

Canada – China
Legislative Association



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**Report of the Canadian Parliamentary Delegation
respecting its participation in the
Co-Chairs' Annual Visit to China**

Canada-China Legislative Association (CACN)

Hohhot, Shenyang, Harbin and Beijing, China

May 19 to 26, 2017

Report

The co-chairs of the Canada-China Legislative Association, Senator Joseph A. Day and Mr. Geng Tan, Member of Parliament, took part in the co-chairs' annual visit to China from May 19 to 26, 2017. The co-chairs were accompanied by the Association's Executive Secretary, Mr. David Chandonnet.

The objectives of the visit were to:

- Enhance relations between Canada and China;
- Increase mutual comprehension among Chinese parliamentarians at all levels of jurisdiction;
- Meet with key members of Canada's and China's diplomatic community, members of the business community, civil society and various government representatives;
- Identify opportunities for future cooperation.

The purpose of the visit was among other things to explore regions that are not visited as often by Canadian parliamentary delegations, that is, western and northern China, as opposed to the cities that are typically visited on the east coast and in the south of China. The visit was also intended to inform the co-chairs about current socio-economic conditions in medium-sized urban centres and in rural regions of northern China.

In visiting the provinces of Liaoning and Heilongjiang, in Inner Mongolia, the recurrent themes on most stops were agriculture, industrial production, investment, economic development, cooperation on education, culture and spiritual institutions.

1. Enhancing relations between Canada and China and meeting with key Chinese stakeholders

Mr. CHI Wanchun, Vice Chair of NPC Foreign Affairs Committee

As is customary, the co-chairs were greeted at the airport in Beijing by Chinese representatives and their counterpart, General CHI Wanchun, and had the opportunity to converse with him at a welcome lunch at the airport. At this meeting, the co-chairs were able to take the pulse of the current situation in China, discuss the program for the visit as well as subjects and themes for discussion at meetings and suggestions for future visits. General CHI provided a great deal of historical and socio-economic information about the regions and cities on the visit program. He announced to the co-chairs that he will be retiring after the next five-year congress of the Communist Party, and that this will lead to changes in relations between the Association and Chinese counterparts.

For future visits and certainly for the upcoming bilateral visit in 2017, Mr. CHI suggested visiting rural regions of China, since the co-chairs had expressed an interest in exploring regions outside those usually visited by the delegations. They included the province of Sichuan and other regions in the south and the west, which were affected by the earthquakes in 2010. The Tibetan Plateau was mentioned as a region of interest.

Mr. Xing'an, Chair and Mr. Temule, Vice-Chair, Foreign and Overseas Chinese Affairs Office of the Standing Committee of the People's Congress of Inner Mongolia

The first contact with local officials in Inner Mongolia was on the evening of May 19, when the co-chairs were greeted at the airport by Mr. Xing'an and Mr. Temule. They provided the co-chairs with information about the current situation in Inner Mongolia. Wind energy has become more important in the region, despite the production of coal-fired energy, which however is on the decline. Strong winds and sand storms have a significant impact on the region and can be felt as far away as Beijing. This first meeting allowed for a brief discussion of environmental issues. The hosts reviewed the key aspects of the program in Inner Mongolia and provided an overview of the socio-economic situation in the region.

Meeting with Mr. Wu Tuanying, Vice Chairman of Inner Mongolia

This meeting allowed for further discussion of certain themes with the delegation, as well as conversations with the official representatives of Inner Mongolia, Mr. Tuanying, Mr. Xing'an and Mr. Temule, about industry and socio-economic development in the region. This was also a good opportunity for the co-chairs to reiterate Canada's interest in exploring the development of new relations with various regions of China and to invite the officials to come to explore potential opportunities in Canada for the region, which shares certain geographic and environmental characteristics, and that has two languages, as Canada does. The co-chairs were accompanied throughout their stay in Inner Mongolia and were able to call upon the hosts' expertise through their field visits.

Meeting with the Development and Reform Commission of Inner Mongolia

This meeting provided an opportunity to continue the discussions that had begun while visiting the region, and concluded with an exchange of ideas that could be useful in promoting future relations between Canada and China.

