



AUTO QUARTERLY

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NEWSLETTER OF THE JAPAN AUTOMOBILE MANUFACTURERS ASSOCIATION OF CANADA

New Vehicle Sales in Canada Headed for a Record Year

At the end of the first half of 2002, new light vehicle sales in Canada are up 10.2% compared to the same period in 2001. At this pace, a new sales peak in excess of 1.6 million units is within reach. Year to date (January to June) sales totaled 875,318 units compared with 794,550 in 2001. The Big Three were all ahead of last year led by General Motors, up 10.9%.

JAMA Canada members have also been setting new records, with sales for the first six months ahead 15.7% overall to 243,421 units, a gain of almost 33,000 units over last year. Passenger car sales jumped 17.5%, while light trucks gained 10.4% in the same period.

Among individual companies, Nissan Canada and Toyota Canada were the growth leaders, up 25.2% and 23.6% respectively for the first half of 2002. Nissan's sales increase included both cars and light trucks, while at Toyota, the lion's share of the gain were passenger cars. Subaru and Honda both made double digit sales gains, up 14.8% and 11.6% respectively. While Honda Canada light truck sales soared 51.6% through the end of June, Subaru Canada's passenger car sales increased 23.8%. Mazda Canada sales rose 7.1% for the year to date as a result of a 19.7% gain in car sales, offset by a decline in Japan built light trucks. Suzuki Canada sales of passenger cars jumped 20.0% due to the recent launch of the new Aerio model, but lost ground in light truck sales to end up 10.9% below the same period in 2001.

In terms of market share, Big Three share declined from 62.4% to 61.1% year over year, while JAMA Canada members combined share rose from 26.4% to 27.8%. Korean and European market shares were largely unchanged at 5.5% and 5.7% respectively.

Vehicle Production, Exports, Imports

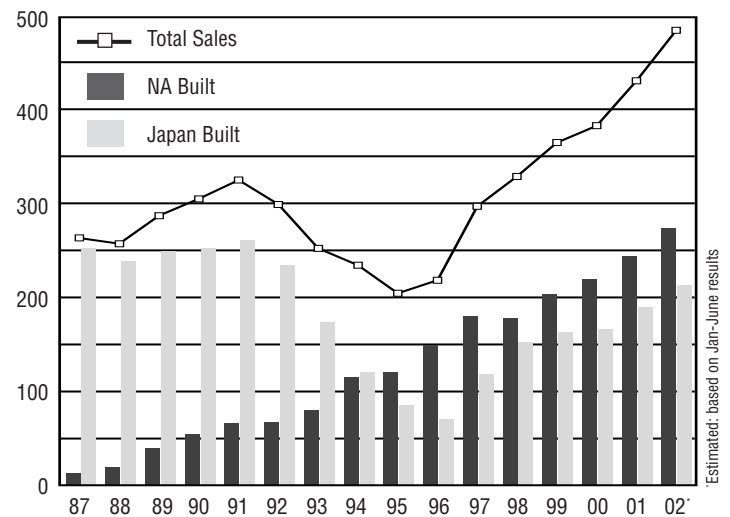
Production at Japanese affiliated plants in Canada remained unchanged at 329,000 units from the previous year on a combined basis. Output at Toyota increased 19.2% to 107,700 units as a result of expanded capacity of new Corolla and Matrix vehicles in the North Plant at TMMC's Cambridge facility. Total production at Honda (HCM in Alliston, Ontario) was 2.5% lower than last year to just under 190,000 units. CAMI output dropped 28.0% to just over 31,500 units as result of the closure of the passenger car line in April 2001 due to soft demand in North America for subcompact cars.

Exports of finished vehicles from the above three facilities fell 7.8% in the first six months of 2002. The decline in exports can be generally attributed to stronger domestic demand in Canada compared to the US, where the majority of exported vehicles are shipped. Vehicle shipments from TMMC rose 13.4%, while exports from HCM and CAMI fell 10.3% and 34.6% respectively.

As a result of strong demand, imports of finished vehicles for consumption in Canada rose 23.7% in the first two quarters of 2002 to 174,355 units. Just over 112,000 units were shipped from Japan, while a little over 62,000 vehicles came from plants in the US and Mexico.

