

Spirits, Wine & Beer
A THIRST FOR CANADIAN
ADULT BEVERAGES

page 4

Investment
WHAT TO THINK OF CHINA'S
NEW FOREIGN INVESTMENT
LAW?

page 18

E-Commerce
CHRISTMAS
IN JUNE?

page 42

Finance
OPENING-UP OF
CHINA'S FINANCIAL SERVICES
SECTOR

page 70

CanadaChina BusinessForum

2019-2020

Canada China Business Council
Conseil d'affaires Canada-Chine

Toronto, Montreal, Halifax, Vancouver, Calgary
Beijing, Shanghai

加中贸易理事会

多伦多, 蒙特利尔, 哈利法克斯, 温哥华, 卡尔加里
北京, 上海

Toasting the Future

The Drinks are From Us



A rich and
long history.

历史悠久
底蕴深厚

BMO  **Financial Group**
银行金融集团

Since our first foreign exchange trade with China in 1818, BMO has connected our clients from Asia to North America for over 200 years. Through mutual trust and respect, together we've grown the largest Chinese presence of any Canadian bank, and become the only one locally incorporated. Here, our roots run deep, so our friendships can run deeper.

从1818年第一笔对华外汇交易开始，近200多年来BMO将我们的亚洲客户与北美紧紧联系。我们互信互敬，携手合作，BMO成为在中国规模最大的，且唯一在中国境内设立法人银行的加拿大银行。在这里，我们根基深厚，我们的友谊也因此更加根深叶茂。

"BMO (M-Bar roundel symbol)" is a registered trademark of Bank of Montreal, used under license.

® Registered trademark of Bank of Montreal in the United States, Canada and elsewhere.

BMO (M-Bar 圆形标记) 是蒙特利尔银行的注册商标，经授权使用。® 蒙特利尔银行的注册商标在美国、加拿大和其他地方使用。

CONTENTS



- 04 | Chinese Consumers Developing a Thirst for Canadian Adult Beverages
- 08 | Les consommateurs chinois ont soif de boissons canadiennes pour adultes
- 14 | 中国消费者对加拿大优质酒产品的渴求
BY BEN KAPLAN

-
- 18 | What to Think of China's New Foreign Investment Law?
- 24 | Que penser de la nouvelle loi chinoise sur les investissements étrangers?
BY DONGWOO KIM AND ISAAC LO

-
- 30 | A Long and Winding Road
- 34 | Une longue route sinueuse
- 38 | 加中贸易的曲折前进之路
BY GRAHAM SHANTZ

-
- 42 | Christmas in June? How Western Brands Can Leverage Chinese Promotional Holidays
BY JOSEPH COOKE

-
- 46 | Optimism and Opportunity in the Canada-China Business Relationship
- 54 | Optimisme et opportunités dans la relation commerciale Canada-Chine
- 62 | 中加商业关系中的转机与机遇
BY WALID HEJAZI

-
- 70 | A Big Step Forward in Opening-up of China's Financial Services Sector
BY SUN HONG, LYNN YANG, AND AI TONG

-
- 78 | Year in Review



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

The Canada China Business Council (CCBC) is a truly bilateral organization and a leading authority on Canada-China business, trade, and investment. Founded in 1978 as a private, non-profit business association, CCBC offers focused and practical services as the voice of Canada-China business relations.

CCBC members include some of the largest and best-known Canadian and Chinese companies, as well as many small to medium-sized enterprises (SMEs), entrepreneurs, and non-profit organizations. Its members represent a wide range of sectors, including financial services, professional services, health and eldercare, tourism, manufacturing, construction, energy, transportation, oil and gas, agri-food, natural resources, ICT, public sector, and education.

In addition to its corporate and Ontario offices in Toronto, CCBC has offices in Montreal, Halifax, Vancouver, Calgary, Beijing, and Shanghai. CCBC's network of staff offers programs and services in both Canada and China, and introduces members to opportunities in China's emerging markets.

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.

CCBC's 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.

The BFM is published by CCBC. © CCBC, 2019. All rights reserved.
Contents may not be reprinted without written permission.

CCBC OFFICES

Corporate Head Office
and Ontario Chapter
330 Bay St., Suite 1501
Toronto, ON M5H 2S8
416-954-3800

Quebec Chapter
759 Square Victoria, RC4
Montreal, QC H2Y 2K3
514-842-7837

British Columbia Chapter
#300 - 1055 West Hastings St.
Vancouver, BC V6E 2E9
604-681-8838

Atlantic Chapter
1701 Hollis Street, Suite 800
Halifax, NS B3J 3M8
902-600-5476

Beijing Chapter and CCBC
Chamber of Commerce
Suite 11A16, Tower A
Hanwei Plaza No. 7 Guanghua Rd.
Chaoyang District
Beijing, 100004, P.R. China
86-10-8526-1820

Shanghai Chapter
Unit 10A43, 10F, Shanghai Mart
No. 2299 Yan'an Road (West)
Shanghai, 200336, P.R. China
86-21-6236- 6370

Prairies Chapter
#300, 404 – 6 Avenue, SW
Calgary, Alberta, T2P 0R9
403-910-2320

2018-19
BOARD OF DIRECTORS
Chair
Olivier Desmarais

President
Graham Shantz

Vice Chair
Hon. Martin Cauchon

Vice Chair
Hon. Stockwell Day

Vice Chair
David T. Fung

Vice Chair
Ed Legzdins

Founding Chair
The Late Hon. Paul Desmarais
P.C., C.C., O.Q.

Honourary Chair
André Desmarais, O.C

DIRECTORS
Lisa A. Baiton
Subrata Bhattacharjee
Paul Blom
Sam Boutziouvis
Stephen Bowman
Laurel C. Broten
William Brown
Gwen Burrows
Vivi Hou
Brian Humphreys
Adam Janikowski
Constantine Karayannopoulos
Sarah Kutulakos
Joyce Lee
Connie Mak
Michael McCaffrey
Iain McColl
Hon. James Moore
Nicole Changwen NIE
Stephen Pike
Pierre Seïñ Pyun
James Rausch
Robin Sears
Carrie Solmundson
Ken Su
Sarah Taylor
Peter Wilkinson

EDITORIAL

Senior Editorial Adviser
Jeffrey Goodman

Editor
Laurie Wilhelm

Graphic Design
Sheila Dalton

WELCOME TO CCBC'S 2019-2020 BUSINESS FORUM MAGAZINE

Over the past 40 years, Canada and China's bilateral relationship has experienced some twists and turns and 2019 is no different. This issue of CCBC's *Canada China Business Forum Magazine* (BFM) shows readers how to approach challenges and where to find opportunities.

Our lead article, *Chinese Consumers Developing a Thirst for Canadian Adult Beverages*, highlights some of those opportunities with real-life examples of forward-thinking entrepreneurs seeking to carve out their space in this growing sector.

We also take a close look at China's new laws in foreign investment and what this means for Canadian businesses. The opening up of its financial services sector demonstrates China's commitment to moving forward on its journey as a leading presence in the global financial arena.

One of the fastest developing areas in the Chinese marketplace is e-commerce. We look at how Western brands can secure their place in this massive virtual mall by focusing on the most lucrative holiday shopping days in the year.

CCBC's President, Graham Shantz, offers his perspective on the bilateral relationship—where we've come and where we're going. CCBC's Executive Director, Sarah Kutulakos, reminds us of CCBC's events and meetings over the year that encouraged our members to continue pursuing business opportunities and keeping their eyes on the possibilities in the Canada-China relationship.

I'd like to extend my gratitude to the individuals who contributed articles to the magazine, as well as the advertisers, for your ongoing support.

I hope you enjoy this year's edition of the BFM!

Laurie Wilhelm
Editor



For digital copies of the Canada China Business Forum Magazine, please visit CCBC.com.

Follow us on:
Twitter: [@Canada_China](https://twitter.com/Canada_China)
Weibo: [@加中贸易理事会](https://weibo.com/加中贸易理事会)
WeChat: [@CCBC1978](https://wechat.com/ccbc1978)



Chinese Consumers Developing a Thirst for Canadian Adult Beverages





The largest IPOs in the world, the world's second largest economy, and the world's best-selling beer can all be found in China, a country that also boasts the world's largest economy by purchasing power parity.

Against this rich backdrop, sophisticated Chinese consumer tastes are generating a booming market for wine, spirits and beer, and creating an environment ripe for Canadian entrepreneurs in the adult beverage categories. It's an opportunity that many successful Canadian companies are taking advantage of, getting a foothold in a massive, growing market, and helping to lead a taste revolution in a country demanding new products.

by Ben Kaplan



“I encounter a lot of overseas breweries that are excited about the size of the China market. They think about the 1.3 billion drinkers and what a lucrative business it would be to sell into such a large market. I would say Chinese craft beer fans have become much more educated about craft beer over the past several years,” says Kris Li, co-founder of Jing-A Brewing Co, which is based in Beijing and has been operating in China since 2012.

Originally from Toronto, Ontario, Li knew he wanted to launch his small business in a market thirsty for innovative alcoholic beverages. “For a Canadian company to break into the beer or Chinese spirit market, I would say it’s important to put in the time and effort to build your brand from the ground up,” says Li. “This means spending time in China, working with local partners, holding events and understanding the marketplace.”

China’s marketplace is projected to be essential in terms of future sales and

exports to some 58 per cent—or three out of five—Canadian companies. For example, according to results from HSBC Bank’s 2018 Trade Navigator survey, China’s rising middle class and demand for high-quality goods and products were seen as an opportunity that more than 15 per cent of Canadian businesses plan to take advantage of in the next three to five years.

According to Pauline Peng Skinner, a founder of Levenswater, a botanically-infused bespoke gin, exporting to China and instilling Levenswater’s brand in Chinese culture has already yielded a positive impact both on margins and sales.

“We’ve seen significant growth in the last four or five years, and we don’t expect that growth to slow down,” says Peng Skinner, adding that the size of the Chinese marketplace and demographic boom has created a populace receptive to new products, especially for Canadian brands.

“There’s an emerging consumer trend in terms of luxury categories in China, and when a Canadian brand can find the right local partner, navigating the waters across the sea is actually quite manageable,” Peng Skinner says.

Managing the Chinese market was obviously important to Levenswater, a brand that knew out of the gate that it only had one chance to make a first impression and focused on over-delivering in secondary markets before taking China’s largest cities by storm. Levenswater’s strategy? Test the waters. Find what works. Develop innovative systems for shipping and build brand recognition through grassroots events and word of mouth.

“We were very Canadian to attack the secondary markets like Fuzhou and Bozhou where penetration would be more immediate and deliverables manageable before we looked at cities like Hong Kong and Shanghai,” says Andy Murison, Levenswater’s vice president of sales and marketing.

Murison was no stranger to China. For years he worked with British spirit maker Diageo in England and spent two decades helping Bacardi expand into India. “In China, the small cities are by no means sparse when compared to Canadian population numbers, but they allowed us to manage hiccups with messaging and measured investment before we endeavoured to be a major player in the Chinese market—which I absolutely believe a Canadian company can do.”

According to research conducted by the Levenswater team, Chinese demand for spirits has helped make the Asia-Pacific region the world’s largest market for alcoholic products, followed by North America and Europe. Experts forecast the

New Zealand and Australia in terms of price point—due in part to the sheer cost of shipping products a much greater distance—however, where Canada wins is reputation.

“There’s such a relationship between our two countries, and this influences market perception,” Whittle adds. “China is a huge market with a lot of opportunities, and I think Canadians enter into it with a built-in advantage [due to reputation].”

Brew pub entrepreneur Kris Li agrees with Ms. Whittle. “I think consumer goods companies have an interesting opportunity as a growing segment of affluent Chinese spend more on products and services in China. This is definitely a positive trend for adult beverages in general,” says Li. “When

believes the Chinese desire for Canadian spirits is growing. He says exporting to China is a big part of his company’s ambitious global plans.

“Our gin is Canadian, which means it’s uniquely local and also global, because of our country’s diversity,” Allamby says. “I think that what’s unique about Canada is our diversity and when we deliver our best to all of those thirsty Chinese drinkers hungry for change—people looking for a New World spin on popular Old World products—the richness and diversity of a Canadian synthesis between craftsmanship and technology can receive vast rewards in China.” 

“I think that what’s unique about Canada is our diversity and when we deliver our best to all of those thirsty Chinese drinkers hungry for change—people looking for a New World spin on popular Old World products—the richness and diversity of a Canadian synthesis between craftsmanship and technology can receive vast rewards in China.”

Paul Allamby, Levenswater

Chinese economy will only continue to grow. As the Chinese switch from an export-centric economy to one driven by domestic consumption, it’s imperative for Canadian brands in the spirits, beer and wine markets to plant their roots in the market today.

“The Chinese consumer looks at Canadian products as high quality and safe,” says Mary Whittle, president, Clear Lake Wineries, Inc., an agent exporting Canadian wines into China. According to Whittle, Canadian wines can’t compete with

we first started our taproom, roughly 80 per cent of our patrons were expatriates working in Beijing. On an average night now, our locations are filled with roughly 80 per cent local Beijingers.”

With iconic Canadian brands like Seagram’s Crown Royal, and newer market entrants like Levenswater and Jing-a Brewing having laid down roots in this emerging marketplace, the table is set for other Canadian adult beverage makers to succeed. Paul Allamby, a Levenswater founder,



BEN KAPLAN RandallAnthony Communications contributor, Ben Kaplan, is a reporter and editor based in Toronto, Ontario, whose work appears regularly in publications including The Globe & Mail and the National Post. Originally from Brooklyn, NY, Kaplan was a staff writer at New York magazine and an editor at GQ. He is also the General Manager of iRun magazine and author of the book *Feet, Don’t Fail Me Now*.

Les consommateurs chinois ont soif de boissons canadiennes pour adultes





Les plus importants PAPE au monde, la deuxième économie mondiale et la bière la plus vendue au monde sont tous basés en Chine, un pays qui possède également la plus grande économie du monde en parité de pouvoir d'achat.

Dans ce contexte favorable, les goûts sophistiqués des consommateurs chinois génèrent un marché en plein essor pour le vin, les spiritueux et la bière et créent un environnement propice aux entrepreneurs canadiens des catégories de boissons pour adultes. Il s'agit d'une occasion dont de nombreuses entreprises canadiennes prospères profitent pour s'implanter dans un énorme marché en pleine croissance et pour contribuer à une révolution des goûts dans un pays exigeant de nouveaux produits.

par Ben Kaplan

« Je vois beaucoup de brasseries étrangères qui sont enthousiasmées par la taille du marché chinois. Elles pensent aux 1,3 milliard de buveurs et au commerce lucratif que cela représente de vendre sur un marché aussi vaste. Je dirais que les amateurs chinois de bière artisanale sont devenus beaucoup plus informés au sujet de la bière artisanale au cours des dernières années », a déclaré Kris Li, cofondateur de Jing-a Brewing Co, basée à Beijing et exerçant des activités en Chine depuis 2012.

Originaire de Toronto, en Ontario, Li savait qu'il voulait lancer sa petite entreprise sur un marché assoiffé de boissons alcoolisées innovantes. « Pour qu'une entreprise canadienne s'impose sur le marché de la bière ou des spiritueux chinois, je dirais qu'il est important de consacrer du temps et des efforts à la création de votre marque à partir de zéro », a déclaré Li. « Cela signifie passer du temps en

Chine, travailler avec des partenaires locaux, organiser des événements et comprendre le marché. »

On prévoit que le marché chinois deviendra essentiel en termes de ventes et d'exportations futures pour environ 58 % des entreprises canadiennes, soit trois sur cinq. Par exemple, selon les résultats du sondage Trade Navigator 2018 de la Banque HSBC, la montée de la classe moyenne et la demande de biens et produits de haute qualité en Chine étaient perçues comme des occasions dont plus de 15 % des entreprises canadiennes prévoyaient tirer parti au cours des trois à cinq prochaines années.

Selon Pauline Peng Skinner, une fondatrice de Levenswater, un gin infusé botaniquement sur mesure, l'exportation en Chine et l'instauration de la marque Levenswater dans la culture chinoise ont déjà eu un impact

positif, tant sur les marges de profit que sur les ventes.

« Nous avons connu une croissance importante au cours des quatre ou cinq dernières années et nous ne nous attendons pas à un ralentissement de la croissance », a déclaré Peng Skinner, ajoutant que la taille du marché chinois et son explosion démographique avaient créé une population réceptive aux nouveaux produits, particulièrement pour les marques canadiennes immergées.

« Il y a une nouvelle tendance de consommation en Chine dans les catégories de luxe et, quand une marque canadienne peut trouver le bon partenaire local, naviguer les eaux outre-mer est tout à fait faisable », a affirmé Peng Skinner.

La gestion du marché chinois était de toute évidence importante pour Levenswater, une marque qui savait



A STAR ALLIANCE MEMBER

An elevated way to fly

AIR CANADA SIGNATURE SERVICE

With Air Canada Signature Service on flights between China and Canada, your clients can enjoy our premium end-to-end travel experience.

aircanada.com/signatureservice



Voted Best Business Class in North America



« Je pense que ce qui est unique au Canada, c'est notre diversité. Lorsque nous offrons ce qu'il y a de mieux à tous ces buveurs chinois assoiffés et avides de changement — ceux qui recherchent une version du Nouveau Monde des produits populaires de l'Ancien Monde — la richesse et la diversité d'une synthèse canadienne entre artisanat et technologie peuvent être grandement récompensées en Chine. »

Paul Allamby, Levenswater

tourner vers des villes comme Hong Kong et Shanghai », a déclaré Andy Murison, vice-président des ventes et du marketing de Levenswater.

