

4. Snowmobiles

1. Definition of Category

Snowmobiles (vehicles with ski-like runners and tank-like treads; used for driving on snow).

HS Numbers	Commodity
8703.10	Snowmobiles

Note: Because golf carts are also included in this category, official statistics for snowmobiles alone are not available.

2. Import Trends

(1) Recent Trends in Snowmobile Imports

There is no exact data about imports of snowmobiles. According to the Japan Snowmobile Safety Association (JSSA), at present, there are two leading Japanese importers. The import trend has not changed substantially in recent years, with imports remaining flat. The import volume is estimated at roughly several hundreds of units in the recent years.

(2) Imports by Place of Origin

According to the Japan Snowmobile Safety Association (JSSA), snowmobiles are imported mainly from the United States and Canada.

(3) Imports' Market Share in Japan

According to the information from the Japan Snowmobile Safety Association, about 3,000 snowmobiles were sold in the peak years in 1990. Since then, overall demand has declined, and about 2,000 units are estimated to be sold in 2001, with imports accounting for an estimated 15-20% of total sales.

3. Key Considerations related to Importing

(1) Regulations and Procedural Requirements at the Time of Importation

There are no special laws governing the importation of snowmobiles in Japan. When the snowmobiles are to be driven on public roads, however, they must comply with safety criteria set out in the Road Vehicle Act.

(2) Regulations and Procedural Requirements at the Time of Sale

When snowmobiles are to be driven on public roads, drivers must possess a valid driver's license. In addition, the snowmobiles must comply with the following criteria, according to engine displacement and vehicle size, as set out in the Road Vehicle Act.

- 1) Snowmobiles less than 3.3 m long, 1.4 m wide, and 2.0 m high with an engine displacement of less than 660cc:
These are treated as mini vehicles, and must comply with the safety criteria for mini vehicles. Furthermore, the importer must notify the Land Transport Office, Regional Transport Bureau.
- 2) Snowmobiles whose size or engine displacement exceeds the figures noted above:
These are treated as compact or standard-size automobiles and require both vehicle inspections and vehicle registration.

(3) Competent Agencies

- Road Vehicles Act
Evaluation and Registration Division, Engineering and Safety Department, Road Transport Bureau, Ministry of Land, Infrastructure and Transport-----Manufacturer agreement (imports)
Engineering Planning Division, Engineering and Safety Department, Road Transport Bureau, Ministry of Land, Infrastructure and Transport----- Automobile safety standards
Operation Safety and Environment Division, Engineering and Safety Department, Road Transport Bureau, Ministry of Land, Infrastructure and Transport-----Exhaust emission

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- Vehicle inspection and registration:
Land transport office, district transport bureau located in each region

4. Labeling

There are no labeling requirements for snowmobiles.

5. Taxes

(1) Customs Duties

Customs duties on snowmobiles are free.

Fig. 1 Customs duties on snowmobiles

HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
8703.10	Vehicles specially designed for traveling on snow; golf cars and similar vehicles	Free	(Free)		

Note: Refer to "Customs Tariff Schedules of Japan" (published by Japan Tariff Association) etc. for interpretation of tariff table.

(2) Consumption Tax

CIF x 5%

6. Product Characteristics

Demand for snowmobiles is very regional in nature; the greatest use is seen in Canada and the northern United States, while in Europe they are used most commonly in the three Scandinavian countries. Although there are no substantial differences between domestic snowmobiles and imports, at present they are imported from the main snowmobiling nations.

In Japan, snowmobiles are sold almost entirely as off-road vehicles for use on specially designed courses at ski resorts, etc. There is one domestic manufacturer, Yamaha Motor Co., Ltd. Nearly 95% of Yamaha's products are exported to North America. Of the world's three leading non-Japanese manufacturers — Polaris, Bombardier, and Arctoco — Fuji Heavy Industries handles Polaris products, and Itochu Himex sells snowmobiles from Canada's Bombardier. Some retailers independently handle parallel imports in small quantities. Polaris products use Fuji engines. Bombardier was the world's first company to make and sell snowmobiles, and the models available in Japan generally have large engines and cost ¥1 million or more.

7. Domestic Distribution System and Business Practices

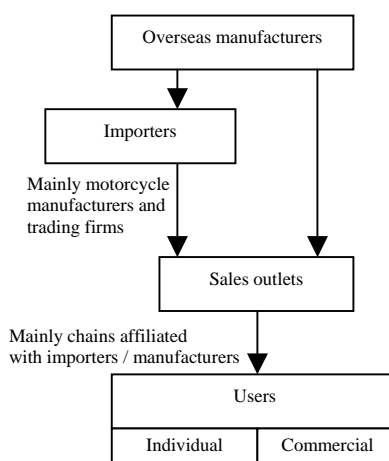
(1) Domestic Market Conditions

In Japan, Yamaha marketed the first snowmobile in 1968. Suzuki Motor Corp. also made snowmobiles at the time, but today Yamaha is the only remaining manufacturer and most their products are exported to North America. In the beginning, snowmobiles were used primarily for rescue patrols and the transportation of goods to remote areas, but they gradually came to be used for recreation as well. Today, leisure use is estimated to account for 60% of total demand, with business and home use making up the remaining 40%. Snowmobiles are also used for sports. But very few people take part in snowmobile races. The number of snowmobiles in use is estimated at about 20,000, judging by sales figures and average durability. Regionally, demand for snowmobiles is concentrated in heavy-snow areas such as Hokkaido, where about 50 percent of all snowmobiles are used, and the Tohoku and Shin'etsu regions.

Since snowmobiling is not a popular winter sport like skiing, common sales promotion activities include video promotions and test-drives. However, because of high costs and the lack of an infrastructure like those in Canada or the United States, few expect sales or imports to grow substantially. In response to Japan's growing leisure population, the Japan Snowmobile Safety Association (JSSA) was founded with a mandate to promote snowmobile ownership and safety practices. This organization holds safe-driving seminars in a bid to improve driving skills and reduce accidents.

(2) Distribution Channels

Three firms dominate the domestic market: Yamaha Motor, Fuji Heavy Industries, and Itochu Himex. Most sales are made through affiliated dealers. Sometimes these firms also provide storage and other services in the areas surrounding ski resorts. Affiliated dealerships in these areas are often very powerful.

Fig. 1 Distribution channels for snowmobiles

(3) Key Considerations for entering the Japanese Market

Snowmobiles have yet to become a familiar product in Japan, and sports facilities are limited. The use of snowmobiles in national parks is prohibited, and further market growth is unlikely unless improvements are made in the environmental infrastructure. Some owners store their snowmobiles at dealers or ski resorts during the off-season, and this is one of the services that importers must provide. When selling snowmobiles, priority must be given to maintenance and other aspects of after-sales service.

8. After-Sales Service

After-sales service is an essential part of snowmobile sales in Japan. Importers sign agreements with certain dealers to provide maintenance for their products, offering repairs and maintenance through these agents.

9. Related Product Categories

Related products include snowboards and ski accessories. There are no particular restrictions on the importation of these items. For more information on ski accessories, please refer to the “III-12 Ski Equipment” in this guidebook.

10. Direct Imports by Individuals

There are no restrictions on the import of snowmobiles by individuals. However, thorough consideration should be given to the kind, content, and pricing of after-sales service.

11. Related Organization

- Japan Snowmobile Safety Association (JSSA) TEL: 0538-21-3879