

**WINTER SPORTS
A RALLY CALL**

Chris Freimond and
Randall Mang
p.4

**BRI
OPPORTUNITIES
FOR CANADA**

Howard Lin
p.39

**HEALTHCARE
CHINA'S CARE ECONOMY**

A. Weiling Lee
p.62

**DIVERSIFICATION
WHEN CHINA BECOMES
CANADA'S #1**

Peter Hall
p.78

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2018-2019

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WINTER SPORTS: EXPORTING CANADIAN EXPERTISE





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CONTENTS



04 A Rally Call

09 Appel au ralliement

14 一场拉力赛

CHRIS FREIMOND AND RANDALL MANG

18 China's New Financial Sector Reforms

21 中国金融业新改革

JENNIFER REYNOLDS

24 Canadian Business Partnerships with Chinese State-Owned Enterprises

29 Partenariats entre entreprises canadiennes et sociétés d'État chinoises

GORDON HOULDEN

35 CCBC's Canada Day Birthday Fair

39 The Belt and Road Initiative: Opportunities for Canada

43 Initiative la ceinture et la route : des occasions pour le Canada

HOWARD LIN

48 Canada-China Year of Tourism

52 Année du tourisme Canada-Chine

DAVID F. GOLDSTEIN

56 CCBC's Canada-China Business Excellence Awards

62 China's Care Economy: A Growing Export Opportunity for Canadian Women Entrepreneurs

A. WEILING LEE

68 How E-commerce Truly is Everywhere in China

STEWART KIFF

70 CCBC's 40th Anniversary

SARAH KUTULAKOS, JAMES D. POBOSA, AND DEANNA HORTON

74 Setting Up Your Business in China

JACK WU

78 When China Becomes Canada's #1

81 Quand la Chine sera le #1 du Canada

84 当中国成为加拿大的首选市场

PETER HALL

87 Year in Review



Canada China Business Council
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The Canada China Business Council (CCBC) is the country's Canada-China authority. Through its events and member services, CCBC actively demonstrates its position as a leading bilateral, knowledgeable, and connected organization in Canada-China business relations. Founded in 1978 as a private, non-profit business association, CCBC provides unparalleled insight into bilateral business, trade, and investment issues and develops connections that ensure its members' business success. In addition to its focused and practical services, CCBC is also the voice of the Canadian business community on issues affecting Canada-China business, trade, and investment.

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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 CCBC, please visit **CCBC.com**.

Canada-China 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, such as e-commerce, finance, legal matters, education, tourism, and policy. 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 **CCBC.com**.

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WELCOME TO CCBC'S 2018-2019 *BUSINESS FORUM MAGAZINE*

In honour of CCBC's 40th anniversary, this year's edition of *Business Forum Magazine* (BFM) covers the past, the present, and the future.

Our lead story covers both the present and the future. It reveals the immediate potential of one of Canada's greatest exports: our expertise in winter sports. *A Rally Call* by Chris Freimond and Randall Mang highlights the emphasis China is placing on sports.

China is also expanding its reach to countries all over the world and inviting them to collaborate in the mammoth Belt and Road Initiative (BRI). This provides an opportunity for Canadian businesses to get in on the ground floor of an unprecedented project destined to change globalization. Dr. Howard Lin's article on the BRI discusses what you need to know and what you need to do to secure your position as a player in the BRI.

Peter Hall of Export Development Canada covers the future. In his article, *When China Becomes Canada's #1*, he discusses the business case for Canadian companies to put more eggs in China's basket. He provides statistics stating that in slightly over 25 years, Canada will be exporting as much to China as the US, and it's time for business leaders to give serious attention to their China strategy.

CCBC's Executive Director, Sarah Kutulakos, takes us through the past and provides a retrospective on CCBC's 40 years and how we have evolved over the past four decades.

I'd like to thank all the contributors to the magazine for their insightful articles, and the sponsors of CCBC's 40th AGM Business Forum. It's my intention that the articles in the BFM will provide insight into how we got to where we are today and the many opportunities that lie ahead for Canada-China business. I hope you enjoy this year's *Business Forum Magazine*.



Laurie Wilhelm

Editor-in-Chief



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A RALLY CALL

Team Canada's chance to score big in China's emerging winter sports sector

by Chris Freimond and Randall Mang

The Chinese government estimates the country's winter sports industry will be worth US\$160-billion by 2025, driven largely by the 300 million people Chinese President Xi Jinping wants to see participating in winter sports by 2022.



When the Vancouver Canucks and the Los Angeles Kings stepped onto the ice in Shanghai in September 2017 for the first-ever National Hockey League pre-season game in China, the showdown represented far more than just an exhibition match for curious local spectators. That game, and another match between the same teams two nights later in Beijing, was a clear affirmation of the NHL's commitment to expand its footprint into the world's largest untapped market for hockey. With China scheduled to host the Olympic Winter Games in 2022, the NHL is not the only business enterprise looking to capitalize on what is expected to be an explosion of winter sports interest in China.

Canada's expertise in organizing the 2010 Games in Vancouver as well as our nation's decades of experience in building and equipping winter sports facilities, winter sports marketing and promotion, product design and manufacturing, and athlete training well positions Canada to capitalize on what is poised to become a massive winter sports market.

While Canadian companies, coaches and consultants are already active in helping China prepare for the 2022 Games, it's what comes after 2022 that holds the most promise for Canada.

The Chinese government estimates the country's winter sports industry will be worth US\$160-billion by 2025, driven largely by the 300 million people Chinese President XI Jinping wants to see participating in winter sports by 2022.

"That's quite an ambition and a wonderful opportunity for Canada to be a partner and a good friend in achieving that ambition," says former Governor General of Canada, the Right Honourable David Johnston, who led a government and private sector delegation to China while still in office in July 2017. The long-term political, cultural and business benefits of Canada helping China achieve its winter sports goal by 2022 are considerable, he adds.

Canadian Justin Downes, president of Axis Leisure Management, a leading leisure and hospitality consultancy headquartered in Beijing with offices in Beijing, Hong Kong, Mumbai, and Vancouver, says the impact of the Games is already being seen in the growth of winter sport facilities across the country. More than \$15-billion worth of outdoor ski areas and \$8-billion in indoor ski/snowplay facilities are planned or under construction. He states that hockey is also seeing rapid growth with leagues emerging across the country. Among the developments, more than 1,000 rinks are expected to be in play by 2022.

“Everything to do with sport, leisure, wellness, lifestyle and tourism is on the rise. Winter sports were becoming trendy even before China was awarded the 2022 Games. The win has absolutely cemented this,” says Downes, adding that China will do all it can to put athletes on the podium in 2022, and success at the Games will drive even more people to winter sports.

It’s that momentum, and the growing demand among Chinese consumers for high-quality and high-value experiences, that are spurring developers to innovate and upgrade, he adds.

Downes says Canada’s brand is highly regarded in China, and that gives Canadian companies, coaches and athletes an added advantage. For example, Canadian elite sports teams and individuals would be easily marketable in China, and Canadian expertise would suit a wide range of emerging businesses including management of venues and facilities, sports medicine and rehabilitation, branding and licensing and offshore tourism.

Canada’s high-profile hockey expertise is already paying dividends for organizations like the China Hockey Group (CHG). Founded by a group of Canadians in Hong Kong who also own the Coquitlam Express, a British Columbia Hockey League Junior A team, the group has developed several programs and community initiatives throughout Asia.

Dominique Tessier, spokesperson for the Department of Canadian Heritage, says as the popularity of winter sports continues to grow in China, there will be opportunities for Canadian companies involved in businesses such as equipment sales, sports infrastructure construction and management, and sports training.

“Growth will not be limited to these areas,” she adds. “Parallel sectors, such as sports tourism, may also experience growth. Opportunities available in the Chinese market will continue to grow and evolve, and Canadian companies should continue to monitor developments in their sector.” Turning the opportunities into realities calls for investment of both time and energy, says Tessier.

“It requires companies to know their fields, find the correct contacts and to conduct due diligence,” she says.

CHG hockey consultant Mark Simon had a career in banking in Canada before moving to China 12 years ago. For the past 10 years, he has worked as a coach, manager and consultant for Chinese hockey teams. “CHG strives to import Canadian hockey experience to the region to develop great hockey foundations, give kids a fun experience on the ice, and teach them the values of teamwork and sportsmanship,” he says. He believes hockey, as a team sport, has a strong advantage in China’s winter sports sector because having their children play

a team sport is important to Chinese parents. CHG’s efforts reflect a growing interest in winter sports in China and an opportunity, beyond hockey, to develop a culture of playing outside in winter.

“I would love to see many Canadian businesses and entrepreneurs involved in all aspects of business — from developing ski hills and ice rinks to marketing ski equipment and ice-making machines.”

The Right Honourable David Johnston

Apart from CHG’s presence, several Canadian hockey coaches are now operating in Beijing, Shanghai, Shenzhen, and Hong Kong. Additionally, Edmonton’s Marcel Rocque coached Chinese curling teams in the 2014 and 2018 Olympic Winter Games.

The Canadian company CTC Ice & Snow has also been active in Asia, including China, for 15 years and has constructed ice rinks and other winter sport infrastructure throughout the region. Another Canadian company, Can Life Sports and Entertainment, has been active organizing hockey events in China since it was created in 2011.

Despite the success of these and other organizations, building China’s winter-sport culture from scratch will nevertheless be a challenge and require diligence. NHL executive vice president of Media & International Strategy, David Proper, says the league’s goal is to support the growth of hockey in China by focusing on achieving incremental successes.



“We know it’s critical that we remain patient during this process. The commitment of the government and local business in building rinks and developing a hockey infrastructure has been nothing short of amazing,” he says. “Our job is to support that effort and lend our expertise as requested.”

Last year’s pre-season games, and two more this past September, brought NHL hockey to fans who already appreciate the game as well as introducing NHL hockey to a new audience, adds Proper. “We were definitely pleased with how we were received in China,” he says. “However, there is still a long way to go.”

Downes says to turn opportunities into reality in China, Canada needs to do even more to consolidate its resources and develop a targeted program to promote

Canadian winter sports brands and initiatives. “European nations are Canada’s biggest threat in China,” he remarks. “They are selling themselves collectively as countries, regions and clusters and have the visible support of their government representatives in China, and from all levels of government back home. Canada needs a similar approach: a collective initiative that offers Chinese companies a ‘package’ to underwrite opportunities.”

Despite international competition, he believes Canada has a significant advantage when it comes to doing business in China. “The Chinese say Canadians are easier to understand and nicer to do business with, and the Chinese government has a very positive relationship with the Canadian government. China also sees Canada as a leader—if not *the*

leader—in winter sport expertise,” says Downes.

Johnston, who captained the Harvard University varsity hockey team during his studies in the early 1960s, agrees, adding that Canadian expertise and experience across a wide range of winter sports add to our strengths in building winter sports partnerships in China. He also points to a “very good people-to-people relationship” between Canada and China dating back nearly 70 years, when Canada was one of the first countries to recognize the People’s Republic of China.

“I would love to see many Canadian businesses and entrepreneurs involved in all aspects of business — from developing ski hills and ice rinks to marketing ski equipment and ice-making machines,” adds Johnston.

WINTER SPORTS

Simon believes Canadians need to be “smart and strategic” in developing relationships with sports business partners in China. “They need to build bridges and share knowledge and experience. For example, start a program of sister schools or sister youth sports clubs and associations, which is something that professional sports clubs and associations have done very successfully,” adds Simon.

During Johnston’s official visit as Governor General of Canada in 2016, three memoranda of agreement were signed, one on winter sports cooperation between Sports Canada and the Chinese General Administration of Sport, and two commercial agreements related to winter sport infrastructure and equipment.

A memorandum of understanding was also signed by Hockey Canada, the Canada 2022 Group and the Beijing Cultural Investment and

Development Group on a capacity building program in hockey development.

The challenge now is to ensure these agreements are fully implemented.

“I see the diplomacy of knowledge and sports as an entrée to many other arrangements,” says Johnston. “But to capture that romantic dream we need to do the work on the ground. We need to take the agreements signed in 2016 to the next stage. We all want to help the Minister of International Trade Diversification, the Minister of Sports, and Global Affairs Canada seize these opportunities and act in very concrete ways.”



CHRIS FREIMOND is a Vancouver-based writer. As a journalist, he reported on politics and business in Southern Africa for 20 years.



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APPEL AU RALLIEMENT

Une occasion pour Équipe Canada de remporter gros dans le secteur émergent des sports d'hiver en Chine

par Chris Freimond et Randall Mang

Le gouvernement chinois estime que son industrie des sports d'hiver aura une valeur de 160 milliards de dollars américains d'ici 2025, en grande partie grâce aux 300 millions de personnes que le président chinois, Xi Jinping, compte voir pratiquer des sports d'hiver d'ici 2022.

Lorsque les Canucks de Vancouver et les Kings de Los Angeles se sont présentés sur la glace à Shanghai en septembre 2017, à l'occasion du tout premier match préparatoire de la Ligue nationale de hockey (LNH) en Chine, la confrontation était bien plus qu'une simple rencontre hors saison destinée aux spectateurs curieux de la région. Ce match, ainsi que celui qui s'est déroulé entre les mêmes équipes deux jours plus tard à Beijing, confirmait l'engagement de la LNH à étendre sa présence dans le plus grand marché inexploité du monde du hockey. Comme la Chine doit accueillir les Jeux olympiques d'hiver en 2022, la LNH n'est pas la seule entreprise qui cherche à tirer profit de ce qui risque d'être une avalanche d'intérêt pour les sports d'hiver chez les Chinois.

L'expertise démontrée par le Canada lors de l'organisation des Jeux de 2010 à Vancouver, de même que les décennies d'expérience de notre pays en construction d'installations de sports d'hiver et en équipements connexes, en marketing et en promotion en matière de sports d'hiver, en conception et en fabrication de produits, ainsi qu'en formation des athlètes placent le Canada dans une bonne position pour exploiter le marché des sports d'hiver, en voie de prendre de l'expansion.

Bien que les entreprises, les entraîneurs et les consultants du Canada aident déjà activement la Chine à se préparer pour les Jeux de 2022, c'est ce qui suivra qui est le plus prometteur pour notre pays.

Le gouvernement chinois estime que son industrie des sports d'hiver aura une valeur de 160 milliards de dollars américains d'ici 2025, en grande partie grâce aux 300 millions de personnes que le président chinois, XI Jinping, compte voir pratiquer des sports d'hiver d'ici 2022.

« C'est un projet assez ambitieux, et le Canada a une incroyable occasion d'y participer en tant que partenaire et ami », affirme l'ancien gouverneur général du Canada, le très honorable David Johnston, qui a mené une délégation du gouvernement et du secteur privé en Chine alors qu'il était encore en poste, en juillet 2017. Il ajoute que les avantages à long terme que le Canada retirera sur le plan de la politique, de la culture et des affaires en aidant la Chine à réaliser son objectif de sports d'hiver d'ici 2022 sont considérables.

Selon le Canadien Justin Downes, président d'Axis Leisure Management, un chef de file des services-conseils en matière de loisirs et d'hébergement dont le siège social se trouve à Beijing et qui compte des bureaux à Beijing, à Hong Kong, à Mumbai et à Vancouver, les répercussions

des Jeux se font déjà sentir. En effet, les installations de sports d'hiver sont en croissance partout au pays. Des domaines skiables extérieurs d'une valeur de plus de 15 milliards de dollars ainsi que des installations de ski intérieures de 8 milliards sont prévus ou en cours de construction. M. Downes déclare que le hockey affiche également une croissance rapide, notamment grâce à l'émergence de nouvelles ligues à l'échelle nationale. Entre autres développements, plus de 1 000 patinoires devraient être en place d'ici 2022.

« Tout ce qui a trait aux sports, aux loisirs, au bien-être, au style de vie et au tourisme prend de l'essor. La tendance des sports d'hiver était née avant même que les Jeux de 2022 ne soient attribués à la Chine, mais c'est ce qui l'a consolidée. », poursuit M. Downes. Il ajoute que la Chine fera tout ce qu'elle peut pour voir ses athlètes accéder au podium en 2022 et qu'un succès lors des Jeux attirera encore plus de nouveaux amateurs de sports d'hiver.

C'est cet élan, combiné à la demande croissante des consommateurs chinois pour des expériences à valeur ajoutée de qualité, qui pousse les développeurs vers l'innovation et la modernisation, selon lui.

M. Downes affirme que la marque du Canada est bien vue en Chine et que cette perception donne un avantage de plus aux organisations, aux entraîneurs et aux athlètes canadiens. Par exemple, il serait facile de faire la promotion d'équipes sportives ou d'athlètes d'élite du Canada en Chine. De plus, le savoir-faire canadien conviendrait à un vaste éventail d'entreprises émergentes, y compris en gestion des lieux et des installations, en médecine sportive et en réhabilitation, en stratégie de marque, en concession de licence et en tourisme à l'étranger.

La célèbre expertise du Canada dans le domaine du hockey permet déjà à des organisations comme le China Hockey Group (CHG) rapporte déjà gros. Fondé par des Canadiens de Hong Kong qui possèdent également le Coquitlam Express, une équipe de hockey junior A de Colombie-Britannique, ce groupe a mis sur pied plusieurs programmes ainsi que des initiatives communautaires un peu partout en Asie.

Dominique Tessier, porte-parole du ministère du Patrimoine canadien, déclare qu'à mesure que la popularité des sports d'hiver croît, les entreprises canadiennes œuvrant dans des secteurs comme la vente d'équipement, la construction et la gestion d'infrastructures sportives ainsi que l'entraînement sportif auront accès à un nombre grandissant d'occasions d'affaires.



« La croissance ne se limitera pas à ces domaines, ajoute-t-elle. Des secteurs parallèles, comme le tourisme sportif, peuvent également en bénéficier. Les occasions offertes sur le marché chinois continueront de croître et d'évoluer, et les organisations canadiennes doivent poursuivre leur veille des développements dans ce secteur. » Mme Tessier soutient que pour transformer les opportunités en réalité, il faut investir à la fois du temps et de l'énergie.

« Les entreprises doivent maîtriser leur domaine, trouver les bonnes personnes-ressources et faire preuve de diligence raisonnable », déclare-t-elle. Elle suggère aux sociétés canadiennes de faire appel au Service des délégués commerciaux pour obtenir des renseignements sur le terrain et des conseils pratiques et ainsi mieux s'y retrouver sur le marché chinois.

Mark Simon, un consultant en hockey de CHG, poursuivait une carrière dans le secteur bancaire avant de quitter le Canada pour la Chine, il y a douze ans. Au cours des dix dernières années, il a travaillé comme entraîneur, gérant et consultant pour des équipes de hockey chinoises. « CHG cherche à importer l'expérience canadienne en hockey dans la région afin d'y implanter de solides bases, d'offrir une expérience agréable aux jeunes sur la glace et de leur enseigner l'esprit d'équipe et sportif », explique-t-il. Il a la conviction que le hockey jouit d'un solide avantage dans le secteur des sports d'hiver en Chine puisque les parents chinois trouvent important que leur enfant pratique un sport d'équipe. Les efforts de CHG reflètent un intérêt grandissant pour les sports d'hiver en Chine et une occasion, qui n'est pas restreinte au hockey, d'établir

une culture axée sur l'importance de jouer à l'extérieur en hiver.

En plus des membres de CHG, plusieurs entraîneurs de hockey canadiens travaillent actuellement à Beijing, Shanghai, Shenzhen et Hong Kong. De plus, Marcel Rocque, originaire d'Edmonton, a entraîné les équipes chinoises de curling lors des Jeux olympiques d'hiver de 2014 et de 2018.

L'entreprise canadienne CTC Ice & Snow est également active en Asie, y compris en Chine, depuis quinze ans. Elle a construit des patinoires et d'autres infrastructures de sports d'hiver dans l'ensemble de la région. Une autre organisation canadienne, Can Life Sports and Entertainment, organise des événements de hockey en Chine depuis sa fondation en 2011.

Malgré le succès de ces entreprises et de plusieurs autres, la mise en place d'une culture de sports d'hiver en Chine représentera néanmoins un défi qui exigera de la rigueur. David Proper, le vice-président exécutif de la LNH en matière de média et de stratégie internationale, affirme que l'objectif de la ligue est de soutenir la croissance du hockey en Chine en atteignant des succès progressifs.

« Nous savons qu'il est crucial de rester patients tout au long de ce processus. L'engagement qu'ont pris le gouvernement et les entreprises locales à bâtir des patinoires et à développer des infrastructures de hockey est tout simplement extraordinaire, dit-il. Notre rôle est d'appuyer cet effort et d'offrir notre expertise au besoin. »

M. Proper ajoute que les matchs préparatoires de l'année dernière et deux autres qui ont eu lieu au mois de septembre dernier ont non seulement permis à des amateurs qui apprécient déjà ce sport d'assister à un match de la LNH, mais également de présenter le hockey de la LNH à un nouveau public. « Nous sommes assurément heureux de l'accueil qui nous a été réservé en Chine, renchérit-il. Il reste toutefois beaucoup de chemin à parcourir. »

Selon M. Downes, pour atteindre le succès en Chine, le Canada doit fournir encore plus d'efforts pour consolider ses ressources et élaborer un programme ciblé visant à promouvoir les marques et les initiatives canadiennes de sports d'hiver. « Les nations européennes constituent la principale menace pour le Canada en Chine, fait-il remarquer. Elles vendent leurs services ensemble, en tant que pays, régions et grappes d'entreprises, en plus d'avoir le soutien visible de leurs représentants gouvernementaux en Chine et de tous les paliers de gouvernement locaux. Le Canada doit adopter une approche similaire, à savoir une initiative collective qui offre aux organisations chinoises une "trousse" pour entériner les occasions d'affaires. »

En dépit de la concurrence internationale, il croit que le Canada possède un avantage considérable sur le plan des affaires en Chine. « Les Chinois trouvent qu'il est facile de comprendre les Canadiens et qu'il est agréable de faire des affaires avec eux, et le gouvernement de Chine a de très bonnes relations avec celui du Canada. De plus, la Chine voit le Canada comme un chef de file, si ce n'est pas le chef de file, dans le domaine des sports d'hiver. », déclare M. Downes.

M. Johnston, qui a été capitaine de l'équipe de hockey de l'Université Harvard pendant ses études au début des années 1960, est d'accord avec cette affirmation. Il



ajoute que l'expertise et l'expérience du Canada dans divers sports d'hiver constituent d'autres forces qui nous aident à établir des partenariats dans ce domaine en Chine. Il souligne par ailleurs qu'une « excellente relation » lie les peuples canadiens et chinois depuis près de 70 ans, alors que le Canada a été l'un des premiers pays à reconnaître la République populaire de Chine.

« J'aimerais qu'un grand nombre d'entreprises et d'entrepreneurs canadiens prennent part à tous les aspects de ce partenariat, qu'il s'agisse de développer des monts de ski et des patinoires, ou encore de commercialiser de l'équipement de ski et des machines à glace », poursuit-il.

