

8. JAPAN

Except for the departure of Saudi Arabia from the marketplace, the story of the last decade in bottled water international trade is the incredible growth of the Japanese market. This market started from a relatively small base in 1980. At that time Japan ranked 14th among importers with imports totalling about \$8 million. By

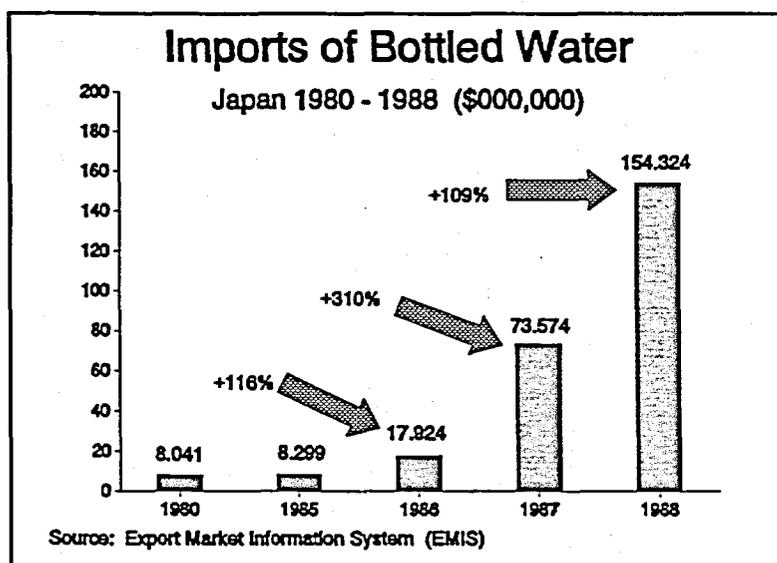


Figure 12

comparison, Canada was importing bottled water worth \$13.7 million and ranked 11th. Almost no growth occurred in the Japanese market between 1980 and 1985. The real story began in 1986 when imports rose by 116% over the previous year. The following year, 1987, imports jumped by 310%. This growth is depicted in figure 12. While Japan is still a smaller market than the United States and only a fraction of Europe, it has the not negligible advantage of being a relatively new market. This evens out the playing field since nobody benefits from long term associations between buyers and sellers found in more mature markets and products tend to be judged more on value than on who sells it.

There is a fly in the ointment. Under the most favourable circumstances, penetrating new markets, even at home, is not an easy task. Exporting is worst. In the last few years, some Canadian producers have met with difficulties with American authorities on labelling requirements. By comparison, penetrating the Japanese market can be an excruciatingly painful experience. And it can prove expensive. Sure the rewards are great, if they come. In short, this is no place for amateurs.

Image is of great importance in selling to Japan. Canada has an edge here. We have an excellent reputation. Care must be exercised to avoid embarrassing overstatements regarding product quality, particularly by new exporters. Most Japanese buyers will visit the facilities of their Canadian suppliers and potential exporters should be able to proudly present their plants to all Japanese visitors.

Practically all of the companies that export to Japan have been given guidance by the Canadian Embassy in Tokyo. New exporters are advised to use the services provided for contacts and suggestions.