MOTORCYCLE INDUSTRY ASSOCIATION (MCIA) BRIEFING
Question for Short Debate (Baroness Ritchie), Thursday 23rd November 2023
A safe and sustainable future for mopeds, motorcycles and the entire powered light vehicle (PLV) industry

About MCIA

MCIA is the trade association for manufacturers and importers of L-Category vehicles[1]. Otherwise known as powered light vehicles (PLVs), these include mopeds, motorcycles and other powered three (tricycles) and light four-wheeled vehicles (micro cars). Members include the likes of Honda, Triumph, Harley-Davidson, Royal Enfield, Norton, Kawasaki, BSA, Ducati and Suzuki.

Context

This briefing advocates for increased Government promotion of PLVs, emphasising the sector's primary challenge - transitioning to zero emissions at the tailpipe. It calls for granting large capacity motorcycles more time to transition due to architectural, technical and consumer challenges. It stresses the importance of technology neutrality, supporting clean and synthetic fuels alongside electric options. It outlines steps for a safer and more sustainable PLV future, urging collaboration between Government and industry.

Challenge 1 – phase out of new non zero emission L-Category vehicles

In July 2021, the Government proposed phasing out all new non zero emission PLVs by 2035, subject to consultation. MCIA engaged extensively with the consultation and officials, submitting its response in September 2022. The Government has yet to respond after repeated delays.

Whilst the industry fully supports the net zero agenda, any Government action must not negatively impact this £7bn a year industry and must recognise the diversity of PLV usage and engine capacity. Focusing on a single technology approach of zero emissions at the tailpipe doesn't reflect the complexity of the sector. A one size fits all approach will not work.

Transitional challenges in detail:

- **PLV economic/jobs contribution is huge and environmental contribution minimal.**
- PLVs contribute less than 0.5% of UK domestic transport emissions. They should not be a target sector for DfT.
- Government action should be pragmatic, realistic and proportionate to emissions, minimal miles travelled annually and urban mobility benefits (e.g. reduced congestion and increased air quality).

- **PLVs are complex and require a bespoke approach (like aviation and HGVs).**
- PLVs face technical, architectural and safety challenges in transitioning to zero emissions.
- Not the same as the automotive sector, so must not be painted with the same brush – large capacity electric powered two wheelers (PTWs) have an expensive price point due to an underdeveloped supply chain. Not yet commercially viable for manufacturers to build or consumers to buy.
- 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.
- Government's 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).

- **All technologies should be supported with equal measure – electric not a silver bullet.**
- Electric has proved a workable solution for lower powered L-Category vehicles, but this is not the case for high powered ones.
- A technology neutral approach is needed. Clean and synthetic fuels must be considered whilst battery technology and alternative fuels catch-up, before committing to an outcome that may damage the market and economy.

[1] L-Category vehicle definitions/descriptions: https://www.mcia.co.uk/about

- ICE PLVs still have a huge transitional role to play in helping to get to net zero. MCIA and Zemo Partnership's Lifecycle analysis demonstrated that in almost every use case, PLVs led to substantially more greenhouse gas emission savings compared to other vehicle types.
- For example, a large capacity petrol motorcycle was shown to have lower lifecycle emissions than an average electric car when considering the whole life cycle of a vehicle (see appendix).

- **Current proposals risk major manufacturers reviewing their place in the market.**
- This is especially true if the Government chooses not to align its phase out dates with international manufacturing and regulation developments. Setting up separate regulations makes the UK market less attractive due to its smaller size, and could lead manufacturers to prioritise larger markets.
- We need time for technologies to develop which would allow the sector to base its planning/investments on facts and not what the Government hopes might be the case.

- **We support the transition to zero emissions, but technology must be fully developed first.**
- The sector is being asked to make significant changes to the way its vehicles operate. Before committing to any investments in new technology, it is critical technology is fully developed and that industry receive a guarantee from the Government that the necessary infrastructure is in place and policies around driving demand and improving access to the sector have been implemented.

