Special Economic Reports



# Canadians mark 150th birthday as Japan-Canada relations deepen

**¬**his year marks a significant milestone in the history of Canada. One hundred and fifty years ago, the territories of Quebec, Ontario, New Brunswick and Nova Scotia joined together to create the Canadian Confederation, forming the Dominion of Canada.

Through the British North America Act that became law on July 1, 1867, these formerly British colonies were acknowledged as an independent nation. In the years that followed, other provinces and territories joined the Dominion, making Canada's motto: "a mari usque ad mare" (from sea to sea).

Canada 150 has given Canadians a chance to get involved in their communities and together celebrate shared values, achievements, majestic environment and their modern country's place in the world. The commemoration's major themes are diversity and inclusion, reconciliation with indigenous peoples, environment and youth.

On July 10, 2016, the first edition of the Japan Festival Canada was held in Mississauga, Ontario — attracting 40,000 attendees. The city itself has always had a great relationship with Japanese business and culture, and is home to about 100 Japanese companies.

"Canada never had a major Japanese event that showcased Japanese food, culture and technology," explained Teruyuki Wakasa, president



"Omikoshi" Japanese portable shrine goes around to celebrate Japan Festival CANADA.

common goals.

concluded Wakasa.

and CEO of Japan Expo Canada, which organizes the an-nual event. "That's why we decided to create the festival." He continued: "Some 74 cities in Canada have sister cit-

ies in Japan. The two nations

have had such a good relation-

ship for a long time. This year,

the timing is especially great,

coinciding with Canada's

150th anniversary and look-

ing ahead to the 2020 Tokyo

Olympic games." This year, the event was held on Aug. 26 and 27, and doubled the number of attendees in comparison to last year. "It has been a success-

has progressed. The country's gross domestic product has risen, and interest rates which had remained stagnant for some time — began to rise again in response the most ro-

the second largest investor, next to the U.S. Most of it is in the manufacturing sector, more precisely, in the auto and auto parts segment with a concentration of about 100 Japanese auto and auto Canada and Japan share strategic

lion.

parts manufacturers. "This constitutes the core of the Japan-Ontario economic relationship, and is very important for the whole of Canada," Nakayama ex-plained. "Japanese companies have created up to 55,000 jobs

to increase year after year be-

tween the two countries. Ja-pan is dependent on Canada's

canola seeds, potash, wood products, gold, wheat and ce-

reals. On the other hand -

as evident in the driveways

and living rooms of almost

every Canadian home - mo-

tor vehicles and vehicle parts,

electrical and electronic ma-

chinery and equipment are

Canada's largest imports from Japan. Yasunori Nakayama, Ja-

pan's consul general in To-

ronto, said: "Economically, we

are in a very complementary

relationship. We have annual

trade volume reaching 26 bil-

"Over the years the trade relationship has been very

stable, and another important

aspect is the rise of foreign

direct investment," he contin-

ued. "When we look at Japan

and Ontario trade, Japan is

in Ontario alone.' Student flows between Japan and Canada have also helped strengthen bilateral relations through the years.



'Kagami wari" (breaking the lid of sake barrel) with Canadian dignitaries to celebrate Canada's 150th Anniversary

Canada welcomed close to 11,000 students from Japan in 2015.

"Beyond this, and it is not widely known, the financial sector is an important element

the trade

stable..."

relationship

has been very

ASUNORI NAKAYAMA

Canada relationship," added Nakayama. "Toronto is the financial center of the country. There are three megabanks in Japan, and all three of them Over the years

when we look at the Japan-

have a branch in Toronto, covering the whole nation." "These banks participate

in project finance, long-term, big-scale project finance and investments that Canadian banks normally do not do," he said. "And it's not only for Iapanese companies, but also for Canadian companies that need financing for their large projects. The contribution of the Japanese megabanks in financing these projects within Canada is not as visible as the manufacturing jobs, but it also makes a significant impact."

Lastly, Canada and Japan share strategic interests on which both countries work to achieve common goals. One that has become increasingly important is clean energy and the environment. The last Canada-Japan Joint Economic Committee Meeting in October 2016 emphasized future collaboration in this sector, and both governments agreed to double investment in clean energy innovation over the next five years.

With a Canadian prime minister avidly advancing Canada-Asia relations, and with growing uncertainty to the south, the time is right for further deepening Canada-Japan relations. As their country turns 150 this year, contemporary Canadians are overwhelmingly supportive of building on the strong foundation that has been established through a long and tested friendship with Japan. 🔶

has been marked by another ers, marine equipment and milestone — the 2-millionth side-by-side recreational ve-Honda Civic sold in the country since its first model was introduced back in 1973, and the company will celebrate the 4-millionth Honda automobile sold in Canada in

the next few months.

hicles to the Canadian market. "When we combine all the products that we sell from our different business units, it represents more than 350,000 pieces sold in Cana-

## Approaching 50 years of Canada-Japan motoring success

onda Canada practices Honda's global philosophy of benefiting society, producing vehicles Alliston, Ontario — north of Toronto.

