

**INFORMATION NOTE**

Cliff #: 154251

Date: May 5, 2021

**PREPARED FOR:** Bobbi Plecas, Deputy Minister, Ministry of Jobs, Economic Recovery and Innovation

**ISSUE:** Returning Canadians and Hong Kong Citizens to Canada.

**KEY POINTS:**

- Ongoing political and social developments in Hong Kong since 2019 have created the anticipation of up to 63,000 citizens exiting Hong Kong for Canada.
- Temporary and permanent resident applicants from Hong Kong citizens in 2020 were up 10 percent from 2019 (over 8,000), however Canada is yet to see any inflow.
- Hong Kong continues to enact more repressive laws, bringing the city further in line with mainland China policy; ministry staff will continue to monitor the situation.

**BACKGROUND:**

The Ministry has been monitoring ongoing political and social developments in Hong Kong since early 2019 and has developed an approach to estimate the potential return of Hong Kong resident Canadians to British Columbia (B.C.), including the potential incremental housing demand (See **Appendix A: Hong Kong Residents to B.C. Housing Demand**).

The Ministry estimates that B.C. could see up to 63,000 non-resident Canadians coming to B.C. from Hong Kong. However, actual movements are subject to multiple factors including the evolution of pandemic-related travel restrictions.

**DISCUSSION:**

In April 2021, CIBC's Deputy Chief Economist Benjamin Tal predicted that an estimated 60,000 to 70,000 non-resident Canadians will be coming to Canada from Hong Kong. This is due to conditions in Hong Kong, and Canada's increased demand for immigrants in Canada to help with economic recovery; in 2021 Canada aims to accept over 401,000 new permanent residents.

**Hong Kong:**

On January 31, 2021, Hong Kong announced that it will no longer recognize dual nationality, putting pressure on Canadian citizens in Hong Kong to declare themselves Chinese or risk losing their rights to live, work and own property in Hong Kong.

In 2020, The British Government issued a record 310,000 British National Overseas Visa passports, the largest annual total since Hong Kong's handover to Chinese rule in 1997. In comparison, applications for Hong Kong passports dropped by 65 percent to 250,000 applications.

On April 28, 2021, Hong Kong passed and enacted a new immigration law that includes powers to stop people entering or leaving the city, raising concerns of "exit bans" similar to Chinese mainland policy. The new law allows the city's immigration chief to bar people from boarding planes to and from the city, with no court order and no recourse to appeal the decision, further complicating the conditions for those who would desire to leave Hong Kong.

**Canada:**

On October 30, 2020, Immigration, Refugees and Citizenship Canada (IRCC) announced its 2021-2023 Immigration Levels Plan, which aims to accept 401,000 permanent residents in 2021, 411,000 in 2022 and 421,000 in 2023. These targets represent an increase of 17.6 percent over previous 2020, 2021 and 2022 levels and aim to make up for a shortfall of roughly 150,000 in 2020 experienced due to COVID-19 impacts.

On November 12, 2020, IRCC announced new measures to expedite Hong Kong students and youth coming to Canada on work and study permits, with a pathway to permanent residency. This includes streamlining processing time for Canadian citizens living in Hong Kong returning to Canada.

In 2020, applications of Hong Kong passport holders for temporary or permanent residency in Canada hit its highest point in the last five years, reaching 8,121 (up 56 percent from 2015) despite border closures (up 10 percent from 2019).

Another avenue for individuals to Canada is through asylum, as refugees. As of December 31, 2020, there were 22 claims pending an outcome at the Immigration and Refugee Board of Canada (IRB) from Hong Kong nationals, out of a total just under 80,000 pending claims.

As an ancillary indicator of intention to relocate, FINTRAC (Canada's financial intelligence unit) reports that in 2020, \$43.6 billion in electronic funds were transferred out of Hong Kong into Canada – up 10 percent from 2019, 46 percent from 2016. These outflows represent just under 2 percent of Hong Kong's total bank deposits in 2020.

**SUMMARY:**

Ministry staff will continue to monitor the situation in Hong Kong, seeking relevant and reliable sources of information to update its analysis.

**ATTACHMENTS:** Appendix A: Hong Kong Residents to B.C. Housing Demand

ADM Contact: Christine Little, SBEDI Division, 778 698-1708

Prepared by: Andrew Ives, Manager, SBEDI Division

Reviewed by			
Dir:	ED: AC	ADM: CL	DM: BP

## Appendix A: Hong Kong Residents to B.C. Housing Demand

This table presents estimated housing demand for B.C. under three scenarios, based on the estimated number of Hong Kong residents with ties to B.C. and intent to migrate to Canada.

<b>Table: Estimated Housing Demand from Hong Kong Residents</b>	<b>Age 18-30</b>	<b>Age 31-50</b>	<b>Age 51+</b>	<b>Total</b>
<b>Low scenario</b>				
Hong Kong residents to B.C.	7,800	14,400	10,700	32,800
B.C. housing unit demand	2,800	5,100	3,800	11,700
GVRD housing unit demand	2,600	4,800	3,600	11,000
<b>Base scenario</b>				
Hong Kong residents to B.C.	15,000	27,700	20,500	63,200
B.C. housing unit demand	5,400	9,900	7,300	22,600
GVRD housing unit demand	5,000	9,300	6,900	21,200
<b>High scenario</b>				
Hong Kong residents to B.C.	22,300	41,100	30,500	93,800
B.C. housing unit demand	8,000	14,700	10,900	33,500
GVRD housing unit demand	7,500	13,800	10,200	31,500

**Sources:** Statistics Canada - 2016 - Census. Catalogue Number 98-400-X2016184.

Census and Statistics Hong Kong, <https://www.censtatd.gov.hk/hkstat/sub/sp150.jsp?tableID=005&ID=0&productType=8>

<https://cidpnsi.ca/migration-flows/>

### Assumptions

**Low scenario:** Those who have made some preparations to immigrate (35.0 percent).

**Base scenario:** Those prepared to immigrate, and 50 percent of those not prepared (67.4 percent).

**High scenario:** Those who are considering immigrating do (100 percent).



**INFORMATION NOTE**

Cliff #: 154298

Date: May 7, 2021

**PREPARED FOR:** Honourable George Chow, Minister of State for Trade

**ISSUE:** The Status of the Belt and Road MOU 2016 between British Columbia (B.C.) and Guangdong

**BACKGROUND:**

- On May 9, 2016, B.C. Ministry of International Trade and Guangdong Foreign Affairs Office signed a Memorandum of Understanding on Enhancing Maritime and Economic Connectivity and Building on the One Belt and One Road Initiative (MOU).
- The MOU was witnessed by then Premier Christy Clark and Guangdong Party Secretary Hu Chunhua.
- The MOU was signed during the visit to B.C. by Guangdong Party Secretary Hu Chunhua, with an aim to expand the trade and investment opportunities between B.C. and Guangdong, under the sister province relationship established since 1995.
- B.C. and Guangdong have been sister provinces since 1995; this relationship does not expire.

**DISCUSSION:**

- Under the MOU, both sides have agreed to work cooperatively in the following priority areas (Clause 2):
  1. Expanding two-way investment and trade in goods and services in energy and natural resources, value-added products, professional services, international education, and tourism;
  2. Leveraging new and existing transportation system partnerships to strengthen the trade capacity of their respective gateway and corridor networks;
  3. Expanding cooperation in natural gas and natural gas liquids exploration and extraction, natural gas markets and impact on greenhouse gas emissions reductions, pipeline construction and natural gas distribution systems including operating protocols, natural gas liquids and natural gas liquefaction processes and liquefied natural gas/floating liquefied natural gas plant construction, including related transportation and infrastructure;
  4. Enhancing cooperation on marine scientific research and environmental practices, maritime transportation, shipbuilding and repair, and fisheries and seafood;
  5. Jointly pursuing opportunities for collaboration in the field of low carbon development and clean technology, including promoting cooperative relations

between the clean technology sectors in their respective provinces, and encouraging the innovative use of clean technologies and energy efficient goods and services to support transition to a lower carbon economy and cleaner environment;

6. Exploring opportunities for greater connectivity in the areas of E-commerce and information and communication technology, including encouraging companies to retail goods and services on E-commerce platforms to customers in their respective provinces, promoting further partnership in innovation around 5G networks and supporting trade and investment in information and communication technology infrastructure and services; and,
  7. Fostering deeper people-to-people connections between them by promoting partnerships between educational institutions and encouraging increased teacher and student exchanges, strengthening cooperation on vocational education and joint research.
- A progress report was submitted in 2017 on the accomplishments of the MOU.
  - Most accomplishments were in the areas of trade and investment cooperation and people to people connections.
  - No further progress report on the MOU has been completed since 2017.
  - The Managing Director of the B.C. China Office, Cathy Yao meets regularly with officials in Guangdong Province to exchange views on areas of bi-lateral trade and investment cooperation.
  - These meetings are recorded in the Ministry Salesforce system.

