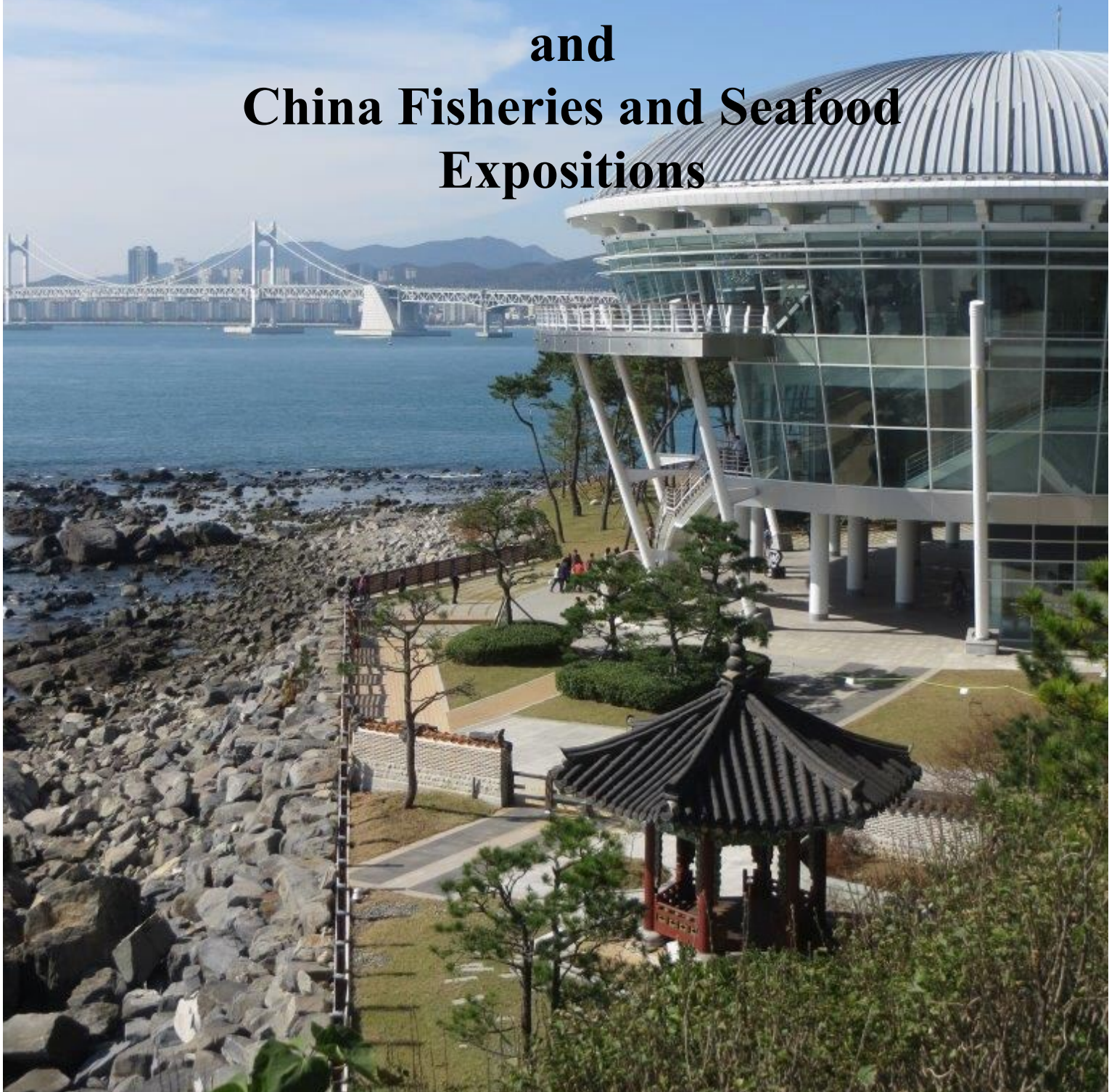


**Pacific Sea Urchin Harvesters Association
Pacific Sea Cucumber Harvesters Association**

**Report on the
2016
Busan International Seafood and
Fisheries
and
China Fisheries and Seafood
Expositions**





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November, 2016

**Pacific Sea Urchin Harvesters Association
Pacific Sea Cucumber Harvesters Association**

**Report on the 2016
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and
China Fisheries and Seafood Expositions**

Executive Summary

The November trip this year included a visit to the Busan International Seafood and Fisheries Exposition in Busan South Korea just a few short days ahead of the China Fisheries and Seafood Expo at the beginning of November. This was our first time at the show and the primary reason for exhibiting there is directly related to the recently ratified Free Trade Agreement between Canada and South Korea. The show itself was small and the traffic light but there was definitely some interest in our product, especially the Red Sea Urchin. The report includes a summary overview of Korean society, a few things worth knowing about before visiting Korea and a quick economic summary of South Korea. The attraction of this show to us is limited at this point but increasing the number and diversity of countries we sell to is good in and of itself. On top of this, the BC government is trying to encourage more participation and enthusiasm so it may make sense from the perspective of supporting them.

We also had a booth in the Canadian Pavilion at the 21st running of the China Seafood and Fisheries Expo in Qingdao. This is the second largest show in the world and we all consider it very important because the market for high quality imported seafood in China is growing very quickly with no end in sight. Traffic was steady, although a bit lighter than last year, and all involved again thought it a very worthwhile exercise.

The contact information from both shows is summarized in tables in this report but all the details have been catalogued into a searchable database covering all the shows we have attended since 2010 and which is available to members on request.

The report also includes a situation update from the author on the broader socioeconomic environment. In summary- most everything we ran across this year on our trips so far suggest markets and demand for BC urchin and sea cucumber products are looking pretty good, although it remains contingent on us conscientiously maintaining a reputation for good product quality, good value and fair trading. There are also some potential hiccups coming in China because of economic imbalances and political uncertainties, that somewhat disconcerting result in the US election to keep in mind and the possibility of further surprises coming down the road. However, using the assumption that the boat will not get rocking too much, markets should be good and strengthening for the next while.

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Acknowledgements

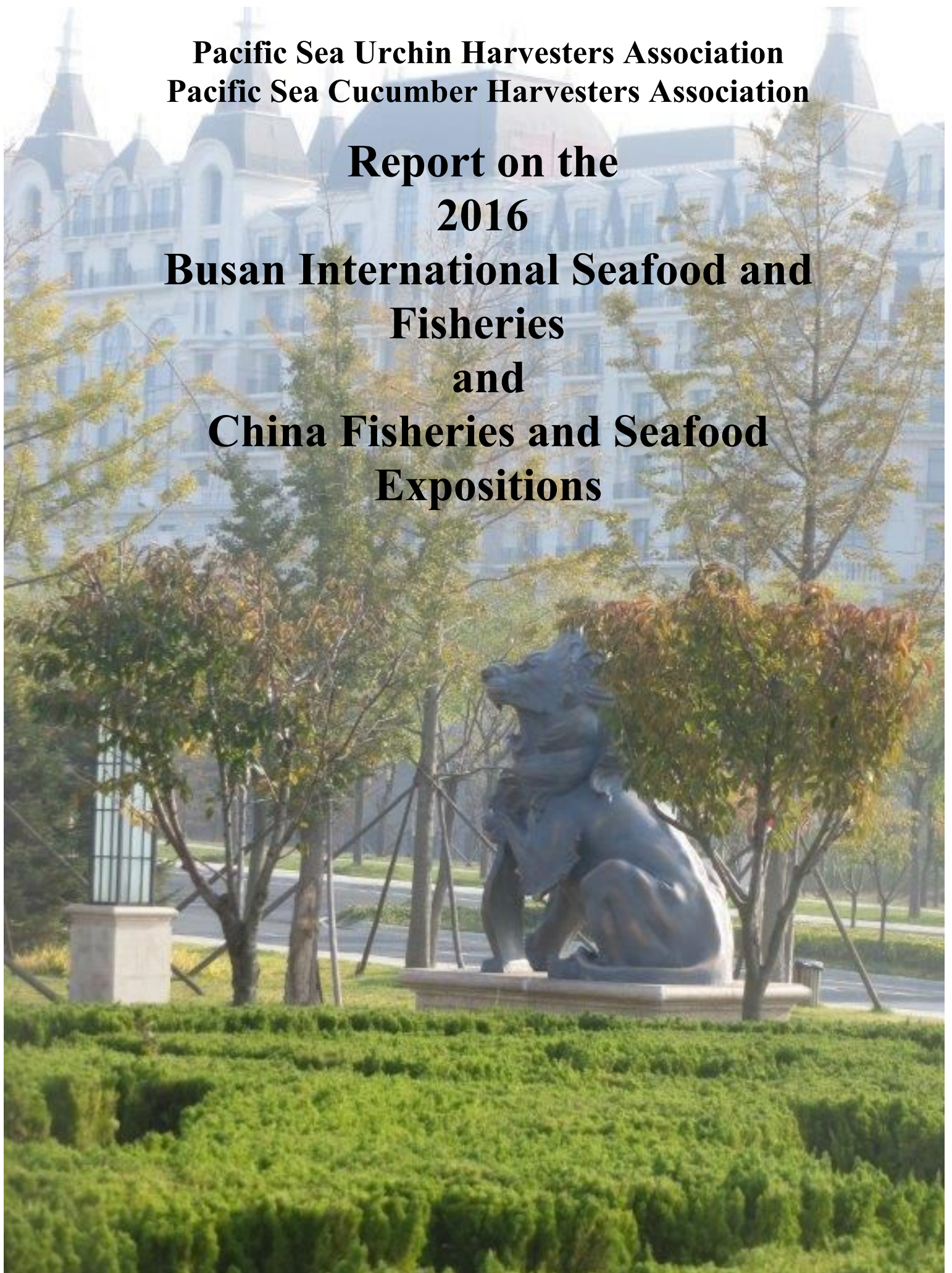
This project was funded by the Agri-Marketing Program of Agriculture and Agri-Food Canada as part of the coordinated International Marketing programs for the Pacific Urchin Harvesters Association and the Pacific Sea Cucumber Harvesters Association. Ms. Carrie McKenzie, Project Officer with the Trade Show Strategy and Delivery office of Agriculture and Agri-Food Canada and many staff, including Trade Commissioners from Canada and various trade missions in China, Korea and other parts of Asia, have, in collaboration with Provincial and company representatives from across the country, put together a very impressive pavilion for Canada at this important Asian showcase. The friendly, outgoing and yet professional atmosphere around the Pavilion and the many high quality products on display and on sample from Canada put, we believe, our country in a very good light. We thank and congratulate all the participants.

The Province of British Columbia again deserves special mention for providing outstanding booths at both the Busan and Qingdao shows, for coordinating much of the activity at them and for providing assistance and services including sponsoring Mr. Nathan Fong, a very accomplished and creative chef well known to all of us. Special kudos are also due to Rob Arthurs, Senior AgriFood Manager at the BC Ministry of Investment and Trade, and the many other friendly, knowledgeable and helpful staff who work with him setting things up and attending to our many needs at these shows. These booths provide a central focus and meeting area for people, customers and clients interested in companies from BC.

The author also extends his thanks to the Agri- Marketing Program, the Pacific Urchin Harvesters and the Pacific Sea Cucumber Harvesters Associations and their respective presidents, Mr. Mike Featherstone and Mr. Thom Liptrot, their executive teams and members for their continuing support, advice and confidence.

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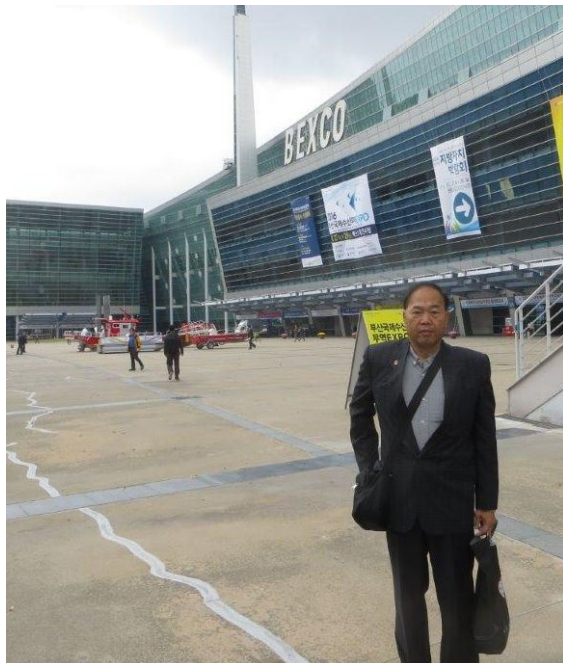
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Busan International Seafood and Fisheries
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Introduction

The November trip this year included a visit to the Busan International Seafood and Fisheries Exposition in Busan South Korea just a few short days ahead of the China Fisheries and Seafood Expo at the beginning of November. Paddy Wong and Geoff Krause attended the former and were joined by Mike Featherstone, David McRae, Pat Fantillo and Ron Ross in Qingdao. Francis, Spencer and Pandora Cheung and Daisy Wong were right next door to us at the Grand Hale booth while Andre Shayk and Crystal Gao from Providence Seafoods, a BC company with an office in Shanghai, and a company designated representative from Wen Lian Aquaculture of Vancouver also came to the show to help with the booth.

