

Exporting metal parts for Bicycles to Europe

The European market for bicycles is growing. This is due to government support programmes stimulating bicycle use in several European countries and the trend among consumers toward more sustainable living. Overall, the increased consumer interest in cycling also results in a greater demand for bicycle parts. The Netherlands and Germany are the leading European markets for bicycles.

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1. Product description

Metal parts for bicycles can be made of steel, stainless steel or aluminium. Because the codes in the [Harmonised System](#) do not specify the material (and because assemblies may consist of several parts made of several materials), all codes referring to bicycle parts (HS codes in Chapter 8714 paragraph 9) have been selected for this survey. Consequently, the collective term used to refer to metal parts for bicycles in this study is 'bicycle parts'.

Product specification

The quality and quantity of the bicycle parts has to meet the standards and requirements of the buyer. Further specifications for metal parts for bicycles, as required by European buyers, are described below. Pictures 1-4 provide examples of bicycles from different countries that are relatively common.

Picture 1: ATB bicycle (France)	Picture 2: City bicycle (Germany)
	
Picture 3: City bicycle (Italy)	Picture 4: E-bike (the Netherlands)
	

Material and design

Bicycle parts are often made of aluminium for reasons of weight, strength and corrosion resistance. For low-end bicycles, many parts are made of steel. Such as steel rims, cranks, handlebars and brakes. In general, steel rims, cranks and other parts are of relatively low quality, as they need to be inexpensive. The same applies to design: steel parts usually have a low design standard, whereas aluminium bicycle parts have practical and/or attractive designs.

In the mainstream and premium segments, steel has increasingly been replaced by aluminium. This is particularly true for the following parts: frames, luggage carriers, hubs, rims, cranks and handlebars. In addition, some metal parts have been replaced by plastic parts, as is the case for mudguards, lighting and chain cases. The most recent trend in materials is the application of carbon in bicycle frames, particularly in the high-end racing bicycles segment.

The exact requirements for bicycle parts are obviously specified by the buyer, and they can differ from buyer to buyer. They strongly depend on the design of the bicycle brand.

Labelling and packaging

Depending on product characteristics and buyer preferences, bicycle parts are packed in plastic, carton and/or in containers. In the case of ocean transport, the packaging must be corrosion resistant. Usually wooden pallets are packed and after that wrapped with plastic sheeting and packed with strips.

In most cases, the packaging and labelling requirements are included in the buyer's specifications. Finally, the packaging must always be marked. This is to ensure that it can be identified during transport, as well as to indicate the quantity, the weight, the actual products and the producer's name.

2. What makes Europe an interesting market for bicycle parts?

Imports

European imports of bicycle parts (not only metal parts but also parts made from other materials) increased by 11% per year between 2011-2015 to €4.2 billion. Bicycle parts were mostly imported from countries outside Europe. These countries can be divided into two groups: developing countries and 'rest of the world'. Of these two groups, imports from developing countries showed the fastest growth (16% per year). In 2015, imports from developing countries represented 29% of total European imports. Note that China is included in the group of developing countries and supplied more than 70% of total imports from developing countries.

Germany is the largest importer of bicycle parts, followed by the Netherlands. Imports from developing countries reached almost €393 million in Germany and €153 million in the Netherlands. Germany showed the largest absolute growth (€186 million between 2011 and 2015) in imports from developing countries. Other countries with high absolute growth in 2015 were the Netherlands (€58 million) and Italy (€47 million).

According to industry sources, imports of bicycle parts are expected to increase by 3-8% per year in the next few years. Demand for bicycle parts will continue to be met principally by imports. In addition, some European production will be transferred to low-cost countries, which will also contribute to import growth.

Exports from developing countries to Europe consist largely of frames and forks, followed by brakes, pedals, crank gears, hubs and free wheels. The highest growth rates were recorded for hubs, free wheels, saddles, brakes, rims and spokes.

