

# ASIA-PACIFIC INITIATIVE ANNUAL REPORT

## 2009-2010



Canada's  
Pacific Gateway

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## Executive Summary

The Asia-Pacific Initiative (API), launched in April 2007, sets out British Columbia's strategy to capitalize on the unprecedented opportunity to secure the province's economic prosperity through stronger trade and investment relationships with the countries and regions expected to be the major drivers of the global economy in the 21st century: China, Japan, India, South Korea and Southeast Asia. The Asia-Pacific Initiative Annual Report for April 2009 to March 2010 highlights key achievements under each of five priority strategies.

**ASIA PACIFIC IDENTITY** - B.C. continues to advance its efforts to be recognized internationally as the North American gateway to the Asia Pacific. British Columbia, Saskatchewan and Alberta launched the New West Partnership, creating a regional economic powerhouse of nine million people with a multi-modal Pacific Gateway and Corridor transportation system, and strong backing for open skies and open trade with the Asia-Pacific region. Efforts continued throughout 2009-10 to establish and strengthen long-term relationships with senior-level Asia-Pacific government and business leaders.

The once-in-a-lifetime opportunity to host the 2010 Olympic and Paralympic Winter Games provided B.C. with increased brand exposure in the Asia Pacific. There were an estimated six million views of the Canada's Pacific Gateway brand through promotional efforts leading up to and during the Olympics in both traditional and new media. More than 15,000 participants attended over 100 business events as part of the Integrated Hosting Program, which promoted B.C. as Canada's Pacific Gateway, and more than 3,000 multilingual pieces of business information with consistent look and feel and jurisdictional branding and messaging promoted B.C.'s competitive sectors.

### **STRENGTHEN BRITISH COLUMBIA'S ASIA PACIFIC TRADE AND INVESTMENT RELATIONSHIPS -**

B.C.'s geographic proximity to the growing markets of Asia and prime North American markets make it an ideal business bridge for global companies. With international representatives operating in six markets (North, East and South China; Tokyo, Japan; Seoul, South Korea; and Bangalore, India), B.C. continues to build its market presence and help B.C. companies identify and secure business opportunities. These offices introduced 472 B.C. companies to the Asia Pacific market, and supported 545 matching opportunities between Asian investors and B.C. companies leading to new investments in 2009-10.

54 outbound investment missions were undertaken to Asian markets, and 78 inbound investment missions from Asia were managed in fiscal 2009-10. Trade between B.C. and the Asia Pacific region has stayed steady at over \$20 billion annually since the launch of the API in 2007 despite the downturn in the economy. Five new local government Twinning Partnerships were finalized in fiscal 2009-10.



**DEVELOP A WORLD-CLASS SUPPLY CHAIN AND GATEWAY INFRASTRUCTURE** - To ensure that Canada's Pacific Gateway can compete successfully on the world stage both during the global recovery and beyond, B.C. and its Pacific Gateway partners continue to invest in transportation infrastructure. Implementation of the Pacific Gateway Strategy Action plan delivered \$5.09 billion in transportation and infrastructure projects in fiscal 2009-10. B.C.'s northern gateway potential is being realized, with \$9 billion in major project work underway, and container shipments through the Port of Prince Rupert increased 62 per cent over fiscal 2008-09.

**DEVELOP AND ATTRACT A LABOUR FORCE THAT HAS PACIFIC CENTURY SKILLS** - To remain competitive in the Pacific Century economy and capitalize on the multitude of opportunities in the Asia Pacific, B.C. is working with businesses and industry to address current and projected skills shortages. 1,756 applicants from Asia-Pacific countries were nominated in the Provincial Nominees' Strategic Occupations (skills) stream. 2,886 Post-Graduation Work Permits and 3,523 Off-Campus Work Permits were held by international students from Asia-Pacific countries.

Apprenticeship training spaces increased to 6,317 from 2007-08 through 2009-10. Graduate spaces have increased by 2,266 FTEs at the province's four research-intensive universities. The BC Skills Connect program worked with 2,437 skilled immigrants, exceeding 2009-10 targets.

**POSITION BRITISH COLUMBIA AS NORTH AMERICA'S ASIA PACIFIC DESTINATION** - Increasing cultural awareness and links with Asia Pacific across B.C. were accelerated in 2009-10. The British Columbia Council for International Education marketing team organized several education missions to China, Korea, Japan and Vietnam to expand opportunities for B.C.'s K-12, post secondary and language sectors. In 2009-10, the number of long-term Asia Pacific students in B.C. increased 5.6 per cent from 2008-09 with about 38,800 long-term Asia-Pacific students studying on visas. The Offshore School BC Program has certified 21 schools in the Asia Pacific to offer the B.C. educational curriculum, and 21 educational co-operation agreements have been signed with Asia-Pacific countries.

The implementation of the Asia-Pacific component of the BC Tourism Strategy was accelerated through 48 media trips by foreign journalists and broadcasters, and an equivalent of \$43 million in advertising value was generated in 2009-10. The Olympic opportunity was leveraged by hosting 13 senior travel representatives from key markets, 45 destination training seminars geared to selling B.C. vacations, 23 familiarization trips to let travel buyers experience B.C.'s tourism products, and 15 business-to-business marketplaces and 36 travel trade co-operative marketing campaigns were held with key travel trade representatives.

Efforts to promote Vancouver as an international financial centre accelerated in 2009-10, with Vancouver moving up in ranking from 25th to 23rd on the Global Financial Centres Index.



## Strategic Priority 1: Build A Global Identity For Canada's Pacific Gateway

ACTIONS	EXPECTED RESULTS/OUTCOMES
Ensure Canada's Pacific Gateway is a top priority on the national economic agenda	1. Canada's policies, programs and ministerial engagement support the advancement of the Gateway in a manner relative to the scope of the opportunities
Establish a compelling global identity and comprehensive Asia Pacific marketing initiative	2. \$75 million in international exposure generated for Canada's Pacific Gateway brand at the Beijing Olympics in 2008
Establish long-term relationships with senior Asia Pacific government and business leaders	3. B.C. is recognized internationally as a member of the Asia Pacific trading region by 2010
Lever the Olympic momentum	4. B.C. – Canada's Pacific Gateway is one of the most recognized brands in the Asia Pacific region by 2010
Coordinating role for B.C. in Asia Pacific relations	

### PROGRESS TO DATE

1. Increased commitment to Pacific Gateway objectives, particularly ministerial engagement, by the Government of Canada in 2009-10.
2. \$70.7 million in international exposure, including PR value and advertising value, for Canada's Pacific Gateway brand at 2008 Beijing Olympics.
3. More than 15,000 participants, including representatives from 50 Asia-Pacific companies, in over 100 business events during the 2010 Olympic and Paralympic Business Hosting Program.
4. Estimated six million views of Canada's Pacific Gateway brand through promotional efforts in traditional and new media, and more than 3000 multilingual pieces of business information with consistent jurisdictional branding and messaging promoted B.C.'s competitive sectors during the 2010 Olympic and Paralympic Winter Games.

