

**Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and Multiculturalism**

Estimates Notes - July 2013

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2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Attracting Asian companies to invest and locate offices in
British Columbia

Revised: June 12, 2013

Issue: The Province will work with the Federal Government, the Business Council of British Columbia (BCBC) and others to create an organization for attracting major Asian companies to invest and locate their North American presence in British Columbia.

Recommended Response:

- The Business Council of BC (BCBC) and the Government of Canada share the Province's goals for attracting investments and corporate offices to locate in British Columbia. We all agree that Asia is the key to growing our economy.
- The government wishes to build on this consensus by establishing a coherent and highly energized team, that will attract new corporate offices by major Asian companies.
- This team will be composed of the Ministry of International Trade (MIT), the Major Investments Office (in the Ministry of Jobs, Tourism and Skills Training), BCBC, federal ministries (Western Economic Diversification, Foreign Affairs and International Trade), academia and other appropriate institutions.
- MIT has many resources to support this initiative including a network of highly skilled Trade and Investment Representatives (TIRs) in key Asian markets, Advantage BC – which provides attractive tax credits to encourage international businesses to locate in BC – and targeted trade missions by the Premier and Ministers to reach out to targeted investors.
- In the coming months, the Ministry of International Trade will be developing a comprehensive implementation strategy.

Background/Status:

- The Ministry works with a range of stakeholders and governments to attract new investment to BC. We have TIRs in China, Japan, Korea, India, Europe and the United States that are already marketing BC to prospective investors.

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- BCBC and the Government of Canada share the Province's goals for attracting corporate offices to locate in British Columbia. They agree that Asia is the key to growing our economy.
- Complementing BC's unique status as a business gateway between Asia and North America, BC offers foreign investors a favourable business climate including low taxes for businesses and individuals, long-term economic stability, a business-friendly government, competitive business costs, a well-educated and ethnically diverse workforce and a quality of life that attracts international corporate professionals.
- The business sector can play a valuable role in the Province's program for attracting new investment and jobs by helping us target companies and present them with BC's business case.

Contact:

Executive
Director

Michael Track

International Investment 604-775-2202
and Company Attraction

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Minister Responsible: Hon. Teresa Wat

Appendix A – Overview of BC Investment Climate

Competitive Business Environment

- BC businesses have one of the lowest combined federal and provincial corporate tax rates in North America (25%) – almost one-third less than the US Federal corporate income tax rate by itself (35%). Most US States have their own corporate income tax rate, too (e.g. Oregon: 39.94 % combined; California: 40.7% combined).
- BC has the lowest provincial personal income taxes in Canada for individuals earning up to \$122,000.
- Small businesses are an important contributor to the economic well-being of the province, accounting for 98% of businesses, 56% of private sector jobs and 55% of the value of BC exports. They are a vital source of innovation. A special “BC Small Business Tax Rate” of 2.5 per cent applies to the first \$500,000 of taxable income for Canadian controlled businesses. A new business can be incorporated in BC in a matter of hours – and online.
- BC has maintained a strong fiscal policy and will have a balanced budget for 2013/2014. International agencies including Moody’s and Standard & Poor’s consistently award BC their highest credit rating (AAA).
- Only one-half of capital gains (net of capital losses) are taxable. Upon selling a qualified small business, an individual can exempt up to \$750,000 of the cumulative lifetime capital gain from income tax
- BC has no provincial payroll taxes, no capital tax, and no property tax on most production machinery or equipment
- In 2013, the province will abate the school property taxes payable for companies classed as major industry (class 4) by 60 per cent and as light industry (class 5) by 30 per cent. Major industries will receive the same level of property tax reduction (60 per cent) in 2014 as well.
- BC offers generous and effective tax credits in priority sectors such as Research & Development, Training/ apprenticeships, International Business Activities, Film production and related services, Digital Media, Oil & Gas exploration, Mining (Exploration and Extraction) and Green Energy Production.

Infrastructure Investment

- Capital spending on schools, hospitals, roads, bridges, hydro-electric projects and infrastructure will total \$18.3 billion over the next three years (2013/14 – 2015/16). This includes \$3.6 billion in transportation investments such as the BC Transportation Investment Plan and Provincial Transit Plan. It also includes \$7.0

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billion of self-supported capital spending by Crown Corporations on electrical generation, transmission and distribution projects.

- BC's Major Projects Inventory lists 962 projects proposed, planned or underway, with an estimated value of \$258.7 billion (Dec 2012).

Transportation Infrastructure

- Port Metro Vancouver is the most diversified port in North America and operates across five business sectors: automobile, breakbulk, bulk, container and cruise. The Port facilitates trade with more than 160 world economies and handles approximately 120 million tonnes of cargo, worth \$75 billion, each year.
- Port activities generate \$22 billion in economic output and \$1.2 billion annually in tax revenue to all levels of governments.
- Vancouver International Airport (YVR) has been rated the *"Best Airport in North America"* for the fourth year in a row, and is investing \$1.8 billion to continue to attract new routes and carriers.
- In 2013, 61 airlines flew regular service into YVR. The airport services 98 non-stop destinations in 20 countries.
- YVR offers 73 direct flights a day to US destinations, 129 flights a week to the Asia Pacific, 67 a week to Europe, and 46 flights a week to Mexico and the Caribbean.
- YVR is the only airport in North America with service from 4 mainland Chinese carriers and offers the most flights to Chinese destinations, an average of 54 flights per week.

Professional Talent Pool

- BC has a highly multi-cultural and multi lingual work force of just under 2.5 million (2.479 million)
- BC actively encourages the immigration of skilled professional workers and entrepreneurs through the Provincial Nominee Program
- Over 20,000 skilled workers immigrate to B.C. every year, enriching the talent pool, international networks, cultural diversity and multi-lingual capabilities.
- According to the most recent census, 28% (1,137,945) of British Columbians are speaking a language other than English in their home. In the Metro Vancouver area the diversity is even greater where 57.7% (723,960) of households reported speaking an immigrant language most often at home.
- Well Educated: Nearly 67% of the BC Labour Force (age 25-54) has a post-secondary certificate, diploma or higher qualification.
- Young: Nearly half of BC workforce is under the age of 40.

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Business Operating Costs

- BC clean, green hydroelectric rates are among the most affordable and reliable in North America.
- KPMG Competitive Alternatives (2012 edition) ranks Vancouver as having the lowest business costs among 15 of the major cities along the US Pacific Coast and in Western Canada
- KPMG Competitive Alternatives Focus on Tax (2012) ranks Vancouver as having the lowest total business tax index in North America
- Health care costs are a discretionary employer benefit. US medical coverage can be 10 to 14 times more costly than comparable coverage in BC.

Centre of Innovation

- BC is a world leader in science and technology, with 50 research centres, \$1.8 billion invested and another \$1 billion attracted for research and innovations since 2001.
- The University of British Columbia (UBC), a world class innovation centre, ranks in the top 10 commercialization centres in North America. UBC is consistently ranked among the 40 best globally, and now places among the top 20 public universities in the world.

Financial Security

- The Canadian banking system is ranked #1 in the world, and has been rated as the world's soundest banking system 5 years in a row by the World Economic Forum.
- British Columbia has a modest debt to GDP ratio of 16.5%, the third lowest in Canada.

Quality of Life

- We have an exceptional quality of life in BC. Vancouver consistently ranks at the top of Quality of Life Rankings. The Economist Intelligence Unit ranks Vancouver 3rd out of 140 global cities in their "Most Liveable City" list (2012). Mercer LLC Quality of Life survey ranked Vancouver #5 worldwide and #1 in the Americas. (Dec 2012)
- BC's public healthcare and primary, secondary and post-secondary education systems are among the best in the world.

Competitive Business Environment

- B.C. businesses have one of the lowest combined federal and provincial corporate tax rates in North America (25 per cent) – almost one third less than the US Federal corporate income tax rate by itself (35 per cent). Most US States have their own corporate income tax rate, too (e.g. Oregon: 39.94 per cent combined; California: 40.7 per cent combined).
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2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: B.C. International Trade and Investment Representative (TIR)
Network

Revised: June 28, 2013

Issue: Trade and Invest BC's international offices cover Asia, Europe and the
US with 11 foreign offices supported by the Vancouver headquarters

Recommended Response:

- The Province currently has 11 international Trade and Investment Representative (TIR) offices under contract in the following priority markets: Asia (9), Europe (1) and the Americas/USA (1).
- BC's TIRs bring proven local, on-the-ground connections, language and cultural skills to promote export growth in goods and services, attract foreign investment to BC, and drive innovation by fostering collaborative technological research and development relationships.
- The TIRs build the Province's market presence and help BC companies identify and secure business opportunities. The TIRs also support the mandates of other Provincial ministries, for example by fostering investment attraction in natural resources and education. They also build on broader social, political and academic relationships that are the foundation to long- standing international relations.
- The TIR offices employ sector specialists with expertise and connections relevant to specific industries with potential for economic growth in BC. While they vary slightly by market, most of the TIR offices include a dedicated specialist in: Education, Knowledge Industries, Resources, Agrifood and Cleantech.
- For the forestry industry, the TIR network and Vancouver based market managers work very closely with BC Forestry Innovation Investment (BCFII) to further the international trade development goals of BCFII and encourage sustainable innovative foreign investment in the BC forestry sector. In Mumbai, for example, the BCFII office is co-located with the TIR.

Background/Status:

- Trade and Investment Representatives (TIRs) help international businesses discover the benefits of BC as a destination for investment, a partner for trade and innovation, and a source of quality goods, services, and resources around the world. The TIRs also help BC businesses contact potential buyers, investors,

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and other key partners in global markets.

- The TIRs were selected through transparent, public Request for Qualification and Request for Proposal processes and provide services to the Province on a contract basis.
- The TIRs are subject to a rigorous performance management system, with yearly targets assigned in their contracts for such measures as number of BC companies introduced to their market, deals signed, foreign investment into the Province, partnership agreements and delivery of inbound and outbound missions.
- The anticipated contractual obligation (\$10.6 million) includes all fees for the contractor and support staff, an operating budget, as well as programming funds for trade and investment events.
- Last year, the network of offices doubled in size (by staff count) as part of the commitments under the BC Jobs Plan to continue the growth of BC's international marketing presence.

