



Report to: Economic Development Committee

Report Date: July 24, 2012

SUBJECT: India Investment Attraction Mission, January 2013
PREPARED BY: Christina Kakaflikas, Manager, Special Projects, ext. 6590

RECOMMENDATION:

- 1) That the report entitled “India Investment Attraction Mission, January 2013” be received; and
- 2) That Markham partner with the Indo-Canada Chamber of Commerce (ICCC) to develop, promote and execute a business mission and that the ICCC help to recruit mission delegates; and
- 3) That the City be represented by a five person delegation composed of Mayor Frank Scarpitti, Councillor Carolina Moretti, Chair of the Economic Development Committee, Councillor Logan Kanapathi, and two Economic Development professional staff, S. Chait (Director) and C. Kakaflikas (Manager Special Projects); and
- 4) That the total cost of the “India Investment Attraction Mission 2013” not exceed \$57,500 and be expensed from within Economic Development’s operating budget (Acc.# 610998 5811- International Investment Attraction Program); and
- 5) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To approve the 2013 India Investment Attraction Mission with a focus on Vibrant Gujarat and targeting of business opportunities in Southern India. The business mission to India will be organized in partnership with the Indo-Canada Chamber of Commerce as part of a multi-year, targeted Markham-India program designed to further our economic development relationships with India. 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 emerging markets to attract international investment and promote trade and business links. More specifically, "Markham 2020" and the Economic Development Marketing Program focus on China and India as priority markets. While Markham has been actively building links with China for fifteen years, the City has also taken similar steps in India.

India Mission 2012

In 2012, the City of Markham partnered with the Indo Canada Chamber of Commerce to organize a business mission to India and United Arab Emirates that included stops in New Delhi, Jaipur, Mumbai, Pune, and Dubai. The mission was the largest ever business mission undertaken by the City reaching sixty delegates at its peak. In total, delegates attended over twenty-five meetings and met with over five hundred business people and government officials during the twelve-day mission. In addition, since 2009, Markham Economic Development's Investment Attraction program has included five key components targeting the Indian market: participation in the Indian Institutes of Technology Alumni conferences; participation in the GTMA's business mission to India; and participation in the International Indian Film Academy's (IIFA) Bollywood awards, PBD Canada, and the ICCO program.

2011 Program – the "Year of India" in Canada

In June 2011, the Greater Toronto Area hosted the International Indian Film Academy's (IIFA) annual awards. Events to celebrate the IIFA awards were held in Markham, Toronto, Brampton and Mississauga. The IIFA program included a business component organized by the Federation of Indian Chambers of Commerce with assistance by the Ontario Ministry of Economic Development and Trade and the Markham Economic Development. A business forum was held at the Markham Convergence Centre where 40 Indian business representatives networked with Markham businesses.

In addition to the IIFA program, staff engaged in several important India-targeted initiatives in 2011 including:

Pravasi Bharatiya Divas (PBD), a Convention for the Indian Diaspora in North America & the Caribbean

In 2011, PBD North America was held in Toronto. The convention brought together Indian diaspora from across North America and the Caribbean and focused on such themes as building economic bridges, innovation in economic development, promoting culture and the arts, innovation in education; and healthcare and tele-medicine. Mayor Scarpitti was the only Canadian Mayor in attendance and participated in a panel discussion focusing on the importance of the Indian diaspora in building economic and cultural bridges between Canada and India. The following Councillors were also in attendance: Regional Councillor Joe Li; Carolina Moretti, Councillor and Chair of the Economic Development Committee; and Councillors Logan Kanapathi and Alex Chiu.

Indian Public Administration Delegation hosted by the Institute of Public Administration in Canada/School of Public Policy and Governance, University of Toronto

In September, Stephen Chait, Director of Markham's Economic Development Department was invited to participate in a panel discussion as part of a comprehensive public administration program hosted by the Institute of Public Administration in Canada and the School of Public Policy and Governance, University of Toronto. Over 105 Indian civil servants plus the President of the University of Toronto and key faculty members were present at the meeting and Markham hosted the delegates at the Markham Convergence Centre as part of a discussion focused on Creating an Innovation Economy.

DISCUSSION:

The current climate for investment and trade between Canada and India is very positive. Trade between Canada and India reached almost \$5.2 billion in 2011, an increase of more than 23 percent from 2010. Canada and India are moving forward with the Comprehensive Economic Partnership Agreement (CEPA). The fourth round of CEPA negotiations was completed in February 2012 and the fifth round began in July 2012. CEPA negotiations remain a key priority in the Government of Canada's international trade plan and Canada will seek to conclude the CEPA in 2013.

The CEPA is important in advancing Markham's efforts in developing business relationships with India and will pave the way for more business and investment opportunities.

2013 Markham-India Program

The 2013 business mission to India will be anchored by the **Vibrant Gujarat** Summit and will also include stops in Mumbai, Pune, Chennai, and Cochin.

Gujarat

Gujarat is on India's west coast and is one of the most industrialized states of the Indian subcontinent. The City of Ahmedabad, where **Vibrant Gujarat** is taking place, was listed by Forbes in 2010 as the third fastest growing cities in the world after Chengdu and Chongqing from China.

