MOTORCYCLING AND THE FUTURE OF TRANSPORT

THE ROUTE TO TOMORROW'S JOURNEYS

Parliamentary Briefing
February 2023

mcia

National Motorcyclists Council

— The Motorcycle Industry Association (MCIA)

MCIA represents the L-Category sector which includes scooters, motorcycles and other 'L-Category' vehicles, often referred to as powered light vehicles (PLV's). MCIA represents all the major global manufacturers (e.g. Triumph, BMW, Honda, Harley-Davidson, Piaggio Group, KTM Group, Ducati, Royal Enfield, Yamaha, Kawasaki, Suzuki) and smaller manufacturer and importers covering over 95% of all new L-Category vehicles. MCIA also represents the wider business sector, including accessory and component manufacturers and companies that provide insurance, finance and other services.

— The National Motorcyclists Council (NMC)

The National Motorcyclists Council (NMC) is the UK coalition of motorcycling representative organisations, which work together to influence Government policy that affects motorcyclists. Collectively, its member organisations represent around 200,000 riders.

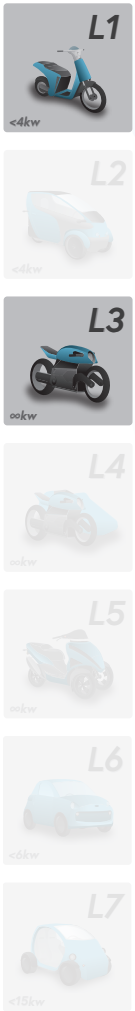
INTRODUCTION

This briefing outlines the key arguments in favour of the Government increasing its widespread promotion of L-Category vehicles in its transport policy and increased consumer uptake.

Its main focus is on the sector's biggest challenge to date - transitioning to zero emissions – and, in particular, the need for 'traditional' higher-powered motorcycles to be afforded more time in making the transition. It also highlights the need for technology neutrality - all technologies should be considered and supported with equal measure, including clean and synthetic fuels, not just battery electric.

MOTORCYCLES AND L-CATEGORY VEHICLES AND WHO RIDES THEM

We represent every L-Category vehicle, from L1 all the way up to L7. The below focuses on L1 and L3-Category vehicles to demonstrate the differences in use case, users and phase out capability.



DESCRIPTION	USE CASE	USERS
L1: 2, 3 or light 4-wheeled vehicles with top speed of 28mph (45km/h). Power up to 1,000 watts with power assist cut off at 15.5mph PTWs up to 50cc petrol engines or up to 4kW alternative power. Rider must wear helmet.	First vehicle Commuting Last mile delivery	Young people (16+) Delivery riders (all ages) Commuters (all ages)
L3: The most numerous L-Category, also referred to as PTWs and considered 'traditional' higher-powered motorcycles Subdivided into 3 groups, defined by power output. Riders are tested relative to vehicle power and their age and must wear a helmet.	Commuting Courier Leisure	**L3-A1:** Delivery riders / Commuters (17 or over) **L3-A2:** Delivery riders / Commuters (19 or over) **L3-A3:** Delivery riders / Commuters / Leisure riders (21 or over with 2 years A2 experience or 24 or over)

PHASE OUT CAPABILITY

L1	L3
Well suited to zero emission technology. Over 80% in the UK market are fully battery electric – continuing to evolve at pace. Primarily used for short distance commutes and last mile deliveries. Used most frequently and so provide the most GHG emission savings. Industry confident the 2030 date can be achieved without major disruption to the market and supply chain.	Dominated by motorcycles and scooters mainly used for leisure. Travel less than 3000 miles per Annum, primarily in rural settings which have limited impact on emissions. Numerous technical, architecture and safety challenges when transitioning – electric not the silver bullet for L-Category vehicles. Require a bespoke approach (as with aviation and HGVs) to allow battery technology and alternative fuel solutions to develop. Regulatory divergence from other major markets will make the UK a less attractive place to do business and risks major players reviewing their place. Current zero emission L3 PTWs have an extremely expensive price point due to supply chain development – not commercially viable for manufacturers to build or for consumer to buy. Phasing out too early risks damaging manufacturers revenue from existing ICE bikes, mean less revenue for designing and manufacturing zero emission products.

THE DECARBONISING CHALLENGE

In July 2021, the Government proposed to phase out all new non zero emission L-Category vehicles by 2035, subject to consultation. We engaged extensively with the consultation and officials, submitting our respective responses last September. The below summarises our key arguments and calls to action in helping the sector to make the transition while protecting key sectors.

