

Canada- GCC Relations





1. Key Domestic Developments

Canada's government is a federal parliament and constitutional monarchy under King Charles III as part of the British Commonwealth. Canada's current head of government is Prime Minister Justin Trudeau who was re-elected on September 20, 2021, during Canada's 44th federal election. He has held office since 2015 and has been the leader of the Liberal Party since 2013. In the 2021 elections, the Liberals recorded their lowest vote share, winning only 32.6% of the popular vote, as opposed to the Conservatives' 34.34%. However, Prime Minister Trudeau's Liberal Party was able to form a minority government, only the second time Canada has been governed by a minority government (the first was formed by Stephen Harper in 2008).



Under Prime Minister Trudeau's cabinet, Canada has implemented a "progressive" social policy. First, Canada witnessed a "resolutely prochoice" party that prioritizes advocating for abortion rights and feminism. Second, Canada legalized the use of cannabis for recreational use on October 27, 2018. Third, Canada introduced the medical assistance in dying (MAID) law, protecting end-of-life rights for patients following specific medical criteria. Most recently, Canada introduced drastic new alcohol guidelines. including suggested mandatory warning labels for all alcoholic beverages. Economically, following the COVID-19 pandemic, Canada has relied on increased tax revenues to offset higher government spending. The 2021 Canadian federal budget introduced a new number of taxes, including one on forms of transportation, digital services, and vaping and cigarettes.

Canada's government has faced scrutiny after several recent controversial decisions. For one, the Prime Minister advocated for the Trans Mountain Pipeline System, a pipeline that carries crude oil and refined petroleum products. The decision was criticized as contradicting the country's goals of reducing greenhouse gas emissions. This followed earlier protests in 2020 against constructing the Coastal GasLink pipeline (CGL) that runs through 120 miles of unceded land in Wet'suwet'en First Nation territory in British Columbia. Since 2022, there have been protests against COVID-19 vaccine mandates and restrictions, by supporters of Palestine demanding a ceasefire in Gaza, Indian students protesting against a new immigration policy, and a rail strike. Due to these escalating protests, Canada's police chiefs have called for more help in keeping them contained, calling it an "unsustainable demand" on police services across the country.

Canada is also severely impacted by climate change with extreme weather like ongoing wildfires and floods a regular occurrence. In May 2024, thousands of residents in Canada's western province, British Columbia, had to be evacuated due to escalating wildfires and as of September 2024 much of those fires have yet to be contained. Since 2019, the Canadian government has invested over \$800 million for initiatives that support wildfire prevention, mitigation, and response, yet 2024 is seeing the most devastating wildfires of the past two decades. Initiatives to address the issue have included reducing emissions and burning of fossil fuels, as well as combatting climate change as increasingly hot and dry weather is causing wildfires to burn hotter and spread faster.

Key Canada Economic and Social Data

GDP: \$2.138 trillion (2022)

GDP per capita: \$54.917 (2022)

Annual Growth Rate: 3.4% (2022)

Inflation: 2.7% (2024)

Population: 41,012,563 (2024)

Unemployment Rate: 6.4% (2024)

Credit Rating: Standard & Poor: AAA with a stable outlook. Moody: Aaa with a stable outlook. Fitch: AA+ with a stable outlook. DBRS: is AAA with a stable outlook

The Canadian economy has overall outperformed expectations. Despite earlier predictions, Canada has avoided a recession with inflation rates falling and interest rates rising since 2022 and the labor market remains stable. According to the government's economic and fiscal overview for the first quarter of 2024, more than 1.1 million Canadians are employed than before the COVID-19 pandemic, marking the quickest job recovery in the G7. On average Canadians have more purchasing power, as real wages have gone up.



2. Canada's Foreign Policy

Canada is categorized as a "middle power" due to its role in international affairs. Canada's foreign policy is centered around multilateralism, international peacemaking and security, and cooperating with international organizations. Canada was a founding member of the United Nations and is a member of many international organizations, such as the World Organization, the G20, the North Atlantic Treaty Organization (NATO), international financial institutions (IFIs), the Organization for Economic Cooperation and Development (OECD), the International Organization of La Francophonie (OIF), the Commonwealth, the Organization of American States (OAS), the Organization for Security and Co-operation in Europe (OSCE) and the Asia-Pacific Economic Cooperation (APEC). According to Canada's Departmental Plan for 2024-25, the country's key foreign policy priorities include shaping the rules-based international system, promoting democracy and human rights, building and maintaining constructive relationships, defending its core principles, and preserving the sovereignty, independence and territorial integrity of individual states. Canada plans to strengthen engagement and presence in the United Nations and build on constructive global leadership as a G20 member. The nation also plans to initiate promotions of international peace and security, particularly through NATO, and continue to support UN peace operations.

