

# Preparing Indigenous Groups to take on the China Market



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Several factors, including rapid growth in Indigenous entrepreneurship and increased Indigenous control over lands and resources, creates the potential for significant growth in Indigenous business activity. Many Indigenous businesses and communities are taking advantage of this opportunity by entering new markets and growing existing businesses. However, there is one significant market which is, so far, going largely untapped. Despite the size of the Chinese market and the potential demand for Indigenous products and services, Indigenous businesses have only engaged with China in a limited fashion. Similarly, Chinese businesses, including Chinese Canadian companies, have only had limited engagement with their Indigenous counterparts.

There is a number of factors which appear to be impeding Indigenous interaction with the Chinese market; however none of these problems is insurmountable. There is already a number of examples of Indigenous businesses successfully doing business with China. These success stories provide a framework and important lessons learned for those Indigenous entrepreneurs who want to take on the China market.

This report, based on research and interviews with Indigenous and Chinese entrepreneurs, investigates the scope and nature of these opportunities and challenges, and it explores potential solutions and paths towards increased interaction between Indigenous and Chinese businesses.

# 1. The Opportunity

## Growth creates opportunity

The potential for economic activity between China and Canadian Indigenous businesses and communities is immense. China is the world's second largest economy, the world's largest exporting nation, and is Canada's second largest trading partner. It has a large, growing middle class with an increasing demand for energy, natural resources, tourism, agri-food (including seafood), and outputs from other industries which Canada, and Canada's Indigenous peoples, have in large supply.<sup>1</sup>

Indigenous communities and businesses in Canada are also experiencing dynamic growth. Indigenous Canadians are the fastest growing and youngest population group in Canada. According to the 2016 Census of Population, the population of Indigenous peoples grew by 42.5% between 2006 and 2016, and approximately 44% of Indigenous people were under the age of 25 in 2016, compared to 28% of the non-Indigenous population.<sup>2</sup>

Those trends are expected to continue. The population of Indigenous peoples in Canada is projected to grow faster and remain younger than the non-Indigenous population. The share of the Indigenous population in the overall Canadian population could increase to 6.8% in 2041, compared with 5.0% in 2016, and the median age of the Indigenous population is projected to be approximately 38 years in 2041.<sup>3</sup>

The growth rate of Indigenous businesses shows a similar trend. Indigenous Canadians represent the fastest growing segment of entrepreneurs in Canada, with Indigenous-owned small businesses being formed at a rate six-times faster than overall small business creation in Canada. The number of

Indigenous-owned and -operated businesses across the country has increased exponentially, from an estimated 6,000 in the 1990s to more than 43,000 in 2016.<sup>4</sup> The Indigenous economy contributes \$32 billion dollars to Canada's GDP annually, a figure that has grown quickly in recent years.<sup>5</sup>

At the same time, China's economic impact continues to be felt in Canada. According to the October 2021 Canada China Business Council (CCBC) and China Institute at the University of Alberta (CIUA) report, the total economic impact of exporting to China in 2019, a measure of broad economic activity not accounted for in GDP, was estimated at \$76.9 billion, which is more than double the value of the exports. The report also found that the direct GDP impact of China-related new immigration and Chinese investment in Canada totalled \$6.1 billion and \$94 billion respectively in 2018.

It is also worth noting that despite the slowdown of Canada's global trade in the last two years largely because of the impact of the COVID-19 pandemic, Canada-China trade has continued to experience steady growth in both 2020 and 2021, notwithstanding shifting geopolitical circumstances.

