

the private sector – to accelerate economic recovery and sustain growth.

Moreover, reform must aim to reduce domestic prices through increased competition, particularly competition from imports, to be of benefit to the Japanese consumer and business.

In my view, Japan should:

- eliminate all regulatory restrictions on market entry and price competition that cannot be justified on the basis of economic efficiency;
- ensure full transparency and non-discriminatory application of all regulations;
- streamline domestic standards systems and bring them in harmony with international norms; and
- expand public awareness and debate on the benefits of deregulation.

These proposals address the two most common concerns of Canadian business in Japan: poor regulatory transparency and high domestic costs. Addressing these problems would considerably facilitate trade and avoid future trade friction.

We are looking to the Japanese government and industry to demonstrate the leadership required to overcome opposition and implement true reform.

The measures announced last March in Japan's *Deregulation Action Program* were a start. Some of Canada's concerns in the housing and building products sector were addressed. But the measures didn't go far enough; they were far from meeting international or domestic expectations.

The *Action Program* failed to provide a coherent approach to eliminating restrictions on market-entry and price competition, particularly in highly regulated sectors, such as agriculture, land and housing, transportation and retail distribution, which have a significant impact on the domestic economy as a whole.

Given the request-driven nature of the *Action Program*, international pressure will likely be an important stimulus for change. But Japanese business has the most important role to play in this ongoing process. I urge you to continue to press for the implementation of a far-reaching and effective program.

That is the challenge that I put to you today.

*Domo arigato gozaimasita!* (Thank you).