Key Foreign Policy Initiatives

- On August 9, 2024, the Minister of Foreign Affairs announced the imposing of sanctions against 10 individuals and 6 entities in Belarus as a response to their involvement in Russia's war against Ukraine.
- On July 19, 2024, Chinese Foreign Minister, Wang Yi held talks with Canada's Minister of Foreign Affairs, Mélanie Joly to normalize ties.



- On July 11, 2024, Canadian Prime Minister Justin Trudeau announced that the country will increase defense spending to meet the NATO target of 2% of GDP by 2032. This would make Cananda's first commitment following pressure from the United States.
- In January 2023, Canada's Minister of Foreign Affairs, Melanie Joly, announced that Canada would facilitate a peace process to resolve the ongoing crisis in Cameroon.
- On December 10, 2019, Prime Minister Trudeau signed the Canada–United States– Mexico Agreement (CUSMA), a free trade agreement between the three countries.

In terms of international relations, the current primary areas of concern are with China and Russia, who Canadian Forces consider the highest threats. Ties between China and Canada deteriorated in December 2018 when Canadian authorities arrested Meng Wanzhou, the deputy chair and chief financial officer of Huawei, at the Vancouver International Airport at the request of the United States. Wanzhou was detained, questioned for three hours, and was subsequently arrested on a provisional US extradition request for fraud. The charges were then dismissed. Prime Minister Trudeau supported the 2019-2020 Hong Kong protests and called for a UN investigation into the Uyghur genocide. In response, China called for an investigation into human rights abuses against migrants in Canadian detention centers as well as the treatment of indigenous people in the former Canadian Indian Residential School System after hundreds of remains of children were found at the site of the Kamloops Boarding School that last operated in 1978.

In terms of the Russia-Ukraine crisis, Canada has supported Ukraine since the start of the conflict in February 2022 to ensure the security and stability of the country. Prime Minister Trudeau has announced sanctions against Russia, additional

military contributions to support NATO, and new refugee policies to facilitate Ukrainian families' immigration to the country. In January 2023, Anita Anand, Canada's Defense Minister, made a surprise visit to Ukraine and announced additional aid in the form of 200 Canadian-made armored vehicles worth \$90 million. This deal is part of Prime Minister Trudeau's announcement of an additional \$500 million in military aid for Ukraine in November 2022. Moreover, Canada purchased a National Advanced Surface-to-Air Missile System from the United States to donate to Ukraine, worth \$406 million. This builds on the \$3.4 billion in Canadian aid to Ukraine.

Canada's relationship with India has also been recently tested. In September 2023, Prime Minister Justin Trudeau accused the Indian government of potentially being involved in the assassination of a Sikh separatist in British Columbia. India denied the accusations and almost two-thirds of Canada's formal diplomatic representation in India was expelled when New Delhi threatened to suspend their diplomatic immunity. To ease the diplomatic rift, India has decided to resume providing visa services to citizens of Canada, however some level of tension persists.

3. Canada-GCC Fact Sheet

Canada's Trade in Goods with GCC Countries (2022, USD)

Country	Exports to Canada	Imports From Canada
Saudi Arabia	2.5B	959M
United Arab Emirates	817M	2.22B
Qatar	155M	252M
Oman	102M	66.8M
Bahrain	97.1M	180M
Kuwait	272M	291M

Source: The Observatory of Economic Complexity (OEC)



Establishment of Diplomatic Relationships

Canada-GCC Diplomatic Relations: Kuwait (1965), Saudi Arabia (1973), Bahrain, Oman, Qatar, and the United Arab Emirates (1974)