## Shared history and cultural affinity enhance relationship building

China and Indigenous Canadians also have a shared history of marginalization and cultural similarities. There is evidence that Chinese explorers first interacted with Indigenous communities on the coast of British Columbia hundreds of years before contact with Europeans. Instead of colonization, there was mutual trade and respect. Chinese migrants and Indigenous peoples both suffered

1. <https://wits.worldbank.org/CountrySnapshot/en/CAN>

2. Indigenous Services Canada: *Annual Report to Parliament 2020*, <https://www.sac-isc.gc.ca/eng/1602010609492/1602010631711>

3. Statistics Canada, *Projections of the Indigenous populations and households in Canada, 2016 to 2041* <https://www150.statcan.gc.ca/n1/daily-quotidien/211006/dq211006aeng.htm?CMP=mstatcan>

4. Canadian Council for Aboriginal Business: *Promise and Prosperity The 2016 Aboriginal Business Survey ("CCAB")*, at pages 11-12.

5. Statistics Canada, *Aboriginal peoples in Canada: Key results from the 2016 Census*.



from the discriminatory effects of colonial and post-Confederation laws and policies. During the 1850s, Chinese migrants were hired in large numbers to work on the building of the most dangerous parts of the Canadian Pacific Railway, and many died as a result. In later decades Chinese immigrants were targeted by Federal legislation which attempted to deter Chinese immigration to Canada through the imposition of a “head tax.” At the same time, many Chinese labourers married Indigenous women and became integrated into Indigenous communities.<sup>6</sup>

There are also many cultural similarities between Chinese and Indigenous communities, including the importance of relationships and, based on the long history of both cultures, an emphasis on long-term vision. Similarities are also found in certain ceremonies and art forms, including totem patterns, according to several Indigenous leaders who have visited China, and most notably in regions of Chinese ethnic minorities. Tl’azt’én Nation Grand Chief Edward John described the cultural affinity between China and Indigenous Canadians in the following way: “When our drums and regalia come out, the tone in the room changes instantaneously. The Chinese understand culture and tradition.”<sup>7</sup>

There have been annual cultural exchanges between Canadian Indigenous peoples and the Chinese people, including the visit by BC First Nations leaders in 2008 to the earthquake-stricken Beichuan Qiang Autonomous County in Sichuan, China, leading to the gift of a specially carved totem pole from BC First Nations to the people of Beichuan in memory of the people who lost their lives in the Wenchuan Earthquake. Canadian Indigenous groups also participated in the 2019 World Dance Conference in Hefei, China, as well as cultural exchanges in Beijing during the 2008 Olympics. Chinese folk artists from Guizhou also

participated in the 2014 Canadian Indigenous art festival in Ottawa.

## Legal and political factors provide greater Indigenous control over lands and resources

The potential for growth in Indigenous-China business is further enhanced by ongoing legal and political developments which have provided Indigenous communities with greater ownership and control over their lands and resources. These lands hold some of the most valuable resources in Canada.

Since July 2017, the Government of Canada has continuously highlighted its commitment to “achieving reconciliation with Indigenous peoples through a renewed, nation-to-nation, government-to-government, and Inuit-Crown relationship based on recognition of rights, respect, co-operation, and partnership as the foundation of transformative change” as expressed in the Federal Government’s Ten Reconciliation Principles statement. Canada’s Rights Recognition Policy and subsequent negotiations with Indigenous peoples in Canada is expected to return large tracts of land to the original owners.

Canada is currently implementing 25 modern treaties and four self-government agreements with Indigenous communities and provincial/territorial governments. These agreements span six provinces and all three territories, covering over 40 per cent of Canada’s land mass.<sup>8</sup> The key elements of modern treaties include certain self-government rights and the establishment of treaty settlement lands, which are areas of land owned and managed by the Indigenous community. In most cases, treaty settlement lands comprise a relatively small percentage of the Indigenous group’s traditional

6. CCAB, page 8

7. The Goatskin Drum, FNEMC/Redgate Produced Film.

8. Government of Canada: *Implementation of modern treaties and self-government agreements - Provisional annual report - July 2015 - March 2018.*

territory, however this still represents a significant area over which Indigenous communities have ownership and control. For example, land included within the Nisga'a Treaty comprises approximately eight per cent of the nation's traditional territory.

