



CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Metal Parts for Motorcycles in Europe

Introduction

In Europe, more than 38,000 enterprises operate in the motorcycle industry, of which more than 800 are dedicated to a certain form of production of motorcycles and motorcycle parts. Many of these companies have specialised in small series production, while some 20% of these companies make medium sized series. There are opportunities for Developing Country exporters in terms of subcontracting the manufacture of metal parts for motorcycles, as long as product quality and price meet the expectations of the buyer(s). Most prospects are located in the four focus countries France, Germany, Italy and the United Kingdom, but also in Austria and Spain.

Product description

The scope of this survey is metal parts for motorcycles. Motorcycle parts are engineered, manufactured, and assembled in order to produce motorcycle models with the desired performance, aesthetics and cost. The key components/systems of modern motorcycles are: frame, suspension, front fork, engine, transmission, final drive, wheels, tyres, brakes and instruments. In terms of value, engine and transmission components are the largest category, followed by frame/suspension/front fork.

When 'parts for motorcycles' or 'motorcycle parts' are referred to in this survey, this concerns the selection of products in Table 1 of Annex 1, unless stated otherwise.

Geographic scope

The geographic scope is Europe, however, in certain parts of this survey the focus is on a selected group of countries: Germany, Italy, France and United Kingdom. These countries are the largest importers of parts for motorcycles in Europe. When 'focus countries' are referred to in this survey, this concerns the selection of these four countries, unless stated otherwise.

Product specifications

Specifications of parts for motorcycles as required by European buyers are described below. Pictures 1-6 show a few examples of motorcycle parts.

- **Material and design:** The material of motorcycle parts depends on the type of parts/application. For example, frames and frame parts for motorcycles are typically made of steel and welded aluminium (or alloy), while motorbike forks are often made from cold drawn seamless steel tube with a coating of hard chrome. Sometimes also more exotic materials are used, such as carbon fibre, titanium and magnesium (for example in expensive custom frames). Design is very variable depending on the part and the motorcycle.
- **Labelling and packaging:** Motorcycles parts can be packed in a carton or a wooden box, depending on the size of the parts. The outer package should include the brand name and type number. The package for ocean transportation is a wooden, steel or plastic pallet, wrapped with plastic sheet and sealed with metal strips. The size of the boxes depends on customer requirements and preferences and is also influenced by the weight per box and handling possibilities.
- **Note:** If you use wood packaging materials to export products to Europe, you must consider health (phytosanitary) requirements set for these materials; in practice this means that the wood must have undergone heat treatment or been fumigated with methyl bromide.
- **Last but not least:** packaging is always labelled, not only for the purposes of identification during transport, but also to indicate the quantity, weight, the products themselves and the producer's name.

What is the demand for parts for motorcycles in Europe?

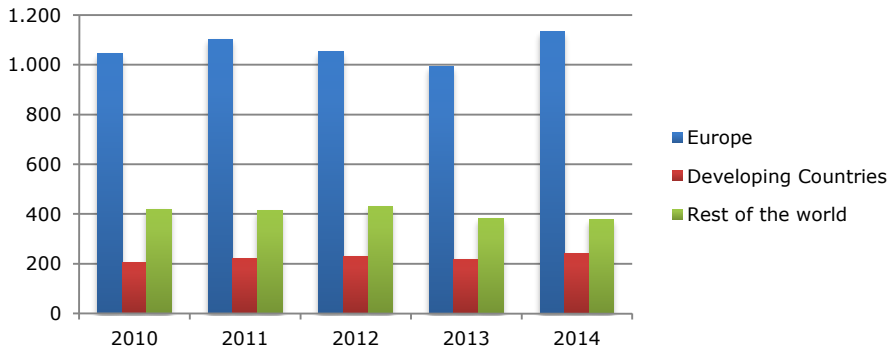
Please be aware of the following, before continuing onto the figures:

- The trade and production figures in this section give an indication of the total value of motorcycle parts. These statistics cover only one code (refer to Appendix A) and can't be further detailed, unfortunately. Therefore these statistics cover more than only metal parts. On the other hand, they do not include parts represented by other statistical codes, including tyres, lamps, wheels, roller chains, brakes, gear boxes, silencers and exhaust pipes, and clutches.
- Production and demand figures of parts would be higher if in-house parts production was included. European motorcycle producers partly produce the parts themselves. This type of production is not included in the statistics as this data is not available.

