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RECENT DIPLOMATIC ENGAGEMENT WITH CHINA

- The Indo-Pacific Strategy provides a clear framework for how we will engage China over the long-term.
- Canada will continue to seek frank and open dialogue with China, and maintain open channels of communication at all levels, to ensure clarity about our respective positions.
- Canada will challenge China when we ought to, and co-operate with China when we are able to.

- La stratégie Indopacifique élabore un cadre très clair pour l'engagement diplomatique du Canada avec la Chine à long terme.
- Le Canada continuera à prôner un dialogue franc et ouvert avec la Chine, et à maintenir des canaux de communication ouverts à tous les niveaux, afin d'établir avec clarté nos positions respectives.
- Le Canada défiera la Chine lorsque nous aurons à le faire et cherchera à coopérer avec elle lorsque nous le pourrons.

SUPPLEMENTARY MESSAGES

- Foreign interference: Diplomats in Canada have been warned that if they engage in foreign interference, they will be sent home. After careful consideration, Canada decided to declare persona non grata Mr. Zhao Wei, who held the position of Consul at the Consulate General of the People's Republic of China in Toronto.
- Taiwan: We continue to oppose unilateral actions that threaten the status quo in the Taiwan Strait.

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- Russia-Ukraine: We continue to impress upon China the necessity of playing a more constructive role to end Russia's brutal and illegal invasion of Ukraine.
- Human rights: Canada continues to engage the Chinese government at the highest levels regarding the human rights situation in Xinjiang, where credible accounts of human rights abuse and crimes against humanity are well documented.
- Nova Scotia Lobster Exports: Canadian fresh and chilled seafood exporters rely on air cargo to ship their products to market, and Canada is currently assessing how additional commercial Canada-China flights could be added to the market in a manner that offers an equitable and competitive operating environment for both countries' airlines. Canada has been firm that an increase in the level of air services must be done in a fair and balanced manner. Canada will always work hard to defend our interests and to deliver outcomes that benefit Canadians.

UPDATE

On May 8, 2023, Canada announced that Chinese diplomat Zhao Wei had been declared persona non grata for interfering in Canadian politics. On May 9, 2023, China's MFA announced that it would expel diplomat Jennifer Lalonde from Canada's consulate-general in Shanghai in response.

On March 15, 2023, PM Trudeau announced the appointment of former governor-general David Johnston as the Independent Special Rapporteur to help protect the integrity of Canada's democracy. In his first report, released on May 23, the ISR concluded that Canada's 2019 and 2021 elections had not been jeopardized, but that there is scope for better information (intelligence) sharing across government.

The all-party National Security and Intelligence Committee of Parliamentarians (NSICOP) will also investigate foreign interference in federal elections, while the National Security and Intelligence Review Agency (NSIRA) will examine how investigations into Chinese election meddling have been handled by national-security agencies. The ISR will also oversee the investigations of these two bodies.

Public Safety Canada concluded consultations on a foreign agent registry on May 9, 2023.

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Budget 2023 also established a National Counter-Foreign Interference Coordinator and Office within Public Safety Canada, and allocated increased funding to the RCMP to help protect Canadians against harassment and intimidation from authoritarian regimes.

Minister Joly held an informal meeting with PRC Foreign Minister Qin Gang on the margins of the G20 Foreign Ministers Meeting on March 2, 2023. This was Minister Joly's first interaction with Foreign Minister Qin following his appointment on December 30, 2022. They discussed bilateral relations, consular issues, the incident of the Chinese surveillance balloon over North American airspace, the war in Ukraine, and alleged Chinese interference in Canadian elections. Minister Joly told Minister Qin that Canada would never tolerate any form of foreign interference in our democracy and internal affairs.

Before that, her last interaction with former PRC Foreign Minister Wang Yi took place on the margins of the G20 Summit on November 15, 2022, during which she raised the war in Ukraine, North Korea, COP15, and alleged Chinese foreign interference.

SUPPORTING FACTS AND FIGURES

- Budget 2023 allocated \$13.5 million over five years to establish a National Counter-Foreign Interference Office at Public Safety, with oversight for economic security as well as what is viewed as more traditional foreign interference, such as harassment and intimidation. \$48.9 million was allocated to the RCMP over three years to help protect Canadians against harassment and intimidation from authoritarian regimes such as Russia, China, and Iran.
- First Catch, a Chinese export company, spent \$9 million on its own lobster handling facilities at Halifax airport's new Air Cargo Logistics Park, where it is an anchor tenant with a 25-year lease. First Catch's facilities are generally not available for use by other shippers and freight forwarders. Some lobster exporters have complained that they have limited options to ship live lobster from Halifax, and have to carry cargo over ground to ship it from airports in Moncton or New York.
- Nearly 16,000 tonnes of lobster — valued at \$293 million — moved through Halifax Stanfield in 2022, according to the airport. First Catch represented about 14% of the exports.
- PRC Ministry of Commerce Vice Minister Wang Shouwen visited Canada on February 16-17. He held a bilateral meeting with DMT/Rob Stewart, and had a brief pull-aside with USS/David Morrison. This was the first bilateral visit to Canada by a senior PRC official since the release of Michael Kovrig and Michael Spavor.

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- China is Canada's third largest merchandise export market (*second largest bilateral), with 4.3% of total exports in 2022, well behind the U.S. (90.3%) and just behind the EU-27 (5.4%). In 2022, Canada's exports to China totaled \$28.7 billion, 2% higher than 2021. Imports from China totaled \$100.0 billion in 2022, 16.4% higher than 2021. Canada's trade deficit with China (\$71.4 billion) in 2022 was 23.3% higher than 2021.
- According to a December 2021 poll by the Angus Reid Institute, only one-in-six (16%) Canadians say they hold favourable views of China. Three-quarters of Canadians want Canada to prioritize human rights and the rule of law in dealings with China. A November 2022 poll from Nanos Research found that more than 84 percent of Canadians believe that China has a negative influence on world affairs.

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