



CANADIAN GLOBAL AFFAIRS INSTITUTE
INSTITUT CANADIEN DES AFFAIRES MONDIALES

Canada's Next Steps in the Indo-Pacific Conference

By Rafael Aguirre
October 2025

CONFERENCE REPORT

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Keynote speech

Ellis Ross, MP, Skeena-Bulkley Valley

Ellis Ross delivered a critical assessment of Canada's failure to develop its energy infrastructure effectively. He warned that the country is wasting its advantages (rule of law, free enterprise) through self-inflicted political problems.

While nations in Asia and Europe want Canadian gas, Canada remains unable to build pipelines to its West Coast.

To be sure, First Nations readiness for energy development varies by region, with Alberta bands being far more advanced than those on BC's West Coast.

E. Ross used the illustration of the Pacific Northwest LNG project in Prince Rupert, which was not built. It could have resulted in great benefits for Indigenous peoples. The cancellation of the project stemmed from environmental concerns. But it also illustrated how much the corporate world and the political establishment do not understand the basics of Aboriginal rights and title case law.

E. Ross highlighted this disconnect by pointing to the BC government's subscription of UNDRIP (United Nations Declaration on the Rights of Indigenous Peoples). He noted that when First Nations challenged BC in court, the government claimed that subscribing UNDRIP had only ever been intended as an aspirational framework rather than a legally binding commitment.

The Courts have already defined a pathway. Ottawa and Victoria have outrightly ignored this. And who pays for this? Canada, E. Ross said.

The contradictions have persisted: over 90 percent of Canadian oil continues flowing to the US at discounted prices despite talk of diversification, and Ottawa committed \$1 trillion in private investment to the US while making no similar commitment to Canada.

Ross sees Trump's pressure over Canada as a necessary wake-up call for Canadians to recognize their diminishing influence and the risk of being marginalized by the US, Russia, and China. It is ironic, if not contradictory, that talk about Canada becoming a superpower comes as Canada has not put its act together on how to use its resources to enhance its autonomy. *You cannot run before you walk.*

Presentation: Current State of Energy in the Indo-Pacific

Jun Nishizawa, Visiting Fellow, Institute of Energy Economics, Japan



Mr. Nishizawa opened challenging an item in the narrative of the energy transition by highlighting the overlooked crisis of energy poverty affecting a third of the world's population. 60 percent of the people living in energy poverty are in Asia and use hydrocarbons and biomass in ways that imperil human health.

This human health landscape correlates with the national challenges to energy self-sufficiency in Asia and the Indo Pacific, more specifically. Japan rates its energy self-sufficiency at a 13 percent level today while it had a 60 percent self-sufficiency rate in the 1960s. This decline resulted from the shift from coal to oil. Nuclear energy brought a partial recovery but the Fukushima disaster in 2011 put Japan again into a very precarious situation. South Korea and Taiwan show rates similar to Japan. China, Vietnam, India, Pakistan, Bangladesh, Philippines and Thailand all are well below 100 percent rate. By contrast, Canada, the United States, Russia, Australia and Indonesia enjoy rates of self-sufficiency approaching 200 percent.

While energy supply and demand in Japan and China will tend to plateau and even decline, India and Southeast Asia will experience sharp increases driven by population and economic growth that will more than offset these declines. The forecasted surge of demand driven by data centers has transformed the outlook for the globe. The demand landscape has been transformed by the entrance of affordable renewables, but that does not deemphasize the role of hydrocarbons. *For any country, it is getting increasingly difficult to survive with no sufficient power in the era of AI, regardless of the color of the power.*

Demand for LNG follows that regional trend, multiplying in the rest of Asia. Turning to discuss the role of renewables, Nishizawa said that Indo-Pacific countries, including Japan, lack favorable solar and wind resources and cannot rely on intermittent renewables as baseload power without gas-fired backup or (still-unaffordable) battery storage. Japan is bringing in more renewables and has a continued interest in nuclear energy.

However, renewables bring increasingly costly reliability reinforcements. Hence, while decarbonization is still a priority, nuclear energy is becoming the number one source of choice to reinforce energy self-sufficiency. For Japan, LNG joins renewables as second and third place in the in its diversification strategy. Mr. Nishisawa pointed out that this order of priorities resembles that of most of the Indo Pacific countries.

A series of consequences for Canada come about from this reading of the trends of energy demand in the region. Among them, Nishizawa emphasized the role of long-term contracts in building trust and security. For Japan, long term contracts resulted critical in sorting out the spike of LNG prices globally in the aftermath of the Russian invasion of Ukraine.

