China - Alberta Relations

PROFILE

Capital: Beijing
Language: Standard Chinese, based on northern Chinese (the Beijing dialect known as Mandarin)
Government: One-party rule by Chinese Communist Party
Head of State: President XI Jinping (since March 2013)
Head of Government: Premier LI Keqiang (since March 2013)
Currency: CAD $1 = 4.87 Yuan Renminbi (2015 average)
GDP: CA $14,043.9 billion (2015)
GDP (PPP): US $18,153.8 billion (2014)
GDP Per Capita (PPP): US $13,390 (2014)
GDP Growth rate: 6.9 per cent (2015)
Inflation: 1.4 per cent (2015)

Key Industry Sectors: Mining and ore processing; iron, steel, aluminum and other metals; coal; machine building; armaments; textiles and apparel; petroleum; cement; chemicals; fertilizers; consumer products, including footwear, toys and electronics; food processing; transportation equipment, including automobiles, rail cars and locomotives, ships and aircraft; telecommunications equipment, commercial space launch vehicles and satellites.

Sources: Bank of Canada, Economist Intelligence Unit, Economy Watch, Global Affairs Canada

DID YOU KNOW?

- The Chinese have one of the world’s oldest continuous civilizations, spanning some five thousand years.
- In 2010, China hosted the World Expo in Shanghai. In August 2008, China hosted the Summer Olympics in Beijing. In 2022, China will host the Winter Olympics.

RELATIONSHIP OVERVIEW

- Alberta has had a sister province relationship with the northeastern Chinese province of Heilongjiang since 1981.
- Edmonton is twinned with Harbin, Heilongjiang’s capital city. Calgary is twinned with Daqing in Heilongjiang province.
- In the 1980s, the Alberta-China economic relationship expanded to include the sale of oil and gas equipment and services and a number of non-grain agricultural products.
- The China National Petroleum Corporation (CNPC)-Alberta Petroleum Centre (CAPC) in Beijing, which has been in operation since 1989, promotes petroleum technology transfers, provides management and technical training and fosters trade between China and Alberta.

TRADE AND INVESTMENT

- China is Alberta’s second largest trading partner. This trading relationship has more than tripled since 2003.
- From 2011-2015, Alberta’s annual exports to China averaged $3.25 billion and included acyclic alcohol, canola seed and oil, sulfur, crude oil and hides and skins.
- From 2011-2015, Alberta’s direct imports from China averaged $2.83 billion and included machinery, computer components, iron pipes and tubes, and a variety of consumer products. This figure does not include goods sold in Alberta that arrived via distribution hubs in other provinces.

ENERGY

- With the world’s largest population and a fast growing economy, China is the world’s largest energy consumer.
- China’s oil demand is expected to grow from 9.8 million barrels per day (bpd) in 2013 to reach almost 16 million bpd by 2040 and surpass the U.S. to become the largest oil consumer by 2030.
- China’s oil production is expected to decline from 4.3 million bpd in 2013 to 3.4 million bpd by 2040.
- China is expected to import 75 per cent of its crude oil by 2035, according to the U.S. Energy Information Administration. In 2012, China imported nearly 50 per cent of its domestic crude oil requirements.
China is expected to add 5.6 million bpd by 2040. China’s top three oil companies have established offices in Calgary: China Petroleum and Chemical Corporation (Sinopec Corp.), China National Offshore Oil Corporation (CNOOC) and China's largest oil and gas producer and supplier, China National Petroleum Corporation (CNPC).

CNPC has a large upstream presence and, together with its affiliated company PetroChina, accounts for 60 to 80 per cent of China’s oil and gas output.

In March 2012, PetroChina expressed interest in building the $5.5 billion Northern Gateway pipeline, proposed by Calgary-based Enbridge.

In October 2011, Sinopec bought Calgary based Daylight Energy Ltd. for $2.2 billion to gain access to 174 million barrels of Canadian oil, as well as shale gas reserves.

In January 2011, Sinopec publicly announced its intent to partner with Enbridge on the Northern Gateway pipeline.

