

Canada - China
Legislative Association



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**Report of the Canadian Parliamentary Delegation
respecting its participation at the 15th Bilateral Meeting**

Canada-China Legislative Association

**Beijing, Xiamen, Hangzhou and Shanghai
People's Republic of China**

April 7 – 14, 2012

Report

At the invitation of the China-Canada Legislative Association (China), a Canadian parliamentary delegation, led by the Co-Chairs of the Canada-China Legislative Association (Canada), the Hon. Donald Neil Plett, Senator and Mr. Daryl Kramp, M.P., visited the People's Republic of China from April 7 to 14, 2012. The delegation participated in the 15th Bilateral Consultations between the two respective associations. This followed up on the 14th Bilateral Consultations which had been held in Canada in October 2010, and which resulted in an agreement that both sides work to strengthen the exchange mechanism, deepen friendship and further develop cooperation between the two countries.

- In essence, the themes of the visit were as follows:
- Canada-China bilateral relations
- Canada-China commercial and trade relations
- Education – Student Exchanges
- Political and Economic Overview
- Maritime Shipping

The delegation consisted of the following Parliamentarians: Hon. Donald Neil Plett, Senator, Co-Chair of the CCLA, Mr. Daryl Kramp, M.P., Co-Chair of the CCLA, Hon. Joseph A. Day, Senator, Hon. Terry Stratton, Senator, Mrs. Olivia Chow, M.P., Mr. Don Davies, M.P., Hon. John McCallum, P.C., M.P., Mr. LaVar Payne, M.P., Mr. Andrew Saxton, M.P., Mr. Bev Shipley, M.P. The delegation, accompanied by Mr. Roger Préfontaine, Association Secretary, visited Beijing, Xiamen, Hangzhou and Shanghai of the People's Republic of China.

An Overview¹

China, with a population of 1.3 billion and a GDP of \$6.05 trillion Canadian dollars (2010) is the world second largest economy, with increasing regional and worldwide influence. Its rapid economic growth has led, however, to many challenges, popular resentment of inequality and corruption and the building of a modern social safety net being among some of the most pressing. Key Canadian interests in China including trade, investment, human rights and governance and cooperation in education, the environment and climate change and the development of clean technology.

Canada-China Bilateral Relations

Canada has a long-standing and comprehensive relationship with the People's Republic of China. Many Canadian government departments have ongoing programs and memorandums of understanding (MOU) with their Chinese counterparts. Canada and

¹ Source for this section: http://www.canadainternational.gc.ca/china-chine/bilateral_relations_bilaterales/China-FS-Chine-FD.aspx

China also enjoy an active working relationship in international forums such as the UN, APEC and WTO.

Strong people-to-people ties also exist between the two countries. There are over 1.3 million Canadian residents of Chinese origin and China continues to be one of Canada's largest sources of immigrants. In addition, there are over 60,000 Chinese students currently studying in Canadian educational institutions and Chinese is Canada's third most commonly spoken language after English and French.

Political Relations

The Canada-China Joint Statement issued during Prime Minister Harper's December 2009 visit has served as a roadmap for the relationship in four priority areas: trade and investment, governance (human rights and the rule of law), health (public health and the prevention of pandemics) and climate change and environment.

Since then, education has been elevated to a 5th strategic priority in the relationship.

Increased high-level visits in both directions since 2009 have elevated the bilateral relationship (e.g., President Hu, the Governor General, the Minister of Foreign Affairs, the Minister of International Trade, and other ministers). The Prime Minister's visit to China in February 2012 (which included the Ministers of Foreign Affairs, International Trade, Natural Resources, Agriculture and Agri-Food, as well as the Minister of State for Seniors) culminated in the signing of several new initiatives and the renewal of existing ones. Among the outcomes of the visit were: the conclusion of negotiations on a Foreign Investment Promotion and Protection Agreement; agreement on a legally binding Protocol to supplement the Nuclear Cooperation Agreement that will facilitate the export of Canadian uranium to China; and an announcement to commence exploratory discussions on deepening trade and economic relations following the conclusion of an Economic Complementarities Study in the spring of 2012. Both sides agreed to increase people-to-people exchanges, expressing an aspirational target of 100,000 students studying in each other's country within five years.

Trade and Investment

China's growing population, gross domestic product (GDP) per capita and infrastructure requirements are driving strong domestic demand for resources, manufactured goods and services. At the same time, China is a Canadian competitor as a supplier of goods in Canada and around the world. China has also become a key and growing link in evolving global value chains. As a result of these factors, China has emerged as Canada's second largest two-way trading partner, second-largest source of merchandise imports, and third largest merchandise export market.

Governance

Canada is committed to engaging China in the areas of human rights and good governance, one of the four pillars of our strategic engagement with China. To date, bilateral human rights engagement has revolved around ministerial visits, embassy-based activities, including formal démarches and outreach programs, co-operation

between Canadian and Chinese government agencies, and bilateral and multilateral development cooperation.

