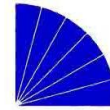




Confederation of the European
Bicycle Industry
Colibi-Coliped
Since 1960 Representing the European Bicycle Industry



EUROPEAN
BICYCLE
MANUFACTURERS
ASSOCIATION

EUROPEAN BICYCLE MARKET EMPLOYMENT AND INVESTMENT FIGURES

in 2016
(updated September 2017)

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Belgium

EBMA
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Belgium



Dear Ladies and Gentlemen,

Please kindly find enclosed the latest results of our research for our EU Bicycle, Pedal-Assist Ebikes and Components Industry in Europe.

After the first study of Dec. 2012, this Dec 2016 update is very important as it is underlining the current expansion of our Industry both in jobs, investments and SMEs, thanks to the Antidumping measures adopted by the EU COM against unfair competition and to our innovations which make our Industry the most innovative in the world. Our Industry is a very good example of EU sustainable economy developed locally by SMEs: realistically, the only possible way to seriously cut CO2 emissions and create good long term industrial jobs locally for our younger generations is to help and defend the development of EU Manufacturing SMEs.

The expansion is mainly due to the further development of our most important innovation of the last 20 years: the Pedal-Assist Ebikes, which would not have been invented if our Industry didn't survive the unfair competition from PRC's exporters. We have now over 90.000 Workers Direct-Indirect, and 800 SMEs capillary distributed in 20 of the 28 MS, generating over 1 Billion EU investments and approximately 12 Billions EU worth of Industrial output: our Workers and SMEs are extremely thankful to the EU COM's renewal of the antidumping measures in 2013!

We kindly ask you to take the following points into consideration:

- 1) In CONEBI we are considering in our Yearly Industry Data the data provided by our National Associations. Indeed, not all producers of Bicycles Ebikes and Parts are member of a National Association (probably not over 50%) and this declares why these figures are higher and different from the annually provided data by Colibi-Colipied.
- 2) Bicycles, Pedal-Assist Ebikes and Components are produced in Europe by the vast quantity of over 800 SMEs with a direct workforce of approximately 45.000 European employees.
- 3) A very important number of upstream ancillary companies furthermore provide:
 - **raw materials** (aluminum, steel, stainless steel, plastics, carbon fibers, titanium, magnesium, paint)
 - **machinery, tools, technical equipment**
 - **maintenance of the technical equipment**
 - **maintenance and enhancing of industrial buildings**
 - **canteen and catering for the Workers**
 - **transports**
 - **packaging materials**
 - **other services**

We calculated that this means that at least another 45.000 jobs upstreams are involved, in many Industrial Districts of the 28 MS. Many ancillary companies are at serious risk to disappear if the Bicycles, Pedal-Assist

Ebikes and Components producers are forced to shut down by the dumping and ever growing overcapacity of subsidized Chinese Exporters.

4) We must emphasize that we must take into consideration all the EU producers of those accessories (cycling apparels, helmets, and other aftersales accessories) which are not assembled directly to the bicycles. Nevertheless, we must point out that - in case of bicycles would be imported from China - for sure also all the accessories will be produced over there, to be shipped together with the bicycles.

In total, we have another 10.000 workers who are directly employed by such accessories producers, with again as many indirect workers who supply the raw materials, machineries and so on). In the USA and Japan -where they completely lost their Bicycle Industry as no AD measures were renewed- not one company is left producing anyaccessories for bike riders, all is imported from China, like the Bicycles.If Europe shall lose its industry, an almost worldwide monopoly of China will be the result, with the exceptions of Mexico, Brasil, Argentina, Turkey, India, Bangladesh (these countries all have antidumping or high duty regulations to allow their industries to have a legitimate defense against subsidized dumped products from Chinese exporters).

5) We must underline as well that - in case the EU bicycles Producers would be put out of business by the subsidized PRC's dumping - the whole production of high-tech EPACS (Electrically Pedalling-Assisted Cycles) and E-bikes will disappear in Europe, to be absorbed by the Chinese exporters. It would no longer be economically viable to produce only Pedal-Assist E-bikes in Europe, without the Bicycles production. This would be a very dangerous loss of a very promising, high-tech, very innovative and totally green EU Industry: really strategic in the EU for the CO2 emissions cuts. The EPACS were invented and developed in Europe by the EU Bicycles and Parts' Industries.

