

The weak position of Canadian companies in Japan is not a result of the lack of a medical industry in Canada. In fact, this industry is a significant employer of Canadians. The approximately 2500 firms in the health service industry (with annual sales of \$3 billion) employ some 150 000 people. In addition, Canada's 800 medical device companies (with production of \$2.8 billion in 1993) employ 18 000 people. A similar number is likely employed in the health care products sector. Many of these Canadian companies are already active internationally. A number of them have developed leading technologies and unique innovative devices. Some are already present in the Japanese market.

Market Opportunities

Health care in Japan is moving away from the expensive care provided in hospitals to less expensive health delivery systems, resulting in changes to the types of products in demand. Features such as size and portability, for example, are becoming important. (Canadian manufacturers should be aware that certain product modifications may be necessary for the Japanese market because of different physical requirements, aesthetic tastes and the semi-tropical climate.)

Products in demand include mobility products, sleeping aids (beds, mattresses, and so on), toilet and disposable diaper products, monitoring equipment and new procedures for home health care. Other opportunities exist in the services sector. Medical waste disposal is one of the more significant problems currently facing Japanese health care officials, and the ongoing decentralization of the health care sector in Japan will increase the demand for safe disposal of medical waste. Japanese interest in Canadian methodology for health care

management and improved efficiency in hospitals and nursing homes should provide market-entry opportunities for firms providing consultancy services, architectural services and information-technology products, including monitoring equipment for elderly and handicapped patients.

The private home health care service concept is relatively new to Japan and is not readily accepted, since there are more than 1700 public social welfare organizations that are funded through the government. However, changes in the Japanese society have made it more difficult for the elderly to depend on the traditional extended family for support. The country's high life expectancy has also created a situation in which caregivers are themselves senior citizens. Therefore, it is reasonable to expect that the publicly funded organizations will not be able to meet the needs of the population in the next while.

Japanese government initiatives include plans to increase expenditures for improved services for the elderly and handicapped (but it is expected that these expenditures will remain conservative, since the government is also committed to good management of health care costs). The programs include subsidies for the purchase and rental of equipment and the upgrading of the infrastructure to allow better access for disabled people.

THE ACTION PLAN

Canada has an excellent reputation in Japan as a provider of health care products and services. While the size of the market for services is not known, Japanese interest in Canadian methodology for health care management and improved efficiency in hospitals and nursing homes indicates an opportunity for consultancy services and information-technology products.