

Clause embodied in Report No. 5 of the Economic Development and Parks Committee, as adopted by the Council of the City of Toronto at its meeting held on May 30, 31 and June 1, 2001.

6

**International Alliances Program
Proposed Missions for 2001 (All Wards)**

(City Council on May 30, 31 and June 1, 2001, amended this Clause by adding thereto the following:

“It is further recommended that:

- (1) Councillor Olivia Chow be an advisor to the proposed trade mission to Hong Kong;*
- (2) future policy criteria be based on all factors set out in Table 2, as well as the history of the relationships between the City of Toronto and the relevant Cities;*
- (3) in order to ensure consistency and to capture new investment opportunities, any Members of Council and senior staff who travel internationally and who wish to represent the City of Toronto, be requested to contact the Economic Development Division, prior to their departure, if they wish to offer assistance in meeting potential investors or to advance the interests of the City of Toronto;*
- (4) the Chief Administrative Officer be requested to submit a report to Council, through the Policy and Finance Committee, on the development of an international policy framework to co-ordinate and focus the City of Toronto’s international relationships;*
- (5) the Commissioner of Economic Development, Culture and Tourism, in consultation with the TO-Bid Committee and the Mayor, be requested to determine the appropriate Members of the delegation to Moscow for the IOC meeting to select the host City for the 2008 Olympics;*
- (6) the Commissioner of Economic Development, Culture and Tourism be requested to:*
 - (a) explore the feasibility of a relationship between the City of Toronto and the City of Kunming (in the province of Yunnan) in China, and report thereon to the Economic Development and Parks Committee;*

- (b) *report further to the Economic Development and Parks Committee on Kiev, after consultation with Councillors in Wards that have a significant Ukrainian population;*
 - (c) *submit a report to the Economic Development and Parks Committee on all expenses incurred by Members of Council and staff travelling on Olympic-related matters in the past 24 months and through to the end of July 2001; and*
 - (d) *consult, in future, with the City of Toronto's representatives on IULA and Metropolis regarding City-to-City alliances, prior to establishing an annual program;*
- (7) *the following motion be referred to the Economic Development and Parks Committee for further consideration:*

Moved by Councillor Cho:

'It is further recommended that, in future, Members of Council be limited to participating in only two international trips annually, at the expense of the City of Toronto.'; and

- (8) *the following motion be referred to the Commissioner of Economic Development, Culture and Tourism for report thereon to the Economic Development and Parks Committee on the actions recommended therein:*

Moved by Councillor Korwin-Kuczynski:

'It is further recommended that the Commissioner of Economic Development, Culture and Tourism be requested to work with the Cities of Riga, Tallinn, Vilnius, Kiev and Warsaw on economic development initiatives.' ”)

The Economic Development and Parks Committee recommends the adoption of the report (May 14, 2001) from the Commissioner of Economic Development, Culture and Tourism:

Purpose:

The purpose of this report is to provide a status report on activities for 2001 and policy related reports on the International Alliance - City to City Program to be undertaken in 2001.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report. Funding on this program is within the approved Economic Development Division 2001 Operating Budget.

Recommendations:

It is recommended that:

- (1) the 2001 International Alliance – City to City Program outbound missions be approved as outlined in Table No. 3 of this report;
- (2) the Commissioner of Economic Development, Culture and Tourism be requested to report back in the fall on the criteria upon which decisions should be taken to twin or partner with other cities and the related costs to manage such a program; and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

On April 27, 1999, Council approved the establishment of an International Alliance Program to foster relationships with international cities based on overall economic benefits. Council directed the Commissioner of Economic Development, Culture and Tourism to develop policies and criteria to support that objective. Council approved those policies in July 1999. The content of the policy report focused on:

- (a) generation of potential business investments to Toronto, facilitation of joint ventures and partnerships, expansion of export market area for local business and the promotion of community, culture and tourism;
- (b) composition of delegations – guidelines provided which may vary depending on the scope and purpose of each mission;
- (c) reporting and follow up procedures – annual workplan and results tracking; and
- (d) approval by the Mayor for the annual program.