Busan International Seafood and Fisheries Expo

Paddy Wong and Geoff Krause met up at the Busan International Seafood and Fisheries Expo (BISFE) where we exhibited as part of the BC booth. The primary reason for exhibiting here is directly related to the recently ratified Free Trade Agreement between Canada and South Korea.



This agreement is reducing tariffs on, and therefore wholesale costs of, Canadian seafoods in Korea by somewhere in the neighbourhood of 30% . This is a new and substantial development that we felt warranted further investigation, especially as the show was so conveniently coordinated with the 2016 China Fisheries and Seafood Expo.

The show was held in the Busan Exposition and Conference Hall. Busan is the second largest city in South Korea and is characterized as a resort type city of approximately 3.5 million on the SE coast. It is also the largest seafood market in South Korea. Seoul is more the business centre for the country and life up there is much more hurried than in Busan. The BC government trade office folks that take care of business interests and things like the booth arrangements report many people from Seoul come to Busan for their annual summer vacation.

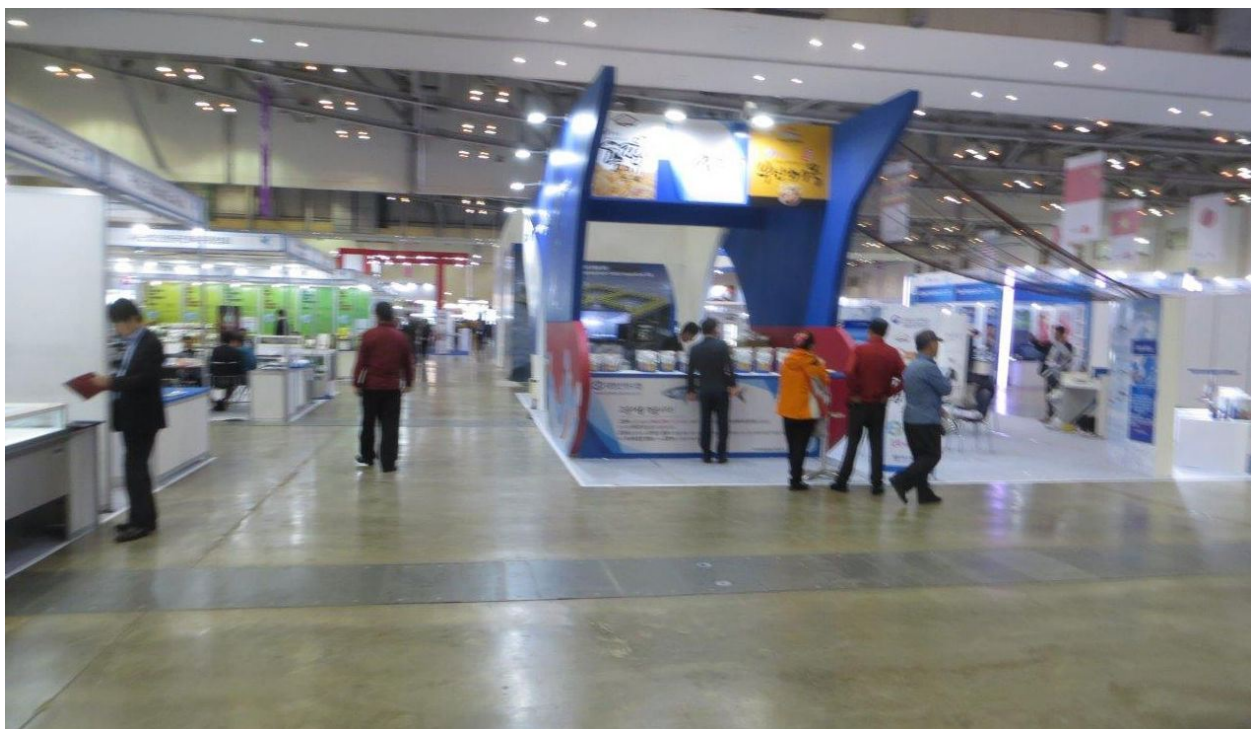
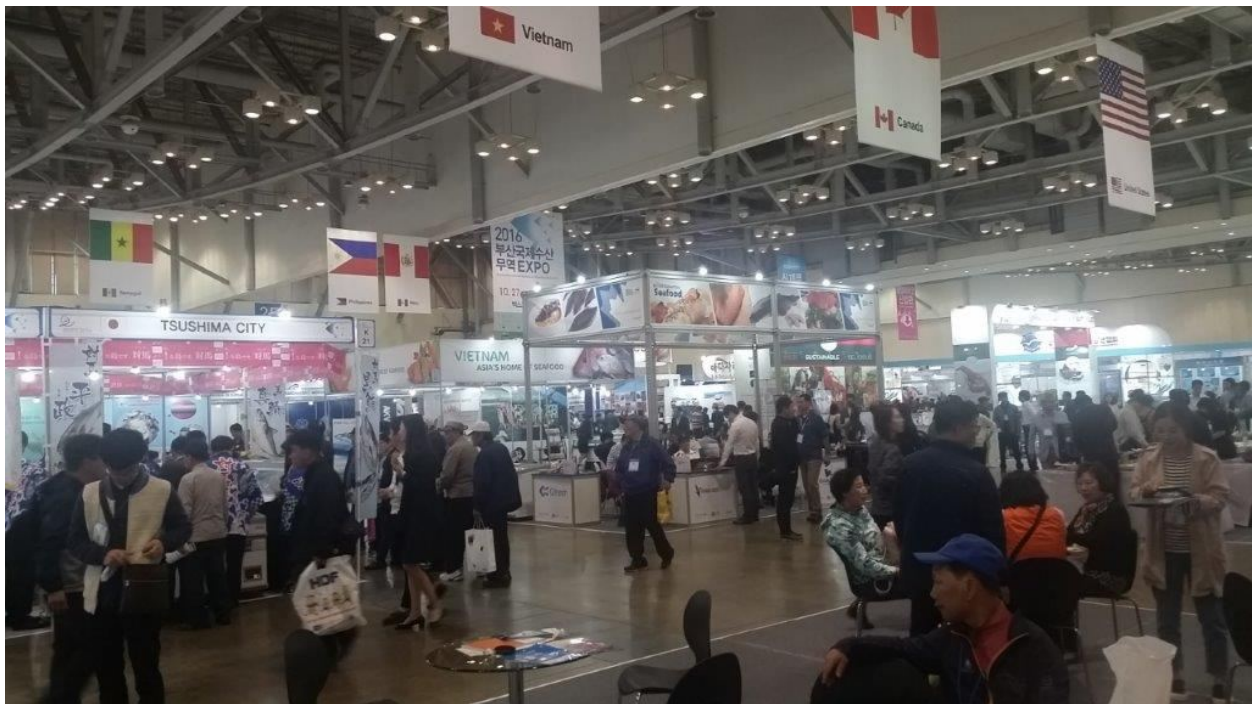


The average income throughout the country is estimated at about US\$ 25,000 but the distribution is skewed in favour of those living in the cities. It sounds like life in rural settings is more marginal. Income inequality is high and rising.



Show Report

The show itself was small and the traffic light but there was definitely some interest in our product, especially the RSU, although probably more from the Seoul area than in Busan *per se*. Currently, our markets are looking pretty good and existing demand for/sales of our product(s)



already accounts for most of our available supply, something which suggests again that we may not have a lot of surplus with which to build new business but it is something that should do well for prices. The attraction of this show to us is limited at this point but increasing the number and diversity of countries we sell to is good in and of itself if only because it lowers our dependence on any one market. On top of this, the BC government is trying to encourage more participation and enthusiasm so it may make sense from the perspective of supporting them. In addition, Busan is quite close to Qingdao and the show timing is almost coincident with the China show



both factors which make costs of participating very low. Given any number of uncertainties these days, probably the best bet for now is to simply keep investigating the market and the opportunities it offers and just kind of wait to see what happens for a bit before we decide on what we'll do down the road.

The Busan International Seafood and Fisheries Expo has apparently only been held every second year for about the last 28 years. Exhibitors were unsurprisingly mainly Korean and included a range of primary and value-added fisheries products, equipment and services. International exhibitors included BC, which was attending this show for the first time, the US, Vietnam, Philippines, Senegal, Japan and others. Buyers and traders from out of town and out of country indicate it is attracting international attention. As mentioned, Korea has become much more attractive to Canada as a market because our recent Free Trade Agreement has provided us with tariff free access. Korea produces substantial amounts of urchin itself but these are small urchins and are probably cultured more than wild sourced.

Traffic at the show was slow, albeit steady, and the quality of many visitors to the booth was reported - by companies they were meeting with- to be very good. These companies feel that just getting one or two highly qualified contacts with possible deals in the wings make the trip worthwhile. As an association, PUHA cannot discuss terms or in any way negotiate sales or business deals so we depend more on traffic volume and expressions of interest for our assessment. These numbers were quite low for us but this does not necessarily mean attending future shows is not warranted. We collected contact information for 3 people on the first day, 14 on the second and 3 on the third. The tally on the second day includes contact information for 3 BC government representatives working in Seoul.

Contacts made at the 2016 Busan International Seafood and Fisheries Expo.

October 27, 2016									
Product	Country	City	Business	First Name	Last Name	Company	Score	Comment(s)	
SU&SC	Korea	Seoul	government	Dasun	Kim	BC Gov't- MITI in Seoul	6	put together BC booth at show- a first this year.	
SU&SC	China	Guangzhou	show organizer	Rose	Peng	Fishex for 2017 Guangzhou show	5	show Aug 25-27, 2017	
many	China	Hong Kong	invest/trading	Yannis	Siu Chung Ya	Sojitz	6	v. lrg investment and trading firm. Check SEA and CFSE appearances	
October 28, 2016									
Product	Country	City	Business	First Name	Last Name	Company	Score	Comment(s)	
SU	Canada	Port Coquitla	tech- QA/QC	Seojoon GN	Moon	Senvec	7	auto-sort techn based on colour, may be useful for urchin grading.	
SU	Korea	unknown	kelp grower			New Fucoidan	3	just curious	
SC	Korea	Gyeongsangr	SC producer	Hae	Kim	Haeser Products Co. Ltd.	5	hi end producer; apparently all wild	
Prawns	Korea	Busan	distributor	Byung-Gi	Jeon	G.S. International	4		
SU&SC	Korea	Busan	importer	Soo-Myung	Choi	Myung Min Co. Ltd.	4	currently imports 80-120 containers proc. squid. looking for SC intestine	
SU	Korea	Seoul	distributor	Hyun-Kil	Jo	Youngll HK Seafood Co. Ltd.	7	largest importer in Korea. int. in Cdn uni at \$10.50 US CIF A/\$8 US CIF B	
SU	Korea	Seoul	distributor	Wook-Yeob	Na	Youngll HK Seafood Co. Ltd.	7	currently buys from Sung, looking at Paddy	
SU&SC	Canada	Vancouver	VA processors	Rob	Moore	White Box Seafood	6		
SU&SC	Canada	Vancouver	VA processors	Rod	McCarrell	White Box Seafood	6		
SU&SC	Korea	Seoul	government	Yun Ju	Jung	BC Gov't- MITI in Seoul	6	looking for picture of live urchin(s)for gov't website	
SU&SC	Korea	Seoul	government	Luke	Shim	BC Gov't- MITI in Seoul	7	office director/mngr	
SU&SC	Korea	Daegu	producer	Sang Mok	Lee	Ocean Gate Korea Co. Ltd.	5	subsidiary of Oeangate Richmond- = new neighbor of Oceanmaster	
SU&SC	Korea	Busan	processor	Yoon Ki	Ryu	Yurim Fishery Co. Ltd.	5	looks like ingredients for sushi	
SU&SC	Korea	Seoul	retail (online?)	Kriss	Lee	Best Join Corporation	6	looks like a small e-commerce operation, no SU or SC though	
October 29, 2016									
Product	Country	City	Business	First Name	Last Name	Company	Score	Comment(s)	
SU&SC	Korea	Seoul	show organizer	Jun-Ho	Shin	B2Expo- Seoul Seafood Show	6	trying to drum up business for the Seoul Int'l Seafood Show in May 2017.	
SU&SC	Korea	Seoul	show organizer	Ye Na	Sun	B2Expo- Seoul Seafood Show	6		
SU&SC	Korea	Busan	engineer	DS	Jang	Pacific Water	3	just curious	

