

**CONSTRUCTION & RELATED:
BUILDING PRODUCTS**

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Market Opportunity:

Japan, with 1.4 million housing starts annually, a strong yen and government encouragement to import, represents a virtually-untapped market for Canadian exporters of building products and prefab housing. The country has for some time been Canada's largest off-shore market for forest products such as lumber and pulp/paper, but we lag seriously behind the U.S. and European exporters when it comes to sales of value-added, high-end manufactured components for the housing sector. The 2X4 method of construction was introduced by Canada to Japan some 20 years ago, and more recently 3-storey wooden apartment construction has been approved for non-fire risk areas in Japan, offering another promotional opportunity particularly in smaller, regional markets.

Supplier Capability:

With the on-going recession in North America putting a damper on housing starts, there are large numbers of Canadian companies which are struggling to stay afloat in difficult economic circumstances. Most companies have unused production capacity and are in a position to supply new markets such as Japan. In many cases, the products which they have to offer are readily accepted in Japan, or can be made so by simple adjustments in size and/or design. These facts have been proven time and again as incoming groups of Japanese home builders have made hurried buying visits, liked what they saw in Canada, and placed literally millions of dollars worth of orders on-the-spot. Successful Canadian manufacturers have shown themselves to be more than willing to train Japanese workmen in proper installation techniques, provide special tools if need be, and visit their customers repeatedly to establish a trustful working relationship. The size of many Canadian companies is a good match for their Japanese counterparts, who may be small builders erecting 25-50 houses annually. The on-going challenge remains that of educating Canadians with regard to the market opportunity which they are overlooking if they are not selling in Japan.

Action Plan Strategy:

Build awareness within the Canadian housing sector of the Japanese opportunity by making exporters aware of the size, structure, needs and growth of residential housing in Japan.

Assist Canadian companies to adapt their products to suit Japanese tastes, regulatory requirements, size/colour preferences, business methods, just-in-time delivery schedules etc., by conducting an aggressive and highly-targeted outreach program within Canada.

Promote housing products in a variety of ways in Japan, including trade shows of various types, product showrooms, model homes, solo show events, seminars, demonstrations, showcases, technical training, product brochures/installation instructions in Japanese, advertising in trade journals, in-plant training and product awareness.