

### *Forest Products*

Exports from this sector have made Canada a major supplier with sales of \$1.1 billion, principally in pulp and paper, lumber, plywood, chips and logs. Canada's marketing efforts, particularly in construction lumber sales, have been greatly assisted by the presence in Tokyo of the Council of Forest Industries of British Columbia. This industry is well placed to benefit from an expected increase in the domestic home construction market.

### *Fish Products*

Japan is the largest importer of fish products in the world and is Canada's second largest export market after the U.S.A. Canada's exports to Japan have increased from nominal amounts in the early 1970's to over \$233 million in 1984 (\$292 million to October 1985). Japan has become Canada's second largest market after the USA. Herring roe, capelin, salmon and crab account for some 80% of Canadian exports but good potential exists for other fishery products such as cod and ocean perch.

### *Agricultural Products*

In 1984 Canadian exports reached \$1.4 billion, representing 26% of our total sales to Japan. While retaining our traditional agricultural commodity sales, particularly in wheat, canola, barley and pork, Canada is attempting to increase its market share of Japan's processed food products. Twenty-five Canadian companies will participate in Foodex '86, Asia's largest food product show being held in Tokyo March 11-15.

### *High Technology Products*

Canadian efforts to market high technology products have met with some success, notably in the communications and aerospace sectors. Canada is well known for its expertise in such sectors of interest to Japan as telecommunications, electric power generation and transmission (both hydro and nuclear), cold ocean technology, and space.

### *Consumer Products*

Japan, with a population of 121 million possessing growing personal disposable income, is an interesting market for Canadian manufacturers. Currently 3% of Canadian exports to Japan are in fully manufactured goods. Gold coins, sporting goods, giftware and cookware, furs, health care products and selected do-it-yourself home improvement products, offer particular promise.

### *Tourism*

Tourism between Canada and Japan has been increasing steadily in recent years. With Expo 86 as the major new attraction in 1986, Japanese visitors to Canada could reach 200,000, up from an estimated 175,000 in 1985. Canadian visitors to Japan are expected to number 55,000 during the same period.

## **INVESTMENT**

Japan is the world's largest exporter of capital. As its huge trade and current account surpluses continue to grow, and with a continuing high rate of personal savings, massive outflows of investment capital are expected to continue. In 1984 net outflows amounted to \$57 billion of which roughly \$10 billion was in the form of direct investment.