Brochures and other give-aways BISFE 2016

Item	Requested	Supplied	Plus	Day1	Day2	Day3	Total Used	Returned
PUHA DVD #1 (Mandarin, Cantonese + English)	0	2	0	0	0	0	0	2
PUHA DVD #1 (Japanese + English)	0	2	0	0	0	0	0	2
PUHA DVD #2 (Mandarin)	0	1	0	1	0	0	1	0
PUHA DVD #2 (English)	0	2	0	2	0	0	2	0
PUHA Brochures: Korean	150	0	0	0	0	0	0	0
PUHA Brochures: traditional*	0	0	0	0	0	0	0	0
PUHA Brochures: simplified*	100	50	0	6	12	2	20	30
PUHA Brochures: English	100	100	0	7	18	3	28	72
PUHA Brochures: Japanese	25	25	0	6	2	1	9	16
Uni samples (grams)	0	0	0	0	0	0	0	0
Smoked salmon (g)	0	0	0	0	0	0	0	0
PSCHA Brochures: simplified	50	0	0	0	0	0	0	0
PSCHA Brochures: English	50	50	0	8	8	5	21	29
Company Brochures	0	0	0	0	0	0	0	0
B'cards (500 for MF, DM, Seagate)		unknown		not	tracked			

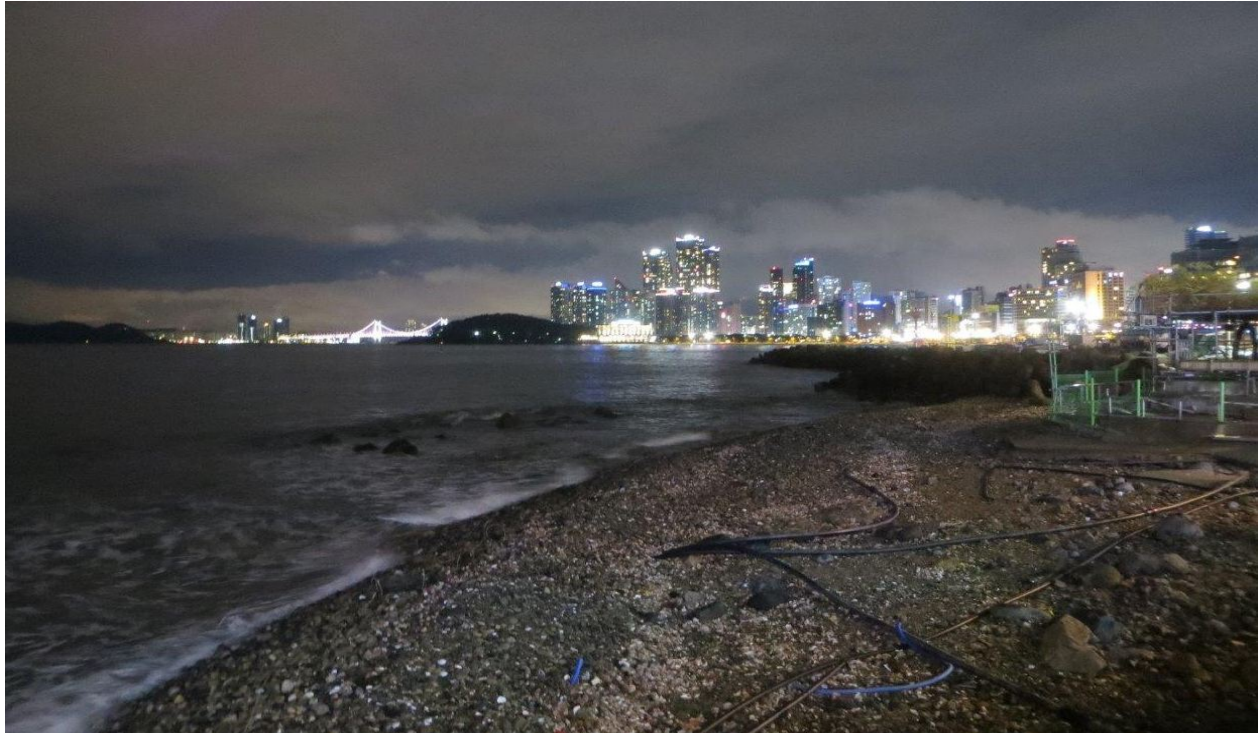
The number of brochures distributed to visitors was also tracked as a bit of a confirmatory metric to the contact information collection records. The results can be seen in the above table but according to these, Day 2 was the busiest day and Day 3 the slowest. We distributed 28 English, 20 Simplified Chinese and 9 Japanese PUHA brochures and a total of 21 PSCHA English brochures. We tried to do the right thing and get a Korean translation for the PUHA brochure but unfortunately the time was too short to allow the process to complete and we had to rely on the versions we had on hand.



Based on the comments received during the show, it sounds like the food preferences are somewhat different in the two big cities. We found and wandered through a market district close to the hotel comprised of small wet market type shops, sometimes with restaurants in back but more often adjacent so that customers can pick out their seafood and take it to the restaurant which then prepares it. There does not appear to be much in the way of sea urchin or sea cucumber products in this part of the country. Live hagfish were probably the most common single item. Sea urchin products are apparently used only in higher end restaurants, especially sushi restaurants in Seoul but not so much around Busan. The

preferences expressed by the Japanese market (bright yellow, small size) probably apply in these outlets as well but there were a number of people who came by who were intrigued by the large size and wanted to know how to get a hold of some. The Korea Fisheries Association operates an internet-based fish market so this may be a resource to develop further intelligence about the markets for sea urchin in the country.





A summary overview of Korean Society

South Korea has produced more than its fair share of high achievers. Parents drive kids very hard at school etc. to over-achieve but even with this young people apparently need good connections to get a decent job and a solid start. The society in general and workplaces in particular are very hierarchal, regimented and according to the young fellows I was talking with, boring. Even these guys though understand there is a good pension waiting after 20 years for those who get into a traditional position so it may just be a bit of rationalization happening as such positions are so few and far between, especially as many who qualify for retirement are choosing to stay in work. The reality is that in Korea, as in other developed countries, there are few jobs for young folks even when they have college degrees, and most all of them with low wages. Probably one of the bigger breaks they get is that all young men must do 2 years of military service, although this is probably not much of a thrill given the constant threat of war from their hostile northern brethren.

One thing that deserves some mention is that the importance of maintaining face in Korea means telling “little white lies” to protect people from things they really do not need/want to know is commonplace. Lying has a much different social significance in Korean culture than in western countries, again largely because the notion of 'saving face' is so important. In terms of a hierarchy of values, lying simply does not have the same pride-of-place as it does in most western cultures, and nowhere near the moral significance. 'Saving face' within the group takes precedence over many other moral concerns that westerners organize/prioritize in a much different manner, both psychologically as well as socially. The cultural differences regarding lying are often the first thing non-Koreans notice when they arrive. People that have been there awhile become more accustomed to it; tend to anticipate it; develop defence mechanisms to alleviate the effects, and generally live with it because working there can be rewarding despite the much publicized drawbacks.

Things to know before you visit Korea

As with any country, having some idea of what to do and what not to do and demonstrating respect for your hosts by knowing at least a few things about Korean culture will make your visit much more pleasant. It might be particularly important here as the truth of the matter is that Korean culture has survived for 5,000 years despite the best efforts of hostile neighbours to stomp it out.

First off: Thank you = “gom-sa-hop-nidah” in Korean.

Also of particular interest to us- uni (or is it sea urchin) is known as “sun gae” in Korea.

As a bit of a primer (From Matador Network (Matadornetwork.com)):

1. Kimchi is culture: Kimchi is sliced cabbage, fermented with red chili sauce and anchovy paste. It is pungent, spicy, and sour. Koreans love it and eat it with every meal – usually on the side – though they also use it as an ingredient in countless other dishes. Kimchi is symbolic of Korean culture: it’s strong, distinctive, and defiant. Some foreigners can’t stomach it, but if you can, you will earn the locals’ heartfelt respect.
2. Shoes off: When entering a Korean home, you must remove your shoes. To do any less is a sign of great disrespect. Koreans have a special relationship with their floor, on which they sit and often sleep. A dirty floor is intolerable in a Korean home, and they view Westerners as backward savages for remaining shod in our living rooms.
3. Soju: Korea is a drinking culture, and their national booze is soju, a clear, vodka-like drink. Soju is drunk out of shot glasses, and like all liquor in Korea, it’s always served with food. Koreans drink in boisterous groups, regularly clinking glasses, while shouting geonbae! (cheers) and one shot-uh! At night you will see men coming out of norae bang (karaoke rooms) and staggering through the streets, laughing, singing and arguing. Just be sure to avoid the puddles of reddish-vomit often left behind, which are also known as kimchi flowers.

Koreans have strict drinking etiquette: never pour your own drink, and when pouring for someone older than you, put one hand to your heart or on your pouring arm as a sign of respect.

4. Rice: Like the Japanese, the Koreans eat rice with almost every meal. It’s so ingrained in their culture that one of their most common greetings is Bap meogeosseoyo?, or ‘Have you eaten rice?’ Unlike the Japanese, Koreans usually eat their rice with a spoon, and they never raise the rice bowl off of the table towards their mouths.

Also, chopsticks must never be left sticking out of the rice bowl, as this resembles the way rice is offered to the dead.

- 5.. Do not smile: Koreans are a warm and generous people, but you would never know it from the sourpusses they put on in public. Sometimes, the chaotic streets of the peninsula

resemble a sea of scowls, with everyone literally putting their most stern faces forward. This is NOT true of the children however, who will invariably grin and laugh while shouting “Hello! Hello!”

6. Beware of elbows: Korea is a crowded country. It’s a cluster of stony mountains with only a few valleys and plains on which to build. The result is a lot of people in small spaces, and folks will not think twice about pushing and jostling in order to get onto a bus, into an elevator, or to those perfect onions at the market. Don’t even bother with “excuse me,” and beware of the older women, known as ajumma. They’re deadly.
7. Protests: South Koreans fought hard to achieve the democratic society they now enjoy, and are among the top in the world when it comes to exercising their right to protest. Dissent is alive and well. Koreans protest with frequency and they protest with fervor – on all sides of the political spectrum. Protesters employ a variety of methods, from the violent (angry students regularly attack riot police with huge metal rods), to the absurd (cutting off fingers, throwing animal dung, covering themselves in bees).
8. Hiking: As Korea is mountainous, it should come as no surprise that hiking is the national pastime. Even the most crowded of cities have mountains that offer a relative haven from the kinetic madness of the streets below. Koreans are at their best on the mountain. They smile and greet you and will often insist on sharing their food and drink. Make sure to stop at a mountain hut restaurant for pajeon (fritter) and dong dong ju (rice wine).
9. Bow-wow: Yes, some Koreans do eat dog meat, despite some sporadic attempts by the government to shut down the boshingtang (dog meat soup) restaurants, in order to improve the country’s “international image.” Dog meat is mainly consumed during the summer and by men, who claim that it does wonders for stamina.
10. Nationalism: Koreans are an extremely proud people, and sometimes this pride transforms into white-hot nationalism. You see this nationalism displayed at sporting events, where thousands of Korean fans cheer their national teams on in unison, banging on drums and waving massive flags. This nationalism especially comes to a boil whenever Japan is mentioned, as Japan has invaded them several times, and occupied Korea as a colony for almost the first half of the 20th century, decimating the country’s resources and conscripting thousands of their women as sex slaves.