In May 2010, Calgary’s Penn West Energy Trust formed a joint venture with China Investment Corp. (CIC) to develop the Trust’s oil sands assets in the Peace River region. Penn West will contribute assets valued at approximately $1.8 billion to retain a 55 per cent interest.

In April 2010, ConocoPhillips announced an agreement to sell its 9.03 per cent interest in Calgary-based Syncrude for $4.65 billion to subsidiaries of Sinopec.

In February 2010, PetroChina completed its joint venture agreement with Athabasca Oil Sands Corp. for $1.9 billion on the MacKay River and Dover oil sands projects and in 2014 PetroChina completed the takeover of Dover oil sands project for an additional $1.18 billion.

China is the world’s largest consumer, producer and importer of coal. More than half the coal produced in the world is consumed in China and in the next two decades is expected to consume more coal than the rest of the world combined.

Although coal makes up over two-thirds of China’s total energy consumption, China has led global investment in alternative energy projects since 2010. China invested $264 million in renewable energy in 2011.

China is the world’s largest producer of hydroelectric power. The Three Gorges Dam, the largest hydroelectric dam in the world, became operational in 2008.

Wind energy is the second leading renewable source for power generation in China, making the country the world’s second largest wind energy producer.

FORESTRY

In 2012, Forestry Division signed a Memorandum of Understanding (MOU) with the Zhejiang Agriculture and Forestry University focused on expanding market and technology opportunities for both parties.

China is Alberta’s third largest lumber export market and second largest pulp market, with shipments valued at $223 million in 2013, and is an emerging market for engineered wood products in non-traditional applications.

Forecast Divisions won the Best Booth award at the Annual China International Forest Products Yiwu Fair in 2012. During the 2013 Yiwu Fair, Forestry Division made a presentation, “Alberta’s Forest Resource and Wood Products,” to delegates at the Zhejiang International Forestry Investment Promotion Meeting.

In 2012, Forestry Division signed an MOU with Jiangsu Provincial Bureau of Forestry, focused on renewable energy projects.
on expanding market and technology
opportunities for both parties.

- Forestry Division has co-sponsored five
  successful Softwood Lumber Grading
  Seminars in Ningbo, Dongguan, Hefei, Xiamen
  and Shunde aimed at educating lumber buyers
  and users in China on the grade
  characteristics of Western Canadian SPF
  lumber in order to assist them in ordering
  the most appropriate product for their needs,
  thereby enhancing Alberta’s brand reputation.

- Forestry Division continues to stimulate market
diversification in Asia for Alberta’s forest
  products by collaborating with Chinese
  partners. CanadaWood, FPinnovations,
  Alberta Innovates Technology Futures (AITF),
  Tolko Industries, Ainsworth Engineered and
  other Alberta companies.

- Forestry Division has developed productive
  relationships with two major Chinese wood
  product companies. Dehua (Tubao) and
  Dongshun, who see Ainsworth’s brand new
  facility in High Level as a key supplier of OSB.

- Forestry Division has formed a strategic
  partnership with Nanjing Forestry University,
  College of Furniture Industry to promote
  Alberta’s OSB in China, and co-sponsored the
  very first “Alberta Cup” OSB Furniture Creative
  Design Competition in 2014.

TOURISM

- In 2014, Alberta received 91,000 overnight
  visitors from China accounting for $71 million
  in tourism expenditures.

- In 2010, Canada received “Approved
  Destination Status” (ADS) from the
  Government of China, making it easier for
  Chinese citizens to visit Canada and for the
  Canadian tourism industry to promote Canada
  to China.

- It is anticipated that Chinese visitation to
  Alberta will double over the next five years due
  to the ADS.

- According to the World Tourism Organization,
  China will become one of the top three
  outbound tourism markets in the world by
  2020, producing some 100 million outbound
  tourists annually.

- Travel Alberta maintains a tourism marketing
  office in Beijing.

SCIENCE AND TECHNOLOGY

- China is an emerging science and technology
  market for Alberta. Alberta and China have
  several science and technology agreements
  designed to enhance research and
  development co-operation in the areas of
  information and communications technology,
  life sciences, environmental technologies,
  advanced materials, energy-related
  technologies and hi-tech agriculture.

