

# Guangdong - Alberta Relations



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## DID YOU KNOW?

- While Guangdong is the 15<sup>th</sup> largest province in China in size, it has the largest population, with approximately 108,500,000 people (2015).
- Guangdong has the highest GDP in China, at approximately USD \$1.2 trillion (2016), or just over USD \$11,000 per capita.
- Guangdong has China's largest middle class, and is considered the most internationally oriented and globally linked province.
- Guangdong has the most consumption and services-based oriented economy in China, and has the highest proportion of Chinese private sector actors.
- Guangdong is home to the Pearl River Delta (known as "the world's factory" for the past two decades and is now gradually being upgraded to services and high-tech industries), one of the most heavily populated and industrialized areas in China.
- With a population of over 14 million, Guangzhou is the capital of Guangdong. About 120 km north of Hong Kong, it is the transportation and communication hub of South China. Guangzhou's GDP has ranked third among China's mainland cities since 1989. In 2016, its GDP reached 1.9 trillion RMB and accounted of a quarter of Guangdong's GDP.

- Next to Hong Kong, Shenzhen was the first Special Economic Zone in China established in 1980. It has been a touchstone for China's reform and opening-up policy. With roughly the same GDP as Guangzhou in 2016, Shenzhen has been a centre of innovation and tops the world in information technologies related hardware manufacturing. Shenzhen has the highest per capita GDP in mainland China and its GDP has passed that of Hong Kong.
- Though Mandarin is more widely used in Guangdong because of mass migration to the affluent province, the local people are proud of their Cantonese language and culture. Over half of the overseas Chinese population is originally from the Guangdong region, making it the largest source of Chinese diaspora.
- Approximately 20 per cent of Canada's exports to China go to Guangdong.

## RELATIONSHIP OVERVIEW

- Alberta opened an international office in Guangzhou in 2016, though the Guangdong market had been covered by the Alberta Hong Kong Office since the office was founded in 1980
- On April 24, 2017, Guangdong and Alberta signed a sister province relationship agreement. This agreement marks Alberta's second sister province in China, the first, signed in 1979, is with Heilongjiang in northeastern China.

## TRADE AND INVESTMENT

- In May 2016, the Alberta Ministry of Economic Development and Trade signed a memorandum of understanding (MOU) with the Guangdong Department of Commerce, with a focus on sharing economic and trade expertise and promoting commercial development between the two provinces.
- Guangdong's rapidly growing middle class and demand for energy, agriculture and forestry resources make Guangdong and Alberta natural partners for trade and investment.

## SCIENCE AND TECHNOLOGY

- Alberta has an MOU with the Guangdong Ministry of Science and Technology that was renewed in 2016. This agreement focuses on collaboration in facilitating new industrial research and development opportunities in the two provinces.
- In September 2016, Alberta signed an MOU with BYD to facilitate long-term collaboration and research and development partnerships in the advanced technology sector.

## FORESTRY

- Since 2014, the Alberta Forestry Division has attended and has had a booth in the Canada Wood Pavilion at the annual Interzum Guangzhou, Asia's largest International Furniture Industry Fair.

- Dongshun Timber, based in Shunde district, Guangdong is a leading manufacturer of container flooring. Alberta Forestry Division has been working with this company to commercialize OSB – core container flooring, and to introduce new products into China.

## AGRICULTURE

- In 2014, the Minister of Alberta Agriculture and Forestry's (AF) led a trade and investment mission to Asia which included a visit to Guangdong. In Guangzhou, Alberta hosted an investment seminar.

