

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

**2014/15 – 2016/17
SERVICE PLAN**

February 2014



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and Multiculturalism

Message from the Minister and Accountability Statement



British Columbia has many advantages that allow us to compete and thrive in the global marketplace. Our province's ports are closer to Asia than any of our U.S. neighbours' and our competitive business environment, diverse and skilled workforce and quality of life makes B.C. an ideal place to do business. My ministry will strive to build on these advantages to strengthen our trade relationships in emerging markets, attract new investments and create and protect jobs for British Columbians.

B.C. has taken great strides in its trade and investment relationships with China and India — two economies poised for expansive growth in the years to come. We will continue to fulfill our *BC Jobs Plan* commitment to open and expand priority markets for B.C. goods and services, especially in the emerging economies of Asia and beyond.

We will continue to work with our colleagues at the Ministry of Jobs, Tourism and Skills Training to review the status of current *BC Jobs Plan* targets for exports and make recommendations on how to increase trade opportunities. Annual Premier, ministerial-level, and sector-based trade missions will promote British Columbia's competitive advantages, natural resources and other priority sectors.

Our ministry has set a goal of securing five new Asian head offices in B.C. by 2020. We will work with the federal government and private-sector partners to implement the Asian head office strategy that will make B.C. the first choice for Asian companies looking to locate in North America. Each head office creates direct jobs and many more indirectly in a number of sectors, from financial and legal services to small community-based businesses.

As an open, competitive and trade-dependent economy, British Columbia is well positioned to benefit from trade negotiations and agreements that will increase our economic competitiveness and support job creation. B.C. is an active partner in numerous domestic and international trade-related agreements and initiatives, including the New West Partnership Trade Agreement with Alberta and Saskatchewan, the Trans-Pacific Partnership and the Canada-European Union free trade agreements. We will also work with the Ministry of Forests, Lands and Natural Resource Operations to ensure B.C.'s objectives are well represented by Canada in the Softwood Lumber Agreement renewal discussions in 2015.

We will leverage our investment capital programs to attract investment and venture capital to help grow our economy. This includes research and development that drives our high-tech clusters.

British Columbia's multicultural society is a competitive advantage and an important bridge across the Pacific. We will continue to find opportunities to leverage our many family, cultural and business connections to countries across the Pacific and around the world to strengthen our trade relationships. Cultural diversity and increased participation and engagement by all cultures are vitally important if we are going to create a strong and vibrant social and economic future for British Columbia.

Our ministry will balance its budget, which in turn will contribute to an overall balanced budget for the province of British Columbia and a strong economy. Our ministry has also participated in the Core Review process to re-affirm its mandate, position itself to take advantage of emerging opportunities and help government achieve its vision of strong economy, secure tomorrow.

The *Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism 2014/15 – 2016/17 Service Plan* was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared.

A handwritten signature in blue ink that reads "Teresa Wat". The signature is written in a cursive, flowing style.

Honourable Teresa Wat
Minister of International Trade and Minister Responsible for Asia Pacific Strategy and
Multiculturalism
February 5, 2014

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Purpose of the Ministry

The [Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism](#) provides trade and investment programs and services to help British Columbia increase its exports, develop international partnerships, increase awareness of B.C.'s competitive advantages, negotiate trade deals and attract investment, head offices and other business to the province. The Ministry also promotes multiculturalism and engages in initiatives to eliminate racism.

These efforts promote economic prosperity in communities across the province, creating new jobs and positioning the province for long-term growth.

To accomplish these tasks, the Ministry works to:

- Open and expand priority markets for B.C. goods and services, particularly in Asia, and engage B.C. exporters in new opportunities.
- Attract increased investment to B.C.'s priority sectors.
- Leverage investment capital programs (venture capital and infrastructure) to support a competitive business environment.
- Promote multiculturalism in our communities and use it as a bridge to our priority markets.



