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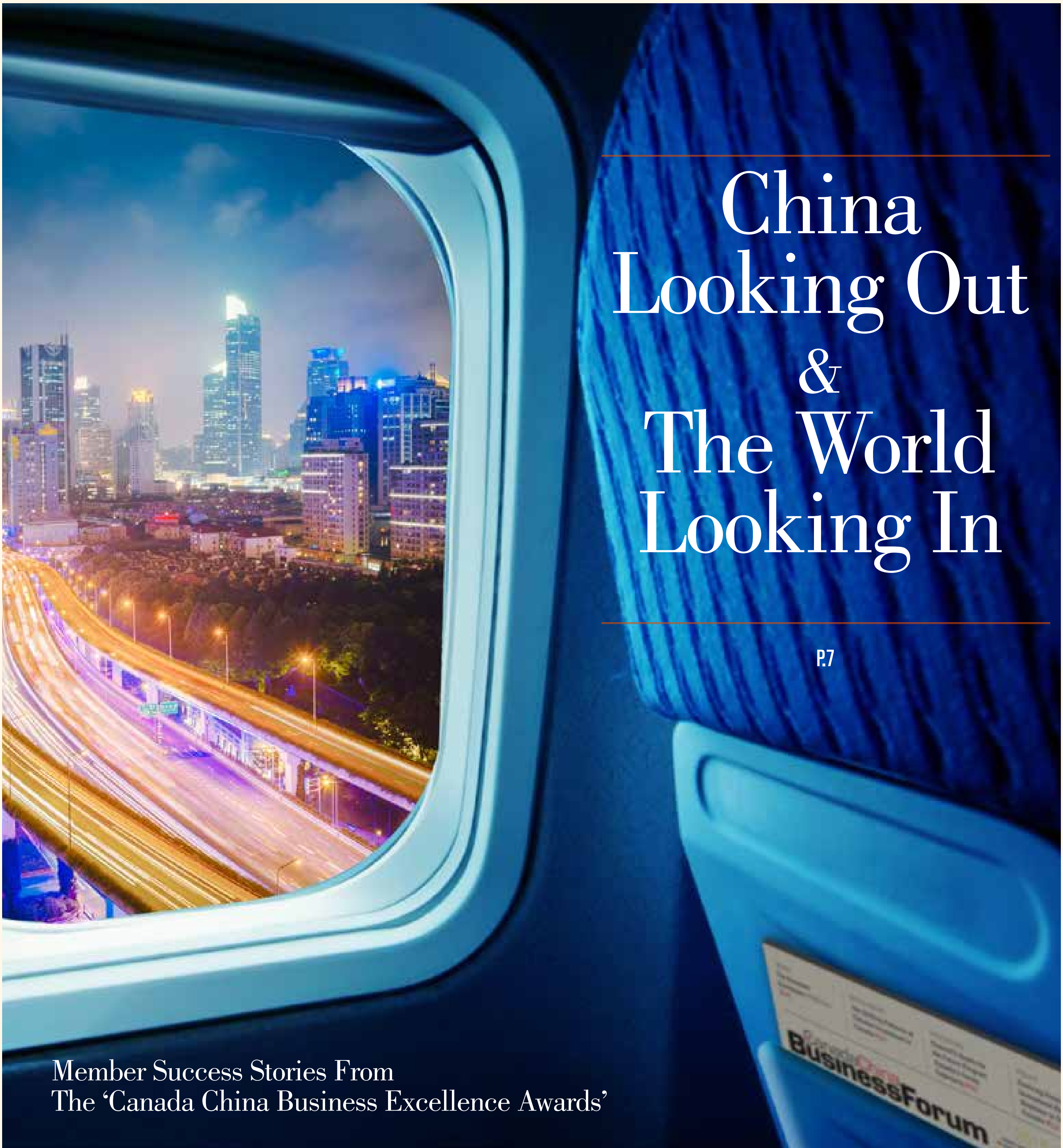

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Member Success Stories From
The ‘Canada China Business Excellence Awards’

ABOUT THE CCBC

The Canada China Business Council (CCBC) is the country's Canada-China bilateral business, trade and investment facilitator, catalyst and advocate. Founded in 1978 as a private, non-profit business association, the CCBC provides unparalleled insight into Canada-China business, trade and investment issues and develops connections that ensure its members' business success. In addition to its focused and practical services, the CCBC is also the voice of the Canadian business community on issues affecting Canada-China business, trade and investment.

CCBC members include some of the largest and best-known Canadian and Chinese firms, as well as small to medium-sized enterprises (SMEs), entrepreneurs, and non-profit organizations.

CCBC members represent a wide range of sectors, including financial services, professional services, manufacturing, construction, transportation, oil and gas, agri-food, natural resources, ICT, public sector and education.

In addition to its head office in Toronto, the CCBC also has offices and staff in Vancouver, Montreal, Calgary, Beijing and Shanghai. The CCBC's network of staff offers programs and services in both Canada and China, and introduces members to opportunities in China's emerging markets. The CCBC also operates the de facto Canadian Chamber of Commerce in Beijing, offering a range of events and broad networking opportunities at the local level.

Through its member services and events, the CCBC provides its member companies with business insight, intelligence, connections, and networks that help resolve the inevitable challenges of doing business in another country. For more information about the CCBC, please visit us online at *www.ccbc.com.*

ABOUT THE MAGAZINE

Business Forum Magazine (BFM) is essential reading for Canadian and Chinese executives who want to stay up-to-date and informed of the trends, issues, activities, and perspectives that are shaping bilateral trade and investment. BFM articles cover a wide-range of topics and sectors, including cleantech, energy, agri-foods, consumer goods, manufacturing, logistics, information technology, finance, education, and trade policy. The magazine also includes interesting facts and statistics, quotes, and stories from our members, and photographs of CCBC events. Roughly 2,000 copies of the BFM are distributed to CCBC members and guests at major CCBC events throughout the year in Canada and China. The magazine is also available online at *www.ccbc.com.*

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Letter from the Editor

It is my pleasure to introduce to you the 2015-2016 edition of the Business Forum Magazine – an annual Canada China Business Council publication which focuses on Canada-China trade and investment trends, business, and recent developments in both countries.

One of the two major themes of this year's edition of the BFM is looking inward to China, which will explore such topics as economic reforms in China, new laws and regulation regimes, Foreign Investment Protection and Promotion Agreement (FIPA), and Canadian SMEs' expansion into the Chinese market. The other major theme will analyze China focusing outward, with expert reviews of the new developments of the Renminbi, Chinese outbound investments, and the One Belt One Road (OBOR) initiative.

Our feature story, "One Belt, One Road" (page 7) by Randall A. Mang explores how the OBOR strategy is redefining business opportunities across the world, and presenting Canadian enterprises linked to urbanization with an exciting opportunity to grow.

We couldn't resist including the hot topic of the Foreign Investment Promotion and Protection Agreement in this edition. Matthew Kronby, in his article "The Practical Benefits (and Limitations) of the Canada-China FIPA" (page 15), debunks the misperceptions surrounding the Agreement, and reviews several practical examples of cases that have been brought by China and other countries via China's other bilateral investment treaties.

Only recently there was debate whether the Renminbi (RMB) – the official name for China's currency, had potential to become a major world currency. Today, not only does the RMB rank the world's fifth most used payments currency, it is on its way to becoming a global reserve currency and the third most used payments currency within the next few years. Read about these fascinating developments in Dan Koldyk's article "The Renminbi Sweetener" (page 46).

For Canadian Small and Medium Enterprises (SMEs) looking at expanding their business into China, whether in the traditional sense or entering new digital markets, Lorna Wright's piece "Canadian SMEs in China" (page 31) and Joseph Cooke's article "Can You Win Online in China" (page 36) review and analyze the challenges of entering the Chinese offline and online markets, and help with practical advice on how to succeed in China.

The Business Forum Magazine aims to be an informational and educational resource and to help Canadian and Chinese enterprises, especially small and medium companies, better understand the specifics of conducting business in each other's countries. Please visit our website, *www.ccbc.com*, to download digital copies of this magazine.

I want to thank all of our BFM contributors for sharing the expertise and enthusiasm for bilateral relations and business, trade, and investment between Canada and China. I hope that this edition will provide you with new and insightful information, valuable knowledge, trends and perspectives on bilateral trade and investment between Canada and China.

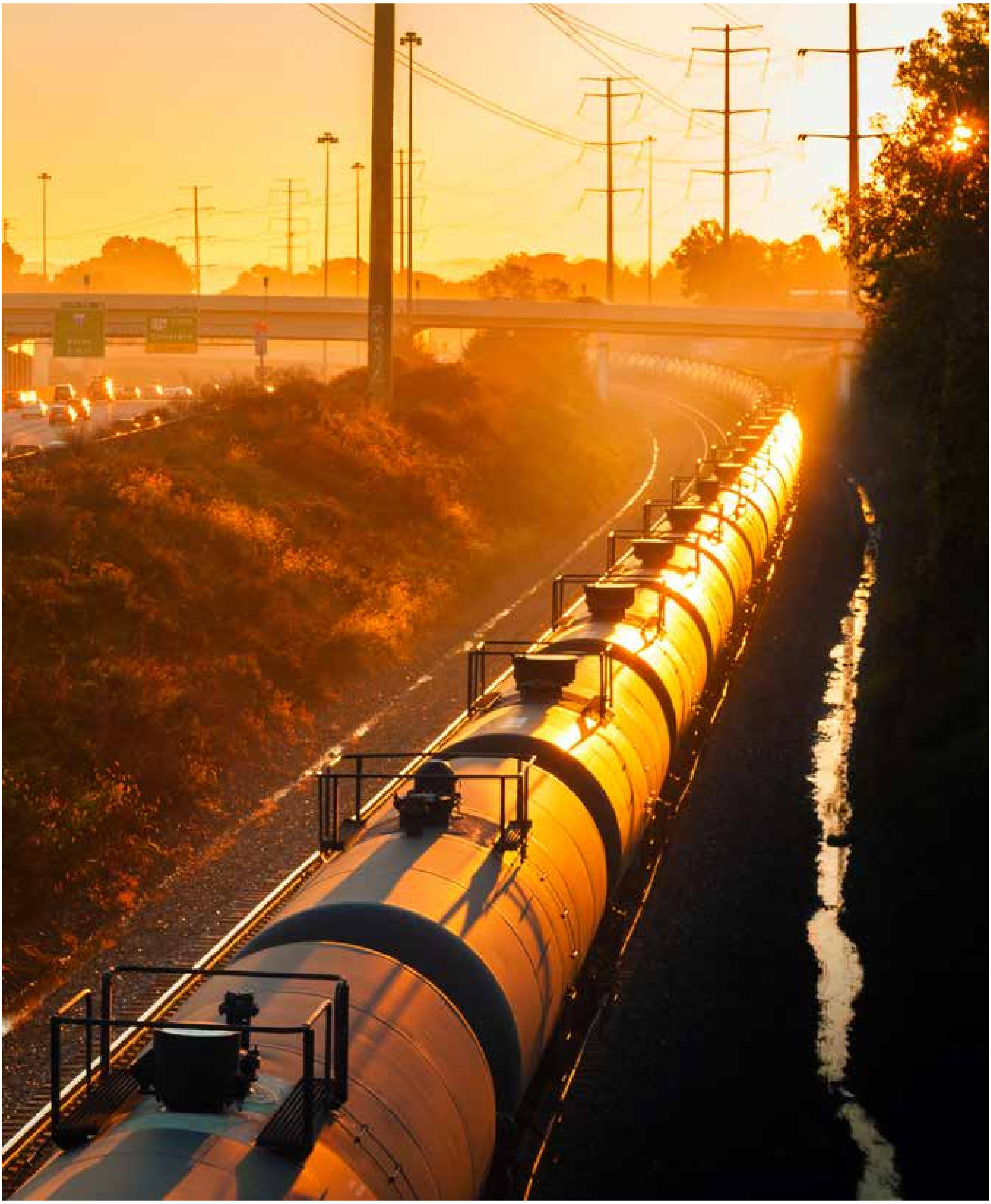
Sincerely,

Yuliya Vitsenkova
Editor-in-Chief
Business Forum Magazine

One Belt, One Road

One Unprecedented Opportunity

By Randall A. Mang



Two years ago, the Mandarin saying "yi dai yi lu" – "One Belt, One Road" would have likely left Hatch executive Martin Doble nonplused. Today, like other executives worldwide, Hatch's Global Managing Director, Infrastructure would tell you a different story: China's "OBOR" grand Eurasian infrastructure and economic development strategy is redefining business opportunities not only in China, but virtually anywhere in the world this unprecedented land and maritime initiative leads.

Announced in September 2013 by Chinese President Xi Jinping, OBOR, otherwise known as the "New Silk Road Economic Belt" is steeped in historical relevance. At its heart, this vast infrastructure effort harkens to the original Silk Road launched by China's Han dynasty in 138 BC, which ultimately led to 1,000 years of Chinese gains achieved through a flow of goods and influence across Central Asia and the Middle East.

Similarly, OBOR, which includes a complementary "Maritime Silk Road" that will expand marine linkages between China and Southeast Asia, is designed to extend China's geopolitical influence across Eurasia.

According to an article published earlier this year by the World Financial Review, "Chinese analysts say that the territory encompassed by the New Silk Road Economic Belt and the Maritime Silk Road contains 4.4 billion people (63 per cent of the world's population), with an aggregate GDP of $2.1 trillion (29 per cent of the world's aggregate wealth)."

Everyone should have a China strategy in their plan, because in 10 years you won't have a choice in terms of China's importance in the global economy

Domestically, OBOR's focused, large-scale construction of all manner of infrastructure – roads, airports, rail and telecom links and more – across China's largely undeveloped western flank, intends to modernize and unleash this region's untapped economic potential.

To achieve sustained growth, however, OBOR will encourage and facilitate development beyond China's borders, extending further westward to include Iran, Turkey, as well as Eastern and Southern Europe's developed markets, and through South Asia and into emerging markets – from India through to Africa.

For Joe Lombard, Hatch's Global Managing Director, Metals / Light Metals, the immediate opportunities are obvious. Fulfilling OBOR's infrastructure needs alone will mean natural resource project development – not only in China, but in other countries that will aim to meet Chinese demand for everything from minerals to energy, areas in which the Mississauga-based engineering firm excels.

Hatch is well positioned to capitalize. Resident in China for more than 20 years, Hatch has extensive operations, as well as a strong network of trusted suppliers across the nation that help it meet global procurement demands for everything from structural steel to sophisticated heavy duty mining and transportation equipment, gas treatment, integrated plant facilities and more, "mostly destined for projects outside of China," says Lombard.

But Hatch sees even broader opportunity in helping the Chinese further evolve their capabilities and become even more efficient and technologically savvy.

"The Chinese possess the necessary business savvy and vision to make a quantum leap in terms of technology sophistication and use," says Doble.

"Think about public services, healthcare, education, theme parks – virtually everything and anything that links to urbanization. These opportunities exist today in China and they are only going to grow through OBOR."

"To get money flowing and industry going and be truly sustainable you need greater efficiencies, particularly on the environmental front. They have the vision to make a quantum leap in terms of technology sophistication and use. We can bring the strategy, skills, execution discipline and technologies that they are hungry for – that will make the Chinese economy more efficient and sustainable."

To help fulfill its goals, Hatch established a design institute in Beijing, the only one of its kind led by a Western company. The investment is already paying off; Hatch has earned a licence to design, build, procure and construct projects in China, making it unique among its global peers.

THINK BROADLY

While Canadian firms like Bombardier Transportation, Hatch and other Canadian majors are well positioned to help China execute infrastructure projects, Denis L'Heureux, Export Development Canada's chief representative in Shanghai, encourages Canadian firms to take a broader view. "Think about public services, healthcare, education, theme parks – virtually everything and anything that links to urbanization. These opportunities exist today in China and they are only going to grow through OBOR."

Among the examples, L'Heureux cites Winnipeg-based healthcare provider Seven Oaks, which is now opening a preventative cardiology clinic in North China. "These kinds of services are in demand. OBOR projects will urbanize central and northern China and fuel the growth of a middle class that will continue to seek lifestyle-driven services."

Martin Doble says that strategic corridors envisioned by OBOR will not only allow materials to flow and GDP to be created, but inherently invoke multi-user environments created around supply chains, with connections required at every level – "standards, transportation, living spaces, and venues that facilitate human interactions.

"We are very interested in these things. It is inspiring us to move from being a company that was initially interested in extractive industries to being very involved in building these corridors. They need everything."

Mary Boyd, Director, Shanghai Corporate Network for The Economist Group, says that beyond China's borders, companies are well advised to focus on related commercial opportunities in "areas within the Pacific where you have strong emerging markets with large populations along the OBOR pathway – Vietnam, Indonesia, Myanmar, etc.

"This is where we are seeing companies that are well established in China relocating their operations. There has to be a hard look at the speed and expansion strategy to determine how much significance there will be in terms of commercial opportunity."

FOLLOW THE MONEY

To help finance and build international participation in its plans, China is pulling a number of financial levers. Beyond earmarking $40 billion US from its foreign exchange reserve to create the Silk Road Fund, China is also a greater-than-equal partner in the new BRICS Bank, which was announced in Shanghai in July and is financed by China along with other BRICS nations. While each partner kicked in an initial $10 billion US to launch the institution – otherwise known as The New Development Bank – China is a 40 per cent stakeholder in its $100 billion contingency fund.

China has also played a potentially game changing card in the world of international finance by forming – and injecting $100 billion US of its capital into – the Asia Infrastructure Investment Bank

Snapshot:

One Belt, One Road's Big Five Aims

• Connective infrastructure — airports, rail lines, roads, highways, telecom and more linking western China with central Asia through to Europe. New ports and other maritime facilities will enhance China's reach across the Indian Ocean and into the Mediterranean basin via the Suez Canal.

• Expanded trade volumes between China and Eurasia.

• Stimulate use of local currencies in cross-border exchange and reinforce the growing popularity of China's renminbi as a preferred currency for international trade.

• Promote cultural exchange and human contact among participating OBOR countries.

• Encourage policy coordination among OBOR participating governments.

(AIIB), an institution to help fund OBOR projects. Widely touted for its stated intention to reflect world-class transparency, governance and procurement standards, the AIIB has garnered the participation of some 60 nations worldwide, despite U.S. efforts to discourage other Western nations. Canada remains on the sidelines, leaving some observers concerned about the potential impact on Canadian businesses.

"If you use the World Bank as a comparator, our executive director is there as part of governance and oversight but also to know about project and procurement priorities and facilitate information flows to Canadian companies." says Boyd.

She states that the federal government should recognize the strategic importance of institutions like the AIIB and the opportunities implied by the OBOR vision. Otherwise, "our companies are on their own."

Boyd adds, "Canada has been an active member in the Asia Development Bank. The hope is that Canada would be able to replicate that level of participation in AIIB, and push on behalf Canadian companies for a more comprehensive view of the opportunities, as it does through institutions like the WTO, G20 and APEC."

Hatch's Joe Lombard cautions that Canadian firms seeking opportunity in China must first understand that doing business in China is a relationship-based enterprise. "Many people in China have innovative ideas. A successful business partner can distinguish the serious players who have what it takes to see a project through, so they can focus their investments and resources accordingly."

Boyd adds that regardless of whether a company is already in China or is contemplating a presence, it should be thinking about how to leverage the region's advantages through effective supply chain management. Doing so requires an understanding of various trade agreements China has in place with other players such as the ASEAN nations, Australia, New Zealand and South Korea.

"It is important to understand that the work on free trade, bilateral and multilateral agreements - the architecture that supports trade – is ongoing. You have to have the shipping infrastructure in place, but also the supply chain management systems to take full advantage of the infrastructure improvements that appear to be on the horizon."

Similarly, in a recent article published in Horizons Journal of International Relations and Sustainable Development, editor David Dollar addressed the relationship between the Trans Pacific Partnership and OBOR by writing, "The kind of infrastructure financed by the Chinese initiatives is the 'hardware' of trade and investment, necessary but not sufficient to deepen integration. TPP, on the other hand, represents the 'software' of integration, reducing trade barriers, opening up services for trade and investment, and harmonizing various regulatory barriers to trade."

L'Heureux says, "OBOR is just one demonstration of how China will continue to be more and more important to the global economy. We are still at the beginning of China's impact on the world. Everyone should have a China strategy in their plan, because in 10 years you won't have a choice in terms of China's importance in the global economy."

Hatch executive Joe Lombard adds, "China will get to where it wants to be with or without our assistance. We have made the choice to participate." \\

Randall A. Mang is the founder and President of Randall Anthony Communications Inc, a service provider to The Globe and Mail, Export Development Canada's Exportwise online magazine and other organizations.

