

# TOWARDS A FIRST NATIONS-JAPAN STRATEGY



Asia Pacific  
Foundation  
of Canada

Fondation Asie  
Pacifique du  
Canada





## **TABLE OF CONTENTS**

<b>ABBREVIATIONS AND ACRONYMS.....</b>	<b>ii</b>
<b>EXECUTIVE SUMMARY.....</b>	<b>iii</b>
<b>METHODOLOGY.....</b>	<b>v</b>
<b>CANADA-JAPAN HISTORICAL AND CONTEMPORARY RELATIONS.....</b>	<b>1</b>
Historical Relations.....	1
Contemporary Relations.....	2
<b>CANADA-JAPAN ECONOMIC RELATIONS.....</b>	<b>4</b>
Bilateral Trade Relations.....	4
Japanese Foreign Direct Investment in Canada.....	7
<b>PROSPECTIVE AREAS OF COLLABORATION BETWEEN FIRST NATIONS AND JAPAN... </b>	<b>10</b>
<b>RECOMMENDATIONS.....</b>	<b>14</b>
<b>TRADE RELATED GOVERNMENT BODIES AND ORGANIZATIONS IN JAPAN.....</b>	<b>15</b>
Japanese Government Bodies and Organizations.....	15
Canadian Government Bodies and Organizations.....	16
<b>SELECTED LIST OF JAPANESE COMPANIES WITH MAJOR INVESTMENTS IN BRITISH COLUMBIA.....</b>	<b>17</b>
<b>SOURCES.....</b>	<b>17</b>
<b>ABOUT THE ASIA PACIFIC FOUNDATION OF CANADA.....</b>	<b>20</b>

---

## ABBREVIATIONS AND ACRONYMS

APF Canada	Asia Pacific Foundation of Canada
APEC	Asia-Pacific Economic Cooperation Forum
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
BSE	bovine spongiform encephalopathy
CCCJ	Canadian Chamber of Commerce in Japan
DFATD	Department of Foreign Affairs, Trade and Development Canada
FDI	foreign direct investment
FNEMC	British Columbia First Nations Energy and Mining Council
FTA	free trade agreement
GDP	gross domestic product
IFDI	inward foreign direct investment
IMF	International Monetary Fund
JETRO	Japan External Trade Organization
JOGMEC	Japan Oil, Gas and Metals National Corporation
LNG	liquid natural gas
MoU	memorandum of understanding
METI	Ministry of Economy, Trade and Industry (Japan)
MOFA	Ministry of Foreign Affairs (Japan)
NAJC	National Association of Japanese Canadians
OECD	Organisation for Economic Co-operation and Development
OFDI	outward foreign direct investment
REE	rare earth element
StatCan	Statistics Canada
SME	small and medium-sized enterprises
TPP	Trans-Pacific Partnership
UNCTAD	United Nations Conference on Trade and Development
WTO	World Trade Organization

## EXECUTIVE SUMMARY

Canada and Japan have a long-standing amicable political and economic relationship built over 85 years of official diplomatic relations. Since the late 19th century, Canada has been a destination for Japanese immigrants and tourists. The first influx of Japanese migrant workers, particularly to the lower mainland of British Columbia, coincided with Canada's industrialization and the booming of the fishing and food processing industry.

The relationship between Japanese and First Nations in Canada is many-sided. At first it was characterized by competition for jobs in emerging industries. After the internment of Japanese Canadians during the Second World War, the relationship changed with the First Nations supporting Japanese Canadians in their efforts to obtain redress for the Canadian government's war-time internment policy.

Currently, Canada and Japan share membership in many international organizations and forums. That is also true of Canada's Aboriginal peoples—First Nations, Métis, and Inuit—and Japan's Indigenous people, the Ainu. The value of the strong ties between the peoples of Canada and Japan was demonstrated after the triple disaster that befell the Tohoku region in March 2011.<sup>1</sup> After the disaster, Canadians representing government, the private sector, academia, civil society, and local communities provided assistance to the victims of the disaster. In turn, the Japanese government gave a grant to Canada's Pacific coastal communities to assist them in cleaning up the debris from the disaster washing up on their shores. Much of that grant has been earmarked for First Nation communities that are managing the cleanup of their territories.

Canada and Japan's economic relationship has also been mutually beneficial. Japan is Canada's fifth-largest two-way trading partner. In 2013, Canadian exports of goods to Japan totalled C\$10.5 billion, and imports from Japan were worth C\$13.7 billion. Canada's exports to Japan consisted mainly of primary goods, while a majority of the imports from Japan were machine goods. Trade in services was also significant, with Canada exporting over C\$1.2 billion to Japan in 2011 and Japan exporting C\$1.5 billion to Canada in the same year.

Two-way investment has also generated substantial economic activity. In 2013, Japan was the seventh-largest investor in Canada with over C\$17.3 billion in foreign direct investment (FDI) stock. In the same year, Canada invested C\$4.7 billion in terms of FDI stock in Japan. Japanese investment flows in Canada between 2003 and 2013 were primarily in consumer goods and services, energy, and industrial goods and services. Of the C\$9.4 billion invested in consumer goods and services, 78.4% was in automobiles and automobile parts. Energy investments, totalling C\$6.6 billion, were heavily concentrated in fossil fuels (98.0%), with the remaining investments in renewable energy (2.0%).

In British Columbia, the energy sector was the major destination of Japanese investment at C\$3.9 billion, followed by mining and chemicals at C\$725 million, and then consumer goods and services, agriculture and forestry, and industrial goods and services at C\$411 million, C\$45 million, and C\$10 million respectively.

---

<sup>1</sup> The triple disaster refers to the series of calamities that occurred in the northern region of Japan's main Honshū Island. On March 11, 2011, a magnitude-9 earthquake took place 70 km off Tohoku's Oshika Peninsula. That resulted in a tsunami that reached heights of 40.5 m and in some areas travelled almost 10 km inland. The damage caused by the earthquake and tsunami led to a meltdown of three of the six reactors at Fukushima Daiichi Nuclear Power Plant.

Both Canada and Japan are seeking to further enhance their bilateral trade and investment relations through bilateral and multilateral free trade agreements.

In areas of collaboration between First Nations and Japan, trade and investment in natural resources is the most important. Japan has expressed considerable interest in British Columbia's liquid natural gas (LNG) and wood pellets to meet future energy demand, and in softwood lumber for wood-frame housing. In addition, because of geopolitical dynamics there is a possibility that Japan could seek trade and investment in Canada's heavy rare earth elements in order to decrease its reliance on trade with China. Given the abundance of those natural resources in First Nations communities, Japanese companies have invested considerable capital in extraction projects.

However, Japanese projects have encountered difficulties as a result of unforeseen disagreements with First Nations communities regarding land use and employment. A major source of tension stems from Japanese investors' lack of familiarity with First Nations rights as defined by "Aboriginal Rights" and "Aboriginal Title."

That said, both Japanese and First Nations stakeholders have taken many steps to build understanding and overcome those difficulties. This has been illustrated in First Nations conferences attended by Japanese government officials and industry representatives, as well as in First Nations participation in provincial trade missions to Japan.

Beyond natural resources, there are other promising areas where First Nations and Japan may ensure greater mutual understanding and promote trade and investment relations. Those include encouraging Japanese visitors to engage in "First Nations" tourism; establishing formal cultural exchanges with the Ainu for a sharing of culture, history, and traditions, as well as expertise in economic development; and developing Asia competence—that is, Asia-focused knowledge, skills, and experiences—in First Nations youth through educational partnerships with Canadian and Japanese academic institutions or work experiences with provincial governments.

On the basis of the findings of this report, the following recommendations are suggested to British Columbia First Nations:

- Conduct a First Nations trade mission to Japan;
  - Formalize a cultural exchange with the Ainu people;
  - Develop programs to foster Asia competence in First Nations youth;
  - Engage in dialogue with Japanese counterparts to create understanding of First Nations practices, traditions, and norms; and
  - Build consensus with stakeholders and develop and adopt a First Nations strategy on Japan.
-

## METHODOLOGY

This report uses a combination of qualitative and quantitative analysis, principally from secondary research sources. The qualitative analysis was developed through a combination of press releases, online news articles, and journal articles. The quantitative analysis used tourism data and trade data from Statistics Canada and Industry Canada respectively, and investment data sets from Statistics Canada, APF Canada's Investment Monitor, and the *Financial Times'* fDi Markets.

Foreign direct investment (FDI) data was obtained at the national and provincial levels. The main difference between the data sets is whether they use a top-down or bottom-up assessments. Statistics Canada uses top-down assessments, which are based on balance-of-payments financial-account data—acquired mainly from banking-system reports and direct surveys. APF Canada and the Financial Times use bottom-up assessments, which are aggregations of raw data on transactions acquired from commercial databases, media reports, industry associations, investment-promotion agencies, and other sources. Each data set adheres to a commonly accepted definition of FDI (see Box 1 on page 7).

The main differences between, and sometimes within, bottom-up and top-down data sets are these:

- 1) Bottom-up data sets trace investments back to the ultimate beneficiary owner, whereas top-down data sets track FDI back to their immediate source country. For example, transactions routed through Hong Kong and the Cayman Islands are included in bottom-up but not in top-down assessments.
- 2) Differences also occur in accounting practices. Bottom-up assessments include all assumed debt, regardless of the origin of the financing. And only some bottom-up assessments include reverse flows back to the source country.

