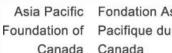
CHARTING CANADA'S RELATIONS WITH ASIA IN THE ARCTIC

POINTS OF VIEW

ASIA PACIFIC OPINION PANEL





Asia Pacific Fondation Asie







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INTRODUCTION

In May 2013, Canada will assume the Chair of the Arctic Council, a high-level intergovernmental forum comprised of eight Arctic member-states and Indigenous 'Permanent participant' organizations. The Council facilitates the interaction between and among Member states and Arctic communities, particularly on issues related to sustainable development and Arctic environmental protection.

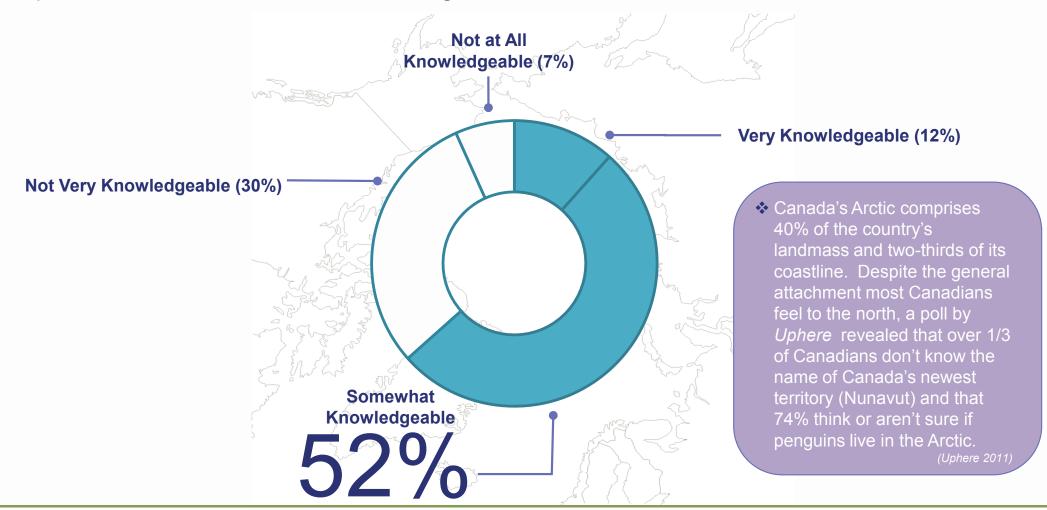
As climate change continues to affect the region and once frozen waterways become accessible, a number of economic opportunities have emerged, as have mounting environmental concerns for countries in the Arctic and elsewhere. As a result of these opportunities and concerns, governments in Asia have submitted their applications to become observers in the Arctic Council.

The Asia Pacific Foundation of Canada asked its opinion panel of Asian practitioners to assess Canada's emerging relationship with Asia in the Arctic.



KNOWLEDGE OF ARCTIC ISSUES

When asked about their knowledge of Arctic issues in Canada, nearly two-thirds of Asia practitioners rated themselves knowledgeable.

