



Committee of the Whole (1) Report

DATE: Tuesday, January 23, 2024

WARD(S): ALL

TITLE: 2023 GERMANY AND ITALY MISSION FINAL REPORT AND
2024 ECONOMIC RELATIONS LOOK AHEAD

FROM:

Nick Spensieri, City Manager

ACTION: DECISION

Purpose

Under Council direction, the City undertook an international economic development mission to the Anuga FoodTech conference in Cologne, Germany, and to the food processing cluster in Northern Italy. The mission raised Vaughan's profile and advanced trade and investment opportunities for Vaughan's economy. To continue this work, staff are seeking approval for a Northern and Central Italy mission in 2024.

Report Highlights

- Participation in international business missions and conferences are an important opportunity to raise the profile of Vaughan's economy among global audiences and to generate trade opportunities and investment leads across Vaughan's key sectors.
- The City of Vaughan's demographic and economic characteristics give the city a unique opportunity to advance its international economic opportunities through Italy.
- The 2023 mission to Germany and Italy advanced opportunities in trade for local firms, introduced Vaughan to prospective investors, and introduced the economic opportunities of our city to important Italian economic development agencies.
- Staff recommend undertaking a one-week Northern and Central Italy mission in partnership with the ICCO to Milan, Rome, and Sora in July 2024 to:
 - Solidify the cultural and political ties with Central Italy: an important source of immigration to Vaughan.
 - Advance Trade and Investment opportunities with Italian agencies and firms first engaged in the 2023 mission: international economic development is a multi-touch and long-term process that requires ongoing relationship development.

Recommendations

1. THAT Council receive the update on the 2023 mission to Germany and Italy and endorse staff's ongoing work to engage with opportunities emerging from the mission;
2. THAT Council approve a mission to Italy in 2024 to further advance the city's food processing industry and advance government relations with partner agencies consisting of:
 - a. The Mayor (or designate) and up to two additional (2) Members of Council as identified by the Mayor (or designate) no later than February 1, 2024, under delegated authority from Council;
 - b. Up to four (4) city staff from the City Manager's Portfolio as identified by the City Manager (or designate) no later than February 1, 2024, under delegated authority from Council; and,
 - c. Mayor and Council support staff as needed and identified by the City Manager (or designate) no later than February 1, 2024, under delegated authority from Council; and
3. THAT staff report the results of the mission to a future Committee of the Whole.

Background

The relevant background supporting a 2024 mission to Italy includes:

- The importance of international economic relations in economic development.
- The unique value proposition Vaughan carries in Italy.
- The opportunity for Vaughan in Italy given alignment in various sectors led by the agri-food sector.
- Building on momentum gained in the 2023 mission to Italy.

Participation in international business missions and conferences are an important opportunity to raise the profile of Vaughan's economy among global audiences and to generate trade opportunities and investment leads across Vaughan's key sectors.

Economic Development's participation in international trade, business and investment activities focus on activities in three key areas:

1. Trade and Foreign Direct Investment (FDI)

Staff use international conferences and missions to identify cross-border trade opportunities with other countries and to attract foreign direct investment from other economies. Trade and FDI activities will focus on developing Vaughan's growing and emerging sectors, including health technology, life sciences, auto technology and food manufacturing. Target economies include those with which Vaughan has long-standing economic ties, such as Italy and Israel, and with more similarly positioned "gateway economies," such as Italy, the Czech Republic, Luxembourg, Portugal, and Taiwan.

To raise the profile of Vaughan's economy, Economic Development staff leverage international conferences and missions to gain access to leading companies, investment agencies and public sector staff to provide technical briefings on Vaughan's economy. These meetings lay a foundation for future investment, engagement, and partnership focused on identifying opportunities.

2. Established and Emerging Cluster Development (for talent and innovation)

International missions and conferences offer opportunities to develop Vaughan's established and emerging sectors, such as health technology, life sciences, auto technology and food manufacturing. Through marketing materials, meetings with international stakeholders and participation of leading companies from Vaughan, staff

will raise the profile of Vaughan as a world-class destination for investment, talent, and innovation.

