

March 2024

## Motorcycle market overview

As we move into the first months of a new year the Governor of the Bank of England said he was not overly concerned about a downturn, arguing that it was likely to be shallow and short-lived. This is after analysts expect official data to show the economy shrank by 0.1% for Q4 of 2023. It will be the second consecutive contraction, meaning the UK has fallen into a recession for the first time since the start of the pandemic. He said that whether or not the country tipped into a formal recession last year is less important than the future path for the economy, as it will be very shallow, and more weight should be put on the indicators we have seen since then showing some signs of upturn.

There is still a long way to go, but positives are beginning of an upturn. 5.25% interest rate is a “deliberate” attempt to tackle inflation. However, he said that weak investment and productivity growth were also constraining growth in the economy’s supply capacity. This can keep inflation high and is likely to make the Bank of England cautious before it commits to cutting borrowing costs, Mr Bailey suggested.

UK wage growth also eased by less than expected in the three months to December, according to official data to 5.8% from a summer peak of 8.5% and to 6.7% in the three months to November, but slower than predicted.

As wages grow it pushes manufacturing costs up, therefore fuelling inflation, and until that reduces to the BoE 2% target it is unlikely that interest rates will reduce for quite a few months. There is a glimmer of hope in that January yearly inflation rate unexpectedly held at 4% and food actually fell in price for the first time in two years, it’s just a matter of getting through the coming months, or more likely this year.

### New market

The latest Motorcycle Industry Association registration figures for January get the new year off to a positive with an increase over the same period of 2023. Its only one month, and in no way can the long-term pattern be read into it, but it is going the right way. One thing that will hopefully become clearer as the year unfolds is that the market comparisons with the preceding year will become a “real” reflection of change, as the covid years model mix changes have now well and truly washed out of the reckoning.

### January 2024 and Year to Date - New Registrations by Style

Mopeds	Registrations			Market Share (%)		Year to date			Market Share (%)	
	Dec-24	Dec-23	% Change	Dec-24	Dec-23	2023	2022	% Change	2023	2022
Naked	35	25	40.0%	9.8%	7.4%	35	25	40.0%	9.8%	7.4%
Other	72	70	2.9%	20.2%	20.6%	72	70	2.9%	20.2%	20.6%
Scooter	250	244	2.5%	70.0%	72.0%	250	244	2.5%	70.0%	72.0%
Totals	357	339	5.3%	100.0%	100.0%	357	339	5.3%	100.0%	100.0%

Motorcycles	Registrations			Market Share (%)		Year to date			Market Share (%)	
	Dec-24	Dec-23	% Change	Dec-24	Dec-23	2023	2022	% Change	2023	2022
Adventure	1,128	978	15.3%	19.9%	18.2%	1,128	978	15.3%	19.9%	18.2%
Competition	426	466	-8.6%	7.5%	8.7%	426	466	-8.6%	7.5%	8.7%
Custom	262	275	-4.7%	4.6%	5.1%	262	275	-4.7%	4.6%	5.1%
Modern Classic	631	524	20.4%	11.2%	9.7%	631	524	20.4%	11.2%	9.7%
Naked	1,099	1,142	-3.8%	19.4%	21.2%	1,099	1,142	-3.8%	19.4%	21.2%
Road Sport	415	399	4.0%	7.3%	7.4%	415	399	4.0%	7.3%	7.4%
Scooter	1,590	1,447	9.9%	28.1%	26.9%	1,590	1,447	9.9%	28.1%	26.9%
Touring	80	141	-43.3%	1.4%	2.6%	80	141	-43.3%	1.4%	2.6%
Unspecified	25	9	177.8%	0.4%	0.2%	25	9	177.8%	0.4%	0.2%
Total Motorcycle	5,656	5,381	5.1%	100.0%	100.0%	5,656	5,381	5.1%	100.0%	100.0%

Tricycles	Registrations	Market Share (%)	Year to date	Market Share (%)
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	Dec-24	Dec-23	% Change	Dec-24	Dec-23	2023	2022	% Change	2023	2022
Other	10	25	-60.0%	0.2%	0.5%	10	25	-60.0%	0.2%	0.5%
Scooter	20	20	0.0%	0.4%	0.4%	20	20	0.0%	0.4%	0.4%
Total Tricycles	30	45	-33.3%	0.5%	0.8%	30	45	-33.3%	0.5%	0.8%

Summary	Registrations			Market Share (%)		Year to date		YTD	Market Share (%)	
	Dec-24	Dec-23	% Change	Dec-24	Dec-23	2023	2022	% Change	2023	2022
Total Scooter	1,860	1,711	8.7%	30.8%	29.7%	1,860	1,711	8.7%	30.8%	29.7%
Total Moped, Motorcycle & Tricycles (exc Scooters)	4,183	4,054	3.2%	69.2%	70.3%	4,183	4,054	3.2%	69.2%	70.3%
Total Registrations	6,043	5,765	4.8%	100.0%	100.0%	6,043	5,765	4.8%	100.0%	100.0%

