

ASIA PACIFIC TRADE, COMMERCE AND TOURISM: BUILDING SMALL BUSINESS CAPACITY

BC's economic and social future will be dependent on our ability to capitalize on the emerging economies of Asia Pacific, particularly China and India.

Estimates by the Canadian Chamber of Commerce (CCC) in their new report: "Canada & India: Boosting Economic Ties and Cutting Barriers", suggest that one in four Canadian jobs are linked to, or depend on, international trade.

In particular The Chamber believes the opportunities presented by China and India require a coordinated approach to developing BC businesses capacity, particularly for small business, to take advantage of this unparalleled opportunity.

The Chamber welcomes the study undertaken by a range of groups on the opportunities and challenges facing BC's business community. This study has resulted in a range of papers and strategy papers, these include;

- BC Governments Asia Pacific Strategy
- Asia Pacific Trade Council - Report of the China/Hong Kong Market Advisory Group
- Asia Pacific Trade Council - Report of the India Market Advisory Group
- Canadian Chamber of Commerce - Canada and India: Boosting Economic Ties and Cutting Barriers - strategies for closer economic relations

China

China is the new world economic giant. It is the world's fifth largest economy. Fortunately, British Columbia is blessed with a large population of China-origin immigrants who have close business, cultural and family ties with China, Hong Kong, Taiwan and other Asia Pacific countries. Richmond arguably has the largest population of Chinese business associations on the North American west coast, and has significant direct trade, commerce and tourism linkages with China. Over 50 per cent of the City's residents are from China.

The B.C. Government's Asia Pacific Trade Council, in its "Report of the China/Hong Kong Market Advisory Group, June, 2006", notes that the province has unique strengths and linkages with China and Hong Kong that have created considerable potential for increase trade, commerce and tourism relations with China and Hong Kong.

The Report also notes that this potential also has significant competition with other countries, and that the opportunities that do exist are time-limited. The B.C. Government has recognized the potential of this market and is addressing some of the recommendations made by the Council in its Report.

The Asia Pacific is the second-largest market for B.C. According to the Report, the Asia Pacific accounted for 25 per cent of B.C.'s total exports and 50 per cent of its total

imports in 2005. The largest part of these exports were to China. Municipalities throughout B.C. already have developed, and are enhancing, trade relations with China. Our Coastal ports' business with China and the Asia Pacific is growing dramatically.

India

The CCC notes that while Canada's trade with India is small – less than 0.75% of Canadian exports, and less than 1% of Canadian imports – opportunities for increasing trade and investment with India as its economy continues to surge are significant.

British Columbia's Asia Pacific Trade Council details significant trade opportunities between India and British Columbia. It notes that India is Asia's fourth largest economy and the world's most populous democracy. Today, India's annual expansion ranks among the highest in Asia – second, behind China.

British Columbia has significant linkages with India already. India was the third largest source of immigrants to British Columbia in 2001, adding to an already large Indian origin immigrant population.

The Council estimates that while B.C. is not the largest provincial exporter to India (we're fourth), significant opportunities to increase trade, commerce and travel with India are waiting to happen. It also notes that B.C. is in a unique "gateway" position to benefit from India's increasing international trade because B.C.'s commodity exports will likely increase in demand from India, B.C.'s technology clusters are especially suited to India's growth, and B.C.'s existing large, India-origin population will open new doors to trade.

THE CHAMBER RECOMMENDS

That the Provincial and Federal Government;

1. Assist small business in developing a comprehensive action plan to implement the recommendations of the provincial Asia Pacific Strategy, as well as the recommendations of both the Canadian Chamber of Commerce and the Asia Pacific Trade Council;
2. work with the Asia Pacific Trade Council to identify areas and programs that will benefit business relations between the province, China and India; and
3. ensure small business representation by adding at least two BC Chamber representatives to the Asia Pacific Trade Council

SUBMITTED BY THE RICHMOND CHAMBER OF COMMERCE