



Gulf Research Center
Knowledge for All

Canada- GCC Relations



January 2023



1. Key Domestic Developments

Canada's government is a federal parliamentary and constitutional monarchy. Canada's monarch is King Charles III, Governor General is Mary Simon, and Prime Minister is Justin Trudeau. Moreover, Canada's head of government is Prime Minister Trudeau, who is elected in the House of Commons. On September 20, 2021, Canada held its 44th Canadian federal election in which Justin Trudeau was re-elected as Prime Minister. He had held office since 2015 and has been the leader of the Liberal Party since 2013. In the 2021 Canadian federal 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 re-elected by forming a minority government, only the second time Canada has been government by a minority government (in addition to the one formed by Stephen Harper in 2008).

Socially, under Prime Minister Trudeau's cabinet, Canada has implemented a "progressive" social policy. Firstly, Canada witnessed a "resolutely pro-choice" party that advocates for abortion

rights and feminism. Secondly, Canada legalized the use of cannabis for recreational use on October 27, 2018. Thirdly, Canada introduced the right to allow medical assistance in dying. Most recently, Canada introduced a drastic new alcohol guidance, including a 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. Despite these efforts, it is expected that Canada will enter a deep recession due to rising interest rates and a slowing U.S. economy, which will consequently affect Canada's economy. Economic growth in Canada will decrease for three consecutive quarters, resulting in a 0.9% contraction in GDP growth in 2023.

Recently, Canada's government received criticism following controversial decisions. For instance, the Prime Minister advocated for the Trans Mountain Pipeline System, a pipeline that carries crude and oil refinery. Consequently, the Prime Minister was criticized for the expansion





of the pipeline as it contrary to the country's goals of reducing greenhouse gas emissions. Additionally, there has been a wave of protests in 2020 against the construction of the Coastal GasLink Pipeline (CGL) that runs through 120 miles of unceded land in Wet'suwet'en First Nation territory in British Columbia. Most recently, in early 2022, there has been a series of protests against COVID-19 vaccine mandates and restrictions, called the Freedom Convoy. The second series of the Freedom Convoy is set to take place in Winnipeg in February 2023.

Key Canada Economic and Social Data

- GDP: \$1.988 trillion (2021).
- GDP per capita: \$51,987.94 (2021).
- Annual Growth Rate: 4.5% (2021).
- Inflation: 3.40% (2021).
- Population: 38.25 million (2021).
- Unemployment Rate: 7.51% (2021).
- 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.

Canada has recovered mainly from the pandemic. Real GDP is projected to grow by 3.8% in 2022 and 2.6% in 2023. Nevertheless, Canada has witnessed a decline in trade volume in part due to the crisis in Ukraine and the sanctions policy on Russia. By September 2022, Canada had imposed *Special Economic Measures Regulations* on 257 entities and 954 individuals in Russia. Moreover, unemployment rates are expected to rise from their current low levels as high inflation has gripped Canada similar to other Western economies in particular. Amid high inflation and aggressive rate increases from the Bank of Canada, many expect that Canada will enter a moderate/mild recession in the first quarter of 2023.

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. It is also a member of many international organizations, such as the World Trade Organization, the G20, North Atlantic Treaty Organization (NATO), international financial institutions (IFIs), the Organization for Economic Cooperation and Development (OECD), the International Organization of La Francophonie, 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 2022-23, Canada's core foreign policy responsibilities include international advocacy and diplomacy, building and maintaining constructive relationships that advance Canada's interests, advancing Canada's feminist foreign policy, combatting antisemitism, helping in building and safeguarding an open and inclusive rules-based global trading system, facilitating and expanding foreign direct investments, improving physical, social, and economic well-being for countries affected by the pandemic, empowering women's rights, supporting low-income countries, and advocating for peace and stability.



