

President's Message



(Chamber President Wesley Shields in Japan)

The month of October has been a very busy time for me, yet it has been exciting and rewarding. I participated in the 23rd Annual Business Excellence Awards by offering my services as a Judge. This event allows the Chamber of Commerce to showcase the many diverse and exceptional businesses in our community. Often times, businesses operate with little recognition for the exemplary work environment, commitment to the community and exceptional services that they provide. This year, the small, medium and large sized business categories could not have been more diverse and eclectic. The types of businesses nominated ranged from the service industries (shoe repair), to professional services (accountants), as well as high-tech and computer graphics (Disney Online). I was impressed by the leadership and commitment that was clearly exemplified by these business organizations.

I was particularly privileged to be able to Judge the categories of Rising Star, Young Entrepreneur of the Year, and Greatest Community Impact. In the former two categories, I found it truly humbling and gratifying to meet individuals who have tremendous ambition, enthusiasm and a genuine desire to succeed in the business world, and provide a product or service that they believe is exceptional. We are tremendously proud of the Rising Star and Young Entrepreneur categories, as these are business people who will, in years to come, add much value to our community. We need to continually support and encourage these businesses during their early stages when they are trying to establish themselves.

I was delighted to meet the individuals who were nominated for the Greatest Community Impact Award this year. Organizations such as the John Howard Society and Central Okanagan Emergency Shelter Society are not motivated by financial considerations and profit, but moreover, the human element of providing a service that will benefit all members of the community, is their sole objective. Unfortunately, such key businesses and organizations are often overlooked, and are not recognized for the

significant positive impact they have upon our business community. Similarly, I would be remiss if I did not mention the hard work of the Okanagan Wine Festival Society, which has provided both direct and indirect benefits to tourism, retail, restaurants and our hotel/motel association. Our community has benefited through the hard work of the Okanagan Wine Festival Society, as we have become a top destination for our four-season wine festival activities as a result of their efforts.



I was pleased that Mr. Bruce Hamilton was recognized as the Business Leader of the Year for Kelowna in 2010. Mr. Hamilton indicated during his acceptance speech, "It is not just about hockey, it is about what the team brings to the community in economic benefits". A study was recently undertaken by UBC, which confirms that approximately \$200,000.00 worth of revenue is generated in the community on any given night when there is a hockey game. In addition to the above, we should consider the fact that the major tenant in Prospera Place is the Kelowna Rockets, who have over 30 home games each year. The economic benefits that the Rockets Hockey club has provided us over the past several years through great family entertainment and widespread economic benefits are considerable. We were fortunate

to have a visionary such as Bruce Hamilton move his hockey franchise to Kelowna during trying times in the early 1990s, when there was speculation as to whether a new arena would be built. Mr. Hamilton endured over a period of years to await the construction of Prospera Place, which is now a first class arena with a first class hockey team. There are also many success stories that Mr. Hamilton was able to identify wherein many of his players who have graduated from the hockey program with the Kelowna Rockets and secured a professional contract or accomplished other successful careers, have given back to this community. This is a testament to the hard work and commitment of Bruce Hamilton to develop strong leaders within his hockey club.

As an organization, the Chamber of Commerce should be proud of the businesses and business leader that were selected this year for the Business Excellence Awards. We look forward to receiving ongoing nominations by businesses and individuals from within our community for next year. It is important that we continue to honour and recognize the hard work and dedication of the business and leaders within our community in years to come.

During the month of October 2010, the Chamber of Commerce launched an initiative known as the "Go Green" business challenge. The purpose was to spur businesses to incorporate green practices in their workplace. The Kelowna Chamber of Commerce is on the leading edge in supporting such an initiative in comparison to our counterparts throughout the Province. The challenge encompasses many key elements, which include the following:



- (a) Green business office essentials – the Kelowna Chamber is endorsing a green business e-learning tool called Office Essentials created by the David Suzuki Foundation. This e-learning tool makes it simple for businesses to save money, make the workplace more sustainable and boost moral by helping the office go green;
- (b) On October 27, 2010, we hosted the Go Green Business Challenge Kickoff at the Best Western Inn. The breakfast event provided businesses with an opportunity to learn more about how the Office Essentials e-learning tool can help their businesses go green. The attendees heard from a panel of Green Business speakers, who discussed how their organizations went green, the challenges they faced along the way, and how they overcame those challenges. It is our intention to continue to provide this educational series to assist businesses in “going green”.

