

# Third International Japan Automotive Roundtable

## Mapping the road ahead

July 17th, 2003, Four Seasons Hotel, Tokyo

## Programme

7:45 Registration

8:30 Introductory remarks by Conference Chair and sponsor introductions

8:45 Keynote address: **The new Mitsubishi Motors within the global car industry**

9:30 Session I: Panel discussion: **Perspectives on the automotive industry and its future**

Japan's auto industry has had a difficult decade – from record sales at the start of the 1990s to years of stagnation and decline. From an industry that was once wholly locally controlled to one where foreign influence is now substantial. Production volumes have dropped too, although exports have risen recently, and market shares have grown in the US. In Europe, however, almost every Japanese firm has a lower share than a decade ago with sales volumes also falling. The emerging markets have proved more volatile and more intensely competitive than initially expected while absolute volumes remain small. Could the uncertainties in world markets herald a return to protectionism? How will the drop in US sales impact production volumes? Where exactly does Japan see its future and what strategies will the industry adopt in these tough times? This session will explore the macro-picture and identify where the greatest hopes and biggest threats lie.

11:00 Coffee break

11:15 Session II: **The future of fuel**

Japan is winning the race to-date in developing the 'Green Car'. Hybrid cars, combining petrol engines with electric power, are already on the streets in the UK, US and Japan. The hydrogen-fuelled car, heat and water being the only by-products – already here but not a commercially viable proposition until hydrogen is readily available to consumers – to say nothing of the high production costs. Admittedly the benefits are worth having, not least the eco-friendly image to the world's driving populations. What is the future of alternative fuel cell technology - now that it already exists?

12:00 Luncheon

13:00 Keynote address:

14:15 Session III: **China: opportunity and threat**

In 2002 opinions on the prospects for automakers in China were divided. Much seems to have changed in the last year, however. Car sales have grown by 50% to make it the fastest growing market in the world. Honda has announced plans to use the country as an export base. Nissan has made the biggest investment in the country since WTO and Toyota has announced more ambitious plans in Tianjin and Changchun. Contrary to perceived wisdom it also seems that China offers fewer opportunities for parts manufacturing than first thought and may present more of a threat to Japan's exports of cars and parts, more quickly. In this session we re-visit China and look at where the market is going.

**15:20 Session IV: Practical ways to improve financial and market performance**

The business model of much of the automobile industry means that players are heavily reliant on after sales and favourable movements in exchange rates for profits. As a result many car-makers are focusing on the generation of new and profitable sources of stable revenue. This session will focus on management best practices including restructuring and innovation designed to tap new sources of revenue, trim costs and bolster margins. Are there particular business models, which allow for effective cost management, improved margins and leveraged market share? Attention will be focused on areas earmarked for growth within the automotive industry such as logistics, which has seen 40% growth or more a year in the region.

16:30 Coffee break

**16:45 Session V: Marketing strategies to boost sales in a cost sensitive environment**

As auto-makers reach the limits of their cost cutting efforts, many firms are looking at ways to boost top line growth. Increasingly brand re-positioning has become an important tool for auto-makers, particularly in the luxury end of the market. Indeed, as more than half of all vehicle sales in developed countries are to people aged 50 and over, where household incomes are above average, this is one area that car makers will be able to charge more than that of mass-market models. How are marketing strategies being leveraged to enhance every consumer touch point, from product design through after-sales service?

17:45 **Closing Keynote:**

18:15 Concluding Remarks

18:30 Conference Reception

Economist Conferences reserves the right to alter the programme if necessary.