

ASIA BUSINESS LEADERS ADVISORY COUNCIL

2017



REPORT

ASIA BUSINESS LEADERS ADVISORY COUNCIL (ABLAC) 2017: REPORT

On Monday, March 13, 2017, the Asia Business Leaders Advisory Council (ABLAC) held its second annual meeting in Vancouver, British Columbia. Dominic Barton, APF Canada board member and Global Managing Partner of McKinsey & Company, chaired the meeting.

The Council meeting built on the discussion of Canada's brand at the inaugural ABLAC meeting, with a particular focus on: innovation and defining "brand Canada"; Canada's role in Asia; the Asian business community's perspectives on Canada; and the need for Canada to make a bold move and "seize the moment," the theme of ABLAC 2017.

Key conclusions from the meeting were as follows:

- Given the rise of protectionism and other forces, a stable Canada is in a unique position to help lead amid current global uncertainties. However, there is only a short window during which Canada can take an international leadership role on certain issues.
- There is an imperative for a unified Canadian brand that is carried by all jurisdictions in Canada (federal, provincial, territorial, municipal, and private sector). Council members highlighted the importance of improving collaboration within Canada to capitalize on and better the country's position in international markets.
- The innovation theme should be linked to "brand Canada."
- The Canadian government should address regulatory issues in Canada (e.g., taxation policy, ownership of intellectual property rights) that hamper innovation. The government should also develop policies and frameworks to support companies to scale up and to compete globally.
- Canada can 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).
- APF Canada should undertake activities to spread its reach to more jurisdictions in Canada to inform Canadians of educational and commercial opportunities in Asia.
- Key performance indicators (KPIs) should be developed and the ABLAC discussion should be "operationalized" to support the government's agenda. This could include establishing virtual innovation networks between Canada and Asia, and developing pilot projects that would match Canadian expertise and competence with Asian needs.

ABLAC Meeting: Introductory Remarks

BC's Minister of International Trade and Minister Responsible for the Asia Pacific Strategy and Multiculturalism, Teresa Wat, and APF Canada's board chair opened the meeting with an address to ABLAC members. In her address, Minister Wat cited the importance of Asia for B.C. and for Canada more broadly. APF Canada's board chair called for the Council to offer bold ideas and move beyond diplomacy and incrementalism in its thinking.

Following their remarks, the ABLAC chair noted that Canada is the only western country with an Asian advisory group and also stated that Canada is not seen as it should be internationally. The Chair said that there is a huge opportunity to brand Canada in Asia, including linking the innovation theme to "brand Canada." He also expressed an interest in deepening connections to Asia and asked that ABLAC members act as Canadian ambassadors back in Asia.

Session 1: What Makes Canada Distinct

The first session included an overview of ABLAC 2016 and built on the discussion from the inaugural meeting on Canada's brand, described by one participant as "what people say about you when you are not there." Designated Council members from Canada and Asia summarized key takeaways from last year's meeting, and led a discussion on perceptions of Canada, Canada's brand in the 2017 context, and opportunities for Canada in Asia.

A Canadian Perspective

When summarizing ABLAC 2016, Council members noted that Canada is often seen abroad as "U.S. lite." However, it was also noted that differentiating Canada from the United States has now become easier because of a new international landscape characterized by uncertainty around U.S. policy and the Canada-U.S. relationship, such as with respect to the North American Free Trade Agreement (NAFTA). It was noted that Canada is now perceived as the beacon for liberal trade, open markets, and openness to people.

Council members also discussed deepening Canada-Asia networks and pointed to several areas where there are opportunities for Canada to succeed, such as natural resources (an area of competitive advantage for Canada and how Canada "pays the rent"), agriculture and agri-food (cited as underdeveloped for opportunities), as well as health-care management, pensions, education, and tourism – all areas ripe for expansion. There are also opportunities with specific markets like the Association of South East Asian Nations (ASEAN) as well as with China for free trade or enhanced trade agreements.

While noting specific opportunities, Council members also stressed the importance of long-term commitments to deepen business and government networks in Asia, not only through commercial efforts but also through culture, peace, and security initiatives. It was also suggested that Canada could do more to make it easier for students to study and stay in Canada, and that more could be done to leverage the existing Canada-Asia diaspora and its links to dynamic Asian economies.

