

Final Report
Mission to Shanghai and Hong Kong, China
September 16-22, 2007

Overview:

The Alberta Foreign Offices Review Committee is reviewing Alberta's ten international offices to examine current services offered and assess whether resources are allocated to best meet Alberta's public and private sector goals.

Representing the committee, Mr. Lukaszuk traveled to Shanghai and Hong Kong Sept. 16-22, 2007 to meet with office staff, Canadian Embassy officials, other Canadian provincial representatives and stakeholders from Shanghai and Hong Kong.

The mission resulted in a clear understanding of the different business models used in different markets for Alberta's international offices. New areas of business opportunities were identified resulting from Alberta representation in Shanghai and Hong Kong. Stakeholders provided strong support for an Alberta presence in both cities. Alberta continues to be one of the most active Canadian provinces in China as a result of its offices in Beijing and Hong Kong.

Mission Objectives:

- To gather feedback from Albertan, Canadian and international stakeholders about the effectiveness of Alberta's international offices, ultimately assisting the committee in preparing its final report and recommendations.
- To provide information to Albertan, Canadian and international stakeholders about the purpose and mandate of the Alberta Foreign Offices Review Committee.

Results:

September 17

1) Meeting with Ontario Representative in Shanghai

Mr. Lukaszuk met with Mr. Philip Wong, Consul, Economic Affairs – Ontario to discuss Ontario's experience with its representation in Shanghai. The Ontario model used in Shanghai is identical to other co-location models where the Ontario office is situated in the federal mission with one Ontario based representative and one locally engaged employee. The advantages and disadvantages of the co-location model were reviewed, specifically as it relates to Shanghai and the China market.

September 18

2) Meeting with British Columbia Representative in Shanghai

Mr. Lukaszuk met with Mr. John McDonald, Chief Representative, Trade and Investment, China for the British Columbia Ministry of Economic Development to discuss British Columbia's experience with its representation in Shanghai. The British Columbia office uses an independent location model and is independently located outside the Canadian Consulate in Shanghai. An overview of the Shanghai business environment was discussed with valuable information on what opportunities could be seized by having Alberta representation in Shanghai.

3) Roundtable luncheon with key Shanghai business contacts

Mr. Lukaszuk chaired this roundtable lunch to gather the opinions of the guests on their experiences within the Shanghai market, and to hear their views on the benefits of having Alberta representation in Shanghai.

In attendance: David Nicholson, President, Bennett and Wright International Group Ltd.; Yang Ruan, Chief Representative and Director Technical Programs, Atomic Energy of Canada Limited; Robert Smith, Managing Partner, China, Main International Group; Lisa Xia, Chief Representative, Vice President, BMO Financial Group; Charles Wang, Board Director, Canada China Business Council Shanghai Chapter; Helena Chen, Director, Shanghai Office, Canada China Business Council; Richard Choi, Manager, Canada China Business Council Shanghai Chapter.

The group agreed on the significance of Shanghai as China's financial centre and its important role for Alberta was discussed. Discussions included 1) the benefits of a co-located Alberta Shanghai office versus an independent office 2) the merits of accessing various regions of China from Shanghai as opposed to Hong Kong and 3) the distinct natures of the role of Alberta representation in Beijing versus Shanghai.

4) Meeting with Deputy Consul General and Senior Trade Commissioner

Mr. Lukaszuk met with Mr. Alain Gendron, Deputy Consul General and Senior Trade Commissioner, Consulate General of Canada in Shanghai. Mr. Lukaszuk explained the mandate of the Alberta Foreign Office Review Committee and was provided with an overview the Shanghai market, particularly in relation to Alberta's international interests.

Additional discussion included the benefits of Alberta representation in Shanghai, the key advantages of being co-located within the Consulate General and how the Consulate operates in cooperation with the Alberta China Office in Beijing.

5) Meeting with Quebec Representatives in Shanghai

Mr. Lukaszuk met with Mr. Gabriel Gaudette, Representent du Quebec, Consul; Thomas Chen, Attache commercial Principal; and Christine Zhao, Attache commerciale from the Quebec office in Shanghai. Discussed topics included Quebec's representation in Shanghai, which is co-located in the Canadian Consulate. This is an unusual model for Quebec, which usually locates independently of the federal mission. Mr. Lukaszuk discussed the situation with Mr. Gaudette, including the uniqueness of the China market.

September 20

6) Meeting with Alberta Hong Kong Office staff and Tour of the Office

Mr. Lukaszuk was introduced to staff members at the Alberta Hong Kong Office and received a detailed briefing on the continuing growth in the Alberta Hong Kong Office. Staff also shared their perspectives on the stand-alone office model.

7) Meeting with Officials from Canadian Consulate in Hong Kong

Mr. Lukaszuk explained the mandate of the Alberta Foreign Office Review Committee and was provided with an overview of Hong Kong/Canada relations with a special focus on Alberta relations. It was noted that Alberta enjoys an extremely high profile in Hong Kong, particularly as a result of the uninterrupted presence of the Alberta Hong Kong Office.