# CANADA-JAPAN HISTORICAL AND CONTEMPORARY RELATIONS

## HISTORICAL RELATIONS

Government relations between Canada and Japan began in 1889, when the Consulate-General of Japan in Vancouver—Japan’s first mission to Canada—opened its doors to the public.<sup>2</sup> However, official relations between the two countries did not start until 1929 with the opening of Canada’s legation<sup>3</sup> in Tokyo and the upgrading of Japan’s consulate to legation status in Ottawa.<sup>4</sup> Canada’s diplomatic mission in Tokyo was its first in Asia and the third of its official legations anywhere in the world, following the establishment of diplomatic offices in Washington and Paris.

The first contact between First Nations peoples in British Columbia and the Japanese likely occurred in 1877, when the first known Japanese immigrant, Manzo Nagano, landed in Canada from Nagasaki.<sup>5</sup> The relationship between First Nations and Japanese in Canada is multi-faceted. Although at first, relations between these two groups of people were characterized by conflict and competition, a shared history of being subject to discrimination, racism, and prejudice created unlikely friendships, which have had a positive influence on contemporary relations between First Nations and Japan.

The majority of immigrants from the Asia Pacific region began arriving in Canada around the time of the boom in the fishing and food processing industry at the beginning of the 20th century.<sup>6</sup> Many of the first Japanese immigrants that came—known as the *issei* or “first generation”—settled on the west coast along the Fraser River, where factories were proliferating and jobs could be found. Initially, a large number of Japanese fishermen came from overseas in the 1890s, followed by their wives in the early 1900s. Whereas First Nations people had once been the most employed group in the fishing industry, that started to change as an increasing number of workers arrived from Asia. As a result, First Nations and other Canadians complained that the Japanese were controlling the fishing industry and preventing anyone else from obtaining work and income. A Royal Commission, whose report on Chinese and Japanese Immigration was published in 1902,<sup>7</sup> evaluated the legitimacy of these complaints.<sup>8</sup> This incident marked the beginning of the Canadian and Japanese governments’ attempt to cap the number of Japanese immigrants to Canada. Nevertheless, by 1918, Steveston—the centre of the canning industry in British Columbia at the time—was no longer employing a significant number of First Nations people because of the influx of Japanese migrant workers.

<sup>2</sup> Japan. Consulate-General of Japan in Vancouver. *125th Anniversary of the Consulate General of Japan in Vancouver*. Vancouver: MOFA, January 23, 2014. [http://www.vancouver.ca.emb-japan.go.jp/en/special\\_en/2014/125\\_anniversary.htm](http://www.vancouver.ca.emb-japan.go.jp/en/special_en/2014/125_anniversary.htm).

<sup>3</sup> A legation is a diplomatic mission in a foreign country that ranks below an embassy and is headed by a diplomatic minister. After the Second World War, Canada’s remaining legations were upgraded to embassies and are headed by ambassadors.

<sup>4</sup> Japan, Ministry of Foreign Affairs of Japan, *Interesting Episodes in Japan-Canada Relations* (Tokyo: MOFA, 2014), <http://www.mofa.go.jp/region/n-america/canada/episode.html>.

<sup>5</sup> National Association of Japanese Canadians, *Early history* (Winnipeg: NAJC, 2005), <http://www.najc.ca/thenandnow/history.php>.

<sup>6</sup> City of Richmond, “History of the First Nations in the Industry,” *In Their Words: The Story of BC Packers* (Richmond: City of Richmond), [http://www.intheirwords.ca/english/people\\_first\\_history.html](http://www.intheirwords.ca/english/people_first_history.html).

<sup>7</sup> For a copy of the original report, please see <https://archive.org/details/cu31924023463965>.

<sup>8</sup> Historica Canada, “First Nations and the People of the Pacific,” *Asia/Canada* (Toronto: Historica Canada), <http://asia-canada.ca/converging-imaginings/fur-trade-china/first-nations-and-people-pacific>.

Not all aspects of the relationship between the First Nations and Japanese were problematic, however. After the eviction and internment of Japanese Canadians by the Government of Canada during the Second World War, greater understanding developed between the two populations. An important symbol of this is the *Nishga Girl*, a fishing boat built in 1967 by the Japanese-Canadian boat builder Judo Tasaka and given to the Nyce family of the Nisga'a.<sup>9</sup> *Nishga Girl* symbolizes the thousands of fishing boats that were confiscated by the Canadian government from Japanese-Canadian fishermen during the internment period. The Nyce family had taught Tasaka how to build boats, allowing his family to become financially independent again.

Mutual understanding between the two groups was further enhanced when the First Nations became advocates of the Japanese Canadians' attempt to obtain redress from the Canadian government.<sup>10</sup> The redress movement sought recognition, an official apology, and compensation from the government for the violations of Japanese Canadians' human rights during their internment. This was achieved through an agreement negotiated with the Mulroney government in 1988.

In Canada and Japan, interactions between the government and the native inhabitants—the Ainu people of Japan and the Aboriginal peoples of Canada—have many historical parallels. National policies instituted in each country in the late 1800s were designed to assimilate native people into the dominant “mainstream” society.<sup>11</sup> According to N. Takeda and H. Williams, Japan did this with the goal of creating a unified Japanese ethnicity, whereas Canada was concerned with transforming native peoples into Canadian citizens.<sup>12</sup> The legal distinction of being Aboriginal was taken away from both groups, along with important elements of their culture and society, and they were put under federal or national control in both countries.<sup>13</sup> Only in recent years have the Canadian and Japanese governments acknowledged the discrimination faced by their indigenous peoples, thus beginning a slow process of restoration of status and reconciliation.

## CONTEMPORARY RELATIONS

Currently, the governments of Canada and Japan have joint membership in various multilateral groups and forums—the G8, the G20, the Asia-Pacific Economic Cooperation (APEC) forum, the ASEAN Regional Forum (ARF), and the Organisation for Economic Co-operation and Development (OECD), among others. In addition, the Ainu and Aboriginal peoples of Canada also collaborate on Indigenous peoples' issues through their participation in numerous international organizations and bodies, such as the World Council of Indigenous Peoples and the United Nations Permanent Forum on Indigenous Issues. In recent years those partnerships have cultivated fruitful political, economic, and cultural relations between the two countries and their peoples.

This long-standing friendly relationship was further strengthened after the triple disaster that befell the Tohoku region in 2011. In response to the disaster, the federal and provincial governments, the private sector, civil society, and individual citizens and communities offered aid and assistance to the Japanese.<sup>14</sup>

<sup>9</sup> Don Butler, “Museum Reverses Decision to Banish Nishga Girl,” *Ottawa Citizen*, July 10, 2013, <http://www.nisgaanation.ca/news/museum-reverses-decision-banish-nishga-girl-ottawa-citizen>.

<sup>10</sup> Ann Sunahara, “Japanese Canadians.” *The Canadian Encyclopedia Toronto: Historica Canada*, January 1, 2011, <http://www.thecanadianencyclopedia.ca/en/article/japanese-canadians/>.

<sup>11</sup> N. Takeda and J. H. Williams, “Pluralism, Identity, and the State: National Education Policy Towards Indigenous Minorities in Japan and Canada,” *Comparative Education* 44, 1 (2008), 75-91.

<sup>12</sup> *Ibid.*

<sup>13</sup> *Ibid.*

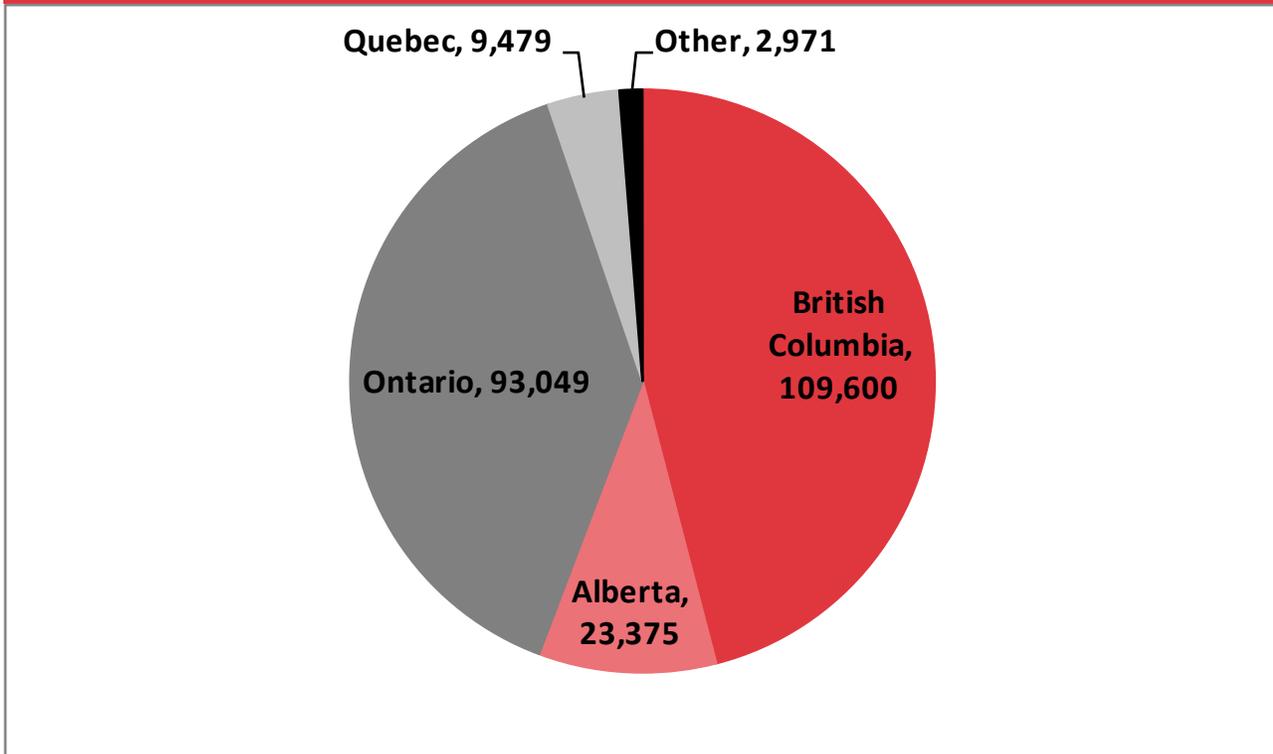
<sup>14</sup> For highlights of selected Canadian projects implemented to ameliorate suffering caused by the triple disaster please see: <http://www.canadainternational.gc.ca/japan-japon/highlights-faits/canada-cares-tendlamain.aspx?lang=eng>.