3. Advancing the City of Vaughan through Best Practice Research

International missions and conferences also provide opportunities to learn best-in-class economic development practices, policies, and programs from leading economic development organizations abroad. The city leverages international visits to meet with municipal staff and local innovation organizations to learn about novel approaches to good government, municipal innovation, and fostering economic prosperity. These engagements yield valuable lessons for creating new opportunities for businesses and talent in Vaughan and for improving the quality of life for residents in areas such as mobility, housing, emergency response, economic recovery, green economy and circular economy.

The City of Vaughan's demographic and economic characteristics give the city a unique opportunity to advance its international economic opportunities through Italy.

Successive strategies and plans have identified Vaughan's strong agri-food cluster and Italian diaspora as opportunities to advance our economy: Italy remains a key recruitment for both business and talent. With Vaughan's close to 50,000 Italian-Canadians, the city has an attractive value proposition for Italian and European investors.

Italy is a gateway for Vaughan to the European economy with significant trade activity in the agri-food cluster.

The Canada-Italy relationship is an important access point to Europe. The EU is Canada's second largest trading partner and supported by the Comprehensive Economic and Trade Agreement (CETA).¹

Italy remains Canada's third largest merchandise trading partner in the European Union (EU). Trade between Canada and Italy in 2022 was nearly \$12B. Agri-food products were the leading export from Canada to Italy in 2022 with consumer goods and energy products taking the second and third spots.²

¹ See: <https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/index.aspx?lang=eng>

² See: <https://www.international.gc.ca/country-pays/italy-italie/relations.aspx?lang=eng>

Vaughan has a longstanding relationship with Sora, Italy focused on social and cultural activities. These activities are evidence of the ongoing importance of Sora as a resident recruitment zone for Vaughan.

Sora, Italy, and the City of Vaughan formalized an international partnership in 1992.

The Sora-Vaughan partnership is based on a strong connection through Vaughan's Italian diaspora. Various local clubs and organizations represent Italian-Canadians from the Lazio Region.

The Sora-Vaughan partnership has included a series of activities since inception in 1992. The activities are highlighted by a 2007 mission from Vaughan to Italy. Most recently, Vaughan received a delegation of 17 representatives from Sora in June 2023. The Mayors of Vaughan and Sora reaffirmed the ongoing friendship and committed to ongoing discussions about the modernization of the bilateral relationship.

Vaughan's local agri-food cluster is an established driver of the local economy.

Vaughan's agri-food cluster runs from farm to fork. The city is home to more than:

- 7,800 acres of farmland in use.
- 235 Transportation and Warehousing companies that employ 12,800 people.
- 125 Manufacturing, Processing, and Packaging firms that employ 5,700 people.
- 125 Distribution companies that employ 3,750 people.
- 130 Food Retailers
- 800 Restaurants³

The 2023 mission to Germany and Italy advanced opportunities in trade for local firms, introduced Vaughan to prospective investors, and introduced the economic opportunities of our city to important Italian economic development agencies.

From October 7 to 18, the city's delegation joined the federal government, Ontario Food Cluster, and York Region at the Anuga FoodTech Conference in Cologne, Germany, then conducted business and institutional meetings in Milan, Italy with the Italian Chamber of Commerce of Ontario (ICCO), the federal Trade Commissioner Services (TCS), and other local agencies.

³ See: <https://vaughanbusiness.ca/key-sectors/agri-food-and-food-processing/>

Over the course of the mission, the delegation engaged 44 companies and 10 governmental trade, investment, and development agencies. To these partners, staff delivered:

- 31 business development packages to companies seeking trade and business relationships with Vaughan-based companies.
- 5 site selection packages to companies considering establishing new facilities in Vaughan.
- 5 economic information packages to trade and investment agencies helping European companies invest in Canada and trade with Canadian companies.