An Asian Perspective

Asian ABLAC members described Canada as lacking distinctiveness and blending with the image of the United States (that is, as one big part of North America). While Canada is seen as a country with pristine landscapes, abundant resources, and highly educated and civilized people, one Council member asserted that no Canadian companies are making bold moves. Council members stated, however, that Canada is well positioned to make a bold move right now. For example, Canada was described as a good market for the gaming industry given its many talented artists, writers, programmers, and the necessary infrastructure, which allows Canadian gaming companies to thrive. It was stated that more jobs and universities are needed to “house the talents” of those who come to Canada.

Canada Versus Australia and New Zealand

One Council member described Canada as a reasonable place, a beacon of common sense in the world, and an open and liberal state. The member described Canada’s source of distinctiveness as an “openness to new ideas and new people (immigration)”. This participant also pointed out the importance of developing consistency and long-term trust with other countries – and that a richer understanding of what makes Canada distinct is needed.

Australia was noted as a competitor to Canada, given similarities between the two countries. Australia, however, has done a remarkable job increasing its trade flows with Asia and has a better approach to international students. Furthermore, there is national pride around what is defined as “Australian,” and a “feel” in the country that is different from Canada.

Another Council member stated that Canada’s proximity to the United States brings convenience in comparison with Australia, which has had to fight for its market. Another ABLAC member described Canada as a place that “undersells and over-delivers.” Moving out of the commodity-based economy “mindset” was said to be important, as other products and services should be promoted given that many other Canadian industries and characteristics are invisible to the outside world (e.g., creative industries, pension funds, and famous people in the diaspora). This Council member also said that Canada has the potential to create its brand quickly, as was done by New Zealand.

Canada: A Place of Credibility and Openness

An ABLAC guest described Canada has having “a big brand in credibility.” Canada’s public broadcasting system was also described as “amazing,” with the potential to become an internationally renowned broadcaster like the United Kingdom’s BBC. The guest stated that Canada has many stories to tell through music and the arts.

A Council member described Canada’s advantage as its open immigration policy and two-way flows of people. This Council member also affirmed the importance of students returning to their countries of origin and serving as Canada’s ambassadors around the world.

China: Land of Opportunity

A new Asian ABLAC member stated that China has “positive feelings” about Canada, and that there are many opportunities to deepen engagement between the countries. The member noted that China has benefited greatly from foreign direct investment and the presence of Canadian companies. The Council member also mentioned that China wants to contribute to global governance (e.g., the Silk Road initiative) with Canada as a possible partner in natural resources. The Council member noted that the Silk Road initiative is much bigger and broader than China, and includes private funders and investors from around the world. The Council member also thought that the China-Canada relationship should focus instead on areas for co-operation given Canada’s natural resources, large institutions, and human capital. A project between the Saudi and Chinese governments in farming was mentioned as an example of similar projects that could be executed between Canada and other Silk Road countries.

Understanding Asia: Not a Monolith, More than One Approach Required

One Council member noted the distinctiveness of markets in Asia and stated that Canada will miss its opportunity if it concentrates on one image or brand. The member’s suggestion was to pay more attention to “focus” and less to “brand.” This Council member advocated for sector-focused strategies to match products and opportunities with Asia. Agri-food, clean technology, education, research and development (R&D), and innovation were mentioned as areas where Canadian infrastructure could be linked with specific Asian markets. The member also expressed a need for a “generational change,” and called for APF Canada to dramatically spread its reach to different parts of Canada to help educate Canadians on Asia.

Another Council member noted that taking advantage of opportunities in Asia is becoming more important and “fuelled further by threat,” given attacks on NAFTA and an evolving U.S.-Canada relationship. Although the member said that the Canadian brand is understood abroad (clean land, nice people), the Council member questioned whether or not Canadians understand enough about Asia (e.g., opportunities that exist and the best methods for promoting Canada in the market). The lack of understanding of Asia was mentioned not only with respect to business activities, but also education, with the ABLAC member noting the low number of Canadian students participating in exchange opportunities in Asia. This participant stated that some “soul searching” is required – and that there is a need for “hunger” and a “fighter spirit” among Canadians.

Carrying a Unified Brand

Several ABLAC members talked about the importance of leveraging the elements of identity that Canadians are proud of, such as openness (to new ideas and people), resources, justice, and fairness. It was noted that the country should come together on a national basis and decide whether we are Canada or “multiplicities of diluted versions and visions.” Council members stated that there is an imperative to: 1) be focused and consistent; 2) be curious about the

markets that are being entered; and 3) demand that cities and provinces carry the “Canada brand.”

