



JARA NEWS

February 2018, No. 120

from
Japan Automotive Recyclers Alliance
www.jara.co.jp

Published by JARA Corporation
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Sales goals and supporting measures are shared with attendees

JARA sees a 10% increase in parts procurement for FY2018

JARA (Japan Automotive Recyclers Alliance) Corporation set a target of a 10 percent increase in its members' procurement of rebuilt parts (RP) and genuine parts (GP) for the fiscal year 2018. As head of a new sales team, JARA's president Shosho Kitajima will lead company-wide efforts to meet the goal.

The goal was announced during its "6th Meeting with RP&GP Parts Suppliers." Although last year's procurement increased by 7.0 percent compared with the previous year, they failed to realize the goal of a 10% increase. JARA attributed the negative results to the fact that "we could not grasp exact progress on a monthly basis, as well as a lack of promotional campaign." As a result of this outcome and the lessons learned, JARA aims to introduce various measures to achieve the goal.

In order to understand how progress towards

CO₂ Reduction Effect

(based on JARA System)

The use of Reuse Parts saved
2,200 tons of CO₂ emissions
in December 2017

The reference figure represents the difference of carbon dioxide (CO₂) emissions at the vehicle repair using genuine (new) parts and recycled parts.*

*: Based on "Green Point System", which was jointly developed by the Japan Automotive Parts Recyclers Association and Waseda University Environmental Research Institute using a life cycle assessment (LCA) technique.

the goal is developing, the Automobile Total Recycle System (ATRS) will collect the sales status of each member company as well as the performance of individual sales persons.

In order to respond to the increased demand for rebuilt parts, different companies need different sales efforts. To continue these sales efforts, "we need to provide a system in which a company trying hard should get the benefits," said Kitajima, President of JARA.

By using JARA's call center, it aims to launch an active promotions campaign aimed at users of rebuilt parts. "We are thinking of catch up needs of each company," said Kitajima, suggesting that JARA will continuously host seminars and meetings in each region to strengthen the network of contacts. (Daily Automotive News, Jan. 25, 2018 issue)

This year JARA offers users use of its ATRS free of charge

JARA Corporation will offer use of its ATRS free of charge for its members for a limited period until December 31, 2018. JARA has experienced stable performance since its merger with Toyota Tsusho Corporation in 2014 and the free of charge offer is one of its "return-to-member" measures.

"We, as a headquarters, want to support members' activities in these hard business conditions," said JARA President Shosho Kitajima.

The monthly charge for use of the system is normally 25,000 yen but will be zero until December 31, 2018, while the ELV mode use charge, connection fee, and support fee remain unchanged. As a result, each member's financial burden will be reduced from the current 84,000 yen to 49,000 yen per month.

The company has been enhancing the functions of ATRS so as to improve efficiency in daily operations and parts production at each member site. Last year, three new functions were



Last year "Presentation of ATRS" was conducted in each region

introduced: "Parts Taking Setting," by which the system automatically indicates if the parts required are classified as reuse or recycled, "Vehicle Inspection Certificate QR Code Reading," and "Genuine Parts Number Guide" functions.

JARA will further promote the system and its new functions by hosting "Presentation of ATRS" in each region. (Daily Automotive News, Jan. 10, 2018 issue)

ELV acceptance rose in 2017 for the first time in three years

Japan's ELV acceptance by collecting companies in 2017 increased compared to a year earlier for the first time in three years. According to the Japan Automobile Recycling Promotion Center (JARC), end-of-life-vehicles (ELVs) accepted by designated collection companies in 2017 increased by 7.7 percent from the previous year to 3,277,142 units. Higher prices for scrap steel prices and steady sales of new cars contributed to the yearly increase of ELV acceptance. For December 2017 alone, ELV acceptance totaled 274,997 units, an increase of 9.2 percent on the same months in 2016.

The price of scrap steel surpassed 37,000 yen per compared to a proper market value of 25,000 yen in the iron industry. As a result of these price increases, the purchase price of major electric furnaces is roughly 10,000 yen higher compared with the previous year.

Two years ago, there were many cases of businesses shutting downs and bankruptcies due to the low market price of scrap steel.

"Unlike the two years ago, now we seldom have heard of bad news, such as business closure and bankruptcy in the recycling industry," said a recycler association executive.