M. Simon, pour sa part, croit que les Canadiens doivent faire preuve d'intelligence et de stratégie pour établir des relations avec des partenaires commerciaux en Chine. « Ils doivent bâtir des ponts et partager leurs connaissances ainsi que leur expérience. Cela pourrait par exemple passer par la mise en place d'un programme de jumelage d'écoles, ou de clubs ou associations de sports pour jeunes, ce qui a déjà eu beaucoup de succès par le passé. », ajoute-t-il.



Pendant la visite officielle de M. Johnston en tant que gouverneur général du Canada en 2016, trois protocoles d'entente ont été signés. L'un portait sur la coopération dans le domaine des sports d'hiver entre Sport Canada et l'Administration générale d'État du sport de la Chine, tandis que les deux autres étaient des ententes commerciales portant sur l'infrastructure et l'équipement des sports d'hiver.

Un autre protocole d'entente a également été signé par Hockey Canada, le groupe canadien des Jeux de 2022 et le Beijing Cultural Investment and Development Group concernant un programme de renforcement des capacités en hockey.

À l'heure actuelle, le défi consiste à s'assurer que ces ententes sont entièrement mises en œuvre.
« Pour moi, la diplomatie en matière

de connaissances sportives sert de préambule à de nombreuses autres ententes, avance M. Johnson. Nous devons cependant fournir des efforts concrets pour que ce rêve devienne réalité. Il faut amener les ententes signées en 2016 à l'étape

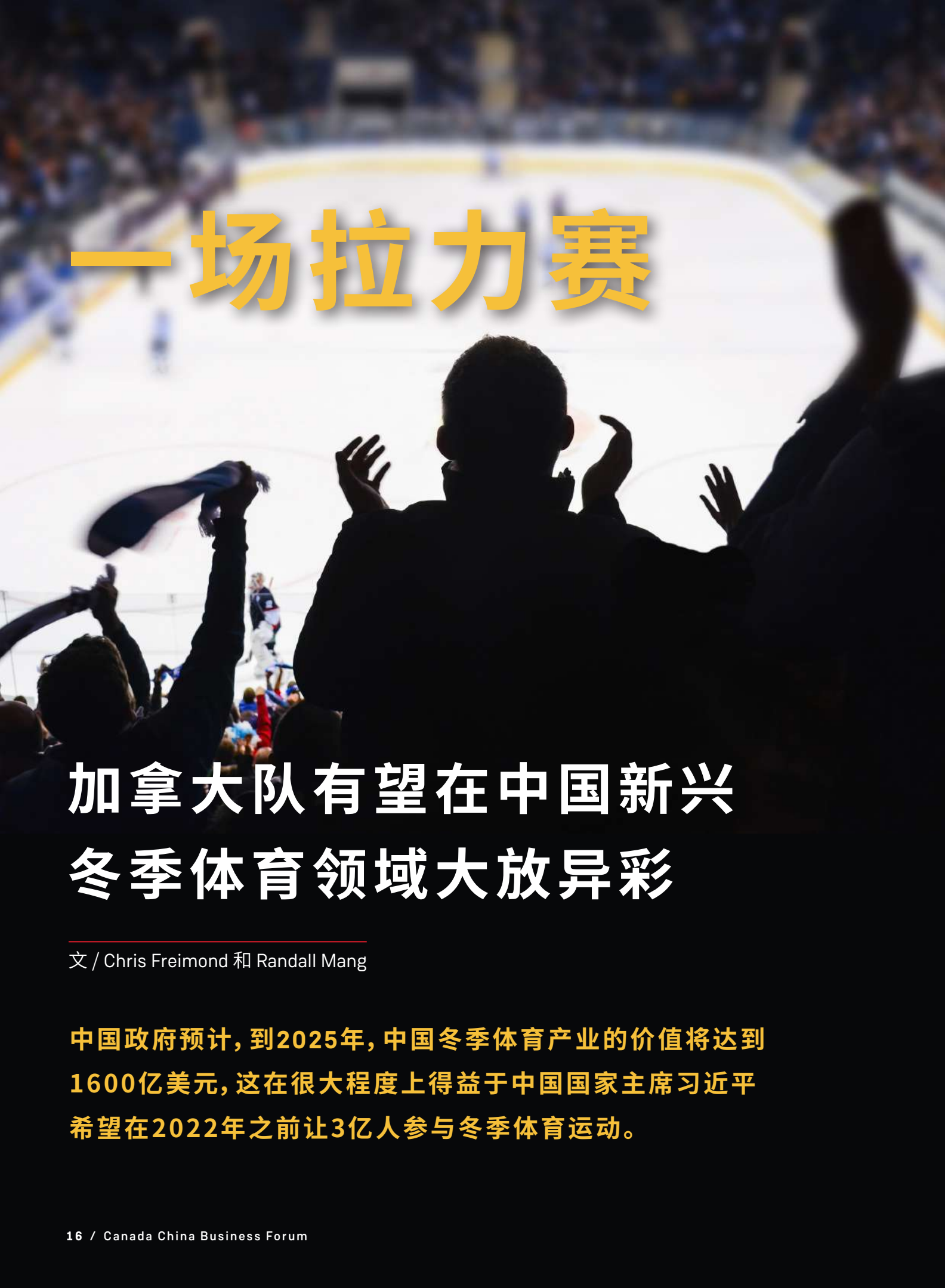
suivante. Nous souhaitons tous aider le ministre de la Diversification du commerce international, le ministre des Sports ainsi qu'Affaires mondiales Canada à saisir ces occasions et à y donner suite dans la pratique. »



CHRIS FREIMOND est un écrivain de Vancouver. Il a fait des reportages sur la politique et les affaires en Afrique du Sud pendant 20 ans, en tant que journaliste.



RANDALL A. MANG est fondateur et président de Randall Anthony Communications inc., un fournisseur de services qui compte parmi ses clients le Globe and Mail, HSBC, le magazine Exportateursavertis.ca d'Exportation et développement Canada et plusieurs autres organisations.



一场拉力赛

加拿大队有望在中国新兴 冬季体育领域大放异彩

文 / Chris Freimond 和 Randall Mang

中国政府预计，到2025年，中国冬季体育产业的价值将达到1600亿美元，这在很大程度上得益于中国国家主席习近平希望在2022年之前让3亿人参与冬季体育运动。

2017年9月，温哥华加人队和洛杉矶国王队在上海举行了中国首场北美职业冰球联赛季前赛，这不仅是一场带给当地球迷的表演赛。这场比赛，以及两日后在北京举行的同两支球队的另一场比赛，更加明确证明了北美冰球联盟（简称NHL）致力于开拓全球最大未开发冰球市场的决心。自中国成功申办2022年冬奥会以来，NHL并不是唯一一家希望利用中国对冬季运动兴趣激增的商业企业。

加拿大在温哥华举办的2010年冬奥会中展示了其专业能力，以及加拿大在建设和装备冬季运动设施、冬季运动市场推广、产品设计与制造和运动员训练等方面的数十年经验，使得加拿大可以充分利用其优势抓住这次进军冬季运动市场的机会。

虽然目前加拿大公司、教练和咨询顾问正在积极的帮助中国为2022年冬奥会做准备，但在2022年之后，加拿大将在冬季运动市场拥有最大的潜力。

中国政府预计，到2025年，中国冬季体育产业的价值将达到1600亿美元，这在很大程度上得益于中国国家主席习近平希望在2022年前让3亿人参与冬季体育运动。

加拿大前总督David Johnston阁下在2017年7月任职期间，率领政府和私营部门代表团访华时表示：“这是一个远大的目标，也是加拿大成为中国合作伙伴的绝佳机会。”他还补充说，加拿大帮助中国在2022年实现冬季运动目标，其长期政治、文化和商业利益是相当可观的。

公司总部位于北京，在北京、香港、孟买和温哥华都设有办事处的领先休闲和酒店咨询公司天轴商务管理咨询有限公司总裁，加拿大人唐金（Justin Downes）表示，冬奥会的影响已经体现在全国各地冬季运动设施的增长上。超过150亿美元的户外滑雪场和80亿美元的室内滑雪/雪上设施正在规划或建设中。他指出，随着全国各地联盟的涌现，冰球也在迅速发展，预计到2022年将有1000多个溜冰场投入使用。

“与体育、休闲、健康、生活方式和旅游相关的一切需求都在增加。在中国获得2022年奥运会主办权之前，冬季运动已经成为一种时尚。”唐金还表示，中国将尽一切努力让运动员在2022年登上领奖台，奥运会的成功将促使更多的人投身冬季运动。

他补充：正是这种势头，以及中国消费者对高质量、高价值体验的需求不断增长，促使开发商进行创新和升级。

唐金表示，加拿大的品牌在中国备受推崇，这为加拿大公司、教练和运动员提供了额外的优势。例如，加拿大精英运动队和个人在中国市场很吃香，而且加拿大的专业知识广泛适用于各种新兴业务，其中包括场地和设施管理、运动医学和康复、品牌、许可，以及境外游。

加拿大备受瞩目的冰球专业知识已经为中国冰球集团（China Hockey Group，简称CHG）等类似组织带来了福利。CHG是由一群加拿大人在香港创立了一个高贵林快车队（Coquitlam Express），

这是不列颠哥伦比亚省冰球联盟青年A队。该小组在整个亚洲开展了多项计划和社区活动。

加拿大文化遗产部发言人Dominique Tessier表示随着冬季运动在中国的普及，加拿大公司将有机会参与设备销售，体育基础设施建设和管理以及体育培训等业务。

“增长不仅限于这些领域，体育旅游等平行行业也可能出现增长。中国市场上的机遇将继续增长和演变，加拿大公司应继续关注其行业的发展。”Tessier女士还补充说，将机遇转化为现实需要更多的时间和精力。

她表示：“这要求企业了解自己的领域，找到正确的方式，并进行调查。”

CHG冰球顾问Mark Simon曾在加拿大的银行业工作，12年前搬到中国。在过去的10年里，他一直担任中国冰球队的教练，经理以及顾问。他表示：“CHG致力于将加拿大的冰球体验引入中国，以开发优秀的冰球选手，让孩子们在冰上享受有趣的体验，并教会他们团队合作和体育精神的价值观，”他认为冰球作为一项团队运动，在中国冬季运动领域具有很强的优势，毕竟中国父母非常重视让孩子参加团队运动。CHG的努力反映了中国人对冬季运动的兴趣日益浓厚，以及借助冰球发展冬季户外运动文化的机会。

除了CHG，一些加拿大冰球教练现在也在北京、上海、深圳和香港开展业务。此外，埃德蒙顿的Marcel



Rocque在2014年和2018年冬奥会上执教过中国冰壶队。

加拿大的西姆科冰雪体育文化有限公司在亚洲,包括中国在内,活跃了15年,并在整个地区建造了溜冰场和其他冬季运动基础设施。另一家加拿大公司,加力体育咨询有限公司自2011年成立以来一直积极组织中国的冰球赛事。

尽管这些组织已经取得了成功,但从零开始构建中国的冬季运动文化仍然是一项挑战。NHL的媒体与国际战略执行副总裁David Proper表示,联盟的目标是通过专注于实现渐进式成功来支持中国冰球的发展。

“在这个过程中,耐心是非常重要的。政府和当地企业在建造溜冰场和发展冰球基础设施方面的工

作简直太棒了,”他说,“我们要做的是支持这项工作,并按照他们的需求提供我们的专业知识。”

他补充说,去年的季前赛以及今年9月的两场比赛让那些冰球迷以及新观众关注到这项运动。“我们对在中国获得的机会感到非常满意。但是,我们还有很长的路要走。”

唐金表示,在中国,想要将机遇变为现实,加拿大还需要做很多工作来巩固其资源,并制定有针对性的计划来推广加拿大冬季运动的品牌和倡议。“欧洲国家是加拿大在中国面临的最大威胁,他们以国家、地区和团队的身份集体推销自己,并得到了各级政府以及他们在中国的政府代表的大力支持。加拿大需要类似的集体行动,为中国企业提供一系列计划。”

尽管面临国际竞争,但他相信,加拿大在中国做生意拥有显著优势。唐金表示:“这是因为中国人认为与加拿大人的沟通更为顺畅,合作也更加友好,更重要的是,中国与加拿大政府间始终保持着非常积极的外交关系,中国也将加拿大视为冬季运动专业领域的领导者。”

Johnston在20世纪60年代早期学习期间担任过哈佛大学冰球队队长,他表示:“加拿大在各种冬季运动方面的专业知识和经验增加了我们在中国建立冬季运动伙伴关系的优势。”他还指出,加拿大和中国之间的“友好关系”可追溯到近70年之前,当时加拿大是最早承认中华人民共和国的国家之一。

Johnston补充道:“我希望看到更多加拿大企业和企业家参与到冬季运动商业的各个方面——从开



“David Johnston阁下说：

我希望看到更多加拿大企业和企业家参与到冬季运动商业的各个方面——从开发滑雪场和溜冰场到销售滑雪设备和制冰机。”

发滑雪场和溜冰场到销售滑雪设备和制冰机。”

Simon认为，加拿大人在发展与中国体育商业合作伙伴的关系时，需要“智慧和战略”。他补充：“加拿大人需要搭建桥梁，分享知识和经验。例如，开办一个姊妹学校或姊妹青少年体育俱乐部和协会的项目，这是职业体育俱乐部和协会做得非常成功的事情。”在2016年Johnston作为加拿大总督的正式访问中国期间，签署了三份协议备忘录，一份是关于加拿大体育与中国国家体育总局之间的冬季体育合作，还有两份是与冬季运动基础设施和设备有关的商业协议。

此外，加拿大冰球协会(Hockey Canada)、加拿大2022集团(Canada 2022 Group)和北京市文化投资发展集团还签署了一份关

于冰球发展能力建设项目的谅解备忘录。

目前的挑战是确保这些协议得到充分执行。

Johnston说：“我认为知识和体育外交是其他项目的敲门砖。但要想实现这个目标，我们需要脚踏实地。我们要把2016年签署的协议推进到下一阶段。我们希望帮助国际贸易多样化部长、体育部长和加拿大国际事务部长抓住这些机会，并采取具体行动。”



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China's New Financial Sector Reforms

The Opportunity for Canadian Financial Institutions

by Jennifer Reynolds

Earlier this year at the Boao Forum for the Asia Annual Conference, President XI Jinping announced new measures to be launched in 2018 to accelerate the opening up of its financial sector. These included steps to remove foreign ownership restrictions for banks, financial asset management and securities companies, and increasing foreign access to the Chinese insurance industry. Today, many global banks have a footprint in China, including all of Canada's Big Five banks, but their penetration of the market remains extremely low, with a market share of only 1.3%. No doubt, the Canadian financial sector sees significant potential opportunity in expanding into the Chinese market yet, to date, challenges in the sector have hampered their growth.



Will this “opening up” provide the opportunity for Canadian financial institutions to take advantage of their presence in the market and drive a more significant percentage of Canada’s financial services foreign direct investment to China?

Bank of Montreal was the first Canadian bank to do business in China, as far back as 1818. Today, not only do all of Canada’s five largest banks have a footprint in China, several of our largest insurance companies have investments in joint ventures in the insurance and investment sectors. With the announcement in April, 2018, many are already making plans to increase their stakes in these joint ventures. Sun Life has announced its intention to increase its 25 per cent holding in its Chinese insurance joint venture

as a result of Beijing’s plan to lift the ownership cap to 51 per cent for foreign insurers. Likewise, Manulife has identified China as a significant growth opportunity for its Asian insurance, wealth asset management and retirement businesses.

A recent study by the C.D. Howe Institute ranked China as the top priority market, outside of North America, for a Canadian free trade deal from the perspective of the financial services sector. A Canada-China Free Trade Agreement, along with momentum in opening up the financial sector, could serve to increase trade and investment for banks’ business customers enabling them to benefit from bank products and services both domestically and in China. Canadian banks have already been taking advantage of the Chinese

government’s policy of financial market liberalization in recent years which has enabled them to serve a broad array of Canadian and Chinese businesses. However, the percentage of overall Canadian financial services foreign direct investment in China remains small.

A market of the size and rate of growth of China, a growing middle class, coupled with a nascent stage of development and penetration in financial services products and services represents a tremendous opportunity for Canadian financial services institutions. Like the rest of China’s economy, its financial services sector is being transformed and, with this opening up, should provide a fertile investment environment. Having said that, history has shown that there



are challenges that are hard to surmount: competition from Chinese incumbents with political clout, capital controls, under-developed financial markets, combined with growing competition from non-bank firms such as ANT Financial (spinoff of Alibaba), to name a few. Other issues which will need to be addressed in order for foreign financial institutions to fully seize this market opportunity include the strengthening of China's regulatory infrastructure and competition regime, and successfully managed deleveraging measures.

Despite the challenges, the potential opportunity for Canadian financial institutions to capitalize on this "new phase of opening up" in China's financial sector could be significant. Canadian institutions have established presences in the market and a growing pool of talent and expertise. Chinese banks are also extending their presence to Canada, with all of China's Big Five

Banks present with either branches or subsidiaries: Industrial and Commercial Bank of China, Bank of China (Canada), China Construction Bank, Agricultural Bank of China, and Bank of Communications. Successfully developing financial services investment and trade not only presents an opportunity for the financial services industry but could also serve to support greater investment and trade in other sectors of the Canadian economy.

At a time when Canada is seeking opportunities to diversify trade, the potential to increase Canadian financial services foreign direct investment in China is certainly a welcome development. Despite the challenges involved with successfully penetrating the Chinese market, Canadian financial institutions are no doubt looking to capitalize on the groundwork they have laid as the investment landscape evolves in China.



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中国金融业 新改革

加拿大金融机构 的机遇

文 / Jennifer Reynolds





今年年初，习近平主席在博鳌亚洲论坛上宣布，2018年将推出新举措，以加快金融领域对外开放的步伐。其中包括取消银行、金融资产管理和证券公司对外资的所有权限制，以及增加外资进入中国保险业的机会。如今，包括加拿大五大银行在内的许多跨国银行都已在中国开展业务，但它们在中国的市场渗透率仍然极低，仅有1.3%的市场份额。毫无疑问，中国市场的巨大潜力已被加拿大金融行业认可，但该行业在中国曾面临的一系列挑战，也阻碍了它们的增长。

这种“开放”是否能为加拿大金融机构创造机会，使其在市场竞争中占据优势，增大其服务业对外直接投资在中国的比例？

早在1818年，满地可银行就作为首家进入中国，并在中国开展业务的加拿大银行。如今，不仅加拿大最大的五家银行都已在中国开展业务，同样，加拿大最大的几家保险公司，还对中国在保险和投资领域的合资企业进行了投资。自4月份宣布新举措之后，许多公司已经计划增加对这些合资企业的投资，以提高在其公司的股份。由于中国政府计划将外资保险公司的持股比例上限提高至51%，永明金融集团表示有意增持其在华合资保险公司25%的股份。同样，加拿大宏利金融股份有限公司也将中国的这次新举措视为其实现亚洲保险、财富资产管理和退休业务增长的一个重要机会。

加拿大知名的C. D. Howe Institute

研究所最近进行了一项研究，该研究将中国列为加拿大自由贸易协定中除北美之外金融服务业的首要市场。加中自由贸易协定以及开放金融业的助推，能够有效增加银行商业客户的贸易和投资，并使他们从加拿大和中国的银行产品和服务中受益。近年来，加拿大银行通过充分利用中国政府金融市场的开放政策，已经为加拿大和中国的众多企业提供了服务。然而，加拿大金融服务业对外直接投资在中国的总体比例仍然极低。

中国的市场规模和增长率、不断壮大的中产阶级人群，以及发展和渗透率都还处于初级阶段的金融服务业，为加拿大金融服务机构提供了巨大的机会。与中国经济的其他行业一样，中国的金融服务业正



在转型。随着这种对外开放政策实施，将会为我们提供一个可观的投资环境。话虽如此，历史已经表明，仍然会有一些难以克服的挑战存在：如那些金融市场不发达的具有政治影响力、资本控制的现有中国企业竞争，以及来自从阿里巴巴分离出来的蚂蚁金服等非银行企业日益加剧的竞争。为了让外国金融机构充分抓住这一市场机遇，还需要解决包括加强中国的监管基础设施和竞争机制，以及成功管理去杠杆化措施等一系列问题。

尽管面临诸多挑战，加拿大金融机构利用中国金融业“新对外开放阶段”的潜在机遇仍然是巨大的。加拿大金融机构已经在市场上建立了自己的地位，并且拥有越来越多的人才和专业知识储备。目前，

中国的银行也将业务扩展到了加拿大。中国的五大银行在加拿大均设立了分行，包括：中国工商银行、中国银行（加拿大）、中国建设银行、农业银行和交通银行。成功发展金融服务投资和贸易不仅为金融服务业提供了机会，而且为加拿大其他经济产业的投资和贸易提供了支持。

在加拿大寻求贸易多样化的机会之际，增加加拿大金融服务业在华对外直接投资的潜力无疑是一个可喜的发展。尽管成功打入中国市场面临诸多挑战，但随着中国投资格局的演变，加拿大金融机构无疑希望利用它们奠定其基础。



JENNIFER REYNOLDS 女士是多伦多金融国际 (TORONTO FINANCE INTERNATIONAL, 简称TFI) 的总裁兼首席执行官。她在金融服务行业工作了20年，曾在投资银行、风险资本和全球风险管理领域担任高级职位。在加入TFI之前，她曾担任加拿大最大的金融业女性行业协会和倡导组织——资本市场女性协会 (WOMEN IN CAPITAL MARKETS, 简称为WCM) 的总裁兼首席执行官。在2015年和2017年，REYNOLDS女士被评为女性执行网络 (WOMEN'S EXECUTIVE NETWORK) 加拿大最具影响力的女性：100强获奖者。



Canadian Business Partnerships with Chinese State-Owned Enterprises

by Gordon Houlden

Canada's relatively small population, vast territory, and low domestic savings rate has long made it a target of Foreign Direct Investment (FDI) from other countries—first the United Kingdom, and then the United States, the European Union, and Japan. Now, with its stellar economic rise and the commencement of large FDI flows overseas, China has become an alternative to which capital seeking Canadian firms can turn to for investment.

It is important to note that State-Owned Enterprises (SOEs) play a far more important role in the Chinese economy than is the case for Western market-based economies (although the Chinese private economy has for decades grown faster than their SOEs).

However, Chinese SOEs are not static. While they remain dominant in certain sectors of the Chinese economy (i.e. banking, energy, mining and heavy industry) there has been a reduction in the number of SOEs that are subject to China's Supervision and Administration Commission (SASAC). As well, approximately two thirds of the largest national SOEs are now listed on stock exchanges domestically and/or internationally. Most of these central SOEs are also engaged in diverse activities beyond their core businesses, although there are recent signs that the central government would prefer that SOEs stick to their respective niches. Notwithstanding their total or majority ownership by the Chinese government, Chinese SOEs are increasing their competitiveness amongst themselves as well as with private enterprises.

SOEs AND CANADA

Chinese FDI in Canada only began to achieve large-scale volume in 2005, with rapid growth from 2005-2016. The bulk of investment from the People's Republic of China (PRC) — 68% — has come from China's State-Owned Enterprises — SOEs. The reasons for this SOE dominance are several. However, one primary contributing factor is the plenitude of Chinese investment in raw materials and energy, sectors still predominantly occupied by SOEs in China. While private Chinese

investors have more recently risen to close this gap SOEs remain a significant potential source of capital for Canadian enterprises.