The Ministry is guided by government's economic strategy, [Canada Starts Here: The BC Jobs Plan](#). Central to the *Jobs Plan* is the recognition that we stand on the cusp of the "Pacific Century," and that B.C. must secure its place in the Asian markets that will drive global economic growth. To achieve this, B.C. is leveraging its competitive advantages in industries that are poised to meet the needs of the world's markets, today and into the future — including natural gas, mining, forestry, tourism, technology, agri-foods, transportation (ports, marine and aerospace) and international education. The work of the ministry plays a key role in tapping into key markets and investments to grow B.C.'s economy.

Opening Markets, Growing Exports and Attracting Investment

The Ministry markets B.C.'s competitive business environment and sector strengths in key markets and builds relationships with industry and government partners — domestic and international — to advance B.C.'s economic interests. Canada starts here, in B.C., and the Ministry aggressively promotes the province's unique strategic advantage as [Canada's Pacific Gateway](#) and its growing reputation as an attractive and competitive international trade and investment partner. We undertake activities that attract investment to B.C. and encourage companies to locate their head offices here.

Our trade and investment representatives, located in a number of key markets, help international businesses discover the benefits of B.C. as a destination for investment, partner in innovation, and

source of quality goods, services and resources. They also help B.C. businesses contact potential buyers, investors, and other key partners in key markets. Moreover, through marketing campaigns, in-market public relations and a suite of services for potential investors, the Ministry ensures that key decision makers in priority markets see B.C. as a preferred place to locate and invest.



We work to strengthen B.C.'s governmental, cultural and economic relationships with priority Asian markets like China, Japan, South Korea and India. These efforts are supported by Forestry Innovation Investment, a Crown corporation affiliated with the Ministry that works with the forest sector to take advantage of export opportunities in key markets for forest products. At the same time, we remain committed to protecting B.C.'s current export and investment positions and working to expand our market share in large existing markets, such as the U.S. and the European Union.

In addition, we work to develop B.C.'s export economy by facilitating B.C. companies' participation at major trade events in priority sectors, supporting outbound and inbound trade missions, and linking B.C. businesses with buyers, investors, and other key partners in global markets.

The Ministry also leads B.C.'s efforts to reduce or eliminate trade and investment impediments in other markets to provide greater economic opportunities for the province's businesses, workers and investors. We advance B.C.'s interests with the federal government in international trade negotiations to create new opportunities in key markets like India, the Asia Pacific and Europe, and ensure that the [Softwood Lumber Agreement](#) between the United States and Canada is honoured and B.C.'s interests are protected. We also work to strengthen regional trade and commercial relationships with Alberta and Saskatchewan through the [New West Partnership Trade Agreement](#) and the rest of Canada through the Agreement on Internal Trade. We vigorously assert and defend our trade interests, whether through consultative means or formal disputes.

The ministry supports B.C.'s competitiveness through its Venture Capital Program (VCP). The VCP provides 'angel' and corporate investors with tax incentives as a means to leverage investment in the province's start-up and expanding businesses. Additionally, the VCP is complemented by the B.C. Renaissance Capital Fund that has attracted domestic and international venture funds to B.C. to provide later-stage financing to some of B.C.'s growing small businesses. Finally, the B.C. Immigrant Investment Fund makes capital available for investment in B.C.'s public infrastructure, such as schools, health care facilities, university research facilities, roads and bridges.

Promoting Multiculturalism



Through [EmbraceBC](#), and with leadership and advice from the [Multiculturalism Advisory Council](#), the ministry promotes multiculturalism and engages in a range of initiatives to eliminate racism. Today, one quarter of B.C.'s population identifies as visible minorities, making B.C. the most ethnically diverse province in Canada. This diversity brings many benefits. It enriches our communities, it creates a strong social fabric and an inviting province, and it builds a cultural bridge across the Pacific that supports international pathways for connection, commerce, research and innovation.

The Ministry works to assist B.C. to further embrace a global, multicultural perspective — where communities actively support and participate in the integration of newcomers and challenge barriers to inclusivity for all residents. The Ministry also works with provincial multicultural organizations to ensure they are connected to and are participating in the activities of the provincial government and works to ensure that B.C.'s multicultural programming is relevant to its ethnic communities and that they are able to participate fully in government programs.