Contact:

Executive Director	Klaus Buttner	International Market Development	(604) 660-3549
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2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Background on the B.C. International Trade and Investment
Representative (TIR) Network

Revised: July 11, 2013

Issue: Trade and Invest BC has 11 international representative offices. The
program headquarters are located in Vancouver and act as the
domestic liaison to international clients.

Recommended Response:

- The Province currently has 11 International Trade and Investment Representatives (TIR) offices under contract in the following priority markets: Asia (9), Europe (1) and the Americas/USA (1).
- These in-market foreign contractors provide proven local, on-the-ground connections, language and cultural skills to promote export growth in goods and services, attract foreign investment to British Columbia, and drive innovation by fostering collaborative technological research and development relationships.
- The TIRs build the Province's market presence and help B.C. companies identify and secure business opportunities. The TIRs also support the mandates of other Provincial ministries fostering investment attraction in natural resources and education. They also build on broader social, political and academic relationships that are the foundation to long standing international relations.

Background/Status:

- TIRs help international businesses discover the benefits of B.C. as a destination for investment, a partner for trade and innovation, and a source of quality goods, services, and resources around the world. They also help B.C. businesses contact potential buyers, investors, and other key partners in global markets.
- The TIRs were selected through transparent and public Request for Qualification (RFQ) and Request for Proposal (RFP) processes and provide services to the Province on a contract basis.
- The TIRs are subject to a rigorous performance management system, with yearly targets assigned in their contracts for such measures as number of B.C. companies introduced to their market, deals signed, foreign investment into the Province, partnership agreements and delivery of inbound and outbound

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missions.

- Compensation is based on competitive salaries in each market and includes an annual performance-based hold-back.
- Contracts are typically three-year terms with annual evaluation/renewal based on performance and client feedback. All contracts can be severed at any time (with appropriate legal notice periods laid out in each contract).
- The anticipated contractual obligation (\$10.6M) includes all fees for the contractor and support staff, an operating budget, as well as programming funds for trade and investment events. Breakdown by region is included below.
- In 2012, the network of offices doubled in size (by staff count) as part of the commitments under the BC Jobs Plan to continue the growth of B.C.'s international marketing presence.
- Since 2005, five TIR contracts have either been allowed to lapse with renewal or ended early. In each case, transitions to new representatives have been co-ordinated and client information retained through the Ministry's customer relationship management system.

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Minister Responsible: Hon. Teresa Wat

BC Trade and Investment Representatives

	Location	Territory/Mandate	Year Open	BC Budget (FY13/14) (\$'000)
1.	Tokyo	Japan – Trade and Investment	2007	1,495
2.	Seoul	Korea – Trade and Investment	2007	952
3.	Beijing	North China – Trade and Investment	2009	1,456
4.	Shanghai	East China – Trade and Investment	2009	1,241
5.	Guangzhou	South China – Trade and Investment (including Macau)	2009	732
6.	Hong Kong	Hong Kong – Trade and Investment	2012	916
7.	Bangalore	South India – Trade and Investment	2009	620
8.	Mumbai	West India – Trade and Investment	2012	740
9.	Chandigarh	North India – Trade and Investment	2013	117
10.	London	Europe – Trade and Investment	2005/2013	1,266
11.	California	USA – Trade and Investment	2005/2012	826

Contact:

Executive
Director

Klaus Buttner

International Market
Development

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2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for Asia
Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Export Statistics

Revised: July 10, 2013

Issue: British Columbia's top export commodities and markets

Recommended Response:

- As a small, open economy, B.C. recognizes the crucial importance of trade for our economic prosperity.
- B.C.'s international exports of goods in 2012 totalled \$31.3 billion— recording sizable increases to China (17.9%) and India (59.9%), two key markets as the province looks to diversify and expand markets for its products.
- In the first five months of 2013, B.C. has exported \$13.6 billion of goods worldwide— witnessing an increase of 4.8% compared to the first five months of 2012.
- B.C.'s exports to Asia totalled \$13.7 billion in 2012. \$5.8 billion was exported to the region in the first 5 months of 2013.
- China, including Hong Kong, remains B.C.'s second largest export market with \$6.0 billion of goods being exported in 2012.
- B.C. leads Canada in establishing diversified export markets — just over 44 percent of our exports went to the United States and just under 44 percent went to Asia.
- B.C.'s international exports continue to be mainly commodity-based with energy (e.g. coal, electricity, natural gas), wood products, pulp and mining sectors dominating.

Background/Status:

- The top five markets for British Columbia's exports of goods in 2012 were:

1	United States	\$13.9B
2	China (incl. Hong Kong)	\$6.0B
3	Japan	\$4.1B
4	South Korea	\$1.9B
5	European Union	\$1.8B

**Note on India:* In 2012, India ranked as the ninth-highest priority market destination for B.C. origin exports, receiving 1.0% of B.C.'s commodity exports. Exports have risen steadily over the past four years to \$322 million in 2012, the highest level since 2006 – a 60% increase over 2011. India's economy has enormous promise as a market for exports and is emerging as one of the largest consumer-based countries in the world.

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Ministry: Ministry of International Trade and Minister Responsible for Asia
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Minister Responsible: Hon. Teresa Wat

Contact:
Manager Erick Pay Strategy, Policy and Performance 250-952-0664

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: First Nations International Desk

Revised: June 5, 2013

Issue: First Nations Energy and Mining Council funding request for First Nations International Desk

Recommended Response:

- Government is examining a range of options on how the Province and First Nations can work together to promote trade and investment opportunities overseas.
- The Ministry of Aboriginal Relations and Reconciliation is developing recommendations for Provincial engagement with the First Nations Leadership Council as well as the First Nations Energy and Mining Council.

Background/Status:

- The B.C. First Nations Energy and Mining Council has requested the Ministry fund a number of international initiatives that would enable First Nations to promote their interests to foreign investors and buyers—particularly those from China. One of the requests is for funding for a First Nations International Desk in Vancouver. Options under consideration are:
 1. Funding a Vancouver-based First Nations international position through a Request for Proposal, where the successful proponent would operate as a contractor to the Ministry.
 2. Funding a First Nations international position as a new FTE staff role within the Ministry's Vancouver offices.
- The Ministry is currently analyzing the two options above. Either option would require a budget of approximately \$150,000 to cover the cost of staff, travel and office overhead. As well, option 2 would require approval to run an external competition and hire an additional FTE.

Contact:

Executive Director	Brian Krieger	Export Development and Olympic Legacies Branch	(604) 660-0220
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2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Ministry Responsible for the Asia Pacific Strategy and
Multiculturalism

Minister Responsible: Hon. Teresa Wat

Title: Foreign Trade Zones (FTZs)

Revised: June 2013

Recommended Response:

- The concept of FTZs is not new. They exist in many countries including Canada (where programs are offered at the federal level).
- British Columbia has encouraged the federal government to enhance existing federal FTZ programs.
- We forwarded a BC-commissioned InterVistas FTZ report to Finance Canada in early 2012, which outlined possible improvements to federal programs (e.g., single window access and removal of value-added and domestic selling restrictions).
- Canada's Economic Action Plan 2013 adopted some of these recommendations into its existing FTZ programs, including the removal of some application fees, the allocation of \$5 million for improved marketing, and streamlining through single window application processes.
- These federal changes did not include some of BC's recommendations such as the removal of value-added restrictions and domestic selling restrictions.
- B.C., at the present time, is unlikely to do anything on FTZs. It is a federal responsibility, we have provided feedback during the federal review, some of our recommendations were adopted, and companies in the province can take advantage of the improved federal programs.

Background/Status:

- The Province was approached by a visiting foreign delegation a few years ago about the lack of FTZs in B.C. In fact, FTZs programs do exist country-wide.
- The Province originally also had Special Economic Zone legislation but it was repealed during regulatory reform exercises in the early 2000s.
- The Province tendered a contract to look at the feasibility of FTZs in B.C. in 2011. The contract was awarded to InterVistas Consulting Inc. in March 2011. Its final FTZ report, with recommendations, was received in November 2011 and is available on the B.C. government website.
- The total cost for that report was \$76,000. It was paid for by the Ministry of Transportation and Infrastructure.
- The InterVistas report contained a number of recommendations including:

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Multiculturalism

Minister Responsible: Hon. Teresa Wat

- Introducing a single-window application process.
 - Expanding the range of activities allowed in existing FTZ programs by reducing/eliminating value-added and domestic selling restrictions.
- As the contract was publicly tendered, the issue of FTZs was picked up by local media, as well as by opposition and independent MLAs. Significant effort was required by Ministry staff to correct misinformation regarding FTZs in the public sphere.
- In its 2011 and 2012 budgets, the federal government committed to re-examine Canada's various FTZ policies and programs (i.e. Export Distribution Centre Program, Duty Deferral Program, and Exporter of Processing Services Program).
- B.C. forwarded the InterVistas report to Finance Canada in a Minister-to-Minister letter in early 2012, which also outlined possible improvements to the program, including single window access, and removal of value-added and domestic selling restrictions.
- Canada's Economic Action Plan 2013 highlights changes to Canada's FTZ programs, including the removal of some application fees, \$5 million for improved marketing, and streamlining (i.e. single window access, etc.).

