

partner and take the position that the market is their responsibility. While this approach may work in the short term, it is a poor recipe for long term success and leaves the exporter's fortunes entirely in his distributor's hands. Sales may end abruptly and the exporter may never know the reason why. Ideally, distributors should be a window on the market, rather than a barrier to knowledge about it and exporters should exercise caution in committing themselves to distributors which appear unwilling to share and jointly develop, market strategies and information.

Despite the fact of the continuing importance of agents and distributors in the Japanese market, it is noteworthy that, especially with respect to consumer products, large retailers and department stores are starting to import directly, rather than through trading houses, in order to cut costs.

Government Procurement

Under the Government Procurement Code of the GATT, Japan opens to international competition a substantial portion of its procurement, amounting to several hundred million dollars annually. In addition, many organizations not covered by the Code (e.g. regional utilities) have greatly expanded their overseas procurement in recent years. Opportunities for sales to the public sector in Japan are thus substantial. They are not, however, achievable without considerable advance groundwork.

A general requirement for all bidders on government procurement programs is prior acceptance as a qualified supplier. The nature of the pre-qualification procedure will vary with the government agency involved, but must generally be done well in advance. A second practical, although not necessarily mandatory, requirement is the appointment of a local representative, without whom it is generally not possible to identify and respond to Japanese language tender notices in the time allowed, or to submit bids and other documents in Japanese as required. In addition, client agencies will generally insist on some form of local presence which can provide for liaison, service, training, etc.