- Alberta is currently exploring opportunities to
  collaborate with China in priority areas
  identified in China’s 12th Five-Year Plan

- An agreement between China’s State Key
  Labs and the University of Alberta (U of A) has
  facilitated co-operation in nano-technology
  research; sustainable environmental
  technology and development; and joint
  research in health, energy, the environment,
  and information and communication
  technology.

- In January 2014, Alberta Innovation and
  Advanced Education renewed its MOU
  agreements with the Department of Science
  and Technology, Zhejiang Province and the
  Science and Technology Commission of
  Shanghai Municipality to facilitate collaboration
  in industrial research and development.

- From 2010-2015, Alberta had an agreement
  with China’s Ministry of Science and
  Technology to encourage scientific and
  technological co-operation and research
  exchange.

AGRICULTURE

- China is Alberta’s second largest market for
  agri-food exports, valued at $1.6 billion in 2015
  (an increase of 19 per cent from 2014). In
  2015, Canada’s agri-food exports to China
  were valued at approximately $5.6 billion.
  Alberta accounted for nearly 30 percent of this
  total.

- Top Alberta agri-food exports in 2014 included
  canola seed ($690 million), beef ($235 million),
  canola oil ($198 million), raw hides and skins
  ($138 million) and wheat ($120 million). China
  is Alberta’s top export market for canola seed,
  canola oil, raw hides and skins, barley and the
  second largest for beef.

- During Agriculture and Agri-Food Canada’s
  Minister Ritz mission to China in June 2014,
  two protocols were signed with China: one to
  secure access for timothy hay and the other to
  modernize the live swine export protocol.
  China also formally agreed to work with
  Canadian officials towards access for bone-in
  beef derived from animals less than 30 months
  of age as well as access for live cattle.

- In 2013, Alberta renewed a five-year
  agreement with China’s Ministry of Agriculture
  to strengthen and expand the scope of co-
  operation in the agricultural sector.

- In February 2012, China agreed to resume
  imports of Canadian bovine tallow.

- In July 2013, 19 students (ages 14-18) from
  across Alberta participated in the Student
  Summer Camp in China, hosted by Alberta’s
  sister province of Heilongjiang and the Council
  of Chinese Language International (Hanban).

- In 2012, a formal International Education
  Exchange Program with The International
  School in Macao was launched. This
  reciprocal program provides Alberta and
  Macao students with the unique opportunity to
  pursue their Alberta high school studies for
  one semester in Macao and one semester in
  Alberta.

- Alberta’s close educational relations with
  China have resulted in the development of
  Alberta Education’s Strategic Framework with
  China (2011), which guides and encourages
  engagement of local school jurisdictions with
  counterparts in China.
In 2008, the Chinese Language Council International (Hanban) opened a Confucius Institute in Edmonton. The establishment of a Confucius Institute in Calgary is also underway.

Since 2007, Alberta teachers and education administrators have participated in study tours in China.

Established in 1982, Alberta’s Chinese-English bilingual program is the first in North America, with approximately 2,500 students enrolled in programs offered in Edmonton Public Schools and the Calgary Board of Education. In total, 15 schools in Alberta offer Mandarin bilingual programs.

Eleven of Alberta’s Kindergarten to Grade 12 (K-12) schools have twinning relationships with their respective counterparts in China.

China is the top source country and fastest growing for international students entering Alberta’s K-12 system. It currently represents 48 per cent of international students attending K-12 schools in Alberta.

Seven schools in China have received Alberta accreditation or pre-accreditation status, including the International School of Macao, the Christian Alliance P.C. Lau Memorial International School of Hong Kong, the Canadian International High School in Guangzhou and the Canadian International School Mianyang, the International Schools of Qishui, Minerva International School and Dongying Shengli No. 1 Middle School. These international schools deliver Alberta’s K-12 curriculum (programs of study, assessments, and learning and teaching resources) through Alberta certificated teachers, and provide their students with the opportunity to graduate with an Alberta high school credential.

Alberta’s post-secondary institutions are engaged in a wide range of formal relationships with Chinese post-secondary institutions and companies, and collectively have over 60 formal ongoing agreements that range in scope from student exchanges and study tours, to research and articulation agreements, to delivery of off-shore education and custom training.

