

The 31st Meeting of the Canada-Japan Joint Economic Committee

On December 16/17, Canada hosted the 31st meeting of the Canada-Japan Joint Economic Committee (JEC). The meeting took place online due to ongoing complications caused by the COVID-19 pandemic.

The JEC meeting was co-chaired by John Hannaford, Deputy Minister of International Trade, and SUZUKI Hiroshi, Senior Deputy Minister for Foreign Affairs. Canada's Ambassador to Japan, Ian McKay, and Japan's Ambassador to Canada, KAWAMURA Yasuhisa, also participated. The participants looked forward to resuming in-person JEC meetings when conditions permit.

The co-chairs recalled their countries' recent commitments to expand bilateral cooperation in the Indo-Pacific to advance six shared priorities, including economic areas such as Energy Security, Free Trade Promotion and Trade Agreement Implementation, and Environment and Climate Change. They welcomed the contribution these commitments make to Canada and Japan's shared vision of a free and open Indo-Pacific, and to deepening their strategic partnership. They recognized the important contribution the Canada-Japan trade and investment relationship makes to both countries' economies and to their economic security. In this regard, they acknowledged the significant role of bilateral commercial ties to energy, critical minerals, and food security and agreed that there is considerable potential to expand trade and investment in these areas. The co-chairs agreed to add "Agriculture" as a new Priority Area of Cooperation within the JEC framework, aiming to promote trade in agricultural products on both sides.

The co-chairs also discussed the interest that Canada and Japan share in ensuring that the design, development, governance, and use of technology are guided by democratic values and respect for universal human rights. They affirmed that technology should not be misused or abused for malicious activities such as authoritarian surveillance and oppression and noted the contribution that enhanced collaboration between their tech and tech policy communities would make to promoting and protecting critical technologies. The co-chairs confirmed the commitment of Japan and Canada to fostering an open, accessible, and secure technology ecosystem based on mutual trust and confidence.

Acknowledging the vital role that technological developments will play in the fight against climate change, the co-chairs underscored their governments' commitments to meeting their ambitious greenhouse gas emission reduction targets and achieving their shared goal of net-zero by 2050, reiterated at the COP26 World Leaders Summit by Prime Minister Trudeau and Prime Minister Kishida. They welcomed collaboration between their private sectors to develop clean tech solutions to environmental challenges and expressed support for bilateral engagement on the part of environmental officials.

The co-chairs recognized the importance of enhanced collaboration on free, fair, and sustainable trade initiatives. They looked forward to celebrating the third anniversary of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on December 30, 2021, and committed to continued promotion of the Agreement's many benefits for their business communities and consumers. Noting the CPTPP members' tightly coordinated approach to recent accession applications, the co-chairs emphasized the importance of Canada and Japan's continued close collaboration with their CPTPP partners to uphold the Agreement's high standards. The co-chairs also discussed unfair trade practices and economic coercion, which threatens the foundational principles and institutions that comprise the rules-based trading system. They agreed that like-minded countries must stand together to counter the growing use of these practices. They

acknowledged the need to postpone the WTO's 12th Ministerial Conference due to an outbreak of a particularly transmissible variant of the COVID-19 virus, but affirmed their commitment to working towards a successful outcome when the Conference is held and resolved to stay focused on WTO reform efforts, including through the Ottawa Group.

The co-chairs welcomed the Japan-Canada Chambers Council (JCCC) Joint Statement issued after the JCCC meeting on November 25/26, 2021, which highlights the importance of energy, innovation and the CPTPP to bilateral commercial relations. They also endorsed the discussion of the JEC's Priority Areas of Cooperation (PACs) by the Cooperative Working Group (CWG) and conveyed strong support for this mechanism's role in fostering bilateral dialogue on trade and economic matters.

The two sides welcomed the following progress related to the JEC's Priority Areas of Cooperation:

Energy

- Regular and robust bilateral engagement through the Canada-Japan Energy Policy Dialogue.
- The importance both of developing a global hydrogen market and of the potential for hydrogen and ammonia to underpin the next phase of the bilateral energy partnership.
- An MOU signed in October 2021 between the Japan Oil, Gas and Metals National Corporation (JOGMEC) and the province of Alberta to promote further cooperation in carbon, capture, utilization and storage, hydrogen, ammonia, and other areas.
- The stability and growth of Canadian exports to Japan and Indo Pacific region of liquefied propane gas since shipments began in 2019.
- Progress on the LNG Canada project, which features significant Japanese participation.
- Canada's recent accession to the Conference on Critical Materials and Minerals, a mechanism to promote cooperation in these areas together with Japan, Australia, the EU, and the United States.
- The Canada-Japan Energy Security Forum hosted by the Canadian Embassy in Japan on December 14-16, 2021.

Infrastructure

- The increasing importance of role of the Japan Overseas Infrastructure Investment Corporation (JOIN) in encouraging the involvement of Japanese companies in Canada's infrastructure market.
- The partnership between JOIN and Invest Alberta Corporation to cooperate on potential infrastructure projects such as "Smart Cities", "Hydrogen Infrastructure", "Transportation and Logistics" and "Autonomous Systems".
- Canada's commitment to continue investing in trade-enabling transportation infrastructure through the National Trade Corridors Fund, and working together with Japan to provide the tools and conditions necessary to help the private sector build resilient, stable and diversified supply chain connections to the Indo-Pacific.

Science, Technology and Innovation

- Support for the work of the Canada-Japan Joint Committee on Scientific and Technology Cooperation (CJJC) with areas of interest such as nanotechnology, health research, high-energy physics & neutrino physics and astrophysics, arctic research, artificial intelligence (AI), aerospace, as well as researcher mobility, and plans for the next CJJC meeting in 2022.
- A shared commitment to fostering partnerships between the two countries' respective business and tech startup communities, with large corporations providing access to global

value chains for new products and services created by startups. This commitment is demonstrated through the Canadian Technology Accelerator in Japan and JETRO's Global Acceleration Hub in Toronto , as well as the program between Canada's National Research Council (NRC) and Japan's Advanced Telecommunications Research Institute International.

- Potential for enhanced collaboration between NRC and Japan's National Institute of Advanced Industrial Science and Technology in the area of healthy aging in place.
- A renewal of the relationship between NRC and the Japan Aerospace Exploration Agency (JAXA) on aeronautics, with plans for various joint R&D projects.
- Continued interest in supporting partnerships between both countries that bridge Canadian and Japanese businesses and universities.

Tourism and Youth Exchanges

- Ongoing concern about the effects of the pandemic on bilateral tourism and a shared commitment to support the tourism industry.
- Promoting the exchange of students when cross-border travel resumes.
- Interest in collaborating to ensure bilateral youth exchange mechanisms fulfil their potential.

Improving the Business Environment and Promoting Investment

- The merits of open discussion between governments about issues perceived by their business communities to adversely affect their business environments.
- Continued close cooperation with CPTPP partners to: implement and maintain the high-standard Agreement; ensure the diversification and resiliency of supply chains; increase trade and investment; and reinforce our shared commitment to open markets and rules-based trade.
- Canada's commitment to participate in Japan's open innovation initiative entitled "Field for Knowledge Integration and Innovation" that aims to promote innovation to support the agriculture, forestry, fisheries, and food industries.
- Continued interest in cooperating to address the threat of African Swine Fever to the swine and pork industries.
- The importance to food security of adherence to trade rules.