Key Foreign Policy Initiatives

- In January 2023, Canada's Foreign Minister Melanie Joly announced that Canada will facilitate a peace process aimed at resolving the ongoing crisis in Cameroon.
- In November 2022, Canada announced an additional \$500 million in military assistance to Ukraine amidst the crisis, after pledging over 1 billion Canadian dollars.
- In June 2021, Canada signed the Declaration on the Rights of Indigenous Peoples.
- On December 10, 2019, Prime Minister Trudeau signed the Canada–United States–Mexico Agreement (CUSMA), a free trade agreement between the three countries.
- On June 19, 2019, Canada signed the Arms Trade Treaty (ATT), a multilateral treaty that regulates international trade in conventional weapons.
- On March 8, 2018, Prime Minister Trudeau signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), a trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.
- On September 21, 2017, Prime Minister Trudeau signed Comprehensive Economic and Trade Agreement (CETA), a free-trade agreement between Canada and the European Union and its member states.

Canada's relationship with several countries experienced difficulties in recent years. In terms of China-Canada relations, ties deteriorated in December 2018 when Canada 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 and questioned for three hours and she was subsequently arrested on a provisional US extradition request for fraud. Prime Minister

Trudeau supported the 2019-2020 Hong Kong protests and called for an investigation into the Uyghur genocide by the UN. 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 Canadian Indian residential school system. Canada has also witnessed tense relationships with the Philippines during the Canada–Philippines waste dispute, an international dispute over mislabeled Canadian garbage shipped to Manila in 2013-14. The dispute continued until May 30, 2019, when more than half of the containers were shipped back to Canada. Most recently, following the COVID-19 pandemic, Canada on January 2023 has joined the growing list of countries requiring air travelers two years of age and older will be required to present a negative COVID-19 test before departing for Canada.

Since Russia's attack on Ukraine in February 2022, Canada provided Ukraine with support to ensure the security and stability of the country. Prime Minister Trudeau has announced sanctions against Russia, announced additional military contributions to support NATO, and announces 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 an additional 200 Canadian-made armored vehicles worth \$90 million. This deal is part Prime Minister Trudeau's announcement of the 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 Canada's aid to Ukraine so far.

3. Canada-GCC Fact Sheet

- Canada's trade in merchandise goods with GCC countries.

Country	Exports	Imports
Saudi Arabia (2021)	\$2.2B	\$2.4B
United Arab Emirates (2021)	\$2.0B	\$549.9M
Qatar (2021)	\$113.5M	\$82.7M
Oman (2021)	\$68.6M	\$70.8M
Bahrain (2021)	\$217.6M	\$58.2M
Kuwait (2020)	\$94.4M	\$277,000

Establishment of Diplomatic Relationship

- 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: vacant.
- Consulate of Canada in Jeddah: vacant.
- The Royal Embassy of Saudi Arabia in Ottawa: H.E. Mr. Sulaiman Alaqeel, Charge de Affairs.
- Embassy of Canada in Abu Dhabi: Ambassador Radha Krishna Panday.
- Consulate of Canada in Dubai: Consul General Jean-Philippe Linteau.
- UAE Embassy in Ottawa: H.E. Fahad Saeed Al Raqbani
- Embassy of Canada in Doha: Ambassador Isabelle Martin.
- Embassy of the State of Qatar in Ottawa: Ambassador Saoud Abdulla Z. Al-Mahmoud
- Consulate of Canada in Muscat.
- Embassy of Canada in Kuwait: Ambassador Aliya Mawani.
- Embassy of the State of Kuwait in Ottawa: H.E. 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: Martin Larose.
- Minister of International Development: Harjit S. Sajjan

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/>
- Centre for International Governance Innovation (CIGI): <https://www.cigionline.org/>
- Canadian Global Affairs Institute (CGAI): <https://www.cgai.ca/>
- Macdonald-Laurier Institute (MLI): <https://www.macdonaldlaurier.ca/>
- Brookfield Institute: <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

Key Recent Literature

- [Deconstructing the Changing Middle East Security Architecture – September 2022-January 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](#)
- [Fortune Favours the Stable: The Future of Oil and Gas Supply – December 2020](#)



4. Key Developments in Canada-GCC Relations

Canada-Saudi Arabia

- 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 after the United States.

