

tive sector were of the view that multilateral trade liberalization was the preferred approach since bilateral agreements can create imbalance among members. There were also some concerns about a perceived lack of common standards that complicates the certification process.

In the building products sector, there are concerns over how standards are developed and the lack of transparency and consultations in the standards-setting process. Regulatory and transparency issues are not limited to trade in goods. Concerns have also been expressed in relation to services and investment, as noted above.

In addition to the various sectoral and technical issues (e.g. tariffs and regulations) raised by many stakeholders, it was also mentioned by some stakeholders that there are non-formal barriers that act to hinder the relationship. Broadly speaking, there can sometimes be a perception of "friendly indifference" that can act as an invisible barrier. Some observed that despite a good level of cultural exchanges between Canada and Japan, business interest does not always appear to follow. From a government perspective, it was noted that there was a need to raise the level of political interaction (e.g. in the form of increased ministerial visits). In that vein, it was also suggested that an FTA would send a strong signal that each country is "open for business." Language and cultural differences were also highlighted as key challenges for both Canadian and Japanese firms.

A Japanese group in Canada pointed out that Canada is alone amongst its G7 contemporaries in its residency requirements, as stipulated in the Canada Business Corporation Act. They also expressed concerns over the visa issuance process for skilled workers and tourism-related workers and asked for clarification of the policies on granting visas. With regard to the Social Security Agreement, the group appreciated that the duplicated pension contribution was solved, but further requested exemption from the requirement to participate in the payment of employment insurance premiums. Also, they asked for a review