

In September 1999, the largest bilateral visit between Canada and Japan occurred when a Team Canada trade mission visited Tokyo and Osaka. The mission was led by the Prime Minister and included provincial premiers, territorial leaders, 269 business persons and other Canadian representatives. This first-ever Team Canada visit to a major industrialized country focussed primarily on bilateral trade, but was complemented by a variety of other issues, such as peace and security, official development assistance, Arctic science, space R&D, social policy research, social security and culture.

The Team Canada mission emphasized the strengths of Canada's high-technology sector in an effort to "re-brand" Canada in Japanese minds as a technologically-sophisticated society, and sought to encourage a diversification of our traditional commodities-based trade relationship.

In all, the Team Canada mission facilitated 34 business contracts worth more than \$450 million, many of which were in the high-technology sector and involved SMEs. The mission was very well-received in Japan, was seen as a timely show of confidence in Japan's economic future and was well-covered by the Japanese media.

DFAIT, the provinces and the territorial governments, with the support of the Japan External Trade Organization (JETRO), have undertaken a series of cross-Canada seminars and other activities to build on the momentum generated by the Team Canada mission.

MANAGING THE TRADE RELATIONSHIP

Canada and Japan continue to promote trade development and economic cooperation under the 1976 Framework for Economic Cooperation and the Joint Communiqué announced during the September 1999 Team Canada mission led by Prime Minister Chrétien. The Joint Communiqué confirmed the intention of the two governments to promote regulatory cooperation with a view to facilitating trade in regulated products. It also welcomed the interest expressed by the private sector in undertaking a study of bilateral trade and investment opportunities.

During the Team Canada mission, Minister Pettigrew met with his counterpart, Minister Yosano, to review the bilateral economic relationship. He also met with

Hirochi Okuda, Chairman of the Toyota Motor Corporation and concurrently also Chairman of the Japan-Canada Economic Committee of the Keidanren, to discuss strengthening the economic relationship. In addition, he met with JETRO Chairman Hatakeyama. These organizations are instrumental in strengthening the economic relationship between Canada and Japan.

While trade-policy meetings provide a comprehensive view of the trade and economic relationship, they are complemented by regular issue-specific talks conducted by government departments and agencies in Canada and Japan, in such sectors as telecommunications, culture, building product standards, environment, tourism, air services, oilseeds and transportation, to note a few. The range of meeting themes is indicative of the depth of the economic and trade relationship with Japan.

Both Canada and Japan also welcome and encourage private-sector initiatives to improve trade relations, including the annual Canada-Japan Business Conference, to be held in May 2000, and the annual Canada-Japan Forum, last held in Ottawa in October 1999.

Following up on preliminary discussions between Prime Ministers Chrétien and Hashimoto, the Japanese Ministry of International Trade and Industry (MITI) initiated a study, entitled "The Future of the Japan-Canada Economic Relationship", funded by JETRO and undertaken by Professor Wendy Dobson of the University of Toronto's Institute of International Business. In seeking to find and examine ways to strengthen and broaden the trade and investment flows between Canada and Japan, the study found that both countries were falling short of realizing the full potential of their relationship. The report called upon both governments to take further liberalization measures and called upon the private sector to become engaged in reinvigorating the bilateral relationship. The study found that the Japanese perceive Canada as a source of resource products and that Canadian companies perceive the Japanese market as excessively challenging.

The Canada-Japan Business Council (CJBC) has indicated its intention to carry out a follow-up review of bilateral trade and investment opportunities and to submit reports with recommendations to its next meeting, scheduled for May 2000 in Japan. The Canadian government welcomes this initiative