### HIGHLIGHTS

B.C. continues to advance its efforts to be recognized internationally as the North American gateway to the Asia Pacific by strengthening bilateral relations with the federal government, aggressively promoting the Asia-Pacific Initiative in interprovincial forums like the Western Premiers' Conference and the Council of the Federation, and ministerial engagement with key Asia-Pacific dignitaries. Advancements in 2009-10 included:

- The federal government's engagement with Asia-Pacific partners, notably China and India, increased markedly.
- An August 2009 meeting of the Council of the Federation led to an agreement by the premiers to call on the federal government to launch comprehensive economic partnership negotiations with China, India, Japan and other Asian economies.

According to the Conference Board of Canada, the Olympics will bring an estimated \$770 million to B.C.'s economy in 2010 in business services, accommodation and food services, along with arts, entertainment and recreational activities. The exposure to 3.5 billion people watching the 2010 Games gave B.C. a tremendous global profile on the world stage. These key sectors made the most of the Olympic spotlight:

- As part of the business hosting program, the BC Food Processors Association produced a DVD that illustrates B.C. agri-food processing capabilities. Agriculture and Lands Minister Steve Thomson met with media and B.C. agri-food industry representatives during the Olympics at two agri-food events - A Canadian Food and Wine Affair and BC First Nations Agri-Food - to raise the profile of B.C. agri-products with international media.
- Tourism BC hosted senior travel trade representatives during the Olympics to strengthen relationships and achieve pre-determined objectives with each of its 13 accounts.
- A Reverse Trade Mission during the Olympics saw 400 key international executives hosted at networking receptions and high-level business meetings to enhance Pacific Gateway competitiveness with some of the biggest international shipping, mining and airline companies.

- British Columbia, Saskatchewan and Alberta launched the New West Partnership, creating a regional economic powerhouse of nine million people with a multi-modal Pacific Gateway and Corridor transportation system, and strong backing for open skies and open trade with the Asia-Pacific region.
- B.C. advanced Asia-Pacific themes in the new forum of joint cabinet meetings between B.C., Alberta and Saskatchewan, laying the groundwork for a joint mission by the three premiers to China and Japan in May 2010.

Efforts continued throughout 2009-10 to establish and strengthen long-term relationships with senior-level Asia-Pacific government and business leaders:

- The Premier met with Asia-Pacific representatives including China's Wu Bangguo, Chairman of the Standing Committee of the National People's Congress; and Shashishekhar Gavai, India's High Commissioner to Canada.
- During the 2010 Olympic and Paralympic Winter Games, the Premier signed a new B.C.-Gyeonggi Action Plan with the Vice Governor of Gyeonggi, South Korea.
- Twelve heads of mission from Asia-Pacific countries, along with dozens of other members of the Diplomatic Corps, attended the Diplomatic Forum, an annual event hosted in B.C.
- The Minister of State for Intergovernmental Relations attended most national day receptions for Asia-Pacific partners during the year.
- Asia-Pacific dignitaries who visited B.C. during the year included the Chairman of The National People's Congress of the People's Republic of China, the deputy Prime Minister of Vietnam, Princess Bajrakitiyabha of Thailand, and delegations of sub-national governments from China (Liaoning, Hebei, Fujian, Shaanxi, Shanghai), Japan (Tokyo) and the Republic of Korea (Gyeonggi-do, Gyeongsangbuk-do).
- The Emperor and Empress of Japan were warmly greeted by thousands of British Columbians during their visit in July 2009.
- B.C.'s Office of Protocol worked successfully with 2010 Olympic and Paralympic Winter Games partners to operate a co-ordinated protocol operations centre that supported visiting high-level dignitaries' needs.

The once-in-a-lifetime opportunity to host the 2010 Olympic and Paralympic Winter Games provided B.C. with increased brand exposure in the Asia Pacific. International media and national and international industry representatives were treated to multiple business-to-business programs geared to present the best of B.C. and its many business opportunities. Key industries included airlines, clean energy, film and entertainment, forestry, digital media/entertainment/ wireless, life sciences, manufacturing, mining, pharmaceuticals, tourism and venture capital. Successes in leveraging the Olympic momentum included:

- More than 15,000 participants attended over 100 business events as part of the Integrated Hosting Program, which promoted B.C. as Canada's Pacific Gateway, including representatives from 50 Asia-Pacific companies.
- Multiple ministries collaborated to design, develop and deliver more than 3,000 multilingual pieces of business information with consistent look and feel and jurisdictional branding and messaging to promote B.C.'s competitive sectors.
- There were an estimated six million views of Canada's Pacific Gateway brand through promotional efforts leading up to and during the Olympics in both traditional and new media.

"We came to Korea safely and we were so exciting (sic) to watch Men's and Women's Hockey Game and beautiful closing ceremony, especially Kim Yun A skating, made us so happy. Winter Olympic is over now but my heart is still with you in B.C. On behalf of Korean VIP Team members, I would like to express my sincere thanks for your kind invitation and warm hospitality while we were in B.C."

- K.C. Hong, Mode Tour

"Why can't we be more like Canada? They host the Olympics like they mean it. They smile and they have the Canadian Mounties. But most of all what they have is a kick-ass national anthem, a tune that says everything about who they are - and about what we, as Americans, are not."

- The Huffington Post

"You're gorgeous, baby, you're sophisticated, you live well. Vancouver is Manhattan with mountains. It's a liquid city, a tomorrow city, equal parts India, China, England, France and the Pacific Northwest. It's the cool North American sibling."

- The New York Times

"Seoul's citizens were wonderfully fanatical in 1988 and Sydneysiders were pretty hyped up in 2000 but the Vancouverites who teemed downtown in their maple leafed garb have surely now set the standard for Londoners for 2012."

- The Daily London Telegraph



## Strategic Priority 2: Strengthen British Columbia's Asia-Pacific Trade And Investment Relationships

ACTIONS	EXPECTED RESULTS/OUTCOMES
Establish British Columbia trade and investment representatives in priority Asia Pacific regions	1. Full-time representation established in key Asian markets by 2007
Accelerate B.C.'s access to emerging Asia Pacific markets	2. \$1 billion increase in Foreign Direct Investment by 2010, \$3 billion by 2015 and \$5.5 billion by 2020
Increase in-bound and out-bound investment with Asia	3. A \$15 billion increase in trade with Asia Pacific by 2010, and \$35 billion by 2015
Create an Asia Pacific electronic, multilingual gateway	4. B.C. is perceived as the most attractive jurisdiction in Canada for Asia Pacific business and investment
Reduce competitive barriers to trade and investment	5. Additional western Canadian jurisdictions signed on to the BC-Alberta Trade, Investment and Mobility Agreement by 2008
	6. A pilot Pacific Northwest Trade and Mobility arrangement in place by 2008

### PROGRESS TO DATE

1. Representation in six key markets (North, East and South China; Tokyo, Japan; Seoul, South Korea; and Bangalore, India).
2. \$0.486 billion increase in FDI facilitated by Trade and Investment Representatives for key Asian markets since operations began in 2008 through fiscal 2009-10.
3. Staying the course on trade at \$25 billion in exports and imports with Asia Pacific in 2009-10 despite a global economic downturn (2005 baseline of \$24 billion).
4. Over the period July 2007 to April 2010, monitoring of public reports of FDI from Asia amounted to \$9.576 billion.
5. The New West Trade Agreement includes expansion of the BC-Alberta TILMA to include Saskatchewan and is expected to be fully in force by July 2012.
6. B.C. and Washington State continue to explore opportunities to facilitate trade and mobility within the Pacific Northwest.

