

Final Trip Report

Mission to Asia (Japan, China, Hong Kong, Singapore)

Dates: May 18-30, 2014

Purpose of travel:

Honourable Verlyn Olson, Minister of Agriculture and Rural Development, led a mission to Asia from May 18-30, 2014 to foster Alberta's agricultural trade development, investment attraction and market advocacy in the region.

Overview:

Minister Olson's trade and investment mission included visits to Tokyo (Japan), Guangzhou (China), Hong Kong and Singapore. Minister Olson's mission strengthened Alberta's ties to these important Asian markets and provided direct support to Alberta agriculture and energy companies looking to expand their international exports or attract investment from abroad.

China, Japan, Hong Kong and Singapore are priority markets for Alberta's export-oriented agricultural sector. Alberta's 2013 agri-food exports to China and Japan were valued at \$1.5 billion and \$1.3 billion, respectively. Agri-food exports to Hong Kong and Singapore were valued at \$153 million and \$39 million, respectively.

During the mission, Minister Olson met with key industry and government stakeholders in each of these markets, and spoke at investment-related events in China, Hong Kong and Singapore. Minister Olson gained important market insights from each of these meetings and laid the foundation for the continued promotion of Alberta's key trade and investment priorities in Asia.

Government-led trade and investment missions are important in helping open doors and increase opportunities for Alberta's small and medium-sized enterprises. These missions build Alberta's reputation abroad and help Alberta companies to diversify their export markets, key elements of Alberta's International Strategy.

Mission Objectives:

Minister Olson's mission successfully delivered on the intended mission objectives by:

- Profiling Alberta as a preferred supplier of agriculture and food products through meetings with key industry and government stakeholders in each market, as well as through a retail food promotion event in Japan.
- Promoting Alberta's agriculture sector as a destination of choice for outbound investment by leading investment seminars in Guangzhou and Hong Kong, and an Agri-Investment Roundtable in Singapore.
- Enhancing market advocacy in Alberta's key export markets, particularly through targeted meetings with government and industry leaders in each market to explore areas of possible collaboration and barriers faced by Alberta's agri-food sector.

Results:

Japan Ministry of Agriculture, Forestry and Fisheries

Minister Olson's delegation joined an Embassy of Canada representative in a meeting with Senior Vice-Minister Yoshikawa of the Japanese Ministry of Agriculture, Forestry and Fisheries. Minister Olson voiced support for the Canadian federal government in on-going bilateral and multilateral trade agreement negotiations related to the Canada-Japan Economic Partnership Agreement and the Trans-Pacific Partnership.

During the meeting, the Senior Vice-Minister raised the issue of recent logistical challenges within Canada regarding shipping grain to port as this situation significantly impacted the business of Japanese importers in meeting their commitments. Minister Olson provided an overview and status update on the issues and progress that has been made.

Also discussed during the meeting was the potential for mutually beneficial collaboration between Alberta and Japanese entities (such as government, institutions and industry) on research and development opportunities.

Japanese Retail Promotion Event

During Minister Olson's visit to Tokyo, the National Azabu supermarket conducted an Alberta promotion event of a new sausage product being launched in the Japanese market. National Azabu and affiliated outlets specialize in international imported food products from around the world and cater to the expatriate community and Japanese consumers seeking higher-end imported food products. The Government of Alberta will assist National Azabu in identifying new retail food products to import from Alberta.

Guangdong Department of Commerce

In Guangzhou, Minister Olson met with Ms. Shao Ren, Deputy Minister of the Ministry of Commerce of Guangdong Province. Guangdong represents a strong economic province within China, accounting for more than 10 percent of China's gross domestic product (GDP). From 1978-2013, the average annual growth rate of Guangdong's GDP was 18.1 per cent.

Minister Olson profiled the province of Alberta's strengths in energy, agriculture, tourism, and explored the possibility for future partnerships with Guangdong. Minister Olson highlighted Alberta's efforts towards deepening its partnerships with Guangdong province, including the upcoming opening of an Alberta International Office in Guangzhou to help enhance business facilitation on both sides.

Minister Olson invited the Ministry of Commerce of Guangdong Province to visit Alberta, and encouraged them to open an office in Alberta to build closer ties.

Cathy Pacific Air Cargo Terminal Visit, Hong Kong

In Hong Kong, Minister Olson visited the Cathy Pacific Airline Terminal to witness the processing of a shipment of Alberta boxed beef to the Cathy Pacific Air Cargo Terminal. The state-of-the-art terminal is complete with an advanced material handling system and warehouse operating system, as well as a full range of facilities catering to the specific requirements of numerous types of cargo.

Minister Olson toured the facility together with representatives of a Hong Kong meat import company. Minister Olson gained market intelligence and knowledge regarding the logistics and customs requirements for Alberta beef shipped to Hong Kong, and profiled Alberta's strengths in the livestock and meat processing industry.

Singbridge, Singapore

In Singapore, a productive meeting with Singbridge Corporate generated opportunities for Alberta's agricultural industry to utilize the Sino-Singapore Jilin Food Zone in China's Jilin province for business benefits. Positioned as a premium food zone with an emphasis on food safety, the Jilin Food Zone spans 1,450 square kilometers with a core area of 57 square kilometers.

Minister Olson heard a report on the current development of the Jilin Food Zone, including location, local transportation, weather, soil and water supply condition, and local labor costs. One of the advantages of the Jilin Food Zone is that the products manufactured there will have the opportunity to be certified by standards and veterinary officials from both China and Singapore. Minister Olson invited Singbridge to Alberta to increase their links with the Alberta agri-food industry.

Investment-related Events

Alberta hosted investment seminars in Guangzhou and Hong Kong, and an Agri-Investment Roundtable in Singapore. Four Alberta agri-businesses seeking growth capital from Asia participated in these events, as did seven energy companies and two municipal regional associations.

Early indicators from the mission are that:

- 258 Asian investors, companies and investment facilitators participated in the three seminars.
- The four Alberta agri-business firms held 49 one-to-one meetings with potential investors.
- The Alberta energy firms held 65 one-to-one meetings with potential investors.
- These companies are currently following up on the qualified investment leads generated through the mission.

Meetings with Key Industry Stakeholders

Throughout the mission, Minister Olson successfully held high-level meetings with important industry stakeholders, including local industry representatives from agri-food importers, distributors, retailers and manufacturers, to help support the Alberta agri-food industry's efforts in each of these markets.

- Minister Olson engaged with key Japanese stakeholders, such as trading houses and food and beverage manufacturers, that source Alberta agriculture and agri-food products and inputs, including grains and meat.
- In Guangzhou, Minister Olson met with representatives from a meat import company, a high-end retailer and an Alberta agricultural service company located in Asia.
- In Hong Kong, he met with key beef and packaged food importers.
- Minister Olson's industry meetings in Singapore focused on key grain, pulse and oilseed traders.

Overall, these meetings helped to further enhance export opportunities and identify potential investment interests in these markets. Minister Olson learned about each market's demands and client needs, and profiled Alberta as a reliable supplier of safe, high-quality agri-food products. Minister Olson promoted Alberta's export strengths and highlighted investment opportunities in the agri-food sector.

During many of these meetings, the topic of the recent transportation and logistics issues within Canada grain was raised by industry stakeholders. Minister Olson responded by providing an overview and status update on the situation and progress that had been made. Minister Olson emphasized Alberta's commitment in working together with the Canadian government towards finding a long-term solution.

Delegation:

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