That assistance manifested itself not only in the form of donations, but also in the federal government's early resumption of normalized trade relations with Japan—in fact, Canada was the first country to resume trade with Japan after the disaster.

In response to the overwhelming support from Canadians, the Government of Japan took immediate steps to address the adverse effects of the disaster on First Nations coastal communities.<sup>15</sup> In March 2013, on behalf of the BC government, Canada's environment minister accepted a one-time *ex gratia* grant<sup>16</sup> of approximately C\$1 million from Japan to help with the cleanup of debris from the tsunami.<sup>17</sup> Much of that funding was allocated to the First Nations communities that are managing the cleanup of their lands.

Over the past decades, through mutual understanding and collaboration, the cordial ties between the Japanese and Canadian peoples have grown stronger. That is illustrated in the number of Japanese tourists that come to visit Canada each year. In 2013 over 238,400 Japanese tourists came to Canada. That made Japan the third-largest source country for tourists from the Asia Pacific region behind China and Australia. A provincial breakdown of Japanese non-resident travellers to Canada can be seen in Figure 1. As the figure shows, British Columbia and Ontario are the preferred destination for Japanese tourists, attracting 46.0% and 39.0% of the total number of non-resident travellers from Japan, respectively.

**Figure 1. Japanese non-resident travelers to Canada by province, 2013**



Source: StatCan, CANSIM Table 427-0003

<sup>15</sup> As a consequence of the triple disaster, huge amounts of debris and radioactive material were washed into the Pacific Ocean, much of it eventually reaching Canada.

<sup>16</sup> An *ex gratia* grant is a grant given from a sense of moral obligation rather than because of any legal requirement.

<sup>17</sup> Canada, Environment Canada, Canada and B.C. Accept Japanese Funding to Address Tsunami Debris (Ottawa: Environment Canada, March 13, 2013), <http://www.ec.gc.ca/default.asp?lang=En&n=714D9AAE-1&news=9E3FDAFA-389F-4A33-9FFB-33F8E716A411>.

## CANADA-JAPAN ECONOMIC RELATIONS

As developed economies, both Canada and Japan play crucial roles in the growth and maintenance of the global economy. In 2013, the combined gross domestic product (GDP) of these two G8 nations constituted 9% of the world's nominal GDP.<sup>18</sup> However, in both countries economic growth rates have declined. In Japan, the bursting of the asset bubble in 1989 led to what some analysts call Japan's "two lost decades," during which its economy experienced numerous periods of recession. Over the past few years, Japan's public debt-to-GDP ratio has risen by an alarming rate. According to World Bank data, it reached nearly 200% in 2012.<sup>19</sup> Canada's public debt-to-GDP ratio was not as severe as Japan's for the same year but at 54.8% was still significant. Although Canada's economy showed its resilience in the wake of the 2008 financial crisis compared to other OECD economies, low GDP growth rates have caused Canada to slip from being the eighth-largest economy in 2000 to eleventh place in 2013.<sup>20</sup>

These trends have led to more economic-focused foreign policies in both countries. In the case of Canada, the Harper government has made economic diplomacy the primary instrument of its international engagement strategy by actively participating in numerous free trade agreement (FTA) negotiations. Those have culminated in the recent conclusion of negotiations with the European Union and South Korea. In Japan, the Abe government has made use of its political clout to try to revitalize Japan's stagnant economy with an aggressive reform of economic policy an approach that has been dubbed "Abenomics." Abenomics features three arrows,<sup>21</sup> or policy schemes: monetary easing, fiscal stimulus, and structural reforms.<sup>22</sup> Analysts have argued that the first two arrows have achieved moderate success in devaluing the yen and boosting Japan's interim GDP growth, but the third, and perhaps the most crucial, has yet to be effectively implemented.

Canada and Japan's shared goals of boosting economic growth and seeking greater liberalization in trade and investment led to the announcement of official bilateral FTA negotiations. The Canada-Japan Economic Partnership Agreement seeks to integrate the two countries' economies by significantly reducing tariff and non-tariff barriers between them. In addition to the bilateral trade agreement, Canada and Japan are also participating in negotiations for a more extensive multilateral trade agreement known as the Trans-Pacific Partnership (TPP), which includes the United States, Australia, New Zealand, and Mexico, as well as emerging economies in Southeast Asia and South America. These agreements will facilitate greater trade and investment not only between Canada and Japan, but also in the greater Asia Pacific region.

---

<sup>18</sup> International Monetary Fund, "Gross Domestic Product, Current Prices," in World Economic Outlook Database, Washington, DC: IMF, April 2014. <http://www.imf.org/external/pubs/ft/weo/2014/01/weodata/index.aspx>.

<sup>19</sup> The World Bank, "Central Government Debt, Total (% of GDP)," Washington, D.C.: the World Bank Group, 2014, <http://data.worldbank.org/indicator/GC.DOD.TOTL.GD.ZS>.

<sup>20</sup> International Monetary Fund, op. cit.

<sup>21</sup> The three arrows of Abenomics is an allegorical reference to an anecdote of Motonari Mōri a daimyō, or feudal lord, of 16th century Japan that demonstrates the strength of alliances. In the anecdote, Motonari tells his three sons that an individual arrow is easily broken, but three arrows bound together cannot be broken. Thus alliances between the brothers would make the Mōri clan stronger.

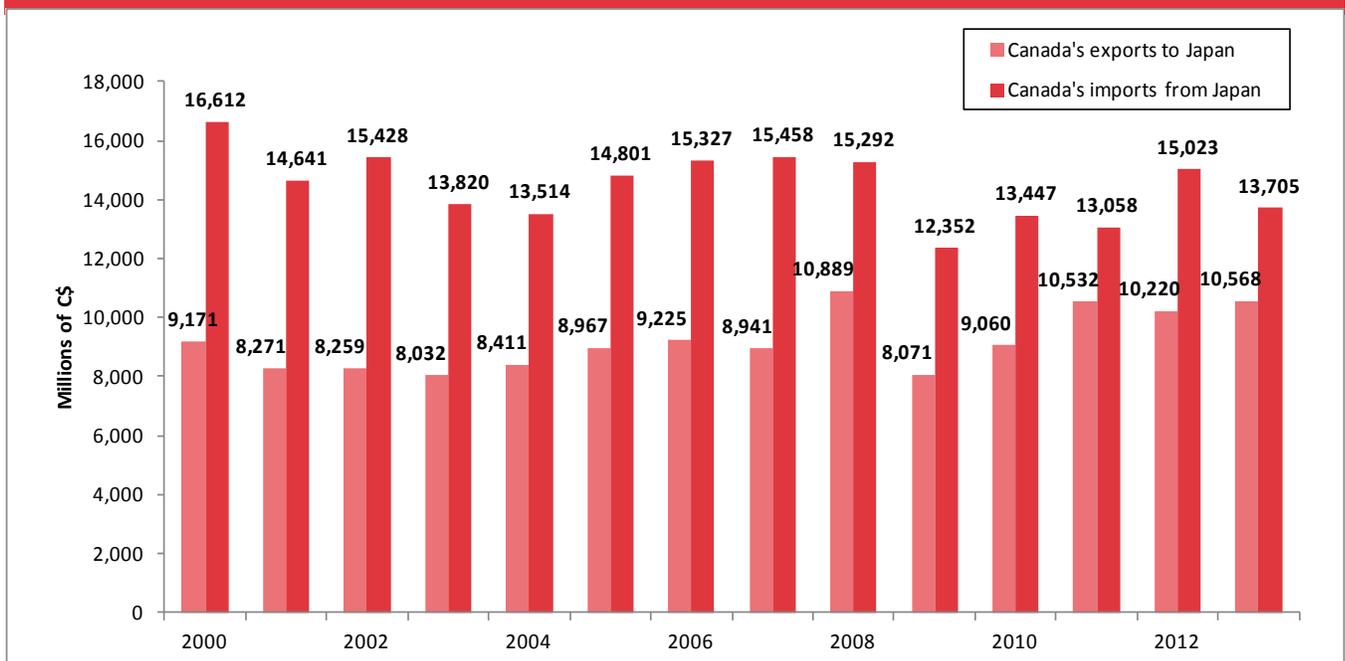
<sup>22</sup> For a more thorough explanation of Abenomics and the implications for Japan's economy, please see: <http://www.cfr.org/japan/abenomics-japanese-economy/p30383>.