We also underline another important innovation of our Industry: the bike sharing systems: this concept needs local production in order to provide the best bikes for the EU Cities: a very good example is the bike sharing system in Paris.

Some of our SMEs are also specialists for bikes rentals for hotels and holiday resorts, which greatly help the development of tourism & cycling.

Another new trend for our SMEs is to develop Cargo Bikes which are adopted for the last 5 km deliveries in the EU Cities by many couriers.

6) Also in the downstream there would be loss of jobs, especially at the dealers' level (totally we have in Europe more than 50.000 cycle retailers, for an estimated workforce of 150.000 Workers: indeed one of the main reasons that the EU Users (ECF represents millions of cyclists) are in favor of the antidumping on Bicycles is precisely the menace of poor quality and the loss of service at dealers' level (confirmed in the attached Japan Industry presentation) With the huge Chinese overcapacity, the supermarkets and hard discounts' sales (without service) will increase with very low quality bicycles (which are bought as cheap gadgets but don't encourage cycling at all, as confirmed by the attached ECF letters).

We conclude our study confirming to your kind attention our deep alarm that over 90.000 EU skilled Workers of one of th emost important Green Industries' Employer are at risk to lose their jobs without the current antidumping measures.

The entire EU Industrial system will be weakened, as the EU Bicycle Industry adopts the most innovative and ecological production systems, raw materials and fine mechanics high tech automations.

We underline the ecological sustainability of the EU bicycle Industry. This industry adopts the latest technologies of non-pollution production (for instance water-based paint, while the PRC's exports are adopting very dangerous paint contents, which can be very harmful in particular for kids bikes) in full respect of the highest level of EU regulations such as REACH.

The EU Bicycle industry delivers very innovative, high quality bicycles are at zero km Co2 emissions (compared to Chinese exported bicycles, which cost from 61 to 123 kgs of emmissions more than) to the EU users, as confirmed by the attached document of the European Cyclists Federation.

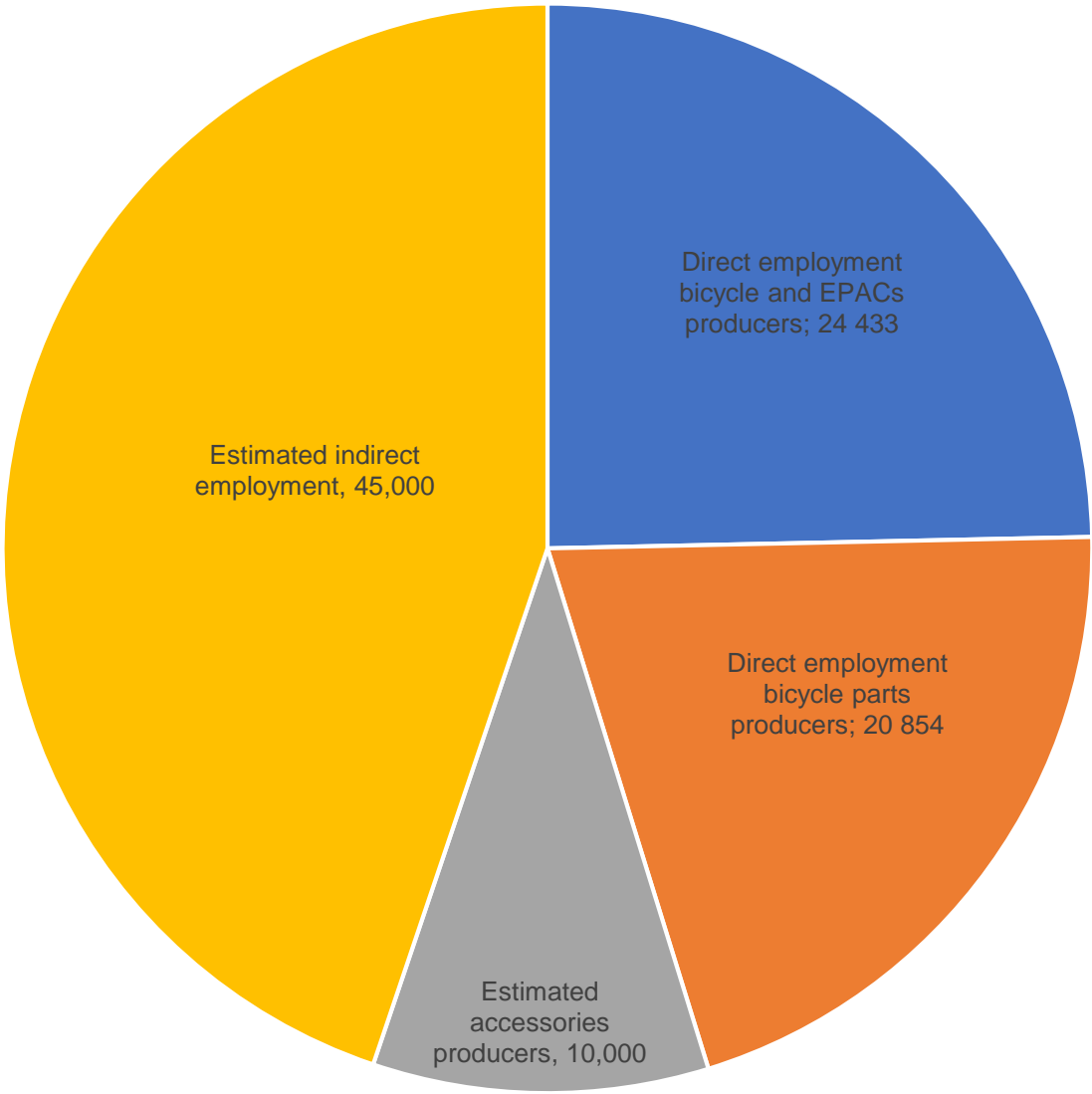
In the December 2012 study, we confirmed that the EU Bicycles and Parts Industries would have invested heavily in the next 5 years to modernize the technical equipment, to develop new products and to repatriate and adopt productions like frames, forks, handle bars, stems which are currently produced and subsidized in China:

