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Industry Annual Conference 2024

Innovating for the future. One Journey at a Time.

Tony Campbell

Chief Executive, MCIA

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Morning session

10:20	Iain Stewart MP	Transport Select Committee Chair
10:25	Fabian Hamilton MP	Transport Select Committee Member
10:35	Alfie Brierley	MCIA 2024 Policy & Public Affairs Priorities
11:05	Sarah Jones MP	Shadow Minister for Transport
11:10	Alfie Brierley	Q&A / Panel Discussion
11:30-11:55		Coffee Break
11:55	Jeremy Leonard	Global & UK Economy
12:15	Dr. Anna Jerwenska	International Trade
12:35	Tony Campbell	Q&A / Panel Discussion
13:00-13:45		Lunch Break

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Afternoon session

13:00-13:45		Lunch Break
13:45	Tony Campbell	2023 Market & what to expect in 2024
14:00	Matthew Atherton	Used Bike market, consumer trends & changing behaviours
14:20	Justin Cooke	Artificial Intelligence - the opportunities
14:40	David Higham	Apprenticeships & attracting young people to the sector
14:55	Tony Campbell	Q&A / Panel Discussion
15:25 – 15:45	Tony Campbell	Sum-up and close

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Innovating for the future. One Journey at a Time.

Alfie Brierley

Director Policy & Public Affairs, MCIA

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A critical friend

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'Motorcycling' contributions – over doubled

'L-Category' contributions – up 500%

'Powered light vehicle' contributions – up 75%

A critical friend

Overall industry contributions – up by over 100% compared to two years prior

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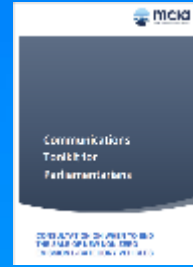Innovating for the future. One Journey at a Time.

Progress against objectives

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More mobilised membership

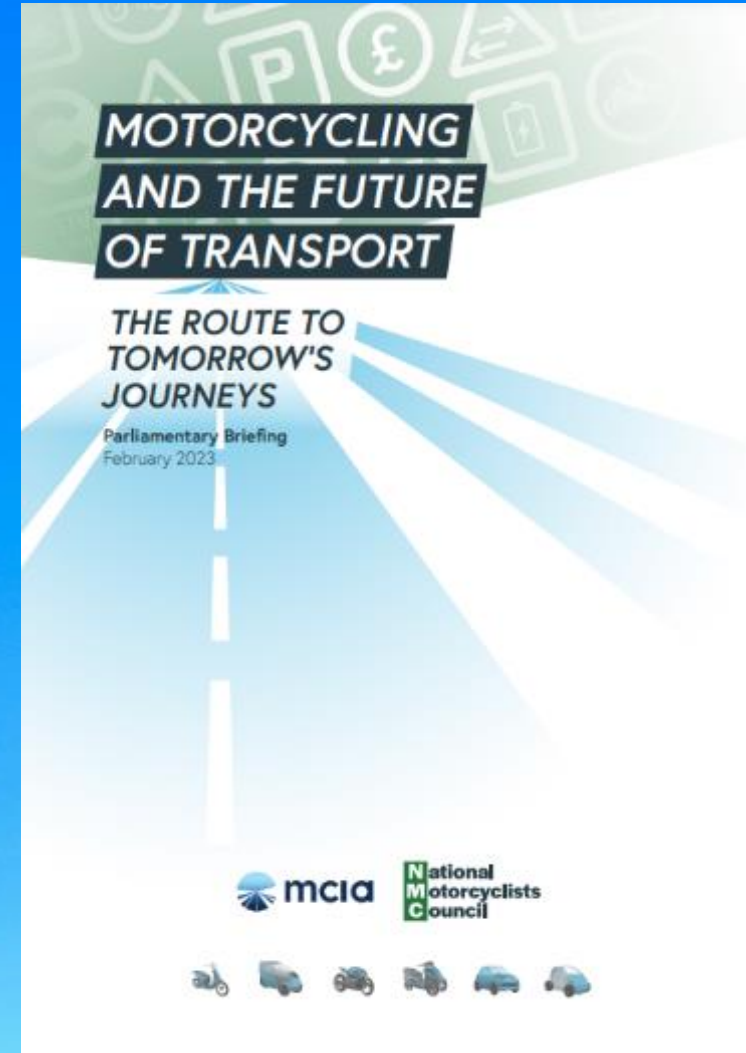Innovating for the future. One Journey at a Time.