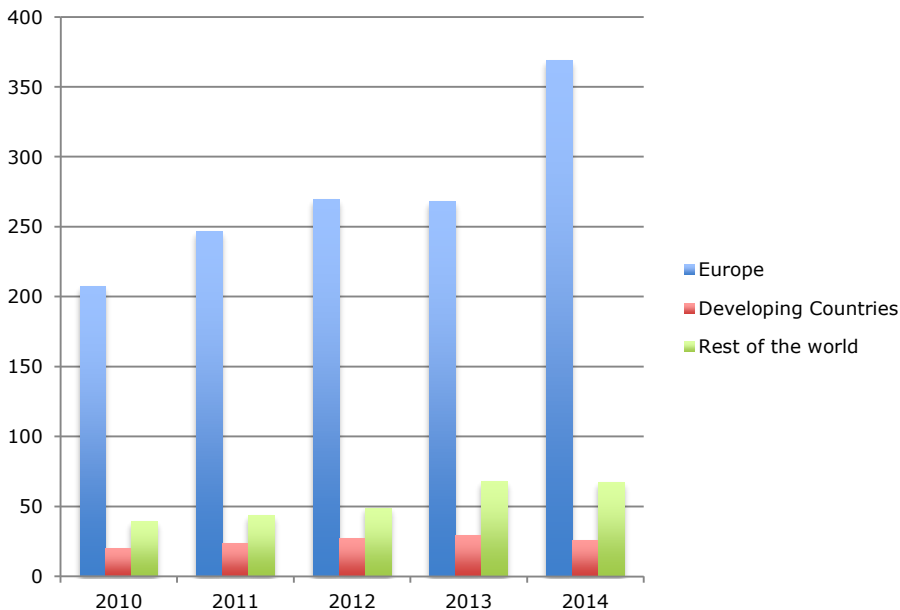
Imports

Figure 1-5: Imports of motorcycle parts to Europe and focus countries, by main origin (2010-2014), in € million

