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Chair: Mr. Ken Hardie



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• (1535)

[English]

The Chair (Mr. Ken Hardie (Fleetwood—Port Kells, Lib.)): I call this meeting to order.

Welcome to meeting number 28 of the House of Commons Special Committee on the Canada–People’s Republic of China Relationship.

Pursuant to the order of reference of May 16, 2022, the committee is meeting on its study of the Canada–People’s Republic of China relations with a focus on Canada’s Indo-Pacific strategy.

I would like to make a few comments for the benefit of the witnesses and the members.

Today’s meeting is taking place in a hybrid format. Members are attending in person in the room and remotely using the Zoom application.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking.

For interpretation for those on Zoom, you have the choice, at the bottom of your screen, of floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

I will remind you that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the “raise hand” function. The clerk and I will manage the speaking order as best we can, and we appreciate your patience and understanding.

In deference to my colleague from the fisheries committee, I would also mention that if you have your earpiece too close to the microphone, that will cause feedback, which is very difficult for our interpreters, so be careful with that.

When he arrives, Mr. Boulerville is going to be substituting for Ms. McPherson.

A voice: He’s online.

The Chair: He’s online. There you are.

Alexandre, it’s good to see you.

MP Leslie is subbing in for MP Kmiec for the first hour of the meeting, and Mr. Genuis, you’re here as you, I presume.

A voice: Ms. Lantsman.

The Chair: Okay. You’re here for Ms. Lantsman and the shoes are killing you. That’s right.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Like officials, I wear multiple hats.

The Chair: Very good. Okay.

All right, now I’d like to welcome our first panel. It is very good to be back in session where we’re actually entertaining panels and getting feedback, in particular, on the Indo-Pacific strategy, which was really the focus of a lot of discussions some of us had in Washington with our counterparts on the select committee there.

I would like to welcome the guests for our first panel. We have Ambassador Ian McKay, ambassador of Canada to Japan and special envoy for the Indo-Pacific. From the Department of Foreign Affairs, Trade and Development, we have Weldon Epp, assistant deputy minister, Indo-Pacific; and Amanda Strohan, director general, Indo-Pacific strategic policy, planning and operations.

Ambassador McKay, you have up to five minutes.

Take yourself off mute, and you’re on your way.

You’re still on mute, Ambassador. You’re speaking to us from the future, I know that, from the other side of the international dateline. There we go. Perfect.

[Translation]

Mr. Ian G. McKay (Ambassador of Canada to Japan and Special Envoy for the Indo-Pacific, Department of Foreign Affairs, Trade and Development): Thank you, Mr. Chair.

Hello everyone.

I first want to thank you for inviting me to appear before the committee today. I am pleased to be able to tell you about Canada’s Indo-Pacific strategy and contribute to your study.

Canada has important issues at stake in the future of the Indo-Pacific region, which is the epicentre of a generational global change. Everything that is important to Canadians—national security, economic prosperity, democratic values, the quality of our environment, and human rights—will be shaped by the way the situation develops in that region and by Canada’s relations with its Indo-Pacific partners.

[English]

This generational shift demands a response that is comprehensive and enduring and firmly rooted in Canada's national interests, strengths and global priorities.

The Indo-Pacific is the fastest-growing economic region of the world and accounts for almost two-thirds of global growth. By 2030, it will be home to two-thirds of the global middle class. By 2040, the region will account for more than half of the global economy.

Canada's Indo-Pacific strategy is built around five interconnected strategic objectives that build on decades of investment and engagement in the region. The five pillars are the following: promoting peace, resilience, and security; expanding trade, investment, and supply chain resilience; investing in and connecting people; building a sustainable and green future; and having Canada as an active and engaged partner to the Indo-Pacific.

In short, Mr. Chair, we're talking about security, trade, people-to-people exchange, climate and diplomacy. I'd like to take a minute to very briefly outline some of the key elements that are under way under each pillar of the strategy.

On peace and security, Canada is making significant contributions through the Canadian Armed Forces toward regional security. The deployment of three Royal Canadian Navy frigates, a supply ship and two RCAF planes, along with our increased participation in multilateral exercises in the region, has been very well received by our partners in the region. As well, through the strategy, Global Affairs is making significant contributions to build capacity in the region on counterterrorism and weapons threat reduction programs. These are in partnership with CBSA and the RCMP.

Under the trade pillar, the strategy is providing enhanced support for Canadian SMEs, entrepreneurs and industry associations to penetrate markets in the Indo-Pacific through the CanExport program. There is support for the Canadian chambers of commerce that operate throughout the region, and there are a series of team Canada trade missions to Vietnam, Philippines, Malaysia, Korea and Indonesia. The first of these missions was in Japan one month ago, and over 150 companies from all over Canada participated in a highly successful mission.

The third pillar of the strategy, people-to-people exchanges, includes an expansion of Canada's SEED scholarship program to encourage up to 1,000 students to study in Canada, as well as a scholarship program to bring Canadian students, researchers and academics to pursue their studies and research in the Indo-Pacific, building more capacity and expertise for Canadians in the region.

On climate and sustainability, the Indo-Pacific strategy will support the scale-up of Canada's remarkable clean-tech sector companies by supporting first commercial demonstrations in key Indo-Pacific markets. The recapitalization of FinDev Canada will allow Canada to participate in a more fulsome manner in the infrastructure and climate-related coastal degradation projects that are critical to so many countries in the Indo-Pacific region.

• (1540)

Finally, on diplomacy, through the Indo-Pacific strategy, Canada's overarching priority is to become a more active, engaged and reliable partner in the region. We will increase and deepen political, economic and security partnerships with an expanded diplomatic presence in key posts, including opening for the first time a diplomatic mission in Fiji.

Canada's Indo-Pacific strategy was created in large measure as a response to the emergence of China as a major global economic and military power and to deepen and broaden our engagements with partners in the region. This includes India, with which we are going through an extraordinarily difficult time. While nothing that has transpired in recent months could have been foreseen in the creation of the strategy, I'm of the view that the 10-year whole-of-government approach to the Indo-Pacific will allow us to weather this storm and other storms successfully.

With that, Mr. Chair, I'm happy to take your questions.

The Chair: Thank you, Ambassador McKay.

We will now go to our first round of questioning, but I have not detailed our replacements on the Liberal side. We have Ms. Damoff in for Rob Oliphant. Mr. Casey is here for Madame Lalonde, and Mr. McDonald is here for Mr. Fragiskatos.

For our first round of questioning, for six minutes or less, we will go to Mr. Seeback.

Mr. Kyle Seeback (Dufferin—Caledon, CPC): Thank you very much, Mr. Chair.

In reading through the Indo-Pacific strategy, on page 9.... It talks about specific countries. It starts on page 7 with the People's Republic of China. Then, of course, the next country it talks about is India. Under the goals of Canada's engagement, it says, "seek to expand market access by concluding an Early Progress Trade Agreement (EPTA) as a step toward a Comprehensive Economic Partnership Agreement".

Where are we on the status of the early progress trade agreement with India?

Mr. Ian G. McKay: With recent developments, the discussions toward a free trade agreement with India have been put on hold, in essence. They have been paused to allow for the process to unfold that will get us through this particular difficult situation with India.

Free trade agreements are extraordinarily complicated, complex, all-encompassing endeavours, and I think it would be important for those who are negotiating on both sides of the deal to be able to do so free of fairly significant and major distractions.

Mr. Kyle Seeback: The next bullet point in the strategy is that Canada would "create a Canada-India desk within the Trade Commissioner Service to promote implementation of the EPTA".

I assume that has not taken place yet, either.

• (1545)

Mr. Ian G. McKay: That is my understanding as well.

If I'm incorrect, I'm sure Mr. Epp would correct me, but I presume that has also been on hold.

Mr. Kyle Seeback: The next point there is “invest in and connect people...by bolstering Canada's visa-processing capacity in New Delhi and Chandigarh”. As a subset to that question, when I was on the immigration committee, it was put forward that visa applications were no longer actually being processed in Chandigarh. They were actually just collecting them and sending them to Delhi to be processed.

My question is two steps. One, is Canada bolstering its visa-processing capacity in New Delhi and Chandigarh? Then the subset of that is this: Are applications actually being processed in Chandigarh, or are they just collecting them and having them processed in New Delhi, as I was told at the immigration committee a little over a year ago?

Mr. Ian G. McKay: As a result of the removal of two-thirds of the diplomats in our missions across India, that processing cannot happen in Chandigarh. We will await a re-establishment of those personnel being able to do their jobs in our consulates and in Delhi to complete this part of the strategy.

Mr. Kyle Seeback: You didn't answer my second question. Are actual visas being processed in Chandigarh, as we are led to believe, or are they merely collecting these applications in Chandigarh and having them processed in New Delhi?

Mr. Ian G. McKay: It is my understand that there is no processing going on in—

Ms. Pam Damoff (Oakville North—Burlington, Lib.): I have a point of order, Chair.

The Chair: Yes, go ahead, Ms. Damoff.

Ms. Pam Damoff: I know I'm new here, but I thought this was the Canada-China committee, not the Canada-India committee.

Hon. Michael Chong (Wellington—Halton Hills, CPC): It's the Indo-Pacific strategy.

Ms. Pam Damoff: Okay.

Mr. Kyle Seeback: Take a look at the meeting notes before you—

The Chair: We're looking at the Indo-Pacific strategy, so it's relevant.

Go ahead.

Mr. Ian G. McKay: Thank you, Mr. Chair.

It is my understanding that the processing is not happening in Chandigarh at this moment.

Mr. Kyle Seeback: So no visas that go to the Chandigarh office are actually being processed in Chandigarh. They are being sent to Delhi to be processed.

Mr. Ian G. McKay: Our diplomats in Chandigarh have, in fact, been removed from India, so there is no capacity to process them there.

Mr. Kyle Seeback: Okay.

The agricultural office that is supposed to be set up as part of the Indo-Pacific strategy.... There's \$31.8 million to establish Canada's first agricultural office in the region. Tell me what the status of that is. How much money has been spent? What has the money been spent on? What's the rollout of the remainder of those expenditures?

Mr. Ian G. McKay: The objective of the Agriculture and Agri-Food Canada office in the region was to put a physical presence for Canada to promote, facilitate and expand our trade in the same time zone as our client countries in the region.

In terms of the operational issues and the budgetary issues, I would have to defer to Mr. Epp and Ms. Strohan, but, certainly, the objective of having that office is something that was very well received by our agriculture, agri-food and seafood producers all across Canada.

Mr. Kyle Seeback: Sure, but the operational stuff is what I want to know about.

Mr. Weldon Epp (Assistant Deputy Minister, Indo-Pacific, Department of Foreign Affairs, Trade and Development): Thank you for the question, Mr. Chair.

The new AAFC office will be announced very soon. It will be operational in the Philippines. Hiring has begun. In terms of the actual dollars, I'm not sure we have that. We'll look during this session, but we're very close to seeing boots on the ground and an open door in our mission there.

Mr. Kyle Seeback: This was announced a year ago—

The Chair: Mr. Seeback, I'm sorry, but your time has run out.

We will now go to Ms. Damoff for six minutes or less.

Ms. Pam Damoff: Thanks, Chair.

I would note that I did read the notes that we got. It quite clearly talks about the People's Republic of China in relation to the Indo-Pacific strategy. That's just to make sure Mr. Seeback knows that I am prepared when I come in here.

My question is about the media attention we've had over the last year with regard to Canada and China's relationship. I'm wondering if you can comment on the minister's decision to develop and implement an Indo-Pacific strategy and how that has impacted and allowed us to navigate the relationship with China over the course of the last year.

• (1550)

Mr. Ian G. McKay: Obviously China, like every other country in the Indo-Pacific region, is well aware of the Indo-Pacific strategy that was developed by Global Affairs Canada and partner departments across the Government of Canada. I'll be as clear as I can be in terms of China's response. They're not spending a whole lot of attention and time thinking about our Indo-Pacific strategy. I don't think it has enhanced our dialogues going forward, but at the same time I don't think it has hindered our dialogues going forward.

One of the remarkable outcomes of the quiet diplomacy that has been going on between Canada and China over the past year, in the time when we've had our Indo-Pacific strategy published, was the ability for Canada to host, on China's behalf, the biodiversity conference in December 2022, when China was unable to host such a conference. In spite of all the difficulties that we have been and are experiencing with China, I think Canada demonstrated—maybe in a way better than almost any other country in the world—that we were able to work very efficiently, very quietly and very effectively with the Government of China to essentially host or co-host, on their behalf, that biodiversity conference in Montreal.

Between China and Canada, I think that was an extraordinarily impressive feat. It allowed China to save face, if you will, as they were planning to host a global conference, which they found out they were unable to do. Canada stepped up and, at the diplomatic and officials level, worked very effectively to host and co-host that conference in Montreal. I think that was a terrific outcome that happened. All the while, China was aware of our Indo-Pacific strategy having been launched.

Ms. Pam Damoff: Thank you for that.

Earlier this month, the G7 foreign ministers gathered in Japan, and the U.S. hosted the Asia-Pacific Economic Cooperation forum in San Francisco, which saw presidents Biden and Xi have a summit on the margins. I wonder if you could update us on how these two meetings took place and how things went for Canada in those two meetings.

Mr. Ian G. McKay: Yes, indeed, with Japan as the host country for the G7 in 2023, they in fact hosted 16 ministerial conferences, as well as the leaders summit that took place in May. In terms of the foreign affairs ministers summit, there was one in April and there was a secondary one in November. At both of those meetings... Minister Joly, of course, was present in Japan, and things changed between the April meeting and the November meeting in terms of global activities. The focus at the April meeting was to engage with G7 partners and talk about the situation in Ukraine. The focus of the November meeting was on the situation in Ukraine as well as the situation in Israel and the Gaza Strip.

With respect to APEC in San Francisco recently, I think there's no doubt that the event that took up all the oxygen in the room was the anticipation of the President Biden-President Xi summit, which, by all accounts, was a successful four-hour summit. I think it was important, not just to those two countries but also to Canada and all the other APEC nations, and perhaps nations around the world, that China and the United States essentially set a bit of a reset and took the temperature down a little bit on the frictions that had been happening between those two countries. That, in effect, lowers the temperature globally for many countries in their relationships with China. The decision by the two leaders to speak more frequently, to pick up the phone and speak virtually any time they wish, is something that hasn't happened for a while. I think Canada takes great comfort that this was achieved at the APEC summit in San Francisco.

