

**T**he island of Kyushu is also known as "Silicon Island" due to its high concentration of integrated circuit (IC) manufacturing companies. Kyushu, together with the neighbouring prefecture of Yamaguchi and the island of Okinawa, form the Kyushu-Yamaguchi Economic Sphere, a region with a population of almost 15 million and a GDP larger than Australia, South Korea or Mexico. This area is often referred to as a 10% economy, since it represents between 9% and 12% of the Japanese national level in terms of area, population, GDP, retail sales, local government spending, and other indicators.

Kyushu has strong ties with its Asian neighbours, with almost three quarters of Kyushu businesses abroad having opened offices in Asia. Asia accounted for more than 45% of Kyushu's gross trade volume in 1998.

Fukuoka, its main centre, with a population of 1.3 million, forms the fourth largest urban centre in Japan. Large foreign firms such as Costco (membership discount store) and AMC (movie theatres) have set up facilities in Fukuoka recently and are planning expansion into other regions.

#### Infrastructure developments

The Kyushu infrastructure has been developing rapidly over the past few years, making trade and travel more accessible and efficient. The Trans-Kyushu expressway, completed in 1996, links Fukuoka with all the Kyushu capitals, and the new Fukuoka international air terminal, completed in 1999, links the city to 18 cities in eight countries. With deregulation in the air services sector over the past few years, third-sector (private-public) partnerships have been formed to establish small, regional airlines, facilitating economic development in the regions by making them more accessible. These airlines require short runways, a perfect match for Bombardier Dash 8s, which are now being used by Ryukyu Air Commuters (Okinawa),

Amakusa Airlines (Kumamoto) and should be flying in the Nagasaki skies by 2001.

#### Opportunities in high-tech

With the growing use of the Internet as a communications and trade tool, the number of Internet service provi-

ders in Kyushu has more than quadrupled since 1995. Ten cable television companies recently received approval to provide Internet services and local authorities are pushing the development of Internet-based exchanges. In September, Fukuoka-based discount store Mr. Max introduced an on-line shopping service for clothing, items for children and babies, and pet goods. Companies can now promote their products and services, in English, free of charge via a new Web site [www.business-mart.ne.jp](http://www.business-mart.ne.jp) created by the Fukuoka Foreign Trade Association.

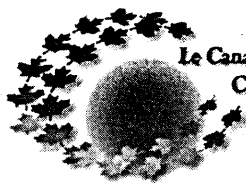
#### Distribution changes

Changes in the Japanese distribution system have created opportunities for certain types of Canadian products, especially in Japan's regional markets. This is especially true in Kyushu where trade that was previously controlled by large trading houses is now open to newcomers. Direct imports of Canadian food and beverages, building materials and furniture to Kyushu, including doors and windows, wine, frozen cakes, and furniture have been successful.

#### Fukuoka-Canada Society

The Fukuoka-Canada Society was established on September 30, 1999, to promote friendship and exchange between Japan and Canada in the areas of culture, economy, and technology. The Society has over 400 cor-

# Market to discover in southern Japan



porate and individual members, including such well-known companies as Kyushu Matsushita Electric (Panasonic), Shin Idemitsu, the largest oil retailer in Kyushu, and Toto, Japan's largest maker of sanitary earthware and metal fittings.

On July 1, Canada Day, the Society organized a showing of the Canadian movie *The Red Violin*, and, on July 10, Canada's Ambassador to Japan, Len Edwards, attended the first Annual General Meeting of the Society to promote Canada as a strong business partner in high technology. In September, 78 members of the Society visited Canada, and more activities are planned to strengthen ties between Fukuoka and Canada in the future.

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(For the unabridged version, see [www.infoexport.gc.ca/canadexport](http://www.infoexport.gc.ca/canadexport) and click on "A Yen for Japan".)