

Some two million jobs in Canada are directly or indirectly dependent on exports. And in the increasingly open global economy, exports have become a key source of economic growth for Canadians.

Canada's economic relationship with Japan is extremely important. Our bilateral trade with Japan exceeded C\$19 billion in 1993, a 5-percent increase over the previous year. But more impressively, despite the economic downturn in Japan that has slowed the growth of imports from elsewhere, Canadian exports to Japan grew at a rate of 13 percent.

As the recent G-7 Jobs Summit in Detroit demonstrated, all industrial economies face complex structural problems and uncertain growth and employment prospects. The future prospects for trade and investment will largely be determined, of course, by the health of the Japanese economy, and the way in which it adapts to the structural challenges posed by an ageing society, an appreciating currency, and the imperative of reducing its burgeoning current account surpluses.

At this moment of extraordinary global political and economic change, my mission is intended, early in the mandate of the new government, to assess the nature of these changes here in Japan, and to direct Canadian policy accordingly.

For this reason, I have invited a group of leading analysts, economists, businesspersons — and even some politicians — to join with me tomorrow in a round-table discussion on Japan's mid-term economic prospects, and the implications for Canada's trade and economic relations with Japan.

We already face some important structural challenges in our business relationship with Japan:

- The Japanese market is changing along with the Japanese economy: expanding Canadian exports to Japan will depend on our ability to cater to the most rapidly growing market segments — that is, those for higher value-added products.
- These trends mean that many of our traditional resource-based commodities, such as coal, face low international prices and a levelling-off in demand in Japan for their products.
- Japanese investment in Canada is not only important for promoting Canadian economic growth, but is also essential for building business partnerships that will help Canadian firms prosper in world markets. We need to ensure that Japanese companies are aware of the many advantages of investing in Canada, as an export base servicing the North American, Japanese and third-country markets.