• (1555)

The Chair: Thank you, Ambassador McKay.

We'll now go to Mr. Bergeron for six minutes or less.

[*Translation*]

Mr. Stéphane Bergeron (Montarville, BQ): Thank you, Mr. Chair.

Thank you for being with us today, Ambassador.

I also thank Mr. Epp and Ms. Strohan for being with us.

I am one of those people who think that words are important. When we received the government's response to this committee's report on Taiwan, we were surprised by the tepid response to some of our recommendations. In particular, in response to the recommendation in our report that “the Government of Canada offer and declare its clear and unwavering commitment that the future of Taiwan must only be the decision of the people of Taiwan,” the government replied that it “takes note of this recommendation.”

Why this tepid response to the obvious fact that the future of Taiwan must be decided by the Taiwanese?

[*English*]

Mr. Ian G. McKay: I would agree that the future of Taiwan would be determined—as it will be, certainly, in the short term—through their elections, which I think are happening early next year.

I was not present at that committee hearing, but perhaps if my colleagues Mr. Epp and Ms. Strohan have more detail on the exchange there, they might be able to assist me in responding more fulsomely to your question, Mr. Bergeron.

Mr. Weldon Epp: As I think the committee is well aware, Canada's long-standing policy takes note of positions on Taiwan, its status and its future, without endorsing or pronouncing on it. Obviously, over the years Taiwan, the people of Taiwan and Canada have worked closely together in many ways—economic and people-to-people. We've watched democracy flourish in Taiwan and Taiwanese individuals exercise their franchise, and, as Ambassador McKay noted, they'll have an opportunity to do so soon.

It's a position of the Government of Canada that we urge all sides not to bring unilateral change to the status quo across the Taiwan Strait, given not only the interests of the people on both sides of the strait but the interests of Canada.

[*Translation*]

Mr. Stéphane Bergeron: One of the observations that struck us in our mission to Washington was that we needed to at least try to align our two countries' strategies for the Indo-Pacific region better. The American strategy says that the United States will work with Taiwan for the future of Taiwan, in accordance with the wishes of the Taiwanese. That seems pretty clear to me.

Does that mean that our strategy for the Indo-Pacific region is something other than the idea that the future of the Taiwanese depends on what the Taiwanese want?

[*English*]

Mr. Weldon Epp: Mr. Chair, I'm happy to take the question. If the ambassador wants to add, he can.

I take the point. It's an interesting one. We speak regularly about Taiwan with our colleagues at the State Department and the White House. I'm stating the obvious: We have a different strategy. Our Indo-Pacific strategy is not identical to the American one, but we share many interests and we coordinate closely.

What I would say is that although Canada does not have diplomatic relations with Taiwan and we do not, like the United States, have an act of Congress that commits us to the defence of Taiwan or provision of military assets to Taiwan, we have a broad range of ways in which we can continue to support the interests of the region and of the globe in seeing democracy and a free economy flourish in Taiwan. That includes conclusion of negotiations on a foreign investment protection arrangement and a recent MOU on health. There are things that the Government of Canada is able to do with authorities in Taiwan that, frankly, some of our like-minded partners won't do.

When it comes to the United States, they're in a unique category—given, again, acts of Congress, the Taiwan Relations Act and the way in which their military provides security across the region—but you will note recent joint exercises in the Taiwan Strait between Canadian frigates and American frigates. Where we can and where it's in our interest, we do align very closely with the approach of partners, but I wouldn't pretend that our policy and our tool kit track exactly with the United States.

● (1600)

The Chair: There's time for a short question and a short answer, Monsieur Bergeron.

[Translation]

Mr. Stéphane Bergeron: Very simply, what did the department mean when it responded to this committee that it took note of its recommendation that the future of Taiwan must be the decision of the people of Taiwan?

[English]

Mr. Weldon Epp: Mr. Chair, I think that response speaks for itself. The government did take note of that view of the committee. This is not a new policy issue, and I think the government will continue to review its posture, given both present circumstances and developments that may come.

The Chair: Thank you, Mr. Epp.

We will now go to Mr. Boulerice for six minutes or less.

[Translation]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Thank you, Mr. Chair.

I am very pleased to be here with you today, sitting in for my very illustrious colleague from Edmonton Strathcona.

We are very happy to have the ambassador and the representatives of the government with us today to discuss the federal government's strategy for the Indo-Pacific region. The strategy offers us a lot of opportunities, but also presents challenges and difficulties that it is wise to understand clearly in relation to the geopolitical situation in that region.

First, we need to get a little perspective. What factors influenced the decision to develop and implement a strategy for the Indo-Pacific region in particular? Where did this idea come from?

[English]

Mr. Ian G. McKay: Thank you for the question.

I think there are two primary drivers. One is a long-term driver, in that Canada has made efforts over many decades to be a more engaged partner in the Indo-Pacific, but frankly, we have spent most of our economic history tied to Europe, the United States and Central and South America.

As I said in my opening statement, the recognition of the Indo-Pacific region as having the fastest-growing economies in the world really was a critical driver for all of Canada and for all Canadian businesses. It provides opportunities to diversify our trade, to take advantage of an area of the world that will have two-thirds of the middle class within 10 or 15 years, and to recognize the economic shift that's happening from Europe and even North America to the Indo-Pacific region. It's real. It's coming, and Canada needs to be a part of it.

As a more recent driver of the strategy that I mentioned in the opening, I think the emergence of China as a significant economic and military power—and in some ways a disruptive power—has made it critical for Canada to engage with more partners in the region so that our relationship with the Indo-Pacific isn't determined by our relationship with one or two large players. I think that's going to be a very significant outcome.

Canada, as you will recall, became a strategic partner with the ASEAN nations in September, when the Prime Minister was visiting there. This is critical because I'm not sure there's another country in the world that has the hat trick of being a strategic partner with the ASEAN as well as undergoing free trade agreement negotiations with all of the ASEAN nations and bilaterally with Indonesia, which has a population of 280 million people.

I think those are the critical drivers that led Canada to the development of a strategy that is very well resourced. It encompasses 17 different departments and agencies of the Government of Canada. It means that we're not there as an episodic interloper in the region but as a long-term strategic partner, which we think will benefit all of Canada.

● (1605)

[Translation]

Mr. Alexandre Boulerice: Thank you for your answer, which is informative.

There is something in particular I would like to clarify: what groups in Quebec and Canadian civil society did you consult before or during the development of this strategy for the Indo-Pacific region?

For example, did you consult trade union movements or human rights advocacy groups before developing the strategy?

[English]

Mr. Ian G. McKay: There was an extraordinarily broad, comprehensive consultation strategy leading up to the formalization of the Indo-Pacific strategy. I think the message we heard from all stakeholders across Canada was “Please make it right this time.” I say that because for decades Canada has had, as I said earlier, episodic interventions—

The Chair: Excuse me, Ambassador.

We have to suspend for just a second. We have a technical issue here.

Ambassador, can we get you to raise your microphone just a smidge? That's better. Thank you.

Please continue.

Mr. Ian G. McKay: Thank you, Mr. Chair. My apologies.

I think it's an important question, because in the consultations that took place before the formalization of the strategy, the messages were loud and clear—let's get it right this time so that Canada doesn't go into different parts of the region and then get distracted by other global issues. I think the fact that this is a five-year-funded 10-year view across 17 departments and agencies really takes the message from the stakeholders that we have to be all in, in this case. The recognition by business, academia, provinces, territories and associations that the Government of Canada needed to take a leadership role in this and facilitate and allow more Canadians, more businesses, more people to engage in the region on a more fulsome basis was the message we heard loud and clear.

Of all the pillars of the strategy—and they're not in any order of priority; that's just the way they've come on the page—I think the third pillar, the people-to-people exchange pillar of the strategy, will be the most heavy lifting, but I think it will have the most long-term significant benefits for all Canadians.

We're talking about getting more opportunities for small and large Canadian businesses to engage in the region, to increase trade, to increase inbound investments, to encourage students to study in the Indo-Pacific region and also to have the best and the brightest from the Indo-Pacific region come to Canada to build their Canada capacity. This is something that I think will have extraordinarily positive benefits in the long term for Canada. It will require a lot of work and a lot of heavy lifting, but I'm confident that the framework that is set out will allow us to build a generation of Indo-Pacific experts in academia, business, politics and culture through the deployment of this strategy.

The Chair: Thank you, Ambassador.

We'll now go to our second round, and we'll begin with Mr. Chong for five minutes or less.

Hon. Michael Chong: Thank you, Mr. Chair.

Thank you to all of our witnesses for appearing.

I've read the Indo-Pacific strategy a number of times. It's a succinct 23 pages. It mentions the term “clean energy” four times. For

example, it mentions on page 18 that it will “position Canada to be a reliable supplier of clean energy in the region”. What is the definition of clean energy? I have not been able to find that anywhere in the document or on the Government of Canada websites. If somebody could educate me on that, I would appreciate it. What is included in “clean energy” in the document?

• (1610)

Mr. Ian G. McKay: Thank you for the question, Mr. Chong.

I think there is a significant focus in the strategy for Canada's clean-tech companies to be able to scale up, to be able to do their first commercial demonstrations in key markets in the Indo-Pacific region.

Canada, as you're probably aware, has 15 of the top 100 clean-tech companies in the globe. One of the challenges they've expressed to the government over many years is that for them to be able to scale up and prove their proof of concept in new, complex markets in the Indo-Pacific, they need a leg-up from the Government of Canada. I think the strategy will allow companies that do water remediation, renewables, solar and wind.... In fact, the LNG Canada project, upon its completion, which is very soon, will deliver to the Indo-Pacific region the cleanest and lowest-emission LNG on the planet. It will allow many of our partner countries in the Indo-Pacific to wean off coal much more quickly.

Hon. Michael Chong: Thank you, Ambassador, for that answer. That's a good segue into my next question.

As you mentioned, Canada's first large-scale LNG terminal is coming online in Kitimat, British Columbia sometime around 2025. Just last week, the Japanese Ministry of Economy, Trade and Industry urged LNG buyers in Japan to secure more long-term LNG contracts for Japan's energy security but also to ensure that Japan reduces its reliance on Russian LNG.

Can you tell us if you've had any discussions, or if the government has had any discussions, with the Japanese government on Canadian LNG exports to Japan?

Mr. Ian G. McKay: Personally, I've had many, many conversations with Japan at the political and corporate level about the LNG Canada project. Of the five partners in the project, Mitsubishi in Japan is a 15% stakeholder. This is a project that they are waiting for with enormous anticipation, and they are extraordinarily pleased that the completion of the project will be well ahead of schedule—for a couple of reasons. Of course, when they signed on to the project, they weren't aware that they would one day have to wean off their Russian supply of LNG. That is happening, and Canada will essentially replace all of the supply that Japan was getting from Russia.

They are just delighted that the Coastal GasLink pipeline has been completed and that the terminal infrastructure in Kitimat is, I think, over 90% completed now. I suspect that we will be seeing the first test shipments of LNG into Japan well before the 2025 target date, possibly early 2024.

For Japan, it's an extraordinarily important solution to their energy security vulnerability. Japan relies—to an unhealthy degree, I think—on imported energy. This particular project gives them much comfort that it's coming from a reliable and friendly partner who will be delivering to Japan, Malaysia and Korea the cleanest, lowest-emission LNG on the planet.

Hon. Michael Chong: Thank you, Mr. Chair.

The Chair: Thank you, Mr. Chong.

We'll now go to Ms. Yip for five minutes or less.

• (1615)

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Thank you, Mr. Chair.

Welcome to all the witnesses.

Recently, some of us on the committee went on a trip to Washington, and I think all of us learned a lot. I'm sure all of us also have a lot of questions.

My question today is for the ambassador. What are the differences between the Canada and the U.S. Indo-Pacific strategies, and how does it relate to China?

Mr. Ian G. McKay: I think the first distinction that has to be made is that Canada's Indo-Pacific strategy is a Canadian strategy. It was built with Canadian interests and geopolitical realities in mind, and with a focus on what Canada wants to do for our businesses, students and citizens with respect to the fastest-growing economy in the world.

While the pillars I outlined earlier—security, trade, people-to-people exchange, climate and diplomacy—vary a little from those of the U.S. strategy, I think it's important to underline that, through Canada's deployment of the Canadian Forces, through our naval and air force operations, we are doing more on the security piece by sending three frigates into the Taiwan Strait, the South China Sea and the East China Sea; more to monitor illegal ship-to-ship transfers towards North Korea; and more to disrupt and intercede illegal fishing, which is happening at an enormous scale in the north Pacific and in towards the central Pacific.

We're doing more than any other G7 country, or in fact any NATO country that is not called “the United States”. I think that comes as a surprise to a lot of Canadians, but it certainly comes as a very welcome initiative for our partners in the region—including the commander of the U.S. southern fleet, who operates the largest forward deployment naval operation on the planet out of Japan. Their gratitude and Japan's gratitude for our persistent and ongoing broadening and deepening of our military engagement in the region has been widely noted, and it has been extraordinarily well received.

That's just one of the ways in which we are putting action into the plan, and it's important. It's important for global trade in the re-

gion that the Taiwan Strait is maintained as international waters. You will have seen on the news, through the CBC and the Global News crews that were embedded with our navy and air force operations in the region, that people are taking notice. Our aircraft have been buzzed. Our frigates have been sidelined by a large naval presence from the Chinese. Therefore, I think when we're getting their attention by doing what we know is the right thing, it only doubles down and reaffirms the notion that we are doing the right thing by working with our partners in these multilateral exercises in the region.

Ms. Jean Yip: Great. I did not know that we were doing more than other countries—other than the United States.

My next question is how Canada can strengthen our presence in the Indo-Pacific region. Do you feel there is more we can do?

Mr. Ian G. McKay: I think there's more we can do over the lifetime of this strategy. It has in fact been a year since the launch of the strategy. Of course, because significant resources are being committed to the strategy, it takes time for the process of Parliament and for budgets to be allocated.

Where there is more for us to do covers all of the pillars. There's more we can do on security, and we're doing a terrific job. There's more we can do on trade by being a leading partner in the CPTPP, which is strengthening supply chain resilience throughout the Indo-Pacific region.