## January 2024 and Year to Date - Powertrain and Capacity

Month				YTD			
Powertrain	Dec-24	Dec-23	% Change	Powertrain	Dec-24	Dec-23	% Change
ICE	5,790	5,564	4.1%	ICE	5,790	5,564	4.1%
Electric	253	201	25.9%	Electric	253	201	25.9%
Total Registrations	6,043	5,765	4.8%	Total Registrations	6,043	5,765	4.8%

Month				YTD			
ICE	Dec-24	Dec-23	% Change	ICE	Dec-24	Dec-23	% Change
0-50cc	251	256	-2.0%	0-50cc	251	256	-2.0%
51-125cc	2,231	2,251	-0.9%	51-125cc	2,231	2,251	-0.9%
126-500cc	1,256	1,006	24.9%	126-500cc	1,256	1,006	24.9%
501-750cc	494	648	-23.8%	501-750cc	494	648	-23.8%
751-1000cc	803	589	36.3%	751-1000cc	803	589	36.3%
1000cc+	755	814	-7.2%	1000cc+	755	814	-7.2%
Total Registrations	5,790	5,564	4.1%	Total Registrations	5,790	5,564	4.1%

Month				YTD			
ELECTRIC	Dec-24	Dec-23	% Change	ELECTRIC	Dec-24	Dec-23	% Change
Moped ≤ 4 kW	106	83	27.7%	Moped ≤ 4 kW	106	83	27.7%
Motorcycle ≤ 11 kW	118	104	13.5%	Motorcycle ≤ 11 kW	118	104	13.5%
Motorcycle ≤ 35 kW	5	3	66.7%	Motorcycle ≤ 35 kW	5	3	66.7%
Motorcycle > 35 kW	9	1	800.0%	Motorcycle > 35 kW	9	1	800.0%
Exempt	3	6	0.0%	Exempt	3	6	-50.0%
Unknown	12	4	200.0%	Unknown	12	4	200.0%
Total Registrations	253	201	25.9%	Total Registrations	253	201	25.9%

## January 2024 - Highest Registering Model by Style

Moped	Best Selling Models	Jan-24
Naked	Lexmoto CYPHER	9
Other	Sur-ron LIGHT BEE	24
Scooter	Lexmoto ECHO 50	35
Motorcycle	Best Selling Models	Jan-24
Adventure	BMW R 1300 GS	99
Competition	Sur-ron ULTRA BEE	48
Custom	Keeway SUPERLIGHT	26
Modern Classic	Triumph SPEED 400	130
Naked	Suzuki GSXS 125	55
Road Sport	Suzuki GSXR 125	57
Scooter	Yamaha NMAX 125	315
Touring	Honda NT 1100	31

## New Registrations by Brand

Best Selling Brands	Jan-24
Honda	1,333
Yamaha	702
Triumph	616
Suzuki	420
BMW	327
KTM	274
Lexmoto	254
Royal Enfield	167
Kawasaki	166
Piaggio	137

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Tricycle	Best Selling Models	Jan-24
Other	Morgan 3 WHEELER	3
Scooter	Piaggio MP3 300	6

## January 2024 - Highest Registering Model by Engine Size

ICE	Best Selling Models	Jan-24
0-50cc	Lexmoto ECHO 50	35
51-125cc	Yamaha NMAX 125	315
126-500cc	Triumph SPEED 400	130
501-750cc	Triumph TRIDENT	32
751-1000cc	Suzuki GSXS 1000 X	66
1000cc+	BMW R 1300 GS	99

Electric	Best Selling Models	Jan-24
Moped ≤ 4 kW	Sur-ron LIGHT BEE	24
Motorcycle ≤ 11 kW	Sur-ron ULTRA BEE	48
Motorcycle ≤ 35 kW	BMW CE 04 15kW	4
Motorcycle > 35 kW	Zero Motorcycles SR ZF14.4	5
Exempt	Electric Motion EPURE SPORT	2

Every so often it's good to look at our continental neighbours to put in some prospective as to how the UK market is performing in comparison to a wider market. The European trade body, the ACEM has recently published the figures for the full 2023 year. Below is the top five PTW markets for motorcycles (exc. moped) both ICE and Electric.

It is evident when looking over the period since the pandemic start that the UK has had mixed fortunes being above average half of the time and below the other half. There are probable reasons for much of the variances between the countries due to the pandemic having differing affects in different places. One thing that is quite obvious, with 2023 possibly being the first year free of the pandemic effect, is that the UK, being the only one in a negative position, has perhaps started the return to normality slower than similar continental markets.

