

Committee of the Whole (2) Report

DATE: Tuesday, June 18, 2024

WARD(S): ALL

TITLE: INDO-PACIFIC INTERNATIONAL ECONOMIC DEVELOPMENT
MISSION – Q1 2025

FROM:

Nick Spensieri, City Manager

ACTION: DECISION

Purpose

Staff is seeking council approval to execute an international economic development mission to the Indo-Pacific region with a focus on South Asia in the first quarter of 2025.

Report Highlights

- Participation in international economic development missions and conferences are an important opportunity to raise the profile of Vaughan's economy among global audiences. Missions also generate trade opportunities and investment leads across Vaughan's key sectors and offer insights into industry best practices.
- Vaughan's established, growing, and emerging sectors align with growth areas identified in Canada's Indo-Pacific Strategy, notably in construction and infrastructure development (inclusive of building materials manufacturing), automotive, agri-food and food processing, and healthcare, health tech and life sciences.
- The mission budget is supplemented by more than \$30,000 from the federal government's CanExport fund.
- Staff recommend undertaking an Indo-Pacific mission in partnership with the Indo-Canada Chamber of Commerce to advance strategic economic and cultural relations in this region.

Recommendations

1. THAT Council approve a mission to advance international economic relations in India and/or Pakistan in the first quarter of 2025, consisting of:
 - a. The Mayor (or designate) and up to two (2) additional Member of Council, as identified by the Mayor (or designate) no later than July 15, 2024, under delegated authority from Council;
 - b. Up to three (3) city staff from the City Manager's Portfolio, as identified by the City Manager (or designate) no later than July 15, 2024, under delegated authority by Council; and
 - c. Mayor and Council support staff, as needed and identified by the City Manager (or designate) no later than July 15, 2024, under delegated authority from Council.
2. THAT the Mayor and the City Clerk be authorized to execute a multi-party Memorandum of Understanding (MOU) between the City of Vaughan and the Indo-Canadian Chamber of Commerce for the purpose of an Indo-Pacific international economic development mission in 2025.
3. THAT the MOU be in a form satisfactory to the City Manager (or designate) and the City Solicitor (or designate).
4. THAT the Office of Communications and Economic Development be directed to communicate news and success generated by the mission and partnership.
5. THAT staff report the results of the mission to a future Committee of the Whole meeting.

Background

To provide Council with necessary background information, this section will:

- a) Outline the City's approach to International Economic Development Missions.
- b) Highlight Vaughan's alignment with the Indo-Pacific region and Canada's strategy.
- c) Indo-Pacific Opportunities.

a) International Economic Development - Vaughan

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

As part of Economic Development's (EcDev) council approved Action Plan for 2023-2027, Council-led international economic development missions were identified as a key action. In assessing international economic mission opportunities, EcDev uses the following criteria:

- Status of international and trade relations between Canada and the country visited. Mission targets with a free-trade agreement and a robust diplomatic presence in-country are preferred.
- The presence of Vaughan-based companies with ties to the proposed destination.
- The suitability of the proposed destination to advance at least two of the following:
 - Local Trade opportunities.
 - Foreign Direct Investment in partnership with Toronto Global and York Region.
 - Relations with external centres of excellence.

To advance the local economy EcDev works to achieve three primary goals when undertaking international activities:

1. *Trade and Foreign Direct Investment (FDI)*

- Staff use international 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.

2. *Established and emerging cluster development (for talent and innovation)*

- International missions offer opportunities to develop Vaughan's established and emerging sectors, such as health technology, life sciences, auto technology and food manufacturing. Marketing materials, meetings with international stakeholders, and connections with local businesses 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 provide opportunities to learn best-in-class economic development practices, policies, and programs from leading organizations abroad. The city leverages international visits to meet with municipal staff and local organizations to learn different 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.

They also provide an opportunity to see how other jurisdictions advance major projects. These findings can be applied to our own City building initiatives such as the Vaughan Healthcare Centre Precinct (VHCP), North Maple Regional Park (NMRP), and recently announced cultural arts centre.

b) Canada's Indo-Pacific Strategy, the Region, and Vaughan

Canada's Indo-Pacific Strategy highlights the critical role this region will play in shaping Canada's economy in the future and identifies significant opportunities to grow Vaughan's economy.

The Indo-Pacific region is the world's fastest growing economic region. It is home to more than four billion people, 40 economies, and more than \$47 trillion in economic activity. This region makes up more than one-third of all global economic activity. By 2040, this region will account for more than half of the global economy. Both economic and population growth are driving demand for education, health services, food, financial services, advanced manufacturing, and green infrastructure, among others. These are sectors in which Canada has a global reputation for excellence.

