

**Talk consists of:** .....

- 20 mins - about the Taiwan bicycle industry
- 10 mins - about the electric bicycle industry.
- 10 mins - in Chinese about the key points of my speech.

**about the Taiwan bicycle industry**

- “Think bicycles, think Taiwan!”
- China export figures, Taiwan firms move house.
- Competition from China.
- Sharp material cost increases, prices only rise slightly.
- China now produces two-thirds of the world’s bikes.
- China increasingly represented at bike shows. Anti-dumping.
- Vietnam
- European Union Cancels Sanctions
- Taiwan’s A-Team
- Taiwan export-oriented but cycling increasingly popular here.
- The Future

**about the electric bicycle industry.**

- 4 Advantages
- E-bike Quality and Safety.
- According to the CNS 14126 standard, electric bikes in Taiwan must comply with the following regulations:
- Many Trying E-Bike Manufacture.

**in Chinese about the key points of my speech.**

**Speaker : Grace Ruan**

**Date: 2005/03/05**



# About the Taiwan bicycle industry

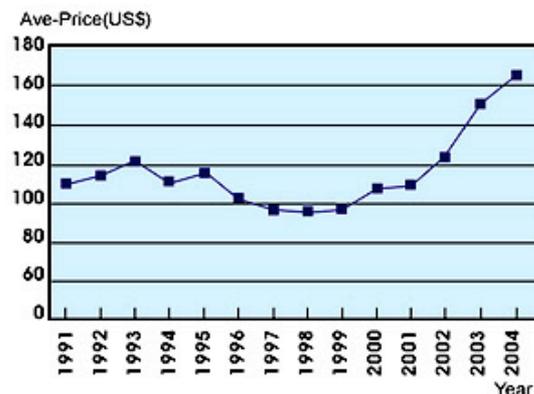
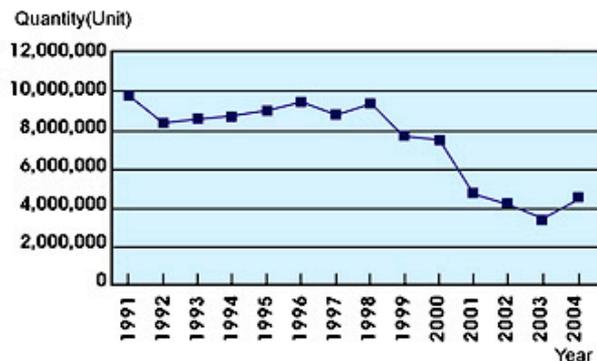
“Think bicycles, think Taiwan!”

Year	Quantity (Unit)	Value (US\$)	Ave-Price (US\$)
1991	9,831,048	1,095,860,538	111.47
1992	8,427,073	972,903,468	115.45
1993	8,621,303	1,044,805,655	121.19
1994	8,751,660	988,425,812	112.94
1995	9,064,129	1,066,415,794	117.65
1996	9,484,005	982,374,761	103.58
1997	8,826,513	862,355,008	97.7
1998	9,388,311	896,992,757	95.54
1999	7,782,869	760,273,775	97.69
2000	7,534,350	821,365,285	109.02
2001	4,796,148	536,190,083	111.8
2002	4,219,038	523,835,383	124.16
2003	3,884,872	582,986,585	150.07
2004	4,384,756	720,883,341	161.41

C.C.C. Code:87120010 ( Bicycles )  
 Source:BOFTInformationCenter

Source:BOFT Information Trade Information System/Taiwan bicycle Exporters' Association

## Export of Taiwan Bicycles Yearly,1991-2004



## About the Taiwan bicycle industry

**“Think bicycles, think Taiwan!”**

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- ❑ Taiwan exported 4.38 million bikes in 2004.
- ❑ Taiwan is an important global supply center for middle and high end bikes and bike parts.
- ❑ From BMX bikes, freestyle bikes, scooters and folding bikes to mountain bikes, Taiwan plays a very important role worldwide .
- ❑ The Taiwan bike industry contributes to and cooperates with buyers all over the world. This strategy inspires a healthy global demand.

