

MARKET REPORT EUROPEAN UNION

Big import drops for conventional bicycles stopped in 1st nine months of 2018

Are Sales of Regular Bikes Finally Stabilising?

BRUSSELS, Belgium – A small but significant growth showed the 2017 import of conventional bicycles into the EU 28 member states from countries outside Europe. Was this a first sign of a rising demand for regular bikes? Import figures for the first nine months of 2018 do not show continued increases. However, neither are big drops indicated by the Eurostat data. Is it implying a stabilising sales trend for conventional bicycles despite the further rise in e-bike popularity all around Europe?

JACK OORTWIJN

Eurostat data on the January to September 2018 import of conventional bicycles into the EU 28 member states shows a 1.8% drop to 4.9 million units. Compared to the big downward trend this import showed in the past decade, this 1.8% drop can be considered as minor. Is it an indication of an EU market for regular bicycles that has hit rock bottom as being pressurised by e-bike popularity? Or are there other market trends that come into play here?

Downward trend stopped

What most definitely has hurt sales of regular bicycles is the e-bike trend. And there's more to come as this trend is only in its early stages. E-bike market share in the total EU market for bicycles is currently estimated at some 15 to 20%. Experts are propagating that it will flourish to over 50% with all bicycle categories being electrified. Will this further projected growth mean that the total volume of the bicycle market will continue to fall, like what happened since 2008? In that year the total import of regular bicycles from countries outside Europe stood at close to 9.5 million units. Nine years later, in 2017 the import totalled 6.7 million bicycles. This accounts for a close to 30% drop!

As said the 2017 import figures showed some recovery as it increased by 1.3% to a total of 6.7 million imported bicycles. In the first nine months of 2018 that plus was again overturned into a drop. The conventional bike import into the EU was down by 1.8%. So, a limited drop to in units to a total of just below the 5 million units mark. That decline was limited despite the fact that in 2018 the sales of electric bicycle showed a big growth in various EU countries. It leads to the conclusion that the downward trend in import (and with that probably also in sales) of conventional bicycles has been stopped.

Import value wise

Value wise the 2018 import showed a drop, but not as hard as in 2017. In that year the US dollar dropped significantly in value (some 13%) against the euro and as Far East procurement takes place in US dollars this seems the obvious reason. Note; hedging can provide the solution here which is now also available for smaller companies. See the separate report on this else-



What caused the sudden big import growth of regular bikes from China is likely to be answered by a review of anti-dumping measures currently taking place.

Photo: Bike Europe

where in this print edition.

After years of stable import values of between €165 and €170 on average per imported conventional bicycle, it dropped noticeably in 2017 to €156. In the first nine months of 2018 that value drop stood at 2.7% to €159.15 on average per imported bicycle.

Taiwan's bicycle export to EU

In 2017 Cambodia became EU's biggest bicycle supplier. In 2018 the country confirmed its leading role as it managed to further grow its exports of conventional bicycles to the EU. And by no small means as Cambodia's exports grew by close to 10% to some 1.2 million units.

In the January – September 2018 period 770,000 regular bicycles were imported from Taiwan; down a huge 20.7% on the 2017 total of the same

Imports from China increased by 15% despite 48.5% anti-dumping duty and 14% import tax.

period. For the whole year of 2018 Taiwan's regular bike export to the EU will probably stay below the one million units mark. Ten year ago, in 2008 the EU imported close to 3.5 million bicycles from Taiwan!

As for the reasons behind this huge drop; there are three obvious ones. The first is shown in the table of EU's biggest supplying bicycle countries. Here Cambodia stands now firm on the top position. However, all the bike makers in Cambodia come from Taiwan and still have their HQ's there. Next to Cambodia there are other Far East

countries where currently Taiwan bike companies are based which export to Europe; like in the Philippines. So, production has been switched from Taiwan to other countries in the Far East.

Next to these countries Taiwan production has also shifted to Bangladesh and Tunisia. Particularly as from these countries bicycles can be imported into the EU without having to pay any import tax. This is reason number two.

Reason number three for the huge decline in bicycle exports from Taiwan to Europe is in the fact that the bike industry in the country is switching to e-bike exports. Since 2015 exports to Europe have tripled. And in the first nine months of 2018 again a 67% growth was recorded by Eurostat. A total of close to 155,000 electric bicycles came from Taiwan. Compared to the 770,000 regular bicycles imported by the EU countries, the import number for e-bikes is still small. But value-wise e-bikes form a much more profitable and interesting export product.