La Chine n'était pas étrangère pour Murison. Pendant des années, il a travaillé avec le fabricant de spiritueux britannique Diageo en Angleterre et a passé deux décennies à aider Bacardi à prendre de l'expansion en Inde. « En Chine, les petites villes ne se font pas rares par rapport à la population canadienne, mais elles nous ont permis de gérer les problèmes relatifs aux messages et aux investissements mesurés avant de nous efforcer de devenir un acteur important sur le marché chinois, ce qu'une entreprise canadienne peut absolument faire, à mon avis. »

Selon les recherches menées par l'équipe de Levenswater, la demande chinoise en spiritueux a contribué à faire de la région Asie-Pacifique

dès le départ qu'elle n'avait qu'une chance de faire bonne impression et qui a mis l'accent sur le surpassement des attentes dans les marchés secondaires avant de prendre d'assaut les plus grandes villes de Chine. La stratégie de Levenswater? Trouvez ce qui fonctionne. Tâter le terrain. Développer des systèmes d'expédition innovants

et renforcer la reconnaissance de la marque par le biais d'événements locaux et du bouche-à-oreille.

« Ce fut très canadien de notre part d'attaquer les marchés secondaires comme Fuzhou et Bozhou, où la percée serait plus immédiate et les livrables plus gérables, avant de se





le plus grand marché mondial pour les produits alcoolisés, suivie de l'Amérique du Nord et de l'Europe. Les experts prévoient que l'économie chinoise ne fera que continuer à se développer. Alors que les Chinois passent d'une économie axée sur les exportations à une économie poussée par la consommation intérieure, il est impératif que les marques canadiennes des marchés des spiritueux, de la bière et du vin s'établissent aujourd'hui sur le marché.

« Le consommateur chinois considère que les produits canadiens sont de haute qualité et sûrs », a déclaré Mary Whittle, présidente de Clear Lake Wineries, Inc., un agent exportant des vins canadiens en Chine. Selon Mme Whittle, les vins canadiens ne peuvent rivaliser avec la Nouvelle-Zélande et l'Australie en ce qui concerne le niveau des prix, en partie à cause du coût énorme de l'acheminement des produits sur une distance beaucoup plus grande; mais là où le Canada est vainqueur est la réputation.

« Il existe une telle relation entre nos deux pays et cela influence la perception du marché », ajoute Mme Whittle. « La Chine est un marché énorme avec beaucoup d'occasions, et je pense que les Canadiens y entrent avec un avantage intrinsèque [en raison de leur réputation]. »

Kris Li, entrepreneur d'un pub-brasserie, est d'accord avec Mme Whittle.

« Je pense qu'une occasion intéressante se présente aux entreprises de biens de consommation, car un segment croissant de Chinois aisés dépense davantage pour des produits et services en Chine. Il s'agit clairement d'une tendance positive pour les boissons pour adultes en général », a déclaré Li. « Lorsque nous avons ouvert notre bar, environ 80 % de nos clients étaient des expatriés travaillant à Beijing. Actuellement, en moyenne, nos emplacements sont remplis à environ 80 % de résidents de Beijing. »

Avec des marques canadiennes emblématiques telles que Crown Royal de Seagram et de nouveaux venus sur le marché tels que Levenswater et Jing-A Brewing qui s'établissent sur ce marché émergent, la table est mise pour la réussite d'autres fabricants canadiens de boissons pour adultes.

Paul Allamby, l'un des fondateurs de Levenswater, pense que le désir chinois de spiritueux canadiens grandit. Selon lui, exporter vers la Chine est une partie importante des projets mondiaux ambitieux de son entreprise.

« Notre gin est canadien, ce qui signifie qu'il est, de manière unique, local, mais également mondial, en raison de la diversité de notre pays », a déclaré M. Allamby. « Je pense que ce qui est unique au Canada, c'est notre diversité. Lorsque nous offrons

ce qu'il y a de mieux à tous ces buveurs chinois assoiffés et avides de changement — ceux qui recherchent une version du Nouveau Monde des produits populaires de l'Ancien Monde —, la richesse et la diversité d'une synthèse canadienne entre artisanat et technologie peuvent être grandement récompensées en Chine. » 



BEN KAPLAN collaborateur chez RandallAnthony Communications, est un reporter et un rédacteur basé à Toronto, en Ontario, dont le travail figure régulièrement dans des publications telles que The Globe & Mail et le National Post. Originaire de Brooklyn, New York, Kaplan a été rédacteur au New York magazine et rédacteur en chef chez GQ. Il est également directeur général du magazine iRun et auteur du livre Feet, Don't Fail Me Now.

中国消费者对 对加拿大优质 酒产品的渴求





世界上最大规模的首次公开募股(IPO)发生在中国, 世界第二大经济体是中国, 世界上最畅销的啤酒生产于中国;根据购买力平价计算, 中国也已成为世界上最大的经济体。

在此背景下, 中国消费者成熟的品味促进了葡萄酒、烈酒以及啤酒市场的繁荣, 并为加拿大酿酒行业企业家创造了良好的市场环境。对他们而言, 这是一个绝佳的契机, 许多成功的加拿大公司正借此机会, 在这个不断发展的庞大市场中获得立足点, 并引领需要引入新产品的国家进行“口味变革”。

文 / Ben Kaplan





“我曾到访过很多海外啤酒厂，他们都对中国市场的规模感到兴奋。他们认为，中国有13亿饮酒者，在如此庞大的市场进行销售，那将会是一笔可观的生意。京A啤酒的联合创始人Kris Li表示：“我认为，在过去的几年里，中国的精酿啤酒迷们对精酿啤酒的了解可以说是越来越多。”京A啤酒是一家精酿啤酒公司，创立于2012年，其总部位于北京。

Kris Li来自加拿大安大略省多伦多市，他想在需要创新酒精饮料的市场中创办自己的小企业。Kris表示“如果一个加拿大公司想要打入啤酒或者中国烈酒市场，那时间和精力从头开始树立自己的品牌是非常重要的。”“同时，这也意味着需要花时间去了解中国，寻找当地的合作伙伴，举办活动并熟悉当地市场。”

就未来的销售和出口而言，中国市场对于58%（五分之三）的加

拿大公司来说是至关重要的。例如，据汇丰银行2018年的《汇丰商贸领航》调查报告显示，中国日益壮大的中产阶级以及对优质商品和产品的需求将成为一个契机，吸引超过15%的加拿大企业计划在未来三到五年内进军中国市场。

Levenswater公司（一家杜松子植物金酒定制厂家）创始人Pauline Peng Skinner表示，向中国出口并通过中国文化传播Levenswater酒品牌已经对其利润和销售产生了积极的影响。

Peng Skinner表示：“在过去的四五年里，我们已经看到了显著的销售增长，而且预计此类增长会持续下去不会放缓。”此外，中国市场的规模和人口的激增使人们更容易接受新产品，尤其是那些在中国市场上出现已久的加拿大品牌。Peng Skinner表示：“中国正在出现奢侈品消费趋

势，如果加拿大品牌可以找到合适的当地合作伙伴，那么进军中国市场将是易如反掌。”

对Levenswater公司来说，管理中国市场是至关重要的。该品牌从一开始就知道，给中国消费者留下好的第一印象的机会只有一次，在席卷中国大城市之前，他们首先需要专注于二级市场的超额投放。那Levenswater公司所采取的战略究竟是什么呢？答案是找到切实可行的方法、进行市场测试、开发创新的运输系统，并通过民间活动和口口相传建立品牌知名度。

Levenswater公司销售和市场部副总裁Andy Murison表示：“在考察香港和上海等城市之前，我们非常想进驻福州和亳州这样的二级市场，对于这些市场的渗透性将更加直接，且可交付成果易于管理。”

Murison先生对中国已经相当熟悉了。他在英国与烈酒制造商帝亚吉欧(Diageo)合作多年,并用了二十年的时间帮助百加得(Bacardi)进入印度市场。他表示:“与加拿大的人口数量相比,在中国,即使是小城市,也不存在人口稀少的问题。但是在努力成为中国市场的主要参与者之前,我们可以通过信息传递和合理的投资来解决不急之务,我绝对相信加拿大公司可以做到。”

根据Levenswater团队研究显示,中国对烈酒的需求已使亚太地区成为全球最大的酒类产品市场,其次是北美和欧洲。专家预测,中国经济肯定会继续增长。随着中国的经济发展模式由

距离的产品运输成本,加拿大葡萄酒无法与新西兰和澳大利亚竞争,但是加拿大赢在声誉。

Whittle女士补充说:“加中两国之间的关系,会影响市场认知度。中国是一个巨大的市场,机遇众多,我认为有了良好声誉这一基础,加拿大企业拥有潜在的优势。”

对于Whittle女士的看法,精酿酒吧企业家Kris Li也表示认同。“我认为,随着中国有越来越多的富人愿意在产品和服务上花费更多金钱,消费品公司将获得一个千载难逢的机会。总体而言,这绝对是一个积极的趋势。” Kris Li说,“我们刚开始经营酒吧时,

Levenswater公司的创始人Paul Allamby认为,中国人对加拿大烈酒的需求与日俱增。他表示,向中国出口产品已是其公司全球宏伟计划的主要任务。

Allamby还表示:“加拿大是一个多元化的国家,杜松子酒既是加拿大本地独有的也是全球共享的优质产品。正因如此,当我们向渴望创新口感的中国饮酒者提供最好的产品时——尽管寻找新产品的人们仍然在旧产品之间犹豫不决——加拿大在工艺和技术上的丰富性和多元化特性使其在中国市场得到巨大的回报。”

“当我们向渴望创新口感的中国饮酒者提供最好的产品时——尽管寻找新产品的人们仍然在旧产品之间犹豫不决——加拿大在工艺和技术上的丰富性和多元化特性使其在中国市场得到巨大的回报。”

Paul Allamby, Levenswater

出口导向型向国内消费主导型转变,当前,加拿大烈酒、啤酒和葡萄酒品牌急需在中国市场中站稳脚步。

“加拿大产品在中国消费者的印象里是优质且安全的,” Mary Whittle如此说到。Mary Whittle女士是静湖酒庄有限责任公司总裁,该公司是向中国出口加拿大葡萄酒的代理商。Whittle女士表示,就价格而言,由于远

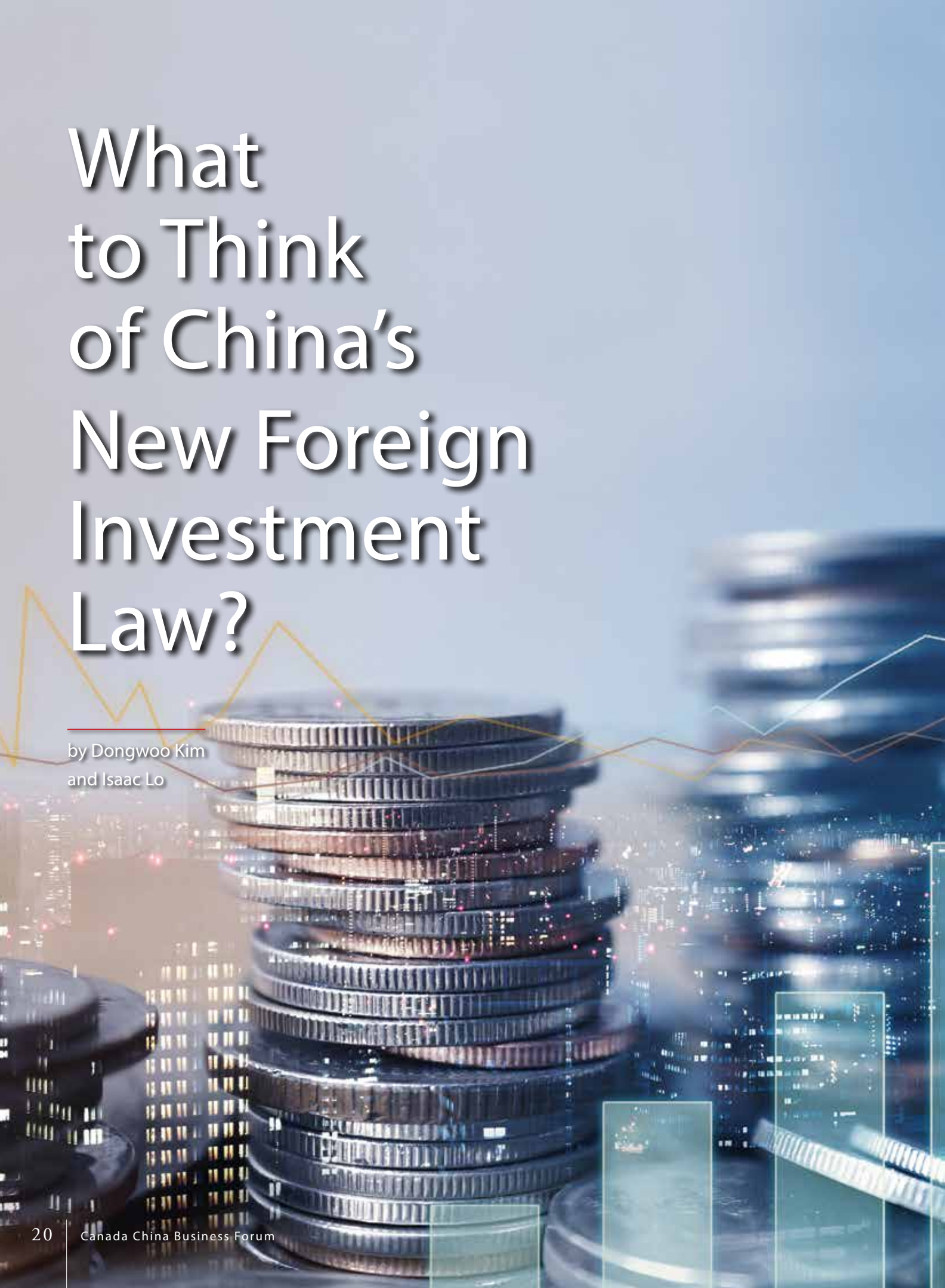
大约80%的顾客是在北京工作的外籍人士。而现在,我们酒吧平均每个晚上有80%左右都是北京人。”

一些标志性的加拿大品牌(例如, Seagram公司的皇冠)以及新的市场参与者(例如, Levenswater公司和京A啤酒)都在这个新兴市场中占据了一席之地,其他加拿大酒类产品制造商亦有望在此取得成功。



BEN KAPLAN 是RandallAnthony Communications传媒公司的撰稿人。Ben Kaplan 是一名驻加拿大安大略省多伦多的记者及编辑,他的文章经常发表在《环球邮报(The Globe and Mail)》和《国家邮报(National Post)》等报刊上。Kaplan 先生来自纽约布鲁克林,曾担任《纽约杂志》的特约撰稿人和《GQ智族》的编辑。此外,他还是《iRun》杂志的总经理和《Feet, Don't Fail Me Now》一书的作者。

What to Think of China's New Foreign Investment Law?

The background of the slide is a composite image. It features several stacks of coins, likely Chinese Yuan, in the foreground. In the background, there is a blurred city skyline at night with lights from buildings. Overlaid on the image are several financial charts, including a line graph with multiple colored lines (yellow, orange, blue) and a bar chart with green bars. The overall theme is finance and economics.

by Dongwoo Kim
and Isaac Lo

China of the 21st century is more confident, domestically and abroad, and Beijing aspires to play a more active role in shaping the norms of global governance. But in a globalized, interconnected world, those ambitions require that China be acknowledged as a respectable member of the international order. Indeed, China wants other countries to regard it less as a rogue behemoth and more like Japan, France, or the U.S.—i.e. a country with good governance that can lead on the international stage.

This desire to become a leading member of the international club, however, often comes into direct conflict with China's need to maintain social and political control at home. And economically, Beijing regards growth as a key factor in its legitimacy, but still regards foreign investment as a potential threat as a more open economy exposes China to vulnerabilities beyond its immediate domestic control.

In the new Foreign Investment Law that was passed during the latest Two Sessions meeting in March, 2019, we find Beijing grappling with this paradox—of wanting to open up while maintaining control.

KEY CHANGES TO THE FOREIGN INVESTMENT LAW

- Article 4: Foreign Investors will be treated no less favourably than domestic investors
- Article 16: Guarantee foreign capital enterprises' right to bid for public procurement projects
- Article 17: Foreign companies can issue stocks, bonds, or other instruments to finance its operations
- Article 22: Prohibit any administrative agency or its personnel to force technological transfer
- Article 23: All government agencies must protect commercial secrets of foreign companies
- Article 26: Establish complaint mechanisms for foreign investors

The move to adopt the new Foreign Investment Law, which came earlier than expected, was widely seen as a response to the ongoing trade war with the U.S.—an ‘olive branch’ of sorts. The Trump administration’s rhetoric, which cites Beijing’s “unfair trade practices,” has perpetuated the image of China as an outlier country that has yet to become a “responsible stakeholder” in the international community, an image that China has been working steadfastly to shed.

China’s new Foreign Investment Law responds to the Trump administration’s—and broadly, the international community’s—critique of China’s intellectual property enforcement, rule of law, and investment protection, and provides a mechanism to help de-escalate rising tensions in a protracted trade war. At the same time, and with some noted irony, Beijing is demonstrating its efforts to open up China to the world in stark contrast to the isolationism currently gripping the U.S.

SKEPTICISM OVER THE NEW LAW

The new law replaces three previous laws that, taken collectively, were more comprehensive and detailed. However, this new move may be read as Beijing’s attempt to assign greater control over the details of the law to China’s regulatory bodies, which operate less transparently behind ambiguous language.

For instance, Article 35 of the new law establishes that a national security screening system will review any foreign investment that could potentially compromise China’s national security. Although this is a common practice among many countries (such as the U.S. and Canada), what constitutes a threat to national security and how the review process will be conducted are notably missing in the new law. The lack of clear

and transparent rules allows Chinese officials a high degree of freedom in their interpretation of the law. The use of the national security screening system, then, allows Beijing to technically champion the rule of law—which ‘saves face’ internationally—while maintaining the ability to control and minimize the vulnerabilities of an open economy.

