

## JAMA Motorcycle Industry New Year's Discussion ~ Themes for Japan in Improving the Use Environment ~

With the arrival of 2007, the Japan Automobile Manufacturers Association (JAMA) invited leading executives from Japan's four motorcycle manufacturers for a New Year's discussion on the current state of the industry. The topics covered the trends in the motorcycle market both in Japan and overseas, as well as the themes with which the industry must come to grips throughout the current year. This article presents a summary of the topics that were discussed.



From the left

Mr. Shinichi Tamba

Senior Vice President, President of Consumer Products & Machinery Company, Kawasaki Heavy Industries, Ltd.

Mr. Akira Tsugihira

General Manager, Motorcycle/Marine and Power Products Marketing Department, Domestic Marketing, Suzuki Motor Corp.

Mr. Minoru Harada

Senior Managing Director/Chief Operating Officer for Motorcycle Operations, Honda Motor Co., Ltd.

Mr. Tsuneji Togami

Senior Managing Director and Representative Director, in charge of Technology and Manufacturing, and President of IM Company, Yamaha Motor Co., Ltd.

### Trends on Global Motorcycle Market

Motorcycle demand in Asia continues to be robust, with sales also increasing in South America of late. In the markets of Europe and North America, sales are likewise moving into bullish territory. Sports type models are gaining ground in the United States, while sales of smaller bikes (125cc and under) are increasing in Europe (and especially Spain). All in all, global demand for motorcycles is posting steady growth.

### Current Status of Japanese Motorcycle Market

Despite this worldwide growth, motorcycle sales in Japan remain sluggish<sup>1</sup>. Improvements have been achieved in the use environment for motorcycles, such as the 2005 introduction of driving licenses limited to automatic transmission (AT) motorcycles and the lifting of the ban on tandem riding of motorcycles on expressways. Discussion participants expressed hope that these and other measures



Mr. S. Tamba (Kawasaki)

<sup>1</sup> Sales in 2006 were 700,366 units, a decline of 0.9% from the previous year.

will act to invigorate the market from here on.

On the other hand, sales of large-size motorcycles are on the rise. As a contributing factor, Japan's "baby boomer" generation (typically referring to persons born from 1947 to 1949) are scheduled to retire from the workplace in large numbers from this year, and are expected to be looking for ways to savor their leisure time. This social trend is forecast to stimulate an increase in the ranks of senior bikers who will want to ride tandem on expressways and otherwise enjoy their machines. Supporting this theory is the current growth in sales of tandem-style motorcycling goods. In the event of expanded use of the motorcycle ETC system<sup>2</sup>, the increased convenience of expressway motorcycling should further fuel moves in the direction of the predictions mentioned above. As a further extension of this trend, expectations are high that senior citizens will increasingly enjoy motorcycling with their children and grandchildren.



Mr. A. Tsugihiro (Suzuki)

The addition of the automatic transmission motorcycle licensing system has increased the number of licensed motorcyclists by some 10%. Among these AT motorcycle riders, meanwhile, the percentage of women and persons age 40 and above is high. In this way, if the opportunities for operating motorcycles are expanded and more people come to understand the joys of riding, manufacturers predict the emergence of users more interested in hobby or recreational riding (as opposed to the traditional attraction to convenience). This, the executives agreed, could very well support widespread shifts to subsequent purchases of manual transmission models.



Mr. M. Harada (Honda)

### Themes for Japan

A major barrier for increasing tandem riding of motorcycles on Japanese expressways is the toll charged for taking the vehicles on these routes. At 80% of the fees charged for passenger cars, the motorcycle payment is considered quite unfair. Overseas, in contrast, there are many toll-based expressway routes where no charges at all are made for motorcycles. Also mentioned was that driving motorcycles on expressways is safer and thus helps reduce traffic accidents compared to use on general roads, while motorcycles themselves support natural resource conservation. Taking these and other factors into consideration, the conclusion was that motorcycle expressway tolls should be lowered to more reasonable levels that are acceptable among users.

Another problem in Japan is the chronic neglect of the motorcycle parking issue, with a severe shortage of motorcycle parking spaces continuing to pose a dilemma. Because motorcycle parking does not require as much space



Mr. T. Togami (Yamaha)

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<sup>2</sup> The motorcycle ETC (Electronic Toll Collection) system was introduced for motorcycles in November 2006.

as regular cars, it should be possible to improve the situation with strategic planning. In Taiwan, Europe and the U.S., for example, systematic parking lots are constructed along roads in ways that do not interfere with pedestrian traffic. Besides this, many automobile parking lots reserve special sections for exclusive use by motorcycles.

Other challenges for the industry consist of preventing illicit conversion or remodeling of vehicles, as well as improved motorcycle user safety (including educational programs at driving schools). In the case of automobiles, vehicle bodies are being built with greater crash strength, while seatbelts, airbags and other hardware are also being made safer. Due to the structural character with motorcycles, however, progress in improving safety has yet to reach the level as it has in cars (although motorcycles have come to be equipped with anti-lock brake systems).

Cited as a crucial issue, therefore, are efforts by manufacturers to develop hardware that reduces traffic accidents. Further discussion is likewise needed on how motorcycle makers can best support riders in developing more thorough approaches to self-protection on the road.

As more user-friendly motorcycle use environments steadily take shape, the manufacturers will also need to expand their safety improvement measures on both the hardware and software fronts. They must also never let up in the quest better educate and enlighten the public about the correct uses and benefits of motorcycles. In this way, one vital key to success is believed to lie in truly convincing users of the convenience and peace of mind that motorcycles can offer, thereby moving to increase the number of motorcycle riders in Japan and around the world.