WE FULLY SUPPORT THE NET ZERO AGENDA AND WANT TO DO ALL WE CAN TO HELP GOVERNMENT ACHIEVE A ZERO EMISSIONS UK TRANSPORT SYSTEM

However, this must not negatively impact the multi billion pound UK industry and user sector, and must recognise the diversity of L-Category vehicle usage and engine capacity - not just focusing on a mono-technology approach of zero emissions at the tailpipe. A one size fits all approach will not work.

GOVERNMENT PROPOSALS	
2030	**2035**
New non zero emission L1, L2, L3e-A1, L6 and L7 vehicles	All new non zero emission L-Category vehicles

A BESPOKE APPROACH TO PHASING OUT L-CATEGORY VEHICLES

> Our sector emits less than 0.5% of the UK's total domestic transport emissions and so we do not believe we should be a priority target group for Government. Any action should be proportionate to our emissions, miles travelled and urban mobility benefits (e.g. reduced congestion and increased air quality).

> A more creative and bespoke approach is needed in addressing the complexities and technical challenges faced by the L-Category sector, plus take full account of the range of L-Category vehicle market demands, so as not to risk damaging the market but at the same time addressing CO_2 reduction.

> Current proposals risk major players reviewing their place in the UK market until technology development is such that products can be more easily brought to the UK market.

THE L-CATEGORY SECTOR IS VASTLY DIFFERENT FROM THE AUTOMOTIVE SECTOR WHEN IT COMES TO PHASE OUT AND SO SHOULD NOT BE PAINTED WITH THE SAME BRUSH

> If manufacturers are forced to transition too soon, significant revenue will be lost from selling existing and near future internal combustion engine (ICE) motorcycles which will have a knock-on effect when it comes to developing and manufacturing zero emission products.

> The proposals don't adequately consider the complexities and nuances of the different vehicle categories, which means what's feasible for some segments (e.g. mopeds, or 'L1' vehicles) is not feasible for others (e.g. higher powered motorcycles that sit within the 'L3' vehicle category).

> Our industry and users are being asked to make significant changes to the way in which our vehicles operate. However, before committing to any investments in new technology, it is critical we receive a guarantee from Government that, in doing so, the necessary infrastructure is in place and policies around driving demand and improving access to our sector have been implemented.

> The Government must therefore conduct full scale readiness checks on these different areas, alongside industry and riders, two years in advance of each new phase out date:

CATEGORIES	L1 & L2 up to 4kW	L4, L6 & L7	L3 & L5 above 4kW
Readiness check date	2028	2035	From 2038
Phase out date	**2030**	**2035**	**From 2040**

OUR PROPOSAL IN DETAIL

2030 L1 and L2 L-Category vehicles (up to 4kW)

> Future technology is well suited to these categories and already helping to evolve the market at pace. These products are primarily used for short to medium distance commuting and last mile deliveries. Industry is confident the 2030 date can be achieved without major disruption to the market and supply chain.
> Additionally, in terms of frequent, urban, and sub-urban use, these categories provide the most gains in terms of greenhouse gas (GHG) emission savings.

2035 L4, L6 and L7 L-Category vehicles

> L4, L6 and L7 vehicles are extremely diverse with multiple use cases. This includes urban (personal) mobility, leisure, light cargo, and last mile deliveries. It is clear this sector is quickly moving to electrification, but at the same time, a one size fits all approach will damage important sectors of the market if their phase out deadline remains 2030.
> Volumes in these sectors are extremely low (currently less than 5% of the total market), with new entrants likely to be zero emission. However, what volumes do exist are made up of vehicle types that are used for sport and leisure. If the Government decides the deadline for these segments remains 2035 certain exemptions must be considered within this segment.

From 2040 All L3 and L5 L-Category vehicles

> The L3-Category is dominated by motorcycles and scooters that are often used for leisure purposes, travelling less than 3000 miles per annum and often in rural environments which have a limited impact on emissions.
> Combined with the technical challenges, we think it's fair the Government gives these categories more time, or to approach them in another way (as with aviation and HGVs), moving at a pace which recognises international developments in manufacturing and regulation. We propose "From 2040" which would allow battery technology and alternative fuel solutions to develop over the next 15 to 18 years before committing to an outcome that may significantly damage the economy and market.
> Regulatory divergence must also be avoided at all costs. We urge the Government to reconsider its position by allowing the necessary time for technologies to develop which, in-turn, would allow the sector to base its decision on facts and not what we hope might be the case.

