



Report to: Economic Development Committee

Date Report Authored: April 12, 2013

SUBJECT: Markham Civic and Business Mission to Germany,
September, 2013

PREPARED BY: Christina Kakaflikas, Manager, Special Projects, ext. 6590

RECOMMENDATION:

- 1) That the report entitled “Markham Civic and Business Mission to Germany, September, 2013” be received; and
- 2) That Markham participate in the City of Noerdlingen’s “Historisches Stadtmauerfest” (Historic Wall Festival) taking place on September 6-8th; and
- 3) That the City engage in a business and investment-focused program in Munich immediately following the visit to Noerdlingen, and
- 4) That the City be represented by a three person delegation composed of Mayor Frank Scarpitti, Councillor Carolina Moretti, Chair of the Economic Development Committee, and one Economic Development professional staff, C. Kakaflikas (Manager Special Projects); and
- 5) That the total cost of the “International Investment Attraction Program” not exceed \$34,000 and be funded from within the 2013 International Investment Attraction Operating Budget (account #610-9985811); and
- 6) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain Council approval for the City of Markham’s 2013 Civic and Business Mission to Germany. The mission to Germany will be organized in partnership with the City of Noerdlingen, the Consulate of Canada, the Ontario International Marketing Centre in Munich, the German Consulate General in Toronto, and the Canadian German Chamber of Commerce. The business mission is part of Markham’s economic strategy, “Global Markham” program undertaken to promote Markham as a preferred investment location for Markham’s four key industry clusters including Information and Communication Technology, Life Sciences, Professional, Scientific and Technical Services and other related high-tech companies.

BACKGROUND:

In 2008, Markham Council adopted the City’s 10-year Economic Development Strategy, Markham 2020. Among the key directions taken in the strategy is a purposeful decision to focus on international markets to attract international investment and promote trade and business links.

Pre-dating the adoption of *Markham 2020*, City Council approved several “Economic Alliances” of which Noerdlingen is one. On October 7, 2001 the then Town of Markham and the City of Noerdlingen signed an agreement to recognize the importance of the historical connection between Markham and the Reis area in Bavaria. Since this time there has been considerable exchange of individuals and cultural groups between the two communities. Important facilitators of this partnership have been Mr. Aksel Rinck of Noerdlingen who has visited Markham on numerous occasions, most recently in 2012 and Mr. Heinz Nitschke and Mr. Lorne Smith of Markham.

The special relationship between Noerdlingen and Markham has historical origins. In 1792 William Moll Berczy signed up approximately 200 people from Northern Germany to settle on farm land in the Genesee Valley in what is now New York State, USA. They left from Altoona, Hamburg Germany in May of 1792. After an arduous ship journey they landed in Philadelphia and traveled overland, cutting their own trail to the Genesee Valley. In 1794 Berczy made an arrangement with St. Governor John Graves Simcoe to bring the group to Upper Canada and receive free land in what is now the City of Markham. This group of settlers are considered the founding families of Markham. Berczy is also credited with being the co-founder of Toronto as he designed a number of the earliest buildings in the City.

Every three years the City of Noerdlingen presents the historic STADTMAUERFEST or Historic Wall Festival in early September. In 2013, the Wall Festival takes place September 6-8, 2013. A letter of invitation from Lord Mayor Hermann Faul addressed to the Chair of the Economic Development Committee, Councillor Carolina Moretti, is appended to this report.

OPTIONS/ DISCUSSION:

Investment and trade between Canada and Germany is very strong. Germany is Canada's eighth-largest export market and ranks fifth among Canada's suppliers. Germany has the largest economy in the European Union and the fourth largest in the world. Canada's bilateral trade with Germany has grown considerably in the past decade: Canadian imports from Germany rose from \$3.8 billion in 1990 to \$12.8 billion in 2011, while Canadian exports rose from \$2.2 billion in 1990 to \$4.0 billion in 2011.

With estimated assets of \$10.2 billion in 2010, Germany is the tenth largest foreign direct investor in Canada. At the same time, Canadian firms hold \$8.7 billion in assets in Germany. Most multinational German companies are represented in Canada, including such well-known names as Bayer, BASF, Daimler, Mannesmann, Siemens, Giesecke and Devrient, and Thyssen-Krupp. Many Canadian companies have holdings in Germany, to take advantage of market opportunities there and in surrounding countries. Notable investors include Rio Tinto Alcan, Research in Motion, CAE Electronics, Bombardier, Pratt and Whitney, Trizec Hahn and Magna (Source: www.canadainternational.gc.ca). In Markham, we are fortunate to be home to

investments and businesses owned by Siemens, Giesecke and Devrient, BMW, Mercedes Benz and Weidmuller.

2013 Markham-Germany Program

The 2013 civic and business mission to Germany will begin with the Nordlingen wall festival and will also include a stop in Munich where the program will focus on business in ICT, medical devices, automotive/engineering, and professional and technical services.

Noerdlingen

Markham and Noerdlingen have developed an active cultural exchange since a twinning agreement was signed between the two cities in October 2001. The City of Markham has received both formal/political delegations and informal delegations (students and citizen groups) on a fairly regular basis since the signing of our twinning agreement in 2001.