#### **CONCLUSION:**

- The MOU is a non-binding document and will expire in May 2021.
- Trade and investment cooperation between the two provinces can continue to be carried out under the framework of the sister province relationship.
- The Ministry does not see a need to renew this MOU and the Guangdong government has not expressed interest for renewal.

#### **ATTACHMENTS:**

Attachment 1: MOU Signed in 2016

Attachment 2: Progress Report in 2017

Attachment 3: Summary of China's 14<sup>th</sup> 5 Year Plan

ADM Contact: Selena Basi, Assistant Deputy Minister, TID 778-974-5951

Prepared by: Raymond Zhu, Senior Manager, Greater China

Reviewed by			
Dir: WH	ED: LT	ADM: SB	DM: BP

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MEMORANDUM OF UNDERSTANDING  
*between*  
THE GOVERNMENT OF PROVINCE OF BRITISH COLUMBIA OF CANADA  
*and*  
THE GUANGDONG PROVINCIAL PEOPLE'S GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA  
*on*  
ENHANCING MARITIME AND ECONOMIC CONNECTIVITY  
BUILDING ON THE ONE BELT AND ONE ROAD INITIATIVE

The Government of Province of British Columbia of Canada (British Columbia) and the Guangdong Provincial People's Government of the People's Republic of China (Guangdong), hereinafter referred to as the "Participants",

***Commending*** the achievements of the existing practical cooperation between British Columbia and Guangdong, and over a century of family, economic, and cultural ties;

***Affirming*** the exemplary role the Participants play as gateway sister provinces in deepening trade and investment ties and promoting cooperative government-to-government relations between Canada and China;

***Recognizing*** that China's One Belt and One Road Initiative, Guangdong's importance as the pioneer of China's economic reform and opening up, and British Columbia's Pacific Gateway Strategy are complementary and provide the Participants with new opportunities for cooperation, and that Canada and China announced a Track II dialogue on November 9, 2014 in Beijing, China to study new approaches to enhance energy trade, including potentially an environmentally safe maritime energy corridor;

***Considering*** the Memorandum of Understanding between British Columbia and the National Energy Administration of the People's Republic of China on Natural Gas Sector Cooperation signed at Vancouver, British Columbia on July 24, 2014, which aims to strengthen energy-related business opportunities between China and British Columbia, with particular emphasis on the export of liquefied natural gas (LNG) from British Columbia to China;

***Referring*** to the Memorandum of Understanding between British Columbia and Guangdong to Enhance Cooperation on Climate Change and Low Carbon Development signed at Guangzhou on November 4, 2015; and

***Seeking*** to build on this strong foundation and create the leading trans-Pacific economic corridor connecting North America and Asia;

Have reached the following understanding:

## 1. OBJECTIVE

This Memorandum of Understanding (MOU) aims to strengthen cooperation between the Participants to jointly examine mutually beneficial opportunities presented by China's One Belt One Road initiative and British Columbia's Pacific Gateway Strategy: to enhance maritime connectivity and expand two-way

investment and trade in goods and services from energy and natural resources to value added products, professional services, international education, and tourism. This will be done by strengthening the trade capacity of their respective transportation networks, fostering institutional partnerships and promoting people-to-people exchanges with the objective of becoming the leading trans-Pacific economic corridor connecting North America and Asia.

## **2. COOPERATION PRIORITIES**

The Participants intend to work cooperatively in a number of areas, inter alia:

- a. Expanding two-way investment and trade in goods and services in energy and natural resources, value-added products, professional services, international education, and tourism;
- b. Leveraging new and existing transportation system partnerships to strengthen the trade capacity of their respective gateway and corridor networks;
- c. Expanding cooperation in natural gas and natural gas liquids exploration and extraction, natural gas markets and impact on greenhouse gas (GHG) emissions reductions, pipeline construction and natural gas distribution systems including operating protocols, natural gas liquids and natural gas liquefaction processes and liquefied natural gas (LNG)/floating liquefied natural gas (FLNG) plant construction including related transportation and infrastructure;
- d. Enhancing cooperation on marine scientific research and environmental practices, maritime transportation, shipbuilding and repair, and fisheries and seafood;
- e. Jointly pursuing opportunities for collaboration in the field of low carbon development and clean technology, including promoting cooperative relations between the clean technology sectors in their respective provinces, and encouraging the innovative use of clean technologies and energy efficient goods and services to support transition to a lower carbon economy and cleaner environment;
- f. Exploring opportunities for greater connectivity in the areas of E-commerce and information and communication technology, including encouraging companies to retail goods and services on E-commerce platforms to customers in their respective provinces, promoting further partnership in innovation around 5G networks and encouraging trade and investment in information and communication technology infrastructure and services;
- g. Fostering deeper people-to-people connections between them by promoting partnerships between educational institutions and encouraging increased teacher and student exchanges, strengthening cooperation on vocational education and joint research; and
- h. Other forms of cooperation as decided by the Participants.

## **3. COORDINATION AND IMPLEMENTATION**

To facilitate direct government-to-government dialogue, the Participants will each designate a representative for the coordination and efficient management of activities under this MOU, and advise the other Participant within one month of the signing of this MOU.

#### 4. OTHER CONSIDERATIONS

This Memorandum of Understanding:

- a. Is only intended to promote cooperation between them and is not legally binding;
- b. Each Participant will conduct the cooperative activities under this Memorandum of Understanding at its discretion, subject to the availability of resources, under a case-by-case basis;
- c. No confidential information will be exchanged or transferred under this Memorandum of Understanding; and
- d. The Participants will settle any difference in relation to this Memorandum of Understanding, including any question regarding its existence, validity, termination, interpretation or application, amicably and by consensus and consultation.

#### 5. EFFECTIVE TERM

This Memorandum of Understanding:

- a. Is effective on the date of its signature and remains in effect for five (5) years, and will be assessed at the end of that period on whether it should be extended;
- b. May be modified by mutual written consent by the Participants; and,
- c. May be terminated by giving one month's written notice to the other Participant.

SIGNED IN DUPLICATE THIS 9TH DAY OF MAY, 2016, AT VANCOUVER, BRITISH COLUMBIA, CANADA, IN THE ENGLISH AND CHINESE LANGUAGES, EACH VERSION BEING EQUALLY VALID.

(Authorized Representative of British Columbia)

(Authorized Representative of Guangdong Province)



Teresa Wat  
Minister  
The Ministry of International Trade



Fu Lang  
Director General  
The Foreign Affairs Office

## **Progress on MOU between B.C. and Guangdong on Enhancing Maritime and Economic Connectivity Building on the One Belt One Road Initiative**

### **Accomplishments to Date under *Cooperation Priorities***

#### **A. Expanding two-way investment:**

- ***Guangdong investment in Ballard***

- On May 9, 2016, Ballard and Guangdong Nation Synergy Hydrogen Power Technology Co., Ltd. signed a technology transfer framework agreement in Vancouver during Guangdong Party Secretary Hu's visit to B.C.
- On July 26, 2016, Ballard announced that Zhongshan Broad-Ocean Motor Co., Ltd. has entered into a strategic collaboration with Ballard which includes a \$28.3 million equity investment in Ballard.

- ***Ballard investment in Guangdong***

- On July 18, 2016, Ballard Power Systems announced the signing of definitive agreements with Guangdong Nation Synergy Hydrogen Power Technology Co. Ltd. ("Synergy"). Ballard will contribute RMB 20 million (approximately \$3.0 million) for its 10% joint venture interest. In January 2017, Ballard successfully opened a WOFE in Guangzhou.

- ***Canada Mining Seminar in Beijing***

- Guangzhou-based Guangdong Rising Assets Management attended the Canada Mining Seminar in Beijing, followed by an investment investigation visit to B.C. in October 2016.