Also of especial importance for Canada is the renewed interest in nuclear energy. While CANDU reactors have not been built for more than two decades, Japan is attentive to the developments of Small Modular Reactors. Partnerships between Japan and Canada can grow strong around this technology.



Panel: Insights from the Indo-Pacific on Energy Needs

H.E. Dr. Shazalina Z. Abidin, High Commissioner of Malaysia

Mr. Hideaki Ishii, Deputy Head of Mission, Embassy of Japan in Canada

Ms. Quynh Tran, Chief Trade Representative of Vietnam to Canada

Ms. Hejin Kim, Minister-Counsellor, Embassy of the Republic of Korea to Canada

Moderator: Colin Robertson, former diplomat

The Indo-Pacific energy panel revealed a unified regional perspective on the critical need for Canadian energy exports while highlighting the complex balancing act these nations face between energy security, economic competitiveness, and climate commitments.

The panelists emphasized that diversification away from current energy suppliers is not a sum zero game. Instead, it can be about making the pie bigger—as Malaysia's High Commissioner illustrated by noting how Malaysia expanded trade with emerging countries at double-digit rates without detracting from established partnerships with China and the United States. Despite Petronas production, Malaysia itself may become an LNG importer as soon as the next five years.

Japan's representative warned that if current trends continue, the global LNG market could be dominated by just two countries—neither of them Canada—controlling 60-70 percent of supply by the 2040s. Canada has started to export LPG from BC (Kitimat) to Asia, and Japan expects its role as exporter of hydrocarbons to grow.

Vietnam's representative stressed that while the US remains crucial for their exports, Vietnam is ready to buy from Canada if the terms are favorable. The energy needs of Vietnam are poised to grow at rates between 12 and 16 percent between now and 2050. Vietnam needs to address bottlenecks in its electricity infrastructure and balance its supply sources. Canadian LNG is deemed critical for the electricity and environmental goals of Vietnam.

Korea's representative highlighted their country's massive energy needs, stemming from its manufacturing and especially defense industrial exports. Electrification, the semiconductor industry and the establishment of clusters are also proving a driver of forecasted demand. Korea



is transitioning away from coal and natural gas has a role to play backing up the increasing share of renewables in its electricity system. Speaking of the bilateral relation, Canada is 4th largest investment destination for Korean companies. LNG Canada has Korean investment, and, on the Atlantic coast, Korean investors are participating in a hydrogen project in Newfoundland.

Elaborating on the role of Canadian gas for energy security of the Indo Pacific, the panel highlighted the closeness of the Pacific Coast of Canada, relative to other exporting regions. The strategic security of navigation was also highlighted by the representative of Korea. With regards to decarbonization, all panelists acknowledged LNG's crucial role as a transition fuel, with nuclear power (including SMRs) remaining important for Japan and Korea. The recurring commitment to emissions reduction is genuine but must be balanced with energy security. All the hopes are for Canada to respond to with concrete export opportunities.

CEO Fireside Chat: PETRONAS Canada

Hafiz Zubir, CEO, Petronas Canada

Moderator: Joe Calnan, VP Energy and Calgary Operations, CGAI

In his initial remarks, Mr. Hafiz Zubir elaborated on the importance of trust for Petronas and for the enhancement of the security and reliability that energy systems must serve. Long-term relationships are essential for the LNG business and to the role of LNG in the energy security strategies of the region. Mr. Zubir underscored that it takes decades to build and maintain and provide the trust foundation necessary for countries to depend on each other for critical energy security needs. Energy security and reliability are the outcome. They cannot be expected to emerge otherwise. Canadian natural gas resources can expand and help sustain and expand these decades-old partnerships.

Looking into the story of Petronas, H. Zubir pointed out that energy security emerged as the fundamental rationale for Petronas's existence and expansion. Malaysia established Petronas in 1974 with a nation building rationale: to take greater control of its natural resources and capture more value from them. However, as a small country with limited resources, Malaysia has recognized that its declining resource base required looking globally to maintain reliable energy partnerships.

Petronas identified Canada as a supply source 14 years ago. H. Zubir noted that Malaysia is half the size of Alberta and has declining resources yet must maintain its commitments to long-standing partners. The company supplies approximately 15 percent of Japan's energy needs, with which it has had a 40-year relationship. China and Korea rely to great extent on Petronas, also. To remain a credible and reliable partner to these countries, Petronas has diversified its portfolio globally. Canadian resources can play a major role in this strategy.



