

ASIA BUSINESS LEADERS ADVISORY COUNCIL

2017



SUMMARY REPORT

ASIA BUSINESS LEADERS ADVISORY COUNCIL (ABLAC) 2017 SUMMARY

On Monday, March 13, 2017, the Asia Business Leaders Advisory Council (ABLAC) held its second annual meeting in Vancouver, British Columbia. The event was sponsored by the Government of British Columbia and Export Development Canada.

The meeting was chaired by Dominic Barton, Asia Pacific Foundation of Canada (APF Canada) board member and Global Managing Partner of McKinsey & Company. Dr. Rajiv Lall, the Founder, Managing Director of IDFC Bank in India and current ABLAC vice-chair, will take over as ABLAC chair in 2018 for a two-year term. Mark Machin, president and CEO of the Canada Pension Plan Investment Board, will serve as his vice-chair. Under the theme “Seize the Moment,” the ABLAC 2017 meeting continued last year’s discussion on Canada’s brand, with a particular focus on: innovation; Canada’s role in Asia; the Asian business community’s perspectives on Canada; and the need for Canada to capitalize on the current geopolitical context.

ABLAC included the participation of: 18 Council members from Canada and Asia; two Indian private sector speakers representing financial technology, or fintech (Prototyze; IndiaLends); two private sector speakers representing B.C. innovation companies (D-Wave Systems; Kardium); and a speaker from a Toronto-based investment management firm (Alignvest Management Corporation). The Honourable Navdeep Bains, Minister of Innovation, Science and Economic Development attended ABLAC as a keynote speaker for the innovation-focused session. In addition, remarks to the Council were provided by: Pamela Goldsmith-Jones, Parliamentary Secretary to the Minister of International Trade; the Honourable Teresa Wat, B.C.’s Minister of International Trade and Minister Responsible for the Asia Pacific Strategy and Multiculturalism; and the Honourable Amrik Virk, B.C.’s Minister of Technology, Innovation and Citizens’ Services. Off-the-record luncheon remarks were provided by Stephen Poloz, Governor of the Bank of Canada, followed by a moderated discussion with Kevin Lynch, Vice-Chair, BMO Financial Group. In addition to the Council members and guest speakers, nearly 100 officials representing federal and provincial governments, the private sector, academia, and industry associations observed the meeting.

Highlights from ABLAC 2017

Council members agreed that now is the time for a stable Canada to take on an international leadership role in light of current global uncertainties. All eyes are on Canada in an evolving international environment; however, there is only a short window during which Canada can take an international leadership role on certain issues. The time to act is now.

As discussed in the inaugural meeting, Council members noted that Canada needs to develop a distinctive brand. In order to do this, ABLAC members cited the need for a co-ordinated and consistent effort between all jurisdictions (i.e., federal, provincial, municipal, and private sector) to carry – in a united fashion – the “Canada brand” when abroad.

Participation of federal government representatives at the meeting demonstrated to Council members that the Canadian government is interested in and engaged on the issues that were being discussed. Federal representatives also recognized that much more could be done on innovation. The Canadian government is currently reassessing its innovation policy, and efforts are being made to help companies scale up. For example, on the talent front, with respect to startups, the government is shortening visa processing times for high-demand and specialized employees – a policy measure that is expected to come into effect on June 12, 2017 (bringing the wait time down to 10 days). *In camera* remarks by Stephen Poloz, Governor of the Bank of Canada, underscored the importance of Asia for Canadians in attendance and offered enlightening insights on Canada to Asian ABLAC members.

During the meeting, Council members also raised the importance of setting key performance indicators (KPIs) going forward to determine the impact of the ABLAC meetings.

