

Motorcycle editorial

By cap hpi

January 2024

Motorcycle market overview

The Bank of England has recently warned that the UK economy has weathered the worst of the rapid interest rate rises during 2023, but the full impact of hikes has not yet filtered through to smaller and highly-leveraged businesses.

In its Financial Stability Report in early December their Financial Policy Committee said higher interest rates continue to put some firms and households “under pressure” but UK corporates in particular were expected to remain “broadly resilient to higher interest rates and weak growth”. They also state “In aggregate, UK corporates’ ability to service their debts has improved due to strong earnings growth”.

There is also a warning that “the full impact of higher financing costs has not yet passed through to all corporate borrowers and will be felt unevenly, with some smaller or highly leveraged UK firms likely to remain under pressure.” The latest data covering the Q2 period reports outstanding UK corporate debt relative to corporate earnings has continued to fall since its recent peak during the covid pandemic.

The Bank’s Monetary Policy Committee stopped the rate hiking in October and November with rates remaining at 5.25% although they predict households are likely to come under further strain as rates stay higher for longer in the UK.

The effect on our industry goes beyond the report which looks at the larger economy, in that many are in the smaller size business category with the usual seasonal impact seen in the slower months, starting earlier than would normally be seen as outside influences had dealers feeding back that July was a poor month and has not demonstrated a short term blip. An indication of a real curb in customer spending, with the used market apparently suffering more than the new registration numbers are demonstrating. Once through the winter lull, the picture will become clearer as to the willingness for consumer spending, but many opinions are pointing to a subdued 2024.

A positive at the end of November was the industry’s showcase Motorcycle Live at the NEC, with our visit on Press Day Monday seeing a vibrant and busy event and some very positive feedback from manufacturers. Let’s hope this is a good sign, and that you all have a profitable New Year.

New market

The Motorcycle Industry Association figures for the penultimate month of the year are yet again a swing from the positive seen in October. Moped is only nine units down would appear to be well on the way to settling into a more normal post pandemic market.

Scooters, of all capacities, have again broken out of decline that at points this year had been quite dramatic, leading to a year to date 27,343 or -11.7%.

The sectors under the banner of Motorcycle have again returned to a negative position of -5.1%, with the stand-out sector being Adventure that is perhaps benefiting from the launch of the latest update of BMW’s larger GS, which unsurprisingly is also the best seller in the group, replacing its predecessor.

Going to the bottom line for the total new numbers in November we see 6,316 registrations down 331 from the same period 2022. The Y-T-D percentage is still in the negative at -2%. The 2,255 registration deficit with one month to go is going to be a stretch to put the year on a par with last year.

November 2023 and Year to Date - New Registrations by Style

Mopeds	Registrations			Market Share (%)		Year to date			Market Share (%)	
	Nov-23	Nov-22	% Change	Nov-23	Nov-22	2023	2022	% Change	2023	2022
Naked	37	36	2.8%	8.9%	8.5%	512	572	-10.5%	9.9%	8.5%

Motorcycle editorial

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Other	89	102	-12.7%	21.5%	24.1%	1,024	1,119	-8.5%	19.8%	16.6%
Scooter	288	285	1.1%	69.6%	67.4%	3,645	5,064	-28.0%	70.4%	75.0%
Totals	414	423	-2.1%	100.0%	100.0%	5,181	6,755	-23.3%	100.0%	100.0%

Motorcycles	Registrations			Market Share (%)		Year to date			Market Share (%)	
	Nov-23	Nov-22	% Change	Nov-23	Nov-22	2023	2022	% Change	2023	2022
Adventure	1,078	993	8.6%	18.4%	16.1%	20,096	19,800	1.5%	19.6%	19.2%
Competition	464	480	-3.3%	7.9%	7.8%	5,830	5,428	7.4%	5.7%	5.3%
Custom	313	332	-5.7%	5.3%	5.4%	7,291	7,244	0.6%	7.1%	7.0%
Modern Classic	484	630	-23.2%	8.3%	10.2%	10,569	11,455	-7.7%	10.3%	11.1%
Naked	1,144	1,384	-17.3%	19.5%	22.4%	24,004	22,463	6.9%	23.5%	21.8%
Road Sport	453	460	-1.5%	7.7%	7.5%	8,652	8,342	3.7%	8.5%	8.1%
Scooter	1,790	1,719	4.1%	30.5%	27.8%	23,244	25,433	-8.6%	22.7%	24.7%
Touring	118	159	-25.8%	2.0%	2.6%	2,480	2,812	-11.8%	2.4%	2.7%
Unspecified	16	17	-5.9%	0.3%	0.3%	195	102	91.2%	0.2%	0.1%
Total Motorcycle	5,860	6,174	-5.1%	100.0%	100.0%	102,361	103,079	-0.7%	100.0%	100.0%