For more details on the delegation's daily activities, see Appendices.

Since the mission staff have followed up with all groups engaged, highlighted by the following:

- Met with Italian company EVWay in the Vaughan Metropolitan Centre (VMC) to support their entry into the Canadian market. The delegation met with EVWay in Milan.
- Been introduced, by the TCS in Milan, to Ludovico Martelli SpA to help them expand their operations in Canada with Vaughan-based companies.

Throughout 2024, staff will continue to follow up on the leads generated by the mission.

Previous Reports/Authority

[2023 INTERNATIONAL ECONOMIC RELATIONS - AGRI-FOOD CLUSTER MISSION UPDATE \(escribemeetings.com\)](#). Committee of the Whole (2) Report. May 9, 2023.

[2023 INTERNATIONAL ECONOMIC RELATIONS - AGRI-FOOD CLUSTER MISSION \(escribemeetings.com\)](#). Committee of the Whole (2) Report. April 18, 2023.

[WEB SUMMIT 2022 AND INTERNATIONAL ECONOMIC RELATIONS PROGRAM – 2023 \(escribemeetings.com\)](#). Committee of the Whole (2) Report. December 12, 2022.

[Inbound and Outbound Delegations Policy](#), May 14, 2019.

[Cultural and Economic Partnerships Policy](#), May 14, 2019.

Analysis and Options

A 2024 mission will continue the work started in 2023’s mission with the support of various partner organizations.

Staff recommend undertaking a one-week Northern and Central Italy mission in partnership with the ICCO to Milan, Rome, and Sora in July 2024 to:

- ***Solidify the cultural and political ties with Central Italy: an important source of immigration to Vaughan.***
- ***Advance Trade and Investment opportunities with Italian agencies and firms first engaged in the 2023 mission: international economic development is a multi-touch and long-term process that requires ongoing relationship development.***

The mission will build in the work started by Vaughan Economic Development (EcDev) and the ICCO in 2023 with three days centres in Milan and three days centred in Rome, including one day to visit Sora, a partner-city of Vaughan’s.

Proposed agenda:⁴

Date	Activity	Purpose(s)
Wednesday, July 3, 2024	Arrive in Milan	
July 4-5	Meetings and business activities in Milan and the surrounding area.	To follow up with organizations and businesses met on the 2023 mission. To identify new economic development opportunities.
July 6-7	Travel to Rome with additional day of unstructured time	
July 8-10	Meetings in Rome with one day in Sora	To identify new economic development opportunities.
July 11	Depart from Rome	

⁴ Agenda subject to change based on availability of flights and feedback from stakeholders.

Milan is the economic engine of Italy and has emerged as the centre of a vibrant food and food-processing cluster across Piedmont, Lombardy, and Emilia-Romagna.

The entire region offers trade opportunities for our local economy in agri-food, circular economy solutions, and technology-enabled food processing.

Key Opportunities:

- Lombardy's agrifood production produces approximately 16.4% of Italy's national total.
- In Lombardy, there are more than 70 foreign companies in the agri-food sector, that employ 20,000 workers.
- Lombardy is home to 33% of Italy's agrifood startups
- Piedmont is home to nearly 60,000 food companies, with more than 100,000 employees.
- Piedmont exported more than 7 Billion Euros of food product in 2020, while importing more than 4 Billion Euros of goods.
- Emilia-Romagna is home to leading global food companies including: Barilla, Segafredo, Tetra Pak, Caffitaly, Fico, and Mutti.
- Emilia-Romagna is the founding region in the Clust-ER Agri-Food, which includes public and private bodies (research centers, companies, training institutes) that support the competitiveness of the industry in the Region.
- The City of Milan leads the Food System Milan for sustainable food development.

As the capital of Italy, Rome is home to many international investment and trade agencies as well as an important centre for companies scaling in a variety of industries. Of particular interest in Rome and the surrounding Lazio Region are strong Information and Communications Technologies (ICT), Life Sciences and creative industries clusters.