The Kelowna Chamber of Commerce recognizes the importance of balancing the economic, environmental and social implications of sustainability. As a community, we need a strong economy to provide the tax base to address social and environmental programs. Economic prosperity and growth are, in turn, directly impacted by both the quality of our natural environment and by the character of the community life in our region. Businesses and organizations like the Kelowna Chamber of Commerce are the engines and stewards of the economy. As such, we must ensure that the actions and decisions that we take today do not impact negatively on future generations.

The Kelowna Chamber of Commerce has taken a significant interest in assisting the business community in adopting sustainable practices. By acting as a catalyzing force and partnering with other community stakeholders, the Kelowna Chamber strives to contribute towards making Kelowna a more sustainable city. The Chamber focuses its efforts on educating members about sustainability, advocacy of sustainability from a business prospective, and recognition of businesses that use sustainable practices and that are models of the strategic advantages of sustainability. More and more businesses are recognizing the benefit of adopting sustainable practices in their organization that are both good for the environment and that enhance the cost savings and competitiveness of the overall organization. The Go Green Business Challenge is a way to assist businesses in taking those first steps towards creating a more sustainable organization, and we look forward to increased participation amongst our members.



In mid-October 2010, I was privileged to attend in Japan with the Mayor, members of the Economic Development Commission, business leaders and stakeholders. The purpose of the seven-day trip was to foster and solidify business connections in Japan, which is endorsed by all levels of government. On the face of it, one may question the necessity to foster this economic relationship, and the viability of the

same. However, there is currently a great deal of activity focused on increasing economic ties with countries in the Asia-Pacific region. The Provincial government, with its Asia-Pacific initiative, is looking to leverage British Columbia's location, infrastructure and historical ties to increase economic activity with its Asian counterparts. Much of the interest has been centered on increased trade relations with China and India. With their large populations and desire to modernize and become economic powerhouses, China and India have garnered the most attention. While China and India may at some point become significant trade partners with British Columbia, and in particular, Kelowna, in the short to medium term, Japan offers much more potential for developing economic ties that will benefit our city and local companies.



The City of Kelowna has an existing and very healthy sister city relationship with the City of Kasugai in Central Japan. The relationship, which now spans 28 years, has historically been focused on cultural and civic exchanges. Using the strength of this relationship to help foster economic ties was a natural progression, and both the Mayor of Kasugai and the Kasugai Chamber of Commerce have supported this initiative.

Kasugai is conveniently located very close to the major commercial and industrial City of Nagoya. Nagoya is Japan's third largest city, with a population of 2.2 million. There are over 9 million people in the Nagoya metropolitan area. It is our view that establishing commercial ties, import/export and investment related activities would be greatly facilitated by the Kelowna/ Kasugai relationship. The Japanese place a great deal of emphasis on relationship building in the area of business and commerce, and the long-standing affiliation between Kelowna and Kasugai can expedite the necessary process of gaining mutual trust between various trade partners.

Japan has the world's second-largest single country economy. In 2007, Japan's gross domestic product was US \$4.382 trillion, equal to the GDPs of China and India combined. Japan continues to increase the amount of its imports. Between 1994 and 2004, Japan's imports grew from \$376 billion to \$591 billion, an increase of 57%. Japan's position as Asia's largest and most sophisticated economy fits well with the growing advanced technology sector of Kelowna. Imports of developing countries are still centered primarily on natural resources, but Japan is encouraging the development of a knowledge based economy. This makes Japan an attractive market for firms which can produce leading edge value added products.

Establishing a commercial tie with Kasugai will make it easier for Kelowna companies to access other parts of Japan. Japan has a total population of 127 million people, over 31 million of whom live in the Tokyo metropolitan area. Over 16 million people live in the Osaka metropolitan area. Accessing regions outside of Nagoya will broaden the market

for Kelowna based companies, and will also increase opportunities for companies where there is not a suitable trading partner in the Nagoya area.