JAMA Canada Light Vehicle Sales

1987 - 2002



Estimated: based on Jan-June results

Motor Vehicle Production in Canada

	Jan-June 2002	Jan-June 2001	% Change
HONDA (HCM)	189,875	194,833	-2.5
TOYOTA (TMMC)	107,711	90,356	19.2
CAMI	31,579	43,847	-28.0
TOTAL	329,165	329,036	0.0

Source: JAMA Canada

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Light Vehicle Sales in Canada, by Company

Company	Jan-June 2002			Jan-June 2001			% Change		
	CARS	TRUCKS	TOTAL	CARS	TRUCKS	TOTAL	CARS	TRUCKS	TOTAL
HONDA	60,563	21,794	82,357	59,402	14,375	73,777	2.0	51.6	11.6
N.A. Built	55,832	10,895	66,727	55,666	8,610	64,276	0.3	26.5	3.8
Japan Built	4,731	10,899	15,630	3,736	5,765	9,501	26.6	89.1	64.5
TOYOTA	61,058	17,904	78,962	46,334	17,569	63,903	31.8	1.9	23.6
N.A. Built	30,739	7,663	38,402	22,990	8,341	31,331	33.7	-8.1	22.6
Japan Built	30,319	10,241	40,560	23,344	9,228	32,572	29.9	11.0	24.5
MAZDA	27,602	8,820	36,422	23,062	10,941	34,003	19.7	-19.4	7.1
N.A. Built	831	4,979	5,810	930	2,090	3,020	-10.6	138.2	92.4
Japan Built	26,771	3,841	30,612	22,132	8,851	30,983	21.0	-56.6	-1.2
NISSAN	24,607	7,609	32,216	19,497	6,243	25,740	26.2	21.9	25.2
N.A. Built	19,167	2,970	22,137	15,046	2,352	17,398	27.4	26.3	27.2
Japan Built	5,440	4,639	10,079	4,451	3,891	8,342	22.2	19.2	20.8
SUZUKI	2,975	2,263	5,238	2,479	3,403	5,882	20.0	-33.5	-10.9
N.A. Built	0	649	649	831	1,009	1,840	-100.0	-35.7	-64.7
Japan Built	2,975	1,614	4,589	1,648	2,394	4,042	80.5	-32.6	13.5
SUBARU	6,563	1,663	8,226	5,301	1,862	7,163	23.8	-10.7	14.8
N.A. Built	3,565	0	3,565	3,465	0	3,465	2.9	0.0	2.9
Japan Built	2,998	1,663	4,661	1,836	1,862	3,698	63.3	-10.7	26.0
TOTAL	183,368	60,053	243,421	156,075	54,393	210,468	17.5	10.4	15.7
N.A. Built	110,134	27,156	137,290	98,928	22,402	121,330	11.3	21.2	13.2
Japan Built	73,234	32,897	106,131	57,147	31,991	89,138	28.2	2.8	19.1

* car sales include Mexican built

Source: AIAMC

Motor Vehicle Exports from Canada

	Jan-June 2002	Jan-June 2001	% Change
HONDA (HCM)	140,271	156,375	-10.3
TOYOTA (TMMC)	79,262	69,899	13.4
CAMI	26,565	40,595	-34.6
TOTAL	246,098	266,869	-7.8

Source: JAMA Canada

Vehicle Imports (Shipments) to Canada

	Jan-June 2002	Jan-June 2001	% Change
JAPAN	112,237	85,844	30.7
U.S./MEXICO	62,118	55,068	12.8
TOTAL	174,355	140,912	23.7

Source: JAMA, JAMA Canada

Honda expands production in Canada and the US

With demand remaining strong for both its light trucks and passenger cars, Honda announced in July that it would further expand the manufacture of vehicles and powertrains in North America. This will include establishing a second assembly line at Honda's newest facility in Alabama, which has a production capacity of 150,000 units, by 2004.

Honda of Canada Mfg. (HCM) will invest a further \$32 million CDN, at its facilities in Alliston, Ontario, to increase annual production capacity from 360,000 to 390,000 units by the spring, 2003.