Gujarat's Chief Minister is Mr. Shri Narendra Modi who has been credited for being the main driver of the State's economic success. Mayor Scarpitti and Indo Canada Chamber of Commerce President Mr. Satish Thakkar met with Mr. Modi during the 2012 mission to India and a follow-up meeting would be planned for 2013. Gujarat is the leading industrialized State of India. Gujarat houses a number of multinational corporations, large private sector companies, strong public sector enterprises and a large number of medium and small sized companies. While Gujarat is home to 5% of India's population, it contributes 21% in exports and 13% in India's industrial production.

Vibrant Gujarat Summit

Vibrant Gujarat is a conference that takes place every other year in Gujarat. Canada and Japan sponsored the conference in 2011 and are confirmed to sponsor in 2013. Beyond promoting the State itself, the conference has become a platform for various states of India and other countries to cooperate and explore business opportunities. The focus of the 2013 Summit will be “knowledge advancements based on the pillars of innovation and sustainability”, strengths for which Markham and region are well positioned.

Nearly forty-five countries participated in the 2009 summit and 101 Countries participated in 2011, with over 1400 foreign delegates.

New Delhi

New Delhi is the capital city of India. It serves as the centre of the Government of India and the Government of the National Capital Territory of Delhi. New Delhi hosts 134 foreign embassies/high commissions. Connaught Place, one of northern India's largest commercial and financial centres, is located in the northern part of New Delhi. Adjoining areas such as Barakhamba Road, ITO are also major commercial centres. Government and quasi government sector was the primary employer in New Delhi. The city's service sector has expanded due in part to the large skilled English-speaking workforce that has attracted many multinational companies. Key service industries include information technology, telecommunications, hotels, banking, media and tourism.

Chennai

Chennai is the capital city of the Indian state of Tamil Nadu. Chennai is the fifth largest city in India. Chennai has a diversified economic base anchored by the automobile, software services, medical tourism, hardware manufacturing and financial services. Other important industries include petrochemicals, textiles and apparels. The Chennai Port and Ennore Port contribute greatly to its importance. The city has a fully computerized stock exchange called the Madras Stock Exchange. Chennai has the fourth largest Gross Metropolitan Product in India.

Major software and software services companies like Accenture, Cognizant Technology Solutions, Capgemini, CSC, EDS, HCL, HP, IBM, Infosys, Satyam, Sun Microsystems, Symantec, TCS, Verizon, Wipro, CSS Corp and US Technology Resources have development centres in the city. Chennai is now the second largest exporter of IT and IT enabled Services in the country behind Bangalore. The IT Corridor, on Old Mahabalipuram Road in the southeast of the city houses several technology parks, and, when completed, will provide employment to close to 300,000 people. Besides the existing Tidel Park, two more Tidel Parks are planned in the IT corridor. One is under construction at the Siruseri IT (SEZ) and the other one is being planned at the current location of MGR Film City which is just before the existing Tidel Park, in Taramani on the IT Corridor. A number of Special Enterprise Zones (SEZ) have emerged in and around Chennai. The Mahindra World City, New Chennai, a Special Economic Zone (SEZ) with one of the world's largest high technology business zones, is currently under construction in the outskirts of Chennai. It also includes the World's largest IT Park by Infosys.

Pune

The 2012 visit to Pune reinforced that there exist many opportunities for two-way investment and exchange between Markham and Pune including: facilitating business investment and trade; sharing city-to-city best practices; and fostering educational collaborations. Pune is fast emerging as an InfoTech hub, challenging Bangalore and Mumbai to emerge as one of the top contenders for the 'Silicon Valley of India' title. Pune is home to well known giants of the Indian software industry like Wipro, Infosys, Satyam, Tata Technologies, TCS, Kanbay, Veritas, Cognizant, PCS and Mahindra British Telecom and upcoming companies like e-Zest Solutions, Cybage, Disha Technologies.

Pune is also home to the Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA), with which the City signed a Memorandum of Understanding to facilitate trade and investment and to cross-promote each other's jurisdictions as economic hubs and competitive locations for investment. MCCIA is a premier industry association with over 2200 members from different sectors like Automotive and Auto Ancillaries, Electronics, Agribusiness, Information Technology, Bio-Technology, Environmental Technologies, Chemicals, etc.

Markham Mission delegates will return to the College of Engineering in Pune in 2013 to explore expanding the College's relationships with Markham. In 2011, Markham-based "Quanser" designated the College of Engineering, Pune (CoEP), as the company's first Quanser Center of Excellence.

Mumbai

In Mumbai, delegates will attend the NRI Business Summit taking place on January 4-6th. The Canadian Consulate in Mumbai has secured a speaking role at the conference for Mayor Scarpitti and for the President of the ICCC. The focus of the Mayor's speech will be to promote Markham as a place for business and investment and as a gateway to the North American market. While in Mumbai, delegates will also attend follow-up meetings with leads established during the 2009 and 2012 missions including meetings with NASSCOM (the premier trade body and the chamber of commerce of the IT industries in India), and Indian Merchants' Chamber (IMC) officials in Mumbai. Markham will also seek to advance MOUs that were signed in 2011 with the World Trade Centre in Mumbai and the All India Association of Industry.