Challenge 2 – Delivering on the joint Government and industry PLV 'Action Plan': Realising the Full potential of Zero Emission Powered Light Vehicles

- Once the Government finalises the phase out dates, it is crucial to establish the necessary policies and regulations to ensure the feasibility of these timelines.
- Recognising the vital role of PLVs in future transport systems, the Government's 2021 Transport Decarbonisation Plan (TDP) laid the foundation for acknowledging their significance.
- PLVs are cost-effective and environmentally friendly alternatives to single-occupancy cars and lightly laden vans. Their lower emissions, enhanced energy efficiency, and contribution to congestion relief on smaller roads underscore their potential.
- Tasked by the TDP, MCIA collaborated with the Government to develop a comprehensive Action Plan, focusing on four key areas: ensuring supply precedes demand, driving demand, improving access, and integrating PLVs into local authority transport and infrastructure planning.
- The successful delivery of the Action Plan is imperative for the industry to transition smoothly without causing undue harm. If implemented, the Action Plan holds the promise of generating numerous well-paid, high-skilled jobs across the country by nurturing the growth of the PLV sector's supply chain and manufacturing sector.
- A rushed phase out by the Government poses a threat to the Action Plan, potentially harming the sector it aims to strengthen. Recognising the industry's commitment to significant changes, the Government must fulfil its obligations outlined in the Action Plan, ensuring a harmonious transition.

Action Plan Actions: To fully realise the potential of PLVs by harnessing opportunities and overcoming barriers, the Government must implement the following recommendations:

Supply ahead of demand – delivering the product: These actions aim to improve the availability of different types of low or zero emission PLVs, offering consumers and businesses a broader selection of vehicles.

1. A review of existing L-Category vehicle regulation to ensure it remains fit for purpose and caters for the evolution of future zero emission PLVs, including assessing the potential for a new vehicle category (MCIA have pushed the Government ot Action on
2. Developing the component and system supply chain in the UK for zero emission L3- Category powered two-wheelers (PTWs) to encourage new entrants to the market, lower manufacturing costs and maximise the potential for GHG emission savings.
3. Developing the manufacturing base and supply chain in the UK for zero emission L7 cargo vehicles to increase the number and availability of models on the market, providing a greater degree of consumer and fleet choice.

Driving demand – stimulating the market: These actions aim to encourage consumers and businesses to adopt low and/or zero emission PLVs.

4. A review of the current grant and incentivisation structure in the PLV sector, including adopting learning from other vehicle categories where the roll out of zero emission tailpipe vehicles has proven successful.
5. Conducting a public awareness campaign jointly led by Government and industry to promote the existence, availability, and benefits of zero emission PLVs to consumers and businesses.

Improve access – offering a viable alternative: These actions aim to increase access to low-cost, low and zero emission PLVs.

6. Simplifying the existing licensing regime across all L-Category segments to improve access to zero emission PLVs for a wider section of the community, increasing access, uptake and adoption (see below section).
7. Increasing mobility in rural communities by providing access to affordable zero emission PLV solutions using initiatives such as Wheels to Work.

Increase integration – incorporating PLVs into infrastructure and communities: These actions aim to integrate PLVs into broader UK road transport solutions.

8. Engaging with local authorities through the Local Authority Transport Decarbonisation Toolkit to ensure zero emission PLVs form part of an integrated transport solution for the UK.
9. Creating a formal L-Category community to engage with the Government and monitor the delivery of this Action Plan.
10. Engaging with industry to ensure zero emission PLVs are considered and incorporated into the development of the EV charging infrastructure.

Simplifying the existing licensing regime - MCIA's *A Licence to Net Zero* campaign

- Key to tapping into the sector's potential is to improve access to PLVs for a much broader section of society. ***A Licence to Net Zero*** call on the Government to conduct a full-scale review of the existing regime to make the process of acquiring a PLV licence less complex, less expensive and, in doing so, helping to ensure a cleaner and greener future for all.
- The current licensing process is needlessly complex and repetitive. It is a major barrier preventing road users from switching to lighter, cheaper, and greener vehicles.
- *A Licence to Net Zero* proposes removing needless repetition of testing stages to save trainers and riders both time and money.
- The present licensing process has failed to improve safety. Casualties have stagnated in the last decade.
- *A Licence to Net Zero* will improve safety by removing provisions which disincentivise riders from receiving more training and becoming safer road users.
- The current process favours the direct access route (available for individuals 24+ with no prior experience) over the progressive access route (gradual progression through licensing stages).
- It encourages users riding perpetually with L-Plates after Compulsory Basic Training (CBT) as it lacks an incentive to gain a full licence and undergo proper training and testing. User can simply retake CBT every two years and carry on riding with L-Plates
- MCIA's proposals encourage the progressive access route so riders upskill through the licensing stages and become skilled, safe riders.
- *A Licence to Net Zero* proposes introducing a *"CBT Plus"* to take after two years. After a further two years, users would have to gain a full licence – ending the cycle of perpetual CBTs.

