

The Trend of Tomb Stone Industry in Japan

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I . Introduction

Recently we receive many cases from Sinosure to collect the sales proceeds of the tomb stone manufactured by Chinese Policy Holders to Japanese Debtors.

There are two types of replies from Japanese Debtors to Chinese Policy Holders: quality issues or financial difficulty.

We heard quality issues from about 50% of the Debtors. In these cases, we carefully review the place, method and timing of inspection by the Debtors and type of defects claimed by the Debtors. In general, the debts with quality issue is not collectable. About 50% of the Japanese Debtors are willing to repay the sales proceeds but unable to do so due to the financial difficulty.

About half of the Japanese Debtors claim their financial difficulty due to increasing cost, in particular the dramatic increase of the labor cost. Most of them told us that the labor cost in China has increased for 100% in a recent couple of years.

Although the dramatic increase of the labor cost has many impact on Japanese industry including tomb stone industry. Many manufactures of Japan left China to other countries, such as Thailand, Vietnam, and Myanmar. Other manufacturers came back to Japan. Why only the tomb stone industry itself continues to suffer from the labor cost increase?

II. Transfer of the Manufacturing Center

Not only China but also Japan and Korea have stones for manufacturing tomb stone. Until the end of high economic growth period of Japan in 1973, tomb stone was manufactured in Japan with high stone processing technology and stilled workers. Due to the labor cost increase, the Japanese tomb stone manufacturers moved to Korea where

the cheap and skilled labors with good stones existed. After Seoul Olympic in 1988, the labor cost in Korea also increased. Japanese tomb stone manufacturers then moved to China, in particular Xiamen where good tomb stone and sea port existed.

Because the Chinese labor is not only cheap but also has high quality, Japanese manufacturers decided to shift the processing of Japanese tomb stone in China. The cutting edge stone processing machine was transferred from Japan to China. Skillful Japanese workers moved from Japan to China for several years to train potentiality to process the stones to Chinese workers. The stone processing industry in Japan, other than highest quality tomb stone manufacturers, disappeared. Now more than 80% of the tomb stones sold in Japan are manufactured in China.

III. Decrease of Demand of Tomb Stone in Japan

1. Introduction

Even though the dramatic increase of the labor cost in China, the tomb stone manufactured in China will be sold as far as the demand for tomb stone exists. This is the key factor of the difficulty of the collection of the tomb stone sales proceeds is increasing. There are many changes in Japan.

2. Stiff Competition among Increasing Number of Participants

The feature of new participants is that they offer funeral package plan (including grave stones) with clarified price options. The traditional funeral services, including the Japanese Debtors, has been criticized because of unclear price offering. This trade customs enabled grave stone industries to earn high profits from a single deal. Some of the Debtors told us that they will change the price system or even business model if the Policy Holders allow them to have time to survive.

3. Urbanization

The concentration of population to big cities in Japan such as Tokyo and Osaka is increasing. The real estate place has been very expensive and it is almost impossible for most of the people in Japan to have a tomb stone in central Tokyo.

There is a new trend in tomb and funeral, which do not require stones.

For example, in urban areas, the locker-type grave is now being focused. This type of graves are collectively administered in a building. Those who come to visit can easily see the grave (urn) by requesting the specific grave, and it will be transferred automatically from the locker to prayer space. This grave does not use grave stones and are kept indoors, thus visitors can pray in convenient condition and do not require maintenance, thus the cost is relatively low.

Another example is ash scattering. In Japan, burial is the traditional funeral style, but some Japanese people are preferring to choose ash scattering in the sea. It is said that those who choose this burial state that it would not burden their descendants to pray every year, which is said to be ordinary duty in Japanese culture.

4. Change of Function of Tomb Stone

Previously tomb stone is purchased by a family under a feudalistic idea. If parents have more than one boy, the first child would succeed the family tomb stone and the other boys would purchase another tomb stone for the family starting by himself. As the tomb stone serves for the family, the tomb stone tends to be large (on which the names of the family member are curved). Recently these feudalistic idea has been abolished. The tomb stone is purchased by nuclear family or no children couple. The tomb stone is not purchased not by the first child of the deceased but by husband and wife while they are still alive.

5. Declining Birth Rate, Increasing Unmarried Men and Divorced Couples

In relation to the above, the life style in Japan has been dramatically changed. The birth rate is decreasing because many women get married around 30 years old in Tokyo or other big city. The number of unmarried men is increasing. Furthermore, around 1/3 of married couples is said to end up in divorce.

In this kind of human relationship society, the tomb stone would lose its function. Previously the tomb stone was built to show the respect by the descendent to ancestor. If you do not have a child, who shows the respect to you by purchasing tomb stone?

VI. Conclusion

Through the negotiation with the Japanese Debtors, we found that the dramatic change has been occurred in the Japanese tomb stone industry. The main and direct reason for the change is due to increasing cost, in particular the increase of labor cost in China. There are indirect or more fundamental issues in the tomb stone industry in Japan: The change or challenge to the function of the tomb stone in the dramatically changed society of Japan, in particular big cities, such as Tokyo.

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