For those areas outside of treaty settlement lands, several legal decisions in recent decades have clarified and expanded upon the nature and scope of Indigenous rights to lands and resources located within their traditional territories. These decisions have confirmed that Aboriginal rights and title and treaty rights are constitutionally protected by the *Constitution Act, 1982*, and arise from the fact that Indigenous peoples of Canada are the descendants of the peoples and governing societies that were resident in North America long before settlers arrived. As one notable example, the 2014 Supreme Court of Canada decision in *Tsilhqot'in Nation v. British Columbia* held that the Tsilhqot'in Nation possesses Aboriginal title to 1700 square kilometers of land in central British Columbia. This was first case from the Supreme Court of Canada to confirm Aboriginal title over specific areas of land, and there are currently similar claims by other First Nations making their way through the courts.

The presence of Aboriginal and treaty rights also gives rise to the duty to consult and accommodate, which is a constitutional obligation that the Crown has towards Indigenous peoples, and which arises when the Crown contemplates conduct that might negatively affect a potentially existing Aboriginal or treaty right. The duty to consult provides Indigenous communities with considerable control over, and should they so choose the ability to participate in, the development of their traditional lands and resources.

The ability of Indigenous communities to influence and participate in activities occurring on their lands and resources also flows from a number of other sources. Both the Federal and BC Provincial governments have enacted legislation following the

2007 United Nations General Assembly Declaration on the Rights of Indigenous Peoples. The province of British Columbia passed the *British Columbia Declaration on the Rights of Indigenous Peoples Act (BC DRIPA)* in 2019 and the Federal government passed the *United Nations Declaration on the Rights of Indigenous Peoples Act (CANDRIP)* in 2021. Both acts require those governments to take all measures necessary to ensure the laws of British Columbia and Canada are consistent with the United Nations Declaration on the Rights of Indigenous Peoples. British Columbia will announce a United Nations Declaration action plan at the end of March 2022 which will identify an initial list of priority topics to address in a five-year plan. Canada is expected to do the same but at a later date.

*BC DRIPA* and *CANDRIP* are in fact just one part of a larger move towards recognition and reconciliation with Indigenous peoples. As part of the Truth and Reconciliation Commission's Calls to Action, the Commission Report called upon "federal, provincial, territorial, and municipal governments to fully adopt and implement the United Nations Declaration on the Rights of Indigenous Peoples as the framework for reconciliation." The BC and Federal governments have taken a step in that direction; however, the importance of Indigenous recognition and reconciliation goes beyond that.

The Truth and Reconciliation Commission defined reconciliation as being:

"about establishing and maintaining a mutually respectful relationship between Aboriginal and non-Aboriginal peoples in this country. In order for that to happen, there has to be awareness of the past, an acknowledgement of the harm that has been inflicted, atonement for the causes, and action to change behaviour."<sup>9</sup>

9. *Summary of the Final Report of the Truth and Reconciliation Commission of Canada*, 2015, p. 6

The background of the page features a close-up, high-angle shot of several large, overlapping leaves. The leaves are primarily white with prominent, parallel veins running across them. In the bottom right corner, there is a circular inset showing a different set of leaves, these are a vibrant blue-green color with similar vein patterns. The overall lighting is soft and diffused, creating a clean, natural aesthetic.

One element of reconciliation is economic reconciliation. A goal of economic reconciliation is to develop meaningful economic partnerships with Indigenous communities which create economic prosperity, while at the same time ensuring the protection and enhancement of Indigenous cultural values and protection of the environment.<sup>10</sup>

The importance of this for Indigenous communities is a growing recognition in Canada that economic development of Indigenous lands and resources must be done in a holistic and mutually beneficial manner. Chinese businesses and investors can enhance their chances of successfully doing business in Canada if they understand and apply the principles of economic reconciliation.