Import from China up big

What is also especially striking is that the imports from the People's Republic of China increased by 15%. This despite the 48.5% anti-dumping duty levied on them, next to an import tax of 14%. In the first nine months of 2018 a total of 540,000 conventional bicycles were imported from China. It is said that this import growth is caused by bicycles destined to be used for public bike rental schemes that have popped up in Europe's biggest cities which are operated by Chinese companies. Or is there more to this sudden import growth? That question is likely to be answered by the review of the anti-dumping measures that are currently in place for regular bikes imported from China. This review is taking place now and must be concluded before 1 June 2019 as by that date the European Commission must announce whether it will again impose anti-dumping duties on the import of regular bicycles from China.

Bicycle EU-28 Imports January – September 2018/2017

Total import (in units & value)	2018 Jan-Sep	2017 Jan-Sep	2018 vs. 2017
Units	4.934.418	5.026.872	-1,83%
Value	€ 785.359.831	€ 822.366.339	-4,5%
Average price	€ 159,15	€ 163,59	-2,7%

Top-5 suppliers, 2018/2017 Jan-Sep (in units)

Country	2018 Jan-Sep	2017 Jan-Sep (rank in 2017)	2018 vs. 2017
1. Cambodia	1.193.684	1.088.798 (1)	+9,63%
2. Taiwan	769.797	970.156 (2)	-20,65%
3. China	539.830	469.682 (5)	+14,93%
4. Philippines	526.252	603.457 (3)	-12,79%
5. Bangladesh	519.697	535.025 (4)	-2,86%

Source: Eurostat

Stockpiling contributed to big import rise as anti-dumping measures on China made e-bikes loomed

EU's E-Bike Imports Grow to Over 1 Million

BRUSSELS, Belgium – The import of electric bicycles into the European Union's 28 member states has grown to over 1 million units last year. According to Eurostat, that showed a rise of 36% in the first nine months of 2018. What contributed to this big growth is the rapidly rising imports from Taiwan.

However, China again accounted for the main part of this rise. Stockpiling effects by various importers of Made in China e-bikes contributed to the import rise as anti-dumping measures loomed. In the January - September 2018 period close to 1,030,000 electric bicycles were imported; in particular from China, Taiwan, Vietnam and Switzerland. This total rose from close to 760,000 units in the same period of 2017, resulting in a 36% growth. The average value per imported unit showed a 5.5% drop to close to €531.

Huge rise in imports from Taiwan

What is in particular striking when viewing the import flows more closely, is the huge rise in the number of e-bikes originating from Taiwan. The import from the island off the coast of China showed a 67% growth in the first nine months of 2018. A total of close to 155,000 electric bicycles came from Taiwan. Percentage-wise this is the biggest growth compared to the imports from other countries.



EU import of Taiwan made e-bikes increased by 67% in first nine months of 2018.

Photo: Bike Europe

Imports from China

In absolute numbers China accounted for the biggest part of the import growth. In the January

E-Bikes EU-28 Imports January - September 2018/2017

Import in units & value

	2018 Jan-Sep	2017 Jan-Sep	2018 vs. 2017
Units	1,028,646	757,786	+35.74%
Value	€ 545,776,789	€ 425,734,473	+28.19%
Average price	€ 530.57	€ 561.81	-5.56%

Top-5 suppliers, 2018/2017 Jan-Sep (in units)

Country	2018 Jan-Sep	2017 Jan-Sep (rank in 2017)	2018 vs. 2017
1. China	718,052	545,048 (1)	+31.74%
2. Taiwan	153,134	91,723 (2)	+66.95%
3. Vietnam	117,072	91,524 (3)	+27.91%
4. Switzerland	28,359	19,044 (4)	+48.91%
5. Thailand	6,620	6,753 (5)	-1.97%

Source: Eurostat

January to September 2018 period close to 720,000 e-bikes were imported from China; some 175,000 more compared to the same period in 2017. This accounted for a 32% rise which, as said, is caused by stockpiling effects as in the first half of 2018 the dumping case for e-bikes imported from China had a growing influence on trade. This is evidenced by Eurostat's 2018 half year figures for e-bikes imported from China. In the first six months of last year that import was up by a huge 89% to 615,000 units. In the next three months e-

bike imports from China slowed down hard with only 105,000 units more that came from China to the EU.

Looking at the other countries from which the EU member states imported e-bikes, it shows that next to Taiwan also the import from Vietnam showed significant growth. 117,000 units were imported from this country; up 28%. Also the e-bike imports from Switzerland rose big time with 49%. However, in absolute number that import is limited to 28,000 units.