The Honourable Christy Clark
Premier of British Columbia
Speech at CCBC BC Chapter Luncheon on "Advancing BC-Asia Trade; Driving BC's Economy Forward to New Heights"
Vancouver – Tuesday, December 10, 2013

CHECK AGAINST DELIVERY

To Senator Austin, I really want to acknowledge the tremendous work that you have done in your lifetime to open up Canada's relationship with China. Reflecting on your comments, Mark, you realize those 8,000 hard hats, men and women in mines across the province owe so much to the work that you've done over the years, Senator Austin, along with people like Earl Drake in making sure that Canada got a leg up in our relationship with China so that now we have established what is an enduring and deeply respectful friendship. So I do want to say a very big thank-you to you.

And of course Consul General Liu Fei who was tremendously helpful, she and all of her office, some of whom are here with us today, in helping make sure that our visit to China was as productive as it could possibly be. Thank you for that, for all of the work that you did. I know we've got lots of work ahead of us as well. One of the things about going on trade missions is that hopefully you create more work in the future, and we certainly were successful at doing that on this visit.

It was my fourth international trade mission since becoming premier, and I think many of the delegates who I see here today would agree with me, I hope, when I say it was really one of the most successful if not the most successful that we've ever done, and that had a lot to do with the delegates that represented us there. Senior representatives from across government, including Teresa Wat, our international trade minister, First Nations chiefs and councillors from every corner of the province, leaders in communities, mayors were there with us, of course business leaders from some of the biggest corporate interests around the world and here in British Columbia and, of course representatives from the labour movement, as well, who are crucial to our success in making sure that we grow this economy, educational institutions there to demonstrate that we are ready to take on the workforce challenge of growing our economy, we were there united, and that made a difference. When British Columbia goes around the world and presents a united face in striving for a stronger economy, it makes a difference.

So for all of those of you in the room, from the labour movement, from First Nations, from communities, from the business community, from educational institutions and the Asia Pacific Foundation, thank you because you helped make this mission the success that it was. That presence was an unmistakable sign to everyone that we met with that we are absolutely united in our goal not just to grow this economy but more specifically in our goal to build a liquefied natural gas industry in our province and make it a reality for the first time in our history. And there is tremendous interest in our LNG business over in Asia. All of the countries in Asia, especially China, understand the opportunity that we present, and I want to talk a little bit more about that in a moment. But first I'll tell you a

story about the flight back. It's a long flight back. I'm still waking up at one in the morning, hungry for Chinese food. Is it dinnertime?

I was thinking about something that Peter C. Newman said in one of his many, many great books about our country. He said that for too long the people who run Canada have seen this as an Atlantic nation with a beautiful but empty western playground. Well, things sure have changed in this country. We are no longer just an Atlantic nation. We are very much now a Pacific nation because our future, the future of this entire country lies in the west, not to the east, not in Europe, not to the south, not even in the United States where we have our best friends and best allies. The future lies across the Pacific Ocean in Asia. And as every one of you knows, increasingly that means China. That's why we maintain four trade and investment representative offices there. That's why we've doubled the number of people that work in them, because China matters to the people of our province. And the Chinese get that. I've heard it over and over from the people that I've met with. They've talked about the strength of our relationship.

And there were three points that really resonated when I spoke to the folks in Beijing, Chengdu and Chongqing. First that BC has Teresa Wat, our Minister of International Trade. She brings real business experience to the table from the private sector. Having been born in Hong Kong, she brings a real knowledge of China that you don't get in books. She speaks both Cantonese and Mandarin, and she is the only trade minister of Chinese descent outside of China.

Second, there was a deep appreciation for the fact that we recently appointed Ben Stewart to be BC's special trade representative in Beijing and China. As Senator Austin said to me a little bit earlier, there's a recognition in China that we have decided very purposefully to up our relationship with that country, to raise the level at which our discussions happen with the appointment of Ben as a trade representative there because they know that Ben has a direct line back to our government.

And third, everyone I met with was aware and was appreciative of the fact that BC is the first and only government anywhere in the world to issue a bond in the Renminbi currency, the first to issue a bond into the dim sum market, a sign in a country where people are anxious for the internationalization of their currency, a sign that British Columbia supports and encourages and applauds the internationalization of the R&B. I have no doubt that now that we have done it, we have been first, there will be others that follow, but in the eyes of the Chinese we will always be the jurisdiction that was first.