- Plant 1 at HCM will increase production line capacity to 195,000 units by early 2003. It produces the Civic sedan and the Acura EL, an exclusive model for the Canadian market.
- HCM's Plant 2 will further improve its efficiency and innovations to increase production capacity to 195,000 units by the spring, 2003. It produces the Honda Odyssey, the recently launched Honda Pilot, and the Acura MDX.

"This enhanced investment in Canada signifies, once again, our commitment to Canada. It will also help us meet increasing demand for our cars and light trucks", said Shigeru Takagi, President and CEO of Honda Canada Inc.

Honda has consistently followed a strategy of "small- born", which by definition has meant starting production in the local community on a modest scale and growing on a measured basis to meet customers requirements. In 1986 Honda became the first Japanese automaker to manufacture automobiles in Canada, with an initial capacity of 40,000 units. From this initial beginning Honda has continually expanded its manufacturing capacity to meet the growing needs of its customers.

"Today's announcement to further increase our capacity to 390,000 units is just one more step in our growth and our commitment to satisfying the needs of our Canadian customers and dealers", said Takagi.

Honda Canada also exports Canadian made vehicles to the United States, Japan and ten other countries. Current investment at HCM totals \$1.73 billion with 4,200 associates.

National Forum on Automotive Policy and Investment in Canada held in June

On June 26, Federal Minister of Industry Allan Rock hosted a meeting of about 150 people from industry, government, labour and academia to discuss the key issues facing the industry around the themes of innovation, research & development, skills development and investment. The facilitated discussions centred on what should be done to address those issues. While a number of recommendations were generated, the most important development at the one-day event was the establishment of a new advisory group to be called the Canadian Automotive Partnership Council (CAPC), which will replace the old Automotive Advisory Committee (AAC).

The mandate of the CAPC will be to bring forward major strategic issues in the auto sector and make recommendations to government on how best to address those issues. The CAPC will include CEOs of the 5 major auto assemblers in Canada (GM, Ford, DaimlerChrysler, Toyota and Honda), four representatives from major auto parts manufacturers to be selected by APMA (nominees are Don Walker, President, Intier Automotive; Belinda Stronach, President, Magna International; Bob Magee, President, Woodbridge Group, and Ray Finnie, President, Wescast Industries Inc.), the President of the CAW, and representatives from the aftermarket sector, dealers and academia. Government representatives will include Minister Rock, Ontario Minister Jim Flaherty and an official from Quebec.

Unlike the AAC, auto industry associations will not be members, but instead will be called upon to by the Council to make presentations and undertake research for the Council. The first meeting of the CAPC was scheduled for early September. Minister Rock declared that not only will he be the auto industry champion in the Federal Government and in Cabinet, but also that federal and provincial governments (primarily Ontario & Quebec) will cooperate and coordinate on auto industry issues.

Prior to the National Forum, Industry Canada distributed a discussion paper that summarized a number of key topics facing the industry over the next decade based on interviews with key stakeholders in the industry. While this survey properly set the stage for government/industry consultations including some of the key issues which the new council will examine, the success of the new CAPC may well depend upon the extent to which all participants are willing to set aside individual agendas and cooperate on helping the industry as a whole become more globally competitive.

'Comments on auto industry policy and issues in Canada'

The following is the Executive Summary of a paper JAMA Canada prepared for ongoing consultations with the Federal and provincial governments on a new automotive strategy for Canada.

As part of the Federal and Ontario Governments' consultations on the auto industry in Canada, JAMA Canada has prepared this paper to contribute to the discussion and debate about policies and measures necessary to attract investment and sustain a vibrant, globally competitive industry in Canada into the 21st century.

Twenty years ago, no Japanese automakers had yet begun production in North America. Today, Honda, Toyota and CAMI account

for about 25% of total vehicle production in Canada. There is no doubt that today the Canadian auto industry is stronger, more globally competitive and better able to meet the ever-increasing demands of the consumer than it has ever been. With a long-term commitment to Canada and Canadian consumers, Japanese automakers and parts makers have become an integral part of the social and economic fabric of Canada.

