

# China – Alberta Relations

Government of Alberta



*This map is a generalized illustration only and is not intended to be used for reference purposes. The representation of political boundaries does not necessarily reflect the position of the Government of Alberta on international issues of recognition, sovereignty or jurisdiction.*

## PROFILE

**Capital:** Beijing

**Population:** 1.312 billion (2010)

**Language:** Mandarin

**Government:** One-party rule by Chinese Communist Party

**Head of State:** President HU Jintao (since Mar 2003)

**Head of Government:** Premier WEN Jiabao (since Mar 2003)

**Currency:** \$1 CDN = 6.57 Yuan Renminbi (2011 average)

**GDP:** US\$5,926 billion (2010)

**GDP (PPP):** US\$10,242 billion (2010)

**GDP Per Capita (PPP):** US\$7,804 (2010)

**GDP growth rate:** 11.2% (2006-2010 average)

**Inflation:** 3.0% (2006-2010 average)

**Unemployment:** 6.5% (2011 estimate)

**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, locomotives, ships, and aircraft; telecommunications equipment, commercial space launch vehicles, and satellites.

## DID YOU KNOW?

- The Chinese have one of the world's oldest continuous civilizations, spanning some five thousand years.
- Asia's march to prosperity is being led by seven fast-developing economies (the so-called Asia-7), which includes China.
- China also hosted the World Expo in Shanghai in 2010. In August 2008, China successfully hosted the Summer Olympics in Beijing.
- The China National Petroleum Corporation (CNPC)-Alberta Petroleum Centre (CAPC) in Beijing, which has been in operation since 1989, promotes petroleum technology transfer, provides management and technical training, and fosters trade between China and Alberta.
- Alberta has maintained a trade office in Hong Kong since 1981.

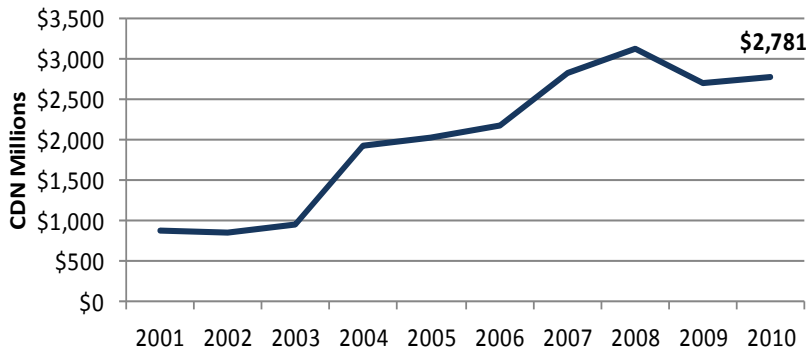
## RELATIONSHIP OVERVIEW

- In the last two years Alberta has seen a surge of Chinese investment in the energy sector.
- In the 1980s, the Alberta-China economic relationship expanded to include the sales of oil and gas equipment and services and a number of non-grain agricultural products.
- Alberta has been twinned with the northeastern Chinese province of Heilongjiang since 1981.
- Alberta has two representative offices in mainland China - managed by Mr. Nathan Wright in Shanghai and Ms. Josephine Choi in Beijing.
- Edmonton is twinned with Harbin, Heilongjiang's capital city. Calgary is twinned with Daqing in Heilongjiang province.

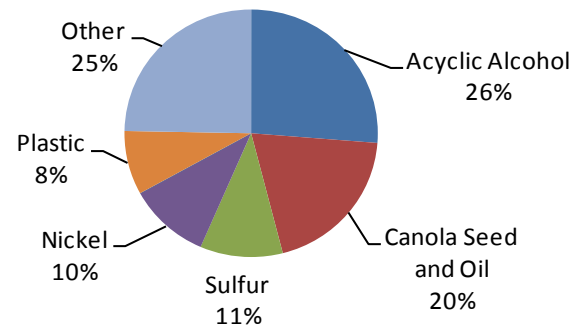
## TRADE AND INVESTMENT

- China is Alberta's 2<sup>nd</sup> largest trading partner. Alberta's trading relationship with China has more than tripled since 2003.
- From 2006-2010, Alberta's annual exports to China averaged \$2.72 billion and included ethylene glycol, plastic, sulfur, canola seed and oil, and nickel.
- From 2006-2010, Alberta's direct imports from China averaged \$1.54 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.