- ***Other Investment Success Stories***

- **37 Games** Guangzhou signed an investment MOU with Vancouver based virtual reality studio - Archiact Interactive Ltd., during Guangdong Party Secretary Hu's Mission to B.C. in May 2016. 37 Games acquired 10% of Archiact's shares (\$8.0 million).
- On October 17, 2017, **Quark Venture Inc.**, a Vancouver-based venture capital company, and GF Securities Company Limited, a leading investment bank in China, announced they are jointly establishing a new USD \$500 million global health sciences venture fund to be based in Vancouver.
- **The Center for Drug Research and Development (CDRD)** China Center will be built on the Biotech Island of Guangzhou. This center will focus on early stage research of pharmaceuticals. CDRD visited Guangzhou a couple of times in year 2016 and had finalized an agreement with Guangzhou Government.

#### **B. Leveraging new and existing transportation system partnerships:**

- ***China Airshow 2016, Zhuhai***

- MTW led a B.C. aerospace delegation to attend the China Airshow in Zhuhai in November 2016. During the show, Viking Air acted on a strategic partnership signed in 2015 by delivering its second Series 400 Twin Otter Aircraft to China's Reignwood Aviation Group.



**C. Expanding cooperation in natural gas:**

- **Woodfibre - Guangzhou Gas Group**

- After the HOA signing during Party Secretary Hu's visit in May 2016, GZTIR has been facilitating the communication between Woodfibre and Guangzhou Gas Group to support their further negotiation on the LNG off-take and investment agreement, which allows Guangzhou Gas to invest up to 10% in Woodfibre.

**D. Enhancing cooperation on marine scientific research and environmental practices, maritime transportation, shipbuilding and repair, and fisheries and seafood:**

- B.C. organized a Seafood Promotion Event in Guangzhou on October 31, 2016. About 100 people participated, including B.C. companies and local seafood buyers.

**E. Jointly pursuing opportunities for collaboration in the field of low carbon development and clean technology**

- **BC Hydro – Guangdong Power Grid Collaboration**

- Guangzhou TIR supported smart grid cooperation between BC Hydro and Guangdong Grid by inviting Guangdong Grid to visit the Powertech lab in Surrey in December 2016.
- B.C. TIR and MIT continue to facilitate clean energy cooperation between Ballard, and other B.C. hydrogen companies specializing in the up and down stream production of hydrogen with **Guangdong Nation-Synergy**.

**F. Exploring opportunities for greater connectivity in the areas of E-commerce and information and communication technology:**

- **Telus and Huawei** continue to work together to expand the R&D 5G lab at Telus Gardens. Huawei targets to open an office in Vancouver in 2017.
- **VIP.com**, a leading online retail platform in China with over 200+ million registered customers, visited B.C. with Party Secretary Hu in May 2016 and signed MOUs with 4 B.C. food companies, with total deals worth up to CAD \$16 million. The executives from VIP will visit B.C. again in February 2017 to explore more business opportunities.

**G. Fostering deeper people-to-people connections:**

- MIT facilitated the visit and performance by Guangdong National Orchestra in Vancouver in September 2016.
- B.C. TIR office in Guangzhou supported a total of 20 B.C. educational executive visits to Guangdong in 2016.
- Guangdong Productivity Centre delegation visited B.C. and met with MIT in November 2016.
- Zhuhai delegation visited Surrey and MIT in January 2017.

**Action Plan for 2017:**

- Panyu delegation will visit B.C. and meet with MIT in February 2017.
- Invite and facilitate the participation of a Guangdong delegation at the B.C. Tech Summit in March 2017.
- Burnaby delegation to visit Zhongshan City in March 2017.
- Recruit Guangdong delegates to attend Hydrogen Fuel Cell Conference in June 2017.
- Organize a B.C. delegation to join the Shenzhen Low Carbon Summit in 2017.
- Guangdong delegation to attend B.C. LNG conference in November 2017.





Vancouver, B.C.

## INTERNATIONAL TRADE AND INVESTMENT OFFICE

Representing the Government of British Columbia

# China's 14<sup>th</sup> Five Year plan

B.C. China Office, March 2021





**Two  
Sessions**

**14<sup>th</sup> Five-year  
Plan  
(2021-2025)**

**Long-Range  
Objectives –  
2035**



## Entering a “Well-off Society” and Moving Toward “Modernization”

### Key Targets for Year 2021:

- GDP growth - above 6%
- Fiscal deficit - 3.2%
- Energy consumption per unit of GDP – down 3%
- Increase employment – 11 million
- Increase of Consumer Price – around 3%
- Grain yield – above 0.65 trillion kg



# 14th Five-Year Plan

## Highlights



Improving the quality and effectiveness of development and maintaining sustained and healthy economic growth



Pursuing innovation-driven development and accelerating modernization of the industrial system



Creating a robust domestic market and fostering a new development pattern



Advancing rural revitalization across the board and improving the new urbanization strategy



Improving regional economic structures and promoting coordinated regional development



Advancing reform and opening up across the board and bolstering the momentum and vitality of development



Promoting green development and ensuring harmony between humanity and nature



Improving people's wellbeing and striving for common prosperity



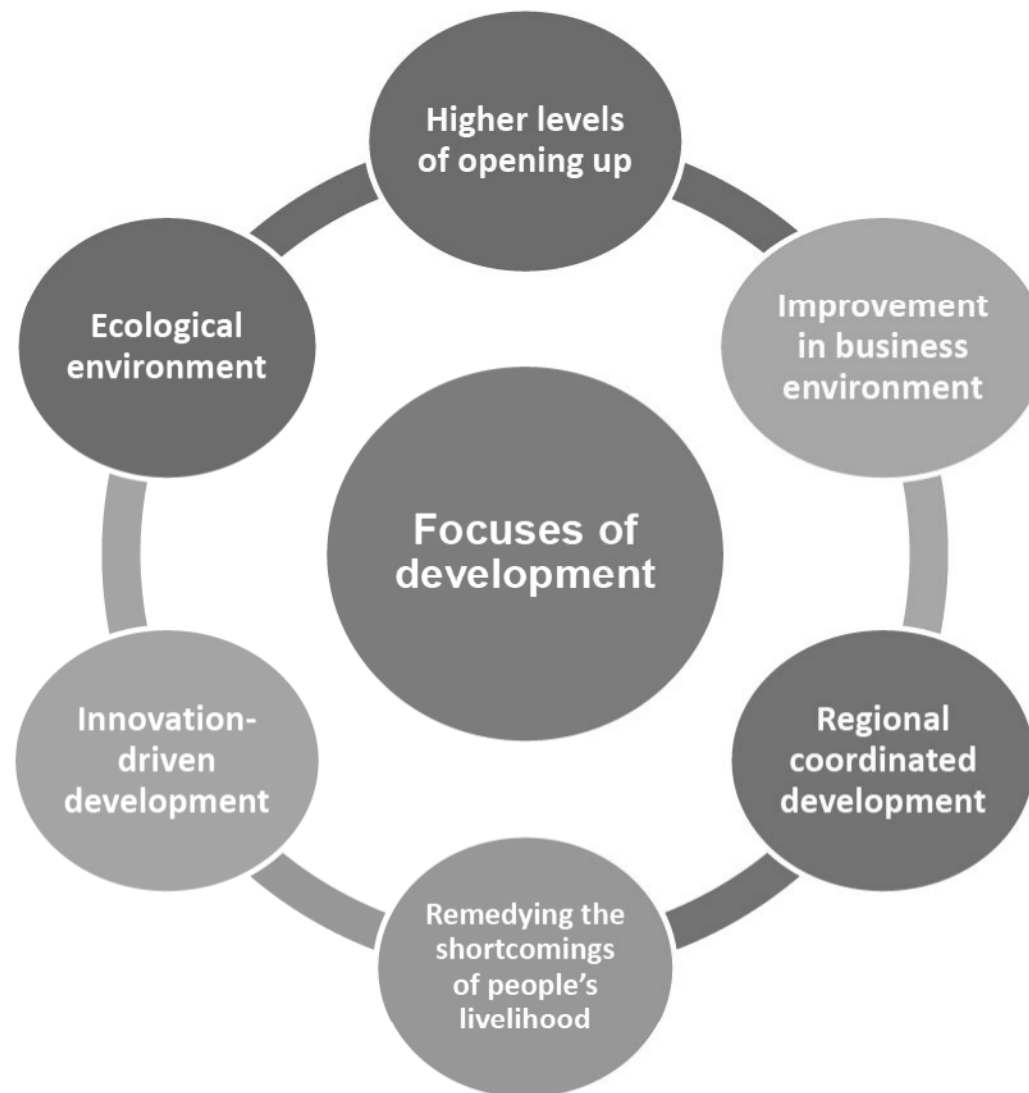
Ensuring both development and security and ushering in a new stage in building a Peaceful China