## BILATERAL TRADE RELATIONS

Japan is a hub of economic activity. With a GDP of over US\$4.9 trillion, Japan is the third-largest economy in the world.<sup>23</sup> Like Canada, Japan has a services-driven economy, 73.2% of its GDP being derived from the services sector and only 25.6% and 1.1% of GDP from industrial and agricultural sectors respectively.<sup>24</sup> Japan's trade portfolio is based heavily on imports of raw materials for components in their high-value-added exports, especially in the technology sector. However, because of the recent Tohoku disaster, Japan has significantly reduced its reliance on nuclear power generation in favour of importing oil, coal, and natural gas to meet its energy demands.<sup>25</sup> This has resulted in Japan's posting a total negative trade balance.<sup>26</sup>

In terms of trade in goods with Canada, over the past decade Japan's trade balance has maintained a surplus (see Figure 2). In 2013, total Canadian exports to Japan amounted to C\$10.6 billion, while imports totalled approximately C\$13.7 billion. Behind China, Japan is Canada's second-largest market in Asia for imports and exports and is its fifth-largest two-way trading partner.

**Figure 2. Canada-Japan two-way trade in goods, 2000-2013**



Source: Industry Canada

<sup>23</sup> International Monetary Fund, op. cit.

<sup>24</sup> United States of America, Central Intelligence Agency, Economy: Japan, The World Factbook (Washington, DC: Central Intelligence Agency, 2014), <https://www.cia.gov/library/publications/the-world-factbook/geos/ja.html>.

<sup>25</sup> United States of America, US Energy Information Administration, Japan (Washington: U.S. EIA, October 29, 2013), <http://www.eia.gov/countries/analysisbriefs/Japan/japan.pdf>.

<sup>26</sup> A negative trade balance is when a country's imports are greater than its exports. It is also known as a trade deficit.

In 2013, a majority of Canada's imports from Japan were machine goods, such as vehicles, vehicle parts, and nuclear and electrical machinery. On the other hand, in the same year Canada's exports to Japan consisted mainly of primary goods, such as oil seeds, mineral fuels and oils, ores, and wood and articles of wood. Of all the provinces, British Columbia is consistently the largest exporter to Japan. In 2013, British Columbia's exports to Japan made up 12.0% of its total exports in goods and 38.8% of Canada's total exports in goods to Japan. These goods consisted mainly of mineral fuels and oils; wood and articles of wood; and ores, slag, and ash. A list of the top 10 exports to Japan for Canada and the provinces of British Columbia, Alberta, and Ontario is shown in Table 1.

**Table 1. Top ten merchandise exports to Japan from Canada, BC, Alberta, and Ontario, 2013**

Canada	British Columbia	Alberta	Ontario
1. Oil Seeds & Oleaginous Fruits	1. Mineral Fuels, Oils & Bituminous Substances	1. Oil Seeds & Oleaginous Fruits	1. Natural or Cultured Pearls & Stones
2. Mineral Fuels, Oils & Bituminous Substances	2. Wood & Articles of Wood	2. Mineral Fuels, Oils & Bituminous Substances	2. Oil Seeds & Oleaginous Fruits
3. Ores, Slag & Ash	3. Ores, Slag & Ash	3. Cereals	3. Nuclear Reactors & Parts
4. Wood & Articles of Wood	4. Pulp of Wood or of Other Fibrous Material	4. Meat & Edible Meat Offal	4. Nickel & Articles Thereof
5. Meat & Edible Meat Offal	5. Aluminum & Articles Thereof	5. Pulp of Wood or of Other Fibrous Material	5. Aircraft, Spacecraft, & Parts Thereof
6. Cereals	6. Fish & Crustaceans	6. Products of the Milling Industry	6. Meat & Edible Meat Offal
7. Natural or Cultured Pearls & Stones	7. Inorganic Chemicals	7. Wood & Articles of Wood	7. Optical, Medical, & Parts
8. Pulp of Wood or of Other Fibrous Material	8. Furniture; Bedding & Mattresses	8. Animal or Vegetable Fats & Oils	8. Electrical Machinery, Equipment, & Parts
9. Fish & Crustaceans	9. Nuclear Reactors & Parts	9. Other Base Metals & Cermets	9. Miscellaneous Chemical Products
10. Nuclear Reactors & Parts	10. Meat & Edible Meat Offal	10. Nickel & Articles Thereof	10. Essential Oils & Resinoids

Source: Industry Canada

In terms of trade in services, in 2011 the value of Canadian exports to Japan was C\$1.2 billion, making it Canada's fourth-largest services trading partner in Asia. Of those exports, 49.2% were in transportation and government services, 26.8% in travel services, and 24.0% in commercial services. On the other hand, in the same year, Canada imported C\$1.5 billion in services from Japan. Of those imports, 49.2% were in commercial services, 37.2% in transportation and government services, and 13.6% in travel services.

Although trade relations have been consistently harmonious, there have been a few episodes of friction. The bulk of these are highlighted in the complaints submitted to the World Trade Organization's (WTO)

dispute settlement panel. Notable cases include Japan's challenge of Ontario's feed-in-tariff plan for renewable energies in 2010, Japan's questioning of the eligibility of vehicle imports because of a Canada-US auto pact in 1998, and Canada's attempt to resolve alleged unfair taxes related to exports in alcoholic beverages in 1995.<sup>27</sup> Another example was the import ban of all Canadian beef following positive tests for bovine spongiform encephalopathy (BSE), commonly known as "mad cow disease," in Alberta in 2003. Although Japan re-opened its market to Canadian beef in 2005, restrictions on the export of cattle older than 30 months in age are still in effect.<sup>28</sup>

## JAPANESE FOREIGN DIRECT INVESTMENT IN CANADA

During the post-war era, Japan's accelerated economic growth—which resulted in its becoming the second-largest economy in the 1980s—also went hand in hand with its policies for increased foreign direct investment (FDI) abroad. As of 2013, Japan was the second-largest source of outward FDI (OFDI) flows to the world.<sup>29</sup> Historically, Japan's OFDI flows have been in the developed economies in North America and Europe, as well as in the emerging economies in Asia.<sup>30</sup> However, in the aftermath of the Asian financial crisis of 1997, there was a significant decrease in the amount of capital invested in Asia. By 2004, Japanese investment in Asia had returned to pre-crisis levels, indicating a renewed confidence in investing in the region.

### Box 1. What is foreign direct investment?

FDI is defined as a long-term or lasting-interest investment by a resident or enterprise of one economy in a tangible asset of another economy. This type of investment is deemed to be "long-term" or of a "lasting interest" if it is either a greenfield investment, an investment in a new project; or a merger and acquisition investment, investment in a pre-existing enterprise, of at least 10% equity or voting shares in an enterprise. This 10% threshold is considered a controlling interest in an enterprise and is what primarily distinguishes FDI from a foreign portfolio investment (FPI), since it also usually coincides with a transfer of management, technology, and organizational skills along with capital.

Source: IMF, OECD, UNCTAD, *Financial Times Ltd.*

In 2013, Japan's global OFDI stock totalled over US\$1 trillion. Of this, US\$289 billion was invested in Asia and US\$287 billion was invested in the United States. That consisted of 27.8% and 27.5% respectively of Japan's total OFDI stock.<sup>31</sup> In the same year, Japanese outward FDI stock in Canada amounted to only 1.4% of the total of Japanese OFDI, or US\$14.5 billion.<sup>32</sup> As a result, Japan was the seventh-largest investor in Canada in terms of FDI stock and the largest from Asia. However, that investment represented only 2.5% of Canada's total global inward stock. The Canada-Japan two-way investment stocks for over the past decade are listed in Figure 3.<sup>33</sup>

<sup>27</sup> For more information regarding Canada-Japan trade disputes, please see [http://www.wto.org/english/thewto\\_e/countries\\_e/canada\\_e.htm](http://www.wto.org/english/thewto_e/countries_e/canada_e.htm).

<sup>28</sup> "Japan Relaxes Restrictions on Beef Imports from Canada," *Globe and Mail*, January 28, 2013, <http://www.theglobeandmail.com/news/national/japan-relaxes-restrictions-on-beef-imports-from-canada/article7913964/>.

<sup>29</sup> United Nations Conference on Trade and Development, *World Investment Report* (Geneva: UNCTAD, 2013).

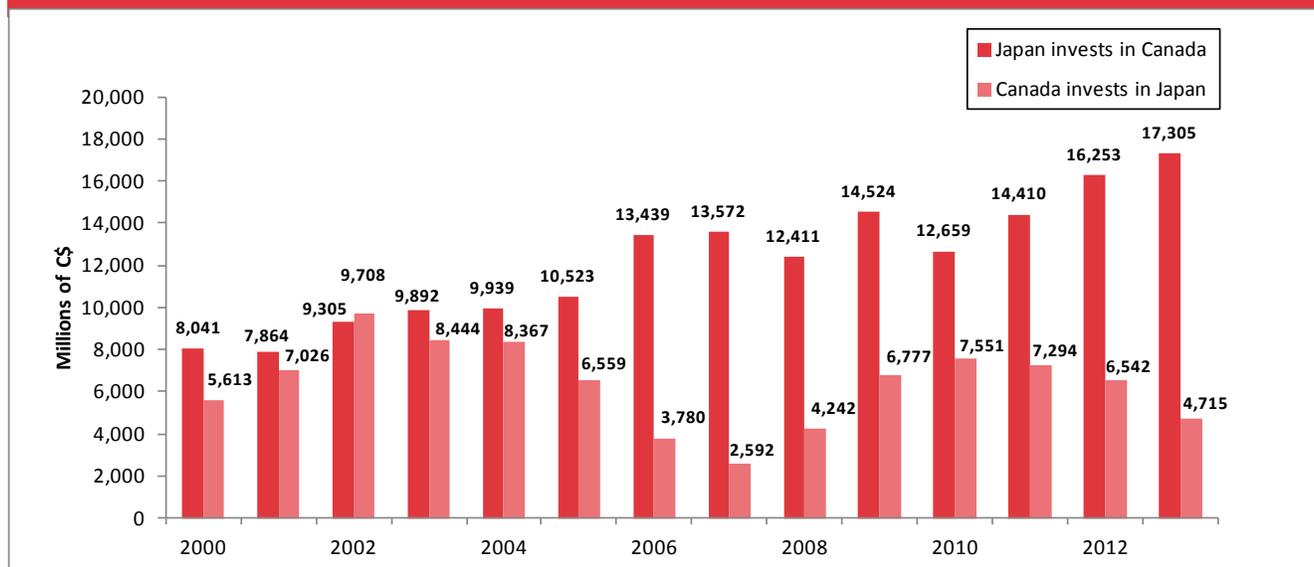
<sup>30</sup> Japan External Trade Organization, *Japanese Trade and Investment Statistics* (Tokyo: JETRO, 2014), <https://www.jetro.go.jp/en/reports/statistics/>.