Opportunities for Vaughan in Rome and Lazio include:

- More than 3,400 agrifood companies that employ 17,000 people and export 550 million euros per year.
- A recognized centre of excellence in cultural heritage and technologies with more than 30,000 culture and tourism companies, 17 universities, and research institutions, and 165 museums.
- Access to a digital industries cluster that produces 7 billion Euros annually and employs more than 90,000 people.

- A life sciences cluster with more than 10,000 researchers working in 26 research centres supported by 300 companies and 22,000 employees. This cluster produces 9 billion Euros annually.⁵

Vaughan’s Economic Development staff will collaborate with regional partners to coordinate lead generation and marketing activities for the mission.

EcDev works with a variety of partners to advance the city’s international economic relations. For the 2024 Italy mission, staff will work with its ongoing international partners like York Region, Toronto Global, and the World Trade Centre Toronto.

In addition, staff will work with a series of stakeholders who supported the 2023 mission. The Italian organizations who may support the mission include:

- The ICCO, who will provide lead generation support as well as logistical assistance.
- The Canadian Consul and Senior Trade Commissioner, with the Federal Trade Commissioner Services, in Milan and Rome who have offered to assist with governmental meetings and engagement with local industry stakeholders.
- Promos Italia, who support Italian companies that want to expand overseas.
- The Emilia Romagna Chamber of Commerce that coordinates companies in the agri-food sector based in Parma.

As the head of Council, the mayor’s participation, or that of a designate, is recommended.

The City’s Cultural and Economic Partnerships policy grants the mayor delegated authority to enter memoranda of understanding (MOUs) with prospective partner organizations. Furthermore, as head of Council, the mayor is the city’s chief spokesperson under the Municipal Act. As such, the mayor’s participation, or that of a designate, as well as the delegation of authority to the Mayor to choose the Council representatives of the delegation is recommended to elevate the mission’s profile.

Financial Impact

There is no new financial impact because of the proposed mission. Funds will be drawn from the Council approved Economic Prosperity fund and the term of Council International Economic Relations fund. These budgets are supplemented by more than \$30,000 from the federal government’s CanExport fund.

⁵ <https://www.lazioinnova.it/reti-cluster-innovazione/>

All expenses incurred due to the participation of Mayor and Council support staff will be paid from the appropriate Council office budget.

Proposed Budget:

Item	Budget Estimate
Flights for up to 7 people (\$4,000 per person)	\$32,000
Accommodations for 7 people, up to 7 nights (\$500/night/per person)	\$28,000
Ground travel (charter mini-bus)	\$10,000
Per Diem (food, and incidentals)	\$10,000
Engagement Materials (Sector Profiles, dignitary items, etc.)	\$5,000
Lead Generation and Hosting	\$35,000
Total	\$120,000

Operational Impact

None. The proposed mission is an accounted for activity in EcDev's 2024 operational plan.

Broader Regional Impacts/Considerations

Municipalities in York Region are responsible for developing and executing their own International Business Development Programs. Outbound Delegations are within the mandate of Economic Development's Business Plan as a vehicle for promoting Vaughan's advantages, strategic projects, market opportunities and local businesses in global centres.

Conclusion

Based on the work undertaken during the 2023 Italy mission and the ongoing relationship with Sora, Economic Development recommends undertaking a follow-up mission to Northern and Central Italy in 2024 to raise the profile of Vaughan's food and beverage sector and to promote Vaughan's businesses on a world stage.

Upon approval, Economic Development will finalize the itinerary including all logistical requirements and travel-related bookings.

For more information, please contact: Raphael Costa, Director, Economic Development at Extension 8891.

Attachment

1. Attachment 1 Daily Memos – 2023 Anuga/Italy Mission.

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Approved by

A handwritten signature in black ink, appearing to read "Nick Spensieri", with a long horizontal line extending to the right.

Nick Spensieri, City Manager