

## **JAMA Motorcycle Industry New Year's Discussion**

### **Recapping 2003 Industry Performance, Forecasting 2004**

The Japan Automobile Manufacturers Association (JAMA) invited key executives from Japan's four motorcycle manufacturers to participate in a New Year's roundtable discussion, during which they reviewed the progress made in 2003 and presented the industry view on the outlook for 2004.



**From the right:**

**Mr. Hiroshi Ukon, Yamaha Motor Co., Ltd., Managing Director, Japan Headquarters;**  
**Mr. Yasuo Ikenoya, Honda Motor Co., Ltd., Managing Director, Chief Operating Officer**  
**for Motorcycle Operations**  
**Mr. Isamu Miyagawa, Suzuki Motor Corporation, Senior General Manager (Councilor),**  
**Domestic Planning, Motorcycle/Marine & Power Products**  
**Marketing Division;**  
**Mr. Shinichi Morita, Kawasaki Heavy Industries, Ltd., Senior Vice President, President**  
**of Consumer Products & Machinery Company; and**  
**Ms. Yoko Togashi, moderator, freelance journalist.**

### **Japan Market Highlights in 2003**

In the 50cc motorcycle class, the Honda “Today” and other new low-priced products were marketed, supporting growth in unit sales. Suzuki released the “Choinori,” a product priced at the 50,000-yen level, which helped boost the company’s sales in the 50cc class by more than 40 percent. Notable was the fact that the majority of the customers purchasing this product were first-time buyers who had never owned a motorcycle before. The purchasers of the “Passol,” a new electric-powered motorcycle introduced by Yamaha, also comprised a different segment than conventional users.

In the 250 to 400cc class, scooters have come to be used more widely by younger people, in addition to the traditional urban business customer segment. At the same time, older persons are also increasingly purchasing scooters. Catching on in the larger motorcycle class, meanwhile, is the marketing style of selling the models in combination with tours and leisure activities organized with them.

### **Schemes Needed to Increase Motorcycle Users**

In Japan, the quest to make it easier to buy and use motorcycles clearly points to the need to increase parking space available for these vehicles. However, motorcycles (excluding the 50cc class) are the only types of motor vehicles for which no legislation requires parking spaces, creating a demand for improvements on the legal front. Even with parking lots that do provide areas for motorcycles, those spaces are most often located deep within the facilities at the most inconvenient spots. Motorcycle users would obviously like to see an increase in parking lots that are handier and offer appealing services.

It is also forecast that if “automatic transmission motorcycle” licenses were issued, the number of motorcycle users would rise. In the case of automobiles, the introduction of licenses limited to the driving of AT vehicles led to an increase in female drivers. Though it would be difficult to expect results at the same scale as those of four-wheel vehicles, there are many people, women and men alike, who remain unaware that automatic motorcycles are even produced. In that sense, PR campaigns are needed to get the message out and expand the ranks of AT motorcycle riders.

### **JAMA PR Activities**

JAMA sponsors a wide range of public relations for motorcycles, with the “Motorcycle Months” (July through September) campaign started up four years ago a particular case

in point. This program was launched with the aim of holding events enabling users to savor the joys of motorcycles and where non-users can also learn about the value and utility of the vehicles, targeting the months of the year when motorcycles are driven most often. Interest in motorcycles is growing yearly, with one example being the rise in the number of entries submitted to the “Motorcycle Months” contest that gives away a package present of a new motorcycle and riding lessons each year. The first year of the campaign produced less than 30,000 entries, with that soaring to 80,000 the second year and 140,000 last year.

#### **Market Forecasts for 2004**

Finally, the representatives of each of the four companies were asked to give their forecasts for the motorcycle industry in 2004. The general positions expressed on this outlook were as follows.

**Ikenoya (Honda):** Although Japan’s motorcycle industry is currently facing harsh conditions, there are signs of progress in eliminating the ban on tandem riding on expressways,<sup>1</sup> resolving the parking space shortage and targeting other issues. On a separate front, a recycling program for motorcycles is scheduled to begin this autumn thanks to cooperation between the four JAMA-member manufacturers. In this way, we believe that the current issues will be steadily resolved to enhance the use environment, causing the market to move in a more positive direction.



**Ukon (Yamaha):** We were extremely concerned when domestic sales fell below one million units three years ago. However, the manufacturers are working hard to revitalize the market with the introduction of appealing new products. To support these efforts, the industry will also be doing its best to improve the ownership and use environment for motorcycles in Japan. For its part, Yamaha will be going all out to ensure that the Japanese market recovers to sales of one million units annually at the earliest possible time.



**Miyagawa (Suzuki):** With the major part of Suzuki sales generated by our automobile division, my goal is to see that this side of our business does not end up largely buried in the midst of the larger four-wheel sector. I also hope that the industry will strive vigorously as a whole to avoid seeing motorcycles left behind as Japan moves toward



automobile-focused motorization. The overwhelming majority of motorcycle production, meanwhile, now takes place overseas. Against this backdrop, the role of our business here in Japan will be to act as “mother plants” in steadily supplying the world with state-of-the-art know-how for both hardware and software.

**Morita (Kawasaki):** Much of our discussion here today has concerned improvements in the infrastructure for motorcycles, and on that front I feel that we are moving in a positive direction. It is now up to the manufacturers to supply good news in terms of their products and ideas. While the environmental problem is also a serious challenge, the very emergence of such technical themes will motivate Japanese makers to improve their engineering strength and carry on the business. In that sense, we should treat this as an opportunity to power up to even greater growth.



*(This article is a summary of a Japanese-language roundtable discussion carried in the January issue of “Motorcycle Information”<sup>2</sup> – a monthly magazine published by JAMA for press only.)*

(Notes)

<sup>(1)</sup> The Japanese government has initiated studies in the direction of lifting the ban on motorcycle tandem riding on expressways.

<sup>(2)</sup> Only available in Japanese-language version