General Election

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Policy and legislative uncertainty

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Heightened political activity

Innovating for the future. One Journey at a Time.

Mobilise and campaign

![mcia logo]

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New Government
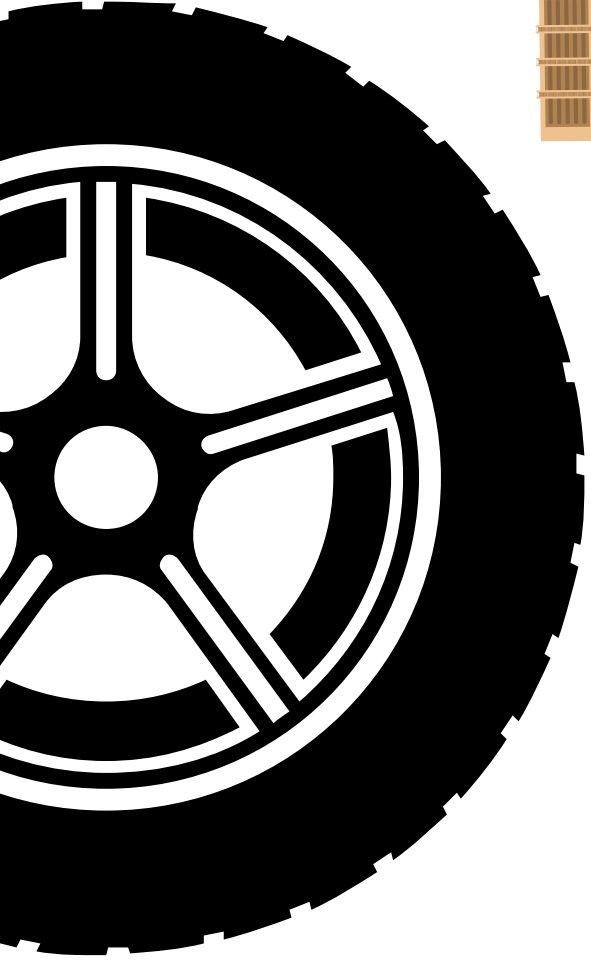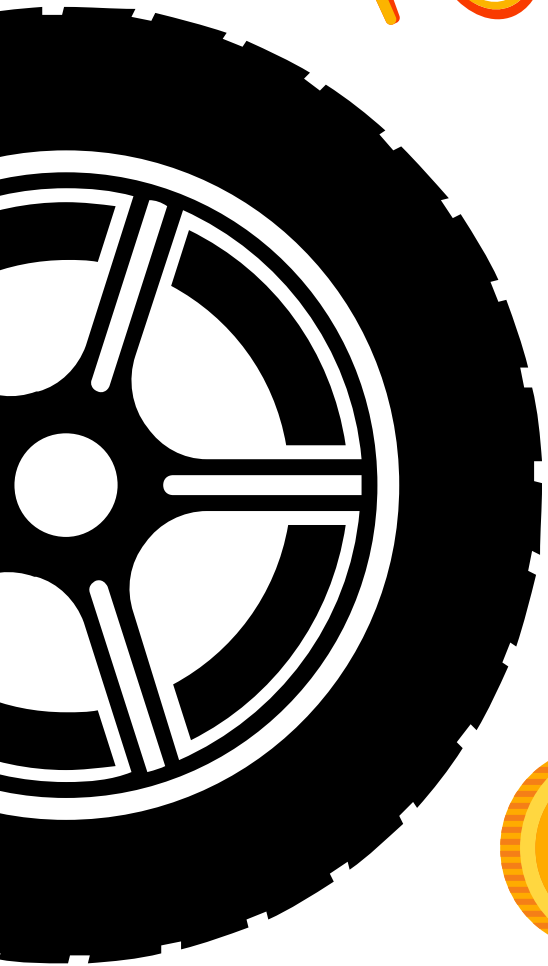
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COMMERCIAL

