



Report to: Development Services Committee

Date Report Authored: May 16, 2017

SUBJECT: Business Mission to Japan November 25 – December 2 2017.
PREPARED BY: Stephen Chait, Director, Culture & Economic Devt., ext.4871

RECOMMENDATION:

- 1) That the report dated May 16, 2017 entitled “Business Mission to Japan November 25 – December 2, 2017” be received;
- 2) And that the City of Markham be represented by a four-person delegation composed of the Mayor, the Chair of the Economic Development Committee, the Director of the Culture & Economic Development Department, plus one additional member of Council;
- 3) And that the total cost of the mission to a maximum amount of \$49,000.00 be funded from the 2017 operating budget account t #610-998-5811 “International Investment Attraction” account;
- 4) And that Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Not applicable.

PURPOSE:

The purpose of this report is to obtain approval for a four-person delegation composed of the Mayor, the Chair of the Economic Development Committee, the Director of the Culture & Economic Development Department, plus one additional member of Council to lead an 8-day business mission to Japan departing Markham on November 25th and returning December 2nd 2017.

Japan is Markham’s second largest foreign source of employment (jobs) and the home country of many of Markham’s leading technology companies. The city has enjoyed excellent relations with the management of local Japanese-owned firms, but has never visited Japan to thank the head office executives for their investment in Markham and to learn more about how the city can win new business mandates and attract more Japanese employers to locate in Markham.

This first business mission to Japan is an integral part of Markham’s Economic Strategy, “Markham 2020”. The mission focuses on several of Markham’s targeted economic sectors including information technology, automotive industry software and R+D, advanced manufacturing and electronics. It also addresses the strategic objectives of building Global Markham and Branded Markham.

OPTIONS/ DISCUSSION:

Japan is the world's 3rd largest economy with total Gross Domestic Product (GDP) of \$4.1 trillion (US). Japan is Canada's 4th largest export market, and is Canada's 6th largest source of foreign investment.

In Markham, Japanese businesses are the city's 2nd largest source of foreign investment with 17 companies providing over 2,200 jobs. Leading Japanese companies in Markham include:

Automotive

Honda
Kubota
NGK Spark Plugs
WEINS

Consumer Electronics

Casio
Citizen Watch
Pioneer Electronics
Toshiba

Industrial Products

Mitsubishi Electric
Murata Power Solutions

Cosmetics & Pharma

Astellas Pharma
Shiseido

Medical Technologies

SonoSite
Toshiba Medical

Business Machines

Epson
RISO

Canada and Japan have been working toward a free trade agreement. In February 2016 Canada and Japan were among the signatories to the Trans-Pacific Partnership (TPP). Both countries desire increased trade flows and the associated additional foreign direct investment (FDI) that will generate more jobs and prosperity. The City of Markham is an important stakeholder in Canada-Japan economic relations and can increase its share of future FDI by intensifying its established business relations and raising Japanese awareness of Markham as superior place to invest and establish new businesses.

Objectives of the Mission

The Markham business mission to Japan will pursue the following objectives:

1. Strengthen business ties to leading global companies headquartered in Japan.
2. Learn about Japanese corporate investment and expansion plans.
3. Identify opportunities to attract investment and create jobs in Markham.
4. Learn about innovative companies and organizations in Japan.
5. Promote awareness of Markham, York University, Seneca College and ventureLAB in Japan.

Design of the business mission

In order to ensure that the business mission is effective in achieving the desired results, over the past year economic development staff together with the Mayor and the Chair of the Culture & Economic Development Committee have engaged in meetings, interviews and events in the Greater Toronto Area with Japanese business leaders, government officials and trade representatives. The following findings (and advice received) are central to the design of Markham's business mission to Japan:

1. The management teams of Japanese companies located in Markham are proud that the Mayor and Council want to visit the Japanese head offices and are committed to hosting the Markham delegation and arranging business meetings and tours.
2. The Japanese Consul General in Toronto and executives from the leading Japanese business associations in the GTA have given their support to the Markham mission and made valuable introductions to business travel advisors and business event organizers.
3. The newly appointed Ontario investment and trade representative met with Markham staff before relocating to Tokyo and will accompany and support the Markham delegation in Japan.
4. The Markham business delegation will be accompanied by a bilingual business translator, and will be supported by a new City of Markham DVD in Japanese.
5. The Canadian Chamber of Commerce in Japan will host a business reception in Tokyo for Canadian ex-pats, York University and Seneca College grads/alumni.
6. Canada's Ambassador to Japan will host the Markham delegation for a business orientation briefing at the Embassy of Canada in Tokyo.

