

WTO's work on transparency and will demonstrate where it is possible to find agreement on this issue.

In 1997, APEC produced *A Blueprint for APEC Customs Modernization: Working with Business for a Faster, Better Border*; published a handbook of best practices related to customs laws, regulations, administrative regulations and rulings, and a *Compendium of Rules of Origin*; launched the Tariff Database on the Internet; produced a *Guide to Arbitration and Dispute Resolution* in member economies; developed non-binding principles for transparency in government procurement; developed model MRAs for automotive products, road-vehicle standards, and conformity assessments of food and food products; and agreed to develop an MRA on electrical and electronic equipment (safety) standards.

In 1998, Canada plans to advance work in all of these areas, as well as to push member economies to provide access for Canadian business persons that is on par with that provided by Canada to foreign business persons.

All APEC documents are available on the Internet at [www.apecsec.org.sg](http://www.apecsec.org.sg)

## JAPAN

	Goods (1997)	Services (1997)
Exports	\$10.760 billion	\$1.495 billion
Imports	\$12.508 billion	\$1.343 billion

Rank: 2 (3.67% of total Canadian goods exports)

### Overview

Japan is Canada's second-largest national trading partner after the United States and the third-largest foreign direct investor in Canada (after the United States and the United Kingdom). Canada is Japan's thirteenth-largest trading partner, and its leading supplier of a number of key commodities and products such as coal, canola seed, lumber and prefabricated housing. Canada is also becoming an increasingly important source of a range of sophisticated, high-tech products for Japan. Japan is also a major source of portfolio investment in Canada.

In 1997, Canada's total merchandise trade with Japan surpassed \$23 billion, with exports of \$10.9 billion and imports of \$12.5 billion. The composition of Canada's trade with Japan continues to evolve in response to changing economic conditions in both countries. Despite continued weak economic growth, Japan's demand for cost-competitive imports continues to grow strongly. Based on Japan Tariff Association statistics, Japan's total demand for imports (valued in yen) increased by 8% in the first eleven months of 1997 as compared to the same period in 1996.

Through *Canada's Action Plan for Japan*, business and all levels of government are co-operating to exploit new export opportunities in six high-growth sectors: agri-food and fisheries; tourism; information technology; consumer products (furniture, sporting goods and giftware); building products; and health care/medical devices. The 1998 edition of the *Action Plan* was released in February 1998. It draws attention to new opportunities that have been created in the Japanese market through continuing structural economic change, deregulation and changing consumer tastes. It seeks to alert Canadian industry to changing market conditions in Japan and to encourage product adaptation.

Under the 1976 *Framework for Economic Co-operation*, Canada and Japan continue to promote the development of trade and the expansion of economic co-operation through mechanisms such as the annual meetings of the Joint Economic Committee (JEC). During Prime Minister Chrétien's visit to Tokyo in November 1996, a new Canada-Japan *Agenda for Co-operation* was announced, which reaffirmed a common commitment to facilitate the expansion of trade and investment through measures designed to improve transparency and market access. This co-operation was advanced further during Prime Minister Hashimoto's visit to Canada in November 1997.

### Market-opening Results in 1997

To expand market opportunities for Canadian exporters, Canada has actively supported the Japanese government's efforts to stimulate the Japanese economy through deregulation, strengthened competition policy and further market liberalization. Given this dynamic environment, in 1997 Canada and Japan successfully addressed a series of issues of long-standing concern to Canadian business: