

Good afternoon,

I am very pleased to be here today to speak to you about the trade relationship between Canada and Japan.

The people of Mississauga know first-hand the advantages of having Japanese firms locate in a region. I congratulate the City of Mississauga, and Mayor McCallion in particular, for their efforts to attract Japanese firms to the area.

From just over 30 firms in 1985 to 89 firms at the end of 1991 is a spectacular change indeed! Companies with names like Canon Canada, Hino Diesel Trucks, Hitachi (Canada) Limited, Japan Air Lines, Konica and Kyocera are now part of your business community.

The follow-up work done by the City of Mississauga with the Japanese companies once located here is also impressive. I understand that, in addition to providing ongoing advice, you host a biennial dinner and that your mayor has visited Japan and met executives at their head offices. This is obviously a successful formula.

Canada's relationship with Japan is characterized by significant trade, investment, technology exchanges and rapidly increasing tourism. Japan is second only to the United States as Canada's most important economic partner. Last year our two-way trade was well over \$17 billion, and over 470,000 Japanese tourists visited Canada. Japanese direct investment in Canada was \$6.9 billion and portfolio investment was over \$46 billion.

Nevertheless, Canada's export performance in Japan in 1990 and 1991 was disappointing, dropping to \$7.11 billion in 1991 -- off \$1 billion from 1990 -- along with a continuing loss of market share for Canadian products. Last year also marked the eighth consecutive year in which our imports from Japan topped Canada's exports to Japan.

To help stem this tide, the Government of Canada is enhancing its overall marketing strategy in Japan. In particular, we are expanding our presence in regions of Japan that we think offer important opportunities for Canadian firms.

In November of last year, I officially opened the new Canadian Consulate in Fukuoka, and I am pleased to confirm that preparations are under way to open a consulate in Nagoya this fall. This latter consulate will be of special interest to the gathering here for several reasons.

First, because it is located in a major automotive centre, home to companies like Toyota, Kawasaki and Mitsubishi -- the two latter are also among Japan's largest aerospace manufacturers. Nagoya is also the core of the Japanese machine tool industry, housing a number of high-tech industries and an expanding retail market. Companies in this region are following the trend to