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Meeting with WANG Yi, Minister of Foreign Affairs, People's Republic of China



- Native of Beijing, born in October 1953. Joined the Communist Party of China (CPC) in May 1981.
- Seasoned diplomat. Promoted to the Politburo during the 20th National Party Congress, he is expected to replace Yang Jiechi as the CPC's most senior foreign policy official (head of the central committee's foreign affairs office).
- Previously served as Vice Minister at the Ministry of Foreign Affairs (2001-2004). Named as China's Ambassador to Japan in 2004. Appointed Director of the State Council's Taiwan Affairs Office in 2008.
- Holds a Bachelor's degree in Japanese, a Master's degree in Economics. Fluent in Japanese. Married with a daughter.
- Last interaction: July 8, 2022, on the margins of the G20 FMM.

Objectives

- Ensure clarity about Canada's approach to China in the context of the Indo-Pacific Strategy.
- Ensure China hears Canadian commitment to oppose any unilateral change to status quo across the Taiwan Strait.
- Reiterate concerns about human rights in China and foreign interference in Canada, including overseas police stations
- Exchange views on the war in Ukraine and the Convention on Biodiversity's 15th Conference of the Parties in Montreal in December.
- Underscore important of continued channels of communication at all levels, including at leader level.

Context

Previous interactions: July 8, 2022, on the margins of the G20 FMM.

Political climate: Xi Jinping was confirmed as General Secretary of the Communist Party of China (CPC) for an unprecedented third term on October 23, 2022, at the conclusion of the 20th National Congress of the CPC. Xi filled the Politburo Standing Committee, China's top decision-making body, with loyalists, consolidating his power in the process and cementing his place as China's most powerful ruler since Mao. Xi's speech at the 20th Party Congress described a hostile external environment and mounting domestic challenges. This acknowledgement of difficulties ahead and geopolitical pessimism is a departure from previous lofty language on peace. It portends a more confrontational foreign policy vis-à-vis the G7 and other like-minded countries; an economic agenda that is less open to outside world (self-reliance, common prosperity, COVID zero);

Bilateral issues:

- **Canada's Indo-Pacific Strategy:** In response to your November 9 Munk School speech, the Chinese MFA spokesperson stated:
 - *These remarks by the Canadian side run counter to facts, smack of ideological bias, and blatantly interfere in China's internal affairs. We firmly reject them and have made solemn démarches to the Canadian side. I would like to emphasize the following points:*
 - *First, China is committed to peaceful development, openness, inclusiveness and win-win cooperation. We have always been a force for world peace, a contributor to global development, and a defender of the international order, a fact that has been widely recognized in the international community. China's*

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development brings opportunities to the world and strengthens the world's forces for peace. No matter what stage of development we reach, we will never seek hegemony or engage in expansionism.