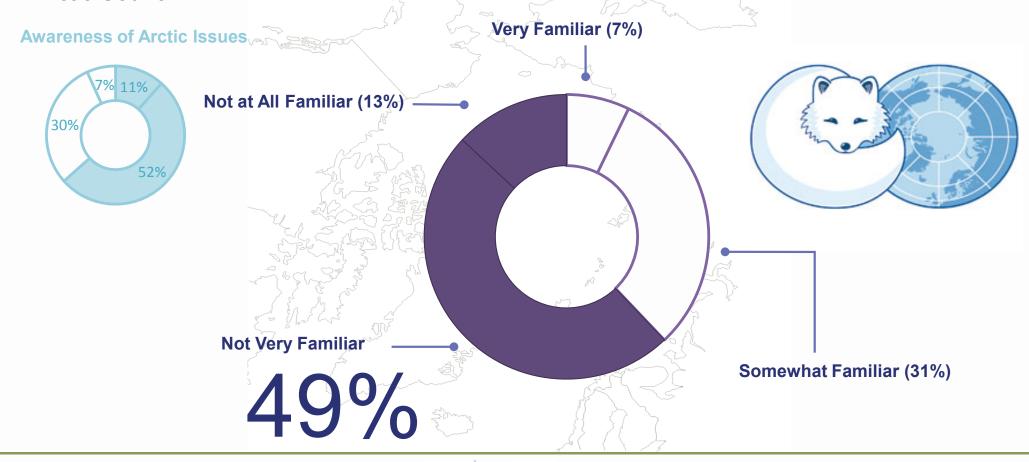






FAMILIARITY WITH WORK OF THE ARCTIC COUNCIL

However, among Asia practitioners who rated themselves knowledgeable about Arctic issues in Canada, more than six-out-of-ten were not very familiar or not at all familiar with the work of the Arctic Council.



The Arctic Council, established in 1996 by the Ottawa Declaration, is a high-level intergovernmental forum dedicated to "promoting cooperation, coordination and interaction among the Arctic States, with the involvement of the Arctic Indigenous communities and other Arctic inhabitants on common Arctic issues."

(Arctic Council 2011)

While the Council's predecessor, the Arctic Environmental Protection Strategy, was an effort spearheaded by Finland, the creation of the Council itself was largely championed by Canada. The Council has eight member states: Canada, Denmark, Finland, Iceland, Norway, Russia, Sweden and the United States.

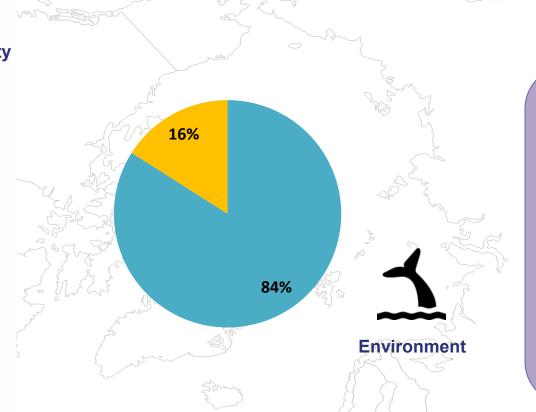


ENVIRONMENT: THE TOP PRIORITY FOR ARCTIC POLICY

Asia practitioners put environmental issues at the top of the list for priority areas in the Government of Canada's Arctic policy; 84% listed these issues as a 'top' or 'high' priority area, ahead of all other areas. More than seven-in-ten also rate "social issues" and "sovereignty" as priority Arctic issues.



Medium – Low Priority



- * The Government of Canada's foreign policy dimension of its Arctic Policy is based on four pillars:
- Protecting Canada's environmental heritage;
- Promoting economic and social development:
- Improving and devolving northern governance;
- Exercising Canadian Arctic.

environmental changes there. A 2005 NASA study found that one-third of the soot found in the atmosphere above the Arctic originates from South Asia. Falling soot reduces the reflectivity of ice and absorbs sunlight, accelerating the melting process and is a leading cause of ice-melt in the Arctic.

Despite its geographic distance from the Arctic, Asia has had an extensive impact on

(NASA 2005)

High amounts of mercury also find their way into the Arctic through air and ocean currents from lower latitudes. Once deposited, mercury is then absorbed by marine life. As a result, Arctic peoples, whose traditional diets largely consist of fish, marine mammals and other wildlife, also exhibit mercury levels higher than threshold values. A recent study found that 65% of global mercury emissions come from Asia, with China responsible for the largest proportion, followed by India and the United States.