And those are the kinds of things that allow us to grow that relationship. Those are the kinds of things that have allowed China to become British Columbia's second-largest trading partner today. Over the last ten years the value of BC exports to China has risen by over 500% to $5b, and today in a market that's been largely dominated by lumber, I'm proud to announce that we have broken our record for softwood lumber exports to China. In just the first ten months of this year softwood exports to Japan and the US is up 26%. It's up 36% to China, totally for the first time in our trade relationship, $1.17b with two

months still left in the year to go, so further proof that BC has what China needs. As China grows stronger, so does British Columbia.

So what did we do on our trade mission? Well, here are some of the highlights. We travelled across China. We went to Korea. We went to Japan. We laid the groundwork for increased trade and cooperation. Anyone who was on the trip will, I think, agree it was a pretty hectic schedule that we kept, but it was worth it because I spoke to the largest audiences we have ever attracted on a trade mission to those three countries.

I had the chance to meet with the key decision-makers in government, with the heads of the biggest companies and I'll give you some examples of that. In Beijing we met with the chairman of Sinopec, the president and chairman of CNOOC, the president of PetroChina. Two of those companies are already developing LNG projects in British Columbia and Sinopec is eager to invest not in one project but in two.

I met with the mayor of Chongqing. Of course his title is mayor, but he is the mayor of a city that has the population of Canada, so he's a pretty important player. There's a tremendous trade opportunity in Chongqing, the gateway to western China. They are eager to get off their dependence on coal so that we can do business right away in products like methanol that are the byproducts of natural gas. We signed an agreement with the Chongqing foreign trade and economic relations commission to promote trade and investment links further.

In beautiful Sichuan province where we met with the governor, Teresa Wat signed an agreement with the department of commerce there to enhance economic relations and explore areas of potential cooperation, including LNG.

We met with the Bank of China, which is consolidating its international business centre and with that, most of their Canadian operations right here in Vancouver. And they are doing that because they recognize the value of doing business here, at this city, the most Asian city outside of Asia, a city destined to become the meeting place for North America and Chinese business.

We had similar meetings with the ministers of trade for both Japan and Korea, and high-profile businesses like JAPEX, Mitsui, Mitsubishi, KoGas and Samsung. Samsung while we were there officially announced that their R&D facility in Burnaby is going to be opening while I was in Korea.

KoGas and UBC signed an agreement for research on clean tech and LNG, which is an indication that LNG investments make a difference in regions beyond the north and sectors outside of the traditional sectors that many people think LNG will stimulate. And there were dozens and dozens of other agreements that we signed. Bluestar International based in my old hometown of Burnaby, they announced an $80m deal which will see BC lumber used for infrastructure projects all across China. There were other forestry announcements that involved Canfor and RCI.

As China's economy continues to grow at the breathtaking pace that it is, BC, our province, will literally be able to help them grow. Our forestry products, our minerals, our agriculture, our tech, they have all laid the foundation for the most robust trading relationship of any province in Canada with China, and our relationship is going to continue to grow based on the experience and the safety record that we have in developing natural gas from shale.

The first weekend of our trade mission, in fact almost as soon as I landed I toured the Rudong LNG facility. They are already building the port where they will accept BC natural gas. We haven't even begun to build them here yet. They are already thinking ahead. That is momentum. And it's happening quickly because China has tremendous need for our clean sources of energy because they are trying to do something that no one in the world ever has, to grow their economy by 7 or 8% at the same time that they shrink their greenhouse gas emissions by up to 93, some in the private sector say 250 megatonnes. They need our natural gas. No one has ever succeeded in growing their economy at that rate at the same time that they reduced their greenhouse gas emissions. But I have no doubt that if any country in the world will succeed at this, it will be China.

But they will not succeed at it unless they can secure a supply, and we have a huge supply here in British Columbia, a huge supply that would mean 150 years of supply around the world. Recent estimates have doubled their estimates of the amount of natural gas that we have. We are reliable, we are dependable, we have a huge amount of natural gas, and we have a proven record of being able to get it. We have a government that's open for business and a government that believes in international trade as a basis for growing our economy and we have a government that believes in creating jobs here at home. All of those are incredible assets when you're trying to trade with China.

And as I said, what they are trying to do is a tremendous challenge. If you take a private sector estimate of what their greenhouse gas emissions cuts would look like and you illustrate that in BC terms, the amount of greenhouse gas emissions they are trying to reduce is the equivalent of every car, every factory, every building in the province that creates greenhouse gases -- every single one of those -- shutting down for four and a half years. If the province of British Columbia literally came to a stop for almost half a decade, we would achieve the same reduction in greenhouse gas emissions that China is hoping to achieve in its most recent plan.