If Chinese SOEs are such a noteworthy source of capital for Canadian firms, what are the pros and cons of working with Chinese SOEs?

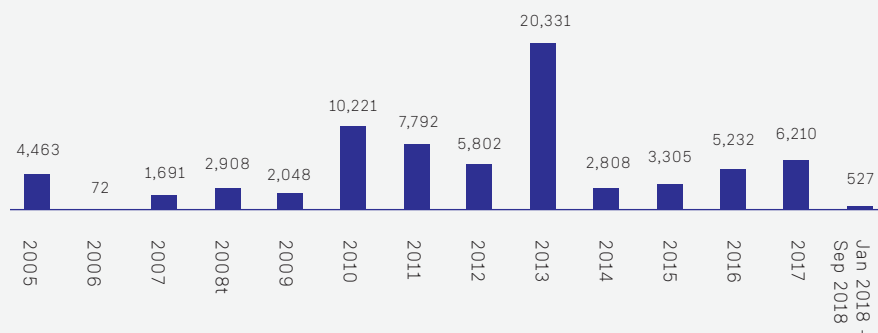
ADVANTAGES OF SOE PARTNERSHIPS FOR CANADIAN BUSINESS

Capital: Chinese SOEs have a ready supply of capital, in part due to their success in the Chinese domestic market, which is, along with India, the fastest growing large economy on earth but also because SOEs have privileged access to China's giant state banks (the world's four largest banks by total assets are Chinese SOEs).

Entry to China's Vast Internal Market: For Canadian small and mid-size enterprises, the scale of the China market can be daunting. Some Chinese provinces have populations and economies larger than most countries. SOE investment can provide the basis for Canadian companies to create business relationships and expand into China.

Global Reach: While the majority of the Chinese economy is driven by private-enterprises, SOEs dominate key sectors and still have a large lead in China's total overseas investments. A Canadian firm operating a joint venture may have advantages participating in China's domestic market and growing international presence.

CHINESE FDI IN CANADA IN MILLIONS \$ (2005-2018)



CHINESE GLOBAL FDI IN MILLIONS \$ (2005-2018)

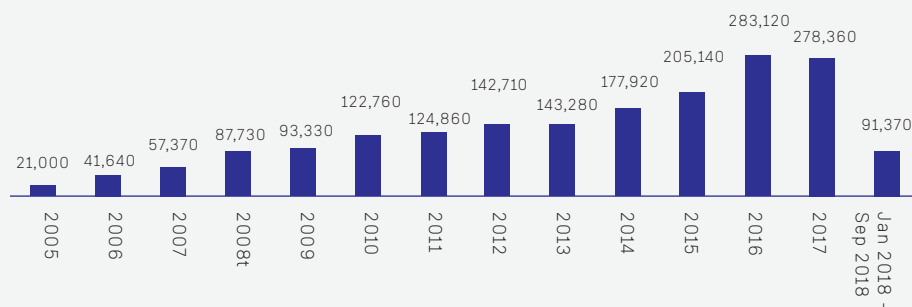


Figure 1

Source: China Institute University Alberta (CIUA) Investment Tracker and American Enterprise Institute (AEI) China Global Investment Tracker.

CHALLENGES OF SOE PARTNERSHIPS FOR CANADIAN BUSINESS

Scale: Just as the Chinese economy is nearly seven-and-a-half times that of Canada's, Chinese SOEs tend to be very large. The top four global banks are Chinese, and some Chinese SOEs have millions of employees. On the other hand, the heart to the Canadian economy consists of small and medium sized enterprises. Does this matter? Perhaps. Small to midsize Canadian firms may find themselves dominated by Chinese SOEs, as is sometimes the case with large corporations.

Business Culture: Canadian firms with an international dimension typically operate or sell in the U.S. market, which shares a common language with English Canada and has a business culture that is similar to Canada's. Likewise, Chinese SOEs are most comfortable in their own language, culture, and legal system. The gap between these two ways of doing business can interfere with the forging of profitable partnerships.

Competition: China is the number-one trading nation, and the world's primary workshop for a vast range of products. Because of this status and their manufacturing prowess some firms fear that large Chinese SOEs may present unmanageable competition.

Capitalization: Due to the extraordinary success of China's export-led model, the growth of China's internal market, and the ready access of Chinese SOEs to China's massive state-owned banks, Chinese SOEs typically have access to capital on very modest interest rates. This can help make deep-pocketed Chinese SOEs first-class partners for Canadian SMEs looking for partners with ready capital, but it also helps make Chinese SOEs highly competitive.

Political Dimension: China's SOEs are sometimes viewed with suspicion in the West, including Canada. This criticism is most intense when the SOE acquires an existing Canadian company, especially in the natural resource sector. The concerns tend to focus on the degree of control by the Chinese state and ruling party on the operations of SOEs. This is a complex issue. To be sure, Chinese SOEs do have a greater degree of oversight by the PRC authorities than would be the case in Canada (although not necessarily greater oversight than is the case for the handful of large Canadian SOEs such as Hydro Quebec or provincial liquor control boards).

Polling undertaken by the Asia Pacific Foundation of Canada and the China Institute clearly indicates that the Canadian public is uneasy regarding Chinese investment in Canada, and especially SOE investment. This sensitivity is greatest regarding investment in the natural resource sector. However, there are also signs that resistance to Chinese investment is declining.

CHINESE FDI IN CANADA BY OWNERSHIP (2005-2018)

YEAR	PRIVATE (\$)	STATE (\$)	UNKNOWN (\$)	GRAND TOTAL (\$)
2005	76	5,168		5,244
2006	46	41		87
2007	794	962		1,756
2008	405	2,970	2	3,377
2009	85	2,188	10	2,283
2010	1,089	9,597	6	10,687
2011	587	7,252	186	8,025
2012	892	4,852		5,744
2013	648	20,247	11	20,906
2014	1,992	970	118	3,080
2015	2,647	1,152	431	4,229
2016	7,170	373	10	7,553
2017	7,045	148	1,106	8,298
JAN-SEP 2018	1,148	77		1,225
GRAND TOTAL	24,920	56,071	1,874	82,865

Figure 2

Source: China Institute University Alberta (CIUA) Investment Tracker.

RECENT DEVELOPMENTS REGARDING SOEs AND CANADA

Associated with this article are two charts related to Chinese investment into North America. Charts allow the ready display and comprehension of data in a way that text does not. First, Figure 1 shows the recent decline in PRC total investment into Canada. The importance of this comparison is that it indicates that there are broader trends at play, which in both the US and Canada reflects the denial of major acquisitions by Chinese firms, but also policy changes within the PRC that have slowed investment into North America.

Chinese SOE investment in Canada, on a year-on-year basis, peaked approximately five years ago with the completion of the purchase of the oil company Nexen by Chinese oil giant China National Offshore Oil Corporation (CNOOC). The fastest growth in Chinese investment in Canada lies with private Chinese firms, who now constitute roughly 60% of the Chinese economy.

There has also been diminished interest in PRC SOE investment in Canadian natural resources, with private Chinese investment more focused on commercial real estate in urban centres in British Columbia and Ontario.



Data from the China Institute Investment Tracker shows that Chinese investment in Canada (SOE and private investors combined) declined by 87% in the first six months of 2018. One cause for this decline may be that Chinese SOE investment in Canada, especially in the energy sector, has not been highly profitable, in part due to lower energy prices. There are also signs that Chinese SOEs may have overpaid for some assets in Canada.

Additionally, there has been a recent strengthening of state control in some of the largest Chinese SOEs, which is illustrated in part by central government policy that encourages these SOEs to concentrate on their “core” businesses while opposing speculative real estate purchases abroad.

Figure 2 shows the rising importance of private Chinese investment in Canada. It is too early to say if this will be a permanent feature of Chinese investment, or a temporary phenomenon. Total SOE investment stock in Canada remains far larger, and it would take only a handful of large SOEs acquisitions or Greenfield investments to reverse the trend.

Given the persisting impressive growth rates of the Chinese economy, Chinese capital and Chinese SOE capital will remain a significant dimension of the Canadian economy and of Canada’s expanding economic relations with the PRC.



GORDON HOULDEN is the Director of the China Institute, Professor of Political Science and Adjunct Professor of the Alberta School of Business at the University of Alberta. Professor Houlden joined the Canadian Foreign Service in 1976, wherein he spent 22 years working on Chinese economic, trade and political affairs for the Government of Canada. His last assignment before joining UAlberta in 2008 was as Director General of the East Asian Bureau of the Department of Foreign Affairs and International Trade, responsible for Greater China, Japan, the Koreas and Mongolia. Under Professor Houlden’s leadership, the China Institute has focused on contemporary China studies, with an emphasis on Canada’s trade, investment and energy linkages with the PRC.

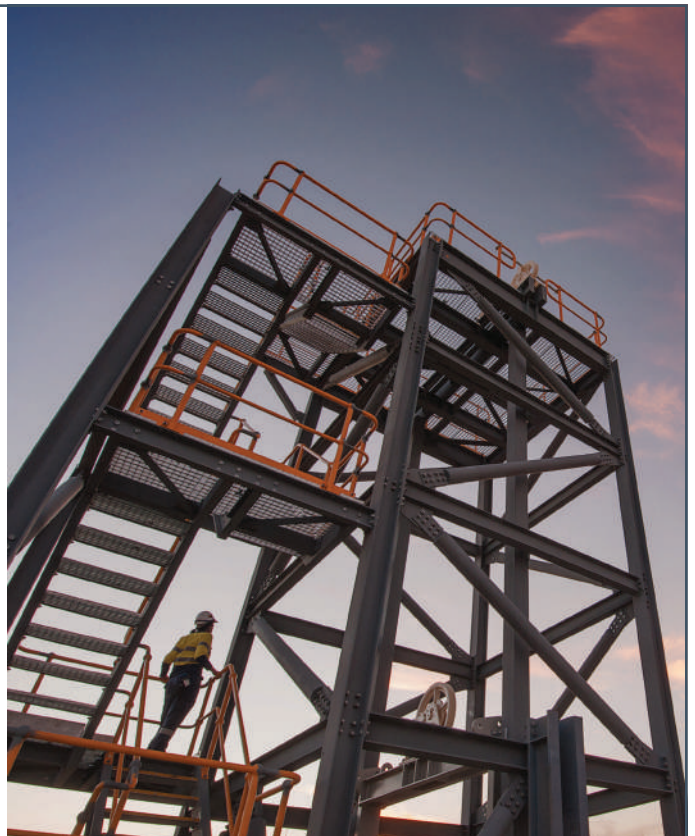


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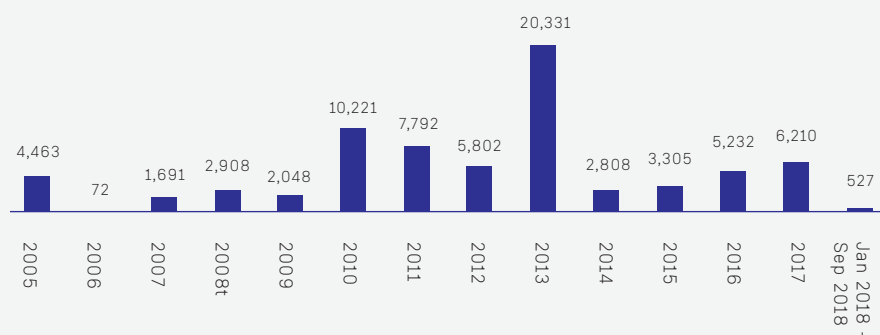
Partenariats entre entreprises canadiennes et sociétés d'État chinoises



par Gordon Houlden

Le Canada, en raison de sa population relativement petite, de son vaste territoire et de son faible taux d'épargne domestique, a longtemps été la cible des investissements directs étrangers (IDE) en provenance d'autres pays : d'abord le Royaume-Uni, puis les États-Unis, l'Union européenne et le Japon. À l'heure actuelle, l'extraordinaire croissance économique de la Chine et son important flux d'IDE outre-mer font de la Chine une option vers laquelle les sociétés canadiennes à la recherche de capital peuvent se tourner pour obtenir des investissements.

IDE CHINOIS AU CANADA (EN MILLIONS DE \$) (2005-2018)



IDE CHINOIS DANS LE MONDE (EN MILLIONS DE \$) (2005-2018)

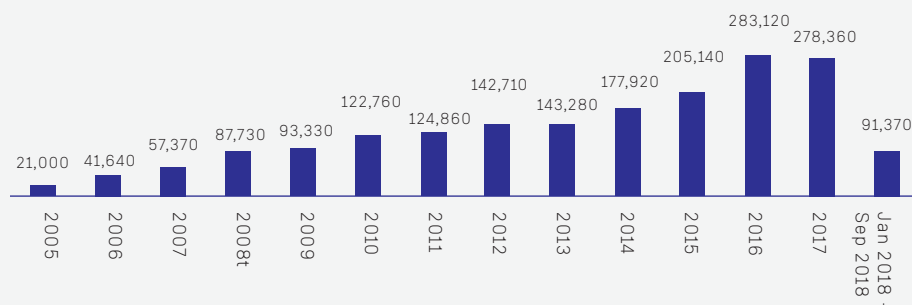


Figure 1

Source : Projets Investment Tracker du China Institute University Alberta (CIUA) et China Global Investment Tracker de l'American Enterprise Institute (AEI)

Il est important de noter que les sociétés d'État jouent un rôle bien plus important dans l'économie chinoise que dans les économies de marché occidentales, bien que depuis quelques dizaines d'années, le secteur privé de la Chine affiche une plus grande croissance que ses sociétés d'État.

Les sociétés d'État chinoises ne sont cependant pas statiques. Bien qu'elles continuent de dominer certains secteurs de l'économie (le secteur bancaire, énergétique, minier et de l'industrie lourde, p. ex.), celles qui sont assujetties à la SASAC, la commission de supervision et d'administration de Chine, voient leur nombre diminuer. De plus, environ les deux tiers des plus grandes sociétés d'État du pays sont désormais cotées sur un marché boursier national ou international. La plupart de ces sociétés mènent également diverses activités qui vont au-delà de leurs secteurs de base, bien que des signes récents indiquent que le gouvernement central préférerait qu'elles s'en tiennent à leur créneau respectif. Sans égard au fait qu'elles soient la propriété exclusive ou majoritaire du gouvernement, les sociétés d'État chinoises deviennent plus concurrentielles entre elles ainsi qu'envers les entreprises privées.

LES SOCIÉTÉS D'ÉTAT ET LE CANADA

Les IDE chinois au Canada ont commencé à atteindre des niveaux d'intérêt en 2005, puis elles ont connu une croissance rapide de 2005 à 2016. La grande majorité,

c'est-à-dire 68 %, des investissements de la République populaire de Chine (RPC) proviennent de sociétés d'État. Plusieurs facteurs expliquent cette prédominance du secteur public. Un en particulier, cependant, y contribue principalement. Il s'agit des nombreux investissements de la Chine dans les matériaux bruts et l'énergie, des secteurs qui sont encore majoritairement exploités par les sociétés d'État en Chine. Bien que le nombre d'investisseurs chinois privés ait récemment augmenté pour combler cet écart, les sociétés d'État demeurent une importante source potentielle de capital pour les entreprises canadiennes.

Si les sociétés d'État chinoises sont une source de capital si digne de mention, quels sont les avantages et les inconvénients de faire affaire avec elles?

AVANTAGES DES PARTENARIATS AVEC UNE SOCIÉTÉ D'ÉTAT POUR LES ENTREPRISES CANADIENNES

Capital : Les sociétés d'État chinoises disposent d'un approvisionnement constant en capitaux, notamment grâce à leur succès sur le marché intérieur chinois, qui constitue, avec l'Inde, l'économie affichant la plus grande croissance à l'échelle mondiale, mais également parce qu'elles ont un accès privilégié aux monumentales banques d'État de Chine. Il faut noter que les quatre plus grandes banques au monde sur le plan des actifs totaux sont des sociétés d'État chinoises.



Entrée sur le vaste marché interne de Chine :

Pour les petites et moyennes entreprises canadiennes, l'ampleur du marché chinois peut être intimidante. Certaines provinces chinoises ont des populations et des économies plus grandes que ne comptent la plupart des pays. En recevant des investissements de sociétés d'État, les entreprises canadiennes peuvent jeter les bases de relations d'affaires et étendre leurs activités en Chine.

Portée mondiale : Bien que l'économie chinoise soit en grande partie composée d'entreprises privées, les sociétés d'État dominent certains secteurs clés et demeurent largement en tête des investissements totaux à l'étranger de la Chine. Une organisation canadienne qui exploite une coentreprise peut retirer des avantages en participant au marché intérieur chinois et en faisant croître sa présence à l'international.

DÉFIS ASSOCIÉS AUX PARTENARIATS AVEC UNE SOCIÉTÉ D'ÉTAT POUR LES ENTREPRISES CANADIENNES

Échelle : De même que l'économie de la Chine représente près de sept fois et demie celle du Canada, les sociétés d'État chinoises sont souvent très grandes. Les quatre plus grandes banques mondiales sont situées en Chine, et certaines de leurs sociétés d'État comptent des millions d'employés. L'économie canadienne, quant à elle, est principalement constituée de petites et moyennes



IDE CHINOIS AU CANADA SELON LA PARTICIPATION (2005-2018)

AN	PRIVÉE (\$)	PUBLIQUE (\$)	INCONNUE (\$)	GRAND TOTAL (\$)
2005	76	5,168		5,244
2006	46	41		87
2007	794	962		1,756
2008	405	2,970	2	3,377
2009	85	2,188	10	2,283
2010	1,089	9,597	6	10,687
2011	587	7,252	186	8,025
2012	892	4,852		5,744
2013	648	20,247	11	20,906
2014	1,992	970	118	3,080
2015	2,647	1,152	431	4,229
2016	7,170	373	10	7,553
2017	7,045	148	1,106	8,298
JAN-SEP 2018	1,148	77		1,225
GRAND TOTAL	24,920	56,071	1,874	82,865

Figure 2

Source : Projet Investment Tracker du China Institute University Alberta (CIUA)

entreprises. En quoi est-ce important? Les petites et moyennes entreprises du Canada risquent d'être dominées par les sociétés d'État chinoises, comme c'est parfois le cas avec les grandes organisations.

Culture d'entreprise : Généralement, les sociétés canadiennes qui font des affaires à l'étranger exercent leurs activités ou font des ventes sur le marché américain, qui partage la langue du Canada anglais et dont la culture d'entreprise est semblable à la nôtre. De façon similaire, les sociétés d'État chinoises sont plus à l'aise dans leur propre langue, culture et système légal. L'écart entre ces deux façons de faire des affaires peut nuire à l'établissement de partenariats rentables.

Concurrence : La Chine est la nation qui effectue le plus d'activités commerciales et représente le principal lieu de fabrication d'un vaste éventail de produits. Vu ce statut et son savoir-faire manufacturier, certaines organisations craignent que les grandes sociétés d'État chinoises présentent une concurrence impossible à gérer.

Capitalisation : L'incroyable succès du modèle chinois axé sur l'exportation, la croissance du marché intérieur et l'accès continu qu'ont les sociétés d'État aux colossales banques publiques font en sorte que les sociétés d'État chinoises obtiennent habituellement des taux d'intérêt très modestes. Par conséquent, les sociétés publiques chinoises au portefeuille bien garni deviennent des partenaires de premier choix pour les PME

canadiennes cherchant un accès constant à des fonds, mais elles peuvent par le fait même devenir hautement concurrentielles.

Dimension politique : Les sociétés d'État chinoises sont parfois considérées avec méfiance dans les pays occidentaux, y compris au Canada. Ces critiques est à leurs paroxysmes lorsque des sociétés d'État acquièrent une entreprise canadienne existante, en particulier dans le secteur des ressources naturelles. Les préoccupations concernent généralement le degré de contrôle exercé par l'État chinois et par le parti au pouvoir sur les activités des sociétés d'État. Cet enjeu s'avère complexe. Les entreprises publiques chinoises sont assurément soumises à une plus grande surveillance des autorités au sein de la RPC qu'elles le seraient au Canada, mais pas nécessairement à une plus grande surveillance que ce que connaissent les quelques grandes sociétés d'État canadiennes, comme Hydro-Québec ou les commissions provinciales des alcools.

Un sondage réalisé par la Fondation Asie Pacifique du Canada et le China Institute montre clairement que le public canadien ressent un malaise devant les investissements chinois au Canada, en particulier ceux en provenance des sociétés d'État. Ce sentiment est encore plus marqué dans le secteur des ressources naturelles. Des signes indiquent toutefois que la résistance envers les investissements chinois est en baisse.

RÉCENTS DÉVELOPPEMENTS À L'ÉGARD DES SOCIÉTÉS D'ÉTAT ET DU CANADA

Cet article contient deux graphiques concernant les investissements chinois en Amérique du Nord. Ceux-ci permettent d'afficher et de comprendre les données d'une façon impossible à réaliser en texte. D'abord, la figure 1 présente le récent déclin des investissements totaux de la RPC au Canada. Cette comparaison est importante puisqu'elle laisse deviner des tendances plus vastes qui reflètent que le Canada, comme les États-Unis, refusent les acquisitions majeures par des organisations chinoises, mais également que des changements apportés aux politiques au sein de la RPC ont ralenti les investissements vers l'Amérique du Nord.

Les fonds investis par les sociétés d'État chinoises au Canada en glissement annuel ont atteint un sommet il y a environ cinq ans, lorsque le géant pétrolier China National Offshore Oil Corporation (CNOOC) a acquis la société pétrolière Nexen. Ce sont les sociétés chinoises du secteur privé, comptant actuellement pour environ 60 % de l'économie chinoise, qui affichent la plus grande croissance en matière d'investissements chinois au Canada.

L'intérêt démontré par les sociétés d'État de la RPC dans les ressources naturelles canadiennes a également diminué. À l'heure actuelle, les entreprises privées de Chine investissent davantage dans le secteur immobilier commercial des centres urbains de Colombie-Britannique et d'Ontario.

Des données issues du projet China Institute Investment Tracker montrent que les investissements chinois au Canada (à la fois pour les sociétés d'État et les investisseurs privés) ont reculé de 87 % au cours du

premier semestre de 2018. Ce déclin pourrait en partie s'expliquer par la faible rentabilité des investissements faits par le secteur public chinois au Canada, en particulier dans le secteur de l'énergie où les prix ont chuté. Des signes indiquent en outre que les sociétés d'État chinoises pourraient avoir payé trop cher certains actifs canadiens.

De plus, certaines des plus grandes sociétés d'État de Chine ont récemment connu un renforcement du contrôle étatique, notamment illustré par la politique du gouvernement central qui encourage ces sociétés à se concentrer sur leurs secteurs d'activité de base tout en s'opposant à des achats immobiliers spéculatifs à l'étranger.

La figure 2 présente l'importance croissante des investissements chinois privés au Canada. Il est encore trop tôt pour savoir s'il s'agit d'une facette permanente des investissements chinois ou d'un phénomène temporaire. Les investissements totaux des sociétés d'État au Canada demeurent loin devant, et il suffirait d'une poignée d'acquisitions importantes par le secteur public ou d'investissements Greenfield pour renverser la tendance.

