

Last year's growth in Japan's total imports, particularly the 14% increase in finished product imports, encourages Canadians to focus priority attention on new market opportunities particularly in those areas which have recorded steady import growth, such as food products, construction materials and chemicals.

Another area of significant potential involves the investment and finance sector, given the major pools of new capital in Japan. Last year, the total outflow of long term capital was 17.7 billion dollars. While Canada has not been a favoured location for Japanese equity investment, we have been the host of significant indirect investments. Surely on the basis of this demonstrated portfolio confidence, we can work towards encouraging greater Japanese direct investment in our processing and manufacturing sectors. Our government's decision to replace FIRA with Investment Canada, an agency mandated to promote investment, is a first step in the process of attracting investment funds to Canada. Over the course of the next few months we will be staging a number of investment seminars in Japan. These seminars will demonstrate how Japanese businessmen can capitalize on Canada's educated workforce, well-developed infrastructure and access to the vast and lucrative North American market.

Businessmen in Japan and Canada have built a solid network of corporate and personal links. These bonds of friendship and cooperation provide the basis for a mutually beneficial trading relationship in the future. I envisage for myself a role in securing a climate in which each of you can identify and pursue emerging opportunities.

One of my first meetings in Japan was with Mr. Murta, Minister for International Trade and Industry. We discussed a number of points in our economic relationship. I assured him that my government will provide an environment that will enable Canadian and Japanese businessmen to get on with doing more business with each other. We agreed on the need to promote the flow of investment; on the need for greater cooperation in the service and finance industries and on the need for expanded cooperation in the field of science and technology. I am particularly encouraged by the range of small and medium sized firms in our two countries which are exchanging technology and collaborating to build on their respective strengths in world markets. The momentum of this collaboration represents vast potential for our two countries.