



CANADIAN CHAMBER OF COMMERCE IN JAPAN
CHAMBRE DE COMMERCE DU CANADA AU JAPON

The New Japan: The Canadian Chamber of Commerce in Hong Kong

Presented by Philip O'Neill
President CCCJ



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Canada and Japan

Restructuring of Japan

Rebound and Growth

New Challenges and Opportunities

Some lessons after many years



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Why Japan?

Second largest economy in the world.

\$3,870 billion US West of the Mississippi.

Highly advanced

Complimentary economic activity between Canada and Japan



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What happened during the “Lost” Decade?

Massive restructuring.

Cross shareholding dramatically reduced.

Decline in domestic

manufacturing. -23%

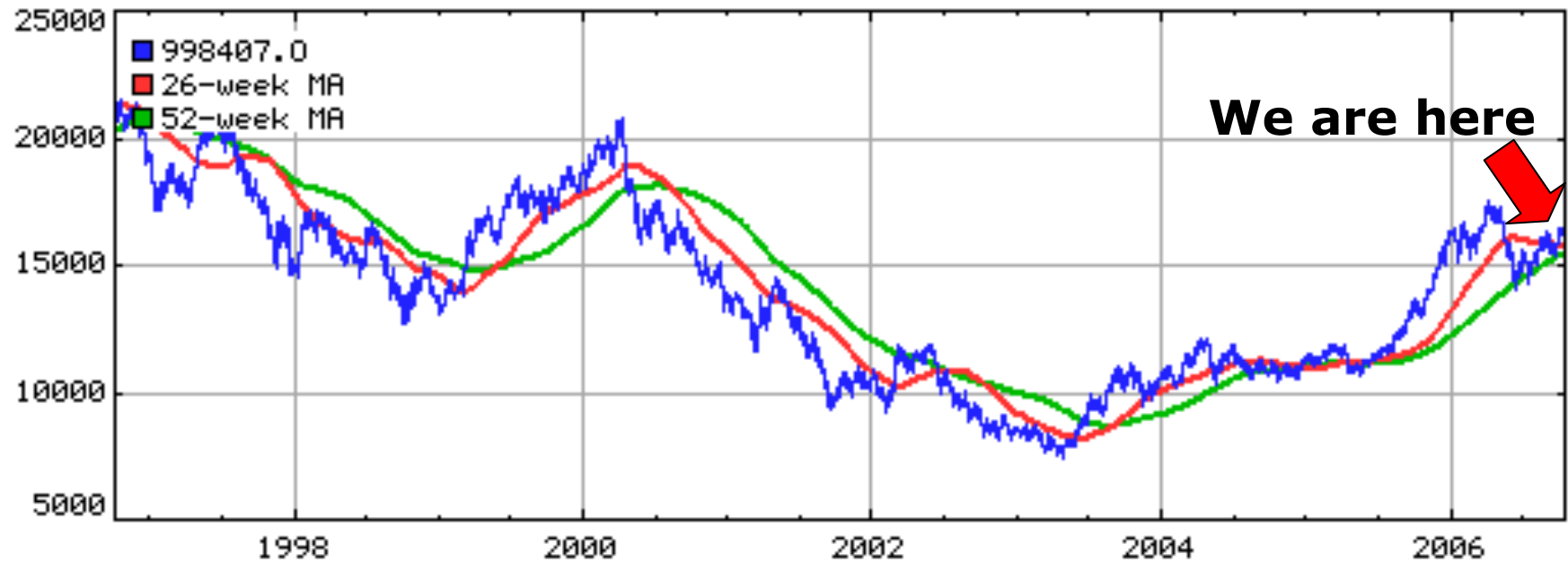
Rise in services 75%

Financial services de-regulation. FSA

Nationalization and write down of bad loans.

Nikkei 225 index over 10 yrs

Nikkei 225
2006/10/11



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Koizumi Reforms

Actually started 10 years ago by PM Hashimoto

Smaller government: reduced pork

Excuse for restructuring in companies

Less consensus driven decision making

IRCJ



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Japan in the World

Becoming more Asian in terms of trade

Exports to China increased ~3x in last 10 years

Value creation chains internationalized into Asia

FDI very small 2% compared to other counties.

Major Creditor Nation



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Rebound and Growth

Leveling off of land prices: not dropping

Deflation maybe coming to an end

Interest Rates maybe going up

More Open to FDI

Koizumi campaign for FDI

Mr. Abe



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Rebound and Growth

Longest postwar recovery in Japan

Growth in service sector employment

Revolution brought on by internet and wireless communication

Financial System actually starting to compete

Investments in Next generation of technology



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New Attitudes:

Labour Market Mobility

Willingness to change jobs

Performance based, competency-based compensation.

Business Education: MBA, CPA in demand



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New Attitudes:

Consideration of all stakeholders, including Shareholders

Corporate Governance: JSox

Entrepreneurship : Rakuten, Tully's Coffee, Foreign
Entrepreneurs.