Recommended Itinerary

The main business mission components include: visits to the headquarters and operations of Japanese businesses already established in Markham; an investment attraction business reception held in collaboration with York University and the Canadian Chamber of Commerce in Japan, and meetings with the Canadian and Ontario legations in Japan.

Saturday, November 25th :

- Depart Toronto on direct flight to Tokyo

Sunday, November 26th :

- Arrive in Tokyo
- Orientation briefing at hotel

Monday, November 27th : Tokyo

- Meetings at Canadian Embassy
- Visit Honda HQ in Aoyama
- Business reception with York U. Seneca & Cdn. Chamber of Commerce in Japan

Tuesday, November 28th : Tokyo

- Visit Mitsubishi Electric HQ in Marunouchi
- Business meetings with potential investors

Wednesday, November 29th : Yokohama

- Visit Yokohama Toyopet (WEINS) HQ
- Transfer to Nagoya

Thursday, November 30th : Nagoya

- Visit Toyota HQ in Nagoya and Toyota City

- Visit NGK HQ and factory tour

Friday, December 1st : Kyoto

- Visit Murata HQ in Nagoya and factory tour
- Closing mission dinner and reception

Saturday, December 2nd : Tokyo

- Depart Tokyo on direct flight to Toronto
- Arrive in Toronto

Delegate Recruitment

It is recommended that the Markham delegation not exceed 12 persons, as the primary purpose of the mission is to meet with Japanese headquarter executives and to express appreciation for their investment and confidence in Markham. In addition to the 4 City of Markham delegates, another 6-8 delegates will be recruited from the Markham business, academic, scientific and real estate community. Commitments have already been received from York University, Seneca College and ventureLAB. Five additional individuals have expressed their strong interest in joining the delegation.

FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)

The City of Markham will contract with the Toronto office of JTB Group for all Japan travel related services. JTB is the number one travel agency in the Asian tourism market, and the unanimous recommended travel service by all of Markham’s Japanese business leaders and the office of the Consul General of Japan in Toronto. JTB was established in 1912 as the Japan Tourist Bureau and now has 516 offices in 100 cities and 36 countries and regions. The per delegate cost of the business mission (payable to JTB International) is \$8,500.00 Canadian. This includes the costs of in-market translation services, a full time travel host, and all airfare and inter-city rail fare, accommodations, ground transportation and most meals.

Economic Development staff estimate that an additional \$15,000.00 will be needed for production of marketing materials and DVD, meeting and event planning, in-market events and presentations, and post-mission business follow-up.

Travel costs @\$8,500 for Mayor Frank Scarpitti, the Chair of Economic Development, the Director of Culture & Economic Development, plus a Member of Council	\$34,000.00
--	-------------

Design, translation, production of marketing materials, DVD, any additional meals, in-market events and presentations, post-mission follow-up meetings and presentations	<u>15,000.00</u>
--	------------------

Total:	\$ 49,000.00
--------	--------------

In total, City of Markham’s cost of the mission will not exceed \$49,000.00 which will be funded from the 2017 operating budget account #610-998-5811 “International Investment Attraction.”

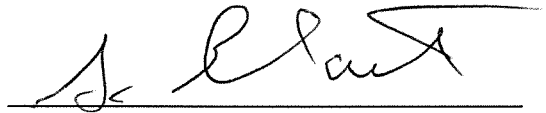
ALIGNMENT WITH STRATEGIC PRIORITIES:

The “Business Mission to Japan November 25 – December 2 2017” is an integral part of Markham’s Economic Strategy “Markham 2020”. The mission focuses on several of Markham’s targeted economic sectors including information technology, automotive industry software and R+D, advanced manufacturing and electronics. It also addresses the strategic objectives of building Global Markham and Branded Markham.

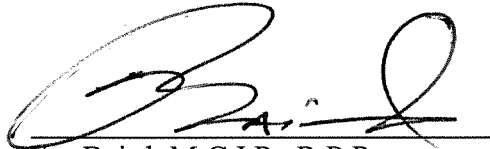
BUSINESS UNITS CONSULTED AND AFFECTED:

Financial Services

RECOMMENDED BY:



Stephen Chait, EcD., CMC
Director, Culture & Economic Development



Jim Baird, M.C.I.P., R.P.P.
Commissioner, Development Services