

**CONSUMER GOODS:  
CHILDREN'S PRODUCTS**

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**Market Opportunity:**

There are presently 10 million children aged 6 and under in Japan, for whom \$US 40 billion is spent annually. Although Japanese families are getting smaller, expenditure per child is increasing. Tokyo children, for example, own an average of 411 toys each, and sales of infant care products in Japan have nearly doubled since 1989. Foreign labels are popular, and the strong yen should serve to make them more affordable. The introduction of Toys-R-Us and the growing influence of department stores should also increase opportunities for Canadian manufacturers.

**Supplier Capability:**

The toys and games industry in Canada is not generally considered to be internationally competitive, particularly in licensed products produced in branch-plants serving the domestic market. Where Canadian industry can expect to make inroads in Japan is in the educational/design area. Led by the continuing growth in these sectors, Canadian exports to Japan have increased from less than \$500,000 in 1991 to well over \$1.5 million in 1993. Canadian exporters will likely have the most success in niche markets, with high quality products that show creativity, uniqueness, or a particularly Canadian image.

The children's apparel sector in Canada is composed of smaller companies, a few of whom are successfully operating within the Japanese market. Within the industry, there is a strong orientation towards the United States, and as such knowledge about and interest in Japan is somewhat limited. However, there are some companies with superior design and finishing standards and the potential for these companies to penetrate the Japanese market is good.

Canada has excelled in production of children's entertainment, including television, cinema, books and recordings. In the film and television sector, the initial reaction to Canadian products has been positive. In other subsectors, Canadian entertainers touring Japan have met with success (e.g. Cirque de Soleil).

**Current and Future Directions:**

Build awareness and understanding of the opportunities offered by the Japanese market for children's products, and identify Canadian firms capable of exploiting the growing educational and creative market segments, by disseminating information as widely as possible and working closely with regional industry associations and other intermediaries.

Assist export-ready Canadian suppliers market their products effectively to the Japanese consumers by creating opportunities that maximize exposure of Canadian firms to Japanese buyers, particularly in the increasingly important regional markets in Japan.