There is also some skepticism over the enforcement aspects of the law, which will be a key area to watch to best understand the alignment between the expressed intent of the Foreign Investment Law of improving investment conditions in China, and Beijing’s political objectives of maintaining its control over its domestic economy.

Technically, the law specifies that the government will punish any state employee who leaks the commercial secrets of foreign companies, and that it will also provide foreign investors with three avenues of complaint if their rights are violated, including a complaint mechanism for foreign capital enterprises, administrative reconsideration, and administrative litigation. In practice, however, the law does not protect foreign investors seeking damages or challenging local officials or their decisions. Again, due to the weakness of the rule of law in China, government and party officials hold significant influence. Foreign investors have been generally reluctant historically to use enforcement mechanisms to hold state officials accountable due to their broad powers to retaliate.

Similarly, the law promises “fair and appropriate compensations for [investment] expropriations for a public purpose,” but leaves the key definitions — “fair,” “appropriate,” or “public purpose”—up to the interpretation of the judiciary, opening the process to potential political interference.





WHAT DOES THE NEW LAW MEAN FOR CANADA?

Without substantive changes to the enforcement aspects of China's new Foreign Investment Law, pre-existing risks inherent to taking business to China—forced technology transfer, IP expropriation, or unfair treatment—remain in play. The vagueness of the law also allows Beijing to technically comply with its international commitments and project an image of openness while continuing to maintain its influence over foreign investors, keeping an option to use investment regulation as a tool to pressure other states that

are often dependent on commercial ties with China.

Consider Article 40, the 'tit-for-tat' text that imports the retaliatory measures typically used by China in the context of trade into the sphere of investment. Compared to trade, however, what an "appropriate" corresponding measure is in the investment sphere for countries that have taken "prohibitive" or "restrictive" measures against Beijing is less clear. This lack of clarity leaves the interpretation of these key terms

to Chinese officials, thereby affording them significant discretionary power—indeed, beyond the text of law. Article 40, in its own way, clarifies Beijing's approach to trade and investment as a single point of potential leverage in its dealings with foreign governments.

A law firm partner in Hong Kong said that, "if China follows through on this implied threat to take retaliatory action . . . we may see further policy restrictions on acquisitions by certain foreign



investors in certain sectors which China views as sensitive.” In today’s political climate, the threat of Beijing restricting acquisitions in China looms large for U.S. companies—and Canadian investors might not be entirely off the hook either, considering Canada’s recent deterioration of relations with Beijing.

All in all, Canadians should understand that China’s new Foreign Investment Law must not

be interpreted at face value, but within China’s particular political context. This is not to say that Beijing is not genuinely attentive to improving its business environment for foreign investors, but it must be understood that this is often balanced with other competing—often political—interests. At the end of the day, analysis of the new law highlights the perennial wisdom that success in China depends greatly on relationships, not legal technicalities. 



ISAAC LO is a Post-Graduate Research Scholar at the Asia Pacific Foundation of Canada. He holds a Master of Global Affairs from Munk School of Global Affairs, University of Toronto, and a BA in international relations from Western University.



DONGWOO KIM is a Project Specialist at the Asia Pacific Foundation of Canada, leading its research initiatives on Asia’s digital technologies. He authored the Foundation’s July 2019 research report on artificial intelligence (AI) policies in China, Japan, and South Korea. Previously, Dongwoo pursued graduate studies in politics at the University of British Columbia (MA ’16) and Peking University (Master of Laws ’18) as a Yenching Scholar.



Que penser de la nouvelle loi chinoise sur les investissements étrangers?

par Dongwoo Kim
et Isaac Lo

La Chine du XXI^e siècle est plus confiante, tant au pays qu'à l'étranger, et Beijing aspire à jouer un rôle plus actif dans l'élaboration des normes de gouvernance mondiale. Mais dans un contexte de mondialisation et un monde interconnecté, ces ambitions exigent que la Chine soit reconnue comme un membre respectable de l'ordre international. En effet, la Chine souhaite que les autres pays la considèrent moins comme un géant voyou et plus comme le Japon, la France ou les États-Unis, c'est-à-dire un pays doté d'une bonne gouvernance et pouvant jouer un rôle de premier plan sur la scène internationale.

Cependant, cette volonté de devenir un membre de premier plan du club international entre souvent en conflit direct avec le besoin de la Chine de maintenir un contrôle social et politique chez elle. De plus, au niveau économique, Beijing considère la croissance comme un facteur clé de sa légitimité, mais considère toujours les investissements étrangers comme une menace potentielle puisqu'une économie plus ouverte expose la Chine à des vulnérabilités hors de son contrôle national immédiat.

Dans la nouvelle loi sur les investissements étrangers qui a été adoptée lors de la dernière réunion des deux sessions en mars dernier, nous voyons que Beijing est aux prises avec ce paradoxe : vouloir s'ouvrir tout en maintenant le contrôle.

PRINCIPAUX CHANGEMENTS À LA LOI SUR LES INVESTISSEMENTS ÉTRANGERS

- Article 4 : Les investisseurs étrangers ne seront pas traités moins favorablement que les investisseurs nationaux.
- Article 16 : Garantir le droit des entreprises à capitaux étrangers de soumissionner pour des projets de marchés publics.
- Article 17 : Les entreprises étrangères peuvent émettre des actions, des obligations ou d'autres instruments pour financer leurs activités.
- Article 22 : Interdire à tout organisme administratif ou à son personnel d'imposer un transfert de technologie.
- Article 23 : Tous les organismes gouvernementaux doivent protéger les secrets commerciaux d'entreprises étrangères.
- Article 26 : Établir des mécanismes de plainte pour les investisseurs étrangers.



La décision d'adopter la nouvelle loi sur les investissements étrangers, qui est arrivée plus tôt que prévu, a été largement perçue comme une réaction à la guerre commerciale en cours avec les États-Unis, une sorte de “branche d'olivier”. La rhétorique de l'administration Trump, qui cite les “pratiques commerciales déloyales” de Beijing, a perpétué l'image de la Chine en tant que pays marginal qui n'a pas encore été transformé en un “intervenant responsable” dans la communauté internationale, une image dont la Chine s'efforce résolument de se défaire.

La nouvelle loi chinoise sur les investissements étrangers répond aux critiques formulées par l'administration Trump — et plus largement, par la communauté internationale — à l'égard du respect de la propriété intellectuelle, de la primauté du droit et de la protection des investissements en Chine, et fournit un mécanisme permettant d'apaiser les tensions croissantes dans une guerre commerciale qui s'éternise. Du même coup, et avec une certaine ironie, Pékin/Beijing démontre ses efforts en vue d'ouvrir la Chine au monde, en contraste frappant avec l'isolationnisme qui sévit actuellement aux États-Unis.

SCEPTICISME À L'ÉGARD DE LA NOUVELLE LOI

La nouvelle loi remplace trois lois antérieures qui, prises collectivement, étaient plus complètes et plus détaillées. Cependant, cette nouvelle initiative peut être interprétée comme une tentative de Beijing d'attribuer un plus grand contrôle sur les détails de la loi aux organismes de réglementation chinois, qui fonctionnent de manière moins transparente derrière un langage ambigu.

Par exemple, l'article 35 de la nouvelle loi établit qu'un système de filtrage en matière de sécurité nationale examinera tout investissement étranger susceptible de compromettre la sécurité nationale de la Chine. Bien qu'il s'agisse d'une pratique courante dans de nombreux pays (tels que les États-Unis et le Canada), la nouvelle loi ne fait pas état de ce que constitue une menace pour la sécurité nationale et de la manière dont le processus d'examen sera mené. L'absence de règles claires et transparentes laisse aux fonctionnaires chinois une grande liberté dans leur interprétation de la loi. L'utilisation du système de filtrage en matière de sécurité nationale permet donc à Beijing, techniquement, de défendre la primauté du droit, ce qui permet de « sauver les apparences » sur le plan



Brookfield | 博枫

A Global Leader in Alternatives

Brookfield is a leading global alternative asset manager, distinguished by a 120-year history of owning and operating real assets. We operate in over 30 countries and manage approximately \$500 billion of real assets focusing on real estate, infrastructure, renewable power and private equity.

In China, we have \$2.1 billion of assets under management overseen by 100 employees. Our investments comprise a mix of renewable power and real estate assets including wind and solar energy, a mixed-use office and retail precinct and an innovative global standard cold storage warehouse.

~\$500B

UNDER MANAGEMENT GLOBALLY

30+

COUNTRIES

100,000

OPERATING EMPLOYEES



international, tout en maintenant la capacité de contrôler et de minimiser les vulnérabilités d'une économie ouverte.

Il y a également un certain scepticisme à l'égard des aspects de l'application de la loi, qui seront un domaine clé à surveiller pour mieux comprendre l'harmonisation entre l'intention exprimée dans la loi sur les investissements étrangers d'améliorer les conditions d'investissement en Chine et les objectifs politiques de Beijing consistant à maintenir son contrôle sur son économie nationale.

En principe, la loi précise que le gouvernement punira tout

représentant de l'État qui divulgue les secrets commerciaux d'entreprises étrangères et qu'il fournira également aux investisseurs étrangers trois recours en cas de violation de leurs droits, notamment un mécanisme de plainte pour les entreprises à capitaux étrangers, un réexamen administratif et une instance administrative. En pratique, toutefois, la loi ne protège pas les investisseurs étrangers qui cherchent à obtenir des dommages-intérêts ou qui remettent en cause les responsables locaux ou contestent leurs décisions. Encore une fois, en raison de la faiblesse de la primauté du droit en Chine, les représentants du gouvernement et du parti jouissent d'une influence

notable. Les investisseurs étrangers ont généralement été réticents à utiliser des mécanismes d'application pour demander des comptes aux représentants de l'État en raison de leurs vastes pouvoirs de représailles.

De même, la loi promet une « indemnisation équitable et appropriée pour les expropriations [d'investissements] à des fins publiques », tout en laissant la définition des termes clés « équitable », « appropriée » ou « à des fins publiques » à l'interprétation du système judiciaire, exposant ainsi le processus à une ingérence politique potentielle.

QUE SIGNIFIE LA NOUVELLE LOI POUR LE CANADA?

En l'absence de modifications substantielles aux aspects liés à la mise en application de la nouvelle loi chinoise sur les investissements étrangers, les risques préexistants inhérents au fait de faire des affaires en Chine (le transfert forcé de technologie, l'expropriation de la propriété intellectuelle ou le traitement inéquitable) restent en jeu. Le manque de précision de la loi permet également à Beijing, techniquement, de respecter ses engagements internationaux et de projeter une image d'ouverture tout en maintenant son influence sur les investisseurs étrangers, conservant ainsi la possibilité d'utiliser la réglementation des investissements comme un moyen de faire pression sur d'autres États qui dépendent souvent de liens commerciaux avec la Chine.

Considérons l'article 40, le texte de « représailles » qui importe les mesures de rétorsion généralement utilisées par la Chine en matière d'échanges commerciaux dans le domaine des investissements. Toutefois, par rapport aux échanges commerciaux, il est moins clair de savoir ce que constitue une mesure correspondante « appropriée » dans le domaine des investissements pour les pays qui ont pris des mesures « prohibitives » ou « restrictives » contre Beijing. Ce manque de clarté laisse l'interprétation des termes clés aux responsables chinois, ce qui leur confère un pouvoir discrétionnaire important, allant même au-delà du texte de loi. L'article 40, à sa manière, clarifie l'approche de Beijing en matière d'échanges commerciaux et d'investissement en tant que seul point d'influence potentiel dans ses relations avec les gouvernements étrangers.

Un associé d'un cabinet d'avocats à Hong Kong a déclaré : « Si la Chine donne suite à cette menace implicite de prendre des mesures de rétorsion... nous pourrions assister à de nouvelles restrictions politiques sur les acquisitions de certains investisseurs étrangers dans certains secteurs que la Chine considère comme névralgiques. » Dans le contexte politique actuel, la menace que représentent les restrictions imposées par Beijing aux acquisitions en Chine pèse lourdement sur les entreprises américaines, et les investisseurs canadiens ne sont peut-être pas tout à fait tirés d'affaire non plus, compte tenu de la détérioration récente des relations entre le Canada et Beijing.

Dans l'ensemble, les Canadiens devraient comprendre que la nouvelle loi chinoise sur les investissements étrangers ne doit pas être interprétée au pied de la lettre, mais plutôt dans le contexte politique particulier de la Chine. Cela ne veut pas dire que Beijing ne se préoccupe pas véritablement de l'amélioration de son contexte commercial pour les investisseurs étrangers, mais il faut comprendre que cela est souvent équilibré avec d'autres intérêts concurrents, souvent politiques. En fin de compte, l'analyse de la nouvelle loi met en évidence le sage conseil perpétuel selon lequel le succès en Chine dépend en grande partie des relations, et non des formalités juridiques. 🇨🇳

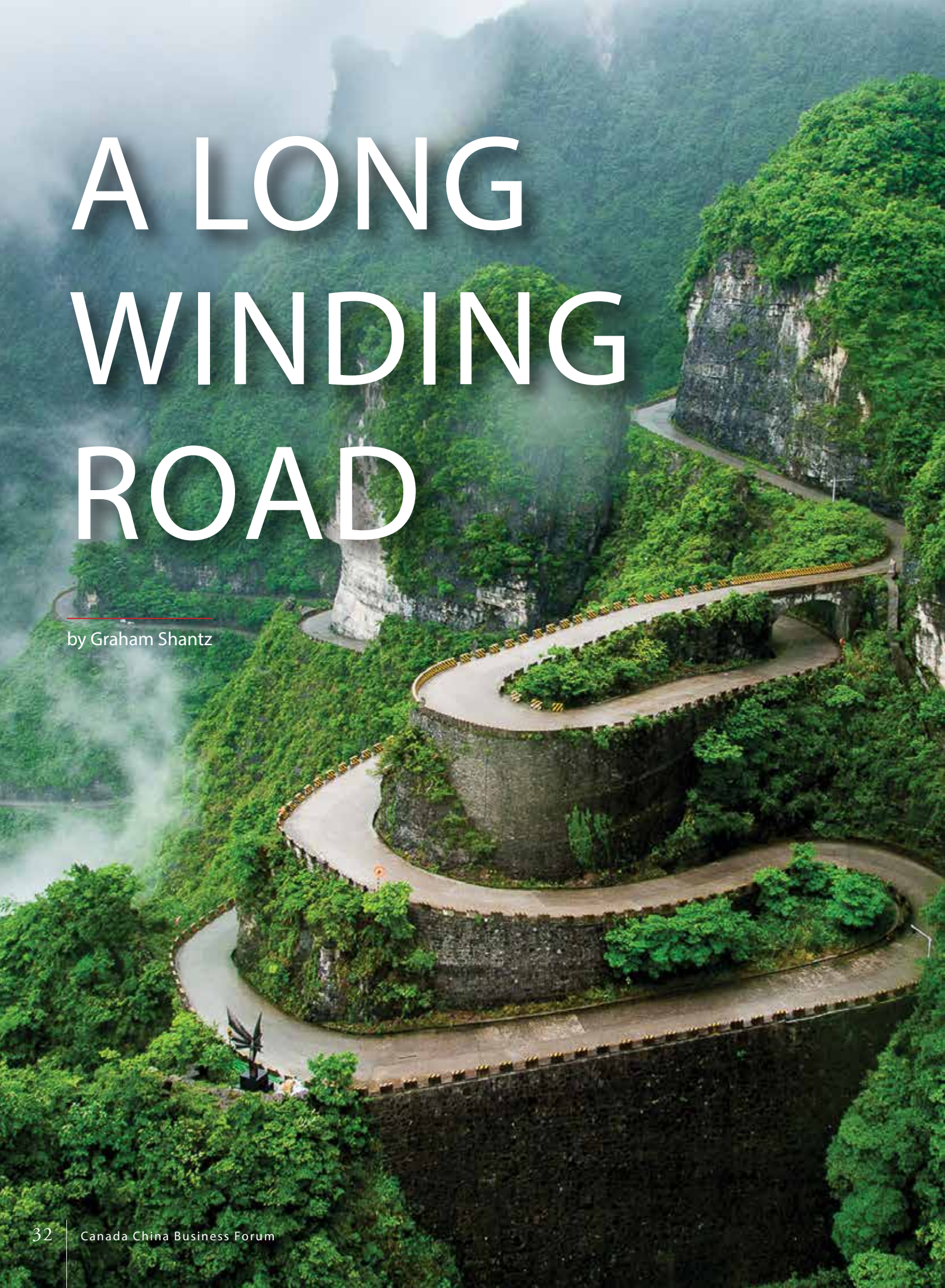


ISAAC LO est chercheur boursier postuniversitaire à la Fondation Asie Pacifique du Canada. Il est titulaire d'une maîtrise en affaires internationales de la Munk School of Global Affairs de l'Université de Toronto et d'un baccalauréat en relations internationales de l'Université Western.



DONGWOO KIM est spécialiste de projet à la Fondation Asie Pacifique du Canada et dirige ses initiatives de recherche sur les technologies numériques de l'Asie. Il est l'auteur du rapport de recherche de juillet 2019 de la Fondation sur les politiques en matière d'intelligence artificielle (IA) en Chine, au Japon et en Corée du Sud. Dongwoo a fait des études supérieures en politique à l'Université de la Colombie-Britannique (maîtrise 2016) et à l'Université de Beijing (maîtrise en droit 2018) en tant que boursier de Yenching.

A LONG WINDING ROAD

An aerial photograph of a dramatic, winding road carved into a steep, forested mountain. The road is paved and features a low stone wall with yellow-tipped posts as a guardrail. It curves sharply through lush green vegetation, with some sections built on terraced stone foundations. In the background, misty mountains and a river are visible, adding to the scenic beauty of the landscape.

by Graham Shantz



There's an old African saying that when elephants fight, it's the grass that suffers. That was Canada for much of 2019—the grass beneath the trampling feet of two tussling elephants, China and the U.S.

