

increasingly integrated North American market. As Japanese businesses embrace the logic of North American economic integration, Canada faces a continuing challenge to promote recognition of the advantages (including lower production costs) of serving North American and global markets from Canada.

Challenges

Our main challenges in developing investment linkages with Japan are to:

- increase the awareness of Japanese investors of the industrial sophistication and competitiveness of Canada;
- demonstrate that we can offer a comparative advantage through better technology, a more productive labour force, an adequate infrastructure and a favourable overall investment climate;
- encourage Canadian firms to seek investment and technology from appropriate Japanese firms;
- Encourage the use of Canada as a base for manufacturing, research and regional operations to serve NAFTA markets;
- identify opportunities for business alliances, such as joint ventures, licensing agreements, that can increase exports and investment; and
- encourage both Canadian and Japanese firms to cooperate in third countries, particularly in infrastructure projects in Southeast Asia.

Sectoral interests

Japanese technical competence and commercial sophistication are so wide-ranging that there are many opportunities for attracting investment to Canada in many fields. However, sectors that have been identified as immediate priorities for investment include: information technologies (telecom, software, broadband\information highway, internet related, semi-conductors), life sciences (pharmaceuticals, medical devices, biotechnology), automotive equipment, processed food, mining and manufactured housing and components.

Implementation

Current investment development program

There has been a strong investment development program in the Canadian Embassy in Tokyo over the past ten years; it has gradually changed from general "open for business" seminars and missions designed to inform the Japanese about the strength of our economy and technical capabilities, to campaigns focused on sectors and an emphasis on corporate liaison activities. In the past year, the Investment Promotion Section of the Embassy, which has two Canadian investment specialists and one locally-engaged officer, has visited 139 clients in Japan and helped about 2000 business visitors to and from Canada; it assisted in the organization of 26 fairs and missions and 33 conferences, seminars and other events; and it handled over 200 investment enquiries and requests for service. Other sectoral specialists in the Commercial Section spend some of their time promoting investment, particularly in projects related to the automotive sector, processed food, manufactured housing, information technology, pharmaceuticals and science and technology.

In Osaka the investment program has been less systematic and more event or project driven often providing a forum for events that have first been staged in Tokyo. However, there is huge, untapped potential, as clearly the Kansai is a major source of investment in Canada, and the Consulate General has access to many influential corporate executives whose companies, many of which started business near Osaka, have substantial operations in the region. During the past two years the Kansai Canada West Business Forum has proved a most successful networking conference for developing business contacts.

The successful September 1996 Keidanren Business Partnerships Mission to Canada was an initiative of the Canadian Embassy in Tokyo. Follow-up activities related to information technologies and processed food, sectors on which the mission focused, are maintaining the momentum of interest generated by the mission.

there are many opportunities for attracting investment to Canada in many fields