

Motorcycle editorial

By cap hpi

May 2022

Motorcycle market overview

So the world still has unrest as we enter the third year of Covid-19 with yet another variant sweeping around the world and even finding its way back to China. With manufacturing there continuing to be affected, unrest in Europe also having ongoing problems that are impacting not only the workforce but material and energy supply, the short term is very difficult to predict, but there is what appears to be delays from the Far East by air if overflying Russia that have now to be sent by sea. What isn't difficult to see are queues in airports due to sickness, NHS worker absentees and closer to home, one dealer telling us about having five in the dealership when there should be fourteen.

New market

The latest available registration figures from the MCIA are for the end of quarter one and as the months roll on a better picture of the "real" size of the 2022 market will hopefully become more apparent. Again as we look at March numbers, remember the first few months of 2021 were affected by restrictions in one form or another. But even so a sizable jump of 36.8% for total registrations is not to be sniffed at. The total for March at 16,784 was 4,516 more than 12 months previous and an even larger 48.6% more for the Q1 total which is 28,183. Looking back to 2019 (pre-Covid) and compare to the start of this year. Total registrations for the same month of March 19 were 16,682, so little difference, but over the first three months, this year is the winner by 1,052 over the March 19 total of 27,131. Drilling deeper into the styles sees all have increased from last year but Custom the best with 75.9% more, a lot of this made up by the best seller this year in the form of Royal Enfields new Meteor 350 selling 303 units, which is a sizable lift from last years best that only sold 66. Whichever way you cut it, the industry is showing signs in the new plate that despite the perfect storm of problems, there is still a robust market for PTW. March is historically the high point for car registration numbers and similar in our market, not necessarily for the plate bragging rights, but coincides with the new season kicking off for leisure riders. So a comparison with the four wheels market should also puff out the bike industry chests, as UK new car registrations fell by -14.3% (to 243,479) units, according to the latest figures from the Society of Motor Manufacturers and Traders. The weakest March since 1998 - where around 20% of total annual registrations are made - finished off Q1 2022 - 1.9% down. Although order books were apparently good during the first quarter, the effects of ongoing supply chain shortages, particularly as cars have a heavy reliance on semiconductors, continued to impact on wholesale supply. Comparing the month/quarter, the suggestion is that the market is short of product and we can only hope motorcycles do not fall foul of a similar predicament. Luckily our numbers are significantly less and are not as reliant on tech overall, so might be able to weather the storm.

March 2022 and Year to Date - New Registrations by Style

Mopeds	Registrations		%	Market Share (%)		Year to date		YTD	Market Share (%)	
	Mar-22	Mar-21	Change	Mar-22	Mar-21	2022	2021	% Change	2022	2021
Naked	101	46	119.6%	10.6%	8.5%	161	83	94.0%	9.0%	6.9%
Other	105	52	101.9%	11.0%	9.6%	228	149	53.0%	12.7%	12.3%
Scooter	749	442	69.5%	78.4%	81.9%	1,404	979	43.4%	78.3%	80.8%
Totals	955	540	76.9%	100.0%	100.0%	1,793	1,211	48.1%	100.0%	100.0%

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Motorcycles	Registrations		%	Market Share (%)		Year to date		YTD	Market Share (%)	
	Mar-22	Mar-21	Change	Mar-22	Mar-21	2022	2021	% Change	2022	2021
Adventure	3,738	2,631	42.1%	23.8%	22.7%	5,714	3,462	65.0%	21.8%	19.7%
Competition	708	634	11.7%	4.5%	5.5%	1,725	1,457	18.4%	6.6%	8.3%
Custom	1,129	642	75.9%	7.2%	5.5%	1,803	942	91.4%	6.9%	5.4%
Modern Classic	1,776	1,198	48.2%	11.3%	10.3%	2,512	1,719	46.1%	9.6%	9.8%
Naked	3,131	2,493	25.6%	19.9%	21.5%	4,996	3,647	37.0%	19.1%	20.8%
Road Sport	1,522	1,008	51.0%	9.7%	8.7%	2,204	1,395	58.0%	8.4%	7.9%
Scooter	3,130	2,582	21.2%	19.9%	22.2%	6,438	4,423	45.6%	24.6%	25.2%
Touring	567	414	37.0%	3.6%	3.6%	794	496	60.1%	3.0%	2.8%
Unspecified	3	8	-62.5%	0.0%	0.1%	13	22	-40.9%	0.0%	0.1%
Totals	15,704	11,610	35.3%	100.0%	100.0%	26,199	17,563	49.2%	100.0%	100.0%