Contact:

Trade Policy Advisor Josh Smith Trade Initiatives (250) 952-0790

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Increasing exports to the Asia-Pacific

Revised: July 10, 2013

Issue: Plan for growing British Columbia exports to key markets in the Asia-Pacific region

Recommended Response:

- Asia is key to growing BC's economy. As a small, open economy, the Province recognizes the crucial importance of trade with Asia to our economic prosperity.
- The Ministry is working hard to ensure that trade with key markets in Asia continues to grow. BC's exports to Asia totalled \$13.7 billion in 2012, nearly double export levels to the region a decade ago, when BC exports reached only \$7 billion (2003).
- To maintain that momentum, and continue to build upon the success we've experienced in China—where BC exports have increased by over 500% over the last decade—the Province is pursuing key growth strategies in this and other emerging markets, including:
 - Supporting inbound and outbound international business missions and delegations each year in key markets and sectors, including working closely with the Ministry of Jobs, Tourism and Skills Training to deliver annual Premier's missions to Asia;
 - Connecting BC companies to international opportunities by partnering with industry organizations in advanced manufacturing, clean technology, digital media, ICT, wireless technology, aerospace and other key sectors; and
 - Collaborating with partner agencies and Ministries, including Forests, Land and Natural Resource Operations; Agriculture; Energy and Mines; Major Investments Office (JTST); Natural Gas Development; and Forestry Innovation Investment to promote exports across key sectors and identify top international investors for natural resource development and other projects.
- The Ministry has also strengthened BC's overseas trade presence by opening new trade and investment offices in Mumbai, Chandigarh and Hong Kong, and more than doubling our international presence to 62 representatives last year.

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for Asia
Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Background/Status:

- BC recorded sizable increases in international exports of goods in 2012 to China (17.9%) and India (59.9%), two key markets as the province looks to diversify and expand markets for our products. Exports to some of our other key markets such as Korea, which had been growing strongly, were unfortunately impacted by commodity price declines.
- We will continue to build upon the success we've experienced in China, by pursuing similar opportunities in other emerging markets. As an example, with well-established cultural ties to India and a stable and diversified economic base, BC is well positioned to tap into India's growing potential.
- Achieving steady growth in emerging markets requires a long-term perspective, and relationship-building at both government to government, and government to industry levels.
- Through trade missions, we are ensuring predictability and strong relationship development with our major trading partners, including China, India, Japan and South Korea.
- BC's overseas network is also critical to export growth. BC's TIRs bring proven local, on-the-ground connections, language and cultural skills to promote export growth in goods and services, attract foreign investment to BC, and drive innovation by fostering collaborative technological research and development relationships.
- Liquefied Natural Gas (LNG) also presents a huge opportunity for exports to Asia. MIT will continue to support the work of partner ministries, such as the Ministries of Forestry, Lands and Natural Resource Operations; and Natural Gas Development, to meet the Province's goal of having 1 new terminal in operation by 2015.

Contact:

Manager	Zosia Hortsing	Strategy, Policy and Performance	604-660-6807
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2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Internal Trade Disputes

Revised: June 11, 2013

Issue: Disputes launched by or against British Columbia to enforce commitments made in trade agreements

Recommended Response:

- The Province enforces the rights of our businesses and workers by vigorously challenging protectionist barriers in other jurisdictions.
- British Columbia has led national efforts to improve dispute resolution mechanisms in the national Agreement on Internal Trade, as well as in the Trade, Investment and Labour Mobility Agreement (TILMA) and the New West Partnership Trade Agreement.
- As the scope and coverage of domestic and international trade agreements expands, so too does the possibility for disputes.

s13, s16

Contact:

A/Manager Matthew Carnaghan Trade Initiatives (250) 952-0645

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Internal Trade Secretariat

Revised: June 11, 2013

Issue: The Internal Trade Secretariat for the Agreement on Internal Trade and
the Administrator for the New West Partnership Trade Agreement

Recommended Response:

- Trade agreements are an effective way to eliminate protectionist barriers in other jurisdictions, including those barriers that remain within Canada.
- The British Columbia-Alberta Trade, Investment and Labour Mobility Agreement (TILMA) is a groundbreaking agreement and is widely acknowledged as the most comprehensive model for improving internal trade in Canada.
- The New West Partnership Trade Agreement has extended TILMA to Saskatchewan, creating the largest barrier-free region in Canada.
- BC supports the elimination of unnecessary barriers to open trade throughout Canada and has taken a leadership role to strengthen the national Agreement on Internal Trade (AIT).

Background/Status:

- The Internal Trade Secretariat is a neutral body that manages the functioning of the AIT by managing logistics for disputes, maintaining records, and supporting the work of trade ministers and their officials.
- The federal government pays 50 percent of the total Internal Trade Secretariat's budget and the remaining 50 percent is divided amongst all other Parties to the Agreement on a per-capita basis.
- BC's required contribution to fund the Internal Trade Secretariat's operations for 2013/2014 is \$36,508.
- An Administrator has been established for the New West Partnership Trade Agreement and undertakes many of the same tasks as the Internal Trade Secretariat.
- The 2013/2014 costs of the Administrator are budgeted for up to \$150,000 and are shared equally among BC, Alberta and Saskatchewan. BC's share for 2012/2013 was \$24,759.

Contact:

A/Manager Matthew Carnaghan Trade Initiatives (250) 952-0645

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for Asia
Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: International Missions Planned for 2013/2014

Revised: June 7, 2013

Issue: International missions planned for the current fiscal year

Recommended Response:

- The Ministry's International Market Development (IMD) Branch is responsible for delivering an ongoing program of inbound and outbound missions and business delegations, designed to facilitate the introduction of BC companies to international business opportunities and enhance BC's profile in overseas markets.
- Business plans developed for BC's priority markets in Asia Pacific (China, India, Japan and Korea), Europe and the US identify a series of trade shows and missions related to BC's trade and investment priorities, including opportunities for Premier or Minister participation.
- In addition to outbound missions, a number of prominent inbound missions in the coming year also present opportunities to strengthen BC's economic and cultural ties with Asia Pacific markets.

Background/Status:

- Inbound missions: High-level delegations from Asia Pacific often arrive without much prior notice. Nevertheless, there is an expectation to host these delegations, given that the Premier or Ministers have been hosted by them in Asia. Hosting these delegations is also essential to relationship-building with key business influencers in Asia who are critical for opening doors for BC business.
- Outbound missions: The IMD Branch has carefully reviewed its business plans in priority markets

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Contact:

Executive Director	Klaus Buttner	International Market Development	604 660-3549
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2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: International Trade & Investment Attraction (ITIA) Results for 2012-2013

Revised: July 2, 2013

Issue: The Ministry achieved the targeted Service Plan results (of the Ministry of Jobs, Tourism and Skills Training) in international trade and investment attraction during 2012-13.

Recommended Response:

- The total value of foreign direct investment influenced by Ministry programs during 2012-13 was over \$4.29 billion, exceeding the target of \$550 million.
- The total number of international business agreements facilitated by Ministry programs reached 178, almost triple the target of 60.

Background/Status:

- Foreign direct investment provides a source of new capital, technologies, processes and management expertise that can strengthen B.C.'s overall competitiveness and create jobs in all regions.
- The Ministry has taken a focused approach on target markets and key sectors that help B.C. seize investment opportunities.
- Government plays an important role in influencing investment decisions, particularly in Asia, to ultimately benefit B.C. businesses, stakeholders and communities.
- The Ministry has also facilitated partnerships among B.C. stakeholders and their international counterparts.
- Agreements take the form of international purchases of B.C. goods and services (export agreements), research and innovation partnerships, and agreements between industry and government that create the environment for deeper commercial relationships between companies.

Contact:

Senior Manager, Philip Yung
Business Performance

Strategy, Policy and
Performance Branch

604-660-5809

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for Asia
Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Appendix A: Success Stories

a) Digital media/gaming

- ✓ In February 2012, DeNA Co., Ltd. announced that it will be establishing its first Canadian office, DeNA Studio Canada Ltd., in Vancouver. In July 2012, GREE—a Japanese mobile social gaming company with a worldwide network of over 230 million users—also announced the establishment of its first Canadian development centre in Vancouver. Most recently, in April 2013, NAMCO BANDAI Studios Inc. announced that its new subsidiary, NAMCO BANDAI Studios Vancouver Inc., will start operations in June. The studio will develop online social games and significantly boost jobs in BC's technology sector.

b) Clean technology

- ✓ Mercedes-Benz, whose parent company Daimler AG is a fuel cell pioneer in Europe, opened a \$53 million, 35,500-square-foot manufacturing plant in Burnaby in June 2012, creating 50 new jobs. BC's Trade and Investment team in Vancouver facilitated the new investment by helping to demonstrate BC's leadership in clean technology and its ideal environment for fuel cell development.

c) Aerospace

- ✓ Viking Air of Victoria, BC, has received an order for five Twin Otter aircraft from Meiya Air in China. The first planes are scheduled to arrive in 2013, with plans to increase the order by a further 15 planes in the next 10 years. BC's China team and overseas office facilitated the match-making between Viking Air and Meiya by identifying the in-market opportunity and the BC business capable of supplying the product. The Division continues to assist Viking with pursuing opportunities across all priority markets.

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for Asia
Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Appendix B: Overview of ITIA Results

The overall mission of the International Trade and Investment Attraction Division is to open and expand markets for BC goods and services, particularly in Asia, and attract investment to grow BC's priority sectors.

In the past year, the International Trade and Investment Attraction Division focused its resources on the BC Jobs Plan commitment to double BC's international presence in the economies that matter most to the province's economic future. Under this commitment, 3 new Trade and Investment Representative (TIR) Offices were opened in India (Mumbai, Chandigarh) and China (Hong Kong). Additionally, the number of professionals engaged in TIR offices was doubled in 2012/13 to 62 staff total. The original number of contracted staff was reported publicly as 29 in the BC Jobs Plan (September 2011) and related progress reports, but was identified as 31 in the MIT Treasury Board Submission (May 2012).

In 2012/13, as a result of the doubling of BC's international presence:

- Business leads generated increased from 600 in 2011/12 to 1,128.
- Inbound and outbound trade and investment missions matched to specific opportunities increased from 146 to 173.
- Number of international business agreements facilitated increased from 103 to 178.
- Foreign direct investment (FDI) into BC influenced by Ministry programs increased from \$3.5 billion to \$4.29 billion.
- The number of BC companies registered with the BC Business Network—a resource for companies looking to sell their products and services in international markets—grew from 412 to 658.

