

Bertrand Faure Ltd., also of Mississauga, manufactures automotive parts and seating hardware components systems. The firm is dedicated to improving its competitiveness by using new technologies and upgrading production process methods. With the trend being more and more to act as subsuppliers to Asian-owned plants in Canada, the company is responding positively to changing market conditions. Recently, Bertrand Faure won contracts with Japanese manufacturers in Canada and now forecasts sales in the \$60 million range this year.

Trade opportunities arising from structural changes in the Japanese market are becoming more common. To seize these opportunities will demand time, effort and a capacity to adapt your goods and services to the changing market. Research and development (R&D) is a key element in adapting export strategies, and the amount spent must be increased and integrated into the company's long-term business plan. How many companies do that?

Only three Canadian companies in 100 are doing any research at all, and the top four companies account for nearly 30 per cent of all private sector R&D spending. This is despite the fact that we have one of the most generous R&D tax regimes in the industrialized world. Clearly, Canadian companies must do better.

Recognizing the importance of maintaining a strong and lasting relationship between our two countries also extends to other levels of government. Four provinces have offices in Japan and provincial premiers make a point of visiting them. Governments at the municipal and regional levels also visit Japan.

We are deepening our bilateral relationship through the "Canada-Japan Forum 2000: Partnership Across the Pacific," an initiative announced by Prime Minister Mulroney when he visited Japan in 1991. This is a binational panel of 24 prominent Canadian and Japanese citizens reporting to the two prime ministers. Its aim is to advise on the diversification and enhancement of the entire Canada-Japan relationship and propose new directions for the partnership.

In the final analysis, however, it will be up to Canadian business to make the necessary adjustment and investment to become and remain globally competitive and respond to the shifting market patterns in Japan as well as in the Asia Pacific Region.

In that regard, I recently attended the Pacific Basin Economic Council (PBEC) meeting. It is an example of the continuing private sector process of building trade and business relations, as well as promoting new ideas and outward looking strategies and attitudes for trade in the region.