The opportunity to establish greater economic ties with Japan should be viewed as a two-way street. Not only will local businesses gain easier access to the world's second-largest economy, it will also open the door to trade from Japan to Kelowna, as well as potential investment relationships. One such area in which British Columbia which has lost a considerable market share is tourism. The Okanagan has much to offer as a four-season vacation destination, and should be especially attractive to Japanese tourists, given the relative strength of the Japanese Yen.

Japan is also a technological leader, and there may be technology transfer opportunities as the Central Okanagan directs more attention towards clean tech products and technologies. As Kelowna's strengths as a center for advanced technology and higher education continue to grow and evolve, there will be increasing opportunities for collaboration and commerce with Japan.

During my trip to Japan from October 11-18, 2010 with Richard Takai and Scott Speiser of the Economic Development Commission, we were able to solidify relationships with major stakeholders in the Kasugai and Nagoya regions. We met with the Nagoya Chamber of Commerce, and representatives from the Greater Nagoya Initiative. The Greater Nagoya area is one of the world's dominate clusters of cutting-edge industry, supporting manufacturing, information technologies and services, as well as a host of other advanced sectors, including pharmaceuticals and bio-technologies. By way of background, Greater Nagoya's GDP is greater than Turkey and Belgium's, and makes up over 1% of the entire world's GDP. Greater Nagoya is 17th world-wide in the GDP rankings. During our high-level meetings, we were advised that the 464 member companies of the Greater Nagoya Initiative are interested in developing a business relationship with companies and businesses in the Okanagan area. This was also confirmed by senior representatives with the Nagoya Chamber of Commerce. We were advised that there are 16,000 members of the Nagoya Chamber of Commerce, and a staff of 160 people who oversee the business needs of the community of 2.2 million people.



When we met with the Kasugai Chamber of Commerce, we were advised that there are also many manufacturing, high tech and retail businesses operating in the community of approximately 350,000 people. There are approximately 4,900 members of the Kasugai Chamber of Commerce, with members such as Toyota Motor Corporation, and many other manufacturing and high tech industries. During our meetings, there was a specific interest in developing closer economic ties by identifying the various sectors in our respective communities that can benefit by enhancing our economic and business connections. We provided the Kasugai Chamber of Commerce with detailed information on the types of businesses that operate in the Okanagan Valley, as well as highlighted the importance of the aviation industry, agriculture and tourism, information and

technology and the post secondary educational sector. It is our intention to continue the dialogue and identify key sectors we can build upon.

Given the fact that Japan is Canada's 6th largest foreign investor, with foreign direct investment holdings of \$13.4 billion, it is obviously in our best interests to solidify any economic relationships we can with Japan. In addition, some 550 Japanese affiliates were active in Canada in 2007, creating tens of thousand of Canadian jobs in the automotive, aerospace, energy and mining sectors. Canada's merchandise trade with Japan surpassed \$24.6 billion, comprising close to \$9.2 billion in exports and nearly \$15.4 in imports in 2007. As more than 3,000 Canadian firms export to Japan each year, it is our view that there is considerable opportunity for various businesses in the Okanagan Valley to take advantage of the Japanese economy and markets in Kasugai and the Nagoya area.

We emphasized in our meetings with Mayor Ito, of Kasugai, as well as business leaders that we met with in Kasugai and the Nagoya area the importance of developing a strong economic tie between the Okanagan Valley and these regions of Japan. Through our efforts with the Canadian Consulate and the Senior Trade Representative, Allan Edwards, as well as meetings with the Kasugai Chamber of Commerce, Nagoya Chamber of Commerce and Greater Nagoya Initiative, we believe that this trip was beneficial, and will solidify our business relationship in the future. Although there may not be any immediate direct tangible results at this time, we nevertheless need to continue to foster this business relationship if we are desirous of building on this economic relationship. Our initiative has been supported by all levels of government, as well as stakeholders and business groups in this region. There is plenty of opportunity should we decide to pursue the business relationship with our colleagues in Japan. I am optimistic that in years to come, we will be able to look back on this trip as a positive step in the right direction, and an initiative that our members can support and look upon fondly.