Strategic Context

Opening Markets, Growing Exports and Attracting Investment

B.C. relies on trade and investment for its economic development and, while no other province in Canada is as well positioned to serve as Canada’s gateway to the growing economies of the Asia-Pacific, there is stiff competition for these new markets. The trade environment has been especially challenging in recent years with the global economic downturn, the corresponding decline in trade with the U.S., our largest trading partner, a proliferation of bilateral trade agreements amongst our competitors and continuing economic problems in Europe.

While impressive growth in Asia has experienced a recent slowdown, China’s economy continues to grow. At the same time, families in the fast-growing economies of Asia continue to gain new buying power. In fact, in 2011 the share of exports destined for the Pacific Rim eclipsed those to the U.S. for the first time in the province’s history and our softwood lumber exports to China surpassed \$1 billion, also for the first time. Exports to China have increased 16.4 per cent in 2013 year-to-date (January to November) when compared to 2012 and wood product exports to the U.S. were up by 24.3%

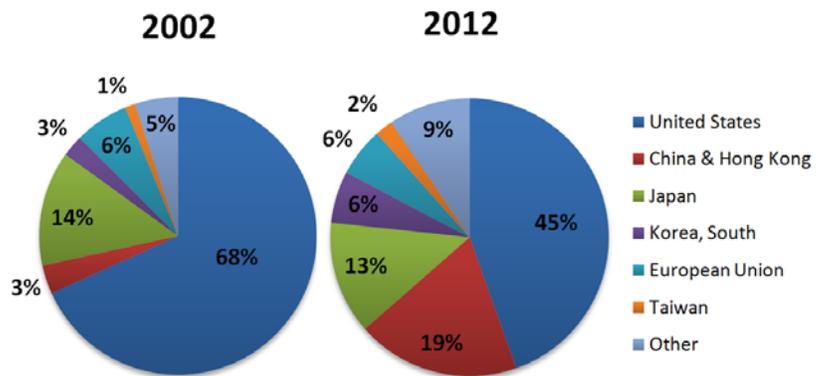


Figure 1: B.C. Goods Exports (2002, 2012)



Demand for B.C.’s products is growing in other areas as well. We have made great strides in growing our provincial lumber exports to China over the past decade and, with the rise of the middle class in India, we have the same opportunity in that market. India, as one of the world’s fastest growing economies, represents real growth potential for products and services including forestry, mining, agri-foods, transportation, natural gas and international education.

With the Government of Canada having reached an agreement-in-principle for a Comprehensive Economic and Trade Agreement with the European Union, B.C. companies will soon have opportunity for preferential access to sell their goods and services to the EU, the largest trading bloc in the world. There also is continued opportunity to advance other international trade negotiations with priority markets in the Asia Pacific region, including the Trans-Pacific Partnership, Korea, India and Japan.

Attracting international investment is also a key driver of economic growth and job creation for B.C. While global investment levels have fallen recently, outbound investment from fast-growing emerging economies, including those in Asia, continues to be strong. In fact, foreign direct investment (FDI) outflows from developing economies reached \$426 billion last year, representing a record 31 per cent of the global total.¹ Our province's strategic location, streamlined regulations, competitive tax regime and operating costs and unparalleled quality of life have positioned B.C. to seize these global investment opportunities to create jobs and growth in regions across the province.

In particular, the Liquefied Natural Gas (LNG) opportunity in B.C.'s Northeast and North Coast requires us to move forward quickly. As the Ministry of Natural Gas Development works with investors to create a new B.C. LNG industry, it is an exciting opportunity for our ministry to help facilitate the needed international partners as well as future export markets in Asian countries.

Access to venture capital is critical to B.C.'s competitiveness. Venture capital investment activity in Canada steered a steady course in 2012, resulting in a 5-year high for investment activity since the financial crisis of 2008. In total, \$1.5 billion of venture capital was invested across Canada, with B.C. capturing \$222 million, or 15 per cent, of the total. This resulted in B.C. being in second place in Canada for per capita venture capital investment—behind only Quebec. Venture Capital and Investment Capital programs, which support business startups and expansions, will be important strategies for attracting innovation, new business and expansions in British Columbia.



