

## CANADA/JAPAN INDUSTRIAL COOPERATION

Industrial cooperation between Canada and Japan brings significant benefits to the Canadian manufacturing sector, contributes to correcting the imbalance in the trade relationship, and fosters greater understanding of each other's economic opportunities.

On September 3, 1985, the Canadian Department of Regional Industrial Expansion and the Japanese Ministry of International Trade and Industry announced an Arrangement to Promote Industrial Cooperation between Canada and Japan. The purpose of the Arrangement is to encourage more joint ventures, licensing agreements, joint research and development projects and increased two-way investment between the private sectors of both countries. Canada proposed nine sectors for joint action: advanced manufacturing technologies, ceramics, microelectronics, advanced industrial materials, space, biotechnology, steel making, office equipment, and telecommunications. Three sectors were selected for initial activity: advanced manufacturing technologies, microelectronics, and ceramics. In 1986, two new priority sectors were added: space and biotechnology.

The Industrial Cooperation Arrangement is a very successful vehicle for Canadian companies. The leadership of Japanese industry in applied product and production technology has great potential for improving the competitiveness of Canadian industry in the North American market. A project introduced by the Department of External Affairs under the title Technology Awareness and Acquisition Project (TAAP-Japan) seeks to introduce Canadian manufacturers to Japanese manufacturers who are leaders in their section. On return to Canada the industry missions are required to meet formally with Canadian companies in their sector to advise them of the potential for, and means of, accessing leading applied industrial technologies in Japan.

Since its inception, the Arrangement has proven most beneficial in providing Canadian companies with a better opportunity to visit key Japanese manufacturers and industrial laboratories. As a result of these missions, many new business relationships have been initiated which should bring new products and production technology knowledge to the Canadian manufacturing sector. Some 25 joint ventures have been confirmed or are under discussion with Japanese companies. In 1986, eleven hundred Canadian business people have attended 26 seminars across the country as a follow-up to the missions. In 1987, 30 seminars were attended by approximately 1400 Canadian business people.

A review of the Arrangement was conducted by Canadian and Japanese officials in Tokyo in January 1988. With respect to advanced manufacturing technology, a number of subsectors - such as robotics technology - were identified as a focus for future consideration. In the microelectronics sector, both countries welcomed the announcement that the Canadian Semiconductor Design Association (CSDA) has joined the International Semiconductor Co-operation Centre (INSEC). Furthermore, Japan