Automakers and parts makers are being challenged by demanding consumers, intense competition, shift to flexible manufacturing and global platforms, new technology, environmental issues and globalization to name a few of the most significant issues. The recent growth of investments in the southern US, and the ongoing rationalization of auto and auto parts production in Canada has created a debate that the auto industry here is in the midst of a crisis. In response to these changes, governments are being urged to offer various incentives and subsidies to keep plants open and to attract new investment. However, a different approach is warranted. Recent federal government studies have shown, based on a comparative cost analysis between Ontario and several southern US states, that Canada 'compares favourably as an investment location (for both motor vehicle and auto parts manufacturing) without the need for specific incentives'. At the same time, government and industry initiatives are needed to foster innovation and promote high value-added production capability.

From the point of view of setting appropriate policies and programs for the auto industry, it is necessary to undertake a thorough diagnostic analysis of the sector. At the same time, a rational process for discussion of these key issues and questions needs to be established. As the industry faces a wide range of regulatory issues, the consultation process should bring together a federal/provincial ministerial interdepartmental team, including Industry, Transport, NRCan, Energy and Environment with the auto sector as a whole. Some of the key questions include:

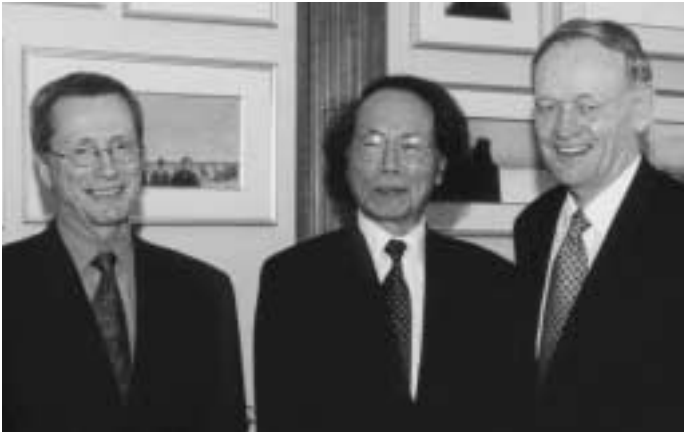
- What are the strengths and weaknesses of the auto sector in Canada?
- What are the risks and opportunities facing automakers and parts makers in Canada?
- What should be the role of government in attracting foreign auto investment to Canada?
- What should industry and governments do to encourage innovation and automotive R&D in Canada?

However, in the short term, there are some shared concerns that governments specifically should address:

- further infrastructure improvement, especially at the Windsor-Detroit border
- sustained focus on skills training & education
- enhance R&D incentives in the parts sector for both product and process capabilities
- ensure industry has a reliable and competitive supply of energy
- international harmonization of technical standards & regulations

Only fair and equal treatment will encourage all industry stakeholders in Canada to cooperate on resolving issues of common concern to ensure the auto industry will be economically vibrant and globally competitive.

The full text of the paper (in English) is available on JAMA Canada's website at 'www.jama.ca'.



Left to right: Deputy Minister Len Edwards, Mr. Y. Nakatani and Prime Minister Chretien

Toyota Canada Chairman received Citation from Prime Minister Chretien

On Tuesday, June 4, 2002, Prime Minister Jean Chrétien presented Mr. Yoshio Nakatani, Chairman of Toyota Canada Inc, with a citation in recognition of his tireless efforts to promote economic and cultural ties between Canada and Japan.

In addition to serving as Chairman of Toyota Canada Inc., Mr. Nakatani is also Chairman of JAMA Canada and the Vice Chairman of the Japan Society in Toronto, Canada.

Mr. Nakatani has long been a strong advocate of enhanced economic relations, as well as improved cultural understanding between Japan and Canada. Under his leadership, Toyota has generously provided support to a range of environmental and cultural initiatives linking Japan and Canada. Mr. Nakatani was a key contributor to the development of a National Film Board documentary on the life of Herbert Norman, a well-known and respected Canadian figure among Japanese intellectuals. Mr. Nakatani has also been an outspoken proponent of initiatives to revitalize the valuable partnership Canada and Japan enjoy.

