

4 Commercial Activities

Major Organizations

Although language is sometimes a barrier to Canadians seeking business opportunities in Japan, in all other respects information is more readily available than in other countries.

Almost every aspect of Japanese life is represented by an umbrella organization — be it general business groups, industry-specific organizations or regional bodies. For making contacts or obtaining statistics, these groups can prove invaluable.

The newly opened Sendai International Cultural Exchange Center offers complete conference facilities and meeting rooms. The city hosts a wide range of international conferences each year and these are described in Table 8.

The Japan External Trade Organization (JETRO), with offices in major Canadian and Japanese centres, was founded to promote exports to Japan and to assist foreign exporters in the Japanese market. JETRO recently established regional internationalization centres in each prefectural capital. These centres maintain contacts with local businesses seeking imported products and services.

Other organizations that can provide statistical data and other assistance — particularly for prospective investors — are the Japan Development Bank and the Japan Regional Development Corporation.

The Commercial Section of the Canadian Embassy in Tokyo can also furnish exporters with information on specific markets and help to establish contacts.

Within Tohoku, there are numerous public and private organizations that may also provide useful contacts. The Sendai Chamber of Commerce, for example, has been particularly active in promoting international contacts in the area. The chamber also supports development initiatives such as the "Frontier Technology 21st Century Plaza" and technopolis projects.

Many international corporations now have affiliates in Tohoku. In 1989, 38 companies with 50 per cent or more foreign capital had research or manufacturing facilities in the region. Most foreign-affiliated companies are located in the southern part of Tohoku. More than 50 per cent involve U.S. capital, 20 per cent are supported by German investment and 12.5 per cent have French backing. Over one-third of the plants produce chemical products and 20 per cent manufacture electrical products.

Major Projects

Tohoku's plentiful supply of low-cost land and labour, combined with a good transportation infrastructure, make it a popular location for new, light industrial plants. In particular, there is a large labour pool in smaller communities where farm families use factory earnings to supplement agricultural income.

The availability of large tracts of land and government subsidies help to draw research establishments to the area. As a result, a number of new ventures are planned or under development.

Tohoku's "Intelligent Cosmos" programme is a 30-year plan initiated by leading industrial, academic and administrative bodies to spur research activity throughout the region. The co-ordinating body began work in March 1990, with the following objectives:

- to create new bases for innovation and development;
- to develop future-oriented industries;
- to form sophisticated information bases; and
- to create attractive residential areas.

The current cure-all policy of local governments is to set aside land for research parks. While this practice is widespread, only the efforts of Miyagi and Aomori have achieved any notable success.

Generous government subsidies — sponsored under programmes administered by the Japan Regional Development Corporation — are available to companies willing to locate in depressed regions. U.S. business groups are lobbying for even more generous provisions for smaller firms from abroad.

Under these programmes, serviced lots are provided in industrial parks which are normally located near major expressways or local cities. In 1988, land prices in the larger parks ranged from ¥10 000 to ¥28 000/square metre.

An ambitious long-term plan aimed at stimulating the growth of future-oriented industries is underway in Sendai City. Plans include extending the city's subway system to new business development areas, expanding port facilities and improving airport facilities to attract international passenger and cargo carriers.