

direction of performance-based standards. Negotiations are proceeding between the National Research Council (NRC)'s Canadian Construction Materials Centre and the Japanese Ministry of Construction to facilitate market access for innovative Canadian products.

At present, Canadian companies wishing to export finished building products to Japan, particularly those requiring a fire rating, face expensive testing procedures, but if such testing can be done in Canada instead of in Japan, these costs can be lowered. An initial breakthrough occurred on December 19, 1995, when ULC, Toronto, was granted Foreign Testing Organization status, thus permitting ULC to conduct fire-testing of certain Canadian products to Japanese standards.

Another example of Canada-Japan co-operation is a research initiative between the Canadian Forest Service/Forintek and the Japanese Ministry of Construction's Building Research Centre, whereby collaborative research is underway on timber structures under seismic and wind loads. This activity will contribute to the competitiveness of Canadian wood products in Japan in two ways:

- by enhancing the performance of wood structures under seismic loads and
- by developing harmonized codes and standards.

Another recent Canadian initiative is a combined government/industry partnership aimed at achieving Japanese Ministry of Construction acceptance of closed prefabricated wall/floor/roof panels. The use of such panels, incorporating insulation, interior/exterior coverings and other value-

added components, would increase the efficiency, and therefore desirability, of imported housing in Japan, while permitting additional finished building products to be exported from Canada.

### ***Market Opportunities***

Japan is importing increasing volumes of finished building products, primarily because of their cost advantages but also to satisfy consumer demand for modern, Western-style housing and related components and fixtures.

With the number of construction workers projected to decline by 45 per cent by the year 2000, the Japanese housing industry is being forced to introduce additional finished and/or prefabricated components. Canadian suppliers of labour and cost saving building materials are finding a ready market in Japan, particularly when such products are custom designed to meet particular needs.

Market potential varies regionally in Japan. The greatest potential for Canadian building products in the 2x4 and prefabricated housing sectors is in the Hokkaido, Tohoku, Kanto, Kansai, Chubu and Kyushu areas. The Great Hanshin Earthquake that devastated Kobe on January 17, 1995, resulted in the provision of temporary housing by several Canadian companies as part of immediate relief efforts. In addition, the earthquake disaster provided an opportunity to introduce Canadian manufactured housing and a range of value-added building products for the rebuilding of permanent housing in the Kobe/Osaka region. The strong performance of Canadian 2x4 housing during the earthquake is assisting Canada's efforts to promote prefabricated 2x4 housing throughout Japan, as well as helping ensure a continuing strong market demand for Canadian dimension lumber, plywood and oriented strand board,