Une ceinture, une route

Une opportunité sans précédent

Par Randall A. Mang

Il y a deux ans, l'expression « yi dai yi lu » – Une ceinture, une route aurait laissé le directeur général de Hatch, Martin Doble, de glace. Aujourd'hui, comme plusieurs dirigeants à travers le monde, il voit les choses autrement: OBOR (One belt, One Road), ce grand réseau eurasien d'infrastructures et de stratégies de développement, est en train de redéfinir les opportunités d'affaires, non seulement en Chine, mais également dans tous les territoires touchés par cette initiative sans précédent d'échanges maritimes et terrestres.

Annoncé en septembre 2013 par le président chinois Xi Jinping, OBOR, aussi connu sous le nom de la «Nouvelle route de la soie», est un projet historique. Ce vaste réseau d'infrastructures n'est pas sans rappeler la fameuse Route de la soie établie par la dynastie chinoise de Han en l'an 138 avant J.-C, qui facilita les échanges avec l'Asie centrale et le Moyen-Orient et contribua ainsi à mille ans d'influence et d'économie chinoise florissante.

En plus d'une voie terrestre, OBOR propose également un réseau maritime qui reliera la Chine et le sud-est de la Chine, le tout dans le but de déployer les influences géopolitiques de la Chine à travers l'Eurasie.

D'après un article publié par le World Financial Review plus tôt cette année, «Les analystes chinois affirment que le territoire couvert par la ceinture économique de la Nouvelle route de la soie et par sa voie maritime contiennent 4,4 milliards de personnes (63% de la population mondiale), avec un PIB total de 2,1 billions $US (29% de la richesse mondiale).»

Nous devrions tous avoir un plan d'affaires concernant la Chine; d'ici 10 ans, son importance dans l'économie mondiale sera telle que vous n'aurez plus le choix.

Au niveau national, OBOR priorise la construction d'infrastructures à grande échelle – routes, aéroports, voies ferroviaires, réseaux de télécommunication – en particulier sur le flanc ouest de la Chine, dans le but de moderniser cette région peu développée et de libérer son potentiel intouché.

Pour assurer une croissance soutenue, OBOR encouragera et facilitera aussi le développement au-delà des frontières du pays: à l'ouest avec l'Iran et la Turquie, en Asie du Sud, dans les marchés développés de l'Europe du Sud et de l'Est, mais aussi dans les marchés émergents allant de l'Inde à l'Afrique.

Pour Joe Lombard, le directeur général de Hatch, Metals/ Light Metals, les opportunités sont ici évidentes. Soutenir les besoins infrastructurelles d'OBOR exigera le développement de multiples projets d'exploitation des ressources naturelles en Chine, mais aussi dans les pays intéressés à répondre à la demande dans les secteurs miniers et énergétiques, où excelle d'ailleurs la firme d'ingénierie de Mississauga.

Il faut dire que Hatch s'est bien positionnée pour profiter de cette opportunité. Établie en Chine depuis plus de 20 ans, la compagnie exerce aujourd'hui d'importantes activités et s'est dotée d'un réseau fiable de fournisseurs privilégiés à travers le pays. Ainsi, Hatch est en mesure de répondre à des demandes en acier de construction, en équipements et transports miniers sophistiqués, mais aussi à des demandes dans des secteurs spécialisés comme celui du traitement du gaz ou des usines de fabrication. Ces marchandises sont «majoritairement destinées à des projets en dehors de la Chine», affirme Lombard.

Au-delà de sa position d'affaires favorable, Hatch voit d'encore plus grandes opportunités dans le fait d'aider la Chine à augmenter ses capacités, devenant ainsi plus efficace et avancée technologiquement.

«Les chinois possèdent la vision et le sens des affaires nécessaires pour faire un saut important en termes de sophistication et d'utilisation des technologies », affirme Doble. «Pour visér un niveau industriel, être prolifique et durable, vous avez besoin d'une efficacité maximale, surtout sur le plan environnemental. Les chinois ont la vision nécessaire pour faire ce grand saut technologique. Nous pouvons apporter des stratégies, des habiletés et une discipline d'exécution dont ils nécessitent grandement - voilà ce qui rendrait l'économie chinoise plus efficace et durable. »

Pour aider l'atteinte de ces objectifs, Hatch a établi un institut de design à Beijing, le seul de ce genre à être dirigé par une compagnie occidentale. L'investissement rapporte déjà: Hatch a obtenu une licence pour concevoir, bâtir, fournir et construire des projets en Chine, le rendant unique parmi ses pairs.

Tandis que les firmes canadiennes comme Bombardier Transportation, comme Hatch et comme d'autres entreprises importantes sont bien positionnées pour aider la Chine à exécuter ses projets d'infrastructure, Denis l'Heureux, le représentant en chef d'Exportation et développement Canada à Shanghai, encourage les firmes canadiennes à voir plus loin. «Pensez aux services publiques, aux soins de la santé, à l'éducation, aux parcs de loisir - en théorie, absolument tout ce qui a trait à l'urbanisation. Ces opportunités se rencontrent actuellement en Chine et ne feront que se multiplier avec OBOR.»

En guise d'exemples, L'Heureux cite le cas de Seven Oaks, un professionnel de la santé de Winnipeg qui s'apprête à ouvrir une clinique de cardiologie dans le nord de la Chine. «Ces types de services sont très demandés. Les projets liés à OBOR urbaniseront le centre et le nord de la Chine, alimentant la croissance d'une classe moyenne à la recherche de services correspondant à leur style de vie.»

Martin Doble affirme que les corridors stratégiques envisagés par OBOR encourageront non seulement la libre circulation des marchandises et la création de PIB, mais généreront également des environnements multi-usages autour des chaînes d'approvisionnement, nécessitant des communications à tous les niveaux - «normes, transports, milieu de vie, ces environnements faciliteront les interactions».

«Tout cela nous intéresse grandement. Cela nous inspire à passer d'une société initialement intéressée par l'industrie extractive, à une compagnie très impliquée dans la construction de ces corridors. Ils ont besoin de tout.»

PENSER TOUJOURS PLUS LOIN

Mary Boyd, directrice générale de Shanghai Corporate Network for the Economist Group, pense qu'au-delà des frontières chinoises, les compagnies ont intérêt à miser sur les opportunités commerciales dans les zones du Pacifique avec des forts marchés émergents et de grandes populations établies le long du corridor OBOR, comme le Vietnam, l'Indonésie, le Myanmar, etc.

«Ainsi, nous voyons des compagnies bien établies en Chine relocaliser leurs opérations. Une bonne analyse des stratégies et de la vitesse d'expansion est nécessaire afin de déterminer la pertinence d'une telle décision en termes d'opportunités commerciales. »

SUIVRE L'ARGENT

Pour encourager la participation internationale au sein de ses projets, la Chine utilise plusieurs leviers financiers. En plus d'avoir réservé 40 milliards $US aux échanges internationaux pour créer le Fond de la Route de la soie (Silk Road Fund), la Chine est un intervenant majeur dans la Nouvelle banque de développement BRICS (NBD), annoncée en juillet à Shanghai et financée par la Chine et d'autres pays du BRICS. Alors que ces derniers ont injecté une somme initiale de 10 milliards $US pour lancer le BRICS New Development Bank (NDB), la Chine en est désormais 40% partie prenante avec son investissement en fonds de sécurité de 100 milliards $US.

La Chine va également changer la donne en matière de finance internationale en formant – et en injectant 100 milliards $US de son capital– l'Banque asiatique d'investissement pour les infrastructures, une institution qui aidera à financer les projets liés à OBOR. Reconnue pour son intention déclarée d'agir avec une transparence, une gouvernance et des normes de passation des marchés de niveau mondial, AIIB a obtenu la participation de plus de 60 pays à travers le monde, malgré les efforts des États-Unis pour décourager les pays occidentaux. Le Canada demeure toujours en retrait, laissant les analystes soucieux quant à l'impact que cela pourrait avoir sur les entreprises canadiennes.

«Si on utilise la Banque Mondiale à titre comparatif, le directeur général joue un rôle dans la gouvernance et la supervision, mais connaît également les priorités en termes de projets et d'approvisionnement, en plus de faciliter la transmission d'informations aux compagnies canadiennes. »

Mary Boyd affirme également que le gouvernement fédéral devrait reconnaître l'importance stratégique des institutions telle que l'AIIB et les opportunités qu'implique le projet OBOR. «Autrement, nos compagnies sont laissées à elles-mêmes.»

Elle ajoute : «Le Canada a été un membre actif du Asia Development Bank (ADB). Nous souhaiterions que le Canada soit capable de démontrer le même niveau de participation au sein d'AIIB, et qu'il pousse les entreprises canadiennes à percevoir les opportunités, comme il l'a fait dans le cas de l'OMC, du G20 et de l'APEC.»

UN APERÇU : LES 5 OBJECTIFS VISÉS PAR UNE CEINTURE, UNE ROUTE

• Un réseau d'infrastructure connecté – aéroport, lignes ferroviaires, routes, autoroutes, réseaux de télécommunication, en particulier pour relier l'ouest de la Chine avec l'Asie centrale en passant par l'Europe. Des nouveaux ports et autres infrastructures maritimes amélioreront l'accès de la Chine à l'Océan Indien et au bassin méditerranéen par le canal de Suez.

• Augmenter le volume d'échanges entre la Chine et l'Eurasie.

• Stimuler l'utilisation de la monnaie locale dans les échanges transfrontaliers et renforcer la popularité grandissante du renminbi chinois dans les échanges internationaux.

• Promouvoir les échanges culturels et humains entre les pays participant à OBOR.

• Encourager une politique de coordination entre les gouvernements impliqués dans OBOR.

NAVIGUER EN TOUTE SÉCURITÉ

Joe Lombard, de chez Hatch, soutient que les firmes canadiennes faisant affaires en Chine comprennent rapidement l'importance qu'y représente la relation d'affaires. «Beaucoup de personnes en Chine ont des idées innovatrices. Un partenaire d'affaires chevronné peut distinguer les joueurs sérieux qui possèdent ce qu'il faut pour mener un projet à termes, de cette façon, il peut se concentrer sur la gestion des investissements et des ressources nécessaires au projet. »

Boyd ajoute que peu importe si la compagnie est déjà en Chine ou prévoit le devenir, elle devrait réfléchir à la façon de mettre à profit les forces d'une région, et ce, en passant par une gestion efficace et adaptée de la chaîne d'approvisionnement. Pour ce faire, il faut connaître et comprendre les multiples accords commerciaux que la Chine a mis en place avec d'autres joueurs, comme les pays de l'ASEAN, l'Australie, la Nouvelle-Zélande et la Corée du Sud.

«Il est important de comprendre que le travail sur les accords bilatéraux, multilatéraux et de libre-échange – l'architecture appuyant ces accords – est en progrès constant. Oui, vous devez posséder des infrastructures pour l'expédition, mais aussi un système de gestion de la chaîne d'approvisionnement, afin de tirer profit de l'amélioration des infrastructures qui semble s'annoncer.»

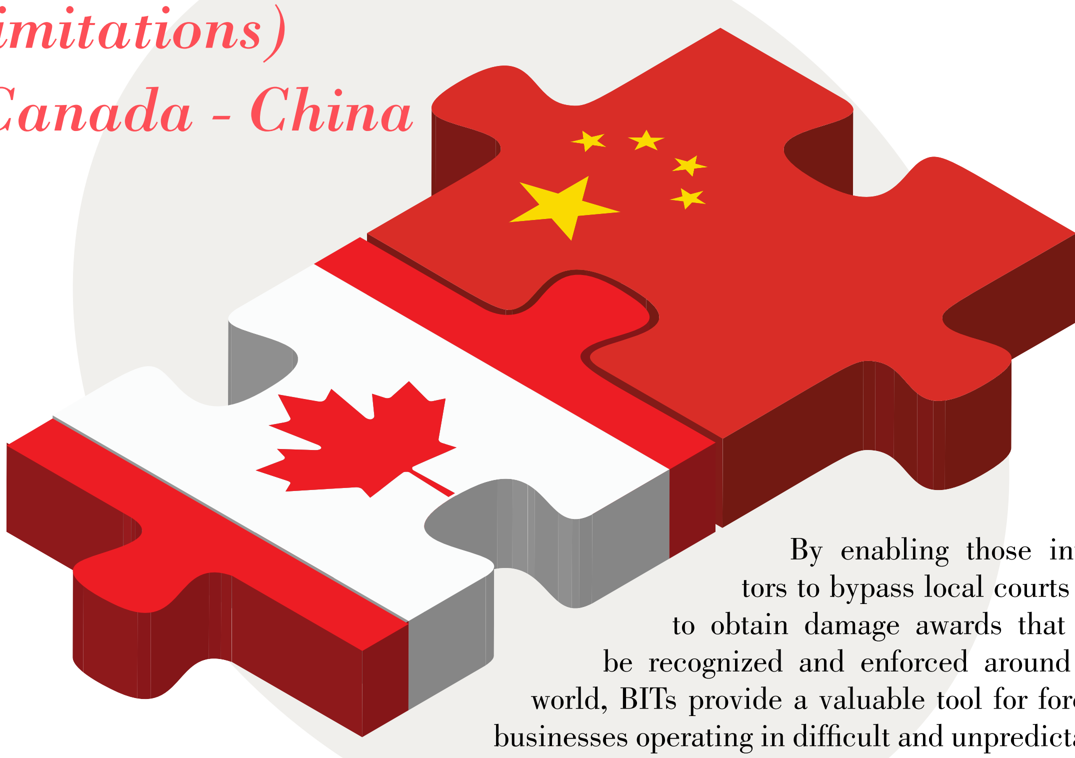
En ce sens, dans un article récent publié par Horizons Journal of International Relations and Sustainable Development, l'éditeur David Dollar décrit la relation entre le partenariat transpacifique (TTP) et OBOR: « Les divers types d'infrastructures financés par cette initiative chinoise représente en quelque sorte le «matériel» des échanges et des investissements; cela est nécessaire, mais non suffisant à une intégration approfondie. Le Partenariat transpacifique (TTP), pour sa part, représente le « logiciel» d'intégration, réduisant les obstacles aux échanges, créant des services d'échanges et d'investissement et harmonisant plusieurs barrières règlementaires commerciales.»

Selon L'Heureux : «OBOR n'est qu'une démonstration de l'importance grandissante de la Chine dans l'économie mondiale. L'impact de la Chine sur le monde ne fait que commencer. Nous devrions tous avoir un plan d'affaires concernant la Chine; d'ici 10 ans, son importance dans l'économie mondiale sera telle que vous n'aurez plus le choix. »

«La Chine ira où elle veut, avec ou sans votre collaboration. Nous avons choisi de participer.», affirme Martin Doble, le directeur général de Hatch.

Randall A. Mang est le fondateur et président de Randall Anthony Communications Inc, un fournisseur de services pour la revue en ligne The Globe and Mail, Export Development Canada's Exportwise, ainsi que d'autres organisations. \\

The Practical Benefits (and Limitations) of the Canada - China FIPA



By Matthew Kronby

With the Canadian economy growing slowly, China, despite its own slower growth, remains an attractive destination for Canadian investors. Meanwhile, low resource prices and a low dollar offer potential bargains for Chinese investment into Canada. Against this backdrop it is timely to consider the practical benefits and limitations for Canadian and Chinese investors of the Canada-China Foreign Investment Promotion and Protection Agreement ("FIPA"), which entered force in October 2014.

Without a FIPA, investors aggrieved by the conduct of the country in which they are investing have two choices: they can pursue their rights, such as they may be, in the domestic courts of the host country, or they can ask their own government to advocate on their behalf. FIPAs, which are known more widely as bilateral investment treaties or "BITs", give investors a third option. They impose obligations on host countries in respect of their treatment of foreign investors in matters like discrimination, arbitrary conduct, expropriation of investments and repatriation of profits or assets. If the host state breaches those obligations, most BITs, including the Canada-China FIPA, give foreign investors the right to bring claims for damages before independent, impartial international arbitral tribunals.

By enabling those investors to bypass local courts and to obtain damage awards that can be recognized and enforced around the world, BITs provide a valuable tool for foreign businesses operating in difficult and unpredictable jurisdictions both in redressing wrongful conduct by the host state and in deterring that conduct in the first place.

The advantages that BITs offer over traditional investor remedies explain their exponential growth in recent decades. Capital-exporting countries have concluded them to protect their outbound investment, while other countries, particularly those with unreliable legal systems, have offered BIT protections to attract inward investment. China has done both. The Canada-China FIPA is just one of approximately 130 BITs that China has concluded, many with developed countries like Germany, the Netherlands, Belgium, New Zealand and Japan. It is also in negotiations on BITs with the United States and the European Union. By comparison, Canada has about 30 BITs, with countries in eastern and central Europe, Asia, Africa and the Americas.

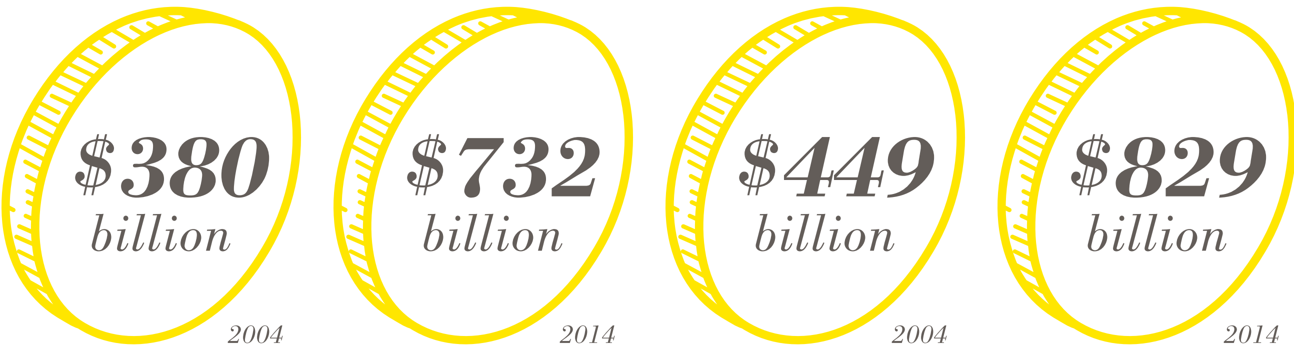
> ***"Governments, aware of their potential liability, are less likely to act unfairly or capriciously toward their foreign investors."***

As China has become both more open to inward investment and a major exporter of capital, its BITs have evolved to offer greater protections and rights for investors. The Canada-China FIPA is at the leading edge of this trend: its protections for investors equal or exceed those offered under previous Chinese BITs but are more limited than those that many Canadian BITs offer.

What will not change is the ability of each Party to review potential investments under its investment laws. Importantly, the Canada-China FIPA, like Canada's other FIPAs, explicitly protects Canada's right to review and decide whether to approve acquisitions of Canadian businesses under the Investment Canada Act, including the special scrutiny and lower review thresholds that apply to investments by state-owned enterprises.

The stock of foreign direct investment in Canada

The stock of Canadian direct investment abroad



Notably, the Canada-China FIPA, like those in the Chinese BITs before it but unlike most Canadian FIPAs, makes the admission and establishment of new investments by each Party subject to that Party's domestic laws. It does not offer Chinese investors the same rights as Canadian investors to make investments in Canada nor does it give Canadian investors the same rights as Chinese investors to make investments in China. Instead, it focuses on how each country's investors are treated after they are established in the other country.

However, that could soon change. In the BITs it is now negotiating with the United States and the EU, China may grant so-called "pre-establishment" protections to would-be investors. If so, Canadian investors will be able to piggyback on those protections by virtue of the most-favoured nation obligation in the FIPA, which requires China to treat Canadian investors and their investments no less favourably than it treats investors and investments of third countries. Concurrently, China's expansion of its pilot free-trade zone program reflects movement, albeit tentative, toward autonomous liberalization of its restrictions on foreign investment.

Some critics of the FIPA have voiced concerns that Chinese investors will flood Canada with arbitration claims. History suggests that this is unlikely. Despite China's expansive network of investment treaties, many of them offering liberal access to arbitration and many with countries not known for stable governance or commitment to the rule of law, there have been just a handful of reported claims by Chinese investors, including just three under the Integrated Centre for Settlement of Investment Disputes (ICSID), the principal investment arbitration institution.

One of these claims, brought by Ping An, a major Chinese insurance company over losses arising from Belgium's bailout of a European financial services company in which Ping An had invested, was dismissed on jurisdictional grounds earlier this year. In another, the Chinese investor was awarded a modest US $786,000 for the effective expropriation of its investment in a fish processing company through overly aggressive conduct by Peruvian tax authorities. Notably, claims of expropriation are the only claims regarding taxation measures that can be brought under the Canada-China FIPA. On the other hand, a claim like Ping An's would face significant challenges under the FIPA, which contains strong protections for "prudential measures" to ensure the stability of the financial system or financial institutions.

The most recent ICSID case by a Chinese investor, a construction firm, was filed in December 2014 against Yemen. It arises from a dispute over construction of an airport terminal. At least one non-ICSID BIT arbitration by a Chinese investor is also known to be proceeding, against Mongolia, involving the cancellation of a mining licence.

