

JAPAN

HEAD OF STATE: His Imperial Highness
Emperor Akihito

HEAD OF GOVERNMENT: Prime Minister Tomiichi
Murayama (Socialist Party)

POPULATION: 124 711 500

GROSS DOMESTIC PRODUCT (GDP): \$5.42 trillion (1993)

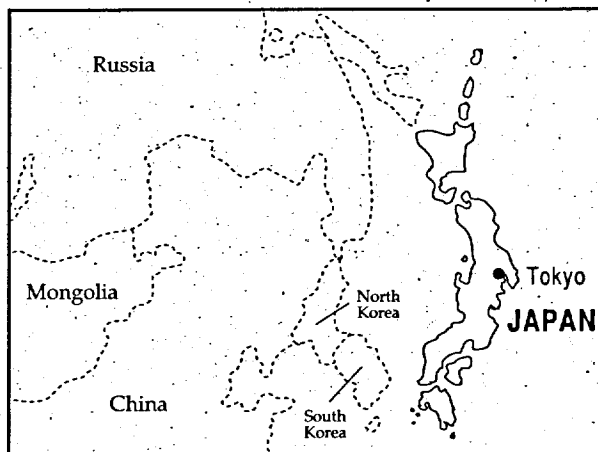
GDP GROWTH: 0.9% (1994)

PER CAPITA GDP 1993: \$26,161

UNEMPLOYMENT RATE: 2.9% (1994)

INFLATION RATE: 0.7% (1994)

EXPORTS AS A PERCENTAGE OF GDP: 18.4% (1993)



TRADE AND INVESTMENT

After the United States, Japan is our second largest trading partner. In 1994, Japan purchased approximately \$9 billion worth of Canadian exports. In the same year, Canadian imports from Japan were worth about \$11 billion. Traditionally, Canada's exports to Japan have been dominated by raw materials, however, more than 40 per cent of Canada's sales in Japan are now in manufactured or value-added goods, and this share is rising. Canadian exports include: aerospace, food, building, and information technology products. Japan is a major investor in Canada; our third-largest source. Car makers alone have invested close to \$2 billion in Canada, most recently into a big expansion of the Toyota plant in Cambridge, Ontario.

BILATERAL RELATIONS

Canada-Japan relations are not just about trade and investment. Expanding cultural, scientific, educational, and tourism ties, for example, round out the excellent relations between our countries. Every month, there are 20 Canadian cultural performances in Japan. Canada's Japan Science and Technology Fund improves links between the two countries' scientific communities. Thousands of Japanese study at universities and other educational institutions in Canada. As members of the G-7, the Asia-Pacific Economic Co-operation forum (APEC), the UN, and many other international organizations, Canada and Japan work closely together to deal with a range of important global issues, such as the environment.

CURRENT ISSUES

Canada must keep pace with Japan's growing demand for manufactured imports. Canada's "Action Plan for Japan", launched in 1993, is designed to help Canadian exporters improve their sales to Japan in seven key "value added" sectors including: processed foods, tourism, information technology, auto parts, forest and building products, aerospace, and fisheries products. Success in these areas will translate into more jobs for Canadians. Canada will also benefit from Japan's efforts to open its market more through deregulation and the removal of non-tariff barriers. In the international arena, Japan is steadily assuming a greater role for itself, one that reflects its economic importance.

More tourists
come to Canada
from Japan
than from
any other country
except
the United States;
in 1994,
more than
half a million
Japanese visited
Canada.