

# KAIHO SANGYO NEWS LETTER



SINCE 1969

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Hello everyone. How are you doing?

We are in the middle of rainy season. It is very humid here in Kanazawa. Our factory staff hope not to have rain when they load containers outside. I always admire their work. It must be very tough in this weather.

What is the weather like in your country? Hot? Dry? Rainy?

Oh, I am sure that it must be very hot in Germany thanks to the World Cup!! I wish I was there!!! Kana

Your frank comments about this letter, our company, staff or products are always appreciated. Please feel free to contact us anytime!

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## INCREASING USED CAR EXPORT AND THE OPAQUE MARKET STRUCTURE

Lately, the unit number of used cars that are exported from Japan has been increasing. There is such a viewpoint that the Automobile Recycling Law implemented in 2005 is speeding it up. According to Department of Treasury foreign trade statistics, the unit number of exported used cars in 2005 was 940,551 units and it is great increase compared with the one in 2004, 835,233 units. Regarding the unit number of exported used cars in 2005, Nikkan Shikyo Tsushinsya Co. Ltd projects that it must be over 1,200,000 units if we count the other parts which are not included in the statistics before June. Meanwhile, they estimate the number of CKD (one of export styles; to export used cars as used auto parts such as Half Cut or Nose Cut by cutting them. Importers assemble those parts to a car again in their countries.) must be 100,000 units or more.

Furthermore, according to the Ministry of Land, Infrastructure and Transport, the unit number of used cars, of which registration is deleted to export due to Automobile Recycling Law, exceeds 700,000 units only in 6 months from July 2005. It is said that the annual unit number will reach 130~1,400,000 units, and we can say that this statistics document the substantial increase of the unit number of exported used cars after Automobile Recycling Law was implemented.

In this way, Huge -ization of the used car export market is focused on as numerical value like this, on the other hand, there are many opaque parts about the market structure. It ends to that companies which export used cars as a corporate entity was just a fraction of the whole companies which came to the used car export market.

However, as the increase of the unit number of exported used cars is mentioned above, used car export occupies about 20% of the whole used car market, and quite lots of newcomers are coming to this export market. The largest companies in export sales such as Apple International or Agasta Co. Ltd have gone public and they are getting a lot of visibility. From now on, furthermore, transparent and fair market will be required.



The whole market structure will turn more transparent and competition based on a minimal fair rule will be materialized if the market can have more companies like which are run in consideration of appropriate diversification of risk or which think gaining long-term trust is important. However, what will lie ahead is the key. When the construction of international cooperative relations against environment issues such as automobile recycling or discarded products is asked in the future, the responsibility of market participants can be questioned. To place this problem on, it is necessary to build up the above kind of market as a very minimal first step.



## ! THIS MONTH'S RECOMMENDATION!



Maker	Model	Stock	Memo	USD
ALTIA	OW-33	23		US\$410.00
ALTIA	OW-35	5		US\$410.00
ALTIA	CM7190	1	Box Type	US\$410.00
ANZEN	PH-7P	3		US\$410.00
IWATA	TD-37PB	1		US\$410.00
IWATA	SCP37B	1		US\$410.00
IWATA	CTD-22P	1	Box Type	US\$410.00
IWATA	TD-22DB	2		US\$410.00
BANZAI	CT-237PB	19		US\$410.00
BANZAI	CT-222	13		US\$410.00
BANZAI	CTV-222LPBA	1	Vertical Type	US\$410.00
BANZAI	1OTPP22PB	1	Box Type	US\$410.00
MEIJI	GTO-3	1		US\$410.00

**We can load 60 units of these air compressors into 40ft.  
Please let us know if you are interested in buying these.**

~ Thanks ~