Appendix 1: Suggested line of questioning

- A large capacity petrol motorcycle was shown to have lower whole lifecycle emissions than an average electric car. What plans does the Government have to consider the whole lifecycle analysis of an L-Category vehicles in helping to get to net zero?
- The Prime Minister recently extended the phase out for vans and cars as part of a "pragmatic, proportionate and realistic" approach to reducing emissions. Will this approach be extended to the L-Category sector.
- Will the Government conduct readiness checks ahead of phasing out L-Category vehicles to ensure infrastructure, technology and demand-side policies are all in place before deciding on the final phase out dates.
- Given the joint nature of the Government and industry action plan, what assessment does he make of the MCIA's 'A Licence to Net Zero' campaign and if he will commit to a full-scale review of the existing licensing regime?
- What plans does the Government have to progress the additional actins within the Action Plan for the rest of this year and next?

Appendix 2: Key facts

UK market

- The UK market closed 2022 at 1.9% ahead of 2021. When compared to the last normal year (2019), the market is over 8%. Demonstrating the strength of the sector even during COVID and the growing role the sector has in our future transport ecosystems.
- 116,534 PTW registrations achieved a 6-year new high in 2022.
- Industry expects demand for leisure products to remain high as increasing numbers look to 2,3 and light 4-wheels as a real-world alternative to the traditional car.
- Electric powertrain year-on-year growth continued in 2022, achieving a market share of 5.6%.

Motorcycling as an alternative/practical transport mode

- 1.4 million people regularly ride. Around 3 million people hold full motorcycle licenses.
- Motorcycle usage has risen by 4.1% in recent years.
- Nearly 2/3 of motorcycle use is for commuting or other practical reasons.

Economy / jobs

- The UK sector was valued at over £7bn prior to the pandemic.
- Motorcycling supports up to 50,000 people in over 5000 businesses across the UK.
- In 2021, the UK and EU industry was valued at 21.4bn euros.
- In 2021 motorcycle-related activity was associated with 389,000 jobs across Europe.

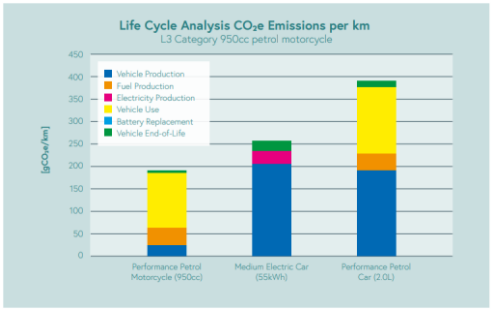
Sport and tourism

- UK motorcycle sport was valued at nearly £1bn in 2016. Motorcycle sports and events supported a €2.1 billion gross value-added contribution to European GDP in 2019. Oxford Economics estimated motorcycle sports and events supported 38,400 jobs across the EU-27 and UK in 2019, with 3,000 of these being UK based.
- British Motorcycling has a rich history, with heritage brands like Triumph, Royal Enfield, & Norton.
- In British motorcycling's boom in the 50s, 60s & 70s British riders dominated World Championship racing – in some regions, speedway racing even challenged football as the premier sport.
- Various forms of motorcycle racing remain popular. Over 40,000 people attend each round of the British superbike championship at venues including Brands Hatch and Silverstone.
- UK Moto GP 2023 attracted 100,000 people.
- Millions view British closed circuit, motocross, and grass track race events each year on television.
- In Europe in 2019, 5 million people attended motorcycle sports events, 2.5 million attended motorcycle trade fairs & events.

Environmental contribution

- L-Category vehicles contribute just 0.4% of total UK domestic transport emissions.
- Motorcycle use can more than halve CO2 from private transport. The average C02 from motorcycles is 99g/km. For cars this is 210g/km.

- *Lifecycle analysis: C02 emissions per km - L3 ICE performance motorcycle vs medium electric car vs performance petrol car:*



Clearly, ICE motorcycles still have a transitional role to play in getting to net zero whilst battery technology catches up and alternative fuel solutions become more commercially viable.