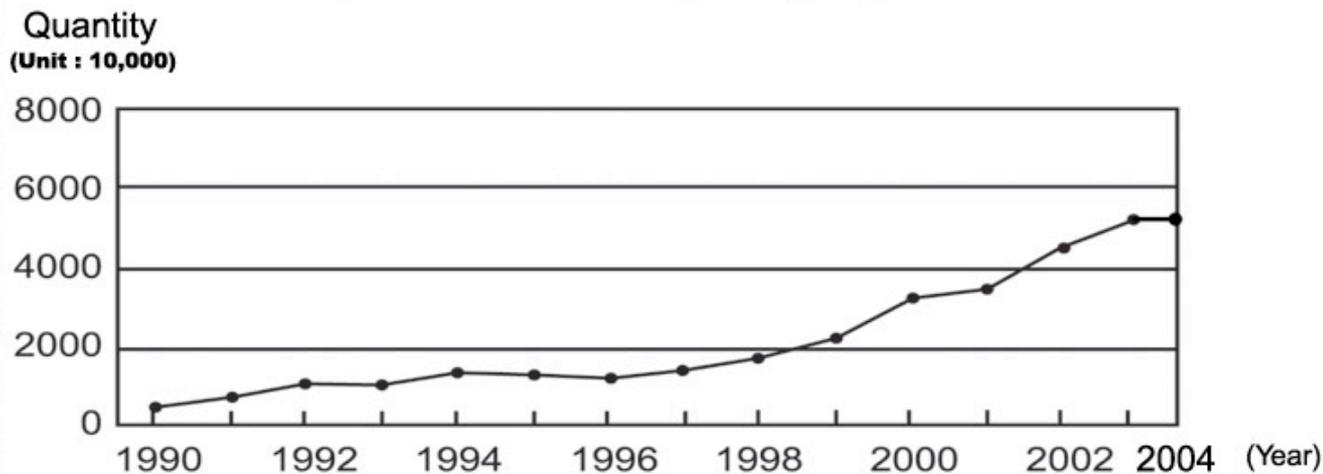


## About the Taiwan bicycle industry

China export figures, Taiwan firms move house.

YEAR	Quantity (Unit)
1990	378
1991	729
1992	1,024
1993	1,033
1994	1,342
1995	1,262
1996	1,217
1997	1,439
1998	1,761
1999	2,270
2000	3,286
2001	3,494
2002	4,556
2003	5,044
2004	5,100

Export of China Bicycles year, 1991~2004



## About the Taiwan bicycle industry

### China export figures, Taiwan firms move house.

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- ❑ China's bike exports hit 51 million units in 2004.
- ❑ 45% of this figure came from Taiwanese-owned plants.
- ❑ Since 1988 a total of over 300 bike firms moved to China and Vietnam.
- ❑ Of these firms, around 295 moved to China.



## About the Taiwan bicycle industry

### Competition from China.

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- ❑ China-produced bikes are for the mass market.
- ❑ China manufactures low and medium-end bikes.
- ❑ Taiwan manufactures middle- and high-end bicycles.
- ❑ Price competition is still very stiff.
- ❑ The American mass-market bike industry has had 80% of the market share for quite some time.
- ❑ This means that Taiwan faces pressure from China's low-price competition.



## About the Taiwan bicycle industry

**Sharp material cost increases, prices only rise slightly.**

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- ❑ Since last year material costs have increased sharply.
- ❑ Buyers find price increases difficult to accept, so prices may only increase a little.
- ❑ No wonder many companies feel they have been working for free!
- ❑ Some factories have cut their losses by stopping production altogether.



## About the Taiwan bicycle industry

**China now produces two-thirds of the world's bikes.**

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- ❑ Mainland China's production more than 78.5 million in 2004
- ❑ Mainland China's production was 78 million in 2003.
- ❑ China's bike exports were 51 million in 2004
- ❑ China's bike exports were around 50.44 million in 2003.
- ❑ Both production and exports have increased slightly.
- ❑ China now accounts for two-thirds of the world's bike production.



## About the Taiwan bicycle industry

### China increasingly represented at bike shows. Anti-dumping.

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- ❑ China's bike industry now represented at cycle shows internationally.
- ❑ Their number of exhibitors has gradually increased.
- ❑ The European Union has levied 30.6% in anti-dumping duties on China's bike exports. Nevertheless the number of Chinese exhibitors is still increasing at European cycle shows.
- ❑ 10 European countries have just joined the European Union and this will have some impact on the volume of China's exports to Europe.



## About the Taiwan bicycle industry

### Vietnam

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- ❑ A total of 30 bike industry companies moved to Vietnam.
- ❑ 6 Taiwanese whole bike manufacturers moved to Vietnam.
- ❑ K.H.S. has actually moved away from Vietnam due to the E.U. anti-dumping investigation
- ❑ We estimate that Vietnam's total bike production = 2.7 million bikes per year. Some Taiwanese companies in Vietnam are already looking for another home.



## About the Taiwan bicycle industry

### European Union Cancels Sanctions

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- ❑ Last February (2004) the European Union formally cancelled its anti-dumping sanctions against Taiwan's bicycle companies.
- ❑ This has substantially helped the industry to penetrate the European market.
- ❑ The N.T. dollar has become stronger.
- ❑ Cut-throat competition and sharp materials cost increases will probably mean that this is going to be a lean year for the industry.