Hafiz emphasized that when Petronas came to Canada, they secured a large portion of the Montney play. Its long-term deals rely on that security over production. This remark served to underscore that reliability is a cornerstone of successful energy partnerships. When asked about market volatility and oversupply concerns, Hafiz stressed that countries building LNG partnerships must look beyond market fluctuations and commit to long-term stability, as they are investing in their partners' energy security.

Speaking about Petronas as a state-owned enterprise, Mr. Hafiz underscored that the company's unique structure has provided significant advantages: Petronas was incorporated with all the authority of a national oil company, serving as both producer and authority for Malaysia's national resources. Being incorporated as a company allowed them to move policies and laws very quickly with government support, as they were seen as the source of expertise and knowledge. This integrated authority enabled bold infrastructure investments, such as building pipelines without offtake agreements, betting on government relationships to support long-term supply contracts.

Hafiz emphasized that to unlock Canada's resource potential and support Petronas's long-term energy security relationships, collaboration between industry and government is essential, with government needing to "put skin in the game" rather than hoping for industry to respond alone.

Fireside Chat: Provincial Perspectives on Trans-Pacific Resources

David Nikolejsin, Strategic Advisor at McCarthy Tetrault

Moderator: Monica Gattinger, Chair of Positive Energy at University of Ottawa

M. Gattinger started the conversation with the question: Why is not Canada the *go-to* place for energy in the Indo Pacific? The answer, put short by Mr. Nikolejsin, is that Canada needs to overcome its reputation as a place that cannot build infrastructure to export its natural resources.

The change in tone from the current government is positive, but Canada must move beyond rhetoric to concrete regulatory and permitting reform. While fixing Bill C-69 and environmental assessment processes is necessary, it addresses only part of the problem. The deeper challenge is permitting itself, which remains "crazy hard, crazy expensive," and a federal bureaucracy trained to manage risk to zero on everything. The establishment of the Major Projects Office sends an encouraging signal, but the critical question remains: will it actually move the immovable object of federal bureaucracy, or will it simply add another layer of process? The disconnect is stark—how many bureaucrats understand the connection between their daily work and the national mission of major project development? Without systemic change that aligns the entire machinery of government toward building things, investor skepticism will persist.



Understanding what producers and investors need is essential: competitiveness must be balanced with environmental objectives, and this requires political resolve. As emphasized in the discussion, competitiveness matters fundamentally—there's tension between emissions control and economic viability, and Canada must find a "sweet spot" because overdoing regulation means no projects get built at all.

The LNG Canada experience demonstrates this perfectly: for the consortium, the most important factor was economics and competitiveness, which had to be reconciled with environmental requirements through significant economic concessions including holding carbon taxes and adjusting fiscal terms. What made the difference was the BC government's full commitment: creating a purpose-built ministry, appointing a powerful minister, having the Premier chair the steering committee. Political resolve meant not flinching and taking political risks.

On the emerging tensions between Alberta and BC over oil pipeline access to the northwest coast, the advice is clear: do not start with the hardest thing first. Alberta has made extensive efforts engaging BC First Nations, but the path forward requires building trust and capacity through easier projects before tackling the most controversial ones. This is where true Indigenous partnership becomes transformative. Genuine equity ownership is turning out to be a driver of transformation, where First Nations sit at the table as co-owners, raising their own debt and equity, controlling project design, route selection, and procurement. Combined with smart financial structures, projects become highly attractive to institutional investors.

To wrap up, Canada must convince the producer community that this time is different by making a credible grand bargain on emissions that doesn't destroy competitiveness. Smart instruments are in place; what's needed now is political courage to use them decisively, starting with achievable projects that build momentum and trust, rather than leading with the most divisive issues.

CEO Fireside Chat: The Trans Mountain Pipeline

Mark Maki, CEO, Trans Mountain Corporation

Moderator: Rory Johnston, CGAI Fellow and Founder, Commodity Context

The Trans Mountain pipeline expansion represents a transformative shift in Canadian oil's global positioning, particularly in Asian markets. The pipeline has fundamentally changed Canada's access to global oil markets by enabling Canadian heavy crude to compete directly with Middle Eastern grades in Asia for the first time. This diversification proved especially timely as the Trump administration's arrival and tariff threats exposed Canada's dangerous over-dependence on the U.S. market. At the start of the Trump administration, Trans Mountain's utilization peaked as producers scrambled for alternative routes. It did not take time for the



markets in Asia to grasp what Canadian crude could offer, particularly for petrochemical applications.

