

During the ACEM annual conference in Brussels, PEN met with automotive leader Stephan Schaller to discuss the outlook for two-wheeled vehicles

Two-wheeled outlook

ON 24 September, the European Association of Motorcycle Manufacturers, ACEM, hosted its annual conference in Brussels. Focused on developments in the L-category vehicle – motorcycles, mopeds, tricycles and quadricycles – market place, and the impact of EU initiatives, the event centred on the importance of innovation in industry, mobility planning and European policy making. Indeed, issues such as innovation funding, EU projects, electromobility and market measures were high on the agenda.

Alongside the wider automotive sector, motorcycle manufacturers must confront the mobility and sustainability challenges of the future. However, with key market challenges, underscored by the registrations of L-category vehicles being at an historic low, engagement with European decision makers is a priority.

For the representatives of the automotive industry, the event proved an opportunity to connect with each other and engage with the representatives from key European institutions present during the day.

One personality at the event was Stephan Schaller, ACEM president and president of BMW Motorrad. Speaking to Pan European Networks, Schaller shared an insight on the industry outlook today.

The ACEM conference highlighted a number of issues facing the sector, such as market place and regulatory challenges – broadly, what is ACEM doing to counter these trends?

Indeed, the figures for 2014 show that the European market for our products is at an historical minimum. Between 2007 and 2013, registrations in the EU fell from about 2.43 million to about 1.1 million vehicles. This represents a decrease of 55%. Obviously much higher than the 25% decline in passenger car registrations which took place during the same period, due to the fact that our historic main EU



Stephan Schaller

markets were most hit by the economic crisis. This is one of the reasons why policies that have a great impact in our industry must be carefully devised.

To counter these trends we are working in three key areas. The first is what I would call domestic legislation. We have a good working relationship and regular exchanges with the officials responsible for different pieces of legislation such as the type-approval regulation (Regulation 168/2013). We also provide policy makers with the data they need as well as recommendations and assessments of what is technically feasible and economically viable for our industry.

International trade is the second key topic for our industry. Exports, together with a more vibrant domestic market, are essential in sustaining jobs in our sector. This is why we work with DG TRADE officials to promote better market access for our products in foreign countries. Many countries have set up tariff and non-tariff trade barriers that protect local manufacturers at the expense of European exporters. Examples of this include prohibitive luxury taxes, very high registration taxes, and even discriminatory circulation rules. All of these act as a disincentive for consumers abroad to purchase our high-end products.

The third key area is international standards. The EU is an important regulatory player but definitely not the only one. Today, standards for our industry are defined not only in Brussels but also in Geneva, in the United Nations Economic Commission for Europe.

Engagement with EU decision makers is evidently a priority for the European motorcycle industry; are you satisfied with the levels of engagement with your sector at present?

We have been in Brussels for more than 20 years and I feel our sector speaks with a clear voice. Our association has grown in parallel to



the expansion of EU legislation and to the transformation of the industry. We have managed to establish an excellent working relationship with people across the different EU institutions. We have regular exchanges with European Commission officials, members of the European Parliament, and other key stakeholders. Of course we do not always agree on everything but communication channels are always open and I believe that is very important for everyone.

Let me give you two examples of the importance of engaging with policy makers. Some years ago the European Commission created a forum called Cars 21 to exchange views with key players from the automotive industry on European legislation. Cars 21 was based on the recognition that the automotive sector makes a very important contribution to Europe's economy but unfortunately we were not at the table. With Cars 2020, things improved and we managed to have our views heard, also becoming part of this important process. Some months ago Commissioner Elżbieta Bieńkowska [the European Commissioner for Industry] announced that this exercise will be relaunched soon. We want to continue taking part in this important forum, and will keep working to ensure that European policy also takes motorcycling into account.

My second example is research policy. A few years ago, the European Commission launched the 'Green Cars Initiative', which obviously did not include L-category vehicles. But time went by and the Green Cars scheme was revised and extended. This is how the European Green Vehicle Initiative was born. Now EGVI and Horizon 2020 are funding research projects dedicated to alternative propulsion projects on our vehicles. This is a very positive development. It is also a recognition of the positive contribution we make to society.

How important is such a gathering as this in Brussels, and how do you measure its achievements?

Annual conferences are always very important moments for us. They allow CEOs and senior managers of our industry to have a friendly discussion on key issues for our sector. It is also an excellent opportunity to meet with people we work with on a regular basis, such as European Commission officials, members of the European Parliament and other stakeholders.

Today we had excellent discussions with some of our counterparts in the different institutions,

some very interesting presentations on ongoing research projects funded by Horizon 2020 and the European Green Vehicles Initiative, as well as a record number of attendees. We are already all looking forward to next year's event, which is planned for April.

But our job, of course, does not end with organising this conference or the next one. The European Commission has made some extremely interesting statements. There was a consensus that motorcycling has a key role to play in transport policy and more can be done in this regard. Now we need to make sure that those statements of intent become concrete policy action. Our vehicles are part of the solution to a basic need of European citizens: mobility. This is something that policy makers have to understand.

Electromobility continues to be championed by the sector, how optimistic are you about the outlook of e-mobility?

When I think about electromobility the first word that comes to my mind is 'Gelegenheit', which is German for opportunity. Because that is what electric vehicles are: a new and exciting opportunity for mobility. That being said, it is important to keep a sense of proportion. Market uptake for electric vehicles remains limited. Our current estimations are that in 2014 only between 1% and 2% of all L-category vehicles registered in Europe were electric models. This means that we are talking about really niche level figures for now. We still see a clear market preference for vehicles that have internal combustion engines, and this is why we continue investing in innovation in this type of powertrain.

But our industry has also launched new and innovative models that are propelled by electric powertrains. We do have internal R&D programmes but there are areas such as optimisation of batteries and their management systems, which would greatly benefit from further European support. This would allow us to improve technology and reduce costs. And this is why we are so optimistic about the European Green Vehicles Initiative (EGVI). It is a tool that makes possible good co-operation between our industry and policy-makers, and provides extra visibility to the innovative work carried out by manufacturers. In other countries such as Japan and the United States there are also good examples of this kind of co-operation. We need to go more in that direction here in Europe.

Another important area that will shape the future of electromobility in Europe are standards for charging infrastructure. CEN-CENELEC has defined a standard to harmonise plug-ins for electric L-category vehicles. If this standard is incorporated into EU law, European citizens will be able to use their electric vehicles in any European country. That would also be a big step in the right direction. Also, more charging infrastructure for recharging electric vehicles would help to increase acceptance among users.

Stephan Schaller
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