

also localized fairly easily.

In the telecommunications area, there continue to be difficulties in the area of wireless telecommunications equipment testing. Wired and wireless equipment is tested through two distinct agencies in Japan, and mutual recognition agreements between Canada and Japan cover only the testing of wired equipment.

Additionally, the Japanese government has received recommendations from the Telecommunications Council (an advisory group for the Ministry of Posts and Telecommunications) calling for the breakup of NTT into two separate local-service carriers and a domestic long-distance carrier. The government has delayed acting on these recommendations. To some extent the uncertain situation has constrained expansion in the telecommunications sector.

The move toward international standards is a positive development that augers well for the entry of Canadian telecommunications companies since it will eliminate the need for costly adaptation of existing products. In Japan, regulatory frameworks for telecommunications and broadcasting have yet to reflect the growing convergence of these technologies. Transmission of information to a large number of recipients, e.g., LANs or CATV, is increasing rapidly as fibre-optic networks advance the developments of broadband and interactive multimedia (voice, data and video). Issues arising from this will centre on the sharing of network infrastructure and the separation of transmission and switching functions (unbundling). Per-unit costs will decline proportionally with the expansion of the fibre-optic networks and the increase in transmission capacity.

Canadian software companies interested in

the Japanese market can look at a number of entry strategies, including direct representation, distribution agreements, licensing agreements, joint ventures, and mail order. Adaptation to the market is not the problem it once was: software manufacturers no longer need to consider conversion to the NEC PC9800 standard to be successful in Japan. The trend toward open operating systems is continuing. Software packages that function with open operating systems need only consider providing manual translation, Japanese-language support and repackaging for the Japanese market.

Promoting Products in the Marketplace

The Action Plan for Information Technologies recognizes that most of the opportunities for Canadian companies are in niche markets. Timely market intelligence/information will assist the Canadian industry in identifying opportunities. Activities to develop the relationships between Canadian and Japanese associations, companies and research institutions will benefit the industry and create the environment for substantive partnering opportunities.

A number of excellent software trade shows are put on in Japan, and many Canadian products are exhibited, usually by Japanese agents. The facilities in the Canadian Embassy have proven useful for Canadian IT companies, which often launch or demonstrate products there. (The facilities, when available, are free of charge, but each company bears the incremental costs associated with these events.)

Research and Development Opportunities

Thirteen R&D organizations from Canada visited NTT research organizations in Japan