

Mr. Chairman and distinguished delegates:

Thank you for your warm welcome. It gives me great pleasure to address a group such as yours, which has contributed so much over the years to the excellent state of the Canada-Japan economic relationship.

Since I became Minister for International Trade two years ago, I have had the pleasure of meeting both Canadian and Japanese members of the business community on numerous occasions, including many of you. But this is my first opportunity to speak to your Conference.

It is particularly pleasant to welcome our Japanese friends to such an attractive and popular part of our country. The Canadian Rockies are indeed a favourite destination of Japanese visitors to Canada, as our colleagues in the Tourism sector can attest. Mr. Yamashiro¹, we are delighted to have you and your colleagues with us.

Today, I want to touch on a number of topics:

- First, our shared bilateral and multilateral interests;
- Second, the challenges we face -- particularly those confronting Canadians -- in realizing fully the potential of our business ties;
- Third, I want to discuss with you a new Canadian Action Plan for Japan; and,
- Lastly, I want to say a few words about the North American Free Trade Agreement -- and why it is good for Canada and Japan.

As you know, Canada's relationship with Japan is characterized by significant commercial, investment and technology exchanges, and rapidly increasing tourism. Japan is second only to the United States as Canada's most important economic partner.

Last year, our two-way trade totalled more than \$18 billion. Some 470,000 Japanese tourists visited Canada. Japanese direct foreign investment in Canada reached \$6.5 billion in U.S. dollars. Portfolio investment exceeded \$49 billion.

We already enjoy an excellent relationship. But the potential to make it even better is enormous.

Canadians see in Japan today a market increasingly open and receptive to imports. The yen has practically doubled in value since 1985 -- a function of Japan's remarkable economic achievements. All this has opened numerous possibilities for

1 Yoshinari Yamashiro, Japanese Chairperson of the Canada-Japan Business Conference