

expansion overseas, thus making them attractive partners for Canadian companies in third countries.

Second, because the Nagoya Consulate will be the closest Canadian office to Mississauga's Japanese twin city Kariya-shi.

In addition to opening these consulates, we have appointed Honourary Commercial Representatives in three major Japanese centres: Sapporo, Sendai and Hiroshima. These are respected, senior Japanese business executives who have agreed to assist Canadian economic initiatives in areas where we hitherto have had limited presence.

Why have we chosen this regional strategy? In a word, because success for Canadian firms can come faster there.

These regions often have a Gross Domestic Product (GDP) significantly larger than that of developed countries. Kyushu, for example, has a GDP greater than that of The Netherlands and, together, the five regions mentioned have a combined GDP of more than \$1.2 trillion, greater than that of the United Kingdom or France or Italy or Canada.

Apart from the sheer size of their markets, there are several advantages to pursuing business opportunities in these regions:

- ◆ Contact with small- and medium-sized businesses is greater and generally a better match for the majority of Canadian companies seeking to do business in Japan.
- ◆ Regionally based companies are increasingly international. Trade flows through regional centres now reflect this, as more foreign firms bypass Tokyo and Osaka to establish commercial linkages in other centres.
- ◆ Since import penetration of these regional markets is not as high as it is in Tokyo, the potential exists to expand sales growth of proven products and services as well as new ones.

But government can't sell for Canadian business.

It is up to you to adapt to the demands of the marketplace. There's nothing magical about what is required -- quality, commitment, local presence and an understanding of the market so that you provide the right product at the right time.

So why is it not happening? Why are Canadian products losing market share in Japan? What can business do about it?