As with any new program, fine tuning of approaches and directions are required to ensure the economic benefits to the City are captured. In August 2000, Council approved the follow up report for the first 18 months of the program and directed that the program continue as a component of the Economic Development Strategy that will enhance the City's International profile. The report outlined the clear economic successes of the program and also articulated challenges that mostly relate to managing expectations.

The most challenging issue is our ability to compete with other world cities and their international programs, which are well funded and resourced relative to Toronto's. The resources provided for this program require limiting annual activities for both outbound and inbound missions. Further, the resources do not allow for addition of new international alliances. This has resulted in the need for a policy framework that includes established criteria for making decisions regarding existing and new international alliances and the resource implications of these decisions.

In addition to the cities with which Toronto has entered into formal agreements, the program must build relationships with other key global cities. In other words, our efforts to secure economic benefits internationally should not be restricted to the list of official twin cities – those cities could be used as ports of entry to regional or broader markets.

This report outlines the proposed activities to be undertaken in 2001. The key components are inbound and outbound missions, and policy and analysis work that will be reported in the fall.

Comments:

Policy Framework – Fall, 2001:

The following are Council directives related to developing a policy framework for this program. They will be reported on in the fall, 2001:

- (a) development of a protocol for notifying and responding to cities that have requested a relationship with the City of Toronto and reporting on any outstanding cities that have requested a relationship with the City of Toronto; and
- (b) the Commissioner of Economic Development, Culture and Tourism be requested to undertake a review of the existing international program and criteria upon which decisions are taken to partner with other cities.

The new City of Toronto is now the fifth largest municipality in North America. As a result of the amalgamation process, the City of Toronto inherited all of the City-to-City relationships of the former area municipalities and now faces the challenge of managing a total of 36 international alliances. In 1999, a survey was conducted by the Chief Administrator's Office to develop a profile of each of the partnering cities and to determine the nature of each of the partnerships (i.e., economic development, cultural, friendship, etc.).

Further analysis and review will be undertaken this year, and reported in the fall of 2001, that will form the basis of a strategic policy framework that will guide the International Alliance Program over the next two to three years. This framework will undertake to include criteria upon which decisions are taken to twin or partner officially with the City.

International Alliance – Proposed 2001 Program:

As articulated in the Economic Development Strategy approved by Council, having a comprehensive and integrated international promotion strategy is essential to world cities such as Toronto. The International Alliance – City to City Program is one element of the City's plans to raise the profile of Toronto for economic benefit. Other strategies and actions include bidding for international events such as the Olympics and working and building relationships with businesses to promote Toronto on a cluster basis (i.e., Hollywood North – Film and Media).

Raising the City's international profile was a key component of the Mayor's inaugural address in which he clearly indicated that as the 'City's jobs quarterback', he will pursue economic opportunities through trade missions. This objective can be accomplished by continuing to build on the tremendous success of the International Alliance Program started in 1999.

As reported in August 2000, preliminary outcomes of the City to City Program resulted in direct new investment, new business and local expansions, which have more than paid for the program through new property taxes generated to date.

The following chart shows examples of completed activity with further investment inquiries pending.

Table No. 1

New or Retained Jobs and Investment Resulting from
 The International Alliance Initiative

Investments	Sector	Details
Gun for Hire Film Production Centre	Film	80,000 square feet 1,200 jobs (80 jobs start-up) \$650,000.00 in property taxes
Film Production from U.S./California	Film	Over 60 percent increase in film production to a record \$1.4 billion dollars in spending
Western Costume	Film	Under consideration
ING Bank (expansion)	Finance	50,000 square feet 100 new jobs
Merrill Lynch (retention)	Finance	1,620 jobs retained
Saks Fifth Avenue	Fashion and Design	Buyers Mission(s) to Toronto – to Fashion Week and Designer Houses

Source: Outbound Mission Report – August 2000

The City to City outbound mission component of the International Alliance Program has been very successful in the first 18 months of operation. The primary goals of missions have been to increase awareness of the new City of Toronto, to rebrand Toronto as a World City and to re-establish links with existing Sister Cities. These goals have been met in the first six missions carried out in 1999 to 2000. The Mayor, Councillors and staff have reached a key business audience and raised the profile of Toronto internationally through all of the missions.

As noted, more than marketing goals were achieved within such a short period. International promotional efforts and trade missions are important elements of economic development and tourism programs and based on experiences of other world cities, are only successful if commitment and consistency is invested over the long term.

