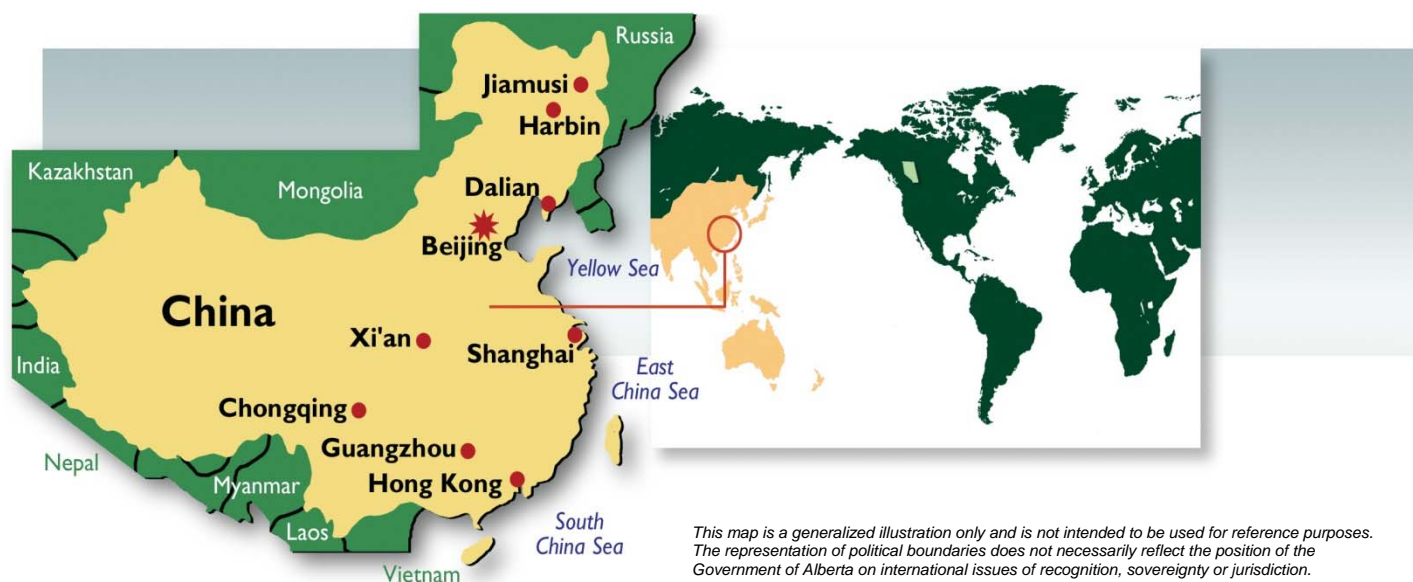


# China - Alberta Relations



*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:** 1.38 billion (2016)

**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 = 5.21 Yuan Renminbi (2017 average)

**GDP:** CAD \$14,043.9 billion (2015)

**GDP (PPP):** US \$21.3 trillion (2016)

**GDP Per Capita (PPP):** US \$15,400 (2016)

**GDP Growth rate:** 6.7 per cent (2016)

**Inflation:** 2.0 per cent (2016)

**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, 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. On April 24, 2017, Alberta also established a sister province relationship with Guangdong province.
- 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.
- Between 2012 and 2016, 10,606 citizens of China became Permanent Residents of Canada, with Alberta as their intended

destination. Approximately 50% were economic immigrants, including principal applicants, spouses, and dependents.

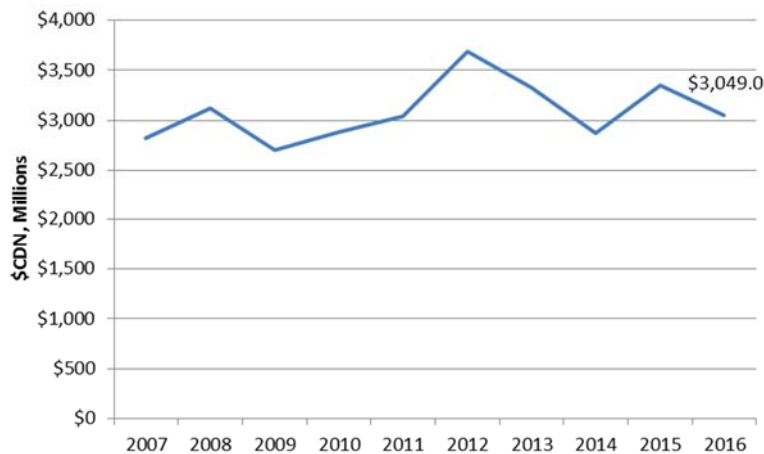
## TRADE AND INVESTMENT

- China is Alberta's second largest trading partner. This trading relationship has more than tripled since 2003.
- From 2012-2016, Alberta's annual exports to China averaged \$3.26 billion and included acyclic alcohol, canola seed and oil, woodpulp, wheat, barley, crude oil and hides and skins.
- From 2012-2016, Alberta's direct imports from China averaged \$2.8 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.