## Alberta's Exports to China 2001-2010



## Alberta's Merchandise Exports to China 2006-2010 (Total Average CDN\$2.72 Billion)



### ENERGY

- With the world's largest population, China is the world's 2<sup>nd</sup> largest consumer and the 2<sup>nd</sup> largest net importer of oil after the U.S. (2009).
- China's oil consumption will continue to grow and is projected to reach 9.6 million barrels per day (bpd) in 2011.
- Although China's largest oil fields are mature and onshore production has peaked, overall production increased in early 2010 by over 0.2 million bpd (from the same period the previous year) largely due to new offshore production.
- 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).
- In October 2011, Sinopec announced its intention to buy Calgary-based Daylight Energy Ltd. for \$2.2 billion to gain Canadian oil and shale gas reserves. If approved, Sinopec would gain access to the equivalent of 174 million barrels of oil in proven and probable reserves.
- In January 2011, Sinopec publicly announced its intent to partner with Enbridge on the Canadian company's proposed \$5.5 billion 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, while retaining a 55 percent interest.
- In April 2010, ConocoPhillips announced an agreement to sell its 9.03 percent interest in 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.
- China is the largest producer and consumer of coal in the world with many reserves yet to be developed. Although coal makes up 71 percent of China's total energy consumption, China was recognized in 2010 as the leader in global investment in alternative energy projects.
- In 2009, China was the world's largest producer of hydroelectric power. The Three Gorges Dam hydroelectric facility is expected to be completed in 2011 and will be the world's largest hydroelectric dam.
- Wind is the 2<sup>nd</sup> leading renewable source for power generation in China, making the country the world's 5<sup>th</sup> largest wind producer.

### TOURISM

- In 2010, Canada received "Approved Destination Status" from the Government of China, making it easier for Chinese citizens to visit Canada and for the Canadian tourism industry to market Canada to China.
- In 2008, Alberta received 24,000 visitors from China. Visitors from China to Alberta account for almost 12 percent of the total visitors from China to all of Canada.
- 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.
- Travel Alberta has a marketing office in Beijing managed by Ms. Maria Yang.

### 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.

- In support of new technology commercialization, Alberta is partnering with International Science and Technology Partnerships Canada to develop collaborative science and technology projects with China.
- An agreement between China's State Key Labs and the University of Alberta facilitates co-operation in nano-technology research; sustainable environmental technology and development; and joint research in health, energy and environment.
- From 2006-2009, Alberta signed six regional agreements with China's provincial and municipal governments (Zhejiang, Guangdong and the municipality of Shanghai) to promote science and technology collaboration in priority sectors.
- Alberta renewed an agreement with China's Ministry of Science and Technology in May 2010 to encourage scientific and technological co-operation and research exchange between Alberta and China.

### AGRICULTURE

- In 2010, China was Alberta's 2<sup>nd</sup> largest agrifood export market. Agrifood export revenues totalled \$1.03 billion, an increase of 4.4 percent from 2009. Exports have increased substantially over the past five years, mainly due to enhanced canola product exports. Alberta has more than quadrupled the value of its agrifood exports to China since 2006.
- Top agrifood products in 2010 include canola oil (\$622 million), canola seed (\$201 million), canola meal (\$98.5 million), raw hides and skins (\$47.2 million) and barley (\$22.5 million).
- In March 2011, China removed its maximum limit for selenium in imported food, which was a major constraint to using Canadian and Alberta pulses in products such as pea flour and snack food.
- In June 2010, Canada secured an agreement with China to allow staged market access for beef and tallow, becoming the first Bovine Spongiform Encephalopathy (BSE)-affected country to resume trade with China.

- This first step in the agreement includes access to the Chinese market for boneless beef derived from animals under 30 months of age and tallow for industrial use. Canada and China are currently negotiating import protocols.
- In June 2010, Canada secured an extension of transitional measures to enable canola producers to export their 2010 crops to China. In fall 2009, exports of Canadian canola seed were impacted by import restrictions related to blackleg.
- In 2010, the Canadian Wheat Board signed an agreement for 500,000 tonnes of Canada Western Red Spring wheat and 500,000 tonnes of malting barley with China's largest grain importer, China Cereals, Oils and Foods Co. (COFCO). These agreements have an estimated value of \$130 million and \$100 million, respectively.
- In 2008, 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.
- The agrifood sector is a major focus for Alberta's market development initiatives in China. Opportunities exist in agricultural consulting services, livestock genetics, seeds and forage products, grains and oilseeds, raw hides and skins, equipment, high quality beef, processed canola and other food products.

