Trends in Motorcycles Fleet Worldwide

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Content

- The Global Two Wheeler Industry
  - Fleet
  - Production
  - Sales
  - Trends in Some Regions
- The Reasons for Growth
Fleet: current motorcycle fleet

Current Parc = 313 million

Asia = 77%
Europe = 14%
Latin America = 5%
North America = 2%
Africa = 1%
Middle East = 1%

Source: SIAM Estimates
Fleet: motorcycle fleet in Asia

Fleet: motorcycles & per capita GDP 2006
### Production: top 10 countries

All figures in millions for 2006

<table>
<thead>
<tr>
<th>Key Players</th>
<th>Production (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>20.54</td>
</tr>
<tr>
<td>India</td>
<td>8.38</td>
</tr>
<tr>
<td>Indonesia</td>
<td>4.46</td>
</tr>
<tr>
<td>Japan</td>
<td>1.77</td>
</tr>
<tr>
<td>Taiwan</td>
<td>1.41</td>
</tr>
<tr>
<td>Brazil</td>
<td>1.41</td>
</tr>
<tr>
<td>Thailand</td>
<td>1.33</td>
</tr>
<tr>
<td>Vietnam</td>
<td>0.79</td>
</tr>
<tr>
<td>Italy</td>
<td>0.70</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.43</td>
</tr>
</tbody>
</table>
Production: comparison of top players

Production in million and 10-year average growth rate

Source: Honda’s 2007 World Motorcycle Facts & Figures
Sales: regional motorcycle trends

Source: SIAM Estimates
Sales: the main market segments

- Types and use vary with markets:
  - Developed Countries:
    - leisure vehicle
    - higher cc motorcycles
  - Emerging & Developing Countries:
    - means of mobility
    - low & medium cc motorcycles & scooters
Sales: trends in US market

Source: Motorcycle Industry Council (MIC)
Factors influencing US market

- Motorcycles are a “discretionary income good” in the USA.
- Economic growth boosts sales.
- Baby Boomers are the largest population group (40-60). Have income and time to ride motorcycles, the “born-again bikers”.
- Motorcycling is now more accepted as a mode of transport.
- Increase in the number of female riders from 2% in 1990 to 10% in 2005.
Sales: trends in the Asian market

## Sales: trends in Japan

<table>
<thead>
<tr>
<th>Year</th>
<th>Units Produced</th>
<th>Less than 50 cc</th>
<th>51 - 125 cc</th>
<th>Over 250 cc</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>6 million</td>
<td>38%</td>
<td>42%</td>
<td>13%</td>
</tr>
<tr>
<td>1994</td>
<td>2.72 million</td>
<td>32%</td>
<td>38%</td>
<td>20%</td>
</tr>
<tr>
<td>2006</td>
<td>1.7 million</td>
<td>17%</td>
<td>8%</td>
<td>59%</td>
</tr>
</tbody>
</table>

*Increasing share of over 250 cc segment*
Factors influencing Japanese market

- Mature motorcycle market.
- Motorcycle sales have been falling since 1982.
- Young population is shrinking (smaller potential market).
- Alternative lifestyles emerging, reduced interest in MCs.
- However, growth in enthusiast market (> 250 cc).
- Like Europe, shift from utility (mopeds) to leisure (motorcycles)
- Unlike Europe, congestion has not boosted sales
Sales: trends in China

- Until 1990 (0.89 million)
  - ‘Less than 125 cc’ was the main segment (85%)
    - 45% ‘less than 50 cc’

- 2006 (20.5 million)
  - 50% of market ‘125 cc’
  - emergence of above 250 cc (1%)

Sales: trends in India

- Second largest market in the world
- 5 times the size of Indian passenger car market
- Mainly motorcycles.

<table>
<thead>
<tr>
<th>Year</th>
<th>Units</th>
<th>5-year CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>1.4 million</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>2.9 million</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>8.4 million</td>
<td></td>
</tr>
</tbody>
</table>

- Scooters: 5%
- Motorcycles: 11%
- Mopeds: 4%
Factors influencing Indian market

- Infrastructure development, especially in rural areas
- Increase in disposable income
- Innovation - development and introduction of new products, new technology, etc.
- Product characteristics like greater utility (in terms of road space, parking space, low cost of acquisition, etc.)
- Current low penetration rate (MC/1’000 pop)
Reasons for Growth

1. Ease
2. Efficiency / Economy
3. Employment / Entrepreneurship
4. Enjoyment
‘WORKSHOP ON MOTORCYCLING SAFETY’

Ease

Argentina

China

Cambodia

Africa

Mexico

India
‘WORKSHOP ON MOTORCYCLING SAFETY’

Ease
Efficiency / Economy

Mexico

Uganda

Police

china

Afghanistan

Iran
‘WORKSHOP ON MOTORCYCLING SAFETY’

Employment / Entrepreneurship

Cambodia

Indonesia

Ghana

China

Iran
Enjoyment

Africa

Japan

USA

Italy
Thank you!