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By: TA | AP Insight

Taiwan warns Canada that deeper ties with China come with risks



Taiwan's deputy foreign minister warned that Prime Minister Mark Carney risks exposing Canada to the very economic coercion he has cautioned against by deepening trade ties with China, saying that Taiwan has learned the hard way that dependence on Beijing comes with consequences.

"We worry. We worry," Chen Ming-chi told The Associated Press in an interview at the Halifax International Security Forum when asked about Carney's efforts to improve relations with China.

Carney has warned that major powers are using economic integration as a weapon, citing U.S. tariffs and China's restrictions on critical minerals. He has urged middle powers to diversify their trade relationships to avoid economic coercion.

Chen praised Carney's speech at the World Economic Forum in Davos, Switzerland, but questioned whether Canada should deepen ties with countries that don't share its democratic values.

"Who do you want to choose as your partners?" he asked.

"You have your own history. You have two Michaels," Chen said, referring to former Canadian diplomat Michael Kovrig and businessman Michael Spavor, whose nearly three-year detention in China prompted accusations of hostage diplomacy.

The two were arrested in 2018 shortly after Canada detained Huawei executive Meng Wanzhou on a U.S. extradition request.

They were released in September 2021, the same day Meng returned to China. Beijing denied their detention was politically motivated.

Chinese electric vehicles could threaten Canadian manufacturers

Chen's warning came days after Carney met with Chinese President Xi Jinping in Shenzhen and agreed to additional tariff reductions as Canada seeks to diversify trade during U.S. President Donald Trump's trade war.

Carney said that Canada could turn to Chinese automakers if negotiations with Washington fail to preserve a viable Canadian auto industry.

Trump has threatened 50% tariffs on Canadian vehicles and auto parts beginning on Jan. 1.

Chinese electric vehicles could threaten Canadian manufacturers and pose surveillance risks

Chen warned that Chinese electric vehicles could threaten Canadian manufacturers and pose surveillance risks because of their connected technology, even if manufactured in Canada.

Carney has argued that Canada's trade relationship with China differs from Washington's more complicated ties with Beijing.

Canada primarily exports agricultural products, energy and other commodities rather than sensitive technologies such as advanced semiconductors.

Chen said that Taiwan had dramatically reduced its economic dependence on China after experiencing Beijing's use of trade restrictions to exert political pressure.

"They are very good at weaponizing interdependence," he said. "They are very good at leveraging our dependence to reach political goals."

Military operations around Taiwan

Taiwan reduced the share of its outbound investment going to China from more than

80% in 2010 to 3.8% last year, Chen said.

Its exports to China and Hong Kong fell from nearly 44% of total exports in 2020 to about 27% last year, according to Taiwanese government figures.



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Chen also accused Beijing of exploiting a striking photograph from this week's summit in Shenzhen showing Xi seated prominently between Trump and Russian President Vladimir Putin to project China as the world's leading power.

"The main idea is to prove not only to his domestic audience that he is the world leader," Chen said. "They are so good at propaganda."

He described the summit as "more symbolic than substantial."

Chen said China was intensifying military operations around Taiwan, despite the potentially enormous costs of an invasion.

He warned that Chinese vessels could be rehearsing for a maritime quarantine of the self-governing island.

Despite his concerns about Beijing, Chen praised Carney's international leadership and welcomed his commitment to sign a long-delayed trade cooperation arrangement with Taiwan.

"We have a high respect of Prime Minister Carney's vision. And we want to be part of this vision," he said.