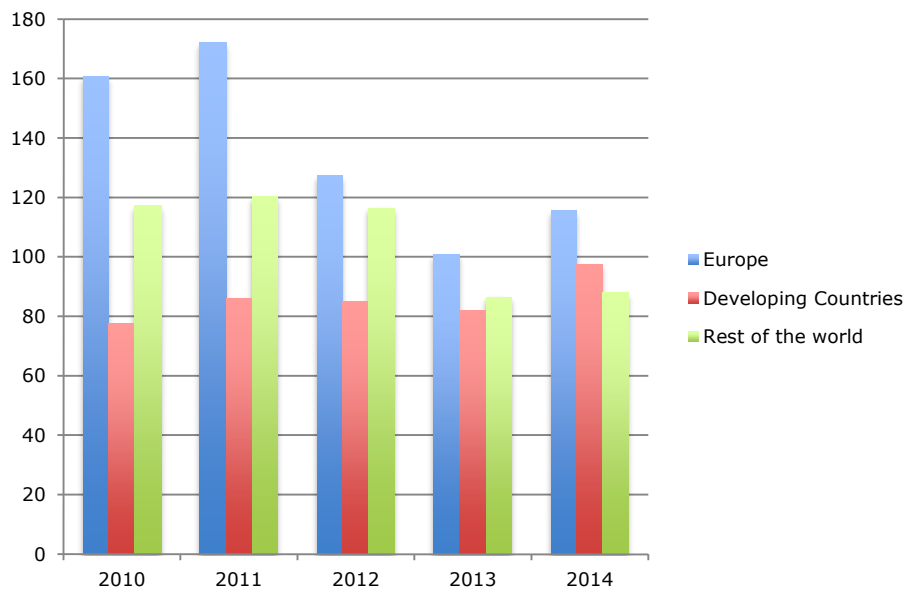
Europe



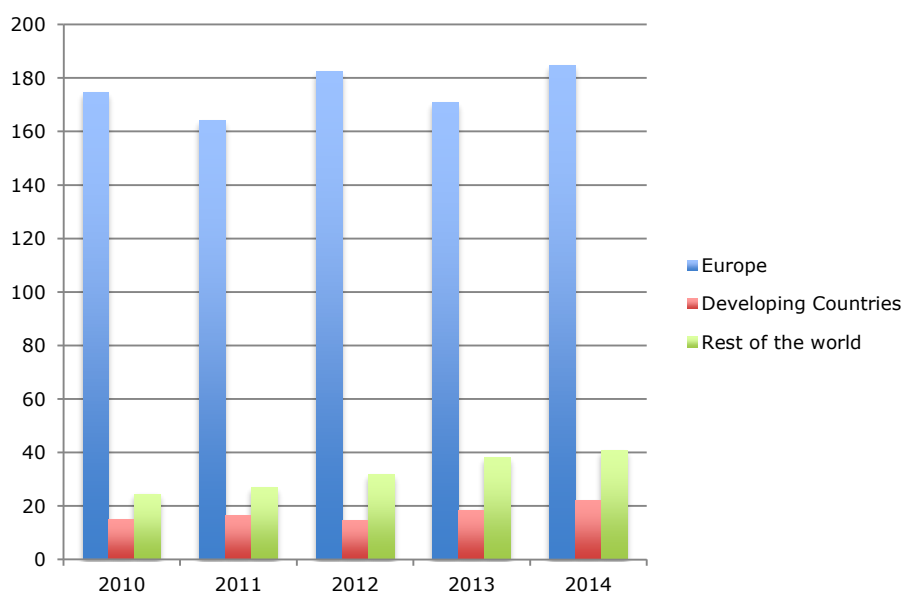
Germany



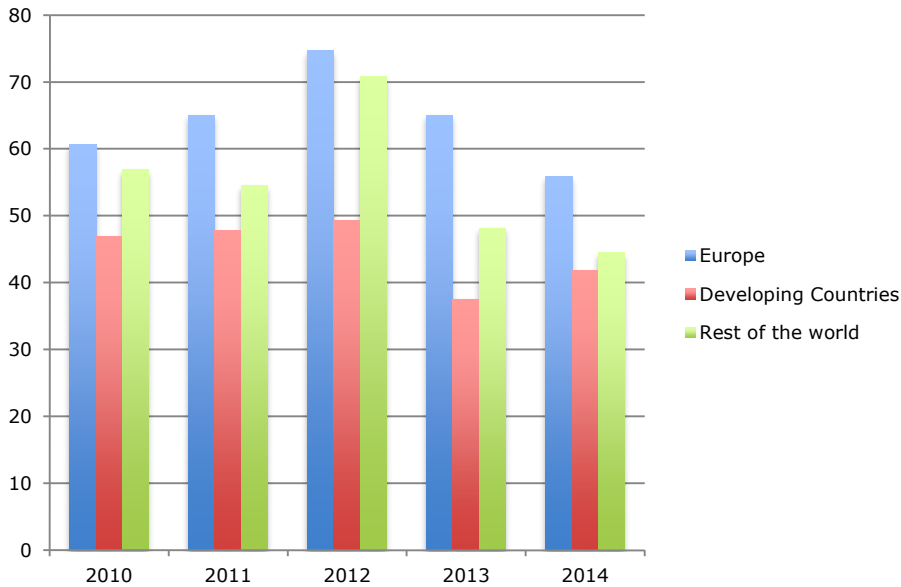
Italy



France



United Kingdom



Leading suppliers

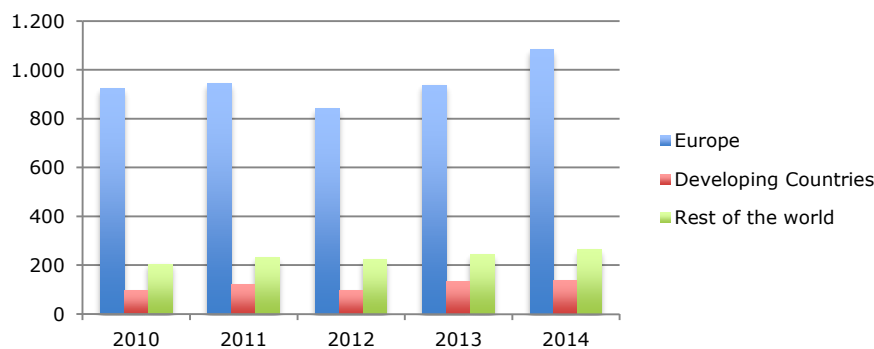
- Intra-European trade mostly originates in Italy, followed by Germany.
- Japan and Taiwan are the leading suppliers in the category 'rest of the world'.
- Imports from developing countries are dominated by China, at some distance followed by Thailand. Other suppliers from developing countries suppliers that play a role in European imports are India, Vietnam, Malaysia, Turkey, Bosnia and Herzegovina, Indonesia and Tunisia.
- China is particularly strong in export to Italy, Germany and France, while Thailand is especially strong in export to the United Kingdom and Italy.

Tip:

- Benchmark your company against your peers from China and Thailand and also those from European countries. Several factors can be taken into account, such as perceived price and quality level, countries served, etc. Two sources that could be used to find exporters/producers of motorcycle parts per country are the [ABC Business Directories](#) and [ITC Trademap](#).

