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## CANADA'S EXPORT DEVELOPMENT PLAN FOR JAPAN

The Honourable Gerald Regan, Minister of State (International Trade), at a meeting last evening with Canadian businessmen in Vancouver, attended by the Prime Minister, announced the release of Canada's Export Development Plan for Japan.

Mr. Regan was in Vancouver to chair a meeting with senior representatives of Canadian exporting companies who are active in the ASEAN countries and in Japan. "These markets have been the source for tremendous growth in Canadian exports in recent years", Mr. Regan said. He also emphasized that Japan is Canada's second largest export market. The Japanese market is gigantic and has the potential to offer some excellent opportunities for exporters of resource-based and manufactured products. In 1981, the total Japanese import market was \$143 billion; \$20 billion of which was for foreign manufactured products. That same year, two-way trade between Canada and Japan reached \$8.5 billion, of which Canadian exports accounted for \$4.5 billion. Canada's current share of the Japanese import market for all commodities is approximately 3.4 per cent. Indications are that this level of trade will be increased slightly in 1982.

Canada's market development plan for Japan has been prepared to assist the public and private sectors to expand business in Japan. The assessments and proposals it contains form the basis of the Government of Canada's export marketing activities in Japan over the next two or three years. It is part of a series of market development plans for specific countries wherein significant export opportunities are identified in targeted industrial sectors which are consistent with Canadian production capabilities. Other market development plans are in progress for each of the ASEAN countries and will be issued in 1983.

Mr. Regan stated that, "the resource sectors will probably continue to account for an important portion of Canada's exports to Japan during the 1980s". In the case of coal, Canada expects its exports of thermal coal to Japan to increase tenfold by 1995, and of metallurgical coal to nearly double by 1985. As Japan adjusts its production in its energy-intensive industries such as aluminum, zinc and ferro-silicon, new opportunities should be created for greater value-added metal exports.

The restructuring of the petrochemical sector in Japan, and the development by Canada of a world-scale petrochemical industry, could open the door for Canada to export significant volumes of primary and intermediate petrochemical products. Similarly, as Japan restructures its domestic pulp and paper industry, opportunities should exist for Canadian exports of paper products such as lightweight newsprint. The expansion of the Canadian platform frame (2 X 4) system of residential construction in Japan should create opportunities for exports of Canadian softwood lumber and plywood.

Reforms in the agricultural sector in Japan may open up opportunities for Canadian food product sales, since more processed items are expected to be imported from abroad. Fisheries will continue to be a sector of growing export importance.

A key Canadian priority will be to increase Canadian exports of fully manufactured products. In 1981, fully manufactured products had a value of \$181 million, representing only 4 per cent of Canada's total exports to Japan. In certain consumer commodities like furs, sporting goods/sportswear, jewellery, and floor coverings and in certain specialized industrial goods (e.g. health care products, instrumentation, aerospace), some progress has been made. Penetration of the Japanese markets for auto parts, ocean industries, telecommunications and other equipment for the electronics sector, has been modest to date. Mr. Regan indicated that, "it is essential from our perspective that Canada increase its exports of innovative, high quality manufactured products to Japan. Canadian companies should find success in Japan when they approach that market with world-competitive and high quality products which they are prepared to back up with on-going sales and service."

Consulted in the preparation of the Plan were the provincial governments and the private sector in both Canada and Japan (most notably the Canada Japan Business Cooperation Committee). Key to the success of this market development plan will be the active involvement and cooperative efforts of these groups.

For more information, contact: Japan Desk  
Office of Trade Development  
Asia and Pacific  
Department of External Affairs  
235 Queen Street  
Ottawa, Ontario K1A 0H5  
  
Telephone: (613) 995-7752  
Telex: 053-3745