(Source: Report on the Work of Government and Reform; designed by Pamela Tobey)

## Key Targets for Year 2021-2025

- Sustained and Healthy Economic Development
  - High-speed Growth to High-quality Development
- Urbanization Rate of Permanent Residents > 65%
- Average Life Expectancy – 1 year longer
- Unemployment Rate < 5.5%
- 95% Residents Covered by Pension
- R&D Investment Annual Growth Rate > 7%



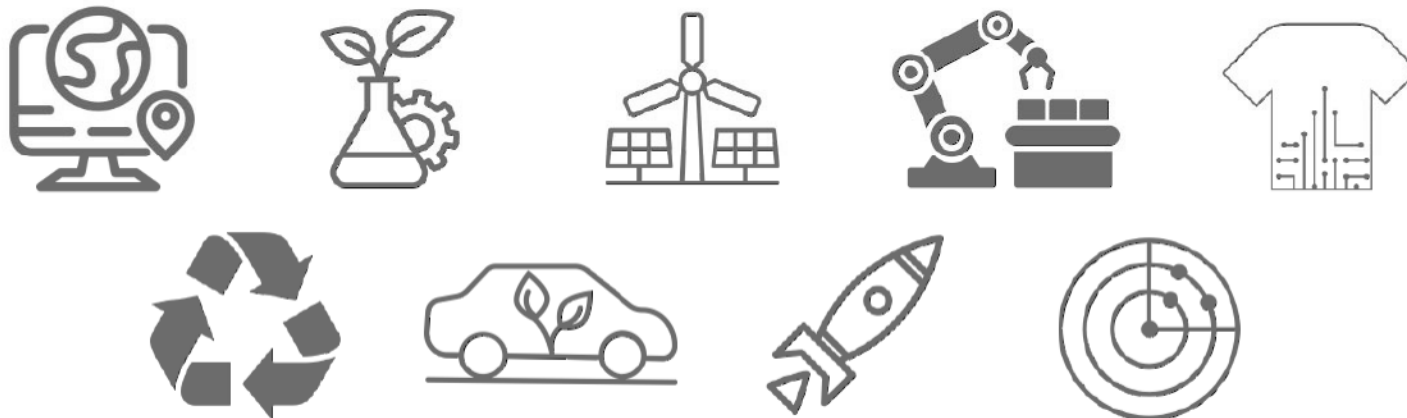


## Innovation

- National labs as the lead
- Increase the investment for basic research – 8%
- Support the establishment of International S&T Innovation Center in Beijing, Shanghai and Guangdong-H.K.-Macau Great Bay Area
- Stimulate enterprises to invest more in R&D
- Develop ocean technologies and build “Silk Road on Ice”
- Actively promote S&T openness and collaboration
- Promote S&T cooperation in public health & epidemic prevention and control
- Joint research on climate change and healthcare areas
- Implementation of scientists exchange program



## Strategic Emerging Industries



## Future Industries





## Advanced Manufacturing



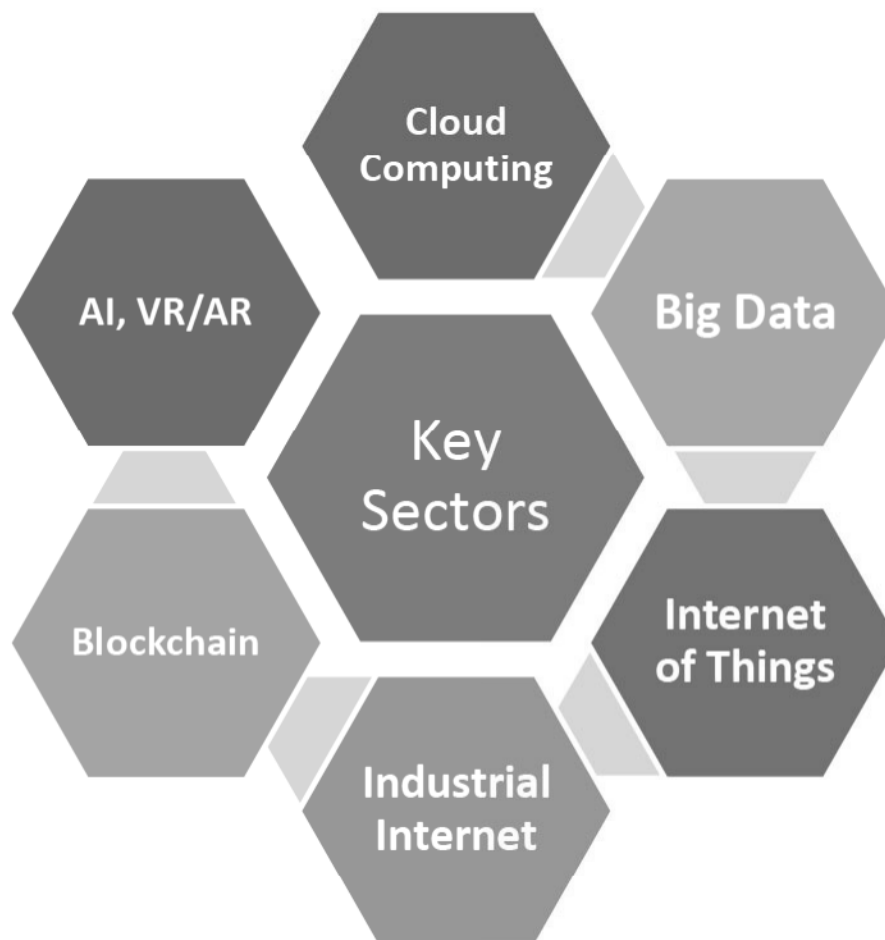
Improvement of Quality → Leap of intelligence

- Build a more innovative, higher value-added, more secure and reliable supply chain and industry chain
- Increase the competitiveness of whole industry chain for high-speed train, electric appliance, new energy and shipbuilding sectors
- Focus: IC, aerospace, shipbuilding, ocean engineering, robotics, advanced rail transit equipment, advanced electric appliance, engineering machinery, pharmaceutical and medical equipment, high-end CNC machine tools
- Upgrading traditional industries, especially chemical and paper industry

Advanced manufacturing, smart manufacturing and green manufacturing



## Digital China



## Energy

- Consumption of non fossil energy – more than 20%
- Control the development of coal power plants
- Upscale wind power and solar power, distributed power and offshore wind power
- Accelerate development of hydro infrastructure in Southwest China
- Accelerate the development of smart power grid
- Open market access for oil and gas exploration
- Accelerate the building of national pipeline network for natural gas



## Trade

- Reduce import tariffs and institutional costs
- Increase import of high-quality consumer products, advanced technology, key equipment, energy resources
- Diversified sources of import
- Accelerate the development of Cross-border E-Commerce
- Encourage the setup of overseas warehouse
- Innovatively develop service trade
- Major trade shows: China International Import Expo



## Investment

Improve the level of international two-way investment

- Increase the openness of Telecom, Internet, Education, Culture and Health sectors
- More support to foreign investment into advanced manufacturing, high-tech, upgrading of traditional manufacturing, modern service and investment into Central and Western areas.
- Support foreign companies to set up R&D center, participating national technology projects
- Encourage Chinese companies to make overseas investment innovatively
- Support Chinese enterprises to merge into global industry chain and supply chain
- Promote legislation for overseas investment



## Conclusion:

- Moderate targets
- To be independent to faces challenges
- China will slow down its outbound investment, except high-tech
- Existing investment opportunities in ICT, Cleantech and Life Science sectors
- Increasing trade opportunities in ICT sector
- Stable demands for imported agrifood products



**MEETING NOTE**

Cliff #: 153941

Date: May 17, 2021

**PREPARED FOR:** Honourable Ravi Kahlon, Minister of Jobs, Economic Recovery and Innovation; Honourable George Chow, Minister of State for Trade; Bobbi Plecas, Deputy Minister

**MEETING WITH:** Ministry trade and investment teams primarily in Asia

**DATE AND TIME OF MEETING:** Wednesday, May 19, 2021 at 7:25 PM (Pacific Standard Time) to accommodate the time zone in Asia

**AGENDA:** See Attachment 1

**ATTENDEES:** See Attachment 2

**ISSUE:** Ministers and Executive Meet & Greet Session for International Trade & Investment Team Training

**KEY POINTS:**

- The Trade and Industry Development Division created a new training program for new hires and existing team members.
- The Ministry has recently completed hiring for our trade and investment network in Asia, as well as for trade and investment positions in British Columbia (B.C.)
- Ministerial presence at this training event elevates the importance of training and demonstrates B.C.'s commitment to leveraging global opportunities to help B.C.'s economy recovery.

