

- Canadian exporters should be aware of recent changes to Japan's regulatory framework. Changes to Japan's *Food Sanitation Law* will bring food laws to international standards; they will also create new guidelines for the use of natural additives and agricultural chemicals and for labelling requirements. The new *Product Liability Law* effective July 1, 1995, makes manufacturers, processors and importers liable for damages or injuries caused by defective products.
- Action Plan initiatives feature federal-provincial-industry co-operation in building awareness of Japanese requirements through market information and intelligence, support for the development of marketing strategies and participation in food shows.

4) Consumer Products: Furniture

- Canadian furniture exports to Japan rose from \$1.5 million to \$6.8 million between 1992 and 1994.
- Rising manufacturing costs, the lack of skilled labour, and increasing consumer price-consciousness have prompted many Japanese manufacturers to relocate at least some of their operations offshore and increase imports. Consumers are more frequently turning away from the very highest-priced items in favour of high-quality products one price range lower.
- About 10 per cent of the Japanese market for residential furniture is supplied by imports. Although most imports come from Taiwan, Thailand and Indonesia, imports from Southeast Asia have begun to lose their appeal because, while quality has improved, design has not.
- Imports currently account for 6 per cent of the Japanese market for finished wooden furniture. With a continued strong yen, and declining consumer brand loyalty in favour of quality, style and price, imports are expected to grow steadily.
- Changes to the existing distribution channels in Japan are being made as retailers increasingly import directly for their own stores. Japanese retailers generally import products on an exclusive basis and, to contain costs, frequently prefer to deal with suppliers without local agents. Canadian exporters should carefully consider their strategic interests in the Japanese market before signing an exclusive arrangement with one importer.
- Canada's Action Plan focusses on market intelligence, analysis of consumer preferences, and encouraging greater