In honour of this occasion, Canada's Deputy Minister for International Trade, Mr. Leonard J. Edwards, hosted a dinner for Mr. Nakatani including the Canadian Ambassador to Japan, Rob Wright, and the Japanese Ambassador to Canada, Kensaku Hogen.

Brad Bradshaw appointed President of Nissan Canada



Brad Bradshaw,
President,
Nissan Canada

At the beginning of August, Brad Bradshaw succeeded Mamoru Yoshida as the president of Nissan Canada, Inc. Mr. Bradshaw oversees both NCI and Nissan Canada Finance, Inc., an affiliate that offers financial and training services to Canada's Nissan and Infiniti retailers. Mr. Yoshida is returning to Japan for an assignment with Nissan's growing business activities in China.

Mr. Bradshaw originally joined Nissan in 1983 as district sales manager and held a number of positions, including advertising

manager for Infiniti Division, director of finance operations, director of marketing communications, regional vice president of Nissan's Southwest and Southeast Regions, and vice president of marketing.

Prior to joining Nissan he worked for the Ford Motor Company and with Subaru of America, where he served as regional vice president of the Southeast Region. Mr. Bradshaw holds a B.S. in finance from Western Carolina University and an M.B.A. from Georgia State University.



The first Mitsubishi Lancer lands at Fraser Wharves in Vancouver

Mitsubishi Motors Sales Canada ready for September launch

At the beginning of August, the first shipment of Mitsubishi vehicles arrived in Vancouver from Japan. Mitsubishi vehicles officially go on sale in Canada at the beginning of September, according to Mitsubishi Motor Sales of Canada (MMSC) who took delivery of its first 600 Lancer compact sedans and Montero Sport SUVs. MMSC will launch their operations in Canada with a full line of seven vehicles which also include the Montero, Galant, Eclipse, Eclipse Spyder, and Outlander.

"Canadians are demanding our products, and today takes us one step closer to filling that demand," said Randy Sears, President, Mitsubishi Motor Sales of Canada. "We have a proven line-up of products, we're ahead of target in establishing our dealer network, and we have a sound business strategy to exceed our projected sales volumes."

MMSC recently announced the selection of 31 coast-to-coast dealers, 25 will be selling vehicles by September 2, and a total of 47 will open by December 2002. Sales volumes are projected to hit 5,000 units by the end of the year, and the first full year target is 20,000 units.

Mitsubishi Motors' commitment to open in Canada six months ahead of originally scheduled plans is buoyed by the company's US momentum where sales in July posted a 46 per cent gain marking the best single sales month ever. In Canada, the Lancer compact sedan is expected to account for a major portion of sales.

"Along with our successful product strategy, the Canadian operations are an important part of our extraordinary growth in North America," said Pierre Gagnon, newly appointed President and Chief Executive Officer of Mitsubishi Motors North America. "We anticipate that our 2002 sales momentum will be fueled by the success of

■ Continued on page 5... Mitsubishi Motors Sales

■ *Continued from page 4...* **Mitsubishi Motors Sales**

our Canadian operations, the October launch of Outlander, and the six new Mitsubishi Motors products we will introduce over the next three years.”

“We are building a dealership network that anticipates a first-year sales volume of 20,000 vehicles,” said Gagnon. “By 2007 we will expand the network to 150 dealers, generating 37,000 vehicle sales and capturing two per cent of the Canadian new vehicle market. Over the next five years, we will stimulate over \$1.4 billion in dealership salaries and spending and create an anticipated 6,400 new dealership jobs.”

To support its extraordinary growth in North America, Mitsubishi Motors Corporation (MMC) recently announced plans to completely consolidate all North American sales, manufacturing, finance, and research and development operations by early 2003 into a single new organization to be called Mitsubishi Motors North America (MMNA). Mitsubishi Motor Sales of America, Inc. (MMSA) was established in 1981 by MMC, Tokyo, and markets a full line of vehicles, including coupes, convertibles, sedans and sport utility vehicles.

Mitsubishi Motor Sales of Canada, Inc. (MMSC) is a wholly owned subsidiary of MMSA. Its web site can found at 'www.mitsubishicars.ca'.