(Arctic Monitoring and Assessment Program 2011)







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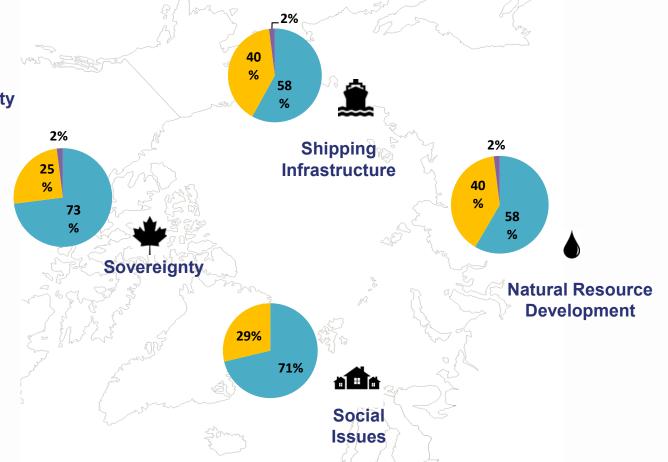
OTHER PRIORITY AREAS FOR CANADA'S ARCTIC POLICY

In terms of overall 'top' priorities, sovereignty-related issues remained a concern among Asia practitioners. The development of shipping infrastructure and natural resources fared the lowest among priority areas, with 40% of respondents stating that they were 'low' priorities or 'not a priority at all.'

Top – High Priority

Medium – Low Priority

Not a Priority at All









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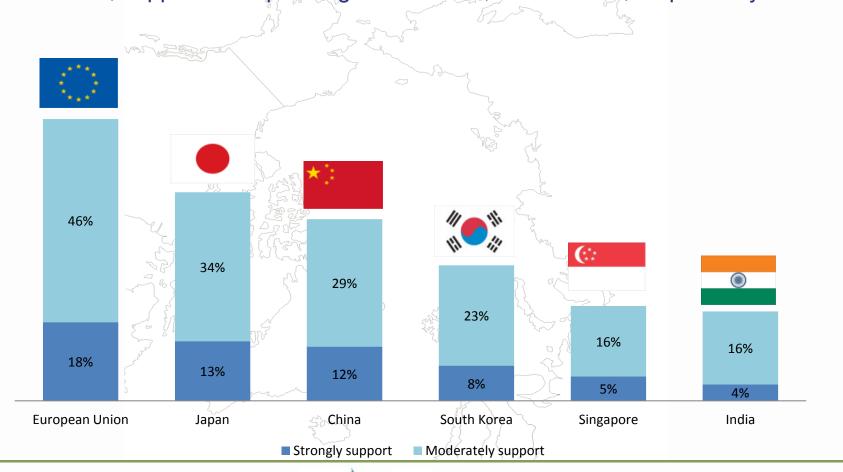


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SUPPORT FOR THE EU IN ARCTIC **GOVERNANCE**

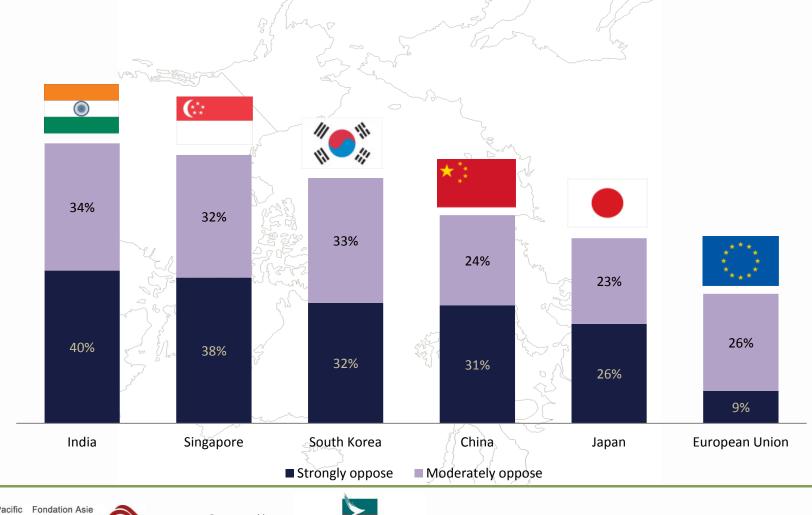
Asia practitioners were more comfortable with the European Union having a greater role in Arctic governance than they were with candidate Asian states. Nearly two-thirds support a greater EU role, compared to fewer than half supporting a role for Asian states. Among Asian countries, support for Japan edged out China, 47% to 41%, respectively.