## EDUCATION

- Alberta Education has led five recruitment missions to China since 2010.
- Alberta superintendents participated in an education leadership exchange mission to Guangzhou in 2014 and a group of Guangzhou educators visited as a part of the reciprocal exchange in May 2015.
- In 2014, as a part of the third High Level Consultation between Council of Ministers of Education, Canada (CMEC), Alberta Education signed an MOU with the Guangdong Department of Education. This MOU included provisions for international education activities, such as student mobility, summer camps and scholarships.
- The Canadian International High School in Guangzhou is an Alberta Accredited International School. Minerva International School in Zhaoqing has also received pre-accredited status. Both schools deliver Alberta's K-12 curriculum through Alberta certified teachers and provide students the opportunity to graduate with Alberta high school credentials.
- The Alberta School of Business at the UAlberta offers a Master of Financial Management program in Shenzhen through collaboration with Xi'an Jiao Tong University.
- The Faculty of Engineering at the UAlberta has connections with South China University of Science and Technology, and sends visiting Professors there on exchange.
- The Faculty of Medicine and Dentistry at the UAlberta has connections with Shantou University Medical College under the umbrella of the UofA Li Ka Shing Institute of Virology. Activities include a collaborative PhD program and participation in the East West Alliance, an international network of top Asian and Western medical research institutions supported by the Li Ka Shing Foundation.
- Since 2012, MacEwan University School of Business faculty has had a relationship with the Guangdong University of Foreign Studies.

Asia-Pacific Management students have carried out their internships in Guangzhou. In 2015, MacEwan faculty tour visited 2 universities in Guangzhou. One business faculty member was awarded the Yunshan Scholar from 2017-2019 by the Guangdong University of Foreign Studies.

- The University of Calgary (UCalgary) has several academic agreements with institutions in Guangdong: the Cumming School of Medicine collaborates with Sun Yat-Sen University for student exchanges, the Schulich School of Engineering offers a Group Study Program on innovation and entrepreneurship in renewable energy and the Faculty of Social Work collaborates with the Guangdong Institute of Public Administration, Sun Yat-Sen University and South China Agricultural University on transforming social welfare and social work in China.
- Concordia University of Edmonton has signed two cooperation MOUs with the University of Foshan, and the University of Shenzhen in 2012.
- Advanced Education supports several programs that enable post-secondary institutions to develop study and research collaborations in China. This includes Campus Alberta Grant for International Learning (CAGFIL) and MITACS Globalink. CAGFIL supports Alberta students to study in China, while Globalink provides scholarships for undergraduate Chinese students to pursue research in Alberta during the summer.
- Since 2012, Advanced Education, Economic Development and Trade, a number of Alberta post-secondary institutions, health-related professional associations and Alberta health-related organizations have been developing relations and advancing cooperation in health education-training, research and health industry opportunities with the Guanghua International Education Association.
- During 2015-16, there were 6,613 visa students from China enrolled in Alberta's publicly-funded post-secondary institutions
- Each year, the Government of China provides five full and ten partial scholarships enabling residents of Alberta to study in China.

## CULTURE AND TOURISM

- In April 2017, the Alberta Media Production Industries Association (AMPPIA) signed an agreement with the Administration of Press, Publication, Radio Film & TV of Guangdong Province, for collaboration in narrative digital screen content in the areas of film, television and interactive media.

- In September 2016, a cultural industries delegation, led by Mr. Shen Haixiong, (Senior Adviser to the People's Government of Guangdong and President of Association for International Cultural Exchanges of Guangdong), visited Alberta and took part in a media roundtable.

- The Guangdong government is aiming to have its service industry account for more than 50 per cent of the total provincial Gross Regional Product, and it is targeting the development of financial services, tourism, and cultural industries. Guangdong has expressed interest in collaborating closely with Alberta in the cultural industries sector.

- Guangdong is China's biggest movie market. Its cultural sector became one of Guangdong's pillar industries in 2015, accounting for over 5 per cent of the province's GDP.

- Asia is considered an emerging market for Alberta's cultural industries including film and television. The Ministry of Culture and Tourism, through the Cultural Industries Branch, is developing a strategic plan to help guide support for Alberta's cultural industries including film and television which includes exploring opportunities to foster trade development and business attraction with existing and emerging markets such as Guangdong.