this effort is confirmed, our Industry is investing one Billion Eu per year, also creating "Bike Valley" projects in different EU Industrial Districts such as Romania, Belgium/Flanders, Portugal (attached the Bike Europe articles).

Employment (direct) and investments in EU bicycle, EPACs and parts industry

Country	Bicycles and EPACs producers			Parts producers			Total employees per country	Total Investments/ Innovations in 2016 (mill EUR) per country
	No. of companies	Employees	Investments/ Innovations in 2016 (mill EUR)	No. of companies	Employees	Investments/ Innovations in 2016 (mill EUR)		
Austria	1	300	0.562				300	0.562
Belgium	22	285	3.13	13	202	3.174	487	6.302
Bulgaria	8	1,860	7.07	1	65	0.060	1925	7.130
Croatia							0	0.000
Cyprus	0	0	0	0	0	0.000	0	0.000
Czech Republic	14	597	4.65	39	1,890	10.000	2487	14.650
Denmark	7	106	1.10	4	30	0.250	136	1.350
Estonia	1	5	0	0	0	0.000	5	0.000
Finland	6	128	1.15	1	300	1.500	428	2.650
France	12	780	23.85	30	1,751	30.580	2531	54.430
Germany	39	3905	116.90	60	5,573	464.250	9478	581.150
Greece	3	202	1.00	2	640	0.000	842	1.000
Hungary	11	1,034	10.70	16	530	3.000	1564	13.700
Ireland	2	14	0.00				14	0.000
Italy	112	3287	44.00	111	2,417	42.200	5704	86.200
Latvia	4	29	0.30	0	0	0.000	29	0.300
Lithuania	1	600		0	0	0.000	600	0.000
Luxembourg	0	0	0	0	0	0.000	0	0.000
Malta	0	0	0	0	0	0.000	0	0.000
Netherlands	20	2,280	49.20	36	1,071	35.250	3351	84.450
Poland	60	4873	54.33	11	420	3.700	5293	58.030
Portugal	23	1137	29.886	63	4,024	52.461	5161	82.347
Romania	4	1350	13.00	4	1,100	10.000	2450	23.000
Slovakia	15	443	1.00	10	189		632	1.000
Slovenia	1	15	0.10	1	70	0.250	85	0.350
Spain	12	609	3.85	9	322	4.350	931	8.200
Sweden	4	147	1.60	4	40	1.500	187	3.100
United Kingdom	8	447	6.80	9	220	2.200	667	9.000
TOTAL	390	24,433	374,176	424	20,854	664.725	45,287	1,038.901

EMPLOYMENT EUROPEAN BICYCLE INDUSTRY



- Direct employment bicycle and EPACs producers
- Direct employment bicycle parts producers
- Estimated accessories producers
- Estimated indirect employment