Current Diplomatic Representation

- Embassy of Canada in Riyadh: Ambassador Jean-Philippe Linteau
- The Royal Embassy of Saudi Arabia in Ottawa: Ambassador Amal bint Yahya Almoalimi
- Embassy of Canada in Abu Dhabi: Ambassador Radha Krishna Panday
- UAE Embassy in Ottawa: Ambassador Fahad Saeed Al Ragbani
- Embassy of Canada in Doha: Ambassador Isabelle Martin
- Embassy of the State of Qatar in Ottawa: Ambassador Khalid bin Rashid Al-Mansouri
- Embassy of Canada in Kuwait: Ambassador Aliya Mawani
- Embassy of the State of Kuwait in Ottawa: Ambassador Reem Alkhaled

Key Canadian Officials with Responsibility for the Gulf Region

- Minister of Foreign Affairs: Mélanie Joly
- Minister of International Trade: Mary Ng
- Executive Director of the Middle East Relations Divisions, Global Affairs Canada: Gregory Galligan
- Minister of International Development: Ahmed Hussen



Key Research Centers and Think Tanks

- The Institute for Peace & Diplomacy: https:// peacediplomacy.org/
- Fraser Institute: https://www.fraserinstitute. org/
- Institute for Research on Public Policy (IRPP): https://irpp.org/
- International Governance Centre for Innovation (CIGI): https://www.cigionline. org/
- Canadian Global Affairs Institute (CGAI): https://www.cgai.ca/
- Macdonald-Laurier Institute (MLI): https:// www.macdonaldlaurier.ca/
- BrookfieldInstitute: https://brookfieldinstitute. ca/
- Frontier Centre for Public Policy: https://fcpp. org/



Selected Key Regional Experts

- Robert J. Bookmiller, Millersville University
- Peter Jones, University of Toronto
- Houchang Hassan-Yari, Royal Military College of Canada
- Thomas Juneau, University of Ottawa

Key Recent Literature

- Now is the Time for Canada to Re-think Middle East Policy - April 2023
- Deconstructing the Changing Middle East Security Architecture – April 2023
- A Middle East Cooperation and Security Process: Has the Time Come? – March 2022
- The Middle East in Canadian foreign policy and national identity formation October 2021
- Evaluation of Global Affairs Canada's Contribution to the Middle East Strategy – February 2020

4. Key Developments in Canada-GCC Relations

Canada-Saudi Arabia

- In July 2024, the Federation of Saudi Chambers announced the resumption of the Saudi-Canada Business Council after a fiveyear suspension.
- In May 2024, Saudi hosted the first Saudi-Canada Forum for Educational Partnership in Riyadh, attended by Saudi Minister of Education, Yousef Al-Benyan and Canadian Ambassador to Saudi, Jean-Phillipe Linteau. This forum was aimed at strengthening cooperation between educational institutions

- and witnessed the participation of around 180 stakeholders and experts in the education, health, and industry domains.
- During an interview in February 2024, Canadian Ambassador to Saudi, Jean-Phillipe Linteau, expressed the goal of seeking strategic partnership with the Kingdom. The Ambassador praised Saudi's diplomatic role in global peace and security, and the progress of Vision 2030
- In January 2024, Saudi and Canada agreed to continue trade delegations after a five-year hiatus.
- In May 2023, the two countries announced the restoration of ties to "their previous state" on the basis of "mutual respect and common interests," according to a statement by the Ministry of Foreign Affairs of the Kingdom of Saudi Arabia. The decision to resume diplomatic relations follows on the discussion between Saudi Arabia's Crown Prince and Prime Minister, HRH Prince Mohammed bin Salman, and Canada's Prime Minister, Justin Trudeau, on the sidelines of the Asia-Pacific Economic Cooperation (APEC) Forum in Bangkok in November 2022.
- On July 14, 2022, Saudi Arabia signed the Artemis Accords, joining Australia, Bahrain, Brazil, Canada, Colombia, France, Israel, Italy, Japan, the Republic of Korea, Luxembourg, Mexico, New Zealand, Poland, Romania, Singapore, Ukraine, the United Arab Emirates, the United Kingdom, and the United States. The Accords aim to advance NASA's Artemis program response to space exploration.
- In 2022, Canada exported more than \$1.7 billion in arms to Saudi Arabia an increase from \$1.3 billion in 2020, making Saudi Arabia Canada's top export destination for arms, following the United States.