Advocate for a thriving business environment by shaping fair regulations, fostering sustainability, and building user confidence in a more accessible market

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PUBLIC AFFAIRS

Utilise our established political influence as the authoritative and credible industry voice to achieve concrete legislation, regulation and positive reputational outcomes

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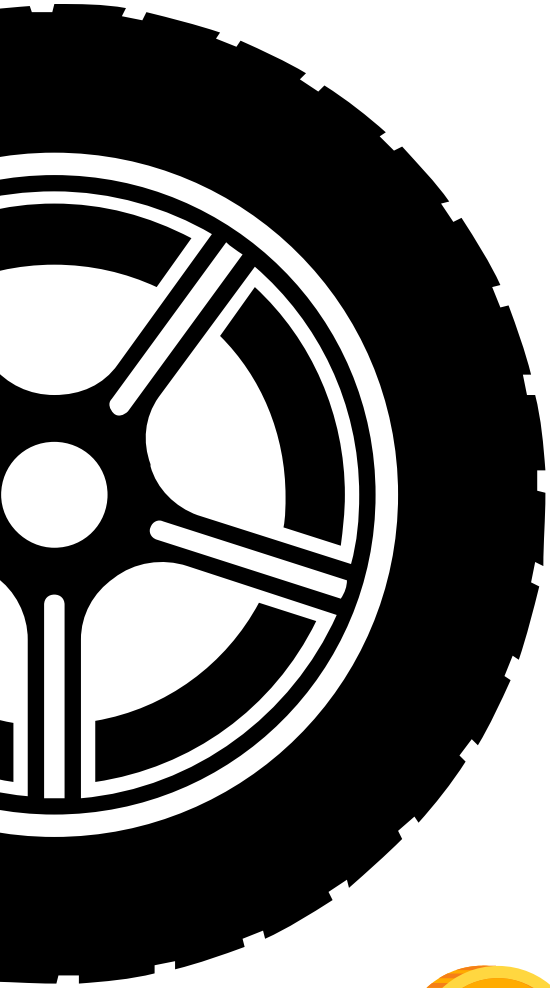
COMMUNICATIONS

Enhance stakeholder perceptions by positioning L-category vehicles as a vital conduit for the swift realisation of the Government and opposition parties' objectives

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Secure a favourable phase out consultation outcome

Action Plan delivery

Innovating for the future. One Journey at a Time.

Scorecard

MCIA and Zemo Partnership Action Plan Scorecard

Action Plan: Realising the Full Potential of Zero Emission Powered Light Vehicles (PLVs)