There's certainly more we can do on people-to-people exchange. I want to see more young Canadians take up language, take up expertise and study the history, the culture, the trade and the politics of this region, so that our bench strength, if you will, as a country, over the next decades and generations is much more sophisticated and expert at the goings-on in the region, which will be the most important economic region in the world.

There's more we can do on climate. Some of the extraordinary effects of climate change on the Pacific island nations, for example, are where Canada will engage. There are countries that are literally at risk of not existing anymore if something isn't done to shore up their shorelines through coastal degradation mitigation.

There's more we can do on diplomacy. Canada will be staffing up a number of its missions in the region, again, to build up the expertise on security, on trade and on politics in the region. I think that's a good thing. I think it's a signal of a major once-in-a-generation, or more, shift of Canadian foreign policy, which will require all of these pillars to be executed to their maximum potential.

• (1620)

The Chair: Thank you, Ambassador.

We'll now go to Mr. Bergeron.

You usually have two and a half minutes, but we have a little bit of extra time, so if you went for three, it wouldn't be a bad thing.

[*Translation*]

Mr. Stéphane Bergeron: Thank you, Mr. Chair.

Ambassador, you said that Canada's Indo-Pacific strategy had been adopted as a reaction, so to speak, to China's emergence as an economic, political and military power. The strategy says that "Canada will pursue dialogue with China to advance Canada's national interests." It also says: "In areas of profound disagreement, we will challenge China, including when it engages in coercive behaviour—economic or otherwise—ignores human rights obligations or undermines our national security interests and those of partners in the region."

Here again, the words are important. I believe I can say that China is already engaged in, shall we say, dubious behaviour in economic terms or in relation to human rights, national security or the safety of our pilots and others in the region. How do we intend to challenge China in situations like these?

[*English*]

Mr. Ian G. McKay: Thank you for the question, Mr. Bergeron.

It really is at the core, I think, of the formation of the strategy. I think Canada has said, fairly explicitly, that with regard to our relationship with China, we will compete where we compete; we will collaborate where we collaborate; and we will challenge on issues of human rights and economic coercion where we think that the lines are being crossed.

I think we do compete. I think it's very important for our exporters, our Canadian small and large businesses, that we're able to maintain good export numbers to China. I think we need to do everything we can to make those channels stay open, stay secure and stay resilient. The fact is that we have a lot of things that China needs and wants, and even through the most difficult times of our relationship, our exports to China, on average, have gone up. I think that's a real testament to our exporters of all sorts of goods—agri-food, agriculture, seafood and other export products.

The collaboration with China is very important. We need to collaborate on climate-related solutions. I think Minister Guilbeault's visit to China recently was a very strong demonstration of Canada's willingness and responsibility to collaborate with China. Climate change is a big issue for them domestically, as you very well know. I think doing more together to make climate change in sync with economic opportunities between both countries is very important.

As you said, there are issues on which Canada needs to challenge China. There are significant human rights issues where we have disagreements, and there are economic coercion issues, where we have not only disagreements but an obligation, through the Indo-Pacific strategy, to diversify our economic integration with other partners in the region. It's not comfortable to be one of the smaller countries in the Indo-Pacific if your reliance on your economy is significantly overweighted to China, where there are opportunities for coercion to take place. In that context, it's very important for Canada to have deeper, more integrated economic relationships with partner countries throughout the region, and the CPTPP is a

terrific example of how that is happening literally on a daily basis over the past five years.

• (1625)

The Chair: Thank you, Ambassador.

We'll have to now go to Mr. Boulerice, to finish our work with this panel.

Mr. Boulerice, you have about three minutes.

[*Translation*]

Mr. Alexandre Boulerice: Thank you, Mr. Chair.

In relation to Canada's Indo-Pacific strategy, what measures are planned to enable the federal government to strengthen Canada's diplomatic and economic ties with the countries in the region? What measures will be put in place and what resources will be allocated to them?

[*English*]

Mr. Ian G. McKay: Thank you for the question.

Certainly, on pillar five, the diplomatic uplift that Canada will be undertaking in the Indo-Pacific region—and Mr. Epp will have more details on the numbers—I think there will be between 100 and 120 strategically trained, placed and positioned diplomats in the region, including a lot of diplomats with more expertise on China, not just to work in China but to work in other missions across the region.

I think that in order for the strategy to succeed to its fullest potential, we need to have more and better trained—linguistically, culturally, politically—diplomats throughout the region, not just from Global Affairs Canada but from other government departments that have significant responsibilities and engagements in the region on energy, climate, trade and security. I think the outlook for the next several years to have a significant uplift in our numbers in the region will pay enormous dividends for decades to come.

[*Translation*]

Mr. Alexandre Boulerice: Thank you.

Canada is a G7 country. We have some influence and we carry some weight, but we are not a heavy hitter. We are not one of the giants on the planet.

To what extent will the Indo-Pacific strategy that you have developed enable Canada to make a positive contribution to peace and stability in this region of the world?

[*English*]

Mr. Ian G. McKay: I thank you for a terrifically important question. You contextualized it by saying that Canada is not a heavy-weight in our engagement with G7, G20 or CPTPP.

I think one of the charms and the success factors of Canada in the global context is that we don't come across as a super-weight. I hear this from.... I've met, I think, 14 presidents and prime ministers in the Indo-Pacific region over the past six months. We come across as a country that will listen, that will engage and that will sometimes translate some of the dialogue that's going on between some of the heavyweights, if you will.

Canada's approach, our diplomatic approach, our position in the world is very well received as a rational partner, as a partner who understands the position and the context of so many of our partners in the region. We're very well positioned and we're lucky to be in these global forums, in APEC, in the most impressive trade framework in the region and in the G7. We use our platforms there, I think, in a very effective, responsible and understanding way that is very well received by our partners with whom we engage who are not part of those dialogues.

That is a terrific strength that Canada brings to the table. I've witnessed it first-hand and I've heard it from political leaders throughout the Indo-Pacific numerous times over the past six months.

• (1630)

The Chair: Thank you, Ambassador McKay.

This brings us to the end of our first panel. I imagine you're ready for at least your second cup of coffee this morning. It's about 6:30 in the morning there, or something like that.

Mr. Ian G. McKay: It is indeed.

The Chair: Thank you for your time. It has been time well spent for us, and I hope it has been for you. We'll look forward to your ongoing work.

We will suspend for a few minutes while we set up our next panel.

• (1630)

(Pause)

• (1630)

The Chair: We're back to our second session now. I am calling the meeting to order to welcome our witnesses for the second panel.

Mr. Kmiec has joined us now. That's good to see.

From the Department of National Defence, we have Cayle Oberwarth, director general operations, strategic joint staff; and Gregory Smith, director general, international security policy. From the Canadian Security Intelligence Service, we have Sarah Estabrooks, director general, policy and foreign relations; and Newton Shortliffe, assistant director of collection. Oh gosh, I hope we don't owe you anything here.

Each department will have up to five minutes to deliver opening remarks.

I understand, Mr. Smith, that we'll lead with you.

Major-General Gregory Smith (Director General, International Security Policy, Department of National Defence): Mr. Chair and members of the committee, we're honoured to appear before you.

As stated, I'm Major-General Greg Smith, director general, international security policy. I'm joined by my colleague, Brigadier-General Cayle Oberwarth, director general of operations for the strategic joint staff.

Thank you for this opportunity to support the committee's discussion on the Indo-Pacific strategy and to provide an overview of the progress made by the Department of National Defence and the Canadian Armed Forces in the implementation of our initiatives and our activities in support of the Indo-Pacific strategy.

[Translation]

Among the five interconnected pillars of the Indo-Pacific strategy, the Department of National Defence and the Canadian Armed Forces are primarily focused on the peace, resilience and security pillar. But we also have an important supporting role in the active and engaged partner pillar.

• (1635)

[English]

It is important to remember that prior to the release of the Indo-Pacific strategy, Canada already had a significant regional presence, including an over 70-year commitment to the United Nations Command in the Republic of Korea, regular ship and aircraft deployments in support of forward presence operations and sanctions monitoring, and participation in major regional exercises and capacity-building activities through our military training co-operation program.

Through new and significant investments announced under the Indo-Pacific strategy, the defence team has moved forward to broaden and deepen its presence in the region and position Canada as a positive contributor to peace and stability in the region. In fact, we have aggressively leaned forward on our five lines of effort to implement the strategy.

[Translation]

The Canadian Armed Forces has augmented Canada's naval presence in the Indo-Pacific, moving from two to three warships per year. Earlier this year, His Majesty's Canadian ship *Montréal* deployed from Canadian Forces Base Halifax to conduct operations in the Indian and Pacific oceans. His Majesty's Canadian ships *Ottawa* and *Vancouver* are currently in the region working with our allies and partners. Their contributions in upholding the rules-based international order have been well noted across the region, specifically when HMCS *Montréal* and *Ottawa* conducted three Taiwan Strait transits in company with the U.S. Navy.

[English]

Two, we have increased and diversified our regional engagements by participating in new multilateral exercises, with the Royal Canadian Air Force joining for the first time Exercise Mobility Guardian across multiple locations in the Indo-Pacific this summer. As well, the Royal Canadian Navy participated in its first exercise Sama Sama, led by the U.S. and the Philippine Navy.

[Translation]

We have expanded our capacity-building efforts through new programs and activities, with discussions underway to identify other relevant opportunities with regional partners.

Notably, the Canadian Armed Forces co-hosted a “women, peace and security” conference with the Malaysian armed forces, one of the focus areas for capacity-building and security cooperation efforts. As well, the Royal Canadian Navy supported capacity-building efforts during SEACAT, the Southeast Asia Cooperation and Training multilateral exercise led by Singapore. These activities are important in building interoperability and trust with regional partners.

[English]

Four, the defence team established and staffed the four defence policy adviser positions in the region, with candidates already at post and integrated with our missions abroad. These new positions, located in Tokyo, Singapore, Canberra and the Pentagon in Washington, D.C., will have an immediate impact on deepening key partnerships and raising Canada's visibility in regional discussions on sensitive defence and security issues.

[Translation]

Finally, the defence team co-hosted with U.S. counterparts a cyber-defence cooperation workshop with the Japanese Self-Defence Forces, focused on cyber-incident response and workforce development, to improve their ability to detect and respond to threats. These activities strengthen overall resilience and preparedness, protecting against coercive tactics and preventing theft of valuable intellectual property.

[English]

In the second year of the Indo-Pacific strategy, the defence team will maintain this level of engagement, including the deployment of three warships, while leveraging the relationships we've strengthened during the first year to deliver an expanded range of capacity-building and security co-operation programs.

As we deliver on our initiatives, the defence team is concurrently supporting the Indo-Pacific strategy's objective to be an active and engaged partner in the region by focusing our activities, engagements and port visits to ASEAN countries, including the Philippines, Singapore, Indonesia, Malaysia and Vietnam.

These efforts, among those across the whole of government, have contributed to tangible outcomes in support of our ASEAN-related objectives, including invitations to observe, for the first time, ASEAN defence ministers' meeting plus, or ADMM-plus, and experts' working group meetings and activities in 2023. In concrete terms, these activities directly support our strategic partnership with

ASEAN and complement whole-of-government efforts to strengthen our presence in the region and increase our co-operation with ASEAN partners to deliver on the defence and security objectives outlined in our Indo-Pacific strategy—

● (1640)

The Chair: With that, I'll have to interrupt. We're a little beyond our five minutes. You will have opportunities, I'm sure, to answer questions or to work in anything else that you weren't able to get to.

We'll now go to Mr. Shortliffe for five minutes or less.

Mr. Newton Shortliffe (Assistant Director, Collection, Canadian Security Intelligence Service): Mr. Chair and members of the committee, good afternoon.

My name is Newton Shortliffe. I am the assistant director, collection, at the Canadian Security Intelligence Service, meaning I'm responsible for all the regions and the collection of intelligence.

I'm joined by my colleague Sarah Estabrooks, director general of policy and foreign relations.

I'm pleased to join you here today to speak on behalf of the service on this topic, and I look forward to addressing your questions.

As a partner of Global Affairs Canada, CSIS is an integral contributor to the successful delivery of the Indo-Pacific strategy. The strategy rightfully acknowledges that enhanced engagement in the region must include measures to safeguard Canada's economic security, our democratic institutions and our population. Through the fulfillment of its national security mandate, CSIS is committed to the protection of Canada and Canadians while also helping the Government of Canada meet its foreign policy objectives.

CSIS is actively engaged in countering the breadth of complex threats to Canada emanating from the Indo-Pacific region, including in the form of foreign interference, espionage, cyber-enabled threats, disinformation and misinformation. Through our investigations and intelligence analysis, CSIS supports Government of Canada decision-making in relation to these threats.

[Translation]

CSIS is also working to strengthen its relationships with regional partners and traditional allies. This enables Canada to engage more effectively and securely in the Indo-Pacific region.

[English]

The Indo-Pacific region is vast, the threat is complex and the opportunities are limitless. Canada must be aligned with key partners to advance its ambitious regional agenda. The service contributes to this by leveraging its intelligence partnerships. When synchronized with other Government of Canada efforts, these additional channels of communication and coordination can have a force multiplier effect in the protection of Canadians and Canadian interests.

[Translation]

CSIS focuses primarily on promoting peace, resilience and security. However, the information and intelligence available to us may determine what measures are taken under the five objectives set out in the strategy.

[English]

While there are some limits on the level of detail I can discuss today, I will be pleased to take your questions.

Thank you.

The Chair: Thank you very much, Mr. Shortliffe.

We will now go to our first round of questioning, beginning with Mr. Chong for six minutes or less.

Hon. Michael Chong: Thank you, Mr. Chair.

Just last month at the APEC summit, the U.S. and the PRC agreed to resume military-to-military communication. What is the nature and extent of Canada's military-to-military communication with the PLA, if any?

MGen Gregory Smith: Mr. Chair, I will take that one, please.

It is relatively limited. We have a PRC defence attaché here in Ottawa, Senior Colonel Li. I speak to him regularly, sometimes via démarches, and equally within Beijing we have our military connection there as well. That's about how extensive it is right now.

Hon. Michael Chong: Thank you. I appreciate that answer.

