



# communiqué

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## EXPORTS OF JAPANESE MOTOR VEHICLES TO CANADA FOR 1984/85

An understanding between Canada and Japan for the continuation of the orderly development of Japanese motor vehicle exports to Canada until the end of fiscal year 1984/85 was announced today by the Minister for International Trade, the Honourable Gerald Regan.

The Minister said that he had just been informed by the Japanese authorities that MITI forecasts the level of Japanese passenger car exports will not exceed 166,000 units in the current fiscal year from April 1, 1984 to March 31, 1985 on the basis of an anticipated total Canadian market of 917,000 passenger car units. This is the fourth such understanding with Japan. The previous understanding, which terminated on March 31, 1984, provided that passenger car exports would not exceed 202,600 units over 15 months.

Minister Regan noted that, since the conclusion of the last understanding with Japan, domestic sales of passenger cars had increased by over 18%. As the Canadian market trends were continuing to improve steadily, there was a real possibility that the Canadian market could substantially expand beyond 917,000 units. For this reason, the new understanding with MITI includes an agreement to review the situation in early January 1985 when information about the actual level of Canadian passenger car sales for calendar year 1984 becomes available. At that time, if it becomes clear that the Canadian market

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has substantially expanded beyond the 917,000 unit sales, Japanese car exports could moderately increase further provided that the overall level of Japanese exports for fiscal year 1984/85 will not exceed 170,400 units.

The export forecast level for fiscal year 1984/85 will likely result in a Japanese share of the Canadian market of approximately 18%. The Minister noted, in this context, that under a similar export arrangement for the same 1984/85 period between Japan and the USA, the Japanese share of the USA market was also expected to be about 18%.

With respect to commercial vehicles, Mr. Regan expressed his confidence that there would continue to be an orderly development of exports by Japanese manufacturers to Canada which takes into account the state of the Canadian commercial vehicle market.

Minister Regan recalled that similar export understandings between Canada and Japan over the last three years had been intended to facilitate the necessary restructuring and modernization of the Canadian automotive industry to meet the changing international competitive environment. The understandings have contributed to improving the environment in which the recent recovery of the Canadian industry has taken place. "The new export understanding should contribute to consolidating this recovery and strengthening confidence that the recovery is here to stay", he said.

The Minister for International Trade went on to say that "it is also a further positive development in the fostering of a mutually advantageous automotive relationship between Canada and Japan which recently involved a number of encouraging developments with regard to a greater participation in the Canadian automotive industry by Japanese motor vehicle manufacturers".