

shift to proportions more similar to North America and Europe (30 to 35 per cent). This trend will benefit Canadian software companies, which specialize in niche products.

In telecommunications, Japan represents an opportunity for Canadian products and services as the limited participation of foreign carriers in Japan increases, and Nippon Telephone and Telegraph (NTT), the national telephone company, moves to complete the digitization of its switching facilities. Growing trends toward the provision of seamless international services between carriers is another opportunity for Canadian equipment suppliers, systems integrators and service providers.

II. The Action Plan for Telecommunications

1. Building Awareness and Market Knowledge

Exports of Canadian telecommunications products are not keeping pace with the expansion of world markets. The Canadian Telecommunications Action Committee (CTAC), an advisory group to the Department of Industry, set a long-term goal for the industry to achieve shipments of \$20 billion by the year 2000, through an annual growth rate 25 per cent greater than that of world markets. In the Japanese market, expanding exports of telecommunications products and services will require detailed market intelligence and close monitoring of changes to the regulatory environment in Japan.

2. Adapting the Product for the Marketplace

Canadian telecommunications products have been well-received in the Japanese market. Emerging markets for telecommunications services and consulting services require that Canadian companies become aware of regional markets in Japan, as market size, market mix and business practices in these regions are generally more suitable to the smaller Canadian companies.

Canadian companies can offer systems integration support for Japanese products aimed at the North American market, developing strategic alliances that will enhance Canadian abilities to participate in major projects in Japan.

3. Promoting the Product in the Marketplace

The Canada-Japan Telecommunications Exchange held in November 1993, provided an opportunity for Canadian companies to discuss and demonstrate Canadian technology with Japanese business and industry association represen-