

# Japan – Alberta Relations



Government of Alberta ■  
International and Intergovernmental Relations



## PROFILE

**Capital:** Tokyo

**Population:** 127.3 million (2008)

**Language:** Japanese

**Government:** Constitutional Monarchy

**Head of State:** His Imperial Highness Emperor Akihito

**Head of Government:** Prime Minister Yukio Hatoyama, Democratic Party of Japan (elected in August 2009)

**Currency:** \$1 CDN = 83.7 Yen (September 2009)

**GDP:** \$4,911 billion US (2008)

**GDP (PPP):** \$4,337 billion US (2008)

**GDP Per Capita (PPP):** \$ 34,074 US (2008)

**GDP growth rate:** 1.7% (2004-2008 average)

**Inflation:** 1.4% (2008)

**Unemployment:** 3.9% (2008)

**Key Industry Sectors:** Japanese companies are world leaders in the manufacturing of autos, electronics, semiconductors and many other high tech products. Most labour-intensive production has shifted overseas in the face of rising domestic costs.

## DID YOU KNOW?

- Japan's economy accounts for about 10% of world GDP. Japan also has the world's second largest foreign exchange reserves, holding an average of \$988 billion in 2008.
- Japan's main island, Honshu, is covered by a network of high-speed trains that connect Tokyo with most of the island's major cities.
- Japan hosted the World's Fair in 2005 in Aichi prefecture.
- Alberta's population includes about 13,000 Canadians of Japanese descent.

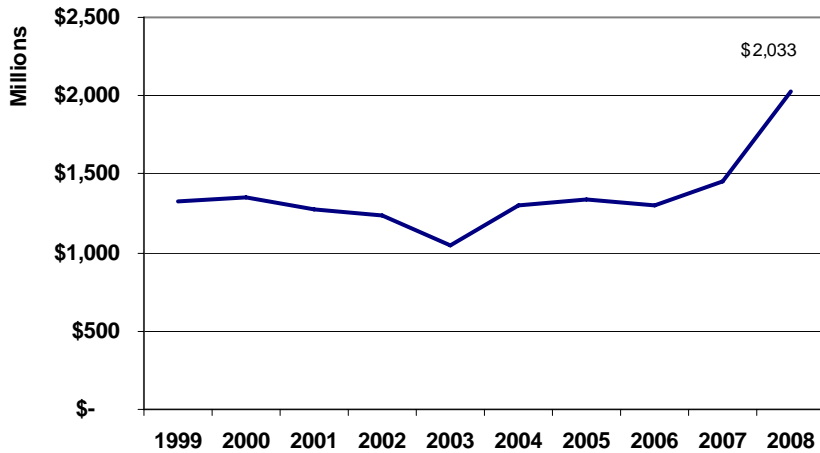
## RELATIONSHIP OVERVIEW

- Japan is a key overseas economic partner for Alberta, accounting for 15% of non-US exports. Alberta also enjoys a multifaceted relationship with Japan that includes strong business ties, cultural and sports exchanges, educational initiatives, municipal twinnings, people-to-people activities, and a sister province relationship with the Prefecture of Hokkaido.

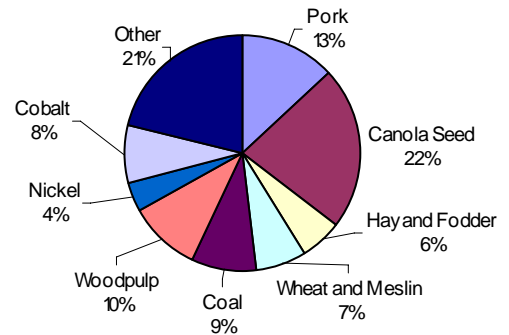
## AGREEMENTS

- Alberta exchanges with Hokkaido began in 1973, with a formal twinning signed in 1980. 2010 will mark the 30th Anniversary of the Alberta-Hokkaido sister province relationship.
- In October 2005, a Friendly Museums Agreement was signed to promote cooperation between the Royal Alberta Museum and the Historical Museum of Hokkaido.
- Several Alberta municipalities are twinned with Japanese counterparts, including Jasper, Taber, Rocky Mountain House, Stony Plain, Camrose, Lacombe, Canmore, Stettler, Wetaskiwin, Barrhead, Hanna, Bon Accord, Whitecourt, Slave Lake, Hinton, Didsbury, and Lethbridge. Ten of these twinnings are in Alberta's sister province of Hokkaido.