"Our business plan direction has been well-estab-

ful way to bring Japan and Canada closer for the special bust growth that the country has seen in a decade. milestone that is Canada 150,"

With Japan being Canada's fourth-largest trade partner - and the second-largest in In this anniversary year, the Asia after China — two-way Canadian economy has seen its own boom grow as the year merchandise trade continues

interests on which both countries work to achieve

close to the markets where it sells — built by Canadians for Canadians.

Honda made its first steps in Canada in 1969 with motorcycles and power equipment. Today, Honda Canada — which celebrates its 50th anniversary in 2019 — directly and indirectly employs more than 19,000 Canadians lished for a number of years. and I was already part of creating that. We simply con-tinue to execute it," Gardner recalled.

"My predecessors and I of course have different approaches, we bring our own ways of working," he explained. "But what we are trying to ac-complish hasn't changed."

#### Honda deeply believes in contributing to the communities in which its operations are established.

and buys approximately \$2.1 billion worth of goods from Canadian-based suppliers.

Dave Gardner joined Hon-da Canada in 1989 as a district sales manager. On April 1 of this year, after 28 years with the company, he was appointed as its president and CEO, responsible for all Honda and Acura auto divisions, motorcycle, power equipment, ATV and engine businesses. He also oversees the company's Canadian manufacturing arm, Honda of Canada Mfg. located in

Honda deeply believes in contributing to the communities in which its operations are established, as well as respecting the environment by taking an active role in maintenance and protection.

"What we have been trying to accomplish is consistent with Honda's philosophy on a global basis, and that is very simply to be a company that society wants to exist," Gard-ner continued. "In this case, it is Canadian society. I don't think we will ever change this goal. It is how Honda started,



THEN and NOW: In celebration of the 2-millionth Honda Civic sold in Canada since 1973, a 2017 Honda Civic Hatchback is shown with a 1977 Honda Civic Hatchback. Civic is Honda's longest-running automotive nameplate and is Canada's best-selling passenger car the past 19 consecutive years.

and this is how we will continue long after I have retired from the company." Through the Honda Cana-

da Foundation that also operates under Gardner's direction, the focus is on giving

back to communities where their customers and associates live, work and play. To support communities and organizations that share the core values and philosophies of the company in the areas

together to work." Gardner said: "In today's environment, we sell roughly 2 million automobiles in North America on an annual basis. Last year, almost 190,000 of those vehicles were

## **The Honda Civic** has been Canada's top selling passenger car for the last 19 years.

of family, environment, engineering and education.

Much of Honda's success is based on the philosophy promoting individual initiatives through passion, dreaming and the simple joy of doing things. "This is what makes us a success-ful company," he said. "You have the interaction of not only many different associates, but also Canadian and Japanese culture coming

sold in Canada, or close to 10 percent of the entire North American business from a unit sales perspective."

The company's factory in Alliston was responsible for the production of approximately 400,000 of the close to 2 million units built in North America in 2016. These numbers, from a manufacturing perspec-tive, show that Honda Canada plays a significant role

in Honda's North American position.

"Honda's relationship with Canada is stronger than ever," he said. "Our facilities in Alliston produce the Civic coupe, sedan, and Si models, as well as the CR-V. And today, 53 percent of Honda vehicles sold in Canada are manufactured here, by Cana-dians, for Canadians." Overall, the Canadian auto

market has been operating at record levels for the last three years, producing between 1.85 and 1.87 million units. It is a mature market with three large segments: pickup trucks, compact sedans and compact sport utility vehi-

cles. "I believe we have the best products, with our Civic and CR-V models, in the two largest segments of the market," Gardner pointed out.

The Honda Civic, in particular, has been Canada's topselling passenger car for the last 19 years. The year 2017

Gardner explained the reasons behind this remarkable the 400,000 vehicles built in success: "Consistently, in all Canada, we are talking about

da," Gardner said. "Including

### Much of Honda's success is based on the philosophy of promoting individual initiatives through passion, dreaming and the simple joy of doing things.

the different models from the beginning, we have provid-ed dependable, reliable and quality vehicles to Canadians. "Our goal is not to be the overall No. 1 brand from a sales perspective," he stressed. "It is to focus on segments of the market where we think we can main-tain and grow success."

In addition to its automo-

tive divisions, Honda Canada

also produces and distributes

generators, motorcycles, all-

terrain vehicles, lawn and

three-quarters of a million units that are either being manufactured or sold in Canada on an annual basis. This is a substantial operation."

"The footprint that Honda has in Canada goes a long way toward how people feel about our brand," he con-cluded. "We will continue to enhance our relationship with our customers and make as many efforts as we can to ensure their ownership experience is a positive one."

www.honda.ca www.hondacanadafoundation.ca





The 2017 Honda Civic Type R