OTHER FACTORS

> Other Technologies - Despite challenges around the development of carbon free fuels and hydrogen, this is an area of work which is moving at pace and is subject to significant investment and R&D as part of the move towards net zero. The potential is illustrated in the motorcycle sports sector which aims for all fuels in the MotoGP to be 100% non-fossil origin by 2027. This area is also important for the future of the UK's £18 billion historic vehicle sector.
> Infrastructure - There is strong concern that EV charging station roll out will not keep pace with growing demand for both cars and L-Category vehicles. All such chargepoints should mandate a requirement to have charge station technology which is compatible with the L-Categories.
> Licensing - The current criteria for Minimum Test Vehicles (MTV) required for the motorcycle test, as they apply to electric PTW's needs revision to make it possible to take the test for a full A licence on an electric PTW. Other key areas of licensing regulation also need adjustment as part of the **Action Plan**.

KEY FACTS

MOTORCYCLE INDUSTRY GROWTH

8%

THE MOTORCYCLE AND SCOOTER MARKET CLOSED 2022 AT 1.9% AHEAD OF 2021. WHEN COMPARED TO THE LAST "NORMAL YEAR" (2019), THE MARKET IS OVER 8% UP WHICH DEMONSTRATES NOT JUST THE STRENGTH OF THE SECTOR DURING THE UNCERTAINTY OF THE PANDEMIC AND A TOUGH ECONOMIC CLIMATE, BUT THE GROWING IMPORTANCE AND KEY ROLE THE SECTOR WILL PLAY AS THE TRANSPORT ECOSYSTEM EVOLVES.

116,534 PTW REGISTRATIONS ACHIEVED A 6 YEAR NEW HIGH IN 2022.

5.6% ELECTRIC POWERTRAIN YOY GROWTH CONTINUED IN 2022, ACHIEVING A MARKET SHARE OF 5.6%

WE EXPECT THE MARKET TO REMAIN STRONG IN 2023 AS THE RELEVANCE OF OUR SECTOR BECOMES MORE APPARENT TO CUSTOMERS AND USERS THAT HAVE NOT CONSIDERED THIS TRANSPORT MODE PREVIOUSLY.

WE EXPECT DEMAND FOR LEISURE PRODUCTS TO REMAIN HIGH AS WE SEE INCREASING NUMBERS LOOKING TO 2,3 AND LIGHT 4 WHEELS AS A REAL-WORLD ALTERNATIVE TO THE TRADITIONAL CAR.

MOTORCYCLES REPRESENT UP TO 3% OF TRANSPORT – MUCH HIGHER IN SOME URBAN LOCATIONS

1.4M 1.4 MILLION PEOPLE REGULARLY RIDE. AROUND 3 MILLION PEOPLE HOLD FULL MOTORCYCLE LICENCES

MOTORCYCLE USAGE HAS RISEN BY 4.1% IN RECENT YEARS.

NEARLY 2/3 OF MOTORCYCLE USE IS FOR COMMUTING OR OTHER PRACTICAL REASONS

3% OF TRANSPORT IS MOTORCYCLES

210g/km

99g/km

MOTORCYCLE USE CAN MORE THAN HALVE CO_2 FROM PRIVATE TRANSPORT. THE AVERAGE CO_2 FROM MOTORCYCLES IS 99g/km. FOR CARS THIS IS 210g/km.

62 % COMMUTER TYPES

62% OF ALL MOTORCYCLES REGISTERED IN THE UK & EUROPE ARE COMMUTER TYPES, WITH AVERAGE CO_2 EMISSIONS OF 64G/KM

MOTORCYCLE USE CUTS TRAFFIC CONGESTION – A 10% MODAL SHIFT TO MOTORCYCLES CAN REDUCE CONGESTION BY 40%.

MOTORCYCLING ALSO REDUCES PRESSURE ON TRANSPORT INFRASTRUCTURE AND PARKING

UK MOTORCYCLE SECTOR VALUATION

£7bn

THE MOTORCYCLE SECTOR IN THE UK WAS VALUED AT OVER £7 BILLION PRIOR TO THE PANDEMIC

50k MOTORCYCLING SUPPORTS UP TO 50,000 PEOPLE IN OVER 5,000 BUSINESSES ACROSS SOCIETY

€21.4bn IN 2021, THE UK AND EU INDUSTRY WAS VALUED AT 21.4 BILLION EURO, SUPPORTING 389,000 JOBS.

UK MOTORCYCLE SPORT WAS VALUED AT NEARLY £1 BILLION IN 2016

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