But trampled grass recovers, drawing nourishment through its roots, growing taller and spreading into new pastures. And we at the Canada China Business Council (CCBC) have little doubt that's how it will be for Canada in our trade ties with China. The roots of the relationship between our two countries are deep, stretching back into 1906 when Ottawa opened a trade office in Shanghai, upgrading its agent to the rank of trade commissioner three years later.

Diplomatic ties, which had been cemented in 1942 with the appointment of Canada's first ambassador to China, were broken off after the communist victory in the civil war in 1949 and remained severed until 1970 when Canada became one of the first countries to recognise the People's Republic of China.

And even though we had no formal trade ties, our compassion for the people of China came to the fore in the late 1950s when Parliament passed special legislation to allow our farmers to sell wheat to China as it battled to deal with widespread famine.

China is now our biggest trading partner in Asia by far, providing mutual benefits to both countries. Canadian products are valued in China for their quality, and our business leaders are favoured trading partners because of their reputation for fairness and integrity.

Over the past 40 years, CCBC has played a leading role in developing and supporting trade and cultural exchange between our two countries and we are poised to continue those efforts.

Building on what has already been achieved in two-way trade, we see a future that includes growing demand from China's burgeoning affluent class for even more Canadian products and services, an even

bigger market for key commodities such as agricultural products and raw materials, and an increase in two-way technology transfer, particularly green tech such as solar panels and wind turbines.

There has been a significant increase in recent years in Chinese students studying in Canada and in Canadian services exports to China, many more Canadians are vacationing in China and Canada has become a bucket list destination for a growing number of Chinese tourists following China granting Canada Approved Destination Status in 2010, which allows leisure travel groups to travel outside of the country. We are confident that these trends will continue.

Just as important, with our reputation as a stable and reliable partner in a world where there is a shortage of stability and reliability, Canada can become a significant

supplier of cleaner energy to meet China's needs as it strives to achieve greenhouse gas reduction targets.

The tremendous growth of the global economy and the dismantling of many trade barriers over the past couple of decades has provided new opportunities for small and medium-sized Canadian companies in China and elsewhere—and with 70 per cent of CCBC's membership made up of SMEs, it's an opportunity for us as well through our five offices across Canada and two in China to help grow that trade by providing practical advice and on-the-ground support.

We at CCBC remain optimistic about the future of trade between Canada and China. There is a deep well of mutual trust and goodwill to draw from as we continue to build a relationship that has flourished into full bloom over the past 41 years. 



GRAHAM SHANTZ served for over 25 years in Canada's public service providing advice to Canadian governments, mainly on management of Canada's relations with Asia. He has worked in senior management positions in Global Affairs Canada, the Department of Finance and the Privy Council Office. Over the past decades, he has been involved in numerous major bilateral visits between Canadian and Chinese leaders and became the President of CCBC in 2016.

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

destinationcanada.com/signup

Destination Canada fait la promotion du Canada sur la scène internationale comme destination touristique quatre saisons de premier choix pour les voyageurs d'agrément et les événements d'affaires. 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**.

destinationcanada.com/abonnement

CANADA



 @DestinationCAN | @DestinationCAFR

Kananaskis Country, Alberta



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

**MEMBERSHIP MEANS
BUSINESS**

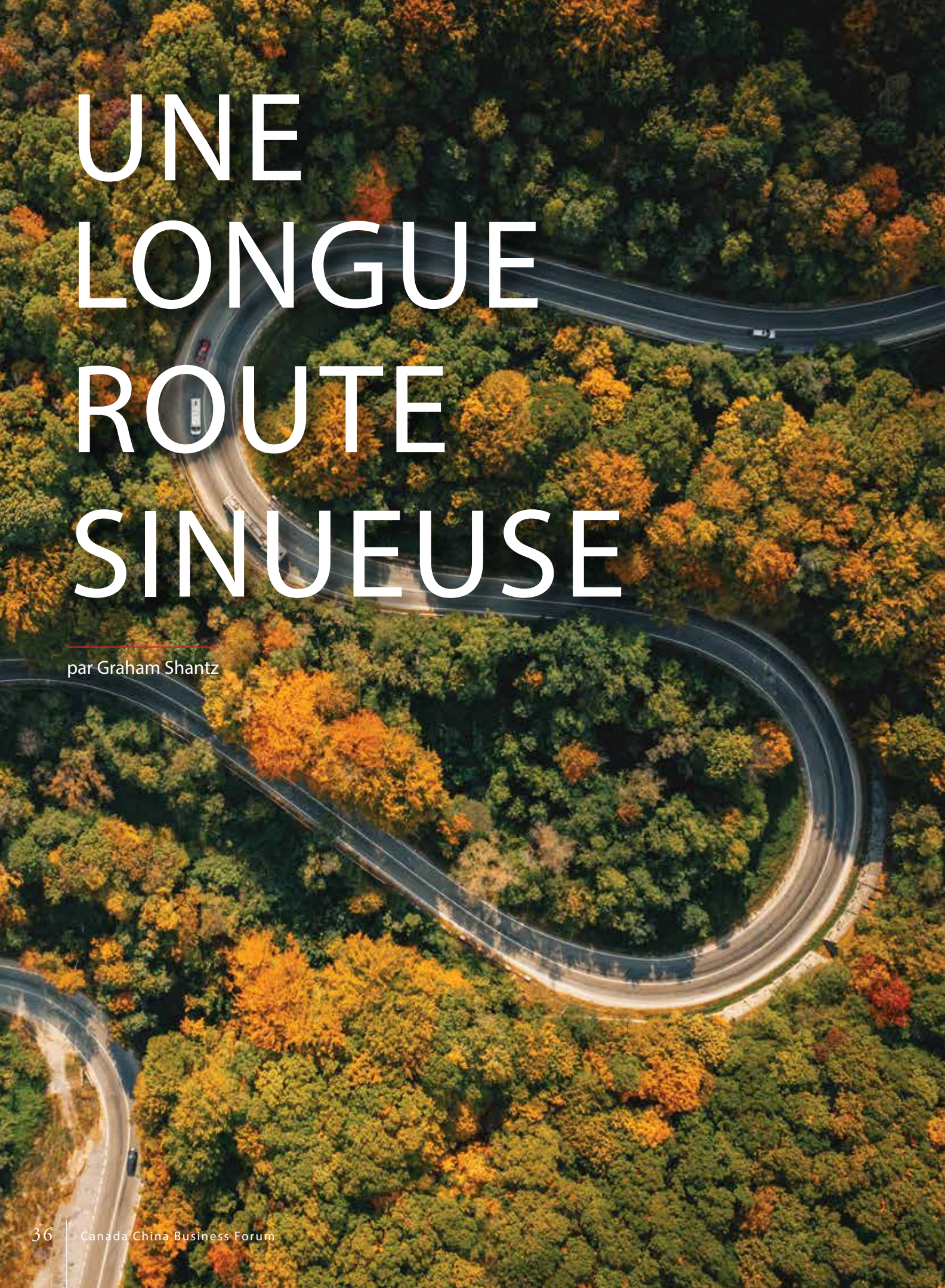


Canada China Business Council
Conseil d'affaires Canada-Chine
加中贸易理事会

CCBC.com



TORONTO | MONTREAL | HALIFAX | VANCOUVER | CALGARY | BEIJING | SHANGHAI



UNE LONGUE ROUTE SINUEUSE

par Graham Shantz



Comme le dit le vieux proverbe africain, “quand les éléphants se battent, c’est l’herbe qui souffre”. Tel était le cas du Canada pendant la majeure partie de 2019 : l’herbe piétinée sous les pieds de deux éléphants qui se disputaient, la Chine et les États-Unis.

Mais l’herbe piétinée se régénère, se nourrit de ses racines, pousse et s’étend dans de nouveaux pâturages. Et au Conseil d’affaires Canada-Chine, nous ne doutons pas que c’est ce qui se passera pour le Canada dans nos relations commerciales avec la Chine. Les relations entre nos deux pays sont profondément enracinées. Elles remontent à 1906, lorsqu’Ottawa a ouvert un bureau commercial à Shanghai, élevant son agent au rang d’attaché commercial trois ans plus tard.

Les liens diplomatiques, qui avaient été consolidés en 1942 avec la nomination du premier ambassadeur du Canada en Chine, ont été rompus après la victoire communiste lors de la guerre civile en 1949 et sont restés coupés jusqu’en 1970, année où le Canada est devenu l’un des premiers pays à reconnaître la République populaire de Chine.

Même si nous n’avions aucun lien commercial officiel, notre compassion pour le peuple chinois s’est manifestée à la fin des années 50, lorsque le Parlement a adopté une loi spéciale autorisant nos agriculteurs à vendre du blé à la Chine alors qu’elle luttait pour faire face à une famine généralisée.

La Chine est de loin notre principal partenaire commercial en Asie, ce qui offre des avantages mutuels aux deux pays. Les produits canadiens sont appréciés en Chine pour leur qualité, et nos dirigeants d’entreprise sont des partenaires commerciaux privilégiés en raison de leur réputation d’équité et d’intégrité.

Au cours des 40 dernières années, le CCBC a joué un rôle de premier plan dans le développement et le soutien des échanges commerciaux et culturels entre nos deux pays, et nous sommes prêts à poursuivre ces efforts.

En nous appuyant sur ce qui a déjà été réalisé dans le commerce bilatéral, nous entrevoyons un avenir qui comprendra une demande accrue de la nouvelle classe aisée chinoise pour encore plus de produits et services canadiens, un



marché encore plus vaste pour des produits de base tels que les produits agricoles et les matières premières et une augmentation des transferts de technologie dans les deux sens, particulièrement les technologies vertes telles que les panneaux solaires et les éoliennes.

Il y a eu une augmentation importante ces dernières années du nombre d'étudiants chinois au Canada et d'exportations de services canadiens vers la Chine, beaucoup plus de Canadiens séjournent en Chine, et le Canada est devenu une destination de choix pour un nombre croissant de touristes chinois depuis que la Chine a accordé au Canada le statut de destination approuvée en 2010, ce qui permet aux groupes de voyageurs d'agrément de voyager à l'extérieur du pays. Nous sommes confiants que ces tendances se poursuivront.

Il est important de souligner, avec notre réputation de partenaire stable et fiable dans un monde caractérisé par un manque de stabilité et de fiabilité, que le Canada peut devenir un important fournisseur d'énergie

plus propre pour répondre aux besoins de la Chine dans la poursuite de ses objectifs de réduction des gaz à effet de serre.

La forte croissance de l'économie mondiale et la suppression de nombreux obstacles commerciaux au cours des deux dernières décennies ont offert de nouvelles possibilités aux petites et moyennes entreprises canadiennes en Chine et ailleurs. Étant donné que 70 % des membres du CCBC sont des PME, nous avons également la possibilité, grâce à nos cinq bureaux situés au Canada et à deux en Chine, de contribuer au développement de ces échanges commerciaux en fournissant des conseils pratiques et un soutien sur le terrain.

Au CCBC, nous demeurons optimistes quant à l'avenir des échanges commerciaux entre le Canada et la Chine. Nous continuons de développer une relation qui s'est épanouie au cours des 41 dernières années et qui suscite une profonde confiance mutuelle et de la bonne volonté. 



GRAHAM SHANTZ Employé de la fonction publique canadienne pendant plus de 25 ans, Graham Shantz a conseillé les divers gouvernements canadiens, principalement au sujet de la gestion des relations du pays avec l'Asie. Il a œuvré en tant que gestionnaire senior aux Affaires mondiales Canada, au Ministère des Finances et au Bureau du Conseil privé. Au cours des dernières décennies, il a participé à de nombreuses grandes rencontres bilatérales entre dirigeants canadiens et chinois et il a été nommé Président du CCBC en 2016.

We're going to keep building connections.

We've been bringing better products, services
and experiences to Canadians for more than a decade.



加中贸易 的曲折前进之路

文 / 向峰



非洲有一句古老的谚语：大象打架时，受伤的是草地。对于2019年的加拿大而言，大部分时间都是如此——沦为中国和美国这两头相互争斗的大象脚下被践踏的草地。

但是，被践踏的草还是会重新生长，从根部吸收营养，从而长得更高，并蔓延到新的牧场。加中贸易理事会认为这也将会是加中双边贸易关系的未来发展趋势。对于这一点，我们毫无疑问。加中两国关系根源深厚，可追溯到1906年，当时渥太华在上海开设贸易办事处，三年后将其代理升级为贸易专员级别。

1942年，加拿大任命首任驻华大使，两国外交关系得到巩固。1949年，中国共产党在内战中取得胜利，两国外交关系中断。直到1970年恢复，加拿大成为最早承认中华人民共和国的国家之一。

尽管加中两国未建立正式的贸易关系，但我们早在上世纪50年代末就对中国人民所遭受的命运感同身受。当时，加拿大国会通过了一项特别立法，允许我国农民在中国应对大范围饥荒的过程中向中国出售小麦。

当前，中国是加拿大在亚洲地区最大的贸易伙伴，两国互利共赢。加拿大产品在中国因卓越的质量而受到重视，我们的商业领袖也因公平和诚信的声誉而受到贸易伙伴的青睐。

40年来，加中贸易理事会在发展和支持两国贸易和文化交流方面发挥了主导作用，我们愿继续为此付出努力。





HATCH



Let's build
positive
change
together.

Learn more at hatch.com





基于已在双边贸易中取得的成就,我们认为未来发展前景较好:中国新兴富裕阶层对加拿大产品和服务的需求不断增长,农产品和原材料等关键大宗商品的市场将进一步扩大,双向科技转移取得进步,特别是太阳能电池板和风力涡轮机等绿色技术。

近年来,在加拿大留学的中国学生数量和加拿大对华服务出口量显著增长,同时,也有越来越多的加拿大人前往中国去度假。自2010年中国政府批准加拿大为“旅游目的地国家”,允许中国旅行社宣传和组织旅游团到加拿大旅游后,加拿大已成为越来越多中国游客心仪的旅游目的地。我们有信心将这些良好趋势继续延续下去。

同样值得注意的是,在当前这个全球动荡的形势下,加拿大通过其稳定可靠合作伙伴的良好声

誉,可以成为重要的一个清洁能源供应国,以满足中国努力实现温室气体减排的需求。

在过去的几十年里,全球经济快速增长、许多贸易壁垒也得以消除,这为加拿大中小企业在中国和其他国家及地区开展业务提供了新机遇。加中贸易理事会70%的会员是中小企业,这对于我们来说也是一个良好机遇。通过设立于加拿大的五个办事处以及中国的两个办事处,加中贸易理事会能够为双边企业提供切实可行的建议并给予实际支持,从而促进贸易增长。

对于加中双边贸易的前景,加中贸易理事会持乐观态度。我们将基于过去41年已取得的成果,继续建立蓬勃发展的双边关系,保持互信和友好关系,促进合作、共创美好未来。 



向峰先生作为加拿大公务员为各级政府提供顾问服务超过25年,其顾问方向主要是加拿大对亚洲关系的管理。他曾在加拿大全球事务部、财政部和枢密院担任高层管理职位。在过去几十年中,他曾多次参与加中两国领导人的重要双边访问。向峰先生于2016年成为加中贸易理事会总裁。



invest | invest
CANADA | CANADA

加拿大投资局

SET YOUR SITES ON CANADA

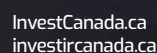
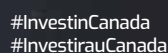
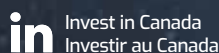
加拿大是您的投资热土

Looking for your best investment destination? Canada helps global companies make money and minimize risk. Invest in Canada makes it easy.

Learn more at: invcanada.ca

在寻找最佳投资目的地？跨国公司可以在加拿大 实现盈利，
规避风险。来加拿大投资简单快捷。

更多详情请浏览：invcanada.ca



Christmas in June?

HOW WESTERN BRANDS CAN LEVERAGE CHINESE PROMOTIONAL HOLIDAYS

by Joseph Cooke

Western consumers spend more than \$1 trillion (USD) during the Christmas holiday season, beginning on Black Friday in late November and ending on roughly the 6th of January each year.

Leveraging this time of year as an opportunity (read: necessity) to boost sales revenue is a notion that Western brands have understood for as long as there have been Western consumers. But savvy brands understand that simply selling green and red coloured Christmas items and focusing on Boxing Week sales will not yield the same results in China, the world's largest e-commerce marketplace for several years now.

Fortunately, there are several promotional holidays in China that are already or quickly becoming just as lucrative as Western holidays. But how does a company effectively leverage the opportunities presented by promotional holidays? The first step on this thousand-mile journey towards making the most of China's commercial promotional holidays starts with simple awareness of when and what these holidays are.

Some promotional days are already well-known. For example, Singles' Day (11/11) has been observed by Chinese citizens since the early 90s. And, thanks to shopping on 11/11 in China generating around \$50 billion USD the past two years (and gross merchandise volume up 27% YOY between 2017 and 2018), along with the participation of 180,000 global brands delivering more than 1 billion packages, the rest of the world has begun to take notice.



The seeding and growing of a brand's marketing strategy should be mindful of tactics around discounts and coupons, to ensure a positive consumer experience, all the while ensuring a brand is strongly positioned to drive revenue and market share in a profitable manner.

A less well-known shopping event, at least internationally, that augurs to increase dramatically in awareness in the near future is Jingdong's (JD) "618" 18-day shopping festival. JD reported nearly \$30 billion USD in sales throughout the festival in 2019, an increase of over 25 per cent year-over-year. Throw in *Qixi*, China's Valentine's Day (August 7) and Taobao's 66 Festival (June 6) and you've got a slew of promotional days of which to take note and to circle on the corporate calendar.