Canada-United Arab Emirates

- 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 include climate change, food security, biodiversity, education, and health.

- In July 2022, Sheikh Nahyan bin Mubarak Al Nahyan, Minister of Tolerance and Coexistence welcomed then Ambassador of Canada to the UAE Marcy-Grossman. The two stressed that UAE and Canada have solid strategic relations.
- 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's Governor General, Mary Simon, visited the UAE in March 2022. The Governor General was the guest of honor at Canada's National Day held in Dubai in Expo 2020 on March 19, 2022.

Canada-Qatar

- 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 current visit to Canada, where they discussed the relations between the two sides, and ways of enhancing and developing them.
- In August 2022, Prime Minister and Minister of Interior H.E. Sheikh Khalid bin Khalifa bin Abdulaziz Al Thani met with the UAE Ambassador of Canada H.E.



Stefanie McCollum. The two discussed the Canadian Ambassador's tenure.

- 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 to mitigate the global economic impacts.
- Canada's Governor General, Mary Simon, visited Qatar in March 2022. She also met with Canadian Armed Forces personnel stationed at the Al-Udeid Air Base.

Canada-Oman

- In 2020, bilateral trade ties between the two countries rose from about CA\$127 million (OMR40 million) in 2017 to CA\$145.5 million (OMR46.4 million).

Canada-Kuwait

- 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 that is committed to a long-term strategic partnership as well as promote mutual economic prosperity and 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 a wide range of issues, including conflicts in Syria, Iraq and Yemen, as well as cooperation on mutual humanitarian, political, and trade goals. Moreover, Canada also plays a political role within its membership of NATO and G7.

However, Canada's relationship with Saudi Arabia has been rocky in recent times. Until 2018, the two countries used to enjoy strong economic ties. Saudi Arabia was Canada's second-largest trading partner in the Middle East, following the arms deal of C\$15 billion from Canada to the kingdom. In August 2018, Canadian Minister of Foreign Affairs Chrystia Freeland tweeted about Canada's 'concern' over the arrest of Samar Badawi. In response, Saudi Arabia's Ministry of Foreign Affairs published a statement, denouncing Canada's interference in the kingdom's domestic affairs, suspended all new trade and investment relations, expelled Canada's Ambassador, recalled the Saudi Ambassador to Canada, suspended Saudia flights from Jeddah and Riyadh to Toronto, and requested Saudi students to relocate. Since then, educational ties have continued to downgrade. However, trade relations were restored despite not reestablishing full diplomatic relations.

Canada also witnessed a dispute with the UAE regarding aircraft landing rights. In 2010, Canada denied expanding landing rights for Emirati airlines flying into the country. In response, the UAE ended Canada's access to a military base that supports troops in Afghanistan and enforced a visa requirement to enter the country.

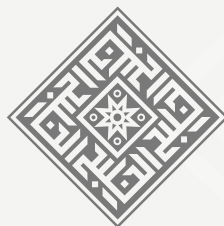


However, on April 2, 2013, Canadian Foreign Affairs Minister John Baird and the UAE Foreign Minister Sheikh Abdullah bin Zayed Al Nahyan met during Baird's visit to the UAE and restored the visa system that existed prior to the dispute. In July 2018, the dispute was finally resolved when Canadian authorities signed an agreement to increase Emirati flights to five times a week into Toronto. Furthermore, Canada-UAE ties continue to strengthen. In January 2023, Catherine Stewart, Canada's climate ambassador, supported the UAE's hosting of this year's

COP28 climate negotiations and stated the UAE ministers and ambassadors have "a lot of ambition on climate solutions, in energy transition, in clean technology, innovation."

4. Supplementary Material

- [Discovering the Arabian Gulf: Canada's Evolving Ties with the GCC States – Robert J. Bookmiller - Gulf Research Center – December 2006](#)



Gulf Research Center
K n o w l e d g e f o r A l l