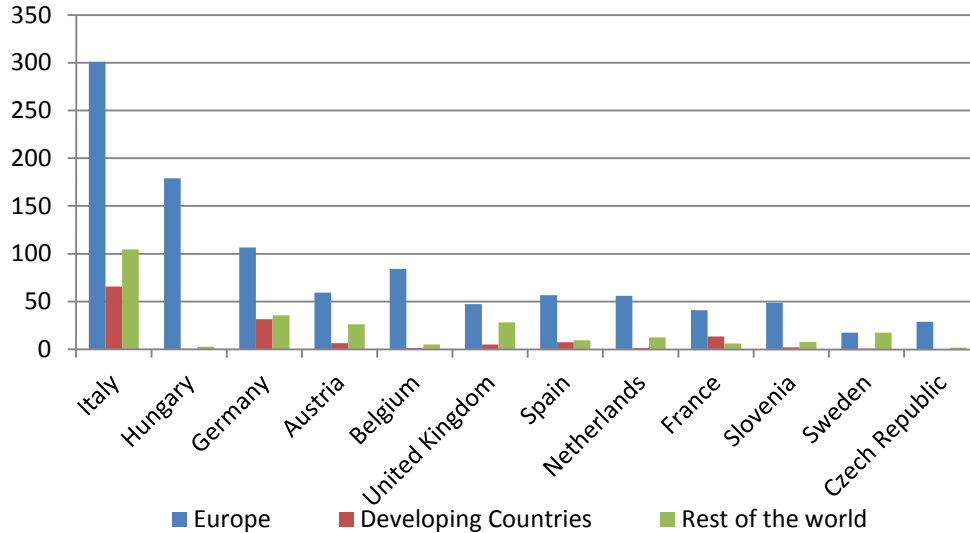
Exports

Figure 7: Exports of motorcycle parts from Europe, by main destination (2010-2014), in € million



Source: Trademap

Figure 8: Leading exporters of motorcycle parts (2014), in € million

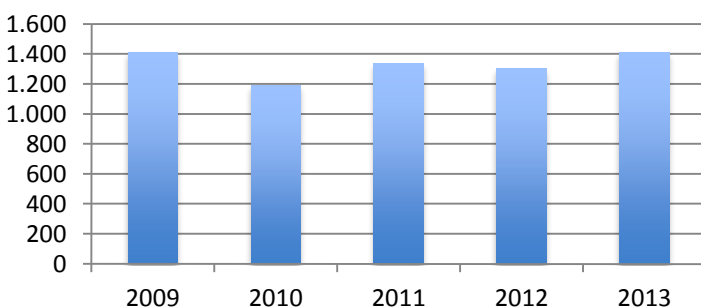


Source: Trademap

- European exports of motorcycle parts reached €1.5 billion in 2014. Average annual growth in 2010-2014 was 5%. Contrary to many other industries, the financial crisis did not have a major influence on trade values in 2009 and 2010.
- The share of European exports to developing countries was 9% in 2014. For the coming years, the share of exports to developing countries is expected to grow to 12%.
- The four focus countries represented 53% of all European exports in 2014.
- The leading exporter is Italy, accounting for one third of the total exports from Europe, followed by Hungary and Germany (each with 12%), and by the United Kingdom (5%) and France (4%).
- Italy exports a large volume of motorcycle parts to developing countries, accounting for 48% of all European exports to developing countries. Germany is in the second position (23%), followed by France (10%), and Austria and Spain (each with 5%).
- European exports of motorcycle parts are expected to grow slightly in the next few years, in the range of 0%-2%.

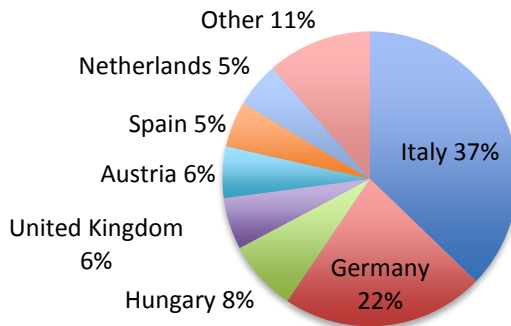
Production and apparent demand

Figure 9: European production of motorcycle parts (2009-2013), in € million



Source: Eurostat Prodcom

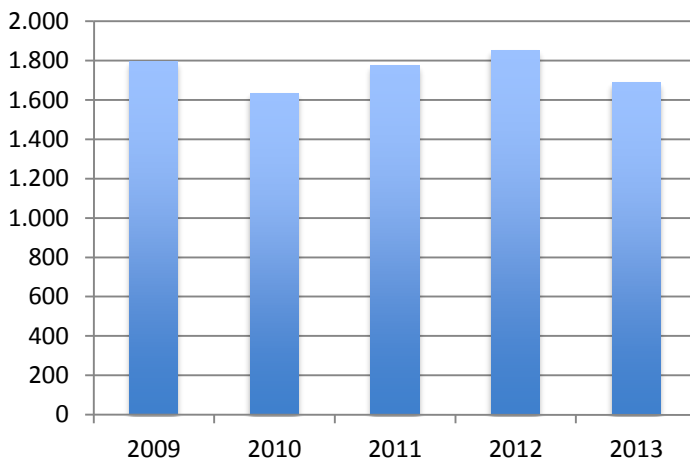
Figure 10: Leading European producers of motorcycle parts (2013)



Source: Eurostat Prodcorn

- European production totalled €1.4 billion in 2013, which was virtually the same value as in 2009. The year 2010 was a weak year for the European motorcycle industry, which can be also seen from the low production value of motorcycle parts (€1.2 billion) in that year. Production especially improved in the years 2011 and 2013.
- Italy accounted for slightly more than 37% of total European production in 2013.
- Hungary's production output has grown sharply since 2011. This is the result of a new production facility for electric motorcycles (Brammo/Flextronics) that opened in 2011.