In addition, the Ministry worked to improve market access by defending BC's interests in international and domestic trade negotiations, including:

- 5 major international trade negotiations:
 - European Union
 - India
 - Japan
 - Korea
 - Trans-Pacific Partnership
- Domestic trade negotiations associated with 2 agreements:

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for Asia
Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

- Agreement on Internal Trade Negotiations
- New West Partnership Trade Agreement Negotiations

The Ministry also successfully launched or defended (or is in the process of defending) 5 trade disputes:

- U.S. initiated Softwood Lumber Agreement arbitration
- Alberta initiated social worker dispute (TILMA)
- Ontario Discrimination against B.C.'s public accountants
- BC Dentist Dispute (TILMA)
- Mercer challenge of BC electricity pricing

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Marketing – International Activities

Revised: July 9, 2013

Issue: International marketing to support investment attraction and export development

Recommended Response:

- The province's ability to fulfill its trade and investment potential depends on marketing British Columbia as a preferred place to do business and a safe harbour for investment and job creation. Investment attraction and export growth is supported by international marketing and promotional activities in priority geographic markets in Asia, Europe and the Americas.
- Working in partnership with many stakeholders, industry, Provincial ministries and other levels of government, the International Trade and Investment Attraction Division's (ITIA) International Marketing unit provides integrated trade and investment marketing support and coordination for the Province.
- Advertising for the Province is managed centrally by Government Communications and Public Engagement (GCPE).
- ITIA markets B.C. and leads delegations of B.C. companies to key domestic and international trade shows and conferences. These events are vital business drivers for industries with the potential for economic growth in B.C.
- The province's goods, services and investment opportunities are profiled in multilingual marketing materials, which are essential tools at business development meetings and events. ITIA ensures these brochures, videos and large-scale displays build a strong and consistent brand for B.C.
- ITIA conducts social media and online marketing to build B.C.'s presence in priority markets and connect investors and business executives to the Province's 11 international Trade and Investment Representative (TIR) offices.
- The Province's presence in priority markets is also supported through the international trade and investment website, www.britishcolumbia.ca, which links B.C. businesses with trade opportunities and promotes B.C. as a stable and attractive destination for investment.

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Background/Status:

- In 2012/13, ITIA and the Province's network of 11 Trade and Investment Representatives advanced B.C.'s investment attraction and export development objectives with more than 170 inbound and outbound missions to trade and investment events throughout North America, Asia and Europe.
- ITIA recently redesigned the Province's trade and investment website to improve the user experience for the international business audience and increase the site's ability to capture business leads. The new site launched in early April 2013.
- Advertising for the Province is managed centrally by GCPE. The international marketing activities coordinated and supported by ITIA supplement GCPE's advertising activities.

Contact:

Acting Director, International Marketing	Genevieve Lambert	International Market Development	250 953-3397
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2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Softwood Lumber Agreement Arbitration

Revised: June 11, 2013

Issue: Softwood Lumber Agreement Arbitration

Recommended Response:

- In July 2012, a tribunal of the London Court of International Arbitration (LCIA) ruled in favour of Canada in a trade dispute with the United States over the pricing of timber in British Columbia's interior.
- The LCIA ruling confirms that B.C.'s market-based timber pricing system is fully consistent with the Softwood Lumber Agreement (SLA).
- The Province's legal costs amounted to \$7 million during the course of the arbitration (2010/11 to 2012/13). The federal government spent an additional \$14 million on legal costs, financed through softwood lumber export tax revenues.

Background/Status:

- The SLA came into effect on October 12, 2006 and has a seven-year term, with an option to renew for an additional two years. The US and Canada have signed a two-year extension of the SLA to October 15, 2015 under the same terms and conditions.
- Dispute settlement under the SLA is handled by the London Court of International Arbitration. The US has initiated three arbitrations under the agreement. The first two did not directly impact B.C. The third one, launched on January 18, 2011, was related to the Province's timber pricing policy. The US alleged that the B.C. government had been selling mountain pine beetle impacted timber below market value. On July 18, 2012, the LCIA unanimously ruled that the Province's market-based timber pricing policies are fully consistent with the SLA, and rejected all of the US allegations in their entirety.
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2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

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Contact:

A/Director Robert Musgrave Trade Initiatives Branch (250) 952-0711

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Trade Negotiations – Asia-Pacific

Revised: June 11, 2013

Issue: Canada is currently negotiating trade agreements with priority markets in the Asia Pacific: the Trans-Pacific Partnership, India, and Japan

Recommended Response:

- British Columbia has long pressed the federal government to accelerate efforts to achieve enhanced trade relationships with high-growth Asian markets.
- BC supports Canada's efforts to negotiate trade agreements such as those underway with the Trans-Pacific Partnership, India, and Japan.
- As an open, competitive and trade-dependent economy, British Columbia is well positioned to participate and benefit from Canada's trade negotiations.
- Agreements with our Asian trade partners will generate jobs and economic opportunities for businesses, workers and investors in BC.
- Negotiations with India, Japan, and the Trans-Pacific Partnership are important steps in taking advantage of our role as Canada's Pacific Gateway.

Background/Status:

- Trans-Pacific Partnership – Canada joined these trade negotiations in December 2012, joining Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, the United States, Vietnam, and Mexico. Japan is expected to join these negotiations in July 2013. Negotiators aim to conclude by the end of 2013.
- India – Canada and India have completed seven rounds of negotiations towards a Comprehensive Economic Partnership Agreement. Negotiators aim to conclude an agreement in 2013/14.
- Japan – Canada and Japan have had two rounds of negotiations towards a comprehensive Economic Partnership Agreement. The next round will take place in July 2013.

Contact:

Senior Manager Janna Jessee Trade Initiatives Branch 250-952-0453

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Trade Negotiations – Canada and the European Union

Revised: June 11, 2013

Issue: Negotiations between Canada and the European Union towards a
Comprehensive Economic and Trade Agreement (CETA)

Recommended Response:

- The Government of British Columbia is working closely with the federal government to ensure the negotiations toward a Comprehensive Economic and Trade Agreement with the European Union result in tangible benefits.
- We are a province that depends on trade and investment for economic growth and job generation. With a market of half a billion people, the EU is the largest trading bloc in the world and opportunities are possible for our exporters of goods and services if an agreement is reached.
- Improving access to the European market also makes Canada a more attractive destination for foreign investment (not just European investment), and a more attractive partner for additional trade negotiations, including with high-growth emerging economies in Asia.
- BC has conducted ongoing consultations throughout these negotiations with industry associations, municipalities, exporters and importers.
- Even if an agreement is reached, it will take some time before coming into full effect, allowing time to undertake the necessary steps for implementation.

Background/Status:

- Negotiations have been ongoing since 2009 and are expected to conclude in 2013.
- In 2012, the EU was BC's fifth largest export market for goods, receiving domestic goods exports of \$1.8 billion (\$2.3 billion in 2011). Services exports to the EU are also significant and estimated at over \$1 billion.
- Top goods exported were coal, machinery and equipment, wood products, pulp and paper and metallic mineral products.

Contact:

Manager Monica Gervais Trade Initiatives Branch 250-952-0702

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: BC Immigrant Investment Fund

Revised: June 19, 2013

Issue: BC Immigrant Investment Fund - Overview

Recommended Response:

- The BC Immigrant Investment Fund invests money from five-year, interest-free loans provided by immigrants under the federal Immigrant Investor Program.
- These funds are invested in initiatives that contribute to economic development and job creation in Canada.
- The BC Immigrant Investment Fund manages B.C.'s allocation of \$401M. Of this amount, \$329M is in outstanding infrastructure loans for investment in the province's post-secondary, education and health care sectors.
- The BC Immigrant Investment Fund has committed \$90M, through its subsidiary the B.C. Renaissance Capital Fund, to eight venture capital fund managers who focus on four high technology sectors: information technology, digital media, clean technology and life sciences.
- Of the \$90M in BCRCF commitments, \$47M has been drawn and invested.

Background/Status:

- The BC Immigrant Investment Fund was incorporated in 2000 under the *Company Act* of British Columbia. It is a crown corporation wholly-owned by the Province of British Columbia.
- The BC Immigrant Investment Fund is managed by staff of the Investment Capital Branch in the Ministry of International Trade, with assistance from the Corporate Project Finance Branch in the Ministry of Finance.
- The BC Immigrant Investment Fund participates as an "approved fund" in the federal Immigrant Investor Program, which provides an opportunity for experienced business persons to immigrate to Canada after depositing a prescribed sum of money (currently \$800,000) with the federal Minister of Citizenship and Immigration. The federal Minister then disburses these monies to approved funds according to an allocation formula set out in the Immigration and Refugee Protection Regulations.

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Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism
Minister Responsible: Hon. Teresa Wat

- The BC Immigrant Investment Fund receives and manages the provincial allocation of funds under the Immigrant Investor Program. The Immigrant Investor Program confers discretion on the provinces to manage their allocation of the Immigrant Investor Program's immigrant investor funds for investment in economic development and job creation. Provincial allocations are repayable to immigrant investors without interest on the fifth anniversary of their receipt. In order to participate in the Immigrant Investor Program, the Province has provided the federal government with a repayment guarantee of the funds.
- The BC Immigrant Investment Fund follows a prudent allocation and risk management strategy, investing in three asset categories: (1) public infrastructure loans, (2) venture capital funds, and (3) money market funds managed by BC Investment Management Corporation.
- The BC Immigrant Investment Fund's infrastructure loans have helped to fund the construction of university research facilities, schools, and health care facilities. Projects include the BCIT Aerospace Technology Campus, the University of Victoria Technology Enterprise Facility, Revelstoke Secondary School, and the Gateway Prince George Health Care Complex.
- The BC Immigrant Investment Fund, through its subsidiary the B.C. Renaissance Capital Fund, invests in venture capital funds that focus on four key sectors: information technology, digital media, clean technology and life sciences.
- Through its fund managers, the B.C. Renaissance Capital Fund expects to leverage about \$300M of investment to help B.C. technology companies succeed. Together, these fund managers have access to over \$2B of their own capital resources.
- In July 2012, six new directors from the private sector were appointed to the Board of the BC Immigrant Investment Fund and B.C. Renaissance Capital Fund, including a new Chair, Gord MacDougall.
- A strategic review of BCIIIF's governance structure is now underway, led by the Board and BCIIIF's Acting CEO, Shauna Turner, who was appointed in May 2013 for a six month term.

