



IMMEDIATE

**CANADIAN AND JAPANESE BUSINESS LEADERS MEET
TO ADVANCE BILATERAL AND GLOBAL TRADE
AND INVESTMENT TALKS**

November 1, 2005

Toronto, Canada - Business leaders from Japan and Canada met today and urged Prime Ministers Junichiro Koizumi and Paul Martin to sign the Canada-Japan Economic Framework, to move swiftly to liberalize and enhance the bilateral trade and investment relationship, and to push for a successful conclusion to this round of global trade talks.

“The primary purpose of today’s meeting was to promote global economic growth and strengthen bilateral economic relations,” said Dominic D’Alessandro, meeting co-chair and Vice Chairman of the *Canadian Council of Chief Executives* (CCCE), which represents the CEOs of 150 leading Canadian enterprises.

“Business leaders from countries such as Canada and Japan must work closely together and with their governments to advance the cause of greater prosperity bilaterally and globally,” said fellow co-chair Hiroyuki Yoshino, Chairman of *Nippon Keidanren’s* Committee on Canada. *Nippon Keidanren* is the key Japanese business and industry organization with more than 1,600 members.

Topics for discussion between *Nippon Keidanren* and the CCCE included: Canada and Japan economic conditions; the current state of the World Trade Organization (WTO) negotiations; the Canada-Japan Economic Framework and Joint Study; and future public-private sector exchanges on further trade and investment liberalization between Canada and Japan.

The current economic situation in Japan and Canada

The Japanese economy continues to recover at a modest pace. Brisk corporate performance is expected to have positive spill-over effects on employment and personal consumption, resulting in a stronger, more sustainable economic

recovery and expansion. Business leaders agreed that Prime Minister Koizumi and his Cabinet should take advantage of the momentum created by successful passage of the Postal Privatization Bill and introduce further structural reforms as soon as possible.

The Canadian economy continues to expand as well and is operating at or close to capacity. Robust domestic demand will support annual economic growth of about three percent in real terms through to 2007, primarily from strong business investment and consumer spending, investment in housing and growth in government expenditures.

Risks to global and domestic outlooks include future energy price volatility, the pace of growth in China and the United States, future interest rate increases from higher inflation expectations, and the economic effects of currency adjustments.

Over the longer term, Canadian and Japanese business leaders expressed concern over global imbalances, including low household savings rates and high government deficits in the United States, and high public and private savings rates in other parts of the global economy.

The World Trade Organization

With less than two months remaining before the Hong Kong Ministerial Conference, the World Trade Organization Doha Development Agenda is now at a critical turning point. Meeting participants reaffirmed that a successful Doha Development Agenda would send a powerful positive signal to world markets by removing political and economic uncertainty, and boosting sustainable economic growth.

For that reason, it is imperative that WTO member countries make the political decisions necessary to achieve substantive progress in the negotiations. The WTO Doha Development Agenda negotiations represent a once-in-a-generation opportunity to unleash tremendous economic gains for countries at all levels of development. The World Bank estimates that elimination of global trade barriers would enhance global economic welfare by US\$290 billion by 2015.

The *Canadian Council of Chief Executives* and *Nippon Keidanren* are among six of the world's leading business organizations that form the *World Business*

Leaders for Growth coalition. Recognizing the important role business should play, the business leaders pledged to continue to work together with coalition partners and other international business groups. The coalition supports efforts to chart a course for an ambitious, balanced and comprehensive outcome to the Doha negotiations by 2006.

The Canada-Japan Economic Framework

Prime Ministers Koizumi and Martin launched the Canada-Japan Economic Framework in January 2005. *Nippon Keidanren* and CCCE business leaders welcomed the progress to date on the Framework. The Framework, which represents an important breakthrough in Canada-Japan relations, should be finalized and signed by our Prime Ministers as soon as possible. Both countries could then embark on the planned Joint Study to assess the need for more bilateral trade and investment and to address the challenges of further trade and investment liberalization. Both business organizations strongly urge the governments of Canada and Japan to seriously consider in the Joint Study the possibility of launching negotiations toward a Free Trade Agreement or Economic Partnership Agreement.

Our governments should actively seek out the views of their respective business communities on a focused, pragmatic agenda of further trade and investment liberalization that reflects mutually agreed objectives. Joint private-public sector efforts on future trade and investment liberalization should be considered in the coming year.

Nippon Keidanren and the *Canadian Council of Chief Executives* have worked together for more than two decades on the Canada-Japan economic relationship and other important global economic issues.

Nippon Keidanren (www.keidanren.or.jp) is the key representative organization for Japanese business and industry with more than 1,600 members. It represents the interests of more than 1,300 companies including about 100 under foreign ownership, 130 industrial sector associations, and about 50 regional economic organizations. *Keidanren* is committed to contributing to the further development of the national and global economy. *Nippon Keidanren* proactively works towards a better business environment both at home and abroad.

Canadian Council of Chief Executives (www.ceocouncil.ca), founded in 1976, is devoted to strengthening the country's economy and society through the development of sound public policy in Canada, North America and the world. Member chief executives head companies that collectively administer close to \$3.0 trillion in assets, have annual revenues of more than \$650 billion and account for a significant majority of Canada's private sector investment, exports, training and research and development.

World Business Leaders for Growth is an international CEO-level organization formed to advocate for policies that promote sustained economic growth. The group was founded in September 2005, and is composed of the following organizations: Business Council of Australia, Business Roundtable (United States), Canadian Council of Chief Executives, Consejo Mexicano de Hombres de Negocios (Mexico), The European Round Table of Industrialists, and Nippon Keidanren (Japan).