The Canadian International Development Agency's (CIDA) current geographic cooperation programming in China focuses on funding Canadian and international organizations delivering human rights; in particular, on matters related to rule of law, labour rights and ethnic minority rights.

Education – Student Exchanges

Further to the PM's recent trip to China, both sides agreed to elevate education as a new strategic priority and explore additional means to expand two-way academic mobility, aspiring to reach a combined goal of 100,000 students studying in each other's countries within five years.

At the September 2011 Strategic Working Group meeting in Ottawa, Deputy Minister level representatives from both sides agreed to elevate education as one of the five pillars of the relationship, along with economic partnership; sustainable development; human rights, good governance and the rule of law; and peace and security.

China is a priority market for Canada's education sector at the federal, provincial and territorial levels. In 2010, there were 61,222 Chinese students (including those from Hong Kong and Macau) in Canada, representing close to 28% of our international students. Each Chinese student has an average economic impact of \$30,880 on Canada's economy for a total of almost \$1.9 billion, our single largest export to China.

Canada and China have agreed to raise the priority of the education sector by making it the fifth pillar of the bilateral relationship. This will give education greater prominence and will recognize the many benefits that the education sector provides to both countries' economies.

The economic impact of Chinese students in Canada makes education an important part of the relationship and helps contribute to Canada's economic prosperity. It also provides an opportunity for Canadian values to be shared with Chinese students who will one day go on to important roles in Chinese business and trade. Encouraging more Canadian students to study in China will also be crucial to both Canada's future competitiveness and the further development of Canada's relationship with China.

The Program

Bilateral Consultations - Beijing

The 15th Bilateral Consultations were held in the Great Hall of the People and chaired by Zheng Silin, Vice-Chairman of the Foreign Affairs Committee of the National People's Congress and Chairman of the China-Canada Legislative Association. The list of attendees from the Chinese side is contained in Appendix A.

Chairman Zheng welcomed the delegation to China and congratulated Senator Plett on his election to the co-chairmanship of CCLA. He stated that the Association's meetings foster understanding and collaboration between the two countries.

Co-chair Daryl Kramp thanked Chairman Zheng for the warm hospitality that has been extended to the Canadian delegation and introduced the members of the delegation. He stressed the need for mutual respect and cooperation to underline relations between the two countries. As no country is immune to global uncertainty, moving forward to solidify the relationship is of crucial importance.

The Co-Chair referred to the Foreign Investment protection agreement recently agreed to and made clear the need for it to be implemented.

Chairman Zheng expressed concerns that in light of the slow economic recovery in the U.S. and in Europe, economic growth in China has reached only 7.5% of the GDP last year, for the first time in 30 years. Consequently, unemployment is on the rise. He stressed the importance of the need for cooperation of small and medium enterprises between the two countries as they have generated 75% of employment and 55% of fiscal taxation.

The Canadian side stated that this is why the investment protection agreement is so important. It would create a common set of rules applicable to both countries in which to operate. It would also set a pattern in which other areas could benefit.

Canada informed its counterparts that is looking to diversify the marketing of its energy.

The Chinese side informed that there has been a rapid growth of the quality of life in China. Housing and car ownerships have risen rapidly. Air quality has improved. This has brought about the need to be energy efficient. The state is considering a billing system for electricity based on consumption, i.e. lower rates if you use less.

Although efficiency of its present capacities is its first priority, it was noted that clean energy, especially in the areas of hydro, nuclear, wind, bio-thermal and solar are of particular importance to the Chinese market place.

Energy conservation and reduction of energy consumption are an integral part of an overall national plan. Canada offered that it can be of benefit to China in sharing public participation education techniques and high technology.

It was noted by the Chinese that even though the internet has played an important role in education of the people, China still has a long way to go. Furthermore, the Chinese people it was suggested would now want to work less and earn more.

Chairman Zheng offered that during the last three decades, the Chinese achieved progress during the first, faced and solved a number of problems during the second and are now continuing to progress during the third.

Courtesy call with Mr. Liu Jieyi, Vice-Minister of the International Department of the Central Committee of the Communist Party of China

Mr. Liu affirmed that there is a need for close cooperation between the two countries and that he is looking forward to a bright future of relations with Canada.

On the questions of North Korea and peace and stability, Mr. Liu informed the delegation that China is concerned about the recent launch of a satellite by North Korea and that they had advised that this not proceed. China is counselling a cautious and cool readiness approach.

It would seem that DPRK's new emphasis is on improving people's lives and economic development. There is a need for a more positive relationship with the rest of the world.

China economic cooperation with DPRK is guided on marketing concerns, and the Chinese have not modified their positions in regards to security.

Finally, Mr. Liu assured the delegation that Canada is in a good position to receive more Chinese students, as Canada projects a positive image, friendly to people in China with Dr. Normand Bethune and DaShan as major examples.

