



EUROPEAN BUSINESS COUNCIL IN JAPAN  
THE EUROPEAN (EU) CHAMBER OF COMMERCE IN JAPAN

# **AUTOMOTIVE COMPONENTS & AFTERMARKET**

**ISSUES AND RECOMMENDATIONS**



# AFTERMARKET



# Aftermarket

## YEARLY STATUS REPORT: New Issue

- ❑ Currently automotive components companies supplying Japanese vehicle manufacturers are restricted in respect of where they can sell their products on the Japanese aftermarket.
- ❑ As a result, in many cases Japanese consumers can only purchase original high-quality spare parts from dealerships tied to a specific car manufacturer.
- ❑ Strangely, no such restrictions apply to companies that make copies or non-original parts, which leads to the independent aftermarket being characterised by potentially lower quality and less safe products.



# Aftermarket

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## RECOMMENDATIONS

- ❑ Japan should set up a legal framework that allows automotive components manufacturers to sell on the aftermarket similar to the EU's Motor Vehicle Block Exemption legislation. This would increase the options for Japanese consumers wishing to source original high-quality vehicle parts.
- ❑ Components suppliers should be permitted to apply their own trademarks or logos and their own part numbers to goods supplied to vehicle manufacturers.



# TYRES





# Tyres

## YEARLY STATUS REPORT: Progress

- ❑ The EBC appreciated the action taken by MLIT to implement fully UN/ECE regulation R117-02 in Japan in respect of new vehicle applications (original equipment) by 2023.
- ❑ However, the EBC notes that foreign manufacturers still face difficulties in gaining access to replacement market sales channels in this sector.

## RECOMMENDATIONS

- ❑ Further accelerate regulatory harmonisation for not only new vehicles but also the replacement market.
- ❑ Limit exclusive distribution and facilitate access to the fragmented distribution market.





# **GLOBALISATION OF THE AUTOMOBILE INDUSTRY & PROMOTING INFORMATION EXCHANGE**

# Globalisation of the Automobile Industry & Promoting Information Exchange

## YEARLY STATUS REPORT: Progress

- ❑ The EBC welcomes the opportunity that globalisation presents for innovative European firms to strengthen their relationship with Japanese automobile manufacturers in developing new products and sharing technical expertise.
- ❑ Japanese automobile manufacturers are increasingly making use of foreign tie-ups to develop their business and respond to competitive pressures both at home and abroad.
- ❑ Nevertheless, European automotive component and system manufacturers continue to face numerous challenges in promoting European technical expertise to automobile manufacturers in Japan.
- ❑ It is of crucial importance, both for Japanese and foreign firms, that Japan harmonises its regulatory framework to better accommodate the globalisation of the automotive components sector.





# Globalisation of the Automobile Industry & Promoting Information Exchange

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## YEARLY STATUS REPORT: Progress

- ❑ Face-to-face meetings between the European Association of Automotive Suppliers and Japanese car manufacturers were established in 1995 to promote information exchange between European and Japanese companies.
- ❑ These meetings have proven to be a highly effective venue for discussing issues of mutual concern relating to products, platforms, global strategies and other important matters affecting the industry.
- ❑ The EBC also sees considerable potential value in the Japan Society of Automotive Engineers' (JSAE) Automotive Engineering Exhibition and the annual congress/paper presentation scheduled for May 2018 in Yokohama.

# Globalisation of the Automobile Industry & Promoting Information Exchange

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## RECOMMENDATIONS

- ❑ Encourage the Japanese automobile industry, when procuring components and systems, to focus on the technical, commercial and logistics aspects of automobile production and to avoid excessive reliance on affiliated companies. Increased purchasing on a global basis and more emphasis on single platform development would improve the cost-effectiveness of the Japanese industry.
- ❑ Recognise foreign test results from accredited European agencies to avoid the necessity of re-testing for the Japanese market.
- ❑ Continue face-to-face meetings between leading representatives of European suppliers and the Japanese automobile industry, as these have led to increased understanding. The EBC also recommends that the scope of these meetings is expanded in future to include opportunities to meet at Japanese venues.

