

## Chapter 6

# ANALYSIS OF THE IMPLICATIONS OF FURTHER PROMOTION AND LIBERALIZATION OF BILATERAL TRADE AND INVESTMENT

### 6.1 Overview

The previous chapters examined past and current trends of Canada-Japan economic relations from bilateral, regional and multilateral perspectives. This chapter examines the benefits and costs of the further promotion of bilateral trade and investment, including economic modelling on the potential impact of trade and investment liberalization. Key to this chapter are the views and comments received from the private sectors of the two countries. The representatives of the business communities suggested that, though both countries have favourable relations, some existing measures hinder the full potential of trade and investment, and requested that the governments address these measures to further invigorate bilateral economic relations. Based on these consultations, as well as the analysis of previous chapters and the economic modelling, this chapter also indicates possible policy options both countries should consider for enhancing their future bilateral economic relations.

### 6.2 Economic Analysis of Trade Liberalization between Canada and Japan

This section examines the economic impacts of the further promotion of trade and investment between Canada and Japan to provide a comprehensive assessment of trade liberalization and facilitation, drawing on a range of quantitative economic models<sup>20</sup>.

---

<sup>20</sup> It should be noted that economic models are a simplification of reality and rely on various assumptions. Therefore, modeling results should be used only to infer