<sup>31</sup> *Ibid.*

<sup>32</sup> Differences in values between JETRO data and Statistics Canada (see Figure 3) are a result of differences in currency and data-collection methods.

<sup>33</sup> Note that Statistics Canada uses a top-down method for counting investments by analyzing the balance of payments from Canada's financial accounts.

Figure 3. Canada-Japan two-way investment stocks, 2000-2013



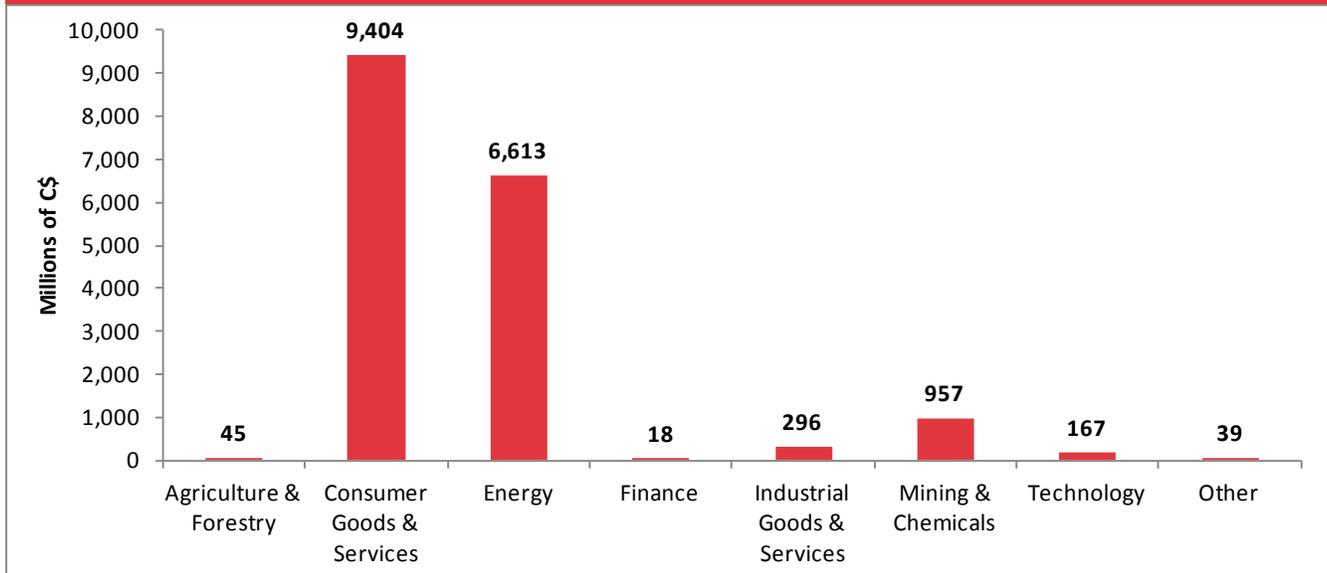
Source: StatCan, CANSIM Table 376-0051

From 2003 to 2013, the accumulated investment flows from Japan to Canada totalled approximately C\$17.5 billion. On a sectoral level, this FDI was primarily in consumer goods and services,<sup>34</sup> energy, mining and chemicals, and industrial goods and services<sup>35</sup> (see Figure 4). However, the investments in consumer goods and services consist almost entirely of FDI in automobiles and automobile parts. Almost 78.4% of the Japanese OFDI in consumer goods and services is in the automobile industry, and most of that is centralized in Ontario. Of Japanese investment in energy, 59.5% is located in British Columbia, 26.2% in Alberta, and 12.8% in Ontario. Fossil fuels—oil and natural gas— consisted of the majority of energy investments at 98.0%, while the remaining 2.0% of investments were in renewable energies—solar and hydrogen.

<sup>34</sup> Consumer Goods & Services include investments in the following sectors: automobiles and parts; food and beverage; personal and household goods; retail; media; and travel and leisure.

<sup>35</sup> Industrial Goods & Services include investments in the following sectors: construction materials; and industrial equipment, transportation, and services.

**Figure 4. Japanese FDI flows in Canada by sector, 2003-2013**



Source: APF Canada Investment Monitor and fDiMarkets Database

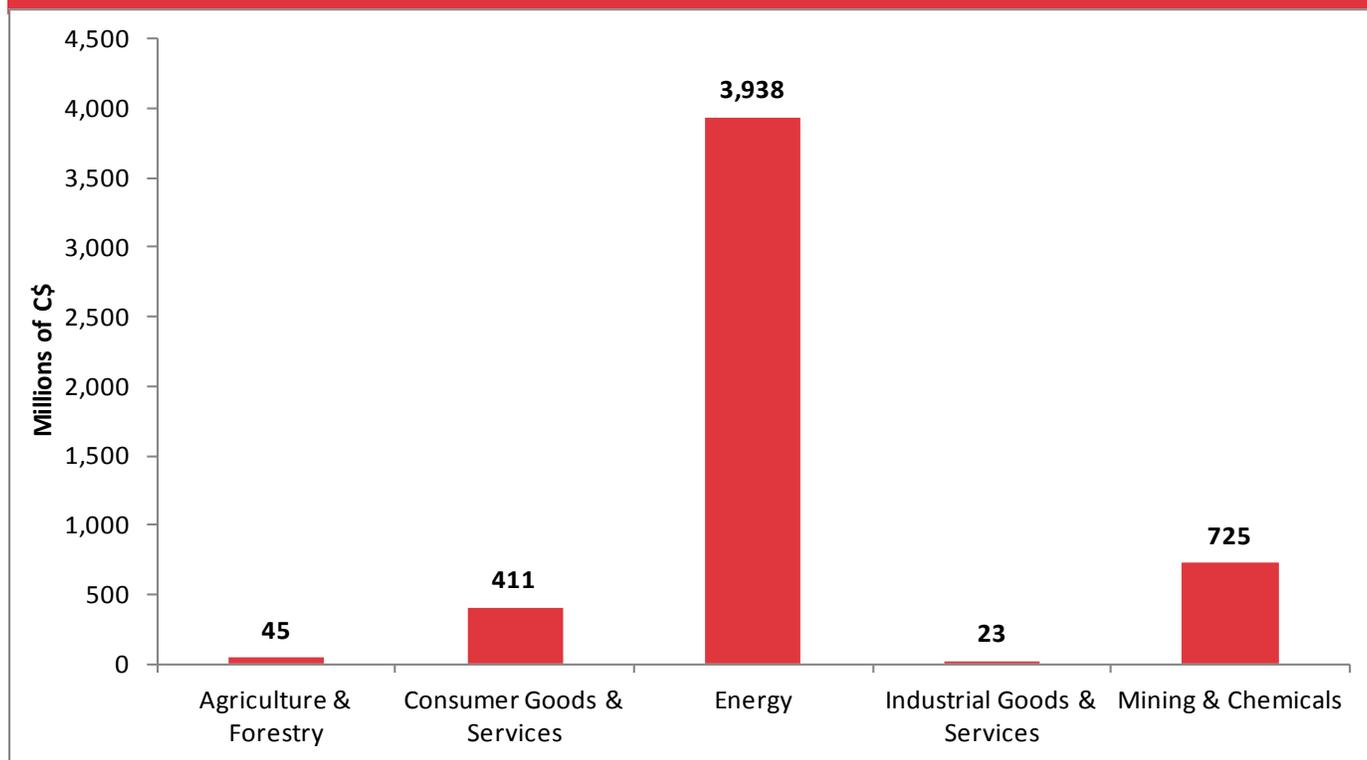
Accumulated Japanese investment flows in British Columbia from 2003 to 2013 can be seen in Figure 5. These investments were mainly in the energy, mining and chemicals, and consumer goods and services sectors; there were also small investments in agriculture and forestry and industrial goods and services. Japanese FDI in the province lacks diversity in that there appear to be no major investments in finance or technology.

During the period of study, Japanese investors in British Columbia's energy sector concentrated their investments in fossil fuels, which made up 99.6% of the total investment in the energy sector. The majority of this investment was in the development of natural gas in northern British Columbia. The remaining 0.4% of energy investments were in renewable energy, specifically hydrogen production facilities.

Japanese OFDI in British Columbia's mining and chemicals sector was primarily in the extraction of coking coal. These investments make up 62.8% of investments in mining and chemicals. The remainder of investments was in a Vancouver-based uranium company.

Japanese investments in British Columbia's consumer goods and services were, unlike the rest of Canada, heavily concentrated in personal and household goods. Those investments made up 47.7% of all the FDI in consumer goods and services, while the remainder of investments was in food production, automobiles and parts, and media.

The small investments in agriculture and forestry and in industrial goods and services were related to logging operations and business consultancy respectively.

