



communiqué

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JAPANESE CAR EXPORTS TO CANADA

The Honourable Gerald Regan, Minister of State (International Trade), announced today that an understanding has been reached with Japan which will ensure that exports of Japanese passenger cars to the Canadian market will not exceed 153,000 units over fiscal year 1983-84 (April 1, 1983 to March 31, 1984). The understanding is based on an export forecast announced today by the Japanese Ministry of International Trade and Industry (MITI) that passenger car exports to Canada over the fifteen month period, January 1, 1983 to March 31, 1984, will not exceed 202,600 units. It is understood that Japanese passenger car exports will not be concentrated in the last half of 1983.

Minister Regan recalled that under an "interim" understanding reached in February, this year, Japanese exports of passenger cars had been limited to 79,000 units over the period January 1, 1983 to June 30, 1983.

Minister Regan noted that the Japanese undertaking would result in a decrease of approximately 18,000 units in fiscal year 1983-84 from the previous fiscal year period. He also noted that, based on the most recent Canadian industry market forecasts, the Japanese undertaking on passenger cars would result in a reduction of the import penetration of Japanese passenger cars in the Canadian market below 20 percent over fiscal year 1983-84. He indicated that the understanding would "provide additional time for the Canadian industry to respond to the changing competitive situation in the Canadian market " and stated that he was pleased to note that there had recently been evidence of some recovery in the market in Canada.

Minister Regan noted that the new understanding covers the same time period as that which Japan currently has in place with the United States.

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With reference to commercial vehicles, Minister Regan stated that the Canadian market situation had been explained in considerable detail to Japanese authorities and that "I am satisfied that Japanese shipments to Canada over the coming period will take into account the state of the Canadian commercial market".

Minister Regan noted that the understanding announced today responds to the recommendation of the Automotive Task force that the Japanese understanding be continued for an interim period.

Minister Regan indicated that he was pleased that it had been possible to come to a bilateral settlement with Japan on this difficult issue.