Canada and Japan: Enhancing commercial relations

A promising and important market for Canada, Japan remains the world's second-largest economy and is once again on a path of sustainable economic growth. In addition to being a key player in global value chains, Japan is Canada's second-largest export market and a major source of foreign direct investment (FDI).

In 2005, two-way merchandise trade between Canada and Japan stood at $23.6 billion, and bilateral FDI exceeded $20 billion. Bilateral trade in services is growing, with $5.21 billion in services traded between our two countries in 2005. Today, trade in goods and services spans the full spectrum of economic activity, and bilateral investment and cooperation in science and technology are increasing and adding new dimensions to the relationship.

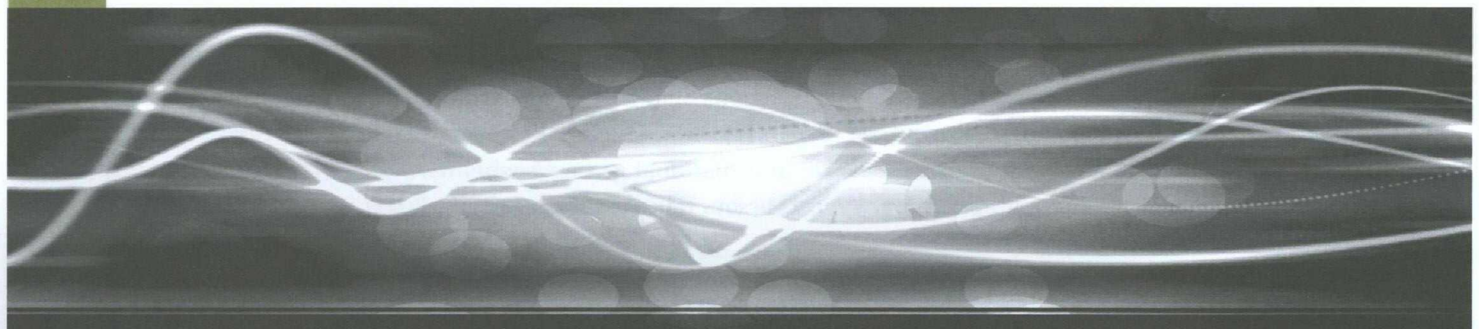
As such, Japan will remain vital to ensuring the continued competitiveness of Canadian industry. At the same time, the governments of Canada and Japan recognize that bilateral commercial opportunities remain untapped and so have taken steps to help ensure that the Canada-Japan economic relationship reaches its full potential.

In November 2005, Canada and Japan signed an economic framework designed not only to reinforce existing ties, but also to address new and emerging challenges and opportunities. A key component of the framework is the undertaking of a joint study to look at further promoting and liberalizing trade and investment between the two countries.

We want to hear from you

Domestic consultations play a key role in informing the government's trade and investment policy positions. Input from Canadian stakeholders will be important in the development of the joint study and will ensure that it is both comprehensive and meaningful. If you are doing business in Japan, or plan to, the Government of Canada would like to seek your views on existing barriers to trade and investment, possible policy tools to address these issues and advice on how best to promote the bilateral commercial relationship.

For more information on the Canada-Japan Joint Study and the consultation process, go to www.international.gc.ca/tna-nac/reg-en.asp or contact International Trade Canada, Trade Negotiations Consultations (Japan), email: consultations@international.gc.ca, fax: (613) 944-3489.



Lights shine on Japanese photonics show

Tokyo, Japan, July 12-14, 2006 > InterOpto is Asia's largest optoelectronics exhibition and provides an excellent opportunity for Canadian exporters to assess market potential, promote their product, keep up with the latest trends and network with optoelectronics-related companies and organizations from around the world. This year, some 12,000 visitors and 250 exhibitors are expected.

When it comes to optoelectronics and fiber optics, Japan is the place. In addition to InterOpto in July, which covers the broad field of optoelectronic technology, there is the Fibre Optics Exhibition (www.foe.jp) in January, which focuses on optical communication technologies. Canadian trade commissioners in Japan are eager to assist Canadian companies at these two major trade shows.

