

of Japan's import market. Here, I issue Canadians a challenge: take better advantage of the opportunities this growth offers. I also invite our Japanese friends to work together with Canadian companies to develop and provide the new products that Japan's economy needs.

The Government of Canada recently demonstrated its support for expanded business linkages by establishing a Canadian presence throughout Japan.

In November 1991, I opened the new Canadian Trade Consulate in Fukuoka. My colleague, the Honourable Tom Hockin, Minister of State for Small Businesses and Tourism, opened our Trade Consulate in Nagoya in November last year. This followed the Prime Minister's May 1992 appointment of Honourary Commercial Representatives in Sapporo, Sendai and Hiroshima, all of whom have since been working to develop Canada-Japan economic linkages in areas where we have had limited presence.

Despite these and other comprehensive efforts to build Canadian business with Japan, Canada's export performance to Japan over the past two years has been disappointing -- dropping by 13 per cent in 1991 and recovering only slightly in 1992. Last year also marked the ninth consecutive year in which our imports from Japan topped our exports to Japan.

That's particularly distressing for Canadians at a time when the Japanese import market has shown record-breaking growth. It represents lost opportunities for our Japanese partners as well.

Clearly, we have our work cut out for us in recovering and expanding our market share in Japan. That's one key reason for issuing that challenge to Canadian companies.

Canadian industry must adapt to Japan's changing import needs to participate more fully in growth segments of Japan's economy, however. That means understanding market changes and opportunities in Japan -- changes that reflect a flat though stable demand for raw materials and a rapidly growing demand for more fully processed goods.

Indeed, many of you have already accepted the challenge to do just that. There are many real success stories. Maple Leaf Foods has developed seaweed flavoured French fries for the Japanese market. Champion Road Graders has adapted their cab to accommodate the two operators required for snowplowing in Japan.

We need more companies, with appropriate Japanese partners, learning from these and other success stories. Our objective as leaders in government and the private sector must be to alert companies in Canada more generally to market opportunities, to encourage the adaptation of products for the Japanese market, to