Only two ICSID arbitration cases have been registered against China under BITs, both of them involving property development interests. One was filed last year by a South Korean investor over the alleged frustration by a local Chinese government of a golf and condominium project. The other, by a Malaysian developer, related to a lease revocation. It was filed in 2011 but was quickly suspended and subsequently appears to have been settled.

The cases described here give a sense of the types of disputes that investors may seek to resolve through treaty arbitration, including under the Canada-China FIPA. Nevertheless, the paucity of cases against China has led some to conclude that investors there have been dissuaded from using investment treaty arbitration for fear of retaliation. The reality is probably more complex. Treaty arbitration, like many forms of litigation, is typically a last resort, particularly for investors hoping to maintain business ties in the host state. In a country like China, where state involvement in business activity is ubiquitous, investors will naturally explore all other options before choosing treaty arbitration.

A focus only on the number of claims filed also risks underestimating the value of BITs in deterring improper conduct by governments and thereby achieving a more stable and predictable investment environment. That benefit is particularly valuable in countries like China where the rule of law is not assured. Governments, aware of their potential liability, are less likely to act unfairly or capriciously toward their foreign investors. Even without commencing arbitration claims, investors who can invoke their rights under a BIT have a stronger hand to play in negotiating to resolve disputes with host governments.

While the Canada-China FIPA is not without its limitations, particularly in opening new areas of the Chinese economy to investment, those limitations may well diminish with time. Meanwhile, the FIPA will offer additional security for investors of each country but especially for Canadians investing in China. \\

Matthew Kronby is a Partner in the international trade and investment law group of Bennett Jones LLP in Toronto and a former Head of the Government of Canada's Trade Law Bureau.

Les avantages pratiques (et les limites) de l'accord FIPA Canada-Chine

Par Matthew Kronby

Avec une croissance économique canadienne modeste, la Chine, malgré sa propre croissance ralentie, demeure une destination attrayante pour les investisseurs canadiens. En même temps, le bas prix des ressources et un faible dollar génèrent de bonnes occasions d'affaires pour l'investissement chinois au Canada. Dans ce contexte, il est opportun de tenir compte des avantages pratiques et des limites pour les investisseurs canadiens et chinois sous l'Accord sur la promotion et la protection des investissements étrangers Canada-Chine (FIPA), entré en vigueur en octobre 2014.

Sans FIPA, les investisseurs lésés par le comportement du pays dans lequel ils investissent ont deux choix : ils peuvent soit défendre leurs droits et peut-être aller devant un tribunal national du pays d'accueil, ou soit demander à leur propre gouvernement de défendre leurs intérêts. Les accords FIPA, plus largement connus comme étant des accords d'investissements bilatéraux ou BITs, donnent aux investisseurs une troisième option. Ils imposent aux pays d'accueil des obligations dans le respect des investisseurs étrangers en matière de discrimination, de comportement arbitraire, d'expropriation d'investissements et de rapatriement des profits ou des biens. Si les pays d'accueil violent ces obligations, la plupart des accords d'investissement bilatéraux, y compris l'accord FIPA Canada-Chine, donnent le droit aux investisseurs de réclamer des dommages et intérêts devant des tribunaux arbitraires internationaux, indépendants et impartiaux.

En permettant à tous ces investisseurs de contourner les tribunaux locaux et d'obtenir des dommages et intérêts qui peuvent être reconnus et appliqués dans le monde entier, les accords d'investissements bilatéraux constituent un outil de valeur pour les entreprises étrangères évoluant dans des contextes difficiles et imprévisibles tant pour redresser le comportement illicite du pays d'accueil que pour dissuader ce comportement en premier lieu.

Les avantages qu'apportent les accords d'investissements bilatéraux par rapport aux mesures prises par des investisseurs traditionnels expliquent leur croissance exponentielle au cours des dernières décennies. Les pays exportateurs de capitaux se sont mis en accord entre eux pour protéger leur investissement à l'étranger, tandis que d'autres pays, dont les systèmes juridiques sont peu fiables, ont offert des protections afin d'attirer des investissements étrangers. La Chine a fait les deux. L'accord FIPA Canada-Chine est l'un des quelque 130 accords que la Chine a passés et dont beaucoup d'entre eux ont été passés avec des pays développés, tels que l'Allemagne, les Pays-Bas, la Belgique, la Nouvelle-Zélande et le Japon. Elle est aussi en négociation avec les États-Unis et l'Union européenne en ce qui concerne quelques accords d'investissements bilatéraux. En comparaison, le Canada compte environ 30 accords d'investissements bilatéraux avec des pays dans l'est et du centre de l'Europe, de l'Asie, de l'Afrique et des Amériques.

Vu que la Chine est devenue un gros exportateur de capitaux et encore plus ouverte aux investissements étrangers, ses accords d'investissements bilatéraux ont évolué pour offrir aux investisseurs de meilleures protections et accès aux droits. L'accord FIPA Canada-Chine est à la fine pointe de cette tendance; ses protections pour les investisseurs sont de valeur égale ou bien supérieure à celles offertes par les anciens accords d'investissements bilatéraux chinois, mais plus limitées par rapport à celles offertes par la plupart des accords canadiens.

L'accord FIPA, comme tous les autres accords d'investissements bilatéraux chinois précédents, mais contrairement à la majorité des accords FIPA canadiens, laisse l'admission et l'établissement de nouveaux investissements de chaque partie soumis aux lois nationales de chacune. Il n'offre pas aux investisseurs chinois les mêmes droits que les investisseurs canadiens qui font des investissements au Canada et n'offre pas aux investisseurs canadiens les mêmes droits que les investisseurs chinois qui font des investissements en Chine. Il se focalise plutôt sur la façon dont les investisseurs de chaque pays sont traités une fois qu'ils se sont installés dans un autre pays.

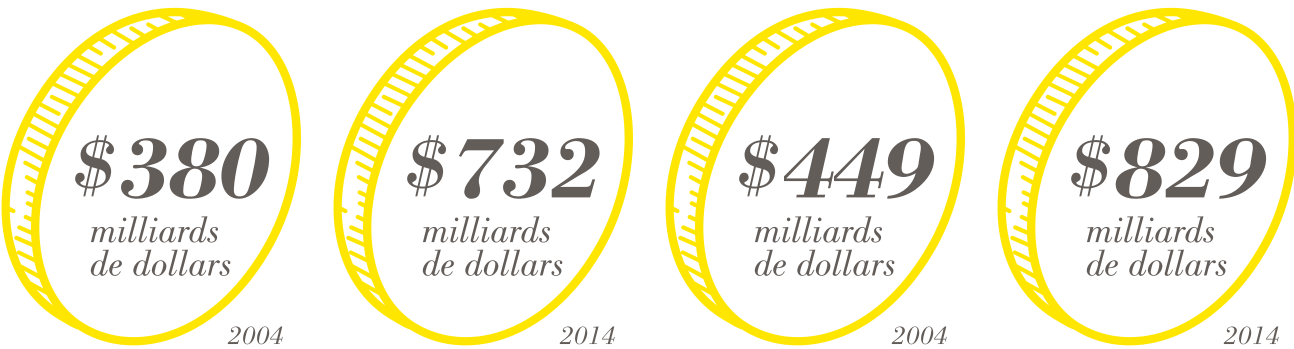
Cependant, cela pourrait bientôt changer. Dans les accords d'investissements bilatéraux que la Chine est en train de négocier avec les États-Unis et l'Union européenne, elle pourrait accorder aux éventuels investisseurs ce qu'on appelle les protections de « pré-établissement ». Si oui, les investisseurs canadiens pourront profiter de ces protections en vertu de l'obligation de la nation la plus favorisée prévue dans l'accord FIPA, qui exige que la Chine de traite les investisseurs canadiens ainsi que leurs investissements d'une manière non moins favorable que celle dont elle traite les investisseurs et les investissements d'un pays tiers. Parallèlement, l'expansion de son programme de zone de libre-échange se dirige, quoique timidement, vers la libéralisation autonome de ses restrictions sur les investissements étrangers.

Ce qui ne changera pas est la capacité de chaque partie à examiner d'éventuels investissements en vertu de ses lois sur l'investissement. L'accord FIPA Canada-Chine, comme tous les autres accords FIPA canadiens, protège explicitement le droit d'examiner et de décider d'approuver ou non les acquisitions d'entreprises canadiennes en vertu des lois sur Investissement Canada, y compris l'examen spécial et les seuils d'examen moins élevés qui s'appliquent aux investissements d'entreprises publiques.

Certaines critiques concernant l'accord FIPA ont mis en évidence l'inquiétude que les investisseurs chinois vont inonder le Canada avec des demandes d'arbitrage. L'histoire suggère que cela est peu probable. Malgré le vaste réseau des traités d'investissement de la Chine, le fait que beaucoup d'entre eux offrent un accès libre à l'arbitrage et que plusieurs aient été signés avec des pays qui ne sont pas censés avoir de gouvernance stable ou d'engagement à l'État de droit., il n'y a eu qu'une poignée de réclamations déclarées par les investisseurs chinois, dont seulement trois auprès du Centre international pour le règlement des différends relatifs aux investissements (CIRDI), la principale institution concernant l'arbitrage lié à l'investissement.

Somme de l'investissement direct étranger au Canada

Somme de l'investissement direct canadien à l'étranger



Une de ces demandes, conduite par Ping An, qui est une des plus grandes compagnies d'assurance chinoises et qui a subi des pertes découlant du sauvetage d'une compagnie européenne spécialisée dans le domaine des services financiers de la Belgique dans laquelle elle avait investi, a été rejetée pour des raisons de compétence au début de cette année. Pour une autre demande, l'investisseur chinois a obtenu un modeste dédommagement de 786,000 $ pour l'expropriation effective de son investissement dans une entreprise de transformation de poisson, une approche des autorités fiscales péruviennes jugée trop agressive. Les réclamations d'expropriation sont notamment les seules concernant des mesures fiscales qui peuvent être soumises à l'accord FIPA Canada-Chine. D'autre part, une réclamation comme celle de Ping An devrait faire face à des défis importants dans le cadre de l'accord FIPA qui contient de fortes protections pour des « mesures prudentielles » afin d'assurer la stabilité du système financier ou des institutions financières.

Le cas le plus récent du CIRDI de la part d'un investisseur chinois, propriétaire d'une entreprise de construction, a été porté contre le Yémen en décembre 2014. Il résulte d'un différend au sujet de la construction du terminal d'un aéroport. Au moins, un arbitrage au tour de l'accord d'investissements bilatéraux indépendant du CIRDI qui implique l'annulation d'un permis d'exploitation minière de la part d'un investisseur chinois contre la Mongolie est également en train d'être abordé.

Seuls les deux cas d'arbitrage du CIRDI ont été déposés contre la Chine en vertu des accords d'investissements bilatéraux, tous les deux portant sur les intérêts du développement de la propriété. L'un a été déposé l'an dernier par un investisseur sud-coréen du fait de la frustration présumée de la part d'un gouvernement local chinois au tour d'un projet de golf et de condominium. L'autre lié à la révocation d'un bail a été déposé par un développeur de Malaisie. Cet arbitrage a été déposé en 2011, mais il a été rapidement suspendue et semble avoir été par la suite réglé.

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Les cas exposés ici donnent une idée des types de litiges, relatifs à des traités d'investissement, que les investisseurs peuvent chercher à régler par arbitrage, y compris en vertu des accords FIPA Canada-Chine. Néanmoins, le manque de cas contre la Chine a mené à la conclusion que les investisseurs là-bas ont été dissuadés de faire appel à des arbitrages liés à des traités d'investissement par crainte de représailles. La réalité est sans doute plus complexe. L'arbitrage des traités d'investissement, comme de nombreuses formes de litige, est généralement un dernier recours, notamment pour les investisseurs espérant maintenir des liens d'affaires dans le pays d'accueil. Dans un pays comme la Chine, où l'intervention de l'État dans l'activité de l'entreprise est omniprésente, les investisseurs vont naturellement explorer toutes les autres options avant de choisir l'arbitrage conventionnel.

Si l'accent est uniquement mis sur le nombre de demandes déposées, cela risque de minimiser l'impact des accords d'investissements bilatéraux dans la dissuasion de conduites répréhensibles uvernements et de compromettre la création d'un environnement d'investissement plus stable et prévisible. Cet avantage est particulièrement utile dans des pays comme la Chine, où l'État de droit n'est pas assuré. Les gouvernements qui sont conscients de leur responsabilité éventuelle sont moins susceptibles d'agir d'une façon injuste ou capricieuse envers leurs investisseurs étrangers. Et même sans procéder à des demandes d'arbitrage, les investisseurs pouvant invoquer leurs droits en vertu d'un accord d'investissement bilatéral ont une main plus forte à jouer dans les négociations pour résoudre les différends avec les gouvernements d'accueil.

Bien que l'accord FIPA Canada-Chine ne soit pas sans limites, particulièrement lors de l'ouverture de nouveaux domaines de l'économie chinoise pour l'investissement, celles-ci peuvent diminuer avec le temps. En attendant, l'accord FIPA offrira une sécurité supplémentaire pour les investisseurs de chaque pays, mais surtout pour les Canadiens qui investissent en Chine. \\

EVOLVING FOREIGN INVESTMENT

Review Regimes in China and Canada

By Todd Liao and Sandy Walker

Investment flows between Canada and China have increased dramatically over the past decade. China is now considered the leading destination for foreign capital, a development in which Canada plays an important role. According to Statistics Canada, Chinese investment in Canada reached $20.4 billion by the end of 2013, compared to $0.2 billion in 2003. Canadian investment in China has also grown exponentially, reaching $5.8 billion at the end of 2013, compared to $0.8 billion in 2003. The magnitude of investment between the two countries shows no sign of slowing down; in 2014 Canada received $25 billion of investments from China and invested $6.7 billion into China.

This pattern of growth suggests that Canadian and Chinese investors increasingly need to become familiar with the other country and their business culture as investment destinations. As part of that, the investors need to have a broad understanding of the rules governing foreign investment, which have witnessed an evolution over the past few years in both countries. This article offers insights on recent developments within foreign investment in both Canada and China.

I. DEVELOPMENTS IN CHINA'S REVIEW OF FOREIGN INVESTMENT

On January 19, 2015, China's foreign investment approval authority, the Ministry of Commerce ("MOFCOM") published a draft of the new Foreign Investment Law (the "Draft") for public comment. This new legislation signals the Chinese government's determination to streamline the foreign investment approval process, focus on admissions review, and provide national treatment to admitted foreign investment.

The Foreign Investment Law, if adopted, would undoubtedly have a profound impact on foreign investment in China. However, given the nature of Chinese legislative procedures, both the public and various ministerial departments will have the opportunity to comment on the Draft before final approval and promulgation. Thus, although the actual implementation of the Foreign Investment Law may still be several years away, it is worthwhile to study the Draft in order to understand the current legislative trends in preparation for its enactment. The most significant implications of the Draft include the unification and streamlining of foreign corporate forms, less stringent admissions review, the important aspect of "control" in identifying foreign investments, the questionable future of variable interest entities, the expansion of national security reviews, and the information reporting system.

UNIFIED CORPORATE FORMS AND REGULATORY REGIMES

The Draft aims to unify the current dual regulatory regime for Foreign Invested Enterprises (FIEs) and Chinese domestic enterprises. Under the current foreign investment regulatory regime, FIEs fall into one of three categories: the Sino-Foreign Equity Joint Venture (EJV), the Sino-Foreign Contractual Joint Venture (CJV), and the Wholly Foreign Owned Enterprise (WFOE).

Each of these forms is subject to its own corresponding laws and regulations (the "FIE Laws"). The FIE Laws are, in many respects, either duplicates of or contradictory to the provisions of the current Company Law of People's Republic of China as amended in December 2013 by the Standing Committee of National People's Congress (the "Company Law"), which, in practice, can cause much confusion. Unlike the FIE laws, the Draft does not distinguish between different categories of foreign-invested enterprises. Furthermore, the Draft leaves the regulation of capital contribution, organization, and decision-making procedures to the Company Law. Instead, the Draft focuses on the admissions review process for foreign investment, which claims that once the foreign investment has been accepted, it will be entitled to the same national treatment as Chinese domestic investments.

Established FIEs would need to adjust their organizational forms as well as their governance structures to comply with the Company Law within three years after the promulgation of the new Foreign Investment Law.

ADMISSIONS REVIEW

Currently, the foreign investment approval authority, MOFCOM (and its local counterparts), reviews all foreign investments. The Draft provides that MOFCOM and its local counterparts would only review foreign investment that falls within the "Catalogue of Special Administrative Measures" ("Special Catalogue"). The Special Catalogue, which has yet to be promulgated by the State Council, will list the areas where foreign investment is either prohibited or restricted.

MOFCOM and the National Development and Reform Commission ("NDRC") recently released the sixth version of the Catalogue of Industries for Guiding Foreign Investment ("2015 Foreign Investment Catalogue"), which reduces the number of restricted sectors from 79 to 38. It also raises or eliminates the percentage limit on foreign ownership in many sectors. Moreover, the 2015 Foreign Investment Catalogue deletes a reference provision that allows for the application of other regulations and policies to the entry of foreign direct investment. As a result, regulations that are of lesser legal authority than laws and State Council regulations are not likely to impose restrictions on foreign investment. In addition, the Chinese government has further loosened the restrictions on foreign investment in certain designated areas. For example, on January 13, 2015, the Ministry of Industry and Information Technology launched a pilot program in the Shanghai Free Trade Zone to ease the restrictions on foreign investment in e-commerce. The new program allows foreign investors to become 100% shareholders.

THE ROLE OF "CONTROL" IN DEFINING FOREIGN INVESTORS AND INVESTMENTS

In the Draft, "control" is a key element in defining foreign investment . Under the Draft language, the definition of "foreign investor" includes not only foreign individuals and entities, but also domestic enterprises under the control of foreign individuals or entities. In addition, the Draft provides that even if an investor is an entity registered overseas, if the investor can prove to MOFCOM or its local counterpart that it is controlled by a Chinese investor, MOFCOM may treat the entity as a Chinese investor in the admissions review.

Under the Draft, foreign buyers may be excluded from purchasing Chinese companies operating in restricted industries even if the transaction is carried out overseas. If the transaction results in a transfer of control of a domestic enterprise to a foreign investor, the Draft considers the transaction to be a foreign investment made in China and thus, subject to the Foreign Investment Law.

Furthermore, the Draft defines "control" quite broadly. The definition considers more than just a party's percentage of shareholding. It also considers the party's share in the property or assets, voting rights, ability to appoint members to decision making bodies, and influence over the operations, finances, personnel, and technology. These additional factors are considered without regard to whether the influence is direct or indirect or whether the influence is exercised through contractual or trust arrangement.

CHALLENGES FACED BY VARIABLE INTEREST ENTITIES

The Draft clearly defines contractual control by foreign investors as a form of foreign investment. Currently, many foreign investors and companies listed overseas use Variable Interest Entities (VIEs) as an investment tool to work around foreign investment restrictions in certain Chinese industries. A VIE arrangement conveys control over domestic (Chinese) companies through a series of contractual arrangements. The Draft forbids VIEs in foreign-investment-restricted industries. Given the extensive use of VIEs in China (many companies listed overseas, such as Baidu, Alibaba, Sina, etc., rely on VIE arrangements to operate in China), the Draft does not address how the authorities plan to deal with existing VIEs after the promulgation of the Foreign Investment Law. MOFCOM has invited public comments on this issue. In its notes to the public, MOFCOM suggests that existing VIEs should report to the foreign investment approval authority for evaluation. The authority may consider the identity of the actual investor and the controlling entity, the investment's target industry, and other factors when deciding whether the investment in a VIE complies with the foreign investment admission policy and whether to allow the VIE to continue legal operation in China.

STRENGTHENED NATIONAL SECURITY REVIEW

In 2011, the General Office of the State Council issued a circular to implement a national security review regarding mergers and acquisitions of domestic enterprises by foreign investors. On July 1, 2015, the Standing Committee of the National People's Congress (NPC) promulgated a new National Security Law. Article 59 of the National Security Law contains an explicit reference to the national security review and monitoring process, and mandates the security review of "foreign investment that infringes upon, or may infringe upon, national security," "key materials and technologies," "internet or information technology products and services," "construction projects that implicate national security," and "other major projects or events."

THE INFORMATION REPORTING SYSTEM

While only foreign investment in restricted areas is subject to an admissions review, all foreign investment is subject to an information reporting requirement. Depending on the information requested, either the foreign investor or the foreign-invested enterprise may be requested to file the report. The information reported is publicly available unless it implicates trade secrets or privacy concerns.