**Figure 5. Japanese FDI flow in British Columbia by sector, 2002-2013**

Source: APF Canada Investment Monitor and fDiMarkets Database

Studies have shown that generally FDI has positive effects on employment.<sup>36</sup> By extension that should also be true of Japanese investment in First Nation communities, where it has the potential to raise employment rates, increase wages, upgrade skills, and improve training. However, negative effects have also been observed when investments—through merger and acquisitions—result in downsizing or layoffs.<sup>37</sup> In the case of Japanese investment in First Nation communities, there have been mixed results when it comes to realizing the potential benefits for First Nations, as will be discussed in the following section.

## PROSPECTIVE AREAS OF COLLABORATION BETWEEN FIRST NATIONS AND JAPAN

Historical and contemporary links and trends in trade and investment point to many potential areas for collaboration between First Nations and Japan.

As trade and investment data illustrates, beyond automobile production, Japan is greatly interested in Canada's natural resources. That interest is reflected in its large volume of primary goods imported from Canada and investment in natural resource extraction. Potential areas of interest in natural resources particularly include energy, mining, and forestry.

<sup>36</sup> R. H. McGuckin and S. V. Nguyen, "The Impact of Ownership Changes: A View from Labor Markets," *International Journal of Industrial Organization* 19, 5 (2001): 739–762.

<sup>37</sup> K. Gugler and B. B. Yurtoglu, "The Effects of Mergers on Company Employment in the USA and Europe," *International Journal of Industrial Organization*, 22, no. 4 (2004): 481–502.

When it comes to energy, Japan's demand for liquid natural gas (LNG) appears to be one of the most promising areas for collaboration. Because of changes in its domestic energy policy and geopolitical concerns, Japan sees Canada—and British Columbia in particular—as a safe and reliable source of energy. The Government of British Columbia has helped facilitate this interest by fast-tracking the development of LNG sites in northern British Columbia as well as by signing memoranda of understanding (MoUs) related to LNG investment and information sharing with Japan's Ministry of Economy, Trade and Industry (METI) and the Japan Oil, Gas and Metals National Corporation (JOGMEC).

Japan's trade and investment in Canada's mining sector has generated a consistent amount of economic activity. That can be seen in Japanese imports of Canada's metals, minerals, and ores, as well as investments in Canadian mining facilities across the country. Beyond the traditional trade and investment in the mining sector, new developments in extracting Canada's lucrative rare earth elements (REEs) have the potential to encourage greater economic activity between First Nations and Japan.

Although abundant throughout the world, REEs are rare because they are not often found in high enough concentrations to make their extraction economically viable.<sup>38</sup> Currently, China has a dominating presence in REE trade, providing over 90% of the global market supply. Canada has not been a major exporter of REEs, but its possession of large quantities of heavy REEs could make it a leading exporter of rare earths. Japan imports a significant amount of REEs, which are used to produce wind turbines, rechargeable batteries, hybrid cars, LCD displays, mobile phones, and other high-end technologies. As a result of China's restrictive policy on REE exports,<sup>39</sup> Japan is seeking alternative sources of REEs. This could be a burgeoning area for First Nations and Japanese collaboration as long as environmental risks are fully addressed.

Wood and articles of wood are Canada's fourth-largest export of goods to Japan in terms of value. Japanese trade and investment in Canada's forestry sector is driven by a high demand in Japan for wood and wood-related products. Demand increased during the reconstruction of the Tohoku region after the triple disaster of March 2011. Japan's imports of British Columbia softwood lumber for wood-frame construction in residential housing and green buildings have grown. In addition, as Japan seeks to reduce its reliance on fossil fuels and nuclear power, imports of Canadian wood pellets could increase. Given the wealth of forestry resources in First Nations communities, there are many opportunities for sustainable trade in wood products with Japan.

Many of the challenges related to investment have been created when deals have gone ahead without adequate consultation with First Nations communities. That point was reiterated in the recent United Nations report of the special rapporteur on the rights of indigenous peoples in Canada.<sup>40</sup> Difficulties arise from two interconnected sources. First, Japanese investors have difficulty with the federal, provincial, and First Nations overlapping land governance regimes, and second, many Japanese firms do not have a good understanding of laws related to "Aboriginal Rights" and "Aboriginal Title" or on the unique communal relationship First Nations have with their land. That is complicated by the failure to resolve First Nations land rights in British Columbia.

For example, the Gitga'a in northwestern British Columbia were upset when they were left out of a decision by Chevron Corp. to award an engineering contract to a joint venture between companies from the United

---

<sup>38</sup> Canada Rare Earth Elements Network, *Global Use of REE* (Ottawa: Canada Rare Earth Elements Network, 2013), <http://www.cim.org/en/RareEarth/Home/GlobalUseofREEs.aspx>.

<sup>39</sup> A recent WTO dispute panel has concluded that China's export quotas of REEs were inconsistent with its WTO obligations, thus requiring China to increase exports of REEs to its international trading partners. For more on this ruling please see [http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds431\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds431_e.htm).

<sup>40</sup> James Anaya, "The Situation of Indigenous Peoples in Canada (Addendum)," Report of the Special Rapporteur on the Rights of Indigenous Peoples (Geneva: United Nations Human Rights Council, 2014).

States and Japan for Kitimat LNG, which is owned by Chevron Corp. with Apache Corp.<sup>41</sup> A Gitga'a councillor stated that the community was not against economic development but wanted to be part of the process to ensure no harm would come to their territory. Chevron Corp. responded that a final investment decision had not yet been made but that First Nations support would be needed to reach that point.

Another dispute in the mining industry occurred in 2013 when members of the Wet'suwet'en First Nation threatened legal action to shut down and prevent further expansion of the Huckleberry Mine in central British Columbia, citing lack of employment opportunities for their band.<sup>42</sup> A Japanese consortium consisting of Mitsubishi Materials Corporation, Marubeni Corporation, Furukawa Co., and Dowa Mining Co. Ltd. holds a 50% interest in Huckleberry mine, while the remaining interest is held by Imperial Metals Corporation. The dispute was resolved in 2014 when a revenue-sharing agreement was achieved between the Government of British Columbia and local First Nations' groups.<sup>43</sup> The economic and community development agreements will allow Cheslatta Carrier First Nation, Nee-Tahi-Buhn Band, Skin Tye Nation, and Wet'suwet'en First Nation to receive a share of mineral tax revenues collected by the province from the expansion of the Huckleberry Mine. The expansion will also create new jobs for the local First Nation groups, including the Wet'suwet'en First Nation.

Both Japan and First Nations have sought to address these challenges. For example, the Ambassador of Japan to Canada, Norihiro Okuda, speaking at a First Nations LNG summit held in November 2013, said:

“ . . . to develop natural gas in Canada it is critical to develop mutual trust and understanding with First Nations . . . . Many Japanese companies have a great interest in doing business in Canada, but their plan is to first talk with First Nations to develop a mutual trust and understanding.”<sup>44</sup>

The summit was organized by First Nations organizations and attended by federal and provincial government officials, legal commentators, and industry representatives, including some from Japan. It was meant to bring together interested stakeholders to discuss options for and approaches to developing natural gas in British Columbia, often in areas that are part of First Nations territory.

In addition, First Nations leaders have been travelling to Asia to build bridges of understanding. In November 2013, First Nations leaders joined British Columbia Premier Christy Clark on a 13-day trade mission to China, Korea, and Japan, where they concentrated on promoting LNG investment for their lands.<sup>45</sup> A trade mission can be used to not only encourage greater trade and investment flows between Japanese firms and First Nations, but also as an opportunity to develop greater understanding of both cultures. In Japan, this type of understanding is used to facilitate better business ties and relations and in

<sup>41</sup> B. Jang and J. Jones, “B.C. First Nation Upset at Being Cut Out of LNG Decision Process,” *Globe and Mail*, January 21, 2014, <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/bc-first-nation-upset-at-being-cut-out-of-lng-decision-process/article16435828/>.

<sup>42</sup> Mark Hume, “B.C. First Nation Threatens Mine Shutdown Over Lack of Jobs,” *Globe and Mail*, May 1, 2013, <http://www.theglobeandmail.com/news/british-columbia/bc-first-nation-threatens-mine-shutdown-over-lack-of-jobs/article11647837/#dashboard/follows/>.

<sup>43</sup> British Columbia, Ministry of Aboriginal Relations and Reconciliation, Mineral tax revenues benefit First Nations and Bulkley-Nechako (Victoria: Ministry of Aboriginal Relations and Reconciliation, May 21, 2014), [http://www2.news.gov.bc.ca/news\\_releases\\_2013-2017/2014ARR0010-000683.htm](http://www2.news.gov.bc.ca/news_releases_2013-2017/2014ARR0010-000683.htm).

<sup>44</sup> Miles Richard, First Nations LNG Summit— Facilitator's Report (Prince George: Carrier Sekani Tribal Council, November 2013), <http://fnlngstrategy.ca/first-nations-lng-summit-facilitators-report-pdf/>.

<sup>45</sup> S. McKenzie, “Port Alberni Port Authority, Huu-ay-aht First Nation Team Up to Promote Projects,” *Times Colonist*, October 27, 2013, <http://www.timescolonist.com/news/local/port-alberni-port-authority-huu-ay-aht-first-nation-team-up-to-promote-projects-1.674035>.

First Nations communities, creating a foundation of trust. Through building greater understanding of each other's peoples, Japan and First Nations can also enhance the responsible development of First Nations land for commercial activities.

For First Nations, trade missions are a platform from which to engage directly with potential Japanese stakeholders about investment possibilities, improved community education and services, and concerns about proper land use. A First Nations-specific trade mission, similar to the one to China conducted by FNEMC, would be particularly effective.