As you know, there are two resupply ships being constructed. Canada currently has one. That supply ship, I understand, was sent with the HMCS *Ottawa* in Vancouver, I believe, earlier this year. I have a couple of questions. First, how is a single resupply ship limiting our ability to project force, not just in the Pacific region but also in the Atlantic region? Second, can you tell us about any planning for 2024 operations concerning frigates and the resupply ship *Asterix* in the Pacific region?

• (1645)

Brigadier-General Cayle Oberwarth (Director General Operations, Strategic Joint Staff, Department of National Defence): Mr. Chair, thank you very much for the question.

At this time, the *Asterix* is operating in the Indo-Pacific region, and it has done quite well over the last few months in that space. In fact, they have just come off ANNUALEX, which is a large exercise including a number of our regional partners and allies, where it worked not just with Canadian vessels but also with multinational partners. It's a hugely valuable asset and resource to have in the region, certainly, not just as a measure for refuelling and—

Hon. Michael Chong: Pardon me, but I have a quick question.

Who is handling resupply for our Pacific fleet right now?

BGen Cayle Oberwarth: Are you referring to the Canadian Pacific fleet?

Hon. Michael Chong: Yes.

BGen Cayle Oberwarth: At this time—

Hon. Michael Chong: I'm sorry—I mean Canada's Atlantic fleet. Who is handling resupply for Canada's Atlantic fleet if the *Asterix* is in the Indo-Pacific?

BGen Cayle Oberwarth: At this time, the way we manage the travel of these vessels is dependent upon how we can resupply them. Naturally, we will use ports of call to refuel vessels if they don't have a mother ship to go to.

Does that answer your question, sir?

Hon. Michael Chong: It does. Thank you.

Can you tell us what the plan is for next year with respect to Royal Canadian Navy operations in the Indo-Pacific region and whether the current operations will extend into next year?

BGen Cayle Oberwarth: In keeping with the Indo-Pacific strategy, we're looking to continue our current level of engagement in the region. I can't speak to the nature of the engagements we will have, but I can tell you that we are going to have a similar level of contribution.

Hon. Michael Chong: Thank you.

I have a question for CSIS and Public Safety more broadly. In the departmental plans for this year, going into the fiscal year-end of March 31, 2024, Public Safety Canada said it will “advance implementation of initiatives to support the promotion of peace, resilience and security in the Indo-Pacific”. Will Public Safety Canada and CSIS lead any initiatives under Canada's Indo-Pacific strategy?

Mr. Newton Shortliffe: Thank you for the question.

Our role is to support, as part of team Canada, the efforts of the Government of Canada as a whole in the Indo-Pacific strategy. CSIS, for example, is seeking to engage in enhanced relationships both with some of our traditional partners but also in developing new partnerships that will position the service to be able to provide intelligence to the Government of Canada that will assist with its overall objectives. It's very much a team Canada approach that we are a part of.

Hon. Michael Chong: Is CSIS or Public Safety Canada taking the lead on any of the initiatives in the Indo-Pacific strategy?

I ask because on page 15 of the strategy, it says that Canada will “ensure Canada's national security and law enforcement agencies...are appropriately tasked and resourced to support the objectives outlined in the strategy and work in a coordinated fashion to enhance Canada's public safety and the security of Canadians”.

I'm wondering if Public Safety and CSIS are taking the lead on that part of the strategy or who is taking the lead if it's not Public Safety or CSIS.

Mr. Newton Shortliffe: We are taking a lead in developing the relationships with our intelligence partners in the region that will support the overall objectives of the Government of Canada.

Now, the overall guidance of the strategy, the implementation strategy, is coordinated by Global Affairs Canada, and CSIS and Public Safety participate in that forum with them as we seek to develop—

Hon. Michael Chong: Can you tell us which security intelligence partners you've met with in the Indo-Pacific region?

The Chair: Could we have a brief answer, please, sir?

Mr. Newton Shortliffe: I apologize. I didn't quite hear your question.

Hon. Michael Chong: Can you tell us which intelligence partners you've met with in the region—not you personally, but the service?

Mr. Newton Shortliffe: That I cannot speak to in detail in an open forum.

Hon. Michael Chong: Can you just tell us whether—

The Chair: I'm sorry, Mr. Chong. You are out of time for now.

We'll go to Mr. Casey for six minutes or less.

Mr. Sean Casey (Charlottetown, Lib.): Thank you, Mr. Chair.

I want to start with Major-General Smith.

You weren't able to finish your opening statement. Go ahead and do that now.

MGen Gregory Smith: Thank you very much, Chair.

• (1650)

[Translation]

In sum, the Department of National Defence and the Canadian Armed Forces are on the right path to deliver a meaningful and multifaceted regional presence for Canada, from which we can promote peace and stability in support of our international interests and values. Our commitment to peace, security and resilience in the Indo-Pacific region necessarily involves dialogue with China. We therefore remain committed to the approach described in Canada's Indo-Pacific strategy.

[English]

Canada will challenge China where our views differ, and we will co-operate with China where it is in our interest to do so, to find solutions to global issues. As we operate in the Indo-Pacific, the Canadian Armed Forces will always respect international rules and engage responsibly, and we expect others to do the same.

I look forward to your questions.

Thank you, Chair.

Mr. Sean Casey: Thank you.

There has been some discussion, both from Ambassador McKay and in response to questions from Mr. Chong, with respect to the frigates that have been deployed and the fact that there are now three. The ambassador also mentioned a supply ship and RCAF planes. My question would be about the reaction of the People's Republic of China to this increased presence. Can you speak to that?

MGen Gregory Smith: Mr. Chair, I'll start, and then perhaps my operational colleague would like to go beyond that.

We have an extensive presence via both navy and air force, and special forces and army assets throughout, so we're engaged throughout. At times, we have engagements near China, and the vast majority are safe and professional. Occasionally, they're not, and maybe at that point I'll hand this off to my operational colleague.

BGen Cayle Oberwarth: Thank you.

As you will have seen in the media, in the last few months there were a number of—I will say a few—incidents where there were some unsafe and unprofessional engagements by the Chinese with some of our air forces operating in the region. These are a very small percentage of the number of engagements. In fact, in most cases they are very safe and very professional.

Mr. Sean Casey: In your statement, you talked about next year and the deployment of three warships. Is that the same three that are there now, or is there a plan to augment our presence next year?

MGen Gregory Smith: Chair, I don't know exactly which ships. It's the same number of ships, but the particular ones I can't speak to.

Mr. Sean Casey: Okay.

You spoke to China's reaction to this presence. What about other stakeholders in the maritime hot spots, like the South China Sea and the East China Sea? I think I heard you talk about some passages through the Taiwan Strait as well. What has been the perception of other players in those areas?

MGen Gregory Smith: Chair, I'll go for this one.

Again, China is obviously the key country. Both from an air and a maritime perspective, we've had interactions. They're the main ones. Otherwise, we're largely co-operating in exercises in capacity building throughout the region.

BGen Cayle Oberwarth: Mr. Chair, if I may add, in fact most of the interactions we have in the region are very good. A lot of the partners and allies we're working with in the region are very happy to see us. This is a great opportunity in a space where there isn't a defence organization like NATO, where Canada can contribute and do partnership work with a lot of other countries in the region. It helps to give them a level of comfort that Canada is paying attention and that we're looking to have some skin in the game as well.

This is a great opportunity for us, and it's a good-news story to have so many Canadians operating in the region as we coalesce around this Indo-Pacific strategy.

Mr. Sean Casey: I'd like to get you to talk a bit about RIMPAC. It's something where Canada has had a long-standing presence. China was a participant there for a short period of time, from 2014 to 2018. Can you speak to the circumstances of China being uninvited to those exercises and how their exclusion has affected the exercises?

MGen Gregory Smith: Mr. Chair, I'm talking to my colleague over here. I actually don't know the details of that. We could take that on notice, or there might be a subsequent witness who can do better with that one.

The Chair: If subsequently you do have information that you could supply to us in writing, that would be helpful. Thank you.

• (1655)

Mr. Sean Casey: This is probably for CSIS. I know you'll be limited in what you can say, but I would be most interested in your comments and whatever details you can provide in terms of the state of cybersecurity as it relates to the strategy. What are our strengths and where are the opportunities associated with the strategy?

Mr. Newton Shortliffe: Thank you for the question.

Cyber is one of the most persistent and difficult issues that we deal with at this time. It's a tool that is used by adversaries, including our intelligence adversaries, to gain advantage over Canada. We have a robust response. We work with our colleagues in CSE and the Canadian Centre for Cyber Security, and with other government departments, in an effort to identify what cyber-threat actors are engaged, what their targets are in Canada and how they go about doing their attacks, so we can identify mechanisms to defeat those attacks. CSIS's role in that, as much as anything, is in part to help understand why and what targets cyber-actors may be going after.

Where we are seeking to expand our energy and our efforts is to find ways to provide more information to Canadians—beyond the federal government, if possible—which will assist Canadians in being able to protect themselves, whether that be in the private sector or other levels of government. Every level of government is attacked by cyber. The private sector is attacked by cyber. This is a major threat that Canadians face across the spectrum.

The Chair: Thank you for that. I appreciate it.

Mr. Casey's time is over.

We'll go now to Mr. Bergeron, for six minutes or less.

[*Translation*]

Mr. Stéphane Bergeron: Thank you, Mr. Chair.

Thanks to our witnesses for being with us to inform our examination of Canada's Indo-Pacific strategy.

In the strategy, the Canadian government asserts its desire to establish an enhanced military presence, including through Operation Horizon, in which Canada intends to maintain a persistent and more complete presence by the Canadian Armed Forces in the Indo-Pacific region.

In your opinion, gentlemen, does what you have been talking about, in terms of a naval and air presence in the region, meet that objective, or do more resources still need to be deployed in order to achieve the objective of augmenting our military presence in the region?

In which case, given that the commitment to Latvia is already calling for significant resources from the armed forces, at a time when there is a labour shortage that is making recruiting difficult, and with chronic personnel retention problems, how is it thought that the military presence in the region can be augmented beyond what has already been done?

MGen Gregory Smith: Thank you for the question.

I am going to start to answer, and my colleague may want to continue. Operation Horizon is the operational expression of our strategy for the Indo-Pacific region. So the five pillars, the five lines of effort, are progressing well after one year. We have more things to do. We are going to continue sending ships. We are going to conduct exercises, but we have to build relationships in order to do more in the region.

With respect to rebuilding the workforce, or our capacity to make these efforts, the military part of Canada's Indo-Pacific strategy was designed with the idea of rebuilding the workforce. We have personnel shortages and shortages of certain resources, but these five lines of effort were established with this in mind.

BGen Cayle Oberwarth: I would like to add a few words, particularly as regards personnel retention. For several years, we have spent a lot of time in the NATO regions, in Europe, so our young soldiers and sailors are going to like being deployed in the Pacific and seeing something different.

That gives us an opportunity to work not just in a new region, but also with new allies and partners. So I think that highlighting the Indo-Pacific strategy is really going to help us maintain or increase interest in the forces.

• (1700)

Mr. Stéphane Bergeron: The air and naval operations in the Taiwan Strait led to incidents with the People's Republic of China armed forces.

How would you describe those acts of intimidation against our pilots, for example? In addition, to what extent did those operations endanger the lives of our personnel and also peace and security in the region?

BGen Cayle Oberwarth: We always need to remind ourselves that our forces are extremely professional. We have tactics, techniques and procedures that we follow to help us manage situations like these, in which Chinese air force pilots engage in dangerous manoeuvres. As a result, every time we have an event of this type, we learn, we learn from it, and we talk to one another to make sure that, in the future, we will be able to reduce the threat that these manoeuvres by the Chinese armed forces pose for us.

Mr. Stéphane Bergeron: I now have questions for the CSIS representatives.

Your director, David Vigneault, has spoken to us about the necessity, or at least the wisdom, of modernizing the Canadian Security Intelligence Act. How would modernizing that act make CSIS more effective in the mission it has in connection with our Indo-Pacific strategy, which is to safeguard Canada's security?

Mr. Newton Shortliffe: Thank you for that question.

[*English*]

Modernization of the CSIS Act will assist in a number of different ways.

As I mentioned earlier, we are seeking to develop the means to provide information to Canadians, whether it be on cybersecurity or other threats to the security of Canada. Some of the measures we're seeking are improvements to our act that will allow us to more easily share information and provide briefings to other levels of government—which are quite constrained right now under the CSIS Act beyond the federal level—as well as to the private sector and elsewhere when there are threats. In addition, we are looking for improvements that will allow for the improved ability to investigate different kinds of threats, which will increase the speed with which we are able to provide intelligence to the Government of Canada.

The CSIS Act is quite old. It's no longer fit for purpose. It was written in 1984 and, notwithstanding some modernization and some changes that have been made, we find it does not keep pace with the current technological reality.

One thing we're looking for and consulting Canadians on is the idea of perhaps reviewing it every five years, as an example, in order to ensure that we do keep up with technological change and with changes in society, so we don't end up in a situation where we're unable to do quite logical things that we think most Canadians think we should be able to do easily.

The modernization wasn't written specifically for the Indo-Pacific strategy, but it will definitely assist our ability to participate and to support the Government of Canada's objectives in the Indo-Pacific strategy, if successful.

Perhaps I can call on my colleague to make a couple of comments.

The Chair: Answer very briefly, if you could, Ms. Estabrooks.

Ms. Sarah Estabrooks (Director General, Policy and Foreign Relations, Canadian Security Intelligence Service): I think it's valuable to point to the sophistication of the threat actors in that region and the fact that the democratic norms we adhere to and value as Canadians are not shared universally. We look for modernization of our authorities in order to really build authorities and powers that

respect the values of Canadians but help us to counter incredibly complex and sophisticated threat actors.

Thank you.

The Chair: Thank you for that.

Thank you, Mr. Bergeron.

We'll now go to Mr. Boulerice for six minutes or perhaps a little more.

[*Translation*]

Mr. Alexandre Boulerice: Thank you, Mr. Chair.

Thanks to the witnesses who are with us today to talk about these extremely important issues.

A lot of people in Quebec and Canada are concerned about cybersecurity and the growing volume of cyber-attacks. They endanger Canada's national security, but also the interests of individuals.

In connection with the strategy we are discussing today, what measures are being taken right now to address these cyber-threats and guarantee the cybersecurity of the federal government, but also of everyone in Quebec and Canada?

