

Manufactured Building Products

Japan's manufactured building products sector, which encompasses both wood and non-wood products, is valued at over US\$14 billion per annum, and includes such products as doors, windows, molding, staircases, kitchen components, flooring, and prefabricated home packages, among others. While Canada's market share remains miniscule at under \$40 million, Japanese buyers' interest in Canadian products has begun to show rapid increases. Recent large export sales by Canadian manufacturers have served to demonstrate the huge market potential offered by Japan, together with Canadian capacity to fill such demand as Japanese builders actively and aggressively seek out less-expensive, labour-saving Western-style building products.

In July 1993, the Embassy completed a year-long study of the manufactured building products market in Japan, examining in detail the potential for Canadian sales of windows, doors, kitchen cabinets, molding, flooring, staircases, and other value-added products. This study led to a series of marketing seminars across Canada, intended both to inform and to recruit Canadian suppliers to this market. Compared to those of Japanese and U.S. origin, Canadian products are extremely competitive in terms of both price and quality; furthermore, with Canada's dominant presence in the dimension lumber market and the close association with 2X4 construction in Japan, products from Canada enjoy a high degree of market acceptance. Efforts are on-going to introduce a still-wider range of Canadian firms and products to this market. Throughout 1994, Embassy, Consulate and company participation in major Japanese trade fairs will be complemented by solo shows and technical seminars to further heighten Japanese buyers' awareness of Canadian building products.

Canada will promote a full range of value-added building products by more aggressively marketing pre-engineered, manufactured housing in Japan. Such advanced housing is ideal for the Japanese market, because it offers a ready response to the urgent need to replace much of Japan's current housing stock, it provides a high-technology, Western-style product which is in high demand, it can incorporate many high-value manufactured products such as hardwood staircases, pre-finished hardwood flooring, "designer" kitchen systems, heat recovery systems, "smart" house technology, advanced R-2000 components/building systems, labour-saving construction methods, and so on. While Canada's export success with these products will not approach (in the foreseeable future at least) the present high level of forest product sales to Japan, it is nonetheless a very exciting development in terms of adding value to our building product exports to Japan, thereby creating high-paying, secure employment