Awareness is indeed a crucial initial step. But awareness without action is much like not having any awareness in the first place. Therefore, any good company that has now circled some or all the important promotional days on its calendar must immediately begin planning a detailed strategy well in advance of the day itself.

Planning a marketing and promotional strategy is the biggest variable over which companies have control, thanks to the abundance of available consumer data. As I mentioned in an article in the 2016-17 edition of the *Canada China Business Forum*

Magazine, China Market Research: How to Hit the Mark the First Time, asking the right questions will lead you towards the right data that will, ultimately, provide the right insight.

With respect to promotional holidays, data allows us to understand which products are selling in which season and in which regions of a fantastically diverse country. At its simplest, what might be a hot commodity in November for 11/11 might be undesirable in mid-June for 6/18 or early August for *Qixi*. Understanding this seasonality using data will allow a company to diligently plan for any and all promotional holidays and effectively execute on their strategy.

Part of a company's strategy and vision must also include an understanding and appreciation of the vast potential for growth and revenue represented by tier 2, 3 and 4 cities in China. Web Presence in China's (WPIC) data show tremendous growth in lower-tiered cities this past 6/18, and WPIC e-commerce analysts predict that, thanks to changing demographics and economic development in these

cities, this trend will continue not only for the remainder of 2019 but into the foreseeable future as well. So, it's not just seasonality one has to account for, but regionality as well.

Both Canada and China share "vast" as adjectives to describe their respective countries, but while vast conjures an image of a horizontal area, China's depth as it relates to lower tiered cities should not go ignored. Put simply, China's increasingly affluent and e-commerce savvy population found in cities outside of Beijing and Shanghai will drive much of the growth of the future. And understanding the nuances between regions is paramount to capitalizing on this growth.

Once a brand has understood where and to whom they're marketing for a given promotional holiday, there must be tight synergy concerning these efforts and the promotional discounts they plan to offer. Much of the appeal of 11/11 and 6/18 revolves around savings and promotions. Therefore, the seeding and growing of a brand's marketing strategy should be mindful of tactics around



discounts and coupons, to ensure a positive consumer experience, all the while ensuring a brand is strongly positioned to drive revenue and market share in a profitable manner.

But, perhaps above all, there is one arrow in the quiver that is quickly emerging as an influential factor in brand awareness that must be leveraged to become a major player in the Chinese e-commerce market: Key Opinion Leaders (KOL's).

In contrast to Western consumers, Chinese consumers are less enamored by the narrative of a brand. A company's mission or brand statement purporting to bring good to the world through its products and services matters less to the average Chinese consumer than do high-quality products accompanied by a high-degree of detail, discussing the materials sourced in production, the manufacturing processes, an item's durability, and so on.

In a world where 24-hour news cycles and bad press going viral on social media can irreparably tarnish a brand's reputation, KOL's can

act as de facto spokespeople for a company, reviewing and promoting a company's products through social media, with the KOL acting as the face of the operation.

As such, intentionally partnering with the right KOL who can convey a message favourable to a brand can be a game-changer in the Chinese market. With that said, due diligence is required in researching and vetting a KOL as the benefits of that influencer can just as easily turn detrimental if he or she isn't the right fit for a company's message.

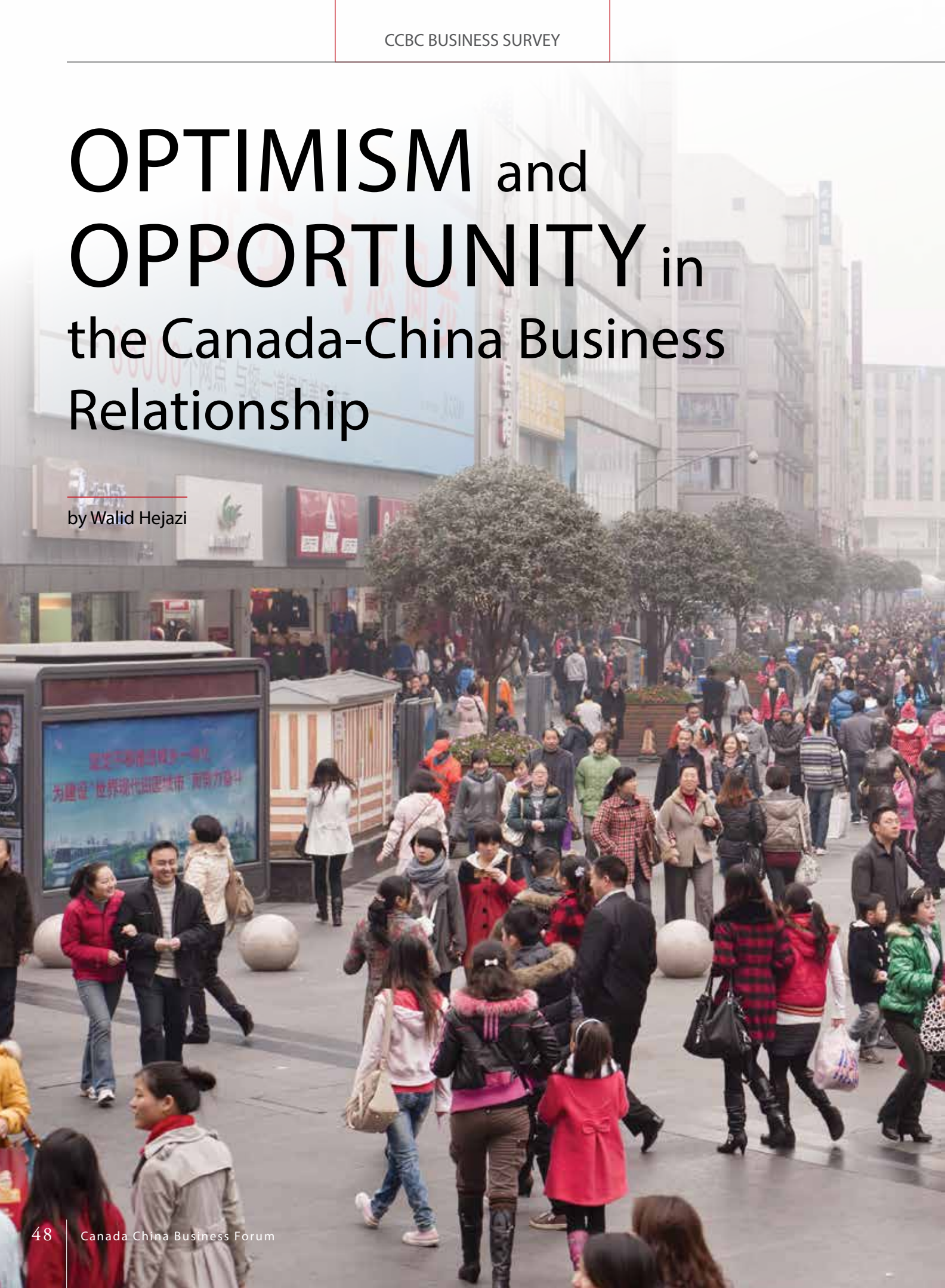
With experience in the market, Western companies are beginning to go past merely scratching the surface of the Chinese market and have started to understand its nuances, challenges and opportunities. So, while Black Friday, Cyber Monday, Christmas and Valentine's Day won't be omitted from the corporate calendar anytime soon, if Chinese promotional holidays are leveraged appropriately, Western brands can soon start celebrating Christmas in June. 🇨🇳



JOSEPH COOKE is co-founder and President of WPIC, where he oversees global business development, strategic planning and deployment of cross-border projects for organizations looking to engage and succeed in Asia's online marketplace. Having lived in China for several years, his key areas of expertise include e-commerce, analytics, data, website development and deployment, legal setup, licensing, and ICP registration.

OPTIMISM and OPPORTUNITY in the Canada-China Business Relationship

by Walid Hejazi



Given that the United States has the largest GDP in the world when measured in U.S. dollars, shares a colonial history with Canada, and hence similarities in language, culture, legal systems, then it should be no surprise that Canada's trade is highly concentrated with the US market. In fact, 75 per cent of Canada's exports are destined there.

The recent renegotiation of the NAFTA has highlighted the risks to Canada of being overly concentrated on the U.S. The appointment by the Canadian government of a Minister of International Trade Diversification, with a mandate of increasing Canada's trade reliance on other key markets, reflects the government's desire to reduce Canada's reliance on the U.S. as a market for exports, and increased trade with important markets such as China.

In 2018, China was Canada's second largest trading partner, receiving \$28 billion in exports from Canada, and sending \$76 billion of imports to Canada, representing five per cent of Canada's exports, and 13 per cent of Canadian imports. This relationship continued to grow, on both sides, at above average rates. China has also emerged as the world's second largest economy when measured in U.S. dollars, and the largest when measured in Purchasing Power Parity, thus underscoring its increased importance.



The 2018/2019 Canada China Business Council Business Survey underscores the importance, and resilience, of this growing and dynamic relationship. Despite the current diplomatic tensions between Canada and China, the survey results indicate a very strong desire on the part of businesses, both Chinese companies doing business in Canada and Canadian companies doing business in China, to not only maintain this relationship, but to grow it. At the same time, as reflected in the Survey's results, there

is a need for both governments to work through the challenges they face so as to ensure the vital relationship between these two very important countries continues to grow and mature unabated.

Below, some key findings of the 2018/2019 survey are highlighted, but it must be stressed that this is only a small view into this large and deep study into the state of the Canada-China business relationship. It is highly encouraged that any

company doing or contemplating doing business in either China or in Canada, or anyone wishing to learn more about the relationship, read the report in its entirety. The report provides important insights into the opportunities in the respective markets, as well as the challenges that companies face. Reading the study will therefore provide a better understanding of the opportunities and challenges within the relationship, thus enhancing the likelihood of achieving profitable outcomes.

CHALLENGES AND OPTIMISM

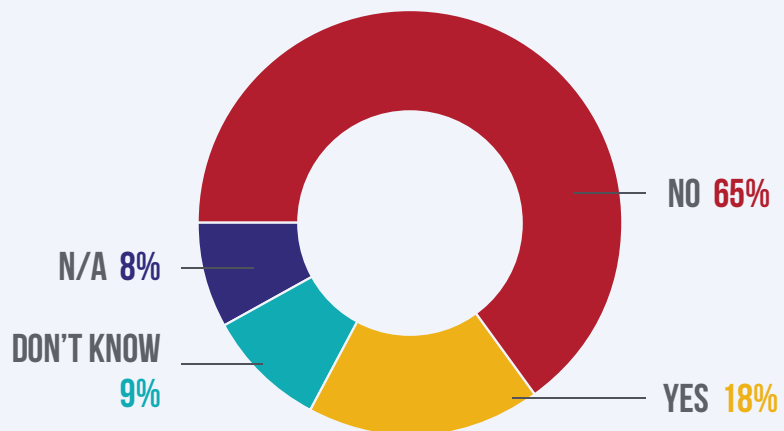
Respondents to the survey were asked how the bilateral political and legal tensions between Canada and China beginning in December, 2018, has impacted the business environment in which they operate. Eighteen per cent of Canadian companies operating in China and 22 per cent of Chinese companies operating in Canada have reported having contracts or investments either cancelled or postponed. In addition, 52 per cent of respondents from both countries have changed their business plans from slightly to significantly, and approximately 65 per cent have experienced no change in their operations.

The dispute has also spilled over into business travel between the two countries. Fifteen per cent of respondents to the survey indicated that meetings planned in both Canada and China have been moved to other locations, including to Hong Kong, Japan, Mexico, Singapore, South Korea, Taiwan, Thailand or Vietnam. These results underscore the need for both governments to be sensitive to the impacts political developments have on business and economic relations between the two countries.

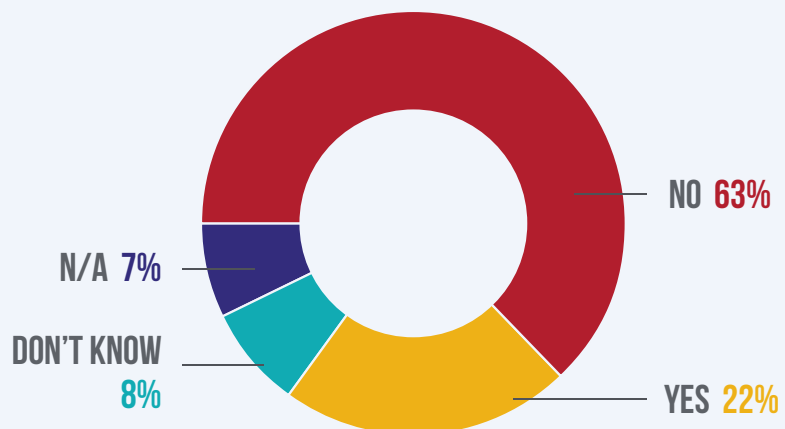
IMPACT OF POLITICAL TENSIONS ON BUSINESS PLANS

Have you had any contracts or investment deals cancelled/and or postponed since December 1, 2018?

CANADIAN COMPANIES OPERATING IN CHINA



CHINESE COMPANIES OPERATING IN CANADA





A PROFITABLE PROPOSITION FOR BUSINESS

Notwithstanding these challenges, and the real impact on businesses, the potential opportunities within each market remain strong, and business outlook is optimistic. The survey reveals that companies are planning to either stay the course (15 per cent) or expand their operations (65 per cent) in the future, which is a reflection of both the tremendous opportunities in the respective markets, and the optimism of businesses. These results are particularly impressive given the survey was deployed in the midst of the diplomatic challenges.

Fifty-six per cent of respondents indicate they are profitable in their latest financial reports, and

eight per cent very were profitable. Only nine per cent of respondents have reported a loss, and two per cent a large loss. Analyzing the data more closely reveals the importance of persistence within the market. The percentage of firms which are profitable within the Chinese markets, increases significantly as the years of operation increase. While it is true that only profitable firms remain and those that are not exit the market, the data is striking that after operating more than five years in China, more than 50 per cent are profitable, and this increases to 70 per cent once firms have been operating for more than 10 years.

Figure 12: Q16 Financial performance in/with China in 2017 compared to the previous years

How would you characterise your company's financial performance in/with China in 2017 (or your most recent business year)?

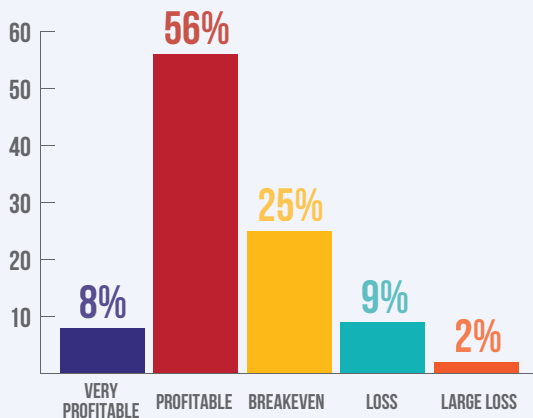
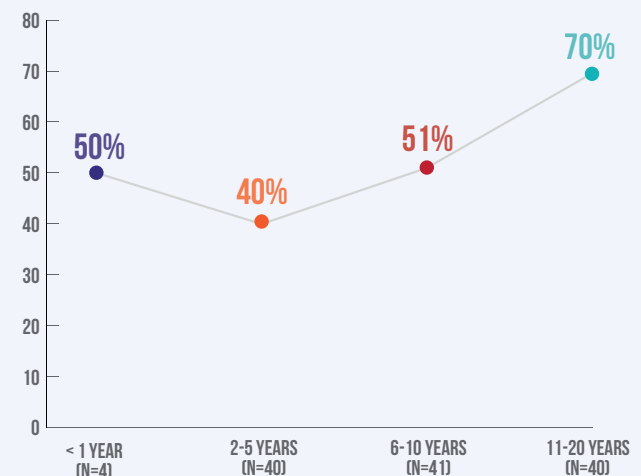


Figure 13: Profitability by time in China

Profitability of Canadian companies by time in China



OBSTACLES TO FURTHER DEEPENING THE RELATIONSHIP

The survey also highlights significant impediments to undertaking business in the respective markets. The tables on the right list the top five obstacles to doing business in China, and the top five obstacles to doing business in Canada, for the years reported.

In 2018, the top two obstacles in China related to government regulations, processes, procedures and laws. Notably, China's capital controls (a financial barrier) made it onto the list of top five challenges for Canadian companies operating there. "Also of note is that intellectual property protection in China was a

top-five obstacle in 2014, fell off this list in 2016, and has since returned to the top five list in 2018/2019. Cultural differences also made the list of top five challenges for Canadian companies doing business in China.

In the case of Chinese companies doing business in Canada, differences in business culture were viewed as the most important challenge, followed by finding a Canadian partner. Third and fourth on the list relate to government regulations, processes, procedures and laws. Rounding out the top five was a perception by Chinese companies of discrimination.