II. DEVELOPMENTS IN CANADA'S FOREIGN INVESTMENT REVIEW PROCESS

The law governing foreign investment in Canada is the Investment Canada Act (the ICA), which applies both to foreign acquisitions of Canadian businesses (whether or not they are foreign-owned) and to the establishment of new businesses in Canada by non-Canadians. Foreign acquisitions of control of target Canadian companies that meet certain monetary thresholds are subject to pre-closing review and approval by the Minister of Industry (the Minister of Canadian Heritage for acquisitions of cultural businesses). The test for approval is whether the investment will be of "net benefit to Canada" and the Minister has wide latitude to approve or reject an investment.

Apart from the ICA, there are special rules limiting foreign investment in certain sectors, such as telecommunications, broadcasting, air transport and the uranium industry. In addition, there are restrictions on foreign ownership of land in some of the Canadian provinces.

The ICA applies to foreign investors from all countries; countries that are members of the World Trade Organization (WTO) – which include some of the most significant economies in the world – are subject to a higher review threshold than those that are not. The ICA also distinguishes between private sector investors and state-owned enterprises (SOEs) but without reference to the home state, other than WTO membership (China is a WTO member).

The key developments in Canada's foreign investment review regime over the past few years include:

• The Canadian government has streamlined the review of most foreign investments by raising the review threshold for most transactions and eliminating lower review thresholds for certain "sensitive" sectors (uranium production, financial services and transportation services).

• Canada has developed special policies applicable to the review of SOE investments focusing on the SOE's corporate governance and commercial orientation, including adherence to free market principles. The government has not targeted SOEs of any particular countries, although there is a concern about the rising number of SOE investments from countries with state-directed economies. In particular, in December 2012, Canada prohibited the acquisition of control of Canadian oil sands businesses by SOEs, save in exceptional circumstances. In addition, the ICA was amended to: (i) give the Minister the discretion to review an SOE investment that is not otherwise reviewable; (ii) create a separate and (generally) lower SOE review threshold than the threshold for private sector companies; and (iii) broaden the definition of an SOE to include both the entities that are not owned/controlled by a foreign government, and those that are influenced by a foreign government.

• Canada introduced a national security review of foreign investments in 2009, which permits it to reject investments that may be harmful to Canada's national security regardless of the investor's home state. The government has jurisdiction to review investments of any magnitude (whether there is an acquisition of control or not). The government's security and intelligence agencies assess the risk based on a combination of the nature of the Canadian business that is the subject of the foreign investment (e.g., is it potentially defence-related?) and the background of the investor, including links to foreign governments. While infrequently used in the first years, over the past two to three years there has been a significant increase in the number of foreign investments subject to national security review. In June 2015, the government rejected the establishment by a Chinese investor (indirectly owned by a Chinese university) of a manufacturing plant in Quebec reportedly because of its proximity to the headquarters of the Canadian Space Agency. \\

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Sandy Walker is a Partner at Dentons Canada LLP and co-Chair of the National Competition Law and Foreign Investment Review Practice Group. Sandy has extensive experience in competition and antitrust law matters and is recognized as one of the country's leading experts in Canada's foreign investment review legislation, the Investment Canada Act.

中国和加拿大两国的外国投资审查制度的发展变化

Todd Liao 和 Sandy Walker

最近十年，加拿大与中国之间的投资额大幅增加。目前，中国被视为外资的第一投资目的地，就中国取得的这一进展而言，加拿大发挥了重要作用。根据加拿大统计局的统计，截至2013年底，中国在加拿大的投资额达到204亿加元，而这一数字在2003年为2亿加元。与此同时，加拿大在中国的投资额也迅猛增长，2013年底达到58亿加元，而这一数字在2003年为8亿加元。中加两国之间投资规模没有出现增速减缓的任何迹象，2014年，加拿大获得的来自中国的投资额为250亿加元，对中国的投资额为67亿加元。

这一增长模式表明加拿大和中国投资者日益需要熟悉对方的国度及其作为投资目的地的商业文化。在这一过程中，投资者需要广泛地了解中加两国近年来不断变化的外国投资相关规则。本文深入剖析了中加两国外国投资的最近发展态势。

I. 中国外国投资审查的发展状况

2015年1月19日，中国的外国投资审批机构商务部公布了新《外国投资法》（草案征求意见稿）（以下简称《草案》）向公众征求意见。这项新立法表明中国政府决心要简化外国投资审批流程，加强准入审查，并向获准的外国投资提供国民待遇。

《外国投资法》若获得通过，无疑会对中国境内的外国投资产生深远影响。但是，根据中国的立法程序，公众和国务院各部委在《外国投资法》最终获得通过和颁布实施之前，将有机会对草案提出意见。因此，尽管《外国投资法》可能仍然需要多年才会实际实施，但是为了掌握《外国投资法》颁布实施之前的最新立

法动态，仍值得花时间研究草案。草案具有的最重要意义包括统一并简化外国企业组织形式，放松准入审查，在外国投资的确定过程中强调“控制”的重要特征，协议控制的未来状况不确定，扩大国家安全审查的范围，以及设立信息报告制度。

统一的企业组织形式和监管制度

《草案》旨在统一中国现行对外商投资企业和中国境内企业实行的不同监管制度。根据中国现行的外国投资监管制度，外商投资企业分为三类，分别是：中外合资经营企业、中外合作经营企业和外商独资企业。

这些企业组织形式分别受各自对应的法律、法规（“外商投资企业法律”）管辖。外商投资企业法律在许多方面，要么重复全国人大常委会于2013年修订的现行《中华人民共和国公司法》（“《公司法》”）的规定，要么与《公司法》的规定相冲突。这一点在实践中可能会产生大量混乱。与外商投资企业法律不同，《草案》并没有对外商投资企业的不同类型进行区分。此外，《草案》将出资比例、组织结构、决策流程的监管交由《公司法》管辖，而将重点放在外国投资的准入审查流程。根据外国投资的准入审查流程，外国投资一旦被接受之后，将立即有权获得与中国境内投资相同的国民待遇。

已成立的外商投资企业需要调整各自的组织形式以及治理结构，以便在新《外国投资法》颁布实施后三年内符合《公司法》的规定。

准入审查

目前，外国投资审批机构商务部（及地方商务部门）负责审查所有的外国投资。草案规定，商务部以及地方商务部门仅审查《特别管理措施目录》（“《特别目录》”）内的外国投资。《特别目录》将由国务院另行发布，并将列出禁止或限制外国投资的领域。

商务部与国家发展和改革委员会（“发改委”）近期发布了《外商投资产业指导目录》（第六版）（“《2015年外商投资目录》”）。《2015年外商投资目录》将限制类产业从79个减至38个，同时提高或取消许多产业的外资持股比例限制，而且还删除一项允许对外商直接投资的准入参照适用其他规章和政策规定的条款。因此，法律效力低于法律和国务院行政法规的规章无法对外国投资设定限制。此外，中国政府已进一步放松某些指定领域的外国投资限制。例如，2015年1月13日，工业和信息化部在上海自由贸易区开展

放松电子商务领域外国投资限制的试点。此项新试点允许外国投资者100%持股。

“控制”在外国投资者和外国投资的界 定过程中发挥的作用

在草案中，“控制”是界定外国投资时的一个关键要素。根据草案的规定，“外国投资者”的定义不仅包括外国个人和实体，而且还包括受外国个人或实体控制的境内企业。此外，草案还规定，即使投资者系境外注册实体，如果其能够向商务部或地方商务部门证明其受中国投资者控制，则商务部在准入审查时，可以将其视为中国投资者。

根据《草案》的规定，外国收购人不得收购限制产业内的中国公司，即使此项交易是在中国境外进行。如果此项交易导致境内企业的控制权向外国投资者转移，按照草案的规定，此项交易被视为中国境内的外国投资，因此须受《外国投资法》管辖。

此外，《草案》对“控制”采用广义定义。“控制”的定义不仅考虑某一方的持股比例，而且还考虑其拥有的财产或资产份额，表决权，任命决策机构成员的能力，以及对企业的经营、财务、人事和技术的影响力。考虑这些额外因素时，无需考虑上述影响是直接还是间接影响，也无需考虑上述影响是通过合同安排还是信托安排实施。

协议控制面临的挑战

《草案》明确将外国投资者的协议控制界定为外国投资的一种形式。目前，许多外国投资者和境外上市公司将协议控制作为一种投资工具，来应对中国某些产业的外国投资限制。协议控制安排通过一系列的合同安排转让境内（中国）公司的控制权。

《草案》禁止在限制外国投资的产业实施协议控制。考虑到协议控制在中国被广泛使用（百度、阿里巴巴、新浪等许多境外上市公司均依靠协议控制安排在中国境内开展业务运营），《草案》没有谈及主管部门计划在《外国投资法》颁布实施后如何处理现有的协议控制。商务部对于这一问题向公众征求意见。在对公众的说明中，商务部提出现有协议控制应当向外国投资审批部门申报，以进行相关评估。外国投资审批部门在决定以协议控制方式进行的投资是否符合外国投资准入政策，以及是否允许协议控制继续在中国依法运营时，可以考虑实际投资者和控权实体的身份、投资的目标产业以及其他因素。

加强国家安全审查

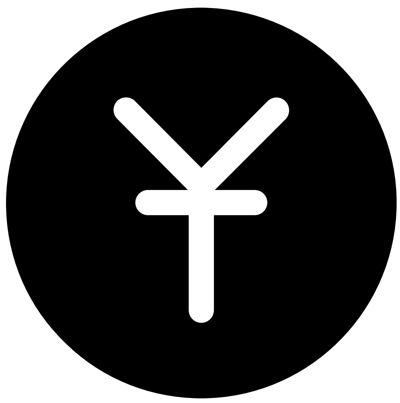
2011年，国务院办公厅发布了关于建立外国投资者并购境内企业安全审查制度的通知。2015年7月1日，全国人大常委会颁布了新的《国家安全法》。《国家安全法》第59条明确规定了国家安全审查和监管制度，并要求对“影响或者可能影响国家安全的外商投资”、“关键物项和技术”、“网络信息技术产品和服务”、“涉及国家安全事项的建设项目”，以及“其他重大事项和活动”，进行国家安全审查。

信息报告制度

虽然只有限制领域内的外国投资须进行准入审查，但是所有的外国投资均须遵守信息报告要求。对于所要求报告的信息，外国投资者或外国投资企业需要提交相应的报告。外国投资者或外国投资企业报告的信息涉及商业秘密或个人隐私的，不予公开。

II. 加拿大外国投资审查制度的发展状 况

在加拿大，外国投资受《加拿大投资法》管辖。外商并购加拿大企业（无论其是否为外资企业），以及非加拿大人在加拿大境内设立新企业时，均受《加拿大投资法》管辖。如果外商对目标加拿大公司控制权的收购达到一定的金额标准，须由加拿大工业部部长事先审批（对于文化企业的收购，须由加拿大文化传承部长事先审批）。批准与否取决于投资是否会“给加拿大带来净利益”，而且工业部部长在决定是否批准投资时，拥有广泛的自由裁量权。



除《加拿大投资法》以外，加拿大还存在对特定产业（例如电信、广播、航空运输

和铀工业等）内外国投资进行限制的特定规则。此外，加拿大某些省限制外商拥有土地所有权。

《加拿大投资法》对来自所有国家的外国投资者均适用；加入世界贸易组织（世贸组织）的国家，包括全球一些最重要的经济体，与未加入世贸组织的国家相比，要适用更为严格的审查标准。《加拿大投资法》还对私营部门投资者和国有企业做出区分，但是在对这两者进行区分时，除考虑其母国是否为世贸组织成员国外，无需考虑其母国的其他情况（中国为世贸组织的成员国）。

情况下，否则禁止外国国有企业收购加拿大油砂企业控制权。此外，修订后的《加拿大投资法》（i）授予工业部部长自由裁量权使其有权审查本不可审查的国有企业投资；（ii）设定单独的比私营部门公司审查标准（普遍）偏低的国有企业审查标准；且（iii）扩大国有企业的定义范围，以涵盖没有被外国政府所有/控制的实体以及受外国政府影响的实体。

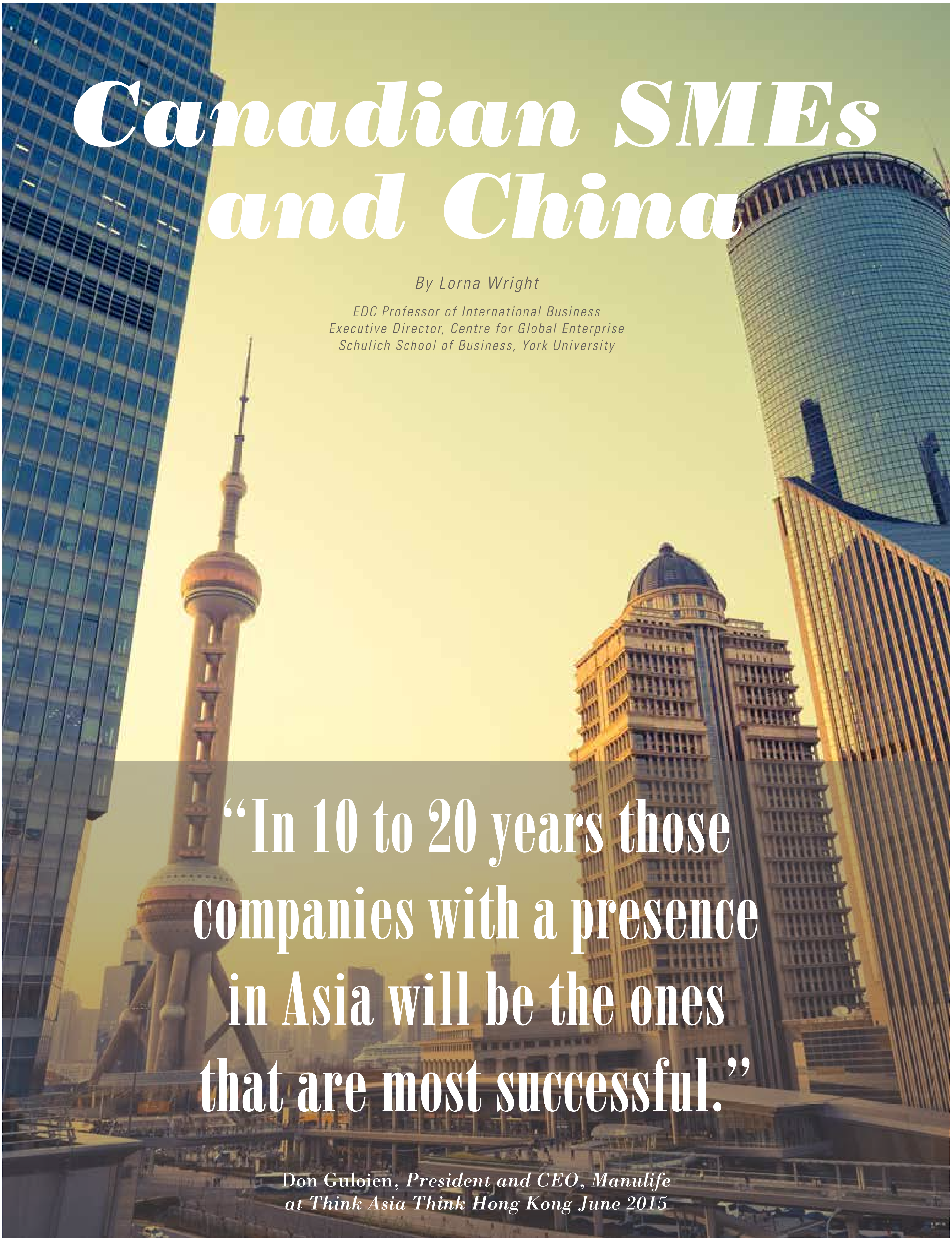
• 2009年，加拿大开始实施外国投资国家安全审查制度。按照此项制度，对于可能会损害加拿大国家安全的投资，加拿大可以不顾投资者的母国，不予批准。加拿大政府有权

加拿大外国投资审查制度近几年的主要发展情况如下：

• 加拿大政府通过提高大多数交易的审查标准，以及取消特定“敏感”产业（例如铀生产、金融服务和运输服务产业）的较低审查标准，简化了对大多数外国投资的审查。

• 加拿大制定了专门适用于外国国有企业投资审查的政策。此项审查的重点是国有企业的治理和商业定位，包括遵守自由市场原则的情况。尽管加拿大政府的审查并没有专门针对任何特定国家的国有企业，但是来自政府指令性经济国家的国有企业投资数量不断上升，加拿大政府对此表示担忧。具体而言，2012年12月，加拿大规定，除非在特殊

对任何规模的投资（无论是否涉及控制权收购）进行审查。加拿大政府的安全和情报机构，在综合考虑构成外国投资标的之加拿大企业的性质（例如，其是否有可能属于与国防有关的企业？）以及投资者的背景（包括其与外国政府的关联关系）基础之上，开展风险评估。尽管国家安全审查制度实施后的头几年，加拿大政府很少对外国投资进行国家安全审查，但是近两三年，接受国家安全审查的外国投资数量大幅上升。2015年6月，加拿大政府拒绝了一名中国投资者（其间接所有人为一所中国大学）在魁北克建立一家制造工厂的申请，据说理由是该制造工厂邻近加拿大航天局总部。\\



Canadian SMEs and China

By Lorna Wright

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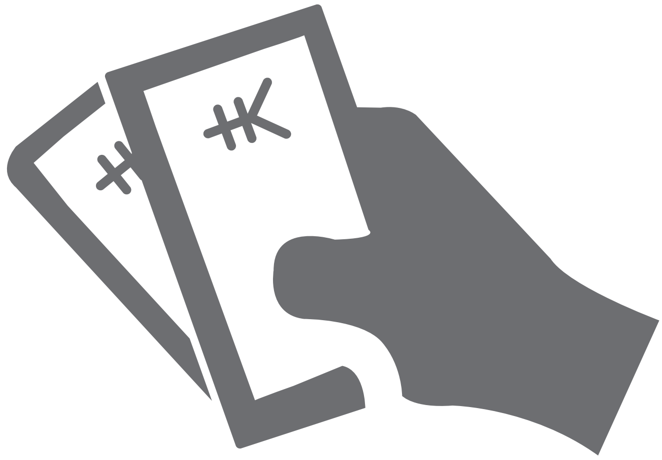
"In 10 to 20 years those companies with a presence in Asia will be the ones that are most successful."

Don Guloien, *President and CEO, Manulife*
at Think Asia Think Hong Kong June 2015



Asia is on the rise and China is one of the main engines behind that. Several trends support Don Guloien's statement, and should stimulate more Canadian companies to get involved with the region. Many reports highlight the growing urbanization and the rise of the middle class in China. Both these trends represent opportunities for Canadian companies.

Canadian small and medium-sized companies (SMEs) contemplating doing business in China will certainly face a number of challenges but it is important to keep in mind those trends. There are risks, as with any venture, but with patience and proper knowledge the rewards are well worth it.

There is an essential advantage to being a Canadian company in China – our reputation. "Made in Canada" carries a connotation of quality. Chinese consumers are concerned about quality, especially in such areas as technology, food and beverage. Wing Wing Co., a Vancouver-based manufacturer of traditional Chinese-style sausages, found they sold their product much more successfully in China when they marketed it as Canadian sausages.

However, along with this advantage, there is an accompanying disadvantage that Canadian companies have to overcome. Chinese customers want to buy from the biggest and the best players in the industry. Since being the biggest is not always the easiest goal to achieve, becoming the best is of utmost importance when operating in the Chinese market, which means paying extra attention to branding and customer service. Les Mandelbaum, President of Umbra, a home accessories and design firm, argues for the necessity of building brand recognition, since "China buys brands to show off." Building a brand means making full use of social media (for example, with WeChat and Weibo) and of e-commerce sites such as Alibaba.

Alongside the infamous four Ps of marketing (product, place, price, promotion), in China there also exist the five Ps of doing business. These are:

• PREPARATION •
• PRESENCE •
• PARTNER •
• PERFORMANCE •
• PERSEVERANCE •

PREPARATION

Entering the Chinese market is not simple and it will take time. That is why proper preparation is key to a successful venture. This preparation should include asking such questions as "how does the Chinese market fit with your company's overall strategic plan," and "will the human and financial resources of the company efficiently support the entry efforts.

China is a vast country. Often, SMEs do not have the proper resources to be everywhere, so it is important to focus on a specific location, and to conduct research into where the best market for a specific product or service may be. Competition will be fierce in Beijing, Shanghai and Guangzhou, so going to a second or third-tier city may make more sense, especially in the beginning. While they may be considered second or third tier in China, these cities will still be larger than any city in Canada. Additionally, if a city in Canada has a twinning relationship with a city of province in China, it may be good leverage as these ties carry more weight in China than they do in Canada.

Finding accurate information can be a challenge, so it is useful to obtain information from at least three sources in order to make a thorough analysis of the research. Market reports on the Trade Commissioner's website *(http://www.tradecommissioner.gc.ca/eng/offices-china.jsp)* can be a good starting place for research. However, it is important to not take everything at face value, and to not discount the value of gossip, as red flags may appear in more informal communication.

