



news release

MARCH 13, 1990

NO. 49

Date

For release

JAPANESE BUSINESS EXECUTIVES
SEE "CANADA CHALLENGING THE WORLD"

International Trade Minister John C. Crosbie and Benoit Bouchard, Minister of Industry, Science and Technology Canada and Minister Responsible for Investment Canada, welcomed the release today in Tokyo, Japan of a report on the potential for Japanese investment in Canada.

The report, titled "Canada -- A Partner Challenging the World", credits Canada for reaching outwards and making a determined effort to strengthen international competitiveness, is based on the findings of 46 senior Japanese business executives who toured Canada on an investment study mission in the Fall, 1989.

"The Japanese Investment Study Mission recognizes Canada as an attractive place to invest. It clearly lays the ground work for the positive continuation of our trade, investment and technology links with Japan and also focuses Japanese attention on the tremendous opportunities available in Canada. A solid relationship with the dynamic Japanese business community can only benefit Canadians," Mr. Crosbie said.

"This report will focus even greater Japanese attention on Canada as a profitable place to invest and will be a significant influence on the development of greater linkages between Canada and Japan," Mr. Bouchard said.

Japanese business executives pointed out that the FTA provides improved opportunities for businesses operating in Canada. "Whether those businesses are Japanese or Canadian, this translates into new jobs for Canadians," Mr. Crosbie said.

"The mission commented favourably on Canada's policy of welcoming foreign investment and forecasted increased Japanese investment in Canada. It pointed to 'the advances that have occurred' since the very favourable report by a similar mission in 1986. The mission also recognized the importance Canada attaches to quality, value-added investment and to the further development of its already substantial, high technology industries," said Mr. Bouchard.

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"I was particularly encouraged that mission members strongly feel the time is ripe for Japan to forge a more diverse and profound relationship with 'Canada: A Partner Challenging the World'. Their findings will focus even greater Japanese attention on Canada as a profitable place to invest and, at the same time, influence the development of closer links," Mr. Bouchard said.

"In keeping with the federal government's Going Global trade strategy, which was favourably noted by the Mission, considerable effort is being directed to the expansion of mutually beneficial bilateral investment and technological ties and exchanges between our two nations," Mr. Crosbie said.

The stock of Japanese direct investment in Canada is now estimated to be in excess of \$3.6 billion. In the twelve-month period ending December 1989 65 investment cases were reported with a value of \$1.23 billion.

Copies of the Summation translated from Japanese can be obtained by calling INFO Export 1-800-267-8488.

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JAPANESE INVESTMENT STUDY MISSION TO CANADA

OCTOBER 22 - NOVEMBER 2, 1989

BACKGROUND

The Japanese Investment Study Mission visited all 10 Canadian provinces from October 22 - November 2, 1989. The Mission was led by Shinroku Morohashi, Acting Chairman of the Japan-Canada Committee of the Federation of Economic Associations (Keidanren).

The Mission was organized by the Japanese Ministry of International Trade and Industry, the Japanese Ministry of Foreign Affairs, and the Keidanren, with the co-operation of the Japan External Trade Organization.

The Mission members investigated the economic climate for Japanese investment in Canada through extensive meetings with Canadian public and private sector representatives. They also met with Prime Minister Mulroney, a number of senior Federal ministers and nine provincial Premiers.

The Mission's assessment of Canada's business climate and suitability as a place to invest represents an effective reference in Canada's trade and investment development efforts in Japan.

HIGHLIGHTS

Some highlights from the Mission report include:

- the positive welcome given investment by the Canadian federal government and provincial governments;
- that Canada is challenging the world and considers it of strategic importance to strengthen its ties with other nations;
- that implementation of the Canada\U.S. Free Trade Agreement (FTA) will accelerate the flow of goods and services from Canada to the United States, and that a significant advantage exists in Canada's investment climate;
- that European and U.S. firms had set up operations in anticipation of the FTA was an indication of the positive influence of the FTA;

- Mission members were impressed by the Japanese companies which have successfully invested in Canada with the goal of targeting the North American market;
- the very limited investment friction in Canada;
- that Canadian government, industry, and academia are co-ordinating their efforts in a drive to develop high technology in such areas as new materials, biotechnology, and information and communications;
- that Canadian industry is becoming more diversified and is producing higher value-added products, and at the same time, is entering into new cooperative arrangements with foreign companies.