Maki emphasized Trans Mountain as an irreplaceable strategic asset for Canada, comparing it to the Colonial pipeline system in the United States. Trans Mountain originates in Canadian fields, follows a Canadian route and ends in a Canadian fork. *You cannot ask for more strategic asset than this one.* Maki pointed out that for that reason he told a parliamentary committee not to rush into selling as it provides Canada with leverage that it wouldn't otherwise possess. The conversation went into the alternatives for optimization of the throughput of the pipeline and export infrastructure. Maki sees that it could reach 1.25 million barrels. Low-cost measures reducing drag within the pipeline can add capacity. Other measures include dredging works around the Westridge terminal, and further expansions which would require adding pumping stations. Costs can elevate above the billion dollars, but the measures would still pay off.

Responding to Canada's capacity to build infrastructure and reassure producers about the capacity for egress, Maki recognized the classical "classic chicken and egg problem": pipeline companies won't invest without shipping commitments, but producers won't commit without uptake certainty for the long term. Players need to adjust incrementally. However, the big risk and *pucker up* situation comes about with the next *big thing*.

Regarding market potential, Maki highlights China's 2.5-2.6 million barrels per day heavy oil market (half imports) and India's growing demand as infrastructure and vehicle adoption increase, with Trans Mountain offering significant shipping time advantages to these markets compared to U.S. Gulf Coast routes. Finally, addressing skepticism about the pipeline's economics, Maki reported that Trans Mountain will pay more than \$1 billion for the full year, demonstrating that despite its controversial history and cost overruns, the pipeline is successfully generating returns for Canadian taxpayers.

Panel: The Impact of Energy Infrastructure to the Pacific (Chatham House Rule)

Jennifer Pierce, Chief Administrative Officer, Trans Mountain Corporation

Lisa Baiton, Chief Executive Officer, Canadian Association of Petroleum Producers

Terence Hubbard, President, Impact Assessment Agency of Canada

Moderator: Tim Shaw, Manager, Public Affairs, Tourmaline Oil

The Chatham House panel revealed a fundamental divide between government optimism about regulatory reforms and industry frustration with Canada's inability to compete globally. Recent successes were highlighted, like LNG Canada's two-year approval process and new risk-based approaches that have expedited 15 recent projects. However, a stark picture of dysfunction is



hard to eliminate. For an illustration, one major pipeline required 16,000 pages of applications, 2,600 permits, and half a billion dollars at risk before knowing if approval would come. It was noted that Canada takes 9-16 years for major projects while Germany builds equivalent facilities in three years, causing the country to lose its competitive position as capital flees to jurisdictions with greater certainty.

Proposed solutions centered on three pillars: establishing political resolve through prime ministerial leadership that prioritizes economic growth and creates a national approach instead of jurisdictional fragmentation; making regulatory processes nimble through single-window approvals (one project one review), cost-benefit analysis of all requirements, and limiting intervenors to directly affected parties; and bringing Indigenous communities in as early equity partners and economic beneficiaries rather than mere consultees.

The discussion revealed that while recent reforms have shortened some assessment timelines from years to months, the fundamental challenge remains the thousands of subsequent permits and conditions that make projects uneconomical. Industry representatives argued for looking internationally at how competitors like Norway balance environmental ambition with major resource development, and how the U.S. became the world's top LNG exporter while Canada spent 15 years deliberating. They stressed that standardizing common requirements from past projects and eliminating federal-provincial duplication could dramatically reduce costs and timelines without compromising environmental or social standards.

Reception to the new administration's major projects focus was cautiously optimistic but tinged with skepticism about whether rhetoric would translate into action. While participants welcomed the Major Projects Office and the Prime Minister's economic growth mandate, they worried that focusing on just 5-10 mega-projects ignores hundreds of smaller projects that collectively drive the economy. International investors and Asian customers remain "highly skeptical" of Canada's ability to execute, having watched the country lose multiple opportunities to other jurisdictions.