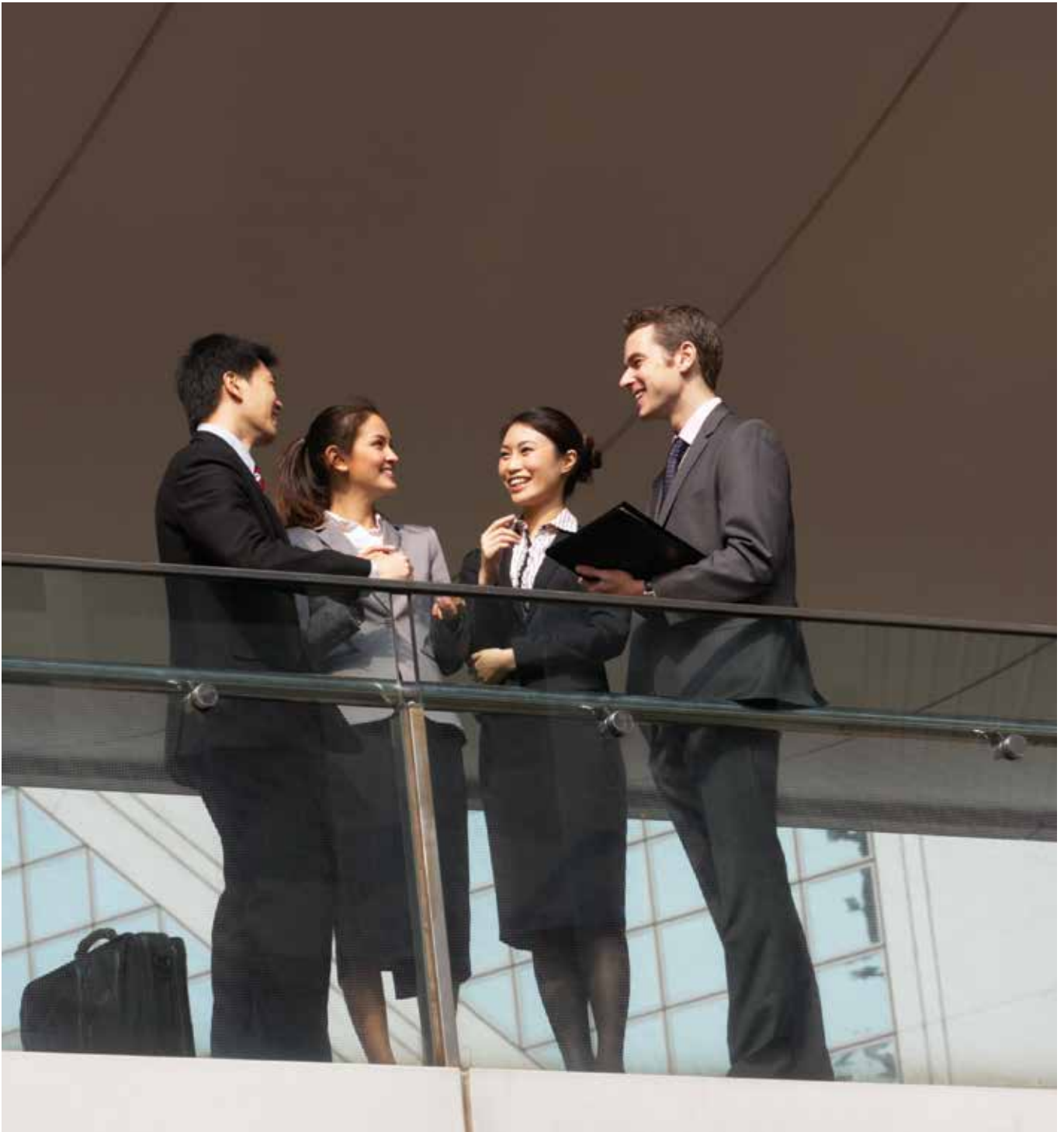
Table 3

Top five obstacles to doing business in China in 2014, 2016, and 2018

2014	2016	2018
Inconsistent interpretation of regulations/laws in China	Lengthy and complicated certification	Inconsistent interpretation of regulations/laws in China lack of transparency
Weak dispute settlement mechanism (inefficient legal system)	Local content requirements in China	Challenges in gaining business licenses, approvals to expand operations, product approvals
Lengthy and complicated certification	Chinese customs procedures	Restrictions for entities in China to make offshore payments
Intellectual property rules and practices in China	Chinese labelling requirements	Intellectual property protection and enforcement in China
Restrictions on currency conversion	China's air and environmental pollution	Differences in business culture

Top five obstacles faced by Chinese companies when doing business in Canada

2016	2018
Dealing with construction permits	Differences in business culture
Border compliance procedures	Difficulty finding the right Canadian partner
Costs for your company's operations in Canada	Challenges in gaining business licenses, approvals to expand operations, product approvals
Challenges in gaining licenses, approvals to expand operations, product approvals	Complexity of tax regulations
Restrictions in by sector on investment by state-owned or state-influenced companies	Discrimination against Chinese companies in Canada



The full report has a much richer list and discussion of the obstacles faced in both China and in Canada. One of the key benefits of free trade agreements is the removal, or at least reduction, in both tariff and non-tariff barriers which impede the free flow of goods and services between countries. While there is significant appetite for such an agreement, this is still quite a distant possibility. A key pillar to achieve this is the identification of such obstacles, which is an important objective of the study.

These obstacles and their impact on business can be reduced or eliminated by changes in policy, or in preparing businesses to understand what these barriers are, and hence encourage the deployment of strategies to mitigate their impact. The results presented in the full study show that the significance of the barriers faced by companies have fallen, implying that these barriers are less binding on firms as they deploy strategies to mitigate their impact on businesses.

FINAL THOUGHTS

Overall, the 2018/2019 Canada China Business Council Business Survey paints a positive picture of the increasingly important business relationship between Canada and China. While the recent diplomatic tensions have had an impact, the results of the study underscore the resilience of this relationship, and the optimism business executives have in maintaining and growing the relationship. To underscore the potential, something must be said about Brand Canada. In 2016, 60 per cent of the respondents indicated the Canadian brand plays a very major or major role in the company's business development with China. The Canada brand not only maintained this advantage, but increased slightly to 62 per cent in 2018/19, even in the midst of the diplomatic challenges.

Clearly, the above average growth in the Canada-China relationship continues, and there remains much potential to achieve. The Survey provides valuable insights into these opportunities, and challenges, and hence is essential reading for those interested in the relationship. While this short article has reviewed some of the key results from the study, I strongly encourage you to read the entire study, as the results presented are extensive. 

Visit ccbc.com to download your copy of the survey.



WALID HEJAZI is an Associate Professor of Business Economics at the Rotman School of Management. He has traveled extensively to China, working with executives on better understanding global innovation and business strategies. He has published broadly, and appears regularly in the media.

Manulife 宏利

Manulife sold its first insurance policy in Shanghai in 1897, marking the start of over a century of successful business rooted in strong relationships with our partners and clients.

We truly appreciate the strong support we've received in China, and the resulting contributions to Manulife's success as a global leader.

宏利于1897年在上海售出第一份保险单，标志着一个世纪以来成功的业务开始，该业务源于与合作伙伴和客户的牢固关系。

我们荣幸在中国获得了强大支持，这为宏利作为全球的企业翘打下了成功基石。

Manulife, Manulife & Stylized M Design, and Stylized M Design are trademarks of The Manufacturers Life Insurance Company and are used by it, and by its affiliates under license.

OPTIMISME et OPPORTUNITÉS dans la relation commerciale Canada-Chine

par Walid Hejazi



Étant donné que les États-Unis ont le PIB le plus élevé au monde lorsqu'il est mesuré en dollars américains et qu'ils partagent une histoire coloniale avec le Canada, d'où les similitudes dans la langue, la culture et les systèmes juridiques, il ne faut pas s'étonner que les échanges commerciaux du Canada soient fortement concentrés sur le marché américain. En effet, 75 % des exportations canadiennes y sont destinées.

La récente renégociation de l'ALENA a mis en lumière les risques pour le Canada d'être trop axé sur les États-Unis. La nomination par le gouvernement canadien d'un ministre de la Diversification du commerce international, avec pour mandat d'accroître les relations commerciale du Canada vis-à-vis d'autres marchés clés, reflète la volonté du gouvernement de réduire la dépendance du Canada à l'égard des États-Unis en tant que marché d'exportation et d'accroître ses échanges commerciaux avec des marchés importants tels que la Chine.

En 2018, la Chine était le deuxième partenaire commercial en importance du Canada, recevant 28 milliards de dollars d'exportations du Canada et expédiant des importations de 76 milliards de dollars au Canada, soit 5 % du total des exportations canadiennes et 13 % des importations canadiennes. Cette relation a continué à se développer, des deux côtés, à des taux supérieurs à la moyenne. La Chine est également devenue la deuxième économie la plus importante du monde, si on la mesure en dollars américains, et la plus importante économie mondiale, si on la mesure en fonction de la parité du pouvoir d'achat, soulignant ainsi son importance accrue.

Le sondage 2018-2019 du Conseil d'affaires Canada-Chine souligne l'importance, et la résilience, de cette relation croissante et dynamique. En dépit des tensions diplomatiques actuelles entre le Canada et la Chine, les résultats du sondage indiquent que les entreprises, tant les entreprises chinoises faisant affaire au Canada que les entreprises canadiennes faisant affaire en Chine, souhaitent ardemment non seulement maintenir cette relation, mais également la développer. Parallèlement, comme le montrent les résultats du sondage,

il est nécessaire que les deux gouvernements s'attaquent aux défis auxquels ils font face pour que la relation vitale qui existe entre ces deux pays très importants continue de croître et de mûrir sans relâche.

Certaines des principales conclusions du sondage 2018-2019 sont mises en évidence ci-dessous, mais il convient de souligner qu'il ne s'agit là que d'un petit aperçu de ce sondage vaste et approfondi de l'état de la relation commerciale entre le Canada et la Chine. Il est vivement recommandé à toute entreprise

faisant affaire ou envisageant de faire affaire en Chine ou au Canada, ou à quiconque souhaitant en savoir plus sur la relation, de lire le rapport dans son intégralité. Le rapport fournit des informations importantes sur les occasions qu'offrent les marchés respectifs, ainsi que sur les défis auxquels les entreprises sont confrontées. La lecture de l'étude permettra donc de mieux comprendre les occasions et les défis de la relation, augmentant ainsi la probabilité d'obtenir des résultats rentables.





DÉFIS ET OPTIMISME

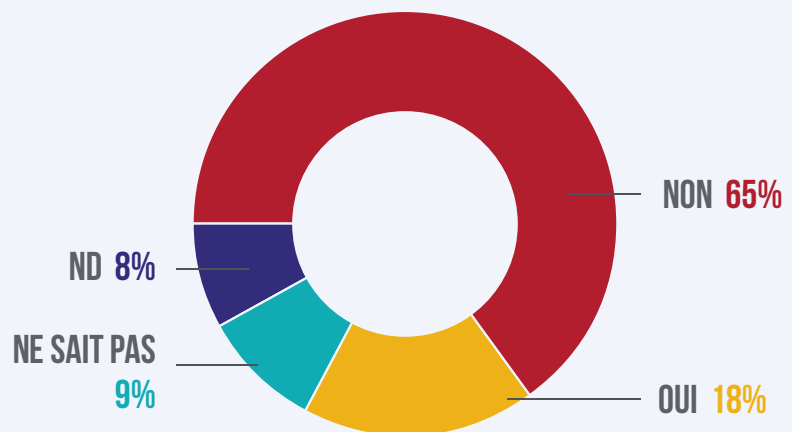
Les répondants au sondage ont été interrogés sur l'incidence des tensions politiques et juridiques bilatérales entre le Canada et la Chine à partir de décembre 2018 sur l'environnement commercial dans lequel ils évoluent. Dix-huit pour cent des entreprises canadiennes actives en Chine et 22 % des entreprises chinoises actives au Canada ont déclaré avoir eu à faire face à des contrats ou à des investissements annulés ou reportés. En outre, 52 % des répondants des deux pays ont modifié leurs plans d'affaires de manière légère ou importante, et environ 65 % n'ont connu aucun changement dans leurs activités.

Le conflit s'est également répercuté sur les voyages d'affaires entre les deux pays. Quinze pour cent des répondants au sondage ont indiqué que les réunions prévues au Canada et en Chine avaient été déplacées ailleurs, notamment à Hong Kong, au Japon, au Mexique, à Singapour, en Corée du Sud, à Taiwan, en Thaïlande ou au Vietnam. Ces résultats soulignent donc la nécessité pour les deux gouvernements d'être sensibles à l'incidence de l'évolution de la situation politique sur les relations commerciales et économiques entre les deux pays.

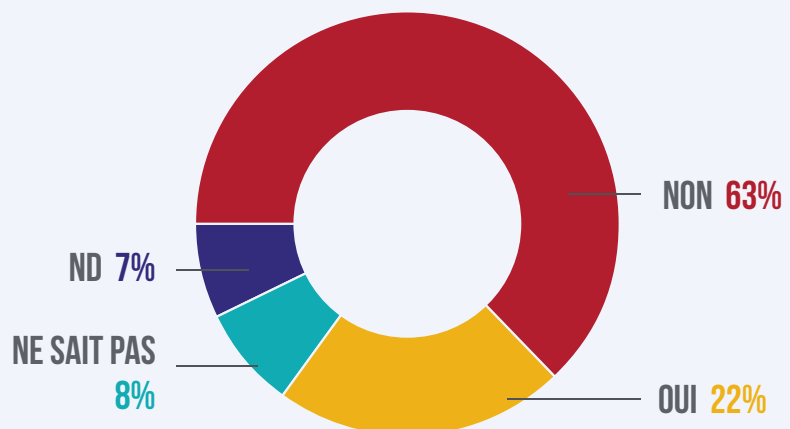
INCIDENCE DES TENSIONS POLITIQUES SUR LES PLANS D'AFFAIRES

Avez-vous eu à faire face à des contrats ou à des accords d'investissement annulés ou reportés depuis le 1^{er} décembre 2018?

ENTREPRISES CANADIENNES ACTIVES EN CHINE



ENTREPRISES CHINOISES ACTIVES AU CANADA



UNE PROPOSITION RENTABLE POUR LES AFFAIRES

Malgré ces difficultés et l'incidence réelle sur les entreprises, les occasions potentielles sur chaque marché restent bonnes et les perspectives commerciales sont optimistes. Le sondage révèle que les entreprises envisagent de maintenir le cap (15 %) ou d'étendre leurs activités (65 %) à l'avenir, ce qui reflète à la fois les occasions exceptionnelles offertes par les marchés respectifs et l'optimisme des entreprises. Ces résultats sont particulièrement impressionnants étant donné que le sondage a été déployé en pleines difficultés diplomatiques.

Cinquante-six pour cent des répondants ont indiqué qu'ils avaient été rentables dans leurs derniers rapports financiers, et huit pour cent, qu'ils avaient été très

rentables. Seulement neuf pour cent des répondants ont enregistré une perte et deux pour cent, une perte importante. Une analyse plus approfondie des données révèle l'importance de la persistance sur le marché. Le pourcentage d'entreprises rentables sur les marchés chinois augmente considérablement avec le nombre d'années d'activité. S'il est vrai qu'il ne reste que des entreprises rentables et que celles qui ne le sont pas ont disparu du marché, il est frappant de constater qu'après plus de cinq ans d'activité en Chine, plus de 50 % des entreprises sont rentables et que ce chiffre passe à 70 % lorsque les entreprises exercent des activités depuis plus de 10 ans.

Figure 12 : Q16 Rendement financier en Chine ou avec la Chine en 2017 par rapport aux années précédentes

Comment qualifieriez-vous le rendement financier de votre entreprise en Chine ou avec la Chine en 2017 (ou votre dernier exercice)?

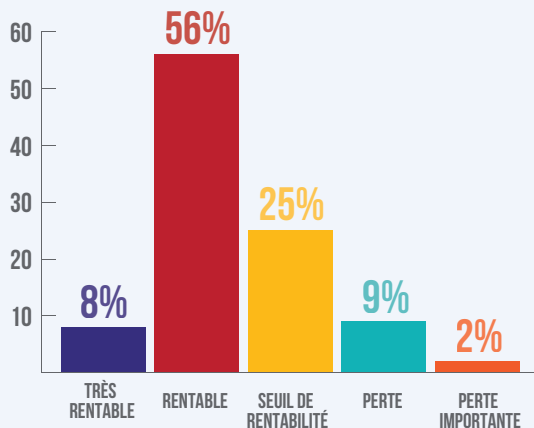
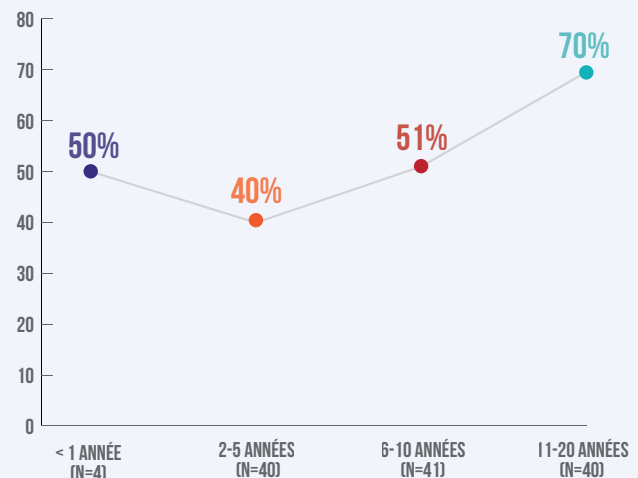


Figure 13 : Rentabilité en fonction du temps passé en Chine

Rentabilité des entreprises canadiennes en fonction du temps passé en Chine



Obstacles à l'approfondissement des relations

Le sondage a également mis en évidence des obstacles importants à la conduite des affaires sur les marchés respectifs. Le tableau ci-dessus répertorie les cinq principaux obstacles à la conduite des affaires en Chine, et le tableau suivant fournit la liste des cinq principaux obstacles à la conduite des affaires au Canada, pour les années indiquées.

En 2018, les deux principaux obstacles en Chine concernaient les règlements, processus, procédures et lois du gouvernement. Il convient de souligner le troisième obstacle sur la liste, à savoir les contrôles des capitaux en Chine (un obstacle financier), qui figure désormais sur la liste des cinq principaux obstacles que doivent surmonter les entreprises canadiennes qui y exercent des activités.

Il convient également de noter que, alors que les défis en matière de protection de la propriété intellectuelle en Chine figuraient parmi les cinq principaux obstacles en 2014, ils ont été retirés de cette liste en 2016, mais sont depuis revenus à la liste des cinq principaux obstacles en 2018-2019. Les différences culturelles se sont également retrouvées sur la liste des cinq principaux obstacles pour les entreprises canadiennes exerçant des activités en Chine.