It was mentioned at this meeting that Inner Mongolia has a reserve of 851.9 billion tonnes of coal, making it the richest region in China. Given that its winds can be used to produce wind energy, however, the region could increase its energy development exponentially since 70% of its territory is not developed. This reality also opens the door to the production of solar energy, since it is one of the sunniest regions in China, with 2,600 to 3,400 hours of sunshine per year. These conditions make it suitable for alternative energies and a natural site for environmental development. The region's relative proximity to the provinces of Shandong and Beijing also provides an opportunity to export its green energy.

Along with the development of its energy sector, the region is also positioning itself as a promoter of the economy and of energy efficiency. The construction of five electrical transmission lines is part of a broader plan to reduce atmospheric pollution, and the region is attempting to reduce emissions from coal-fired energy through planned stricter regulations. Following this exhaustive presentation of the situation in the region, the co-chairs drew parallels with Canada and its environmental efforts to meet the Paris Agreement objectives, and the research and development being pursued in Canada in the area of energy development and greenhouse gas emission reduction technologies.

This meeting also gave the co-chairs an exhaustive overview of the energy and environmental situation in the region and the opportunity to position Canada on these key themes.

Information meeting at the embassy

As is customary, the delegation met with diplomatic staff at the Canadian embassy in Beijing, Ms. Cindy Termorshuizen and Mr. Dave Murphy, and received a briefing on the main issues facing China at this time, Canada's contribution, and the consequences for Canada. Particular attention was paid to the themes of economic development, human rights and the political situation in the lead-up to the 19th National Congress of the Communist Party of China. This meeting served to put into perspective the visit program, the information gathered during the meetings, and to develop closer ties with the Canadian diplomats posted there.

Meeting with the Overseas Chinese Affairs Office in Beijing

This was an opportunity to meet with the Office head, Ms. QIU Yuanping, to discuss relations with the Chinese diaspora and the importance of these relations for China and Canada. The bilateral and bicultural relations between China and Canada were discussed, which are viewed differently than they are in Canada. The current and future importance of trade relations between the two countries was the focus of these discussions.

In particular, the topic of cultural exchanges was discussed, in order to allow Chinese artists to show their work more easily in Canada, and to allow Canadian artisans in various cultural fields to increase their presence in China. Also mentioned was Canada's reputation for cultural openness and inclusion of various cultural and ethnic groups, including the Chinese minority. In this sense, the Office works to facilitate the integration of Chinese expatriates into their new homeland and to promote harmony among various cultures. The host and integration programs funded by the organization, which seek to promote that integration, were discussed.

The Chinese diaspora represents more than 60 million people around the world, including about 1.5 million in Canada, which was why it is especially important for the Canadian parliamentarians to meet with the Office. Also discussed at the meeting were cooperation in education and the importance of allowing several million Chinese to get a bilingual, Chinese-English education for their children, whether they are in China, with an emphasis on English instruction and Canadian curriculum, or in Canada by developing programs to teach Mandarin and other languages spoken in China to children of Chinese origin.

Meeting with the Chinese Communist Party's International Department

The co-chairs met Mr. Wang Yajun at this meeting, which is an essential part of delegation visits to China and promotes the establishment and maintenance of diplomatic relations between the two countries. This meeting was especially important since the co-chairs' visit included various regions, and the delegation met with relatively fewer people in Beijing and more people on stops in the various provinces. This is an important part of the visit to the capital.

During the visit, the meetings with various Canadian parliamentarians who had travelled to China over the past year were discussed, as was the upcoming bilateral meeting in the summer of 2017. The environment was raised as a topic of interest for Chinese parliamentarians when they meet their Canadian counterparts. Both Canada and China reiterated their mutual interest in strengthening cooperation and various exchanges, not only in terms of trade, but also cultural exchanges and cooperation between parliamentarians and research groups, think tanks, and so forth. It was agreed that the dialogue between the two countries must remain open and must lead to greater cooperation in the future.

