

Despite the expansion of retailers, there has been no parallel increase in the number of branch offices of wholesalers and trading companies from outside. The large number of locally based distributors offers many opportunities for the import of Canadian consumer goods.

The wholesalers are interested in importing manufactured goods as well, since a considerable number of them also sell to the manufacturing industry. It is an advantage to the exporter to be able to deal directly with these companies without having to go through a Tokyo head office. In Aichi prefecture, the most recent figures indicate that 65 per cent of all wholesale offices are independent, 8.1 per cent of them head offices.

Science and Technology

Research and development by Tokai companies is expanding. Local governments are also making determined efforts to develop more dedicated R & D centres. Many private-sector facilities are located in production areas rather than separately. Some industries, such as machinery manufacturing, need to locate development work alongside manufacturing. But indications are that there are approximately 100 R & D centres belonging to private industry, as well as hundreds of smaller-scale in-house R & D activities being carried out by local companies. With a few notable exceptions, almost all R & D facilities in the area are operated by companies with headquarters in the region.

Large companies operating extensive R & D facilities in various sectors include:

- *Steel, machinery and electronics:* Toyoda Machine Works, Makita Electric Works, Takaoka Electric, Nidek and Daido.
- *Chemicals and foodstuffs (including biotechnology):* Nakano Vinegar, Meito Sangyo, Toagosei, Ibiden and Japan Synthetic Rubber.
- *Advanced ceramics:* NGK Insulators, HGK Spark Plugs, Rinnai, Inax and Noritake.
- *Musical instruments:* Kawai and Yamaha.

Tokyo presents a number of challenges for regionally based high-tech industries. First, companies working on emerging technologies are highly dependent on the information and contacts in an information centre such as Tokyo. Research centres situated in Nagoya have an advantage over those located farther away from Tokyo: Nagoya is within easy commuting distance of the capital. However, the disadvantage of being so close is the amount of time spent away from the office or laboratory.

The second major challenge is the preoccupation of high-tech industries with recruiting top university graduates. Graduates from institutions in Nagoya are available, but the competition for recruits is so stiff that many Nagoya firms have set up Tokyo head offices specifically for recruitment. This is a national trend that has affected industries in every region of Japan.

3 Commercial Activities

Trade Organizations

Canada has three twin-city arrangements in the Tokai region: Prince Rupert, B.C., with Owase in Mie prefecture; Kelowna, B.C., with Kasugai in Aichi; and Mississauga, Ontario, with Kariya in Aichi. Nagoya has sister-city relationships with Mexico City, Los Angeles, Nanking and Sydney, and is thought to be discussing such a relationship with Toulouse, France, given mutual activities in aerospace and advanced ceramics.

The major industrial and commercial organizations in the Tokai region are:

- Nagoya Chamber of Commerce
- Chubu Economic Federation
- Chubu Committee for Economic Development
- Aichi Employees' Association
- Central Japan Industries Association

Nagoya's Chamber of Commerce, located in its own building, is a powerful organization administered by more than 200 employees. The staff organizes an active international program of missions and seminars, of interest to a membership that includes an estimated 1 500 firms in the import/export category. The number of firms in the import/export business has increased dramatically in recent years, partly because many manufacturers now do their own trading.