Dans le cas des entreprises chinoises faisant affaire au Canada, les différences en matière de culture d'entreprise ont été considérées comme le défi le plus important, suivies de la recherche d'un partenaire canadien. Les troisième et quatrième obstacles de la liste concernent les règlements, processus, procédures et lois du gouvernement. Une perception de discrimination à l'égard des entreprises chinoises complète la liste.

Le rapport complet contient une liste beaucoup plus exhaustive et une discussion sur les obstacles

rencontrés en Chine et au Canada. L'un des principaux avantages des accords de libre-échange est la possibilité d'éliminer, ou du moins de réduire, les obstacles tarifaires et non tarifaires qui entravent la libre circulation des biens et services entre les pays. Même si un tel accord suscite un vif intérêt, cela reste une éventualité assez lointaine. L'un des piliers essentiels pour y parvenir est l'identification de tels obstacles, qui est un objectif important de l'étude.

Ces obstacles et leur incidence sur les entreprises peuvent être réduits ou éliminés en modifiant les politiques ou en préparant les entreprises à comprendre en quoi consistent ces obstacles et en encourageant ainsi le déploiement de stratégies visant à atténuer leur incidence. Les résultats présentés dans l'étude complète montrent que l'importance des obstacles rencontrés par les entreprises a diminué, ce qui signifie que ces obstacles sont moins contraignants pour les entreprises qui déploient des stratégies pour atténuer leur incidence.

Tableau 3

Les cinq principaux obstacles à la conduite des affaires en Chine en 2014, 2016 et 2018

2014	2016	2018
Interprétation incohérente des règlements et lois en Chine	Processus de certification long et complexe	Interprétation incohérente des règlements et lois en Chine et manque de transparence
Mécanisme insuffisant de règlement des différends (système juridique inefficace)	Exigences en matière de contenu local en Chine	Difficultés d'obtention de permis d'exploitation d'entreprise, d'approbations pour accroître les activités et l'approbations de produits
Processus de certification long et complexe	Régime douanier chinois	Restrictions pour les entités en Chine d'effectuer des paiements à l'étranger
Règlements et pratiques en matière de propriété intellectuelle en Chine	Exigences d'étiquetage chinoises	Protection et respect de la propriété intellectuelle en Chine
Restrictions sur les conversions monétaires	Pollution de l'air et de l'environnement en Chine	Différences en matière de culture d'entreprise

Les cinq principaux obstacles rencontrés par les entreprises chinoises exerçant des activités au Canada

2016	2018
Gestion des permis de construction	Différences en matière de culture d'entreprise
Procédures de conformité à la frontière	Difficulté à trouver le bon partenaire canadien
Coûts liés aux activités de votre entreprise au Canada	Difficultés d'obtention de permis d'exploitation d'entreprise, d'approbations pour accroître les activités et l'approbations de produits
Difficultés d'obtention de permis d'exploitation d'entreprise, d'approbations pour accroître les activités et l'approbations de produits	Complexité de la réglementation fiscale
Restrictions dans mon secteur sur les investissements d'entreprises appartenant à l'État ou influencées par celui-ci	Discrimination à l'égard des entreprises chinoises au Canada

SILVERCORP METALS INC.
希爾威金屬礦業有限公司

Silvercorp is a Canadian company listed on the Toronto Stock Exchange

Silvercorp has operated 15 years in China and currently employs over 3,000 Chinese workers

Silvercorp has generated over US\$1.8 billion in total revenue and made US\$368 million in profit for investors from its China operations

TSX: SVM | NYSE American: SVM

t. 604.669.9397 | f. 604.669.9387
www.silvercorp.ca | investor@silvercorp.ca



Rendez-vous à ccbc.com
pour télécharger votre
copie du sondage.

RÉFLEXIONS FINALES

Dans l'ensemble, le sondage 2018-2019 du Conseil d'affaires Canada-Chine dresse un tableau positif de la relation commerciale de plus en plus importante entre le Canada et la Chine. Bien que les récentes tensions diplomatiques aient eu des répercussions, les résultats de l'étude soulignent la résilience de cette relation et l'optimisme des dirigeants d'entreprise dans le maintien et le développement de la relation. Afin de souligner son potentiel, nous ne pouvons passer sous silence la marque Canada. En 2016, 60 % des répondants ont indiqué que la marque Canada jouait un rôle très important ou important dans le développement des affaires de leur entreprise avec la Chine. Cet avantage de la marque Canada s'est non seulement

maintenu, mais a également légèrement augmenté pour atteindre 62 % en 2018-2019, même au beau milieu des difficultés diplomatiques.

Il est clair que la croissance supérieure à la normale de la relation entre le Canada et la Chine se poursuit et qu'une grande partie de son potentiel reste inexploité. Le sondage fournit des informations précieuses sur ces occasions et défis et constitue donc un document incontournable à lire pour ceux qui s'intéressent à la relation. Bien que ce court article ait passé en revue certains des principaux résultats de l'étude, je vous encourage vivement à lire l'intégralité de l'étude, car les résultats présentés sont exhaustifs. 



WALID HEJAZI est professeur agrégé en économie des affaires à la Rotman School of Management. Il a beaucoup voyagé en Chine, où il a collaboré avec divers cadres pour approfondir sa connaissance des processus d'innovation mondiale et des stratégies commerciales. Il a publié de nombreux ouvrages et est régulièrement invité dans les médias.

中加商业 关系中的 转机与机遇

文 / Walid Hejazi



由于美国拥有世界上最大的GDP(按美元计算),且与加拿大有着相同的殖民历史,在语言、文化和法律制度方面也具有相似性,所以,加拿大的贸易主要集中于美国市场也就不足为奇。实际上,加拿大75%的出口目的地是美国。

最近,《北美自由贸易协定》进行了重新谈判,其强调了加拿大将出口过度集中于美国存在一定风险的这一问题。加拿大政府任命多元化国际贸易部长,其任务是提高加拿大对其他主要市场的贸易依赖程度。这表明加拿大政府希望降低加拿大对美国作为出口市场的依赖,并希望与包括中国在内的重要市场增加贸易往来。

2018年,中国成为加拿大的第二大贸易伙伴,从加拿大进口280亿美元,向加拿大出口760亿美元,分别占据加拿大出口额和进口额的5%和13%。双方的这种关系继续以高于平均水平的速度增长。中国现也已成为世界第二大经济体(按美元计算),但若按购买力平价计算,中国已成为世界最大的经济体。因此,中国的重要性日益凸显。

加中贸易理事会在其2018/2019年商务调查(2018/2019 Canada China Business Council Business Survey)报告里强调了这种不断发展的动态关系的重要性和恢复力。尽管加拿大和中国当前的外交关系十分紧张,但调查结果表明,不论是在加拿大开展业务的中国公司还是在中国开展业务的加拿大公司都强烈希望不仅要保持合作关系,而且要推动合作关系不断发展。同时,正如调查结果所反映的那样,两国政府都需要努力应对当前所面临的挑战,以确保两国之间继续保持至关重要的关系,并使这一关系日趋成熟。

下面将重点介绍2018/2019年调查的一些主要发现,但必须强调的是,这只是对加中商业关系现状进行大规模深入研究中的一小部分。我们强烈建议那些在中国或加拿大开展业务或打算开展业务的公司,或希望了解更多有关加中商业关系的人完整阅读该报告。该报告针对各个市场的机遇以及公司所面临的挑战,提出了相关重要见解。因此,阅读研究报告可以更好地了解两国关系中的机遇和挑战,从而增加实现盈利结果的可能性。

挑战和转机

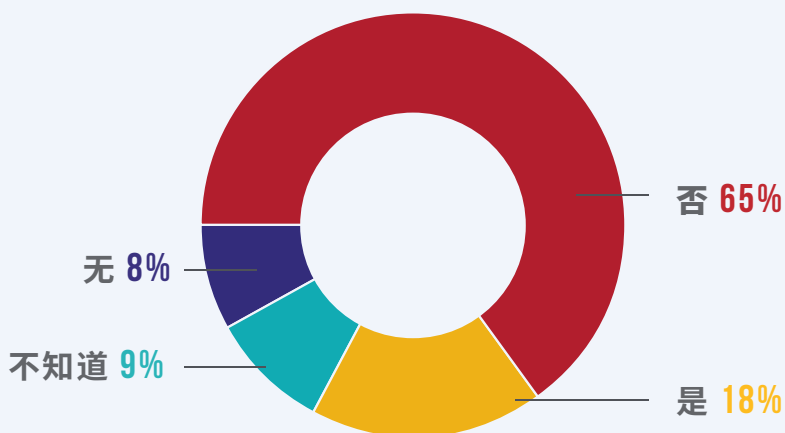
该调查的受访者被问及从2018年12月开始的加拿大和中国之间双边政治和法律关系的紧张局势如何影响他们所处的商业环境。报告称,18%在中国开展业务的加拿大公司和22%在加拿大开展业务的中国公司,已取消或推迟了合同或投资。此外,在两国的受访者中,有52%的公司他们的商业计划从轻度改变为重大,大约65%的公司表示没有改变经营方式。

政治争端同时也蔓延到两国之间的商务旅行中。接受调查的15%受访者表示,他们原计划在加拿大和中国举行的会议已转移到其他地点,比如中国香港、日本、墨西哥、新加坡、韩国、中国台湾、泰国或越南等地。因此,调查结果强调,两国政府都必须在政治发展对两国之间商业和经济关系的影响方面保持敏感。

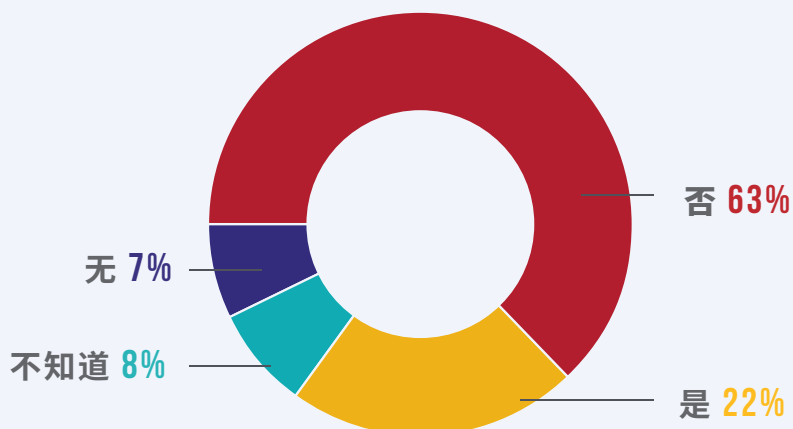
紧张的政治局势对商业计划的影响

从2018年12月1日开始,你是否取消或推迟了合同或投资?

在中国开展业务的加拿大公司



在加拿大开展业务的中国公司





商业盈利主张

尽管存在这些挑战以及对企业的实际影响,但每个市场的潜在机会依旧很多,并且商业前景乐观。调查显示,有15%的公司计划在未来运营中保持原样,而有65%的公司计划在未来扩大经营,这既反映了各自市场中的巨大机遇,也反映了企业的乐观态度。由于该调查是在加中外交处于特殊时期的背景环境中进行的,因为这样的结果尤其令人印象深刻。

关于公司盈利状态,有56%的受访者表示,通过最新财务报告显示公司仍处于盈利状态,且其中的

8%表示是较高的盈利。只有9%的受访者表示公司遭受亏损,其中有2%表示是重大亏损。如果更加仔细地分析该数据,就可以看出市场持续性的重要性。随着运营年限的增加,在中国市场上盈利的公司所占比列显著增加。虽然确实只有盈利的公司能够继续留在市场上而没有盈利的公司可能已退出市场,但数据着实令人吃惊。在中国运营超过五年后,有超过50%的公司是盈利的,如果运营了十年以上,70%的公司是盈利的。

图12 问题16:2017年中国财务绩效与上一年对比

如何描述贵公司2017年财务绩效(或最近营业年度)?

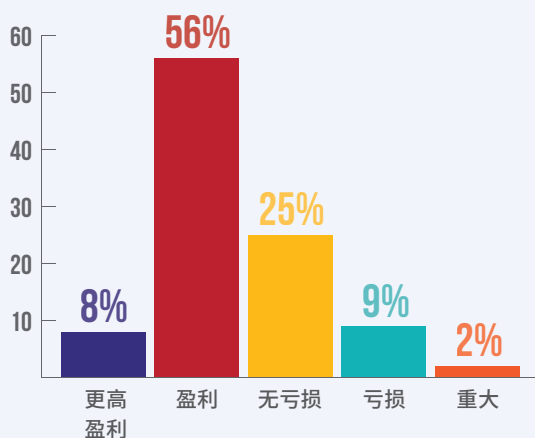
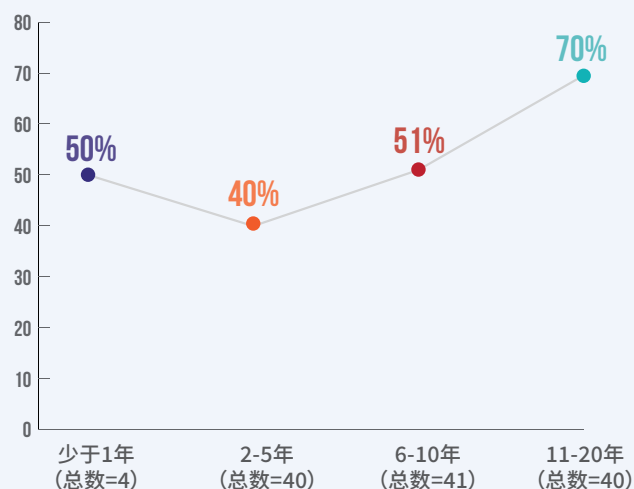


图13 在中国的盈利能力随时间变化

加拿大公司在中国运营的盈利能力随时间变化



进一步深化关系的障碍

该调查还强调了在各个市场开展业务的重大障碍。右边列表列出了报告中指出的多年来分别在中国和加拿大开展业务的五个主要障碍。

2018年,在中国开展业务的两大障碍与政府法规、流程、程序和法律有关。值得注意的是,该表格的第三栏,也就是中国的资本管制(财务壁垒),它已成为在中国开展业务的加拿大公司所面临的五大挑战之一。还要注意,尽管中国在知识产权保护方面的挑战于2014年成为五大障碍之一,但曾在2016年跌

出该榜单,此后在2018/2019年又回到了前五名。文化差异也是在中国开展业务的加拿大公司遇到的五大挑战之一。

对于在加拿大开展业务的中国公司而言,企业文化差异被视为最重要的挑战,其次是寻找加拿大合作伙伴。表格中第三和第四栏与政府法规、流程、程序和法律有关。进入前五名的还有中国公司对歧视的看法。

表3**2014、2016、2018 年在中国开展业务的加拿大公司面临的五大障碍**

2014	2016	2018
中国法规/法律解释不一致	冗长且复杂的认证过程	中国法规/法律解释不一致和缺乏透明度
争端解决机制薄弱(低效的法律制度)	中国当地的区别对待	获得营业执照、批准扩大营业范围和批准产品过程中的挑战
冗长且复杂的认证过程	中国海关程序	中国实体海外付款过程中的限制因素
中国的知识产权规则和实践	中国商标要求	中国的知识产权保护和实施
货币兑换限制	中国大气和环境污染	商业文化差异

在加拿大开展业务的中国公司面临的五大障碍

2016	2018
处理施工许可	商业文化差异
边境合规程序	难以找到合适的加拿大合作伙伴
公司在加拿大的运营成本	获得营业执照、批准扩大营业范围和批准产品过程中的挑战
获得营业执照、批准扩大营业范围和批准产品过程中的挑战	复杂的税收法规
我部门在投资方面受到国有企业或国控企业的限制	加拿大当地的歧视问题

这份完整的报告包含了更加详细的清单,并讨论了中国和加拿大面临的障碍。自由贸易协定的主要好处之一是可以消除或至少减少阻碍国家之间商品和服务自由流通的关税和非关税壁垒。尽管迫切需要此类协定,但签订的可能性仍然很渺小。实现这一目标的关键支柱是确定所有此类障碍,这也是本研究的重要目标。

如果可以改变政策,或者让企业了解可能存在哪些障碍,进而部署战略以减轻其影响,那么便可以减轻或消除这些障碍及其对公司业务的影响。完整研究中给出的结果表明,公司面临的壁垒的重要性已经降低,这意味着如果公司部署策略以减轻此类壁垒对企业的影响,则这些壁垒在对企业的约束力也将减小。





请访问CCBC官网(ccbc.com)
下载此商业研究报告。

结论

总体而言,加中贸易理事会2018/2019年商业调查显示了加拿大和中国之间日益重要的商业关系。尽管当前紧张的外交关系已经产生了影响,但研究结果强调了这种关系的恢复力,以及企业高管对维持和发展这种关系的乐观态度。为了强调其潜力,我们必须宣传加拿大品牌。在2016年,有60%的受访者表示突出加拿大品牌在其公司与中国的业务发展中起着非常重要的作用。加拿大品牌不仅保持了这一优势,而且即使在面临外交挑战的情况下,仍然在2018和2019年度小幅增长至62%。

显然,加中关系继续保持着高于平均水平的增长,并且有很大的发展潜力。该调查提供了对这些机遇和挑战的宝贵见解,因此对于对该关系感兴趣的人来说这是必不可少的阅读材料。尽管这篇简短的文章回顾了该研究的一些关键结果,但我们仍然强烈建议您能阅读完整个研究报告,因为完整报告中所提供的结果更广泛。📖



WALID HEJAZI 是罗特曼管理学院商业经济学副教授。他曾多次前往中国,与企业高管一起,致力于更好地了解全球创新和商业策略。他曾发表诸多作品,并定期在媒体上露面。



BOMBARDIER
IS A PROUD MEMBER AND
SUPPORTER OF THE CANADA
CHINA BUSINESS COUNCIL

Bombardier has been contributing to the development of China's rail and urban mass transit sector as well as aviation industry for decades. This partnership continues to grow stronger through our ongoing investments and advanced technologies.