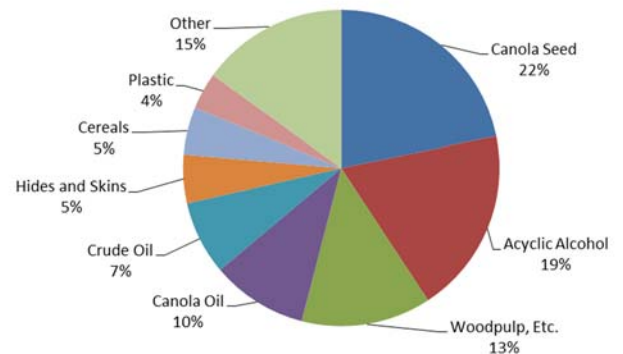
## ENERGY

- China has been the world's largest energy consumer since 2011. China's energy consumption has grown from 680 million tonnes oil equivalent in 1990 to 2,993 million tonnes in 2015.
- China became a net importer of crude oil in 1996 and surpassed the United States to become the world's largest importer of crude oil in September 2013.
- BP projects that by 2020, China's energy demand will reach 3,463 million tonnes oil equivalent, narrowly trailing the combined United States and the European Union

## Alberta's Exports to China 2007-2016



## Alberta's Merchandise Exports to China 2012-2016 (Total Average \$3.26 Billion CDN)



forecast energy demand of 4,024 million tonnes oil equivalent.

- The government is moving toward more market-based energy pricing schemes, energy efficiency, pollution-controlling measures, and renewable power generation.
- In April 2017, Alberta signed an agreement with China's National Development and Reform Commission – Energy Research Institute for collaboration in sectors related to sustainable energy development, renewable energy development, energy efficiency and climate change research and policy development.
- Natural gas consumption increased by 13.9 per cent year-on-year in 2013, making China the world's third-largest gas user. Natural gas imports increased by 14 per cent at 53 billion cubic meters of natural gas and accounting for 31.6 per cent of the country's total gas consumption.
- China is reported to have significant shale gas potential - as much as 1115 Tcf of recoverable resources. This potential supply of natural gas and oil lies within seven major basins located throughout the country. The basins that have the greatest potential are the Tarim Basin, far in the northwest, and the Sichuan Basin located in central China. To date, most shale gas exploration has been focused in the Sichuan Basin, in part due to the geological setting and, more importantly, the proximity to market.
- The Chinese government has deemed that shale gas will play an important part in the country's energy supply mix and is hoping to achieve dramatic growth during the next six years (annual production of 228 Bcf/yr by 2015 and 2.8 Tcf/yr by 2020). In order to achieve these targets, shale gas production will need to be developed from both the state owned oil and gas companies (PetroChina, Sinopec and Yanchang Petroleum) as well as the second round bid winners (mostly state owned utility companies).
- China is expected to add 5.6 million bpd refining capacity by 2040 to the already existing 11.6 million bpd as well as increase refinery runs from 9.4 million bpd in 2013, to

12.1 million bpd in 2020, and 14.6 million bpd in 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; PetroChina).
- PetroChina-owned, Calgary-based Brion Energy plans to produce 400,000 barrels per day from its MacKay River and Dover oil sands assets by 2025.
- The Fort McKay First Nation pursued legal action regarding potential effects of the Dover Project on traditional land use activities in the area, but a new agreement was reached in 2014 between the First Nation and Brion Energy Corp., which included business opportunities for the band and a financial payment.
- In 2012, TransCanada announced a \$3 billion joint venture with Phoenix Energy Holdings Limited (PetroChina's upstream division in Canada) for a 500 km pipeline between CNPC's Fort McMurray operations and the Edmonton/Heartland region.
- In March 2012, PetroChina agreed to pay Encana \$1.8 billion for a 49.9 per cent stake in the company's Duvernay assets and put an additional \$1 billion into the project.
- 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.
- Coal made up over 64 per cent of China's total energy consumption in 2014 and China is aiming to cap this at 62 per cent by 2020.
- China has led global investment in alternative energy projects since 2010 and China is the world's largest producer of solar and wind power.

### FORESTRY

- China is Alberta's third largest lumber market and second largest pulp market, accounting for 21 per cent of Alberta's total export market

with shipments valued at C\$489 million in 2016.