A trade mission can be used not only to encourage greater trade and investment between Japanese firms and First Nations, but also to develop greater understanding of both cultures. This type of understanding is used to facilitate better business ties and relations in Japan and creates a foundation of trust in First Nations communities.

Tourism, partnerships and cultural exchanges between Indigenous peoples, and international education can further serve to build understanding and strengthen bilateral relationships.

As the third-largest source of tourists from the Asia Pacific region, Japan and its people are always interested in visiting Canada. Since a majority of those visitors choose British Columbia as their destination, this is a unique opportunity to engage them in First Nations activities. In general, the Japanese show a great appreciation for traditional cultures and practices. Given that First Nations communities have such rich and diverse traditions, increasing Japanese tourism to First Nations communities will not only create interest and understanding, but also bring significant revenues to the First Nations tourism industry.

Canada's First Nations and Japan's Indigenous group, the Ainu, already have many opportunities for an exchange of information and knowledge. However, creating stronger ties between the two peoples can help promote a better understanding among Canada and Japan's non-Indigenous populations of the historical and contemporary issues faced by both Indigenous groups. In establishing cultural exchanges through formal agreements or memoranda of understanding (MoUs), the First Nations and the Ainu can also share their knowledge of the best practices for developing communal natural resources and preserving traditional cultures and languages.

Finally, First Nations communities should collaborate with Canadian and Japanese academic institutions and provincial governments to create programs for fostering Asia competence among their young people. The Asia-focused knowledge, skills, and experiences will help them become successful and effective in engaging their Asian counterparts. Commitment to fostering these capabilities will be imperative in the following decades as Asia will take a central role in forming the future global economic and political landscapes. Asia competence can be fostered by giving First Nations youth better access to strategically significant Asian language programs in primary and secondary education, as well as reserving or creating new opportunities for First Nations students to get direct experience in Asia through internships, co-op placements, field schools and study abroad. The Alberta government's Alberta Abroad Externship Program is a possible best practice that could be replicated for First Nations students and young professionals.<sup>46</sup> In addition, staffing First Nations young professionals in provincial Asia offices can also build Asia competence by giving them on-the-ground work experience.

---

<sup>46</sup> For more information regarding the Alberta Externship Program, please see: <http://www.albertaabroad.alberta.ca/>.

## RECOMMENDATIONS

On the basis of the analysis conducted in the previous sections of this report, FNEMC recommends that British Columbia First Nations:

- 1) Conduct a First Nations trade mission to Japan

An exclusively First Nations trade mission to Japan would be a significant step towards addressing the misunderstandings that Japanese firms may have about investment in First Nations communities. It should also serve to encourage greater trade and investment and tourism between Japan and Canada. First Nations should consider structuring a trade mission similar in composition and scope to the mission to China that FNEMC undertook in 2011.

- 2) Formalize a cultural exchange with the Ainu people

The Ainu and First Nations peoples already collaborate through their participation in many multilateral organizations. However, bilateral ties can be further enhanced by establishing a formal cultural exchange through a memorandum of understanding (MoU) or formal agreement. Through such an exchange the Ainu and First Nations can experience something of each other's culture, history, and traditions as well as acquiring knowledge about and expertise in the economic development of their territories.

- 3) Develop programs to foster Asia competence in First Nations youth

Given the rising importance of Asia in the global economy, Asia competence will become a highly sought-after skill in the coming decades. It is important for First Nations to develop this competence in their youth. That can be done by creating partnerships between Canadian and Japanese academic institutions to increase educational opportunities for First Nations students related to Asia; and by lobbying the provincial governments to post First Nations representatives to their provincial offices in Asia. In the case of British Columbia, the provincial government has a trade representative office in Tokyo. Through better education and on-the-ground work experience, First Nations youth can be a key component in building better relations with Japan.

- 4) Engage in dialogue with Japanese counterparts to create understanding of First Nations practices, traditions, and norms

"Aboriginal Right" and "Aboriginal Title" are the constitutional basis that allows First Nations to act as the primary stewards of their territories. That makes First Nations a key facilitator in the economic development of their lands. As the second-largest group of global investors, Japanese firms have a great deal of experience in working with Indigenous peoples. However, there is still room to deepen Japanese understanding of First Nations concerns in Canada. FNEMC can act as an intermediary, providing its background knowledge to Japanese stakeholders through dialogue. Through better understanding of First Nations practices, traditions, and norms, Japanese firms can properly address the needs of First Nations communities, working with them to develop their resources communally and in a sustainable manner.

- 5) Build consensus with stakeholders and develop and adopt a First Nations strategy for Japan

The creation of a First Nations–Japan Strategy will be a significant step in identifying discernible goals and outcomes in order to improve relations between First Nations and Japan. Through developing consensus between First Nations and Japanese stakeholders, FNEMC can formulate a strategy that integrates the needs of both groups into actionable objectives. The First Nations-Japan Strategy would send a clear message to all parties about the importance of First Nations–Japan relations and their influence on their communities.

## TRADE-RELATED GOVERNMENT BODIES IN JAPAN

### JAPANESE GOVERNMENT BODIES AND ORGANIZATIONS

#### **Ministry of Foreign Affairs of Japan (MOFA)<sup>47</sup>**

Minister: Fumio KISHIDA

Address: Kasumigaseki 2-2-1, Chiyoda-ku, Tokyo 100-8919, Japan

Website: <http://www.mofa.go.jp/>

The Ministry of Foreign Affairs of Japan functions as Japan's chief body for the development and execution of foreign relations. The ministry coordinates efforts with and between all other government entities engaged in topics involving foreign relations. The mission of the ministry is to improve the profits of Japan and its people and to maintain international harmony.

Canadian equivalent: Department of Foreign Affairs, Trade and Development Canada (DFATD)

#### **Ministry of Economy, Trade and Industry of Japan (METI)<sup>48</sup>**

Minister: Toshimitsu MOTEGI

Address: 1-3-1 Kasumigaseki, Chiyoda-ku, Tokyo 100-8901, Japan

Website: <http://www.meti.go.jp/english/>

Created in 2001, the ministry has jurisdiction over Japan's industrial/trade policies, energy security and arms exports. It is responsible for shaping Japan's domestic industrial environment as well as shaping Japan's trade and investment environment both at home and abroad.

Canadian equivalent: Industry Canada

#### **Japan Business Federation (Nippon Keidanren)**

Chairman: Hiromasu YONEKURA

Address: Keidanren Kaikan, 1-3-2, Otemachi, Chiyoda-ku, Tokyo 100-8188 Japan

Website: <http://www.keidanren.or.jp/en/>

<sup>47</sup> For an organizational chart of MOFA, please see: <http://www.mofa.go.jp/about/hq/chart.html>.

<sup>48</sup> For an organizational chart of METI, please see: <http://www.meti.go.jp/english/aboutmeti/data/aOrganizatione/pdf/chart2013.pdf>.

The Japan Business Federation, commonly referred to as “Keidanren,” consists of 1,601 corporate and business association members. The mission of the federation is to accelerate the growth of Japan’s economy by strengthening the private sector.

Rough Canadian equivalent: Canadian Council of Chief Executives (CCCE)

### **Japan External Trade Organization (JETRO)**

Chairman and CEO: Hiroyuki ISHIGE

Address: Ark Mori Building, 6F 12-32, Akasaka 1-chome, Minato-ku, Tokyo 107-6006, Japan

Website: <http://www.jetro.go.jp/>

The Japan External Trade Organization, JETRO, is a government-related organization that promotes foreign direct investment in Japan and helps Japanese SMEs capitalize on their global export potential. JETRO provides services and events to help foreign companies expand their business to Japan.

Rough Canadian equivalent: Export Development Canada

### **Trading Companies (Sogo Shosha)**

Unique to Japan, sogo shosha, refers to trading companies in Japan that have extremely diversified lines of business, which they use to manage risk by participating in a variety of markets and trading in many currencies to maximize economies of scale. Examples of leading sogo shosha are international conglomerates such as Mitsubishi, Mitsui & Co. and Toyota Tsusho.

## **CANADIAN GOVERNMENT BODIES AND ORGANIZATIONS**

### **Embassy of Canada to Japan**

Ambassador: Mackenzie CLUGSTON

Address: 7-3-38 Akasaka, Minato-ku, Tokyo 107-8503, Japan

Website: <http://www.canadainternational.gc.ca/japan-japon/index.aspx?lang=eng>

The Embassy of Canada to Japan is Canada’s permanent diplomatic mission in Japan. Its role is to liaise with the Government of Japan, promote Canadian policies abroad, and support Canadian citizens visiting or living in Japan. The embassy contains on-the-ground staff with significant experience and knowledge regarding Canada-Japan trade and investment issues. As a result, it coordinates activities for Canada’s trade commissioner services located in Japan—in Tokyo, Osaka, Sapporo, Nagoya, and Kitakyushu. It also acts as a convening power with access to a diverse network of Japanese government officials, private sector leaders, and academic scholars.

### **Canadian Chamber of Commerce in Japan (CCCJ)**

Chair: Wilf WAKELY

Address: Parkside Sepia 7F, 3-13-10 Nishi-Azabu, Minato-ku, Tokyo 106-0031, Japan

Website: <http://www.cccj.or.jp/en>

The Canadian Chamber of Commerce in Japan (CCCJ) is a private-sector, not-for-profit business organization that was established in 1975. Its mandate is to promote the development of commerce between Canada and Japan. CCCJ has over 400 members representing some 35 business sectors. CCCJ acts a convener and facilitator of business activity between Canada and Japan. As a result, it has access to a wide range of opinion and thought leaders in Japan’s private and public sectors.

