

## JAMA's Four Motorcycle Manufacturers Hold Joint Press Conference ~ To Boost Understanding and Interest in Motorcycles ~

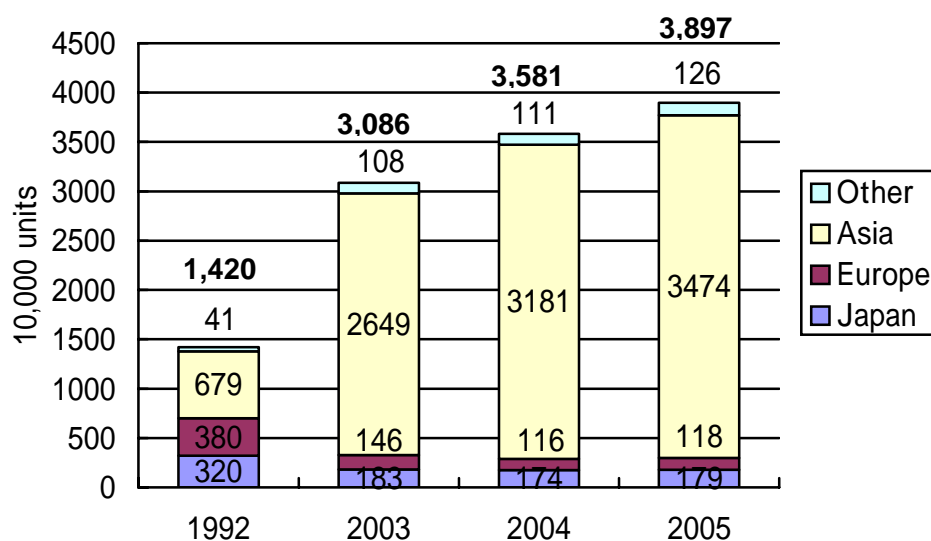


JAMA Motorcycle Committee members meet the press.

The Motorcycle Committee of the Japan Automobile Manufacturers Association (JAMA) held a press conference at the JAMA Tokyo office on July 5. The gathering was convened as a means to systematically supply information concerning the global and Japanese motorcycle industries and markets, seeking to deepen the understanding of the mass media and raise general interest in motorcycles. A total of 43 journalists were on hand for the event, with an overview of the session presented in this article.

### Current Status of Global and Japanese Motorcycle Markets

Global motorcycle production continues to grow, surpassing 30 million units in 2003 and continuing to expand to a level just short of 40 million units in 2005 (See Graph 1). Motorcycle output is particularly brisk in Asia, which turns out some 90 percent of the global supply. Within Asia, China accounts for 17 million units, India 7.7 million units and Indonesia 5.11 million units (in addition to 1.79 million units in Japan).



Graph 1: World Motorcycle Unit Production

Global motorcycle sales, as expressed in Chart 1, are also recording steady growth.

**Chart 1: Global Motorcycle Sales (unit: 10,000 motorcycles)**

Region	2001 Results	2005 Results	Increase rate
Asia <sup>1</sup>	1,962	3,151	60.6%
Europe <sup>2</sup>	198	204	3.0%
North America <sup>3</sup>	158	187	18.5%
Latin America <sup>4</sup>	90	183	103.3%

Source: JAMA

### Motorcycle Sales in Japan

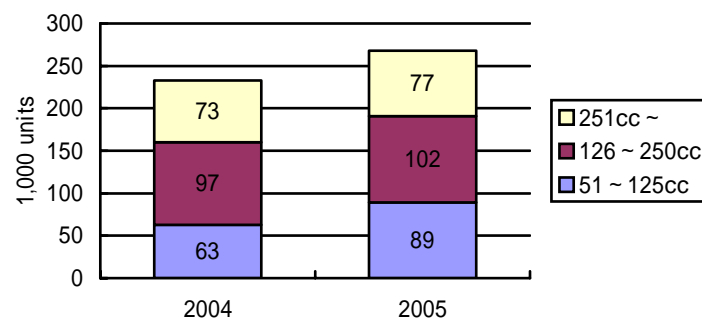
In contrast to the solid sales of motorcycles overseas, domestic sales in Japan have continued to show a downward trend (see Chart 2). Last year, in fact, the total slid to the 740,000-unit level

**Chart 2: Japan Motorcycle Sales (unit: 1,000 motorcycles)**

Year	1999	2000	2001	2002	2003	2004	2005
Unit sales	877	820	795	807	796	733	739

Source: JAMA

By displacement, however, as shown in Chart 2, while sales for the 50cc and under class are declining, there is a growth trend among models over 50cc in size. The reasons postulated for this increase are analyzed below.