- *Second, peace, development and win-win cooperation are the trend of our times and the shared aspiration of countries in the Asia-Pacific. The formulation of an "Indo-Pacific strategy" is Canada's own affair, but no matter what kind of regional strategy Canada comes up with, it should be guided by the vision of mutual benefit rather than zero-sum game. Those who cling to the Cold War zero-sum mentality, practice group politics and stoke bloc confrontation will find no support and get nowhere.*
 - *Third, relations between countries can only be built on the basis of mutual respect, equality and mutual benefit. China-Canada relations are no exception. Taiwan, Xinjiang and Hong Kong affairs are purely China's internal affairs and brook no meddling from any country. The China-Canada relationship is at a crossroads now. Its future course hinges on whether Canada can return to the rational and practical trajectory and view China in an objective and unbiased light.*
- **Bilateral relations:** Despite some major negative inflection points in recent weeks – the visit of Canadian Parliamentarians to Taiwan; Minister Champagne's "decoupling" comments and investment divestiture orders in the critical minerals sector; Canadian leadership on Xinjiang joint statement at UNGA Third Committee; demarches to the Chinese on overseas police stations and foreign interference; and most recently PM comments about foreign interference in Canadian federal elections – China has not (yet) taken any major retaliatory actions or deployed any direct rhetorical or coercive measures against Canada in response. You have had two meetings with Foreign Minister Wang Yi, including one in-person in July on the margins of the G20 Foreign Ministers' Meeting in Bali, Indonesia. In late October, Ambassador Jennifer May arrived in Beijing as the new Canadian Ambassador to China.
- **COP15:** Montréal is hosting the Convention of Biodiversity's 15th Conference of the Parties (COP15) from December 7-19 under a Chinese Presidency. Canada-China environmental cooperation in the lead-up to CoP15 continues apace without any significant bilateral tensions thus far. The CBD Secretariat has requested that Heads of States be invited to COP15. While China has indicated that it does not intend to send invitations to Heads of States, it does not object to Heads of States attending COP15.
- **Foreign interference:** Recent reports of Chinese foreign interference in Canada include: 1) On November 9, media reported that the PM was informed of Chinese foreign interference in the 2019 federal election impacting up to 11 candidates. 2) In September 2022, non-governmental organization *Safeguard Defenders* published a report alleging that China has established a minimum of 54 overseas police "service stations" in 30 countries, including three in the Greater Toronto Area. 3) In August 2022, Hong Kong authorities issued a statement naming Victor Ho, of Vancouver, for offences under the National Security Law for establishing a "parliament in exile." Over the past year, GAC has been clear to Chinese interlocutors about Canadian concerns about Chinese foreign interference and have specifically cited the activities of the United Front Work Department and the Overseas Chinese Affairs Office as unwelcome on Canadian soil. In addition, GAC recently cancelled a position (and the corresponding visa) at the Chinese Embassy in Ottawa to be staffed by a representative of the Chinese Community Party International Liaison Department.
- **Human Rights:** Canada led a statement at the UN Third Committee on the human rights situation in Xinjiang on October 31st, 2022, garnering more support than ever (50 states, and significant abstentions), while China organized 66 states to support a counter statement. You issued a statement on September 1, 2022, following the release of the UN Office of the High Commissioner for Human Rights (OHCHR) report on the human rights situation in Xinjiang. The assessment makes an important contribution to the mounting evidence of serious, systemic human rights violations occurring in Xinjiang, including possible crimes against humanity.
- **Taiwan:** On August 2-3, U.S. Speaker of the House of Representatives Nancy Pelosi's high-profile visit to Taiwan triggered several days of military exercises near Taiwan, ballistic missile tests, and restrictions on Taiwan imports and exports. G7 foreign ministers issued a statement on preserving peace and stability across the Taiwan Strait, calling on the PRC "to resolve cross-Strait differences by peaceful means," and "not to unilaterally change the status quo by force in the region." Since the visit, the PLA has regularized patrols past the median line of the Taiwan Strait in a break with past

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practice. Legislators from various countries, including the US, Germany, Japan, the UK, Canada, Guatemala, and others, have visited or plan to visit Taiwan in the near future, to demonstrate the regularity and consistency of such engagement with Taiwan. On September 19-20, *HMCS Vancouver* sailed through the Taiwan Strait alongside *USS Higgins* en route to the Yellow and East China seas to enforce UNSC sanctions against North Korea.



