

leads to a situation where many Japanese companies are unaware of Canadian companies and their capabilities or of the advantages held by Canada for Japanese investment (such as a skilled labour force, an advantageous location for trade with the U.S., abundant power and excellent raw materials).

Finally, there are the numerous barriers that exist because of the differences in business practices. There are differences in commitment timeframes (short versus long-term perspectives and outlook), and the mismatch of resources available to Canadian versus Japanese companies to undertake projects. Japanese companies often work to schedules that demand long-term commitment by senior management and working-level resources, something often difficult for Canadian companies to meet given the costly nature of doing business in Japan over the long term. There are cultural differences, distance, language barriers, the need to have a continued presence in the country to stay the course of negotiations and all the other difficulties of doing business in another nation located an ocean away.

In contrast to these traditional barriers, there are now a number of positive developments that make opportunities for ventures and better business relationships much greater than in the past. To begin, there is recognition by the Japanese government that it must open its marketplace and encourage increases in investments in other countries if it is to continue to have good international economic relationships. Japanese companies are actively investing around the world to reduce Japan's trade surplus and Canada can be effectively promoted as a target for such investment. As well, Japan is moving to promote the involvement of foreign companies, as noted previously. Selling foreign technology and goods in Japan is being made easier. Networks are being put in place involving government, associations and trading houses to identify technology and products of potential use and assist negotiations and promotion of foreign companies. Further, under the continuing pressure on the yen and the home market, many Japanese companies are investing heavily in future-oriented strategies to improve yields and develop leading-edge devices. It is precisely in these future-oriented, specialized applications of advanced technology that Canadian companies practicing nichemanship have gained an international reputation and are able to compete effectively.

While there are obvious limitations to doing business with Japanese firms, the barriers are neither comprehensive nor insurmountable. Opportunities exist for Canadian companies to do business with Japanese firms and for Canadian industry to improve its situation by taking advantage of the changing Japanese business context.