

## IT'S A SMALL WORLD AFTER ALL

(The Auto Recyclers International Round Table event Tokyo Japan 16<sup>th</sup>-18<sup>th</sup> June 2007)

Over the Weekend of the 16<sup>th</sup>-18<sup>th</sup> June 2007 approximately 100 Auto Recyclers and representatives from their trade associations from every corner of the globe came together for the third International Round Table. Graciously hosted for the first time outside of the United States by JARA (Japanese Auto Recyclers Association) the IRT aims to strengthen relationships and share knowledge and experience within this small but vital segment of the automotive industry.

Key topics for discussion included:

- Increasing recycled parts usage.
- Combating auto theft.
- Improving Relations with the metal/scrap industry
- International Co-operation.
- Certification and training systems.
- Quality coding.
- Airbag reuse.

With representatives from several European countries, the USA, Canada, Malaysia, Australia and of course Japan commonality of trading environments is remarkable. Despite differences in cultures and legislative frameworks it seems Auto Recyclers around the globe share similar challenges. Competition for stock, waste management, sales penetration, 'cowboy' operators and increasing compliance to name but a few.

The USA and Canada seem to have the most dynamic market places with estimates of the percentage of recycled parts used in repair work as high as 16% compared to Australia 4% and Japan approximately 2%. The USA and Canada are the most mature markets for recycled auto parts and a unique feature of their industry is the existence of a universal interchange. In essence the interchange, which is used by all the stock management systems (via licensing arrangements), allows the industry to pool their inventories giving each recycler access to vast amounts of stock. The result being they simply say "yes" more often thereby growing their share of the pie:

Reflecting on the leader board of international auto recycling it seems as though Australia would rate somewhere in the middle. The USA is arguably the most effective in selling their product as well as lobbying government and improving standards within the industry. Auto Recyclers in Japan have been very effective in engaging Government in their industry which has seen them recognized as an important player in the larger recycling industry. Europe on the other hand struggle with their sheer diversity. From Barcelona to Vladivostok something like 38 different countries some first world some third world, different languages, different levels of regulation, different age of vehicle challenges at every turn.

The IRT took place in the magnificent Miraikan centre in Odaiba a short train ride from downtown Tokyo. The days were full and at times grueling but as is often the case at these things some of the best exchanges took place at the informal receptions held at the end of each day. A chance to make new friends and to get reacquainted with old ones and to reflect (with the help of some Japanese hospitality) on what a very small world it is after all.

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