A couple of other things to keep in mind:

To a Korean, there is no such thing as The Sea of Japan. The body of water between Korea and Japan is known only as the East Sea.

Koreans fervently believe that Dokdo – the disputed islets between Korea and Japan (known in Japan as Takeshima) – belong only to Korea.

It would be most unwise to attempt to disagree with either of these points, as Koreans don’t consider them up for debate.



South Korean Economic Summary

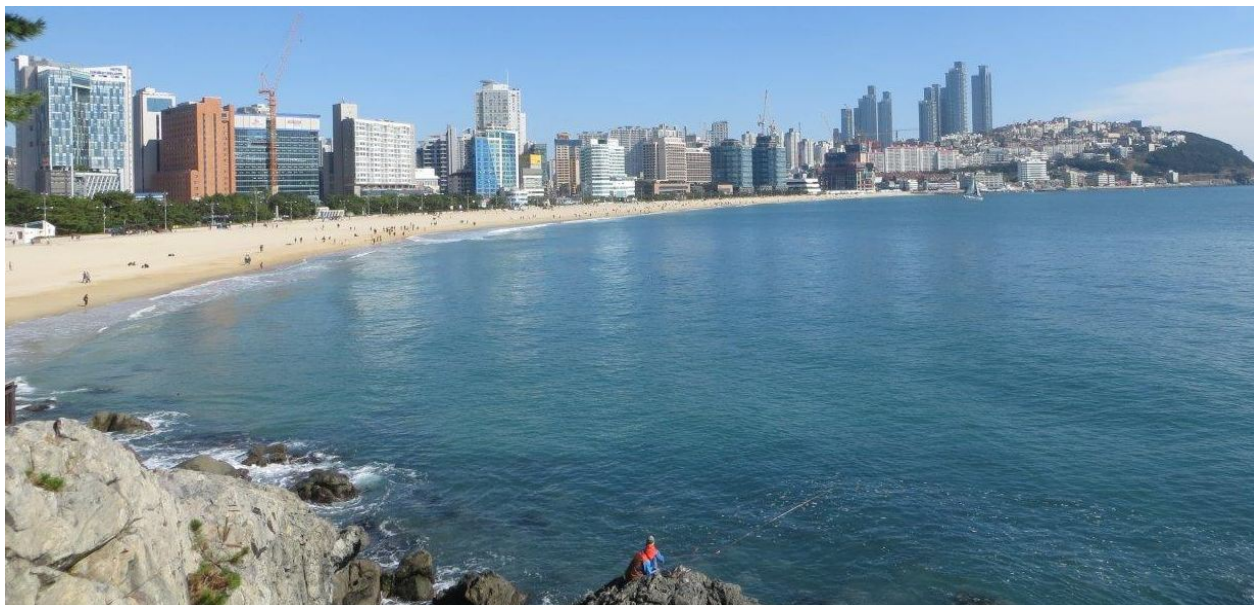
South Korea has around 51 million people comprising what is considered a developed, high income country which is the world's thirteenth largest economy based on Purchasing Power Parity. As with many Asian nations though it remains a mix of the traditional and the new. With approximately 92% of the country's population living in cities, it is one of the most urbanized cultures on the world. The capital, Seoul, is the country's largest city and main industrial centre. Seoul has a population of about 10 million while the whole of the Seoul Capital Area has about 24.5 million. Busan is the country's second largest city with a population of about 3.5 million.

South Korea has one of the most dynamic economies in the world, with the world's fastest internet and a rich and vibrant culture characterized by a long legacy of openness. It displays a strong focus on innovation even though its education system is rigidly hierarchical and has been criticized for stifling creativity and innovation. It also has the world's largest budgetary surplus

and has free trade agreements with 75% of the world economy meaning it is the only G20 nation to trade freely with China, the US and EU simultaneously.

South Korea is the top-performing Organization for Economic Co-operation and Development (OECD) country in reading literacy, maths and sciences and has one of the worlds highest-educated labour forces. Politically it is considered Asia's most advanced democracy with universal health care and education and it is now doing much more to build a lasting and sustainable legacy. It is also one of the world's most connected countries with over 75 million devices connected to the internet. E-commerce is growing at about 10% per year and is projected to increase from about \$4.8 B USD today to 7.7 B USD by 2020. Interestingly about a third of South Koreans spend more than half of their disposable income on online purchases and successful retailers make it easier for tech-savvy, time-crunched customers to get stuff they want.

During the first 20 years of South Korea's growth surge, little effort was made to preserve the environment. Unchecked industrialization and urban development have resulted in deforestation and the ongoing destruction of wetlands such as the Songdo Tidal Flat. However, there have been recent efforts to balance these problems, including a government run \$84 billion five-year green growth project that aims to boost energy efficiency and green technology. Koreans now are also very sensitive to health and wellness claims and are environmentally responsible.



The recently ratified Canada- South Korea Free Trade Agreement is removing tariffs of around 30% on goods trades and makes the South Korean market more attractive to Canadian firms, especially in the face of the apparent end of the Trans-Pacific Partnership. South Korea has had a spectacular economic run over four decades, even though it is in a very complicated neighbourhood, right beside an unpredictable regime in North Korea, and with challenging competitors China and Japan on either side. South Korea's strong economic growth has been built on a world-class education system and on the implementation of leading practices in manufacturing.

Economic growth in the country has however faded since 2012. It faces aging demographics, slipping growth potential, a heavy dependence on manufacturing exports and corporate vulnerabilities. The recent policy response has been to use fiscal and monetary policy to underpin short-term growth and avoid dealing with these structural issues but a series of recent events should be causing a rethinking of South Korean economic strategy. The consensus economic growth forecast for 2017 is down to 2.5 per cent, making South Korea look more like an aging industrial country than an Asian tiger.

The recent travails of the Prime Minister with regard to sharing confidential government information with a civilian advisor are well publicized, other indicators of stress and discontent are also showing. For instance, the auto sector was hit by prolonged strikes in mid-2016, which raised costs and hurt sales. Auto sales have actually fallen in 2016, notably in emerging markets with slower growth in China an important factor. Chinese tourism growth in South Korea is now being redirected toward other places such as the Philippines, in part because of the recent decision to install US missiles as a deterrent to the North.

South Korea is facing some unfortunate political instability. The Prime Minister of South Korea, Park Geun-hye, was impeached on December 9, 2016, a year before her term ends, after some 80% of South Koreans demanded her eviction because of the aforementioned influence peddling scandal. The Constitutional Court still has to decide on whether the removal is permanent but this could take up to six months. This is bad timing for the government as it faces a number of issues, including vague warnings from the incoming US President on the possible removal of US troops despite the increasingly erratic behaviour of the North. This is, in short, a period during which the country cannot afford to simply drift with no direction.

Keeping things in perspective though, even though Korea's growth potential is waning as it gets larger and more developed, consumer and business purchasing power are high and it still has a stronger growth outlook than many others. Canada's exports to South Korea are modest at about \$4-billion annually, and we have a large bilateral trade deficit. It is impossible to tell yet if the weakening in South Korea's 2017 growth outlook to about 2% is a short-term stumble, or a longer-term plateau. It seems clear, however, that South Korea will need to shift from relying heavily on manufacturing exports toward greater business and policy innovation, and the creation of new services and business approaches which may be something that Canadian business can help with. Already many Canadian exports are end-sales to South Korean consumers. Diverse high-quality items, such as Canadian food products, educational services and entertainment, are all expected to show good growth potential.

Moving on again: once the Busan show was over, Paddy headed off for a function in Guangzhou while Geoff popped over to Qingdao, a 3 hour flight, so he could take care of the initial booth setup for the China show before anyone else arrived.



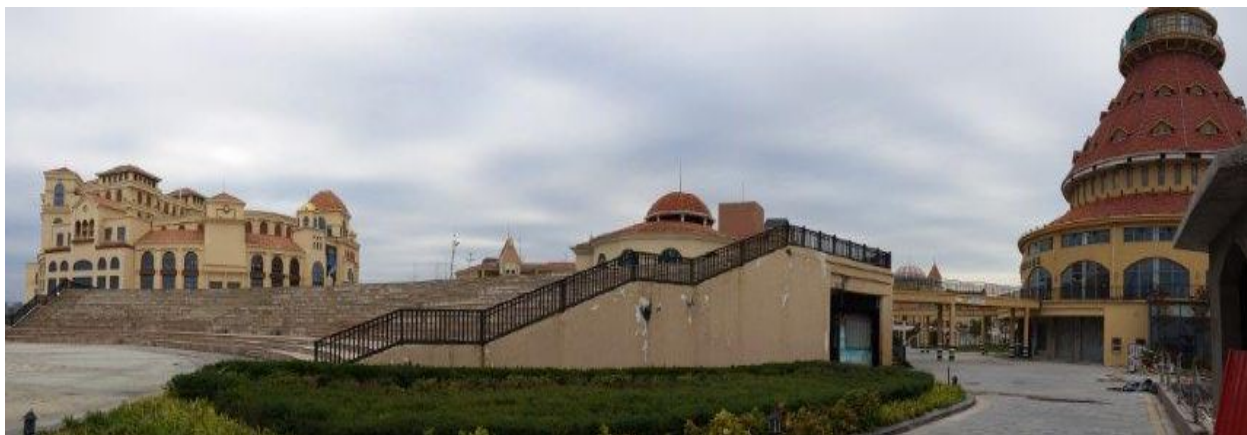
China Fisheries and Seafood Expo 2016

We were again staying at the Grand Metropark Hotel, a very nice hotel about 10 minutes from the show venue. It is part of a larger complex, the Qingdao Ocean Springs Resort, that includes a spa comprising a number of hot springs, a fairly substantial mall and a large seafood restaurant. The complex is about an hour outside of Qingdao by car and was apparently established by the government as a model “National Demonstration Base of Vacational Tourism”. It is an impressive development, but it leaves the impression that tourism is actually something that is still new and kind of foreign to the Chinese way of doing things. However it also makes the point that they are changing, adapting and learning. This was seen as well in the service improvements from last year, for instance having moved away from the cash-only service in the restaurants, suggesting the significant influx of foreigners for the show last year might have been a bit of an eye-opener for them.





It is apparent that this development is based on the philosophy, or perhaps hope, that if it is built, people will come, kind of like the movie “Field of Dreams” (1989). Whether in fact it has worked entirely as expected is up for debate as business at the site other than the CFSE show attendees seemed a little sparse. The aforementioned seafood restaurant was abandoned, apparently some time ago, and customers were pretty much absent from the mall and the spa on each of three occasions they were checked out on this trip. The spa and all the shops in the mall were more or less all open and had sales staff to attend to customers, but there were no, as in zero, customers in evidence. It is quite likely that the summer is their high season, but even with that there were signs of dereliction, disuse and the sort of decay that comes from neglect. To their credit though, there are signs of ongoing construction throughout the area and my taxi ride to the airport after the show took me through a number of apparently more traditional towns with thriving markets filled with people who are apparently quite enjoying the ride they are on.





Show Report

The Pacific Urchin Harvesters and the Pacific Sea Cucumber Harvesters were again sharing a booth in the Canada Pavilion and we all agreed it was a good idea to have at least one person, in this case Geoff, get in early to make sure everything was as it was supposed to be before the hordes descended on opening day. Mike, Dave and Pat arrived the day before the show opened and then Ron Ross showed up a bit later. We were also joined by Paddy when the function in Guangzhou was done. Grand Hale had a booth right next door to ours and the BC booth was right across the aisle from ours so there was a bit of cross-over between all of us.



This was the 21st running of the China Fisheries and Seafood Expo and according to the organizer it was again on track to set records. The same venue as last year was used and more than 1,400 companies from almost 50 countries participated. The show covered more than 32,000 square metres (344,450 sq. ft.), an increase of about 4% from the 30,800 m² last year, in 7 of the 10 halls available in the exhibition complex, and something on the order of 25,000 visitors were expected at the show over the three days. This is the second largest

seafood show in the world, after only Brussels. There are, however, some questions on the motives for a number of the visitors as some of the cards collected were from totally different sectors of little to no relevance to the seafood trade.