The University of Calgary (U of C) partnered with the Kerui Group, an oil and gas service company, to establish a collaborative energy research, education and training site in Beijing in 2014. This “Global Research Initiative in Unconventional Hydrocarbon Resources - Beijing Site” is the first such facility in China for a university anywhere in the world.

The U of C has over 75 agreements (with 30+ pending) with Chinese universities, authorities and corporations. As of 2016, 16 articulation agreements with nine universities were signed, allowing students to earn undergraduate dual degrees or combined undergraduate and masters’ degrees.

NAIT has been involved in program linkages involving dual diplomas/degrees in Harbin, Tianjin and Xin Xiang and short-term training in Guangxi, Inner Mongolia and Guangdong provinces as well as building relationships to support off-shore delivery and customized training with colleges, universities and polytechnics.

The U of A has very close ties with China in joint education and research projects and international student mobility. There are at least 95 collaborative agreements with China, among which there are 25 at the institutional level with Chinese universities and research institutes, 45 at the faculty level, and 25 with Chinese government agencies and companies.

Cooperative projects between the U of A and Chinese institutions include establishing Joint Research Labs between U of A labs and Chinese State Key Laboratories or National Laboratories through Ministry of Science and Technology China; providing education and training to students and scholars sponsored by the China Scholarship Council; establishing the Sino-Canadian Energy and Environment Research and Education Initiative (SCENERI) with Tsinghua University; the SYSU-Alberta Joint Research Lab for Biodiversity Conservation with Sun Yet-sen University; and the Food for Health Joint Research Centre with Zhejiang University. The China Institute at the University of Alberta is dedicated to enhancing outstanding China-related teaching, research initiatives and interdisciplinary collaborations.

MacEwan University offered a faculty member study tour to China in 2015. Faculty members had the opportunity to visit more than twelve institutions to explore research opportunities and other areas of collaboration.

MacEwan University has five agreements with Chinese universities, colleges and education bodies. Several MacEwan research projects are currently being carried out in China.

Mount Royal University has partnerships with Shanghai University of Finance and Economics (2001) and the Inner Mongolia Department of Education, Hohhot (2007). The Mount Royal Conservatory has partnerships with the Beijing and Shanghai Conservatories and has been co-delivering the Morningside Music Bridge Program for over 15 years.

In September 2015, senior educational leaders from several Technical and Vocational Institutions across China visited Bow Valley College, Olds College and SAIT as participants through the Vocational Education Leadership Training (VELT) program. VELT is a five-year partnership that allows Colleges and Institutes Canada (CICan) and a major Chinese international educational association to work together to support China’s reform of its Institute of Technology system.

Athabasca University has signed a MOU with Beijing Normal University for academic and research partnership, and over 15 faculty and research student exchanges have taken place during 2010-2015 under the auspices of Athabasca University’s NSERC Industrial Research Chair in Adaptivity and Personalization in Informatics.

Concordia University of Edmonton has partnerships with Capital Normal University, Beijing; Foshan University; Shenzhen University and Qilu Normal University, Jinan.

**CULTURE**

- The Alberta Ballet, Ukrainian Shumka Dancers, Calgary’s Barrage musical ensemble, and the Morningside Program of Mount Royal College have participated in touring performances in China. The Alberta Ballet and Shumka toured China in fall 2011.

**COMMUNITY**

- Approximately 137,000 Albertans are of Chinese descent.

- The Government of Alberta has contributed matching grants to Alberta organizations for projects in China that have focused on children, education, health and the environment.

- Alberta provided emergency funds to the Red Cross Society relief efforts following the 2009 typhoon.

- CKER-FM broadcasts across Alberta in many different languages with daily programming in both Mandarin and Cantonese.

**RECENT VISITS**

- March 2016: The Minister of Economic Development and Trade led a joint industry-government delegation to Hong Kong, Guangzhou, Shanghai, Hangzhou and Beijing, with the aim of building business relationships through new trade and investment partnerships. While in Guangzhou, Minister opened Alberta’s new international office, and he also signed an MOU with the Shanghai Municipal Commission of Commerce.