Figure 2: Possible routes to market for B.C. LNG

Promoting Multiculturalism

B.C. is already Canada's most culturally diverse province and it is becoming even more diverse. Each year, we welcome close to 40,000 new immigrants from all over the world to B.C.

In British Columbia, we see multiculturalism as competitive advantage and an important bridge that connects us with our neighbours around the world. Our deep historical, cultural and business ties with other countries enable us to create strong trading partnerships and diversify our markets, while our multicultural workforce helps us drive innovation and economic growth.

We need to continue to expand our international focus in B.C. to remain competitive in an increasingly globalized world. This will lead to greater understanding, tolerance and enriching personal connections between British Columbians and other people around the world.

¹ United Nations Conference on Trade and Development (UNCTAD), World Investment Report 2013.



Goals, Objectives, Strategies and Performance Measures

Minister Wat's [Mandate Letter](#) from Premier Christy Clark dated June 10, 2013, outlines the key expectations for the ministry. These deliverables, as well as the page references to the ministry activities that align with these specific actions, are listed as follows:

- Balance your ministerial budget in order to control spending and ensure an overall balanced budget for the province of British Columbia. (Page 3)
- Develop our Asian trade export strategy as outlined in Strong Economy, Secure Tomorrow that will include annual ministerial-level sectoral trade missions. (Pages 3 and 12)
- Work with Canada and the BC Business Council to attract major Asian firms to invest in BC and locate their North American presence in our province. (Pages 3 and 13)
- Work with the Ministry of Jobs, Tourism and Skill Training to review the status of current BC Jobs Plan targets for exports and make recommendations to Cabinet on how to accelerate export opportunities. (Pages 3 and 12)
- Work with the Ministry of Forests, Lands and Natural Resource Operations as we approach the end of the softwood lumber agreement to ensure British Columbia's position is understood and well represented by Canada in upcoming negotiations. (Pages 3 and 12)
- Work with provincial multicultural organizations to ensure they are connected to and are participating in the activities of the provincial government. (Pages 3 and 14)
- Represent British Columbia's interests with the federal government in current and future international trade agreement discussions. (Pages 3 and 12)
- Examine the strategy executed by Australia to aggressively pursue Asian trade and economic development and report back to Cabinet on what B.C. can learn and implement from their successful strategy. (Page 12)
- Ensure that our multicultural programming is relevant and useful to our ethnic communities and that they are able to participate fully in the programs of our government. (Page 15)

Goal 1: B.C. is recognized globally as a preferred place to invest and do business

This goal is key to the success of *Canada Starts Here: The BC Jobs Plan*. The plan, led by the Ministry of Jobs, Tourism and Skills Training supports business and industry in the creation of long term jobs and investments in the province, converting B.C.'s strengths into strategic, competitive advantages in the global economy. This goal is shared with the Ministry of Job, Tourism and Skills Training.

Objective 1.1: Open and expand priority markets for B.C. goods and services, particularly in Asia

Strategies

- Promote B.C. internationally and expand markets in key sectors — including forestry, tourism, technology, mining, natural gas, agri-foods, transportation and international education — by capitalizing on our recently doubled international trade and investment representative presence and deploying dedicated sector and market staff both domestically and in overseas offices.
- Provide B.C. exporters with sector and market expertise to support their activities in key markets, assist in identifying new opportunities and advance the conclusion of agreements, partnerships and commercial relationships between B.C. businesses and international organizations.
- Implement focused business development and marketing programs in key overseas markets with a focus on Asia, including showcasing B.C.'s products, services and investment opportunities through annual sector and market-specific missions, as well as trade shows and other major events.
- Connect B.C. businesses to international buyers by strengthening relationships with industry and government partners — both domestic and international — and by leveraging the potential of the [B.C. Business Network](#) and other trade and investment contacts at home and overseas.
- Reduce barriers to trade and investment by advancing B.C.'s priorities in international and domestic trade negotiations (including free trade negotiations with South Korea, the Trans-Pacific Partnership, and other key trade partners), and conclusion of the Canada-European Union free trade agreement.
- Promote and defend B.C.'s trade interests by reducing or eliminating protectionist measures in other jurisdictions through engagement and, where necessary, more formal means.