Contact:
A/ Executive Director Jeff Lindsay Investment Capital Branch (250) 952-0587

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: B.C. Renaissance Capital Fund Ltd.

Revised: June 19, 2013

Issue: B.C. Renaissance Capital Fund Ltd. (BCRCF) - Overview

Recommended Response:

- The Province launched the BCRCF in 2008 with \$90M from the BC Immigrant Investment Fund.
- The BCRCF attracts global venture capital partners to leverage our investment in key technology clusters – information technology, digital media, clean technology and life sciences.
- To date, \$196M has been invested in 23 B.C. companies, of which \$47M was capital contributed by the BCRCF, showing its ability to attract top-tier global investors to B.C.
- The 20 active B.C. companies employ about 750 high-tech professionals.

Background/Status:

- The BCRCF is a subsidiary of the BC Immigrant Investment Fund (BCIIF); both are Crown corporations administered by the staff of the Investment Capital Branch in the Ministry of International Trade.
- The BCIIF invests money from five-year, interest-free loans provided by immigrants under the federal Immigrant Investor Program. These funds are invested in initiatives that contribute to economic development and job creation in Canada.
- The BCRCF has committed \$90M to eight venture capital fund managers to bring funding into up-and-coming B.C. companies in information technology, clean technology, digital media and life sciences.
- The eight fund managers are: ARCH Venture Partners, Azure Capital Partners, iNovia Capital, Kearny Venture Partners, Tandem Expansion Fund, Vanedge Capital, VantagePoint Capital Partners, and Yaletown Venture Partners.
- Through its fund managers, the BCRCF expects to leverage about \$300M of investment to help B.C. technology companies succeed. Together, these fund managers have access to over \$2.5B of their own capital resources.

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism
Minister Responsible: Hon. Teresa Wat

- To date, \$196M has been invested in 23 B.C. companies, of which \$47M was capital contributed by the BCRCF, showing its ability to attract investors to B.C. The 20 active B.C. companies employ 750 high-technology professionals.
- The BCRCF complements existing early stage tax credit programs and pre-commercial research funding by providing follow-on financing to commercialize innovative business development.
- By targeting institutional investors capable of financing the growth of anchor companies, the BCRCF fills a void and builds on B.C.'s existing success in generating early stage opportunities.
- Increased access to venture capital will help companies grow and stay in the province –without government subsidies.

Contact:

A/ Executive Director	Jeff Lindsay	Investment Capital Branch	(250) 952-0587
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2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for Asia
Pacific Strategy and Multiculturalism

Minister Responsible: Hon. Teresa Wat

Title: Forestry Innovation Investment Ltd. (FII) Budget

Revised: June 5, 2013

Issue: Budget Summary for 2012/13 and 2013/14

Recommended Response:

- Provincial funding for Forestry Innovation Investment Ltd. (FII) is provided by the Ministry of Jobs, Tourism and Skills Training.
- In 2012/13 FII's revenue consisted of \$17.2 million from the Province, plus:
 - \$0.6 million from the Government of Canada, primarily to support start-up of FII India, and
 - \$1.0 million from other sources, mostly to share the cost of certain market development activities in the United States.
- For 2013/14, FII anticipates \$17.3 million from the Province, plus \$0.6 million from the Government of Canada, again in support of FII India.

Background/Status:

- Half of FII's funding will be used to share the cost of market development and *Wood First* activities that B.C. forest industry trade associations and other organizations will undertake in North America, Europe and Asia.
- The budget for FII in China will be \$2.6 million, the same as last year. This will be dedicated to working with Chinese government agencies and providing technical assistance to state-owned developers as they begin to adopt wood frame construction.
- With a budget of \$1.6 million, FII India is now fully staffed with five employees. In July they will move into a new office to be shared with the Province's trade and investment representatives, which has been fitted out to showcase BC wood products. The goal is to pave the way for the BC forest industry to create long-term commercial relationships in India.

Attachment: *Appendix A – Consolidated Summary Financial Outlook*

Contact:

CEO Ken Baker Forestry Innovation Investment Ltd. (604) 685-7507

Estimates Note Advice to the Minister

Appendix A – Forestry Innovation Investment Ltd. Statement of Revenue and Expenses By Program 2013/14 and Prior Years

	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Budget
(\$ million)					
Revenue					
Receipts - Province of BC	23.075	18.723	20.520	17.208	17.300
Receipts - Wenchuan Reconstruction	1.847	4.772	0.117	-	-
Receipts - Government - Other	3.341	2.637	0.284	0.624	0.600
Investment Income	-	-	0.038	0.038	-
Other Revenue	-	-	0.762	1.004	0.250
Total Revenue	28.263	26.132	21.721	18.874	18.150
Expenses					
Market Outreach & Initiatives	17.443	14.513	15.474	13.463	12.400
China - Market Development	3.815	2.781	2.901	2.536	2.600
China - Wenchuan Reconstruction	1.697	4.690	0.880	-	-
China - Demonstration Projects	3.035	2.761	1.015	-	-
India - Market Development	-	-	-	0.873	1.600
Corporate Support	1.381	1.054	1.238	1.220	1.300
Amortization	0.436	0.247	0.193	0.128	0.250
Total Expenses	27.807	26.046	21.701	18.220	18.150
Excess of Revenue Over Expenses	0.456	0.086	0.020	0.654	-

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for Asia
Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Forestry Innovation Investment Ltd. (FII) Executive
Compensation

Revised: July 10, 2013

Issue: Forestry Innovation Investment Ltd. Executive Compensation Report

Recommended Response:

- The compensation plans for Forestry Innovation Investment Ltd. (FII) and its China and India subsidiaries are set by the parent company's Board of Directors, subject to approval by the Public Sector Employers' Council.
- The compensation for each position, except for the CEO position as noted below, is based upon independent assessments of benchmark compensation for comparable positions in other organizations.
- The CEO position has not been managed through the benchmarking process. Compensation for the position has been unchanged since 2004, except for introduction of a potential incentive pay of up to 10 percent of base salary in 2010/11.

Background/Status:

- FII is a relatively small service-delivery agency in which each position is unique. Attracting and retaining exceptionally capable people is paramount to its success.
- As is common throughout the provincial ministries, employees at FII typically start at a salary that is about 85 percent the approved maximum for a position, and then move up in the salary range over three years, subject to demonstrating increased knowledge, competence and productivity.
- The salary range for each position at FII has not changed since April 2009.
- Non-salary benefits are virtually identical to the standard in BC government ministries, except that vacation entitlement is lower in China and India.
- Policy relating to severance is to follow the labour laws of the country in which the employees are engaged.

Attachment: *Appendix A – Schedule of FII Ltd. Executive Compensation in 2012/13*

Contact:
VP Finance Douglas Greig Forestry Innovation 604 685-7507
Investment Ltd.

Appendix A – Schedule of FII Ltd. Executive Compensation in 2012/13

Summary Compensation Table at FISCAL, 2013								
Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2012/13 Total	Previous Two Years Totals	
							2011 / 12	2010 / 11
Ken Baker, CEO	\$ 155,000	\$ -	\$ 9,106	\$ 12,400	\$ -	\$ 176,506	\$ 181,554	\$ 203,521
Michael Loseth, VP, Operations	\$ 152,330	\$ -	\$ 9,942	\$ 12,186	\$ 12,491	\$ 186,950	\$ 194,245	\$ 194,022
Mike Hogan, VP, China Operations	\$ -	\$ -	\$ 1,716	\$ -	\$ 172,000	\$ 173,716	\$ 239,477	\$ 213,639
Douglas Greig, VP, Finance & Administration	\$ 142,382	\$ -	\$ 9,696	\$ 11,391	\$ 9,179	\$ 172,648	\$ 174,836	\$ 182,423
Lisa Dou, General Manager, China	\$ 131,317	\$ -	\$ 5,569	\$ 10,505	\$ 9,474	\$ 156,865	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Summary Other Compensation Table at FISCAL, 2013								
Name and Position (a)	Total All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Venue / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)	
Ken Baker, CEO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Michael Loseth, VP, Operations	\$ 12,491	\$ -	\$ 8,788	\$ -	\$ -	\$ -	\$ 3,703	
Mike Hogan, VP, China Operations	\$ 172,000	\$ 172,000	\$ -	\$ -	\$ -	\$ -	\$ -	
Douglas Greig, VP, Finance & Administration	\$ 9,179	\$ -	\$ 5,476	\$ -	\$ -	\$ -	\$ 3,703	
Lisa Dou, General Manager, China	\$ 9,474	\$ -	\$ 5,652	\$ -	\$ -	\$ -	\$ 3,822	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Estimates Note Advice to the Minister

Ministry: Ministry of International Trade
Minister Responsible: Hon. Teresa Wat

Title: Venture Capital Programs

Revised: June 12, 2013

Issue: Investment through the *Small Business Venture Capital Act* (SBVCA) and *Employee Investment Act* (EIA) supports jobs and economic development throughout the Province.

Recommended Response:

- Since 2001, over \$1.1 billion in investment capital has been raised through the provincial venture capital programs. This equity capital has been invested in over 860 small businesses throughout British Columbia.
- \$260 million has been invested in 277 small businesses that are located outside of Metro Vancouver.
- \$927 million has been invested in over 580 small businesses in Metro Vancouver.