January 2024
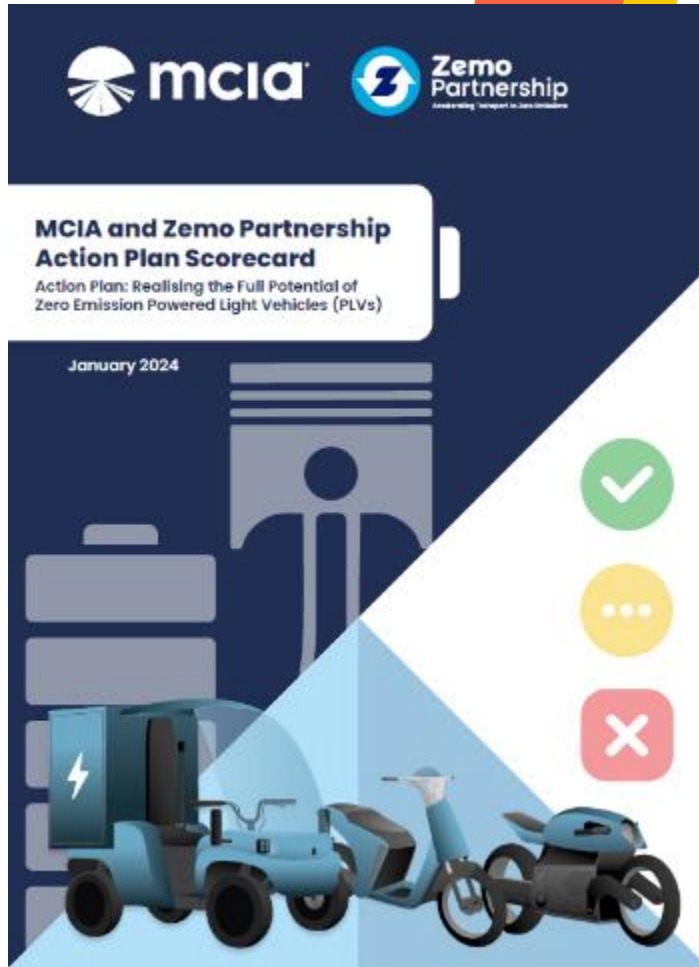
Commitment	Development	Delivery	Industry Progress
A clear commitment has been announced by the Government which is actively looking to deliver on it.	Policy has been developed and is/will be included within legislation or funding.	Industry has been able to take advantage/ invest at the scale required as a result of supportive and clear policy.	Comprehensive proposals put forward and currently sit with the Government for further action.
A clear commitment has been announced by the Government but is not yet looking to actively deliver on it.	Policy is being consulted on/ developed. It is not yet included within legislation or via funding.	Some operators within the sector have been able to take advantage/ invest, but policy uncertainty prevents widespread investment.	Proposals in development/ consultation with wider industry/members before presenting to the Government..
No commitment has been made.	No detail or consultation has been published.	The sector has been unable to take advantage/invest due to a lack of policy clarity and certainty.	No develop date.

Full scale review of the licensing regime

Regulatory review of the L-Category sector

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Bespoke L-Category consumer incentives package

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BROADENING
POLITICAL
ALLIANCES

CONTINUITY
IS KING

CREDIBILITY
AS OUR
CURRENCY

Panel Discussion

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Alfie Brierley
Director of Public Affairs
MCIA

Fabian Hamilton MP
Transport Select
Committee Chair

Sarah Jones MP
Shadow Minister for
Industry and
Decarbonisation

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Welcome Back

GLOBAL AND UK ECONOMIC OUTLOOK

ANY BRIGHT SPOTS AMID THE GLOOM?

Jeremy Leonard, Managing Director, Global Industry Services
jleonard@oxfordeconomics.com

MCIA Annual Conference | Birmingham | 23rd January 2024

Feared global recession of 2023 never came...

World: real GDP growth

% quarter

Forecast

- Advanced economies q/q contribution
- Non-China EM q/q contribution
- China q/q contribution
- Global % quarter

