

4 Opportunities for Canadian Exporters

Hokkaido consumed 14.5 per cent (¥60.4 billion) of all Canadian exports to Japan in 1988. Among chief exports to the island were herring roe, coking coal, wood chips, and pulp and lumber.

Canadian marketing efforts in Hokkaido are assisted by numerous twinning relationships with the island. For example, as a result of Alberta's four twin-city relationships, 50 Japanese and Canadian companies do business with each other and five joint ventures have been established. As well, the province's exports to Japan more than doubled from C\$500 million to C\$1.3 billion between 1985 and 1990.

The Alberta-Hokkaido twinning arrangements involve 14 provincial government departments, as well as numerous municipalities, private-sector companies, the medical community, universities, colleges, and research institutions.

In addition to Alberta, British Columbia, Ontario and Nova Scotia have twin-city relationships with the island. Canada's twinning arrangements include:

Hokkaido	Alberta (sister provinces)
Higashikawa	Camrose, Alberta
Kamifurano	Camrose, Alberta
Kamikawa	Rocky Mountain House, Alberta
Rikubetsu	Lacombe, Alberta
Shikaoi	Stony Plain, Alberta
Abashiri	Port Alberni, British Columbia
Enbetsu	Castlegar, British Columbia
Ikeda	Penticton, British Columbia
Ishikari	Campbell River, British Columbia
Kamisunagawa	Sparwood, British Columbia
Kushiro	Burnaby, British Columbia
Otaki	Lake Cowichan, British Columbia
Shiraoi	Quesnel, British Columbia
Hakodate	Halifax, Nova Scotia
Nayoro	Lindsay, Ontario

According to information supplied by the Hokkaido International Trade and Industry Promotion Association, 340 island companies engage in foreign trade activities. Approximately 70 per cent are manufacturers and 30 per cent trading companies. More than 200 firms are listed as importers, 22 of which trade directly with Canada. Among the items they purchase are marine products, forage seeds, sporting goods, clothing, furs, lumber, housing and construction materials, coal, nuclear fuel, boilers, snowmobiles, and general merchandise. The Hokkaido Trade Promotion Association also lists food products, vehicles, and oil among imports from Canada.

It is clear that Hokkaido is already a major Canadian export market. To increase market penetration is the challenge now facing Canadian suppliers. Markets which hold the greatest potential for Canadian exporters are outlined below.

Leisure Goods/Services : Two factors support Canadian efforts in this sector — Hokkaidans have greater access to outdoor activities than most Japanese citizens and they view Canada as a leisure-life model. Suppliers would do well to seek out market sectors where they have proven expertise and where Canada's outdoor image can be highlighted. Obvious targets include camping, fishing, boating and ski equipment, as well as resort design.

Agricultural and Marine Products : It is expected that demand for Canadian animal feeds and breeding stock will grow steadily and will be enhanced once direct air cargo service between Canada and Hokkaido is established. These contacts could also pave the way for Canadian suppliers with biotechnology expertise in the dairy and beef industries, crop sciences and aquaculture. Hokkaido is also expected to remain a major processor of Canadian fish.

Forest and Building Products : Climatic similarities between Canada and Hokkaido have opened the market for 2 x 4 and 2 x 6 lumber used in platform frame construction (PFC). PFC commands a larger market share in Hokkaido than in any other region of Japan. It is also expected that introduction of R-2000 housing, as well as other building materials, in Japan will begin in Hokkaido and flow south. The size of the Sapporo market, in addition to the city's high concentration of distributors, could yield important benefits to Canadian exporters able to absorb shipping costs to the island from one of Japan's main entry ports.

Specialized Machinery : Concerted promotional activities have paid dividends for Canadian log-harvesting equipment manufacturers. Similar results may be possible for sawmilling and pulp- and paper-related equipment, as well as specialized equipment for the dairy, mining and underwater construction industries.

Transportation Equipment : Snowmobiles are among specialized equipment already imported from Canada. Snow removal equipment may be another prospective market and the recent purchase of Canadian helicopters proves that government procurement holds potential.