## ENVIRONMENT

- In July 2013, Environment and Parks officials participated in an environmental exchange workshop and made a range of presentations to a Guangdong Environmental Delegation, introducing Alberta's environmental policy framework in managing environmental quality of air, water and soil remediation

## EMERGING OPPORTUNITIES

- With the largest and fastest growing middle class of China and as the largest consumer of natural resources in China, the Guangdong market is important for Alberta.
- Guangdong's proximity to Hong Kong, with its business-friendly environment makes it a good starting point for Albertans who are looking to do businesses in mainland China. With Guangdong being one of the most important regional export/imports centres, there are opportunities for Alberta companies to gain market access into mainland China through the 2003 Closer Economic Partnership Arrangement (CEPA) between Hong Kong and mainland China.
- With the agenda for transformation of low-value (especially polluting) factories, Alberta's environment sustainable and clean technologies related business can find

abundant opportunities in the Guangdong market. Through new regulations, the Guangdong provincial and municipal level governments are eager to remediate land and currently Guangdong is short of related home-grown technologies. Alberta's expertise in soil remediation can fill this vacuum in the Guangdong market.

- The agri-food sector is a major focus for Alberta's market development initiatives in Guangdong. China State Statistics Bureau said in the past five year, the average growth rate of China's imported food volume is 15 per cent. Opportunities exist for food safety technology, livestock genetics, seeds and forage products, grains and oilseeds, raw hides and skins, equipment, high quality beef, processed canola and other food products. This is especially true with the ever growing health-conscious middle class who are willing to spend extra on healthy agri-food products.
- With the latest cross-border electronic-commerce policies, there are abundant opportunities for Alberta's agri-food and consumer products industries in Guangdong and other neighboring provinces in South China. In Guangdong, there are over 20,000 commerce-related companies and approximately 95,000 online agri-shops on Taobao.com and most of them are interested in importing from abroad.
- Guangdong is home to many large, global Chinese firms including Huawei, which reported USD \$25.9 billion in annual revenue in 2016, as well as BYD, the SZ-based manufacturer of electric cars and components. Others include ZTE, Tencent, (owner of WeChat, and China's largest internet content provider), DJI (the world's largest consumer drone manufacturer), and Midea (the world's largest producer of electrical appliances). Huawei and BYD already have existing partnerships with Alberta and others are also considering Alberta in their going global strategies.
- Guangdong is an attractive destination for Albertan firms looking for venture and growth capital. Albertan firms are attractive to Chinese investors who are looking to bring in foreign intellectual property. Shenzhen is one of the two major financial centese in China (besides Shanghai) and there are many venture capital and private equity firms seeking promising projects abroad.
- Guangdong is also an important partner for educational partnerships with Alberta and source of foreign students. There are 106 universities and post-secondary institutions in Guangdong, many of which have existing ties or are interested in developing ties and

partnerships with institutions in Alberta. The affluent middle class are looking to Alberta as a destination for their children's high-quality education.

- Wood construction is an established and expanding sector in much of Guangdong, providing significant opportunities for Alberta's wood producers. In China, a movement towards increasing the use of wood products in buildings has been gaining momentum in recent years. China's 13th five year plan for 2015-2020 provides direction for both provincial and district governments and industry players on their development in terms of energy saving and green building. The Pearl River Delta is the leading area to adopt higher green build standards from the current national standards
- Three cities within a one-hour's drive of one another, Guangzhou, Dongguan and Foshan, have formed an industry cluster for wood-based furniture manufacturing, including lumber importers, distributors, wholesalers, and manufacturers.

## RECENT VISITS

- In April 2017, the Premier of Alberta and the Minister of Economic Development and Trade visited Guangdong, signing a sister province agreement with the province, and meeting with Guangdong Governor Ma Xingrui to discuss cooperation on trade and investment in a number of different sectors.
- In November 2016, the Minister of Economic Development and Trade visited Guangzhou and renewed an agreement between Alberta and the Guangdong Department of Science and Technology.
- In March 2016, the Minister of Economic Development and Trade visited Guangzhou and signed an agreement between Alberta and the Guangdong Department of Commerce. He also officially inaugurated the new Alberta Guangzhou Office.
- In May 2014, the Minister of Agriculture and Forestry led a trade and investment mission to Asia which included a visit to Guangdong. The Minister met with key industry and government stakeholders.



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