10. <https://reconciliationcanada.ca/programs-initiatives/economic-reconciliation/>

## 2. Challenges And Solutions

The potential for business development between China and Indigenous Canadians is immense, and Indigenous communities are interested in developing business relationships with China, as illustrated by numerous trade missions between Indigenous businesses and China in recent years, and further in the “China Strategy” developed by BC First Nations Energy and Mining Council (FNEMC) in 2017.<sup>11</sup> However, this has so far been a largely untapped opportunity. Only 17% of Indigenous businesses have clients in markets outside of Canada and the United States,<sup>12</sup> and there have only been a limited number of successful business interactions between Chinese companies and Indigenous businesses and communities.

There are a number of factors which appear to be contributing to this lack of development. The good news is that there are readily available solutions for all of these challenges.

### Access to Financing

Lack of access to capital and financing is consistently mentioned as being a major barrier to business development and growth in Indigenous communities. More particularly, locating potential outside sources of funding and meeting the qualifications or requirements for lending are significant barriers for many Indigenous communities and businesses.<sup>13</sup>

A number of government programs provide loans and financial support to Indigenous businesses. However, these programs can be difficult to locate and access, as they are spread among a variety of government agencies at various levels of government. There is also a perceived lack of value for such programs.<sup>14</sup>

Chinese investment and capital are viewed by many Indigenous businesses as being a potential solution to the lack of access to capital. Research conducted by CCBC into Indigenous businesses’ views on doing business in China found that while Chinese manufacturing capabilities and expertise, export opportunities and the supply of materials and components for production were all of interest to Indigenous business, China’s potential as a source of investment capital and financing was singled out as being the most compelling motivator for doing business with China.

It also appears that Chinese businesses are willing to invest in ways that benefit Indigenous communities. Indigenous economic participation in major resource development was for some time primarily focused on the negotiation of impact and benefit agreements. However, Indigenous communities are increasingly seeking to participate in major

11. <http://fnemc.ca/wp-content/uploads/2015/07/FNEMC-China-Strategy-Document-2017.pdf>

12. CCAB at page 18.

13. CCAB at pages 33-34.

14. CCAB at pages 7 and 41.

projects as an equity partner. This is something which Chinese investors are willing to consider,<sup>15</sup> and this presents a significant opportunity for Indigenous communities to enhance their economic self-determination.

## Size of Indigenous businesses and communities

Many of the Chinese businesses that are active in Canada are very large and well established, while many Indigenous businesses and communities in Canada are small in size and at an early stage of development. As one Indigenous community leader has said, the Chinese market often seems “out of reach” and too difficult to access. In addition, many Indigenous communities, and particularly those in resource-rich areas, are often overwhelmed with project referrals from proponents, and do not have the capacity to properly engage with Chinese investors. This can make it difficult for Indigenous entities to negotiate and do business with their potential Chinese partners.

However, as will be discussed in further detail below, the use of joint ventures or coalitions with other Indigenous communities or businesses can create the scale and experience necessary to participate effectively with their Chinese counterparts. Equally as important, making the Indigenous business community aware of the Indigenous businesses that have successfully engaged with China will make the Chinese market seem less out of reach.

## Cultural barriers and lack of knowledge and understanding

There are obvious language and cultural barriers that exist between Indigenous Canadians and their Chinese counterparts. However, there is a deeper lack of mutual understanding that inhibits business development. Many Chinese companies doing business in Canada, particularly those involved in resource extraction, are not aware of the duty to consult and accommodate Indigenous interests or the newly enacted federal and provincial statutes related to the United Nations Declaration on the Rights of Indigenous Peoples. Chinese companies

are largely unaware that Indigenous rights are Constitutionally protected and are not aware of the relationship that Indigenous peoples have with the land.<sup>16</sup> Chinese investment and business with Indigenous Canadians cannot properly develop until Chinese investors learn and understand the rights of Indigenous peoples, and until they understand that economic development must be accompanied by the protection and enhancement of Indigenous cultural values and protection of the environment. Equally as important, Chinese investors need to understand that Indigenous support of and participation in project development greatly reduces the regulatory risk and uncertainty that often accompanies major project development in Canada. Respect for Indigenous rights is not only the right thing to do – it also creates mutually beneficial outcomes for both parties.