Tips:

The best opportunities for exporters of bicycle parts from developing countries are in the export of luggage carriers, handlebars and various small worked parts.

There are also good opportunities for specialised producers of front forks and frames.

Inexperienced suppliers from developing countries might do well to focus on supplying European producers of parts for the bicycle industry.

Leading suppliers

Taiwan, China, and Japan are the leading suppliers. Together, they represent 53% of total European imports of bicycle parts in 2015. Other leading suppliers are countries from within Europe: Germany, Italy and the Netherlands.

Four developing countries export considerable volumes of bicycle parts to Europe:

1. China (€918 million),
2. Malaysia (€126 million, mainly from a Shimano plant in this country),
3. Indonesia (€97 million),
4. Vietnam (€78 million).

Of these countries, Indonesia showed the highest growth in exports of bicycle parts, at the expense of exports of whole-made bicycles. While Indonesian exports of bicycle parts to Europe represented a mere €6.0 million between 2011-2013, they grew rapidly in 2014 and 2015. This is most probably the result of the anti-dumping duty of 48.5% imposed by the European Union (EU) on *whole-made* bicycles imported from Indonesia (and some

other countries as well) since 2013. It already resulted in a decline in Indonesian exports of bicycles in 2013 and very low export values in 2014 and 2015. By contrast, the sharp rise in exports of bicycle parts starting in 2014 reached a value in 2015 that was previously realised with whole bicycles.

Vietnam also performed strongly. Exports of bicycle parts doubled between 2013 and 2015: in 2013 they represented €36 million, while in 2015 they reached €78 million. Vietnam is likely to acquire a larger share of exports to Europe in the next few years, as it is considered an interesting supplier for the European bicycle industry, with an ability to offer products of good quality at competitive prices.

Tips:

Germany, the Netherlands, Italy and France are the largest importers of bicycle parts in Europe. Along with the growth forecast, this makes the countries interesting focus markets.

Benchmark your company against your peers from Taiwan and China.

Europe also imports complete (assembled) bicycles from several developing countries, especially Cambodia, China and Bangladesh. Supplying to bicycle assemblers in some of these countries (especially Cambodia and Bangladesh) could also be an opportunity for producers from developing countries.

Relevant trade fairs for the bicycle (parts) industry are [Eurobike](#) and [Velo Berlin](#) in Germany and [Taipei Cycle](#) in Taiwan.

Detailed information on the European bicycle market can be found at [Bike-EU](#).

Exports

Total European exports of bicycle parts increased by 8% per year between 2011-2015 to almost €1.9 billion. Exports of European bicycle parts were mainly destined for other European countries. The parts exported are coupled to either local production (especially in the case of Italy and France, which primarily export high-end products) or re-exports (which is the case in Germany and the Netherlands). The volume of exports to developing countries is small but growing.

Italy is the largest European exporter of bicycle parts (€425 million in 2015, representing 23% of total European exports), followed by Germany (18%) and the Netherlands (10%). Other important exporters are France (9%), Romania (7%) and Spain (6%).

Production

Production of metal parts for bicycles in Europe roughly follows production of bicycles. The year 2011 was the best year in terms of production, peaking at €1.2 billion. Production dropped in 2012 but recovered in 2013 and 2014. Italy is the largest producer of bicycle parts in Europe (30%), followed by Germany (15%) and France (12%). Local production in Europe fulfils about 40% of the local market needs.

The most striking development is the declining share of Dutch production (from 12% to 6% in four years' time), which is in line with the growth in Dutch imports (mentioned above). However, this did not affect the production of bicycles in the Netherlands.

Currently, the Netherlands is the largest bicycle-producing country in Europe, followed by Germany and Italy. The two largest producing countries hold a share of 19% of total European production, followed by Italy with 13% (based on 2014 statistics).