More Can Be Done: Strategies Needed

A Council member mentioned the difficulty of creating one single message that will attract everyone to Canada. This participant also noted that Canada often exports entrepreneurs (e.g., brain drain to the United States) and questioned whether there were supportive policies to help local or international companies to grow in Canada. Another Council member expressed the need for Canadians to do things in a “bigger way,” rather than staying safe and moving incrementally. This member also stated that there isn’t density or depth in many Canadian sectors and that Canada lacks marketing capacity.

One Council member noted the role of the federal government in laying down the foundations, mentioning the need for government-to-government interactions in places like China, Japan, and South Korea. An observer to the meeting, a representative from the federal government, stated that Canada is creating an investment hub, with \$250 million allotted for the next five years. Given the sense of urgency in the current geopolitical context, one Council member cited the importance of turning discussion at the table into action. The Council member called for ABLAC suggestions to be formalized with the federal government, and for KPIs to be reviewed at next year’s ABLAC meeting.

Session 2: Rebranding Canada as an Innovation Hub – Part 1

Engagement and Plans for Innovation: Views from the Federal Government

The Honourable Navdeep Bains, Minister of Innovation, Science, and Economic Development, served as the keynote speaker during the first of a two-part discussion on rebranding Canada as an innovation hub. Minister Bains opened his comments with an overview of the clean technology sector in B.C. (273 companies associated with 40,000 jobs, at an average salary of \$84,000) and noted an announcement on the day of the ABLAC meeting of \$43 million for clean technology in partnership with the B.C. government.

Minister Bains stated that Canada needs to diversify its markets of focus beyond the United States, referencing trade agreements with South Korea and ongoing discussions with India and China. Additionally, the minister described Canada as an under-tapped opportunity for investment when it comes to innovation, and affirmed that Canada is “more than natural resources.”

Minister Bains also offered insight to Council members on federal government activities in the innovation space. The minister stressed the importance of monetary tools, such as those led by the Bank of Canada, to deal with economic challenges and stimulate growth. The minister also stated that Canada’s innovation policy is being reassessed and that Canada should play a

leadership role in social innovation. Minister Bains also presented themes identified by his department's public and stakeholder consultations that will be key to improving Canada's position:

1. Investment in people (e.g., training, education): In this area, the minister pointed to the government of Canada's \$2-billion investment in universities and colleges, and the \$500-million plan to develop rural broadband Internet capacity in remote areas and among indigenous communities in Canada.
2. Support for the development of emerging technologies, including leveraging Canada's strengths and creating a culture where the focus is on the smartest, not necessarily cheapest, solutions: The minister cited specific technologies where Canada is excelling, such as quantum computing (e.g., British Columbia's D-Wave Systems), noting its application in cybersecurity, artificial intelligence, and regenerative medicine. The minister also mentioned the government's commitment of \$800 million to between three and five super-clusters where Canada has strengths. In addition, the minister noted that the federal government is identifying unique value-added propositions that will make Canada more competitive in areas of comparative advantage.
3. Support for companies to expand beyond Canada and scale up to compete globally: The minister noted that government procurement could be used to spur private sector innovation, since access to the multibillion-dollar Canadian procurement market could help companies scale up, compete, and demonstrate their foothold in the domestic market before going abroad. The minister also announced that wait times for visa processing for high-demand and specialized employees will be reduced as of June 12, 2017 – a policy measure that will benefit the innovation sector. With respect to "brand Canada," the minister described the country as an open society – "open to people, open to trade, open to investment." The minister closed by saying that government "can't do it alone," and that support from the private sector is needed.

Fintech: The Indian Landscape and Opportunities with Canada

Two guest speakers, representing Indian financial technology (fintech) companies, shared their thoughts on the innovation and fintech landscape in India. The first speaker, the founder of IndiaLends, a credit-writing platform, discussed three areas: 1) the Indian government's role in innovation; 2) startups in India; and 3) the impact of policies and innovation efforts on private citizens. IndiaLends' founder talked about the various advances that have taken place thanks to government innovation and partnerships with the private sector, such as "IndiaStack," an innovative platform created by the Indian government working in tandem with private businesses to solve infrastructure issues in India. The platform has allowed over one billion Indians to be identified remotely through biometric information or phone passwords. Over 350 million bank accounts have also been linked to the platform, enabling the digital flow of money across the platform. IndiaStack has allowed for paperless documentation, created greater government transparency, and brought more citizens into the formal economy.