Utilizing the resource of international Chinese students studying in Canada may aid with linguistic, cultural and social understanding. Wing Wing Co., for example, hired a Chinese student from UBC to utilize their knowledge of the Chinese market.

It is important to be aware of the cultural aspects of doing business in China, as well as the market knowledge. Knowing how cultural values differ and how they impact business interactions such as negotiations, decision-making, and buying and selling can make the difference between success and failure in China.

Two questions often come up when a company is investigating the possibilities of the Chinese market: "Where can I get financing?" and "How can I protect my Intellectual Property (IP)?" A good resource that can help with the first issue is Export Development Canada *www.edc.ca*. The new RMB trading hub in Canada should also provide increased financing possibilities. Regarding the second question, the matter of IP has changed greatly in China over the last few years as more and more Chinese companies are concerned with protecting their own IP. IP laws are now being enforced more rigorously than in the past. But the best defense is still continuous innovation, being one step ahead, and having a good lawyer who understands China's legal system and customs.

PRESENCE

It is difficult to do business in China from a distance. Relationships are key and have to be built face-to-face. As Donald Ziraldo, co-founder of Inniskillen Wines and now president of Ziraldo Estate Winery, says, "You have to visit frequently or have someone permanently on the ground." Networks are important and relationships need to be built with multiple representatives of the organization, with potential customers and suppliers, and with government officials.

Keep in mind the difference in significance that written contracts hold in China. It is important to have the written contract, but the more reliable control mechanism is the relationships being built through being present.

Chinese partner focus on marketing in China, while they focused on the manufacturing side of things.

When choosing a partner, it is important to assess their knowledge and access to local information, familiarity with the local environment and products, the risks they are willing to share, their network, their financial or technical strength, as well as making sure the partner is reputable and well-established.

Another good question to ask is why they want to co-operate. Finding a trustworthy partner and establishing a mutually beneficial relationship takes time. Some of the good resources of finding a good partner and learning more about them include the local staff in the commercial section of the Canadian Embassy or staff in the local Canada China Business Council offices.

PARTNER

In China, it is essential to have at least one local business partner. It is impossible to have the same level of understanding of the Chinese market as a local does. There needs to be synergy between the two partners, and they must have complementary skills and needs. Wing Wing Co., for example, had their

PERFORMANCE

Having a good product or service as a foundation is essential. However, it may be necessary to adapt the product or service for the Chinese market. This can be as basic as having well-translated manuals and marketing materials or as complex as tweaking a formula to suit local conditions or standards.

Product packaging may also need to be changed to meet Chinese consumer preferences.

Many Canadian companies have found from experience that it doesn't make sense for them to pursue the lower end of the market in China. Aiming for the higher end – where quality makes the difference – may be a viable option. One technology company found after altering their strategy to obtain the higher end of consumers that they were not doing as much business as before, but they had increased their reputation and in fact, were making more money. It is impossible to go after everything. Instead, choose the market and the location carefully, and then deliver on the promise.

PERSEVERANCE

In China, it is essential to not get discouraged easily. Any relationship-based business takes time. It may take several tries before making a sale or sealing the deal. An experienced manager advises to, "Knock on doors. Go back four or five times 'till they know you. Try to follow-up with a new acquaintance fairly quickly. If you do not do several follow-ups in a row, they forget." Good advice for SMEs is to prepare for two years of negative cash flow before seeing a return.

Finally, do not be afraid to close the deal. Canadians have a reputation for being less aggressive than Americans. Sometimes it can be a good thing, but sometimes it can stop us from getting the deal we want and need.

CONCLUSION

Entering the Chinese market is not something to be taken lightly. It is not easy, and will take time and resources, but taking the 5 Ps to heart will give a company a good head start. On top of that, it is important to go into the country with an open mind and respect for the Chinese culture. The opportunities for growth for Canadian companies in sectors such as food and beverage, clean technology, advanced manufacturing, and education will make the expended time, money and effort well worth it. \\

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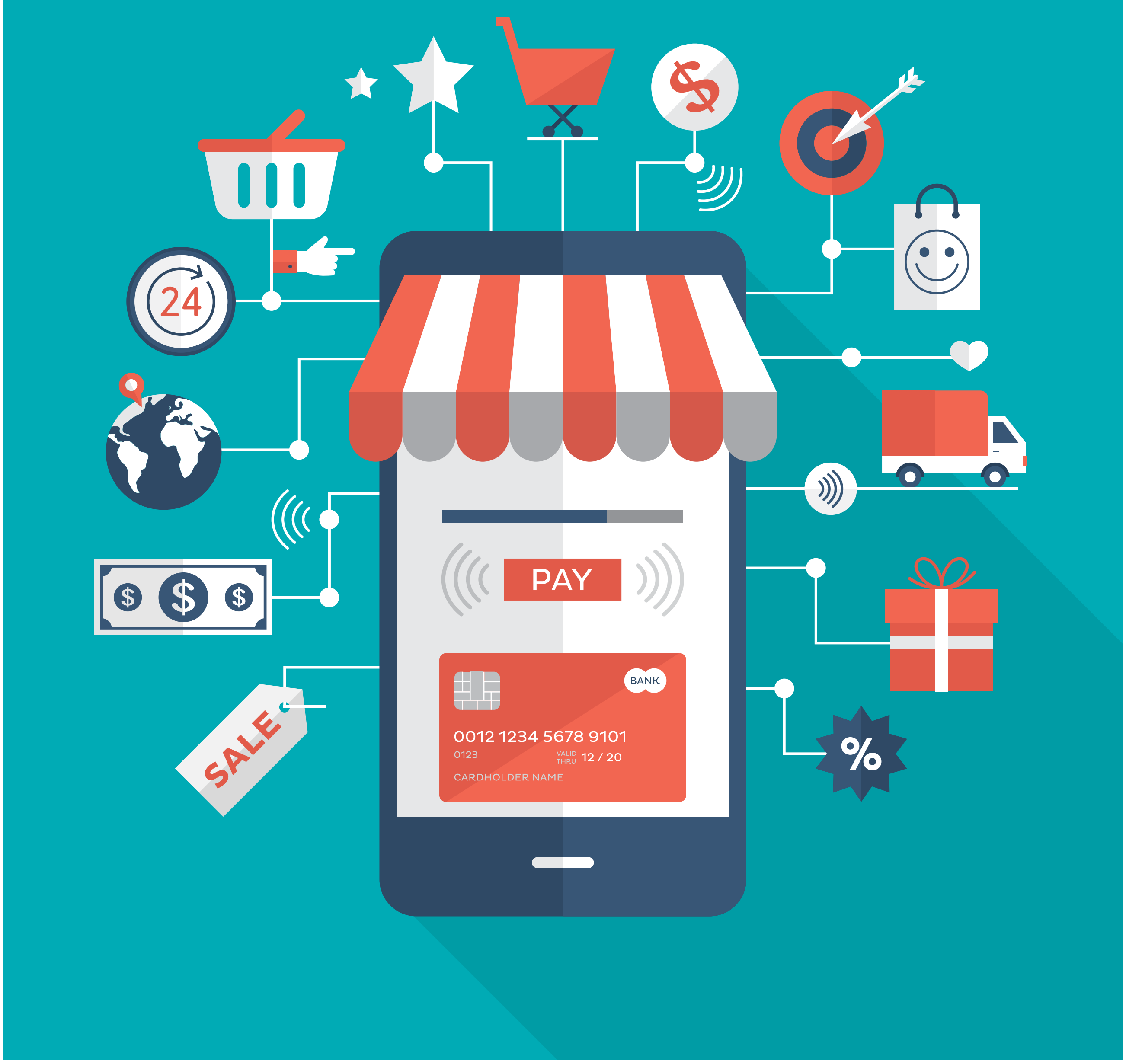
CAN YOU WIN ONLINE IN CHINA?

By Joseph Cooke



As China transforms from an export economy to a $1.36 billion-strong consumer economy, it is also making a transformation from offline to online. China is on track to surpass $1 trillion US in online sales by 2019, not including the swift rise of B2B sales and lead generation (which put the value of the China web at an estimated $1.6 trillion annually).

This can be seen in Alibaba's meteoric rise after going public, coupled with the rapid growth in demand for western products online.

However, whether a western company is already in China or is still considering market entry, leveraging China's online revolution is challenging.

The challenges are diverse in nature, including a different legal, marketing and technological environment, as well as poor Internet infrastructure, tightening of The Great Firewall, blocking of Google Analytics, and the recent GitHub attack via Baidu Tongji in April of this year, known as 'The Great Cannon'.

Having worked in the Chinese Internet space for over 10 years, we have learned some interesting lessons. As a Beijing-based digital and IT agency, we have been fortunate to work with hundreds of global brands, all with their own special goals online, in China.

So, how can Canadian brands win online in China?

1. Understand Your Market Online in China

Programmatic scraping is a scientific method of obtaining data on your target market and competitors. We like to pull data from China as a first step and learn about metrics such as: where exactly is your market online, how do your customers research and purchase, who currently owns your space (and how are they doing it), what is your true market size (both $ and consumer count), and what channels are available to you for growth.

Further to gathering this data, we analyze it to understand how we can attack the market and develop a winning strategy: what is the appropriate media investment, what will convert users to customers and what is the ROI model for the digital program in China.

We have learned that the company with the best data always wins.

“We have learned that the company with the best data always wins”

2. Invest in Infrastructure

The firewall is everyone’s enemy. However, the penalties can be mitigated and this can give you edge over your competitive set.

We recommend the following:

- **Purchase a Chinese Domain –** Your current .com in the form of .cn will work. If not available, try ‘brand-China.com’. Tip: regardless of your plans for China, purchase your domain.

- **Register the Domain with an Internet Content Publisher (ICP) –** in order to host your website in China, you must have an ICP. ICPs help with load times, and Baidu (China’s Google) will boost your search engine rankings.

- **Set up Chinese Web Hosting –** Traditionally, CTOs and IT managers opposed hosting offsite. In today’s age, and in the case of China, hosting a Chinese website will be your biggest ROI driver.

3. Invest in a Chinese Website

A Chinese website can be one of several types:

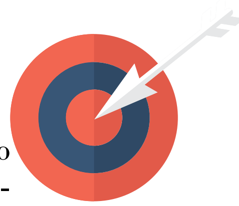
- **Simple, information-based website –** 100 per cent simplified Chinese that tells users about you, the brand, how to buy, and all of the sales and marketing information you present in other languages. This is a great method for scaling up over the medium term (especially when integrated with marketing campaigns).

- **Microsites and landing pages –** if all you want is someone to fill in a form or make a phone call, these can be very effective. A well-presented landing page with the right traffic strategy can drive dozens of sales-qualified leads daily.

- **eCommerce website –** although these become large, complicated and very involved, if you can offer the Chinese users a method to purchase your goods and services online, you will stand out as a very small group of global brands that do this.

Tip – keep it mobile-friendly and avoid all western plugins and web-calls, such as Google fonts, Facebook links, Youtube videos and Google Analytics, as they are all blocked in China.

4. Drive the Right Traffic



Brands are always looking to grow their business in China, and deploying marketing campaigns proves difficult at the best of times. We recommend targeting the lowest-hanging fruit, and working upwards from there:

• **Baidu Pay-Per-Click (PPC) –** without a question, if done correctly, Baidu PPC will move the needle by the close of business on day one.

• **Baidu SEO –** if you invested in infrastructure and a well-executed Search Engine Optimization (SEO) campaign will produce dividends well into the next fiscal year.

• **Media & Advertising –** by using the data from section one in this article, you will know exactly where your target market is. Advertise directly to them and drive them to a destination (website, landing page) where they can learn more and convert.

• **Social Media –** if you must, keep it simple and tie it to your revenue.

5. Conversion

Keep the conversion simple: someone to answer emails in Chinese? A 400-number for someone to call? An Alipay (China's leading third-party online payment solution) account to accommodate the purchase? Someone to engage in online chat in Chinese? Whatever it is, never forget about the conversion and keep it simple, and the market will reward you.

When converting your market, always track it and do your best to close the loop. When you can track marketing back to revenue, the investment becomes easy to validate. We see successful campaigns from 40:1 up to 250:1.

6. Measure, Measure, Measure

Most importantly, measure all metrics and understand what the data is telling you.

We struggled for years in China trying to measure data online. Google Analytics was blocked, Omniture is not hosted inside China, Tongji is not secure, et cetera. So finally, we developed our own analytics program: Chinalytics®. A China-hosted javascript analytics software that tracks thousands of data points from web users in China (for example, did you know Apple phones out-perform Xiaomi phones 5:1 at a minimum?) We installed Chinalytics® on our clients' websites and within weeks, strategies were being updated and ROI trends started to skyrocket.

Again, the company with the best data always wins.

Move the Needle and Win Online in China

Growing online in China is no easy task, regardless of your brand or how unique your offering is.

Accurate data, efficient infrastructure, the right traffic, high conversions, and ongoing measurement are the keys to success.

Understanding the complexities and keeping up on the rapid rise of the Internet and its opportunities is of paramount importance when expanding into China. \\

Joseph Cooke is a founder of Web Presence in China (Beijing-based IT and Digital agency), where he drives growth and enterprise relationships with brands looking to engage and succeed in China's internet marketplace. Joseph deals adeptly with the complexities of global business development, oversees strategic planning, and deployment of cross border projects. Web Presence In China has worked with over 200 global brands who are both looking to enter China as well as grow their China Business.

POUVEZ-VOUS GAGNER EN LIGNE EN CHINE?

Par Joseph Cooke

Alors que la Chine commence à se transformer, passant d'une économie axée sur l'exportation à une économie de consommation forte de 13,6 milliards de dollars américains, le mode de consommation des Chinois est effectivement en transition de hors-ligne à en ligne. La Chine est en voie de dépasser les 1,000 milliards de dollars américains en ventes en ligne d'ici 2019, en excluant la croissance rapide des ventes de B2B et la génération de listes de clients potentiels (qui permettent d'évaluer la valeur annuelle du Web chinois à environ 1,600 milliard de dollars américains).

La montée fulgurante du groupe Alibaba après avoir émis des actions au public et la croissance rapide de la demande en ligne pour les produits occidentaux en témoignent.

Toutefois, peu importe qu'une société occidentale soit déjà en Chine ou qu'elle envisage d'aller en Chine, tirer des profits de la révolution chinoise en ligne apparait difficile.

Les défis sont de natures diverses : le milieu juridique, marketing et technologique différent, une infrastructure du Web désuète, le renforcement de la Grande Muraille électronique, la censure de l'outil Google Analytics et la récente attaque de GitHub via Baidu Tongji en avril de cette année, largement connue sous le nom « le Grand Cannon ».

Ayant travaillé dans l'espace Internet chinois depuis plus de 10 ans, nous avons appris des leçons intéressantes. En tant qu'agence numérique et de TI basée à Beijing, nous avons eu la chance de travailler avec des centaines de marques mondiales, toutes avec leurs propres objectifs dans le marché en ligne chinois.

Donc, comment les marques canadiennes peuvent-elles gagner en ligne en Chine?

1. Comprendre votre marché en ligne en Chine

Le « programmatic scraping » est une méthode scientifique pour obtenir des données sur votre marché cible et vos concurrents. Nous aimons récupérer les données de la Chine comme une première étape et en apprendre davantage sur certains indicateurs : Où se trouve exactement votre marché en ligne?, Comment font vos clients pour faire leurs recherches et leurs achats?, Qui possèdent actuellement votre espace (et comment le font-ils?), Quel est la taille réelle de votre marché (les sommes d'argent et le nombre de consommateurs)?, et Quels canaux vous sont disponibles pour la croissance?.

À la suite de la collecte de ces données, nous les analysons pour comprendre comment nous pouvons percer le marché et développer une stratégie gagnante : Quel est l'investissement des médias pertinents?, Qui vous permet de convertir les utilisateurs en clients? et Quel est le modèle de retour sur investissement (ROI) pour le programme numérique en Chine ?.

Nous avons appris que l'entreprise ayant les meilleures données gagne toujours.

2. Investir dans les infrastructures

Le pare-feu est l'ennemi de tout le monde. Toutefois, les pertes peuvent être atténuées, ce qui peut vous donner un avantage par rapport à vos concurrents.

Nous vous recommandons les étapes suivantes :

1. Achetez un domaine chinois - Votre « .com » actuel va fonctionner sous la forme « .cn ». S'il n'est pas disponible, essayez « brand-China.com ». Conseil : achetez votre nom de domaine, indépendamment de vos plans pour la Chine.

2. Enregistrer le domaine avec Editeur du contenu d'Internet (ECI) - Afin d'héberger votre site Web en Chine, vous devez avoir un ECI. L'ECI améliore les temps de chargement, et Baidu (Google Chine) va augmenter vos classements dans les moteurs de recherche.

3. Configurer l'hébergement d'un site Web chinois - Traditionnellement, le chef de la technologie et les gestionnaires informatiques s'opposent l'hébergement du site Web hors-ligne. À notre époque et dans le cas de la Chine en particulier, héberger un site Internet chinois vous sera très utile pour augmenter le retour sur investissement (ROI).

3. Investir dans votre propre site Web

Un site Web chinois peut être de plusieurs types:

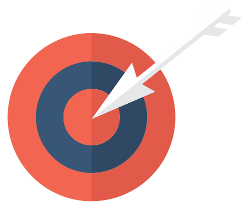
1. Simple, site Web fondé sur l'information - 100 % chinois simplifié, il informe les utilisateurs sur vous, sur la marque, sur le moyen d'acheter et fournit les informations sur les ventes et le marketing que vous présentez dans d'autres langues. Ceci est une bonne méthode pour s'agrandir à moyen terme (particulièrement avec des campagnes de marketing intégrées).

2. Microsites et pages de renvoi - Si tout ce que vous voulez est d'avoir quelqu'un pour remplir un formulaire ou faire un appel téléphonique, les deux peuvent être très efficaces. Une page de renvoi bien présentée avec la bonne stratégie de suivi peut apporter des ventes potentielles quotidiennement.

3. Sites de commerce électronique - Bien qu'ils deviennent gros, compliqués et très prenants, si vous offrez aux utilisateurs chinois une méthode pour acheter vos marchandises ainsi que vos services en ligne, vous allez vous démarquer et faire partie d'un très petit groupe de marques mondiales qui font cela.

Conseil — le site Web doit être bien adapté aux appareils portables et évitez tous les plug-ins du monde occidental ainsi que les appels sur le Web, tels que Google fonts, liens Facebook, vidéos de YouTube et Google Analytics puisqu'ils sont tous bloqués en Chine.

4. Piloter le bon trafic en ligne



Les marques cherchent toujours à se faire reconnaître en Chine, et les campagnes de mise en marché s'avèrent difficiles dans les meilleures conditions. Nous vous recommandons de cibler les publics les plus faciles à atteindre et de frapper plus haut à partir de là:

1. Paiement par clique (PPC) de Baidu - Si c'est bien fait, Baidu PPC aura, sans nul doute, un impact notable dès le premier jour.

2. Optimisation des moteurs de recherche de Baidu - Si vous avez investi dans les infrastructures et un site Internet chinois, une campagne de référencement bien exécutée apportera des dividendes au cours du prochain exercice financier.

3. Médias et publicité - Vous saurez exactement où se trouve votre marché cible en utilisant les données de la première section de cet article. Faites de la publicité en ciblant ces individus directement et guidez-les vers une destination (site Web, page de renvoi) où ils peuvent en apprendre davantage et se faire convaincre.

4. Médias sociaux - Si c'est nécessaire, gardez les simples et associez-les à votre revenu.

5. Conversion

Gardez la conversion simple : Quelqu'un pour répondre à des courriels en chinois? Un numéro débutant par 400 — pour que quelqu'un puisse vous joindre? Un compte d'Alipay (la principale solution de paiements faits à des tiers en ligne en Chine) permet l'achat? Quelqu'un qui va s'engager dans une conversation en ligne en chinois? Quoi qu'il en soit, n'oubliez jamais la conversion, gardez-la simple et vous serez récompensé.

Lors de la conversion de votre marché, suivez-le toujours et faites de votre mieux pour boucler la boucle. Lorsque vous pouvez lier le marketing au revenu, l'investissement devient facile à valider. Nous pouvons témoigner de campagnes réussies entre 40 : 1 jusqu'à 250 : 1.

6. Mesurer, mesure, mesurer

Le plus important est de mesurer tous les indicateurs et de comprendre ce que vous disent les données.

Nous nous sommes démenés pendant des années, en Chine, en essayant de mesurer les données en ligne. Google Analytics était bloqué, Omniture n'est pas hébergé en Chine, Tongji est peu fiable, etc. Nous avons donc finalement développé notre propre programme d'analyse : Chinalytics®. Un logiciel d'analyse JavaScript hébergé en Chine qui permet de suivre des milliers de points de données auprès des internautes en Chine (par exemple, saviez-vous que les téléphones portables d'Apple surpassent les téléphones portables Xiaomi dans un ratio de 5 : 1 au minimum). Nous avons installé Chinalytics® sur les sites de nos clients et, en quelques semaines seulement, les stratégies ont été mises à jour et le retour en investissement (ROI) a grimpé en flèche.