Background/Status:

- The SBVCA and the EIA provide 30% tax credits to British Columbia resident investors who invest directly into companies or in managed funds. Tax credits offered support up to \$170 million of equity capital annually.
- The SBVCA is unique in Canada because it also allows individuals – known as “angel investors” – to invest their own capital directly into an eligible small business and offer strategic expertise to accelerate company growth. Ontario is developing a similar tax credits for angel investors as well.
- Venture capital is invested in B.C.-based companies that drive the commercialization of innovation, contribute to economic development and job creation.
- Government recognizes the significant impact of these programs and continues to support the program by increasing the tax credit budget.
- Through the SBVCA, B.C. introduced the Business Creation Tax Credit in 2012 to add an additional \$3 million in tax credits, supporting \$10 million invested in firms that are less than two years old.

- The program also supports key Ministry Service Plan objectives by increasing access to capital to help meet the critical need for seed capital for emerging small businesses in British Columbia.
- Including investment from outside the SBVCA and EIA, B.C. ranked 3rd in Canada and 2nd per capita by venture capital disbursements, attracting \$222 million or 15% of the Canadian total in 2012.

Contact:

Contact:

A/Exec. Director Jeff Lindsay

Investment Capital
Branch

(250) 952-0587

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Forestry Innovation Investment Ltd. – Government Support for Market Development in the Forest Sector

Revised: June 5, 2013

Issue: Forestry Innovation Investment Ltd. (FII) Programs and Funding Support

Recommended Response:

- FII plans to spend \$17.9 million in 2013/14, of which \$17.3 million is from the Ministry of Jobs, Tourism and Skills Training and \$0.6 million is from Natural Resources Canada for the new market development program in India.
- Half of FII's budget is used to share the cost of activities that trade associations and other not-for-profit organizations propose in a competitive process, and ultimately deliver. These programs are cost-shared with industry and the federal government.
- China remains a key priority with the focus now shifted away from major demonstration work in favour of building deeper and broader relationships with Chinese government officials and State-owned development companies.
- In Japan, 2013/14 will see the completion of the final tsunami reconstruction projects undertaken with funding from the Province of B.C. through FII (\$2 million), industry, the Government of Canada and the Province of Alberta.
- In the coming year, FII's new subsidiary in India will reach out to India wood users, gathering detailed knowledge of the best commercial prospects, potential customers and distribution channels.
- FII is leading B.C.'s *Wood First* initiative which is working to create a "culture of wood" in B.C. by promoting and supporting the increased use of wood in building design and construction.
- Another key priority is a highly collaborative program to introduce wood products into the non-residential construction sector in North America, with funding from FII, the US and Canadian governments, and the forest sector.

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Background/Status:

- Through its Market Initiatives Program, FII puts a priority on finding and building new market opportunities, while also providing limited support for maintaining historical markets.
- FII leads “pro-wood” messaging in B.C. and is collaborating across North America and in key offshore markets to position wood for its environmental and performance benefits.
- FII also leads efforts to position B.C. as a supplier of legal and sustainable products from well-managed forests.
- FII leads B.C.’s *Wood First* initiative, with a budget of \$2.8 million, of which \$2.3 million is delivered by others. A broad-based industry committee is providing FII advice on strategies, priorities and programming.
- FII’s Market Outreach Program promotes the environmental and other benefits of using wood building products sourced from B.C.’s sustainably managed forests. The underlying research, science and messaging developed through the Market Outreach Program provides a foundation for all of FII and industry market development and communications programs. An industry-led committee advises FII on priorities for the Outreach Program.
- Building on success, FII continues to support aggressive market development in China, with FII now providing “front-end” support for government relations, wood frame design and engineering; and industry providing “downstream” services in the areas of technical training, assistance in expanding building and fire codes, and on-site construction quality support.
- In the past year, FII has stepped up to emerging market opportunities in India by establishing five staff and an office in Mumbai, and leading the way for industry to create long-term commercial linkages.
- FII holds its administrative costs to 7% of total budget.

Contact:

VP Operations	Michael Loseth	Forestry Innovation Investment Ltd.	(604) 685-7507
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2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Multicultural Strategic Outreach Plan

Revised: June 19, 2013

Issue: Freedom of Information Release on the 'Review of the Draft
Multicultural Strategic Outreach Plan'

Recommended Response:

- The Chief of Staff considered the involvement and culpability of each of the political staff engaged and has taken appropriate disciplinary and corrective action.
- Expectations for all political staff related to financial and administrative policies have been established. An interim code of conduct has been developed – and once final, will be made public.
- To date, 199 of GCPE's 217 staff – 92 per cent – have attended a privacy and awareness training session.
- The Legal Services Branch is finalizing its process to secure any government records in the possession of former public servants and caucus employees named in this report.
- The Head of the Public Service Agency has reviewed policies in place to govern the Standards of Conduct for both political and public service staff. Further training and performance management will ensure that they are thoroughly understood.
- Ministry of Finance is satisfied with the report's conclusion that a \$70,000 repayment was an appropriate amount to recover.

Background/Status:

- On February 28, 2013, John Dyble, Deputy Minister to the Premier, Cabinet Secretary and Head of the BC Public Service, was directed by the Premier to assemble a select team of senior government officials to investigate the draft Multicultural Strategic Outreach Plan, and identify whether government resources were inappropriately used or if violations of the *Public Service Act* (Public Service Standards of Conduct) were committed.
- The team conducted a review of all relevant physical and electronic records, constructed a chronology of events, conducted twenty-seven interviews with

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism
Minister Responsible: Hon. Teresa Wat

people who played a role in the events, collated and analyzed the findings and produced a final report that was released publicly on March 13, 2013. In total, approximately 10,000 pages of records were considered as part of the review.

- A significant number of the records gathered were provided by the Ministry of Advanced Education (AVED), as part of a larger group of documents collected for the review. Within AVED, records were provided by the Multiculturalism Branch, the responsible Assistant Deputy Minister's and Deputy Minister's Office, and the Minister's Office. Records were also gathered from several other program areas across government, most notably the Ministry of Citizens Services' and Open Government, the Ministry of Jobs, Tourism and Skills Training, and the Office of the Premier.
- At the direction of the Deputy Minister to the Premier, the Information Access Office was tasked to review and appropriately sever the documents gathered to support the investigation, in order to proactively disclose these records online. Line ministries were also asked to review and confirm the proposed release, for records that fall within their purview.
- At the direction of the Deputy Minister to the Premier, who lead the Review of the Draft Multicultural Strategic Outreach Plan, the documents gathered to support the investigation were posted online, via the Open Information website, on June 11, 2013, one day later than the 60 working days pledged in the Dyble report.

Contact:

Director Mark Seeley Multiculturalism Unit

s17

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Multiculturalism Advisory Council (MAC)

Revised: June 12, 2013

Issue: Overview of the Multiculturalism Advisory Council

Recommended Response:

- Multicultural Advisory Council (MAC) is a legislated body that provides strategic advice to the Minister Responsible for Multiculturalism to achieve the provincial Multiculturalism vision.
- There are 14 MAC Members who are appointed by Order-in-Council.
- The provincial multiculturalism vision is “British Columbia is a model society that embraces the cultures and traditions of its people with opportunities for all to live and grow.”

Background/Status:

- Current MAC Chair is Mo Dhaliwal and the Vice-Chair is Shellina Lakhdhir.
- Currently there are 14 MAC members. (Appendix A).
- Annual MAC budget is \$35,000. MAC Meetings are held 4-6 times in a year.
- MAC members do not receive any remuneration except reimbursement for travel or out of pocket expenses incurred for attending the MAC meetings.
- A key initiative sponsored by the MAC is the annual Provincial Nesika Awards, which recognize multiculturalism champions in four categories: individuals, youths, organizations, and businesses. (Appendix B)
- MAC submits its annual report to the Minister Responsible for Multiculturalism as part of the annual provincial Report on Multiculturalism.
- MAC Objectives:
 1. Multiculturalism across Government
 2. Collaboration across Government
 3. Engagement of the Public and Business Sectors
 4. Community Engagement and Education

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism
Minister Responsible: Hon. Teresa Wat

Contact:
Director Mark Seeley Multiculturalism Branch s17

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism

Minister Responsible: Hon. Teresa Wat

APPENDIX A: Current MAC Members

Name	Initial Appointment	Current Term Began	Term Expiry
Mo Dhaliwal, Chair	2009-10-28	2010-11-25	2013-12-31
Shellina Lakhdhir	2009-10-28	2010-11-25	2013-12-31
Michelle A. Rakotonaivo	2011-12-01	2011-12-01	2013-10-01
Myrt Turner	2010-12-31	2010-12-31	2013-12-31
Yonah Martin	2006-10-30	2012-11-30	2013-12-31
Balijit Sethi	2010-11-25	2012-12-31	2013-12-31
Patrick Y. Wong	2012-11-23	2012-11-23	2013-12-31
Angela Fang	2012-03-08	2012-03-08	2014-03-08
Angela Y. Hollinger	2011-07-21	2011-07-21	2014-10-01
E. Allan Horning	2012-03-08	2012-03-08	2014-03-08
Eunie Oh	2012-03-08	2011-03-08	2014-03-08
Susan H. Tatoosh	2011-12-01	2011-12-01	2014-10-01
Andy Wickey	2011-07-21	2011-07-21	2014-10-01
Anar Popatia	2011-12-01	2012-10-31	2015-10-31
David C.Y. Lai	2013-01-31	2013-01-31	2014-12-31

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism
Minister Responsible: Hon. Teresa Wat

APPENDIX B: Provincial Nesika Awards (PNA)

- The annual PNA were developed in 2008 to honour and recognize British Columbians who, through their outstanding achievements, bring diverse cultures together, including Aboriginal cultures.
- Multicultural Advisory Council (MAC) leads and organizes PNA. The awards are presented by the Minister Responsible for Multiculturalism. PNA consist of four categories: Individual, Youth, Organization, and Business.
- The 2012 PNA received an unprecedented response to its call for nominations from British Columbians. A total number of 165 nominations were received in four categories.
- Nesika (Ne-SAY-ka) is Chinook Jargon for “we, us, our.” It comes from a trade language used by many different Aboriginal linguistic groups along the west coast of North America. Chinook Jargon was used extensively in B.C. during the 19th and early 20th centuries to help Aboriginal people communicate, first among themselves and then with European newcomers.
- PNA winners receive an award trophy and \$5,000 which is donated to an organization of the winner’s choice in recognition and support of their achievements. However, the winner in the business and organization category can re-invest \$5,000 towards its own initiatives in multiculturalism.
- Award winners are recognized by the Minister Responsible for Multiculturalism at the PNA Event as part of the Provincial Multiculturalism Week celebrations and activities in the third week of November each year.
- The 2012 Awards Event was attended by more than four-hundred participants from across the communities.
- An estimated budget for the annual PNA is \$60,000.