The Indian government, under Prime Minister Narendra Modi, has actively supported the startup ecosystem in India, with such policies as: a \$1.7-billion fund for startups to participate in government procurement; tax breaks and exemptions for startups and investors; and the construction of innovation labs across the country. IndiaLends' founder also discussed the growing collaboration between fintech companies and banks in India.

A guest speaker and the founder of Prototyze, an incubator and platform to catalyze ventures (e.g., fitness, education, and fintech), stated that there are fewer than 10 innovation ecosystems in India that are permanent and stable, and noted that there is a significant amount that India could learn from Canada. However, the speaker also noted that India can share advice with Canada on how to scale companies, given its immense size. The speaker noted that entrepreneurship is at the heart of innovation – and that, for innovation to occur, there must be a change in mindset, ideas, and propositions. The speaker mentioned a few key drivers for innovation, including: 1) triggers – interacting with entrepreneurs and hearing their stories, and 2) networks – working with other companies and people to create connections.

Capitalizing on the Moment

Several Council members pointed to the opportunity for Canada to capitalize on the world's recent trend toward introspection and protectionism. Council members stated that Canada is a recognized leader in R&D, and that the country possesses a well-educated and diverse population, which brings different perspectives and ideas together. One Council member referred to the innovative ways in which companies have adapted to the market, and noted phenomenal examples of Canadian success in potash and stem-cell technology, as well as companies like Teck Resources, Goldcorp, D-Wave Systems, Hootsuite, and BuildDirect.

This Council member also suggested that Canada can lead on innovation in the health sector, which accounts for 10 percent of Canada's gross domestic product (GDP), over 40 percent of provincial budgets (mostly in procurement), and two million Canadian jobs. There are many opportunities that could be leveraged with respect to innovation in health technologies, such as genomic medicine and genetic testing. The lead discussant also called on the federal government to support opportunities to help companies in the sector grow and scale internally before tackling external markets, and to address regulatory problems around genetic testing.

Killer Instinct, Self-Belief, and Renewed Focus

One Council member stated that the focus on innovation is “foundational,” noting that a lot of technology already exists in many sectors (e.g., mining, oil and gas, agriculture) and that Canada needs to learn to apply these technologies in other jurisdictions around the world. Agriculture was mentioned as an area of success, such as the Crop Development Centre at the University of Saskatchewan, which has commercialized and produced the biggest share of world production of lentils. In addition, this member remarked upon the importance of scaling up Canadian companies to global standards, which would necessitate a “killer instinct” to ensure success.

Another Council member reiterated Canadian leadership in artificial intelligence and quantum computing, and mentioned that Asia is embracing new technology and computing talent with multibillion-dollar investments. It was noted that Canada should consider how to work with Asian countries and companies in this field.

One Council member noted that Canada has weak pathways, as R&D spending as a share of GDP is declining and some companies are engaged in innovation only in Canada. This Council member also expressed a need for a favourable environment to keep companies in Canada.

During this discussion period, Minister Bains noted a need for a change in culture in Canada (i.e., to raise the level of ambition) to not only do research, but to scale up and continue to commercialize and create solutions that can benefit society. Science was said to be important, but economic development, commercialization, and job creation are also needed.

A Council member stated that Canadians spend too much time “putting ourselves down,” declaring that to develop a brand “you better believe in it yourself.” This member also pointed to issues with regulatory processes (e.g., tax policies, immigration) that inhibit innovation. It was also suggested that government focus less on niche programs and more on the “broad framework policies that shape innovation” – Canada has the talent, but obstacles need to be removed to attract innovation.

Less Modesty, More Strength

Several Council members also noted that Canadians are overly modest. While there are good policies in place, Canadian strengths need to be emphasized (e.g., buzzwords used and iconic companies named in stories told to the world.) It was recommended as well that, given Canada’s population, Canada reach out to countries with large populations (e.g., China and India) to leverage those relationships and encourage more risk-taking in the private sector.

Another ABLAC member from Asia stated that Canada’s image is “nice,” but wondered how many know Canada’s brand and what could be done by companies to promote themselves. Canada Goose was noted as a brand promoting Canada, although it was mentioned that given the brand name, promotion of Canada was obvious. The member noted, too, that Canada is the only English-speaking country that has not capitalized on the fact that it is English-speaking. Further, there is great talent in Canada and in Asia, and the two need to be “combined.”