Encore une fois, l'entreprise qui a les meilleures données gagne toujours.

Faire une différence et gagner en ligne en Chine

Grandir en ligne en Chine n'est surtout pas une tâche facile, indépendamment de votre marque ou à quel point votre offre peut être unique.

Des données précises, une infrastructure efficace, le bon trafic, des conversions élevées et une mesure continue constituent la clé du succès.

Comprendre les complexités et suivre la croissance rapide d'Internet et de ses opportunités sont d'une importance considérable lors d'une expansion en Chine. \\

2014/2015 Canada China Business Excellence Awards

As a membership organization devoted to helping our members achieve bilateral business success, CCBC is well placed to highlight and celebrate our members' success stories. In 2014, CCBC received a total of 36 nominations for the five award categories, which are: Exceptional SME; Education Excellence; Chinese Investment in Canada; Professional, Scientific, and Technical Services; and Outstanding Member. An independent panel of judges drawn from industry and academia chose 15 finalists from seven provinces and territories, and in late November, three awards were presented in each category. The awards look back on proven success, completed projects, new offices opened, and strategies realized. Please visit our website at *www.ccbc.com* to read the full stories of our 15 finalists and learn more about their success.

The five award categories are:

Exceptional SME Award	Education Excellence	Chinese Investment in Canada	Professional, Scientific, and Technical Services	Outstanding Member Award
Phase Separaton Solutions	Ivey Business School	Century Iron Mines Corporation	Hill & Knowlton Strategies	Teck Resources Ltd
JV by Préfontaine Exportation Inc. and Dongguan Laurentide Paint Co. Ltd.	Simon Fraser University	Siwin Foods Ltd.	CSA Group	Vancouver Economic Commission
MedMira Inc.	Queen's School of Business	Selwyn Chihong Mining Ltd.	Gowlings	Air China

I. Exceptional SME Award - Presented to a small and medium-sized enterprise that best exemplifies the innovative inclusion of China in the company's growth and overall business strategy. The successful implementation of such initiative has significantly improved the company's competitive edge and financial performance. With the majority of CCBC members being small and medium-sized enterprises, and the challenges for SMEs being greater than they may be for large firms, the accomplishments of our winners in the Exceptional SME category are examples for others to follow.

1st - Phase Separation Solutions

From left to right: Peter Harder, CCBC President; Paul Antle, Phase Separation Solutions; FANG Li, Former Consul General of the PRC in Toronto

The growth story of Newfoundland-based Phase Separation Solutions (PS2), which uses patented technology for indirect thermal soil remediation, is linked to China's five-year plan, and involves not only entry into China, but also investment from China to support growth in the market. The judges felt that PS2's story is a "how-to-guide" for cleantech SMEs to avoid obstacles involved in China market entry and expansion.

2nd - JV by Préfontaine Exportation Inc. and Dongguan Laurentide Paint Co. Ltd.

The Quebec-based Préfontaine Exportation Inc. and Dongguan Laurentide Paint Co. Ltd. established a joint venture (JV) to import and distribute eco-friendly paint products in China, opening its first retail store in Dongguan in 2014. Préfontaine's nomination was recognized for its clear articulation of the barriers and challenges it faced in product certification and changes to China's environmental laws, and how the company overcame them.

3rd - MedMira Inc.

MedMira, a Halifax-based life sciences company, formed a successful strategic partnership with a major player in China's diagnostic sector. This resulted in MedMira becoming a well-recognized player in China with one of the top-ranking rapid HIV tests on the market, enabling growth in the in vitro diagnostics market and future expansion of its product offerings.

II. Education Excellence Award – Recognizing outstanding achievement in delivering China-related growth in areas including research partnerships, recruitment, student/faculty exchanges, alumni relations, institution linkages, executive training, and provision of Canadian curriculum. This year judges determined a first-place tie between a school with a long-established China agenda (Ivey Business School at Western University) and one with a new and innovative program (Simon Fraser University).

1st (Tie) - Ivey Business School

From left to right: The Rt. Hon. Jean Chrétien; John Irwin, Ivey Business School/Ivey Asia

Ivey Business School at Western University was nominated for expanding Canada' s relationship with China through education, research, alumni relations, and student/faculty exchanges. The judges felt that Ivey is well ahead of most schools in terms of volume, activity, longevity, and durability of the assets or new initiatives.

1st (Tie) - Simon Fraser University

From left to right: Peter Harder, CCBC President; YU Benlin, Embassy of China in Canada; ZHAO Yuezhi, Simon Fraser University

Simon Fraser University's nomination featured a unique dual-degree M.A. program in Global Communications in partnership with Communication University of China (CUC) in

Beijing. The nature of the Communications discipline and the dual degree (as opposed to a joint program), which focuses on news and media and involves both practical work experience and exchange study, set SFU's offering apart from other universities.

2nd - Queen's School of Business

Queen's School of Business also demonstrated a breadth of programs to train students, including the new Queen's Master of Finance in Beijing. With the support of the Chinese and Canadian governments, the new program was created to foster growing relations, co-operation and shared knowledge between the two countries.

III. Chinese Investment in Canada Award - Presented to an organization that has demonstrated ingenuity, success, leadership, and commitment involving inbound investment from China, contributing to bilateral economic growth and to the company's international success. Our Chinese Investment in Canada category was expanded in 2014 to include Canadian firms that benefited from significant Chinese investment.

1st - Century Iron Mines Corporation

From left to right: The Rt. Hon. Jean Chrétien; Sandy Chim, Century Iron Mines Corp.

Century Iron Mines, a TSX-listed firm with iron ore projects in Quebec and Newfoundland and Labrador, integrated C$130 million in investment from WISCO International Resources Development and Investment Ltd. and China Minmetals Exploration and Development, two Global Fortune 500 SOEs. The judges were impressed with the growth that this investment spurred, as well as team integration and sustainability activities with its Chinese partners.

The other two finalists, Siwin Foods Ltd. and Selwyn Chihong Mining Ltd. (SCML) represent examples of Chinese companies who have established subsidiaries in Canada.

2nd - Siwin Foods Ltd.

Siwin is a subsidiary of Xiwang Foods Co Ltd, with a newly-established food processing business in Canada. It has committed to Canada via a new state-of-the-art production facility in Edmonton. Siwin's commitment to producing high quality foods with the best in Asian flavors has also led to the winning of a major Alberta award for best value-added pork product.

3rd - Selwyn Chihong Mining Ltd.

Selwyn Chihong Mining Ltd. (Selwyn Chihong) owns and operates the Selwyn Project and is the Canadian subsidiary of Yunnan Chihong Zinc & Co.,Ltd. Selwyn Chihong is committed to develop the Selwyn Project with high standards of social, economic and environmental performance, and build a long-term relationship with local First Nation communities and all stakeholders.

IV. Professional, Scientific, and Technical Services Award - Presented to an organization in the professional, scientific, and technical service sectors that can demonstrate successful inclusion of China in the company's growth and its overall business strategy.

1st - Hill & Knowlton Strategies

From left to right: The Rt. Hon. Jean Chrétien, Elizabeth Roscoe, Hill + Knowlton Strategies

The winning entry by Hill + Knowlton Strategies also involved Chinese investment in Canada. H+K put together a global team that led CNOOC through the successful approval of their $13 billion acquisition of Nexen Energy, the largest overseas Chinese investment in history. The judges felt that the Nexen deal was the biggest accomplishment in bilateral economic relations of the last decade, which also helped gain worldwide recognition for H+K.

2nd - CSA Group

CSA Group, a leading standards development organization and a global provider of testing and certification services, also specializes in consumer product evaluation, education and training services. CSA Group was recognized for its technical expertise and timely delivery, the ability to help Chinese companies meet national and global standards, as well as its role in helping to reduce counterfeiting and IP theft.

3rd - Gowlings

Gowlings, a leading international law firm with over 700 legal professionals serving clients in 10 offices across Canada and around the world, was nominated for the continued success and growth of its China and East Asia Initiative. It demonstrated how establishment of an office in Beijing allowed it to grow its work with large, state-owned enterprises, private companies, government agencies, and individuals.

V. Outstanding Member Award - presented to a CCBC member organization, irrespective of size or industry, which has had high profile and successful business initiatives or projects in the last two years. In 2014, all three finalists in this category were from Vancouver.

1st - Teck Resources Ltd.


From left to right: The Rt. Hon. Jean Chrétien; Ralph Lutes,Teck Resources; Peter Kruyt, CCBC Chairman

The winner in the Outstanding Member category was Teck Resources Ltd., Canada's largest diversified mining company. Teck was nominated for combining commercial success in China with a series of innovative research and relationship-building initiatives. The judges saw these initiatives as going beyond business as usual and clearly differentiating both Teck, as a company, and Canada, as a country.

2nd - Vancouver Economic Commission

The Vancouver Economic Commission (VEC), which is the City of Vancouver's economic development agency, was nominated for organizing the largest-ever Vancouver-led Business and Cultural Mission to China in 2013. The judges felt that the organization of, and the result from, this major mission should serve as a model for other jurisdictions. VEC differentiated itself by solidifying its expertise of Vancouver's key business sectors, extensive connections with influential Chinese government and business stakeholders, expertise of Chinese culture, and a strong capacity for guanxi.

3rd - Air China

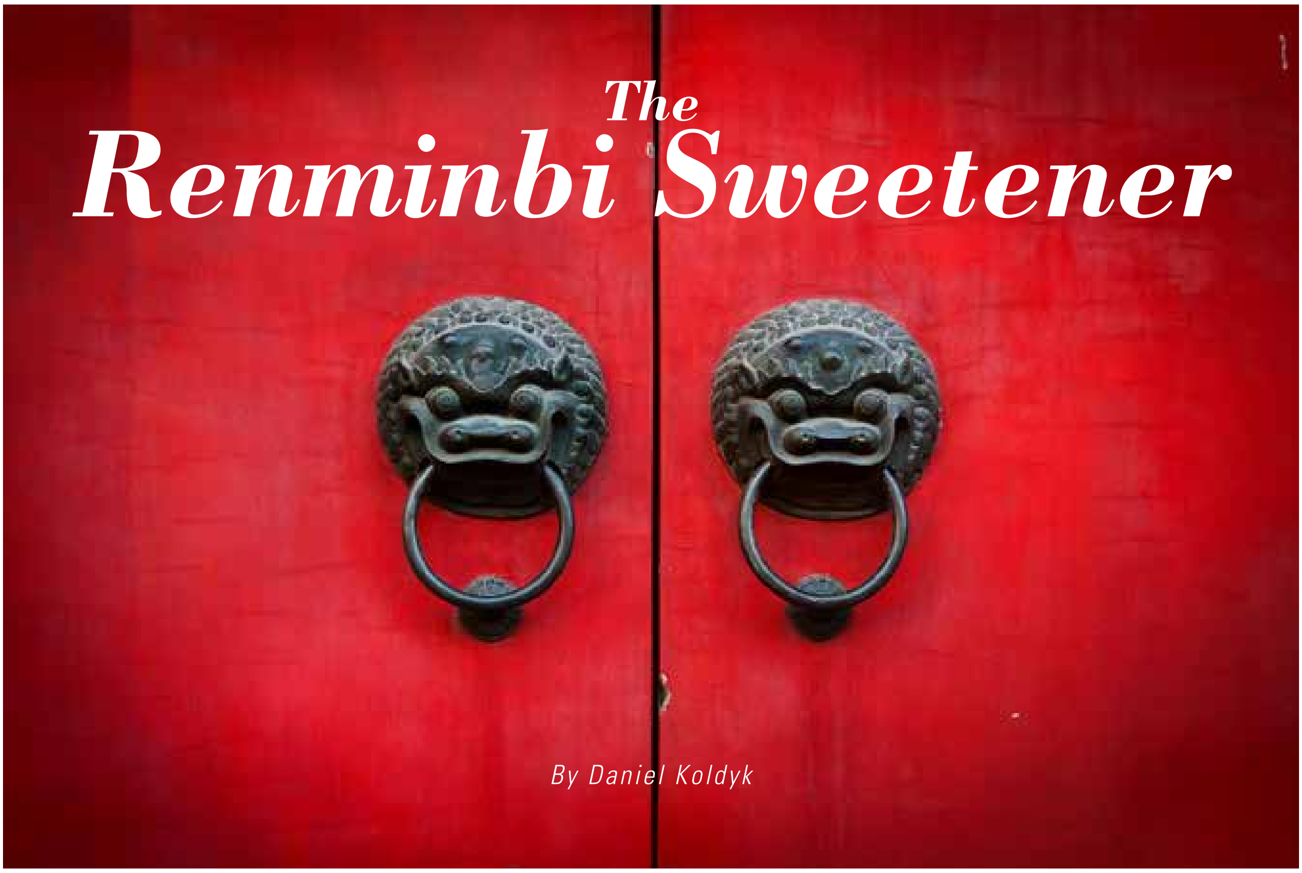
Air China Ltd. is the national flag carrier of the People's Republic of China. Air China's nomination recognizes the significant investment of capital and resources dedicated to the expansion of bilateral business relationships. The judges were particularly impressed by Air China's corporate citizenship. Air China has increased the infrastructure available to the bilateral business community and has innovated its products and services to "anticipate and meet the future needs" with simplified processes and improved traveller experiences.

Our national sponsor for the 2014/2015 Canada China Business Excellence Awards:

HSBC

We look forward to our next business excellence awards, which will begin in early 2016 and will generate even more examples of successful bilateral business.

The Renminbi Sweetener



By Daniel Koldyk

> *"More than 10,000 financial institutions are doing business in RMB, up from 900 in June 2011"*

> *"From just 3% in 2010, the RMB is now used to settle 18% of China's total trade"*

RMB hubs in Asia, Europe, and now the Americas are rewriting the rules of the game and, in the process, changing the global demand structure for RMB business.

Up until now, the mainstream debate regarding the renminbi (RMB)—the official name for China's currency—has largely focused on its potential to become a major world currency. However, ask most experts and they will tell you that we are watching history in the making, and that the RMB has already become a significant global currency.

They will also tell you that the vastness of the Chinese economy, its global reach, and Beijing's steadfast determination to internationalize its currency, mean the RMB's continued ascendance and transformation into a global reserve currency is a virtual certainty.

The main questions we need to consider now are rooted in the timing and significance of the RMB's rise, rather than its probability. In other words, when will the RMB join the dollar and euro on centre stage? And how and why will the RMB's ascendance change the game for Canadian companies that conduct business with Chinese clients?

To date, the RMB has had a relatively easy and fast ride to its current rank as the fifth most used payments currency. This places it just ahead of the Canadian and Australian dollar and just a fraction behind the Japanese yen, which it will likely overtake in the coming months.

However, the path to second and third places, which are currently held by the euro and the British pound, will not be as straightforward. In order to overtake either, and have any hope of challenging the US dollar in the long-term, Beijing will need to continue its reforms to China's financial system.

> *"RMB payment can add about three to eight per cent to a company's bottom line in foreign exchange savings and premiums"*

And progress is being made. In fact, this June the IMF stated that the RMB was no longer undervalued, noting that it is only a matter of time before the RMB is included in its Special Drawing Rights (SDR) basket of currencies—an action that will effectively transform the RMB into a global reserve currency and further expand its use around the world.

These and other recent developments suggest that the RMB's upward momentum is likely to increase faster than most analysts expect—and that it may become the third most used payments currency within the next few years.

Why should Canadian companies take notice? This leads us to our question regarding the significance of the RMB's rise for companies. Put differently, why do Canadian companies need to be following this story and how is it changing the way they conduct business with their Chinese clients?

The answer to this question can be summed up with what Export Development Canada (EDC) refers to as the four Cs of RMB trade finance: competition, capital management, customers, and costs.

We will start with competition. While Canada's RMB hub was the first in the Americas, it was by no means the first in the world. Hubs were established in Hong Kong several years ago, in Southeast Asia in 2013 and in Europe in 2014. In each of these locations, leading companies have already begun to offer Chinese clients deals denominated in RMB, and in each of these locations RMB business volumes have been on the rise.

That means Canadian companies need to start considering RMB payment options in order to keep pace with their international competition—not to mention their domestic counterparts.

In fact, some of Canada's leading exporters have already made the strategic decision to move into the RMB space and are currently structuring deals in RMB with their Chinese buyers. For the most part, this business is being done quietly as companies seek out advantages over the competition. On the flip side, business opportunities could find themselves losing market share in China and being forced to play catch up.

Second, when it comes to capital management, it is a lot easier to do business with a Chinese client when payment is denominated in RMB. Why? Because it is much easier for the Chinese side to get letters of credit and cash financing when the deal is denominated in RMB. Furthermore, RMB-structured deals are more flexible and can have longer tenors than deals that are structured in foreign currencies, because most of China's small and medium-sized companies do not have ready access to foreign exchange and have to rely on internal foreign exchange agents. That means fees and quotas which create bottlenecks and additional costs, both of which are factored into contract prices.

At EDC, we have noticed steady and growing demand for RMB liquidity. In 2013, for instance, we became the first ever Canadian institution to issue

“Overall last year, EDC helped 625 clients conduct business in Greater China, for a volume of $6.6 billion”

an RMB bond, which sold in rapid fashion. Since then, demand has continued to increase, and this year alone EDC issued two substantial RMB bonds worth RMB 1 billion each.

Overall last year, EDC helped 625 clients conduct business in Greater China, for a volume of $6.6 billion. Moving forward, we will continue to make efforts to meet our clients’ needs for RMB as the environment evolves.

This brings us to customers. By denominating payment in RMB, life becomes a lot easier for the Chinese side, which means your Chinese client will likely favour your business. In other words, RMB payment can sweeten a Canadian company’s offering and expand its universe of Chinese customers. Lastly and most importantly, RMB payment reduces costs. EDC has calculated that RMB payment can add about three to eight per cent to a company’s bottom line in foreign exchange savings and premiums. This kind of advantage cannot be ignored.

So what does all this mean? It is simple. The RMB story is no longer about what is around the next corner, but what is possible now. Leading traders in Asia, Europe, and now Canada get it. Those that do not… risk being left behind. \\

Daniel Koldyk is a Senior Researcher at Export Development Canada (EDC), where he focuses on international investment, Chinese economic and financial reform, and the internationalization of the Renminbi. Prior to arriving at EDC, Daniel was a China specialist at the Department of Foreign Affairs, Trade, and Development and completed a doctorate on Chinese policy making at Oxford University. He has published several articles in top journals in North America, Europe, and Asia.

人民币的甜头

Dan Koldyk

亚洲、欧洲以及时下美洲盛行的人民币离岸中心正在改写游戏规则，随之改变的是人民币业务的全球需求结构。

截止目前为止，与人民币——中国官方货币相关的主流争论主要集中在其成为世界主要货币的可能性。但是，如果询问大多数专家的意见，他们会告诉你：我们正在见证历史性的一刻——人民币已经成为一个重要的世界货币。

同时，他们还会告诉你：中国经济的巨大体量、全球影响力，以及中国政府推动人

目前有10,000多家金融机构正在开展人民币业务，而2011年6月这仅有900家

如今中国贸易总额的18%以人民币结算，而2010年这一数字仅为3%

民币国际化的坚定决心，意味着人民币地位不断提升并转型为全球储备货币，这一事实已成定局。

现在，我们需要考虑的主要问题关乎人民币崛起的时机和重要意义，而并非其崛起的可能性。换言之，人民币何时与美元和欧元享有同等的中心地位？对于那些与中国客户有业务往来的加拿大公司而言，人民币的崛起如何以及为什么会改变游戏规则？

迄今为止，人民币崛起的道路一直相对顺利、快速。人民币目前是第五大支付货币。这一排名使人民币稍微领先于加拿大元和澳大利亚元，仅以微弱劣势落后于日元。在未来的几个月内，人民币极有可能超越日元。

然而，未来人民币超过目前被欧元和英镑占据的第二、第三大支付货币地位的道路不会那么平坦。目前欧元和英镑分别为第二大和第三大支付货币。若要超越其中任何一个，并且从长远来看，若要有望挑战美元的地位，中国政府需继续进行金融制度改革。

而进步是有目共睹的。事实上，今年6月，国际货币基金组织（IMF）声明人民币已不再被低估，并表示

人民币被纳入特别提款权（SDR）一揽子货币只是时间问题——此举会有效地将人民币转型为全球储备货币，并进一步扩大其在全球的使用范围。

上述以及其他最新发展动态表明人民币地位的上升势头很可能要比大多数分析师所预计的更快——在接下来的几年里，人民币可能会成为第三大支付货币。

“企业使用人民币进行支付时，通过外汇存款和外汇溢价,可以 增加 3 至 8 个百分点的利润”

加拿大企业为什么要对此予以关注?

这一问题将我们引向有关人民币的崛起对企业的深远影响。换言之，加拿大公司为什么需要关注人民币崛起的事态发展，以及人民币崛起会给其与中国客户开展业务的方式带来何种变化?