Although we are talking about production, the (particularly Western) majority of European bicycle manufacturers have actually become bicycle assemblers. They import bicycle parts primarily from Taiwan, China and Japan and run assembly lines to create complete bikes. As a rule of thumb, locally produced parts are destined primarily for the high-end segment, while imports from developing countries are applied in bicycles for the medium to low-end segments.

Tips:

Reliability is key to European companies. As a result, do your utmost to show that your company can perform in terms of quality and delivery time.

Supplying parts to producers in the European 'low-end segment' could offer opportunities. If you can offer a viable alternative to parts made in China, your offer could certainly be appealing to European companies.

You could improve your chances by being able to work with carbon materials as well. Carbon parts generally have a higher labour content, and they therefore offer better opportunities.

Websites of sector associations such as [German Bicycle Industry Association](#), [RAI Vereniging](#) (Netherlands), [ANCMA](#) (Italy) and [Univelo](#) (France) offer information about the latest trends and developments. Statistical data and branch analysis can also be found here. You can use Google Translate to convert the website to your language.

Demand

European demand for bicycle parts has grown every year since 2009, when demand was very low. Demand peaked in 2012 at €2.8 billion, but decreased to €2.5 billion in 2013. In 2014, demand increased again, reaching a peak of almost €2.9 billion. Germany, the Netherlands, France, Italy and the United Kingdom are the five largest markets for bicycle parts in Europe.

European production of bicycle parts meets about 40% of local demand; the rest is supplied by imports from outside Europe. Over the next few years, European countries will continue to depend on imports from low-wage countries. This particularly holds for parts destined for the low to mid-end market.

The European market for high-end bicycle parts is mainly populated by suppliers from developed countries. It is dominated by Shimano from Japan, an all-round producer of bicycle parts. For example, Shimano product sales constitute at least 25% of the market for bicycle components in Germany and 20% of the market in the Netherlands. Its products include drivetrains, brakes, wheels and pedal components for road, mountain and hybrid bikes. Shimano's largest competitors for gear systems are Campagnolo from Italy (for racing bikes) and SRAM from the United States (for mountain bikes).

Tip:

Given that the drivetrain parts in (e.g.) Dutch and German bicycles are often branded Shimano parts, you are likely to have better chances in relation to other parts (e.g. luggage carriers, handlebars or various small worked parts).

Macroeconomic indicators

Private consumption expenditure is an important indicator in predicting demand for bicycles and bicycle parts. Demand for bicycles is closely linked to economic conditions. When money is tight, consumers postpone buying non-essential items until they have enough disposable income.

Bicycle sales further depend on some country-specific conditions each season, such as:

- weather conditions (especially in the pre-summer season),
- the costs of owning and driving a car,
- technical innovations realised by bicycle producers. For example, the e-bike has been an important stimulus to bicycle sales in Germany and the Netherlands in recent years.

Between 2015 and 2017, European private consumption expenditure is expected to increase. This means that the demand for bicycles is likely to rise.

3. What trends offer opportunities on the European market for metal parts for bicycles?

Cycling is spreading across Europe

Cycling has traditionally enjoyed the greatest popularity in northern European countries, with the Netherlands and Germany as the leading markets for bicycles. Cycling is currently gaining ground in the rest of Europe as well, for example in Italy and France.

Cycling is increasingly becoming recognised as part of a healthy and environmentally conscious (sustainable) lifestyle. People are seeking to exercise in order to stay healthy, and many are opting for cycling as an environmentally friendly mode of transport.

Increasing popularity in urban areas

Bicycles are gaining popularity as an effective means of transportation, particularly in urban areas, where it is often more convenient than other methods. The market for urban bikes has undergone significant growth in recent years. Companies such as [Van Moof](#) in the Netherlands have specialised in this niche market.

In Italy, cycling as short-distance transport in urban areas has become a strong trend. In 2011, for the first time in 40 years, more bicycles were sold than cars. The renewed appreciation for the convenience of cycling is expected to continue and shape the market in Italy.