We had the same 3 x 3 metre booth as last year but this time went with a vertical display freezer to free up some room. Last year we had the standard 1.5 metre long freezer but it simply took up too much space. We were forced to shift the information counter back a bit from the aisle so things were kind of crammed in. It basically crowded the whole space and had everyone stumbling across each other. Even though the new freezer helped out a lot in this regard, the smaller 9 square metre space takes some getting used to when we have had much larger booths, between 18 and 13.5 square metre, up to this point. Still, participating in the Canadian pavilion offers substantial benefits as it is very prominent, well placed and well signed.



We switched things up a bit this year for our booth graphics. Last year we went with a mural design that was laid on the walls but was only good for that one show. We felt more images were warranted to reflect the diversity of the urchin and sea cucumber dive fisheries and we wanted something that would perhaps present a more personalized view of the people involved. Moving the roll-ups that have been used for previous was an option, but bringing them to this show translates to extra baggage that someone has to pay for and then lug around through multiple airports. We decided to move to laminated photos of the type that we use on the roll ups but which can be packed into the large “booth” suitcase. This cuts down on the hassle factor and also gives us flexibility to better tailor the look of the booth. Program guidelines stipulate the use of Brand Canada elements on program-funded

graphics so we got a collection of clear vinyl overlays that can be peeled off the pictures and reused multiple times.



The Canada Pavilion was again right at the entrance to the international part of the show (an excellent location) and traffic was good, although down by about 25% from last year and closer to the average results obtained up to about 2014. The first two days were the busiest while the third lagged but the traffic throughout was more or less steady, albeit in waves. These trends were as expected, being pretty much what happens at the all the other shows as well. Nathan Fong was again working very hard in the BC booth producing a steady stream of samples. This is always a big draw at these events: one clue to its importance is that there was not much of a lag between the samples appearing and then disappearing.



One thing that might be a bit of a worry is the average score for the contacts seems to be declining each year. Whether this is because of a changing qualification assessment on the author's part, a change in the interview/qualification process by the interpreters (who this year took care of a much greater proportion of the visitors themselves without involvement from any of us), or a decline in the qualifications of the visitors themselves is hard to say. It is, however, worth noting that only 2 highly qualified (Score 7+) visitors were recorded at this year's event. This contrasts with 23 last year and 10 the year before.

The other big change we saw this year was the increased proportion of visitors interested in sea cucumber over sea urchin. In other recent years the ratio has been about 60:40 in favour of urchins when visitors interested in both (or either) are included. This year, in contrast, the ratio is reversed and looks closer to about 30:70. More information will be needed before any kind of reason behind it can be more than guessed at but it is a pretty big switch.

The handout records reflected pretty much the same trends as the contacts information: we only distributed 113 and 47 Chinese and English PUHA brochures respectively this year compared to 250 and 150 last year. The number of PSCHA brochures is harder to compare because we ran out of Chinese brochures towards the end of Day 2 but it looks like the same sort of trend is holding. The number of Chinese copies was 125 this year vs. 189 last year while the number of English was 56 this year vs. 70 last year, reflecting an overall slowdown in traffic and a shift in interest to the sea cucumbers.

Prices and Order Requirements

RSU uni is characterized as either yellow or red base and either can be A grade. Increasing darkness and/or ripeness then push it to B grade and below. Prices last year were USD 12.50 (CAD 16.45) and USD 8.00 (CAD 10.55) CIF for a 120 gram 5 hole tray for A and B grade respectively. Paddy is projecting an increase of between 8-12% this year before any consideration of the CAD exchange rate vis a vis the USD. It is worth noting that a decline in the CAD implies greater profitability as urchins and uni like most other commodities and seafoods are sold in USD. Canada is a high labour cost jurisdiction and labour costs far surpass the material costs in the final product.

The minimum size order is 10 cases, each weighing 9.6 kg. and comprising 80 trays at 120 grams/tray. These sorts of orders are generally beyond the capacity of smaller customers like restaurants to use as the shelf life of the product generally maxes out at 10 days. We had some visits from smaller buyers impressed with the large size of the urchin and the uni that wanted to find suppliers that they could buy from.

We asked repeatedly for price guidelines on the sea cucumbers but just kept getting the answer that it was too soon to say.

Contact information for Day 1 of the 2016 China Fisheries and Seafood Expo

Product	Country	City	Business	First Name	Last Name	Company	Score	Comment(s)
SC	China	Shanghai	importer	Xiaomei	Hong	Shanghai Elderly Carefree Technology Co. Ltd.	6	seeking several tonnes presumably for use in elder care settings.
SU&SC	China	Shanghai	restaurant	Perry	Ye	River Cottage Shanghai	6	
SC	China	Dalian	import/export	Chun Hai	Xia	Dalian Anjun Foodstuff Co. Ltd.	6	
SC	China	Jiang Men (?)	import	Richard	n/a	Yuan Fu Tai Hai Wei	3	
SC	China	Jiang Men (?)	import	n/a	n/a		3	suspect strongly that this and above card are related
SU&SC	Canada	Burnaby	exporter	William	Fu	Mapleland Enterprises Inc.	4	
SC	China	unknown	unknown	Qian	Hao	unknown	1	
SU&SC	China	Beijing	market (retail)	Francis	Su	Beijing Haiyingge Food Co. Ltd.	3	lists retail prices although neither cukes or urchins are included at this point
SU&SC	China	Hong Kong	catering			(Hong Kong) Totonto Seafood Buffet Catering Mngt	3	website under construction
salmon	Thailand	Samutprakarn	wholesale	Katsutoshi	Ishibashi	Tohkalya Company Ltd.	4	sells to IKEA, TESCO, THAI etc- big retailers
SU&SC	China	Hong Kong	trader	Keith	Chan	Baotat Trading Development (HK) Ltd.	6	e-commerce- no uni or SC yet- but other seafoods (ysters, abs) are on
SU&SC	China	Xian	government	Yun	Feng	Government of Canada- Trade Comm Service	6	trade commissioner.
SU&SC	China	Chingqing	government	Coco	Wen	Government of Canada- Trade Comm Service	6	trade commissioner.
SU&SC	China	Beijing	government	Jenny	Zhai	Government of British Columbia (MITI)	6	BC government business dev't officer
SU&SC	China	Shanghai	restaurant	Michael	Gu	River Cottage Shanghai	6	
SU&SC	China	Tianjin	trade services	Liu	Ying	GlobalGo Cross-Border Trade Service Co. Ltd.	5	Yujiapu Free Trade Zone in Tianjin
SU&SC	China	unknown	restaurant	n/a	n/a		3	all Chinese card; no translation.
SU	China	Shanghai	vintner	Xiao Hui	Lin	Shanghai Bodu International Trade Co. Ltd.	3	
SU&SC	China	Shenzhen	e-commerce	Vincent	Xu	Shenzhen Jiaohso E-commerce Co. Ltd.	4	
SU	Russia	Moscow	distributor	Trifanova	Elena	BO7	2	Company = oil industry services- piping casing etc. This may be side business?
SU	Russia	Moscow	distributor	Ekaterina	Olkhovskaya	BO7	4	not sure - this card says "Sea Urchins from Barents Sea"
SC	China	unknown	unknown	unknown	unknown	Party Clip Industry Co. Ltd.	1	card- all chinese, no additional information recorded
SC	China	Jinan City	health	Zhao	Tiesuo	Shandong Tiandijian Biological Engineering Co. Ltd	6	looking for pricing info once price is established- pls email at that point
SU	China	Beijing	distributor	Yonghong	Zha	Beijing Afen Seafood Trading Co. Ltd.	7	does business in Beijing, Guangzhou and Shanghai. Interested in live urchins
SC	Ireland	Waterford	producer	Joe	Harty	Harty Oysters	3	
SC	China	Shenzhen	producer	Sam	Xiao	Shenzhen Fishing Forever Ltd Co. Ltd	4	
SU&SC	China	Qingdao	logistics	Tina	Mi	CTS International Logistics Corp. Ltd.	4	doing quotes for airfreight from Vancouver to various points in Asia
SC	Canada	Montreal	producer	William	Meng	CanJene International Inc.	5	from Cndn maritimes, asked re: work with PSCHA - no because Pacific name
SU&SC	China	Weihai	government	Tang	Quanyu	Weihai Trade Development Center	4	looking for custom processing customers
SU&SC	China	Beijing	government	Jenny	Zhai	Government of BC, MITI Beijing	6	introduced Tang to us. She also listed under CFSE2016_1102_14.
SC	China	unknown	distributor	Yangys	Jiang	The Sea Cucumber Gift	6	

Contact information for Day 2 of the 2016 China Fisheries and Seafood Expo

Product	Country	City	Business	First Name	Last Name	Company	Score	Comment(s)
SU&SC	Canada	Vancouver	equipment	James	Zou	KTSU Canada Ltd.	3	specializing on undercarriage parts for cats and presumeably conveyors etc
SU	China	Qingdao	importer	Alan	Yuan	S & S Foods Ltd	5	
SU&SC	China	Shanghai	government	Dora	Wang	Gov't of Canada, TCS Shanghai	6	
SU&SC	China	Qingdao	e-commerce	Bella	Chen	Sunnywell Foods	7	has frozen uni from Canada on website along with many other foods, no prices
SU&SC	China	Shanghai	government	Wendy	Hu	Gov't of BC, MITI Shanghai	6	business development manager for BC gov't
SU&SC	Canada	Montreal	trader	Martin	Beaudy	Montreal Fish Co. Ltd	6	
SU	China	Hong Kong	distributor	Pao Man	Kit	Tai Fat Hong Provision Co.	6	
SU&SC	China	unknown	financing	David	Zhang	Alphavance Capital	4	seeking to buy quota for clients
SU	China	Guangzhou	importer	unknown	unknown	Guangzhou De food trade co. Ltd	4	
SU&SC	China	Jinan City	trader	Michael	Zhang	Jinan Litonda Trade Co. Ltd	5	access is blocked to website
SU&SC	China	Shanghai	import/distributor	Xin	Yi	Shanghai Xinxin Yuan Fisheries Co. Ltd	6	large range of seafood products on website, but no prices
SC	China	Dalian	trader	Kang Qing	Yu	Dalian north pole world seafood co. ltd	5	
SU&SC	China	Qingdao	unknown	Miss	Chen	n/a	3	
SC	China	Yantai	trader	Jinguo	Sun	Yantai Fengyuan Sea Fishery Co. Ltd.	4	website is not working- cannot be found
SU	China	Shanghai	mgmt consulting	Yan	Zhang	Vege Express	4	various management services- supply chain, finance, logistics, etc
SC	China	Guangzhou	trader	Sivia	unknown	Tung Hei Hei Guangzhou Trade Co. Ltd.	5	distributor of dried and other seafood
SU&SC	China	Tianjin	trader	Lijun	Hao	Tianjin Zhong Mao Hai Hua Int'l Trade Co. Ltd	5	
SU	China	Hong Kong	trader	Alex	Chung	Jeton International	4	
SC	China	Dalian	trader	Song	Hua	Dalian Perfect International Trade Co. Ltd.	6	
SC	China	unknown	unknown	unknown	unknown	unknown	3	website bad- invalide host name, but they do have a big, fancy card.
SC	China	Qingdao	distributor	Shouzhong	Lai	Qingdao HaiQihui Aquatic Food (Group) Co. Ltd	5	will contact companies in march 2017
SC	China	Chongqing	retailer	Tao	Wang	Lotte Mart	6	large retail chain with stores throughout China
SC	China	Beijing	import/distributor	unknown	unknown	Beijing Rishang Science and Trade Co. Ltd.	5	
SC	Taiwan	Yilan	imp/export	Ben	Chen	SDF International Inc.	6	
SC	China	Shenyang	distributor	Jane	Yang	Shenyang Liu Qingyun Seafood Company	4	
SC	Canada	Vancouver	producer	Liu	Yan	Western Coast Green Health Corp	6	blueberries from BC- alt site = www.westerncoast.ca
SC	China	unknown	unknown	unknown	unknown	Wild Source Seafood Product	5	Wen Lian took this guys card
SC	China	Jinan City	unknown	unknown	unknown	Huixin Fishery Firm	5	Wen Lian took this guys card
SC	China	Dalian	ingredients	unknown	unknown	Dalian Qing Hin Biological Science and Technology Co.	5	Wen Lian took this guys card, google translate on card
SC	Canada	Montreal	producer	David	Wong	Ubisee Natural Foods Inc.	5	produces Cucumaria frondosa product from Cdn Maritimes
SU&SC	China	Inner Mongolia	unknown	Mr.	Lin	unknown	4	
SU&SC	China	Qingdao	trader	Gao	Yang	Shandong Oriental Haifeng Trading Co. Ltd.	3	international trade interests but web site is a skin care link - especially acne
SC	China	unknown	unknown	Echo	Han	unknown	3	no other info
SC	China	Shenzhen	producer	Fiona	Yu	Shenzhen Fishing Forever lot Co. Ltd	4	see CFSE2016_11_02_26; no website
SC	China	unknown	unknown	unknown	unknown	unknown	3	all in Chinese, no English except "BXT" and a phone number
SC	China	Shanghai	trader	Judy	Duan	Shanghai Zunzun Trading Co. Ltd.	5	e-store with many goods including frozen seafood.