- Divestiture order and Minister Champagne comments:** On November 2, 2022, ISED Minister Champagne released a statement announcing the government's decision to order the divestiture of the investments of three Chinese companies in Canada's critical minerals sector. The three companies ordered to divest their investments are Sinomine (Hong Kong) Rare Metals Resources Co Ltd, Chengze Lithium International Ltd, also based in Hong Kong, and Zangge Mining Investment (Chengdu) Co Ltd. The statement clarified that the government ordered the divestiture on national security grounds after "rigorous scrutiny" of foreign firms by Canada's national security and intelligence community. On October 21, Minister Champagne told a panel hosted by the Canadian American Business Council during a trip to Washington D.C. that, "What we want is certainly a decoupling: certainly from China, and I would say other regimes in the world which don't share the same values." The comment prompted strong representations from Chinese officials to Canadian officials in Ottawa and Beijing.
- Ukraine/Russia:** Strategically, China is supportive of Russia's efforts to push back against the US and NATO. On an operational level, by contrast, China does not want to risk sanctions and reduced access to global markets by aligning too closely with Russia. This has led China to signal publicly its support for Russia, despite professions of neutrality, while declining to provide direct military support, as far as we are aware. Public signs of support include China's refusal to characterize Russia's actions as an invasion; China's endorsement of Russia's claim that the U.S. and NATO expansion are to blame; China's past amplification of Russian propaganda and misinformation; and China's refusal to denounce President Putin's threats to use "all available means." Lack of direct military support, meanwhile, is evidenced by Russia's recent use of Iranian drones as opposed to Chinese material.

This meeting should

continue in the same vein.

- Key statistics:** China is Canada's third largest merchandise export market, with 4.4% of total exports in 2021, well behind the U.S. (75.5%) and just behind the EU-27 (4.8%). In the first half of 2022, Canada's exports to China totaled \$12.4 billion, 14.4% lower than in the first half of 2021, largely due to tight supplies of agricultural commodities in Canada. Imports from China totaled \$46.6 billion, 19% higher than in the first half of 2021. Canada's trade deficit with China (\$34.2 billion) was 38.5% higher than in the first half of 2021.
- Representation:** Canada's representative to the People's Republic of China is Ambassador Jennifer May; the People's Republic of China's representative in Canada is Ambassador Cong Peiwu.

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Key messages

Introduction

- Congratulations on your appointment to the Politburo at the recent Party Congress.

Indo-Pacific Strategy



- Minister Wang, you may have heard about a recent speech I delivered about the Indo-Pacific.
- I want to reiterate that the principal objective of the Indo-Pacific Strategy is to increase Canadian engagement in the region, of which China is an important actor, and to strengthen rules, norms and institutions that apply to countries big and small.
- It is not an anti-China strategy. In fact, I am devoting more resources of my department to deepening our understanding and engagement with China. China is at the heart of the Indo-Pacific.
- Canada will continue to have frank, open, and respectful dialogue, and we will not hold back from sharing our concerns, positions, and principles, including on human rights.
- Climate change, the environment and public health are major challenges for Canada, China and the other countries of the region. Effective cooperation is required to address them.
- What is key is for channels of communication be open – at all levels, including at the leader level, and across all line ministries – to ensure clarity and to avoid misunderstandings and miscalculations.
- My new Ambassador to China, Jennifer May, has just arrived in Beijing. I expect that she will be accorded the kind of access to Chinese interlocutors commensurate with her stature.

COP15

- Pleased to hear our countries are working well together on COP15, including that our Ministers of Environment have now spoken on two occasions.
- I look forward to welcoming CoP15 to my home town, Montreal.
- I see this as an example of how Canada and China can work together on global issues.

Russia's war in Ukraine

- China can play a productive role towards ending Russia's destabilizing and unjust war in Ukraine.
- China's lack of condemnation of Russia's invasion of a sovereign country is unbecoming of a world power and responsible P5 member.
- This stance has a negative effect on China's global credibility and reputation, despite China's professions of neutrality.
- We continue to encourage China to reconsider its position, to uphold the international principles of sovereignty and territorial integrity and to play a constructive role in bringing an end to this war.

Taiwan

- Canada is increasingly concerned with Chinese military activities that increase the risk of accidents, or that recklessly test missiles over civilian populations.
- Any unilateral effort to change the status quo would have a devastating impact on the global economy and regional security - by definition, matters that are not simply Chinese "internal affairs". Such actions would absolutely elicit a strong international response.
- Canada remains committed to its longstanding One China Policy. Under that policy, we continue to develop our commercial relationship and people-to-people ties.
- The visit of Canadian Parliamentarians to Taiwan earlier in October is an example of the kind of exchanges we have always with Taiwan over the course of many years.
- **[If pressed on Taiwan Strait sails]** *The sail through the Taiwan Strait is the most direct route between Southeast Asia and North Asia where Canada monitors UNSC sanctions on North Korea, as part of efforts that have been ongoing since 2018.*

Foreign interference

- I am deeply troubled by accumulating accounts of foreign interference emanating from China, including reports of the establishment of Chinese overseas "police stations" in Canada and a number of other countries. We take these reports seriously.