Q1 2021 Q1 2022 Q1 2023 Q1 2024 Q1 2025
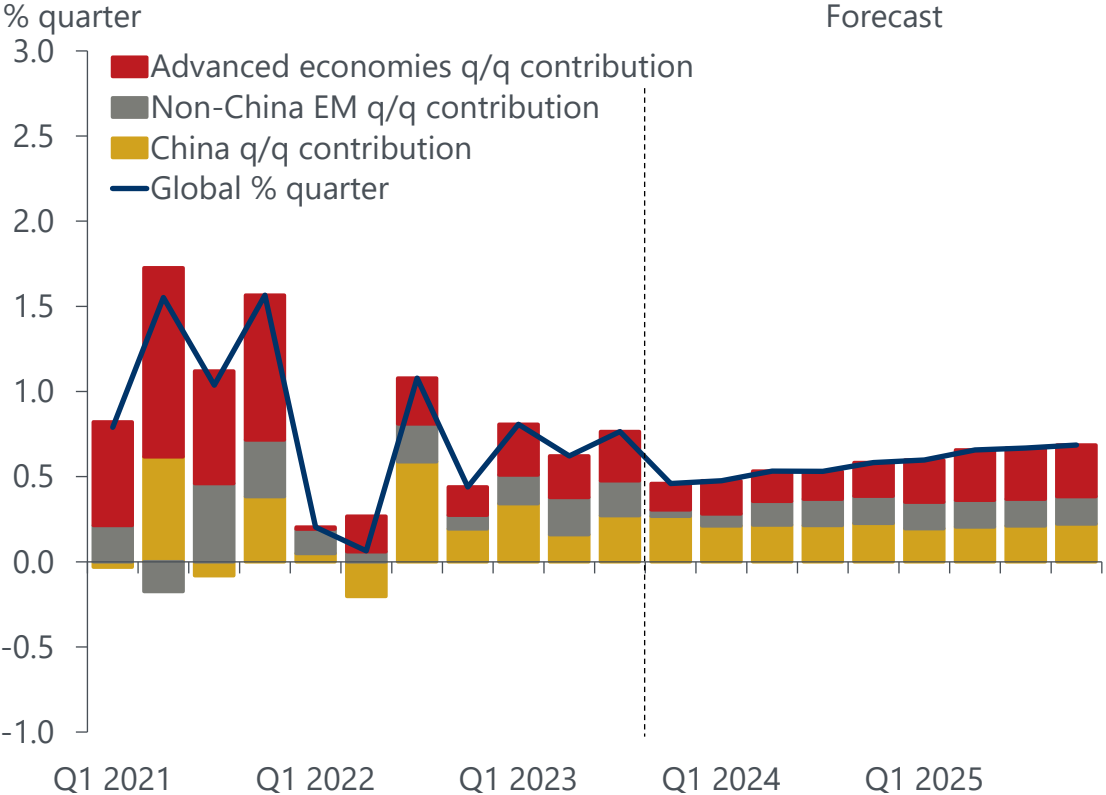
Source: Oxford Economics/Haver Analytics