Tricycles	Registrations			Market Share (%)		Year to date			Market Share (%)	
	Nov-23	Nov-22	% Change	Nov-23	Nov-22	2023	2022	% Change	2023	2022
Other	18	21	-14.3%	0.3%	0.3%	357	307	16.3%	0.3%	0.3%
Scooter	24	29	-17.2%	0.4%	0.5%	454	467	-2.8%	0.4%	0.5%
Total Tricycles	42	50	-16.0%	0.7%	0.8%	811	774	4.8%	0.8%	0.8%

Summary	Registrations			Market Share (%)		Year to date		YTD	Market Share (%)	
	Nov-23	Nov-22	% Change	Nov-23	Nov-22	2023	2022	% Change	2023	2022
Total Scooter	2,102	2,033	3.4%	33.3%	30.6%	27,343	30,964	-11.7%	25.2%	28.0%
Total Moped, Motorcycle & Tricycles (exc Scooters)	4,214	4,614	-8.7%	66.7%	69.4%	81,010	79,644	1.7%	74.8%	72.0%
Total Registrations	6,316	6,647	-5.0%	100.0%	100.0%	108,353	110,608	-2.0%	100.0%	100.0%

Mentioned more than once before, is the re-aligning of the electric market from the commuting/last step delivery boom during the pandemic. The EV market is still heavily weighted towards that smaller part of the market, but yet again has seen a reduction of close to a third, with Y-T-D registrations 37.9% down. ICE registrations are still in a negative position for the month but encouragingly showing a small positive for the year. A good sign worth the reminder is that the up to 1 litre, bigger ticket and more profitable types are pulling their weight in the great scheme of things.

November 2023 and Year to Date - Powertrain and Capacity

Powertrain	Month			Powertrain	YTD		
	Nov-23	Nov-22	% Change		Nov-23	Nov-22	% Change
ICE	6,077	6,301	-3.6%	ICE	104,547	104,480	0.1%
Electric	239	346	-30.9%	Electric	3,806	6,128	-37.9%
Total Registrations	6,316	6,647	-5.0%	Total Registrations	108,353	110,608	-2.0%

ICE	Month			ICE	YTD		
	Nov-23	Nov-22	% Change		Nov-23	Nov-22	% Change
0-50cc	303	267	13.5%	0-50cc	3,529	3,952	-10.7%
51-125cc	2,619	2,655	-1.4%	51-125cc	35,756	38,317	-6.7%
126-500cc	985	976	0.9%	126-500cc	15,910	16,732	-4.9%
501-750cc	481	624	-22.9%	501-750cc	12,698	12,087	5.1%
751-1000cc	811	844	-3.9%	751-1000cc	18,900	15,176	24.5%
1000cc+	878	935	-6.1%	1000cc+	17,754	18,216	-2.5%
Total Registrations	6,077	6,301	-3.6%	Total Registrations	104,547	104,480	0.1%

Month

YTD

Motorcycle editorial

By cap hpi

ELECTRIC	Nov-23	Nov-22	% Change
Moped ≤ 4 kW	112	156	-28.2%
Motorcycle ≤ 11 kW	111	173	-35.8%
Motorcycle ≤ 35 kW	3	3	0.0%
Motorcycle > 35 kW	4	1	300.0%
Exempt	1	4	0.0%
Unknown	8	9	-11.1%
Total Registrations	239	346	-30.9%

ELECTRIC	Nov-23	Nov-22	% Change
Moped ≤ 4 kW	1,653	2,803	-41.0%
Motorcycle ≤ 11 kW	1,826	2,864	-36.2%
Motorcycle ≤ 35 kW	67	125	-46.4%
Motorcycle > 35 kW	58	115	-49.6%
Exempt	88	77	14.3%
Unknown	114	144	-20.8%
Total Registrations	3,806	6,128	-37.9%

The appearance of the new BMW GS should come as little surprise in the Adventure market, as early adopters latch onto it not only because it's a new model, but as the replacement for one that was predominantly near the top in the charts anyway. As far as the rest of the charts are concerned, there is nothing in there worth a mention that has not been seen most months.

November 2023 - Highest Registering Model by Style

Moped	Best Selling Models	Nov-23
Naked	Multiple Items	8
Other	Sur-ron LIGHT BEE	20
Scooter	Lexmoto ECHO 50	54

Motorcycle	Best Selling Models	Nov-23
Adventure	BMW R 1300 GS	108
Competition	Sur-ron ULTRA BEE	37
Custom	Keeway SUPERLIGHT	33
Modern Classic	Royal Enfield INTERCEPTOR INT 650	30
Naked	Honda CBF 125 M	116
Road Sport	Multiple Items	40
Scooter	Yamaha NMAX 125	431
Touring	BMW R 1250 RT	31

Tricycle	Best Selling Models	Nov-23
Other	Multiple Items	4
Scooter	Yamaha TRICITY 300	8