Attention for design

In countries such as the Netherlands and Germany, there is an increasing appreciation for well-designed products, both from an aesthetic and a technical viewpoint. Quality awareness is also growing even more and so is demand for high-quality products. The two Dutch bicycle brands mentioned above ([Johnny Loco](#) and [Van Moof](#)) are also a good example of the trend for improved design. At the same time, Dutch and German bike manufacturers realise that parts must remain functional and reliable.

Government support programmes stimulating cycling

Governments in several individual European states are promoting cycling as a means of transport. Central and local governments, as well as companies, increasingly promote cycling as a home-office means of transport for employees. One example is the bicycle-lending programme U-Bike in Italy, which was launched in 2016. The aim of the programme is to encourage the use of bicycles among university students.

Europe is certainly not a single bicycle market

The average purchase price for bicycles is highest in the Netherlands (€844), and Germany (€528). It is much lower in France (€307) and Italy (€288) (2014 data). The main reason for the low purchase price in France is the fact that sport and food hypermarkets together account for about 75% of all bicycle sales in that country. Hypermarkets sell inexpensive bicycles, most of which are assembled in Italy and Spain, using parts from China and Taiwan.

In the Netherlands, the e-bike has been the main reason for the continuous increase in the price per bicycle sold. In addition to being more expensive due to the electric drive system, the e-bike also requires that the other parts be of good quality, as they must withstand greater forces due to the e-drive and the increased weight.

The e-bike is the engine of the market

After a decline in total bicycle sales in 2013, compared to 2012 throughout Europe, the market regained growth in 2014 and showed further growth in 2015. Each year, the e-bike has gained market share, and it has therefore been described as the 'engine' of the market.

In 2015, sales of e-bikes increased by 24% in the Netherlands, resulting in a 28% market share. In Germany, the sale of e-bikes grew by 12% and the share reached 13%. In France the increase was the highest (32%), although the market share of the e-bike is still much lower than in the Netherlands and Germany.

The sales price is also an indication of the quality of the bicycles and parts. On average, the quality requirements in the Netherlands and Germany are relatively high compared to other countries (such as France or Italy). The higher sales price also reflects the relatively large share of branded parts (such as Shimano) used in bicycles.

Tips:

If you can show that you make bicycle parts of good quality, you would definitely have an advantage in the Dutch and German market.

On the other hand, if you can show that you are able to make bicycle parts of adequate quality at very competitive prices, you would definitely have an advantage in supplying producers (or their suppliers) that manufacture lower-priced bicycles.

Well-designed products are more attractive to end consumers, and well-designed parts are highly appreciated by importers. But no concessions should be made with regard to functionality and reliability.

In several countries, there are portals dedicated to the local bicycle market, for example [Tweewieler](#) in the Netherlands or [Pro-Fahrrad](#) in Germany.

For information on general trends, refer to our study [Trends for Metal Parts and Components](#).

4. What requirements should metal parts for bicycles comply with to be allowed on the European market?

Requirements can be divided into (1) legal requirements, which must be met in order to enter the market, and (2) non-legal requirements, which most competitors have implemented and which should be met in order to keep pace with the market.

See our study [EU buyer requirements for metal parts](#) for a general overview of requirements; below are the requirements that specifically apply to parts for bicycles.

Legal requirements

No specific legal requirements apply to metal parts in general. This also means that there are no specific legal requirements for metal parts that are exported to Europe for application in bicycles. For e-bikes the legislative technical requirements exist and are being further developed. For example, since 2016, e-bikes with assistance above 25 km/h require 'type approval' of the whole bicycle, as well as its components, through a 'conformity certificate' delivered by a technical service.

Packaging and liability

Note that there is also non-product-specific legislation on [packaging](#) and [liability](#) that applies to all goods marketed in the EU.