Tricycles	Registrations		%	Market Share (%)		Year to date		YTD	Market Share (%)	
	Mar-22	Mar-21	Change	Mar-22	Mar-21	2022	2021	% Change	2022	2021
Other	38	43	-11.6%	0.2%	0.4%	53	78	-32.1%	0.2%	0.4%
Scooter	87	75	16.0%	0.6%	0.6%	138	118	16.9%	0.5%	0.7%
Total Registrations	125	118	5.9%	0.8%	1.0%	191	196	-2.6%	0.7%	1.1%

Summary	Registrations		%	Market Share (%)		Year to date		YTD	Market Share (%)	
	Mar-22	Mar-21	Change	Mar-22	Mar-21	2022	2021	% Change	2022	2021
Total Scooter	3,966	3,099	28.0%	23.6%	25.3%	7,980	5,520	44.6%	28.3%	29.1%
Total Moped, Motorcycle & Tricycles (exc Scooters)	12,818	9,169	39.8%	76.4%	74.7%	20,203	13,450	50.2%	71.7%	70.9%
Total Registrations	16,784	12,268	36.8%	100.0%	100.0%	28,183	18,970	48.6%	100.0%	100.0%

In the engine size charts the big winner for growth in the month and a close silver medal for the year-to-date (YTD) is the continuing revival of the 16 year-olds smaller class, but also take into account this is fuelled by the massive month growth of 90.7% and a similar 91% YTD jump in the 1-4kw electric machines that also fall into moped class. But as mentioned above, the larger capacity leisure user are performing better, particularly the 651-1000cc band.

March 2022 and Year to Date - New Registrations by Engine Band

Engine Band	Registrations		%	Market Share (%)		Year to date		YTD	Market Share (%)	
	Mar-22	Mar-21	Change	Mar-22	Mar-21	2022	2021	% Change	2022	2021
0-50cc	1,453	850	70.9%	8.7%	6.9%	2,842	1,784	59.3%	10.1%	9.4%
51-125cc	3,982	3,225	23.5%	23.7%	26.3%	8,401	5,960	41.0%	29.8%	31.4%
126-650cc	3,512	2,506	40.1%	20.9%	20.4%	6,120	3,977	53.9%	21.7%	21.0%
651-1000cc	4,188	2,879	45.5%	25.0%	23.5%	5,850	3,639	60.8%	20.8%	19.2%
Over 1000cc	3,649	2,808	30.0%	21.7%	22.9%	4,970	3,610	37.7%	17.6%	19.0%
Total Registrations	16,784	12,268	36.8%	100.0%	100.0%	28,183	18,970	48.6%	100.0%	100.0%

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Power band - Electric	Registrations		%	Market Share (%)		Year to date		YTD	Market Share (%)	
	Mar-22	Mar-21	Change	Mar-22	Mar-21	2022	2021	% Change	2022	2021
Under 1kw	25			0.1%	0.0%	39	1	3800.0%	0.1%	0.0%
1-4kw	782	410	90.7%	4.7%	3.3%	1,547	810	91.0%	5.5%	4.3%
4-11kw	83	22	277.3%	0.5%	0.2%	140	33	324.2%	0.5%	0.2%
11-15kw	42			0.3%	0.0%	56			0.2%	0.0%
15-35kw	3	6	-50.0%	0.0%	0.0%	7	10	-30.0%	0.0%	0.1%
Over 35kw	10	16	-37.5%	0.1%	0.1%	23	20	15.0%	0.1%	0.1%
Unknown	39	59	-33.9%	0.2%	0.5%	108	172	-37.2%	0.4%	0.9%
Total Electric Registrations	984	513	91.8%	5.7%	4.2%	1,920	1,046	83.6%	6.7%	5.5%

To finish off this section, an interesting comparison to the last real year when a comparison could be made, back in the good old days of 2019. Again the mid band of larger licence holder machines has improved (if slight), with the other two suffering, particularly over 1000cc. what is blatantly obvious though is increases in the smaller engine bikes. In ultimate numbers the industry would be in a negative position without the commuter/delivery increases caused by the pandemic in the last two years and currently possibly affected by increased fuel costs and low emission zones as they are on the increase. This does of course lead to the thinking that lower cost sales can lead to lower profits, especially a concern at a time when standing costs are accelerating.