Learn from Others and Attract Global Talent

A Canadian ABLAC member stated that India is good at lean innovation and scalability, and Canada can learn from this. This Council member also noted that Canada has one of the best university systems, a hidden asset that we should be selling. Also, the member stated that Canada has more startups per capita than the United States; thus, the issue isn’t a “startup problem” but a “scale-up problem.” Canada was said to be in need of “one or two top-10 innovation ecosystems,” moving beyond the top 25. The Council member indicated that the foundations for

innovation aren't bad but need to be made great, and that Canada should not be passive but should be a "unique attractor and retainer of global talent."

Session 3: Rebranding Canada as an Innovation Hub – Part 2

Creating a Successful Innovation Ecosystem

A guest speaker from Alignvest Management Corporation stated that, in order to make an innovation ecosystem successful, there must be access to talent and to a customer base. Immigration, as was the case for Israel, plays a huge role in startups, in addition to access to capital from the private and public sector. The speaker from Alignvest also stated that although Canada does not have the scale of other countries in the Asia Pacific region, a large customer base is less important than bringing companies "up to a larger scale." The speaker also noted that it is good that the government is considering opening up procurement, and also stated that the risk culture is very different between the Silicon Valley and Canada.

The guest speaker stated that in order for Canada to succeed, it needs to declare innovation as an agenda (which the government is already doing). It also needs to declare a purpose, think about commercialization, know what to do with Canadian talent, build good business models (a "Canada first" model, with collaboration at the provincial and federal levels), create learning platforms, and include resource industries (which should adapt to their changing roles in the innovation space). The Alignvest speaker also noted the importance of getting corporate Canada to open up and be engaged. Two examples cited were ScaleUP Ventures, involving RBC, TD Bank, Scotiabank, Rogers Communications, and Magna International; and the business incubator at Ryerson University (DMZ), which was first in North America and third globally among university business incubators. The speaker stated that the base for the incubator has moved from Toronto and has become global, with a joint venture in India at the Mumbai stock exchange (50 companies, taking over two floors), as well as an accelerator program run from Barclay's in Mumbai. It was noted, too, that Bangalore is being explored for the next partnership.

Voices from B.C.: Highlights from Innovative Companies

The president and CEO of quantum computing company D-Wave Systems expressed that access to qualified talent is good in Canada, but noted that access to capital in the early, scale-up stages is difficult to acquire and is a crucial issue for companies. The speaker from D-Wave Systems noted that universities and partners around the world are using the company's products, but Canadian researchers aren't accessing the company's machines. He noted that Canada has a unique opportunity, but that the country may be losing its edge. Further, he stated that there isn't good collaboration in quantum computing across Canada and that the "pieces need to work together." It was also mentioned that Canada could be a world leader in quantum computing, and in artificial intelligence as well, but anchor companies need to be generated to provide that leadership.

The CEO of Kardium, which is developing a groundbreaking medical device for the diagnosis and treatment of atrial fibrillation, talked about the importance of talent and immigration, given that his company employs 90 people from 45 different countries.

Collaboration Is Key

A Canadian ABLAC member raised the issue of collaboration. Although Canadian researchers are known globally for collaboration, there isn't enough co-operation between Canadian researchers. The ABLAC member suggested that the government invest in collaboration, and that research, development, and innovation become Canada's "new peacekeeping." This Council member pointed as well to the need for more funding of bursaries for post-secondary and co-op work terms in Asia, which would demonstrate to other countries, like India, the quality of Canadian institutions. One Council member described the various hurdles that exist in terms of accreditation of teachers, specifically in Hong Kong. Teachers coming from Australia and the United Kingdom can be accredited much faster than those coming from Canada. The ABLAC member stated that it has been difficult to get the federal government to represent Canada as a whole. Another Council member pointed to the importance of "getting our own system organized" and strategizing in order to compete globally.

Four themes were identified at the conclusion of the meeting: 1) an outcome from the ABLAC discussion should be identified, with targets, goals, and dates; 2) collaboration will be the key pathway to reaching goals, including collaboration between the private sector and the government; 3) Canadian organizations need to be supported (access to capital versus access to customers); and 4) Asian markets need to be better understood – Canadians should know what's needed in the markets and should also be curious.

ABLAC Governance Meeting

Lessons from South Korea

Council members continued the innovation discussion during the closed governance meeting, which also included the ABLAC guest speakers. South Korea was cited as an example of an innovation leader that could serve as a model for Canada. Years ago, Samsung's goal was to catch up to and exceed the performance of the best Japanese companies. Discussion about South Korea's characteristics occurred, with Council members noting that competition is part of the culture, that there is a willingness to take risk, and that individuals and companies need to be world class in order to survive not only in business but in other sectors too (e.g., competition is fierce for entry to university from high school in South Korea). It was also stated that the Korean market is such that products can be tested in market with real-time feedback. In addition, the broadband speed, mobile network, and population of advanced consumers contribute to the high level of innovation in South Korea.

