

The areas of trade facilitation on which APEC is actively working include standards and conformance and customs procedures. This ongoing work in trade facilitation will continue to make regional trade easier and less costly. It will improve the stability and predictability of the business environment and generate new opportunities for networking and partnerships.

In 1999, APEC:

- Developed an agreement on APEC principles to enhance competition policy and regulatory reform.
- Established a MRA on conformity assessment of electrical and electronic equipment.
- Completed an APEC directory on professional services.
- Developed an APEC website on Y2K for information exchange and preparedness tool kits.
- Completed a study on the development of an APEC food system.
- Published a study on e-commerce adoption by SMEs in APEC Member economies.
- Supported eight specific steps to take the region closer to an open market in air services.
- Published International Commercial Disputes: a Guide to Arbitration and Dispute Resolution in APEC Member Economies, 1999.
- Published Competition Law for Developing Countries.
- Updated the hardcopy and internet versions of the APEC Guidebook on Investment Regimes.

In 2000, Canada will be looking to develop a comprehensive initiative to strengthen trade facilitation in APEC, consistent with the direction provided by APEC leaders at Auckland, with a view to expanding opportunities for Canadian business in the region. In addition, Canada will continue to strengthen APEC's policy dialogue and capacity-building in the area of social policy and structural adjustment. Canada plans to continue to promote meaningful public engagement in APEC, including through dialogue with civil society organizations, in order to build popular support for the economic reforms needed to sustain regional growth and prosperity.

All APEC documents are available on the Internet at www.apecsec.org.sg

JAPAN

Overview

Japan is Canada's third-largest trading partner (after the United States and the European Union), with 2.55 percent of total exports, and is the fourth-largest foreign direct investor in Canada. Canada is a leading supplier to Japan of a number of key products, such as coal, uranium, canola seed, lumber and prefabricated housing. Canada is also becoming an increasingly important source of a range of sophisticated, high-tech products imported by Japan. Japan is a major source of portfolio investment in Canada, and recent indications are that Canadian direct investment in Japan will increase in response to deregulation and market opportunities in the Japanese economy.

In 1999, Canada's total merchandise trade with Japan increased 3.3 percent to \$19.8 billion. Exports declined 3.2 percent to \$9.2 billion and imports increased 9.7 percent to \$10.6 billion resulting in an increase in the bilateral trade deficit. Canada exported \$1.4 billion in services and imported \$1.1 billion in 1999. Despite the present recessionary climate, the long-term trend in Japan is towards a growing demand for cost-competitive imports, which represents an important market opportunity for Canadian exporters.

Through Canada's Action Plan for Japan, business and all levels of government are cooperating to take advantage of market opportunities in five high-growth sectors: agri-food and fisheries; tourism; information technology; building products; and health care/medical devices. The action plan also draws attention to new opportunities that have been created in the Japanese market through continuing structural economic change, deregulation and changing consumer tastes — opportunities in sectors such as the environment, space, new energies and electricity and education. The action plan alerts Canadian industry to changing market conditions in Japan and encourages them to adapt their product to the Japanese market.