● (1705)

Mr. Newton Shortliffe: I imagine that is a question for me, since I represent the Canadian Security Intelligence Service.

[*English*]

On cybersecurity, as I mentioned, this is something that we work on with our partners. In terms of specific measures that Canadians and Canadian companies can take to protect themselves, I would recommend that the Canadian Centre for Cyber Security is the entity that is most appropriate to direct such questions to.

The CSIS role is to understand what targets threat actors might be after and why they may be seeking to target different parts of Canadian society: why they would be targeting different departments, different levels of government, and which sectors of the economy might be targeted and why. We provide intelligence to our government partners to inform the decision-making that is then made in terms of response, but the response does ultimately lie with others.

[*Translation*]

Mr. Alexandre Boulerice: Thank you for that answer.

You referred to partnerships. What is the status of the partnerships between Canada and the regional actors to improve cybersecurity, which is so important for everyone?

[English]

Mr. Newton Shortliffe: What I can say about that is that there is great interest on the part of our counterparts throughout the region, our allies and the various organizations that we're seeking to improve our relationships with. In speaking with my colleagues in other government departments, I know they also find great interest on the part of their counterparts in understanding the cyber-threat, especially the cyber-threat that comes from certain countries—China being the largest threat that all of us face—and finding means to confront it.

The Chair: You have time for just a very brief question, Mr. Boulерice.

[Translation]

Mr. Alexandre Boulерice: In what area of cybersecurity is Canada well equipped? In what aspects of cybersecurity should we invest more resources? Without going so far as to say we are weak, should we be focusing on certain aspects in particular?

[English]

Mr. Newton Shortliffe: It's cybersecurity or cyber-threats across the spectrum in terms of where we see them. Where it is probably most significant or of greatest concern right now would be in terms of economic security, but also in the possibility of using cyber-tools for impacting, for example, our democratic freedoms or the integrity of our institutions. Those are the areas where we tend to be most focused right now, but it is a really broad threat that touches almost everything.

The Chair: Thank you very much.

We'll now go to our second round.

We're beginning with Mr. Chong.

Hon. Michael Chong: Thank you, Mr. Chair.

I just want to finish up the question I had earlier for the representatives from CSIS.

The Indo-Pacific strategy mentions that Canada will “bolster Canada's long-standing collaboration with...the Five Eyes”. It also mentions that Canada will “make meaningful contributions to the region's security...with regional partners and allies”. Does the government intend to expand our intelligence relationship beyond the Five Eyes in the region?

Mr. Newton Shortliffe: Yes.

Hon. Michael Chong: Okay. Thank you for answering that.

The question I now have concerns legislation, Canadian law. You mentioned that you believe there need to be updates to the CSIS Act to better equip CSIS to respond to the threats we are currently facing.

I'm wondering whether you also think that a foreign agents registry is an additional tool that is required. As you know, the government is undertaking consultations about this. It has announced that it intends to introduce one at some point. Do you believe we need a foreign agents registry, such as Australia, the United Kingdom and the U.S. have had for some time?

• (1710)

Mr. Newton Shortliffe: I believe a foreign agent registry will help. It will provide information that CSIS and other entities can use to help identify threat actors and differentiate those from others who might not be engaged in threats. I wouldn't want to comment beyond that.

Hon. Michael Chong: Okay. Thank you.

I have a question now for the representatives from our armed forces.

This month, Estonia accused a PRC ship of damaging an underwater gas pipeline and two data cables. Most of the world's Internet and data traffic travel over submarine cables. There is a major cable from Port Alberni to Japan that carries a lot of data traffic.

I'm wondering whether or not, in your professional opinion, we have the submarine capacity to monitor threats to our submarine cables. As you know, we have four diesel battery-powered submarines that are nearing the end of their lives. To my knowledge, we have no autonomous submarine capacity in the Royal Canadian Navy, and yet we face these threats. I would like your analysis about whether or not we are equipped to monitor threats to our submarine infrastructure on our coasts.

MGen Gregory Smith: Mr. Chair, that's a far-ranging question.

There are hundreds of thousands of kilometres of undersea cables, of course. I don't know if there's any country in the world that can monitor that.

Hon. Michael Chong: Just to be clear, I'm not talking about monitoring in the mid-Pacific, where anchors are not going to drop thousands and thousands of feet. I'm talking about monitoring it in our own maritime waters, where the threats are the greatest, as we saw recently in the Baltic Sea.

MGen Gregory Smith: Thank you, Chair, for that precision.

Actually, with respect to my technical expertise, I'm an army person. I don't know if a submarine is the best thing to actually monitor those either. I would just say it's a very large problem. Obviously, the fact that it's happened several times within the Baltic Sea recently illustrates the sheer challenge of what we're dealing with right now.

Hon. Michael Chong: I guess my question is, are we prepared for monitoring the threats that Finland, Estonia and other states in the region have faced because of the severing of these cables and pipelines?

MGen Gregory Smith: Mr. Chair, I would just reiterate that it's a very big challenge. We have some assets that can help in that. It's something we're working with all of our partners to deal with. It's an emerging challenge. It's something NATO is dealing with. As we can see, based on the threats and what has occurred physically recently, it's a very topical problem.

Hon. Michael Chong: Thank you, Mr. Chair.

I don't have any more questions.

The Chair: Thank you, Mr. Chong.

We will now go to Ms. Damoff for five minutes or less.

Ms. Pam Damoff: Thanks, Chair.

Thanks to all the witnesses for being here.

My question is for CSIS.

We've talked about cybersecurity and foreign interference. I'm wondering if you could tell us how you, versus CSE, fit into that. I know that Canadians often get confused and assume you're doing the same work, but you're not. Can you just put some clarity on how that's working in the Indo-Pacific strategy specifically?

Mr. Newton Shortliffe: Thank you for the question.

We are not doing the same job as CSE. CSIS is using its own mandate to investigate the kinds of cyber-actors that we see engaged in activities that pose a threat to the security of Canada. We are working to understand what they are targeting and why. Within the extent of our mandate, we then work with CSE. If there are any measures we can take to help reduce the threat under our mandate, we will do so, and communicate that to the Government of Canada.

The difference is that CSE now has responsibility through the Canadian Centre for Cyber Security to, for example, develop the policies the Government of Canada has that will help to protect our electronic systems. Also, they have the responsibility for mitigation measures and for taking the actions that might be required if there is an event or an intrusion.

We work very closely with CCCS, the Canadian Centre for Cyber Security—I should be careful about acronyms—and with CSE, and when there's an intrusion we'll often work very closely together in our mandates to understand what is happening and to contribute to the Government of Canada's understanding, but our role is quite different, and we have different tools that we can use in Canada. For example, we can run operations that will help provide access to information that CSE might not be able to get on its own when it comes to threats to Canadians.

• (1715)

Ms. Pam Damoff: I've just realized that we use a lot of acronyms. What does CSE stand for? I started this, not you.

Mr. Newton Shortliffe: The CSE is the Communications Security Establishment. It is Canada's national signals intelligence agency.

Ms. Pam Damoff: They're based more with DND. My understanding was always that CSIS was in Canada and CSE could do things abroad.

Mr. Newton Shortliffe: I should be careful because I don't want to speak for CSE—

Ms. Pam Damoff: Yes, I know.

Mr. Newton Shortliffe: —but certainly they're a signals intelligence agency. They work very closely with their foreign partners, within the Five Eyes in particular but with other foreign partners as well. Their law does require them to be externally oriented. My understanding is that their ability to conduct any kind of activity in Canada is extremely circumscribed by law.

Ms. Pam Damoff: I'm going to turn it over to Mr. Cormier for the rest of the time.

[*Translation*]

Mr. Serge Cormier (Acadie—Bathurst, Lib.): Thank you.

My question is for Mr. Smith or Mr. Oberwarth.

You said that the women and men of the Canadian Armed Forces seemed to be happy to participate in the strategy, but that a shortage of human or material resources was preventing you from doing more. I may have misunderstood. Can you say a little more about that?

MGen Gregory Smith: I am going to talk about rebuilding our workforce. After the pandemic, we were short more than 10,000 people, as the chief of the defence staff mentioned. We are in the process of rebuilding that workforce. When Canada's Indo-Pacific strategy, or at least the part of the strategy concerning the Canadian Armed Forces, was written, the fact that we have a personnel shortage was taken into account.

Mr. Serge Cormier: Right.

What improvements could be made to the strategy or to the work you are doing?

MGen Gregory Smith: I am not prepared to say that improvement is needed. We started this work a year ago now, on November 26, 2022. There are some things that we have done fairly quickly, for example, deploying three ships, but in terms of relationships, that takes time. It will take years to organize annual exercises with other countries, create partnerships, and enhance capacities. The funding for the strategy is spread over five years, and we will be re-examining it at the end of that period. That is what we are doing now. We re-examine it when each event takes place, to make sure it is working well.

[*English*]

The Chair: Thank you, Mr. Cormier.

We will now go to Mr. Bergeron, again for about three minutes, sir.

[*Translation*]

Mr. Stéphane Bergeron: Thank you, Mr. Chair.

Canada has ended the “whisky war” with Denmark over Hans Island. More seriously, China is claiming to be an Arctic power and, with Russia, could be a threat to Canada. To make things even more complicated, our main ally does not entirely recognize Canadian sovereignty in the Arctic.

In this somewhat murky context, do we have the resources to ensure Canadian sovereignty in the Arctic?

MGen Gregory Smith: I am by no means an expert on issues involving the Arctic. However, I can say that we have resources for participating in activities. You may be familiar with Operation Nanook, which is a large sovereignty exercise and ensures a presence in the north.

• (1720)

BGen Cayle Oberwarth: I also want to mention that we are working with our allies in this region. Every year for the last several years, we have participated in the Joint Pacific Multinational Readiness Center exercises, including an exercise that takes place in Alaska, in which Canada has participated together with its U.S. allies.

Normally, when we talk about exercises in the Indo-Pacific region, we think about ships or planes. In this exercise, however, we used soldiers from the land forces and we also used the air force. As Major-General Smith said, we use exercises like Operation Nanook to bring our other allies to take part in our exercises in northern Canada, to maintain a presence there.

Mr. Stéphane Bergeron: My question is a companion piece to the one that Mr. Chong asked a little earlier. We know that much of what goes on in the Arctic is not visible, because it happens under the ice. Do we have the submarine resources needed to ensure Canada's sovereignty in the Arctic?

MGen Gregory Smith: Mr. Chair, the Arctic is an environment where it is hugely difficult to conduct operations and keep up to date on what is happening, not just for the military, but for everyone. However, we have certain capacities for maintaining a presence and providing us with an overview of the situation in that region.

Mr. Stéphane Bergeron: Thank you, Mr. Chair.

[*English*]

The Chair: Thank you, Mr. Bergeron.

We'll now go to Mr. Boulерice.

I believe I shorted you in your time last time, sir, so go ahead and take an extra question.

[*Translation*]

Mr. Alexandre Boulерice: Thank you, Mr. Chair.

First, I want to continue with my questions about cybersecurity. The federal government has forces that enable it to defend itself against the cyber-attacks that may come up in Canada. I would like the representatives of the Canadian Security Intelligence Service to tell us what aspects they think we should invest in, or devote more resources to, in order to forearm ourselves against the cyber-attacks coming from that region of the world.

Mr. Newton Shortliffe: Thank you for that question.

Unfortunately, I think it has to be put to our colleagues at the Communications Security Establishment and the Canadian Centre for Cyber Security.

CSIS is responsible for investigating cybersecurity threats within Canada. We try to understand the threats and the reasons they exist, regardless of where they come from. On the other hand, our colleagues are the ones who have to examine these threats and find solutions to them, so I recommend that you ask them that question.

Mr. Alexandre Boulерice: Thank you.

I would like to ask the National Defence representatives a question. We are talking about having a marine presence in the Indo-Pa-

cific region. One question comes to mind. In another discussion, the question of supply ships arose at some point. We do not have 10,000 frigates, nor do we have 10,000 supply ships.

Gentlemen, do you think we are sufficiently equipped to be capable of properly resupplying our ships in a location that is actually pretty far away?

BGen Cayle Oberwarth: The Indo-Pacific region is so vast that we always need to work with our allies. We use our ship *Astérix* to resupply our ships. However, we also use it to help our allies and partners in the region. In return, when we do not have a ship available, we can use our partners'.

It is rare for our ships to be all alone in the region. They are frequently part of a large fleet, within which we work with our allies and our partners. Our plans concerning this region and these long sea voyages are made with them. It really is important to make sure we provide for six or seven ships in our plan.

• (1725)

Mr. Alexandre Boulерice: Thank you, Mr. Chair. That is all for me.

[*English*]

The Chair: Thank you.

That brings us to the end of our second panel.

I would like to thank Mr. Shortliffe, Ms. Estabrooks, Major-General Smith and Brigadier-General Oberwarth.

Did I just give you a promotion?

BGen Cayle Oberwarth: I'll take any promotion you're willing to give, Mr. Chair, but no, "brigadier-general" is just fine. Thank you.

The Chair: All right.

Thank you all for your attendance today. We appreciate your testimony.

We will now pause while we get our next panel ready to go.

• (1725)

(Pause)

• (1730)

The Chair: I will call our meeting back to order.

I would like to thank everybody for being here.

We have representatives now on our third panel.

From the Department of Natural Resources, we have Frank Des Rosiers, assistant deputy minister, strategic policy and innovation; and Andrew Ghattas, senior director, critical minerals centre of excellence.

From the Department of Fisheries and Oceans, we have Mr. Darcy DeMarsico, director general, blue economy policy; Jennifer Buie, director general, fisheries resource management; and Brent Napier, director, enforcement policy and programs.

From the Department of the Environment, we have Sandra McCardell, assistant deputy minister, international affairs branch; Lana Edwards, acting director general, bilateral affairs and trade directorate; and Kelly Torck, director general, biodiversity policy and partnerships.

Each department will have five minutes.

We will begin with Mr. Des Rosiers for five minutes or less.

[Translation]

Mr. Frank Des Rosiers (Assistant Deputy Minister, Strategic Policy and Innovation, Department of Natural Resources): Thank you, Mr. Chair.

Thanks to the committee for the opportunity to speak on today's subject, Canada's Indo-Pacific strategy. As was mentioned, I am accompanied by Andrew Ghattas, executive director, lands and minerals sector.