---

## SELECTED LIST OF JAPANESE COMPANIES WITH MAJOR INVESTMENTS IN BRITISH COLUMBIA

Japanese Parent Company	Industry	Sector
Oji Paper Group	Agriculture and forestry	Forestry and paper
Toyota Motor	Consumer goods and services	Automobiles and parts
Mazda	Consumer goods and services	Automobiles and parts
Toyo Tire & Rubber Co., Ltd.	Consumer goods and services	Automobiles and parts
Sony	Consumer goods and services	Media
Daiso Sangyo Corp.	Consumer goods and services	Retail
Nisshin Seifun Group	Consumer goods and services	Retail
Gree Inc.	Consumer goods and services	Personal & Household Goods
DeNA	Consumer goods and services	Personal & Household Goods
Hitachi Construction Machinery Ltd.	Industrial goods and services	Industrial equipment
Toshiba Corporation	Mining and chemicals	Basic resources
Tokyo Electric Power Company	Mining and chemicals	Basic resources
JX Nippon Oil & Energy Corporation	Mining and chemicals	Basic resources
Mitsubishi Corporation	Energy	Alternative energy
Idemitsu Josan Co. Ltd.	Energy	Oil and gas
INPEX Corporation	Energy	Oil and gas
Japan Petroleum Exploration Co., Ltd.	Energy	Oil and gas
JGC Corporation	Energy	Oil and gas

## SOURCES

Anaya, James. "The Situation of Indigenous Peoples in Canada (Addendum)." *Report of the Special Rapporteur on the Rights of Indigenous Peoples*. Geneva: United Nations Human Rights Council, 2014.

British Columbia. Ministry of Aboriginal Relations and Reconciliation. *Mineral tax revenues benefit First Nations and Bulkley-Nechako*. Victoria: Ministry of Aboriginal Relations and Reconciliation, May 21, 2014. [http://www2.news.gov.bc.ca/news\\_releases\\_2013-2017/2014ARR0010-000683.htm](http://www2.news.gov.bc.ca/news_releases_2013-2017/2014ARR0010-000683.htm).

Butler, Don. "Museum Reverses Decision to Banish Nishga Girl." *Ottawa Citizen*, July 10, 2013, <http://www.nisgaanation.ca/news/museum-reverses-decision-banish-nishga-girl-ottawa-citizen>.

Canada. Embassy of Canada to Japan. *Canada Cares*. Tokyo: DFATD, January 27, 2012. <http://www.canadainternational.gc.ca/japan-japon/highlights-faits/canada-cares-tendlamain.aspx?lang=eng>.

Canada. Environment Canada. *Canada and BC Accept Japanese Funding to Address Tsunami Debris*. Ottawa: Environment Canada, March 13, 2013. <http://www.ec.gc.ca/default.asp?lang=En&n=714D9AAE-1&news=9E3FDAFA-389F-4A33-9FFB-33F8E716A411>.

- Canada. Royal Commission on Chinese and Japanese Immigration, Session 1902. *Report*. Ottawa: Royal Commission, 1902, <https://archive.org/details/cu31924023463965>
- Canada Rare Earth Elements Network. *Global Use of REE*. Ottawa: Canada Rare Earth Elements Network, 2013. <http://www.cim.org/en/RareEarth/Home/GlobalUseofREEs.aspx>.
- City of Richmond. "History of the First Nations in the Industry." *In Their Words: The Story of BC Packers*. Richmond: City of Richmond. [http://www.intheirwords.ca/english/people\\_first\\_history.html](http://www.intheirwords.ca/english/people_first_history.html).
- Gugler, K., and B.B. Yurtoglu. "The Effects of Mergers on Company Employment in the USA and Europe." *International Journal of Industrial Organization* 22,4 (2004): 481–502.
- Historica Canada. "First Nations and the People of the Pacific." *Asia/Canada*. Toronto: Historica Canada. <http://asia-canada.ca/converging-imaginings/fur-trade-china/first-nations-and-people-pacific>.
- Hume, Mark. "B.C. First Nation Threatens Mine Shutdown Over Lack of Jobs." *Globe and Mail*, May 1, 2013. <http://www.theglobeandmail.com/news/british-columbia/bc-first-nation-threatens-mine-shutdown-over-lack-of-jobs/article11647837/#dashboard/follows/>.
- International Monetary Fund. "Gross Domestic Product, Current Prices." In *World Economic Outlook Database*. Washington, DC: IMF, April 2014. <http://www.imf.org/external/pubs/ft/weo/2014/01/weodata/index.aspx>.
- Jang, B. and J. Jones. "B.C. First Nation Upset at Being Cut Out of LNG Decision Process." *Globe and Mail*, January 21, 2014. <http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/bc-first-nation-upset-at-being-cut-out-of-lng-decision-process/article16435828/>.
- Japan. Consulate-General of Japan in Vancouver. *125th Anniversary of the Consulate General of Japan in Vancouver*. Vancouver: MOFA, January 23, 2014. [http://www.vancouver.ca.emb-japan.go.jp/en/special\\_en/2014/125\\_anniversary.htm](http://www.vancouver.ca.emb-japan.go.jp/en/special_en/2014/125_anniversary.htm).
- Japan. Ministry of Economy, Trade, and Industry. *Organization Chart*. Tokyo: METI, July 2013. <http://www.meti.go.jp/english/aboutmeti/data/aOrganizatione/pdf/chart2013.pdf>.
- Japan. Ministry of Foreign Affairs of Japan. *Interesting Episodes in Japan-Canada Relations*. Tokyo: MOFA, 2014. <http://www.mofa.go.jp/region/n-america/canada/episode.html>.
- Japan. Ministry of Foreign Affairs of Japan. *Organization Chart*. Tokyo: MOFA, 2014. <http://www.mofa.go.jp/about/hq/chart.html>.
- Japan External Trade Organization. *Japanese Trade and Investment Statistics*. Tokyo: JETRO, 2014. <https://www.jetro.go.jp/en/reports/statistics/>.
- "Japan Relaxes Restrictions on Beef Imports From Canada." *Globe and Mail*, January 28, 2013. <http://www.theglobeandmail.com/news/national/japan-relaxes-restrictions-on-beef-imports-from-canada/article7913964/>.
- McGuckin, R. H., and S.V. Nguyen. 2001. "The Impact of Ownership Changes: A View From Labor Markets." *International Journal of Industrial Organization* 19, 5, 739–762.

McKenzie, S. "Port Alberni Port Authority, Huu-ay-aht First Nation Team Up to Promote Projects." *Times Colonist*, October 27, 2013. <http://www.timescolonist.com/news/local/port-alberni-port-authority-huu-ay-aht-first-nation-team-up-to-promote-projects-1.674035>.

National Association of Japanese Canadians. *Early History*. Winnipeg: NAJC, 2005. <http://www.najc.ca/thenandnow/history.php>.

Richard, Miles. *First Nations LNG Summit—Facilitator's Report*. Prince George: Carrier Sekani Tribal Council, November 2013. <http://fnlngstrategy.ca/first-nations-lng-summit-facilitators-report-pdf/>.

Sunahara, Ann. "Japanese Canadians." In *The Canadian Encyclopedia*. Toronto: Historica Canada, January 1, 2011. <http://www.thecanadianencyclopedia.ca/en/article/japanese-canadians/>.

Takeda, N., and J. H. Williams. "Pluralism, Identity, and the State: National Education Policy Towards Indigenous Minorities in Japan and Canada." *Comparative Education* 44, 1 (2008): 75–91.

United Nations Conference on Trade and Development. *World Investment Report*. Geneva: UNCTAD, 2013.

United States of America. Central Intelligence Agency. "Economy: Japan." In *The World Factbook*. Washington, DC: Central Intelligence Agency, 2014. <https://www.cia.gov/library/publications/the-world-factbook/geos/ja.html>

United States of America. U.S. Energy Information Administration. *Japan*. Washington: U.S. EIA, October 29, 2013. <http://www.eia.gov/countries/analysisbriefs/Japan/japan.pdf>.

World Bank. "Central Government Debt, Total (% of GDP)." Washington, DC: World Bank Group, 2014. <http://data.worldbank.org/indicator/GC.DOD.TOTL.GD.ZS>.

World Trade Organization. *Canada and the WTO*. Geneva: WTO, 2014. [http://www.wto.org/english/thewto\\_e/countries\\_e/canada\\_e.htm](http://www.wto.org/english/thewto_e/countries_e/canada_e.htm)

World Trade Organization. *China—Measures Related to the Exportation of Rare Earths, Tungsten and Molybdenum*. Geneva: WTO, 2014. [http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds431\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds431_e.htm)

Xu, Beina. "Abenomics and the Japanese Economy." *Council on Foreign Relations*, October 16, 2013. <http://www.cfr.org/japan/abenomics-japanese-economy/p30383>.

## **ABOUT THE ASIA PACIFIC FOUNDATION OF CANADA**

Since its foundation in 1984, The Asia Pacific Foundation of Canada (APF Canada) has been a leader in research and analysis on Canada's relations with Asia. Our mission is to develop ideas for action by business, governments, and Canadians to help them seize the vast opportunities unfolding in Asia. We do this by offering clear, specific, and actionable policy advice and leadership based on sound research and analysis. The Foundation's current thematic priorities include trade and investment, energy and the environment, and international education. Engaged in research and convening, APF Canada has developed strong ties with policy-makers, business leaders, academics, and opinion makers in Canada and throughout the Asia Pacific region.

For more information, visit [www.asiapacific.ca](http://www.asiapacific.ca)