Canada-United Arab Emirates

- In July 2024, Canadian Nuclear Laboratories (CNL) and UAE's Federal Authority for Nuclear Regulation (FANR) signed memorandum of understanding (MoU) to cooperate on nuclear science and technology. According to the agreement, both parties will collaborate on various nuclear aspects to pursue economic development, reduce emissions, and enhance innovative technologies for areas like health, waste management, and environmental sciences.
- In December 2023, the Canada-UAE Business Council hosted the Future Energy Forum which was attended by government and industry leaders and innovators to advance climate solutions during the United Nations Climate Change Conference and COP28.
- In October 2023, the UAE Ministry of Foreign Affairs hosted the first UAE-Canada Joint Committee meeting at its headquarters in Abu Dhabi, co-chaired by Reem Al Hashimy, Minister of State for International Cooperation, and Mélanie Joly, the Minister of Foreign Affairs of Canada. "The Joint Committee serves as a testament to the growing bilateral ties between the UAE and Canada, which have continued to flourish, notably in the economic field. These strengthened relations reflect the shared commitment of both nations to foster cooperation, mutual prosperity, and an enduring partnership that also encompasses cultural, diplomatic, and people-to-people ties."
- UAE's Foreign Minister Shaikh Abdullah bin Zayed Al-Nahyan received his Canadian counterpart in October 2023 to discuss ways to enhance bilateral relations in several fields, including economics, trade, investment, and energy. The two foreign ministers "explored opportunities for cooperation in environment and climate change, against the backdrop of the

- UAE hosting of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28) this year in Expo City Dubai."
- In December 2022, Harjit S. Sajjan, Minister of International Development and Minister responsible for the Pacific Economic Development Agency of Canada, visited the United Arab Emirates to enhance cooperation on international development. Key topics included climate change, food security, biodiversity, education, and health.
- In April 2022, His Highness Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, and Justin Trudeau, Prime Minister of Canada, spoke on the phone regarding bilateral relations and enhancing cooperation between the two countries.

Canada-Qatar

- In May 2024, Doha hosted the first round of political consultations between the Ministries of Foreign Affairs of Oatar and Canada. The consultations addressed bilateral coordination between the two countries and ways to support and enhance them
- In November 2022, Harjit S. Sajjan, Minister of International Development and Minister responsible for the Pacific Economic Development Agency of Canada, visited Qatar for the 2022 FIFA World Cup. Minister Sajjan also met with Qatar's Deputy Prime Minister and Minister of Foreign Affairs, Sheikh Mohammed bin Abdulrahman Al Thani, to discuss shared priorities.
- In October 2022, Deputy Prime Minister and Minister of State for Defense Affairs H.E. Dr. Khalid bin Mohammed Al Attiyah met with Canadian Minister of National Defense H.E. Anita Anand during his visit to Canada, where they discussed the relations between the two sides and ways of enhancing and developing them.

- On April 4, 2022, the Emir of Qatar, His Highness Sheikh Tamim bin Hamad Al Thani, and Prime Minister Justin Trudeau spoke about the humanitarian crisis in Ukraine. The two agreed to cooperate toward mitigating the global economic impacts of the war.
- Canada's Governor General, Mary Simon, visited Oatar in March 2022. She also met with Canadian Armed Forces personnel stationed at the Al-Udeid Air Base.

Canada-Oman

In January 2024, Prime Minister Justin Trudeau spoke with the Sultan and Prime Minister of Oman, His Majesty Haitham bin Tariq Al Said, and discussed the situation in Gaza

Canada-Kuwait

- In March 2024, the Ministries of Foreign Affairs of Kuwait and Canada held a talk in Kuwait City to discuss the bilateral relationship and agreed to deepen it further, as well as their common commitment to international law and security.
- In October 2023, the two countries held the Canada-Kuwait Business Summit in Montreal and Toronto in Canada from October 1-5, 2023.
- In May 2023, Kuwait's foreign minister held talks with his Canadian counterpart during his visit to Canada to discuss increasing bilateral relations. The two foreign ministers also signed an MoU to establish a bilateral political consultation mechanism between the ministries.
- In December 2022, Harjit S. Sajjan, Minister of International Development and Minister responsible for the Pacific Economic Development Agency of Canada, visited

- Kuwait to advance the Canada-Kuwait partnership. Minister Sajjan and Sheikh Salem Abdullah Al-Jaber Al-Sabah, Minister of Foreign Affairs of Kuwait, signed a memorandum of understanding (MoU) to enhance development cooperation.
- Canada's Governor General, Mary Simon, visited Kuwait in March 2022. She also toured Camp Canada at the Ali Al Salem Air Base, meeting with members of the Canadian Armed Forces stationed in the country in support of Operation IMPACT in her capacity as Commander-in-Chief of Canada.