The Indo-Pacific region is certainly strategic for Canada, and this is an excellent opportunity for us to provide some information. We have key partners in the region, including Japan, South Korea, and other major actors.

[English]

I thought I would start by sharing, perhaps, a bit of data to situate us in terms of the sheer importance of the Indo-Pacific region, starting with some trade and investment data in the region.

Looking at the most recent datasets, from 2022, Canadian energy and natural resources exports to the region totalled \$44 billion. It's not a trivial figure. It accounted for 55% of Canada's total exports to that region. It accounted for 10% of the overall Canadian energy and natural resources exports, second only to the United States.

Looking at the last five years, exports to the region are up 40%, and looking at the future, 2022 to 2030, according to the Asian Development Bank, the region is expected to consume in the order of 40% of global energy.

Given the geopolitical context and the climate goals, Canada is ideally positioned to be a reliable supplier of choice for both clean energy and minerals to that region. When you think of critical minerals and batteries, hydrogen and ammonia, nuclear, forestry, oil and gas, and clean tech, there's a lot that Canada can offer in that region.

[Translation]

This means that under Canada's Indo-Pacific strategy, the Department of Natural Resources has been given the task of representing Canada's interests in the areas of trade, investment, science, technology and innovation. As a result of the resources deployed, there will be staff present in Tokyo and Seoul to look after Canada's government and trade interests.

[English]

Minister Wilkinson led a trade mission in that region, in Japan, in January of this year. He was accompanied by 20 natural resources firms and indigenous business leaders, who were present throughout this mission, which turned out to be very well received indeed by both commercial entities in Japan and senior government offi-

cial and ministers. Having an early engagement from indigenous leaders there was certainly something that was noted very positively by our colleagues in Japan. The minister went back to Japan in April to attend a G7 ministers' meeting on climate, energy and the environment. Again, lots of discussions took place on the margins in terms of the business opportunities there.

In terms of models of co-operation in the region, allow me to mention two. In May of this year, NRCan and ISED concluded an MOU with South Korea for co-operation in critical minerals, clean energy and energy security. In September of this year, just a short two months ago, a senior cabinet minister, Minister Nishimura, came from Japan. He's the Minister of Economy, Trade and Industry, or METI. He came with a very senior-level delegation of business leaders to focus in particular on the unleashing of the memorandum of co-operation on battery supply chains. I'm sure you've been tracking some of those investments that follow suit.

I understand the committee expressed some interest in critical minerals, so allow me to say a few words on that topic. As many of you will know as esteemed parliamentarians, Canada launched its critical minerals strategy back in December 2022, not quite a year ago. A \$3.8-billion envelope was set aside to look at the full value chain development in the area of extraction, processing, manufacturing and end use.

We've been working with our partners and allies, in particular, to advance some R and D efforts, notably South Korea, Japan, the U.S. and the EU, along with others, and also to pursue ESG standards to make sure we have broad adoption of those not only in Canada but also globally. We've also shown leadership at the International Energy Agency, the IEA, and have been working in other global forums, such as the G7.

Allow me to close, Mr. Chair, by showcasing some recent investments that took place in this space, which demonstrate the very real commercial opportunities that we have as a country. Lucky Goldstar, LGES, from South Korea, along with Stellantis, made their large-scale investments for a battery plant in Canada; it's a \$5-billion investment. POSCO, also from South Korea, and GM have invested \$500 million for a cathode materials plant in Quebec. Rio Tinto, from Australia, made another \$500-million investment in Sorel-Tracy, Quebec. E-One Moli Energy made a \$1-billion investment in a battery R and D facility in British Columbia. The LNG Canada phase one facility in British Columbia is the largest private sector investment in Canada's history—a \$40-billion project—and it includes Mitsubishi and KOGAS, along with other foreign investors.

Discussions are under way with many other groups for other such investments. Again, it showcases that the opportunities are many.

Thank you, Chair.

• (1735)

The Chair: Thank you very much, sir.

We'll now go to the Department of Fisheries and Oceans, with Ms. DeMarsico.

Ms. Darcy DeMarsico (Director General, Blue Economy Policy, Department of Fisheries and Oceans): Good afternoon, Chair and committee members.

The Indo-Pacific area represents an important market for Canadian fish and seafood, with exports totalling nearly \$2 billion in 2022. While the majority of Canada's seafood exports to the region go to China—\$1.29 billion—Canada is party to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, a free trade agreement with several countries in the region, and Canadian exporters have an interest in expanding access to major economies in the region, such as Japan, South Korea and Singapore, as well as growing markets like Indonesia, Vietnam and Thailand.

[Translation]

The Indo-Pacific region also includes nearly two-thirds of the world's oceans, and is home to more than half of the world's fishing fleets, which compete for increasingly scarce marine resources. When security, biodiversity loss and climate challenges overlap, they aggravate and amplify each other.

[English]

With that in mind, Canada's Indo-Pacific strategy established a new shared ocean fund, investing \$84.3 million over five years to combat illegal, unregulated and unreported fishing and improve the health of marine ecosystems in the Indo-Pacific. IUU fishing is a broad term that covers a wide variety of fishing activity. This is a major contributor to declining fish stocks and marine habitat destruction and may be associated with organized crime. Building on Canada's existing efforts to promote healthy and sustainably managed oceans, both internationally and in this region, this fund will advance efforts to strengthen and enforce the rules-based order to better regulate fisheries and fishing activity, protect fish stocks and advance ecosystem conservation.

To accomplish this, DFO is taking a three-pronged approach to enhance governance, enforcement and partnerships.

[Translation]

The shared ocean fund supports enhanced multilateral engagement at regional fisheries management organizations where the Department of Fisheries and Oceans negotiates legally-binding and science-based measures for the sustainable management of high seas fisheries, and to counter illegal, unreported and unregulated fishing.

In August 2023, Canada successfully championed adoption of a full harvest strategy for North Pacific albacore tuna, to keep fish stocks healthy. At the annual meetings of three Pacific regional fisheries management organizations, Canada also led the development and adoption of measures to protect sharks.

This work is further reinforced through the Food and Agriculture Organization and the Agreement on Port State Measures, which

prevents vessels engaged in illegal, unreported and unregulated fishing from using other countries' ports to land their catches, therefore keeping these fishing products out of national and international markets. Through the shared ocean fund, Canada will seek opportunities to advance implementation of that agreement, through training and capacity building in developing and high-risk states.

Canada is active in several international forums to achieve complementary outcomes that address challenges impacting the state of global fish stocks and ocean resources. For example, Canada's implementation of international agreements, such as the Convention on International Trade in Endangered Species of Flora and Fauna, is an important part of our global effort to ensure trade does not undermine the sustainability of aquatic species.

Canada was also an early ratifier of the World Trade Organization Agreement on Fisheries Subsidies achieved in 2022 and continues to be actively engaged in negotiations.

• (1740)

[English]

Building on decades-long efforts to combat illegal fishing and protect Canadian interests in the North Pacific, in July 2023, Canada led its first dedicated high-seas vessel patrol and fisheries enforcement mission, in collaboration with the U.S. and Japan, to combat IUU fishing in the North Pacific. Additional aerial surveillance patrols were conducted in the region throughout 2023. DFO's officers documented 58 fisheries violations, including the detection of 3,000 illegally harvested shark fins, during foreign vessel boardings and aerial surveillance missions.

In October 2023, Canada began a new initiative with the Philippines, via an MOU, which provides their maritime authorities with access to our dark vessel detection space-based surveillance platform, using satellites to track illegal fishing vessels and support maritime security efforts within their sovereign waters. DVD has been deployed since 2021, when Canada first launched efforts to remotely monitor distant water fleets that surround the Galapagos Islands.

DFO works with our international partners to develop and strengthen the fisheries management and compliance measures that regulate high-seas fishing activity and combat illegal fishing with a robust monitoring, control and surveillance presence. For example, in September 2023, the Prime Minister announced a \$6.5-million contribution to the joint analytical cell, an organization designed to harness complementary information-gathering and analytical capabilities, fisheries intelligence tools and databases, and international partnerships to fight against IUU fishing and associated crimes.

The Chair: Ms. DeMarsico, I'm afraid we've come to the end of your five minutes, but I think we may get you to come to the FOPO committee at some point, because you've been talking about what we've been talking about.

We'll now go to the Department of the Environment.

Ms. McCardell, you have five minutes.

Ms. Sandra McCardell (Assistant Deputy Minister, International Affairs Branch, Department of the Environment): Thank you very much, Mr. Chair.

The Indo-Pacific region is essential to Canada's global efforts to address the triple threats of climate change, nature loss and pollution. Home to both China and India, this region accounts for half the world's population, half the world's carbon emissions and many of the world's most biodiverse countries.

The Indo-Pacific strategy, under its objective of building a sustainable and green future, provides a framework for Canada to advance its environmental priorities within a region critical to the future health of the planet and, by extension, of Canada. Given the global nature of these challenges, engagement with the countries of this region, both bilaterally and in multilateral forums, is essential.

Canada has made important progress in implementing pillar four of the Indo-Pacific strategy through climate finance, support for energy transition, co-operation on biodiversity and prevention of plastic pollution with the countries of this region.

[Translation]

We recognize the need to support developing countries in their mitigation and adaptation strategies to respond to climate change. Canada has committed \$5.3 billion to international climate finance. Within these contributions and through multilateral funds and bilateral programming, significant financial support has been directed to the developing countries of the Indo-Pacific region to assist them in reducing their emissions and in adapting to the devastating impacts of climate change.

[English]

Clearly, meeting global climate goals will require successful energy transitions, and Canada has developed close partnerships with many of the states of the Indo-Pacific to advance key multilateral initiatives.

As a founding member of the Powering Past Coal Alliance, Canada has encouraged states in the region to commit to the phase-out of unabated coal. Thus far, the Marshall Islands, New Zealand, Singapore and Vanuatu, as well as subnational levels in Australia, South Korea, Japan, the Philippines and Taiwan, have all joined the PPCA.

We're also partnering with New Zealand and South Korea under the global carbon pricing challenge to accelerate global climate action and decarbonization. As more countries adopt pricing solutions, the effectiveness increases, driving innovation and reducing emissions.

• (1745)

[Translation]

In addition, Canada participates in the Just Energy Transition Partnerships, an innovative funding model to support countries' transition away from coal, in both Indonesia and Vietnam. These multinational efforts are mobilizing tens of billions of public and private dollars for infrastructure investment, policy reform, and inclusive, sustainable jobs.

[English]

As the link between climate change and nature has become ever clearer, Canada has responded to the need for international action. Home to the secretariat of the Convention on Biodiversity, Canada was the host country for COP15 under China's presidency last year. That conference resulted in the Kunming-Montreal global biodiversity framework, and in August, Canada pledged \$200 million to the global biodiversity framework fund, making it the first country to do so. Going forward, this fund will assist eligible countries in the region in halting and reversing biodiversity loss. Canada recently launched a nature champions network and is inviting countries in the region to work with Canada to promote the goals of this biodiversity framework.

To address plastic pollution, Canada has worked alongside a number of Indo-Pacific countries, including Australia, the Cook Islands, Micronesia, Japan, the Maldives and many others, in a high-ambition coalition to support the development of a new legally binding global instrument on plastic pollution, and we will continue to do so in the lead-up to the fourth UN-led negotiation, to be held in Ottawa next April. In addition, Canada is working with Indonesia, Vietnam, Pakistan and Cambodia through national plastic action partnerships to support these countries in meeting their goals to end plastic pollution. Under the ocean plastics charter, launched under Canada's G7 presidency in 2018, Canada is also working with small island developing states, as well as international and regional companies, to prevent waste from being released into the environment.

To anchor this wide range of collaboration on environmental issues, Canada holds annual environmental dialogues with Australia, Japan and Korea and co-chairs the China council for international co-operation on environment and development. Environmental co-operation is also codified in our free trade agreements, including the CPTPP, and we're pursuing commitments on environment as part of our trade negotiations with Indonesia and with the Association of Southeast Asian Nations, ASEAN.

We use our membership in the G7, G20 and APEC as multilateral opportunities to promote shared environmental goals with key Indo-Pacific countries, including Japan, China, India, Indonesia and Korea.

[Translation]

In closing, Canada's ongoing work with the Indo-Pacific region on the triple threat to the global environment provides a strong basis for Canada and the world as envisaged in the strategy. The work done by Canada also continues to provide a substantive channel of engagement in support of the broader bilateral relationship with the countries in this region.

Thank you.

[English]

The Chair: Thank you, Ms. McCardell.

We'll go into our two rounds of questioning. I'll hold everybody pretty close to time, though, so that we can get the full two rounds in.

We will begin with you, Mr. Seeback, for six minutes or less.

Mr. Kyle Seeback: Thank you, Mr. Chair.

Clean energy is mentioned four times in the Indo-Pacific strategy. It talks about, at least at one point, “a reliable supplier of clean energy”. It also talks about the movement “from unabated coal power generation to clean energy”.

I'd like to know whether or not the Government of Canada considers LNG to be clean energy within the context of the Indo-Pacific strategy, because we haven't necessarily received a clear answer on that yet today.

Mr. Frank Des Rosiers: Thank you, Mr. Chair, for that question.

We don't have a set definition or formula for what clean energy is defined as, but certainly the government has been very candid and forward in terms of what we aspire to be.

In the case of LNG, the goal is very simple. It's to aim to adopt the most advanced technologies to have the lowest carbon intensity possible in those emissions. I'm proud to report that both for LNG Canada and for the other projects that are being actively considered—Woodfibre and Cedar LNG—we're very much looking at it to be this way and to be truly world leaders in this domain.

I would close by noting that in talking to customers in Korea and Japan in particular, they do appreciate Canada's positioning there, and as we can see now, the marketplace is moving more towards such products, which clearly respond well to market needs.

• (1750)

Mr. Kyle Seeback: I understand that there are lots of countries that want Canadian LNG. They would include Japan, South Korea and Taiwan, for example, but are you saying to me that in the Indo-Pacific strategy that's been developed by the government there's actually no definition of what clean energy is, which means that we don't know if LNG is included in that?

I know that we're going to export LNG, but when the strategy talks about Canada being “a reliable supplier of clean energy”, we don't have any definition of what clean energy actually means. Is that what we're saying?

