

image: studio tdes www.thedailyenglishshow.com

Japan: Up and Running

By Tyson Garbe, Assistant Director: Trade & Investment, JETRO Toronto

Many businesses in Japan will seek alternative energy sources, such as wind power.

Since March 11, Japan has become front-page news all over the world. Previously, most people in Canada knew very little about Japan except for their favourite kind of sushi. However, many were extremely impressed by the strength and perseverance of the Japanese people in the face of adversity and were also surprised at how critical Japanese manufacturing was to global supply chains.

At the same time, there were a lot of inaccurate stories in the media and this created confusion and uncertainty. It has been JETRO's role to provide accurate and timely information to the business community.

Immediately after March 11, JETRO set up a help-line for companies, both Japanese as well as foreign subsidiaries, in the affected areas. JETRO also provided office space for companies to use on a temporary basis. Through our TTPP on-line business-matching system, we created a number of disaster-specific categories such as safety masks and gloves, generators, LED lighting, used fishing boats, emergency kits, construction material, water, fans and biofuels.

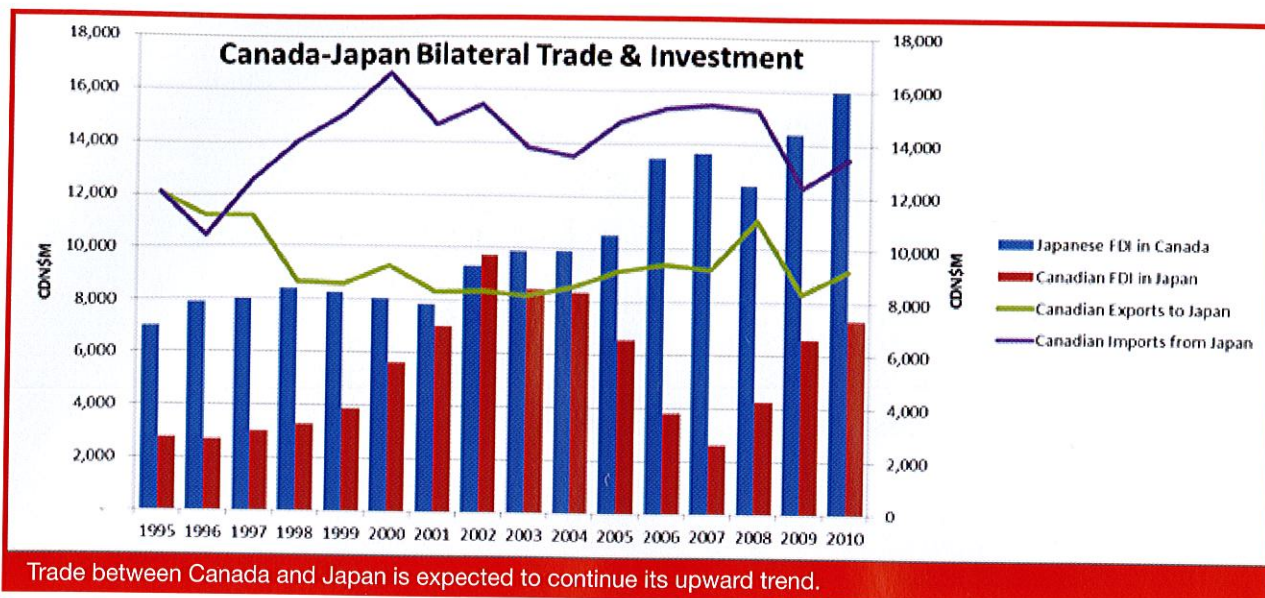
On JETRO Canada's website, we put up a series of links to help Canadian companies know the real situation in Japan as well as links to specific services such as radiation inspection agencies in Japan which were in high demand. Both our JETRO Toronto and JETRO Vancouver offices fielded numerous inquiries from Canadians concerned about their existing business or offering products and services that might be needed for the disaster relief

efforts. In particular, JETRO provided detailed explanation to Japanese exporters about Canadian restrictions on the import of Japanese food products.

The Japanese Government and JETRO has hosted many briefing sessions on the latest situation in Japan, both in Tokyo for foreign companies operating in Japan and in 15 cities around the world. In cooperation with the Canadian Embassy in Tokyo, and with the support of DFAIT, Provincial Governments and many other organizations across Canada, the Japanese Government and JETRO will be co-organizing a series of seminars in Halifax (June 17), Montreal (June 20), Toronto (June 21), Calgary (June 23) and Vancouver (June 24) to explain that Japan is still open for business and to encourage Canadian companies to re-engage with Japan. Mr. Hiroaki Ishii, JETRO's Executive Vice President, will travel to Canada to present the latest supply-chain situation in Japan, a topic of concern for many Canadian businesses.

So what are the opportunities for Canadian companies in Japan?

Some Canadian companies became involved in the immediate post-disaster relief efforts. For example, there was huge demand for Ottawa based C-COM Satellite Systems's iNetVu system for backup communications [see article on pages 16-17]. BC-based Whistler Water also saw a huge spike in sales to Japan as fears grew of radioactive material contaminated water (Canadian Press, March 28, 2011). The benefit may only be short-term for such companies but they have a unique opportunity to gain a foothold



or expand their presence in the Japanese market.

Looking towards the peak demand summer season, predicted electricity shortages will require many businesses in Japan to seek alternative energy sources, including solar and wind power, and will look to reduce their energy consumption. Back-up power generation is also being looked into by manufacturers. The sudden huge demand for such technology may provide opportunities for Canadian companies with expertise in these areas.

As cleaning and rebuilding efforts continue in the affected areas, environmental waste management technology will be in great demand and new housing demand will rise. Canadian housing became quite popular after the 1995 Kobe earthquake and we will have to see if a similar boom results from the present situation.

Manufacturers are also examining their supply chain to see how they were so vulnerable to the affects of the disaster. Now is the perfect time for Canadian companies to introduce their capabilities to see if they can be part of the solution.

In the mid and long term, Prime Minister Kan said that Japan would need to create disaster-resilient local communities, eco-friendly social systems and a welfare oriented society (from speeches by Prime Minister Kan, April 1 and 12). This will need new, creative ideas and technology from both Japan and abroad.

In addition to these new areas of business, the opportunities for Canadian companies in the Japanese market are as they were before the March 11 disaster. Japan is still the 3rd largest market in the world with a GDP of over US\$5 trillion. According to private sector forecasts, Japan's economy will grow in Q3 and Q4 2011 after slowing down in the Q1 and Q2. The degree of the slowdown is expected to be much less than after the "Lehman Shock" (METI Presentation, April 27, 2011).

As Canadian companies take advantage of these op-

portunities and penetrate into the Japanese market, JETRO looks forward to supporting them as their business grows. We will continue to encourage and assist Canadian companies looking to set up offices or facilities in Japan, or second investment locations for those already established there, with a special focus on certain sectors such as environment, healthcare, tourism and ICT. In particular, we are looking to support companies in the establishment of R&D facilities and regional headquarters in Japan. A number of initiatives and programmes are being prepared including certain incentive programmes.

Japan's economy will grow in Q3 and Q4 2011 after slowing down in the Q1 and Q2.

As well as investment promotion, JETRO is also supporting Japanese SMEs in their efforts to find global export markets. We encourage Canadian manufacturers to take advantage of the high Canadian dollar to invest in new cutting-edge technology and equipment from Japan.

As Japan recovers and rebuilds from the triple disaster, we hope that closer trade and investment ties between Canada and Japan will develop to the benefit of business in both countries. <<<



Tyson Garbe, Assistant Director: Trade & Investment, JETRO Toronto