OPPOSITION TO ASIAN STATES IN ARCTIC **GOVERNANCE**

Asia practitioners were strongly opposed to giving Asian states a greater role in Arctic governance; notably, three-out-of-four opposed a greater role for India.







WILL NON-ARCTIC STATES DILUTE INDIGENOUS VOICES?

Nearly two-out-of-three Asia practitioners (63%) agreed that the inclusion of non-Arctic states in Arctic governance bodies would dilute the voices of Indigenous groups.

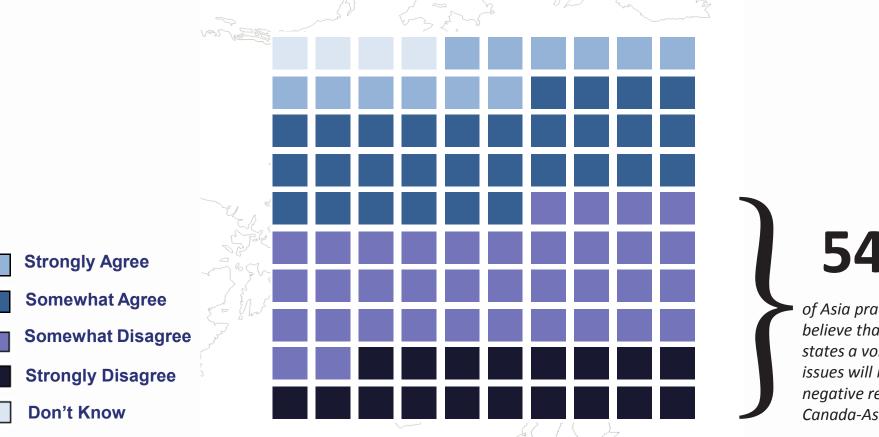
In addition to member states, the Arctic Council is comprised of observer states, nongovernmental observers and six 'Permanent participant' Indigenous organizations. While decision making remains the sole right of member states, Permanent participants have full consultation rights on all meetings and activities of the Council. In addition to consultation rights, Permanent participants may propose additional agenda items and projects.

(Arctic Council 2011)



ASIA IN THE ARCTIC – CONSEQUENCES FOR EXCLUDING ASIAN VOICES

Asia practitioners are divided on the impact on Canada-Asia relations of denying Asian states a voice on Arctic issues. While a slim majority (54%) are not worried about a potential negative impact, more than four-in-ten foresee problems in taking this action.



54%

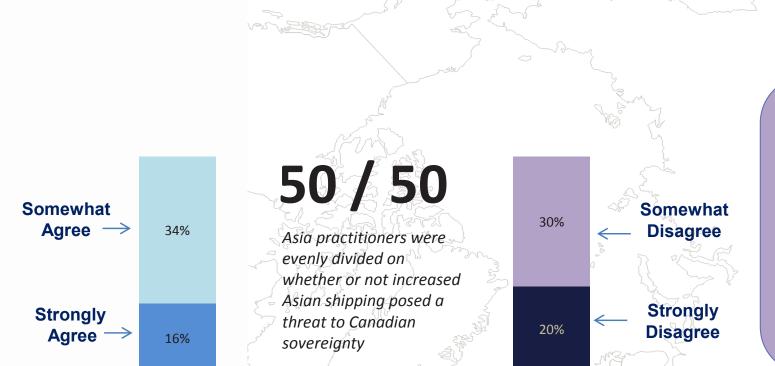
of Asia practitioners believe that denying Asian states a voice on Arctic issues will not have negative repercussions for Canada-Asia relations