**Wavefront**, B.C.'s commercialization centre to accelerate the growth of wireless and digital media companies, signed an MOU in April 2009 with Japan's Mobile Computing Promotion Committee (MCPC). The MOU will help B.C. technology companies achieve accelerated entry into the Japanese market as well as Japanese companies interested in entering North American markets. B.C.'s representative in Tokyo coordinated a mission of B.C. wireless companies led by Wavefront in November 2009, as the first exchange of companies under the MOU. **Livecast, Mobify, Air-G and Absolute Software** had a unique opportunity to meet with senior representatives from Japan's major carriers, system integrators and end users in areas of interest. There is already an indication that a number of non-disclosure agreements will be signed as a direct result of this initiative.

**IMW**, a leading supplier of compressed natural gas equipment for vehicle fuelling and industrial applications, plans to open an office to cover the South China market, as well as hiring another representative in Shenzhen later in the year.

**DPoint Technologies**, a Vancouver company focused on developing and supplying heat and humidity exchangers for fuel cell systems and energy recovery ventilators, signed a deal with LS Industrial Systems, a major Korean supplier of power transmission and distribution equipment. DPoint was originally introduced to the Korean clean energy market at the Green Energy Expo in Seoul in April 2008. Since that time, B.C.'s representative in South Korea has been working closely with DPoint to introduce them to potential business partners.

Vancouver-based **Aqua-Guard** provided offshore oil skimming systems to the Korean Coast Guard in a contract estimated at over \$1 million.

## HIGHLIGHTS

B.C.'s geographic proximity to the growing markets of Asia and prime North American markets make it an ideal business bridge for global companies. With international representatives operating in six markets (North, East and South China; Tokyo, Japan; Seoul, South Korea; and Bangalore, India), B.C. continues to build its market presence and help B.C. companies identify and secure business opportunities. Successful promotion by B.C.'s trade and investment representatives of B.C. as a destination for investment and trade in 2009-10 resulted in the following key achievements:

- Over 2000 corporate calls were supported; 723 leads generated; 71 presentations made; 132 trade and investment missions supported; and 58 deals signed.
- 545 matching opportunities were identified for B.C. companies with Asian businesses, and 287 new B.C. companies were introduced to the Asia-Pacific market.
- A seamless conduit to trade and investment services was provided through the Asia-Pacific Business Centre in Vancouver.
- Five new local government Twinning and/or Partnership Agreements were concluded in 2009-10, including:
  - Burnaby and Zhongshan City, China
  - Delta and Mangalore, India
  - Prince Rupert and Putian, China
  - Victoria established two new friendship agreements with Nanning and Changsha, China
  - Maple Ridge established a framework for attracting investment from India.
- For those local governments already participating in the Asia Twinning Initiative, relationships began bearing fruit as various exchanges and co-operative agreements were signed, including one between the Burnaby Board of Trade and Tianjin Dongli Software Park.
- The BC Alumni Program continued to grow with the following successes in 2009-10:
  - 609 registrations were recorded to the BC alumni website (bcalumni.ca).
  - The Beijing trade and investment representative organized a networking dim sum for alumni in April 2009.

B.C.'s investment and trade teams co-ordinated 78 inbound missions from the Asia Pacific, 54 outbound missions to the Asia Pacific and two virtual trade missions. Local governments also organized trade missions:

- The City of Williams Lake joined the BC-Guangdong Business Council on a trade mission to Guangdong Province.
- The City of Victoria conducted a China trade mission to Shanghai, Suzhou, Changsha and Nanning.
- The City of Burnaby (with the Burnaby Board of Trade and the Burnaby School Board) conducted a trade mission to Taiwan and China.

Prominent sectoral opportunities included the following:

- Vancouver Interactive Digital Week, organized by DigiBC, attracted both local and international digital and wireless industry representatives, offering partnering opportunities, investment forums, networking and panel discussions. The May 2009 event provided an excellent opportunity to build on the partnerships that the B.C. trade team has been instrumental in forging with South Korea (Gyeonggi's Digital Contents Agency) and Japan's

**Pacific Rim Laboratories (PRL)** has established a partnership with Hong Kong's Wellab, a deal that accounted for 15 to 20 per cent of their total business. The deal was assisted by B.C.'s trade and investment representative in South China, who also facilitated an MOU between PRL and the China National Analytical Centre.

**The BC Cancer Agency** and the **Vancouver Prostate Centre** announced a formal agreement with Japan-based Takeda Pharmaceutical Co. Ltd. for new drug treatments to fight breast, ovarian and prostate cancers. This is expected to bring almost \$1 million in cancer research funding to B.C.

China's Dalian Blossom signed a joint venture agreement with **Turning Point**, a Coastal First Nations initiative based in Prince Rupert, to establish a shellfish aquaculture facility.

Thinkxworks and Krayon Pictures, Indian animation and visual effects companies, signed an agreement with **Arcana**, a Coquitlam-based comic book publisher and art studio, to produce two animation pilots.

## CONNECTING VIRTUALLY

With support from the Ministry of Citizens' Services, international videoconferencing capability allowed for trans-Pacific video events enhancing B.C.'s presence in key Asian markets. B.C.'s trade offices in Beijing, Shanghai, and Guangzhou were linked with representatives from 19 Chinese companies in late 2009 to hear about B.C.'s mineral resources and investment opportunities.

digital media centre in Fukuoka. The Bangalore trade and investment office led a seven-member digital media delegation from India.

- The Canada-India B2B Partnership Summit on Life Sciences in Vancouver in January 2010 strengthened research and development partnerships and built new economic opportunities between British Columbia and India. The summit brought together life sciences leaders from industry, academia and government to discuss how to strengthen bilateral alliances in the sector. Participants from both India and British Columbia worked together to create a blueprint for use by small and medium-sized enterprises in both Canada and India for formal and long-lasting collaborative agreements.
- B.C.'s participation at CommunicAsia 2009 provided a unique opportunity for eight B.C. ICT and new media companies to participate in one of the largest communication trade fairs in the world. Organized and led by the ministry's Southeast Asia desk officer, the companies included Orbital Research, Eyeball Networks, ASL Internet, Norsat, Vecima Networks, Hyperwallet, Porta One and Knowledge Computer Ltd.
- The Canada-China Investment Event held in October 2009 in Beijing was one of the most successful yet. Organized in co-operation with the National Development Reform Commission, the event attracted more than 100 investors interested in one-on-one meetings with B.C. mining companies.
- In early 2010, the Ministry of Finance presented an economic update to China's State Administration for Foreign Exchange and led a discussion on how B.C. managed its financial affairs during the market collapse in 2008-09.
- GLOBE 2010 conference and trade show provided B.C. participants with business matching and site tours, along with additional events for eight Asian delegations. In partnership with Environment Canada, a special workshop on air and water pollution remediation issues was held for the China delegations to GLOBE, featuring B.C. industry leaders. Business activities developed for the Japan delegation resulted in a number of trade and investment prospects, including potential investment in off-grid energy production in B.C. India's J.E. Bapasola & Associates signed an agreement with B.C.'s MagPower Systems Inc. and is currently negotiating the terms of an MOU for a distribution and systems integrations partnership.
- The Shanghai Economic Management School, responsible for management training for Shanghai state-owned enterprises, signed an MOU with the British Columbia Council for International Education. Under the partnership, managers and executives from China's largest economic, financial and transportation hub city will receive training from B.C. business schools and institutions.
- Sprott-Shaw Community College signed an agent agreement with Guangzhou-based Huaifu Training Centre. The Huaifu Training Centre will recruit South China students for Sprott-Shaw's international program.
- B.C.'s South China trade representative helped to coordinate a Guangzhou Healthcare delegation to B.C. in June 2009 that resulted in an agreement of cooperation in the area of children's neuropathic recovery with the Children's Hospitals in British Columbia. Cooperation on children's health between Guangzhou and B.C. continues to expand, with more than 100 doctors estimated to have participated in exchange programs and joint research between the two children's hospitals.