Figure 11: Apparent demand for motorcycle parts in Europe (2009-2013), in € million



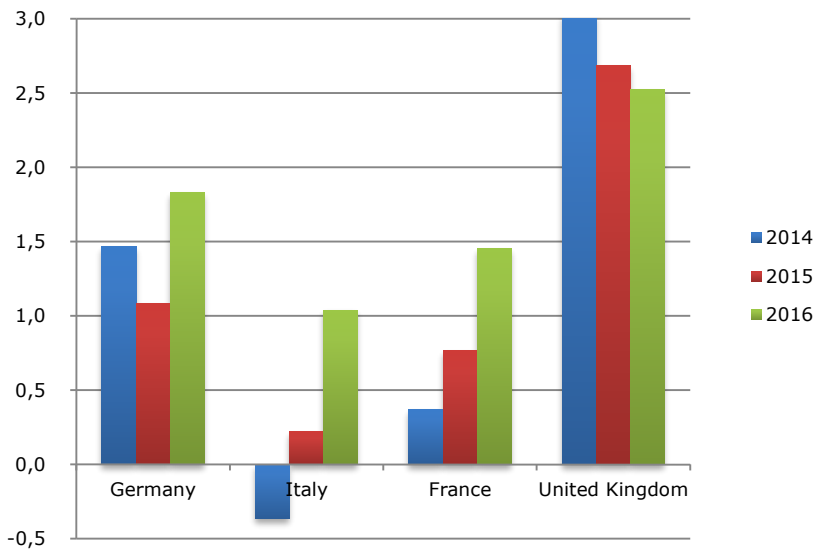
Source: Eurostat Prodcorn

- European apparent demand totalled €1.7 billion in 2013, after an average annual decrease of 1.5% in the period 2009-2013.
- The motorcycles industry (and thus also the demand for motorcycle parts) experienced strong performance in production up until 2008, when it was hit by the economic turmoil, which led consumers to postpone new motorcycle purchases. Since 2008, the motorcycle industry has experienced continuous decline in motorcycle sales in Europe. Only very recently (2014), sales have – more or less – stabilised.
- The motorcycle industry in Europe mainly consists of small to medium-sized enterprises. Only 25% of the producers are large companies, however note that their volume represents much more than that 25% (estimated at 50-60% of total production). Especially the larger enterprises will have a more global sourcing orientation.
- Each focus country has a different set of motorcycle producers. Germany is the home country of BMW, Harley Davidson and Triumph produce in the United Kingdom, while Peugeot and MBK operate in France. Last but not least, Italy is home to a whole range of producers, among which are Aprilia, Ducati, Moto Guzzi and Ducati.

European production is concentrated in Western Europe and characterised by a focus on fast, big and expensive motorbikes, targeting medium to high-end markets.

Macro-economic indicators

Figure 12: Real GDP, % change from previous year



Source: OECD Economic Outlook 96 database

- Motorcycle parts demand depends both on the demand for replacement parts as well as demand for new motorcycles. In theory, this demand is stimulated by economic growth. However, this has not been the case in the period 2009-2013, as demand for motorcycles has declined year on year since 2008, while GDP has shown a better performance. Obviously, in times of economic uncertainty consumers remain cautious and postpone large investments.
- In each focus country, GDP is expected to show continued year on year growth in the years to come. This could be a basis for continued prudent demand and growth in the coming years.

Tip:

- Although GDP growth forecasts are improving, pricing is and will continue to be a leading influential competitive factor. Competitive pricing is elementary for exporters from developing countries planning to enter the European market.
- The profitability of motorcycle parts imports is influenced by the exchange rate between the euro and the US dollar, as products that are sourced globally are paid in US dollars. While earlier forecasts predicted that this exchange rate would not surpass 0.80 until 2020, it reached this point in 2015, with an exchange rate of 0.90 in June 2015. This is having a major effect on the price imports. Particularly if it persists for several years, this situation is likely to have a negative impact on the level playing field of European imports paid in US dollars, relative to local European production.

Tip:

- If the value of the euro remains at its current low level, producers from developing countries should increasingly focus on reducing costs in order to remain competitive in the European market.