Examples of recent activities include:

- 2002 St. Georg's Choir visited Markham
- 2004 Mayor of Wallerstein visited Markham
- 2008 Lord Mayor Hermann Faul and Council and a 120 person delegation Nordlingen's band, Knabenkapelle Nordlingen, visited Markham
- 2008 Markham community members visit Noerdlingen
- 2011 Noerdlingen student completed intern at Markham Museum
- 2012 Mr. Aksel Rinck of Noerdlingen visits Markham

Munich

Munich is the capital and largest city in Bavaria and is the third largest city in Germany, behind Berlin and Hamburg. About 1.42 million people live within the city limits.

Munich's economy ranges from small craftsmen and the manufacturing sector to innovative services and high-growth sectors. Munich is at the heart of Germany's high-tech industries and is the leader in IT- and communication technology, media, finance and life sciences. Munich is home to around 22,000 high-tech companies in the fields of electronics, telecommunications, aviation, and aerospace as well as electrical, mechanical, and automotive engineering.

Markham's Objectives for the mission:

The mission is focused on the following specific objectives:

- Follow up on the friendship agreement signed between the City of Markham and the City of Noerdlingen by participating in the Noerdlingen wall festival
- Promote Markham as a prime investment opportunity for German-based investors and business leaders
- Strengthen business-to-business relationships between German companies with investments in Markham

Draft Agenda:

Thursday, September 5th

8:10 pm Depart for Munich

Friday, September 6th

10:00am Arrive Munich, transfer to Noerdlingen by car

Noon Arrive Noerdlingen

Afternoon Wall festival celebrations begin

Saturday September 7th

Wall festival celebrations

Sunday Sept 8th

11:00 am Formal Reception

1:00pm Grand historic parade

8:00pm Official closing ceremony

Depart for Munich

Monday September 9th - Wednesday Sept 11th

- Meetings in Munich focused on automotive headquarters, Markham company headquarters
- Government to government meetings
- Business reception with prequalified business audience in partnership with local business chamber

Thursday September 12th

Return to Markham

FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)

The City's cost of the Markham Civic and Business Mission, 2013 is approximately \$34,000 to be funded from the 2013 International Investment Attraction Operating Budget (account #610-998-5811). For the mission to Germany this includes marketing channels, organizational and promotional services and travel arrangement services in advance of and during the mission as well as the cost of airfare, accommodations, ground transportation, meals, and the production of marketing materials.

1. Per person cost is \$8,000 and inclusive of the following:
 - a) Accommodation (6 nights including breakfast)
 - b) Economy class international airfare
 - c) Ground transport
 - d) Meals
 - e) All applicable taxes including HST

2. Pre-mission Consultancy and Promotion estimated at \$5,000 and including:
 - a) Plan for in-market exposure
 - b) Provide advice to Economic Development on roundtable scenario and participants. Assist in the implementation of mission objectives
3. In-mission Consultancy and Promotion estimated at \$5,000 and including:
 - a) Host, recruit, promote and implement receptions and events in key markets
 - b) Arrange for business meetings, roundtables and events

Summary Table of Mission Costs

Description	Cost
Travel Logistics (3 persons at \$8,000)	\$24,000
Pre-mission Consultancy and Promotion	\$5,000
In-Mission Consultancy and Promotion	<u>\$5,000</u>
Total	\$34,000

ALIGNMENT WITH STRATEGIC PRIORITIES:

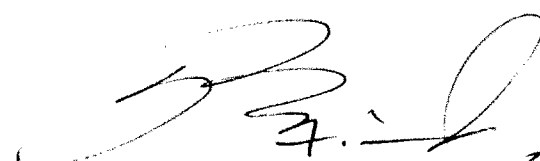
The Markham Civic and Business Mission to Germany is an integral part of the City's 10-Year Economic Strategy, "Markham 2020". The Program focuses on two of Markham's targeted economic sectors and addresses the objective of building Global Markham and Branded Markham.

DEPARTMENTS CONSULTED AND AFFECTED:

N/A.

RECOMMENDED BY:

Stephen A. Chait, Ec.D., CMC
Director, Economic Development



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

ATTACHMENTS:

Invitation Letter from Hermann Faul, Lord Mayor of Noerdlingen

DER OBERBÜRGERMEISTER
DER STADT NÖRDLINGEN



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Oct. 23rd, 2012/bk

Mrs. Carolina Moretti
Ward 4 Councillor
Anthony Roman Centre
101 Town Centre Boulevard
MARKHAM
ONTARIO L3R 9W3
KANADA

„Historisches Stadtmauerfest“ (Historic Wall Festival)

Dear Mrs. Moretti,

our Sister City Relationship is especially enhanced by meetings on the occasion of outstanding events. Therefore, I am very pleased to inform you about an event in 2013 as follows:

Our traditional Historic Wall Festival will take place from September 6th to 8th, 2013 in the car-free Town Centre. I would appreciate it if you would visit us. Especially your attendance would be very welcomed. I want to invite you, to join the festival with us.

I am sure that the "Historisches Stadtmauerfest" would strengthen our community bonds.

Yours sincerely

A handwritten signature in black ink, appearing to read 'H. Faul', written over the printed name.

Hermann Faul
Lord Mayor