- Alberta Forestry Division formed a strategic partnership with Nanjing Forestry University, College of Furniture Industry in 2014 to promote the use of Alberta's Oriented Strand Board (OSB) and lumber in China. The partnership resulted in the very first "Alberta Cup" Furniture Creative Student Design Competition Award for interior designs using Alberta wood products. Over 750 designs were submitted in 2016.
- Alberta Forestry Division has developed productive relationships with two major Chinese wood product companies, Dehua (Tubao) and Dongshun, who see Norbord's High Level OSB facility as a key supplier for value added OSB in China.
- The Governor General of Canada, David Johnston visited China in July 2017 to present a Governor General Medallion to Mr. Ding Hongmin, Chairman of Dehua Group / Tubao for their collaboration with Alberta Innovates and Norbord to commercialize Alberta-made OSB products for non-construction applications in China.
- Forestry Division has co-sponsored five successful Softwood Lumber Grading Seminars in Ningbo, Dongguan, Hefei, Xiamen and Shunde aimed at educating lumber buyers in China on Western Canadian SPF lumber.
- Forestry Division continues to stimulate market diversification in Asia for Alberta's forest products by collaborating with Canada Wood, FPIInnovations, Alberta Innovates, Norbord and other forest companies.

### TOURISM

- 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.
- In 2015, Alberta received 85,000 overnight person-visits from China accounting for \$76 million in tourism expenditures.
- In June 2016 Hainan Airlines started a direct non-stop flight from Beijing to Calgary.
- 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.
- In November 2016 the Minister of Agriculture and Forestry led a mission to China to profile and advocate Alberta as a preferred supplier of agriculture and agri-food products as well as to promote market diversification within Alberta's forestry sector.
- Agriculture and Agri-Food Canada's Minister MacAulay led the largest-ever agricultural delegation to China in November 2016 to help advance Canada's key agricultural interests in this priority market.
- On September 23, 2016, Prime Minister Trudeau and Chinese Premier Li Keqiang signed an MOU that will allow for the continuation of canola shipments from Canada under the previous inspection standards until the year 2020.
- Advanced Education, Economic Development and Trade, a number of Alberta post-secondary institutions, health-related professional associations and Alberta health-related industries have been developing relations and advancing cooperation in health education-training, research and health industry opportunities since 2012 with the Guanghua International Education Association.
- Between 2012 and 2016, 10,544 citizens of China had international study permits come into effect for Alberta.
- Each year, the Chinese government provides five full and ten partial scholarships enabling residents of Alberta to study in China.

## 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.
- An agreement between China's State Key Labs and the University of Alberta (UALberta) 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.
- During Premier Li's visit to Canada, the two countries also agreed to restart trade in bovine genetics, and China agreed to grant access for frozen, bone-in beef from cattle under thirty months of age.
- 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 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 March 2011, China agreed to a protocol to allow the import of Canadian alfalfa hay.
- The agri-food sector is a major focus for Alberta's market development initiatives in China. Opportunities exist in agricultural consulting services, food safety technology, livestock genetics, seeds and forage products, grains and oilseeds, raw hides and skins, equipment, high quality beef, processed canola and other food products.
- Advanced Education administers the China-Alberta Award for Excellence in Chinese, which is a collaborative scholarship program supported by the Education Office of the Consulate-General of The People's Republic of China in Vancouver and Alberta Education. The award was created in 2013 from contributions by the Education Office and the Government of Alberta to facilitate Chinese language and culture promotion in Alberta.
- In August 2014, 18 students (ages 14-18) from China participated in the Student Summer Camp in Alberta. This 10-day summer camp gave Chinese students the opportunity to learn English, take part in sports, recreational and cultural attractions, site-seeing, and learning about Alberta and Canadian culture.
- 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).
- 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.
- Since 2007, Alberta teachers and education administrators have participated in study tours in China.

## AGRICULTURE

- China is Alberta's second largest market for agri-food exports, valued at \$1.4 billion in 2016 (a decrease of 13 per cent from 2015). In 2016, Canada's agri-food exports to China were valued at approximately \$6 billion. Alberta accounted for nearly 23 per cent of this total.
- Top Alberta agri-food exports in 2016 included canola seed (\$625 million), canola oil (\$267 million), raw hides and skins (\$165 million), barley (\$90 million), and wheat (\$71 million). China is Alberta's top export market for canola seed, canola oil, raw hides and skins, and barley.

