

Advice to Exporters (Part 1)

The Japan External Trade Organization (JETRO) dispatches experts well versed in various industrial fields for long stays in Australia, Europe, the United States and elsewhere to search for promising exports to the Japanese market and to offer advice about exporting to Japan. The experts, who number 31 at present, use their wealth of experience and knowledge to carry out a range of activities in association with state governments and regional trade promotion organizations. The following are on-the-spot reports sent in by two experts.

From Yutaka Kajita, in the U.S. state of Arkansas since December 1990

Thanks to the fever whipped up by the presidential campaign of Bill Clinton, Arkansas has suddenly found itself in the spotlight. About one-third the size of Japan, the almost square state is divided diagonally into two: a mountainous northwestern part and a flat southeastern part, the delta of the Mississippi River.

Timber products, made from the rich forest resources in the mountains, represent the primary export to Japan. Trade promotion activities so far have resulted in several success stories, including pine materials, cedar products and wooden tableware. Recently we succeeded in exporting a whole container of oak flooring materials. Although most floors in Japan are of plywood, this batch consisted of pure wood materials, which have begun to receive a lot of praise from some architects in Japan of late.

The efforts of the last 18 months, including strong support from JETRO, which has featured the materials in its trade shows and import magazine, came to fruition in a contract. We had to go through a lot of ups and downs along the way, though. For example, just when the Japanese side was becoming very enthusiastic about the deal, the supplier's representative suddenly changed.

My wife and I recently received an invitation to spend the weekend at the farm run by Mr. Schramm and his wife in Montebello in the southern part of

Arkansas. Mrs. Schramm had been successful in exporting to Japan after exhibiting some wonderful cloth handbags, eyeglass cases and other items at a trade show held in Kobe in February 1991.

At the ranch we were shown to a camp house the size of a small lecture hall, fully equipped with a dining section, a bar, a lounge and even a billiard table. Mr. Schramm grows 1,000 acres each of rice, oats and soybeans. In Japan, a traditional farm is considered large if it covers just a few acres. But here, on a farm 1,000 times this size, there were, much to my surprise, only four or five people working on the large tractors and small airplanes.

In the evening we enjoyed a barbecue with the Schramm family. It was only a brief visit, but I was able to fully appreciate the grandeur of a U.S. farm, the warmheartedness of its people, and the delicious taste of its products.

From Toshio Keta, in the U.S. state of Indiana since September 1990

When you imagine Indiana, you probably think first of all of the spectacular Indianapolis 500-mile auto race. Even I, despite being so proud of my knowledge of the United States, was completely unaware until taking up my appointment that Indiana is the No. 1 steel-producing state in America, and home to more than 100 Japanese companies, most of which are based in manufacturing. Only after I heard that Indiana stands at such an important junction in the road network spreading throughout the country did I realize that the central-western part is known as the "heartland" of the United States and Indiana is dubbed the "crossroads of America."

About one-quarter the size of Japan, Indiana consists almost entirely of flat, fertile land. Although there are no mountains, the state has an abundant supply of hardwood, such as oak and cherry trees, so agriculture and forestry are the main industries.

When I asked immediately after my appointment what in particular Indiana would like to export to Japan, top officials in the state government pointed to four areas: furniture, camping cars, medical

equipment and the automobile-related business. To illustrate just one example of my activities, let me introduce the furniture industry, which is concentrated in the southern part of the state.

When I called on companies to take part in an international furniture trade show to be held in Tokyo a year later, I received positive responses from more than 15 firms. Maintaining this interest for a full year was extremely difficult, though. What I did was arrange midday seminars about once a month, with sandwiches for lunch, on such topics as exporting to Japan in general and the situation in Japan, with speakers from such places as JETRO's office in Chicago, Nittsu Chicago and the Indiana National Bank.

In the end, seven companies joined the furniture mission to Japan. During their stay, thanks to the cooperation of the JETRO head office in Tokyo, the mission was able to preside over a seminar and visit furniture factories, department stores and furniture stores.

The purpose of the visit was to find partners, or import agencies, for exports to Japan, so I advised the U.S. firms to send executives close to managerial policy-making to meet as many people as possible. One company president, expressing a dislike for planes, refused to fly internationally. Another president was too busy, so he sent his sales chief, who then returned to America full of pride at having received orders from several retail stores. Yet another president returned with several hundred business cards of possible import partners and his own notes of his impressions, which he immediately brought in so that we could begin the task of narrowing the field. As a result, the company found a good partner, with which it has worked well over the past year.

I have been using the same methods in offering advice to other industries in the state. Nevertheless, finding a niche is no easy matter, especially at a time when trading companies and manufacturers on both sides of the Pacific are looking for only top-quality partners and merchandise. Success requires meticulous advice and a lot of perseverance.