What trends offer opportunities on the European market for motorcycle parts?

The trends for motorcycle parts cannot be seen separately from trends for motorcycles. Although in the past few years the news in the European motorcycle industry is dominated by the ongoing downward trend in demand, there are some more trends that are worth mentioning.

Economic drivers

- In contrast to global sales figures (which show an average growth rate of 8%), European sales figures of motorcycles have shown a continuous decrease in the period 2008-2013. Especially the Southern European motorcycle markets, traditionally the countries with the highest motorcycle ownership rates in Europe, have been affected by the recession caused by the financial crisis. In 2014, sales figures were relatively stable for the first time since 2007.
- Sales figures showed some stabilisation in a few categories and countries (e.g. the >125cc category and some countries with market growth in 2013, e.g. Germany and Austria). For 2015, the European motor cycle manufacturers' associations expect a repetition of 2015 with stability in sales relative to 2014.

Technological drivers

- European motorcycles are increasingly equipped with high performance brake systems. According to the European Road Safety Charter, 75% of European motorcycles are equipped with advanced braking systems by 2015.

Tip:

- There are opportunities for producers from developing countries who are able to supply parts for such advanced breaking systems.
- Low-maintenance or maintenance-free motorcycles and/or systems are becoming increasingly important. One example are chains, which therefore need to be made of new steel grades or with new coating technologies and sinter components.

Tip:

- Developing Country exporters can highly improve their competitiveness if they develop low-maintenance or maintenance-free parts/systems and also focus their export marketing toward lowering maintenance costs for potential buyers.

Environmental drivers

Although less severe than in the automotive industry, CO₂ reduction and fuel economy are growth drivers for the motorcycle industry. Weight gains are relatively small, because motorcycles are already considered as relatively small and light mobility solutions. Instead, more gains are realised by improving fuel and engine management. As a result, over the last decade motorcycles achieved remarkable progress in reducing their environmental impact (94% reduction of CO and HC).

With which requirements should motorcycle parts comply in order to be allowed on the European market?

Requirements can be divided into: (1) legal requirements you must meet in order to enter the market and (2) additional requirements, which are those most of your competitors have already implemented, in other words, the ones you need to comply with in order to keep up with the market.

You can find a general overview of the [EU buyer requirements for metal parts](#) on the Market Intelligence Platform of CBI. In addition, refer to the [EU Export Helpdesk](#), the [ITC Market Access Map](#) and the [ITC Standards Map](#) for more information on gaining access to the European market.

Legal requirements

For metal parts for motorcycles, there are in fact no specific legal requirements applicable. However, this changes as soon as the '(metal) part' is part of one of the following motorcycle components/systems: mirrors, horns, tyres, lights, speedometers, exhaust systems and silencers, braking systems (not individual components) and fuel tanks. For this range of components the so-called '[type approval](#)' applies.

Also the '[Liability for defective products \(Directive 85/374/EEC\)](#)' in fact refers to finished products. The Product Liability Directive states that the European importer is liable for the products put on the European market. The European importer, however, can in principle pass on a claim to the producer/exporter.

Other, general legislation that must be taken into account:

- Wood packaging materials used for transport (including dunnage) ([Directive 2000/29/EC](#)): Europe sets requirements for wood packaging materials such as packing cases, boxes, crates, drums, pallets, box pallets and dunnage (wood used to wedge and support non-wood cargo).
- Another packaging related directive is the general directive about [packaging and packaging waste](#) (Directive 94/62/EC). This directive prescribes the marking of the kind of packaging material used, and the maximum levels of heavy metals in the packaging material.

For motorcycle parts [a 3.7% duty](#) is levied on European imports from third countries, which also cover China and India. Several countries benefit from a preferential 0% tariff, for example Indonesia, Pakistan, Vietnam, the Philippines, Bosnia and Egypt. The [TARIC database](#) shows more details for Chapter 8714. Note that it is only possible to claim a preferential tariff treatment with a Certificate of Origin.

Tips:

- The importance of customer satisfaction should not be underestimated. Of course, customers consider good quality of the products important, but they also attach great value to compliance with delivery times and delivery volumes.
- Refer to European legislation in the EUR-Lex database: [Type approval for motorcycles](#) for more information.
- Make sure that your wood packaging material qualifies for the European market. If you are not sure, ask your wood packaging material supplier, or your freight forwarder, for clarity. Your wood packaging material supplier should take any further action required in order to comply with the Directive. If the supplier is not able to do so, you can possibly switch to another supplier.
- Exporters from a country with a preferential 0% tariff have a small competitive advantage versus competitors from countries without such a preferential tariff.

Additional requirements

Certification according to [ISO 9001](#) is a minimum which European buyers expect when searching for new suppliers. Other certification, such as ISO 14001 (environment) and [OHSAS 18001](#) (health and safety), can be beneficial when promoting your company and products to potential customers.

