

banks in Canada, and there is a good deal of Japanese interest in the upcoming changes in the regulations governing Canada's financial sector.

In 1990, JETRO conducted a survey of Japanese companies interested in investing abroad. Those that mentioned Canada as a possible country of interest were primarily interested in import and export, distribution, auto parts, general manufacturing, machinery, and construction. There was also a significant interest among companies active in food and beverage production, computers, metal products, precision machinery, services, fishery and forestry, measuring instruments, chemicals, electronic parts, and robotics.

Main Sectors of Opportunity for Canadian Business

- agriculture and food products and services
- fisheries, sea products and services
- advanced technology products
- forest products, equipment and services
- consumer products

Source: Asia Pacific Foundation of Canada.

Relevant Regulations

The Japanese have an open policy towards outbound investment, because it is an effective way to reduce their trade surplus. The foreign exchange and foreign trade control law of 1980 freed outbound and inbound investment, while the Plaza Agreement of 1985 encourages globalization by allowing the yen to appreciate. Moreover, Japan's domestic infrastructure, unlike Korea's and Taiwan's, supports companies interested in venturing overseas. Japanese financial institutions, for example, have become effective go-betweens in corporate transactions.

Negotiating with the Japanese

In entering into business dealings with the Japanese, pay attention to cultural issues and differences in negotiating style. The Japanese do not expect foreigners to understand the details of their own etiquette, but you should make an effort to conform to the most important Japanese customs.

Japanese names appear with the family name last. Always use the family name preceded by Mr., Mrs., or Miss. If you establish good rapport, you may use the suffix "san" after the family name, which is equivalent to "Mister."

The Japanese are very punctual. Make your appointments as far in advance as possible and then be on time, or even a few minutes early. If you have an appointment with a senior executive, a junior staff member will probably entertain you in a lounge with tea or coffee prior to the meeting.

When your key contact arrives, rise to be introduced and exchange business cards. Business cards are very important in Japan and they are examined carefully. Yours should have your name, the name of your company, and your title or position within the company. Your card should carry a Japanese translation on one side and this can be prepared fairly quickly by a local printer. The card should be well-printed, using the same quality on both sides and it should not carry advertising slogans.

Do not expect much from your first meeting: its basic purpose is to establish an atmosphere of friendliness and harmony. Compliments are exchanged, but never jokes, and sincerity is crucial. Impersonal gifts are frequently given, and these should be elegant and of the very best quality. Subsequent meetings will focus on building a good relationship since the Japanese are interested in stable long-term associations with compatible partners.