- **Goldbrook Ventures**, a mining company in Vancouver, along with its Chinese partner Jilin Jien Nickel Industry Co., Ltd., announced their intention to make an all-cash bid for Canadian Royalties Inc.
- Vancouver-based **Eldorado Gold Corporation** announced that it had entered into an agreement to acquire 57.9 million shares or 19.9 per cent of Sino Gold Mining Limited, an Australian public company focused on exploration and production of gold in China.
- **Kitimat LNG Inc.** announced that it signed a memorandum of understanding with Korea Gas Corporation (KOGAS), under which KOGAS will acquire up to 40 per cent of Kitimat LNG's production and an option to acquire an equity stake in Kitimat LNG's liquefied natural gas export terminal. With the agreement, KOGAS plans to purchase two million tons of liquefied natural gas a year for 20 years from the proposed terminal. Total purchase value would be more than US\$20 billion.
- Vancouver-based **Taseko Mines** closed a transaction to sell 25 per cent of its Gibraltar Copper mine to a Japanese consortium for about \$187 million.
- Mitsubishi Materials Corporation signed an agreement to invest \$250 million in the **Copper Mountain** project near Princeton, B.C.

The Canada's Pacific Gateway website ([www.canadaspacificgateway.com](http://www.canadaspacificgateway.com)) is the multilingual electronic portal for international audiences to learn about living, working, studying, investing and doing business in B.C. Available in English, simplified and traditional Chinese, Korean, Japanese, Hindi and Punjabi, along with French, German and Spanish, the website is the primary external promotional platform for the province. In 2009-10, the following results were achieved:

- International visits increased by 587 per cent over 2008-09, and web visits from North America increased by 208 per cent.
- In the six-month period leading up to the Olympics, multilingual visits outpaced those in English 10,696 to 5,659, as the result of promotional efforts in Europe.
- In the two-month period of the Olympics and Paralympics, English visits totalled 10,258, reflecting North American promotional efforts.

### Asian Investments in B.C.

B.C.'s overall trade including exports and imports has stayed steady despite the global economic downturn in 2008 and 2009 at \$25 billion. Asian investments in British Columbia in 2009, particularly during the latter part of the year, were clearly a bright spot in the economy. During the last six months of 2009, Asians invested \$3.59 billion in the B.C. economy. One transaction, the purchase of Vancouver-based Teck Resources Limited by China Investment Corporation, comprised nearly half the total. The real estate sector also attracted \$5.72 billion in projects. Asian investments in British Columbia in the first six months of 2010 were fewer in number but higher in value compared with the first six months of 2009. Besides mining, B.C.'s manufacturing sector – notably pulp and paper but also solar technology – attracted Asian investment in the first half of 2010.

The majority of investments into B.C. in the latter half of 2009 came from Greater China. Monitoring of public reports of foreign direct investment from key Asia markets in B.C. for July 2007 to April 2010 amounted to \$9.576 billion.

#### Snapshot of Investments from Asia to B.C. - January-June 2009\*

Sector	# of Projects	Value \$million
Mining	6	360.0
Real Estate	3	572.3
Professional, Scientific, Technical Services	3	5.0
Manufacturing	1	1.0
Financial Services	1	0.5
Retail (food)	1	0.5
<b>TOTAL</b>	<b>15</b>	<b>\$939.3**</b>

#### Snapshot of Investments from Asia to B.C. - January-June 2010\*

Sector	# of Projects	Value \$million
Mining	7	2,337.1
Manufacturing	3	59.1
Retail (food)	1	0.45
<b>TOTAL</b>	<b>11</b>	<b>\$2,396.65</b>

\*Reporting period is outside fiscal 2009-10

\*\*Greater China: China, Hong Kong, Macau, Taiwan

\*\*\*Northeast Asia: Japan South Korea

\*\*\*Southeast Asia: India, Philippines, Singapore, Malaysia, Indonesia, Vietnam, Thailand, Cambodia, Laos, Brunei Darussalam, Myanmar

B.C.'s forest sector continued to make great inroads into Asian markets. About \$10.3 million was devoted to market development activities, including a \$4.7 million contribution from Natural Resources Canada for demonstration projects. BC Forestry Innovation and Investment funded \$2.4 million in **Japanese market** development activities, which included participation of 59 B.C. firms. Results included:

- Increased awareness of B.C. panel products through promotions to 131,000 Japanese building professionals.
- More than \$19 million in new sales from the BC Wood Specialties Group's Japanese marketing program.
- More than 106,000 residential and institutional projects built using SPF lumber; seven elder-care facilities are now being built with wood.

China is now B.C.'s largest offshore market for softwood lumber in terms of volume. It is estimated that 1.5B board feet of lumber went to China in 2009-10. **FI** **China** and Canada Wood achieved the following results:

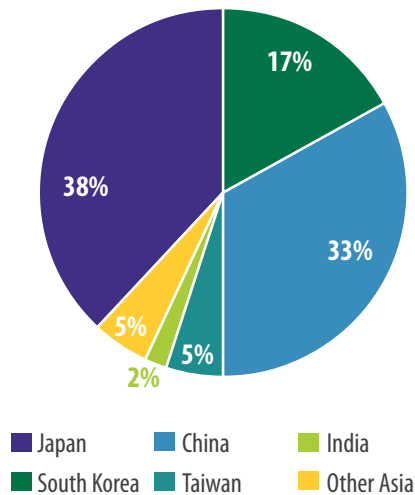
- B.C.'s softwood lumber exports to China totalled 2.59 million cubic metres in 2009, up from 390,000 cubic metres in 2006, and more than twice the record of 1.24 million cubic metres shipped in 2008. B.C.'s lumber shipments to China continued to soar in volume and value, rising by 63 per cent in January 2010 compared with the same period in 2009.
- Work started on the second of three wood-frame institutional facilities being built as part of the Wenchuan Earthquake Reconstruction project, and the Canada Wood Group also supported construction of 200 wood-frame farm homes in the region.
- Agreements were signed for a multi-storey wood-frame demonstration building in Shanghai's massive Affordable Housing Program.

BC Forestry Innovation and Investment funding for projects in **South Korea** totalled \$891,000 in 2009. B.C.'s share of Korea's total softwood lumber consumption was 6.6 per cent in 2009, up from five per cent the previous year.