15. B.C. First Nations Energy and Mining Council: *BC First Nations - China Strategy: Innovative Partnerships*, 2017 (“FNEMC”), at pages 9-10.  
16. FNEMC, at pages 9-10.



At the same time, research conducted by CCBC and by the drafters of this report indicates there is a general lack of understanding and knowledge among Indigenous communities about the Chinese market, the opportunities it represents, and the support available to help Canadian businesses engage with China. There is a fundamental need for basic information and educational programming to demystify the Chinese market for Indigenous entrepreneurs, and to connect Indigenous entrepreneurs with their counterparts in China and with the Chinese-Canadian business communities. Part of the solution to that is providing real-world examples of successful engagement between Indigenous businesses and China. The next section of this report provides some of those examples.

## Business and deal structure

For reasons discussed in this chapter, it appears that conventional business structures may not fully accommodate the need to identify, secure, finance and develop Indigenous-related business opportunities for Chinese investors and the Chinese market. There is a need to adjust or create mechanisms that can attract investment, talent and consumer attention, and which can also withstand strains in the geopolitical relationship. Some of the issues were identified in the FNEMC China Strategy.

Identifying and securing opportunities requires the ability to gather, analyze and exchange business information and intelligence. Some Indigenous business leaders have suggested that this requires a centralized, national business information centre, operated by a national Indigenous organization or in collaboration with other entities with available expertise.

There have also been discussions on establishing Indigenous opportunity funds, alliances or cooperatives to assemble and develop business leads in selected industries. This may in part address the business scale issue. Based on the research conducted by the drafters of this report, it appears that Chinese investors, including Chinese-Canadian entrepreneurs, are supportive of this idea.

## Products and market niche, channels

While the Chinese market and potential demand for Indigenous products is huge, one of the first issues facing Indigenous entrepreneurs wishing to access the Chinese market is how to make, supply or source the type of products that meet the expectations of Chinese consumers. For instance, tourism including eco-tourism with an Indigenous focus has become a niche for an increasing number of Chinese tourists, yet much remains to be done to take advantage of the demand and opportunities, and to generate sustainable business.

An additional challenge is, given the smaller size of most Indigenous businesses, how to present and promote their products or opportunities to a geographically-distant market, even when e-commerce channels may be available. This challenge becomes more acute in those industries outside of the energy and natural resources sectors. In addition, Indigenous entrepreneurs need to address the issue of product branding, as part of a more general issue of brand recognition for Canadian products in the Chinese market.

Part of the solution may lie in the entrepreneurship and resources of Chinese-Canadian businesses, many of whom have established relationships and contacts in the Chinese market. An increasing number of Chinese-Canadian businesses, some of them CCBC members, can potentially play a significant role in this regard.



### 3. Towards Success Stories

#### Clearwater Seafoods

Clearwater Seafoods has a long history of successful operations in the Chinese market. Clearwater was the first Canadian seafood company to open a sales office in China, in the mid-1990s, and it generates significant revenue from its Chinese operations.

In 2020, the Mi'kmaq Coalition acquired a 50% interest in Clearwater. The Mi'kmaq Coalition was formed by the Membertou, Miawpukek, Paqtnkek, Pictou Landing, Potlotek, Sipekne'katik, and We'koqma'q communities, located in Nova Scotia and Newfoundland and Labrador.

The Mi'kmaq acquisition is notable in that it represents one of the largest equity investments by an Indigenous community in Canada, and it represents one of the few examples of an Indigenous community doing business with China on a large scale.

It is also notable for the manner in which the acquisition came about. None of the individual Indigenous communities had the ability to obtain

the financing or undertake the purchase on their own. Development of the coalition was absolutely essential to the successful completion of the acquisition. Participation by the First Nations Finance Authority (FNFA) was also a key element in the success of the transaction. The FNFA was essential in the provision of financing for the acquisition, and acted as a good resource for the Coalition.

