

REGIONAL MUNICIPALITY OF OTTAWA CARLETON
 MUNICIPALITÉ RÉGIONALE D'OTTAWA CARLETON

MEMORANDUM
NOTE DE SERVICE

Our File/N/Réf.
 Your File/V/Réf.

DATE 3 February 1997

TO/DEST. Members of Regional Council

FROM/EXP. Chief of Staff

SUBJECT/OBJET **REGIONAL CHAIR'S TRADE PROMOTION MISSION TO SOUTH KOREA AND JAPAN**

PURPOSE

The purpose of this memorandum is to provide Members of Council with a progress report on the Regional Chair's participation in the Team Canada Trade Mission to South Korea and his visit to Japan.

BACKGROUND

On November 13, 1996, Regional Council adopted a report on travel by the Regional Chair to participate in the South Korean portion of Team Canada's Trade Mission and on subsequent travel to Japan. This approval was conditional upon arrangements being made to the satisfaction of the Regional Chair with appropriate South Korean and Japanese companies which build semiconductor fabrication plants.

The Trade Mission to South Korea, the Philippines and Thailand by the Prime Minister from January 8 through 20, 1997, presented an opportunity for the Regional Chair to travel to South Korea to meet with companies which may be interested in building a semiconductor fabrication plant in Ottawa-Carleton.

SUMMARY

Mr. John Oh, President, Technonet Group travelled to South Korea prior to the Team Canada Mission and was successful in setting up a meeting on January 13, 1997 for the Regional Chair with executives of LG Semicon.

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The Canadian Embassy in Tokyo, Japan secured meetings with executives of various semiconductor companies including OKI Electric Industry Co., Ltd., NEC Corporation, Hitachi, Ltd., and Fujitsu Limited. An appointment was also arranged with Matsushita Electronics Corporation in Osaka, Japan. Arrangements were also made for the Regional Chair to meet with the Electronic Industries Association of Japan (EIAJ) and Keidanren Industrial Association.

The presence of the Prime Minister and Premiers being in South Korea added a great deal of substance to the meetings and the agreements that were signed. The visit to Japan was easier to organize because of the corporate memory of previous trips. Prior to the trip, Industry Canada had devoted resources to prepare a presentation package on the semiconductor industry.

It is important that Canada's best foot be put forward with the advantages Canada offers such as R & D tax credits and training programmes. One of the issues of discussion during the presentation was what incentives can Ottawa-Carleton offer. Compared to American cities that offer rebates on certain costs, i.e., road tolls, that are not in effect in Ottawa-Carleton, Chair Clark stated that "we can't rebate what we don't charge". This in itself is an incentive.

It is even more important, however, to clearly present Ottawa-Carleton's particular advantages within the Canadian framework. It is clearly becoming evident that we will not achieve inward investment (jobs) without a sustained effort in this area.

An executive level presentation was made to leading semiconductor manufacturers in Korea, Japan and Taiwan. The presentation consisted of the following:

- a vision of Ottawa's semiconductor industry
- why we are seeking semiconductor fabrication investment
- why Ottawa makes sense; our strengths and infrastructure
- a checklist of resources (water, hydro, transportation, support services)
- risk sharing/incentive

The presentation was translated into Korean, Japanese and Taiwanese Mandarin in traditional characters and provided as a leave-behind package. Also translated and included as a leave behind at Canadian Embassies, Consulates and Trade Offices were; an outline of Ottawa, Investment Opportunities in the Region and copies of a general information booklet titled "Ottawa, Canada's Advanced Technology Capital".

The Canadian embassies in South Korea and Japan stated that Ottawa had the most complete presentation that they had ever seen. In addition, embassy officials advise that in order to be taken seriously, you have to be prepared to meet face to face with potential business allies in the Asia/Pacific region at least five times. This is a different way of doing business in that you have to plant trust and develop a relationship “connection” before entering into any formal business relationship.

The presentation is worth viewing. **Therefore, the Regional Chair is facilitating a viewing of the presentation for Members of Regional Council and community leaders on Thursday, February 13, 1997 at 10:00 a.m. in the Council Chambers.** The presentation document is continually being reviewed and encompasses comments received from the South Korean, Japanese and Taiwanese business executives.

Ottawa-Carleton has an excellent product to sell - our Region. It will take a dedicated effort on all our parts to sell this Region to external people for both business reasons and tourism. Ottawa-Carleton is prepared to take on the challenge.

*Approved by
Boris Uléhla*