Étant donné l'impressionnant et persistant taux de croissance de l'économie chinoise, les fonds chinois et le capital des sociétés d'État chinoises demeureront un aspect important de l'économie canadienne et des relations économiques en pleine expansion entre le Canada et la RPC.



GORDON HOULDEN est directeur du China Institute, professeur de sciences politiques et professeur associé de l'Alberta School of Business de l'Université d'Alberta. Professeur Houlden s'est joint au Service extérieur canadien en 1976, où il a consacré 22 ans aux affaires économiques, commerciales et politiques chinoises pour le compte du gouvernement du Canada. Sa dernière affectation avant d'entrer au service de l'Université d'Alberta en 2008 a été d'occuper le poste de directeur général pour l'Asie de l'Est au ministère des Affaires étrangères et du Commerce international, dans le cadre duquel il était responsable de la Chine élargie, du Japon, des Corée et de la Mongolie. Sous la direction de professeur Houlden, le China Institute a mis l'accent sur les études chinoises contemporaines, en particulier sur les liens qui unissent le Canada et la République populaire de Chine sur les plans du commerce, des investissements et de l'énergie.



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CCBC'S CANADA DAY BIRTHDAY FAIR

CCBC's Canada Day Birthday Fair took place in Beijing with over 3,000 guests attending. The day was filled with everything Canadian: live music performed by Canadian musicians, freshly prepared Canadian food, beverages and wines, and Canadian consumer goods available for sale in the fashion tent and at the kiosks throughout the grounds. Children were treated to Canadian sport demonstrations by the NHL and the local lacrosse organization, as well as face painting and clowns.



The Fair was presented by the Canada-China Year of Tourism and Destination Canada and featured many of Canada's provinces and territories. Joining the festivities was the former Minister of Small Business and Tourism, the Honourable Bardish Chagger, who led a delegation of over 70 representatives from the Canadian tourism industry. The Honourable John McCallum, Canada's Ambassador to China, also participated in the celebration.





CANADIAN MUSICIANS ENERGIZED THE CROWD WITH THEIR SPIRITED SOUNDS AND ANIMATED PERFORMANCES.

Ember Swift (left), originally from Toronto, opened the line-up with her unique fusion of jazz, funk, and punk.

Dan Davidson (right), Alberta's up-and-coming country sensation, and his band ignited the stage with upbeat, feel good, get-up-and-dance music.

Tami Nelson (above) and her band wrapped up the day with her soul/rock music and powerhouse voice — she left the crowd cheering for more.

The delicious aroma of Canadian food filled the grounds, offering ocean delicacies from oysters and sea cucumbers to mouth-watering hamburgers, sausages, poutine, blueberries, and ice cream. The Wine Garden featured wineries from across Canada and offered a relaxing atmosphere.





Children had a ball in the Sports and Games Zone. The NHL promoted Canada with hockey demonstrations to delighted students and the indoor curling 'rink' showed children how to throw stones. In the Kids Zone were lessons in lacrosse and an enormous jungle gym that gave the children the opportunity to climb and release some energy!

The Fashion Zone showcased Canadian clothing and handbags for purchase and offered a variety of items that displayed the quality and style of Canadian products.



No Birthday Fair is complete without cake! Children and adults alike were invited to have a slice or two of the enormous cake in celebration of Canada's 151st birthday.



The day was streamed live on Weibo Zhilbo and was accessible in China and Canada. Everyone was able to listen to the musical performances, watch the sports demos, and see interviews with Canadian entrepreneurs on site.



CCBC's Canada Birthday Fair was sponsored by BMO, Manulife, RBC, Air Canada, Power Corporation of Canada, Oasis Hospital, and the Canadian International School of Beijing, as well as supported by the Canadian Embassy in Beijing. Corporate sponsors were CanTresor, Mackenzie Financial, Vancouver Economic Commission, WestBank, and the Fashion Zone sponsor was Titika.

The menu included Canadian and Chinese favourites: cured salmon, lobster, beef, pork, West Coast oysters and sea cucumber, and maple syrup.



The gala's draw prizes were provided by Air Canada, the NHL, Fairmont Hotels and The Peninsula Beijing. Live Canadian music raised the roof to the gala's cheering guests. Clearly, Canada Day is an experience that nobody will forget.



The Belt and Road Initiative: Opportunities for Canada

by Dr. Howard Lin



China's Belt and Road Initiative (BRI) is an immense, complicated topic that may have a significant impact on the Canadian business community. Given its potential economic rewards and long-term outcomes, the BRI deserves both attention and action from Canadian businesses.

WHAT IS THE BRI?

In considering whether Canada should participate in the BRI, it is important to understand the nature of the BRI. In my view, the BRI started as China's reaction to the U.S. attempt (which started well before the Trump Administration) to contain China's economic / political influence in the Asia Pacific region. Inspired by the historical Silk Road and Maritime Silk Road, the BRI soon evolved into a proactive infrastructure-driven development strategy focusing on connectivity and collaboration among Eurasian countries. Fueled by determination and financial commitment from China,

the BRI may forge an alternative land-based trading route (in contrast to a "North America-Western Europe" maritime route) with China playing a leading role. As the Trump Administration moves toward a protectionist trade stance, the BRI is claimed to be the ascending flagship for free trade and globalization. Note that I emphasize "land-based," even though the BRI appears include a maritime trade route in addition to a landed-based route. In my opinion, China's primary strength lies mainly in the continental traffic route where it can leverage its experience in building railways, highways, bridges and so on. In contrast, it does not have comparable capacity at sea.

WHY CANADA NEEDS TO PARTICIPATE IN THE BRI

Why should Canada participate in the BRI, a geographically bound initiative? There are at least three critically important reasons for Canada to participate in the BRI.

First, the BRI offers Canada a further opportunity to participate in China's economic development. Note that the starting points of the BRI are all China's interior regions (the so-called "China's West") which lag behind the rest of China economically and are targeted by the Chinese government as the next frontier for development. As such, whoever participates in the BRI will enjoy opportunities to first engage with this part of China and will likely benefit, directly or indirectly, from the incentives and support offered by the Chinese government to these regions. Therefore, participating in the BRI may allow Canadian companies to engage with numerous underdeveloped Chinese regions. In the past, Canada has been disappointingly late in taking advantage of the many opportunities offered by China's economic growth. Participating in the BRI as well as negotiating a Canada-China free trade agreement would widen the Chinese market to Canadian companies.

Second, taking part in the BRI would allow Canadian companies to tap into many developing regions which otherwise would be hard to access. During the past decades, the Chinese learned that

"to become rich, build the road first." Infrastructure development under the BRI would create the next round of emerging market opportunities for anyone involved.

Third, strategically participating in the BRI would make Canada part of an alternative trade route created by the BRI. It could be argued that Canada should align its stance on the BRI with the U.S. given the currently strained trade relationship between Canada and the U.S. However, engaging with the BRI would paradoxically strengthen Canada's position in negotiating with the U.S. The current relationship with the U.S. is geographically fixed and will remain so despite Canada's current trade problems with the Trump Administration. One of the side-effects from the ongoing trade friction with the U.S. is that this friction has highlighted Canada's need for diversification into other markets, including China. Moreover, the reach of the BRI is beyond China, and even beyond the Eurasian countries and regions along the way; as it turns out, the BRI has already created a prototype for a continental trade route, reaching as far as Western Europe. Like its European counterparts, Canada currently belongs to the sea route dominated by the U.S. but struggles to establish a balanced position concerning China. The Canadian government should not make the mistake of being locked out of this critical and emerging global-trade network.



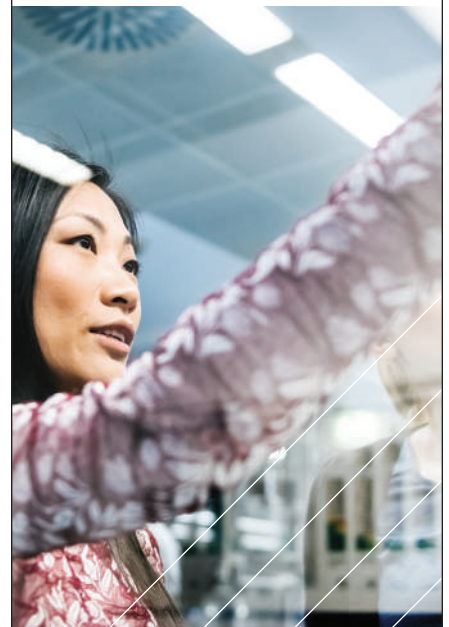
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POTENTIAL RISKS

There are several potential risks associated with the BRI. A primary risk is the profitability of BRI projects and ventures. The construction of roads, plants, and oil and gas pipelines require huge investments rendering it difficult to make a profit in the short term. The challenge is greater when the projects are implemented in countries suffering domestic instability and political uncertainty.

Profitability aside, a significant challenge for Canadian companies is of a socio-political nature. Political events can easily disrupt or change the implications of doing business in a foreign country. A project which has been financially sound but has socio-political consequences that conflict with fundamental Canadian values may require a complete withdrawal from the project. These socio-political consequences can involve issues such as human rights (example: treatment of workers and local residents) and the environment (example: environmental impact of business operations) to name a few. Therefore,

Canadian companies need to be mindful about how they would adhere to fundamental Canadian values when doing business in a country with a vastly different socio-political environment.

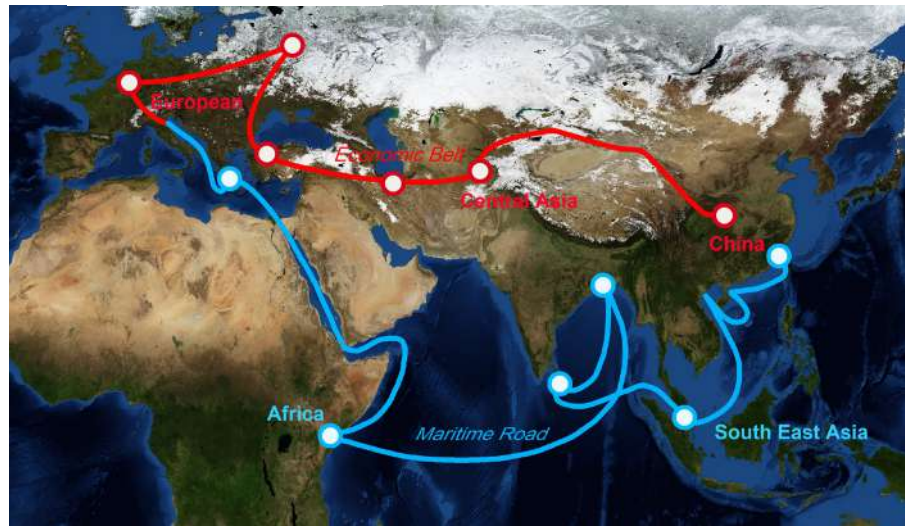
Ultimately, one of the most significant BRI risks concerns China. On the one hand, China is the country that bears most of the responsibility when leading the infrastructure projects under the BRI, and this actually reduces the risks for those who piggyback with their Chinese counterparts. On the other hand, working with Chinese companies could be risky as China itself is undergoing transformation in areas including corporate governance. Canadians must be conscious of at least two important issues. First, Canadians need to prepare for the inevitable involvement of the Chinese government in management and operations. Second, Chinese governance structures currently do not have the same level of transparency that Westerners are accustomed to.



ACTION FORWARD

Recently, the more economically-affluent nations have taken a wait-and-see approach regarding participation in the BRI, being uncertain about China's agenda for an alternative trading bloc and so-called geo-political interests. However, if infrastructure-driven economic development in the developing world is consistent with Canada's international mission and there is a sound business case, Canadian businesses could participate in the BRI by following a network approach.

Canadian companies, including the large ones, need to forge partnerships of various kinds, especially on infrastructure projects. With Chinese partners, the advantage is that they have an established relationship with the Chinese government and the ability to manage risks based upon their experience with their own development trajectory. Other than Chinese companies, Canadian companies might consider partnering with companies from other developed countries to develop economic leverage. For small and mid-size firms (SMEs), the ideal situation could be joining a value-chain led by a large firm rich in resources and experience. SMEs can also consider participating in the BRI as a group, similar to Chinese SMEs participating in the BRI. In the Chinese language, 抱团出海 ("bào tuán chū hǎi") is used to describe a situation where cohorts of SMEs from the same province establish businesses together. By sharing resources and supporting each other, they gain confidence and efficiency. Finally, Canadian SMEs might choose to settle in the special trade zones or incubators such as those which are jointly developed by Chinese and local partners. Foreign companies often feel more secure and develop synergies in these places.



DR. HOWARD X. LIN is a Professor of International Business & Entrepreneurship and Director of the Canada-China Institute for Business & Development at the Ted Rogers School of Management, Ryerson University. He was former Chair of the Academy of International Business' Canada Chapter and currently serves as Vice President (research) of the

Canadian Council for Small Business & Entrepreneurship. His current research is focused on immigrant and transnational entrepreneurship.

Dr. Lin worked at the Bank of China's headquarters in Beijing prior to pursuing graduate study in the U.S., where he also served as the Director of International Business Assistance at the Center for International Trade Development, a USDA sponsored regional center for promoting international business. He is the founder of the Canadian Entrepreneurship & Innovation Platform, a non-profit organization that promotes and facilitates Canada-based transnational entrepreneurship.

Initiative la ceinture et la route : des occasions pour le Canada : des occasions pour le Canada

par DR Howard Lin

L'initiative de la Ceinture et de la route (ICR), lancée par la Chine, est un projet vaste et complexe qui est susceptible d'avoir d'importantes répercussions sur la communauté d'affaires du Canada. Étant donné les retombées économiques potentielles et les résultats à long terme qui pourraient s'en dégager, l'ICR mérite à la fois l'attention et l'intervention des entreprises canadiennes.

QU'EST-CE QUE L'ICR?

Il est important de comprendre la nature de l'ICR afin de déterminer si le Canada doit y participer. À mon avis, l'ICR était au départ la réponse chinoise à la tentative des États-Unis (qui remonte à bien avant l'arrivée de Trump à la Maison-Blanche) de restreindre l'influence économique et politique de la Chine dans la région de l'Asie-Pacifique. Inspirée par l'ancienne route de la soie et route maritime de la soie, l'ICR est rapidement devenue une stratégie

de développement proactif fondée sur l'infrastructure et axée sur la connectivité et la collaboration entre les pays d'Eurasie. Le projet, alimenté par la détermination et l'engagement financier de la Chine, pourrait créer une nouvelle route commerciale terrestre (comparativement à la route maritime qui relie l'Amérique du Nord et l'Europe occidentale) où la Chine jouerait un rôle prédominant. Dans un contexte où l'administration Trump se dirige vers une position commerciale protectionniste, l'ICR est

annoncée comme le porte-étendard du libre-échange et de la mondialisation. Notez que j'insiste sur le mot « terrestre », bien que l'ICR semble inclure une route commerciale maritime en plus d'une route terrestre. Selon moi, la principale force de la Chine réside avant tout dans le transport terrestre, où elle peut tirer parti de son expérience en construction de voies ferroviaires, d'autoroutes, de ponts, etc. Elle ne dispose pas d'une capacité comparable en mer.

POURQUOI LE CANADA DOIT-IL PARTICIPER À L'ICR?

Pourquoi le Canada doit-il participer à l'ICR, une initiative géographiquement limitée? Il existe au moins trois raisons d'importance capitale pour lesquelles le Canada doit prendre part à l'ICR.

Premièrement, l'ICR offre au Canada une occasion de participer au développement économique de la Chine. Notez que les points de départ de l'ICR sont tous des régions intérieures de la Chine (la soi-disant « Chine de l'Ouest ») qui accuse un retard sur le plan économique par rapport au reste du pays. Celles-ci sont aussi priorisées par le gouvernement chinois, qui veut en faire la prochaine frontière de développement. Ainsi, les participants de l'ICR auront l'occasion d'être les premiers à établir des relations avec cette partie de la Chine et sont susceptibles de bénéficier, que ce soit directement ou indirectement, des incitatifs et du soutien offerts par le gouvernement dans ces régions. En prenant part à l'ICR, les entreprises canadiennes seraient donc en mesure de nouer des liens avec plusieurs régions chinoises sous-développées. Par le passé, le Canada a malheureusement exploité tardivement les nombreuses occasions d'affaires que représentait la croissance économique de la Chine. Participer à cette initiative tout en négociant une entente de libre-échange entre le Canada et la Chine élargirait le marché chinois pour les entreprises canadiennes.

Deuxièmement, l'ICR permettrait aux organisations canadiennes d'exploiter de nombreuses régions en voie de développement qui seraient autrement difficiles d'accès. Au cours des dernières décennies, les Chinois ont appris que « pour devenir riche, il faut être premièrement construire une route ». Le développement des infrastructures sous l'égide de l'ICR pourrait être à l'origine d'une nouvelle vague de croissance économique, au bénéfice de chacune des parties impliquées.

Troisièmement, participer à l'ICR est un choix stratégique, puisque cette initiative ferait du Canada une route commerciale de remplacement. Certains diront que le Canada doit aligner sa position par



rapport à l'ICR avec celle des États-Unis étant donné les relations commerciales actuellement tendues entre nos deux pays. Cependant, en prenant part à ce projet, le Canada renforcerait paradoxalement sa position dans ses négociations avec les États-Unis. Nos relations avec nos voisins du Sud sont déterminées par notre situation géographique et le resteront quels que soient les problèmes que le Canada connaît actuellement sur le plan commercial avec l'administration Trump. L'un des effets secondaires des tensions commerciales continues avec les États-Unis est d'avoir mis en lumière la nécessité pour le Canada de diversifier ses partenaires commerciaux, dont fait partie la Chine. De plus, la portée de l'ICR s'étend au-delà des frontières chinoises, et dépasse même les pays et les régions d'Eurasie. Il s'avère en effet qu'un prototype de route commerciale continentale qui se rend jusqu'en Europe occidentale a déjà été créé en vertu de l'initiative. Tout comme ses homologues européens, le Canada appartient actuellement à la route maritime dominée par les États-Unis, mais a de la difficulté à établir une position équilibrée à l'égard de la Chine. Le gouvernement canadien ne doit pas commettre l'erreur de s'exclure de cet important réseau émergent de commerce mondial.



RISQUES POTENTIELS

L'ICR comporte plusieurs risques potentiels. L'un des principaux risques concerne la rentabilité des projets et des entreprises de l'ICR. La construction de routes, d'usines et de pipelines pétroliers et gaziers nécessite des investissements considérables, ce qui signifie qu'il sera difficile de dégager des bénéfices à court terme. La difficulté est encore plus grande lorsque les projets sont mis en œuvre dans des pays aux prises avec des enjeux d'instabilité intérieure et d'incertitude politique.

Au-delà de la rentabilité, les entreprises canadiennes doivent surmonter une autre difficulté d'envergure, de nature sociopolitique. Les événements politiques peuvent facilement perturber ou transformer les conséquences auxquelles les organisations sont confrontées lorsqu'elles exercent leurs activités dans un pays étranger. Il peut arriver que le Canada ait à se retirer complètement d'un projet qui, bien que sain sur le plan financier, a des répercussions sociopolitiques entrant en conflit avec des valeurs canadiennes fondamentales. Ces conséquences peuvent comprendre des enjeux comme les droits de la personne (le traitement des travailleurs et des résidents

locaux, par exemple) et l'environnement (l'incidence environnementale des activités). Les entreprises canadiennes doivent donc réfléchir soigneusement à la manière dont elles respecteront les valeurs canadiennes fondamentales lorsqu'elles font des affaires dans un pays où le contexte sociopolitique est totalement différent.

Ultimement, l'un des plus importants risques associés à l'ICR concerne la Chine. D'une part, la Chine est le pays à qui revient la plus grande part de responsabilité quant à la gestion des projets dans le cadre de l'ICR, ce qui réduit les risques pour ceux qui se joignent à leurs homologues chinois. D'autre part, il peut être risqué de collaborer avec des entreprises chinoises puisque la Chine elle-même connaît actuellement une transformation de certains domaines comme la gouvernance d'entreprise.

Les Canadiens doivent être conscients d'au moins deux enjeux importants. D'abord, il leur faut se préparer à l'inévitable intervention du gouvernement chinois dans la gestion et les opérations. Ensuite, les structures de gouvernance chinoises ne présentent pas le degré de transparence auquel les Occidentaux sont habitués.

PASSAGE À L'ACTION

Récemment, les nations les plus prospères sur le plan économique, ne connaissant pas précisément les intentions de la Chine quant à un bloc commercial alternatif ni ses soi-disant intérêts géopolitiques, ont adopté une approche attentiste à l'égard de l'ICR. Si toutefois le développement économique fondé sur les infrastructures dans les régions en voie de développement correspond à la mission internationale du Canada et que le plan d'affaires est sensé, les entreprises canadiennes pourraient participer à l'ICR en suivant une approche fondée sur un réseau.

Les entreprises canadiennes, y compris les grandes, doivent en effet nouer divers types de partenariat, en particulier dans le cadre de projets d'infrastructure. L'avantage d'avoir des partenaires chinois est qu'ils ont une relation établie avec le gouvernement de Chine ainsi que la capacité à gérer les risques en fonction de leur expérience tirée de leur propre trajectoire de développement. Les entreprises du Canada peuvent aussi envisager de faire équipe avec des sociétés en provenance de pays développés autres que la Chine afin de créer un levier économique. Dans le cas des petites et moyennes entreprises (PME), la situation idéale serait qu'elles se joignent à une chaîne de valeur dirigée par une grande organisation possédant de vastes ressources et une longue expérience. Les PME peuvent aussi participer à l'ICR en tant que groupe, comme le font les PME

chinoises. En langue chinoise, 抱团出海 (« *bào tuán chū hǎi* ») décrit une situation où des cohortes de PME de la même province forment un groupe d'entreprises. En partageant leurs ressources et en se soutenant mutuellement, elles acquièrent confiance et efficacité. Finalement, les PME canadiennes peuvent choisir de s'établir dans les zones commerciales spéciales, ou les incubateurs, comme celles dont le développement est assuré conjointement par la Chine et ses partenaires locaux. Les entreprises étrangères s'y sentent souvent plus en sécurité et y créent des synergies.



DR HOWARD X. LIN est professeur de commerce et d'entrepreneuriat international ainsi que directeur du Canada-China Institute for Business & Development à la Ted Rogers School of Management de l'Université Ryerson. Il a été président de la zone canadienne de l'Academy of International Business et siège présentement au Conseil canadien pour les PME et l'entrepreneuriat à titre de vice-président (recherche). Ses recherches actuelles portent

sur les entrepreneurs immigrants et l'entrepreneuriat transnational.

D^r Lin a travaillé au siège social de la Banque de Chine, situé à Beijing, avant de poursuivre des études supérieures aux États-Unis, où il a également occupé le poste de directeur de l'assistance en matière de commerce international du Center for International Trade Development, un centre régional parrainé par le département de l'Agriculture des États-Unis qui fait la promotion du commerce international. Il est le fondateur de Canadian Entrepreneurship & Innovation Platform, un organisme sans but lucratif qui promeut et facilite l'entrepreneuriat transnational au Canada.





