A Global Vision for the Powered Two-Wheeler Market

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Extra-EU trade, a strategic issue for the PTW industry

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A **Global Vision** for the **Powered Two-Wheeler** Market

Jacques Compagne

Secretary General

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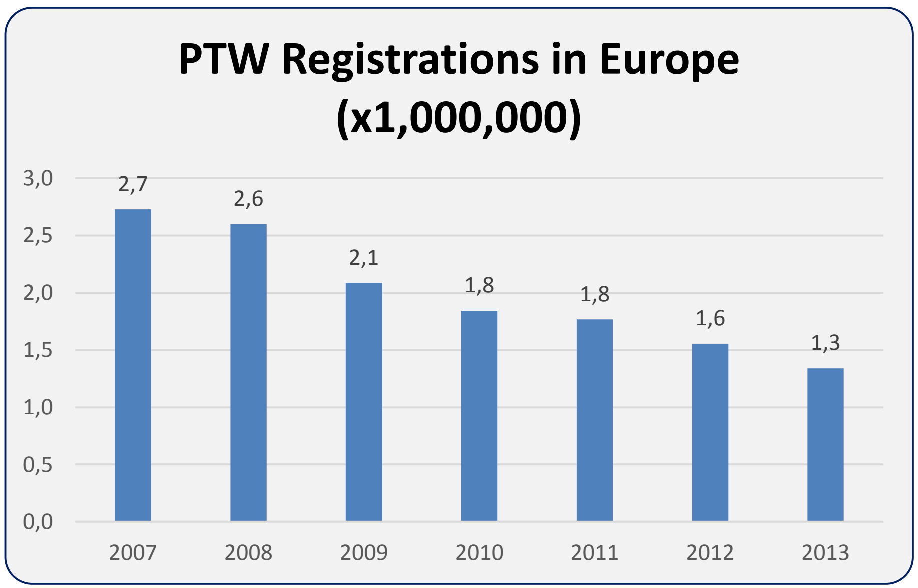
Developing PTW Extra EU Trade

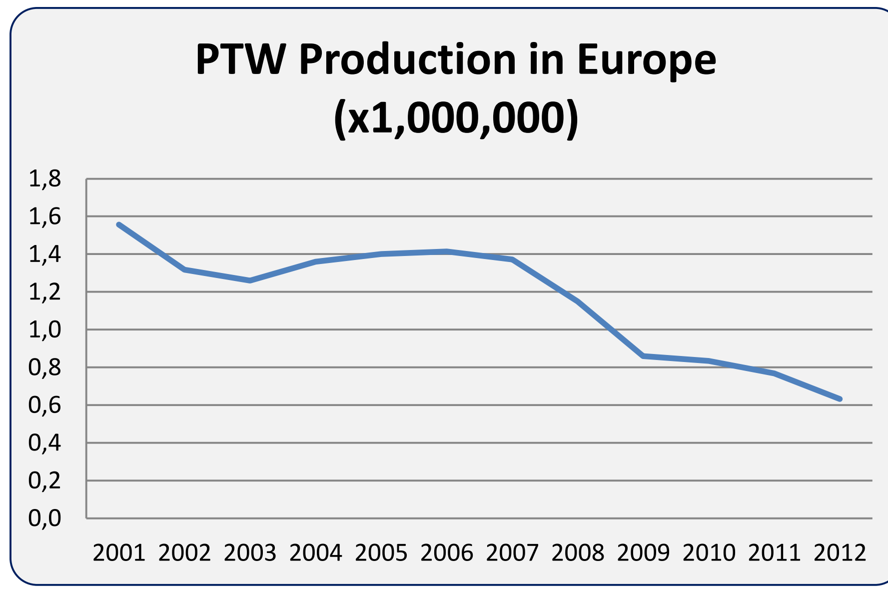
- To compensate the shrinkage of intra-EU market
- To positively balance trade exchanges of the sector
- Key issues
    - Competitive product offer
    - Market potential
    - Harmonized set of technical regulations across the world
    - Market access

EU Market and Production Figures

The state of the sector

- 2013 registrations: - 51% compared to 2007
- 2013 production: - 55% compared to 2007





Source: *ACEM 2012 - 2013*

L-Category Vehicles Sector
Main Figures

- Characterized by a high proportion of SMEs (about 98%)

	2006	2011	Variation
Vehicle manufacturers	1,300	950	-27 %
Vehicle distributors	37,000	34,000	-8 %
Turnover (bn €)	32	27	-16 %
Employees	131,000	125,000	-5 %