**B.C. Goods Exports to Key Asian Markets**

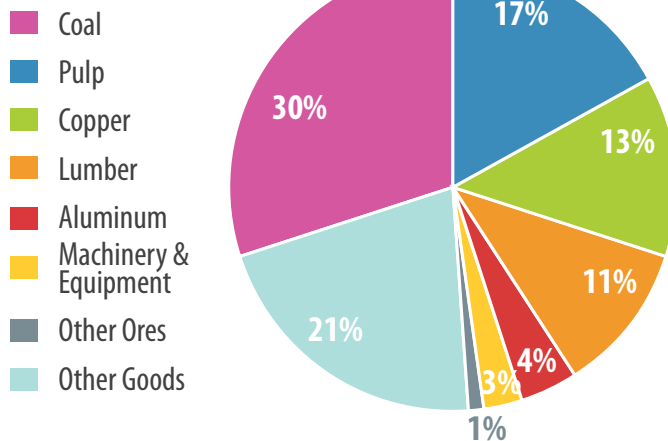
In the second half of 2009, the total value of B.C.'s goods exports to Asia fell by 18 per cent over the same period in 2008, from \$5.63 billion to \$4.6 billion. Only China grew as an export market for B.C. goods, up 44 per cent over the previous year. The Japanese market dropped 41 per cent in the second half of 2009 compared with 2008, South Korea purchases fell 20 per cent, those of Taiwan by 26 per cent, and India by 52 per cent.

In the first half of 2010, the value of B.C.'s goods exports to Asia increased by more than 20 per cent over the same period in 2009, from \$4.44 billion to \$5.34 billion. In fact, B.C. goods exports increased in all key Asian markets. Leading the way was India, up 342 per cent over the previous year, followed by China at 34 per cent, South Korea by 13 per cent, Taiwan by 11 per cent and Japan by 10 per cent.

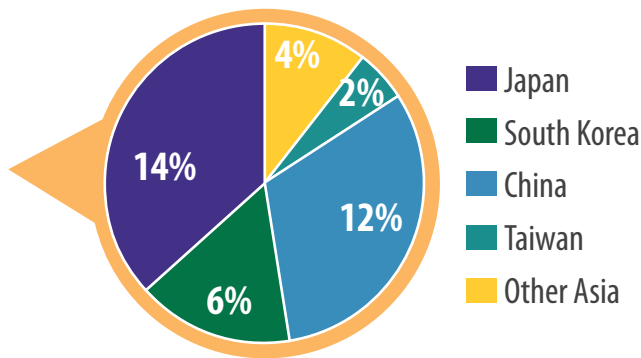
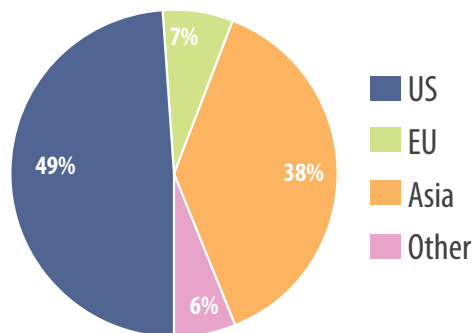


**B.C. Exports to Asia of Selected Goods**

Goods exports to Asia were relatively diversified in both the latter half of 2009 and the first six months of 2010, with coal comprising approximately 30 per cent of all goods exports, pulp increasing from 14 per cent to 17 per cent, copper and lumber remaining stable at 14 per cent and 11 per cent respectively, and machinery and equipment at 3 per cent.



**GLOBAL EXPORTS FROM B.C.**



The District of North Vancouver (DNV) and its twin, Guro District, South Korea, developed a bilateral model that identifies local firms interested in doing business in each other's country. Companies working on trade and investment opportunities include: ArcTeryx (DNV) and Nelson Trading (South Korea); Mettech (DNV) and Posco R&D (South Korea); J.S. McMillan (DNV) and New Daesan (South Korea).

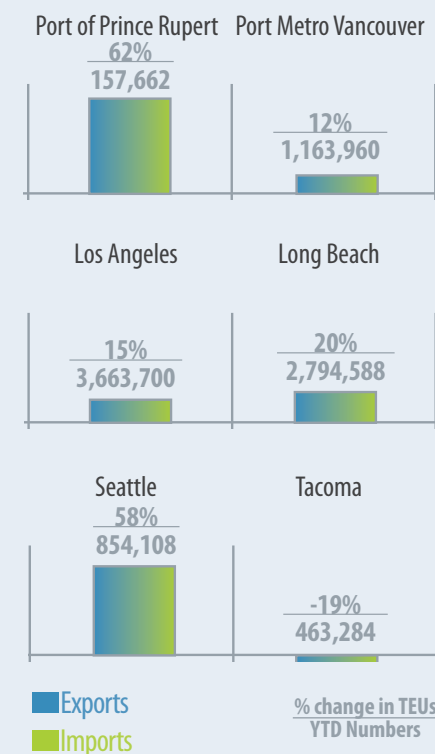
## Strategic Priority 3: Develop a World-Class Supply Chain and Gateway Infrastructure

ACTIONS	EXPECTED RESULTS/OUTCOMES
Implement the Pacific Gateway Strategy Action Plan	1. More than \$15 billion in private and public investment in airport, port, road, and rail infrastructure in B.C. and Western Canada by 2015
Support the implementation of a combined B.C. ports system	2. By 2010, B.C.'s southern and northern gateways are able to handle 3.5 million TEU in container trade
Maximize B.C.'s northern gateway potential	3. B.C.'s northern gateway and hub potential includes 25 major projects (pipelines, ports, mineral development) by 2015
Streamline regulatory review processes for priority gateway projects	4. By 2015 CPG supply chain infrastructure ranks number one in the world in terms of reliability and efficiency
Additional actions to enhance Gateway competitiveness	5. A federal-provincial partnership that enhances the competitiveness of the CPG
	6. Increased direct flights from more Asia Pacific countries to B.C.'s international airports

### PROGRESS TO DATE

- The public and private sectors have committed over \$22 billion to projects that support the Pacific Gateway with \$9.9 billion in completed projects.
- Total container capacity has exceeded the 2010 target, with capacity currently at four million TEUs (20-foot equivalent units).
- 10 major projects are underway to support B.C.'s northern gateway and hub potential by 2015, with \$750 million in projects already completed and \$9 billion currently in progress, including the \$3 billion Kitimat LNG Export Terminal and the \$5.5 billion Northern gateway pipeline.
- New performance standards, created for trans-model service delivery at the Port of Prince Rupert, were finalized in 2007 to improve efficiency and reliability, along with Performance Standards and a Recovery Plan to guide service standards for terminal operators at Port Metro Vancouver. Security and Border management investments were completed in 2007 to increase security and efficiency. Port Systems Reliability Measures were developed in 2009-10 to ensure labour stability and trucking and port licensing efficiency.
- The Pacific Gateway Executive Committee, a federal-provincial partnership, is overseeing implementation of the Pacific Gateway Strategy. To date the Government of Canada has committed \$1.7 billion to Gateway initiatives, with \$800 million disbursed to date.
- Non-stop flights to Vancouver's YVR airport were up 61 per cent in 2009-10 to 8,733 from the 2006 baseline of 5,405.