March 2022/2019 and Year to Date Engine Band comparison

Engine Band	Registrations			%		Year to date		YTD
	Mar-22	Mar-19	Change	Mar-22	Mar-19	% Change		
0-50cc	1,453	579	150.9%	2,842	1,302	118.3%		
51-125cc	3,982	3,815	4.4%	8,401	7,802	7.7%		
126-650cc	3,512	3,768	-6.8%	6,120	6,362	-3.8%		
651-1000cc	4,188	4,125	1.5%	5,850	5,779	1.2%		
Over 1000cc	3,649	4,395	-17.0%	4,970	5,886	-15.6%		
Total Registrations	16,784	16,682	0.6%	28,183	27,131	3.9%		

Used market

Some part exchanges would be expected to arrive in the market at this time of year to help alleviate the lack of available used stock the trade is continuing to mention regularly. Nothing new these days, but there does not appear to be any alleviation even with peak new selling seasons part exchanges arriving. This concern has been discussed over the last decade and is not going away anytime soon, which is why yet again there is mainly only one direction prices are going and that's up. With the continued interest in older and modern classic, with many dealers increasing stock and even opening dedicated shops, there is continued work being done in our data to more reflect the market interest. As with previous mentions in this section the older examples of many machines are holding strong prices as buyers move to older clean purchases when newer are not available. Perhaps there is a "cause and effect" situation here, as dealers are keeping swappers to keep sales floors full. Comments have been made that non-franchise models that would normally be traded are being kept and retailed. Again this affects the pool circulating in the trade system that compounds the shortage and increasing prices. It's a vicious circle.

Auction

Continuing the pattern seen for some time, the number of entries continue to be on the low side. To give an idea to changes its worth a comparison to see the actual differences we are experiencing. The real world comparison going back to pre-Covid days as we did with the registration figures and look at February 2019. This year at BCA with still on-line sales only, there were 103 entries, compared to three years previous at Peterborough which saw 220 entries. In Rotherham, the MAG sale saw 112 entries, which again is double the amount seen in 2022 where 51 were offered in February. As a large portion of the BCA sales consist of end of contract PCP returns and these are greatly reduced.

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This year saw 50 Black Horse entries, but with three times the amount at 151 three years ago it begs the question, why? As we see in the opening sections, the registrations are similar, so that can be ruled out, which leaves us with the quest for stock is leading to dealers snapping up anything offered whether in part exchange or a straight purchase before the other alternative at the end of contract, handing it back to the finance house. Ok this is just a comparison of changes in auction availability and does not necessarily reflect similar in trade movements but is very telling.

End notes

A new ministerial decree from the Italian government has created new incentives for people to buy low-emission and electric vehicles. The Prime Minister, Mario Draghi, signed off the initiative recently and is aimed to turn people on to buy electric vehicles. The decree will see €650million (£543million) allocated annually between 2022 and 2024 to encourage people to buy low-pollution or electric vehicles. It is mainly aimed at Italy's car manufacturing industry, but there will also be benefits for the two-wheeler industry. Italy is famous for exotic and racing brands and is not getting left behind in electric motorcycling thanks to brands like Energica, who not only make high end road bikes, but have also been the motorcycle supplier to the MotoE World Cup since its inaugural season. Reports are that the Italian government will subsidise up to €5,000 of the purchase price of new electric vehicles costing up to €35,000 excluding VAT.

Also, hybrid's costing up to €45,000 will see up to a €4,000 subsidy and there will also be €2,000 for Euro6 cars costing up to €35,000. The incentives for motorcycles and scooters, are being reported at up to 40% (up to €4,000) of the price could be cut when scrapping a Euro 0 to Euro 4 vehicle, and 30% (up to €3,000) when not scrapping an older vehicle. There will also be up to €750 for people buying scooters, e-bikes and bicycles, via a tax credit at the time of the tax return.

On the subject of the afore mentioned manufacturer, Energica, they have recently announced it has finalised a takeover from US electric vehicle company Ideanomics as part of its plan to expand globally.

All their models are currently in their second generation development with developments making significant steps forward in terms of power, battery life and recharging. The deal will provide the financial support to expand its footprint and put it in a stronger position to develop its models quicker and to stay ahead of the competition as more electric motorcycle models hit the market.

Continuing electric news, a famous name in the industry, coincidentally again in Italy, Giovanni Castiglioni has invested in and joins the board of directors of electric brand Vmoto. Known in the UK for its Super Soco electric scooters that in 2021 becoming the first electric model in the overall top ten in the sales charts. The deal will allow the Chinese-Australian company to expand in Europe as it launches its new 'premium' line of full-size electric motorcycles over the coming months.

And to finish up on this months electric news, a major battery manufacturer and original equipment supplier GS Yuasa, is expanding its UK distribution operation with a new headquarters and distribution centre currently being built at Swindon. With enough space for 23,000 pallets it will be at the centre of the firm's motorcycle, car and industrial supply chains. Main construction will be completed by the end of 2022 and full operation is planned for the middle of 2023. At that time it will stock hundreds of thousands of batteries for the UK and also the EU. The centre is also expected to help ease any Brexit affected supply problems if there are any at that point.