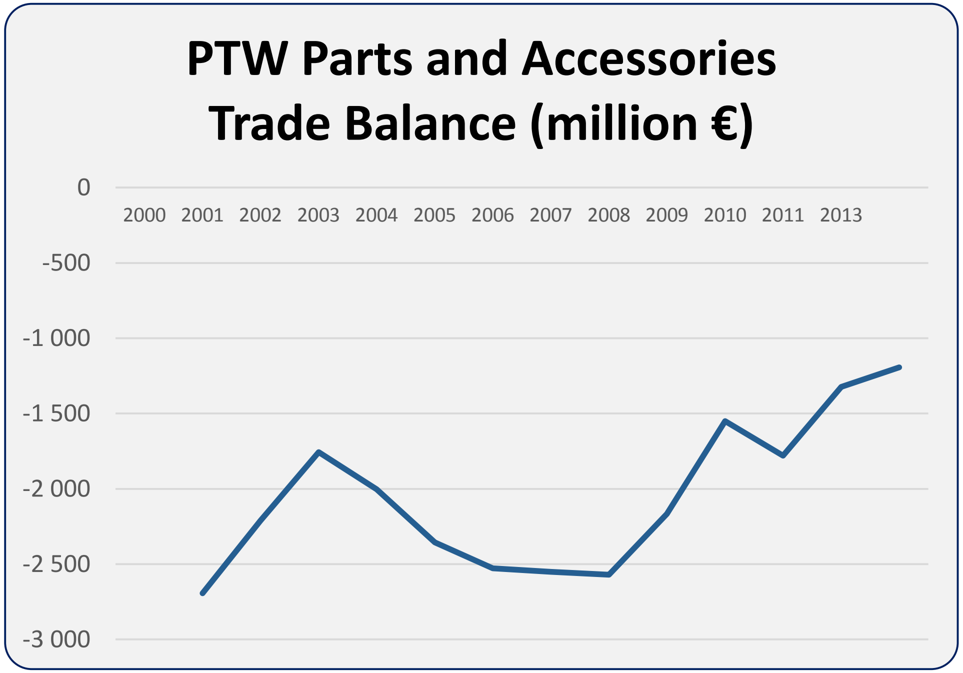
Source: *Gruppo Class Eurostat, 2011*

- Eurostat covers the vehicle part of the sector only; PPEs, services, sport and leisure activities represent a significant hidden part

Trade Figures and Balance

PTWs, parts and accessories (2012)

- EU-27 exports: 1,656 mn euros
- EU-27 imports: 2,850 mn euros
- EU-27 balance: -1,194 mn euros



- Cover Ratio: 58% (Export/Imports x 100)
- Trade Deficit: -56% reduction

Source: *Gruppo Class Eurostat, 2011*

Competitive Products
L-Category Vehicles

A Real Map of the PTW World!

