

January 30, 2007

The Right Honourable Stephen J. Harper, P.C., M.P.
Prime Minister of Canada
Government of Canada
Office of the Prime Minister
Langevin Block, 80 Wellington Street
Ottawa
K1A 0A2

Dear Prime Minister,

On behalf of the Canadian Chamber of Commerce in Japan (CCCJ), I am writing to convey our serious concern regarding the recent announcement that Canada's consulates in Osaka and Fukuoka, Japan, will be closed.

The CCCJ believes that the importance of Japan to Canada is being seriously underestimated in making this decision. Further, we feel the closure does not serve the interests of Canadians or Canada-Japan business interests.

Japan is the world's second largest economy and the only large, technologically advanced democracy in Asia. Four times larger than China and six times greater than India, Japan's economy is bigger than all of the other economies in Asia combined. In addition, Japan plays a dominant commercial role throughout Asia, and its significant foreign direct investment and technology infrastructure is the engine of growth in many Asian economies.

The Kansai Region centered in Osaka is by itself a larger economy than Canada in terms of GDP. It is the major commercial hub of Japan and home to many of the head offices of Japan's most famous brands. Fukuoka is the commercial center of Kyushu, a dynamic and technologically advanced region of western Japan which acts as a gateway to Asia. The consulates serve an important role in facilitating trade, tourism and investment between Canada and Japan and help extend Canada's reach outside Tokyo. The consulates also serve as a focal point for the collection and dissemination of information to Japanese and Canadian companies, organizations and individuals. The information, contacts and goodwill developed over years will be lost with these closures. In a relationship-based culture such as Japan, the cost of this loss is beyond calculation and will be felt for many years to come.

It is important for Canada to diversify its trading relationships outside of North America and away from its dependence on the United States. In this regard, Japan should not be overlooked or underestimated.

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The CCCJ believes that the closure of the consulates sends an incorrect message to Japan—our second largest trading partner and huge source of FDI—that Canada is not interested in developing stronger ties with its most important partner in Asia. It is our view that a decision of this magnitude, especially with a potential for creating such a negative long-term effect on the overall relationship, should involve a consultative approach with a broad range of stakeholders.

The potential loss to Canadians in terms of trading opportunities, future business and cultural exchanges is huge. The cost of regaining our position in this strategic market will be prohibitive. For a very limited short-term gain, Canada is throwing away years of investment and incalculable future business opportunity. The CCCJ sees no benefit in this decision for Canadian taxpayers.

The Canadian Chamber of Commerce in Japan recommends and strongly urges the Government of Canada to immediately review its decision on this important issue. Maintaining a presence in these two important regions of Japan should be a top priority of our foreign trade policy in Asia.

Yours sincerely,



Philip J. O'Neill
President

c.c. The Honourable David L. Emerson, P.C., MP
Minister of International Trade
The Federal Cabinet
Ms. Nancy Hughes Anthony
President and CEO, The Canadian Chamber of Commerce
Members, CCCJ Board of Governors