

# JAPAN

## OVERVIEW

**Size of Market:** The overall office furniture market in 1992 is estimated at C\$ 8.5 billion.

The Japanese market has been on the decline for the past two years, largely due to the effects of the recession. Many office buildings that were constructed before the recession are now having difficulty renting out their vacant office space.

A Canadian company has which has had success in Japan's office furniture market has done so by reaching an agreement with a Japanese agent. Through this agent the company successfully markets to foreign firms established in Japan, for example, Arthur Anderson. Recently, this company supplied furniture to the Chase Manhattan Bank in Tokyo.

The key to revitalizing the office furniture market in Japan is the introduction of new products such as space-saving filing systems, and innovative office furniture equipped with efficient information and communication systems.

## SOURCES OF SUPPLY

Office furniture imports have increased to more than C\$ 1 billion, which represents approximately 10% of the Japanese market. The countries supplying the majority of Japan's imports are the United States and Europe. Some of the companies of note are Herman Miller, Steel Case, Knell, and Cassina.

## BUSINESS ENVIRONMENT

In order for foreign businesses to gain access to the Japanese distribution system, it is essential that they work with a Japanese agent. Important distributors/agents in the office furniture sector include: Chitose, Houtoku, Itoki, Kokuyo, Okamoto, Plus Corp, and Uchida Yoko.

The language of business and documentation is Japanese; it is a necessity. Foreign companies visiting Japan must also consider hiring an interpreter for meetings with Japanese buyers.

There are no quotas or tariff barriers.

The certification issue is somewhat complicated. The national standard, JIS (Japanese Industrial Standard), has recently (and sensibly) become somewhat more flexible, and as of 1991, Japanese furniture must also conform to ISO international standards.

Experienced overseas furniture suppliers note that Japanese clients tend to demand perfection. For example, they will not accept furniture with minor scratches, or slightly tarnished metal. In addition to cost, quality and safety, good service, such as on-time delivery and prompt maintenance service, are musts in the Japanese market.