**BACKGROUND:**

- The purpose of the training program is to provide a common understanding of B.C. sectors, B.C. regions and the approach to export promotion and investment attraction.
- This session is the one of five training sessions. The other sessions cover topics including B.C.'s regions (May 11), investment attraction (May 17), B.C.'s exports (May 25), and Resources for Trade and Investment (pre-recorded).
- This session is an opportunity for trade and investment team members to meet with both Ministers and the Deputy Minister.
- This session will be recorded for other team members who are not able to join the live session.
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- There are plans to expand the training program to include training on other topics later in the year.

#### **DISCUSSION:**

- While overseas representatives usually travel to B.C. for in-person training and introductions, including meetings with the Ministers and other Executives in Victoria, the onboarding experience is now virtual.
- The training was developed by a cross-division working group, which involved every unit / branch in the Trade and Industry Development Division.
- The program also includes presentations from the Regional Economic Operations team in the Ministry of Forestry, Lands, Natural Resource Operation and Rural Development, along with resource linkages from the “Regional and Inclusive Economic Recovery Branch” in JERI to provide training and expertise on B.C.’s regions.
- Efforts were also coordinated with Strategic HR to ensure our program was focused in areas where our Division can add value in the training space.
- Team building can be challenging when staff are distributed across various regions and time-zones.
- The opportunity for teams to get to know each other, including the Ministers and Deputy Minister, is a powerful catalyst to boost goodwill and create team cohesion for better business outcomes.

#### **SUGGESTED RESPONSE/KEY MESSAGING:**

- See suggested Speaking Notes for Minister Kahlon (Attachment 3) and Minister Chow (Attachment 4)

#### **ATTACHMENTS:**

Attachment 1: Pre-Event / Event Agenda

Attachment 2: List of Participants

Attachment 3: Speaking Notes for Minister Kahlon

Attachment 4: Speaking Notes for Minister Chow

Attachment 5: Speaker Guide for Live Virtual Events

ADM Contact: Selena Basi, Phone (778) 974-5951

Prepared by: Gloria Yang-Mason

Reviewed by			
Dir: WH	ED: LT	ADM: SB	DM: BP



**Attachment 1 – Event Agenda** (Updated: May 17, 2021)

Special Presentation: Ministers and Executive Meet & Greet  
 Wednesday, May 19, 2021  
 On Zoom  
 7:25 PM

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Run of Show: Ministers and Executive Meet and Greet - 19 May 2021			
ZOOM MEETING LINK: <a href="https://ca01web.zoom.us/j/68645907069">https://ca01web.zoom.us/j/68645907069</a>			
Time	Role	Message / Task	Timeline
PRE-EVENT:			
7:15 PM	Flavia (Zoom host) Christine (Zoom co-host) Gloria (Event host)	<ul style="list-style-type: none"><li>Technical team opens meeting to check cameras, microphones, backgrounds, lighting, sound, connections – manage attendance / waiting room.</li></ul>	15 minutes
7:25 PM	Speakers / Panelists	<ul style="list-style-type: none"><li>Speakers will enter the meeting space prior to other participants who will wait in the "Waiting Room".</li><li>Request MRK, MGC, DM Plecas, ADM Basi, Leslie, Will and Eric to join before 7:30 PM.</li></ul>	
7:30 PM (approx)	Flavia (Zoom host)	After speakers enter the space and are ready, the rest of the participants will be admitted into meeting room.	
	Christine (Zoom co-host)	Starts Recording for Meeting.	
	Adarsh (Participants liaison)	Troubleshooting / concierge service for participants requiring technical support.	
OVERVIEW OF EVENT			
7:31 PM	Gloria (event host)	Welcome, meeting etiquette, advise session is being recorded, introduce Leslie.	1 minute
7:32 PM	Leslie (lead presenter)	Opening remarks, roll call to introduce participants, introduce Selena.	4 minutes
7:36 PM	ADM	Opening remarks, invite panel to make welcome remarks.	1 minute
7:37 PM	MRK	MRK Welcome Remarks.	3 minutes
7:40 PM	ADM	Thank MRK. Invite Minister Chow to make his remarks.	1 minute
7:41 PM	MGC	MGC Welcome Remarks.	3 minutes
7:44 PM	ADM	Thank MGC. Invite DM Plecas to make her remarks.	1 minute
7:45 PM	DM	DM Plecas Welcome Remarks.	3 minutes
7:48 PM	MRK, MGC, ADM	Panel view of MRK and MGC. ADM to set-up the conversation around themes and priorities.	13 minutes
8:01 PM	ADM	Thank Ministers who can sign off first - offer DM and ADM to stay a little longer for Q&As.	1 minute
8:02 PM	DM, ADM, and Leslie	Q&As	20 minutes
8:22 PM	Gloria (event host)	Officially close the meeting, round of thanks, remind participants of next training date.	1 minute

## Panel Discussion: Conversation around themes and priorities

### *Mandate theme questions*

Can you share what are some of the opportunities under the new mandate that you are most excited about? What are some of the priorities, within the mandate or otherwise that you are focused on from a trade/investment perspective? What should staff in market be thinking about as priorities when they are conducting trade and investment facilitation work?

### *Lessons from COVID-19*

What are some important lessons learned from the COVID -19 pandemic that you think should shape our trade and investment goals / strategies? What kind of provincial economy do you think will emerge post-COVID?

### *B.C.'s Advantages*

What are some of the things that you think make B.C. a great place to invest?

### *Innovation*

Where does innovation fit into the big picture?

**Attachment 2 – Participant's List (Updated: May 17, 2021)**

Pre-Event / sound check for panel: prior to 7:30 PM

Hon. Ravi Kahlon	Minister of Jobs, Economic Recovery & Innovation
Hon. George Chow	Minister of State for Trade
Bobbi Plecas	Deputy Minister
Selena Basi	Assistant Deputy Minister
Leslie Teramoto	Executive Director, Int'l Trade & Investment Operations / Sponsor of Training Event
William Hoyle	Director, Global Markets / Champion of Training Event
Eric Ommundsen	Director, Export Services and Missions / Lead for Technical Support Team
Gloria Yang-Mason	Event Host and Project lead
Flavia Stoica	Zoom Meeting Moderator – will host meeting and manage waiting room
Christine Chen	Zoom Meeting Co-Moderator, will record the meeting
Adarsh Ravindranath	Participants' coordinator and on-line concierge support

Invited List of participants' joining meeting after 7:30 PM

<b>Name</b>	<b>Function</b>
Cathy Yao	Managing Director, Greater China (based in Guangzhou)
Leanne Yi	Senior Commercial Officer, China (based in Guangzhou)
Galahad Gao	Senior Commercial Officer, China (based in Guangzhou)
Patrick Lyu	Commercial Officer, China (based in Guangzhou)
Michelle Zhang	Commercial Officer, China (based in Shanghai)
Yvonna Zou	Commercial Officer, China (based in Beijing)
Vijeyta Khanolkar	Trade and Investment Representative (based in Mumbai)
Annette Naidu	Office Executive (based in Mumbai)
Karunamayi Mallesh	Trade and Investment Representative (based in Hyderabad)
Rohit Bansal	Trade Commissioner (based in Chandigarh)
Rooma Bussi	Managing Director, India (based in New Delhi)
Amarbir Anand	Director, India (based in New Delhi)
Debora Gracia	Commercial Officer, Indonesia
Lisa Qiu	Senior Commercial Officer, Singapore
Joan Teng	Commercial Officer, Singapore
Tomoko Nakasuji	Commercial Officer, Japan
Christopher Malcolm	Senior Commercial Officer, Japan
Michiko Aoshima	Acting Commercial Officer, Japan
Derrick Kim	Senior Commercial Officer, Korea
Jennifer Maeng	Commercial Officer, Korea
William Fox	Managing Director, USA
Rupert Potter	Managing Director, Europe
Aki Ito	Senior Manager, Japan (based in Vancouver, B.C.)
Harbs Bains	Senior Manager, India (based in Vancouver, B.C.)
Janet Cho	Senior Manager, ASEAN (based in Vancouver, B.C.)
Raymond Zhu	Senior Manager, Greater China (based in Vancouver, B.C.)
Tuan Bui	Senior Manager, Korea (based in Vancouver, B.C.)
Sila Sahin	Senior Manager, United States (based in Vancouver, B.C.)
Rosabelle Doyle	Senior Manager, Europe (based in Vancouver, B.C.)
Cindy Wan	Senior Manager, Export Services (New Hire – based in B.C.)
Andrew Hamilton	Senior Manager, Investor Services (New Hire – based in B.C.)
Lee Haney	Manager, Export Services (New Hire – based in B.C.)
Mica Munro	Senior Manager, Business Intelligence (New Hire – based in B.C.)
Cole Van Hinte	Co-op, Marketing (New Hire – based in B.C.)
Eileen Yeo	Event documents support and recent hire
Jessica Prince	Joining May 24 as Executive Director, Strategy, Intelligence, Marketing & Industry
Julia Diamond	Director, Strategic Initiatives
Jeff Rafuse	Acting Executive Director, Strategy, Intelligence, Marketing & Industry
Steve Anderson	Executive Director, Trade Policy and Negotiations





**Speaking Notes for**  
**Minister Ravi Kahlon**  
**Ministry of Jobs, Economic Recovery and Innovation**

TIDD Onboarding Training for Overseas Teams in Asia

Wednesday, May 19, 2021

7:25 – 8:10 p.m.