The importance of access to outside expertise is one of the key lessons learned from the success of the Clearwater transaction. Chief Terrance Paul of the Membertou First Nation notes that in addition to assistance from the FNFA, the coalition was greatly assisted by the business experience and guidance provided to them by Premium Brands, their partner in the transaction. Another key element was the work that Membertou undertook with the First Nations Financial Management Board (FMB) to set up good governance and finance practices. In 2015, Membertou became the first Indigenous group in Canada to earn a Financial Management System Certificate through the FMB. This enables



Membertou to borrow on better terms and provides assurance to potential business partners that the First Nation's businesses are well run.

Chief Paul notes that there are several other national and regional organizations that can provide advice and assistance to Indigenous communities. As one example, Ulnooweg Development Group Inc. provides Indigenous businesses and communities in Atlantic Canada with funding, business tools, mentorship, and strategic initiatives. More broadly, successful communities such as Membertou can also act as mentors for other communities that are seeking to develop business opportunities.

### NorthernNations Cooperative

NorthernNations Cooperative is a 100% Indigenous member-owned cooperative that seeks to channel the collective economic power of Canada's Indigenous communities, people and organizations to achieve economic equity in Canada. NorthernNations aims to achieve these goals by

addressing the key barriers to Indigenous economic development, including the lack of access to capital and the difficulty in creating economies of scale. NorthernNations is assembling a significant private capital fund for investment in businesses and projects benefitting Indigenous people and communities, and it utilizes a cooperative business model in order to access the collective power of Indigenous communities. This involves more than just providing access to capital – the NorthernNations model also includes co-investment by Indigenous communities, to further enhance their economic participation.

NorthernNations is targeting investment in a wide range of economic sectors, including oil and gas, mining, wind, solar, geothermal, and insurance. The scale and scope of the businesses and major projects that will form part of NorthernNations' portfolio of investments will enable Indigenous businesses and communities to expand their reach into international markets, including China.



## LNG Canada

LNG Canada represents one of the largest energy investments in the history of Canada, and it is a joint venture among several international oil and gas companies, including PetroChina Company Limited. PetroChina is China's largest oil and gas producer and supplier.

LNG Canada provides substantial economic benefits for Indigenous businesses and individuals, including employment, contracting, social supports, benefit agreements, commercial arrangements, and training programs.

The Project places a priority on contracting and procurement with Indigenous-owned businesses as well as with local area businesses. As of June 2021, LNG Canada, its contractors and subcontractors have awarded approximately \$3.4 billion in contracts and procurement to businesses in British Columbia. Of this amount, over \$2.7 billion has been awarded to Indigenous and local area businesses.

LNG Canada and its subcontractors are all required to follow a local hire first policy that evaluates qualified applicants and prioritizes hiring of members from the Haisla First Nation, Kitselas First Nation, Kitsumkalum First Nation, Gitga'at First Nation, Gitxaala Nation, Metlakatla First Nation and Lax Kw'alaams Band. During 2021, 336 Indigenous workers were employed by the Project.

LNG Canada has invested over \$4 million in workforce development programs, including trades training and development programs, designed to increase the participation of Indigenous communities and local area residents. The Project also provides funding programs benefitting the local community in a number of areas, including education, environment, skills & enterprise development, and community wellness.<sup>17</sup>

17. 2021 Q2 LNG Canada Social Management Roundtable / CLISMP Update at pages 18-19.

In addition, Indigenous communities have received millions of dollars in payments arising out of LNG Benefits Agreements between Indigenous communities and the Provincial Government.<sup>18</sup>

LNG Canada has provided significant economic benefits for local Indigenous communities, but it also represents more than that. Crystal Smith, the Chief Councillor of the Haisla Nation, has stated that “LNG Canada is economic reconciliation for the Haisla.”<sup>19</sup>

## Coast Tsimshian Resources

Coast Tsimshian Resources, which is wholly owned by the Lax Kw’alaams Band, is one of the earliest examples of successful Indigenous engagement with the Chinese market.