Contact information for Day 3 of the 2016 China Fisheries and Seafood Expo

Product	Country	City	Business	First Name	Last Name	Company	Score	Comment(s)
SU&SC	Israel	Tel Aviv	publisher	Mel	Rosen	Seafood & Fish Reporter	3	e-mag that looks like it covers a lot - but price I believe is about USD 5K/yr.
SC	China	Dalian	processor (custom?)	Jessie	Zhou	Dalian Fugu Seafood Co. Ltd	4	looks like a custom processor, very good english website
SC	China	Dragon City	wholesaler	Hill	Wang	Mulberry Island Seacucumber Wholesale	4	google translate on phone
SU&SC	China	Yantai	unknown	Team	Cong	Shenfu Yuan Seafood	4	google translate on phone
SC	China	Jinan City	trader	Xinghua	Jin	Shandong Bangneng International Trade Co. Ltd.	5	
SC	China	Dalian	producer	Xusheng	Liu	Dalian shengpintang Ocean Biology	5	
SC	China	unknown	comp. agent in China	unknown	unknown	unknown	2	impossible to qualify as anything

Brochures and other give-aways CFSE 2016

Item	Requested	Supplied	Plus	Day1	Day2	Day3	Total Used	Returned
PUHA DVD #1 (Mandarin, Cantonese + English)	0	2	0	0	0	0	0	2
PUHA DVD #1 (Japanese + English)	0	2	0	0	0	0	0	2
PUHA DVD #2 (Mandarin)	0	1	0	0	0	0	0	1
PUHA DVD #2 (English)	0	2	0	0	0	0	0	2
PUHA Brochures: traditional*	0	0	0	0	0	0	0	0
PUHA Brochures: simplified*	200	150	0	45	43	25	113	37
PUHA Brochures: English	150	150	0	20	19	8	47	103
PUHA Brochures: Japanese	25	16	0	0	0	0	0	16
Uni samples (grams)	3,000	3,000	0	1,250	1,250	500	3,000	0
Smoked salmon (g)	0	0	0	0	0	0	0	0
PSCHA Brochures: simplified	250	125	0	68	57	0	125	0
PSCHA Brochures: English	150	200	0	20	30	6	56	144
Company Brochures		0	0	0	0	0	0	0
B'cards (500 for MF, DM, Seagate)		unknown	0	not	tracked			

Comparison table for attendance metrics at CFSE from 2010 through 2016

	Daily Totals							Both joint	Urchins		Cukes	
	2010	2011	2012	2013	2014	2015	2016		sole	% of show	sole	% of show
Day-1	25	34	27	34	43	50	31	15	4	25.7%	11	35.1%
Day-2	20	21	32	48	22	38	36	12	5	23.0%	19	41.9%
Day-3	10	12	13	16	6	14	7	2	0	2.7%	5	9.5%
Total	55	67	72	98	71	102	74	29	9		35	
Avg Score	7.39	5.92	5.69	5.12	4.84	5.2	4.49					

Socioeconomic Situation Reports

China Update

How China evolves is bound to modify the world order, for better or worse. China's transition opens up a whole new vista of competition and potential win-win partnerships in helping shape a rising China. It is worth recalling that the Yangtze River Basin was the world's leading economic Region for much of the past one thousand years and repeated observations confirm that its dynamism has not been extinguished by a few decades under socialism.

Overall, the nature of China's economy is a bit enigmatic and debate about whether it is more state or market oriented still rages. There is however agreement that it is now fundamentally capitalist. It is also underlain by a key decentralized architecture characterized as regionally distributed authoritarianism which makes coordination across regions near impossible. In truth, there are multiple economies in China with some more state dependent while others, most notably those along the south coast, are more market oriented, although even in the latter the state's hand has been and is now again becoming more intrusive since the arrival of President Xi as President who has talked the talk of increasing the role of the market but not followed through yet with much else in this regard. China also runs on a so-called black box fiscal system because there are few external checks on government budgets and spending. Even information on the assets of government officials is guarded as strictly confidential.

The middle class in China is currently estimated to number 225 million households, up from just 9 million in 2000, and another 50 million are projected to join their ranks by 2020. They are highly urbanized with 80% of them owning property and, while often university educated, generally have no personal memory of what life was like when China was poor. Dynamic consumption growth is expected in leisure and other quality-of-life products and services. Industry is projected to be driven more by research-based innovation, particularly in the internet, semi-conductor, robotics, and nuclear energy sectors. Meanwhile, China is becoming a more proactive and outward-looking global player. Backed by new financial institutions like the Asian Infrastructure Investment Bank, China's "One Belt, One Road" transcontinental initiative is beginning to take shape.

China's growing middle class is larger, richer and more vocal than ever before which, logically enough, means other complications of the modern age are now making themselves felt. The internet has expanded the horizons of everyone, but most especially the young who are, even though the government does its best to limit their exposure to western ideas and dissenting opinions, becoming evermore independent thinkers and more determined to find their own voices, much like their peers, our kids, in the West. The blistering pace of development since 1989, just after the government crushed the democracy protests in Tiananmen Square, has lent the Party legitimacy but this is fading with the slowing GDP growth of more recent years. Despite protestations to the contrary, this lends credence to the view that the Party is terrified of its own people, especially as it may be that the country is now seeing the limits to its growth.

And yet the government continues to operate as if public opinion and support for all its policies are still a given. People there have been focussed on building materially comfortable lives and

their success is incontrovertible: more than 700 million people have been lifted from poverty since 1978. However, their expectations and aspirations are now running headlong into the constraints imposed by authoritarian governance. Chinese today, especially the young, are proud, individualistic, empowered and keen to affect change in our world and their society but are also worried that corruption, inequality, tainted food and a foul environment mean many of their hard-fought gains are tenuous. The government is in a bit of a quandary: coercion and repression are still a large part of their reflexive modus operandi but they cannot afford to alienate or hold back the middle class, as these are the most productive members of society.

Origin of Guanxi

The family has been the bedrock organizing principle of Chinese society for the past couple thousand years. It formed the basis of Confucian Values which stipulates an hierarchy of responsibilities and ties, defined by respect and obligations flowing from the young to the old and from the kinship group to the Emperor. Recent events and realities associated with modernization and urbanization are however destroying the continuity of the traditional family bond(s). The shock of the Great Leap Forward and the Cultural Revolution turned family members against each other while the “one child policy” forced a change of focus from the clan to the child delivered the first blows but it is the growing individualism associated with urban life that is transforming every aspect of social interaction in the country. Multi-generation families under one roof used to be the historic norm, but more young folks are now choosing to live alone, often with the express desire to remain single permanently unless and until they find that “special” someone. Waiting for love is something that is anathema to their parents and elders who still believe in the importance of strategic family linkages through marriage because of their experience(s) with the starvation and deprivation of the not too distant past.

The demise of traditional family values has strained conventional notions of trust in the country. Whereas people used to know virtually everyone in their lives in the context of family and clan relationships and only ever met new people only through introductions by those they trusted, nowadays most of their relationships involve strangers. A downside of this is that their personal networks are breaking down and people are more vulnerable to deception and manipulation. The institutions that serve to verify people are who they say they are themselves often lacking integrity and nowhere more so than in China. These paired break downs have led to scandals, including contaminated food, counterfeit drugs and outright financial scams etc., that were impossible in the past when everybody was known through their clan connections and could not escape their reputation.

This is another aspect of what is perhaps the biggest challenges for the country: the transition to a freer, more open and just society where the rule of law, rather than “rule by law”, is upheld. One of the key essentials is to subject the government itself, and in China that means the Party, to checks and balances and to ensure it can be held to public account. An indispensable component of this is an autonomous or “independent” judiciary. The government seems to realize this as already, measures are in hand to transfer the power of judicial appointments to the provincial level. There are also moves to introduce a system of “circuit courts”. Huge problems remain, including the lack of professional judges and the whole bureaucratic culture of a one-party state, but it seems as though they have started on some necessary changes

Progress to Modernity

Another key goal remains the eradication of poverty. Notwithstanding rising affluence, some 250 million Chinese (18 per cent of the population) still subsist on less than US\$2 a day. The People's Republic was founded on dreams of equality in 1949 but today it is one of the most unequal societies on the planet. Private property was virtually unheard of until the late 1970's but since then the accumulation of wealth in China has been truly extraordinary: income has increased by a factor of 13 in real terms compared to the global average of less than 3. Granted, most rural young still leave school before they turn 15 while 1/3 of city kids go on to get degrees, but the GINI has risen from 0.3 in 1980, indicating a very egalitarian society, to 0.46 today, higher than any OECD nation. The upshot is that even here many think the game is "rigged", which puts many of them in full agreement with many throughout the developed world.

This sort of attitude is of course bad for social stability, something that is always a factor when your country comprises 1.34 B people because it is so easy for an ember to quickly turn into a firestorm when that many people are involved. For this very reason, China remains focussed on social stability as a priority and the government will do whatever it takes to avoid an outbreak of unemployment.

The middle class probably has the most to lose to instability because so little has been done to build a proper legal system to secure their property rights to their assets. Financial instruments available to the vast majority of these people either offer minimal to negative return with little protection or a better return with no protection. This is a, if not the, major reason behind the strength of the real estate market in China- alternatives are simply not available, especially now that more stringent capital controls are being implemented to keep money in the country.

This may prove a fatal flaw in the Chinese system, especially as so many of the instruments offering better returns can and do simply evaporate when things do not work out. There are even recent instances where the Central Government promoted programs known by them to be Ponzi Schemes followed by active repression of news on how it all blew up including persecution of anyone publicly making the link between the scam and the government. This was not so much a problem during the boom years, but growth is now slowing and the government has been breaking out new controls on media, including the internet, to restrict access to foreign sources of information and is even intensifying ideological guidance and training in offices, companies schools and universities etc. It is kind of sad because the most obvious interpretation is as another sign of the government's fundamental insecurity, if not fear.

However, so far things seem to be working out OK for them in this regard. Job numbers are holding up well and urban employment increased by about 11 million jobs in 2015, which is greater than 2014 and is therefore a good sign. China's imports in November 2016 expanded 6.7 per cent on-year, the fastest in more than two years, as factories replenished inventories of raw materials, helping to lift commodity prices globally. A rebound in commodity prices in September led to the first rise in China's producer prices rose in nearly five years. Higher government spending on infrastructure and a blistering housing market rally have boosted prices for materials from steel and copper to glass and cement, with speculators adding fuel to a months-long rally in China's commodity futures markets. On going government efforts to reduce capacity in industrial and mining sectors also lifted prices in some areas, such as coal, helped

boost year over year industrial profits by 9.6 per cent in October while upbeat trade data contributed to futures price gains in steel and rebar that surged to 31-month highs. Iron ore is at its strongest since late 2014. The Producer Price Index (PPI) is projected to rise by 2.5 per cent next year, though momentum will wane in the second half and the world's second-largest economy is expected to slow next year, as effects from previous stimulus fade.

One of the areas of most interest to us, the Chinese food service sector, is large and is still expanding, albeit at a declining rate. Over 85% of Chinese consumers eat out at least once per week but rising costs of living, coupled with continuing food safety scandals are driving many to become more cautious on the food service spending. The ongoing anti-extravagance campaign by the government is also still impacting business at higher end establishments. Operators are becoming more innovative in terms of value for money, health and wellness and finding the use of safe, high-quality ingredients within low to middle price range dishes is key to sustaining consumer interest.