上述问题的答复可以概括为加拿大出口发展公司(EDC)所谓的人民币贸易金融的4C特征：竞争（competition）、资本管理（capital management）、客户（customers）和成本（costs）。

我们首先讨论“竞争”这一特征。加拿大人民币离岸中心虽是美洲的首个人民币离岸中心，但它并不是全球范围内首个人民币离岸中心。香港人民币离岸中心多年前就已建立，东南亚人民币离岸中心于2013年建立，欧洲人民币离岸中心于2014年建立。在这些地区，龙头企业已开始与中国客户进行以人民币计价的交易，而且这些地区的人民币业务量正持续上升。

这意味着若要跟上国际竞争对手（更不必说国内竞争对手）的步伐，加拿大企业需要开始考虑选择人民币进行支付。

事实上，加拿大的一些领军出口企业已做出使用人民币的战略决策，而且时下正调整与中国买家的人民币交易结构。在大多数情况下，此项业务正在悄无声息地开展，因为公司希望获得超过竞争对手的优势。反言之，它们可能会丧失中国的市场份额，因此不得不奋起直追。

其次，就“资本管理”这一特征而言，公司使用人民币支付时，与中国客户做生意在很大程度上要更加容易。为什么会如此？原因在于当交易以人民币计价时，中国客户更容易获得信用证和现金融资。另外，与使用外国货币的交易相比，使用人民币的交易更具有弹性，而且可以约定更长的付款期限，原因在于中国大多数中小企业无法即时获取外汇，因此不得不依赖于国内的外汇经纪人。这一点意味着相关费用和配额会产生瓶颈问题和额外成本，而后两者会被摊入合约价格。

加拿大出口发展公司注意到对人民币的流动性需求正在稳步、不断地增加。举例来说，2013年，加拿大出口发展公司成为加拿大首家发行人民币债券的机构，所发行的人民币债券很快就售罄。从那时起，人民币债券的需求持续上升，而今年一年，加拿大出口发展公司两次发行人民币债券，每次价值10亿元人民币。

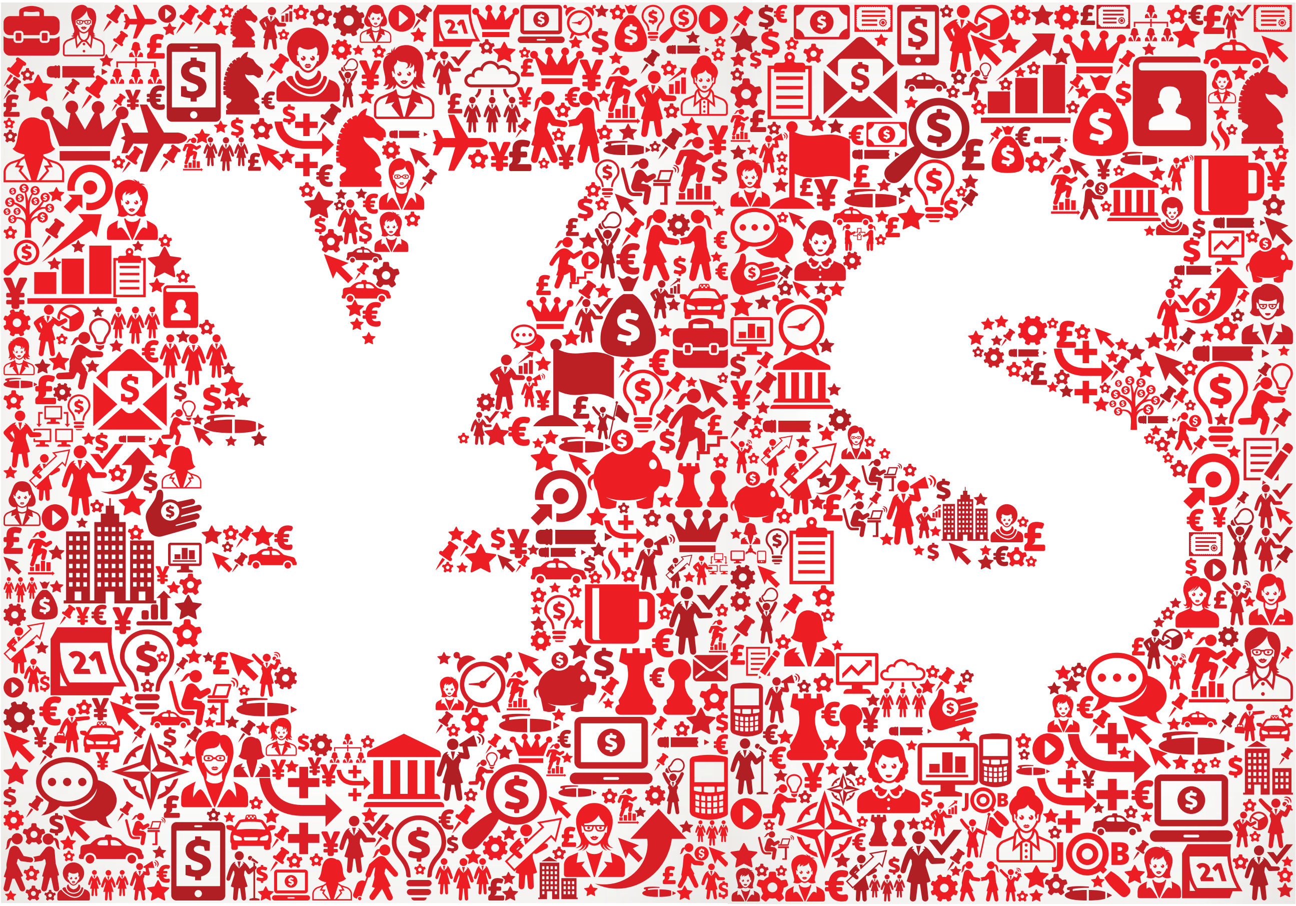
去年全年，加拿大出口发展公司帮助625家客户在大中华地区开展业务，业务总额为66亿加元。下一步，我们将根据大环境的变化情况，继续努力满足我们客户对人民币的需求。

上述内容自然而然地将我们引至“客户”这一特征。您使用人民币进行支付时，会给中国客户带来更多的便利，这意味着中国客户极有可能会偏向于和您进行交易。换言之，加大公司使用人民币进行支付时，能够使其提供的产品和服务更受客户欢迎，进而扩大其中国客户群。

“去年全年,加拿大出口发展公 司帮助 625 家客户在大中华地区 开展业务,业务总额为 66 亿加 元”

最后，我们探讨“成本”这一特征。最为重要的一点是，使用人民币进行支付可以降低成本。根据加拿大出口发展公司的测算，企业使用人民币进行支付时，通过外汇存款和外汇溢价，可以增加3至8个百分点的利润，其优势不容忽视。

那么，上述一切意味着什么？答案很简单。人民币的崛起不是即将发生的事，而是眼下可能正在发生的事。亚洲和欧洲的主要贸易企业已认识到这一点，现在加拿大也体会到了。而那些没有意识到的……将会面临落于人后的风险。\\



The Shifting Patterns of Chinese Investment in Canada

By Gordon Houlden

Large-scale Chinese investment in Canada is a relatively recent phenomenon, with the greater part of the investment having arrived in the past five years. This rise of Chinese investment in Canada is in part due to the florescence of the Chinese economy, now either the second largest or the largest in the world, depending on the statistics used, but the inflow of capital is also the result of deliberate policy changes on the part of the PRC government to encourage the purchase of overseas assets, in order to put China's massive foreign reserves to work.

One of the barriers to better understanding Chinese Foreign Direct Investment (FDI) in Canada has been the paucity of accurate data. Neither Statistics Canada nor the National Bureau of Statistics of China provide detailed information on the two-way investment flows. To address this gap, the China Institute at the University of Alberta (CIUA) undertook the gathering and mapping of PRC FDI movement to Canada, creating the CIUA Canada—China Investment Tracker, which was launched in late 2014.

The tracker, available by subscription, provides breakdowns of Chinese FDI by province, by sector, and lists individual investments, including direct investments (mergers and acquisitions, joint ventures, and greenfield investments), as well as portfolio investments.

While Statistics Canada estimates total Chinese investment in Canada at C$25.1 billion (April 2015), the CIUA Tracker has collected data on over

China Institute University of Alberta Canada—China Investment Tracker

- ***Launched in late 2014***
- ***Collected data on over C$55.3 billion in total Chinese investments in Canada (July 2015)***
- ***Investments have been concentrated in natural resources, especially oil, gas and minerals***
- ***Alberta alone accounts for 66% of total Chinese investment in Canada, largely in oil and gas***

C$55.3 billion (July 2015) in investments in Canada. These investments have been concentrated in natural resources, especially oil, gas and minerals. Alberta alone accounts for 66% of total Chinese investment in Canada, largely in oil and gas. Several trends have emerged in the past two years that are noteworthy. First, the volume of Chinese FDI flows to Canada has slowed, in large measure as a reflection of diminished investment in commodities, which have been the consistent focus of Chinese State-Owned Enterprises (SOEs). While SOE energy investments remain by far the largest part of Chinese FDI to Canada, we are seeing faster growth in manufacturing and commercial real estate, both by SOEs and private Chinese firms. While PRC FDI remains larger in Alberta than in any other Canadian jurisdiction, investment growth outside of Alberta is now faster. Finally, PRC SOE investment has slowed relative to private investment, as the Chinese regulations on private investment abroad, both corporate and individual, have loosened.

Chinese investment in the oil and gas sector in Canada is the area of greatest decline. There are several reasons for this phenomenon, all of which probably have some influence. First, in part because of the decline in energy prices, the largest Chinese energy investments are "under water", discouraging further investment by Chinese companies. Secondly, the failure to achieve forward momentum in securing enhanced energy corridors to the West Coast has discouraged some Chinese investors, who had sought to secure additional energy source diversification for China. Thirdly, the 2012 federal decision to fence-off oil sands resources from new SOE investment effectively closed the door to additional Chinese investment in the oil sands, as the PRC energy sector is dominated by SOEs. Fourthly, the anti-corruption campaign in China, with energy SOEs as one of its targets, may have restrained the appetite of China's largest oil companies for additional Canadian acquisitions at a time of heightened scrutiny.

While PRC investment in Canada by December 31, 2014 (estimated by CIUA at US$53.7 billion) is slightly more than Chinese FDI in the US by the same date (estimated by the Rhodium Group at US$47.6 billion), this near parity is rapidly eroding in favour of the United States, given the opportunities offered by the far larger and more diversified US economy. While security concerns — in theory the only consideration in terms of Chinese investment in the US — derailed some potential Chinese investments in the US, the fastest growth of Chinese investment, especially in developed economies, is coming from the Chinese private sector.

Canada's "net benefit test" for foreign investment, provided in the Canada Investment Act, is seen by some potential investors as amorphous and opaque. But in an area as sensitive as the foreign acquisition of Canadian corporations, no Canadian government is likely to abandon the discretionary power that ultimately lies with Cabinet and the Minister of Industry. All economies to some extent are political economies.

An informal barrier to Chinese investment in Canada is the ambivalence of the Canadian public regarding Chinese investments in this country. Polling done by both the China Institute and the Asia Pacific Foundation shows widespread antipathy by Canadians towards Chinese investment across the country, in every region. For a country with a small population and a huge national territory these attitudes, which are also reflected in the media and are certain to affect the views of political leaders, are of concern, especially given the reality that China has the largest pool of available funds, and given the trade advantages that can be gained from engagement in Chinese supply chains. Past Canadian resentment of US investment, now greatly diminished, could point the way to a gradual increase in acceptance of Chinese FDI in Canada, but we have yet to see this trend emerge.

Even the recently ratified Canada-China Foreign Investment Promotion and Protection Agreement (FIPA), negotiated by successive Canadian governments over almost a generation, became a target for public criticism in Canada due to public perceptions that it compromised Canadian interests. Although the FIPA had long been advocated for by Canadian business leaders, and helps to protect Canadian and Chinese investments from arbitrary actions by Chinese officials, FIPA has attracted extensive criticism in Canada.

But there is also good news for potential Chinese investors. While the ceiling set by Industry Canada for SOEs will remain at C$330 million (with minor adjustments for inflation), the ceiling for private companies was raised to C$600 million as of April 24, 2015, and will rise to C$800 million in 2017.

While the Canadian public may have mixed views about Chinese investment, the reality is that with the gradual shift of the global economy's centre of gravity from Europe and North America to Asia, Canada must adapt to these 21st century realities if we are to maintain our competitiveness and develop both our natural resources and manufacturing sector. To meet this goal, we will need capital, and the largest pools currently lie in China. \\

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中国在加拿大投资模式的转变

侯秉东(Gordon Houlden)

中国对加拿大的大规模投资历史并不长，其中大部分投资是过去五年涌入的。出现这一现象的原因之一是中国经济的崛起。目前，中国属于全球第二大经济体——或者第一大经济体——具体要看使用的统计数据源而定。但是除此之外，这种资本流入也是中国政府政策变化有意为之的结果。为了使中国的大量外汇储备发挥作用，中国政府大力鼓励购买海外资产。

由于缺少准确数据，很难深入了解中国在加拿大的对外直接投资（FDI）。加拿大统计局和中国国家统计局都没有提供关于双向投资流动的详细信息。为了解决这一障碍，阿尔伯塔大学中国学院（CIUA）承担了收集和绘制中国在加拿大对外直接投资流动的工

作，同时打造并于2014年年底推出了CIUA“中国—加拿大投资追踪器”。

该追踪器向订户提供中国对外直接投资的细目统计，可分省分行业详细数据，并且列出了个人投资数据，包括直接投资（并购、合资和绿地投资）以及组合投资。

加拿大统计局于2015年4月测算，中国在加拿大的投资总额约为251亿加元，而CIUA追踪器在2015年7月采集到的数据表明，中国对加拿大的投资超过553亿加元。这些投资主要集中在自然资源，尤其是石油、天然气和矿物领域。仅阿尔伯塔省就吸引了中国在加拿大总投资的66%，大多集中在石油和天然气领域。过去两年，出现了几个值得注意的趋势。首先，中国对加拿大直接投资速度趋缓，这很大程度上反映了大宗商品投资的减少，而大宗商品投资一直是中国国有企业投资的重点。尽管到目前为止，在中国对加拿大的直接投资中，国有企业的能源投资占比依然最大，但是我们也看到，中国的国有企业和私营企业都在快速进军制造业和商业地产领域。相比加拿大其他地区，阿尔伯塔省依然是中国对外直接投资的最主要目的地，但在其他省份投资也在快速增长。最后，随着中国放宽了对民间在海外投资（包括企业和个人投资）的限制，中国国有企业投资的增速相比于民营企业投资来说有所放缓。

加拿大—中国投资追踪器

• 2014年年底推出

• 截止2015年7月，CIUA追踪器对中国在加拿大的553亿加元投资进行了数据收集

• 投资主要集中在自然资源，尤其是石油、天然气和矿物领域

• 仅阿尔伯塔省就吸引了中国在加拿大总投资的66%，投资大多集中在石油和天然气领域

石油和天然气领域是中国对加拿大投资下降最多的领域。这一现象受多种原因不同程度的影响。首先，能源价格下跌已导致那些中国的大型能源投资陷入窘境，从而抑制了中国公司进一步投资的积极性。其次，一些中国投资者原本希望通过强化西海岸能源走廊，来使中国的能源的供给更加多样化，但这一计划因缺少前进动力而停滞，打消了他们的热情。第三，2012年加拿大联邦政府决定拒绝新的国有企业投资油砂资源，这实际上关闭了中国对油砂业进行进一步投资的大门，因为中国的能源产业主要由国有企业垄断。第四，中国的反腐运动以能源国企为目标之一，在这一风声甚紧的时期，可能会导致中国最大的几家石油公司在兼并其它加拿大公司时束手束脚。

截至2014年12月31日，中国对加拿大的投资（据CIUA估算约为537亿美元），略高于同期中国在美国的直接投资（据荣鼎集团估算约为476亿美元）。但是，由于美国经济规模更大也更为多元化，因此，这一近乎持平的形势正在快速向美国方面倾斜。安全方面的考虑——理论上来说，这是中国在美国投资的唯一顾虑因素——阻碍了中国在美国的一些潜在投资。中国投资，尤其是在发达国家投资增长的最大动力，主要来自于中国民营企业。

《加拿大投资法》针对外国投资规定了“纯利测试标准”，对于潜在投资人来说，模糊不清且缺乏透明度。但是诸如外国企业收购加拿大公司这类敏感领域，加拿大政府不可能放弃自由裁量权。这种自由裁量权最终掌握在内阁和工业部长手中。在某种程度上来说，所有的经济体都是政治经济体。

中国在加拿大投资还面临着一个非正式的阻碍，即加拿大民众对来自中国的投资一直非常警惕。由中国学院和亚太基金会共同组织的投票表明，加拿大全国各个地区的民众，对中国在加拿大的投资普遍持敌对态度。这种态度也反映在媒体上，这必然会影响到政治领导人的态度；对于加拿大这样一个地广人稀的国家来说，这种态度是令人担忧的，特别是考虑到中国拥有巨大的可用资金，并且参与中国的供应链可以获得巨大的贸易优势，这种态度的负

面影响尤为令人担忧。过去，加拿大人同样厌恶来自美国的投资，如今这种敌对态度却已大为缓和；从这个角度来看，加拿大人或许也会逐渐接受来自中国的投资，但是目前还没有看到这种趋势出现的迹象。

《中加投资保护协定》（FIPA）历经了几乎一代人的努力和几届加拿大政府的磋商，最近才获得批准；而甚至这项协定在加拿大也已成为众矢之的，因为民众认为它损害了加拿大的利益。虽然加拿大工商领袖一直支持这项协定，认为它可以减少双边投资收到政府官员专断行为的影响，但是它在加拿大仍然惨遭广泛批评。

但是对中国的潜在投资者来说也有好消息。尽管加拿大工业部对中国国有企业设定的投资上限仍将维持在3.3亿加元（仅根据通货膨胀因素进行了微调），但从2015年4月24日开始，对民营企业的投资上限提升到了6亿加元，并且将在2017年进一步提高为8亿加元。

加拿大民众或许对中国投资保持复杂的心态，但不争的现实却是全球经济重心正在逐渐从欧洲和北美转移至亚洲。如果加拿大要想保持竞争力，开发自然资源、发展制造业，就必须面对并接受21世纪的现实。为了实现这个目标，加拿大需要资金，而当前中国是最大的金主。

Understanding Chinese Economic Reform: Where Foreign Investors Go Wrong

By Chet Scheltema

Chinese economic reforms announced earlier this year were greeted with fanfare by foreign investors, stirring expectations that broad, truly liberal economic change was just around the corner. China was finally opening up, or so foreign investors thought. Yet elation soon turned to disappointment. The Wall Street Journal noted that "one year after the launch of the Shanghai free-trade zone, promoted as a landmark effort to remake China's economy, the project has generated few significant reforms."

What has made the initially optimistic foreign investors grow disillusioned so shortly after?

The author would suggest that foreign investors are guilty of misunderstanding how reform is occurring in China and are victims of undue optimism. Reform and liberalization have indeed been taking place; it is just that foreign investors have misinterpreted Chinese government pronouncements, and overlooked historic lessons about how change happens in China.

CHINESE PILOT REFORMS ARE "EXPERIMENTAL"

Attempts in the 20th century to accelerate modernization and "leap" into the future led to catastrophe, the failures of which no doubt made an impression on subsequent reformers like Deng Xiaoping. As Deng opened China to market reform in the 1970s after the Cultural Revolution, he began with a series of cautious experiments to test what worked and what didn't, the goal of which was to find a way forward and yet contain the adverse consequences of failure. Typically these "pilot" reforms (i.e. experiments) were confined to limited geographic regions in the countryside or in such places as the famous and seminal Shenzhen special economic zone. Once specific reforms within such experimental zones were tested and proven, they were then rolled out nationally or, alternatively, the aggregate of reforms of a given "pilot" could be expanded into adjacent areas or related industries, or duplicated with a new "pilot" zone in another geography.

It is suggested here that one of the fundamental misunderstandings of foreign investors is that they overlook the experimental nature of "pilot" reform when it is announced, while in fact, only the general concept and direction of the reform are finalized. What specific reform and change will ultimately be implemented (or be abandoned) is still very much up for discussion.

There are numerous examples of successful reforms that have been drawn out of the Pilot Shanghai Free Trade Zone (FTZ) and are now being implemented more broadly. Here we provide a comparison between the policies implemented in the Shanghai FTZ and the newly established Guangdong FTZ, to give investors a clearer idea of the most suitable location for their businesses.

SHANGHAI FTZ VS. GUANGDONG FTZ

The FTZs in China all follow the same "negative list", a document detailing the industries where foreign investment is restricted or prohibited. Foreign investment in any sector outside the negative list is treated on par with domestic investment. That said, both the Shanghai and Guangdong each come with their own exclusive concessions.