## Albera's Exports to Japan 1999-2008



## Alberta's Merchandise Exports to Japan 2004-2008 Average (Total CAD\$1.48 Billion)



### TRADE AND INVESTMENT

- From 2004-2008, Alberta's merchandise exports to Japan averaged \$1.48 billion per year. Primary exports included: canola seeds, pork, woodpulp and coal.
- In the same period, direct imports to Alberta from Japan averaged \$228 million per year and consisted primarily of vehicles, pressure vessels and electronic machinery. This figure does not include goods sold in Alberta that arrived via distribution hubs in other provinces.
- Japanese investment in Alberta is concentrated in the forest products, oil sands, energy, petrochemicals, food processing, and hotel sectors. In total, Japanese investment in Alberta exceeds \$3.1 billion CDN, with \$2 billion of that amount in the forestry industry.
- Japan's aging population is creating demand for building products. Alberta housing and building products and services show excellent potential for growth in Japan, including 2x4 lumber, windows, doors, kitchen cabinets, moldings, pre-packaged homes, panelized components and pre-cut lumber.

### Science and Technology

- The E-Health Edmonton Project, also known as the wireless wearable physiological monitor (WWPM) project, a partnership between the University of Alberta (U of A), Seiko Instruments, and MI Laboratories (Sony), has completed clinical trials and is moving towards commercialization through TEC Edmonton.
- In 2006, the National Institute for Nanotechnology (NINT), located in

Edmonton, signed an MOU with the Nanotechnology Research Institute (NRI), part of the National Institute of Advanced Industrial Science and Technology (AIST) in Japan. The institutes agreed to establish a joint research lab and host visiting researchers. NINT is a joint partnership of the Alberta government, U of A and the National Research Council.

- Alberta organizations have worked on several joint research projects with Japan's New Energy and Industrial Technology Development Organization (NEDO). Several Alberta based microsystem and nanotechnology companies are also developing strategic relationships with Japanese companies and have sales representatives in Japan.

### Agriculture

- From 2004-2008, Alberta agrifood exports to Japan averaged \$899 million per year. Top agricultural exports in this period included: canola (average \$329 million avg.), pork and pork products (\$191 million avg.), wheat (\$102 million average), hay and fodder (\$83 million avg.), malt (\$48 million avg.), and processed potatoes (\$33 million avg.). Japan is the world's largest food importer, purchasing about \$30 billion US worth of agricultural products each year from all over the world.
- In 2007, approximately 30% (\$1.2 billion) of Alberta's agrifood exports to Japan were value-added products. There are opportunities for Alberta's agrifood industry to expand into new niche markets, including health products (functional food, nutraceuticals), processed meats, and prepared foods.

- In December 2005, Japan reopened its markets to Canadian and American beef and selected beef products from cattle aged 20 months and younger. Japan's markets had been closed since May 2003 after a first case of Bovine Spongiform Encephalopathy (BSE) was identified in Canada.
- Japan maintains considerable tariff and non-tariff barriers on products such as crude and refined canola oil, and beef and pork products. For example, Japan uses Standard Import Pricing as a safeguard mechanism on pork imports. The end result of these measures is a complex, non-transparent import regime that is very restrictive for Alberta's pork shipments.

### Energy

- In 1978, Japan Canada Oil Sands Limited (JACOS) first began conducting pilot tests with experimental oil sands projects in the Athabasca region.
- As one of the companies in the forefront of SAGD (Steam Assisted Gravity Drainage) JACOS operates the 10,000 barrels per day Hangingstone project, south of Fort McMurray.
- JACOS holds the energy leasing rights to an area covering approximately 40,000 ha in the Athabasca region. The holdings are expected to contain approximately 2 billion barrels of recoverable oil sands.
- In 1992, Nippon Oil Exploration of Japan, through their project company, Mocal Energy, acquired a 5% interest in the Syncrude oil sands project from Petro-Canada for \$150 million. Since then, it has invested approximately \$1 billion in its share of Syncrude expansion projects.