We can help them get there. That's why when I met with CNOOC they said they want to invest with Nexen at Grassy Point, or they have made their investment at Grassy Point, north of Prince Rupert. The reason they want that investment to go ahead is because they need to increase their annual imports by 45 million metric tonnes in the next 15 years.

And that's just them. That's just one Chinese company: 45 million tonnes in incremental new growth in their natural gas imports in 15 years. Our total export capacity is 82 million tonnes. Just CNOOC is more than half of what we have. That doesn't even take into account PetroChina, which is bigger, or any of the other global firms that are now

investing in BC. For British Columbia this literally is an once-in-a-lifetime opportunity, the likes of which we are likely never to see again.

We have a chance, too, to do more than we ever have in history to help the world fight climate change. Not only do we have a chance to pay off our debt, a chance to create 100,000 new jobs, a chance to transform the face of our province and our country; we have the biggest single opportunity that we have ever had by exporting our natural gas to China to reduce the growth in greenhouse gas emissions globally. We all share the air. This is an example of how doing something good for British Columbia, doing something good for our economy, is also something that will be good for the environment around the world.

And you think about what a 150-year supply is. Just to put that in context for you, 150 years ago the US was gripped by a civil war. Did anybody see the movie Lincoln? That was a long time ago. Japan 150 years ago was ruled by the Shoguns. China was still ruled by the Qing dynasty 150 years ago. They ordered about the same time those wooden beams that they used to build the Gate of Heavenly Peace in the Forbidden City from Jericho about 150 years ago -- the oldest wood city in the world, still standing, by the way, a tribute to British Columbia's wood. And 150 years ago John D. Rockefeller started Standard Oil, and 150 years ago Standard Oil was taking the oil out of the ground for kerosene for lamps, and they were throwing the gasoline into the rivers because there wasn't much of a market for it.

That was the world 150 years ago. Imagine how different it will be 150 years from now. Well, we know the world will still be finding a use for natural gas. That's why there are currently more than ten LNG proposals on the drawing board here in BC. If just five of those move forward, the cumulative gross domestic product benefit to British Columbia could exceed $1 trillion in new economic activity. For British Columbia that will transform this place, 100,000 new jobs, enough new revenue to create the prosperity fund and eliminate our provincial debt. And the momentum is on our side. We just need to make sure that we are continuing to work purposefully and with focus to make sure we eliminate needless delays, because in China their need for clean energy is now. It's today.

When I was in Beijing, they had some of the best weather they have had in a long time, but frequently the air there is so polluted that the air quality index will find itself over 500. Here in Vancouver if the air quality index is over 60, our health professionals tell people to stay inside. In Beijing it's an incredibly pressing health concern. Think of all those mums and dads who are worried for the future of their children, who want them to grow up safe, breathing clean air. That's why the Chinese government needs our solution, our clean energy.

But there's another reason that we need it. It's because this country was built by a generation of people, my parents and my grandparents and yours, who built our social programs, our health care, and the things that we care about, in an era of 7% and 8% growth. We haven't seen that kind of growth in this country or in this western world for

about 40 years. We have been in a world of about 2% and 3% growth for a long, long time.

The challenge for our generation, the central challenge that we face, is how do we maintain the country that they built, the infrastructure, the social programs, the things that define us and the things that we love, unless we find a way to grow? If we want to continue at 2% growth, we can say no to economic development. We can say no to new mines, to new forestry projects. We can say no to liquefied natural gas. But if we say no, we will be the generation that chose to manage decline. I don't think we want to be that generation.

We want to be the generation that chooses growth, that decides we want to build this economy and make it bigger so that we can continue to invest in those things that make this country so great.

That is the choice. Do we grow or do we decline? I believe in growth. I believe British Columbians want growth. And I know that this is our chance, our once-in-a-lifetime chance, to grasp that growth. We need to prepare our workforce. We need to work with First Nations. We need to make sure we have a competitive tax environment. We need to make sure that communities are ready to accept that growth. We need to do all of the things, to plan to make sure we're ready to grasp it, because we won't get this chance again.

So, ladies and gentlemen, when we went to China, we heard very clearly that in China they want us to grasp it as well. This is a once-in-a-lifetime opportunity, and thanks to the people in China, to our friends in Asia and to all the men and women in British Columbia who decided to choose growth in May, we have a chance to take that opportunity to grow, to build and to make this a better country.

Thank you.