BENEFITS OF THE GUANGDONG FTZ

Preferential Policies for Hong Kong and Macau

One of the greatest differences between the Shanghai FTZ and Guangdong FTZ lies with the policy regulating investment from Hong Kong and Macau. As the Guangdong FTZ aims to strengthen integration among Hong Kong, Macau and Guangdong, investment from these two jurisdictions is liberalized to a larger extent, specifically:

- Hong Kong/Macau service providers are allowed to set up wholly foreign-owned international shipping enterprises within the FTZ.
- Hong Kong/Macau-invested travel agencies (capped at a number of five, separately) are allowed to provide overseas group travel services (with the exception of Taiwan).
- Hong Kong/Macau investors are allowed to provide high-end medical services and launch pilot schemes to exchange patients with one another.
- Hong Kong/Macau-invested non-financial institutions are allowed to provide third-party payment services. Apart from these, investors may use Hong Kong dollars and Macau patacas directly within the zone. As of July 13th, 2015, investors currently operating or building operations in the Guangdong FTZ's Nansha New District or Hengqin New District may now also borrow RMB funds from Hong Kong or Macau, compared to the previous restriction of borrowing RMB only from within mainland China.

Tax Policies

Though not applied to the other parts of the Guangdong FTZ, eligible enterprises located in the Qianhai Development Zone and Hengqin New area are able to enjoy a reduced FTZ corporate income tax rate of 15 percent, which is very close to what is offered in Hong Kong and Macau.

BENEFITS OF THE SHANGHAI FTZ

Visa Policies

Starting in the end of September, foreign qualified individuals may receive employment offers by Shanghai FTZ companies via electronic invitation, and will be provided port visas upon arrival. Companies based in the Shanghai FTZ may also arrange exit and entry proceedings directly with China's Exit and Entry Bureau.

Special Preferential Policies for Financial Leasing Companies

The financial leasing industry is one of the biggest industries in the Shanghai FTZ. To keep its leading position, certain preferential policies have been implemented exclusively in the Shanghai FTZ, including:

- Financial leasing companies are allowed to conduct commercial factoring businesses that are relevant to their main business.

- Financial leasing companies may open a special account for cross-border RMB and are free to borrow money overseas.
- Financial leasing companies seeking to provide external guarantees are no longer required to obtain the pre-approval with the State Administration of Foreign Exchange.
- Financial leasing companies in the zone are freed from quota restrictions on foreign lending and can open special foreign-lending accounts at local banks.
- The Shanghai FTZ is charged with handling the approval procedures for the establishment of foreign-invested financial leasing companies whose registered capital is less than US$300 million.

REFORM "IN PRINCIPLE"

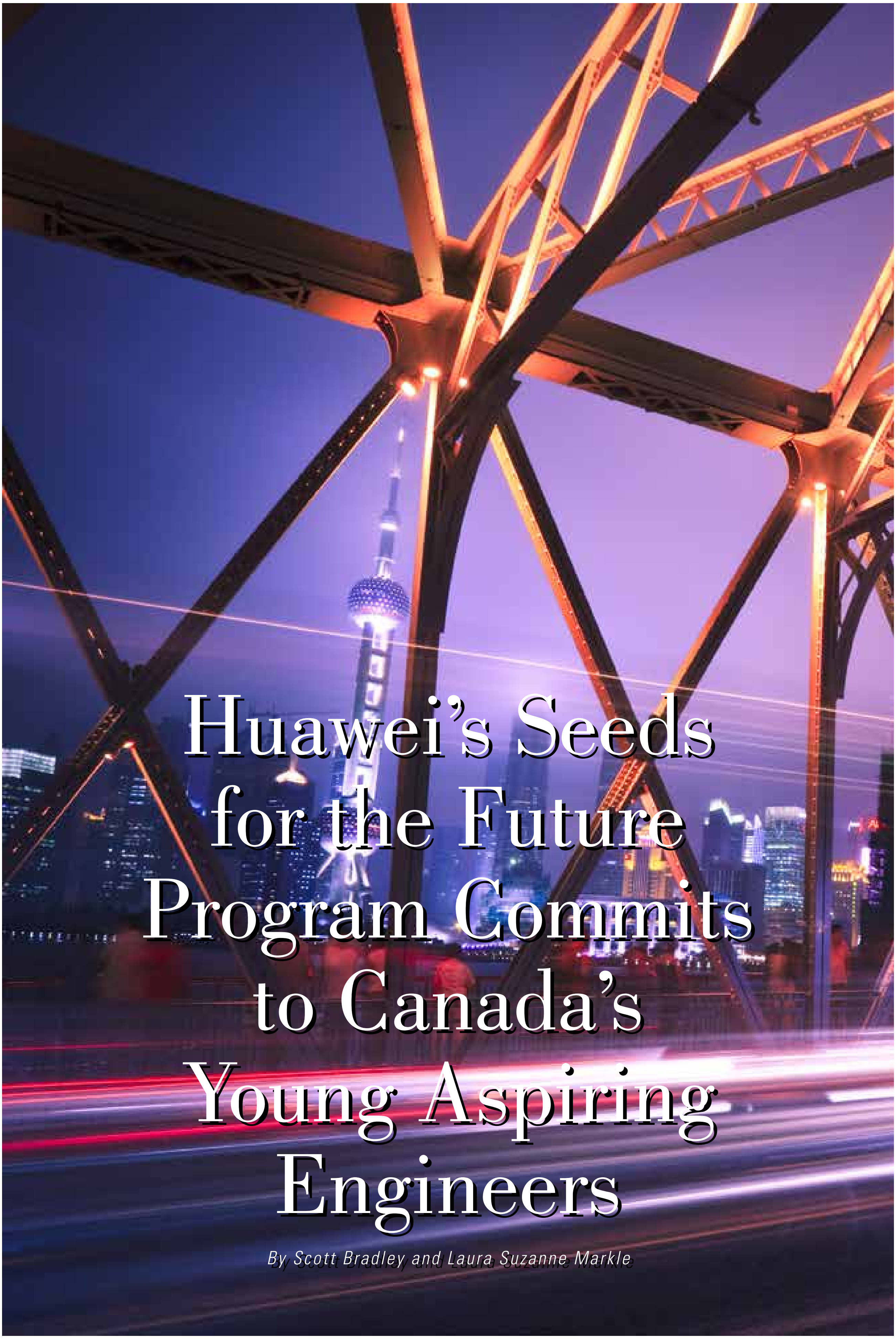
There is much commentary on how Chinese and westerners have a different view of legal contracts. The truth is that contracts matter immensely in China, but just for different reasons and in different ways. Comparisons can be drawn between how Chinese officials pronounce reform and how Chinese businessmen prepare and use commercial contracts. Chinese leaders seek to lead in broad strokes and lofty principles leaving flexibility to work out the specifics as one goes along.

There is another practical reason for remaining vague. Reform and change in China can be personally dangerous. Detailed and legalistic commitments that restrict the ability of a leader to adapt and adjust to the situation will be viewed suspiciously. When reform fails, someone will be blamed, so it is advisable to leave room to distance oneself from failure.

REFORM MEETS BUREAUCRACY: CENTRAL VS. LOCAL

China is a vast place, and each new Chinese leader struggles to extend his influence to the hinterland. Entrenched local interests seek to preserve power and resist change. This is not only true geographically; it is also true by industry and market. In order to be successful, central-level Chinese reform initiatives have to strike a balance between pushing and cajoling a region and industry in a new direction and giving local practice and vested interests time to find a profitable adjustment. As reform progresses, some initiatives may be left behind as it becomes clear they are not workable at the local level. On the other hand, some local adaptations of reform may prove so successful and attractive that they may be adopted in reverse by the centre in a new permutation as official reform. \\

Chet Scheltema has been a member of the International Business Advisory team in China for three years, and is also a Shanghai-based Regional Manager of Dezan Shira & Associates. Dezan Shira & Associates is a full-service consultancy firm, with operational offices across China, Hong Kong, India and emerging ASEAN, including liaison offices in Boston and Waltham specifically established to support North American clients with all aspects of legal, accounting, tax, internal control, HR, payroll and audit matters.



Huawei's Seeds for the Future Program Commits to Canada's Young Aspiring Engineers

By Scott Bradley and Laura Suzanne Markle

Huawei Canada's Seeds for the Future program, launched earlier this year, is a work-study exchange program for third year Canadian engineering students. The program is designed to expose young engineers to the opportunities and innovations being led by the global telecommunications and ICT companies, and specifically to the innovations that China and companies like Huawei are making in the development of new technologies.

The Seeds for the Future program has continuously evolved since its inception in 2008, and Canada is now the 37th country in which Huawei has launched the program. Recognizing a critical need for skills capacity building in a number of developing markets, Huawei first launched Seeds for the Future as a program to expose and interest students to careers in telecommunications. In countries such as Malaysia, the program has helped train over 2,000 local students to support the growth of Malaysia's telecommunications industry.

More recently, in Canada and in a number of European countries with a legacy of telecommunications leadership, the program has been re-designed to work with engineers about to enter the workforce, who are considering careers in telecommunications or the global ICT industry. The opportunity to learn more about China and the growing role that Chinese and Asian-based companies are playing in the growth of the ICT industry will enhance the young engineers' awareness of the telecom sector as they make the first steps in their careers.

In May 2015, 18 engineering students from across Canada spent two weeks in China, visiting cultural sites in Beijing, and studying at Huawei's global headquarters in Shenzhen.

Students represented seven universities, including École Polytechnique, Carleton University, University of Saskatchewan, University of Waterloo, University of British Columbia, University of Ottawa, and University of Toronto. Students had the opportunity to learn in a global, cross-cultural business environment, meeting with Huawei engineers and business leaders, visiting Huawei's laboratories, and seeing live demonstrations of advanced communications technologies.

In addition to visiting and studying at Huawei's headquarters, the visit also aimed to deepen the students' cultural understanding of China. Students spent one week in Beijing participating in a cultural program at the Beijing Language & Cultural University (BLCU), where they studied Mandarin and conversed with fellow Chinese students. The participants also visited the Forbidden City and the Great Wall of China as part of their cultural immersion into the country.

Students returned from China in late May, and the positive responses from the participants, the universities, and Huawei's Canadian partners assured that the program will expand in 2016.

The investment made in the Seeds for the Future program represents an important element in Huawei's work with Canadian universities. To date, Huawei has invested over $4 million in advanced communications research projects with universities across Canada. Since 2010, Huawei's Canada Research Centre in Ottawa has played a central role in establishing the company as one of the global leaders in transformative 5G technology and innovative research. This global leadership in 5G research, led in partnership with research initiatives from Canadian universities, is helping to ensure Canada continues to remain a leader in innovative telecommunications and ICT technologies.

Perhaps the most compelling feedback so far has been from a University of Waterloo student who shared his impressions of the trip shortly after his return to Canada:

"There is a Chinese saying that goes, 'It is better to travel ten thousand miles than to read ten thousand books.' What would be a better way to get a feel for Beijing than to ride its subway during peak hours, a subway system that moves 9 million people on any given day? Exactly 72 hours ago, I was 12,000 km away, standing in an elegant, modern exhibit hall at Huawei's headquarters in Shenzhen, China. What stood in front me tore apart my views of Chinese technology. I smelled innovation in the air."

Huawei Canada believes the future is bright for the graduates of the 2015 Seeds for the Future program, and looks forward to expanding this partnership with Canadian universities in the years to come. \\

Scott Bradley is Vice-President of Corporate and Government Affairs at Huawei Canada. Since joining Huawei Canada in 2011, Scott has helped lead Huawei's emergence as a key contributor to Canada's ICT and telecommunications industries. Scott manages all external-facing corporate functions for the organization, including brand development, public affairs, marketing communications and government relations.

Year-End Wrap-Up ~2015~

By Sarah Kutulakos

This has been a year of major transformation for the CCBC.

We reorganised our operations and built an infrastructure to better serve our members and recruit new ones. We studied and reflected on what we are as a brand identity and what it is that makes CCBC so relevant. We began the implementation of a five-year strategic and business plan approved by the Board of Directors, a plan that started being developed at a Board retreat in July 2014.

Our reorganisation began with the appointment of Travis Joern as Managing Director of China based in Beijing and Andre-Philippe Chenail's promotion to Director of the Shanghai chapter. Travis established our Quebec chapter and rebuilt our office in Shanghai. Andre-Phillipe increased and broadened our membership base in Quebec and launched Montreal's Business Incubation Centre. They are a shining example of CCBCers who have developed and help drive our growth and success.

We also established an Ontario chapter and appointed a dedicated Director in Noah Fraser to better serve members in the GTA and throughout the province.

We started a new Advisory Council in Alberta and clarified the roles of our Councils in Shanghai, British Columbia and Beijing so they can serve as a resource and support our Directors. We established our fourth Business Incubation Centre in Calgary in partnership with Calgary Economic Development, bringing us to four fully operational centres in Beijing, Shanghai, Montreal and Calgary.

Membership hit a new high in 2014, and we continue to grow and diversify. We have well over 100 members in each of Ontario and Quebec and our membership base in British Columbia is increasing rapidly. We have more members in cultural, sports and entertainment (hockey is becoming increasingly popular in China) sectors, and continued growth in SME members, which comprise 2/3 of our corporate members. We also retain a strong contingent of Chinese members (approximately 10% of our membership), and many Canadian members are active in supporting Chinese investment.

The CCBC brings value to all our members through three key characteristics and manifests itself in different ways:

BILATERAL

KNOWLEDGEABLE

CONNECTED

BILATERAL: Many organisations claim to be bilateral, but we're the only business council that offers hands-on, on-the-ground support in six locations in both countries.

KNOWLEDGEABLE: We are called on by the different levels of government to offer advice, insight and perspective. We are at the decision-making tables so we can advocate on your behalf. We help entrepreneurs and decision makers understand what is happening in China and how to keep up with its evolving business environment.

CONNECTED: Our events provide a platform and opportunity to meet potential investors, customers and business partners from both countries. Our members have made it clear they value our approach and are demanding more—big, small, and varied.

We're listening.

This year, we launched an Invest in Canada Roadshow in six secondary cities in China. To reach more Canadian companies, we continued our China Business Workshops across Canada, this year convening in Halifax, Quebec City, Montreal, Toronto, Waterloo, Saskatoon, Edmonton, Kelowna, and Victoria. These hands-on seminars for small groups focused on new opportunities around using the RMB, corporate setup, IP protection, and operating issues in China.

We used our extensive presence to deliver seminars on key topics across the network. This year we focused on the FIPA agreement, the new RMB trading hub, and e-commerce.

We specifically supported several sectors this year, including Education, for which we ran the 4th Canadian MBA Fair in Beijing and Tianjin; Agrifood, with seminars in Quebec; and Oil and Gas, for which our Alberta Chapter again hosted a delegation from China at the Global Petroleum Show.

Many members value our large events, and we started with the November 2014 AGM in Beijing, where we hosted three premiers from the Council of the Federation - Ontario, Quebec, and PEI. There was immediate follow up from these senior provincial visits. We hosted a luncheon for Premiers Wynne and a breakfast for Premier Couillard in Canada in early 2015, where they talked about their visits and plans for China. We also hosted luncheons in Toronto and Vancouver for Ambassador Guy Saint-Jacques so members could hear about the outcome of Prime Minister Stephen Harper's visit to Beijing for APEC in November. We hosted a luncheon for the PM, which included a signing ceremony with over 20 deals. The joint list of outcomes from the visit provides a roadmap for bilateral engagement, and we were encouraged to see new foreign affairs and economic ministerial dialogues on the list, as well as a track-two business dialogue on bilateral economic agreements. We were also pleased to work with Finance Canada to organize consultation sessions with our members on priorities for the economic dialogue and look forward to seeing this dialogue be put into place.

It is important that we keep working toward more formal agreements with China. The late 2014 ratification of the Foreign Investment Protection and Promotion agreement is an important first step, one which provides remedies for Canadian companies that didn't previously exist. But our competitor countries are going much further, with the China-Australia Free Trade Agreement of particular concern. As China's new Consul General to Toronto, XUE Bing, told our members in May, Canada risks being marginalized versus our competitor countries if we continue to hold back.

CCBC will continue to press for progress in bilateral economic relations, to increase our support for members doing business in both countries, and to remain a key bilateral, connected, and knowledgeable contributor to growth in Canada-China trade and investment. We will continue to build our service offerings for SMEs and help them make better informed decisions on how to execute strategies with lower costs, reduced risks and shorter cycle times. We will continue to enhance our services for missions and delegations from both countries.

A sincere thank you to CCBC's Board of Directors and chapter Advisory Councils for their volunteer efforts. We also thank the Founding Sponsors, Benefactors, and event sponsors whose financial support sustains us each year and provides us with the means to help more members with more services.

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Sarah Kutulakos is Executive Director of the Canada China Business Council.

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The CCBC Benefactor is a new membership category comprised of companies that support CCBC staffing and services geared toward small and medium-sized enterprises in Canada and China. The CCBC gratefully acknowledges our Benefactor members for their ongoing support.

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In 1978, ten CCBC members had the wisdom and foresight to provide us with foundation funding. This funding enables the CCBC to offer unmatched service and support to its members in both good and bad economic times. The CCBC extends its gratitude to these members for their continuing support.

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CCBC 37E AGA
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2 NOVEMBRE 2015 – SHANGHAI

CCBC 37TH AGM
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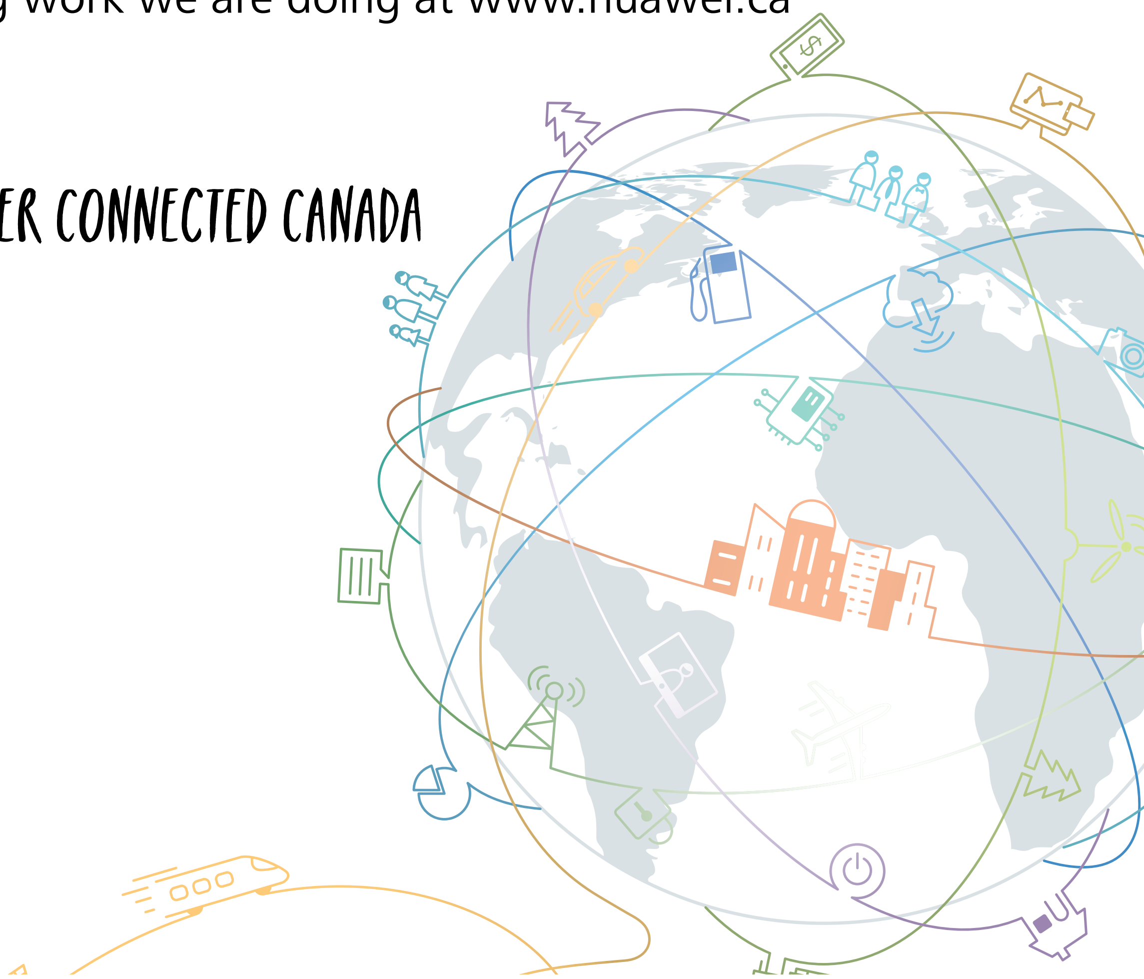

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