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Multiculturalism programs overview

Revised: June 18, 2013

Issue: An overview of government's multiculturalism programming

Recommended Response:

- The provincial multiculturalism vision is: "British Columbia is a model society that embraces the cultures and traditions of its people with opportunities for all to live and grow."
- To achieve this vision, the ministry's Multiculturalism Branch is responsible for several lines of programming including EmbraceBC, the Multicultural Advisory Council (MAC), the Report on Multiculturalism (ROM) and the Multiculturalism Grants program.
- This vision and programs align with B.C.'s *Multiculturalism Act* which outlines the government's responsibility to create a society where there are no barriers to the full and free participation of all British Columbians in the economic, social, cultural and political life of the Province.

Background/Status:

- **EmbraceBC** was launched in 2009 to fund initiatives that address racism and promote multiculturalism at individual, institutional and community levels. It annually supports 40 to 60 provincial and community-based projects across six program categories: Arts Engagement; Interfaith Bridging; Organizing Against Racism and Hate; Community Engagement and Dialogue; Inclusive Leadership Development and Mentorship; and Public Education.

The majority of funding for EmbraceBC is provided by the federal government under the Canada-BC Immigration Agreement through a Memorandum of Understanding (MOU) with the Ministry of Jobs, Tourism and Skills Training.

- \$ 1,740,000 federal funding contribution for 2013/2014.
- \$ 625,000 provincial funding contribution for 2013/2014.

EmbraceBC also supports the work of the BC Hate Crimes Team, an integrated cross-Ministry team that works to address hate crime across the province.

- **MAC** is a legislated body that provides advice to the Minister on issues related to multiculturalism and anti racism. MAC was created under section 4 (1) of the

2013/2014 Estimates Note

Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism

Minister Responsible: Hon. Teresa Wat

Multiculturalism Act. It's mission statement is: "To provide strategic advice to the Minister to stimulate and leverage all sectors and communities to achieve the provincial vision on multiculturalism." The MAC also organizes the Provincial Nesika Awards to recognize British Columbians who, through their outstanding achievements promoting multiculturalism, bring diverse cultures together .

(For more information of the MAC see the MAC Profile in the Financial Binder).
The Report on Multiculturalism is a legislated, annual requirement under the *Multiculturalism Act* detailing initiatives by every ministry, government agency and Crown corporation to promote multiculturalism.

(For more information, see the "Reports on Multiculturalism" Estimates Note).

- **The Multiculturalism Grant Program** was established to honour and celebrate British Columbia's cultural diversity through cultural expression and capacity building. Key facts about the issue, context or linkages to other issues

Contact:

Director

Mark Seeley

Multiculturalism Unit

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2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: 2011/12 and 2012/13 Reports on Multiculturalism

Revised: June 19, 2013

Issue: Tabling the 2011/12 and 2012/13 reports during the next sitting of the legislature.

Recommended Response:

- Since 1994, the Report on Multiculturalism (ROM) has provided the opportunity for BC Ministries and Crown Corporations to highlight the BC government's response to BC's cultural diversity and shifting demographics.
- The Multicultural Advisory Council (MAC) also submits a report that outlines its activities for the year as part of the ROM.

Background/Status:

- *Multiculturalism Act* states that on or before May 31 of each year, every ministry and every government corporation within the meaning of the *Financial Administration Act* must submit an annual report to the minister setting out the initiatives that it has undertaken in the reporting period to provide services and programs that are responsive to the multicultural reality of British Columbia.
- The *Multiculturalism Act* states, the minister must lay the report before the Legislative Assembly during the session next following the end of the year for which the report is made.
- An electronic copy is accessible to the public on B.C. government website(s) after it has been tabled.
- The 2011/12 Report on Multiculturalism is finalized, and received sign-off in March 2013 from: Government Communications and Public Engagement, and the Deputy Minister for the Ministry of Advanced Education, Innovation and Technology.
- In early May, the Ministry of Advanced Education, Innovation and Technology requested government ministries and Crown corporations to submit information on initiatives undertaken to promote multiculturalism for the 2012/13 Report on Multiculturalism by May 31, 2013.

2013/2014 Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and
Minister Responsible for Asia Pacific Strategy and
Multiculturalism

Minister Responsible: Hon. Teresa Wat

- The ministry is responsible for compiling information for the 2012/13 report and tabling the report in the legislature for the session next following the end of the year for which the report is made (est. Fall 2013).

Contact:

Director

Mark Seeley

Multiculturalism Unit

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Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and the Minister Responsible
for Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Audits

Revised: June 17, 2013

Issue: Summary of Audit Work Performed in Fiscal Year 2012/13

Recommended Response:

- The International Trade Branch of JTST was **not** subject to any ministry-specific audits in fiscal 2012/13.

Background/Status:

Crown Agency Audits:

Forestry Innovation Investment Ltd. (FII) had 2 internal audits performed this last fiscal:

1. Audit of travel expenses
2. Audit of procurement processes and contracts

Both these audits were conducted in relationship to FII's written Policies and Procedures. While recommendations for improvements to documentation around supplier selection were made, the audits found no deviations from FII's stated policies.

Auditor of record for both internal audits was Davies and Associates.

BC Immigrant Investment Fund (BCIIF) is the Crown Agency that oversees the BC Renaissance Capital Fund (BCRCF) and there was no audit performed in 12/13 because the organization was still seated within the ministry structure.

BCIIF is currently in transition following the direction of Finance and the OAG in transitioning to an independent crown organizational structure with appropriate governance oversight.

For the 2012/2013 year end, the Board of Directors requested and received a more extensive audit report from the OAG. This included recommendations regarding governance and financial operations. These recommendations are in the implementation stage.

Contact:

Director: Murray Jacobs

Finance and Admin.

Phone #: 356-6950

Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and the Minister Responsible
For Asia Pacific Strategy and Multiculturalism

Minister Responsible: Hon. Teresa Wat

Title: Ministry Contracts

Revised: June 27, 2013

Issue: Ministry Operational Contracts

Recommended Response:

- MIT's 13/14 budget for operational contracts is \$4.895M.
- This represents a minor decrease (\$0.008M or 0.16%) from the 12/13 restated budget of \$4.903M.
- This reduction is due to the expenditure/budget reduction target applied to the ministry.
- Except for Multiculturalism, the MIT programs were part of JTST in fiscal 2012/13, and the following comments pertain to JTST, which comprise a large portion of what is now MIT.
- In 2012/13, JTST awarded 543 contracts of which 201 (37%) were direct awarded.
- Total value of contracts awarded in fiscal 2012-13 was \$50.077M of which \$3.284M (7%) were direct awarded (an average of \$16,338 per direct award contract).
- From April 1, 2012, to June 26, 2013, JTST had a total of approximately 747 contracts, of which 303 (41%) were direct awarded.

Additional Information

- Operational contracts include:
 - STOB 60 – Professional services – operational & regulatory
 - STOB 61 – Professional services – advisory
 - STOB 63 – Information systems
- JTST follows a fair, open and transparent contracting process.
- Service contracts over \$75,000 are openly tendered on BCBid.
- Service contracts between \$25,000 and \$74,999 require a competitive process that is appropriate based on the value and complexity of the opportunity.

Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and the Minister Responsible
For Asia Pacific Strategy and Multiculturalism

Minister Responsible: Hon. Teresa Wat

- BC has the lowest thresholds for direct awarding contracts in Canada under the New West Partnership Trade Agreement (NWPTA) between BC, Alberta and Saskatchewan.

Breakdown of 12/13 budget and expenditures by program:

Core Business	Estimates Budget	Actual	Surplus/(Deficit)
Labour Market and Immigration Initiatives	8,669,000	5,496,855	3,172,145
International Trade and Investment	4,620,000	9,425,365	-4,805,365
Tourism Policy	0	76,670	-76,670
Major Investments Office	1,000,000	246,798	753,202
Competitiveness and Small Business	1,274,000	487,471	786,529
Economic Development	540,000	1,020,156	-480,156
Executive and Support Services	364,000	659,233	-295,233
Payments Based on Contributions	0	293,413	-293,413
Tourism (now Destination BC)	11,751,000	10,343,197	1,407,803
Labour Programs	2,907,000	3,057,545	-150,545
TOTAL	31,125,000	31,106,703	18,297

Note: The above table includes programs that were transferred to MIT in 13/14. International Trade and Investment's actual spending on contracts significantly exceeded their budget, but this was covered by Jobs Plan contingencies access.

Some examples of ministry oversight on contracts:

- MIT/JTST/CSCD has three individuals responsible for overseeing ministry contracts and providing procurement information sessions to ensure compliance with government controls including:
 - **Assisting the program areas with each phase of the contracts lifecycle**, from planning on the best approach to solicit the required services through to the evaluation and closing of a contract file.
 - **Ensuring both government representative and/or vendor representative signatures is documented on the contract prior to contract commencement.** This limits government's liability of verbal contracting and

Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and the Minister Responsible
For Asia Pacific Strategy and Multiculturalism

Minister Responsible: Hon. Teresa Wat

provides documentation of agreed-upon expectations and responsibility for insurance, rates, quantities and deliverable agreements.