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Canada-China Year of Tourism

CANADA WELCOMING CHINESE VISITORS IN RECORD NUMBERS

TOURISM INDUSTRY ROLLS OUT TARGETED MARKETING PROGRAMS, READIES FOR INFLUX

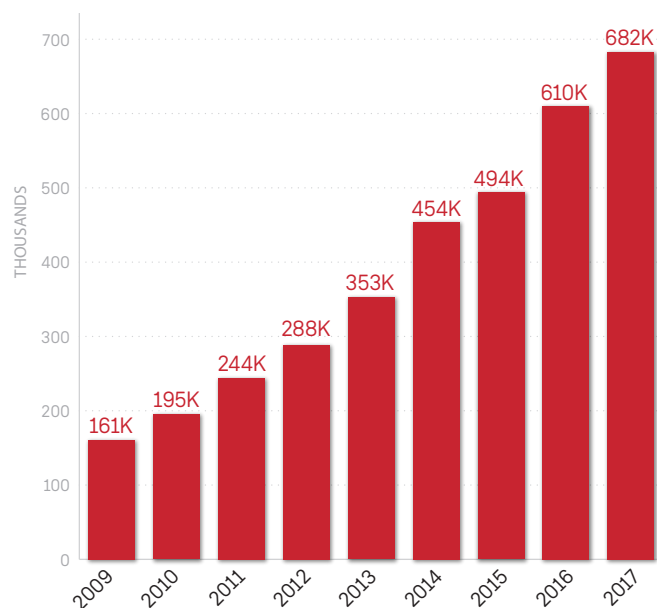
by David F. Goldstein

It was an auspicious moment in December 2009, when the Chinese government first granted our country Approved Destination Status, the official start of tourism marketing to China. Fast forward eight years and more than 3.4 million Chinese have visited Canada—and that explosive growth for the world's largest outbound tourism market is continuing.

In fact, the number of Chinese visiting Canada has grown 20% on average each year since then. Not only is 2018 the official “Canada-China Year of Tourism,” devoted to improving tourism and trade relations, it is shaping up to be a record-breaking year.

(Above) Mount Assiniboine Provincial Park, British Columbia

CHINESE VISITORS ARRIVALS TO CANADA



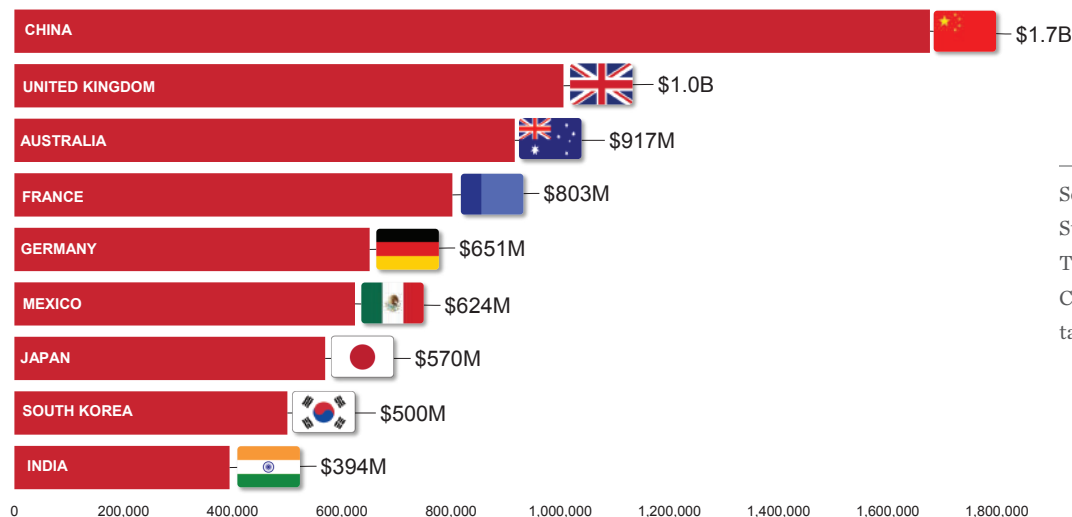


(L) Destination Canada's interactive display at CCBC's Canada Day Birthday Fair in Beijing



(R) Canadian officials attending the Fair

2017 TOURISM EXPENDITURES FROM DESTINATION CANADA OVERSEAS MARKETS



Source: Destination Canada, Statistics Canada International Travel Survey, Frontier Counts (2017) and e311 custom tabulations (2016)

RAPID GROWTH ON THE HORIZON

With a target market of 16 million potential travellers to Canada, driven by a rapidly expanding middle class, China is now Canada's largest overseas country in terms of tourism expenditures.

- Last year, Chinese visitors spent \$1.6 billion in Canada, second only to the US.
- Arrivals grew by 12% in 2017.
- Visa Application Centres recorded a significant jump in activity last year, while air seat capacity increased by 25%.

The forecast is for continued growth. Nearly 11 million Chinese long-haul leisure travellers have stated they are likely to visit Canada in the next two years. This is an unprecedented opportunity and Destination Canada and its marketing partners are investing more than ever to lead several initiatives developed specifically for the Chinese travel market.

KEY CHINA MARKETING INITIATIVES

With our partners, we launched a Chinese language digital marketing campaign through Weibo and WeChat, including digital post cards and a consumer website for trip planning. We also created an online toolkit to help Canadian tourism companies attract and welcome Chinese visitors, covering payment methods, Mandarin signage, and special accommodations and offerings. (http://bit.ly/BFM_DC)

Campaigns target major cities, such as Beijing and Shanghai, and for travel trade, smaller cities such as Nanjing and Xiamen. Niche opportunities include packages and incentives for families and business travellers via conferences and corporate events. Destination and Conde Nest Traveler targeted business travelers for C2 Montreal, which featured customized itinerary, story-telling endorsement, and



Trade event at Sina Weibo with Prime Minister Justin Trudeau

local attractions from business travelers' perspectives and connecting them with creative edge, culture vibes, city attractions. We worked with Chinese business influencers to recount their experiences at the convention and their free time spent exploring Montréal on their social media networks.

Taking a non-traditional approach, Destination Canada participated in a series of successful pop-up stores featuring Canadian food delicacies, reaching a total of 54 million people. Several high-profile themed consumer events boosted Canada's profile: a Canada vs. China hockey game in Shenzhen; a skating championship in Changchun; educational exhibitions across China; a Canada Day Fair and the World Winter Sports Expo in Beijing. A trade event at Sina Weibo boosted awareness of Canada's original travel experiences.

Canada led several tourism trade missions to China, including a three-city, six-day mission focused on

business development. In addition, industry signed key agreements with digital and traditional Chinese travel companies, and boosted investment in China-specific marketing programs.

MARKET INSIGHTS

In 2017, visiting friends and family (41%) was the most common reason for travelling to Canada, with a large proportion using a travel agent or tour operator to plan or book their trip. They are most attracted to Ontario (58%), its iconic Niagara Falls and the cities of Toronto and Ottawa. This is followed by British Columbia (49%), popular for its beautiful scenery and landscapes. Summer is the peak season of travel to Canada by Chinese travellers, with the majority of trips taking place in June and July. Our aim is to build on that interest and expand it to Canadian destinations that they may not be as familiar with, across all four seasons.

WHAT'S NEXT?

Chinese travellers are choosing Canada for its compelling pairing of urban culture—shopping, city parks, food and drink festivals and events, and local cuisine—with beautiful scenery and natural attractions.

To prepare for the influx of Chinese travellers to Canada, the Honourable Mélanie Joly, Minister of Tourism, Official Languages and La Francophonie, in collaboration with the Tourism Industry Association of Canada have created a series of market readiness workshops (<https://tiac-aitc.ca/ChinaReady.html>). These workshops help small and medium-sized Canadian businesses improve their understanding of what Chinese tourists are interested in seeing when they travel, keep them abreast of the latest trends in the Chinese market, and help to identify ways to better adapt existing tourism products to the Chinese marketplace.

The Canada China Year of Tourism is a great catalyst for spotlighting a very important market, but that doesn't end in 2018. Destination Canada and our partners are committed to building off this momentum in the years ahead.



DAVID F. GOLDSTEIN is President and CEO of Destination Canada, the country's national marketing organization.



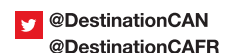
Niagara Falls, Ontario

Destination Canada markets Canada internationally as a premier four-season tourism destination. Stay up-to-date on Destination Canada's research results and insights, program highlights, events and more by subscribing to **Destination Canada News**.

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Destination Canada fait la promotion du Canada sur la scène internationale comme destination touristique quatre saisons de premier choix. Soyez informés des résultats et renseignements de recherche, des programmes, des événements et de l'actualité de Destination Canada en vous abonnant aux **Nouvelles de Destination Canada**.

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Année du tourisme Canada-Chine

UN NOMBRE RECORD DE VISITEURS CHINOIS AU CANADA

L'INDUSTRIE TOURISTIQUE LANCE DES PROGRAMMES DE MARKETING CIBLÉS
ET SE PRÉPARE À LA VAGUE

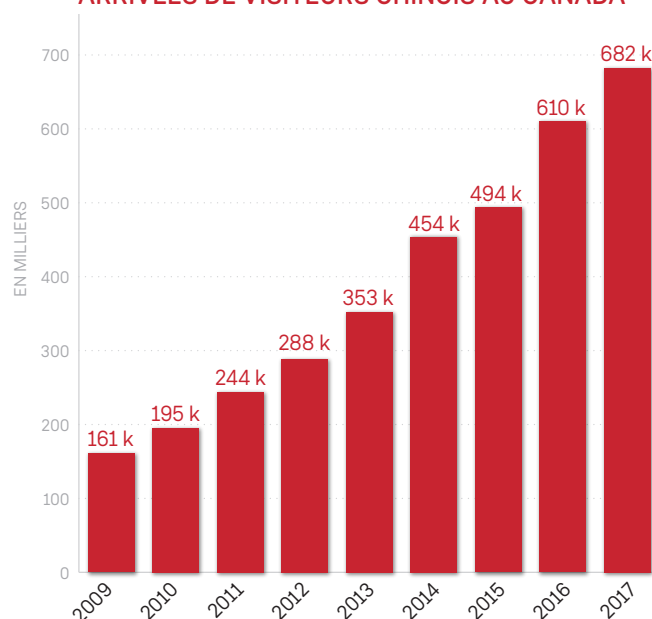
Les chutes du Niagara, Ontario

par David F. Goldstein

En décembre 2009, le gouvernement chinois accordait le statut de destination approuvée au Canada, un jalon prometteur qui marquait le début officiel des campagnes de marketing touristique destinées à la Chine. Huit ans plus tard, plus de 3,4 millions de visiteurs chinois ont foulé les terres canadiennes – et cette croissance phénoménale du premier marché touristique émetteur au monde est partie pour durer.

Ainsi, le nombre de touristes chinois au Canada a augmenté de 20 % en moyenne chaque année depuis. Non seulement 2018 a officiellement été désignée Année du tourisme Canada-Chine, afin de renforcer les liens touristiques et commerciaux entre les deux pays, mais elle s'annonce une année record.

ARRIVÉES DE VISITEURS CHINOIS AU CANADA



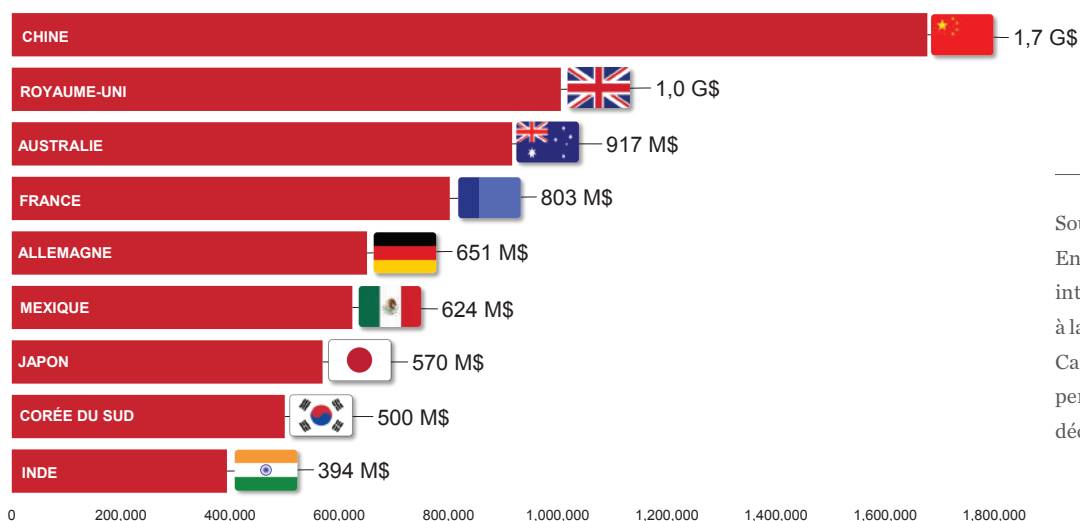


(L) Affichage interactif de Destination Canada au Fête du Canada du CCBC à Beijing



(R) Les représentants canadiens au Fête du Canada du CCBC

DÉPENSES TOURISTIQUES DES MARCHÉS LONG-COURRIEURS DE DC EN 2017



Sources : Destination Canada; Enquête sur les voyages internationaux, Dénombrement à la frontière, Statistique Canada (2017); totalisations personnalisées des cartes de déclaration E3L11 (2016)

UNE CROISSANCE RAPIDE À L'HORIZON

Avec un marché cible de 16 millions de voyageurs potentiels pour le Canada, stimulé par l'essor rapide de la classe moyenne, la Chine est désormais le pays long-courrier à l'origine des plus importantes dépenses touristiques au Canada.

- L'année dernière, les visiteurs chinois ont dépensé 1,6 milliard de dollars au Canada, ce qui place le pays au deuxième rang derrière les États-Unis.
- Les arrivées ont augmenté de 12 % en 2017.
- Les centres de réception des demandes de visa ont enregistré une hausse notable de leur volume d'activité l'année passée, tandis que la capacité aérienne a augmenté de 25 %.

Selon les prévisions, la croissance devrait se poursuivre. Près de 11 millions de voyageurs d'agrément long-courrier chinois ont déclaré être susceptibles de visiter le Canada au cours des deux prochaines années. C'est la première fois qu'une telle occasion se présente :

Destination Canada et ses partenaires de marketing investissent plus que jamais dans la mise en œuvre d'initiatives conçues spécifiquement pour le marché touristique chinois.

PRINCIPALES INITIATIVES DE MARKETING EN CHINE

Avec nos partenaires, nous avons lancé une campagne de marketing numérique en chinois sur Weibo et WeChat, qui s'appuyait notamment sur des cartes postales électroniques et un site Web de planification de voyages pour consommateurs. Nous avons aussi créé une trousse en ligne pour aider les entreprises touristiques canadiennes à attirer et à accueillir les visiteurs chinois, notamment sur les plans des méthodes de paiement, de l'affichage en mandarin et des mesures d'adaptation et offres spéciales. (http://bit.ly/BFM_DC-)

Les campagnes ont ciblé de grandes villes, comme Beijing et Shanghai, et pour les professionnels des

voyages, des villes plus petites telles que Nanjing et Xiamen. Parmi les créneaux intéressants, mentionnons les forfaits et les incitatifs pour les familles et les voyageurs d'affaires, notamment par l'intermédiaire des conférences et des événements d'entreprise. Destination et Condé Nast Traveler ont ciblé les voyageurs d'affaires pour C2 Montréal, qui présentait des itinéraires, des anecdotes promotionnelles et des attractions adaptés aux voyageurs d'affaires tout en leur faisant connaître la créativité, la culture et les attractions locales. Nous avons collaboré avec des influenceurs d'affaires chinois qui nous ont raconté leur expérience lors de l'événement et leur exploration de Montréal sur les médias sociaux pendant leur temps libre.

Sous une approche moins conventionnelle, Destination Canada a participé à l'ouverture d'une série de magasins temporaires vendant des spécialités culinaires canadiennes. L'expérience a connu un franc succès, attirant 54 millions de personnes. Plusieurs activités thématiques à l'intention des consommateurs ont contribué au rayonnement du Canada par leur grande visibilité : une partie de hockey Canada-Chine à Shenzhen, un championnat de patinage à Changchun, des expositions informatives dans l'ensemble de la Chine, une foire de la fête du Canada et le World Winter Sports Expo à Beijing. Un événement pour les professionnels des voyages organisé à Sina Weibo a rehaussé la notoriété des expériences touristiques originales offertes par le Canada.

Le Canada a mené plusieurs missions commerciales touristiques en Chine, dont une activité de six jours dans trois villes différentes consacrée au développement des affaires. Par ailleurs, les représentants de



Activité professionnelle à Sino Weibo avec le premier ministre Justin Trudeau

l'industrie ont signé des accords importants avec des entreprises touristiques chinoises évoluant dans les secteurs traditionnels et numériques, en plus de renforcer leurs investissements dans les programmes de marketing en Chine.

RENSEIGNEMENTS SUR LE MARCHÉ

En 2017, les visites aux amis et à la famille (41 %) étaient le motif le plus courant pour les voyages au Canada, et une grande partie des voyageurs ont fait appel à un agent de voyages ou à un voyageur pour planifier ou réserver leur séjour. Les visiteurs ont privilégié l'Ontario (58 %) avec ses chutes du Niagara emblématiques, et les villes de Toronto et d'Ottawa. Vient ensuite la Colombie-Britannique (49 %), populaire pour la beauté de ses paysages. L'été est la saison la plus prisée par les voyageurs chinois, la majorité de leurs séjours ayant lieu en juin et en juillet. Notre objectif est de tirer parti de cet intérêt et de l'étendre à des destinations canadiennes moins connues, durant toutes les saisons.

ET ENSUITE?

Les voyageurs chinois choisissent le Canada pour son fascinant mariage de culture urbaine – boutiques, parcs, festivals, événements gastronomiques et cuisine régionale – et de magnifiques attractions naturelles.

Pour bien gérer l'afflux de voyageurs chinois, l'honorable Mélanie Joly, ministre du Tourisme, des Langues officielles et de la Francophonie, et l'Association de l'industrie touristique du Canada ont mis en place une série d'ateliers de préparation (<https://tiac-aitc.ca/ChinaReady.html>). Ces ateliers aideront les petites et moyennes entreprises canadiennes à mieux comprendre les centres d'intérêt des voyageurs chinois, à rester au fait des dernières tendances de ce marché et à trouver des façons de mieux adapter leurs produits touristiques à ce marché.

L'Année du tourisme Canada-Chine est un excellent catalyseur pour mettre un marché très important en vedette, mais nos efforts ne doivent pas prendre fin en 2018. Destination Canada et ses partenaires entendent profiter de cet élan durant les années à venir.



DAVID F. GOLDSTEIN est le président-directeur général de Destination Canada, l'organisme de marketing national du Canada.



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AIR CANADA

A STAR ALLIANCE MEMBER







Canada China Business Excellence Awards

CELEBRATING BILATERAL BUSINESS SUCCESS

Every two years, CCBC celebrates the successes of its members who have excelled in their China business. The Canada-China Business Excellence Awards recognize companies that have, among other achievements, demonstrated significant growth and development, expanded into greater areas of their industry, or reached remarkable results in their bilateral business. We are always impressed with the scope of work being accomplished by Canadian companies in China, and how companies of all sizes and in diverse industries have pursued China with strategic insight, sound judgement, and creativity. We are also excited to learn of Chinese member companies that have come to Canada and successfully expanded their businesses.

Whether you're just embarking on your China strategy, or have been executing it for many years, the stories of these companies and individuals demonstrate the vast potential the China market holds for Canadian companies, and the many opportunities Canada offers Chinese companies. Their achievements are exciting, impressive, and inspirational.

CCBC wants to encourage and motivate companies on both sides of the ocean to engage in more and better trade and investment between Canada and China. CCBC extends its sincere congratulations to all the winners of the 6th Canada-China Business Excellence Awards.



L-R: Peter Kruyt, HAN Tao, Husayn Remtulla, Emily Thompson, Ian Smith, Sarah Kutulakos

E-COMMERCE ACHIEVEMENT

These companies have successfully incorporated e-commerce into their China go-to-market strategy. CCBC presented gold awards to two companies that have implemented exceptional online strategies.

GOLD

Clearwater Seafoods (Nova Scotia) & Viva Naturals (Ontario)

Clearwater Seafoods entered the China market in 1994 and, with the continuing rise of internet-based purchasing, e-commerce has allowed it to capitalize on China's booming online seafood marketplace. In 2017, Clearwater opened a flagship store on Alibaba's e-commerce platform, Tmall.com, which provides authentication of its products, ensuring consumers that the product is verified Clearwater. In addition, Clearwater products are available for purchase online in China from JD.com. Both e-commerce platforms provide Clearwater access to further diversify into the China marketplace by reaching consumers directly.

Viva Naturals was founded in 2011 and provides premium-quality vitamins, supplements, and wellness products that are affordable and accessible. Last year, Viva Naturals successfully launched its products in China via Tmall Global, the largest ecommerce market in the world. Within the first three months, three Viva Naturals organic food products won first place in their class. Within 12 months, hundreds of thousands of Chinese consumers were introduced to Viva Naturals' products, with their organic products winning first place in the category. Shortly thereafter, it established partnerships with Alibaba and its Tmall Global Direct purchase centre (TDI). Within a year, Viva Naturals went from an unknown brand to earning millions of RMB in sales. They are now a key cooperative brand of Alibaba, with other major ecommerce platforms (JD.com, Kaola.com, and VIP.com) inviting Viva Naturals to join their vendor platforms.



L-R: Peter Kruyt, HAN Tao, Randall Martin, Guy Lefebvre, Alan Middleton, Howard Balloch, Virginia Macchiavello, Sarah Kutulakos

EDUCATION EXCELLENCE

This award was presented to CCBC member organizations that demonstrate outstanding achievement in delivering China-related success including, but not limited to, research partnerships, recruitment, student/faculty exchanges, institution linkages, executive training, and provision of Canadian curricula.

GOLD

**The Faculty of Law
Université de Montréal (Quebec) &
The Schulich Executive Education Centre's
Asian Business and Management Program
York University (Ontario)**

Université de Montréal's Senior Judges Training Project drew its origins from a letter of intent signed in 1994 between Premier LI Peng of the People's Republic of China and Canadian Prime Minister Jean Chrétien. It was a \$4.2 million project, promoted by the United Nations Development Program (UNDP) and funded by the Canadian International Development Agency (CIDA). The project spanned the years 1997-2001 and comprised two generations of trainees. The Project provided the spark for the Faculty of Law to solidify goodwill and relationships into future initiatives in China, particularly with the China University of Political Science and Law.

The **Schulich Executive Education Centre's Asian Business and Management Program (SEEC-ABMP) at York University** provides professional development and management training to Chinese senior public officials, executives, and educators in Canada and China. In 2003, SEEC-ABMP was licensed by the China State Administration of Foreign Expert Affairs (SAFEA) for the delivery of overseas training to Chinese public officials, and for over 15 years, they have trained over 5,000 officials and executives. Partners with multiple years of collaboration include China Life Insurance (10 years), Export-Import (EXIM) Bank (7 years), Chaoyang Bureau of Human Resources and Social Security (4 years), and the Shanghai Party Organization Department (2 years).