International Collaboration: Opportunities for Canada in Asia

With respect to partnerships, Canada and India were noted to have a fund in place and a program of reciprocal access, with startups on the Mumbai stock exchange and 15 Indian companies at the Ryerson DMZ in Toronto. Such joint ventures were cited as beneficial and effective in eliminating the need for companies to establish infrastructure in India. It was stated that “if we dream big,” global virtual networks can be created. It was suggested that one or two KPIs be established for work on innovation, possibly with South Korea or the Philippines, and the speaker from Alignvest noted his willingness to champion such initiatives and to work with APF Canada. One Council member stated that sectors of focus that were “ripe for innovation” included agri-food and aquaculture, with one ABLAC member referring to current collaboration with the Philippines and Vietnam in aquaculture.

Another Council member stated that Canada should explore linkages with China, such as joint research or infrastructure sharing, leveraging the work that has been undertaken by the B.C. government. Another Council member noted joint work in data and analytics being conducted in China with the California Institute of Technology.

A Council member stated that other jurisdictions, such as Switzerland, do a better job than Canada of picking winners (because their government policy, education from elementary school to university, etc. is aligned) and that Canada is too democratic in the way it provides funding. This Council member also noted roadblocks to innovation in Canada with respect to intellectual property (i.e., companies risk losing intellectual property rights if they access government funding). Despite these drawbacks, and despite lower innovation rankings, one guest speaker stated that Canada possesses an open and navigable ecosystem and has beneficial immigrant networks and language characteristics (i.e., English) that give it significant national advantages that shouldn’t be underestimated.

Significant prospects were also cited by another Council member for personalized medicine, life sciences, and health technology, including genetic testing, and it was suggested that Canada could become a global hub for pharmacogenetics. Canada was noted to have significant expertise that could be leveraged, and that Canadian know-how could be exported to other jurisdictions, including distribution of health data, like diagnostics, hospital discharge, personalized medicine, and data collection. It was stated that Canada is already conducting genetic testing, analyzing samples from Israel, Jordan, and Germany. While the expertise was mentioned, it was also stated that Canada needs more access and connections to international markets.

Interventions and Advocacy: The Role for Government

One Council member discussed the sometimes-detrimental impact of government involvement in innovation, noting that in one sector in China the Chinese government had put in too much funding, which inhibited innovation, creating disincentives for companies, and driving prices down in the sector.

Council members discussed the best means to advocate for and lobby government for more thoughtful, strategic thinking around innovation. A commitment was made by APF Canada to analyze the ABLAC suggestions and discussion points, and seek to develop formal mechanisms to spur the government to work on the issues identified at the meeting.

Council members familiar with the inner workings of the federal government stated that there is a desire by the government to “do the right things,” but that there are many priorities and many individuals (ministers, ministries) involved in the various issue areas. It was mentioned that it will be important to choose activities that are already in motion, and that are manageable and practical, as it will be challenging to start new initiatives. Activities already in play could have an additional Asia lens.

A Sense of Urgency

One Council member, who splits time between the United States and Canada, stated that the dialogue taking place at ABLAC is not taking place in the United States, which is a “massive opportunity” for Canada to fill the void. The ABLAC member indicated, too, that the opportunity should be approached with a “real sense of urgency.” Another Council member, an APF Canada board member, saw further reach of APF Canada in other provinces as a priority and hoped that more resources would be devoted to this effort.

Closing Comments

The meeting closed with a discussion on next steps for the Council and administrative issues. The ABLAC chair noted an interest in setting aside the discussion on Canada’s brand at future meetings. It was noted that a letter would be drafted for the prime minister and ministers summarizing the ABLAC discussion and next steps.

The chair noted the need for more Asian ABLAC members, particularly from the ASEAN region, and asked current members to recruit additional members from the region. It was also noted that the next ABLAC meeting could take place outside of Vancouver, possibly in Toronto. Lastly, the chair was thanked and congratulated for his term as ABLAC chair, and it was noted that Dr. Rajiv Lall (founder and managing director of IDFC Bank in India) would become chair of ABLAC, with Mark Machin (president and CEO of the Canada Pension Plan Investment Board) becoming ABLAC vice-chair and Canada’s representative.

ABLAC 2018 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 build 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.