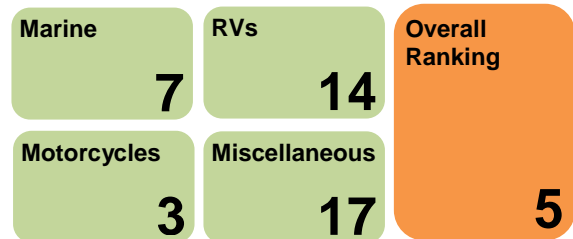




## 2016 Top Markets Report **Recreational Transportation** Country Case Study

### Japan – RVs

RVs and RV camping are becoming increasingly popular in Japan. ITA plans to work closely with industry to address the United Nations (U.N.) Economic Commission for Europe (ECE) brake requirement and other regulatory challenges and assist Japan with its post-disaster recovery efforts (by providing U.S.-made RVs), including the development of campgrounds to improve local tourism and the provision of temporary living quarters in the event of a natural disaster to leverage increased opportunities for U.S. exporters.



The RV market in Japan is in the early stages of development. Japan produced its first RV in 1958, a three-wheel unit exported to Europe and the United States. Japan’s first imported RV, from Germany, arrived in 1962.<sup>1</sup>

Today, there are a number of small RV manufacturers in Japan. Production comprises mainly of small motorhomes, some of which may also be classified as SUVs. There are about 89,900 units in operation nationwide. In 2014, Japanese RV manufacturers shipped 5,319 units.

Japan has relatively few campgrounds. Currently, there are about 1,300 campgrounds across the country; many of these, however, are underdeveloped.

The demographics of the RV industry in Japan are similar to those of the United States, with the majority of RV owners in their 40s. The most popular RV models cost between 4 and 5 million yen (\$33,000 and \$41,200), with more expensive models growing in popularity.<sup>2</sup> RV camping is becoming increasingly

popular among elderly Japanese, which may contribute to increased demand for more expensive models.

In addition to their recreational use, RVs have also been used for commercial purposes in Japan. Since the devastating tsunami and earthquake in 2011, U.S. manufacturers have shipped RV travel trailers and park models to serve as temporary shelters and for other post-disaster assistance purposes.

Several leading trade associations represent the RV and camping industries in Japan. These include the Japan RV Association, Japan Trailer House Association and Japan RV Importers Association.

In 2015, U.S. RV exports to Japan totaled \$2.2 million, of which approximately 84 percent were towable RVs. ITA expects U.S. RV exports to Japan to increase to \$2.5 million in 2018 with a CAGR of 4 percent.

#### Challenges and Barriers to RV Exports

U.S. RV exporters face several challenges in Japan. These include a low number of developed campgrounds in the country. Development of additional campgrounds capable of accommodating

RVs and RV camping is needed to generate increased demand for RVs among consumers and opportunities for sales by U.S. exporters.

Also, Japan does not have dedicated regulations for RVs. Instead, RVs are subject to a number of motor vehicle and other regulations that do not take into account the uniqueness of RVs. Large travel trailers and park model RVs, for example, are treated as housing rather than vehicles. Also, wide-body RVs are not allowed to be driven on the roads in Japan. In addition, a special driver's license is required to tow trailers weighing over 750 kilograms.

Additionally, restrictions placed on dealers of liquefied petroleum (LP) gas, or propane, discourage them from selling LP gas to RV owners. (LP gas is commonly used in RVs for cooking, hot water, heating and air conditioning systems, etc.) Eliminating burdensome requirements on RVs and developing regulations that are compatible with U.S. RVs would create more opportunities for U.S. exporters.

Another recent development, which threatens to overshadow the other challenges, is Japan's 2013 adoption of a United Nations (U.N.) Economic Commission for Europe (ECE) requirement (under Agreement 58) governing brake systems for buses, trucks and trailers. Under the regulation, which is scheduled to go into effect in Japan in February 2017, air brakes with anti-locking braking systems (ABS) are required for trailers over 3.5 tonnes (7,716 pounds).

### **Opportunities for U.S. Companies**

As a result of Japan's adoption of the UNECE brake regulation, opportunities in the near-term for many U.S. RV exporters may be limited. Because of the safety record of RVs, U.S. industry believes the regulation was aimed at commercial vehicles rather than RV trailers. ITA plans to work with industry to address this issue with the aim of obtaining an

exception for RVs, which would create a more favorable outlook for U.S. companies in Japan.

ITA also will continue its support of RVIA's programs and initiatives (under the association 2015-2018 MDCP award) to provide RVs as temporary housing/offices for the 2020 Olympics in Tokyo and assist Japan with its disaster recovery and preparedness efforts. Under RVIA's 2012-2015 MDCP award, the association has worked closely with ITA to promote RVs in Japan for disaster relief applications. The first purchases by Japan of U.S. travel trailers for this purpose occurred in 2013.

RVIA's initiatives in Japan include working with local industry to possibly develop campgrounds at roadside stations near disaster areas to assist with Japan's disaster preparedness efforts. These campgrounds would have travel trailers onsite for campers and visitors for recreational use, which could be transported easily to a disaster site, if needed. ITA plans to continue working with industry to help RVIA further develop these initiatives, which should increase opportunities for U.S. exporters in the long-term.

In addition, ITA will continue working with RVIA to address the regulatory challenges on RVs in Japan that limit U.S. exports. Development of RV dedicated regulations and additional RV-capable campgrounds across the country would further increase opportunities for U.S. companies in Japan.

ITA also hopes to bring Japanese buyers to RVIA's National RV Trade Show, which will be held from November 29 to December 1, 2016 in Louisville, KY (an IBP-Select event). The leading trade show in Japan for RVs is the Japan Camping Car Show (February). It features manufacturers, dealers and suppliers from across the RV and camping industries. There are also many small local RV shows throughout Japan, mainly in the summer.

### **Did You Know?**

1. RVs and RV camping are becoming increasingly popular in Japan.
2. U.S.-made RVs have been used to assist Japan's post-disaster recovery and disaster preparedness efforts.
3. A U.N. ECE brake requirement threatens to limit U.S. travel trailer exports.
4. The leading trade show in Japan for RVs is the Japan Camping Car Show (February).

<sup>1</sup>Greg Gerber, "Small is Chic in Japan's RV Industry," RV Daily Report, January 23, 2013.

<sup>2</sup>Ibid.