## EDUCATION AND CULTURE

- Established in 1982, Alberta's Chinese-English bilingual program is the first such program in the world, with programs offered by Edmonton Public Schools and the Calgary Board of Education. In total, 14 schools in Alberta offer Mandarin bilingual programs.
- Ten Alberta K-12 schools have a twinning relationship with a counterpart in China.
- China is Alberta's second highest source country for foreign students. From 2006 to 2010, 3,556 students from China studied in Alberta.
- The International School of Macao and the Christian Alliance P.C. Lau Memorial International School of Hong Kong were accredited as out-of-province Alberta schools in 2006 and 2007 respectively.

- Alberta agreements with China's Ministry of Education and the education departments in Beijing and Heilongjiang province have resulted in the only special advisor of Chinese language programs in Canada being posted in Alberta as well as support for educational exchanges.
- In 2008, the Chinese Language Council International (Hanban) opened a Confucius Institute in the city of Edmonton.
- In 2005, Alberta participated in a mission to Beijing as part of the First World Conference on Teaching Chinese as a Foreign Language. The resulting relationship with the Office of the Chinese Language Council International has led to the development of a Chinese visiting teacher program.
- The U of A's China Institute, launched in 2006, held a two-day national conference in Ottawa in October 2010 to mark four decades since the establishment of diplomatic relations between China and Canada.
- The U of A has more than 30 agreements with Chinese universities and authorities to encourage exchanges.
- The U of C has 26 agreements with Chinese universities, institutions and corporations. One facilitated the establishment of a MBA program at the Beijing University of Petroleum.
- The U of C's Haskayne School of Business has been involved in a joint venture with the Fok Ying Tung Foundation (Hong Kong), in collaboration with Zhongshan University and the Hong Kong University of Science and Technology, to offer executive management training programs for mayors in China.
- Grant MacEwan University has five agreements with Chinese universities, colleges and education bodies.
- MacEwan's School of Business has offered three study tours to China over the past three years and hosts visiting students, researchers and delegations from China.
- MacEwan's Acupuncture Program maintains close ties with Acupuncture/TCM facilities in China.
- The Alberta Ballet, Ukrainian Shumka Dancers, Barrage, and the Morningside program of Mount Royal College have mounted touring performances in China. The Alberta Ballet and Shumka toured China in fall 2011.

## COMMUNITY

- Approximately 137,000 Albertans are of Chinese descent.
- From 2006-2010, more than 10,000 immigrants from China chose Alberta as their destination. The majority, 6,800, were economic migrants. Among the top occupations were post-secondary teaching and research assistants; financial auditors and accountants; bookkeepers; electrical and electronics engineers; computer programmers.
- CKER-FM broadcasts across Alberta in many different languages with daily programming in both Mandarin and Cantonese.

## RECENT VISITS

- May 2011: The Minister of Treasury Board and Enterprise led a mission to China, including Harbin, to mark the 30<sup>th</sup> anniversary of the Alberta-Heilongjiang sister province relationship.
- October 2010: The Minister of Agriculture and Rural Development undertook a mission to Beijing and Shanghai under the New West Partnership with the Minister of Agriculture and Lands from British Columbia.
- October 2010: The Minister of Advanced Education and Technology led a mission to Beijing, Harbin, Daqing and Hong Kong to meet with government and industry leaders to strengthen innovation and educational bonds.
- July 2010: The Minister of Tourism, Parks and Recreation led a tourism investment and air access mission to Shanghai.
- 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.
- May 2010: The Vice Governor of Heilongjiang undertook an environment and technology mission to Alberta.

## DIPLOMATIC REPRESENTATION

- The Chinese Ambassador to Canada in Ottawa is His Excellency ZHANG Junsai.
- The Chinese Consul General in Calgary is Ms. LIU Yongfeng.
- Canada's Ambassador to China based in Beijing is Mr. David Mulroney.