Speaking time: Live, 2 to 4 mins.

**Event Description:**

Meet / greet event for Minister Kahlon, Minister Chow and Deputy Minister Plecas to meet with new trade and investment teams in Asia for a get to know you session. Ministers and DM will offer opening remarks and then join a short (15 minute) facilitated panel.

**Background:**

- New hires recently joined JERI's trade and investment promotion team. While overseas representatives usually travel to B.C. for in-person training / introductions, the onboarding experience is now virtual.

**Audience Demographic, Occupations, Interests:**

New hires working on trade and investment teams in Asia along with some representative staff from within the Trade and Industry Development Division in the JERI Ministry. See meeting note for participant list.

Our in-market teams are extensions of our teams and are keenly interested in, as well as guided by the mandates and priorities of our government. This provides an engaging way for them to feel excited and enthusiastic about helping us deliver on our important trade and industry development mandate.

## Introduction

- **Good evening to those in British Columbia and good morning to those of you joining us in Asia.**
- **I would like to take a moment to acknowledge that I am speaking to you from (INSERT territory tbc – depending on location territory of the Coast Salish peoples if joining from Delta; territory of the Musqueam, Squamish and Tsleil-wauthuth [SLAY-wuh-tooth] peoples if downtown Vancouver; or territory of the Lekwungen [La-KWUNG-en] people and the Songhees and Esquimalt Nations if in Victoria).**

- **It's great to be here. I'm glad to be joining you at your training session.**
- **And a warm welcome to all the new staff who are joining team B.C.**
- **I know there was a competitive process to recruit into your roles, so a congratulations to all.**
- **We are lucky to have your skills and talent representing us around the world.**
- **You are the face of British Columbia abroad.**
- **And you play a vital role in our plan for economic recovery during these most unprecedented times.**



- **While you may be working for us half a world away, we are seeing the same accelerating global challenges – from the pandemic to the climate crisis – which knows no borders.**
- **The COVID-19 pandemic has impacted people and businesses around the world – in your neighborhood ... and in my neighborhood.**
- **We need to work together. And I'm glad you're on the team for B.C.**
- **Our government's approach to economic recovery is guided by three pillars: innovation, sustainability, and inclusiveness.**

- **Innovation – because this pandemic has accelerated the pace of change, and innovation is needed to adapt.**
- **Things we expected to happen in five to seven years are happening right now.**
- **The ways we work and communicate are changing rapidly, forcing everyone, businesses in particular, to innovate to keep up.**
- **Our second pillar is Sustainability – because we cannot ignore climate change.**
- **B.C. is a world leader in clean, renewable energy.**

- **We are also a responsible, low-carbon producer of products like agri-foods as just one example.**
- **We are working to ensure that sustainability is reflected in British Columbia's brand and part of our global competitive advantage.**
- **As we work to rebuild our economy, we have an opportunity to do it in ways that reduce our impact on our climate.**
- **As the pandemic has made very clear, we are tied together as a global community.**

- **We know that, like British Columbia, other jurisdictions, including those in Asia are focusing on the fight against climate change, and looking for ways to increase sustainability and reduce emissions from their own industries and economic activities.**
- **We know that through your knowledge, intelligence and connections, we will be able to forge meaningful trade, investment and innovation opportunities to promote made in B.C. sustainable solutions to help solve these global challenges.**

**Pause**

- **I want to talk a little about how I expect we should work together to deliver on our mission.**

- **I ask that you abide by a few core tenets  
– that is,**
- **To work with integrity.**
- **To uphold the values of British Columbians  
where we will treat every person with  
dignity.**
- **To build on innovation.**
- **To be champions of opportunity.**

Pause

- **I also want to say nobody has a monopoly on  
good ideas.**

- **And I want to hear your ideas.**
- **You hold an important perspective from where you are based.**
- **I encourage you to bring forward your thoughts. This is how innovation works so please do continue to share your knowledge and your ideas with the team at headquarters.**

Pause

- **I also want you to keep in mind, as you deliver excellence in the services – the question to ask yourself is this – ....**

- **How will what I do benefit the people of British Columbia?**
- **How will my effort ... this initiative ... this project ... this outreach ... answer B.C.'s needs and help deliver on our mission.**
- **How will my role as a representative for B.C. overseas contribute to our overall economic recovery efforts, and will these opportunities lead to better jobs, wages and outcomes for British Columbians?**
- **The quality of our trade and investment opportunities is as important as the quantity.**

- **Now more than ever, we see an opportunity to restate to the world who British Columbia is, solidify our trading relationships, and welcome new investment and partnership opportunities.**

## **Conclusion**

- **I'll stop here by noting that training is so critical to making continuous improvements and improving efficiencies.**
- **I'm glad to see all of you making time to train from the start so we are all starting from the same foundation.**
- **And I know how important training is.**



- I think we are off to a great start and I look forward to the upcoming conversations.
- Thank you to all of you for all the work you do and your tireless dedication.

**END**

## **PANEL QUESTIONS:**

### *Mandate theme questions*

Can you share what are some of the opportunities under the new mandate that you are most excited about? What are some of the priorities, within the mandate or otherwise that you are focused on from a trade/investment perspective? What should staff in market be thinking about as priorities when they are conducting trade and investment facilitation work?

### *Lessons from COVID-19*

What are some important lessons learned from the COVID -19 pandemic that you think should shape our trade and investment goals / strategies? What kind of provincial economy do you think will emerge post-COVID?

### *B.C.'s Advantages*

What are some of the things that you think make B.C. a great place to invest?

### *Innovation*

Where does innovation fit into the big picture?



**Speaking Notes for**  
**Minister of State for Trade George Chow**  
**Ministry of Jobs, Economic Recovery and Innovation**

TIDD Onboarding Training for Overseas Teams in Asia

Wednesday, May 19, 2021

7:25 – 8:10 p.m.

Speaking time: Live, 4 mins.

**Event Description:**

Meet / greet event for Minister Kahlon, Minister Chow and Deputy Minister Plecas to meet with new trade and investment teams in Asia for a get to know you session. Ministers and DM will offer opening remarks and then join a short (15 minute) facilitated panel.

**Background:**

- New hires recently joined JERI's trade and investment promotion team. While overseas representatives usually travel to B.C. for in-person training / introductions, the onboarding experience is now virtual.

**Audience Demographic, Occupations, Interests:**

New hires working on trade and investment teams in Asia along with some representative staff from within the Trade and Industry Development Division in the JERI Ministry. See meeting note for participant list.

Our in-market teams are extensions of our teams and are keenly interested in, as well as guided by the mandates and priorities of our government. This provides an engaging way for them to feel excited and enthusiastic about helping us deliver on our important trade and industry development mandate.

