

- More tourists come to Canada from Japan than from any other country except the United States. In 1994, Japanese tourists generated about \$532 million in revenue, excluding international air travel.
- Japanese research and development expenditures are the highest in the world and increasingly include investment in overseas facilities. With a view to enhancing scientific and technological ties with Japan, a bilateral agreement was signed in May 1986, and in 1990, Canada established a multi-million-dollar Japan Science and Technology Fund (JSTF). Through the JSTF, Canada has sponsored more than 200 projects to date.
- Canada is represented in Tokyo, Osaka, Fukuoka and Nagoya and has honorary commercial representatives in Hiroshima, Sendai and Sapporo. The commercial representatives co-ordinate between 50 and 60 trade promotion events each year, some in conjunction with ministerial visits.

#### **Trade and Investment**

- Japan continues to be Canada's second-largest trading partner after the U.S., and our most important partner in Asia. Our 1994 exports to Japan were \$9.5 billion (an increase of \$1 billion over 1993), imports were \$11.3 billion. Canada exports as much to Japan as to the rest of Asia combined.
- While Canada maintains its traditional strength in sales of resource products, more than 40 per cent of Canada's sales to Japan are manufactured or valued-added goods. Canadian industry exports many processed goods to Japan, ranging from aerospace and information technology products to building products and processed food.
- Canada's Action Plan for Japan, launched in 1993, is a joint undertaking with the private sector. It seeks to alert Canadian industry to changing market conditions in Japan, encourage product adaptation and help promote products. Action plans have been developed in seven priority sectors: processed foods, tourism, information technology, auto parts, forest and building products, aerospace, and fisheries products.
- Japan is Canada's third-largest source of foreign direct investment (\$11 billion in 1994). Total Japanese portfolio investment in Canada as of March 1995 was about \$45 billion, roughly the same as 1994.
- Major recent investment include Toyota's \$600 million assembly plant expansion in Cambridge, Ontario; Honda's \$80 million plant expansion in Alliston, Ontario; Mitsui Homes decision to establish a pre-cut housing operation in Langley, British Columbia; and a joint venture