

has substantially expanded beyond the 917,000 unit sales, Japanese car exports could moderately increase further provided that the overall level of Japanese exports for fiscal year 1984/85 will not exceed 170,400 units.

The export forecast level for fiscal year 1984/85 will likely result in a Japanese share of the Canadian market of approximately 18%. The Minister noted, in this context, that under a similar export arrangement for the same 1984/85 period between Japan and the USA, the Japanese share of the USA market was also expected to be about 18%.

With respect to commercial vehicles, Mr. Regan expressed his confidence that there would continue to be an orderly development of exports by Japanese manufacturers to Canada which takes into account the state of the Canadian commercial vehicle market.

Minister Regan recalled that similar export understandings between Canada and Japan over the last three years had been intended to facilitate the necessary restructuring and modernization of the Canadian automotive industry to meet the changing international competitive environment. The understandings have contributed to improving the environment in which the recent recovery of the Canadian industry has taken place. "The new export understanding should contribute to consolidating this recovery and strengthening confidence that the recovery is here to stay", he said.

The Minister for International Trade went on to say that "it is also a further positive development in the fostering of a mutually advantageous automotive relationship between Canada and Japan which recently involved a number of encouraging developments with regard to a greater participation in the Canadian automotive industry by Japanese motor vehicle manufacturers".