Import duties

Because the bicycle sector in Europe is a productive sector which is increasingly under pressure as a result of cheap imports, the EU maintains a protective trade regime vis-à-vis the import of cheap (below market prices) bicycles. Therefore, for assembled or complete bikes, a 48.5% dumping duty is levied on bicycles imported from China, Indonesia, Malaysia, Sri Lanka and Tunisia. Some exceptions have been agreed upon for a few (about 10) individual companies in these countries. Note that some bicycle parts (such as saddles) may also be subject to those anti-dumping duties.

A 4.7% Most-Favoured Nation (MFN) duty is levied on bicycle parts exports to Europe. However, most of the developing countries benefit from a preferential tariff of 0.0% (as part of the Generalised System of Preferences-Plus preferential arrangement (GSP-Plus)). Countries that are part of the regular Generalised System of Preferences (GSP) benefit from a 1.2% duty.

For bicycles, an MFN tariff of 14% is applied except for GSP countries (10.5%), whereas GSP-Plus beneficiary countries benefit from zero import duty on bicycles. In 2016, the European Commission decided that bicycles will no longer be part of the GSP arrangement for India and China (GSP beneficiary countries), meaning that an elevated import tariff of 14% applies.

Tip:

Consult the [EU Export Helpdesk](#) for more information about import duties, including applicable anti-dumping regimes.

Non-legal requirements

The leading criterion that many bicycle manufacturers use in the selection of new suppliers is the presence of strong references in the bicycle industry. With large differences in import duties, as a result of different arrangements and anti-dumping duties applying on a selection of countries, importers also take into account the duty arrangements.

Public standards

A new international standard was introduced by the International Organization for Standardization (ISO) for bicycles in January 2015 - [ISO 4210:2015](#).

The standard concerns the safety and performance requirements for the design, assembly and testing of whole bicycles and sub-assemblies. The focus is on tests for frames and front forks. The national standards organisations of European Union Member States are bound to implement this standard.

Buyer's specifications

The most important requirements of buyers relate to the parts themselves. Material, dimensions and finishing must meet the buyer's specifications. This includes not only the metal but also the coating used for finishing. These issues are essential in the sample phase.

Once the buyer has accepted the samples and all other conditions have been agreed upon, the contract can be signed. Thereafter, the main challenges for suppliers consist of delivering the products according to the agreed-upon specifications, delivery times and volumes.

Tips:

If you are a parts producer with strong references in the bicycle industry, you must ensure that prospects can easily find, recognise and evaluate your reference list.

You should not underestimate the importance of buyer satisfaction, especially in situations in which you are supplying directly to bicycle producers. Although buyers obviously regard good product quality as important, they also attach a great deal of value to meeting delivery times and delivery volumes.

In practice, the producer will strictly manage the quality of the bicycle parts used. He will ask you for test reports for critical parts (for instance handlebars, frames and front forks).

See our [10 tips for doing business with European buyers of metal and plastic parts and components](#) and our [10 tips for finding buyers in the metal parts and components sector](#). These tips also offer more information on which topics are decisive for European buyers when searching for (new) suppliers.

5. Through what channels can you get metal parts for bicycles on the European market?

Manufacturers of metal parts for bicycles from developing countries should focus on supplying large European bicycle manufacturers directly. Another option would be to supply importers/distributors who supply small- and medium-sized bicycle producers and/or the aftermarket. A third option would be to supply European producers of bicycle parts.

The margins in the value chain depend on processing costs and the value added in each part of the chain. The following applies to the medium and high-end segments:

- suppliers of bicycle parts realise a margin of 5%-10%,
- bicycle producers need a 20%-25% margin to cover all costs,
- bicycle retailers need 30%-40%.

Margins for bicycles and parts for the lower segments are much lower:

- 2%-5% for parts producers,
- 5%-10% for bicycle producers,
- 5%-15% for retailers.


Tips:

Read our study about [competition on the European Subcontracting, Metal Parts and Components industry](#).


See our study [Channels and Segments in the Subcontracting, Metal Parts, and Components industry](#).

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