For more information, contact Kojiro Ichikawa, Trade Commissioner, Canadian Embassy in Japan, email: jpn.commerce@international.gc.ca, or contact the Optoelectronic Industry and Technology Development Association, website: www.oitda.or.jp.

BioSpain 2006: Spain a hotbed for biotech

Madrid, Spain, September 18-20, 2006 > Don't miss **BioSpain 2006**, one of the most important biotechnology fairs in Europe. The Canadian Embassy in Madrid is looking to organize a Canadian delegation to this event, as well as a networking session on doing business with Canadian biotech firms.

Biotechnology in Spain is growing at four times the rate of the European Union average. This growth is a consequence of the significant increase to investments, both private and state-funded, in research and development (R&D) and innovation. The increase in investment has led to a surge in job creation. Investments are currently growing at 25% per year, while employment is up by 20%. In fact, Spain is the fourth-largest contributor to scientific production in the biotech sector, just behind the United Kingdom, Germany and France.

Why Spain?

Spanish firms in this sector have high growth potential, possess a dearth of qualified professionals and have an excellent technology and research network. Costs related to R&D are highly competitive. In fact, the biotech sector there has strong institutional support for R&D and the tax system for investments in R&D is one of the most favourable of all OECD countries. Spain also serves as a bridge between Latin America and Europe.

Collaboration nations

Genome Spain and Genome Canada, as result of an agreement signed in 2002, are currently working on several R&D projects and are looking to expand on this cooperation. In 2003, an agreement between the National Research Council of Canada and its Spanish counterpart, the *Consejo Superior de Investigaciones Científicas*, committed both organizations to conduct research jointly for a three-year period, with the extension of this collaboration currently being considered.

Canadian biotech firms looking to expand into Spain's burgeoning biotech sector need to look no further than BioSpain 2006, a great way to get connected to this growing sector and market.

For more information, contact Isidro Garcia, Canadian Embassy in Spain, tel.: (011-34-91) 423-3227, email: isidro.garcia@international.gc.ca or biospain2006@gen-es.org (organizer), website: www.biospain-biotec2006.com.

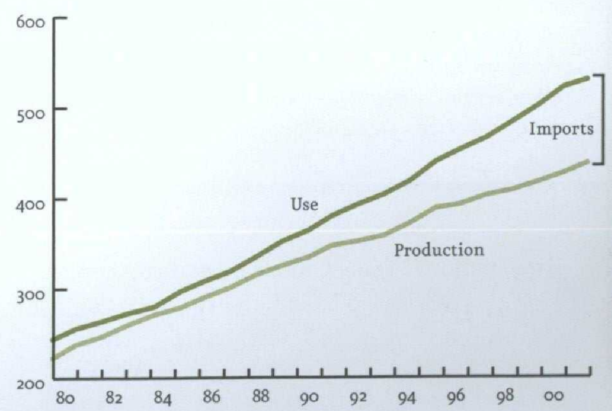
FACTS & FIGURES

India's reliance on foreign fuels might outstrip China's

India's domestic energy production, which is heavily coal-based, has been growing. But demand has consistently outstripped supply, and the gap has been widening. In 1990, the gap between India's energy production and use stood at 29,000 kilotons (kt) of oil; by 2001, it had tripled to 93,000 kt. China's total energy use is higher, at 1.1 million kt versus India's 0.5 million in 2001, but China's domestic production has kept pace better, even running a surplus in some years. In India, meanwhile, oil and fuels make up one-third of all merchandise imports, with crude oil alone accounting for 25.4% in 2004. So while China's overall energy consumption exceeds India's, India is more reliant on foreign fuels. With domestic sources unable to keep up with demand, that reliance looks set to increase.

Provided by the Trade and Economic Analysis Division (www.international.gc.ca/eet)

India's Energy Production and Use
(kt of oil)



Data: World Bank's World Development Indicators