As soon as a prospect is seriously interested, the main requirements will be related to the parts; material, dimensions and finishing must meet the customer's specifications. In fact, these issues are key in the sample phase. If the customer accepts the samples and all other conditions are agreed upon, the contract can be signed. After that, the main challenge for the suppliers is to deliver the products according to the agreed specifications, delivery times and volumes. Suppliers should not underestimate these conditions.

Tip:

- The importance of customer satisfaction should not be underestimated. Of course, customers consider good quality of the products important, but they also attach great value to compliance with delivery times and delivery volumes.

Depending on the type of application (critical or non-critical), the customer may have material and/or testing requirements. As far as material requirements are concerned, the following generally apply: The metal that is used must be covered by an (international) standard and approved with a material certificate, which can be stated in an [EN10204 - type 3.1 certificate](#). This type of certificate is internationally accepted.

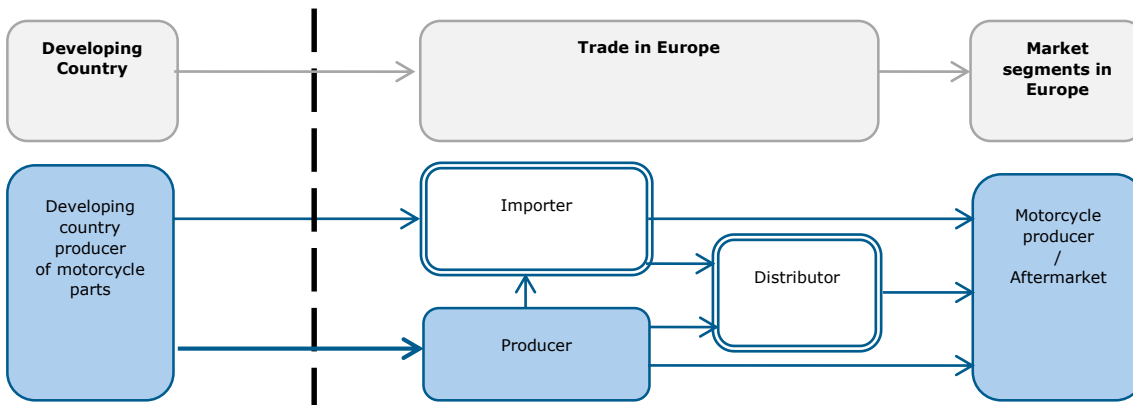
In addition, the customer may also have testing requirements, such as NDT (non-destructive testing) surface (MT or magnetic testing, PT or penetrant testing) and section (UT or ultrasonic testing and RT or X-ray testing) tests.

Note that in the case of motorcycle chains, there is an international [ISO standard](#) (covering characteristics and test methods) that may be relevant and demanded by customers.

What do the trade channels and interesting market segments for motorcycle parts look like in Europe?

Motorcycle parts producers from developing countries have two main options to enter the European market: importers and manufacturers of motorcycle parts. An explanation of the types of prospects is given below, including a few examples per type and per focus country. Sources to find prospects are included in the section "Useful sources".

Figure 13: Trade structure for motorcycle parts in Europe



Europe is home to several interesting players. As each company is unique, with its own customers, market segments and products, the profile of the potential partner is very important. You are very likely, however, to find a match.

Producers

These companies are either manufacturers of motorcycles and their parts or independent motorcycle parts producers. Examples of such companies in the European focus countries are:

Motorcycles and parts

- Germany: [BMW Motorrad](#), [HOREX GmbH](#), [SFM GmbH](#)
- Italy: [Piaggio](#), [Ducati](#), [Honda Motor Europe](#)
- France: [Peugeot](#), [Yamaha Motor Europe](#)
- United Kingdom: [CCM Motorcycles](#), [Triumph](#)

Motorcycle parts

- Germany: [ABM Fahrzeugtechnik GmbH](#), [SW-MOTECH GmbH & Co. KG](#), [R & R Customizing GmbH](#)
- Italy: [Arrow](#), [Marving](#), [MIVV](#), [Regina](#)
- France: [Donerre](#)
- United Kingdom: [AP Racing](#), [Harris Performance Products Ltd](#), [Motad](#), [Norman Hyde](#), [Oberon Performance Ltd](#), [Powerbronze](#)

Importers and distributors

The group of importers can be classified as generalists. The majority of them sells a very broad range of motorcycle parts. Examples of importers in the European focus countries are the following:

- Germany: [Industrial Equipment Westendorf](#), [Mayenberger Group](#), [Stein Dinse](#), [Uwe Keszler Import und Vertriebs](#), [Zupin Moto Sport](#)
- Italy: [Newfren](#), [Adreani Group](#), [Spalmart](#), [Buzzetti](#), [Lampa](#), [Wintrading](#)
- France: [Ariete Production](#), [Bihr](#), [Chaft](#), [DIP Importation](#), [Société d'Importation de Motos et Accessoires](#)
- United Kingdom: [Bike Torque Racing](#), [Elliott Motorcycles](#), [Performance Parts](#), [Wemoto](#)

What are the end-market prices for parts for motorcycles?