Mr. Frank Des Rosiers: Well, the Indo-Pacific strategy touches on very many issues—

Mr. Kyle Seeback: I know. I just want to know if we have a definition of clean energy that the government has enunciated with respect to the Indo-Pacific strategy. If there isn't one, that's fine too.

Mr. Frank Des Rosiers: I doubt very much that every single term laid out in the Indo-Pacific strategy has a definition on it, from defence or cultural industries to environment or fisheries and so forth, but we have certainly laid out in the very clearest terms what we are aspiring to do as a country with regard to our energy policies—

Mr. Kyle Seeback: Okay, I don't want to know.... I know there are probably lots of terms that aren't defined. I'm not asking about those terms. I'm just asking about this one particular term so that we can understand what we mean when we talk about being a “supplier of clean energy” and all these other things. When we say that, we don't have a definition of clean energy. If we don't have one, that's fine, but I want to know if we've defined it or if the government understands what it means.

Mr. Frank Des Rosiers: Again, I would repeat, Mr. Chair, our intention is to position Canada to be a leader in terms of low-carbon energy supplies, and the market response, whether it's on hydrogen, LNG or other products, has been remarkably strong.

Mr. Kyle Seeback: I guess I'm going to take that to mean that it hasn't been defined.

With respect to LNG, we know that Japan has asked for it. We know South Korea has asked for it. We know, for example, that Taiwan has asked for it. We also know that China would be interested. We also know that a lot of LNG is being directed from the Gulf of Mexico to Europe. Has the government made a calculation of what the demand for LNG is in the Indo-Pacific and how much of that Canada could supply?

Mr. Frank Des Rosiers: We have not published market studies per se. We leave that to organizations such as the IEA, which has done extensive studies in terms of market trends in this area.

What we do know is that, as the member has very correctly pointed out, the demand is quite strong, as many of those countries in Asia are looking to move away from coal, either for power generation or for steel-making and other such products. The demand has been strong, stronger than ever, especially now that, further to Russia's attack on Ukraine, the demand in Europe has also spiked. As one can appreciate, while the capacity that we're deploying now, which will be, as you know, operational soon—

Mr. Kyle Seeback: Do we know what that capacity is? Do we know how much we can deploy and how much of the need that will meet? Do we know what that is?

Mr. Frank Des Rosiers: LNG Canada will have a capacity of 14 million tonnes. It's prepping for full operations by 2025. We have other projects, as you know, in the wings, so Canada will be a meaningful supplier of LNG.

Mr. Kyle Seeback: We don't know what the actual numbers are—how much Canada could supply and how much the Indo-Pacific would need. No one in the Government of Canada has done that calculation, to your knowledge.

Mr. Frank Des Rosiers: Again, these kinds of studies are being pursued, published and updated regularly by organizations like the IEA and private sector organizations, so they're readily available. Canada will never be able, on its own, to supply the entirety of it—that we know. That's why countries like the United States, Australia, the Middle East and others are increasing their supply to the region.

However, again, Canada will be well positioned to be a meaningful contributor.

Mr. Kyle Seeback: I have 15 seconds.

Russia is dumping crab in the Japanese and Korean markets. What is Canada's position on that within the Department of Fisheries and Oceans? Are we doing anything to try to stop that?

Ms. Darcy DeMarsico: Canada is an important supplier of crab in the Indo-Pacific region. Our crab exports were worth \$483,896,059 over the last year. We are certainly seeing that the value of crab was impacted over the last year, which could be from a number of different factors—obviously, food prices and inflation but also geopolitical issues. The larger lead on trade issues around food rests with Global Affairs Canada and AAFC. We're working very closely with those organizations to raise the issue of access more broadly and of snow crab in particular.

• (1755)

The Chair: With that, we will go to Mr. Cormier for six minutes, please.

[Translation]

Mr. Serge Cormier: Thank you, Mr. Chair.

My questions are for the Department of Fisheries and Oceans personnel.

Fisheries represent 60% of the economy of my riding. Two of my colleagues here come from the Atlantic region, where the fisheries economy and fisheries strategies are very important. We have had a number of discussions in recent months and recent years concerning these strategies.

As you said earlier, Canadian fish and seafood exports to the Indo-Pacific region amounted to almost \$2 billion in 2022. We export a huge volume of fishery products to China, but also to Japan and other countries here and there.

Under Canada's Indo-Pacific strategy, Canada recently opened an office of the Department of Agriculture and Agri-food in the Philippines. Why do we not have an office of fisheries and aquaculture? Is there one that we do not know about? In addition, what are you doing to promote our fish and seafood exports to countries other than China?

[English]

Ms. Darcy DeMarsico: As you said, the Indo-Pacific region is an important market for Canadian fish and seafood. It accounts for

23% of our total exports. It's also an important import source for Canada, representing \$2.47 billion.

In this context of trade, we work very closely with Global Affairs Canada and Agriculture and Agri-Food Canada, which lead on this particular pillar of the strategy. As you note, they have expanded trade action into a new office in the Philippines, and we work through them to ensure that fisheries and seafood products are reflected in our trade promotion exports.

[Translation]

Mr. Serge Cormier: We often see that an office responsible for promoting agriculture prioritizes agriculture. We understand that, and we accept it. However, there should still be something for the fisheries sector. As you said, exports in that sector amount to \$2 billion.

Do you think we should have a similar office for the fisheries and aquaculture sector in Canada's Indo-Pacific strategy? Do you think it is important to have an office like that, similar to the one for agriculture and agri-food?

[English]

Ms. Darcy DeMarsico: I think that, in that context, there are a lot of efficiencies and gains that can be done by having a very strong Canadian brand for sustainability, and I hope that our fish and seafood sector is an important part of that Canadian brand.

I think we'd want to be engaged in that larger effort more broadly.

[Translation]

Mr. Serge Cormier: Right. I will move on to my other question.

I have looked at the various initiatives found in the strategy. Not to be critical, but I want to point something out, because the fisheries sector is so important to me that I want it to function.

It says that Canada wants to share expertise in managing fish stocks and ocean protection, but only a few weeks ago, the environment commissioner said that the Department of Fisheries and Oceans unfortunately had no reliable data on the recovery of certain fish stocks. Canada's Indo-Pacific strategy was launched to promote what Canada is doing in this area that is good, when we may be doing it badly.

What kind of discussions are you engaging in on this subject, to set the record straight and see what we are doing badly here? If we want to promote the fisheries sector in other countries, we have to ensure good fisheries management ourselves. There are flaws, which we are currently studying at the Standing Committee on Fisheries and Oceans.

What are you doing in terms of managing stocks here in Canada, right now, before thinking about sharing that expertise with these other countries?

• (1800)

[English]

Ms. Darcy DeMarsico: I'm going to turn to my colleague, Brent Napier, who can talk to you about the Canadian best practices that are valued by our colleagues in the region.

Mr. Brent Napier (Director, Enforcement Policy and Programs, Department of Fisheries and Oceans): Thank you, Chair.

Thanks for the excellent question.

You heard a little bit from the opening remarks about dark vessel detection. One of the main areas is to control capacity. For us, on the enforcement side, it's to support our partners. You mentioned having some resources in the Philippines. In fact, I have two officers who are just returning from the Philippines. We have signed an MOU with the Philippines, which will provide them with support in terms of managing fisheries and managing capacity.

The Chinese fleet has over 500,000 vessels, in contrast to Canada's 17,000. We're learning valuable lessons as we support our partners, using new technology and innovation both abroad and also domestically.

[Translation]

Mr. Serge Cormier: Right, but I just want to make sure you understand my question properly.

We say we want to promote Canada's best practices regarding managing fish stocks, but, once again, there is a report that says these practices are not good. What are you doing to ensure that our fisheries sector is taken seriously, and so that we do have best practices that we can then share with the countries with which we want to do business under Canada's Indo-Pacific strategy?

[English]

The Chair: We'll need a short answer, please.

Mr. Brent Napier: The short response is, certainly applying the innovation and tech. The report itself—and I had the pleasure of being at that committee as well—focused on a very particular part of our work. It didn't necessarily focus full-on on science and management, but also enforcement. We're making strides in all of those areas.

As we learn and use this technology in marine protected areas, as an example, in the Canadian context, we can certainly apply that in both directions, as we have in the Galapagos and in the countries in the Indo-Pacific region.

The Chair: Thank you for that.

Mr. Bergeron, it's your turn, for six minutes or less.

[Translation]

Mr. Stéphane Bergeron: Thank you, Mr. Chair.

I would like to talk about the Kiwa initiative, a multi-donor program to build the resilience of the ecosystems, communities, and economies of the Pacific Islands to climate change, through nature-based solutions, by protecting, sustainably managing, and restoring biodiversity. If I am not mistaken, Canada has contributed something along the lines of \$10 million.

Are there other initiatives of the same type that Canada participates in?

Ms. Sandra McCardell: First, I want to clarify that the figure is approximately \$16 million and it is Global Affairs Canada that manages this project.

Yes, there are other support projects in the Indo-Pacific region that fall under the foreign affairs and environment departments. Some projects relate to biodiversity specifically. In terms of climate funding, there are also projects to help countries like Thailand and Fiji manage the effects of climate change, to adapt to what is happening to them, and to respond to natural disasters.

[English]

Particularly on biodiversity, I'm going to turn to my colleague Kelly Torck, who is responsible for partnerships on biodiversity.

Kelly, would you like to provide a little bit more detail on that one?

Ms. Kelly Torck (Director General, Biodiversity Policy and Partnerships, Department of the Environment): Certainly.

I'll just highlight, as Ms. McCardell referenced in her opening remarks, that there is, in fact, a new global biodiversity framework fund that's been established. That will be helpful at the global level in supporting projects in developing countries to implement the global biodiversity framework that was recently adopted.

In addition, in the context of the climate finance funding that Canada provides through Global Affairs Canada and others, a portion of that is supporting projects that are supporting nature-based solutions and/or biodiversity co-benefits. Certainly, eligible countries within the region are able to be considered further for those projects.

[Translation]

Mr. Stéphane Bergeron: I was mainly wondering whether there are other multilateral projects or initiatives of this kind that Canada participates in.

In any event, why could we not imagine, for example, a country like Taiwan contributing to an initiative like Kiwa? That would enable us to intensify our relations with Taiwan, or, at least, enable Taiwan to intensify its relations with its neighbours, without landing ourselves in a recognition or non-recognition quandary. In a way, it would be a way of evading the constraints associated with the one-China policy.

• (1805)

Ms. Sandra McCardell: For the moment, we have no projects with Taiwan. That said, we do have some projects with governments at various levels, through our climate funding envelope. As I said in my introductory statement, we have projects with subregional governments and even municipalities. We are not constrained to engaging only with states.

Mr. Stéphane Bergeron: Excellent. The visit by the Minister of Environment and Climate Change to the People's Republic of China stirred up a lot of controversy. Some people wondered whether it was the right time to be resuming ministerial visits. The minister seemed to care a lot about it, thinking that his presence might make it possible to rebuild bridges and move collaboration on the plan for strategies to combat climate change forward. What are the effects, conclusions and tangible impacts from the minister's visit to the People's Republic of China?

[English]

Ms. Sandra McCardell: I think one thing that is clear is that, even with countries that we may not agree with a great deal, it's important that we engage on questions that affect the globe. Environment is one of those questions. Our ability to speak to countries that we have tense relationships with is important—

[Translation]

Mr. Stéphane Bergeron: I especially do not want to interrupt you, but because my speaking time is limited—

Ms. Sandra McCardell: I understand.

Mr. Stéphane Bergeron: I agree with what you are saying. That said, what are the tangible effects of that meeting?

[English]

Ms. Sandra McCardell: I can say a couple of things.

First of all, the visit to China allowed the minister to meet with his counterpart. It allowed him to co-chair the China council for international co-operation on environment and development. That was an important session that was attended, in its final iteration, by the Vice-Premier himself to hear exactly the recommendations not only of Canada as co-chair but of those present. A wide range of countries, including our closest partners, the Nordics, the EU, etc., as well as the UN Environment Programme and civil society NGOs, were present and offered their very clear recommendations. Some of those included things as clear as “no new coal”.

There was an opportunity, at a very senior level, for China to hear clear messages about expectations around how it will conduct its program to address climate change—

The Chair: At that, we'll have to interrupt. I'm sorry.

We have to move on now to Mr. Boulerice for six minutes or less.

[Translation]

Mr. Alexandre Boulerice: Thank you, Mr. Chair.

First, before asking questions, I have to admit that I am somewhat gobsmacked by the comments of my Conservative Party colleagues, who seem to be feigning ignorance about what clean energy is. Some of them are very experienced and have taken part in a

large number of discussions and debates about the environment and climate change. Today, claiming not to understand what clean energy is, I think that is a bit rich, but hey, it is not the first time—or the last, I imagine—from the Conservative Party.

That being said, I would like to address the environment department representatives. I would like them to explain a little better how they envisage, in Canada's Indo-Pacific strategy, collaboration by Canada with the countries in the region in relation to adapting to climate change and climate disturbances and reducing greenhouse gas emissions. This is extremely important for our generation and the generations that follow.

What is Canada considering doing with the countries in the region to adapt to climate change and mitigate its effects?

[English]

Ms. Sandra McCardell: Mr. Chair, clearly our ability to engage substantively with the Indo-Pacific is critical to how the globe is going to address climate change.

You heard my introductory remarks. These are huge emitters, and we need to push them to make a difference in how they behave. At the same time, we need to look at those countries most affected and help them adapt and address their environmental impacts like rising sea levels.

How are we doing this? As I mentioned, we have a large envelope of climate finance managed by Environment Canada and Global Affairs. This is used to support multilateral initiatives and a number of UN programs that are meant to help countries adapt. Some of that is climate finance that is done through multilateral development banks, and some of it is bilateral, again, managed by both departments. It's really focused on practical measures to help countries adapt.

At the same time, we want to make sure that they're taking steps now to reduce their carbon footprint. That's certainly part of what this program is going to do. It's also going to be part of what we're trying to achieve at COP28, starting just this week. There are a lot of negotiations that have taken place in the lead-up to that. We're working with the biggest emitters, but also in the small countries, to be really ambitious so that we can stay within our 1.5°C goal.

• (1810)

[Translation]

Mr. Alexandre Boulerice: Thank you for that answer.