- ***Requiring contractors to carry the Commercial General Liability insurance*** and to add the Province as an additionally insured. Insurance supports their ability to make good on the indemnity clause.
- ***Ensuring that expenditures are recorded to the Corporate Financial System consistent with government's chart of accounts*** conform to GAAP, the substance of transactions are captured, and government's financial statements reflect the complete, relevant and accurate picture of the transactions and events as accurately as possible.
- ***Ensuring that the accrual for the receipt of goods, services, or construction is accurately recorded*** and accounted for at the time in which the transfer of ownership occurs or was received.

Costs associated with managing contracts

- MIT/JTST/CSCD has three dedicated staff responsible for the oversight and management of ministry contracts
- Costs for salaries and benefits for these three individuals is approximately \$0.265M
- Additional costs may include some travel for training sessions held in Vancouver (max \$0.005M)
- Benefits far outweigh costs, for instance
 - A likely consequence of not ensuring that contractor has insurance coverage may result in legal challenges and financial obligation where contractor performance results in third party injury, neglect and/or property damage. Increased legal costs or fines, potential for political embarrassment, and supplier or market animosity.

Contact:

Contract Manager	Derek Cockburn	FSB	250-356-9017
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Ministry of Jobs, Training and Skills Development (and Labour)
 Overview of Direct Award Contracts
 Fiscal 2012-13

Description	TOTAL CONTRACTS						2012-13 ONLY			2012-13 ONLY		
	Total # of contracts	Total # of Direct Award	Direct Awards as a % of Total Contracts	Dollar value of all contracts	Dollar value of direct award contracts	Direct Awards as a % of Total Contracts (\$ value)	Contracts Awarded this fiscal	# of Direct Award this fiscal	Direct Awards as a % of total contracts awarded	Dollar Value of contracts awarded this fiscal	Dollar value of direct award contracts	Direct Award as a % of Total Value
Operational Contracts (STOB60/61)	670	296	44%	42 816	5 495	13%	513	187	36%	43 484	3 080	7.08%
Information Technology contracts (STOB 63)	77	7	9%	14 479	1 141	8%	30	14	47%	6 593	0 204	3.09%
Sub-Total - Operational Contracts	747	303	41%	57.295	6.636	12%	543	201	37%	50.077	3.284	6.56%
Capital Contracts (STOB 2000)	3	3	100%	3 954	2 549	64%	3	2	67%	2 549	1 444	56.65%
Total Contracts	750	306	41%	61.24913	9.185	41%	546	203	37%	52.626	4.728	8.98%

NOTE:

includes contract information and dollar values for programs that have since transferred to MIT (e.g. International Trade)

Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for the
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Deputy Minister's Office Budget

Revised: June 26, 2013

Issue: Deputy Minister's budget in 2013-14

Recommended Response:

- Deputy Minister's budget totals \$0.620M in 13-14.
- \$0.480M is allocated to salaries and benefits.
- There are 5 FTEs in the Deputy's Office (Positions include: Deputy Minister, Communications Director, Executive Coordinator and two Sr. Executive Assistants).
- The Office will also be receiving some services from the JTST DMO.
- Budget details are provided below.

Estimates Budget	FY13	FY14	Change
Salaries and Benefits	0	480,000	480,000
Travel	0	55,000	55,000
Professional Services	0	10,000	10,000
Information Systems	0	25,000	25,000
Office and Business	0	40,000	40,000
Other Expenses	0	10,000	10,000
TOTAL	0	620,000	620,000

Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Executive Compensation (Crowns)

Revised: July 11, 2013

Issue: Executive Compensation in Ministry Crown Corporations to be reported
by PSEC

Recommended Response:

- Each year, government publically discloses executive compensation for public sector employers.
- My understanding is the reports for 2012/13 will be released though the Public Sector Employers' Council (PSEC) Secretariat in the coming weeks.
- Taxpayers should know how their money is spent – this is why government made it mandatory to disclose the salaries of executives from Crown agencies, boards and commissions.
- We believe the compensation they receive is fair and they do great work on behalf of British Columbians.
- This disclosure process includes all compensation – base pay, pensions and other benefits including health and insurance plans.
- We want to ensure we can continue to attract and retain highly-skilled people who can effectively deliver quality services to British Columbians by compensating them fairly and competitively.
- B.C. has become a leader in best practices in Canada with our standards of reporting that require annual public disclosures of total compensation for executives.

Background/Status:

- In 2008, amendments were made to the Public Sector Employers Act (PSEA) requiring employers to disclose proactively their senior executive compensation within six months of their fiscal year end, and in a form and manner directed by the CEO of PSEC. Each year government publically discloses executive compensation for public sector employers.
- These requirements apply to the CEOs and the next four highest ranking/paid executives earning \$125,000 or more in base pay.
- Each disclosure statement includes base salary, bonuses, incentive pay, pension, all other compensation and the total compensation paid for the two previous years.

Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Contact:

Director: Robert Easton Corporate Planning and Priorities 250 356-9416

Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for the Asia Pacific Strategy and Multiculturalism

Minister Responsible: Hon. Teresa Wat

Title: Jobs Plan Funding

Revised: June 26, 2013

Issue: Jobs Plan Funding for 2013-14

Recommended Response:

- Total costs for Jobs Plan initiatives being delivered by JTST, MIT and MARR are estimated at \$33 million.
- Of the \$33 million, \$15.3 million is included in the ministries' base budget (i.e. Estimates Budget).
- \$27.167M relates to MIT programs (\$16.437 included in contingencies).
- Incremental \$17.7million is being accessed through contingencies.
- Breakdown of Jobs Plan funding and actual expenditures in 12/13 is attached.

Additional Information

JOBS PLAN INITIATIVE	TOTAL COST (‘000)	ESTIMATES (BASE BUDGET)	CONTINGENCIES
Double Overseas Presence (MIT)	23.110	8.530	14.580
Reducing Trade Protectionism (MIT)	2.100	1.400	0.700
International Investment Attraction (MIT)	1.957	0.800	1.157
Smart Deregulation (JTST)	0.973	0.973	
Aboriginal Investment Council (JTST/MARR)	0.300	0.000	0.300
Major Investments Office (JTST)	2.667	2.667	
Jobs and Investment Board (JTST)	0.600	0.600	
Hosting Program (JTST)	1.300	0.300	1.000
ESTIMATED COSTS	33.007	15.270	17.737

Contact:

Budget Manager Tracy Campbell FSB 250-356-9509

Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and the Minister Responsible
for Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Ministry Fees

Revised: June 28, 2013

Issue: Ministry Fees

Recommended Response:

- The Ministry of International Trade does not collect any fees.

Background/Status:

N/A

Director: Murray Jacobs Finance and Admin. Phone #: 356-6950

Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Minister's Office Budget

Revised: June 17, 2013

Issue: Minister's Office budget in 2013-14

Recommended Response:

- Minister's Office was created June 7th, 2013.
- Budget for Minister's Office in 2013-14 is \$0.597M (details below).
- For comparison purposes, and to show effects of government re-organizations, budgets are restated for 2012-13. Minister budget for 2012-13 restatement was \$0.597M as well.
- Minister's Office has 5 employees (details below).

Minister's Office			
Expenditure Type	FY13 Re-stated Budget	FY14 Estimates	FY14 compared to Restated FY13
Salaries	312,000	312,000	0
Benefits	94,000	97,000	3,000
Legislative Salaries	52,000	53,000	1,000
Travel	75,000	75,000	0
Information Systems	10,000	10,000	0
Office and Business	15,000	15,000	0
Other	39,000	35,000	4,000
TOTAL	597,000	597,000	0

Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and Minister Responsible for
Asia Pacific Strategy and Multiculturalism

Minister Responsible: Hon. Teresa Wat

Minister's Office	Level	Salary	Benefits	Total
Chief of Staff	Band A	89,810	21,554	111,365
Ministerial Assistant	Band A	78,300	18,792	97,092
Exec Assistant	Band B	54,732	13,136	67,868
Admin Assistant	ADMIN	52,461	12,591	65,052
Clerk	Clerk 14	39,150	9,396	48,546
Pension Adjustments (est.)			19,000	19,000
TOTAL		314,453	94,469	408,923

Information Systems (STOB63)- represents data communications charges (e.g. email)

Office and Business (STOB65)- includes Queens Printer charges, shipping, business meeting expenses and office supplies

Other (STOB85)- includes Min of Finance chargeback for VIP computer support (24 hr)

- Minister's Office VIP Support \$25,200 (estimated)
- MoS VIP Support \$7,200 (estimated)
- STOB85 also includes purchasing card transactions that have not yet been allocated to appropriate STOBs (e.g. office and business). These charges are entered and adjusted by Ministry of Finance, usually on a monthly basis.

Contact:

Budget Manager	Tracy Campbell	FSB	250-356-9509
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Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and the Minister Responsible
for Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Minister's Office- Travel

Revised: June 28, 2013

Issue: Travel expenditures

Recommended Response:

- Budget for travel in 2013-14 is \$0.075M
- The office was created June 7th, 2013 therefore there were no travel expenditures last fiscal
- As the Minister Responsible for International Trade, out of country travel related to Trade Missions is anticipated
- As this is a new office, actual travel requirements will be assessed with the intent of ensuring prudent fiscal management

Contact:

Budget Manager	Tracy Campbell	Financial Services Branch	250-356-9509
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Estimates Note Advice to the Minister

Ministry: Ministry of International Trade and the Minister Responsible
for Asia Pacific Strategy and Multiculturalism
Minister Responsible: Hon. Teresa Wat

Title: Vendor Complaint Review Process

Revised: June 17, 2013

Issue: Report on the Vendor Complaints received in Fiscal Year 2012/13

Recommended Response:

- The International Trade Branch of JTST did **not** received any vendor complaints in fiscal 2012/13.

Background/Status:

N/A

Contact:

Director: Murray Jacobs

Finance and Admin.

250-356-6950