Consul General Campbell raised a number of issues of importance to Alberta, particularly the opportunity for Canada and Alberta to make significant gains in the transportation and logistics sector through the development and implementation of an effective ports strategy. Other subjects relevant to Alberta included opportunities to promote the Alberta curriculum in Hong Kong, attract students to Alberta's post secondary institutions, the need for additional capacity under the air services agreement with Hong Kong, opportunities for investment and trade and the use of Hong Kong as an effective first step for Alberta companies wishing to pursue opportunities in China and/or South East Asia.

In attendance: Mr. Gerry Campbell, Consul General; Mr. Alain Tellier, Consul, Political and Economic Relations, and Public Affairs Section; Mr. John Zimmerman; Consul and Trade Commissioner.

8) Meeting with the Canadian Chamber of Commerce in Hong Kong

Mr. Andrew Work, Executive Director of the Canadian Chamber of Commerce in Hong Kong met with Mr. Lukaszuk to provide an overview of the Chamber's recent activities, and an overview of the Chamber's plans for expansion and growth.

Mr. Work stressed the importance of having a strong presence through the Alberta Hong Kong Office and his appreciation for the cooperation between the Chamber and the

Alberta office in the past. Mr. Lukaszuk and Mr. Work also discussed a number of key opportunities for Alberta in Hong Kong, particularly in the education sector, investment in all sectors, and trade in sectors such as agri-food, information and communications technologies, and health and bio-industries.

9) Networking Luncheon for the Asian Financial Forum

Mr. Lukaszuk had the opportunity to attend the networking luncheon for foreign delegates to the Asian Financial Forum, providing him with an opportunity to meet a variety of delegates and exchange information on Alberta and other delegates' respective interests.

10) Roundtable with Hong Kong stakeholders

Mr. Lukaszuk chaired this roundtable to better understand the views of the guests on their relationship with the Alberta Hong Kong Office, explain the role of the Alberta Foreign Offices Review Committee, discuss co-location versus a stand-alone office, and receive feedback on how Alberta can do a better job in the marketplace.

There was agreement on the importance of Hong Kong as the financial centre of the region. The stand-alone office model was seen as useful to for visiting Alberta companies to use as a virtual office when meeting with their Hong Kong partners. This flexibility is a significant advantage for Alberta organizations to use the office as a "base" of operations on shorter business missions. Participants were very satisfied with the service provided by the Alberta Hong Kong Office and forcefully advocated for Alberta's continued presence in Hong Kong.

In attendance: Mr. Frank Yee, S&D International Development Group Ltd.; Ms. Ophelia Lee, Director, Maxway Education; Mr. Francis Chan, Chairman, Verisafe Networks; Mr. Andrew Lee, Deputy General Manager, Yue Xiu International Development Limited; Dr. Anthony Tam, President, Chinese University of Hong Kong – Tung Wah Group of Hospitals Community College; Mr. Daniel Booth, Vice President, ICS Trust (Asia) Limited; Ms. Shelley Fung, Business Development, PetroAsian Energy Limited; Mr. David Chung, Senior Manager, Information Technology Operations, Cyberport; and Ms. Zoe Ng, Manager, Business Development and Training, Cyberport.

11) Meeting with Hong Kong Trade Development Council

Mr. Lukaszuk met with Mr. Christopher Jackson, Assistant Executive Director; Ms. Virginia Lo, Manager, Overseas Promotions; and Ms. Teresa Lo, Assistant Manager, Overseas Promotions. He received an overview of the business model and services offered through the Hong Kong Trade Development Council and explored a number of areas where the Alberta government and the Hong Kong Trade Development Council could work together, such as environmental products and services, value added food products, information and communications technologies and health and bio industries.

Through the Alberta Hong Kong Office, the Hong Kong Trade Development Council will continue to work with Alberta companies to assist them in trade promotion efforts in Hong Kong.

September 21

12) Attendance at the Asian Financial Forum

Mr. Lukaszuk attended the Asian Financial Forum as a VIP delegate and representative of the Government of Alberta. The morning's keynote address was provided by the Chief Executive of the Hong Kong Special Administrative Region. Other speakers included Mr. James Wolfensohn, Chairman, Citigroup International Advisory Council (and former President of the World Bank Group), and Dr. Zhou Xiaochuan, Governor, People's Bank of China.

Speakers provided excellent insights into possible future monetary and fiscal policies in both Hong Kong and China, and on the significance of emerging markets on the likely future balance of world trade flows.

13) Visit to the International School of Macau

Mr. Lukaszuk was invited to visit the International School of Macau and met with the school's founder Mr. Neil Johnson and the school's Principal Mr. Real Hryhynchuk. The school is the only school outside Alberta that uses the Alberta curriculum. Mr. Lukaszuk discussed the school's experience with the curriculum to date and suggested possible ways for the school's diplomas to be recognized in Alberta.

Mr. Johnson and Mr. Hryhynchuk reported they were very pleased with the assistance received in the accreditation process from Alberta Education. Mr. Lukaszuk then had an opportunity to visit students in grade 7 and grade 10 class rooms to talk to them about the Alberta government and get their opinions on Alberta, Canada and the use of the Alberta curriculum at the school.

14) Private Meeting with Hong Kong Investors

Mr. Lukaszuk attended a private dinner with potential investors for an unannounced project being considered for Alberta. Investors from both Alberta and Macau were present at the dinner, at which a number of issues were discussed.

Delegation:

Thomas Lukaszuk, M.L.A. Edmonton–Castle Downs