Year	France	%	Germany	%	Italy	%	Spain	%	UK	%	Total	%
2020	190,742	-3.4%	220,426	32.2%	218,091	-6.0%	154,158	-12.9%	97,346	-3.9%	880,763	0.7%
2021	206,955	8.5%	199,132	-9.7%	269,610	23.6%	166,513	8.0%	107,270	10.2%	949,480	7.8%
2022	193,356	-6.6%	199,410	0.1%	271,383	0.7%	176,961	6.3%	109,327	1.9%	950,437	0.1%
2023	206,731	6.9%	213,801	7.2%	320,186	18.0%	201,115	13.6%	108,065	-1.2%	1,049,898	10.5%

## Used Market

Little has changed over the latest research period, with large scale buying of stock still muted and consequently no sign of trade price increases in the rush to populate the sales floors with more stock, that are generally sufficiently stocked for at least the short term.

There are as usual exceptions to the rule, with the odd one having a reasonable few weeks or month, but the consistency is sparse. One explanation possibly causing this unusual pattern for the time of the year is that 2023 prices were still robust until halfway through the year when retail started to suffer across many industries. Residual stock still in dealerships at a higher price than the market would suggest it should be, compounded by earlier, reducing demand left the "summer stock" hanging around long after the curtailed high selling season. Much depends on clearing this overage, wrongly priced inventory clearing into retail ownership, while space for new stock perhaps being the least worry, money tied up that is not available to invest in fresh faces is more of a concern. All this has led to another reduction in reported prices this month.

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## Auction

It will come as little surprise after reading the used section that auction performance is also significantly lower than could be expected at this time of the year. The biggest sale at BCA, although seeing a similar amount of entries, finished selling less than half of the lots when compared to close to three-quarters of last year, and prices realised were 10% behind, even after continuing reductions this year, when 2023 over the same period saw increasing reported prices in Green Book. As mentioned above, a lot of this can be put down to entries not being sold to avoid losses from the stand-in values and of course lower demand.

In the Fleet Auction Group sale 50 of the 60 entries sold, with an overall return compared to CAP figures, similar to the BCA result. Consisting mainly of manufacturer lots, it appears the proportionally double amount selling is attributable to significantly less dealer entries where overage/priced stock is not affecting the ability to dispose without financial loss.

## End notes

British company, Zapp EV is set to start production of its Zapp i300 electric scooter after gaining investment of almost £8 million. Initially \$1.5 million (£1.2 million) will be received followed by, a further investment to a total of \$10 million, around £8 million, once certain conditions have been met. The money is to be used to commence commercial production.

Swin Chatsuan, Founder and Chief Executive Officer of Zapp EV, said: "Our design and engineering teams have delivered an exceptional product. With this vote of confidence from a renowned investor, we have the financial resources for the expected rollout of i300s this year".

More electric investment has recently been announced, this time from Yamaha, with the money going into the Indian electric scooter manufacturer, River. Although in the UK the market is having a turbulent time as far as EV sales are concerned, it makes sense for anyone making this type of investment, to aim it at the sub-continent, the largest motorcycle market in the world, which is also has the world's largest market for electric powered two-wheelers. There is the added bonus, in that the Indian government is a very keen supporter of electric vehicles and currently have several initiatives to incentivise people to buy them over ICE powered vehicles.

Continuing news for powering future vehicles, this time hydrogen. An experimental "testbed" has been built by The Michigan Institute of Technology (MIT), who has built a hydrogen-powered motorcycle, intended to develop the fuel for transportation in general.

Hydrogen's popularity in both the motorcycle and automotive worlds has been mixed. Hydrogen has numerous problems of its own, like collecting and storing it. Its overall green credentials are viewed in some camps as suspect. The methods of production are very electric dependent and in high quantities.

In our world hydrogen is having a bit of an experimental boom particularly with Japanese manufacturers (Honda, Kawasaki, Suzuki, and Yamaha). They have set up the collaborative group known as HySE (Hydrogen Small mobility & Engine technology) to develop the technology.

MIT's motorcycle will differ in the use of hydrogen, in that the Japanese are using hydrogen as a combustible. MIT though is going down the route of hydrogen fuel cells powering an electric motor. In essence the hydrogen fuel cell is an alternative to a battery in an electric vehicle, with the advantages over battery power being range, refill time, and the emissions created by mining lithium.

To finish on a less positive note about EV's, Cake, the Swedish electric motorcycle manufacturer, has filed for bankruptcy after failing to raise enough in a recent funding round. The manufacturer builds utilitarian off-road electric motorcycles, which could be described by some as having unusual looks.

Reports that filing follows on from reports of suspended salary payments in January and one of its major investors withdrawing from the company during the recent round of funding. Several possible reasons have been cited that lead to the situation, climate issues being lower in focus, recession, and lack of venture capital. Perhaps the real reason is rider's preferences for something that is less radical looking