SILVER

**China Maple Leaf Educational Systems Limited
(Dalian, China) &
British Columbia Council for
International Education**

The **British Columbia Council for International Education's (BCCIE)** mandate includes internationalization, market support, communication, and professional development on behalf of the provincial government and in concert with the K-12 higher education and language sectors. Its work includes providing growing numbers of BC students with the opportunity to study in China, with well over 1,000 BC students studying in diverse communities and schools across China.

Maple Leaf Educational Systems (MLE) opened its first school in Dalian, China in 1995 with 14 students. Today, it's China's largest private K-12 school, and British Columbia's first and Canada's largest offshore school system. More than 12,000 students have graduated from MLE high schools in China with the BC Dogwood high school graduation certificate issued by the BC Ministry of Education. China Maple Leaf Educational Systems launched as a public company on the Hong Kong Stock Exchange 2014.

BRONZE

Centennial College (Ontario)

Suzhou Centennial College (SCC) is the first Canadian college approved to operate in China by the Chinese Ministry of Education and by the Jiangsu provincial Ministry of Education. SCC is in its second year of operations with an enrolment of 870 students and 22 programs (including 10 Centennial College programs), which meet the educational standards set by The Ministry of Advanced Education and Skills Development Ontario.



L-R: Peter Kruyt, HAN Tao, ZHOU Swan, Donald Wehrung, Mary Whittle, Kurt Sorschak, Sarah Kutulakos

SME EXCELLENCE

This award was presented to SMEs that best exemplify the innovative inclusion of China in the company's growth and overall business strategy. The implementation must have significantly improved the company's competitive edge and financial performance.

GOLD

Paragon Testing Enterprises (British Columbia)

Paragon Testing Enterprises offers innovative English language proficiency tests including the Canadian English Language Proficiency Index Program (CELP) and the Canadian Academic English Language (CAEL) Assessment. Paragon is a technology spinoff of UBC and is making great strides with tests required for entrance to secondary institutions as well as for permanent residence and citizenship.

SILVER

Clear Lake Wineries (Ontario)

Clear Lake Wineries' innovating marketing approach uses "Edutainment" to help educate Chinese consumers about wine through entertaining activities. Their wines consistently win awards in Chinese competitions: Within three months of arrival in China, they won three bronze medals in the Wine 100 competition and in May 2018, a silver award. Two of their wines won Best in Show at the SIAL show, also in May, 2018.

BRONZE

Xebec Adsorption Inc. (Quebec)

Xebec is a supplier of conventional gas purification equipment to a broad range of customers in China and South East Asia. It opened its manufacturing and assembly facility in Shanghai in 2008, and in the past year, Xebec has become part of a consortium of leading Shanghai-based fuel cell and hydrogen infrastructure companies on the first Chinese renewable hydrogen production facility on Chongming Island in support of the Shanghai Hydrogen Fuel Cell Vehicle Strategy.



L-R: Peter Kruyt, HAN Tao, Husayn Remtulla, Emily Thompson, Ian Smith, Sarah Kutulakos

OUTSTANDING ACHIEVEMENT

This award typically celebrates an accomplishment within the last 24 months but, this year, it was open to any CCBC member organization, of any size, in any sector, that has made significant achievements at any time over the 40 years of CCBC's history.

GOLD

Clearwater Seafoods (Nova Scotia)

Prior to opening a sales office in Guangzhou in the mid-1990s, **Clearwater Seafoods** invested heavily in developing the Chinese marketplace. It began by importing live lobster, and has since introduced Arctic surf clams. Today, China represents Clearwater's second largest grossing single-international market, accounting for just over 16% of total sales. Within its clam operations alone, it operates three vessels and two plants, directly employing over 450 people in 52 communities in Nova Scotia and Newfoundland.

SILVER

Government of Nova Scotia

In April 2016, the **Government of Nova Scotia** introduced a strategy to enhance Nova Scotia's relationship with China. It serves to coordinate Export Growth, Formal Agreements, a Nova Scotia-China Live Lobster Quality Project, the Nova Scotia Seafood Brand, and Transportation. China is now Nova Scotia's second-largest trading partner, with exports totaled \$611 million in 2017 compared to \$64 million in 2008.

BRONZE

Poly Culture North America Investment Corporation Limited (China)

Poly Culture Group is China's leading art and culture company. It manages the world's largest performing theatre chains and it operates the world's third largest artwork auction house (behind only Christie's and Sotheby's). Poly Culture Group has taken more than 70 Canadian performances and concerts to Poly Theatre venues in China, and it has brought two internationally renowned Chinese performances to Canada.

YOUNG ENTREPRENEURS

When CCBC was established in 1978, no one could predict how far China's economy would come. This category recognizes entrepreneurs who have come of age during China's opening and reform period, who have created dynamic businesses that have include China in their global strategy.

GOLD



Yang Washington SHAO Geneseeq (Ontario)

Geneseeq is a biotechnology company led by Dr. Yang Washington SHAO. Beginning in 2008 with their first R&D lab for technology development and validation, Geneseeq established its Chinese headquarters in Nanjing by 2013. Prior to that, they did extensive research on their industry in China, and visited over 20 cities to secure government support. They settled on Nanjing after their project scored an impressive ninth out of more than 3,200 reviewed projects, and the Nanjing government offered them two million RMB as start-up capital, plus office space. Today, Geneseeq employs more than 450 people, has developed over 20 genetic testing products, and is involved in genetic testing protocols in China.



SILVER

Steve Di Fruscia Tianco Group (Quebec)

In 2013, at the age of 31, Steve Di Fruscia was named the President and CEO of Tianco Group, a real estate and investment company that is backed by one of China's biggest real estate developers. Tianco has, to date, invested \$350 million across Canada, and is working toward a goal of a billion dollars.



BRONZE

Michael Burak Languages in Motion Ltd. (Alberta)

Languages in Motion Ltd. is a translation and interpreting services firm led by Michael Burak.

He founded the company in 2011, and expanded to China two years later. With the significant increase in companies doing business bilaterally over the past five years, Languages in Motion has provided both Chinese and Canadian investors and companies communication services to facilitate trade, M&A, and investments.

SPECIAL RECOGNITION CATEGORY: 40TH ANNIVERSARY HONOUREES

CCBC is a business council with organizational members rather than individuals, so the Canada-China Business Excellence awards recognize companies or institutions. But the success of Canada in its economic relationship with China is due to many hardworking executives, academics, and officials from both countries over the last 40 years.

For CCBC's 40th Anniversary, we are offering a one-time category to recognize individuals who have made a difference in the Canada-China relationship. The 40th Anniversary Honourees are individuals who, through their work in business, government, academia, or civil society, have made significant contributions to Canada-China relations and to economic engagement between our countries. For more information on the contributions of the Honourees, please visit CCBC.com.

The recipients of the 40th Anniversary Canada-China Business Excellence Honourees Award are:



Paul W. Beamish



**The Honourable
Stockwell Day**



**The Honourable
Jean Charest**



André Desmarais



**The Right Honourable
Jean Chrétien**



Wendy Dobson



Margaret Cornish



Pitman Potter



Canada China Business Council
Conseil d'affaires Canada-Chine
加中贸易理事会

MASTERING CHINA

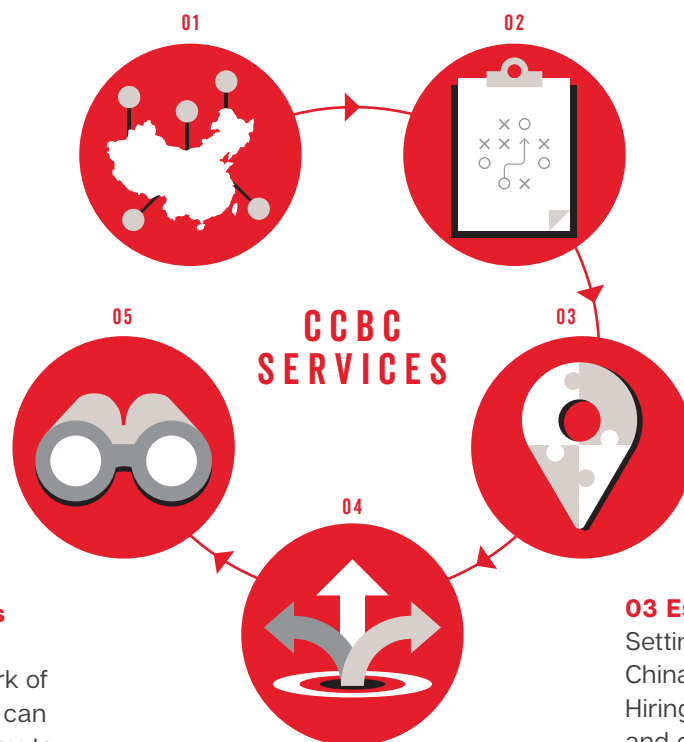
CCBC's services help you reduce your risk, shorten your cycle time, and make better decisions. Our on-the-ground presence in China helps Canadian companies evaluate the market, enter more quickly, and connect to the resources that help them succeed. Once you're established, CCBC helps you solve problems and deepen your presence, and stay up-to-date on this fast-changing market.

01 Evaluating China

Before starting an expensive launch in China, determine if China really is the right place for your business. Understanding the industry or sector landscape, knowing how to select and work with Chinese suppliers, uncovering the competition, and having an effective online approach can reduce your risks of entry into China.

02 Building a Strategy

China requires a strategy specific to its unique business landscape. CCBC has the knowledge and connections to assist businesses with a smart and realistic approach to doing business in China.



05 Seeking Investors

Not only does CCBC have a member network of investors, but also we can assist in connecting you to China missions targeting investment. In addition, CCBC experts can work with you to create a pitch that will resonate with your potential investors.

03 Establishing a Presence

Setting up your business in China has its own challenges. Hiring practices, labour laws, and office registration can be daunting, but with CCBC's knowledge and experience, we can help you manage the hurdles and establish your business quickly and easily. We offer members Business Incubation Centres where your first employees can start until your own offices are set up.

04 Expanding and Deepening

Even well-established companies run into issues in China. Business can be slowed by applications and approvals, contract conflicts, government regulations, and more. The experts at CCBC can help navigate these difficulties. As well, our Business Incubation Centres can help you expand in new cities.



Please contact CCBC@ccbc.com to request more information.

China's *Care* Economy

A Growing Export Opportunity for
Canadian Women Entrepreneurs

Asia's "care economy" represents a massive opportunity for Canadian exporters and, especially, women entrepreneurs. Care economy includes economic activities related to the provision of social and material care of children, people with disabilities, and the elderly.

by A. Weiling Lee

The unequal distribution of care work is a global phenomenon, representing both a burden and opportunity for women. According to the International Labor Organization, women in Asia and the Pacific spend 4.1 times more time than men doing unpaid care work (the global average is 2.5 times). Social norms link women and domestic care duties, driving gender gaps in market outcomes, like disparities in earnings, wealth, job segregation, and employment.

But care also represents an economic opportunity for women. Because of the gender imbalance in care duties, women are drawn to economic activities as both the dominant consumers of care products and services, and as entrepreneurial innovators in the care economy. Canadian stakeholders in the care economy can seize upon changing consumer needs in Asia to leverage the care economy as an engine for growth and women's economic empowerment in Canada through trade expansion with Asia.

SENIOR BOOM, BABY BUST

Consumers in key Asian markets are rapidly aging, are wealthy, and expect a high quality of life in old age. The UN forecasts that the number of people aged sixty or over in Asia will more than double from 962 million in 2017 to 2.1 billion in 2050, and elder care needs will rise in parallel.

China is growing old faster than anywhere in the world. According to World Bank data, in 2017, China had 148 million people over the age of 65—over 4 times the Canadian population. Yet the elderly made up just 10% of China's total population, leaving only room for growth. By 2037, the elderly population will double in proportion to 20% and, by 2050, the number of Chinese elderly could grow to 330 million, making up 44% of the total Chinese population, according to UN data. Seven Oaks General

Hospital President and Chief Operating Officer Carrie Solmundson points out, "China, like Canada, is grappling with rising incidence of chronic disease that is rooted in sedentary lifestyles, poor nutrition, and other unhealthy lifestyle behaviours." Yet Canada has a social security net that addresses the chronic health needs of an aged retiree population. Although the Chinese government has begun to address socio-economic inequality in the last decade, its social security net remains relatively weak. Elder care in China thus shifts onto working-aged children.

The decades-long one-child policy compounds the country's aging crisis. China's "4:2:1" problem—four grandparents for each couple and their child, dubbed before the move to two-child family planning limits—leads to a deficit of young people able to care for the elderly and pay into pension programs. And the demographic bottleneck is tightening. In China, according to the International Monetary Fund, the number of people in their prime working years could fall by 170 million in three decades. This Sandwich Generation—working adults caring for both children and aged parents—is under extreme pressure to support their elders in China and other Asian countries with strong filial values.

CANADIAN BRAND LEADERSHIP IN THE CARE ECONOMY

This is where Canada's care economy entrepreneurs can step in. China's Sandwich Generation is part of the country's largest growth in earning and spending potential, as China's middle class may grow to 550 million people by 2022, according to McKinsey and Company. Canadian product brands are desired among China's growing middle class as high quality Western products, especially those tied to Canada's pristine environment, quality of life and high product standards (e.g., retailers like Roots, lobster and pork, adventure tourism, etc.).

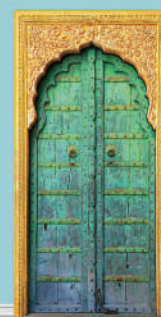
Canadian companies can leverage this brand reputation to promote other advanced care products and services—medications for the elderly, biotechnology, baby formula, etc.—that meet or exceed international safety and quality standards, which the growing Chinese middle class is demanding. Because Asian consumers associate Canadian products with high quality standards, they are open to buying new Canadian brands that may not yet be known in-market.

But Canadian companies cannot do it alone. Strategic partnerships with industry leaders in Asian markets can launch future opportunities for export-led growth in Asia's care economy. Working with partners familiar with Asian markets and consumers can help promote the value of Canadian products and services among Asian customers. Japan, for example, is a “super-aged” advanced economy that has been pursuing care technologies and



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consumer products to support their elderly for decades. And Japanese companies are already expanding into neighbouring markets like China. By partnering with Japan, Canada may have greater opportunities in the China market in the future.

WOMEN AND THE CARE ECONOMY

The care economy is highly female-dominated on the demand side, in both Canada and China, but women in China are doubly burdened. According to the International Development Research Centre, Chinese women perform 21 hours of unpaid domestic work on average per week—more than twice as much as men, who average 10 hours a week. And with China's 2016 two-child policy, the unequal care demands placed on women in the Sandwich Generation are doubled, increasing family-work conflict for women more than men, according to researchers at Peking University and the University of Winnipeg. The unintended consequences of the two-child policy are that women's

economic opportunities worsen, because of employers' reluctance to provide more maternity leave and, thus, hire women.

But care is more than a burden for women—it can also be a brass ring if we support women-led businesses in the care sector. In Canada, the care economy is also female-dominated on the supply side. Expanding trade with Asia, with a focus on care economy products and services, can uniquely benefit female socio-economic participation. As Dr. Ito Peng (Director of the Global Social Policy Centre at University of Toronto) writes, “if it is done right, the care economy may ... be the best and fastest way to achieve gender equality,” using export-led acceleration of women's social and economic participation.

Canada's moment for gender equality dovetails with China's growing care needs. The 2018 Federal Budget identifies Canadian women's labour market participation and pay equity as priorities for support in women-led sectors, like the care economy.

The care economy represents a confluence of Canadian brand leadership, Canada's support for women's economic empowerment, and growing Chinese demand. China's rapid expansion of the middle class, the shift from an export-led industrial and manufacturing economy to one focused on domestic demand, and its looming demographic crisis in elder support should signal to Canadian businesses that China's growing care demands are an opportunity that should not be missed.



A. WEILING LEE, PhD Research Associate, Asia Pacific Foundation of Canada Toronto Office and Postdoctoral Research Fellow, Centre for Global Social Policy, Department of Sociology, University of Toronto



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40 Years of Success
40 ans de succès

How E-commerce Truly is Everywhere in China



by Stewart Kiff

It's everywhere today in China.

You see it in restaurants—in this instance, at an eatery on a balcony overlooking the departure hall in Shanghai's Pudong International Airport. A large group of elderly people—perhaps on their way overseas on a group trip—loudly conversing over the noisy clinking of chopsticks against plates and bowls, laughing and hollering.

Suddenly, a woman in the group sees that the dishes at the table are running low. So she puts up her hand, as if to hail a waitress. But instead, she is holding a cellphone; she scans a QR code on the other side of the table, taps the phone a few times, and then returns to the conversation.

Shortly after, a new dish of stir-fry arrives. The elderly group eats, chats some more, then gets up and leaves. No menus, no bills, no interaction

with the service staff beyond the delivery of food and drinks. Everything—from ordering from an online menu opened in the social media app WeChat after scanning a code, to the instant payment of the order through an online bank account linked to the WeChat account—was completed via cellphone.

That's when it hits you: E-commerce isn't just arriving in China; it is already well established and not just among the youth. People of all ages, income levels and cultural backgrounds are using it as matter-of-factly as they would eat, breathe and sleep.

"E-commerce is not an option if you want to do business in China. It's a requirement," says Daniel Zipser, senior partner of consultancy at McKinsey & Co. in Shanghai. "The cellphone is vitally important in people's daily lives because it's a consumer's everything—including his

or her wallet. You want a plumber? How about getting a massage therapist? Do you need your car fixed? Essentially, you can get almost anything, and you can find it close to where you are, wherever you are."

Statistics back up Zipser's claims. According to an analysis by J.P. Morgan, China's total digital payment transaction value was only at 8 trillion RMB (\$1.52 trillion in Canadian dollars) in 2015. Only three years later, in 2018, that number will exceed 39 trillion RMB or CAD 7.4 trillion. The two largest e-commerce platforms, WeChat Mobile Payment and Alibaba's Alipay, currently have 820 million and 650 million users, respectively.

In turn, the spread of e-commerce through social media platforms is now driving consumer trends in a snowballing of viral online content and the consumers' need for instant



Retail is thriving in China, such as at this street-side vendor along Nanjing Road in Shanghai. Here most purchases are not made by cash or credit card but by cell phone apps.

Photo: Stewart Kiff

gratification, fed by the availability of immediate transactions. The result, Zipser says, is not simply an addition of e-commerce to traditional Chinese commerce, but a complete transformation of Chinese consumerism into the embodiment of modern social media—likes, follows, trends, memes and the rush to take part in the latest and greatest.

“The trends in China don’t go slow,” Zipser says, using China’s recent love affair with running as an example. He notes that the Chinese Athletic Association reported about 50 marathon events in 2014. Two years later, the country hosted 328 such events, as consumers started posting running routes to social media and inspiring others to join in. “The key thing influencing that trend is WeChat and other social media; there’s now a sudden boom in interest in running, and everyone’s posting their runs on WeChat. When I see all

my friends here doing it, it makes me think that I should do it, too. That’s why these things go extreme; in other places in the world, trends emerge over time. Here in China, suddenly a trend hits, and everyone does it.”

Coinciding with the “e-commercialization” of Chinese consumerism is the willingness to spend of those consumers. While China is a society historically steeped in the tradition of saving, a recent poll asking Chinese citizens what they would do if they earned 10% more income next year showed that almost half—43%—said they would spend the extra money. That’s the same percentage of respondents who said they would save the money, with paying off debt (14%) in a distant third place. That scale of spending, when combined with the spikes in consumer trends driven by e-commerce, has led to stories of incredible rises in certain industries.

The recent Chinese demand for fresh, healthy foods to respond to a newfound consumer focus on better lifestyles has led to a refrigerated-transport network—unheard of just a few years ago in a country where temperature-controlled sections in grocery stores were non-existent—sprouting up almost overnight.

One of the biggest players, Shanghai’s Jiuye Supply Chain Management, went from launch in 2014 to having 26 refrigerated warehouse facilities that can practically service the majority of China’s 9.6 million square kilometres. That means that dairy, fruit and seafood—potentially from Canadian suppliers—can reach deeper into China’s so-called third-tier markets without worries about it spoiling.

“Because of e-commerce, we have to be able to serve all parts of China,” says Jiuye logistics director Cory Guo. “It’s no longer just a regional service

that's needed around Shanghai, Beijing and Shenzhen; we have to be able to deliver everywhere—even single parcels directly to a customer's house—so that consumers can enjoy lobster within 72 hours of the product being put on a plane in Halifax.”

The difficulty for businesses, analysts say, is predicting the trends, seeing the demands before they happen, and staying off the feverish competition in a market that still lacks regulation in terms of limiting the number of players in a certain sector. For example, if a company were to find a Blue Ocean market in China, that same market would, within months, attract multiple competitors, thus putting pressure on all the players to reduce margins and fight to the limit for survival.

For Canadians looking to succeed in this market environment, one top Chinese e-commerce official has simple advice: Give China's consumers a clear, obvious reason for buying your products.

“I'll use maple syrup as an example, because the market here for syrup isn't nearly as big as the market for honey,” says Henry Tao, merchandising director for Nanjing-based Suning International Co. “So why is syrup better than honey? Don't assume that consumers here will know the difference. These consumers have to learn that difference, and they will have many other voices telling them why certain products are better than others.

“The market is open to everyone; that means it's harder for everyone. You have to compete.”



STEWART KIFF visited China in 2018 as a CCBC Media Fellow and is based out of Toronto, where he is the President of Solstice Public Affairs.



A 7Fresh supermarket representative demonstrates the market's high-tech item information system, where a customer can place a produce onto a sensor and have the pertinent info - place of origin, price, health benefits and customer review ratings - appear in a digital display. 7Fresh is also delivering groceries to nearby clients who can order using a mobile app. Photo: Stewart Kiff

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The Canada China Business Council at 40

by Sarah Kutulakos
Executive Director, CCBC

To reflect on CCBC's history at this important milestone, I am aided by the Asian Institute at the University of Toronto's Munk School of Global Affairs, whose team, led by James D. Poborsa (溥松) and Deanna Horton, combed through CCBC's archives. Some common themes emerge, most important of which is CCBC's role as a convener.

CCBC's ability to convene the right people, at the right time, in the right places, has been central to our mission since the first CCBC-led delegation in 1978, when 25 CEOs from Canada's leading corporations were hosted by PRC Chairman HUA Guofeng (1976-1981), who had recently succeeded the late Chairman Mao. The establishment of CCBC and the success of such trade delegations was facilitated by an array of individuals who would go on to define the Canada-China relationship over the subsequent decades, such as early leaders like Paul Desmarais Sr., Maurice Strong, and McGill Professor Paul Lin, and even a young Peter Kruyt who, as executive assistant to Paul Desmarais in 1978, coordinated what was effectively the first private Canadian economic mission to China. Peter later served as chairman for 16 years, officially retiring at CCBC's 40th AGM.



