

suppliers,¹¹ have recently announced new greenfield investments to increase their production in Canada. According to the Japan Automobile Manufacturers Association (JAMA), Japanese automotive companies in Canada employ over 62,000 people, directly and indirectly, in fields ranging from vehicle and parts manufacturing, to head offices and dealerships.

Japanese investment goes well beyond the automotive sector, with over 600 Japanese companies present in Canada. There has recently been renewed interest by Japanese companies in Canada's natural resources sector, as well as agri-food, and information and communications technologies. This is evidenced by recent investments by companies such as Itochu Canada Ltd. in coal mining, Nisshin Seifun Group's building of a second flour mill, and Cybird's investment into Montreal's Airborne Entertainment, a cellular phone content developer.

Over 100 Canadian companies have established a commercial presence in Japan. Nearly half of these are engaged in the information and communications technologies (ICT) sector, Celestica among them, often as Tier 2 and Tier 3 suppliers. Canadian service companies are also present in a number of sectors, including the transport and financial services sectors. Manulife Insurance, in particular, has significant investments in the financial sector. In the automotive sector, Canadian parts suppliers Magna and ABC Group are expanding their operations and working closely with Japanese automobile manufacturers in order to supply parts to assembly plants located throughout the world.

Examples such as these show the crucial role that investment plays in the context of the economic relationship between Canada and Japan. Investment is responsible not only for creating a significant number of jobs, but also for enabling the large amount of trade between the two countries.

¹¹ A Tier 1 supplier is a supplier under direct contract to manufacturers.