The achievement of economic development outcomes from an international alliance strategy are accomplished by messaging and promoting key attributes of the City to investors, businesses, and tourists about Toronto. International messages or brands must focus on competitive advantages. Our focus will be on three key messages related to our competitive advantages with other international cities: economic prosperity, quality of life: cultural vibrancy and environmental harmony.

Table No. 2 depicts a sampling of the key messages.

Table No. 2

Economic Prosperity	Quality of Life: Culturally Vibrant	Environmental Harmony
Competitive, business friendly Environment	Entertainment and theatre destination	Green City
Investment attraction from within and outside of the City	Multicultural and multilingual society	Abundance of parks and open space
Job creation	Safe City – low crime rate	Eco Tourism
Export of goods and services	Positive international relations	Waterfront Plan
Economic Diversity – most diverse economy in North America	Exciting location – vibrant arts, people, attractions and events, City of Festivals	Environmental Plan
Skilled and educated Labour force Tourism opportunities	Meeting Place for the world	

These themes will guide the program to achieve the following goals: to attract new business and investment to Toronto, to increase tourism, to increase Toronto’s profile internationally, and to share and learn from international experiences related to urban issues.

There are two key components to the International Alliances Program: hosting incoming international business delegations and organizing outgoing missions. For the most part, incoming business delegations organize their own itinerary, and the City serves as host for the municipal portion of the trip involving presentations and meetings with local elected officials, and business leaders.

The key goals of outbound missions are to:

- (i) strengthen the local business base by making contacts with head offices and affiliate companies of existing businesses to encourage expansion in Toronto;
- (ii) develop long term relationships with partnering cities with economic development potential and common urban issues/opportunities;
- (iii) market Toronto to business investors, site locators and individual businesses by promoting the business advantages of Toronto (cost competitiveness, labour advantage, quality of life, culture diversity);
- (iv) attract new investment, new business and tourists;
- (v) exchange and advance knowledge about successful strategies to address urban issues; and
- (vi) raise the international profile of Toronto as a business and tourist destination.

Table No. 3 lists the proposed outbound missions for 2001/2002 and includes the main purpose of each mission. A brief description of each destination, including key sectors, suggested activities and contacts, is included in Attachment No. 1. The proposed budget for 2001 is \$250,000.00. Partners are being sought to support components – if unsuccessful, the program may have to be adjusted to an even more modest scale.

The missions to Europe in June and Eastern Europe and the Middle East in July are being undertaken primarily to promote the Olympic Bid as requested by T.O. Bid, and a substantial portion of these costs will be covered by T.O. Bid. Attachment No. 2 is a complete list of the international alliances along with the type of relationship originally created. Since the Olympic Bid decision will be made this year, it is important that Toronto's international profile be aggressively promoted through this program and others. Consequently, the composition and number of persons included in some of the delegations may differ from the established protocol and policies.

Conducting the research and developing the itinerary for the trade missions will require different resources depending on the nature of the trip and the sectors targeted. Teams will be established with the necessary expertise including external specialists.

Staff will also develop a policy framework that prioritizes the relationships with our International Alliances according to criteria based on economic potential. The policy framework will address the process through which staff will deal with requests for developing new international alliances.

Table No. 3

Trade Missions, 2001/2002			
Month	Destination	Purpose	Delegation
May/June	Central Europe	- Promote Olympic Bid - Business and Tourism Promotion	Mayor Two staff TO Bid staff
July 3-22	Eastern Europe and Middle East Moscow – Olympic decision	- Promote Olympic Bid - Business and Tourism promotion	Mayor Chair CAO Two Councillors Two staff
October 6-19	Hong Kong/ Japan/ Singapore	- Seek Investments - Investigate City-City Relationship - Robotics in Aerospace Conf. (Funding support from Sagamihara)	Mayor Chair Two Councillors Two staff
December 2 –11	London	- Organization for Economic Co-operation and Development Two Day Summit: Mayors of Paris, London, Tokyo and New York	Mayor Two Councillors Two staff
January, 2002	Argentina/Chile	- Trade Mission - Seek Investments	Mayor Chair CAO Two Councillors Two staff
Various	Incoming Missions and Consular events	- Seek Investments - Trade Missions - Relationship Building	

Conclusions:

The City of Toronto must proactively market and promote itself as a World City or risk losing international exposure and potential investment. In many respects, our international city connections serve as a platform for Toronto to identify investment opportunities and to develop import-export relationships with foreign businesses in strategic markets. Hosting inbound delegations and conducting Mayor and/or Council led outbound missions is an effective method by which to build long term relationships with cities (both partnering and others) with significant potential for trade and investment and to raise our international profile. These missions are also important avenues to achieve other corporate goals related to a wide range of urban issues.

