

JAPAN

Prime Minister Yasuhiro Nakasone

Mr. Nakasone was born on May 27, 1918 in Takasaki City, Gunman Prefecture. He specialized in Political Science at the Faculty of Law at the University of Tokyo. From April 1941 to September 1945, he served in the Imperial Navy reaching the rank of Lieutenant Commander. Following demobilization he served in the Home Ministry.

Running for the first time in the general election of April 1947, Mr. Nakasone was elected to the House of Representatives. Since then he has been elected 15 times. He was first appointed to the Cabinet in 1959 and has served in a variety of senior cabinet and party positions. In November 1982 he became Prime Minister. The theme of his tenure has been "to prepare Japan for the 21st Century" through fiscal and administrative reform in government, education reform, enhanced defence capability, market opening measures and promotion of a new international role for Japan.

Venice is Mr. Nakasone's fifth Economic Summit. He will be joined by Tadashi Kuranari, Foreign Minister; and Kiichi Miyazawa, Minister of Finance. His Personal Representative is Hiroshi Kitamura.

Recent Economic Performance

Japan has become one of the world's strongest and most influential economic powers. Japan's GNP constitutes about 10 per cent of global GNP, and ranks third after the USA and the USSR. In 1986 Japan's nominal GNP was \$1,913 billion.

Important factors in Japan's economic performance have been a high rate of savings and capital formation, a well-educated and highly productive labour force and willingness to adopt technological change.

As a result of a slowdown in the export sector and the deflationary impact of the rapid appreciation of the yen, the Japanese economy slowed down in 1986. Prospects for 1987 point towards reduced growth, a declining manufacturing sector, shifts towards specialized products (advanced knowledge intensive industries), and increased investment abroad.

Canada/Japan Relations

Japan presents important opportunities and challenges for Canada. Japan is Canada's largest export market after the USA. Exports of \$5.9 billion (1986) were concentrated in energy, minerals, agriculture, fisheries and forest products. In contrast to the relatively small amount of Japanese equity investment (\$1.8 billion), portfolio investment in Canada by Japanese institutional investors has been high (\$36 billion at the end of 1986). Canadians are focusing more attention and resources on cooperation with Japan in the acquisition and application of technology. In recognition of Japan's increased international role, Canada has expanded markedly its consultation and cooperation with Japan.

In November 1986, the Canadian government adopted a strategy to provide leadership and coordination of provincial business and labour efforts in Japan. The strategy includes a plan of action which involves closer political contacts in government and Parliament to explore shared interests in such diverse areas as promoting regional security; maintaining economic stability and global peace; creating in Canada an attractive destination for Japanese investment; expanding financial market activity; stimulating technology acquisition and development; using the multilateral trade negotiations to secure Canadian interests; encouraging greater and more concentrated involvement of provincial, business and labour leaders; and promoting person-to-person exchanges in the public affairs, cultural, academic, sport and tourism fields.