

## Backgrounder

### SUMMARY OF CANADA'S ACTION PLAN FOR JAPAN

#### 1) Building Products

- Japan is the world's largest housing market and Canada's leading overseas market for forest products. In 1994, Canada's exports to Japan of forest products (including pulp and paper) exceeded \$3.8 billion, of which lumber, plywood and other wooden building materials accounted for more than \$2.4 billion.
- Demand for imported housing products is rising as a result of acute labour shortages, high labour and domestic material costs, and recession-driven demand for lower-cost, Western-style housing.
- Canadian manufactured building materials have recently been introduced to Japan, although the number of products is still limited and Canada's market share is well below potential.
- Labour- and cost-saving components, including manufactured housing kits, that are custom-designed to suit particular needs are finding a ready market in Japan.
- Particular opportunities also exist for suppliers of doors, windows, flooring, staircases, system kitchens, prefabricated wall panels and house packages (pre-engineered and manufactured).
- The transfer of building technology is helping to promote multistorey wooden construction as a cost-effective alternative to steel/concrete structures for both housing and multi-use facilities.
- The Uruguay Round of world trade negotiations will reduce or eliminate tariffs on many products including plywood, particle board, wood mouldings, doors and windows. Canada and Japan have also launched bilateral discussions aimed at achieving mutual recognition of building product standards, thereby lowering the cost of testing and certification.
- The Action Plan focusses on workshops, trade shows, advertising and promotion as ways of making Canadian firms more aware of Japanese requirements and making Japanese importers and builders more aware of Canada's supply capabilities.