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April 17, 1989.

JOE CLARK SIGNS GREATLY EXPANDED AIR SERVICES

AGREEMENT WITH JAPAN

The Right Honourable Joe Clark, Secretary of State for External Affairs, today signed a new bilateral air services agreement in a ceremony in Ottawa with His Excellency Mr. Hiroshi Kitamura, Ambassador of Japan.

"This agreement is a breakthrough for business and tourism links that will enable Canada to take better advantage of the dynamic economic opportunities in Japan", Mr. Clark said. Mr. Clark noted in particular that Japan has been identified as the overseas market with the greatest potential for generating increased tourism to Canada. "I am delighted that the agreement will result in new services for Ontario, Alberta and British Columbia and that services to Japan are expected to expand dramatically in the next few years".

Canadian Airlines International will now begin the first non-stop service between Toronto and Tokyo on May 1. It will be operated in a cooperative joint venture with Japan Air Lines. Canadian will also extend some flights beyond Tokyo to Hong Kong on May 1.

On June 23 Canadian will begin non-stop service from Edmonton to Tokyo, marking the first trans-Pacific service to Alberta. Calgary will receive same plane through service via Edmonton to Tokyo. In addition, Canadian will begin service from Vancouver to Nagoya on May 4, which will become the first new destination in Japan.

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Secretary of State
for
External Affairs

Secrétaire d'État
aux
Affaires extérieures

Canadian and Japan Air Lines will increase the total number of seats available in the summer 1989 season by 20 per cent over summer 1988 levels. Canadian will be introducing its new B747-400 aircraft in services to Japan in autumn 1990.

See also Background attached

BACKGROUND

- Japan, which is a priority for Canada's attention, is by far Canada's largest trading partner in Asia. Bilateral trade amounted to \$18 billion in 1988, an increase of 23 per cent over 1987. Japan is also a major and growing source of investment in Canada.
- After the United States and the United Kingdom, Japan is the third largest source of tourism to Canada. In 1988, 330 thousand Japanese tourists visited Canada, an increase of 30 per cent over 1987. In 1988, Japanese tourists spent an estimated \$250 million in Canada.
- The Japanese Government has adopted a "Ten Million Program" for doubling over a five year period the number of Japanese tourists going abroad to 10 million by 1991. That goal is expected to be substantially exceeded.
- Air traffic between Canada and Japan has been increasing by about 10 per cent annually in recent years.
- Due in part to a lack of non-stop services, approximately 30-40 per cent of passenger traffic between Eastern Canada and Japan has been via United States gateways.
- The new agreement with Japan is the first revision of the bilateral Air Services Agreement of January 12, 1955.
- The following services are expected to be operated during the peak summer season this year:
 - New Toronto-Tokyo non-stop services using DC10 aircraft three times weekly in a joint venture between Canadian Airlines International Ltd. and Japan Air Lines (JAL). Canadian will provide the aircraft and the two airlines will share the capacity and cooperate in the marketing of the service and in the operation of the aircraft.
 - Daily Toronto-Vancouver-Tokyo "Orient Express" service by Canadian using DC10 aircraft.
 - New weekly Edmonton-Tokyo non-stop services by Canadian using DC10 aircraft. The aircraft will also provide same plane through service from Calgary via Edmonton to Tokyo.
 - New weekly Vancouver-Nagoya DC10 service by Canadian.
 - Three DC10 flights weekly Vancouver-Tokyo by Canadian.
 - Nine B747 flights weekly Vancouver-Tokyo by JAL, with two weekly flights continuing on to Mexico City.
 - New DC10 services two times weekly to Hong Kong by extension of Canadian's flights beyond Tokyo.

- Osaka will become available for service by Canadian carriers when the new Kansai Interational Airport opens as expected in 1993.
- In addition to JAL's services to Vancouver and Toronto from Tokyo, Japanese services may also operate from a second city in Japan and to a third city in Canada of Japan's choice.
- The agreement also provides greater flexibility for the extension of Japanese services beyond Vancouver to other countries.

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