Meeting with Mr. ZHOU Zhongxuan, Vice Chairman of the Standing Committee of the Liaoning Provincial People's Congress

At this meeting, the co-chairs gained an overview of this region of 43 million people, which is still a key centre of industry in China. Despite its economic problems, the region has investment potential for Canada as regards technology, but also as regards labour force training. Numerous Canadian delegations visit the region every year and Canadian parliamentarians have also visited the region in recent years. This was an important region for the co-chairs during this visit, in view of the similarities with Canada, and also because of its northern location which is similar to Canada, and because it could be an attractive location for future investment and a potential client for Canadian technologies. It was also an opportunity for the co-chairs to invite the local parliamentarians they met to come to Canada to develop business ties and promote the benefits of economic cooperation between the region and Canada.

Meeting with Canada's trade delegation in Shenyang

Still with a view to strengthening ties between the co-chairs and Canadian diplomats, the co-chairs made a stop at the office of the Canadian trade commissioner in Shenyang, Mr. Sam Cui, to discuss the economic situation in Liaoning and business opportunities for Canada. Investments in the region are declining, however, and growth is suffering. Northeastern China is considered a devitalized region with a poor economic outlook. In the automotive and aeronautic parts, and manufacturing parts and equipment manufacturing sectors, however, there could be opportunities for Canada. Winter sports are also quickly gaining popularity in the region, creating a need for and future opportunities for the development of infrastructure for those sports. Education is still an area where cooperation is possible and that warrants attention.

Meeting with the American and Oceanian Division of the Heilongjiang Overseas Office

The co-chairs met with LIU Hongmei and YIN Li, the division director and deputy director respectively, to discuss relations between Heilongjiang and the America and Oceania region. The topics of discussion were investment, trade and future opportunities for Canada in light of the relations and exchanges between Heilongjiang and its partners in the Pacific region.

Meeting with Mr. ZHOU Zhongxuan, Vice Chairman of the Standing Committee of the Heilongjiang Provincial People's Congress

Like other meetings with the official representatives of various provinces, this meeting gave the co-chairs the opportunity to forge ties with local politicians, to observe the economic and political situation in the region, and to provide an overview of the situation in Canada. Investment opportunities in Canada were discussed, as well as certain economic sectors that might be of interest to local investors.

2. Institutional, commercial and industrial visits

Agriculture

Yili Dairy Group

The delegation visited the facilities of the Yili Dairy Group in the Jinchun development zone, in Hohhot, to visit dairy production facilities and speak with company leaders. The company specializes in the production of various dairy products such as fresh milk, as well as processed products such as yogurt, ice cream and powdered milk for adults and infants. In recent years, the Yili Dairy Group has purchased dairy production facilities overseas, in New Zealand in particular, and has invested in research and development there, as well as in the United States and the Netherlands. Given the management and the various control mechanisms of its dairy industry, it would be challenging for the company to gain access to Canada.

The co-chairs also spoke with the company leaders about plans for future expansion, new technologies and production methods, as well as innovations in Chinese dairy production. Yili Dairy Group experienced difficulties over the years owing to its growth, but was able to adapt to the challenges of China's dairy products market to become the top producer in the country. It has been listed on the stock exchange since 1996. The company is proud to contribute to the development of China through its participation in society and plays an important role in the funding of numerous projects, many of them related to athletics and, and in the funding of educational and academic projects. The company operates in a number of Chinese provinces, and has distribution and production infrastructures there.

Heilongjiang Wondersun Dairy Co.

Located in Harbin, this dairy producer specializes in the marketing of products for all consumers, powdered products for infants, and processed products such as yogurt and ice cream as well as fresh milk. The co-chairs had the opportunity to discuss production methods, the supply of raw materials, cow's milk, and the company's relationship with local production companies. Given its northern location and relative distance from the major consumption centres of the cities on the east coast, the company is facing challenges in pursuing growth.

The company has developed product lines that differ from traditional dairy production, with products such as soy milk, rice powder for puree, enriched milk formulas, and various fruit juices. This visit highlighted strategies for diversification and activity in food products beyond mere dairy production. It also revealed the region's economic difficulties.

Harbin Brewery

The Harbin Brewery is located in the city of the same name. The co-chairs had the opportunity to visit its premises and facilities. The company uses certain Canadian grains, from Saskatchewan in particular, such as hops and barley to make its products. It has been part of Anheuser-Busch InBev since 2004. It is the fourth largest and the oldest brewery in China, dating back to 1900. It has production infrastructures in various cities in China, but specializes exclusively in making beer. The company has a major share of the market in northern China, and has been an important player there since it was founded. It exports its products internationally, in Asia and to other parts of the world.