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- All foreign government representatives across Canada, from coast to coast, have a duty under international law to respect the laws and regulations of Canada—as well as the *Vienna Convention on Diplomatic Relations* and the *Vienna Convention on Consular Relations*.
- We expect that your government responds to our formal diplomatic note [REDACTED]

- My officials have already requested the immediate closure of all Chinese overseas police stations in Canada; we will be watching follow-on actions closely.
- I am also concerned by reports of interference in Canadians elections and also of harassment and intimidation taking place on Canadian soil enacted by representatives from your country.
- In particular, we do not accept any extraterritorial application of Hong Kong's National Security Law in Canada.

Human Rights

- Since our last meeting in July, the UN Office of the High Commissioner for Human Rights (OHCHR) released an assessment on the human rights situation in Xinjiang.
- Canada is deeply disturbed by its findings, namely that the arbitrary and discriminatory detention of Uyghurs and other Muslim ethnic minorities in Xinjiang may constitute international crimes, in particular crimes against humanity.
- We urge the Government of China to uphold its international human rights obligations and to respond to the concerns and the recommendations raised in the OHCHR assessment.

Responsive – critical minerals divestment order**Foreign direct investment to Canada**

- *Canada continues to welcome foreign direct investment and understands that attracting FDI plays a key role in its long-term economic prosperity.*
- *The Investment Canada Act provides for the review of significant investments in Canada by non-Canadians in a manner that encourages investment, economic growth and employment opportunities in Canada, and for the review of investments that could be injurious to national security.*
- *Canada recognizes that its future prosperity requires reliable access to critical minerals. Developing Canada's critical minerals will support the country's transition to a low-carbon economy, and contribute to its economic prosperity.*

Regarding the new policy on SOE investment in critical minerals

- *While Canada continues to welcome foreign direct investment that supports these goals, the new policy makes clear that Canada will act decisively when investments threaten its national security.*
- *The new policy clarifies that:*
 - *high-value transactions in Canadian critical mineral sectors by foreign state-owned enterprises will only be approved on an exceptional basis, and*
 - *there are reasonable grounds to believe that the participation of such investors could be injurious to national security, regardless of the value of the transaction.*

Regarding the Divestiture Orders

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- All foreign investments are subject to review for national security concerns under the ICA, and certain types of investment – such as those in critical minerals – receive special scrutiny in accordance with current policy.
- The Government's decisions to order the divestures in these cases were based on facts and evidence, and the advice of subject-matter experts in critical minerals, security and the industry.
- The confidentiality provisions of the Investment Canada Act prohibit further comment on the specific reviews.

Responsive – Minister Champagne's comment about decoupling

- The Government of Canada recognizes there are significant challenges and opportunities for Canadian supply chains and is working with partners to advance mutually beneficial economic and trade interests in a way that is resilient to future disruptions. This includes prioritizing the efficiency and security of Canadian supply chains.
- In the context of shifting global supply chains, there is growing interest to strengthen trade relationships with partners who are reliable, safe and secure. Canada is working in conjunction with like-minded allies in North America, Europe and globally to modernize its supply chains and ensure Canadian industry is supported.
- As we transition to a net-zero future, we are also prioritizing greening of our supply chain. In that regard, we have made transformative investments, in partnership with industry, to decarbonize heavy-emitters and are leveraging our existing strengths to position Canada as a global leader in the green industrial transformation.
- By focusing on innovation and good, green jobs, and by working with like-minded countries – Canada is building a resilient, sustainable, and competitive economy.

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