Mumbai is the commercial and entertainment centre of India, generating 5% of India's GDP and accounting for 25% of industrial output, 40% of maritime trade, and 70% of capital transactions to India's economy. Mumbai is home to important financial institutions such as the Reserve Bank of India, the Bombay Stock Exchange, the National Stock Exchange of India and the corporate headquarters of many Indian companies and numerous multinational corporations. The city also houses India's Hindi film and television industry, known as "Bollywood".

Cochin

In 2013, the 11th annual Pravasi Bharatiya Divas 2013 (PBD) will be held in Cochin, Kerala's commercial capital. In 2012, the City of Markham attended the PBD in Jaipur and participated in meetings with senior Indian officials throughout the course of the conference. Over 2,000 delegates from across the world are likely to participate in the the 2013 PBD.

In recent years Cochin has witnessed heavy investment, thus making it one of the fastest-growing second-tier metro cities in India. Sales tax income generated in the Kochi metropolitan area contributes heavily to state revenue. Major business sectors include construction, manufacturing, shipbuilding, transportation/shipping, seafood and spices exports, chemical industries, information technology (IT), tourism, health services, and banking.

Markham's Objectives for the mission:

The mission is focused on the following specific objectives:

- Participate in the Vibrant Gujarat, a premier business event in India
- Participate in the NRI Business Summit in Mumbai
- Promote Markham as a prime investment opportunity for India-based investors and business leaders
- Build on investment attraction initiatives initiated since 2009 including the 2012 India mission
- Advance business-to-business relationships between Pune and Markham. The visit to Pune will further connections that have been established as a result of the MOU with Pune signed in January 2012 as well as the online business networking initiatives undertaken in 2012 between the City of Markham and the Maharashtra Chamber.
- Develop a strategic alliance with the College of Engineering in Pune
- Follow up on MOUs signed between the City of Markham and the All Industry Association of Industries (Mumbai), and the World Trade Centre in Mumbai

Draft Agenda:

India Mission Itinerary	
Date	City
Wednesday January 2nd	Depart Pearson
Thursday January 3 rd	Arrive Mumbai
Friday January 4 th - Sunday January 6 th	Mumbai
Sunday January 6 th	Arrive Pune
Monday January 7 th – Wednesday January 9 th	Pune
<i>(Mayor Scarpitti and 1-2 other delegates will make a one-day stop in Cochin to attend the Pravasi Bharatiya Divas (English: Non-resident Indian Day) Conference in Cochin, India. The Mayor will then rejoin group on January 10th in Ahmedabad)</i>	
Wednesday January 9 th	Depart for Ahmedabad (Gujarat)
Thursday January 10 th - Sunday January 13 th	Vibrant Gujarat Conference plus business meetings
Sunday January 13 th	Depart for Chennai
Monday January 14 th - Wednesday January 16 th	Chennai
Wednesday January 16 th	Depart for New Delhi
Thursday January 17 th - Friday January 18 th	New Delhi
Saturday January 19 th	Depart for Markham

FINANCIAL TEMPLATE

The City's cost for the Markham-India Program, 2013 will not exceed \$57,500. 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 \$9000 and inclusive of the following:
 - a) Accommodation (15 nights including breakfast)
 - b) Economy class international and domestic airfares
 - c) Ground transport
 - d) All applicable taxes including HST
2. Pre-mission Consultancy and Promotion estimated at \$5,000 and include:
 - a) Plan for in-market exposure
 - b) Arrange for business meetings, roundtables and events
 - c) Minimum of 4 Briefings to Markham officials prior to the visit highlighting itinerary developments. Briefings to delegates as directed by City officials.
 - d) Secure meetings with leading state level representatives
 - e) 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 \$7,500 and include:
 - a) Host, recruit, promote and implement receptions and events in key markets
 - b) Facilitate business round tables
 - c) Meetings with senior Indian governmental representatives

Pre-budget 2013 approval will be needed for this \$57,500 expenditure.

The total cost of the mission, \$57,500 will be expensed from within Economic Development's 2013 operating budget (acc. #610-9985811-International Investment Attraction Program).

Summary Table of Mission Costs

Description	Cost
Travel Logistics	\$45,000
Pre-mission Consultancy and Promotion	\$5,000
In-Mission Consultancy and Promotion	<u>\$7,500</u>
Total	\$57,500

ALIGNMENT WITH STRATEGIC PRIORITIES:

The "Markham-India Program, 2013" is an integral part of the City's 10-Year Economic Strategy, "Markham 2020". The Program focuses on three of Markham's 4 targeted economic sectors, ICT and Life Sciences, and Financial Services and addresses the objective of building Global Markham and Branded Markham.

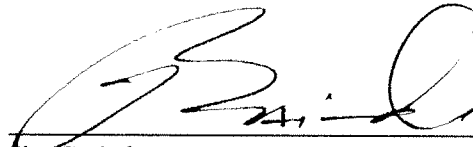
DEPARTMENTS CONSULTED AND AFFECTED:

N/A.

RECOMMENDED BY:



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