## **Introduction**

- **Hello and thank you for having me join you at this training event.**
- **I would like to take a moment to acknowledge that I am speaking to you from (TBC) the territory of the Coast Salish peoples, – or the territory of the Musqueam, Squamish and Tsleil-wauthuth [SLAY-wuh-tooth] peoples.**
- **I would also like to extend a warm welcome to all the new hires joining us right now on the Asia team.**
- **I'm happy to see some familiar faces.**

- **Congratulations to all of you who succeeded in a competitive recruitment process.**
- **I recognize your talents and that you must be bright, involved, educated, and experienced to fill this role. British Columbia is lucky to have you represent us on the world stage.**
- **Minister Kahlon has already said this – but it is worth repeating.**
- **All of you play a very critical role in helping us deliver on our economic recovery plan.**
- **British Columbia needs global opportunities.**

- **And you are on our front lines - speaking for us and presenting the best that B.C. has to offer to the world.**
- **I am very excited to be in my role as Minister of State for Trade.**
- **As many of you will know, the Premier has given me a new mandate to develop a Trade Diversification Strategy that I am very excited about.**
- **Trade diversification is about securing more opportunities for British Columbian exporters to compete and succeed in fast-growing global markets...**
- **... and about solidifying B.C.'s position as an ideal place to invest.**

- **This will put B.C. in the best position to recover from the economic impacts of COVID and seize new opportunities for export and investment.**
- **It is also an opportunity to diversify and amplify, B.C.'s range of product offerings...**
- **...ensuring B.C. companies are maximizing opportunities, hitting the right product mix in the right markets, as well as opening pathways for investment.**
- **Working together we can promote B.C. as a clean, quality supplier of sustainable, innovative goods and services.**

- **This will not only support B.C.'s strongest and most reliable export sectors such as forestry, mining and agri-foods ... it will also position B.C.'s emerging and growth sectors such as LNG, clean-tech, bio-tech and agri-tech for success.**
- **As we work toward a sustainable, inclusive, and innovative economic recovery here in B.C., I look to you to continue to work hard to open doors for B.C. companies around the world**

PAUSE



- **I also want to take this opportunity to say I have had the pleasure of participating in several trade missions for the Ministry over the last 4 years – to China, Japan, and Korea in particular prior to the pandemic ....**
- **I want to thank all the teams for their past hard work and dedication.**
- **And I look forward to meeting the new team members and re-connecting with those of you I've met before.**

PAUSE

- **Each year, I submit a report to Cabinet on my outcomes related to trade activities for my mandate letter.**

- **I was particularly pleased to have had the opportunity to also profile the tremendous work the Trade and Industry Development Division has done over the past year during a global pandemic.**
- **It was impressive how you kept things going in B.C. and in the overseas offices. I saw you shift and adapt and use innovation to continue our work during uncertain times.**
- **I look forward to when we can beat this virus and I will be able to travel out to the region again soon.**
- **I look forward to the conversation on the panel and will turn it back to the moderator.**

- Thank you.

**END**

## **PANEL QUESTIONS:**

### *Mandate theme questions*

Can you share what are some of the opportunities under the new mandate that you are most excited about? What are some of the priorities, within the mandate or otherwise that you are focused on from a trade/investment perspective? What should staff in market be thinking about as priorities when they are conducting trade and investment facilitation work?

### *Lessons from COVID-19*

What are some important lessons learned from the COVID -19 pandemic that you think should shape our trade and investment goals / strategies? What kind of provincial economy do you think will emerge post-COVID?

### *B.C.'s Advantages*

What are some of the things that you think make B.C. a great place to invest?

### *Innovation*

Where does innovation fit into the big picture?

# Speaker Guide

## Device Preparation

Before event day, follow these steps to ensure your device is ready to present your virtual session.

### Download Zoom

Download the Zoom Client for meetings on the device you will be presenting with. This ensures you have access to additional meeting controls that are not available in the browser version. If you don't already have a Zoom account, you can sign up for a free one.



### Test Your Internet Speed

Your internet speed should be at least 10 Mbps upload. There are plenty of sites you can use to [test your internet speed](#). If you can, plug your computer directly into the router using an Ethernet cable. If that's not possible, move as close as you can to the router.

### Test a Zoom Meeting

To practice the presentation, start a Zoom meeting by clicking "New Meeting" within the app.

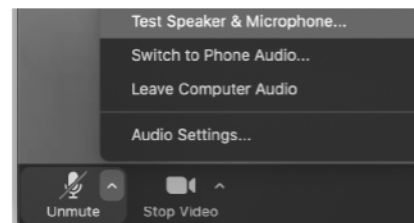


## Presentation Practice

Before event day, get comfortable with the meeting controls. Practice muting/unmuting, turning video on/off, and sharing your screen.

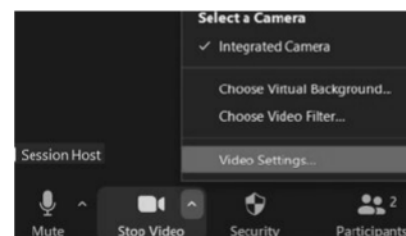
### Audio Settings

Select the up arrow on the "Mute/Unmute" button in the bottom left-hand side of the window. Select "Test Speaker & Microphone."



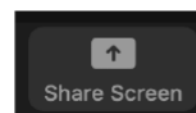
### Video Settings

Select "Start Video" on the bottom left-hand side. You should be able to see yourself. If you are unable to see yourself, click the up arrow in the start video box and select the camera you would like to use.



### Screen Share

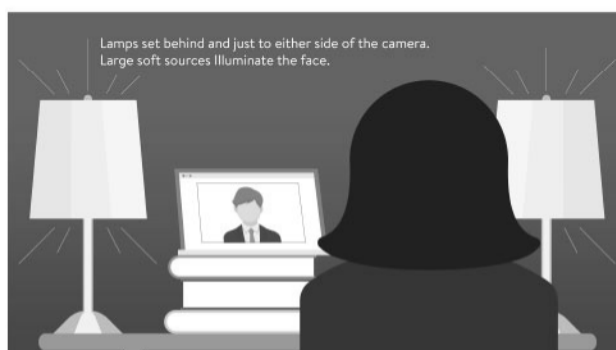
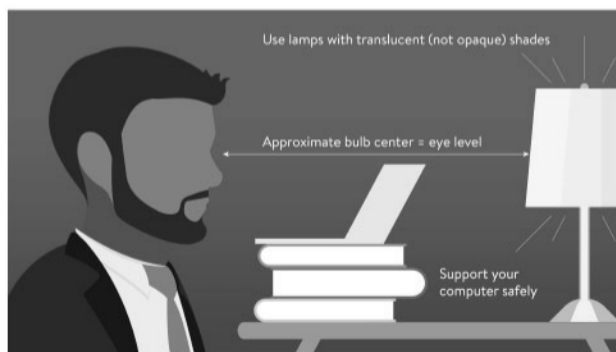
Practice sharing your presentation by clicking the "Share Screen" button. Select the screen you want to share. Make sure your presentation is downloaded and saved to your computer. Do not share content from sharing sites that rely on the internet.



# Speaker Best Practices

## Practice and Prepare

- Know your content and practice it. Try to memorize as much as possible.
- Keep track of the time it takes you to get through your presentation.
- If you have notes or a script, keep the digital or printed document on a stand at eye level.
- Notifications on your computer should be turned off.
- Close all other apps and browser tabs on your computer to reduce CPU load.



## Environment and Acoustics

- Make sure to present from a room with minimal echo and distractions.
- We recommend using USB mics or Laptop mics; earbud mics are not recommended.
- Make sure your microphone is adjusted and working correctly.

## Appearance

- Solid colors look best on camera.
- Avoid patterns, black, or white garments.
- Avoid waving your hands or moving too much.
- Avoid touching your face.
- Avoid leaning forward into the camera.

## Position

- The camera should be positioned at eye level.
- Keep your eyes in the top third of the frame.
- You should be centered in the frame with the top of both shoulders visible.
- Avoid too much head room at the top.

## Camera

- If a webcam looks better than your computer camera, use it.
- Maintain eye contact with the camera.
- The background should not be distracting; move any clutter out of frame.
- Virtual backgrounds are not recommended, as they take up too much computing power.

## Lighting

- Use natural lighting to brighten the room.
- If you can, face a window or use enough front light, so your face is clearly visible.
- You can also try placing a lamp behind your webcam or to both sides.

**INFORMATION NOTE**

Cliff #: 153769

Date: May 12, 2021

**PREPARED FOR:** Honourable George Chow, Minister of State for Trade

**ISSUE:** Update on internal trade files.

**BACKGROUND:**

The Trade Policy & Negotiations (TPN) Branch is currently working on several key internal trade files (see Attachment 1 – Internal Trade Project Chart). In addition to the regular internal trade files, British Columbia (B.C.) is currently the Chair of both the Ministerial Committee on Internal Trade and the Regulatory Reconciliation and Cooperation Table.