Courtesy call with Madam Yan Junqi, Vice-Chair of the Standing Committee of the National People's Congress

Madam Yan expressed confidence in the work done by the CCLA. She stated that mutual understanding and trust is increased by parliamentary visits and exchanges. It is more important than ever to develop ties between the two parliaments. CCLA has become a great platform for exchanges.

She noted that the focus for the Chinese administration is now on improving the people's standard of living and on environmental protection.

The government has also amended laws and improved its judiciary system to better respect and protect human rights. Finally, laws on the election of deputies have been amended to ensure a fair representation of the people.

Shanghai

In Shanghai, the delegation participated in a roundtable with Canadian students studying in Shanghai. There was a general consensus amongst the students, that studying in China is definitely to be encouraged. It is a worthwhile experience although it would seem that the courses are not always on par with North American institutions. There was a consensus among the students that China would need to remarket its recruiting strategy in Canadian Universities in order to make Canadian students aware of the various academic possibilities offered in China.

Xiamen

A visit was organised for the delegation to the Port of Xiamen, China's 4th largest port, the mainland's main shipping link to Taiwan.

The delegation was also briefed by the Xiamen Port Group (Airport) on the construction of Xiamen's new international airport, the financial structure created to ensure its construction and the various services and air links to be offered.

Hangzhou

A visit to the Zhejiang Provincial Communist Party School allowed delegates to be informed on the various courses and their content offered by the school on the formation of civil servants. A detailed explanation on the selection process and qualifications needed to become a student was offered.

The delegation visited the headquarters of the Alibaba Group, the Asian leader of e-commerce for small service for three market places: a global trade platform for importers and exporters; a Chinese platform for domestic trade in China; and a transaction-based wholesale platform on a global site.

Shanghai

The Honourable Wang Peisheng, Vice-Chair of the Shanghai Municipal People's Congress

Vice-Chair Wang informed the delegation that the City of Shanghai is working towards shifting its workforce towards a more service center orientation. This will favour more investment in Shanghai and promote economic exchange with other cities of the world. A five year plan was adopted in 2011 with the objective of transforming Shanghai into an international trade and economic center. To this end, Shanghai is interested in furthering trade with Canada and in particular in the energy and resources sectors.

Finally, the Vice-Chair expressed satisfaction in the operation of the China Investment Center of Toronto and hoped that the relationship between his city and CCLA continue to grow.

Conclusion

The 15th Bilateral visit of the CCLA to China accomplished much to solidify the long-standing relationship with their Chinese counterparts in the National People's Congress. An important outcome of this visit was to allow for the identification of opportunities to mutually benefit from broadening business opportunities within the respective countries, and in particular in the transportation and services industries. This is a most intriguing time to discuss opportunities within the Canada-China relationship. It is clear that the trend of the rising importance of China has accelerated dramatically and is now well established, creating not only challenges but opportunities as well.

The level of engagement from the Chinese side showed that the Canada-China relationship continues to be an active and important inter-parliamentary exchange.

Respectfully submitted,

Hon. Donald Neil Plett, Senator
Co-Chair
Canada-China Legislative
Association

Mr. Daryl Kramp, M.P.
Leader of Delegation

Appendix A

List of people who met with the Canadian Delegation during the 15th Bilateral Meeting of the Canada-China Legislative Association

- The Honourable Zheng Silin, Executive Vice Chair, NPC Foreign Affairs Committee, and Chinese Chair of CCLA
- Chen Guijia, member of the NPC Financial and Economic Committee
- Xie Weihe, member of the NPC Education, Science, Culture and Health Committee
- Jin Mao, member of the NPC Foreign Affairs Committee
- Xu Jianmin, member of the Environmental and Resources Protection Committee
- Xu Dong, Director General of the General Office, NPC Foreign Affairs Committee
- Gao Jinlu, Deputy Director General of the General Office, NPC Foreign Affairs Committee
- You Wenzhe, Councillor from the Chinese Embassy in Ottawa
- Staff from NPC Foreign Affairs Committee

Travel Costs

ASSOCIATION	Canada-China Legislative Association
ACTIVITY	15th Bilateral Meeting
DESTINATION	Beijing, Xiamen, Hangzhou and Shanghai, People's Republic of China
DATES	April 7-14, 2012
DELEGATION	
SENATE	Hon. Donald Neil Plett Hon. Joseph A. Day Hon. Terry Stratton
HOUSE OF COMMONS	Daryl Kramp Olivia Chow Don Davies Hon. John McCallum LaVar Payne Andrew Saxton Bev Shipley
STAFF	Roger Préfontaine
TRANSPORTATION	\$89,917.12
ACCOMMODATION	\$19,729.43
HOSPITALITY	\$1,939.18
PER DIEMS	\$6,575.12
OFFICIAL GIFTS	\$1,869.31
MISCELLANEOUS / REGISTRATION FEES	\$0.00
TOTAL	\$120,030.16