Ube Automotive North America Sarnia Plant Inc. - A Profile

By T. Iwasaki, Consulting Economist

Japan's Ube Industries, Ltd., a leading industrial conglomerate in Japan, created a major new company, **Ube Automotive North America Sarnia Plant Inc.**, in June 2000. The 40-acre plant, a Sarnia-based facility for aluminum wheel production, was completed and commenced production in May 2002.

The Sarnia plant's eventual projected annual capacity will exceed 2 million units, establishing it as a prominent player along with its sister plants in Ube City, Japan and Mason, Ohio. The Ube City facility in Yamaguchi Prefecture currently has a production capacity of 2.2 million units annually. Ube Automotive North America Mason Plant Inc. (formerly the A-Mold Corporation) has an annual capacity of 1.4 million units.

Ube's high quality aluminum wheels are produced using the company's unique 'squeeze process', a major technological breakthrough in casting which yields a wheel combining previously unattainable strength, rigidity and light weight. This tends to ensure that demand for the product will continue to increase for use in high quality vehicles.

The Sarnia plant's opening ceremony was held on May 13, 2002, with Ube Industries President and CEO, Kazumasa Tsunemi officiating at the ribbon cutting. Also in attendance was Jim Flaherty, Ontario's then newly appointed Minister of Enterprise, Opportunity and Innovation, who offered his thanks to the company for establishing its impressive facility in Sarnia. In doing so, he presented the company with a white pine, to be planted at Ube Automotive's plant entrance as a symbol of long life and prosperity.

Adding his own congratulatory message was Takashi Koezuka, the Consul General of Japan.

Currently in the early stage of production, the Sarnia plant is expected to produce approximately 400,000 wheels in 2002, based

on Ube Automotive's already established contracts to supply wheels to DaimlerChrysler, General Motors and Nissan.

Next year's production is forecast to rise to 1.2 million units, as Ube Automotive begins to supply the new Lexus facility in Cambridge, as well as Volkswagen and Bentley.

Based on planned additional development stages, the plant's total annual wheel production capacity by 2005 will approach 2.4 million units, rivaling the capacity of Ube Automotive's Japan-based facility and establishing it as a major player in the global auto parts industry.

The Parent Company

Ube Industries, Ltd., the parent firm, is a large scale Japanese industrial conglomerate. Originating as a coal mining operation in 1897, it encompassed an iron works within a few decades and proceeded to branch out into a variety of areas: machinery, chemicals and various industrial materials including cement.

Today, Ube's operations occupy a landmass equivalent to that of a medium-size city. Known as the Ube Group, the company incorporates several major segments. These include chemicals and plastics, enabling the company to employ its modern technology to produce fine chemicals, including pharmaceuticals and agrochemicals, and a wide range of petrochemicals, plastics and synthetic rubbers; construction materials, including cement; and machinery and metal products (its advanced products include aluminum wheels). Its final segment, energy and environment, employs the latest in technology to develop and market revolutionary energy strategies that are sensitive to current environmental issues. It handles almost 6 million tonnes of thermal coal annually, imported primarily from Australia. Ube Industries has its own power generation plant.

The company, a major participant in research and development, focuses considerable attention on specialty chemicals and other products involving highly advanced technologies.

Opportunities for Canada

Ube Industries' impressive credentials around the globe provide obvious assurances that their new corporate entity in Sarnia will further strengthen Canada's reputation for high quality output and workmanship. Ube Automotive's presence in Canada both reflects the company's recognition of Canada's high quality labour force

■ *Continued on page 6...* **Ube Automotive North America**



Ube Automotive North America Sarnia Plant, Inc.

■ Continued from page 5... Ube Automotive North America

and, quite probably, will serve as a magnet to attract other technologically advanced companies to this country. According to local media reports in Sarnia, Ube Industries itself has already held out the possibility that it will consider establishing other facilities in Canada.