Panel: Aligning Infrastructure and Finance with Foreign Policy Goals (Chatham House Rule)

Kathleen Gnocato, CGAI Fellow

Erin O'Brien, ADM Fuels, Natural Resources Canada

Monica Gattinger, Chair of Positive Energy at University of Ottawa

Moderator: Joe Calnan, VP Energy and Calgary Operations, CGAI



This panel discussion on Canadian energy policy and development revealed significant concerns about the investment climate and policy uncertainties hampering Canada's energy sector competitiveness. "With autos under pressure, steel under pressure, lumber under pressure, it's energy that we really have an opportunity to seize," one panelist affirmed.

The first half of the conversation evolved towards discussing the results of a RBC study released this year and co-authored by one of the panelists (access and reference in footnote).¹ The study provided information on the options that Canada has to create a framework of alliances and partnerships globally and especially with the G7 + (that is, including Korea and Australia). There are reasons for such a structure: demand, the need for democratic nations to strengthen one another, and decarbonization. These rationales should be aligned to the greatest possible extent. The recommendations of the above-mentioned study center on creating more resilient and predictable natural gas markets. A primary goal is breaking the boom-bust pricing cycle. Long-term contracts are necessary to de-risk investments, secure new commitments, and obtain financing for gas supply. At the same time, it was recognized that enhancing liquidity and bringing in options for financial players would help avoid extreme price spikes and industrial shutdowns like those experienced in the months following Russia's invasion of Ukraine.

The discussion emphasized that Canada cannot rely solely on its natural resource endowments but must actively reorganize its tax structures and capital investment incentives against global competitors to remain attractive for international investment. "We cannot be naive and pretend that because we've got the assets, we're going to be competitive. We're blessed with that, but we need to take it a whole lot further."

Thinking about how to unleash investment appetite, clarity and predictability of policy is of the essence -not only more expediency in regulatory approval and permitting. The entrance of the Carney government has been accompanied by a change of tone. But where is the policy clarity? Questions remain unanswered regarding whether there will be conditions for more egress, especially around the possibility of a tanker ban in the West coast, and a cap on emissions of oil and gas industries. Moreover, interprovincial politics within the Canadian federal framework often militate against perdurability of policies.

The stakes are high, and the statutory and organizational innovations that come with Bill C5 presage that the federal government will mobilize its heft towards delivering. However, therein lie uneasy ambiguities and dilemmas. Among the former is the very definition of what national interest is. Among the latter, it was pointed out that regulations -if they can become suffocating- also exist to create a systematic, predictable environment. That is also the type of certainty that companies need.

Panel: Visions for Future Canada-Pacific Energy Ties (Chatham House Rule)

¹ RBC Thought Leadership. (2025, June). A G7+ strategy for natural gas: Four scenarios for energy security in the 2040s. https://www.rbc.com/en/wp-content/uploads/sites/4/2025/03/A-G7-Strategy-for-Natural-Gas-EN_2025.pdf



Shannon Joseph, CGAI Fellow and Chair, Energy for a Secure Future

Chris Prokop, SVP of Business Development, AltaGas

Rory Johnston, CGAI Fellow and Founder, Commodity context

Moderator: Kelly Ogle, Managing Director, CGAI

The panel moderator Kelly Ogle opened the discussion by asking each panelist to "reflect on Carney's plan for growing exports outside of the United States and what that means for energy trade in the Asia Pacific," noting it was encouraging to see Carney finally using "the world's third largest oil resource reserves" in his messaging after years of focus on renewables.

The panelists shared enthusiasm but also underscored the key message from the previous discussions: Asian nations desperately want Canadian energy for their security needs, and however, Canada has failed to deliver, due to political fragmentation and excessive and incoherent policy and regulation.

How to get to practical execution? It is essential to abandon the endless layering of new rules in favor of clear, predictable regulations that businesses can follow. Thinking of what Asian potential partners need, a *trusted partner* more than an *Energy Superpower* could be a more adequate term: not dominance but reliability in helping Asia achieve energy security while meeting their climate commitments. The panel emphasized that success requires all three carriers, LNG, LPG, and crude moving forward simultaneously. As one panelist put it: *When it comes from the from the view of these importers, the only security is variety.*

Panelists also agreed that the challenge is not only one of economic gains for Canada, but also about Canada's role in global stability during a dawning era of great power competition. Additionally, the 300 million Africans without electricity and Asian nations cooking with biomass represent human needs that Canada's vast resources could address. Yet without moving from what one panelist called "twisting our moustaches" in Alberta to actually delivering energy to those who need it, Canada risks remaining what Stephen Harper observed in his travels: *a country whose energy everyone wants except Canada itself.*

About the Author

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Canadian Global Affairs Institute

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