Despite the economic slowdown, container traffic grew steadily in 2009-10, and total container capacity is currently at four million TEUs – 3.5 million TEUs in the Southern Gateway (Port Metro Vancouver) and 0.5 million TEUs in the Northern Gateway (Prince Rupert). While container shipments from most major west coast ports fell in the second half of 2009, they rebounded in the first half of 2010. The Port of Prince Rupert continues to grow, ranking 33rd largest for North American ports in 2008 and 25th in 2009, despite the economic downturn. In the first half of 2010, traffic through the Port of Prince Rupert increased 62 per cent over the same period in 2009. Throughput at the Port of Metro Vancouver was nearly 12 per cent higher in the first half of 2010 compared with the same period in 2009.



## HIGHLIGHTS

To ensure that Canada's Pacific Gateway can compete successfully on the world stage both during the global recovery and beyond, B.C. and its Pacific Gateway partners continue to invest in transportation infrastructure. The public and private sectors have committed over \$22 billion to projects that support the Pacific Gateway with \$9.9 billion in completed projects, \$9.1 billion announced or committed and \$3 billion in planned projects through 2015. During 2009-10, transportation and related infrastructure projects progressed well under the Pacific Gateway Strategy Action Plan with the following projects completed:

### Ports

- \$49-million Westshore Coal Terminal Upgrades completed late 2009
- \$400-million Deltaport third berth completed December 2009

### Roads

- \$974-million Golden Ears Bridge completed June 2009
- \$4.7-million Simon Fraser Bridge, completed in August 2009
- \$198-million Pitt River Bridge and Mary Hill Interchange completed October 2009
- \$132-million Coast Meridian Overpass completed March 2010

### Air

- \$1.9-billion Canada Line rapid transit project completed in August 2009
- \$1.4-billion YVR International Passenger Terminal expansion completed December 2009
- \$33-million Prince George Airport expansion project completed April 2009

### Rail

- Upgrades underway for \$377-million CN acquisition of Elgin, Jolie and Eastern Railway
- Upgrades underway for \$1.48-billion CP Rail acquisition of Minnesota Eastern Rail Road

Progress has also been made with streamlining procedures for priority gateway projects to increase efficiency:

- Port Systems Reliability Measures were developed during 2009-10 to ensure labour stability and trucking and port licensing efficiency.
- Port Metro Vancouver and CN Rail are working together to improve service reliability by reducing container dwell times at container terminals.
- The federal government introduced modest improvements to the environmental assessment regime for cases where there are joint federal-provincial reviews.

Efforts are ongoing to maximize B.C.'s northern gateway potential including major project work on:

- Prince Rupert Terminal 2
- \$203-million Northern Corridor Roads upgrade
- \$300-million Canpotex Potash handling facility
- \$3-billion Kitimat LNG Export Terminal
- \$5.5-billion Northern Gateway Pipeline

Vancouver's YVR airport handled 8,733 direct flights from Asia Pacific in 2009-10, up 61 per cent from 5,405 in 2006, but down from a high of 9,109 in 2008. Following the Open Skies Summit B.C. hosted in September 2009, government continues to advocate for much more aggressive pursuit of Open Skies with Asia-Pacific partners, with a current focus on Singapore and Taiwan. An Open Skies agreement was signed between Canada and South Korea in July 2009, with liberalized air service agreements with China, India, Japan, New Zealand and the Philippines. Further progress in increasing direct flights to B.C. from Asia Pacific destinations in 2009/10 include:

- Air China announced the addition of three new flights between Vancouver and Beijing bringing the total to 10 weekly.
- China Eastern Airlines announced it is increasing service between Vancouver and Shanghai to daily non-stop.



## Strategic Priority 4: Develop and Attract a Labour Force That Has Pacific Century Skills

ACTIONS	EXPECTED RESULTS/OUTCOMES
Attract people from Asia Pacific countries to move to and work in BC	1. Annual number of skilled worker approvals through Provincial Nominee Program double by 2009
Maximize the skill sets of immigrants in BC and coming to BC from Asia	2. Increase in the number of immigrants with specific skills required to 20,000 per year through 2015
Maximize the skills and knowledge of Asia Pacific immigrants living in BC	3. Increase in the annual number of new Temporary Foreign Worker applications by 50 per cent to 24,000
International education opportunities in the Asia Pacific	4. Increase in the number of new immigrants bridged into jobs that match their skills
Ensure British Columbia's K-12 students have the skills for the Pacific Century	5. 2500 new graduate spaces for masters and doctorate degrees, and 7000 more apprenticeship spaces by 2010
	6. Increase off-campus and post-graduation employment
	7. Increase in the number of students enrolled in Mandarin and other Asian languages in BC by 30 per cent by 2010

### PROGRESS TO DATE

- 3,080 skilled workers and entrepreneurs were nominated came to B.C. under the B.C. Provincial Nominee Program in fiscal 2009-10, nearly double the number in 2006-07 and exceeding the 2,645 in 2008-09.
- 41,815 immigrants entered B.C. in 2009-10, with 13,053 in the skilled worker class.
- 47,428 temporary foreign workers entered B.C. in 2009-10, up from 2008-09 (46,896).
- 2,437 skilled immigrants were bridged into suitable jobs in 2009-10, exceeding the 2,100 assisted in 2008-09.
- Graduate spaces have increased by 2,266FTEs, and there are 6,317 new apprenticeship training spaces since 2007-08.
- 2,886 Asia Pacific international students held post-graduation work permits, and 3,523 additional Asia Pacific international students held off-campus work permits in 2009.
- Numbers of international students from countries in Asia continue to increase by 10 per cent overall.

The British Columbia Provincial Nominee Program speeds up the permanent resident application process for skilled and/or experienced workers, and experienced business persons and their family members who want to settle in B.C. permanently. It allows nominees to apply for permanent resident status through Citizenship and Immigration Canada under the fast-tracked Provincial Nominee stream.

Provincial nominees are the fastest growing category of economic immigrants to B.C., with almost 60 per cent from Asia-Pacific countries. In 2009-10, the B.C. program fast-tracked 1,756 applicants from Asia-Pacific countries through its Strategic Occupations skills stream, 58 per cent of the total nominations in this stream. This was an increase of 274 per cent in nominations of Asia-Pacific applicants compared with 2006-07, when nominees from these countries represented 36 per cent of the total.

For the last several years, Asian countries have accounted for over two-thirds of immigrants to B.C., with people from China, the Philippines and India comprising more than 70 per cent of the total. In 2009-10, the number of immigrants from China was down by seven per cent; from the Philippines, up 36 per cent; and from India, down five per cent. Immigrant numbers from South Korea, Japan and Taiwan also rose during the period.

