

Special Distribution Considerations — Mooring Storages

In Japan, the decision to buy a pleasure boat often depends upon availability of mooring space. Lessors of mooring space are a critical link in the distribution chain, and Canadian manufacturers of pleasure boats might, therefore, consider making distribution and sales arrangements with a local representative or agent who can offer customers "boat and mooring" packages. Such arrangements not only minimize the number of intermediaries and price mark-ups, but also permit Canadian manufacturers to offer the final retailer, usually the marina, larger and more competitive discounts.

Present Mooring Capacity

Japan has a serious shortage of mooring space. There are approximately 250 000 pleasure boats whereas the country's 386 marinas have a combined capacity of only 50 000 mooring spaces. There are virtually no slips for boats longer than 12 m. This situation has led to the illegal riverside mooring of an estimated 110 000 pleasure boats, and to the development of various alternative mooring programs.

For example, many boat owners participate in off-site boat storage programs which provide in-land boat delivery services to and from marinas. Others, particularly in the Osaka area, use newly built "floating marinas," which rely on breakwaters formed by semi-submerged ships. In the Tokyo area, where all natural mooring sites have been developed, boat owners are offered "fly-in marina" programs by marina operators in remote areas where mooring space is available.

Such programs, initiated by the private sector, are not the long-term answer to Japan's shortage of mooring space. Rather, the solution lies in the construction of large, modern marinas by public sector authorities.

Future Mooring Capacity

In 1989, there were 332 marinas under construction or planned, representing over \$50 billion of new construction. Most of these marinas are being developed by local and national governments, in co-operation with private developers and fishermen's unions. Foreigners are welcome on some Japanese marina planning boards and such involvement can only enhance sales opportunities.

Marina Resort Development

In 1987, the *Resort Development Law* set out marina development guidelines and financial aid qualifications for local governments and private developers.

The Ministry of Transport (MOT) has two programs to encourage marina construction:

- To offset capital costs, the MOT will fund up to half the development cost at an interest rate of 5.1 per cent.
- The Marina 1999 Program provides funds to expand the Pleasure Boat Spot Program, which aims to improve day-trip sites around Japan.

Private Developers

Companies currently developing marina resorts independently or in joint ventures are Cosmos Oil, Nihon Cement, Sumitomo Heavy Industries, Tokyo Tatemono, Tobu Railway, Tokyu Corp., Keihin Electric Railway, Odakyu Electric Railway, Keisei Electric Railway, and Seibu Co.

There are a number of Japanese private developers who are interested in building marinas and who already own waterfront property:

- Nippon Suisan has 4.1 acres in Harumi and 16.3 acres in Hachoji;
- Meiji Seika plans to redevelop its factory site near Kawasaki Station;
- Nichirei will redevelop its Kachidokibashi and Akashi sites;
- Mitsubishi Oil has a 158-acre refinery site in Kawasaki City;
- General Sekiyu has an idle refinery site in Yokohama;
- Onoda Cement has 8.2 acres in Harumi and 9.8 acres in Makuhari;
- NKK has 2 451 acres of industrial property that it can redevelop;
- Nippon Yakin Kogyo has 10.6 acres in Kawasaki;
- Mitsubishi Steel has 49 acres in Shinonome and 22.1 acres in Ichikawa;
- Fujikura plans to redevelop its head office site;