

Europe's Biggest Bike Maker To Open 2nd Facility in Poland

label: Sales & Trends

AGUEDA, Portugal – Portuguese RTE S.A. is to open a bike making facility in Poland in 2021. With a current annual production total of between 1.2 and 1.4 million units, RTE is the biggest European bicycle assembly plant in Europe. The company produces exclusively for Decathlon. In a recently published interview RTE S.A. Executive Director Bruno Salgado announced the company's plans for a new facility in Poland.



Production at RTE Portugal of Decathlon's BTwin Bikes. - Photo RTE LinkedIn/ Dariusz Duda, Lisbon Polish Investment and Trade Agency

Main reason for establishing the new RTE facility in Poland is to produce more close to market for Decathlon. The French sporting goods giant, which is Europe biggest bicycle retailer with annual sales of over 4 million bikes, is rapidly expanding its store-count in Germany, Switzerland, Poland, Hungary, Russia as well as in other countries like Belgium and Holland. **The rapid store expansion fits Decathlon's omnichannel market approach of a 100% online product availability, offering customers the possibility to order online and col**

lect the order at a nearby store.

Production in center of Europe

Decathlon is on the move in Europe. In 2017 the sporting goods retailer opened 185 new stores bringing the total to 1,352 outlets in 39 countries. Details on the openings in 2018 are missing but looking at the rapid expansion of Decathlon stores in Switzerland and Germany, last year has probably seen even more Decathlon store openings. By the way, Decathlon's 2017 turnover stood at over 11 billion euro. Of that total, online sales hold only a small share of 4.5 percent in 2017. Decathlon's Deputy Chief Executive Officer, François De Witte said on that "Although the share of internet sales is low, omni-channel is still a revolution to which no one escapes. Market research also shows that one in five customers said they had not found the product they were looking for in stores without checking it online first."

New Polish facility

As it looks RTE is following-up on Decathlon's omnichannel strategy with the announced plans for establishing a new facility in Poland. The state-of-the-art facility is to be built near Brześć Kujawski. The project's investment is estimated at PLN 80 million (€ 18.6m) and production capacity is to stand at 500,000 bikes annually which are to be supplied to Decathlon.

RTE's Bruno Salgado said in the Portuguese media on the new facility "The idea is to bring production closer to the sales markets, as bikes, due to its dimensions, is a product that does not transport well and comes with high costs. It makes sense to produce near the center of Europe, where business is expanding."

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