## HIGHLIGHTS

To remain competitive in the Pacific Century economy and capitalize on the multitude of opportunities in the Asia Pacific, B.C. is working with businesses and industry to address current and projected skills shortages. Attracting people from Asia-Pacific countries to B.C. continues to be a key factor in supporting B.C.'s future economic growth. Success was achieved in 2009-10 through programs to help make the most of the attraction, experiences, and skill sets of immigrants in B.C. including:

- 1,756 applicants from Asia-Pacific countries were nominated in the Provincial Nominees' Strategic Occupations (skills) stream.
- B.C.'s leadership role in advocating for Asia-Pacific priorities resulted in the Pan-Canadian Framework for the Assessment and Recognition of Foreign Qualifications. The goal of the framework is to improve foreign qualification requirements and immigrant labour market integration.
- The number of temporary foreign workers to B.C. from select Asian countries, which accounted for 22 per cent of all such workers in the first half of 2010, dropped 26 per cent compared with 2008-09. Temporary foreign workers from South Korea rose in 2010 compared with 2009, and those from Japan fell. The number of workers from India rose 12 per cent, while workers from the Philippines fell by 33 per cent in the first half of 2010.
- Apprenticeship training spaces increased to 6,317 over 2007-08 through 2009-10.
- Graduate spaces have increased by 2,266 FTEs at the province's four research-intensive universities.
- The BC Skills Connect program worked with 2,437 skilled immigrants, exceeding 09-10 targets. About 78 per cent of those immigrants were employed after the program, compared with 38 per cent pre-program.
- WelcomeBC.ca, the province's immigration website, received 309,679 visits from potential immigrants in 2009-10, a 34 per cent increase over 2008-09. Assisting about 40,000 people each month, Phase III of WelcomeBC.ca introduced Canada's first welcoming communities' gateway to help newcomers find essential information through a multilingual task wizard and to help staff at Enquiry BC and Service BC provide comprehensive information to newcomers related to settlement services and English language training.

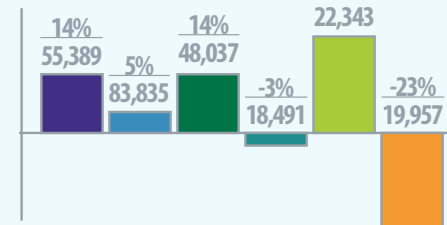
Enabling international students to gain valuable work experience and deepen their understanding and appreciation for living and working in B.C. is a key strategy for attracting Pacific Century skills. As well, international education opportunities in the Asia Pacific will equip B.C. students with the intercultural skill and competencies they need to become global citizens of tomorrow. Achievements in 2009-10 included the following:

- 2,886 Post-Graduation Work Permits (PGWP) were held by international students from Asia-Pacific countries, a 60 per cent increase from the previous year.
- 3,523 Off-Campus Work Permit (OCWP) were held by international students from Asia-Pacific countries, 69 per cent of the total OCWPs in B.C. in 2009-10.
- The Chinese government awarded 10 scholarships (six full and four partial) to B.C. students to study in Chinese institutes in the 2010 school year.

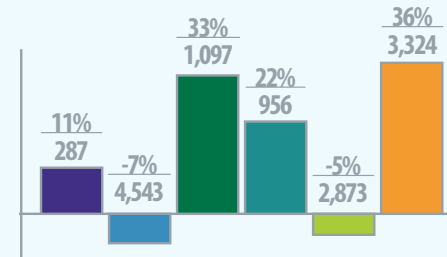
## ACCELERATING RESIDENCY STATUS

% change  
YTD numbers

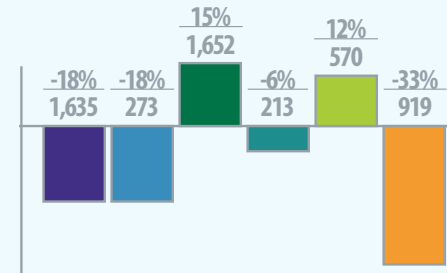
### Tourism Entries



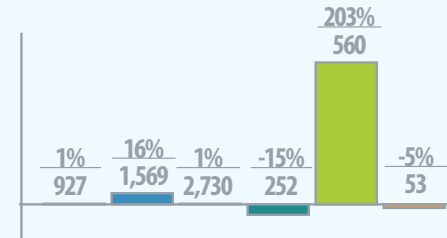
### Immigrant Arrivals



### Temporary Foreign Workers



### International Student Entries



## Strategic Priority 5: Position British Columbia as North America's Asia Pacific Destination

### ACTIONS

### EXPECTED RESULTS/OUTCOMES

Accelerate implementation of the Asia Pacific component of the BC Tourism Strategy

Establish B.C. as the preferred international destination for Asia Pacific students

Increase cultural awareness and linkages with the Asia Pacific across B.C.

Position B.C. as an international business, innovation and commercialization destination

Position B.C. as a knowledge transfer and research development destination

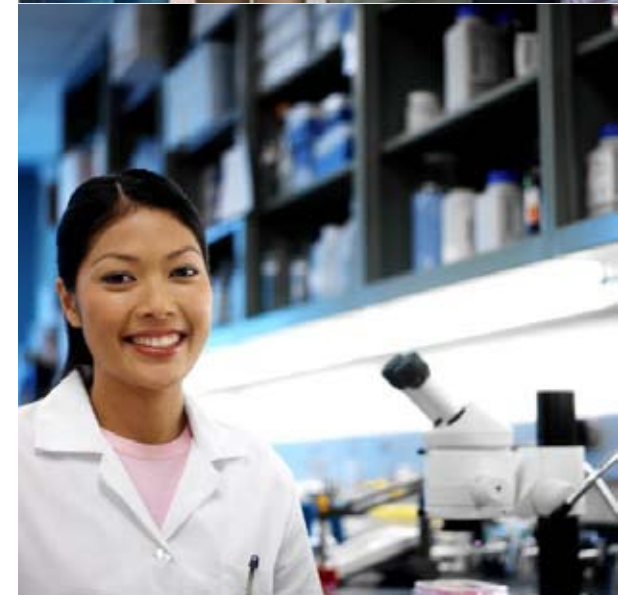
1. The number of Asia Pacific visitors to B.C. doubled by 2015 to 1.5 million
2. The number of long-term Asia Pacific students studying on visas in B.C. increased by 20,000 by 2010 and 75,000 by 2020
3. B.C. is a destination of choice for international conferences, meetings and collaborations that bring together experts, researchers and leaders of North America and Asia Pacific
4. Asia Pacific foreign direct investment into university research and commercialization in Asia Pacific programs increased
5. Vancouver is recognized as an International Finance Centre for Asia Pacific commerce by 2015
6. B.C. is the leading Asia Pacific jurisdiction in which to convert research ideas into viable commercial opportunities

### PROGRESS TO DATE

1. An estimated 725,970 visitors came to B.C. in 2009 from the Asia Pacific.
2. 38,808 Asia-Pacific students were studying long-term in B.C. in 2009, an increase of 5.6 per cent from 2008.
3. B.C. hosted 4 international conferences in 2009-10.
4. Baseline is not measured.
5. Vancouver ranked 23 on the Global Financial Centres Index in 2009-10 rising from 35th in 2007-08 and 25th in 2008-09.
6. 18 research and innovation agreements were finalized with organizations in B.C.

### INCREASING CULTURAL AWARENESS

Looking Back/Moving Forward: A digital arts hip hop mentorship program offered in Vancouver's Downtown Eastside involved young people from different cultures in the Ray Cam area. They created four videos about racism, resistance and diversity, and promoted storytelling through digital art form and hip hop as powerful tools to build relationships.