This visit gave the co-chairs the opportunity to discuss the globalization of multinationals' beer and alcoholic beverage production operations. This visit revealed certain similarities in the consolidation of operations that can be seen in Canada and internationally. The co-chairs also took note of the company's marketing strategies and its community involvement through the city's beer festival, which was about to be launched.

Education

Inner Mongolia Agriculture University

The co-chairs visited the Inner Mongolia Agriculture University, in Hohhot, to meet with members of faculty, researchers, and administrators. The institution has more than 30,000 students in undergraduate academic programs and about 2,000 graduate students. The university specializes in agriculture, forestry, engineering and science, as well as a few other fields such as administration and medicine. The majority of the programs are offered in Mandarin, but some are also taught in the Mongol minority language. This linguistic duality is reminiscent of what we see in certain regions of Canada.

The university maintains academic programs in cooperation with various international universities, some of which are in Canada. There have been various academic collaborations with Canadian researchers, and certain similarities with the geography, climate and wildlife of Western Canada provide the basis for collaborative research projects. The visit led to discussions that identified parallels with certain phenomena seen in Canada. The co-chairs visited research laboratories and viewed some collections of indigenous plants and taxidermied animals.

Harbin Sports University

The Harbin Sport University specializes in sports instruction, practice and competitive training. The co-chairs visited the curling program which, in addition to specializing in a sport that is popular in Canada, uses sports equipment manufactured in Canada. Infrastructure management is another area of similarity with the practice of certain winter sports in Canada. Given the geographic location and climate, winter sports are very popular, including a variety of sports on skates.

The co-chairs also visited certain facilities on the campus and observed outdoor student activities. The institution's leaders presented its programs, talked about its students, the institution's hopes for the Olympics, and its ambitions for its students at the Pyeong Chang Olympic Games in 2018, and especially for Beijing in 2022.

Tsinghua University

The delegation met with the vice dean, research on nuclear energy and new energy forms. This meeting was also attended by a professor who specializes in bioenergy, a chemistry professor, the head of international exchanges, and the person in charge of international studies. The delegation learned more about various clean energy and environmental technology research projects. The institution maintains ties with Canada through research projects, and a few researchers have been involved on that basis in nuclear technology development projects, in particular, as well as information technology development projects.

The institution is also active in the development of projects involving biomass from wood and has a research partnership with the University of British Columbia in that regard. It is also working on developing hydrogen fuel cells, the use of natural gas to produce electricity, and so forth. Potential cooperation with Canada in research and education was discussed, in particular as regards future forms of energy and its various production methods. The future of nuclear energy in Canada was also addressed as regards the modernization of certain infrastructures to preserve functionality or transition to other energy sources. The future of automotive production was discussed, as well as research opportunities for the development of cars running on biomass and alternative propulsion sources. Tsinghua University currently has exchange programs with a few Canadian universities, including the University of Waterloo, the University of Montreal, UBC, the University of Calgary, and the University of Alberta. Given its reputation and future potential, this visit proved to be very important.

Natural resources and energy

Wind farms

Outside the city limits of Hohhot, there is a region consisting of plains and mountains that is conducive to the formation of winds. The co-chairs visited this region and observed the development of green energy produced at the wind farms, which are located in the windiest parts of Inner Mongolia. A number of the technologies are comparable to ones used in Canada. While visiting the control room of one of the wind farms, the co-chairs learned more about the operation of the equipment for the production and transmission of the electricity produced. They toured the equipment in the field to draw comparisons with similar structures in Canada for the production of this energy and the system for distribution to major centres.

Taiyuan Heavy Industry Co, Ltd.

After visiting a local wind farm, the co-chairs visited a local factory of the Taiyuan Heavy Industry Co, Ltd., which produces windmills. After a technical presentation, the delegation was given a tour of the windmill production chain. The delegation observed China's technological advances in green energy and its efforts to use its clean natural resources in anticipation of the reduced reliance on fossil fuels and coal as an energy source for electricity production.

