



## EU-UK trade negotiations

ACEM, representing the motorcycle industry in Europe, would like to actively contribute to the discussions on the future trade relationship between the EU and the UK.

The total European L-category vehicle market in 2019 amounted to 1,382,000 vehicles, of which 107,300 were sold in the UK. In 2019, the value of EU motorcycle exports to the UK was €425 million, and the value of UK motorcycle exports to the EU was €239 million.

Of the total of approximately 713,000 L-category vehicles produced in Europe<sup>1</sup>, about 9,500 are produced in the UK (2018 figures). The motorcycle sector in Europe, including manufacturing, upstream and downstream activities, is estimated to employ around 300,000 people, of which over 40,000 are employed in the UK.

In terms of structure, the European motorcycle sector is characterised by a large number of companies active in vehicle, parts, components, sales, maintenance and repair – 8% of these companies are based in the UK.

Agreement of a deep and comprehensive trade deal between the EU and the UK is the greatest priority of the motorcycle industry.

<sup>1</sup> Excluding light- (L6) and heavy-quadracycles (L7).

## Priority issues of concern for an EU-UK free trade deal

### Customs and border controls

Any delays at the border caused by new customs requirements will add cost for businesses and disrupt supply chains. Just-in-time manufacturing in both the EU and in the UK requires daily, high-volume transportation of parts and components across the borders in a timely and cost-efficient manner in order to remain competitive.

Every effort should be made to agree to the smoothest possible flow of goods between the EU and the UK, which should include: simplified customs procedures, a shared trusted trader scheme, information and data sharing between customs authorities, and investment in new high-tech logistics systems to enable the most efficient flow of goods.



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### Tariffs and rules of origin

Tariff free trade should be maintained for the automotive sector, including for motorcycles, their parts and accessories, due to the significant reliance on parts supply chains between the UK and the EU.

Rules of origin should not be phased-in without significant lead time to allow manufacturers to adapt deeply integrated supply chains for future model designs. The motorcycle industry comprises a large number of SMEs, many of which do not have experience operating outside of the EU's single market.

These companies in particular, will need time to understand and meet new rules of origin requirements.

We strongly support a CTH (change of tariff heading) provision for motorcycles (HS 8711), as is the case in other EU FTAs, as this will decrease the administrative burden and increase the usability of the FTA for exporters.

## Regulation

Motorcycles designed according to European WVTA requirements are accepted in over 70% of global markets. Any requirements unique to the UK will cause additional cost and burden to businesses, which will lead to higher costs for UK consumers. Duplicate testing regimes will also add significant cost increases to motorcycle manufacturers in both the EU and the UK.

During negotiations, both sides should strive to achieve an acceptable equivalence agreement on type approval regulations, Whole Vehicle Type Approval (WVTA) testing and approvals.



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## Human resources

Businesses headquartered in the EU and the UK rely upon an international pool of talent to bring with them the required language skills, cultural knowledge and business experience to operate at a global level. The ability to hire and move staff between countries and intra-company business operations should be as unrestricted as possible.

## About ACEM

The European Association of Motorcycle Manufacturers (ACEM) represents manufacturers of mopeds, motorcycles, three-wheelers and quadricycles (L-category vehicles) in Europe.

ACEM members include 18 manufacturing companies: BMW Motorrad, Bombardier Recreational Products (BRP), Ducati, Harley-Davidson, Honda, Kawasaki, KTM, KYMCO, MV Agusta, Peugeot Scooters, Piaggio, Polaris Industries, Qooder, Renault, Royal Enfield, Suzuki, Triumph Motorcycles and Yamaha.

ACEM also represents 17 motorcycle industry associations in 15 different European countries. About 300,000 jobs depend on the L-category industry in Europe. There are about 35.3 million motorcycles and scooters on Europe's roads.

To find out more about ACEM please visit [www.acem.eu](http://www.acem.eu)