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New Commercial Code: May 1, 2006

K.K set up much easier

New corporate structures allowed

Next year, triangular mergers will become possible



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New Consumers

Consumer confidence and spending High

About 50% of brand company sales in Japan

Focusing on Quality of Life

Home rebuilding and remodeling

Building boom in Central Tokyo



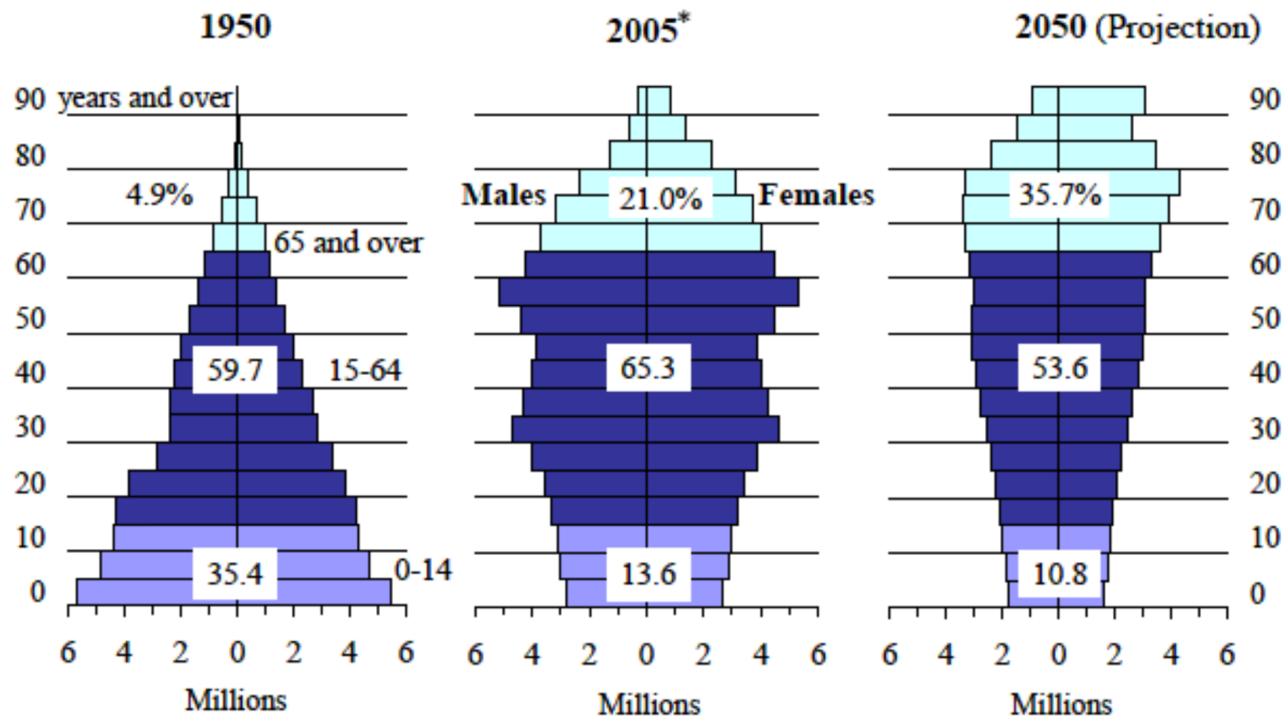
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Shibuya Last Train



Challenge

Changes in the Population Pyramid



Source: Statistics Bureau, MIC; Ministry of Health, Labour and Welfare.



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Challenges:

Huge Gov't debt: 170% of GDP

Pension system probably insolvent

**53% household of assets in Cash,
bank deposits or in the drawer at home**

25% of families have no savings



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Opportunities

Service/lifestyle sector for an aging population
Lifestyle and luxury goods: Lohas markets

Education spending on children and grand-children
6 to 8 pockets

Financial services:
move to risk capital: diversified funds, etc.

White collar productivity improvement



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Success in Japan

Patience

Know How

Know Who

Patience



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Success in Japan

A real strategy to differentiate yourself

Branding Quality

Communication

Community CSR



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Success Stories in the New Japan

Manulife M and A

Hartford Insurance: Regulatory change

Escalator Handrail Company: Niche, high value product

High Tech and IT companies from Canada: Niche service



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Please visit us in Japan.

Thank you



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View of Shinjuku from Roppongi Hills





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- Private sector member-driven, member-focused organization
- Longest serving chamber in Asia (since 1975)
- 320 members representing 37 business sectors (up eight percent from previous year)
- Funded by membership fees, events and advertising from CCCJ publications

Where we stand

	Members	Staff	Gov't funded
1. ACCJ	3000	25	No
2. German	500	20	Yes
3. French	400	20	Yes
4. CCCJ	320	3	No
5. British	280	2	No



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C: Community of contacts

Connecting members with contacts through a varied events programme, networking opportunities that provides the information they require to maintain a competitive advantage and to keep abreast of developments in Japanese market.

C: Cooperation

We advocate cooperation amongst various stakeholders incl. Embassy, provincial offices, FCIJ, Canadian Chamber in Canada and Asia, Japanese chambers and government that helps to leverage our resources.

C: Customers/Clients=Our members

By focusing on our members' needs we can help them develop more business/client relationships leading to a stronger community

J: Japan experts

Our members represent a great resource. Many have long-term experience in this market and can provide valuable insight and contacts to fellow members, Canadians and Japanese interested in Canada. 50% of our membership is Japanese. By including the CCCJ in embassy activities, allows for greater exchanges and possible opportunity.



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New initiatives developments:

1. The CCCJ has adopted the promotion of a FTA between Canada and Japan
2. iTV and the CCCJ
Will soon add webcasts to further broaden our exposure beyond Japan that will underline the importance of the Japanese market and the opportunities that exist.
3. New logo
This fresh new look is timely and reflects the revitalized economy, C-J relationship and the Canadian identity for branding purposes.



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Working Together

1. The CCCJ needs your support
Our events held at the embassy helps us attract a broader audience including influential Japanese and international business contacts.
2. Introduction to visitors from Canada when they are planning trips to Japan - speakers
3. We are on the same team – we need to be organized in our approach to the Japanese market for maximum effect. We can do this by working together.