

The Japanese Economic Mission (Kanao) visited Canada in 1986 following the introduction of the Investment Canada Act in July 1985. Regarding Japanese investment in Canada, the business delegation members were encouraged by the policies initiated by the federal and provincial governments to promote and improve the Canadian investment environment. The Mission's discovery of a "new Canada" of high technology and growth will encourage the continued expansion of the Japanese investment base in Canada beyond the resource sector. The Mission is reported to have observed many indications that Japan-Canada relations will expand from that of purchaser of resources to include more diverse relations based on mutual exchange within the entire manufacturing field.

Securing market access has always been a major factor in the decisions of Japanese manufacturers to locate in North America. The enhancement of access to the large United States market obtained by Canada in the recently concluded Canada-United States Free Trade Agreement will play a significant role in future Japanese investment in Canada. Under the Agreement, Canada will continue to be an attractive environment for Japan because of resource availability, low cost energy, competitive labour costs, productivity, quality of life and the above-mentioned access to the United States market.