Contact Name:

Ms. Brenda Librecz, Managing Director, Economic Development Division, Telephone: 416-397-4700, Fax: (416) 395-0388, blibrecz@city.toronto.on.ca.

Appendix 1
Profiles of Trade Missions
2001-2002

Hong Kong

Proposed Dates: October 6 to 17, 2001

Hong Kong is China's largest source of foreign investment, Asia's second-largest stock market and the tenth largest stock market in the world. Canada and Hong Kong enjoy long-standing, deep, multi-faceted ties based on people to people links. Canada is supportive of Hong Kong's continued prosperity, social systems and well being of Hong Kong people under one country two systems.

Key Sectors:

Information Technology in Education
Software and Multimedia
Bakery and Confectionary

Suggested Activities:

Tour of the Hong Kong airport

Meet with: Canadian Chamber of Commerce in Hong Kong
Canada China Business Council
Hong Kong Canada Business Association
Canadian Consul General and Trade Staff (The Canadian Consulate General in Hong Kong is one of Canada's largest diplomatic missions)

Key Contacts:

Consulate General of Canada in Hong Kong

Mr. Colin Russel
Consul General
11-14 Floors, Tower 1, Exchange Square, 8 Connaught Place
Central GPO Box 11142
Hong Kong, China

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Phone: 011 852 2847 7414
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eMail: hkong-td@dfait-maeci.gc.ca

Service Area: Hong Kong and Macau

Areas of Interest: Economic and Trade Policy, Investment Promotion/Strategic Alliance, Food and Beverage

Japan

Proposed Dates: October 6 to 17, 2001

Sagamihara is a suburb of Tokyo and offers the opportunity to become Toronto's gateway to the Japanese market. Sagamihara developed a friendship city relationship with the former City of Scarborough and has recently extended an invitation to Mayor Lastman to visit the area and has offered to cover the costs of the visit. The benefits of this partnership include the generation of tourism in Toronto and the strengthening of corporate relationships with major Japanese conglomerates which have headquarter offices in Toronto--Toyota Canada, Honda and Mazda.

Key Sectors:

Machinery
Electronics
IT and T

Suggested Activities:

In October 2001 Sagamihara will be hosting "Space-A New Frontier", a conference on how robotics is being applied in space exploration. This would provide Toronto with a unique opportunity to solidify our relationship with Sagamihara while taking advantage of the networking opportunities of the robotics in space conference.

Key Contacts:

Canadian Embassy in Japan

Mr. Len Edwards
Ambassador
7-3-38 Akasaka, Minato-ku
Tokyo, Japan
107-8503

Time Difference: +14 hours

Phone: 011 81 3 5412 6200

Fax: 011 81 3 5412 6247

eMail:

Service Area: Japan

Areas of Interest: Electric Power Equipment, Metals, Oil and Gas Equipment, Aerospace and Defence, Automotive

Singapore

Proposed Dates: October 6 to 17, 2001

The Singapore economy recovered from the Asian crisis with relatively strong GDP growth of 5.4 percent in 1999. Underpinning this growth were several major factors: robust electronics demand, a strong Asian economic recovery, and cost-cutting and counter-cyclical measures taken by the government. Growth momentum did well in early 2000 and was driven by construction and wholesale and retail trade and manufacturing.

Key Sectors:

Information technology

Electronic products

Agri-food

Aerospace

Defence

Construction

Environment

Suggested Activities:

No events have been scheduled through the local trade office at this time. Specific activities will be determined as information is made available by the Canadian embassy.

