

CANADA/JAPAN TRADE IN CHEMICALS, ADVANCED MATERIALS AND BIOTECHNOLOGY

Canadian exports of chemicals to Japan - the main items are methanol, styrene, ethylene glycol, ethylene dichloride, potassium chloride, butyl rubber, natural uranium, radioactive isotopes, ammonia - are worth about \$400 million per year. Most of this trade is well established and takes place on the basis of long term contracts.

In the area of advanced industrial materials, Japanese industry is particularly advanced, with a substantial research effort underway. Canadian expertise in advanced uses of, and manufacturing techniques for, such materials as magnesium, aluminum and others has opened up potential areas of cooperation and, ultimately, commercial prospects. One area of particular interest to Canadian firms is advanced ceramic powders used in the manufacture of ceramic products.

Japan's biotechnology market is expanding rapidly (now estimated at over \$1 billion per year), and presents opportunities for Canadian industry. Canadian strength in this market includes diagnostic drugs and techniques, and pharmaceuticals and biochemicals for agriculture. Canadian exports in this area have already exceeded \$50 million.

May 1994