

Backgrounder

SUMMARY OF CANADA'S ACTION PLAN FOR JAPAN

1) Building Products

- Japan is the world's largest-housing-market and Canada's leading overseas market for forest products. In 1993, Canada's exports to Japan of lumber, plywood and other wooden building materials amounted to more than \$2.2 billion.
- Demand for imported housing products is rising as a result of acute labour shortages, high labour and domestic material costs, and recession-driven demand for lower-cost, Western-style housing. In general, Canadian exporters have not been as aggressive as their European and American counterparts in pursuing Japanese demand for value-added building products.
- The Uruguay Round of world trade negotiations will reduce or eliminate tariffs on many products including plywood, particle board, wood mouldings, doors, and windows. Canada and Japan have also launched bilateral discussions aimed at achieving mutual recognition of building product standards, thereby lowering the cost of testing and certification.
- The Action Plan focuses on workshops, trade shows, advertising and promotion as ways of making Canadian firms more aware of Japanese requirements and making Japanese importers and builders more aware of Canada's supply capabilities.

2) Fish Products

- Japan absorbs more than one third of the world's total fish exports. Canada has maintained a 4.5-per-cent share of this market, amounting to \$825 million last year. The economic slowdown in Japan softened fish prices and severely hurt high-priced items, but demand is now growing as a result of economic recovery and declining domestic catches.
- Changes in consumer preferences have resulted in growing demand for products that are easily prepared.
- An aging workforce has led to greater Japanese investment in overseas processing facilities, some of which has gone to Canada, and there is potential for more.
- Uruguay Round tariff cuts will reduce average tariffs on imported fish by 34 per cent over five years, thereby making Canadian imports more competitive.