## HIGHLIGHTS

B.C. continued to make inroads both domestically and internationally as a desirable destination for Asia-Pacific business, investment, education and tourism. Increasing cultural awareness and links with Asia Pacific across B.C. were accelerated in 2009-10 through various programs:

- Senior government officials and program staff used the Public Service Agency's Learning Resources modules to improve their skills in preparing for Asia-Pacific missions and hosting foreign delegations.
- Community Engagement and Dialogue program funding encourages and sustains local community engagement on themes related to multiculturalism, anti-racism and welcoming and inclusive communities. The program funds projects that foster trust and relationship-building between various sectors of government and diverse cultural communities.
- Arts Engagement program funding supports projects that use the arts to bring diverse groups together to increase awareness and understanding of social, cultural, ethnic, linguistic and religious diversity among British Columbians.
- TM New Media is a partnership to create, test and refine a set of educational resources designed to teach teachers to promote multiculturalism, celebrate diversity and overcome attitudes of racial prejudice through the web and facilitated, face-to-face workshops.
- Multilingual welcome signage is at all public-facing Government of B.C. offices throughout the province, including digital multilingual welcome signage in all 60 Service BC Centres.

Achievements in 2009-10 to establish B.C. as a preferred study choice for Asia-Pacific students:

- The LearnLiveBC.ca website, which includes information for international students about study/work opportunities, scholarships and contact information for B.C.'s public post-secondary institutions, was available as an electronic recruiting tool.
- Promotional DVDs focusing on B.C. as a destination of choice for international students were available in English, Mandarin, Cantonese, French, Spanish, Japanese and Korean.
- The British Columbia Council for International Education marketing team organized several education missions to Asia-Pacific countries to expand opportunities for B.C.'s K-12, post secondary and language sectors. Missions to China, South Korea, Japan and Vietnam were designed to connect international educators in B.C. with key influencers and students.
- The Offshore School BC Program has certified 21 schools in the Asia Pacific to offer the B.C. educational curriculum.
- 21 educational co-operation agreements have been signed with Asia-Pacific countries.
- Six of nine education delegations that visited B.C. in 2009-10 were from the Asia-Pacific region.
- In 2009-10, the number of long-term Asia Pacific students in B.C. increased 5.6 per cent from 2008-09 with about 38,800 long-term Asia-Pacific students studying on visas.
- Numbers of students from several Asia-Pacific countries increased, including a 29 per cent jump in students from Vietnam, 28 per cent from India, and 26 per cent from the People's Republic of China.
- At the K-12 level, about 11,000 non-resident students attended school in B.C. in 2009, paying \$161 million in direct school fees, plus \$118 million in accommodation and discretionary spending.

B.C.'s relationship with FOXTEL, an Australian Olympic broadcaster, resulted in unprecedented coverage of B.C. leading up to and during the Olympics. "The support that we received all the way along the journey from Cam Routledge (Tourism BC) and his team was world's best practice; they are truly a professional outfit and in many ways FOXTEL's success is their success."

"Vancouver looked gorgeous on TV . NBC's shots of Vancouver's downtown and waterfront, and aerial views of Whistler ski areas, provided a media boost no marketing campaign could have delivered ."

- The Seattle Times



The implementation of the Asia-Pacific component of the BC Tourism Strategy was accelerated:

- 48 media trips by foreign journalists and broadcasters highlighted the uniqueness of B.C.'s tourism products and experiences.
- An equivalent of \$43 million in advertising value was generated in 2009-10.
- The Olympic opportunity was leveraged by hosting 13 senior travel representatives from key markets.
- 45 destination training seminars geared to selling B.C. vacations were held.
- 23 familiarization trips were hosted to let travel buyers experience B.C.'s tourism products and attend 15 business-to-business marketplaces.
- 36 travel trade co-operative marketing campaigns with key travel trade representatives were completed. For example:
  - Shanghai Jinjiang CITS is an outbound tour operator featuring mid-range to upscale tour products. Tourism BC partnered on a two-page spread in their direct mail to 100,000 customers.
  - Tourism BC worked with JaU Tour in South Korea on a post-Olympic Vancouver promotion, during which JaU Tour sold 664 Vancouver tours through the home shopping channel.

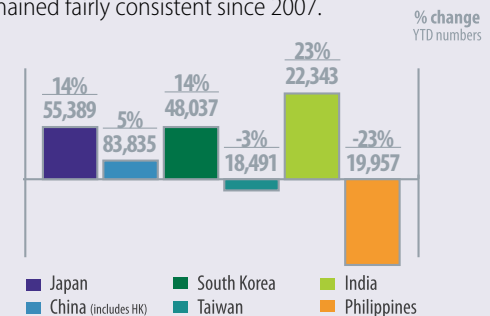
Efforts to promote Vancouver as an international financial centre accelerated in 2009-10, with Vancouver moving up in ranking from 25th to 23rd on the Global Financial Centres Index. Government accepted recommendations by the Vancouver International Financial Sector Steering Committee, including:

- Foreign Schedule III bank branches will be exempted in 2011 from incorporation in Canada requirements under the IBAA.
- The "Specialist" designation will apply to almost all eligible activities under the Act, with a phased-out reduction in provincial personal taxes, thereby attracting more foreign experts to relocate to companies in B.C. and providing B.C. companies with a significant hiring tool.
- A new Executive specialist category has been added and will attract high-earning key decision-makers by providing them with a personal provincial income tax reduction.
- Investment fund management activities are to be clarified.
- Regulations are being prepared to add clean technology and carbon trading certification as qualifying activities.
- Regulations are being prepared to add digital media publishing and distribution activities, including online and mobile production.
- New tax credits were introduced:
  - The Interactive Digital Media Tax Credit is 17.5 per cent of eligible labour and other qualifying expenditures. There are no annual maximums, and the credit will need to be applied for each year.
  - Under the B.C. Income Tax Act's film tax credits, the Digital Animation Tax Credit is increased to 17.5 per cent from 15 per cent. The tax credit base is increased to 60 per cent of eligible B.C.-based labour to be consistent with Quebec and Ontario.

B.C.'s trade offices helped advance the University of British Columbia's research partnerships in India, following up on the education trade mission to India in 2009. A total of 18 research and innovation agreements were finalized between B.C. and organizations in the Asia Pacific, setting the foundation for converting research ideas into viable commercial opportunities.

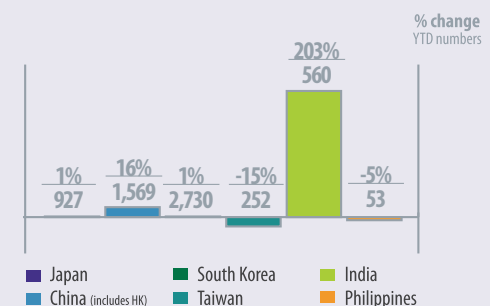
## TOURISM ENTRIES

Tourists to B.C. from selected Asian countries in the first half of 2010 increased almost seven per cent (261,598 visitor arrivals) from the same six months in 2009. Tourists from China (including Hong Kong) now make up about one-third of B.C.'s Asian tourist market, and while Japanese visitors are decreasing, the number of visitors from South Korea has remained fairly consistent since 2007.



## INTERNATIONAL STUDENT ENTRIES

International student entries from selected countries in Asia increased 10 per cent in the first half of 2010 compared with 2009 levels. Those from South Korea and China (includes Hong Kong) made up two-thirds of the total Asian student entries into B.C. The number of students coming from India continued to increase (from three per cent of Asian countries in the first half of 2009 to nine per cent in the first half of 2010) in the first six months of 2010 over 2009.











Canada's  
Pacific Gateway

[www.canadaspacificgateway.com](http://www.canadaspacificgateway.com)