The Indo-Pacific Region is home to six of Canada's top thirteen trading partners. Canada's Indo-Pacific Strategy estimates that in the infrastructure sector alone, there is an estimated \$2.1 trillion opportunity for strategic investments and partnerships in the Indo-Pacific. These industries align with Vaughan's established, growing, and emerging industries¹.

Vaughan's established, growing, and emerging sectors align with growth areas identified in Canada's Indo-Pacific Strategy, notably in construction and infrastructure development (inclusive of building materials manufacturing), automotive, agri-food and food processing, and healthcare, health tech and life sciences.

The following established and growing sectors offer opportunities across the Indo-Pacific and align with those previously identified by Global Affairs Canada's regional strategy:

1. *Automotive*

- The automotive sector in Vaughan makes up a large part of the advanced manufacturing cluster in the city, contributing \$4 billion in real gross domestic product to Vaughan's economy in 2022. Vaughan's automotive

¹ Global Affairs Canada - [Canada's Indo-Pacific Strategy](#)

sector is comprised of over 660 sector-related businesses employing more than 13,600 people. Vaughan is home to many globally recognized tier-one suppliers, including Magna International, Martinrea, Multimatic, Hanon Systems, Litens Automotive, IAC and Woodbridge Foam Corporation, as well as numerous tier-two and tier-three suppliers. The city's central location is in direct proximity to assembly plants for giants such as Stellantis, Ford, Honda, and Toyota, where businesses can plug into a strong and well-connected supply chain.

2. Agri Food and Food Processing

- Vaughan is at the heart of Toronto Region's Food & Beverage sector, the largest in North America, boasting more than 500 companies in the City's food and beverage supply chain. These companies employ 21,700 workers – nearly 10 per cent of Vaughan's employment base. Vaughan's agri-food and food processing sector runs "farm to fork", which includes touchpoints along the continuum of the sector – from growing, to processing, to consumption at a retail or hospitality outlet.

3. Construction and Infrastructure

- Vaughan's construction and building materials sector is integral to supporting residential, commercial, and industrial building growth across Ontario and Canada. Vaughan's Construction industry contributed \$4.1 billion in real GDP to Vaughan's economy in 2022. The construction in Vaughan is supported by high economic spin-offs anchored by strong local industry verticals, including advanced manufacturing, retail and wholesale trade, professional and business services and technology.

4. Health Care Health Tech and Life Sciences

- Vaughan is a world-class destination for excellence in healthcare and health innovation. The City's healthcare, health tech and life sciences sector comprise over 1,300 companies that employ 17,000 people. The city is home to multi-national leaders such as Cardinal Health, Toronto Research Chemicals, argenx and Sterling Industries, Vaughan's next generation of healthcare solutions is emerging. Life sciences companies in Vaughan benefit from access to a robust local talent pool, a growing cluster of potential collaborators and a budding health innovation district.

c) Indo-Pacific Opportunities

India remains a strong contributor to Canada and Vaughan. In addition, its developing status presents a significant opportunity for several key sectors in Vaughan including Automotive, Agri-Food and Food Processing, and Life Sciences.

In 2022, India was Canada's 10th largest trading partner. India is a key jurisdiction as Canada strengthens its economic links to the Indo-Pacific under a new, comprehensive strategy for the region. Canada and India are working toward a Comprehensive Economic Partnership Agreement and a Foreign Investment Promotion and Protection Agreement (FIPA) and are committed to regularly holding Ministerial Dialogue on Trade and Investment to explore ways to deepen the commercial relationship.

Canada-India Trade (2022)

Imports and Exports	Trade in CAD\$
Canadian Imports	\$6.4 billion
Canadian Exports	\$4.1 billion

Canada's commercial priorities in India include:

- Supporting India's energy security and environmental ambitions through increased exports of renewable energy and clean technology, with a focus on bioenergy, wind, hydro and solar, as well as water and sewage treatment;
- Helping India meet its substantial urban and transportation infrastructure needs for roads, rail, airports, ports, dams and services segments through the provision of financing, equipment, technology and engineering services;
- Promoting commercial research and development and collaboration to drive innovation in sectors such as information and communications technologies, science, technology and innovation, digital industries, artificial intelligence, deep technology, machine learning and internet of things (IoT);
- Increasing the exports of food products and fertilizers to support India's food security needs with a focus on value-added products and expertise in food supply and cold chain management;
- Focusing on opportunities for Canadian partnerships as suppliers in the Life Sciences sector to support India's industry-leading presence in the pharmaceutical sector;
- Integrating Canadian companies into India's automotive supply chains.²

² Global Affairs Canada – [Canada - India Relations](#)

There are specific opportunities in the region to leverage as additional international business development activities, such as the Pravasi Bharatiya Divas (PBD) Conference, which is celebrated in January to mark the contribution of Overseas Indian community in the development of India. This conference includes participation from overseas diaspora experts, policy makers and stakeholders, which staff can leverage for additional meetings. Staff will continue to explore other related conferences which may be beneficial in lead generation activities related to the objectives of the mission.