我们的成功取决于信守承诺、先进的技术及成熟的产品,并且秉承互利共赢的原则。

BOMBARDIER

A Big Step Forward

in Opening-up
China's Financial
Services Sector

by Sun Hong, Lynn Yang, Ai Tong



China's financial services sector has gradually opened up to foreign investment since China's accession to the WTO in 2001, but foreign shareholding restrictions and various other market entry barriers still apply to foreign investment in this sector to a greater or lesser extent. A new round of significant steps to further open up China's financial services sector started in 2018, when Mr. Yi Gang, the governor of the People's Bank of China, speaking at the Boao Forum for Asia Annual Conference 2018, announced a number of high-level measures and timelines on the liberalisation of China's financial services sectors.

Since then, one of China's main financial regulators, the China Banking and Insurance Regulatory Commission (CBIRC) has announced some 27 measures between May 2018 and May 2019 to relax the various restrictions in the banking and insurance industries. In July 2019, the State Council issued a further 11 measures setting out the steps to be taken to liberalise not only the banking and insurance industries but also the securities and asset management industries.



Banking

Banking is the first financial services industry to open fully to foreign investors. Earlier in 2007, China began to approve qualified foreign investors to establish wholly foreign-owned banks in China. However, for a long time, the qualification requirements imposed on the foreign investors of commercial banks have been more stringent than those on the Chinese investors. In addition, foreign-invested banks are, generally speaking, subject to more requirements for opening new outlets or branches or conducting Renminbi business than domestically-owned commercial banks. In addition, foreign investors have been subject to foreign ownership limitations when investing into Chinese domestic banks.

Since mid 2018, Chinese regulators have consistently signaled proposed relaxation. It has been released very recently by the State Council that one of the critical qualification requirements that a foreign bank must have total assets of USD10 billion to set up a wholly-owned subsidiary bank in China or total assets of USD20 billion to set up a branch in China, is formally removed. This relaxation is intended to make it possible for smaller-sized foreign banks which have particular strength or specialisation in certain areas to invest in China, so as to improve the diversity of China's banking industry.

CBIRC approval (and related requirements) applicable to the conduct of Renminbi business by foreign-invested



banks is also formally abolished so that foreign-invested banks will be able to conduct Renminbi business when they are permitted to open for business. Historically, foreign-invested banks have had to wait for a period of time (initially three years which was shortened to one year from the date of business opening) before a foreign-invested bank may apply for CBIRC approval to conduct Renminbi business. The liberalisation will no doubt better position foreign-invested banks to conduct RMB business from a regulatory point of view. It remains to be seen whether foreign-invested banks will, in practice, enjoy equal treatment in opening new outlets or branches, which we understand is important for foreign-invested banks to gain critical mass to compete with Chinese domestic banks.

Instead of setting up a new wholly-owned or joint venture bank in China, some foreign investors have chosen to acquire a stake in domestic commercial banks. However, under the previous legal regime, foreign shareholding in a domestic bank was not permitted to exceed 20% by a single shareholder or 25% by all foreign shareholders. These restrictions, which were specifically applicable to foreign investors, were lifted in August 2018. In addition, the regulatory restriction that the shareholding of a major shareholder, whether foreign or Chinese, in a small- or medium-sized commercial bank must not exceed 20%, remains in place but is expected to be removed soon. The current and forthcoming relaxation will allow foreign investors to make more substantial investments into Chinese domestic banks.





Insurance

The most significant regulatory development in China's insurance sector is the decision to remove the foreign ownership restriction imposed on life insurance companies entirely by 2020. As a long-awaited regulatory relaxation since foreign investors were first permitted to set up wholly-owned property and casualty insurance companies in China in 2003, this liberalization has attracted significant market interest.

Under the current legal regime, a foreign investor may only hold up to a 51% stake in a life insurance company in China which means that foreign investors have to find local partners in China to form Sino-foreign joint ventures in order to provide life insurance products in the Chinese market. Whilst it may make commercial sense for the joint ventures to rely on the distribution channels of the Chinese joint venture partners and also benefit from the foreign investors' life insurance experience and expertise, joint ventures have inherited complications from various perspectives, e.g. corporate governance and decision-making mechanisms, which are not always easy to navigate.

The regulatory decision to lift the foreign shareholding restrictions in life insurance companies has been welcomed by foreign investors, in particular those who have established a good understanding of the China market and a strong connection with the distribution channels. It is anticipated that some of the foreign investors in life insurance companies may consider buying out their Chinese joint venture partners after the regulatory relaxation is in place.

Another important development in the insurance sector is the entire opening up of the insurance intermediary business sector, including the lifting of restrictions on the foreign ownership in professional insurance agency companies and in the business scope of insurance brokerage companies.

Historically, foreign investors have not been permitted to hold more than 25% stake in a licensed professional insurance agency company in China. Although foreign-invested insurance brokers are not subject to foreign shareholding restrictions, they are restricted from conducting certain businesses, e.g. distribution of almost all life insurance products. Such restrictions were relaxed with effect from April 27, 2018. As a result, foreign investors now have the flexibility to establish a well-structured insurance intermediary network (i.e. a wholly-owned professional insurance agency company or an insurance broker, or both) to support their existing insurance presence and business already operating in China.

For foreign investors, it is a good time to consider the strategy for entering the liberalised insurance and intermediaries market in China. In addition to the regulatory relaxation mentioned above, the liberalisation of the previous requirements that a foreign investor may only establish an insurance company in China after having set up a representative office for at least two years is also expected to speed up new foreign investors' entry to China's insurance market.

Asset management

China does not have a consolidated legal regime regulating its asset management industry. As China's financial system has adopted the "divided operation and management" policy (meaning that different financial services are regulated and supervised by different financial regulators), asset management business in China is regulated on segregated basis as well. For example, the wealth management businesses of banks and insurance companies are regulated by the banking and insurance departments of CBIRC respectively, whilst the asset management business of securities firms is regulated by the China Securities Regulatory Commission (CSRC).

Foreign investors generally have two ways to tap into China's asset management business: one is to make direct equity investment into asset management companies and conduct on the ground asset management business thereafter, and the other is to engage in a more limited scope of asset management business via cross-border capitals' inflow and outflow under the existing regimes such as the Qualified Foreign Institutional Investors (QFII), the Shanghai/Shengzhen-Hong Kong Stock Connect and Shanghai-London Stock Connect.

As far as the option of foreign direct equity investment is concerned, CSRC plans to fully remove the foreign ownership restrictions in Chinese futures companies, fund management companies and securities companies respectively by January 1, 2020, April 1, 2020, and December 1, 2020. The current maximum foreign shareholding in these companies is 51% which was gradually lifted from 33% initially and then 49%. The CSRC's decision has been welcomed by foreign investors who have already well established in the China market through the joint venture regime and have continuing interest in the Chinese asset management market.

With regard to the option of cross-border investment into asset management business in China, there have also been some encouraging regulatory developments. First of all, after the implementation of the QFII and RMB QFII nearly 20 years ago, CSRC proposed in early 2019 to combine these two into one single regime, called the QFII regime. Until recently, the QFII regime was subject to a quota restriction, i.e. any single QFII investor may only make an investment into the Chinese market subject to a maximum limit as approved by the State Administration of Foreign Exchange (SAFE, China's foreign exchange regulator), on a case by case basis. In

At Export Development Canada,
we're the international risk experts.

**WE TAKE ON RISK,
SO YOU CAN GROW
YOUR BUSINESS
WITH CONFIDENCE.**



FINANCIAL
SOLUTIONS



EXPORT
KNOWLEDGE

edc.ca

Canada



TAKE ON THE WORLD

September 2019, SAFE announced that it is to remove the quota limit so that QFIIs may invest in China according to real commercial needs. Note, however, that the existing requirements on the various investment thresholds/ratios (e.g. ratio of investment into the A shares of a single listed company) remain unchanged.

Another noteworthy regulatory development is the launch of the stock connects between the capital markets of China and Hong Kong/London. The Shanghai - Hong Kong and Shenzhen - Hong Kong stock connects were launched in 2014 and 2016 respectively, which enable investors in mainland China and Hong Kong to place orders, through their local securities brokers, to trade eligible shares listed on the stock exchanges of the other side. The Shanghai-London Stock Connect was launched in 2018, which includes the westward connect (i.e. issuance of global depositary receipts (GDRs) at London Stock Exchange) and the eastward connect (i.e. issuance of China depositary receipts (CDRs) at Shanghai Stock Exchange). Huatai Securities became the first Chinese company issuing GDRs at London Stock Exchange in June 2019. The CDRs are being expected to come to the market in the near future. 



The content in this article is the most up to date as of the time of printing, October 16, 2019.



SUN HONG is a partner based in the Shanghai office of Norton Rose Fulbright. Sun has over 20 years' experience in representing clients in cross-border transactions covering a wide spectrum of sectors. She frequently advises financial institutions on regulatory and compliance matters in China.



LYNN YANG is a partner based in the Shanghai office of Norton Rose Fulbright. Lynn has over 20 years' experience in mergers and acquisitions, joint ventures, private equity investment, and the reorganization of investment portfolios in China in a wide range of sectors. She has extensive knowledge dealing with transactional and regulatory aspects of PRC-related financial services matters including insurance and fund management.



AI TONG is a senior associate based in the Shanghai office of Norton Rose Fulbright. Ai has over 10 years' experience of China related corporate and regulatory matters. She has extensive experience dealing with China's financial regulations and has advised clients on both transactions and regulatory matters involving foreign investments in China by foreign financial institutions.

YEAR IN REVIEW

2018 – 2019

by Sarah Kutulakos

The last year was a markedly different one for Canada-China business. It started on a high at last year's AGM, coinciding with the bilateral Economic and Financial Strategic Dialogue and a mission from the Atlantic provinces. Chinese government representation at the AGM, led by State Councillor WANG Yong, was the most senior in many years. But Canada's December detention of Huawei CFO MENG Wanzhou on an extradition request from the US and subsequent detentions of Canadians in China cast a pall over the relationship. The impact on business was reflected in our biannual survey, fielded in February, which showed that ~20% of companies have been negatively impacted by the dispute, and 52% have changed their business plans this year. Optimism about future growth exists, but many have slowed down travel, negotiations, and business plans until the situation improves.

In times like these, CCBC's role becomes even more important, and we shift our activities from public events toward individual and small-group member advice and discussions. While some sectors have seen a very negative impact, particularly agriculture, for others

business continues at a brisk pace. For those companies, we continue to provide services in both Canada and China to help them to better succeed. For our many members involved in attracting investment, students, or tourists, we organized a variety of events in China to relay the message that Canada is open for business. We also supported Canadian exporters with a Canadian series on Chinese technology platforms and B-to-B matchmaking at our business development roadshows in six Chinese cities. Our major events, Canada Day and the AGM, were toned down in 2019 to reflect the current environment.

CCBC's expansion into the Atlantic region via a new chapter in Halifax to serve all Atlantic provinces gives us a coast-to-coast presence in Canada, and our Beijing and Shanghai chapters provide great support to members from across Canada and in China.

The following is a capsule summary of some of our activities since November 2018.



2018

Canton Fair: A Business Opportunity for Alberta

December 4, 2018 | Edmonton, Alberta



2018 Canada-China Business Development Forum: Shenzhen and Guangzhou

December 10, 2018 | Shenzhen, China



December 12, 2018 | Guangzhou, China



Update on Bilateral Trade Discussions: Vancouver and Calgary

December 11, 2018 | Vancouver, BC

December 12, 2018 | Calgary, AB



LU Xu, Consul General of the PRC in Calgary



TONG Xiaoling, Consul General of the PRC in Vancouver



2019

Tax Updates and Challenges

January 17, 2019 | Shanghai, China



Investment Situation and Outlook Between Canada and China

February 11, 2019 | Toronto, ON

April 29, 2019 | Calgary, Alberta

May 1, 2019 | Edmonton, Alberta



Speaker: Ken Su, National Leader of
PwC Canada's China Business Network

All Chamber Welcome-Back Networking Event 2019

February 28, 2019 | Beijing, China



The Business of Education Between Canada and China

March 19, 2019 | Toronto, ON



Left to right:

Dr. Francis Pang, C.M., Chairman, AKD International Inc.
Ashleigh Au, Chief Canada Representative, VIPKid
Dr. Alan Middleton, Executive Director, Schulich Executive
Education Centre, York University
Sarah Kutulakos, Executive Director, CCBC

CCBC Survey Results Presentation: A Strong Message from Canadian and Chinese Business

May 7, 2019 | Toronto, ON



Panelists (from left to right):
Walid Hejazi, Associate Professor, Rotman School of Management
Lynette Gillen, Vice-President Trade (Canada), RBC Global Services
Brad Bourne, President /CEO & Board Member, Firan Technology Group Corporation
Sarah Kutulakos, Executive Director, CCBC (Moderator)

CCBC Atlantic Chapter Launch with His Excellency LU Shaye, Former Ambassador of China to Canada, and The Honourable Stephen McNeil, Premier of Nova Scotia

May 29, 2019 | Halifax, NS



LU Shaye
Former Ambassador of China to Canada



The Honourable Stephen McNeil
Premier of Nova Scotia

2019

2019 Canada Roadshow: Succeeding on China's Technology Platforms – Montreal, Toronto, Edmonton, and Vancouver

June 6, 2019 | Edmonton, AB

June 7, 2019 | Vancouver, BC

June 3, 2019 | Montreal, QC

June 4, 2019 | Toronto, ON



2019 Canada-China Business Development Roadshow in Wuhan and Nanjing

June 12, 2019 | Wuhan, China

June 14, 2019 | Nanjing, China



Real-world Insights into Business Development in China

June 20, 2019 | Montréal, QC



The Business of Education Between Canada and China

June 21, 2019 | Vancouver, BC



Speakers (left to right):
Dr. Donald Wehrung, President & CEO, Paragon Testing Enterprises
Cyndi McLeod, CEO, Global University Systems (Canada)
Ashleigh Au, Chief Canada Representative, VIPKid
Honourable Stockwell Day, Vice-Chair, CCBC

CCBC's Canada Day in Beijing Gala Dinner

June 21, 2019 | Beijing, China



2019

2019 EduCanada MBA Fair in Beijing

August 23, 2019 | Beijing, China



2019 All-Chamber Welcome Back Networking

August 29, 2019 | Beijing, China



2019 Canada-China Business Development Roadshow in Fuzhou and Guangzhou

September 4, 2019 | Fuzhou, China

September 6, 2019 | Guangzhou, China



Opportunities for Canadian Companies in China's Belt and Road Initiative

September 19, 2019 | Toronto, ON



Trade Outlook between Canada and Shanghai Customs Administrative Zone

September 24, 2019 | Shanghai, China



Launch of Atlantic Chapter in Moncton, NB, and Charlottetown, PEI

October 22, 2019 | Moncton, NB



October 23, 2019 | Charlottetown, PEI





CCBC 41ST AGM BUSINESS DINNER

NOVEMBER 11, 2019 - SHANGHAI

SOUPEUR D'AFFAIRES DE LA 41E AGA DU CCBC

11 NOVEMBRE 2019 - SHANGHAI

加中贸易理事会第41届 年度大会商务晚宴

2019年11月11日 - 上海

CCBC graciously acknowledges the support of our sponsors. | Le CCBC tient à gracieusement remercier ses commanditaires.
加中贸易理事会衷心感谢各位赞助商的鼎力支持*

DIAMOND SPONSOR | COMMANDITAIRE DIAMANT | 钻石赞助商



MACKENZIE

Investments

PLATINUM SPONSORS | COMMANDITAIRES PLATINE | 白金赞助商



GOLD SPONSORS
COMMANDITAIRES OR
黄金赞助商



AIRLINE PARTNER
COMPAGNIE AÉRIENNE PARTENAIRE
航空合作伙伴



SILVER SPONSORS | COMMANDITAIRES ARGENT | 白银赞助商

BOMBARDIER

Brookfield

HATCH

DINNER RECEPTION SPONSOR
COMMANDITAIRE DU DÉJEUNER RÉSEAUTAGE
晚宴招待会赞助商



Royal Bank
of Canada

VENUE SPONSOR
COMMANDITAIRE DU LIEU
场地赞助商



WINE SPONSOR
COMMANDITAIRE DES VINS
酒水赞助商



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

CCBC FOUNDING MEMBERS | MEMBRES FONDATEURS DU CCBC | 加中贸易理事会创始会员

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



CCBC BENEFACTORS | BIENFAITEURS DU CCBC | 加中贸易理事会捐助会员

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.



BOMBARDIER





Strategically invested in China

Long-term growth commitment

Partnering locally to grow globally

China Commitment.
That's better together

At Mackenzie Investments, we know that China is poised for long-term market growth. Our 27.8%* stake in premier asset management firm China Asset Management Co. uniquely positions us to leverage the potential of the world's second-largest economy for institutional and retail clients with a focus on bilateral trade and investment.

Contact a Mackenzie representative or visit mackenzieinvestments.com



MACKENZIE
Investments

This material is for marketing and informational purposes only and does not constitute investment advice or an offer of investment products or services (or an invitation to make such offer).

*Power Corporation and Mackenzie Investments hold a combined 27.8% interest in China AMC. Mackenzie Investments is part of IGM Financial Inc., a subsidiary of Power Financial Corporation.



Power Corporation of Canada
and the Canada China Business Council
over 40 years of partnership



POWER CORPORATION
OF CANADA

Power Corporation of Canada is a diversified international management and holding company with interests in companies in the financial services, asset management, sustainable and renewable energy, and other business sectors in North America, Europe and Asia.

To learn more, visit www.PowerCorporation.com.