As a bit of a sidebar, the "Made in Canada" label works particularly well for products where Canada's image is intrinsically linked to them. Seafood is a logical candidate. Dependable, reliable, nice, safe, educated, advanced food safety, sustainable, etc gives a brand good spin, but not so much that it can make up for deficiencies or weaknesses in terms of functionality. If customers have these positive feelings about Canada, they may feel even more violated if the product does not satisfy their expectations or standards. Japanese customers apparently put a very high value on a Made in Canada product and it would seem that Chinese customers are coming around to the same view because of our relatively uncontaminated environment etc.

Also working on our side in this regard are other recent actions of the Chinese government in response to public opinion in that country. For example, since the Paris climate summit, dynamics are in place that augur well for a more ecologically balanced China. A new air pollution prevention and control law came into effect this month. Laggard cities will now apparently be held accountable for targets with public input and monitoring. Stringent measures are being introduced to curb coal use, including caps and coal-free zones. While lip-service and slack enforcement remain huge obstacles, the Environmental Protection Law which came into force last January mandates accumulative fines and holds local governments to account. Indeed, party secretaries' career credentials are being judged on how well they perform in helping to create a more harmonious and greener China.

Interestingly, many of China's environmental problems today are the result of economic growth unfettered by regulation, something espoused by many on the Right in America as an ideal worth pursuing. With levels of air and water pollution far in excess of safe or even tolerable to human health, this seems to hold a few unintended, if not unexpected, consequences. In any case, while the growing economy served the cause of stability for many years, there is an increasingly sharp tradeoff between keeping order in the short term and keeping the engine(s) of economic growth running for long term stability.

Increasing numbers of Chinese citizens are wanting to do their bit to help improve their society and are turning to charitable organizations to express themselves, often despite efforts by government to deter them. With development, society's needs and demands have grown more complex but the government's capacity has not kept pace and Non Governmental Organizations

(NGO's) have grown to fill many gaps. The government though still wants to be seen as the primary provider of such services and does what it can to take the credit for any help provided by any group. Preventing the emergence of any possible competitors as a tactic to retain its absolute monopoly on political activities in the country is but another sign of fundamental weakness.

China's economic risks are well documented and there are arguments on both sides as to which way things are headed there. They are swimming in a sea of debt, but to get GDP figures moving again the government resorted to the old model of economic growth early this year by prompting the state-controlled banking sector to open the sluice gates. More than USD 385 billion in new loans were issued in January 2016 alone, five times the figure issued in December 2015. China has opened the credit dam each time its economy slows –that's largely why nonperforming loans jumped 51 percent year-on-year to CNY 1.27 trillion (USD 196 billion) and while this figure may be understated, it's part of a debt problem which threatens to unhinge China's economy and collapse consumer sentiment.

China's companies, including its food and fisheries firms, are following the pattern and are also carrying huge amounts of debt. This may come back to kibosh deals they're seeking overseas as economic growth at home slows. For instance, COFCO Corp, which has interests in fish feed and seafood retailing, had total debts of 52 times its earnings before interest, tax, depreciation and amortization (EBITDA) when it recently took a stake in competitor Noble Group for USD 750 million.

These two key problems – debt and slowing growth – are mutually reinforcing. A slowdown in GDP growth slows income growth and throws into question many of the projections of growth for Chinese consumption. This extends to imported seafood so will affect exporters of seafood, which will be forced into a more competitive market place.

Political Considerations

There are also some potent political risk(s) that are much more difficult to assess. The impact and effectiveness of the still unfolding anti-corruption campaign is hard to assess as any action or statement considered unsupportive by one or another government official on virtually any policy can lead to catastrophic personal and/or corporate consequences. This is well understood in the country and has led to not only a substantial acceleration of money leaving the country but also to a sharp reduction in dissenting opinion expressed on a range of government policies and emerging trends in the country. In layman's terms, everybody is keeping their head down, and many things are just not getting done.

There is also another subtle, purportedly related and potentially very significant change underway in Chinese politics. The long-standing collective, consensus-driven form of leadership that has existed since the era of Deng Xiaoping (from 1978 until the late 1990s) is now apparently again giving way to a centralised system dominated by a single man. The Cultural Revolution was attributed to a single man, Mao, and the country moved decisively away from that model of leadership to make sure it could never happen again. However, in the years since he came to office in late 2012, President Xi has been projecting himself as the most powerful leader since at least Deng – if not Mao – and he has assumed more important positions than any of his recent

predecessors. These include leading roles in the seven most powerful central leading groups spanning the party, state, economy and military. It remains to be seen how far the transform will go, but President Xi continues to cement his position as a strongman leader and was recently designated the “core of the party’s leadership”. This has been followed up by a nationwide campaign calling for all officials to declare their “absolute loyalty” to his presidential position which is ongoing.

For all his current power, Xi and the party still face a string of serious challenges. For example, the mainland economy is slowing down at a pace unseen in recent memory and last year’s 6.9 per cent growth in gross domestic product was the lowest recorded since 1990. Capital outflow continues, probably at the US\$1 trillion annual rate estimated 2015 despite increasing controls to stem the flow. The leadership must also tackle problems such as deflation, excess industrial capacity and a mountain of debt incurred by local governments. Gross economic inequality remains a threat to the party’s legitimacy, which is the stated reason behind the anti-corruption campaign, but the authority of the central government and the effectiveness of programs to eliminate overcapacity and reduce pollution etc. decline as one moves away from the capital.

Some Challenges and Responses

Economic restructuring is a key agenda priority for China. Ahead of the much-awaited March 2016 release of the 13th five-year plan, Beijing’s Central Economic Work Conference unveiled an economic blueprint, focussing, for the first time, on “supply-side reform”. The required structural adjustments include dealing with overcapacity, state-owned enterprise reform, currency and interest rate liberalisation, debt and deflation management, old-age health care and a greener and more sustainable economy. Also in the cards are subsidised sales of empty housing to migrant workers and innovative reforms to enhance productivity in finance, natural resources, manpower, equipment and technologies.

The government has stated that “mass entrepreneurship and innovation offer an endless source of creativity and wealth” are the country’s hope for the future, the same as it is for virtually all countries it might be added, but the reality is that China is ill equipped for either. Even on the most basic level, workers in many of China’s large SOE’s have become skilled at a single specialized task and, as lifers, are dependent on the company for all their needs and even on the hierarchical structure for direction/supervision. These 3 things combine to make them unsuitable for other jobs where some modicum of independent thought is required and the reality is that once they are laid off they are more often like lost lambs than budding entrepreneurs. In many cases it is turning out that even those wanting to change cannot because prejudices, expectations and ineffective programs prevent them from moving beyond their established habits.

Effective collaboration is another of the not-so-secret sauces in successful innovation. The good news is that the internet, probably the most effective tool imaginable for collaboration, is a booming business and a way of life in China where literally everyone is connected via their phones. The bad news is that in China the government is focussing more on security and pressing harder to enforce strict ideological control. Reconciling the opportunities and the desire for control is a difficult order and will require international coordination because the internet spans the globe, but developed nations are largely shunning Chinese efforts and arguments for

comprehensive control. In fact, a number of observers are starting to lament the digital environment in China as the world's largest intranet.

As a result, the contrast between internet access at home, in South Korea and in China could hardly be more stark. Many innocuous searches that take seconds in Canada or in Korea time out or are blocked in China as everything that comes from outside the country must run through the Great Firewall and past its censors. This is a government that routinely monitors conversations and communications in real time, closes newspapers, magazines and websites and selectively blocks stories on TV and the internet. It struck all of us this year during our visit to the Qingdao show that the internet in China this past year was even more atrocious than in years previous. There is something to this observation as China was named as the world's worst abuser of internet freedom in 2015 and the crackdown has only intensified since, suggesting, again, there is a certain weakness afflicting the government despite its protestations to the contrary.

Information control is a major tool for shaping public opinion around the world but with the Chinese Communist Party's renewed interest in intruding into peoples lives, they are taking it to new levels on all fronts. Abuses of authority and procedure are apparently a mounting concern for many Chinese as it seems that the government is favouring authoritarianism over accountability even as citizens are demanding better respect of their most basic rights to personal safety, civil rights and urban order.

Commentary in most western news sources assert that China's information control campaign is ongoing and still growing. Last year, for example, it erected regulations to supervise domain name registrars that operate within its borders, which is (almost) fair enough, but new rules to extend its control over domains like ".com" and ".org" themselves were adopted in March 2016. These regulations apparently apply only to websites hosted on servers within the country but the rules also stipulate that any and all content shown to Chinese people must be stored on servers based on the Chinese mainland. They also outlaw any foreign ownership of online publishing services and even though one of the first casualties was Apple's online books and movies services, it remains to be seen how broadly the rules apply. Given this it seems there is a rising chance that foreign websites, including those for PUHA and PSCHA, will sooner or later see their access restricted in China.

Not to be alarmist or anything, but China's current control over the media throughout the country, including the internet, is unprecedented. The leadership is now executing a new form of digital dictatorship that sounds a lot like "Big Brother" of George Orwell or Aldous Huxley fame. They are calling it the "Social Credit System" and it is basically a comprehensive archive of linked personal, transactional, criminal, financial and work etc. data on every individual in China, including their tracks through the country's pervasive CCTV surveillance system, the world's largest. There are rules in the West on how similar data on people can be collected, correlated, archived and used in ways that protect peoples privacy, but such laws or concerns do not constrain China. Their stated hope is for a system in China that will "allow the trustworthy to wander wherever under heaven they want while making it difficult for the discredited to take even a single step. There are great dangers in this for miscarriages of justice as well as for derailing their stated new transition so innovators can thrive in our new digitally connected world. Innovation though is powered by free thinking but this is apparently no longer tolerated.

Negative attitudes about the state of the society are growing and have become widespread enough in China that some see the government campaign against corruption as more a sign of fear that the anger might imperil the Party's hold on power than evidence of the government's probity *per se*. As a revolutionary government, they are well aware of what can happen and they are using all available strategies to boost their authority in the eyes of their citizens. This includes supporting nationalist movements, eliminating competing centres of authority and power.

In this regard, it is worth noting that the government made a big deal of its military transformation program with its aims to reduce the size of the People's Liberation Army by 300,000 and to revamp the entire operational and strategic command structures spanning the Military Commission, PLA regions and strategic units. It is also building out its naval forces with the idea to shape their force capabilities to fight and win in the 21st century, including naval, information and space warfare.

There are also suggestions that they are bent on manufacturing external enemies. For example, China's claims to large swathes of the South China Sea within the so-called Nine-dash line were overwhelmingly rejected by the Permanent Court of Arbitration as having no basis in Law. The judgement was unexpectedly wide-ranging and clear cut and is expected to force China to choose what kind of country it wants to be: one that supports rules-based global regimes or one that challenges them in pursuit of great-power status. To date, China has refused to recognize or execute the verdict and appears to have in fact accelerated its illegal development of facilities on the Spratly Islands and used the rejection to inflame nationalist passions. In short, it remains to be seen where they are going with this.

Wider Global Update

On the surface at least, things are looking quite rosy for the approaching period. The Canada-EU Comprehensive Economic and Trade Agreement (CETA) has been signed off by both governments and should be ready for implementation later this year. Meanwhile in the US, still the world's largest national market and our largest trading partner, consumer confidence rebounded in November 2016 to the highest level in more than nine years and their assessment of current economic conditions was the sunniest since 2007. The survey was taken before the election but smaller sub-samples taken in the post election period suggest their enthusiasm is not thus far dampened. On top of this, in general the US economy looks healthy. GDP grew at an annual rate of 3.2% in the third quarter while consumer spending advanced by 2.8%. The unemployment rate was 4.9% at the end of September and an average of 181,000 jobs have been added each month this year.

There are, however, some storm clouds that may yet break and interrupt any celebrations. The main issue in the West, as in China, revolves around rising inequality. Our economic and political elites have seen their advantages grow immensely over the past few decades, often at great cost to less advantaged majorities, who themselves are now more easily motivated, aroused, enabled and/or even manipulated whether by unfiltered or too often apparently completely fabricated information. Whatever the case, many voters in the democratic west are taking issue with business as usual scenarios and are rolling the dice.