CCBC Gala Dinner in Beijing

It is visits such as these which captivate people. Even today, the group photos in CCBC's Toronto lobby, where members stand with leaders like ZHU Rongji, JIANG Zemin, WEN Jiabao, and HU Jintao, are the ones on which visitors dwell the longest.

When this prescient group of businesspeople established the Council in 1978 (originally as the Canada China *Trade Council*), Canadians were among the few knocking on China's door, and that early focus brought significant access. Forty years later, the whole world is knocking, which means there are fewer opportunities for such group photos, but the leaders of Canada and China are still utilizing CCBC's platform, and our convening power, to deliver messages and bring the right people together.

When we convene, we also connect people. Sometimes CCBC does the heavy lifting in crafting opportunities to bring people together. Other times we simply provide the platform and our members or government counterparts bring the participants, but most often it is a mix of both. Our AGMs are emblematic of both our convener and connector roles. Frequently held in Beijing or Shanghai, they have occurred in places like Hangzhou (1981), Dalian (1988), and Chongqing (2008 and 2011). Taking Canadians out of their comfort zone and introducing them to Chinese partners has long been a part of such events. We often hear years later that a connection was struck at a meeting, golf tournament, or B-to-B session that resulted in an investment or joint venture.

We have long worked in conjunction with three levels of government. As early as 1979, Maurice Strong delivered a "Progress Report to the Board of Directors," in which he proclaimed that there existed a natural synergy between the Council and the Government of Canada, noting that "the objectives of the Canada-China Trade Council...and the Department of External Affairs are fully complementary."

In the mid-1980s, chairman Paul Desmarais Sr. wrote "the CCTC complements the activities of the Canadian Embassy in Beijing, which is already over-committed and unable to meet demands placed on it by Canadian business." Working behind the scenes to secure government support, Desmarais argued that the CCBC was a "dynamic marketing force" and was perceived in China as an "essential link" to Canadian business. He did secure multi-year funding, and CCTC and Canadian government pledged to develop closer ties and forge a long-term synergistic relationship. This synergy was displayed through the exchange of personnel, like the secondment of several executive directors from the federal government, and the joint CCBC/Government of

Canada offices in secondary Chinese cities in the early 2000s, which gave companies access to an array of key regional markets.

Through the years, all stakeholders have significantly increased their "China competence" (or in the case of CCBC's Chinese members, their "Canada competence"). As our members and our government counterparts strengthened their China knowledge and presence, CCBC's services evolved. Whereas in early days our team helped members to buy train tickets in Beijing, now we help them solve problems, meet potential partners, and understand the ever-changing business environment.

Our historians note that CCBC's ability to adapt to changing circumstances enabled the Council to capitalize on growing market opportunities in China, while also working with government planners to ascertain the most effective avenues of economic engagement. As a result, Executive Director William Coleman (1978-85) noted that "the demand for CCTC consulting services has never been greater." These services included helping develop closer relations between Council members and Chinese foreign trade organizations, providing insight into the China market, assisting with negotiations between Canadian and Chinese firms, and providing timely information on economic developments in China to member firms. The Council developed extensive relationships with a wide array of Canadian and Chinese partners, including embassies, ministries, import and export associations, and numerous academic institutions. That continues to this day, with an array of partners in the "China toolbox" that every member needs. That each tool is now so much more capable means more Canadian companies can take on the China market.

The mid 1990s brought provincial and municipal government missions to China, and diplomacy at this level was tremendously important in fostering connections for small and medium enterprises (SMEs). Under the leadership of executive director David Mulroney (1995-1998), who later went on to be Canada's ambassador to China, SMEs increasingly drove many of the initiatives of the Council. In a paper exploring the feasibility of Canadian SMEs succeeding in the Chinese market, Neil Tait, then Senior Vice-President of Asian Banking at the Bank of Montreal, recommended that CCBC first seek to work with medium sized enterprises, which represented only 5% of SMEs in Canada. The CCBC's SME initiative, and in particular its ability to leverage the advice of larger member firms, was a key factor in enabling medium-sized firms to succeed in the complex, regionally diverse China market. SMEs today make up more than 2/3 of CCBC's corporate members.



Prime Minister Justin Trudeau speaking at CCBC's Gala Banquet in Shanghai, 2016

EXECUTIVE DIRECTORS	PRESIDENTS	CHAIRMEN
William I. Coleman (1978-1985)	WDH Gardiner (1978-1980)	Paul Desmarais and Maurice Strong (1978)
John Cheh (1986-1987)	Michael Cochrane (1980-1987)	Paul Desmarais and C. Calvert Knudsen (1978-1983)
Lorraine Spiess (1987-1990)	Robert Q. Phillips (1987-1993)	Paul Desmarais and Robert Andras (1983-1984)
Felix Li (1990-1995)	Sen. Jack Austin (1993-2000)	Michael Cochrane (1984-1986)
David Mulroney (1995-1998)	Earl Drake (2000-2001)	Paul Desmarais (1986-1992)
Fred Spoke (1998-2001)	Howard Balloch (2001-2006)	Andre Desmarais (1992-2002)
Scott Fraser (2001-2003)	Sergio Marchi (2006-2008)	Peter Kruyt (2002-2018)
Margaret Cornish (2003-2007)	V. Peter Harder (2008-2016)	Olivier Desmarais (11/2018-present)
Sarah Kutulakos (2007-present)	Graham Shantz (2016-present)	

In the 1990s, bilateral engagement facilitated by CCBC went considerably beyond high-level meetings and policy reports, as the Council's inside connections helped foster a sense of dialogue and partnership, particularly regarding areas of concern for Canadian investors. This deep understanding of the challenges and the channels necessary to address them continues. With a mission of fostering more and better business between Canada and China, facilitation of better market access and reduction in challenges is key to ensuring that more companies trade and invest, more profitably, in both directions.

Bilateral trade has risen from \$496 million in 1978 to more than \$95 billion today. China now contributes a third of annual global growth, and sustaining a positive relationship with our #2 trading partner is clearly in the national interest. At CCBC's 2016 AGM, Prime Minister Justin Trudeau said that "any economic strategy that ignores China or that treats the valuable relationship as anything less than critically important is not just short-sighted, it's irresponsible."

For the past 40 years, CCBC has been an integral pillar of Canada-China relations, fostering bilateral business and trade, and becoming what one supporter calls a "trusted brand" on

both sides of the Pacific. CCBC plans to continue contributing to this important relationship, and we are committed to our role, as put by former Ambassador of China to Canada, LAN Lijun, as "an indispensable bridge between the two sides."



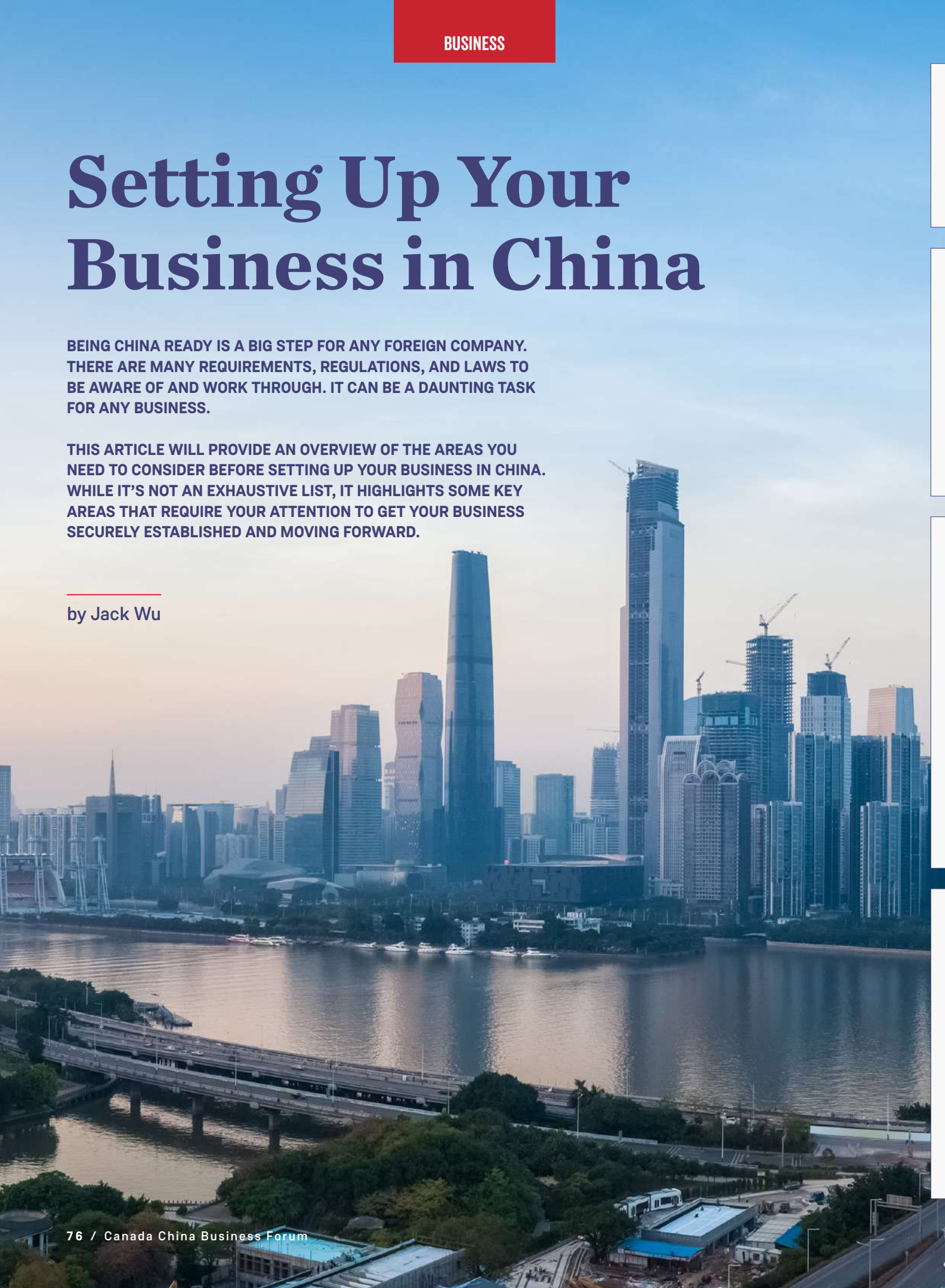
SARAH KUTULAKOS has been the Executive Director of CCBC since 2007.

Setting Up Your Business in China

BEING CHINA READY IS A BIG STEP FOR ANY FOREIGN COMPANY. THERE ARE MANY REQUIREMENTS, REGULATIONS, AND LAWS TO BE AWARE OF AND WORK THROUGH. IT CAN BE A DAUNTING TASK FOR ANY BUSINESS.

THIS ARTICLE WILL PROVIDE AN OVERVIEW OF THE AREAS YOU NEED TO CONSIDER BEFORE SETTING UP YOUR BUSINESS IN CHINA. WHILE IT'S NOT AN EXHAUSTIVE LIST, IT HIGHLIGHTS SOME KEY AREAS THAT REQUIRE YOUR ATTENTION TO GET YOUR BUSINESS SECURELY ESTABLISHED AND MOVING FORWARD.

by Jack Wu



SET UP THE RIGHT ENTITY TO SUIT YOUR BUSINESS MODEL

When entering the Chinese market, companies should have a clear plan of what they are going to do. Some companies are going to source products; some are going to sell products in China through online and offline platforms, while others will provide professional services or advice. One of the following three structures will suit your business model in China:

REPRESENTATIVE OFFICE (RO)

AVERAGE SET-UP TIME:

1-2 months

STATUS:

Not a legal entity in China

WHAT IT CAN AND CAN'T DO:

- Can act as a liaison office between

China and the company HQ

- Not allowed to conduct direct profit-generating business
- Not allowed to hire directly

WHO NEEDS TO BE APPOINTED?

- One chief representative

WHOLLY FOREIGN-OWNED ENTITY (WFOE)

AVERAGE SET-UP TIME:

3-4 months

STATUS:

Limited liability entity

WHAT CAN IT DO?

- Management consulting
- Import & export trading
- Retail & wholesale
- E-commerce
- Restaurant F&B business

- Information technology (IT)
- Manufacturing
- Logistics
- Recruitment

WHO NEEDS TO BE APPOINTED?

- One executive director
- A board of at least three directors: one legal representative; one general manager, and one supervisor (one person can be appointed to more than one role)

SINO-FOREIGN JOINT VENTURE (JV)

AVERAGE SET-UP TIME:

3-4 months

STATUS:

Limited liability entity owned by a foreign investor and a mainland Chinese investor

WHAT IT CAN AND CAN'T DO

- Can do everything that a WFOE can do

- In some restricted industries, a certain percentage of Chinese shareholding is required

WHO NEEDS TO BE APPOINTED?

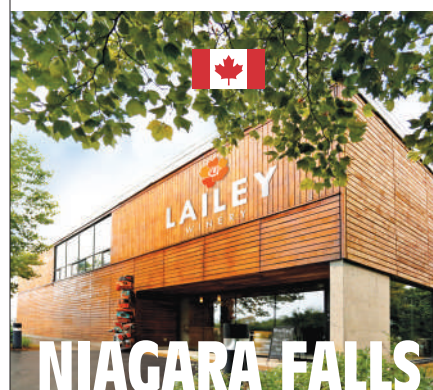
- One executive director
- A board of at least three directors: one legal representative; one general manager, and one supervisor (one person can be appointed to more than one role)



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SELECT THE CITY IN WHICH TO SET UP

The first-tier cities of Shanghai, Beijing, Guangzhou and Shenzhen are home to more than 85% of new foreign investment in China. Although each city has its own characteristics, Shanghai is known for its openness to foreign investors from every industry. Companies tend to pick Beijing as their first port of call if they are in banking; education or other restricted industries; so that they can be close to the central authorities. Guangzhou and Shenzhen, meanwhile, are the bases of choice for electronics producers and hi-tech start-ups. They are close to the free port of Hong Kong, which has logistical advantages.

In general, investors should register the company in a city that is close to their customers or suppliers if they buy or sell products in China. Most of the companies choose the first-tier cities as their first stop. They will enjoy the business-friendly environment but will also face high rental costs for their premises, comparable to in any other major cities in the world such as New York or London.

Companies may also consider opening branch offices in smaller Chinese cities if they want to have a presence there and take advantage of the lower labor and rental costs.

REGISTERED CAPITAL

What is the right amount of registered capital for your company? This is the question all investors need to answer when setting up a business in China. By Chinese law, all enterprises, foreign-invested or otherwise, must register a certain amount of operational capital with the relevant authorities as their “registered capital.”

In the past, all companies had to have a minimum amount of registered capital. On March 1, 2014, the statutory requirement for this was waived but the registered capital of a WFOE should still match its operational scale. If the WFOE is expected to receive revenue in China, the registered capital can be set at a lower amount. If the WFOE is going to be operated under the cost-plus accounting principle, receiving funding from the parent company, the registered capital amount can be set to cover at least the first two years of the operating expenses.

In the past, company law required that foreign investors deposited 20% of their registered capital within 90 days of the business license being issued, and the remainder within two years. The new, amended law allows registered capital to be paid within 30 years of the business license being issued. Investors do not need to keep the registered capital in a bank account - they are expected to spend it on the WFOE operating expenses.

HIRING EMPLOYEES IN CHINA

China is a regulated and employee-friendly country as per Chinese labour law. Employers are required to enter a labour contract with employees within the first month of employment. Besides paying salaries, employers will also need to pay social insurance and housing fund contribution. Employers are obligated to withhold employees' individual taxes and their portion of the social benefits.

When companies have to terminate an employee, they should try to terminate the employment contract by mutual consent. When a unilateral termination occurs, employers often have difficulty providing sufficient evidence in court to show the termination was justified. Severance pay is one month's salary for every 12 months an employee serves in the company, up to a maximum of 12 months' salary.

If companies want to hire a non-Chinese employee, the expatriate employee must have a proper work permit and resident permit prior to commencing employment. It normally takes two months to apply for these permits. It is also possible to enter China on a business visa, which will allow a maximum stay of 30-90 days. The foreign employee should not receive any salary in China while he/she is in the country on a business visa.

REPATRIATING PROFITS FROM CHINA

The most common profit-repatriation strategy is a dividend payment. It is relatively easy to repatriate profit by way of dividends, but the tax burden could be high in China (from corporate income tax and withholding tax) and the home country.



A Chinese bank will only process dividend payments with a completed audit report and tax receipt confirming the amount of profit distribution and tax payment.

With a service/royalty fee, the overall tax burden can be lower than with dividends because the tax is a value-added and withholding tax.

This method only allows genuine arm's length transactions directly related to the company's business. Otherwise, it may be challenged by the tax bureau. There are restrictions on the amount which can be repatriated through a service/royalty fee.

An inter-company loan between the subsidiary in China and the overseas affiliate or parent company must be repaid. Thus, it is not a solution for permanent repatriation. There are some prerequisites: the China subsidiary (lender) must have been established for at least one year; the total loan amount must not exceed 30% of its owner's total equity value, and the interest rate must conform to market principles.

Setting up and establishing your business in China is an important element in many businesses' growth strategies. The sooner you make the move to include a China strategy, the sooner you can expand into one of the fastest developing markets in the world.



JACK WU leads the Vistra International Expansion Service team in China with a solid background in international taxation and accounting. He is deeply involved as one of the initiators for Vistra's China strategy and manages all its International Expansion clients' interests throughout mainland China.

When China Becomes Canada's #1

by Peter Hall

We just don't seem to learn. When a particular basket is doing well, we simply can't resist putting our eggs into it. Sometimes a lot, sometimes all of them. And when that basket gets shaken up, bashed around or dropped, we stare in disbelief—and groan at our 'singular commitment' short-sightedness. It happens over and over again; it seems we only think of diversification after devastation. So, with anxiety around Canada's key trading relationship spiking, is diversification back in the lingo? Or this time around, is it actually more than that?

DIVERSIFICATION: IT'S OFFICIAL!

Good questions. In one very great respect, we could say that it never really left the lingo. Back in 2000, Canada's exports to China were duking it out with Germany for fourth place in our merchandise trade rankings, well behind our dominant sales to the US, but also well behind Japan and the UK. At that time, China accounted for barely one per cent of Canada's international shipments. A lot has changed since then: A solid track record has now vaulted Canada's China-bound export sales

What seems to escape notice is the fact that Canadian export sales to the US grew on average by just 0.7 per cent each year since 2000. Those doing business in China averaged 12 per cent growth—every year. Some industries did a multiple of that.

to second place among all export destinations, with a comfortable and growing lead on third-ranking UK and fourth-placed Japan. It's a dramatic shift in a short space of time. But the China portion of Canada's total merchandise exports has not only jumped up to 4.5 per cent; it continues to rise. These are actually staggering changes, but for some, it's ho-hum. After all, it still is just 4.5 per cent of our foreign sales, paling in comparison to the dominant US market. One look, and many lose interest; it's impressive, yes, but still too small to get all worked up about. To them the risks and potential losses of a venture into China loom large. To others, it's the sheer cost of exploring and building business there. Many Canadian exporters still just opt out. What seems to escape notice is the fact that Canadian export sales to the US grew on average by just 0.7 per cent each year since 2000. Those doing business in China averaged 12 per cent growth—every year.

Some industries did a multiple of that. Put that way, it's a whole different story, and raises interesting questions.

Try this one out for size: If this growth wedge remained the same over the forecast horizon, how would that trade share change? Does China stand a chance of ever being Canada's top merchandise trade destination? Mental math leads many to believe that with a dominant 75 per cent share of trade, the US will be number one for a long, long time to come. And that's where many are dead wrong. We are actually looking at just over a quarter of a century until Canada is shipping as much of our stuff to China as to the US. It hardly seems possible, but the math is pretty simple.

We are actually looking at just over a quarter of a century until Canada is shipping as much of our stuff to China as to the US. It hardly seems possible, but the math is pretty simple.



China is purportedly adding to its middle class by the equivalent of Canadian population-every year. This growing, wealthier class is demanding higher-valued goods in greater quantities every year.

CHINA #1? REALLY?

Now, skeptics will rightly challenge the assumptions: In the middle of the 2000-2017 timeframe, we had a massive global recession that affected our US sales a lot more than our exports to China. Fair enough, let's then go with a more reasonable growth trend. More recently, the wedge between growth in our US and Chinese exports is narrower, although still significant. Under this scenario, it would take longer, but not really that much-try 44 years. For some, that's too long. It really isn't. What we're talking about is not some phenomenon that hits us suddenly 44 years from now; it implies aggressive annual movement toward that moment every year in between. That's the kind of action no one in their right mind would want to miss out on. It's a pretty staggering change in a relatively short timeframe, and strongly suggests that every Canadian exporter should have a China strategy.

If they buy that argument, sceptics have another play: China isn't growing as fast as it once did; to many, the years of 8 to 10 per cent annually are a distant memory, never to be repeated again. But again, the view is short-sighted at best, and at worst, just plain wrong. Compound growth over time means that China can't possibly expect to punch out double-digit growth forever. At today's growth, it takes well under a year for China to create a new Italy, year after year. It would be fair to ask if an economy could possibly facilitate that kind of growth perpetually. Some point to today's 6-ish per cent growth as a sign of China faltering. Sounds compelling, but what escapes them is that six per cent adds the same amount of GDP annually as it took 18 per cent nominal growth to generate back in the 2004-08 period. Today, six per cent puts the same pressure on world resources, transportation systems, factory space and so on that 18 per cent did just a few years ago.

THE MIGHTY MIDDLE CLASS

And then there's the rising per capita wealth all that growth is generating. China is purportedly adding to its middle class by the equivalent of Canadian population-every year. This growing, wealthier class is demanding higher-valued goods in greater quantities every year, and increasing China's net dependence on the rest of the world for key goods and services. That's another key sense in which all Canadian exporters should have a China strategy.

Isn't 'every' a bit rich? Well, let's go into a bit more detail. Drawing again on the 17-year growth trend, Canada's wood products industry has just over 7 years before China is top customer. For refined metals net of aluminium, it's 12 years. For processed meats, just above 12 years, and for seafood, 16 years. Moving a bit up the value chain, navigation, measuring, medical and control instruments have 23 years until China is the dominant

destination, and autos—yes, that most US-centric of our industries—just over 11 years. Now in the latter case, and in that case only, the growth trend is absurdly high, and starting from a tiny base, so it is the only one on this list that is very unlikely to be realized. Still, it's useful as an illustration that in even our most US-focused businesses, there is a big shift in activity underway, and one that exporters of all stripes ignore at their own peril.

CANADA'S TRADE HEAT-MAP IS CHANGING

Angst about the future state of our trade with the US has launched the diversification word back into day-to-day trade conversations in a way I haven't seen since the Great Recession. And the movement is now official—we have a federal cabinet

minister who is not just the Minister of International Trade, but also 'and Diversification.' The China story is compelling, and by far, is out there on the leading edge of diversification to the emerging world. Doubtless, others are also on the rise; they, too should get attention. First things first: China is on the forefront of the significant changes to Canada's trade heat map that are already well underway. These are set to continue—if we broaden our focus.

THE BOTTOM LINE?