In 2005, the Lax Kw’alaams Band purchased timber rights as part of the bankruptcy sale of Skeena Cellulose, paying \$4.8 million for Tree Farm Licence No. 1. One of the problems that Coast Tsimshian immediately faced was finding a market for low-grade hemlock and balsam produced in the Licence area. There were no local buyers for the logs, and so Coast Tsimshian turned to Asia, selling logs to China, Japan, and Korea. A key part of its strategy was opening a trade office in Beijing.<sup>20</sup>

The strategy was very successful. The company’s annual revenues ranged between \$12 to \$40 million in the decade following the purchase of the Tree Farm Licence, and it produced approximately 120 full-time jobs in logging, trucking, debarking and longshoring. This was a striking turnaround for a community that faced 80% unemployment at the time of the purchase of the Licence. Revenue from forestry operations also enabled Lax Kw’alaams to expand their economic portfolio, with the Band taking ownership of a real estate holding company, a water taxi company, and a cedar mill, along with investing in a number of joint ventures.<sup>21</sup>

Notably, the Coast Tsimshian business plan protects environmental and cultural values as well as providing income and employment. The Lax Kw’alaams have taken a long view of their business goals, and want the forest licences to produce income and employment for their community not only for today but for 250 years into the future.<sup>22</sup>

18. <https://www2.gov.bc.ca/gov/content/environment/natural-resource-stewardship/consulting-with-first-nations/first-nations-negotiations/natural-gas-pipeline-benefits-agreements>

19. The Conference Board of Canada: “A Tide of Opportunity. Liquefied Natural Gas Development in B.C. and Its Impact on Indigenous Communities.” November 2020, at page 14.

20. <http://www.firstnationsdrum.com/2011/08/the-lax-kwalaam-trading-with-china/>

21. <https://www.cbc.ca/radio/checkup/open-for-business-how-the-lax-kw-alaams-first-nation-revitalized-forestry-in-b-c-s-northwest-1.4679852>

22. <https://vancouver.sun.com/news/coastal-first-nations-loggers-land-china-export-deal>

## 4. Next Steps

Lack of access to capital, the size and scale of Indigenous businesses, and a mutual lack of understanding act as impediments to Indigenous-Chinese business interaction. However, as the success stories noted in this report illustrate, there are readily available solutions to all of these challenges. As the Indigenous and Chinese economies grow, the potential for mutually beneficial business and investment is immense. Successfully engaging with the China market will take work, however the growing and increasingly influential Indigenous business community is well-positioned to take on these challenges, and there will undoubtedly be many more success stories to come.

Indigenous businesses and entrepreneurs can enhance their ability to access the China market by considering the following steps in order to build China knowledge and capability. This need for knowledge and capability is lacking among many Canadian SMEs and economic development groups, Indigenous or not. Understanding China's role in the changing business environment is important for any organization to ensure it is competitive and strategic in its global economic relations. Capability building for Indigenous business communities can include:

- Training to understand Chinese consumers and how to reach them.
- Support for due diligence to find the right partners.
- Understanding China's economic policies, particularly the 14th Five-Year Plan, to assess where Chinese needs align with Canadian, including Indigenous, capabilities.
- Negotiating skills when dealing with Chinese stakeholders.
- Understanding China's business culture.
- Setting up a national information center to facilitate flow and sharing of business information and leads.
- Creating business structures that accommodate business opportunities of different scale and requirements.
- Building relationships with Chinese Canadian businesses and organizations.

At the same time, there is also a need to help Chinese investors understand Indigenous communities, including:

- How to build meaningful partnerships with Indigenous peoples in Canada.
- Understanding the importance of Indigenous rights and title which are enshrined in Canada's Constitution.
- Relevant legal, cultural and political factors.
- Opportunities available in and to Indigenous communities.
- Models and structure for investment and collaboration.

This can be done with Chinese companies already in Canada and with Chinese Canadian businesses, as well as through broader outreach in China. Many of these efforts can happen immediately. After regular travel resumes between Canada and China, movement of people in both directions can provide enhanced understanding and business development opportunities.

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