

## CANADA-JAPAN RELATIONS

### *Overview*

Canada-Japan relations are based on trade and economic linkages that arise from the complementarity of our economies and extensive transportation and communications links across the Pacific. They are sustained through extensive dialogue at the ministerial level and through various official and semi-official venues for cooperation and discussion. Bilateral relations also build on our partnership in the United Nations, the G-7 and the OECD, our common membership in the Asia-Pacific community (APEC and the ASEAN Post Ministerial Conference and Regional Forum), and a host of cooperative endeavours and consultative mechanisms.

### *Forum 2000*

The Canada-Japan Forum 2000 report, submitted to Prime Ministers in December 1992, made nineteen recommendations designed to serve as guideposts for enhancing political, economic and cultural cooperation between our two countries. (One recommendation has resulted in the creation of a Canada-Japan joint panel on Cooperation in the North Pacific Environment. Another related response to the report is the Canada-Japan Bilateral Symposium on Stewardship of the North Pacific Ocean, held March 25-27 1994, in Vancouver.) There is a separate brief on this issue.

### *Trade and Investment*

Japan is Canada's second largest trading partner; 1993 export figures are expected to reach \$8.5 billion, with imports amounting to just over \$10 billion. As Japan's economy continues to move up the technological ladder, one result is a weakening demand for the resource products which have traditionally dominated our exports. An "Action Plan for Japan" aimed at addressing this issue was announced last spring. There is a separate background brief on this issue.

Despite the drop in the value of the dollar against the yen over the past year, the total amount of securities and loans held by Japanese investors is about \$54 billion. Japanese direct investment continues to grow, reaching a cumulative total of \$6.4 billion in 1992. Some 48,000 Canadians are employed by Japanese-affiliated companies.

### *S&T Relations*

A bilateral Science & Technology agreement was signed in May, 1986; a Complementarity Study was completed in July 1989, followed by the establishment of the Japan Science and Technology Fund (JSTF), through which Canada has sponsored over 200 projects.