Diversification isn't just talk; it's happening, and nowhere more visibly than in China. It's high time to join the Canadian exporters that are having the ride of their lives.



PETER HALL is joined Export Development Canada (EDC) in November 2004. With over 30 years of experience in economic analysis and forecasting, Mr. Hall as Vice-President and Chief Economist is responsible for overseeing EDC's economic analysis, country risk assessment and corporate research groups. In addition to preparing strategic advice for senior management at EDC, Mr. Hall is a featured speaker at conferences, international roundtables and policy fora, and regularly appears in television, radio and print media commenting on the world economy and Canadian international trade issues. He produces a widely circulated print and video weekly commentary covering an eclectic range of current global economic issues.

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A photograph showing several construction workers in orange and blue uniforms and yellow hard hats working on a large, complex steel rebar structure, likely for a bridge or a large building. The workers are positioned at different levels of the structure, some standing and others crouching. The background shows a hazy landscape with some buildings and trees.

Quand la Chine sera le #1 du Canada

par Peter Hall

Nous n'apprenons jamais, semble-t-il. Lorsqu'un panier offre de bons résultats, nous ne pouvons tout simplement pas nous empêcher d'y déposer nos œufs, en totalité ou en partie. Ensuite, lorsque ce panier se fait secouer ou frapper ou encore qu'il verse, nous n'en croyons pas nos yeux et nous maugréons devant notre manque de vision à long terme pour cet « engagement particulier ». L'histoire se répète de fois en fois. Apparemment, nous pensons à la diversification seulement après la dévastation. Dans un contexte où l'anxiété suscitée par la plus importante relation commerciale du Canada est à son sommet, remettrons-nous la diversification au cœur de la conversation? À moins que cela aille plus loin cette fois?

LA DIVERSIFICATION : C'EST OFFICIEL!

Ce sont de bonnes questions. À plusieurs égards, nous pourrions dire que la diversification n'a jamais réellement quitté la conversation. Si nous remontons jusqu'en 2000, les exportations canadiennes vers la Chine rivalisaient avec celles vers l'Allemagne pour la 4e place au chapitre du commerce des marchandises, loin derrière celles vers les États-Unis, qui dominaient nos ventes, mais également derrière le Japon et le Royaume-Uni. À ce moment, la Chine représentait à peine 1 % des chargements internationaux en provenance du Canada. Beaucoup de choses ont changé depuis. Une feuille de route impressionnante a propulsé les ventes d'exportation vers la Chine à la seconde place, permettant à celle-ci de

prendre une avance de plus en plus confortable sur le Royaume-Uni et le Japon, qui occupent respectivement le troisième et quatrième rang. Il s'agit d'une évolution radicale qui s'est produite en peu de temps, et non seulement la portion chinoise des exportations totales de marchandises canadiennes a grimpé à 4,5 %, elle continue d'augmenter.

Certains considèrent malgré tout ces changements sidérants d'un œil indifférent. Après tout, 4,5 % de nos ventes à l'étranger, ce n'est rien en comparaison de la position dominante du marché américain. Plusieurs perdent tout intérêt au premier coup d'œil. Oui, c'est impressionnant, mais encore trop minime pour se mettre dans tous ses états. Certains ne voient que les risques et les pertes potentielles d'une telle entreprise en Chine. D'autres pensent plutôt au coût qu'ils devront déboursier pour explorer ce pays et y étendre leurs activités. Un grand nombre d'exportateurs canadiens n'y adhèrent tout simplement pas. Ce qui semble cependant échapper à plusieurs est le fait que les ventes d'exportation du Canada vers les États-Unis ont augmenté en moyenne de seulement 0,7 point de pourcentage par année depuis 2000. Les entreprises qui ont fait des affaires en Chine ont quant à elles connu une croissance annuelle moyenne de 12 points de pourcentage. Dans certains secteurs, ce chiffre est multiplié. Présenté de cette façon, c'est une tout autre histoire qui soulève des questions intéressantes.



Ce qui semble cependant échapper à plusieurs est le fait que les ventes d'exportation du Canada vers les États-Unis ont augmenté en moyenne de seulement 0,7 point de pourcentage par année depuis 2000. Les entreprises qui ont fait des affaires en Chine ont quant à elles connu une croissance annuelle moyenne de 12 points de pourcentage. Dans certains secteurs, ce chiffre est multiplié.

En voici une : si le fossé en matière de croissance reste le même sur une période prévisionnelle, comment évoluera cette part des ventes? Est-ce que la Chine a une chance de devenir un jour la principale destination commerciale du Canada? Nombreux sont ceux qui estiment que la part majoritaire des États-Unis, chiffrée à 75 %, permettra à notre voisin du Sud de conserver sa première place pendant encore très longtemps. C'est là qu'ils se trompent royalement. En fait, dans un peu plus de 25 ans, le Canada devrait expédier autant de marchandises en Chine qu'aux États-Unis. Bien que ce soit difficile à concevoir, le calcul pour y arriver est assez simple.

En fait, dans un peu plus de 25 ans, le Canada devrait expédier autant de marchandises en Chine qu'aux États-Unis. Bien que ce soit difficile à concevoir, le calcul pour y arriver est assez simple.

LA CHINE AU PREMIER RANG, VRAIMENT?

Les sceptiques remettront en question les hypothèses suivantes, et avec raison. En effet, le milieu de la période 2000-2017 est marqué par une récession mondiale qui a eu une incidence bien plus importante sur nos ventes américaines que sur nos exportations vers la Chine. Je vous l'accorde. Penchons-nous donc sur une tendance plus raisonnable sur le plan de la croissance. Dernièrement, l'écart entre la croissance de nos exportations américaines et chinoises se rétrécit, bien qu'il demeure important. Dans ce scénario, le résultat anticipé se produirait dans 44 ans, ce qui mène à plus tard, mais pas démesurément. Pour certains, c'est trop long; pourtant, ce ne l'est pas. Nous ne parlons pas d'un phénomène qui surviendra sans crier gare dans 44 ans, mais plutôt d'une progression marquée qui nous rapprochera chaque année de ce moment. Aucune personne sensée ne souhaite rater ce type d'occasion. Ce changement stupéfiant qui s'opère dans une période relativement courte suggère fortement que chaque exportateur canadien devrait se munir d'une stratégie axée sur la Chine.

Si les sceptiques acceptent cet argument, il leur reste toutefois une autre carte à abattre : la Chine ne connaît pas une croissance aussi forte que par le passé. Pour plusieurs, l'époque où celle-ci atteignait de 8 à 10 % sur une base annuelle n'est plus qu'un souvenir lointain qui ne se reproduira jamais. Encore une fois, cette vision des choses est au mieux axée sur le court terme, voire tout simplement erronée. La croissance composée signifie que la Chine ne peut pas s'attendre à enregistrer éternellement une croissance de 10 % et plus. Au taux actuel, il lui faut bien moins qu'un an pour créer une nouvelle Italie, et ce, année après année. Il serait légitime de se demander s'il est possible pour une économie de favoriser une telle croissance à perpétuité. Certains voient la croissance actuelle, chiffrée à environ 6 %, comme un signe de l'affaiblissement de la Chine. Bien qu'il soit tentant de se ranger à cette opinion, une chose échappe à ces commentateurs : ces 6 % contribuent au PIB annuel pour la même somme qu'une croissance nominale de 18 % l'a fait au cours de la période 2004-2008. À l'heure actuelle, un taux de 6 % exerce la même pression sur les

ressources mondiales, les systèmes de transport, le secteur manufacturier et autres que ces 18 % quelques années plus tôt.

LA PUISSANTE CLASSE MOYENNE

Il faut également tenir compte de l'enrichissement par habitant que toute cette croissance génère. Chaque année, la Chine augmenterait sa classe moyenne de l'équivalent de la population du Canada. Cette classe de plus en plus importante, plus riche que par le passé, exige chaque année des biens de meilleure qualité en plus grandes quantités, en plus d'accroître la dépendance nette de la Chine envers le reste du monde en ce qui concerne certains biens et services principaux. Il s'agit d'un autre indicateur clé pour que tous les exportateurs canadiens se dotent d'une stratégie axée sur la Chine.

Chaque année, la Chine augmenterait sa classe moyenne de l'équivalent de la population du Canada. Cette classe de plus en plus importante, plus riche que par le passé.

Est-ce que « tous » n'est pas un peu exagéré? Examinons cela de plus près. Si on s'appuie encore une fois sur une tendance de croissance sur 17 ans, l'industrie canadienne des produits forestiers aura la Chine pour principal client dans tout juste plus de 7 ans. Pour les métaux raffinés, à l'exception de l'aluminium, on parle de 12 ans. Pour les viandes transformées, c'est un peu plus de 12 ans et pour les fruits de mer, il faudra compter 16 ans. Si on remonte un peu la chaîne de valeur, les instruments médicaux, de navigation, de mesure et de contrôle seront majoritairement destinés à la Chine dans 23 ans, tandis que ce sera le cas pour les automobiles (notre secteur le plus tourné vers les États-Unis) dans seulement 11 ans. Dans

le dernier cas, et uniquement dans celui-ci, la tendance de croissance est ridiculement élevée et provient d'une très petite base. C'est donc le seul élément de la liste qui est peu susceptible de se concrétiser. Il contribue malgré tout à illustrer qu'un grand changement est en cours, même dans nos secteurs d'activités les plus axés sur les États-Unis, ce que des exportateurs tous azimuts décident d'ignorer à leurs risques et périls.

UNE CARTE COMMERCIALE DU CANADA EN PLEINE TRANSFORMATION

L'angoisse qui découle de l'état futur de nos activités commerciales avec les États-Unis a remis la diversification au cœur des conversations de tous les jours sur le commerce d'une façon que je n'ai pas vue depuis la Grande Récession. Le mouvement est désormais officiel : notre Cabinet fédéral compte un ministre de la « Diversification » du commerce international. À cet égard, la Chine est attrayante et se trouve à la fine pointe de la diversification des marchés émergents. Nul doute que d'autres pays sont également sur une pente ascendante et qu'ils attireront bientôt l'attention. Mais commençons par le commencement. La Chine est à l'avant-garde d'importants changements, déjà bien entamés, apportés à la carte commerciale du Canada. Cette transformation devrait se poursuivre si nous élargissons notre perspective.

RÉSULTAT?

La diversification n'est pas qu'un sujet de conversation, c'est un phénomène qui se produit en ce moment, et de façon particulièrement marquée en Chine. Il est grand temps de rejoindre les rangs des exportateurs canadiens qui vivent leur plus grande aventure.



PETER HALL s'est joint à Exportation et développement Canada (EDC) en novembre 2004. Comptant plus de 30 ans d'expérience en analyse et prévisions économiques, M. Hall, à titre de vice-président et économiste en chef, supervise l'analyse économique, l'évaluation des risques pays et les activités des groupes de recherche d'EDC. En plus de préparer des conseils stratégiques à l'intention de la haute direction d'EDC, M. Hall participe à des conférences, des tables rondes internationales et des forums de politiques à titre de conférencier, et commente périodiquement l'économie mondiale et les enjeux liés au commerce international du Canada à la télévision, à la radio et dans la presse écrite. Il produit chaque semaine un populaire commentaire en format imprimé et vidéo où il traite d'un vaste éventail de questions économiques mondiales d'actualité.

当中国成为 加拿大的首选市场

文 / Peter Hall

我们似乎从未吸取教训。每当我们发现一个篮子很好时，我们就忍不住把很多甚至全部的鸡蛋放进篮子里。当篮子摇晃或者被击落时，我们就会失望地盯着它，并为此“孤注一掷”产生的后果感到惋惜。这种情况不止一次的发生；由此看来，我们只有在悲剧发生之后才能想到多元化这个词。那么，在人们对加拿大关键贸易关系飙升感到焦虑之际，多元化是否又会回到我们的行业中？或者这一次，还会有更多的想法？

多元化：已是官方政策！

这是个好问题。在很大程度上，我们可以说多元化这个词从未真正离开我们的行业。早在2000年，加拿大对华出口在我们的商品贸易排行榜上与德国并列第四，远远落后于我们对美国的主导销售，也远远落后于日本和英国。当时，对华出口仅占加拿大国际发货量的1%。但2000年以后，情况发生了很大变化：过去的良好记录使得加拿大的对华出口销售跃居所有出口国家的第二位，并遥遥领先于排名第三的英国和排名第四的日本。而这一切，都是在短时间内发生的。在加拿大商品出口总额中，中国所占比例跃升至4.5%，且还在持续上升。

这些惊人的变化对某些加拿大出口商来说，也许不值一提。毕竟与占主导地位的美国市场相比，中国仍仅占加拿大海外销售额的4.5%。因此，这些出口商也就对中国失去了兴趣；虽然这个增长的确令人印象深刻，但其总量还是太小，不至于让他们全力投入。对一些出口商来说，在中国投资的风险和潜在损失是极高的。而对其他出口

值得注意的是，自2000年以来，加拿大对美出口平均每年仅增长0.7%。而在中国开展业务的企业平均每年增长12%。类似情况同时也在很多行业相继出现。

商，这些都是在中国开发和建立业务的绝对成本。所以大多数加拿大出口商仍然选择退出对中国的出口。值得注意的是，自2000年以来，加拿大对美出口平均每年仅增长0.7%。而在中国开展业务的企业平均每年增长12%。类似情况同时也在很多行业相继出现。换句话说，这是一个完全不同的故事，同时也向我们提出了非常有趣的问题。

实际上，我们计划用25年左右的时间使加拿大对中国与对美国的出口量持平。这似乎不太可能，但数据证明这相当简单。

试想一下：如果这个增长率在预期范围内保持不变，那么贸易份额会如何变化？中国有机会成为加拿大最大的商品贸易国家吗？单纯的数字会让许多人凭感觉相信，凭借全球贸易份额75%而占主导地位的美国，将会在很长一段时间内位居全球第一。但这就是许多人大错特错的地方。实际上，我们计划用25年左右的时间使加拿大对中国与对美国的出口量持平。这似乎不太可能，但数据证明这相当简单。

中国成为加拿大首选市场？这是真的吗？

如今，有些持怀疑态度的人肯定会对这些假设提出质疑：在2000年至2017年的中期，我们经历了一

场大规模的全球经济衰退，它对美国销售的影响远远超过了我们对中国的出口。好吧，让我们来看看一个更合理的增长趋势。最近，加拿大对美国和中国出口量增长之间的差距开始缩小，尽管其仍然很大。而基于这种情况，似乎这个假设需要更长的时间来实现（或许并不需要这么长）——44年。对一些人来说，44年太长了，但情况并非如此。我们这里说的不是44年后中国突然成为加拿大首选市场，而是我们每年都要朝着这一时刻积极前进。这是任何聪明人都不想错过的。在相对较短的时间内，这将会有一个相当惊人的改变。所以，我们强烈建议每个加拿大出口商都应该开始制定对华战略。如果那些持怀疑态度的人相信了这种说法，他们可能还有另一种说辞：中国的增长速度没有以前那么快；对许多人而言，每年8%至10%的增长率已是过去式，永远不会再重演。但同样，这种观点，往好了说是目光短浅，往坏了说是完全错误的。随着时间的推移，复合增长意味着中国不可能永远实现两位数的增长。因为以目前的增长速度，中国只需不到一年时间，经济的增长量就能达到目前意大利的经济体量。试问一个经济体永远保持这种增长合理吗？有人指出，目前6%左右的增长是中国步履蹒跚的迹象。这听起来很可信，但他们没有注意到6%的增长率产生的GDP增量与2004-2008年期间18%的增长率所产生的GDP增量是一样的。如今，6%与几年前18%增长率对世界资源、运输系



统、工厂空间等带来的压力是同等

强大的中产阶级

接着是人均财富的增长。据称，中国每年增加的中产阶级人数相当于加拿大的人口。这个日益富裕的阶层每年都在要求越来越多的高价值商品，在关键商品和服务方面，中国对世界其他地区的依赖程度也越来越大。这也是所有加拿大出口商都应该制定对华战略的另一个关键意义。

“每个人”都在变富裕吗？好吧，让我们进一步了解一下细节。根据17年的增长趋势，中国要成为加拿大木制品行业最大客户，只需要用7年多一点的时间。铝金属网行业，需要12年。加工肉类，需要12年以上，而海鲜行业，需要16年。我们再往更高端的行业中看，导航、测量、医疗和控制仪器方面，中国还需23年的时间才能成为主要出口国家，而汽车行业（以美国为

主导），只需要11年多一点的时间。在后一种情况下，也仅仅在这种情况下，增长速度是极其惊人的。但由于增长的基数较小，使得这也成为了名单上唯一不太可能实现的目标。尽管如此，这也有助于说明，即便是在那些以美国业务为主导的企业中，这个重大转变也正在发生，而所有行业的出口商都忽视了这一点，这将让他们极其危险。

加拿大的贸易热图正在改变

对中美贸易未来状况的担忧，使得“多元化”这个词重新回到了日常贸易对话中，这是自衰退以来我从未见过的。多元化举措现已是官方政策——我们的联邦内阁部长，他不仅是国际贸易部长，他还是“多元化”部长。中国的故事是引人注目的，而且迄今为止，中国已经走在了新兴世界多元化的前沿。毫无疑问，其他国家也在行动；他们也应该得到关注。最重要的事情是：中国已处于加拿大贸易热图重大变化的最前线，该变化

已经在进行中了。而如果我们扩大我们的关注范围，这些变化都将继续下去。

底线？

多样化不仅仅是空谈；它正在发生，且在中国最为明显。加拿大出口商是时候采取行动了。



PETER HALL于2004年11月加入加拿大出口发展公司(EXPORT DEVELOPMENT CANADA, 简称为EDC)。HALL先生现担任EDC的副总裁和首席经济学家。凭借其30逾年的经济分析和预测经验，他主要负责EDC的经济分析、国家风险评估和企业研究小组。除了为EDC高级管理人员提供战略性意见外，HALL先生亦经常大型会议、国际圆桌会议及政策研讨会上做专题演讲，并经常出现在电视、电台及平面媒体上，就世界经济及加拿大国际贸易问题发表观点。他每周在平面媒体、视频节目及周刊上发表的评论也广为流传，其评论涵盖了当前各种全球经济问题。

Year in Review

2017 - 2018



The last year demonstrated how essential CCBC is to businesses in the Canada-China relationship. We are consistently being called upon to facilitate, organize, train, and work alongside SMEs, governments, educational institutions, and business in a wide range of sectors. CCBC's long history has resulted in a highly knowledgeable and experienced organization. Reflecting on the past year, we can see how CCBC is integrated into the business community as Canada's voice in the Canada-China relationship and how CCBC uses its vast Chinese investor network to initiate conversations for the development, growth, and benefit of our two countries.

2017

SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
CCBC's 39th AGM & Gala Banquet City: Toronto 	 Canadian Thanksgiving Dinner City: Beijing		What Does the 19th Party Congress Mean for Canadian Business? City: Toronto, ON Canadian Alumni Christmas Dinner City: Beijing, China
 Michael Evans, President and Director of Alibaba Group with Sarah Kutulakos	 China's Economy with Deputy Governor Timothy Lane, Bank of Canada City: Vancouver	 Canada-China Industrial Wastewater Seminar City: Beijing	



CCBC Welcomes TONG Xiaoling,
Consul-General of the PRC in Vancouver
City: Vancouver



Business Opportunities for Canadian
Companies in Southwest China
Jeff David, Consul General of Canada
in Chongqing
City: Toronto



China Leadership Update
City: Montreal



China-BC Networking Reception
Connecting Education, Business,
and Government
City: Vancouver



Business Luncheon with the
Honourable Bruce Ralston, Minister of Jobs,
Trade and Technology, and TONG Xiaoling,
Consul General of the PRC in Vancouver
City: Vancouver

2018

JANUARY



Business Luncheon with HE Wei,
Consul General of the PRC in Toronto
City: Toronto

FEBRUARY

CCBC Executive Director, Sarah Kutulakos,
speaks at the Hotel Association of Canada's
National Conference, kicking off a year of
tourism-related activities.
City: Toronto

MARCH



China Import and Export Fair
A Trade Opportunity for Canadian Businesses
City: Toronto

CCBC Business in Canada Seminar Series
Corporate Tax
City: Montreal



Business Luncheon with the
Honourable John McCallum,
Ambassador of Canada to the PRC, and
LU Xu, Consul General of the PRC in Calgary
City: Calgary

Chinese Investment in Canada
All You Need to Know
 City: Toronto



(L to R: Sarah Kutulakos, CHENG Gong, LI Yongfeng, HE Dejian)

CCBC Business in Canada Seminar Series
Corporate Law
 City: Montreal

Making Sense of China's Government Restructuring Luncheon
 City: Calgary



CCBC Business in Canada Seminar Series
Commercial Banking
 City: Montreal



Making Sense of China's Government Restructuring
 City: Vancouver



CCBC National Workshops
Protecting and Financing Your China Market Growth
 Cities: Vancouver and Montreal

2018

APRIL

CCBC Founding and Benefactor members met with MOFCOM Assistant Minister LI Chenggang to discuss bilateral economic relations and China-U.S. trade conflicts.

MAY



Breakfast Business Briefing with Jean-François Lépine,
 Quebec's Representative in China
 City: Montreal

SUMMER MONTHS

Trading with Superpowers:
 How Canadian Businesses Can Navigate Trade with China and the United States
 City: Vancouver



(Jimmy Mitchell, The Hon. Stockwell Day, Stewart Beck)



2018 CCBC's Canada Day Birthday Fair
 City: Beijing, China
 (Please see article on pages 35- 38)



Canada Day Gala Dinner
City: Beijing



CCBC National Workshop
Protecting and Financing Your China Market Growth
Cities: Calgary, Kitchener-Waterloo, Toronto, Halifax



Opportunities for Canadian Companies in China's Belt and Road Initiative
City: Vancouver
(Dr. Chris Twigg-Molecey, Senior Advisor to Hatch Ltd.)



Canada China Business Excellence Awards
City: Toronto
(See pages 56-60 for details.)

SUMMER MONTHS

All Chamber Welcome-Back Networking Summer Event
City: Beijing

CCBC media tour to China on
Explaining China's Economy and Consumers to Canadians

SEPTEMBER

CCBC Business in Canada Seminar Series
Legal Considerations When Acquiring a Canadian Business
City: Montreal



Business Luncheon with the Honourable Scott Brison
President of the Treasury Board and Minister of Digital Government
City: Halifax

OCTOBER



CCBC 40TH AGM GALA BANQUET

NOVEMBER 12, 2018 - BEIJING

BANQUET DE LA 40E AGA DU CCBC

12 NOVEMBRE 2018 - BEIJING

加中贸易理事会

第四十届年度大会庆祝晚宴
2018年11月12日 - 北京

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



BOMBARDIER



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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. CCBC gratefully acknowledges our Benefactor members for their ongoing support.



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PERCENTAGE OF
ASSETS INVESTED IN
GREATER CHINA

加拿大 养老基金 投资公司:

中国市场的长期投资者

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亿加元

旗下全球资产规模

371
亿加元

大中华区资产规模

85.4%

审慎地投资于加拿大
境外的全球多元化投
资占比

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大中华区投资占比



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