Pakistan offers the potential to strengthen economic and cultural ties between Pakistan and Vaughan, which will allow the opportunity to build viable relationships that will foster business development opportunities and improve access to talent.

In 2020, Pakistan was Canada's 36th-largest export destination, with Canada-Pakistan bilateral trade reaching \$1.11 billion. Of this, Canada is currently exporting \$669 million to Pakistan and \$438 million is currently being imported from Pakistan. Global Affairs Canada has identified the following opportunities for Canadian companies that align with priority sectors for the city: information and communication technologies (ICT), and agri-food and food processing.³

Canada - Pakistan Trade (2020)

Imports and Exports	Trade in CAD\$
Canadian Imports	\$438 million
Canadian Exports	\$669 million

Vaughan has substantial and growing diasporic communities from India and Pakistan. Additionally, in the Greater Toronto Area (GTA), India remains a large source of talent.

According to a recent release on immigration in Statistics Canada, one in every five recent immigrants to Canada being born in India⁴. In Vaughan, nearly one in 10 residents identify as having ethnic or cultural origins from India or Pakistan. From 2016

³ Global Affairs Canada – [Canada – Pakistan Relations](#)

⁴ Statistics Canada - [Immigrants make up the largest share of the population in over 150 years and continue to shape who we are as Canadians](#)

to 2021, the population of Pakistani and Indian immigrants rose by 21 per cent in Vaughan.⁵

Pakistan's Consulate General is located in Vaughan.

Previous Reports/Authority

[2024-2027 Vaughan Economic Development Action Plan](#), Committee of the Whole (Working Session) Report, April 10, 2024

[Inbound and Outbound Delegations](#), Corporate Policy 02.C.02, January 31, 2024

[Cultural and Economic Partnerships](#), Corporate Policy 02.C.01, January 31, 2024

[2023 Germany and Italy Mission Final Report and 2024 Economic Relations Look Ahead](#), Committee of the Whole (1) Report, January 23, 2024

[Health Innovation Ecosystem Development in Chicago](#), Committee of the Whole (1) Report, January 23, 2024

[Council Member Expense Policy](#), Corporate Policy 06.C.02, November 14, 2023

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

Analysis and Options

Relevant analysis is outlined below and includes:

- a) Recommendation
- b) Operational Next Steps

a) Recommendation

Staff are seeking council endorsement to execute an Indo-Pacific International Economic Development Mission in the first quarter of 2025 focused on South Asia.

⁵ Statistics Canada - City of Vaughan Census Profile, [2021](#) and [2016](#)

South Asia, anchored by India and Pakistan, represents unique opportunities to strengthen cultural and economic ties between the City of Vaughan and respective cities across the region. These countries have been identified as part of the Government of Canada's Indo-Pacific Strategy as critical locations for trade, investment, and talent attraction.

A mission will be undertaken with support from Global Affairs Canada through CanExport funding. The mission will work to advance relationships through local trade agencies, diasporic community representatives, consulates, and qualified investment opportunities. There is substantial potential for FDI and trade between these countries and Vaughan, particularly in the Automotive, Agri-Food and Food Processing, and Life Sciences sectors. These sectors, alongside Information and Communication Technology (ICT) and Construction and Infrastructure, have been identified as high-potential areas by the Canadian Trade Commissioner Services network.

b) Operational Next Steps

Vaughan's Economic Development staff will collaborate with regional partners to coordinate lead generation and marketing activities for the mission. To ensure a fulsome mission, staff will begin working with diasporic community groups such as the Indo-Canadian Chamber of Commerce.

EcDev works with a variety of partners to advance the international economic relations. For the 2025 Indo-Pacific 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, including:

- The Indo-Canada Chamber of Commerce, who will provide lead generation and logistics support (i.e. transportation) while in India.
- The Canadian Consul and Senior Trade Commissioner, with the Federal Trade Commissioner Services, who will support with further lead generation support and connections with Government stakeholders.
- Governmental meetings and engagement with local industry stakeholders.
- Engagement with diasporic community groups and organizations that can further contribute to and support the 2025 Indo-Pacific International Economic Mission.

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 are recommended to elevate the mission's profile.

To advance international economic relations in India, staff are seeking council endorsement to execute a multi-party Memorandum of Understanding (MOU) between the City of Vaughan and the Indo-Canadian Chamber of Commerce to support the Indo-Pacific International Economic Mission.