World: GDP forecast revisions

Index, 2022 Q1 = 100

- January 2024
- October 2022

Dotted lines indicates forecasts

2022 2023 2024
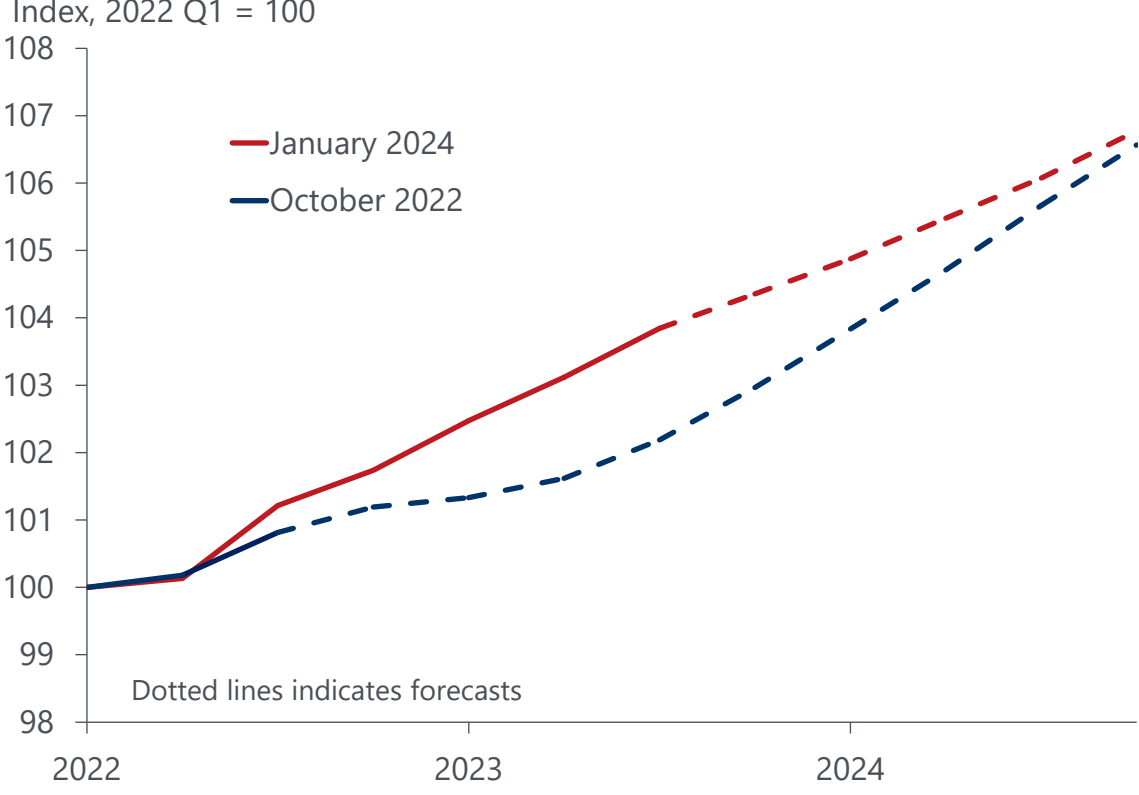
Source: Oxford Economics/Haver Analytics

...but the headwinds of high interest rates are yet to come

Stock of excess savings*

% of GDP

Forecast

Legend:
- US
- Eurozone
- Japan
- UK

* This measure use the deviation of household savings rates from their 2010-2019 average to estimate the stock of excess savings
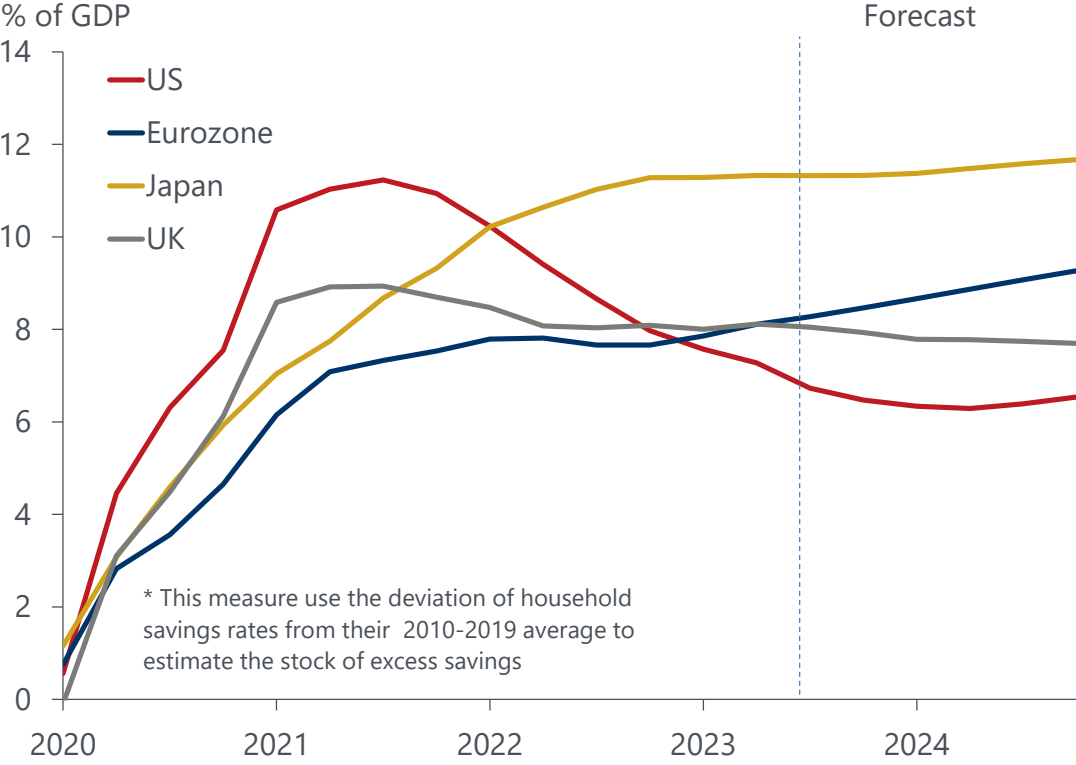
Source: Oxford Economics/Haver Analytics