Source: JAMA

**Graph 2: Unit Sales Trends in the Over 50cc Class**

### Deregulation-Driven Market Pickup

In Japan, motorcycle licenses limited to operation of automatic transmission models were introduced in June 2005, while in April of that year the ban on tandem riding of motorcycles on expressways was lifted. The nation's licensing systems for motorcycles differ between "50cc and under" and the "over 50cc" classes, with it being traditionally simple to obtain a 50cc and under license. The introduction of AT only motorcycle licenses has now spurred demand in the over 50cc class, linked to increased ease of earning licenses in that class.

<sup>1</sup> Total for 11 countries (China, India, Indonesia, Vietnam, Thailand, Taiwan, etc.).

<sup>2</sup> Total for 17 countries (Italy, Germany, France, Spain, the U.K., etc.).

<sup>3</sup> Includes all-terrain recreational vehicles (ATV).

<sup>4</sup> Total for seven countries (including Mexico, Brazil, Argentina, etc.).

In much the same way, with motorcycle displacement of 125cc or above required for riding on expressway highways in Japan, the lifting of the ban on motorcycle tandem riding on those routes has stimulated demand in this class as well.

Buoyed by the combination of government deregulation and new model launches and other efforts by manufacturers, Japan's domestic market, which had remained in consistent decline up to then, rebounded in 2005 to post a slight gain over the previous year (up 0.8 percent). According to the latest available JAMA statistics, meanwhile, unit sales during January-June of this year (domestic maker factory shipments) totaled 361,461 units, edging up 0.1 percent from the same six months last year.

### **Efforts to Enhance the Use Environment**

To further stimulate motorcycle demand, it is important to provide a more comfortable environment for their use. In Japan, however, motorcycle riders are plagued with numerous problems in that environment, one of which concerns the shortage of parking spaces for these vehicles in cities.

Japan has strengthened its crackdowns on parking violations in recent years, with the 24,000 parking citations issued in 1995 swelling to 110,000 in 2005. Commenced from this June, meanwhile, has been a program of consigning parking surveillance duties to private sector patrols, a move that has further bolstered the crackdown on violators.

In Tokyo and other big cities, in addition to the bans on curbside parking some 80 percent of private parking lots refuse to accept motorcycles. Under these conditions, it has grown increasingly difficult to ride motorcycles without major concerns of being forced to pay parking violation fines from time to time.

At the press conference, JAMA introduced the studies it has carried out to target these conditions, followed by an explanation of the revisions in Japan's parking lot law this May as one fruit of those efforts. Also announced were the specific improvement measures to be targeted from here on.<sup>5</sup>

### **International Activities Pick up Steam**

JAMA also used this occasion to introduce its international activities. It was explained that with the Federation of Asian Motorcycle Industries (FAMI) having joined the International Motorcycle Manufacturers Association in March of this year,<sup>6</sup> Asian countries, producers of the large majority of motorcycles worldwide, are now part of the push for international harmonization of standards. Moreover, with the first Asia-level symposium on protection of motorcycle intellectual property rights convened in Malaysia this May, a report was delivered on that event as well.<sup>7</sup>

All in all, the press conference was effectively used to familiarize reporters with the signs of a recovery in domestic motorcycle demand against the backdrop of deregulation; the efforts to use redoubled enhancement of the use environment to uncover greater motorcycle demand; the role of more vigorous international activities in advancing the global harmonization of motorcycle safety and environmental standards; Asian-level moves to protect intellectual property rights and other encouraging progress.

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<sup>5</sup> See our December 2005 issue ~ <http://www.jama-english.jp/motor/2005/200512.pdf>

<sup>6</sup> See our March 2006 issue ~ <http://www.jama-english.jp/motor/200603.pdf>

<sup>7</sup> See our June 2006 issue ~ <http://www.jama-english.jp/motor/200606.pdf>