Key Contacts:

Canadian High Commission in Singapore

Ms. Doreen Steidle

High Commissioner

80 Anson Road, IBM Towers, 14th Floor

P.O. Box 845, Robinson Road

Singapore, 079907

Time Difference: +12 hours

Phone: 011 65 325 3200

Fax: 011 65 325 3294

eMail: chctrade@magix.com.sg

Service Area: Singapore

Areas of Interest: Economic Development and Trade, Investment, Agriculture, Food and Beverage, Ocean Technologies

Commercial Counsellor, Arun Alexander, 80 Anson Road #14-00, Singapore 079907, Tel. (65) 325-3200; Fax: (65) 325-3297, E-Mail: spore-td@dfait-maeci.gc.ca

Southeast Asia Division (PSE), 125 Sussex Drive, Ottawa, ON, K1A 0G2, Fax (613) 944-1604-
Trade - Nancy Bernard, Tel. (613) 996-5824, E-Mail: Nancy.Bernard@dfait-maeci.gc.ca-
General Relations - Bob Paquin, Tel: (613) 944-5378, E-Mail: bob.paquin@dfait-maeci.gc.ca
- Mr. Cedric Ritchie, Consulate General, 40 King Street West, Toronto, Ontario M5H 1H1, Tel:
(416) 866-6141, Fax: (416) 933-2416

London, England

Proposed Dates: December, TBD

If London were a member of the EU in its own right it would constitute the sixth largest economy. London's economy is larger than that of Sweden, South Africa and Ireland. Between 1994 and 1998, the U.K.'s investment in Canada increases substantially in the following areas: Finance and Insurance - 46 percent increase from \$5.5 billion to \$8.0 billion; Chemicals and Textiles - 47 percent increase from \$1.5 billion to \$2.2 billion; and Construction - 47 percent increase from \$980 million to \$1.4 billion.

Key Sectors:

Banking

Insurance and Financial Services

Manufacturing of Chemicals and Food Products

Construction

Suggested Activities:

Mayor Lastman will be meeting with Mayors from London, Paris, Tokyo, and New York at a World Cities Summit Meeting organized by the Organization for Economic Cooperation and Development (OECD). The Mayors' Summit will be a good venue to:

- explore and develop trading relationships with the participating world class cities'; and
- examine the future of a Toronto International Alliance with London through meetings with Municipal Officials;

speaking Engagement;

- promote Toronto as a major financial services centre in North America;

- build up a network of intermediaries to support Toronto's investment attraction program in the UK; and
- solidify contacts at the Canadian High Commission in London.

Key Contacts:

Canadian High Commission in the United Kingdom

High Commissioner
1 Grosvenor Square, Macdonald House
London,
United Kingdom
W1X 0AB

Phone: 011-44-20 7528-6600
Fax: 011-44-20 7258-6384
eMail: td.ldn@dfait-maeci.gc.ca

Time Difference: +5 hours

Service Area: England, Channel Islands, Gibraltar, Northern Ireland, Scotland, Wales

Areas of Interest: Economic and Trade Policy, Investment Promotion, Science and Tech., Health Industries

Canadian High Commission in Britain

Ms. Sylvia Cesaratto
First Secretary (Commercial)
1 Grosvenor Square, Macdonald House
London,
United Kingdom
W1X 0AB

Phone: 011-44-20 7528-6600
Fax: 011-44-20 7258-6384
eMail: sylvia.cesaratto@dfait-maeci.gc.ca

Service Area: England, Channel Islands, Gibraltar, Northern Ireland, Scotland, Wales

Areas of Interest: Aerospace, Auto, Ocean Tech., Rail and Urban Transit

Buenos Aires, Argentina

Proposed Dates: December 2 to 9, 2001

Argentina is also a significant partner for Canada in the region. In 1998, Canadian exports remained high at C\$319 million while imports totalled C\$259 million. Canadian direct investment in Argentina is estimated to be US\$2 billion. Canadians have invested heavily in Argentina's privatization program, particularly in the oil and gas, agriculture, mining, and financial services sectors.

Key Sectors:

Mobile cellular systems
Informatics equipment and services
Aircraft engines
Leisure water craft
Automotive industries
Advanced manufacturing equipment
Bulk transportation services
Remote sensing and geographic information systems (GIS)

Suggested Activities:

No events have been scheduled through the local trade office at this time. Specific activities will be determined as information is made available by the Canadian embassy.