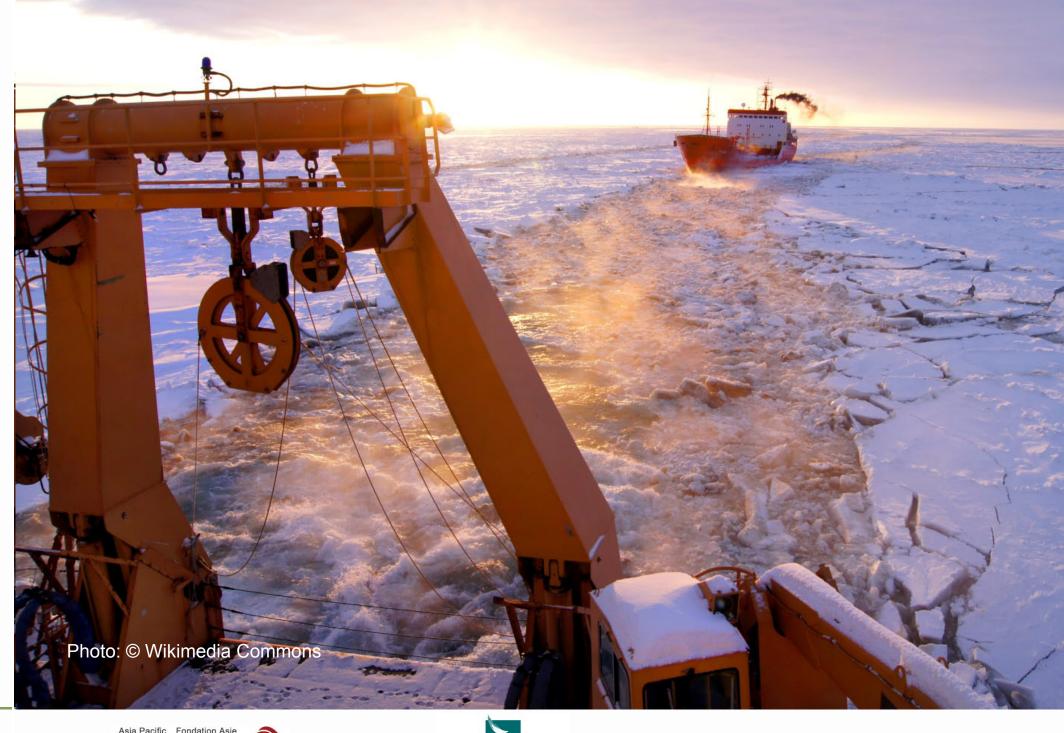


ASIA IN THE ARCTIC - SHIPPING VS. SOVERIGNTY

Asia practitioners are evenly split on whether or not an increased presence of Asian shipping in the Arctic poses a threat to Canadian sovereignty; 50% see a threat, 50% do not.



❖ The Northwest Passage, with passes through Canada's Arctic archipelago, could cut shipping distances between Asia and North America's Eastern Seaboard by as much as 7000km. Russia's Northern Sea Route could reduce shipping between Europe and Asia by as much as 10,000km.