November 2023 - Highest Registering Model by Engine Size

ICE	Best Selling Models	Nov-23
0-50cc	Lexmoto ECHO 50	54
51-125cc	Yamaha NMAX 125	431
126-500cc	Honda ADV 350	51
501-750cc	Honda NC 750 X	35
751-1000cc	Triumph TIGER 900 RALLY PRO	43
1000cc+	BMW R 1300 GS	108

Electric	Best Selling Models	Nov-23
Moped ≤ 4 kW	Sur-ron LIGHT BEE	20
Motorcycle ≤ 11 kW	Sur-ron ULTRA BEE	37
Motorcycle ≤ 35 kW	BMW CE 04 15kW	3
Motorcycle > 35 kW	Multiple Items	1
Exempt	Electric Motion EPURE SPORT	1

New Registrations by Brand

Best Selling Brands	Nov-23
Honda	1,235
Yamaha	913
BMW	411
KTM	383
Triumph	338
Lexmoto	252
Kawasaki	247
Suzuki	214
Royal Enfield	197
Keeway	151

New motorcycle registrations reported by the ACEM in five of the largest European markets consisting of France, Germany, Italy, Spain and the UK during the first nine months of 2023 totalled 873,985 units and is an increase of 11.8% compared to the same period in 2022 (781,839 units).

Motorcycle editorial

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To give some indication of how our domestic market is performing on motorcycle only (UK is not in the Moped charts due to small size of our market in comparison), the biggest, if not astounding growth seen is in Italy with 271,552 units, an increase of 19.4%. Spain in second position also with an impressive double digit percentage growth of 13.4%, up to 154,019 units. And Germany in third place registering 190,490 units, up 9.6%, followed closely by France on 168,118 units, up 8.7%. The UK, in comparison to our close continental neighbours, a disappointing 89,806 units, down -0.4%.

To demonstrate that it's not only our domestic market that is struggling for Moped registrations, the ACEM report a total volume of 155,098 units in the top six European moped markets, (Belgium, France, Germany, Italy, the Netherlands and Spain). This registration volume is a very large reduction of -25.0%, compared to the 206,927 units seen in 2022.

Used Market

As 2023 drew to a close there is little to be positive about in the current used market. The pattern seen since July when economic woes really kicked in, have continued as the year rounds out. An eye is being kept on stock levels in an attempt to retain control of cash flow, and lower demand of course impacts the prices willing to be paid for stock. This year is more reminiscent of seasonal variations seen a decade ago, where the excess of stock did not warrant buying through the winter months in preparation for the following selling season. As stock was exported to the Euro Zone, prices started to rise not only during the highs, but also the historical low points as dealers with a more favourable cash flow position would pre-empt the early rush by continuing to buy over the year change. As trade demands are now more similar to historical seasonal differences, the differential between the low and high price points recently observed are reverting to more pronounced changes and have been reflected in continued price drops, including this edition.

Auction

The used market and performance in the auction halls are of course closely linked, and as reported for several months, there have been continued low bids and conversion rates. Over this last research period there has been no improvement, in fact the largest sale, at BCA, there was a lowly conversion rate of a third with a "behind book" overall result.

End notes

Motorcycle manufacturers are not yet subject to the same rising quota for zero-emission vehicles that car makers must abide by from 1st January 2024 under the Zero Emission Vehicles (ZEV) Mandate. With the exception of dedicated electric vehicle manufacturers, there has been little rush for a sweeping change from fossil fuelled machines.

But outside of any enforced targets that could be set in the future Honda is already implementing its own targets for electric bikes both in Europe and globally. As the largest manufacturer in the world, Honda's 2023 European Environmental Report puts forward a target that 15% of their bikes should be electric by 2030. They aim to reduce their overall motorcycle CO2 emissions by 34% by the same date, and by 2050 it intends to have net zero emissions for its output of bikes, cars and power products, as well as 'net zero' CO2 emissions from manufacturing and the use of 100% carbon-free energy. 15% electric by 2030 might not seem a stretch in the light of the overall ZEV Mandate challenges, but to put it in context in 2023, just 0.62% of Honda's European motorcycle sales were electric bikes. There will be a rapid growth in their zero-emission motorcycle range, including plans to introduce 30 electric bikes globally by 2030 and a unit target of producing four million per year.

A major hurdle to overcome in the use of electric vehicles is range anxiety and removing or at least reducing this is a major step towards the widespread acceptance of them. As to what should be a massive step towards targets and could even stretch influence around the world, a recent new law passed in the EU that will require fast charging points for EV's every 37 miles on motorways, and a new regulation about hydrogen refuelling has been included, too. Member states in the EU will have until the end of 2025 to adhere to the new regulations. To qualify as 'fast charging', the stations must have a total output of 600kW and have at least one charger with a 150kW output. Additionally

Motorcycle editorial

By cap hpi

included in the regulations, the EU will be looking to increase the number of hydrogen refuelling stations by 2030, at which time the aim is for one hydrogen station every 200km (124 miles).

We hope you have all had a good Christmas and wish you all a happy and profitable New Year.