



Japan's cutesy 'kei cars' hit rocky road

A kei, or light car in Japanese, in the the Ginza shopping district in Tokyo

Tokyo

Yoko Kojima loves zipping around Tokyo in her Daihatsu Tanto with its tiny wheels and pint-sized engine, but Japan's beloved 'kei cars' may have a rocky road ahead despite a legion of loyal fans.

Sales of the cutesy box-shaped cars, a staple of the world's number three vehicle market, drove off a cliff after peaking at 2.27 million units in 2014.

The drop to 1.72 million vehicles sold last year was a response by cost-conscious drivers as the government -- looking to pay down a massive national debt -- jacked up taxes on the popular made-in-Japan vehicles.

It was a nasty shock for many kei drivers, the majority of whom are women and those in rural areas where the little vehicles are indispensable for getting around on the cheap.

"I don't see a bright future for kei cars," said Yoshiaki Kawano, analyst at IHS Markit consultancy, who added that a consumption tax rise planned for 2019 could also dent kei sales.

"It's an ageing society and rural areas are losing residents -- where kei cars are most popular," he added.

There's no doubt that keis -- short for kei jidosha, or light cars in Japanese -- still have plenty of fans who love their great fuel economy and modest price tag.

They make up more than one-third of the domestic

market, with Honda releasing the newest version of its top-selling N-Box kei car this week.

"You can manoeuvre the car even if the streets are really narrow," said 75-year-old Kojima, whose Tanto doubles as a van for her part-time flower delivery business.

"It's really easy to drive -- I adore it."

'Nerdy image'

Keis were born out of the ashes of World War II when the government of the fast-modernising country was keen to get Japanese out of scooters or non-motorised transit and into economy-priced cars.

These days, the plucky little vehicles are still restricted to a motor less than 660 cc, about the same as your average motorbike.

And they can't be wider than 1.48 metres (4.8 feet), giving keis a comically narrow shape that makes them look like they

could tip over on a tight corner.

Keis cost less to produce than conventional cars and they sell for about \$6,000 less than a conventional car. They also have cheaper insurance and, until recently, much lower taxes.

While they're everywhere in Japan -- as a second family car, a farmer's pickup truck or even a police vehicle for neighbourhood patrols -- kei cars are a tough sell overseas.

Apart from their odd shape and sometimes peculiar names, such as the Suzuki

Hustler and the Cappuccino, most would not comply with US or European crash standards. And their tiny engines would make any muscle car enthusiast howl with laughter.

With Japan's changing demographics and little chance of success overseas, except in emerging markets, keis may never reclaim their peak.

But some think the industry can put the brakes on falling sales.

"They won't disappear from

the landscape," said Asako Hoshino, a vice president at Nissan who oversees the company's domestic vehicle market.

Hoshino cites Nissan's acquisition of kei car specialist Mitsubishi last year as proof they still have value, while Toyota took back all of its stake in Daihatsu, which leads the mini-vehicle market alongside Suzuki.

"Twenty years ago, cars were a symbol of success, but that is not necessarily the case today," Hoshino said.

"The trend now is to reduce the size."

Producers are trying to boost keis' appeal by putting more style and cutting-edge features into what have long been bare-bones vehicles.

"A decade ago, kei cars' functions were very limited -- they had a nerdy image," said Abe Shuhei, who works in Daihatsu's sales planning division.

"But, bit by bit, people are starting to buy them now by choice because they're energy efficient, safe and stylish." (AFP)



75-year-old flower shop owner Yoko Kojima (L) talking with a salesman at the Daihatsu car dealer in Tokyo