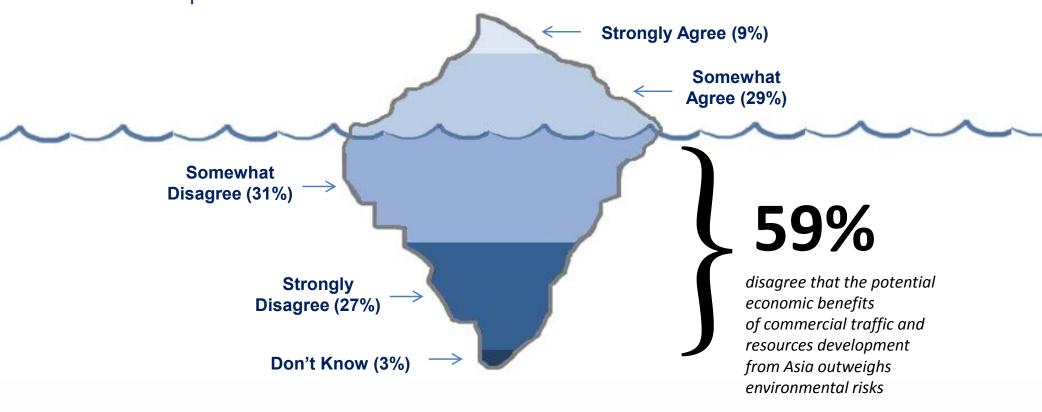






ASIA IN THE ARCTIC – ECONOMIC BENEFITS VS. ENVIRONMENTAL RISKS

Canada's Asia practitioners are doubtful that increased economic activity in the Arctic spurred by Asian countries is worth the potential risks to the environment . A majority (59%) disagree that potential economic benefits of commercial traffic and resource development from Asian countries outweigh the environmental risks. However, a sizeable number – 38% – believe the benefits trump the risks.



A much quoted 2008 US Geological Survey estimated that as much as 13% of the world's undiscovered oil reserves and 30% of its undiscovered natural gas reserves are located in the Arctic, despite it accounting for only 6% of the Earth's surface.

(Ernst & Young, Arctic Oil and Gas 2013)

China, India, Japan, South Korea and Singapore are among the ten highest oil importing countries. Liquefied Natural Gas (LNG) also plays a large role in Asian economies, with Japan a large importer of northern LNG and South Korea as the second largest importer of LNG globally.

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(Canadian International Council 2011)









ASIA IN THE ARCTIC - IMPACT ON INDIGENOUS COMMUNITIES

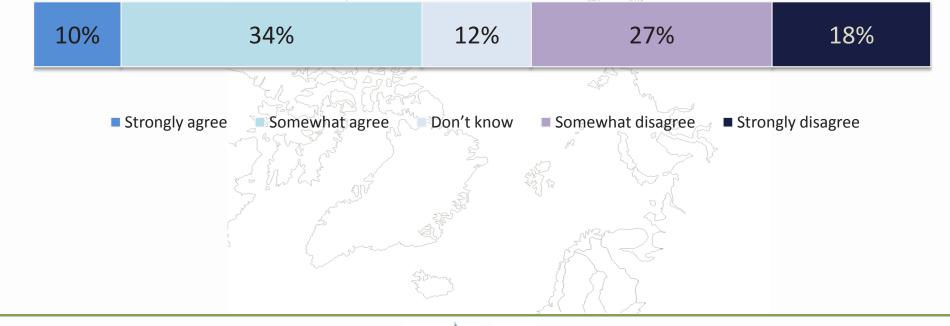
Asia practitioners believe that Asian countries' scientific interests in the Arctic are much more likely than their commercial interests to have a positive effect on Indigenous communities. Fully 63% express confidence that Asian scientific interests will bring favourable outcomes for Indigenous populations in the Arctic, while Asia practitioners are evenly divided when it comes to the impact of commercial interests (44% agreed this would have a net positive impact, 45% disagreed).

A number of Asian countries have well-developed polar research capabilities. China, India, Japan and South Korea all have Arctic research stations in Svalbard, Norway. China, South Korea and Japan also have research-oriented ice-breakers, and both China and India have placed orders for more.

Increased Asian scientific interest in the Arctic will have a net benefit for Indigenous communities



Increased Asian commercial interest in the Arctic will have a net benefit for Indigenous communities







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RESEARCH METHODOLOGY

Points of View Asia Pacific is an opinion panel of the Asia Pacific Foundation of Canada (APFC). It comprises 1,188 individuals who are engaged in Asia through their professional, research, or personal interests. More than 80 percent of panelists have business or professional interests in Asia, and 70 percent have worked in Asia. As members, these individuals have consented to receive invitations to participate in ongoing APFC surveys on issues related to Canada-Asia relations.

Data collection occurred between April 5 and 19, 2013. A total of 164 people completed the survey questionnaire in whole or in part - a 14% response rate. Invitations were sent to opinion panel members through a "closed link" using Vision Critical.

The final sample was not weighted in any fashion, given that there are no available aggregate statistics against which to compare our sample parameters.

Statistical margins of error are not applicable to online surveys, but this poll of 164 Points of View Asia Pacific opinion panelists has a credibility interval of plus or minus 7.6 percentage points.









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