- October 2015: The Minister of Energy led a joint industry-government delegation to Shanghai and Beijing to deepen energy relationships with Chinese government and industry decision makers. Outcomes of the mission included an expanded mandate for the 26-year-old CAPC, a deepened understanding of the shared challenges currently faced by Chinese and Canadian companies in Alberta’s energy sector, and a reinforced China-Alberta energy relationship with clear support from Alberta’s government. This mission also
assisted Alberta industry players in establishing relationships with senior decision makers, investors and manufacturers in China.

- October 2013: The Minister of Energy and Rural Development led a mission to Asia, including a stop in Guangzhou. The purpose of the mission was to foster Alberta’s agricultural trade development, investment attraction and market advocacy in the region.

- March 2014: The Minister of International and Intergovernmental Relations led a mission to China to discuss opportunities related to commerce, science and technology, and trade and investment, as well as to provide opening remarks at the Alberta-China Environmental Technology Workshops in Harbin and Chengdu. He also spoke at the China International Petroleum and Petrochemical Technology and Equipment Exhibition (CIPPE).

- January 2014: The Minister of Jobs, Skills, Training and Labour led a mission on behalf of Innovation and Advanced Education to sign two MOUs and represent Alberta at the opening ceremonies of the Harbin Snow and Ice Festival.

- January 2014: The ministry of Innovation and Advanced Education (in collaboration with Energy, International and Intergovernmental Relations and the Petroleum Services Association of Canada) led a mission to Beijing, Chongqing, Chengdu and Hong Kong. The purpose was to promote Canadian expertise in unconventional resource extraction, attract investment in this sector to Canada and learn about the progress for unconventional resources development in China laying the groundwork for long-term collaboration in this area.

- October 2013: The Minister of Municipal Affairs visited China to attend the Shanghai International Disaster Reduction and Security Show, as well as to meet with members of the Government of Heilongjiang to discuss joint projects relating to disaster management.

- October 2013: The Minister of Energy participated in a Calgary-China Investment Summit in Beijing and a Canada-China Energy and Environment Forum. He also signed an MOU with China’s National Energy Administration on sustainable energy development, which aims to strengthen energy trade and responsible development ties between the two jurisdictions. Signaling the significance of the agreement to both China and Canada, the signing took place in the Great Hall of the People in the capital and was witnessed by Chinese President Xi Jinping and Canadian Governor General David Johnston.

- September 2013: The Premier of Alberta travelled to China to attend the World Economic Forum in Dalian and “Invest in Alberta” seminars in Beijing and Shanghai. She also delivered the keynote address at the Canada-China Foreign Direct Investment Policy Forum, and visited Harbin, the capital of Alberta’s twin sister province Heilongjiang. During this time, the International and Intergovernmental Relations’ Associate Minister visited Xiamen, Suzhou, Guangzhou and Shunde, as well as attending the same Forum and seminars in Beijing and Shanghai.

- May 2013: The Minister of Finance visited Hong Kong, Beijing and Shanghai to promote investment in Alberta and to meet with investors, financial institutions and business leaders, as well as government officials.

- September 2012: The Premier and the Associate Minister of International and Intergovernmental Relations led a trade and investment promotion mission to China and participated in the World Economic Forum in Tianjin and Council of the Federation meeting in Beijing.

- June 2012: The Premier and the Minister of International and Intergovernmental Relations led a mission to Beijing, Tianjin and Hong Kong to expand economic, research, educational and cultural opportunities between Alberta and China.

- May 2012: The Minister of Education led a mission to Hong Kong, Guangzhou, Macau and South Korea to strengthen educational ties with Asia.

- May 2011: The Minister of Treasury Board and Enterprise led an investment mission to China including Harbin, to mark the 30th anniversary of the Alberta-Heilongjiang sister province relationship.

- May 2010: The Premiers of Alberta, British Columbia and Saskatchewan led a joint trade mission to China to promote trade and investment opportunities between Western Canada and Asia.

### DIPLOMATIC REPRESENTATION

- The Chinese Ambassador to Canada in Ottawa is His Excellency LUO Zhaohui.

- The Chinese Consul General in Calgary is Mr. WANG Xiping.

- Canada’s Ambassador to China based in Beijing is Mr. Guy Saint-Jacques.