Key Recommendations:

1. **Adopt a sector-focused strategy toward Asia:** Canada should adopt a sector-focused strategy toward Asia that matches Canadian expertise and capabilities with the needs of specific Asian markets in areas such as:
 - Agriculture and agri-food;
 - Clean technology;
 - Education;
 - Research and development/innovation;
 - Health care (e.g., biotechnology, genetic testing, personalized medicine);
 - Natural resources;
 - Tourism; and
 - Pensions.
2. **Make innovation part of Canada’s brand:** The federal government should declare innovation as a priority area of focus – and set a goal for Canada’s innovation ecosystem to move beyond research and science to scaling up and commercializing solutions that can benefit society. Canada should aim to have one or two of its cities in the top 10 global innovation ecosystems. Innovation should also be a core theme of “brand Canada.”
3. **Align local, provincial, federal, and business stakeholders around Canada’s brand:** The government of Canada should create frameworks and policies that facilitate collaboration across Canadian jurisdictions and with the private sector. As part of this process, the federal government should take the lead and encourage all cities and provinces to promote a unified “Canada brand.”
4. **Establish pilot initiatives between Canada and Asia around innovation:** Canada should establish pilot initiatives, with corresponding KPIs, that link Canadian innovation hubs to

Asian hubs (e.g., in India, Vietnam, South Korea, and the Philippines) and facilitate the exchange of best practices. Through this process, Canada can also learn a lot from what other countries are doing, such as how to successfully scale up businesses (e.g., from India) and how to develop a killer and competitive instinct (e.g., from South Korea).

5. **Address regulation that hampers innovation:** The government of Canada should prioritize addressing regulatory issues that inhibit innovation. Policies related to taxation and ownership of intellectual property rights should be reviewed as part of this process. These frameworks should also help support companies to scale up in order to compete globally.
6. **Deepen non-commercial ties with Asia:** The government of Canada should engage in a long-term commitment to deepen business and government networks in Asia, not only through commercial efforts but also through education, culture, peace, and security initiatives.
7. **Define a vision for how Canada can “seize the moment”:** Given the rise of protectionism and other forces, a stable Canada is in a unique position to lead amid global uncertainties. However, there is only a short window during which Canada can take an international leadership role on certain issues. APF Canada should take the lead in defining a vision for Canada to “seize the moment” and develop a strategy for Canada to immediately mobilize and take engagement with Asia to the next level. Canada can take this opportunity to define its brand around openness: “open to people, open to trade, open to investment.”
8. **Expand APF Canada’s reach in Canada:** APF Canada should undertake activities to spread its reach to more jurisdictions in Canada to help inform Canadians of educational and commercial opportunities in Asia.
9. **Formalize ABLAC recommendations with the federal government:** APF Canada should formalize ABLAC suggestions with the federal government, and establish KPIs and expectations that would be reviewed at the next ABLAC meeting.

Next Steps and Activities to Date

- APF Canada has also taken definitive steps to strengthen and enhance Canada’s engagement with Asia by approaching the federal government to develop an alignment strategy at the federal, provincial, and territorial levels for clean technology. A similar strategy is currently being explored for the agri-food sector.
- APF Canada is serving as a convener between partners in Canada (e.g. Ryerson Futures) and Vietnam to encourage the exchange of Canadian best practices with those working in the startup ecosystem in Vietnam. An initial exploratory mission has taken place, and funds will likely be sought for a future partnership.

- The input from ABLAC members was used to help inform and built out APF Canada’s strategic vision, and was shared with the APF Canada board during its April 2017 board meeting. The vision that was outlined to the board – for Canada to “seize the moment and lead Canada to the next level of engagement with Asia” – includes a funding strategy and specific targets to extend the reach and expand the programs of APF Canada. Securing funding toward the strategic vision, which will also support recommendations provided by ABLAC, can serve as a concrete and initial indicator that APF Canada is meeting its performance objectives.
- As a result of Council members’ interest and support for increased engagement from Canadian students vis-à-vis Asia, APF Canada is launching a pilot initiative called India Connect, whereby it is developing a partnership with Simon Fraser University and Ryerson University to leverage their links with Zone Startups India (ZSI), located in the Bombay Stock Exchange. Through this initiative, Canadian undergraduate students will have the opportunity to complete four-month (or longer) co-op terms at ZSI. This pilot will serve as a proof of concept for similar initiatives elsewhere in India or in other Asian markets with incubators and accelerators.