

Canada Comes to the Kansai

By Michael C. Spencer

I had to wait 16 years to get back to the Kansai. I first lived here during 1970 when I was director of public relations for the Canadian Government Pavilion at Expo '70. Sixteen years passed before I returned in 1986, this time to open the new Canadian Consulate General in Osaka, Canada's first such office in Japan.

During the year I lived and worked here during Expo, I became convinced that if Canada was to really make a deep and lasting impact on the Kansai, it was essential we have a consulate in Osaka and be part of the local business scene, rather than try to cover the region with trips from our embassy in Tokyo. I had direct experience of such traveling since I spent some 18 months commuting from our embassy to Osaka for Expo-related work before finally moving here a few months before Expo '70 opened.

I believed then, and believe even more strongly today, that the way to really influence business here is by being part of the local economy. Osaka businessmen are more aggressive, independent and outspoken than their counterparts elsewhere and are proud of their identity as the "merchants of Japan."

They resent their city having lost commercial preeminence to Tokyo and are now making determined efforts to become more international. To respond to these sensitivities, it seems clear one must reside and work here to develop the close personal relationships so essential to doing business in Japan.

I remember when I first arrived in Tokyo 26 years ago, the Canadian business community there was a mere handful but today it numbers several hundred. The Canadian business community in the Kansai is still small but I expect it and other foreign business representation will grow as more opportunities develop. I am delighted our Bank of Nova Scotia has recently opened a representative office here, the first Canadian bank to do so.

Canada's opening of a consulate general in the Kansai has come at an ideal time because of the tremendous interest now widespread in the region to become more

international. No one is quite sure what being "international" really means but there is a genuine desire to develop more foreign contacts and linkages and this is bound to lead to more Kansai business with foreign firms.

Indeed, in the year since our office was opened there has been a dramatic increase in the number of Canadian businessmen and senior officials visiting the area and of Kansai businessmen visiting Canada. The Osaka Chamber of Commerce and Industry sent a high-level 31-member mission to my country this past spring. Its members returned most enthusiastic about the prospects for increasing business with Canada and the chamber plans a follow-up working-level investment mission to Canada next year. The mission also helped stimulate Canadian interest in the chamber's Asia-Pacific Business Convention in Osaka this October, in which businessmen and officials from almost all regions of Canada participated.

The cities of the Kansai frequently host major trade shows and international conferences. Osaka was the site for the annual meeting of the Asian Development Bank this past spring and next May will play host to the Pacific Economic Cooperation Conference and the Canada-Japan Businessmen's Conference. The city is already looking ahead to 1990 when it will stage another Expo: the International Garden and Greenery Exposition.

I am very optimistic about the future for the economy of the Kansai. The giant Kansai International Airport is the most dramatic example of major new projects serving to revitalize the region and is attracting tremendous interest by both Japanese and foreign companies. As a world leader in transportation systems and equipment, Canada is following this project very closely.

The Canadian government believes the potential for business in the Kansai region is so great that we have deliberately limited the geographic coverage of our new consulate general to Osaka, Kobe, Kyoto, Nara and the immediately sur-



The Canadian stand at an exhibition on airport construction and aerospace engineering held in Osaka in May.

rounding area. Though small in size, this region of some 22 million people represents 20% of the Japanese economy and, correspondingly therefore, 2% of the world's GNP, so my staff and I realize we have more than enough work to keep us busy for many years to come!

Osaka is the headquarters for 30 of the world's 500 largest corporations outside the U.S., ranking fourth in that regard behind Tokyo, London and Paris. Although our office is liaising closely with major firms in the region, a prime target is the medium and small companies which represent 92% of the work force. Many of these firms have been hit hard by the dramatic increase in the value of the yen and so for the first time are sourcing abroad or are seriously considering locating their manufacturing facilities in other countries.

As a result of this new interest in importing in the Kansai, the potential has probably never been better for foreign companies to sell in this market and we are seeing the development of many exciting new commercial contacts by Canadian organizations with Kansai firms. Similarly, there is great interest here in investigating the prospects for manufacturing abroad and a seminar on investing in Canada organized in Osaka by my government this past spring with the help of the Osaka Chamber attracted over 250 participants.

For me, 16 years was a long time to wait to return to the Kansai but it has been well worth it! ●

Michael C. Spencer is Canadian consul general in Osaka. He entered government service in 1967 after working as a university teacher. He was appointed to his current post in 1985.