Strong sales of new cars also contributed to the yearly rise in ELV acceptance. In 2017, new vehicle sales increased 5.3 percent from a year earlier to 5,234,166 units, surpassing the 5 million-unit-mark for the first time in two years. In general, an ELV appears in the market 2-3 months after the launch of a new car. Figures show that monthly ELV acceptance increased every month for the last 13 consecutive months since November 2017.

JARC predicts acceptance of 3.05 million ELV units in fiscal year 2017 ends March 31, 2018. On the other hand, in terms of the medium- to long-term timeframe, strong performance of used vehicle exports from Japan might restrict this forecast. An industry leader warned, "This year we will prepare foundations for the future business." (Daily Automotive News, Jan. 18, 2018 issue)



Students presenting their work to visitors to help improve their presentation skills

Automotive technical colleges exhibit customized cars at Tokyo Auto Salon

The Tokyo Auto Salon 2018, Japan's largest customized car trade show, was held on January 12-14 January at the Makuhari Messe convention hall, Chiba Prefecture. Several automotive technical colleges exhibited their products at the trade show. The colleges encourage students to present their own designs and products at the event. Here, students have the opportunity to interact visitors and explain their designs, thereby improving their presentation skills. The 3-day event serves as a spotlight on their designs, as well as an opportunity to grant a foothold to students who

will play a role in the future of the industry.

Students from the Tokyo Automobile University School students developed a restored version of the Toyota Sprinter Trueno AE86. Restoration is not included in the school, which means that the students had to accomplish this through trial and error. When they encountered an obstacle, students switched roles with others to promote fresh ideas. Hereby they developed teamwork and creative problem-solving skills.

Nihon Automobile College (NATS) concentrated on exhibiting their customized cars, because "By interacting with visitors face-to-face, the students can communicate more directly, which affords them the opportunity to explain their products to visitors.

This is beneficial in developing their communication skills for when they graduate from college and join the workforce."

Toyota Technical College Tokyo emphasized a women's perspective. The school has been exhibiting customized cars every year, and feature designs by female students belonging to its body craft department. For many students, this is the reason for their application to this specific school. A student is quoted as saying; "I chose this school because I can learn design work."

Students from the Nakanihon Automotive College exhibited a remade version of a customized car, which was originally developed by college teachers 13 years ago. Both the students and teachers state, "We were engaged in a practical working process that cannot be



Toyota Technical College Tokyo's female students designed this customized car. Numerous customized cars – designed from women's perspective – are on display at the event

found in a text book." As can be seen above, the Tokyo Auto Salon provides students with a place where they can learn practical skills.

Shizuoka Professional College of Automobile Technology had a unique approach. First, the body design department's students created various design options. Then, all the students voted for their favorite custom car design. By this means, even students who are not interested in the customized car show, had the opportunity to attend the event.

In terms of creating and manufacturing products, it is important for students to be involved in the car production process from the start. (*Daily Automotive News, Jan. 19, 2018 issue*)



Automaker's offensive mood may be discouraged (Pictured in car dealer in Hanoi)

Japanese automakers' dilemma regarding new import legislation in Vietnam

Japanese automakers in Vietnam are concerned about the new import legislation introduced by Vietnamese government at the beginning of this year. The details of this legislation have not been made public. However, the import of vehicles into Vietnam has been suspended. The Japanese Ministry of Economy, Trade and Industry (METI), along with the United States, is going to attempt to persuade the Vietnamese government to announce the details of the new legislation as soon as possible, as well as to consider revising the legislation.

Under the new legislation –Decree 116

and 125– importers need to apply for an automobile importation business license from the Vietnamese Ministry of Industry and Trade. In addition, safety inspections are required for each imported lot (one vessel), or each vehicle model type. Tariffs on the import of automotive parts not manufactured in Vietnam are exempted. However, this exemption is limited to "parts for use in more than 3,000 vehicles per model, or parts for use in more than 8,000 vehicles produced every 6 months in Vietnam." This is an extreme requirement, which only few automakers are likely to reach.

