

Japan

Market Environment

In 1989 Japan was second only to the United States in terms of car population. The total number of vehicles owned topped 61 million including 38,963,000 cars, 21,131,000 trucks, 248,000 buses, 1,314,000 special purpose vehicles as of December 1992. In 1990 5,102,659 new passenger car sales were recorded in Japan but in 1991 sales dropped to 4,868,233 or 95.4% of 1990 and in 1992 sales dropped further i.e. to 4,454,012 units or 91.5% of the 1991 sales.

The growing complexity of vehicle systems and Japan's strict regulations governing periodical inspections and maintenance have increased the demand for imported automotive service equipment particularly for tire changers, wheel balancers and frame straighteners.

The value of imported automotive service equipment increased from Y 4.7 billion in 1983 to Y 10.4 billion in 1989.

Japan has a strict vehicle inspection system which includes two legal inspections for every vehicle on the road. The regular inspection which is done to maintain vehicle safety is made every six months for passenger cars and trucks. Commercial passenger cars and buses require a monthly inspection. The purpose of the shaken inspection is to extend the vehicle's road worthiness. Passenger cars are considered to be road worthy for two years and commercial vehicles for one year after the shaken inspection.

The regular inspections are done at commercial garages and represent a major source of income for them. The shaken inspection is conducted at garages operated by the Ministry of Transportation or by government approved inspection garages.

The Japanese automotive service equipment industry consisting of approximately 100 manufacturers is relatively small. The value of Japan-made automotive service equipment amounted to Y 94.5 million in 1983 and to Y 122.5 million in 1989.

Export Marketing Opportunities

Export opportunities exist for frame straighteners, tire changers, wheel balancers and wheel alignment testers. Small garages tend to buy equipment through a purchasing co-operative run by a local association of garage service companies while larger garages prefer to buy from major distributors.