- Working with the Ministry of Forests, Lands and Natural Resource Operations, ensure B.C.'s positions are understood and well represented by Canada in negotiations with the United States related to the expiry of the Softwood Lumber Agreement in 2015.
- Work with the Ministry of Jobs, Tourism and Skills Training and other lead Ministries to review *BC Jobs Plan* targets for exports, develop recommendations that will accelerate export opportunities, and implement decisions.
- Examine the strategies and best practices of other international and sub-national trade and investment organizations, for example in Australia, and develop recommendations on what B.C. can implement from the most successful strategies.

Performance Measure 1: Total number of international business agreements facilitated by Ministry programs

Performance Measure	2013/14 Forecast	2014/15 Target	2015/16 Target	2016/17 Target
Total number of international business agreements facilitated by Ministry programs	120	120	Maintain or improve	Maintain or improve

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

Note: 2014/15 and 2015/16 targets have been revised to reflect the anticipated increase in business development activity following the doubling of the Ministry's international presence in 2012/13. Targets will remain mostly stable over next three fiscal years due to Ministry resources remaining stable.

Discussion

International business is critical to the success of companies in British Columbia's small, open economy. Agreements take the form of international purchases of B.C. goods and services (export agreements), research and innovation partnerships, and agreements between industry and government that create the environment for deeper commercial relationships between companies. The Ministry supports the conclusion of international business agreements by connecting B.C. businesses and institutions to qualified international prospects, supporting key international trade events, organizing and supporting inbound and outbound missions to target markets, providing information necessary to conclude agreements, assisting parties to work with all levels of government in B.C. and Canada, and providing other services tailored to the needs of the parties. Examples of agreements facilitated by the Ministry may be found on our [website](#). The Special Representative of B.C. in Asia will also support the conclusion of business agreements by strengthening the province's government-to-government relationships in Asia.

Objective 1.2: Attract increased investment to B.C.’s priority sectors

Strategies

- Identify priority investment accounts and, working closely with the Ministry of Jobs, Tourism and Skills Training and other ministries, support successful outcomes from investment opportunities.
- Work with the federal government and private-sector partners to implement the International Head Office Attraction Strategy that will make B.C. the first choice for Asian companies looking to locate head offices in North America.
- Facilitate positive investment decisions by identifying potential obstacles to investment, developing strategies and delivering timely solutions for clients considering B.C. as an investment location.



Performance Measure 2: Foreign direct investment facilitated by Ministry programs

Performance Measure	2013/14 Forecast	2014/15 Target	2015/16 Target	2016/17 Target
Total value of foreign direct investment facilitated by Ministry programs	\$423 million	\$734 million	Maintain or improve	Maintain or improve

Data Source: Ministry of International Trade internal performance metrics tracking system.

Note: Forecast for 2013/14 reflects external variability of global foreign direct investment (FDI) activity and extended timeframes for conversion of investment leads into FDI.

Discussion

Foreign direct investment helps B.C. grow its industries, create jobs and secure a position of strength in the global economy. The Ministry attracts foreign direct investment to B.C. by seeking the removal of barriers to foreign investment, marketing the province’s competitive advantages and world-class business environment and targeting potential investors through our international office network. The ministry also undertakes activities focused specifically on attracting investment to B.C. and encouraging companies to locate their head offices here, for example through marketing campaigns, in-market public relations and a suite of services for potential investors. These services include providing detailed information on B.C.’s business climate, facilitating site tours, supporting connections with business services suppliers and providing assistance with accessing federal, provincial and local government incentive and support programs.