## About the Taiwan bicycle industry

### Taiwan's A-Team

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- ❑ Giant and Merida established the Taiwan A-team three years ago.
- ❑ The A-Team's membership has grown to 21 from the original 13, and there are 5 sponsor members,
- ❑ The A-Team members have successfully implemented the Toyota Production System (TPS) The 「Innobike Awards」 held by the TBEA have served to raise standards of R&D and design.
- ❑ **List of A-Team Members:**
  - ❖ **Regular Members:** Giant \* Merida \* PSA \* Tektro \* Wellgo \* Velo \* Formula \* SR Suntour \* Alex \* BST \* VP \* KMC \* SRAM \* Kenda \* Maxxis \* Jagwire \* Topeak \* Hsing Lung \* Joy \* Lee Chi \* Transart Graphics.
  - ❖ **Sponsor Members:** Trek \* Specialized \* Scott \* NBDA \* Colnago.



## About the Taiwan bicycle industry

Taiwan export-oriented but cycling increasingly popular here.

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- ❑ Taiwan's cycle industry ships approximately 85% of its output overseas.
- ❑ Thanks in part to the continuous promotional efforts of Giant, Merida, and KHS, plus the government's active construction of bike paths, cycling is growing increasingly popular in Taiwan.



## About the Taiwan bicycle industry

### The Future

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#### **This depends on:**

- Clear-cut positioning.
- Innovative product development.
- Brand marketing.
- International strategic alliances.
- Control of channels.
- Creating differentiation to increase competitiveness.
- Guts.
- Perseverance.
- Being quick off the mark
- Selective teamwork.



## About the electric bicycle industry

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- E-bikes are still some way from realizing their promise.
- Taiwan produces less than 30,000 e-bikes (including export models) annually, and this total includes motors.
- Taiwan exported less than 5,000 e-bikes in 2004.



## About the electric bicycle industry

### 4 Advantages

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- 1) The cycle industry is broad-based and mature, and Taiwan is one of the world's most important supply centers for bicycles and parts.
- 2) Taiwan's electronics and electrical machinery industries are also strong and well-developed; Taiwan is the world's leading exporter of electric motors.
- 3) Mass production technology for control systems and large nickel hydride batteries is becoming increasingly mature.
- 4) Lead-acid battery technology has reached a state of great maturity.



## About the electric bicycle industry

### E-bike Quality and Safety.

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- ❑ Taiwan's produces PAS (power assisted system) electric bikes.
- ❑ These are "pedelecs" (which means that the bike's motor assists the rider's pedaling).
- ❑ According to Taiwan's National Bureau of Standards, e-bikes must be electric-auxiliary bicycles with a maximum speed limited to 30kph.
- ❑ Prices in Taiwan range from over NT\$8,000 to close to NT\$30,000
- ❑ Numerous companies are – illegally – importing much cheaper Chinese e-bikes. for sale in Taiwan.
- ❑ Taiwan's e-bike manufacturers stress quality and safety.
- ❑ Controllers, motors, and batteries must all have safety certificates.
- ❑ Chinese e-bike manufacturers use much cruder and less expensive products. E-bikes have become very popular in China
- ❑ Chinese companies have acquired considerable e-bike manufacturing experience. They are also steadily improving nickel hydride and lithium batteries.
- ❑ We have to give the Chinese credit for their hard work in this regard.
- ❑ In Taiwan battery price still remains a big problem.
- ❑ Nickel hydride batteries are only used in a few high-end Taiwanese models.



## About the electric bicycle industry

**According to the CNS 14126 standard, electric bikes in Taiwan must comply with the following regulations:**

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- 1) Whole bicycle weight (including batteries) may not exceed 40kg.
- 2) Batteries may not exceed 48 volts.
- 3) Motors may not exceed 400 watts.
- 4) Power output: The power supply must automatically shut off if the rider stops pedaling for more than 3 seconds.
- 5) Automatic power cut off when over the speed limit: When the speed exceeds 30km, power must automatically shut off, or the power supply must temporarily shut off within 3 seconds.
- 6) The power supply must automatically shut off after the bike is stationary for 3 seconds.
- 7) The power supply must automatically shut off if the motor breaks down.



## About the electric bicycle industry

### Many Trying E-Bike Manufacture.

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- ❑ E-bike makers in Taiwan include Giant, Merida, Elebike, Fairly, Ideation, Navajo, and Pretty Wheel.
- ❑ Over 70 electric bicycle suppliers in Taiwan.
- ❑ Most of these companies are manufacturing e-bikes in China.
- ❑ It is still not legal to import e-bikes from China.
- ❑ Taiwan's e-bike makers are paying close attention to the cooperation between Bi Xiang and China Fujida.
- ❑ If we make the best use of resources and our advantages in both Taiwan and China, e-bikes will become a successful business.



**Thank you all very much.**

**I hope you all do healthy business at the  
Taipei International Cycle Show.**