The Indo-Canada Chamber of Commerce (ICCC) – established in 1977 – is a 47-year-old organization that focuses on advancing business and trade ties between Canada and India. It is headquartered in Toronto. The ICCC is the first stop for all business and political delegations from India, and for those from Canada going to India.

The following activities will be included in an MOU in support of an Indo-Pacific International Economic Mission.

Indo-Canadian Chamber of Commerce

To advance international economic relations in India, the Indo-Canadian Chamber of Commerce will undertake the following activities:

- a) Explore a Memorandum of Understanding (MOU) between the City of Vaughan and the ICCC for the purpose of advancing Vaughan as an ideal location for businesses and industries in India looking to expand or invest in Vaughan.
- b) Provide the City of Vaughan with appropriate, government and local stakeholder contacts for engagement and meetings in India.
- c) Create a delegation package for the City of Vaughan for a 2025 trade mission to India as means to further support engagement and lead generation with Indian businesses and local stakeholders.

- d) Work with its partners and hosts in both Canada and India to ensure that the City of Vaughan meets with suitable leads.

City of Vaughan

To advance International economic relations in India, The City of Vaughan will undertake the following activities:

- a) Explore a Memorandum of Understanding (MOU) between the City of Vaughan and the ICCC for the purpose of advancing Vaughan as an ideal location for businesses and industries in India looking to expand or invest in Vaughan.
- b) Market and promote Vaughan's key industrial sectors in major markets throughout India, notably in construction and infrastructure development (inclusive of building materials manufacturing), automotive, agri-food and food processing, and healthcare, health tech and life sciences.
- c) Share best practices and learn from leading economic development, government, and local stakeholder organizations in India.
- d) Support the ICCC in the creation of an itinerary for an early 2025 international economic mission to India.

Together, the City of Vaughan and the ICCC will collaborate to meaningfully advance economic and cultural ties between Vaughan and India. This partnership will further profile Vaughan as a destination of choice for international investment and bilateral trade.

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.

The mission budget is supplemented by more than \$30,000 from the federal government's CanExport fund.

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

Any travel and activities undertaken by delegation members over-and-above that needed to execute the city’s mission will be coordinated by the individual. In such instances, delegation members will be reimbursed the lower amount between the economy fare booked by staff or the fare booked by the individual, consistent with the Council member’s expense policy.

Proposed Budget for the Indo-Pacific International Economic Mission (India and Pakistan):

Item	Description	Cost
Airline	Round-trip airfare including between Pakistan and India (multi-city route) for up to six (6) people (\$5,500 per person)	\$33,000
Accommodation	Six (6) rooms, up to 12 nights (\$250 per person/night)	\$18,000
Lead Generation/Delegation Support	For India	\$30,000
	For Pakistan	\$15,000
Engagement Materials	Sector Profiles, dignitary items, etc.	\$5,000
Ground Travel	Charters, taxis, etc.	\$10,000
Per Diem	Food and incidentals	\$8,000
Total		\$119,000

Operational Impact

No operational impact.

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 centers.

Vaughan will continue to work in collaboration with regional partners such as York Region, Toronto Global, the Indo-Canadian Chamber of Commerce (ICCC), the Vaughan Chamber of Commerce, and the Canadian Trade Commissioner Service (TCS) to position itself as a destination of choice within York Region, the GTA, Ontario,

and internationally, as well as to focus on making valuable connections abroad to enhance trade opportunities for the local business community.

Conclusion

EcDev recommends an international economic mission in the first quarter of 2025 to India and Pakistan, focused on advancing opportunities that align with Canada's Indo-Pacific Strategy, which will raise the profile of Vaughan's automotive, food and beverage, life sciences and construction and infrastructure industries and promote Vaughan's businesses on a world stage.

Upon approval, Economic Development will finalize an itinerary, including logistical requirements and travel-related bookings for identified delegation members in conformity with applicable policies to the Indo-Pacific region.

It is recommended that Council:

- authorize the Mayor and City Clerk to execute a Memorandum of Understanding (MOU) between the City of Vaughan and the ICCC for the purpose of advancing international economic relations between Vaughan and India as outlined earlier in this report; and
- that the content of the Agreement be prepared to the satisfaction of the City Manager (or designate) and that the form of this Agreement be prepared to the satisfaction of the City Solicitor (or designate) prior to execution.

Communication, Marketing and Engagement (CME) will implement a Communications Plan, and targeted marketing collateral for distribution prior to and during the mission.

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

Attachments

None.

Prepared by

Christian Zavarella, Economic Development Officer, ext. 8095

Maria Papadopoulou, Program Manager, Strategic Economic Relations ext. 8143

Lindsay Davidson, Manager, Economic Development, ext. 8892

Raphael Costa, Director Economic Development, ext. 8891