- INPEX acquired a 10% interest in the Joslyn oil sands project from TOTAL in November 2007. As part of the acquisition INPEX has the right to participate in the construction and operation of the upgrader project planned by TOTAL.
- Japan ranks 4<sup>th</sup> in the world (after China, the United States and the European Union) in electricity production. Japan has virtually no domestic oil or natural gas reserves and is the second-largest net importer of crude oil and largest net importer of liquefied natural gas in the world.
- Under the Alberta-Hokkaido Regional Student Exchange (REX) program, the Hokkaido government annually provides two teachers to Alberta to help develop Japanese language programs in Alberta schools.
- The Japanese government, through an agreement involving the Japan Foundation, provides a Special Advisor on Japanese Language and Culture to Alberta Education.
- Japanese is taught at secondary and post-secondary schools in Alberta, and the U of A has established the Prince Takamado Japan Centre for Teaching and Research.
- There are approximately 2791 learners of Japanese in Alberta secondary and post-secondary schools; 58% of these learners are in the secondary school system.
- Seventeen Alberta schools are twinned with schools in Japan.
- October 2007: Alberta's Minister of Employment and Immigration visited Japan to promote value-added investment opportunities in downstream oil sands development, and the export of oil sands products to Japan.
- March 2006: A joint Alberta government and industry mission was undertaken to increase awareness about Alberta's hydrocarbon upgrading vision and to enhance relations with Asian energy industry players.
- January 2006: Princess Takamado visited Alberta in support of strengthening Alberta-Japan educational activities.
- January 2006: The Japan Petroleum Energy Centre, with the support of the Japanese Ministry of Economics, Trade and Industry as well as major Japanese refineries and trading companies, came to Alberta to research the feasibility of importing oil sands products from Alberta to Japan and to explore opportunities for cooperation with Alberta companies.
- October 2005: Hokkaido Vice Governor Yoshinobu Yoshizawa visited Alberta to commemorate the 25th Anniversary of the Alberta-Hokkaido twinning.

## EDUCATION

- The University of Alberta (U of A) and the Hokkaido Board of Education have an agreement to train teachers from Hokkaido in Alberta.
- Since 1982 the University of Lethbridge has administered a university-wide exchange program with Hokkai Gakuen University in Hokkaido. As of 2009, over 400 students and over 100 professors have participated.
- For the past 13 years Lethbridge College has partnered with the Nippon Institute of Technology (NIT) in Tokyo to provide ESL training and 2 year diplomas to NIT students.
- Each year, approximately 60 Albertans are employed by the Japanese government's JET program to teach English in Japan.
- For the last 35 years, about 100 Alberta students have participated annually in short-term cultural exchanges with the Yamate Gakuin high school in Yokohama, Japan. The program also sees about 200 Japanese students come to Alberta schools annually for short term visits during the spring.
- Each year, independent of exchange programs, approximately 150 students from Japan in the K-12 levels come to study in Alberta schools. This represents about 10% of Alberta's foreign student population in the K-12 level, independent of exchange programs.

## RECENT VISITS

- October 2008: The Honourable George Groeneveld, Minister of Agriculture and Rural Development, undertook a mission to Tokyo to promote Alberta beef, agri-food and agri-based products
- June 2008: Alberta's Minister of International and Intergovernmental Relations met with key government and industry contacts in Japan to advance Alberta's trade and investment priorities.
- February 2008: NINT and Advanced Education and Technology visited Japan to promote the Alberta Nanotechnology Strategy and Partnership with Alberta companies and institutes including the new Alberta Centre for Advanced Micro and Nanotechnology Products (ACAMP).
- October 2007: Alberta's Minister of Agriculture and Rural Development visited Japan to participate in two major industry sponsored seminars and meet with key decision makers in both the private and public sectors.

## DIPLOMATIC REPRESENTATION

- Japan's Ambassador in Ottawa is His Excellency Tsuneo Nishida.
- Canada's Ambassador to Japan is Jonathan T. Fried. There is a Canadian Consulate in Nagoya, as well as Canadian trade offices in Hiroshima and Sapporo.
- A Japanese Consulate was established in Edmonton in 1967, becoming a Consulate General in 1972. The office is now located in Calgary and is headed by Consul General Yasuo Minemura.
- Alberta has maintained an office in Tokyo since 1970. Mr. Sean Crockett is the Managing Director.