To establish an export price, you need to consider many of the factors involved in pricing for the domestic market:

- Aim to charge the price the market will bear and keep in mind the quality-price ratio of your products. It should be in line with competitor prices;

- Pricing is a mix of knowing your domestic costs and calculating costs you will incur in delivering and supporting your activities in a foreign market;
- Use contracts with variable material costs. It is important to set the reference-index for the fluctuations in agreement with the buyer. Use, for example, the steel index of the [London Metal Exchange](#).
- Bear in mind that it is not easy to increase prices once you have agreed to deliver at a certain price. The negotiated price should never be below your cost price (except for the first order; in this context you may accept a loss if larger quantities and thus lower costs are expected for the following orders). No European buyer will accept an unreasonable/unexpected price increase after the first order;
- The negotiated price depends on the delivery conditions, the means of payment, credit terms and currency risks, quantities and the means of transport;
- Exchange rates fluctuate. Cover this risk by including the currency risk in the contract. This practice has been accepted in international business transactions for a few years.

Tips:

- Use contracts with variable material costs
- Include the currency risk in the contract

Useful sources

Germany

- Finding prospects: [German Commercial Agents Directory](#), [Wer liefert was?](#)
- Associations: [German Motorcycle Industry Association](#), [German Association of Automotive Industry](#), [German Engineering Federation](#), [VTH Verband Technischer Handel](#)
- Magazines and news: [Industrie](#), [Motorrad](#), [MO](#), [Bike und Business](#), [Moto X](#)
- Trade Fairs: [Custombike-Show](#), [INTERMOT](#)

Italy

- Finding prospects: [Azienda in fiera](#), [Confindustria](#), [Italy Business](#)
- Associations: [Italian Association of Bike and Motorbike Accessories](#), [Italian Association of the Automotive Industry](#)
- Magazines and news: [Motociclismo](#), [Dueruote](#), [Moto Dealer News](#)
- Trade fairs: [EICMA](#), [Motor Bike Expo](#)

France

- Finding prospects: [ABC Direct](#), [Cyclex](#)
- Associations: [French Association of Importers of cars and motorcycles](#), [French Motorcycle Federation](#), [French Association of Automotive Suppliers](#)
- Magazines and news: [Moto-Net](#), [Moto-Station](#), [Moto Mag](#), [Motoblouz](#)
- Trade Fairs: [Salon de la Moto Scooter Quad](#)

United Kingdom

- Finding prospects: [Applegate Directory](#), [Hotfrog](#)
- Associations: [UK motorcycle industry association](#), [UK Society for Motor Manufacturers and Traders](#), [Retail Motor Industry Federation](#), [Electrical motorcycle association](#)
- Magazines and news: [Motor Industry Magazine](#), [Motor Cycle Monthly](#)
- Trade Fairs: [Motorcycle Trade Expo](#), [Motorcycle Live](#)

Other general sources

- Finding prospects: [ABC Business Directories](#), [Europages](#), [Kompass](#), [ACEM](#).
- International associations: [European associations of manufacturers of motorcycles](#), [Road Riding Motorcyclists Federation of Europe](#), [European Association of Automotive Suppliers](#), [International Motorcycle Manufacturers Association](#)
- Trade fair databases: [AUMA](#), [Eventseye](#)
- Trade statistics: [Eurostat](#), [ITC International Trade Statistics](#)
- Other: [EU Export Helpdesk](#), [Kwintessential](#)



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This survey was compiled for CBI by Globally Cool – Creative Solutions for Sustainable Business
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Annex

Two codes have been selected for parts for motorcycles, they both belong to the CN chapter 8714 (parts and accessories of cycles and motorcycles). In fact it is one code; 87141000 is the old code used until 2012, it was replaced by 87141000 in 2012. Also refer to Table 1 below for the classification. Table 1 also shows the Prodcom codes used for the production statistics.

Table 1: Selected products, based on CN and Prodcom nomenclature

Subsector and product groups	CN code	Prodcom code	Description
Parts and accessories of motorcycles, incl. mopeds and scooters, n.e.s.	87141000 (since 2012), 87141900 (till 2012)	30912000 (since 2012), 30912090 (till 2012)	Parts and accessories of motorcycles, incl. mopeds, n.e.s.

Source: CN and Prodcom Nomenclature