Overall, Canada's relationship with the GCC continues to be positive. In 2013, Canada and the GCC states established the Canada-GCC Strategic Dialogue, committed to a long-term strategic partnership and promoting mutual economic prosperity, security, and stability. The second ministerial meeting was held on May 23, 2016, in Jeddah, Saudi Arabia. The meeting was co-chaired by His Excellency Dr. Nizar bin Obaid Madani, Minister of State for Foreign Affairs of the Kingdom of Saudi Arabia, and His Excellency Mr. Stéphane Dion, Minister of Foreign Affairs of Canada. Abdullatif bin Rashid Al-Zayani, the GCC Secretary-General, and Their Excellencies, the Foreign Ministers of the GCC Member States, also participated in the ministerial meeting. The ministers discussed various issues, including conflicts in Syria, Iraq, and Yemen, and cooperation on mutual humanitarian, political, and trade goals. Moreover, Canada also plays a political role within its membership of NATO, G7, and the G20.

Canada has also improved its relations with Saudi Arabia after the decision to re-establish diplomatic ties. There are numerous topics on which Saudi-Canada cooperation needs to be considered, including nonproliferation issues, nuclear safety, maritime security, cybersecurity, energy security, environment and climate change, disaster



prevention (i.e., pandemics and earthquakes), food security, counterterrorism, as well as humanitarian aid and donations. Additionally, Canada also has a lot to offer in terms of softer security issues, such as enhancing collaboration on humanitarian aid as well as advancing peace negotiations in conflict zones. The complete restoration of ties offers an opportunity to bring back the positive relationship between Saudi Arabian international students and Canadian institutions

Canada is also cooperating with the Gulf states in mediation and diplomacy and contributing to conflict resolution efforts in the Middle East. This comes at a time where the GCC states are firmly establishing themselves as important political and economic power brokers at the international level. Canada's history of mediating conflicts makes it an ideal partner for peacebuilding and conflictresolution efforts, both in the Middle East and beyond. For instance, Canada is working closely with Qatar on releasing the hostages in the Israeli-Palestinian conflict. Canada is also playing an important role in providing aid for Palestinians. In October 2023, Global Affairs Canada announced that Canada would provide \$50 million in humanitarian aid to Palestinians in the Gaza Strip in addition to \$10 million designated previously. According to Foreign Affairs Minister Melanie Joly, "It is critical that Palestinian civilians in Gaza who need life-saving assistance receive it as soon as possible," and "Canada will continue to work with its trusted and experienced humanitarian partners to make sure this funding reaches those who are suffering."

All in all, Canada's relationship with the Gulf region remains positive, as business and bilateral ties between the countries continue to support their mutual interests. On March 7, 2024, Canadian Minister for Foreign Affairs, Melanie Joly, and GCC Secretary General, Jassem Mohamed Albudaiwi, met for talks surrounding bilateral relations and boosting cooperation

to serve common interest. Saudi Arabia and Canada's progressive cooperation unlocks investment and business potential as the deadline for Vision 2030 approaches in the coming years. This reconciliation resulted in Canada's welcome to Saudi students, as well as Saudi government scholarship programs, enhancing the relations between the countries. Mutual interest also includes international conflicts. During her visit to the region in March 2024, Minister Melanie Joly discussed with her respective counterparts in Saudi Arabia, UAE, and Kuwait the Israel-Gaza conflict, reaffirming her support for a twostate solution, and, in agreement with Arab states' conditions, to recognize Palestine as an official state.

4. GRC Material

- <u>Saudi-Canada Relations: One Year Later</u> Amnah Mosly – Gulf Research Center – July 2024
- <u>Saudi-Canada Relations: Restoration of Ties</u>
 Amnah Mosly Gulf Research Center July 2023
- Discovering the Arabian Gulf: Canada's
 Evolving Ties with the GCC States Robert

 J. Bookmiller Gulf Research Center –
 December 2006















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