


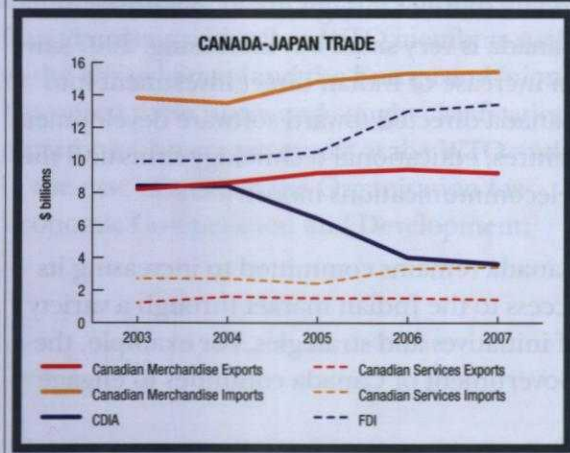
India through annual trade policy consultations, as well as regular technical discussions on market access issues. In February 2008, an Atlantic Gateway mission was launched that aimed to promote the ports of Nova Scotia and existing infrastructure in Atlantic Canada as the fastest route for goods travelling between India and Canada. As well, the Global Commerce Strategy will allow for an expansion of the Trade Commissioner Service in India to better serve its existing clients and attract new Canadian clients to India's vibrant market.

Japan



JAPAN

	2007	Percentage change since 2006 (%)
Population	127.8 million	0.0
GDP	\$4.7 trillion	2.1
Canadian Merchandise exports	\$9.2 billion	-2.5
Canadian Services exports	\$1.4 billion	-
Canadian Merchandise imports	\$15.4 billion	0.8
Canadian Services imports	\$3.4 billion	-
CDIA	\$3.6 billion	-10.3
FDI	\$13.4 billion	3.6



Japan's industrial strength, wealth, political stability and geographic location position it as a global and regional trading hub. Home to 67 Fortune 500 corporations, and the world's largest exporter to China, Japan offers not only a large and lucrative market in itself, but also provides a gateway to the booming North Asian marketplace. Japan has been characterized as the world's most innovative country. As a global leader in a range of advanced technologies, Japan ranks second in total research and development (R&D) expenditures, spending \$130 billion⁷ compared with Canada's \$26 billion.

Canada faces both threats and challenges in realizing its fullest commercial potential in Japan. In recent years, the overall commercial relationship has underperformed, overshadowed by dynamic growth in bilateral relations with other economic partners. The continuation of such trends, especially in light of Japan's aggressive program of bilateral negotiations for preferential access with countries such as Mexico and Chile, threatens Canada's market share.

Challenges for Canadian businesses include the complexity of the Japanese market and lack of awareness of the immense market opportunities present in Japan and its Asian neighbours. Another challenge is finding ways to penetrate tightly knit Japanese corporate relationships and Japanese-led value chains, especially in light of language and cultural barriers. Recent slowdowns in economic liberalization, combined with local business practices affecting mergers and acquisitions,

⁷ www.oecd.org/document/26/0,2340,en_2649_201185_37770522_1_1_1_1,00.html.