

a ready market in Japan, particularly if the products are custom-designed to suit the particular needs of the Japanese market.

Market potential varies regionally in Japan, with the greatest potential for Canadian building products to be in the 2x4 and prefabricated housing sectors in Hokkaido, Tohoku, Kanto, Kansai, Chubu and Kyushu areas.

The 2x4 (platform frame) construction industry was initiated in Japan by Canada about 20 years ago, and accounts for over 50,000 housing starts annually. The Japan 2x4 Home Builders Association consists of over 800 leading-edge builders who are receptive to new products and techniques, particularly if they represent cost savings. The Association is broken down into regional bodies that offer an opportunity to market value-added building products directly to end-users, thus bypassing the complex and costly distribution system.

In recent years, a number of Japanese buyers missions have visited Canadian building product manufacturers and made some direct purchases. However, there continues to be a pressing need to increase Japanese awareness of and exposure to Canadian building products. Canadian companies tend to lag behind their European and American competitors in pursuing the Japanese market.

There are a number of specific opportunities for Canadian companies, related to:

- the demand for Western-style housing and related amenities;
- the increasing shortage of Japanese construction workers;
- the desire to import building products directly, thus avoiding "middlemen";
- the potential matching of medium-sized Canadian manufacturers/exporters with medium-sized Japanese building consortia;
- possible investment/joint venture opportunities;
- the recent approval of 3-storey wooden apartment construction;
- a Japanese preference for "natural" wood and stone products, and;
- the Japanese ability/willingness to pay premium prices for high-quality products.