Objective 1.3: Leverage investment capital programs (venture capital and infrastructure) to support a competitive business environment

Strategies

- Continue to deliver the [Small Business Venture Capital Tax Credit](#) program to facilitate access to investment capital for small businesses in B.C.
- Target venture capital programs and policy to support the expansion of “anchor” technology companies that drive job creation and innovation.
- Through the [B.C. Renaissance Capital Fund](#), make venture capital available for increased investment in B.C.
- Through the [B.C. Immigrant Investment Fund](#), make investment capital available for public infrastructure projects.
- Explore alternative investment opportunities to increase economic competitiveness in B.C.

Goal 2: British Columbians value diversity and inclusiveness in our communities

Objective 2.1: Celebrate B.C.’s rich diversity as a source of innovation and global networking

Strategies

- Support capacity-building across B.C. through the development, mentorship and recognition of leaders in the areas of inclusive workplaces, anti-racism and cultural diversity.
- Collaborate with key business sector partners to identify and share best practices of inclusion and multiculturalism in the workplace.
- Build intercultural capacity and provide resources to workplaces in B.C. through training and other learning opportunities.
- Work to integrate multicultural festivals and events with in-bound trade and investment missions to highlight the strong cultural ties that connect B.C. to our overseas business partners.

Objective 2.2: Collaborate with communities and partners to challenge racism and barriers to inclusivity

Strategies

- Fully leverage funding to support robust programming, enabling B.C. communities to effectively deliver locally led projects to address racism and promote multiculturalism.

- Promote awareness and understanding of cultural diversity in B.C. through public education, including online resources, poster campaigns, training workshops and presence at community events.
- Develop strategic partnerships and lead innovation in multiculturalism programming and policy, ensuring the government serves, speaks to, and is accessible to the province’s diverse population.
- Update the Report on Multiculturalism to ensure engagement and provide measures for the public service on effective application of multiculturalism policy.
- Support the Multicultural Advisory Council in its public engagement and advisory role to the Minister responsible for Multiculturalism.

Performance Measure 3: Number of participants engaged in the EmbraceBC network

Performance Measure	2013/14 Forecast	2014/15 Target	2015/16 Target	2016/17 Target
Number of participants engaged in the EmbraceBC network to promote multiculturalism and challenge racism	340	TBD ¹	TBD ¹	TBD ¹

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

¹See Discussion section for details.

Discussion

This measure is an indication of the growing strength of province-wide infrastructure designed to continually challenge racism and promote multiculturalism in B.C. It measures the number of organizations and individuals who are utilizing the [EmbraceBC](#) network, a community network of resources, advice and information to improve social outcomes for their community.

A significant portion of the funding for EmbraceBC is transferred to the Province by the federal government under the terms of the Canada-BC Immigration Agreement. In 2012 the federal government advised B.C. that it will terminate this funding as of April 1, 2014. For this reason, the Ministry is unable to set targets for this measure at the present time. The Ministry is working to identify alternative sources of funding for its multiculturalism and anti-racism programming and will revisit the targets for this measure once funding is secured.

Resource Summary

Core Business Area	2013/14 Restated Estimates ¹	2014/15 Estimates	2015/16 Plan	2016/17 Plan
Operating Expenses (\$000)				
International Trade and Investment.....	10,761	10,761	10,761	10,761
International Strategy and Competitiveness	5,732	5,732	5,732	5,732
Multiculturalism	625	625	625	625
Transfers to Crown Corporations and Agencies	17,300	17,300	17,300	17,300
Executive and Support Services	1,717	1,717	1,717	1,717
Total	36,135	36,135	36,135	36,135
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Executive and Support Services	1	1	1	1
Total	1	1	1	1

¹ For comparative purposes, amounts shown for 2013/14 have been restated to be consistent with the presentation of the 2014/15 Estimates.

* Further information on program funding and vote recoveries is available in the [Estimates and Supplement to the Estimates](#).

Appendix 1: Ministry Contact Information

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To learn more about the numerous programs and services provided by the Ministry of International Trade and Minister Responsible for Asia Pacific Strategy and Multiculturalism, please visit

www.gov.bc.ca/mit

You can also find the contact information for specific Ministry units or staff members through the [B.C. Government Directory](#).