Key Contacts:

Canadian Embassy in Argentina

Mr. Jean-Paul Hubert
Ambassador
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1598 Casillo de Correo, Correo Central
Buenos Aires, Argentina
1000

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eMail: bairs-commerce@dfait-maeci.gc.ca

Service Area: Argentina, Paraguay

Santiago, Chile

Proposed Dates: December 2 to 9 , 2001

Canada and Chile signed a Free Trade Agreement (CCFTA) which came into effect July 5, 1997. The Agreement covers trade in goods and services and investment. Total two-way trade has increased dramatically, nearly doubling from \$357 million in 1992, to a high of \$717 million in 1997. During that same period, Canadian exports of wheat, pulp and paper machinery, mining, telecommunications equipment, automotive parts and iron and steel products increased by several hundred percent. In 1999, two-way trade is up, fluctuating from a 5 percent - 22 percent increase for the same periods in 1998.

Key Sectors:

Mining/metals
Energy
Environment
Information technology/telecommunications
Construction/building products
Transportation/infrastructure
Plastics

Suggested Activities:

No events have been scheduled through the local trade office at this time. Specific activities will be determined as information is made available by the Canadian embassy.

Key Contacts:

Canadian Embassy in Chile
Mr. Lawrence D. Lederman
Ambassador
481 Nueva Tajamar
Casilla 139, Correo 10
Las Condes, Santiago
Chile

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Fax: 011 56 2 362 9664

eMail: td-stago@dfait-maeci.gc.ca

Time Differece: +2 hours

Service Area: Chile

Areas of Interest: All

Appendix 2: List of Toronto's
International Alliances

Toronto's International Alliances			
City/Country	Date Est.	Municipality	Type of Relationship
Skopje, Macedonia	1971	East York	Twinning
Sao Paulo, Brazil	1987	Toronto	Technical Exchange
Chongqing, China	1986	Toronto	Sister City
Terracina, Italy	1989	North York	Friendship
Tianjin, China	1996	Metropolitan Toronto	Economic Co-operation
Nanjing, China	1996	Scarborough	Technical Exchange
Shenyang and Xiamen, China	1996	North York	Friendship Agreement
Wuxi, China	1996	Scarborough	Friendship City
Medellin, Columbia	1997	Toronto	Technical Exchange
Soyapango, El Salvador	1996	York	Technical Exchange
Tallinn, Estonia	1997	Toronto	Technical Exchange
Merignac, France	1992	Etobicoke	Economic Co-operation
Frankfurt, Germany	1989	Toronto	Friendship Agreement
Florina, Greece	1983	Scarborough	Fraternisation
Thessaloniki, Greece	1986	Toronto	Friendship Agreement
Tripolis, Greece	1995	East York	Twinning Agreement
Haifa, Israel	1995	North York	Friendship Agreement
Aguila, Italy	1988/89	York	Informal Partnership
Cassino, Italy	1987	North York	Friendship Agreement
Sagamihara, Japan	1991	Scarborough	Friendship City
Tatsunokuchi, Japan	1991	East York	Cultural Exchange
Riga, Latvia	1997	Toronto	Technical Exchange
Vilnius, Lithuania	1997	Toronto	Technical Exchange
Skopje, Macedonia	1971	East York	Twinning Agreement
The State of Mexico, Mexico	1996	Metropolitan Toronto	Technical Exchange
Amsterdam, The Netherlands	1972	Toronto	Twinning Agreement
Lima, Peru	1990	Toronto	Technical Exchange
Warsaw, Poland	1990	Toronto	Friendship Agreement
Lisbon, Portugal	1987	Toronto	Friendship Agreement
Volgograd, Russia	1991	Toronto	Friendship Agreement
Cape Town, South Africa	1995	Toronto	Technical Exchange
Cankaya-Ankara, Turkey	1993	North York	Friendship Agreement
Istanbul, Turkey	1990	Metropolitan Toronto	Technical Exchange
Kiev, Ukraine	1991	Toronto	Friendship Agreement
Chicago, USA	1991	Toronto	Sister City Agreement
Indianapolis, USA	1996	Scarborough	Sister City