Circulating Park
PTW Share Versus
All Motorized Vehicles

▸ 70 % and more

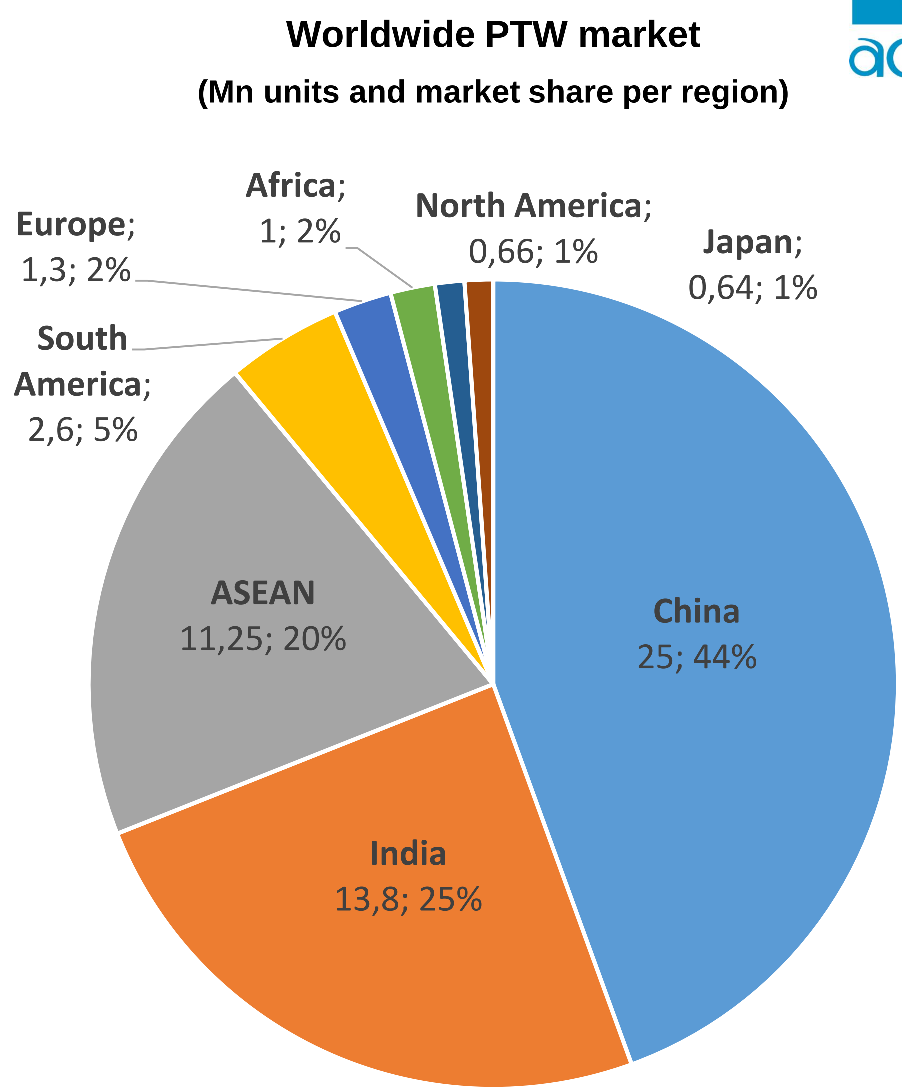
Country	% of PTW in total vehicles
Viet Nam	95.0
Myanmar	83.5
Maldives	82.9
Lao PDR	80.6
India	79.5
Central African Republic	77.8
Burkina Faso	76.5
Nepal	74.2
Indonesia	74.1
Togo	72.4
Sri Lanka	71.1
Cambodia	70.5
Sao Tome & Prin	70.2

▸ 40 < 70%

Country	% of PTW in total vehicles
Chinese Taipei	68.5
Bangladesh	67.1
Thailand	63.7
Pakistan	60.9
China	60.7
China, Macao	54.3
Uganda	53.5
Chad	52.5
Philippines	51.7
Uruguay	50.9
Dominican Republic	49.2
Malaysia	48.2
Colombia	45.0
Mauritius	42.0
Rwanda	41.5
Iran	40.7
Nigeria	40.0