## EDUCATION

- Advanced Education supports several programs enabling post-secondary institutions to develop study and research collaboration involving China including Campus Alberta Grant for International Learning (CAGFIL) and MITACS Globalink. CAGFIL supports Alberta students to study in China, while Globalink provides scholarships for undergraduate Chinese students to pursue research in Alberta during the summer.
- Established in 1982, Alberta's English-Chinese (Mandarin) bilingual program was the first in North America, with approximately 2,400 students enrolled in the Chinese bilingual program in two school authorities and 3,500 students were enrolled in Chinese language and culture courses in 15 school authorities in the province.
- Many 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 47 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, Delia School of Canada and Christian Alliance P.C. Lau Memorial International School of Hong Kong, the Canadian International High School in Guangzhou, the International Schools of Qiushi, Qingdao No. 58 High 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 Education has had a Memorandum of Understanding (MOU) with China since 2004. The MOU supports the posting of a Special Advisor of Chinese Language and Culture to Alberta Education.
  - Funded by Alberta Education, there is currently a designated Education Officer posted at the Alberta-Beijing Office that supports Alberta's interest in all levels of education.
  - 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 Xinxiang 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.
  - UAlberta has very close ties with China in joint education and research projects as well as student mobility. UAlberta has over 150 collaborative agreements with China and an active Association of Chinese Canadian Professors with over 130 members. Chinese students represent the largest group of international students at the university.
  - Cooperative projects between UAlberta and Chinese institutions include: the Joint Research Labs program with the Chinese Ministry of Science and Technology to support collaboration between UAlberta and Chinese State Key Laboratories or National Laboratories; providing education and training to students, scholars, and administrators sponsored by the China Scholarship Council; establishing the Sino-Canadian Energy and Environment Research and Education Initiative (SCENERE) with Tsinghua University; the Food for Health Joint Research Centre with Zhejiang University; development of a rehabilitation medicine curriculum and online training program in China; short-term programs at UAlberta in various fields, from agriculture to medicine to sports; offering UAlberta's Master of Financial Management program in China; and faculty-led programs in China for students to learn about the country and its language.
  - The China Institute at the University of Alberta is dedicated to enhancing outstanding China-related teaching, research initiatives, and interdisciplinary collaboration.
  - UAlberta is home to the Mactaggart Collection of rare works of art from ancient and modern East Asia, valued at \$37 million in 2005 when it was donated to the university by the Mactaggarts.
  - In April 2017 during Premier Notley's visit to China, UAlberta signed an agreement with Tsinghua University, one of China's top universities, to establish the Joint Research Centre for Future Energy and the Environment. Collaboration on this new centre is underway through joint research projects and workshops involving dozens of researchers.
  - UAlberta is the founder and Canadian lead for the Canada Learning Initiative in China (CLIC), a unique bi-national program for Canadian students from member universities to study in China with support from their home universities and the Chinese Ministry of Education.
  - MacEwan University has placed over 200 practicum students in China since 1998 from the Asia-Pacific Management diploma.
  - MacEwan University has partnerships with 12 Chinese universities and these relationships have facilitated student exchanges, an annual study tour for students to China (since 2008), and a faculty study tour offered a faculty member study tour to China in 2015, providing the opportunity to visit more than 12 institutions to explore research opportunities and other areas of collaboration.
  - Mount Royal University has a recently established partnership with Zhejiang Police Academy, as well as a partnership with the Inner Mongolia Department of Education, Hohhot (2007) for summer language and culture studies. The Mount Royal Conservatory has partnerships with the Beijing, Shanghai and Sichuan Conservatories.
  - In February 2017, senior educational leaders from several international high school systems visited MRU. In March 2017, members of MRU Faculty of Continuing Education and Extension visited schools and Conservatories in China and Hong Kong to build new relationships.
  - 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.

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

## RECENT VISITS

- September 2017: The Minister of Energy travelled to China to provide updates on the government's work to get Alberta's resources to Asian markets. She also met with companies working in areas of energy efficiency and renewable power to highlight investment opportunities in Alberta.
- April 2017: The Premier of Alberta travelled to China to sign an agreement with China's National Development Reform Commission (NDRC) – Energy Research Institute (ERI), as well as a new sister province agreement with Guangdong province. The Premier also attended the first ever China-Alberta Energy and Climate Change Roundtable.
- November 2016: The Minister of Economic Development led a business-focused mission to Guangzhou, Shanghai, Shenzhen and Yantai. This was one of the largest market-focused business development initiatives in Alberta's history, and Minister was joined by 86 Alberta companies, municipalities, universities and associations on the mission.
- 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. 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.
- May 2014: The Minister of Agriculture 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. Minister 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 represented 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 to promote Canadian expertise in unconventional resource extraction, attract investment in this sector to Canada, learn about the progress for unconventional resources development in China and lay the groundwork for long-term collaboration in this area.
- 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. Premier 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.

## DIPLOMATIC REPRESENTATION

- The Chinese Ambassador to Canada in Ottawa is His Excellency Mr. LU Shaye.
- The Chinese Consul General in Calgary is Ms. LU Xu.
- Canada's Ambassador to China based in Beijing is Mr. John McCallum.
- Alberta has three representative offices in mainland China, which are in Beijing (established 1999 and co-located with the

Canadian Embassy), Shanghai (established 2010), and Guangzhou (established in 2016).



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