Northern Heavy Industries (NHI)

In the city of Shenyang, the co-chairs visited the facilities of Northern Heavy Industries (NHI), a Chinese state-owned company created in 2006 following the merger of

industrial machinery production entities. It has infrastructure for research and development, production, and assembly of equipment. This company produces equipment for drilling and digging, and for making cement and metal parts for industrial structures such as bridges and tunnels. Several types of the equipment produced are similar to the equipment used in Canada in the tar sands, mining operations, or large-scale industrial production. Although it is located in Liaoning province, which is facing certain economic difficulties, the company is still among the 500 largest companies in China. The co-chairs developed new contacts and forged ties with key players in Chinese industrial production.

Shenyang Machine Tooling Corporation

The co-chairs made a stop at the Shenyang Machine Tooling Corporation plant to tour its interpretation centre. They learned about the challenges the company has faced in recent years and about the expected expansion of activities in the coming years. Following this exhaustive presentation of recent corporate information, the co-chairs took a guided tour of the plant, including the manufacturing of parts, from design to production. This visit provided information about recent technological developments in various sectors of industry in China and illustrated its technical sophistication in various areas of industrial production.

3. Theological and cultural visits

Dazhao Temple

An important part of the co-chairs' visit was the stop at Buddhist sites of worship. In Hohhot, the co-chairs met the spiritual leader of the Dazhao Temple, spoke with him for a few minutes, and toured the site in order to better understand its historical importance in the city and the role that this site of worship plays in the life of the faithful.

Longquan Temple

There was a stop at another spiritual site, the Longquan Temple, on the outskirts of Beijing. The co-chairs met other spiritual leaders and visited the premises, and gained a better understanding of the operation of this very busy and well-developed site. The temple was built recently and features the latest technologies. In addition, the creation of a comic based on the teachings of Buddha generated a lot media interest in Chinese society. It was interesting to discuss this success, to better understand its effects and the impact of the use of social media to convey messages that differs from typical content. The combination of thousand-year-old philosophical and religious teachings with the latest technologies was certainly interesting.

This stop also provided an opportunity to discuss the practice of Buddhism in Canada and the importance of forging ties through religious movements, peoples and various countries in order to deal with situations such as extremism, terrorism and violence. It was agreed that this kind of openness to dialogue could only help in fighting negative international movements that pose challenges to all of humanity. The temple leader also spoke more generally about the various ongoing discussions among the trends in theological thinking in China and Asia.

Historical perspective

Site of Unit 731 of the Japanese Imperial Museum

In Harbin, the delegation visited the Site of Unit 731 of the Japanese Imperial Museum and toured the grounds and the interpretation centre. This provided an opportunity to converse with local guides and learn about this dark page in the history of World War II in Asia, which is not well known in Canada. This visit also provided a better understanding of the region and the influences on northern China owing to its proximity to Japan and Russia, and the historical, political and cultural impact thereof.

4. Conclusion

The co-chairs' visit in May 2017 served to strengthen ties with the institutions with which Canada has good relations and to develop new ties that might be mutually beneficial to Canada and China in the future. The many institutional and industrial visits provided a window on certain fields of activity that have potential for the development of opportunities and leadership for Canada. The many visits conveyed the message, as clearly and effectively as possible, that the relationship between Canada and China is important and that it is in the interest of both countries to devote time, energy and resources to it. The relationship between the two countries can only become more important in the future and that is what we endeavoured to show. That is why we consider this visit a success.

Respectfully submitted,

Hon. Joseph A. Day, Senator
Co-Chair
Canada-China Legislative Association

Mr. Geng Tan, M.P.
Co-Chair
Canada-China Legislative Association

Travel Costs

ASSOCIATION	Canada-China Legislative Association (CACN)
ACTIVITY	Co-Chairs' Annual Visit to China
DESTINATION	Hohhot, Shenyang, Harbin and Beijing, China
DATES	May 19 to 26, 2017
DELEGATION	
SENATE	Hon. Joseph A. Day
HOUSE OF COMMONS	Mr. Geng Tan
STAFF	Mr. David Chandonnet Association Secretary
TRANSPORTATION	\$25,682.91
ACCOMMODATION	\$2 936,65
HOSPITALITY	-
PER DIEMS	\$2,355.51
OFFICIAL GIFTS	\$252.14
MISCELLANEOUS	\$3,135.39
TOTAL	\$34,362.71