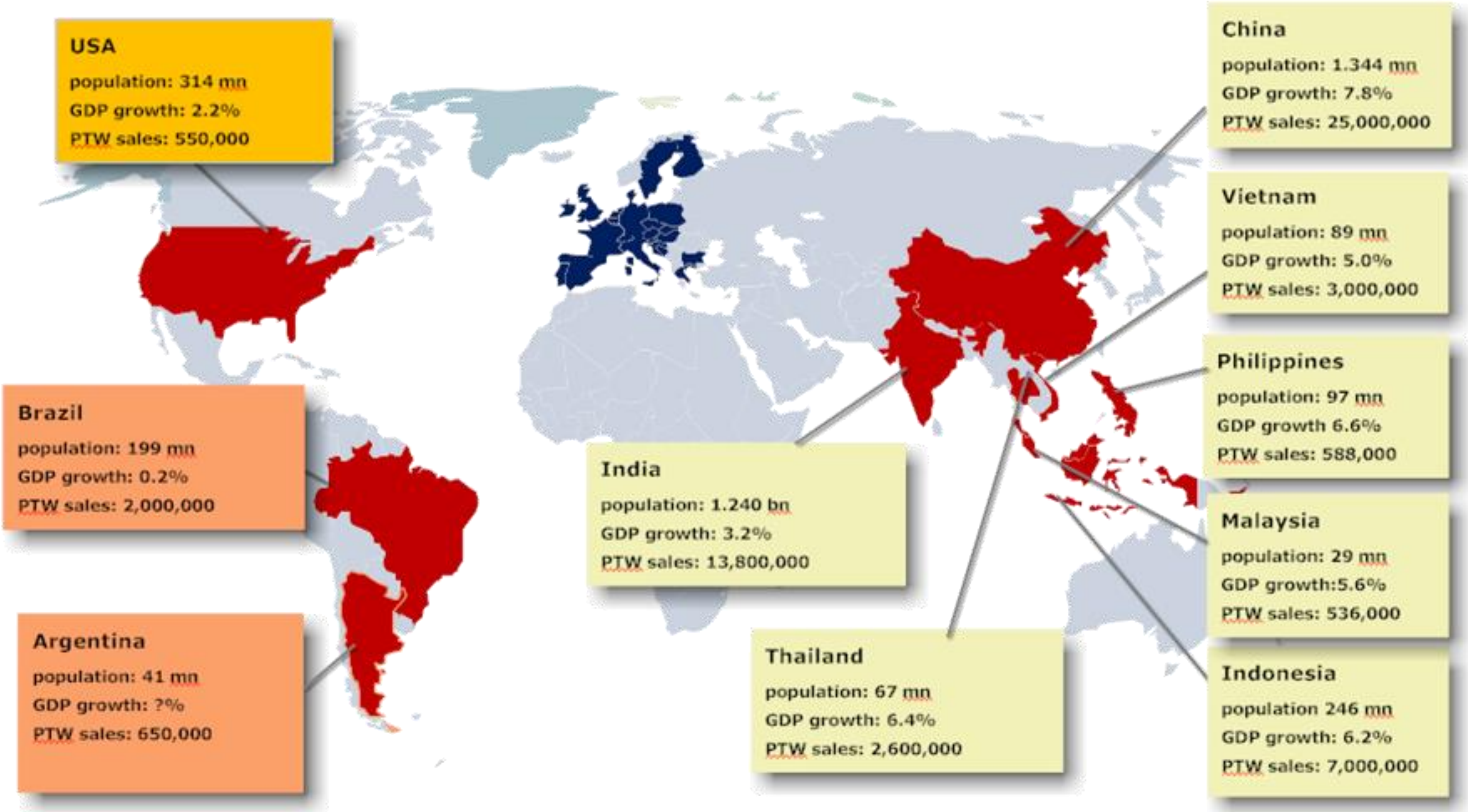
Europe in the Global Market (number of PTWs)

- Europe: 2 - 5% of global market est. 55 mn units
- To be acknowledged at the World Forum for Harmonization of Vehicle Regulations
- Considerable trade and growth potential outside of Europe



Source: *ACEM 2012-2013*

ACEM Priority Countries



ACEM Priority Countries and UNECE Agreements

- United States UNECE 98 Malaysia UNECE 58 & 98
- Not contracting parties: Argentina, Brazil, China, India, Indonesia, Philippines, Thailand, Vietnam

- 58 agreement to be more attractive
  - More contracting parties should apply
  - Adapted and harmonized levels of stringency
- 98 agreement to be more efficient
  - In terms of implementation
  - And real harmonization
- Conformity and market surveillance to be closely considered

EU Main Customer Countries for PTWs

- Top 5 export partners (in value)

Partner	% export value
USA	29.7
Switzerland	11.7
Japan	9.3
Australia	8.2
Canada	3.9

Source:

Gruppo Class Eurostat, 2012

- First priority countries ranked 7 and 8: Brazil 3 % and Vietnam 2.5 %
- Main PTW potential customer countries are out of reach
  - Trade barriers prevent EU PTWs to be exported to most promising markets
  - Europe needs to push for equal access and opportunities for all of the players

ACEM Priority Countries and Trade Barriers

- Applied duties - Export to

Customer country	% duties
Brazil	20%
Indonesia	20-30%
Argentina	20-35%
Malaysia	30%
Philippines	30%
Thailand	60%
Vietnam	55-75%
India	100%

- EU duties - Import from

Supplier country	% duties
Brazil	2.5-4.5%
Indonesia	
Argentina	
Malaysia	
Philippines	
Thailand	
Vietnam	
India	

***Source:** EU Market Access database*

- Unbalanced situation of duties and other barriers lead to
  - Delocalize production and jobs outside of Europe
  - Attracting investments outside of Europe

- Many other NTBs

For a European Industrial Renaissance

- Extra-EU markets represent a significant growth potential also for the whole PTW sector
- A realistic additional 1 million exported PTWs could reconstitute the EU production level of the early 2000's
- And contribute to the EU 20% target of industry's share in Europe's GDP by 2020
- Provided that we progress towards the key objectives of last week's EC Communication "For a European industrial renaissance"
  - *"Simplify the legislative framework and improve the efficiency of public administration at EU, national and regional levels.*
  - *Easier access to third country markets through harmonisation of international standards, open public procurement, patent protection and economic diplomacy are also key issues."*

Thanks!

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