Investment Seminars which was also held at the Hong Kong Convention and Exhibition Center using the same format as the first seminar held in Taipei as described above. A list of the attendees for appropriate follow up has been obtained by the Economic Development Officer.
- 4.7 Friday, May 24, 1991 (Hong Kong)
- Meeting with the marketing manager of an electronics company which manufactures childrens educational electronic toys and electronic keyboards. A tour of their manufacturing facility was provided by the marketing manager.
 - Attendance at the Trade Show and working in the B.C. booth.
 - "Festival Canada" Preopening Ceremony officiated by Prime Minister Brian Mulroney and the Governor of Hong Kong.
 - Dinner Meeting with a group of Hong Kong businessmen representing a variety of business interests. Included at the meeting were the Managing Director of a company involved in the production of plastics and related products; a businessman who is involved in corporate finance with a major worldwide bank; the Director of a company involved in the hotel business and real estate development; the Managing Director of a group of companies involved in textiles, chemical production and real estate etc.; the Manager of overseas banking with a major worldwide bank; the owner of a large garment manufacturing company. Several others who represent significant business interests in Hong Kong, Mainland China and other Southeast Asian countries were also in attendance.

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4.8 Saturday, May 25, 1991 (Hong Kong)

- Attendance at the Hong Kong Investment & Trade '91 and working in the B.C. booth.
- Dinner meeting with the Managing Director of a garment manufacturing business.
- Meeting at the hotel with three Hong Kong businessmen involved in paint manufacturing, and the shipping industry.

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4.9 Sunday, May 26, 1991 (Hong Kong)

- Attendance at the Hong Kong Investment & Trade Show '91 and working in the B.C. booth. Over the four day period made contact with numerous individuals from a variety of business sectors who expressed interest in investment and business opportunities in B.C and specifically Burnaby.

4.10 Monday, May 27, 1991 (Hong Kong)

- Met with the Managing Director of a major diversified company which manufactures a variety of electronics products that are distributed worldwide. Departed Hong Kong in the late morning and arrived back in Vancouver at 10 am the same day.
- Returned to work on Tuesday morning, May 28, 1991.

5.0 GENERAL COMMENTS:

- 5.1 This investment and trade mission is considered to be extremely successful as a first economic development effort participated in by the Municipality. In this regard, Burnaby was able to raise its international profile and obtain a great degree of exposure to a variety of significant and influential business interests in Hong Kong and Taipei. The contacts that were established with individual businessmen and numerous related investment and business organizations such as CETRA and the immigration consulting group mentioned above should prove to be of great value to Burnaby.
- 5.2 There is a considerable amount of interest in B.C. from a variety of business interests in the Orient. Canada along with Australia, New Zealand and the U.S. are well positioned to receive the benefits of trade, joint venturing, technology transfer, investment and development. Several of the opportunities explored with many of the business contacts were in the areas of high technology, research and development, food manufacturing, specialty manufacturing, electronics, garment manufacturing, retailing, plastics, hotel development, private recreation facilities, the film industry and education. Ultimately, this effort is intended to bring new capital investment into the community, diversify our economic base, enrich our multicultural fabric and create more well paying employment opportunities.
- 5.3 The businessmen and women mentioned above represent only a portion of the contacts that were made on the mission. Many additional contacts were made at the Trade Show along with those in attendance at the two seminars. At this point in time it is difficult to predict the extent to which any of the contacts made and exposure received will provide specific results. However, following up on these contacts will provide the greatest likelihood of bringing business and investment opportunities to fruition.

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- 5.4 Burnaby has much to gain by endeavoring to establish an economic and business profile in the Orient. There is a tremendous amount of interest, capital, technology, and human resources in the Orient that can benefit our entire community through trade, joint venture activity, and investment from Hong Kong, Taiwan and Japan. British Columbia is very well known and respected in the Orient and Burnaby is relatively well known as an established community with many business opportunities and as a desirable place to live. Burnaby has reached a mature state in its evolution where it can justifiably raise its profile in order to pursue economic endeavors that will benefit a broad spectrum of the community as outlined in the Economic Development Strategy.

6.0 THE NEXT STEPS/FOLLOW UP:

- 6.1 In order to fully realize the potential benefits from this investment and trade mission, we will review the follow up efforts required to establish a good relationship with the contacts that have been made along with making new ones as the opportunity arises. One important follow up activity will include correspondence. In this regard, letter with accompanying information related to their respective business interests will be sent to each individual contact that was made by the Economic Development Officer. Reciprocal visits to Burnaby by Hong Kong and Taipei business interests are also anticipated in the near future which would involve some minimal expense and assistance from the staff of various Municipal Departments. The value of return trade missions made to build and maintain a networking relationship which could be undertaken jointly with the Provincial Government, independantly, or on a co-ordinated basis with several municipalities working together to share expenses, contacts, etc. will also be examined.
- 6.2 Burnaby was very fortunate to have been able to participate in this investment and trade mission which was well organized and received in both Hong Kong and Taipei by the respective business communities. Many long term benefits to the community can be derived from this type of endeavour. However, in most cases, the beneficial results are not achieved overnight but rather take a certain amount of time and a fair degree of effort to be realized. As a result, we will continue to pursue the many opportunities that are possible by employing the follow up activities outlined above. Further information on the progress of these activities and other appropriate measures that may be taken to further Municipal objectives in this area will be provided to Council as required.

PDS/ds

Attachments



A. L. Parr,
DIRECTOR PLANNING &
BUILDING INSPECTION