New President at CAMI Automotive

As of October 1, Karl Slym will be the new president of CAMI Automotive Inc. in Ingersoll. CAMI is a joint venture company



Karl Slym, President, CAMI automotive, as of October 1, 2002.

between Suzuki Motor Corporation of Japan and General Motors of Canada. Mr. Slym succeeds Simon Boag who has been named plant manager of General Motors' Oshawa Car Assembly Plant.

The announcement was made jointly today by the senior members of the CAMI Board of Directors, Michael Grimaldi, President, General Motors of Canada Limited and Sokichi Nakano, Executive Vice President of Suzuki Motor Corp. of Japan.

Mr. Slym, 39, currently plant manager of the Oshawa Car Assembly Plant, recently was awarded a GM Sloan fellowship at Stanford University in the United States. He began his GM career in 1995 as the Manufacturing Advisor, General Assembly at Vauxhall Motors in Luton, England. He became Director of Manufacturing at the Opel Polska plant in 1997.

In 1999, Mr. Slym was appointed Assistant Plant Manager at the Oshawa Car Assembly Plant, a position he held prior to becoming a Stanford Sloan Fellow. In addition to holding a Masters degree in Business Administration from Stanford, Mr. Slym holds a degree in Production Engineering from Derby College, England.

Motor Vehicle Industry in Japan		
Passenger Cars, Trucks, Buses		TOTAL
PRODUCTION ¹	Jan-June 02	5,056,166
	Jan-June 01	4,949,961
	% change	2.1
EXPORTS ²	Jan-June 02	2,243,615
	Jan-June 01	2,002,197
	% change	12.1
SALES/ REGISTRATIONS ³	Jan-June 02	2,982,152
	Jan-June 01	3,106,806
	% change	- 4.0
IMPORT VEHICLE SALES ⁴	Jan-June 02	136,989
	Jan-June 01	139,849
	% change	-2.0

* (including models built by Japanese automakers overseas) source: 1-2-JAMA; 3-JADA, JMVA; 4-JAIA

Commentary - William C. Duncan, General Director, JAMA US Office

The Consumer – the Bond that Binds the Forces of Change



Honda Motor Co. Chairman Yoshihide Munekuni, was elected Chairman of the Japan Automobile Manufacturers Association (JAMA) in the midst of what is turning out to be one of the most dramatic periods of change for the Japanese automobile industry.

The industry is facing significant new challenges and opportunities both within and outside Japan. Domestically, the industry still

faces recession, wrenching restructuring and a challenge to develop more environmentally friendly cars. Faltering domestic demand has turned towards smaller, less expensive and more fuel-efficient vehicles. Electric and hybrid vehicles have moved from concept to production. Viable fuel-cell technology is one of the next goals as an alternative to the gasoline-combustion engine. Recycling old cars has become a production challenge, not just a disposal problem.

Internationally, new alliances have developed as trade frictions have faded. Foreign companies, notably GM, Ford, Renault and DaimlerChrysler, have purchased or expanded equity ownership in several of the JAMA-member companies. Toyota, Nissan and several other Japanese automakers joined the Big Three in the U.S.-based Alliance of Automobile Manufacturers. General Motors Japan has become a member of JAMA. Clearly, the Japanese auto industry is dramatically different from what it was 5 years ago, and changes will continue.



Mr. Yoshihide Munekuni
JAMA Chairman

In a press conference following his election as JAMA Chairman, Mr. Munekuni recognized that competition in the automobile industry has become both more intense and more complicated. He emphasized the importance of technology in meeting these challenges and pledged to continue the global outreach and cooperation initiatives taken by his predecessor, Hiroshi Okuda, Chairman of Toyota Motor Company.

Mr. Munekuni summarized his perspective on the current period of rapid change and challenge as follows: "Our decisions will be based on competitiveness. In the end, this means whether or not our customers understand and appreciate our product and marketing philosophy. In this sense, customers are basic to our industry."

The Future

The challenges before the automobile industry today and the technology to meet those challenges are moving so fast that few things remain the same. The future shape of the industry and modes of personal transportation will be limited only by imagination. What is certain, as Mr. Munekuni has suggested, is that the consumer will remain the bond that holds all the changes together.

For further information and updated monthly statistics, visit JAMA's website at: 'www.jama.or.jp/e_press/index.html'.