**DISCUSSION:**

The Internal Trade Project Chart (Project Chart) provides a listing of the internal trade work currently underway. This work is summarized below:

**New West Partnership Trade Agreement (rows 8-11 in Project Chart)**

s.16

s.16 On the administrative side, B.C. has partially completed the appointment of panel roster members for the bid protest mechanism (BPM) and dispute resolution mechanism; the Crown Agencies and Board Resourcing Office (CABRO) has identified two additional candidates to make B.C.'s panel roster more inclusive, and is proceeding with recommendations for the appointments of two female candidates. Finally, staff continue to receive and respond to requests for NWPTA trade advice from other Ministries and external sources.

s.13; s.16

**Ministerial Committee on Internal Trade (rows 21-22 in Project Chart)**

The Ministerial Committee on Internal Trade (CIT) was established under the CFTA, and comprises the federal government, provinces, and territories. B.C. is currently serving as the 2021 Chair and will be planning a Ministers' CIT meeting for fall 2021. Possible meeting agenda topics will be developed by federal, provincial, and territorial trade officials, and may include issues raised by Premiers through the Council of the Federation.

**Regulatory Reconciliation and Cooperation Table (rows 25-65 in Project Chart)**

The Regulatory Reconciliation and Cooperation Table (RCT) was established under the CFTA, and comprises the federal government, provinces, and territories. B.C. is currently serving as the 2021 Chair. As Chair, B.C. is responsible for leading the annual consultation of external stakeholders on regulatory barriers, developing the RCT workplan for 2021-22, working with other jurisdictions on difficulties and challenges they are facing in the reconciliation negotiations, preparing an annual report, preparing RCT meetings, and communications.

s.13; s.16

**NEXT STEPS:** Staff will provide Minister with a verbal briefing on the above.

**ATTACHMENTS:**

1. Internal Trade Project Chart

ADM Contact: Selena Basi, (778) 974-5951

Prepared by: Chelsie Luciani, Senior Manager,  
Trade and Industry Development Division

Reviewed by			
Dir: RM	ED: SA	ADM: SB	DM: BP

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Withheld pursuant to/removed as

s.13 ; s.16



**INFORMATION NOTE**

Cliff #: 154459

Date: May 20, 2021

**PREPARED FOR:** Honourable Ravi Kahlon, Minister of Jobs, Economic Recovery and Innovation

**ISSUE:**

The Working Opportunity Fund (EVCC) Ltd. (the “Fund”) was established in 1992 as an Employee Venture Capital Corporation (EVCC) under B.C.’s *Employee Investment Act* (the “Act”) to encourage tax credit supported investment by B.C. residents into small and medium-sized innovative, high growth B.C. businesses. The Fund is managed by Pender Fund Capital Management Ltd., and the Fund’s compliance with the Act is administered by the Ministry of Jobs, Economic Recovery and Innovation (JERI).

The Fund held a virtual annual general meeting (AGM) on May 18, 2021, during which the shareholders voted to sell their shares to Pender Growth Fund Inc. (Pender Growth), thereby allowing Pender Growth to acquire the Fund’s assets.

Subject to the approval of the transaction by the B.C. Supreme Court, Pender Growth will request the ministry to de-register the Fund as an EVCC under the Act, in order for the asset sale to proceed.

This note is prepared to inform the Minister of the ministry’s involvement with the transaction. GCPE has prepared key messages in the event of potential media inquiries.

**KEY POINTS:**

- The Fund was established in 1992 under the Act to encourage B.C. residents to make equity investments in eligible small and medium-sized innovative B.C. businesses. Investors in the Fund received tax credits from the provincial and federal governments.
- The ministry is responsible for ensuring the Fund complies with the requirements of the Act, including ensuring the Fund invests the required amounts in B.C. businesses, and maintains the investments in businesses for the required period of time.

- Pender Growth's acquisition of the Fund's assets is being done under a Plan of Arrangement (the "Arrangement") which requires B.C. Supreme Court approval. The Arrangement is scheduled for court review on May 25, 2021.
- Subject to the court's confirmation of the Arrangement, Pender Growth will request that the ministry de-register the Fund as an EVCC under the Act. De-registration as an EVCC is necessary for the asset sale to complete. The request for de-registration is expected after May 28, 2021.
- The Fund has performed poorly for investors, and in 2014, due to the Fund's liquidity problems, it ceased redeeming its Venture Series of shares which stopped shareholders from cashing in their shares.

s.13

## BACKGROUND:

The Fund was established in 1992 as an EVCC (also known as a Labour Sponsored Fund) under the Act.

Between 1992 and 2001, the Province provided financial assistance to the Fund. This consisted of \$300,000 for start-up and administration costs; \$300,000 towards the costs of the Fund delivering economic education programs to B.C. employees; and a loan guarantee of \$2 million to cover funds borrowed by the Fund from a financial institution.

The Fund has a 12 person board of directors elected from the Fund's union sponsors. The board is responsible for the Fund's strategy and performance, including appointing a fund manager to oversee day to day operations. The current fund manager is Pender Fund Capital Management Ltd. (Pender Capital), a private sector fund manager based in Vancouver.

Since its creation in 1992, the Fund has raised approximately \$700 million from investors of which around \$600 million was invested in over 130 B.C. businesses.

The Fund has approximately 19,000 B.C. shareholders. Between 1992 and 2013, when the Fund ceased raising investment, the Province issued approximately \$105 million in tax credits to investors.

The acquiring fund manager is Pender Growth, an affiliate of the Pender Capital, the Fund's fund manager. Given the actual and perceived conflict, the board engaged an independent firm, Deloitte LLP, to provide an opinion on the fairness of the transaction. This was distributed to investors as part of the AGM information circular.

The ministry is responsible for the Act and for ensuring the Fund complies with the requirements of the Act. The Minister, through the Deputy Minister, appoints an Administrator of the Act. The Administrator is a JERI employee, and is the Director of Tax Credit Programs.

The ministry has monitored the Fund to ensure it meets the on-going requirements of the Act. There are no compliance issues with the Fund.

## **DISCUSSION:**

In the late 1990s and early 2000's, the Fund was an important part of B.C.'s venture capital community. However, from the mid-2000s onwards the Fund performed poorly for investors and other venture capital investment vehicles have provided alternative sources of capital for B.C.'s small businesses.

The Fund ceased raising investment in 2013, and since then has concentrated on managing its existing portfolio of companies. The Fund's investment portfolio is primarily comprised of shares of technology companies that are highly illiquid and consequently the Fund has struggled to grow and sell the companies in order to return cash to investors. In 2014, the Fund suspended the redemptions of its Venture Series of shares.

In March 2019 the Fund's board instructed Pender Capital to develop a plan to reorganize the Fund's assets in order to attract potential buyers, and so realize income to return to shareholders.

On April 7, 2021 the Fund entered into a definitive arrangement agreement with Pender Growth for the proposed acquisition of all its assets. The Arrangement was reviewed by the B.C. Supreme Court and the Fund was given an Interim Order to proceed and hold an AGM, at which the shareholders would vote on the offer.

At the AGM on May 18, 2021 shareholders voted to accept Pender Growth's offer to purchase the Fund's assets at 43.5% of the net asset value (NAV) of the Fund. Shareholders will receive approximately \$26.6 million of the Fund's NAV of \$61.2 million.

The shareholders' vote does not require any shareholders to repay tax credits to the Province, nor does it impact their right to receive tax credits if they invest in small businesses under the province's Venture Capital Tax Credit Program.

## **NEXT STEPS**

The Arrangement, and the outcome of the AGM vote, is scheduled to go back to the Supreme Court on May 25, 2021. Subject to the court issuing a Final Order confirming the Arrangement, the Fund will then request the Administrator confirm in a letter that the Fund's registration as an EVCC is revoked.

The revocation the Fund's EVCC status confirms that the Act no longer applies to the Fund, and consequently, for example, the Fund no longer has to comply with requirements such as filing annual returns with the ministry, or limiting the percentage of voting shares the Fund can own in a small business.

The Fund's request to the Administrator to revoke its EVCC status is expected after May 28, 2021.

## KEY MESSAGES

The acquisition of the Fund's assets is being done under a Plan of Arrangement, under the BC Corporations Act, which requires B.C. Supreme Court approval.

The Fund's board of directors are responsible for the Fund's performance and recommended shareholders approve the asset sale as the best available option.

The ministry's role is to ensure the Fund complies with the requirements of the Act, which the Fund has done. As with any private sector fund, the ministry does not have the authority to intervene to compel the Fund's board to revisit its policies or decisions.

Assoc. DM Contact: James Harvey, 250-356-8800

Prepared by Matthew Brown, Director, Tax Credit Programs, Competitiveness and Investment Division

Reviewed by			
Dir:	A/ED: MB	ADM: JH	DM: BP