



8th ACEM Annual Conference

Introductory Speech by Hendrik von Kuenheim
ACEM President and General Director BMW Motorrad

- Ladies and Gentlemen, dear colleagues, as President of ACEM, the Motorcycle Industry in Europe, the association which brings together manufacturers of light “L- category” vehicles, I am pleased to welcome you to the 8th ACEM annual conference. Before addressing today’s topic - Innovating our mobility – allow me to briefly address the status of our Industry by commenting the main market figures and highlighting some of the most critical challenges all of us have to face with.
- Over the last decade the total volume of registrations and deliveries culminated in 2007 at 2.7 million units. In 2011, four years into a dire economic crisis, the Powered Two Wheelers sector achieved its lowest result with 1.7 million units corresponding to a 1 million units difference compared to 2007. The crisis that has been affecting the powered two-wheelers market since 2008 is indeed not loosening its grasp. 2011 marks a fall by another 9%, compared to 2010 when 1.9 million vehicles had been sold. The crisis has deeply affected the European market not only reducing its volumes but also changing some of the core aspects which traditionally reflected its main features. Italy, historically known as Europe’s first market for PTWs, lost its supremacy to France.
- Such a critical market depression generates difficulties for the whole sector. Many European suppliers are struggling with serious difficulties while others have no other choice than bankruptcy. Supplier’s bankruptcy means blunt stop of supplies to several OEMs who have to select a replacement supplier, re-invest in new tooling to restart the production of the affected component. This situation mobilizes resources, generates significant over costs, and disrupts production on top of losing sales’ volumes.
- In these conditions, better regulation such as ensuring a reliable and favorable regulatory framework, based on overall assessment of economic and social impact, are of utmost importance, in particular for smaller companies, which characterizes our industry. A new EU type-approval framework for our sector is currently under discussion in Brussels – I can only stress again the absolute need for the industry to have a stable, predictable and especially a feasible regulatory environment to underpin our long-term investment strategies. There is no time for idealistic approaches - simple pragmatic solutions must be privileged especially



in today's difficulties.

- Coming back to the market, interestingly, the segments of mopeds and light motorcycles show resilience in 2011 indicating their ability to respond to citizen's rational mobility needs, offering reasons for optimism.
- The role of Powered Two-Wheelers has recently been emphasized in the White Paper on Transport published by the European Commission, which stresses that "the use of smaller, lighter and more specialised road passenger vehicles must be encouraged" for urban mobility and commuting.
- This industry has a long tradition in providing mobility solutions answering this policy objective – ACEM manufacturers in particular have shown their ability to innovate, with motorcycles, scooters, tricycles, and quadricycles which have brought a new mobility paradigm not only to our city streets but also to sport, leisure and tourism activities. The products and concepts shown in the exhibition area represent a concrete illustration of this present reality and future potential.
- One of the solutions especially for the urban environment is electromobility. It is becoming a reality in some segments of our production, due to the specialized use and light weight of our products, with vehicles already on the market, others close to market introduction and more in the pipeline. Whilst the electric vehicle segment is still small reaching 15, 000 units sold in 2011, it has been doubling year on year. It remains however a niche at less than 1% of the market. A note of caution is therefore necessary: "range anxiety" and costs still represent a limitation for the take up of electric mobility.
- The nature of motorcycling is also sport, leisure and tourism. For industry, sport provides a platform for developing and testing innovative solutions under the extreme conditions of race tracks, which are then translated in safety and environmental features on consumer products.
- These are the topics we will be presenting and discussing today and I look forward to a fruitful exchange.
 - Thank you.



Conclusions:

- Ladies and Gentlemen, allow me to conclude the conference with a positive note. In spite of the current adverse conditions, ACEM believes that its unique know-how in developing and producing small, light and specialized vehicles will prove useful tools for sustainable mobility.
- However, strong political support is necessary to further develop this reality and market even more innovative products. This support should start with the full acknowledgement of our products as positive contributors to mobility.
- Furthermore, the future Horizon 2020 for research and innovation must importantly foresee earmarking of EU funds for research and demonstration projects for the L-category vehicles. These funds should also be made easier to access for smaller and innovative industries, through a reduction of administrative complexity.

Ladies and Gentlemen I warmly thank you for your active participation in our event. ACEM looks forward to continuing this constructive dialog leading us into the future.