Vietnam belongs to the ASEAN Economic Community (AEC), which promotes free trade in the ASEAN region. From January 1, 2018, 30 percent of automobile import duties (applicable to passenger vehicles) were abolished. Vietnam, however, braces such zero import duties since other countries (such as Thailand) are putting pressure on the Vietnamese domestic automotive industry. Parts supply chains in Vietnam are relative weak.

Because of recent developments, Japanese automakers were forced to suspend the import of vehicles to Vietnam. Toyota suspended the export of its Yaris and Hilux models, and Mitsubishi Motors and Mazda have stopped Thai production of the Pajero Sports and the BT50, respectively. Honda has also suspended export from Thailand.

METI has requested the Vietnamese government to revise the legislation concerned.

Minister Hiroshige Sekou met with Vietnamese Trade and Industry Minister Tran Tuan Anh last November at the APEC Ministerial Meeting and requested that the legislation to be revised. In addition, last December, the Japanese government repeated the request to Mr. Anh during his visit to Japan to participate in the WTO meeting. However, it seems that the Vietnamese government is reluctant to revise their decision.

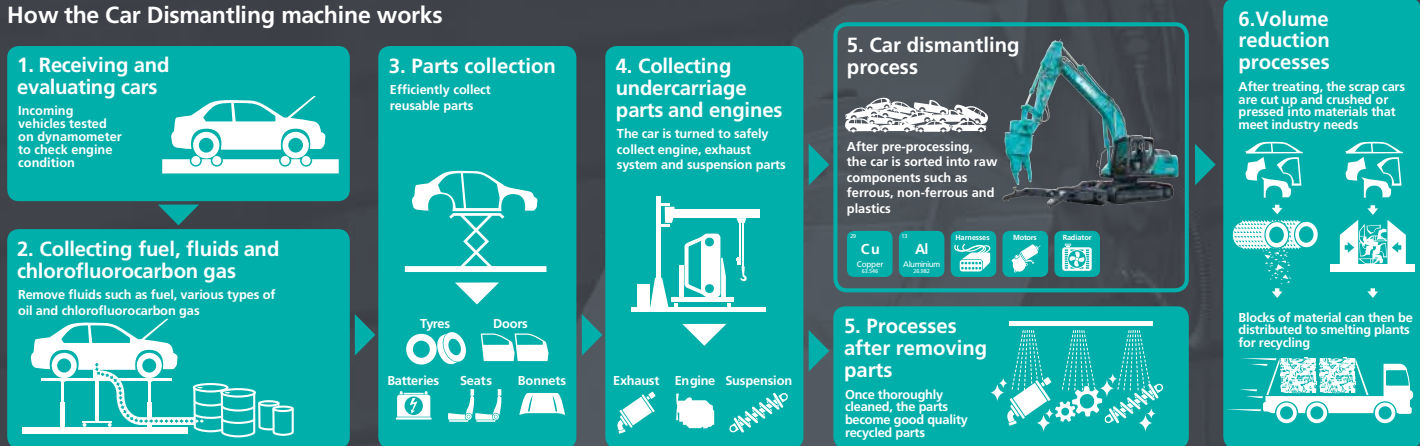
In 2017, new vehicle sales in Vietnam amounted to 272,750 units, down 10.4 percent from the previous year. Consumers refrained from buying cars, considering the decrease of special consumption tax and the import duty abolishment. Therefore, automakers expect a rise in demand this year. However, the new import legislation may discourage the automakers' offensive mood. An early recovery from this situation is expected. (*Daily Automotive News, Jan. 20, 2018 issue*)





Dismantling process flow chart

How the Car Dismantling machine works



The Evolution of car dismantling industry by Kobelco

Four times* the vehicle dismantling capability compared with hand dismantling.

*In one day (Kobelco test figures)

15 vehicles >
One operative working by hand.

60 vehicles >
One operative in a Kobelco Car Dismantling machine.

Engine, Catalytic Agents, Body Steel, Seats, Windows, Wheels/Tyres, Suspension, Radiator, Brakes, Front & Rear Bumpers, Transmission, Doors, Harnesses

The machine's special attachment is designed to strip materials from End-of-Life Vehicles (ELV) safely and thoroughly

Improved recovery rate of rare earth metals

Fe Iron	Al Aluminum	Cu Copper	Pt Platinum	Pd Palladium
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Separation of these valuable materials is quicker and easier and can be performed with one Kobelco machine.



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