Voter “revolts” against global elites have so far brought us the Brexit and Trump results, and this trend may yet be incomplete. Other dominoes on the table include the empowerment of nationalists in other countries arising as a direct result of the demonstrated success of these two campaigns. For example, Italians voted down a constitutional reform package on December 5 that would have allowed the government to deal at least somewhat more effectively with the country’s huge debts and a banking system that is in ghastly shape. The opponents in the referendum want to take Italy out of the euro. There are also elections in Holland and France where populists openly threaten the survival of the Eurozone. The euro is already sagging, and should both of these elections go as well to anti-euro parties, the euro zone could enter free fall, producing a collapse in the trillions of euro bonds, which are largely held by banks. This would make Grexit look like “the pygmy” it really was, back when it was — week after week — the biggest financial headline of the time. And these events predate the German election, where one might also expect some sort of fallout, by only a short while.

Where is it all coming from? A new, powerful theory on the economic and political development of nations based on historical records from around the world maintains that sustainable growth is derived from inclusive institutions and politics where everyone has a fair shot, in contrast to extractive conditions where an elite controls access to resources and benefits and reserves the vast majority to themselves. Both are self reinforcing systems though neither are completely immune to changing over to the other, something that is worth keeping in mind in these days of what is no less than massive change in our world. Modern economic institutions and politics in the West (OECD nations) have been characterized as inclusive, although the apparent capture of the political system in the US would seem to belie this claim.

According to this theory, recent growth in China has similarly been powered a shift away from extractive towards more inclusive economic institutions. Their politics however remain authoritarian, by definition more extractive, so while their economic growth has been impressive they are now running up against limits imposed by their political system. This reading of history maintains that attempting to engineer prosperity without addressing the root problems of extractive institutions and the politics that keeps them in place is not sustainable over the long run.

The worry expressed by many informed commentators is that 2017 will mark the beginning of a new and darker global order. We have witnessed similar transitions in the past, 1917 similarly saw the collapse of a prevailing liberal order, but on this go around it is being signalled by the election of Trump and Brexit along with other similar surprises pointing towards a more “closed” world in many other countries. The still gathering roar of disapproval from the masses over globalization and the apparently attendant inequality, inequity and unfairness that favours the privileges of the rich and entitled over the Rights of everyone else is overwhelming reasoned consideration of the benefits provided to all by trade over the past few decades.

While much depends on how Trump actually conducts himself once he takes office, the signs are not real encouraging. For one thing- the whole world is apparently holding its breath in anticipation of seeing what happens once he assumes power - something which is discouraging in and of itself. Even though supporters say he is just setting the table for some tough upcoming negotiations, America at least is now expected to turn in on itself economically and perhaps even militarily, something that will give succour to not only further populist backlashes in Europe but

also to nationalist and militarist factions in Russia and China. These sorts of changes together could well further inflame tensions and conflict in less developed parts of the world and more specifically, in the Islamic world.

The election of Donald Trump is “the most unexpected and traumatic events in the recent history of the US.” The banking crisis of 2008 stands as a factor behind the widespread questioning of authority and that slow burn of resentment of our elites since that resulted when so many of them were explicitly bailed out even as millions of regular folks lost their jobs, their homes and even their dignity. The ultimate effects of this transition remain contingent on how President Trump actually conducts himself in the Presidency but in a worst case scenario - one based on his own campaign platform - his decisions could lead to the abandonment of global leadership by the US and the unravelling of the liberal rules-based world order that the US and its allies, including Canada, have spent so much in terms of blood and treasure on building since the start of WWII. Despite the many criticisms of the US as a hegemonic power, it is the *de facto* leader of the free world and a retreat from this position will have consequences. A new indignant populist nationalism is riding high in many countries around the world, Turkey, Russia, China, Hungary, and now the US, and rising in many others, including Britain, Poland, India, etc. and it is feared that the varied political disruption(s) will feed on each other so the aggregate impact ends up as truly historic in proportion.

Of rising concern as well: the election result is a popular repudiation of the status quo, but one that was built on a foundation of innuendo and fabricated truths which also served to sow seeds of distrust in all sorts of necessary and otherwise respected institutions. We in fact witnessed deliberate stoking of all the “ism’s” and victimization among other strategies to divide and polarize the electorate as never before. Trump took charges of corruption to a new level, passionately exercising his and the public’s anger and disgust at the establishment, media, FBI, Federal Reserve, electoral administrations across the country, the Democratic Party and even the Republicans, ostensibly his own party. And in this people heard only what they wanted and overlooked what was too often actually. As a billionaire he is unarguably a bona fide member of the establishment but somehow he convinced people during the contest that this was not the case.

In a sense, he put the fun back in dysfunctional but his election is not likely to solve the problems that underpinned his campaign. In fact, his “success” is very likely going to make the real problems, for example the ideological polarization, the loss of social cohesion and the near absolute capture of politics in the US by wealthy special interests, very much worse. His statements since the election may be simply setting the table for renewed negotiations with all sorts of countries once he ascends to the Presidency but there is no assurance that these will correct any recognized shortcomings, yield fairer or more balanced agreements or promote a more democratic world order. To this point, his cabinet appointments are only reinforcing and consolidating the imbalance of power that is at the heart of the dysfunction and popular resentment. It seems very likely that we are entering into, as per the old Chinese curse, very interesting times.

It is worth pointing out that in China too, many people feel that inequality and social mobility are deteriorating and that many of the new plutocracy owe their success to corruption connections as opposed to hard work. This is a widespread phenomenon and it is looking more as if global elites everywhere are under attack. Even countries with strong institutions, Rule of Law and a free

press like Britain, the US and the EU are struggling to contain popular rage. China's authoritarian system offers other "advantages" but overall China is dealing with the same forces with fewer outlets for expressing discontent,

That public opinion is now apparently so vulnerable to manipulation, even or perhaps especially from anonymous agents with their own agendas working through the internet and social media, suggests there is not likely going to be an easy resolution to the dilemmas the US and the rest of us face. This applies to the discord in individual polities like the US, the EU, etc. as well as in the wider international arena. The election in the US saw cyber attacks, apparently originating in Russia, intended to influence public opinion and ultimately the election. This is not so much of a problem in countries with tight internet controls, like Russia and China, so this new evolution may presage a tightening of the online environment even in countries that currently hold such freedom as a presumed Right. Given the incoming President's demonstrated predisposition to authoritarian measures/practices, the US may find the latitude to abandon this field in short order. Amending libel laws, another priority for the new President, may further erode the public's ability to hold the powerful accountable for their opinions, words and actions or to share and tell truth to power is something demanding wider concern, open discussion and informed consideration. The past election in the self-declared "leading light of the western developed world" involved a documented war on truth by most especially the winning side, and yet they still won. This indicates as well that this could be the beginning of what could well turn out to be a very "difficult" period. The fear is that even though populist and isolationist policies eventually self destruct because the attendant consequences are so disastrous, it remains to be seen what we will go through in the interim.

It is fairly easy to get caught up in gloom on what is possibly coming, but it is still premature as it remains to be seen how events unfold. Perhaps more countries and their leadership teams will look directly into the abyss and see the horrors of what would lie ahead on that path and then start negotiating more honestly and sensitively. Of course they must then adhere to their commitments more transparently and coherently once the deals are done. This is essentially the hope that lies with President-elect Trump because it is increasingly obvious that there are many things that are simply not working.

Conclusions

Events seem to be conspiring to make 2017 a year of living dangerously. At least one economist sees China's best case scenario dependant on the country holding up its currency, accepting a bursting property bubble and moving forward with a fundamental restructuring of its economy. His worst case would see maximum devaluation of the RMB coupled with a global trade war spiralling out of control. Others are saying time is running short to let the currency run free, rein in debt, reform the state sector, liberalize investments and allow unprofitable companies to go bankrupt. What they do apparently agree on though is that it looks like 2017 is likely to be a year for judgement in China in this regard, as it will with so much in so many other parts of the world.

There are multiple cyclical and structural drivers involved, including, for example, two triggers originating in the US: rising US interest rates and protectionist economic and trade policies under President-elect Trump respectively. The continuing problems in the EU with rise of populism

because of economic stagnation, the continuing refugee flows from the Mideast and Africa metastasizing into the fears that drove Brexit and perhaps soon Italexit, and Grexit suggest a complete disintegration of the EU project is also now on the table. There are also large distortions acting out in China, in large part because the government there is so obsessed with concentrating economic resources in its own hands that its asset markets are like casinos. Mercantilist trade practices that keep disposable incomes low, create bubbles (property at the moment) and keep capital costs low work for a while, but eventually patience wears thin.

There is little doubt of a coming struggle between competing visions of what our civilized life on earth is meant to be. This is a struggle which may well either result in increasing flexibility and accommodation in the global order, with Asia eventually ascending to dominate the world economy through the sheer weight of their population numbers, with or without seeing the whole global trade and economic edifice collapse, at least temporarily. However, international financial and trade integration has now proceeded to the point of no return and, despite the claims and promises to the US president-elect, still accelerating advances in technology mean that the well paying low-skill manufacturing jobs of the past are not coming back. Ever. This should be a good thing but unfortunately, rising inequality is still an inherent part of the current “capitalist” architecture which increasingly rewards “owners” of capital as wage costs and tax rates decline as it impoverishes so many others.

It seems that people just about everywhere who are aware of it are looking for ways to re-balance the inequities that are ever harder to ignore or apparently avoid as societies develop. Despite the obvious conclusion that avoiding the revolutions that are so commonplace throughout human history is in everyone’s interest, there seems to be a greater focus almost everywhere on hardening defences with less effort going towards exploring more open and equitable alternatives to spread the wealth and share power. An enlightened perspective on self interest would suggest that encouraging conditions for ongoing class warfare and slaughter does not make a lot of sense and yet historically we have seen that protecting the prerogatives of the powerful taking precedence over all other considerations leads to just this outcome. This is occurring even as the productivity of our increasingly automated processes explodes exponentially. In this regard it is entirely conceivable that humans will be redundant in virtually all jobs in the foreseeable future (50 - 75 years) and that a new economics is needed to more fairly and effectively distribute the benefits. Unfortunately discussion of this has not yet even been joined by those who are currently the owners of the capital goods that are and will be increasingly replacing people in the production processes.

All is, naturally enough, not lost. Even after a 2016 that brought us surprises like Brexit and Trump as well as populist leanings in many other western democracies, 2017 may be a year where more “technocratic” governance models start taking on a more distinctive positive glow. On the one hand, many countries still recovering from being societies divided to the point of being at war within themselves have no interest in following a model is looking like it is getting ready to implode. On the other, a realization that a government’s legitimacy comes not only from voter’s choice, is sinking in. That is a position that simply can no longer be argued because the voters’ choice, in and of itself, is verifiably increasingly open to outright manipulation by all sorts of actors with any range of agendas.

Legitimacy now is more directly and rationally derived from how a government performs on the programs they are tasked with. These, according to what citizens worldwide universally demand, are: solid infrastructure, public safety, clean air and water, reliable transportation, ease of doing business, good schools, quality housing, dependable childcare, freedom of expression, opportunities to excel, access to jobs and the like. For any government to earn the respect of its people, it must deliver. If alternative models demonstrate they can more effectively address infrastructure, education, jobs and quality of life challenges than our more politicized models, which are, again just to reiterate the point, seeing us increasingly consumed by political and ideological polarization, a viable post-political alternative may emerge. One that can potentially better keep the focus on defining and resolving the goals, constraints, problems and issues at hand as opposed to the personalities involved and on who is to blame for what.

Trump's rise is blowing away the muddling-through equilibrium that has been around since at least 2008, and arguably much longer because of our mastery of refined, modern diplomatic ambiguities that allow nations to disagree without acknowledging it. While this may portend a trainload of pain coming, it may alternatively, or also, turn out to be a good thing as all countries may be forced to make the right changes if we are serious about becoming a sustainable world designed around realizing our shared human potential. In this we are going to deal with some pretty fundamental social and economic assumptions needing serious reconsideration if we are to avoid descending into some sort dystopian abyss where survival of the fittest reigns as the world becomes increasingly dangerous and unforgiving. If you do not believe it could turn catastrophic now, that we have come too far for that to happen, recall that both Germany and Japan were among the richest, most sophisticated and most industrialized nations in world in the first half of the twentieth century with well educated, liberal and prosperous citizenries before they both turned to militaristic nationalism and almost lost it all. The liberal order and many of the institutions that are under attack today are the very ones that were put in place to prevent the horrors of the past century's world wars from repeating themselves. That old adage pointing out that those who do not learn, and those who forget, the lessons of history are destined to repeat them comes to mind. Perhaps by keeping the risks in mind, we can contribute to avoiding such outcomes.