Yes, the Indo-Pacific region does include countries that are big greenhouse gas emitters because they have huge populations. Obviously, we are thinking of China and India. However, when we consider emissions per capita, Canada ranks among the worst countries: a Canadian produces more greenhouse gas than a person in China or India, for example, so we still have a lot of work to do ourselves. The present government is missing all its GHG reduction targets and we are one of the planet's losers when you look at our emissions per capita.

There are countries in the Indo-Pacific region that are at risk of disappearing, of being completely erased from the map. There are little islands that might quite simply be underwater in a few years because of the glaciers melting and sea levels rising. What is there in Canada's Indo-Pacific strategy regarding the impact of rising sea levels on these small countries and these little islands, which are genuinely at risk?

[English]

Ms. Sandra McCardell: There are a couple of things that are approaching that. One is, as you suggested, working with those smaller countries themselves, and I'll come back to that.

There's also the fact that all of this is tied to one single global environment. How we can help them best is by helping the entire world achieve the goals that it needs to achieve, the plans that it needs to achieve, to keep the world within the 1.5°C warming. Part of what we do is work to make sure that we are doing what we need to do in Canada and that we are pushing our partners internationally. Again, as I mentioned, that's going to be a big part of what we talk about at COP28, starting in just a few days.

With these countries, some of our funding goes through multilateral organizations—that could be the United Nations Environment Programme, for example—to work with countries to develop plans to help them prepare for and respond to disasters. Some of that is on capacity building, and it can be things like working with them on how they treat the methane that comes from their solid waste. There are a lot of levels that we're working at.

I'll be honest. I think the Secretary-General of the UN said it really well in September, when he said what we need to do is “everything, everywhere, all at once”. That's certainly an approach that we believe is appropriate.

The Chair: You have only a few seconds left, Mr. Boulgerice. I think we'll move on to our next questioner.

The second round will begin with Mr. Chong. You have five minutes or less.

Hon. Michael Chong: Thank you.

I don't understand how Canada can co-operate with the People's Republic of China on climate change. Last year, the PRC approved the largest expansion of coal-fired electricity power plants since 2015. Presently, through executive direction from the top, China is deliberately increasing the burning of coal. In fact, today, China burns more coal than the rest of the world combined. Last year, it burned a record amount of coal, and this year it is looking to burn an even greater amount of coal. As a result, global coal consumption, which was supposed to peak about a decade ago, according to the International Energy Agency, has not yet peaked.

I don't understand how we can co-operate with the PRC when it is deliberately and massively increasing the most polluting form of fossil energy, which is coal.

• (1815)

Ms. Sandra McCardell: Mr. Chair, it is absolutely the case that China is the world's greatest emitter. It emits 27% of GHG and accounts for half of the use of coal in the world. That is absolutely the case. Fundamentally, though, I think the only way we can move China forward is by engaging with China. There is a need to address those who are the greatest emitters and to push them along to address what they need to do. At the same time, China is arguably the largest producer of renewable energy as well, and has certainly been a leader in the development of some of the electric vehicles. I think there are reasons on both the emitter side and the renewable energy side to engage with China.

I would point out that we saw very recently the summit between Biden and Xi. The Sunnylands environmental agreement that came out of that demonstrates that even the biggest countries in the world understand that we need to engage with China. We're not going to get there if we don't.

Hon. Michael Chong: I just take note that last year coal was Canada's top export to the following Indo-Pacific trading partners: Japan, India, the PRC, South Korea and Taiwan. That was our top export.

I want to move on to critical minerals, because the Indo-Pacific strategy mentions that Canada will be “a reliable supplier” of critical minerals to the Indo-Pacific region.

According to Benchmark Mineral Intelligence, a research firm, in order to meet the 2035 battery electric vehicle mandates, some 384 new critical mineral mines and plants are needed. According to the U.S. Geological Survey and the Government of Canada, Canada has about 2% to 3% of the world's critical minerals. Extrapolating from that, 3% of 384 is roughly a dozen new mines in Canada in order to meet the 2035 goals.

I don't see anything happening on debt capital markets, on equity capital markets or on the TSX. I don't see anything happening with mining companies here proposing new projects that would lead me to believe we're going to be building and approving 12 new mines here in this country as part of the 384 mines that are needed.

Can you tell us how we're going to meet that Indo-Pacific goal to be a reliable supplier of critical minerals to the region?

Mr. Frank Des Rosiers: The member is quite right to point this out, and there are different sources that would point to the same direction. It's a very sharp upward trend in terms of needs for the supply of critical minerals.

Canada is blessed with a very large resource endowment in so many of those critical minerals. We have given ourselves the means in support for R and D. Just last week, a \$1.5-billion envelope was confirmed and rendered public for infrastructure development—which is a major obstacle, as you know—to ensure that those products are available and to get them to market.

When we look at engagement by private sector firms.... Should any of you have attended the PDAC conference in Toronto in March, you would have seen literally tens of thousands of expert scientists, geologists and investors flocking to Canada to engage in deal-making.

We're actually quite optimistic that the ramp-up will occur. Will it be happening fast enough globally? Time will tell. Certainly, Canada is pulling its weight and more.

The Chair: Thank you very much, Mr. Chong.

We will now go to Mr. McDonald for five minutes or less.

Mr. Ken McDonald (Avalon, Lib.): Thank you, Mr. Chair. I know it is a bit different for you to be giving me time. Normally, I'm giving you time in committee.

I want to go back to Mr. Seebach's point about the definition of "clean energy". I know the people here from ECCC say they don't have a definition for it. Perhaps they could go back, ask the minister for a definition of "clean energy" and provide that to the committee, so we can look at it and see what it actually means.

Also, I have a question on that. It was mentioned that \$200 million was announced at COP Montreal. Could you tell me what that money is being used for?

Ms. Sandra McCardell: Mr. Chair, the \$200 million followed on the COP in Montreal. It was the global biodiversity framework fund we contributed to, a few months later.

I'm going to turn to my colleague responsible for biodiversity, who is Kelly.

• (1820)

Ms. Kelly Torck: Thank you.

In fact, at COP15, \$350 million was announced for Canada to contribute to an international biodiversity program that will support developing countries in advancing implementation of the Kunming-Montreal global biodiversity framework. As was noted, \$200 million of that was announced in August as the first contribution to a new global biodiversity framework fund being established under the global environment facility. Canada was the first contributor. That is now an operational fund. There were a couple of additional donors who have now put it near the mark of \$200 million U.S., allowing it to be operational. That will start to disburse funds, hopefully, sometime next year as it gets operational.

In addition to that, the remaining funding will also be identified. It is managed by Global Affairs Canada, which looks at projects that will support objectives around biodiversity, conservation and sustainable use, very much in line with meeting the objectives of the Kunming-Montreal global biodiversity framework. That funding will start to flow next fiscal year, starting in April at the earliest.

It's a two-year funding contribution that will contribute directly to outcomes and results on biodiversity in developing countries.

Mr. Ken McDonald: Is that in the form of a loan or a grant?

Ms. Kelly Torck: It's grants.

Mr. Ken McDonald: Thank you.

I will go now to the illegal, unreported and unregulated fisheries, a very important topic in Atlantic Canada.

I noticed there was an Indo-Pacific outcome, or a trip or vessel mission that was done. What is being done in Atlantic Canada to curb IUU fishing? It seems to be a large problem. I'm hearing in the shellfish industry that it is massive. It is turning into a cash business versus reporting catches and claiming them as earnings and what-not. It's a huge problem in Atlantic Canada right now.

What are we doing to get a handle on that and to get that kind of activity negated?

Mr. Brent Napier: Thank you for the excellent question, Mr. Chair.

I'd mention, of course, learning from innovation and tech. Under the Indo-Pacific strategy, we will, obviously, be able to use and learn some of those valuable lessons. Our 500-strong fishery officer cadre, of course, works regularly to enforce this through a 500-strong vessel program, the support of the Coast Guard and the support of third party monitoring and intelligence.

Absolutely, compliance is a concern. CNP and the department take it quite seriously. We are ensuring we have the proper resources to address those issues.

Mr. Ken McDonald: Thank you for that.

I understand there's a lot of cash being used in that particular type of transaction, so you may never catch anyone willing to report it. No one may get caught. Once they get it onshore, they have the ability to sell it for cash. Again, that's for another day, I guess—enforcement figuring out a way to do that.

I think those are all the questions I have, Mr. Chair. If somebody else on this side wants to use the remaining time, they are more than welcome.

How much time is left?

The Chair: You have 30 seconds.

Mr. Ken McDonald: Okay. I'm very generous today.

The Chair: Yes, you are.

Does anybody want now 20 seconds? All right. It's going, going, gone.

We will now go to Mr. Bergeron for two and a half minutes.

[Translation]

Mr. Stéphane Bergeron: Thank you, Mr. Chair.

Before the publication of Canada's Indo-Pacific strategy, Quebec published its own strategy in a document that summarized its ambitions. Quebec committed to being present in the region as a green economy and expressed its desire to promote the sharing of sustainable development expertise.

Is the federal government aware of the contribution that the governments of the provinces, territories and municipalities can make in deploying Canada's Indo-Pacific strategy, when it comes to the environment in particular?

[English]

Ms. Sandra McCardell: Mr. Chair, we are absolutely conscious that the effort to address the global environment.... We talk about a global effort, and all the effort begins at home, really. We can't expect to work well with countries abroad if we can't co-operate with our provincial, territorial and municipal governments here.

I referred to the COP before, and maybe I'll use that as an example. We do have, in the case of Quebec, a very large delegation that will be part of Canada's delegation there. There are good channels of co-operation and communication that have opened with all of the provinces and territories that will be participating. Not later than last week, the deputy minister of environment engaged all of his deputy minister colleagues to have that open dialogue to explain our priorities and to ask them what their priorities were. What I would say is that this is an effort that needs to be whole-of-Canada, whole-of-society, and Quebec has a strong role to play in that.

• (1825)

[Translation]

Mr. Stéphane Bergeron: Do I still have a bit of speaking time left, Mr. Chair?

[English]

The Chair: You have one minute.

[Translation]

Mr. Stéphane Bergeron: According to an analysis published by the China Institute at the University of Alberta, state corporations in the People's Republic of China hold 10% to 26% of the shares of various Canadian mining companies. Do you see that as a threat, a challenge, or a problem? Is there anything there that might keep us from sleeping at night?

Mr. Frank Des Rosiers: The ownership of these companies, in some cases, is public. A minority share is not a source of concern in itself. However, when it becomes a control factor, then it is obviously the kind of transaction that will be reviewed under the Investment Canada Act, which is managed by the Department of Industry. We work very closely with it on this kind of review. That was the case last year, for investments in the lithium sector that raised concerns, and the review led to the announcement of a policy by the ministers, Mr. Wilkinson and Mr. Champagne. However, we are keeping an eye out, of course.

[English]

The Chair: Thank you, Mr. Bergeron and Mr. Des Rosiers.

We'll go to Mr. Boulerice for two and a half minutes to take us home.

[Translation]

Mr. Alexandre Boulerice: Thank you, Mr. Chair.

My last two questions are for the representatives of the Department of the Environment.

The oceans, with the tremendous biodiversity they hold, make up two-thirds of the planet. Does Canada's Indo-Pacific strategy contain or provide any concrete measures to combat ocean acidification caused by global warming, that could disrupt numerous very fragile ecosystems that exist in the Pacific or Indian Oceans, in particular?

Ms. Sandra McCardell: If I may, Mr. Chair, I am going to let my colleagues from Fisheries and Oceans Canada answer the question.

[English]

Ms. Darcy DeMarsico: Thank you very much for putting such an important emphasis on the ocean's role in climate change.

I will say, in the context of the Indo-Pacific strategy's shared ocean fund, that although fighting IUU fishing is the primary work, what we are also looking at is how the shared ocean fund can support biodiversity and sustain ocean ecosystems, including in the face of climate change.

[Translation]

Mr. Alexandre Boulerice: Thank you.

We share an ocean with the countries in the Indo-Pacific region, so a lot of trade and transportation happens by boat. This has environmental consequences, like pollution.

My last question is this: does the strategy provide for measures to limit or reduce the impact of the pollution caused by marine transportation?

[English]

Ms. Darcy DeMarsico: This particular issue falls largely within the responsibility of my colleagues at Transport Canada. I can note that, last year, Canada co-sponsored with Chile the Americas for the Protection of the Ocean, which was endorsed at the Summit of the Americas and protects our Pacific Ocean through a network of conservation measures. It has a whole-of-Pacific focus, so it takes you right down along the coastline. That will be one of the things that we discuss there.

The Chair: Thank you very much, Mr. Boulerice.

We're almost at time, but Mr. Kmiec has asked for two minutes.

• (1830)

Mr. Tom Kmiec (Calgary Shepard, CPC): It's more for you, Chair. I'd like an update on whether the Minister of Finance has confirmed her appearance at this committee on either December 4 or December 11 regarding the Asian Infrastructure Investment Bank.

That motion was passed by this committee at the end of October. We're now at the end of November, and I would like to get an update. We had agreed to an amendment from the parliamentary secretary to provide those two meeting dates as her window to appear.

I'd just like an update.

The Chair: I will turn to our clerk on that.

[*Translation*]

The Clerk of the Committee (Ms. Christine Holke): Thank you, Mr. Chair.

The original invitation was sent to the Department of Finance on Friday, October 27. Then two reminders were sent, on Sunday, November 19, and today. No reply has been received.

[*English*]

Mr. Tom Kmiec: Chair, I implore you to remind the finance minister that this committee passed a motion for her to appear. It was her parliamentary secretary who suggested that she would be

able to come before the committee on those two days to give us an update on an announcement she made back in June 2023.

I think it is of critical importance that she appear before the committee to explain the review of the Asian Infrastructure Investment Bank. One of those two dates is also when Bob Pickard will be before the committee, and he made those allegations.

I would like to get that update to the committee. I'd like the minister to confirm with the committee when she will appear. Again, it was a parliamentary secretary...and we agreed on those two days based on her schedule at the time.

The Chair: I will make it my quest.

Mr. Tom Kmiec: Thank you.

The Chair: I want to thank our panel for their excellent work today. It was good to hear from all of you. There is some good work going on.

I want to thank our people around the table for all the excellent questions they aimed at you.

Our clerk, our analysts, our interpreters, and everybody in the background who supports us made this a very successful session.

With that, we'll adjourn.

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