US: estimated impact of monetary tightening on real GDP

Impact on annualised q/q growth rates
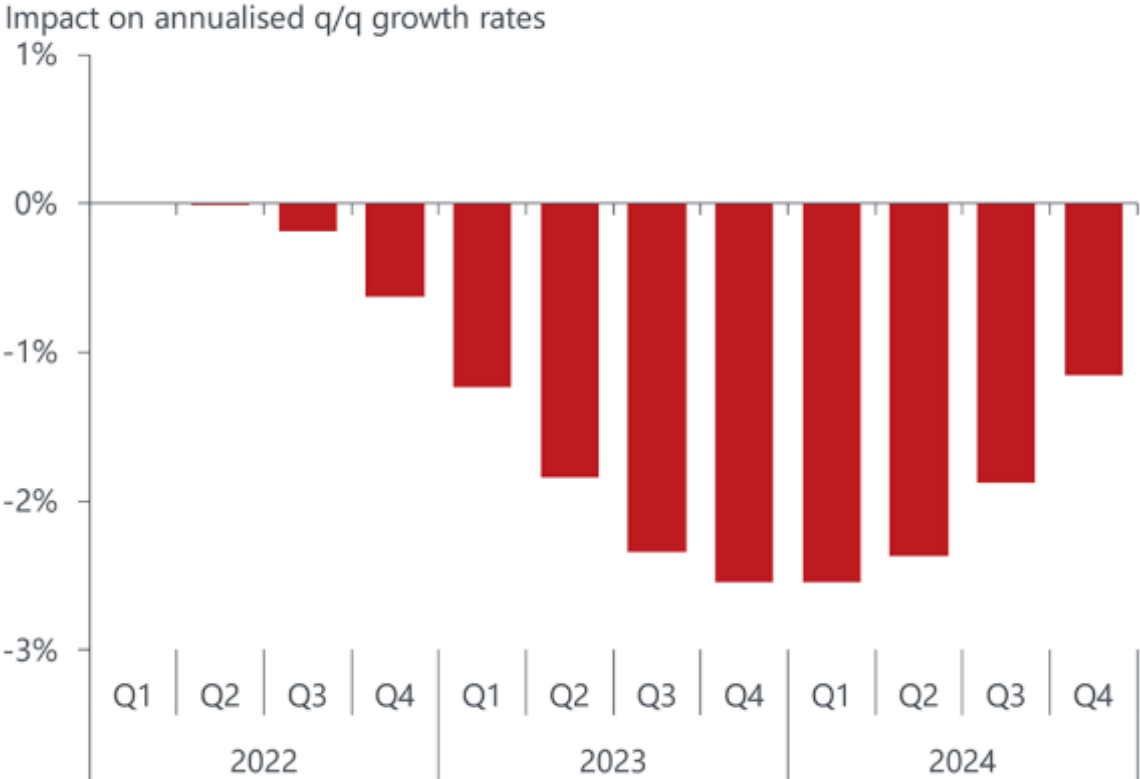
China's won't save the global economy from weakness this year

China: Retail spending by household segments
2019 avg. = 100, sa

— Urban households
— Rural households

Urban household spending is ~8% lower than pre-pandemic trend
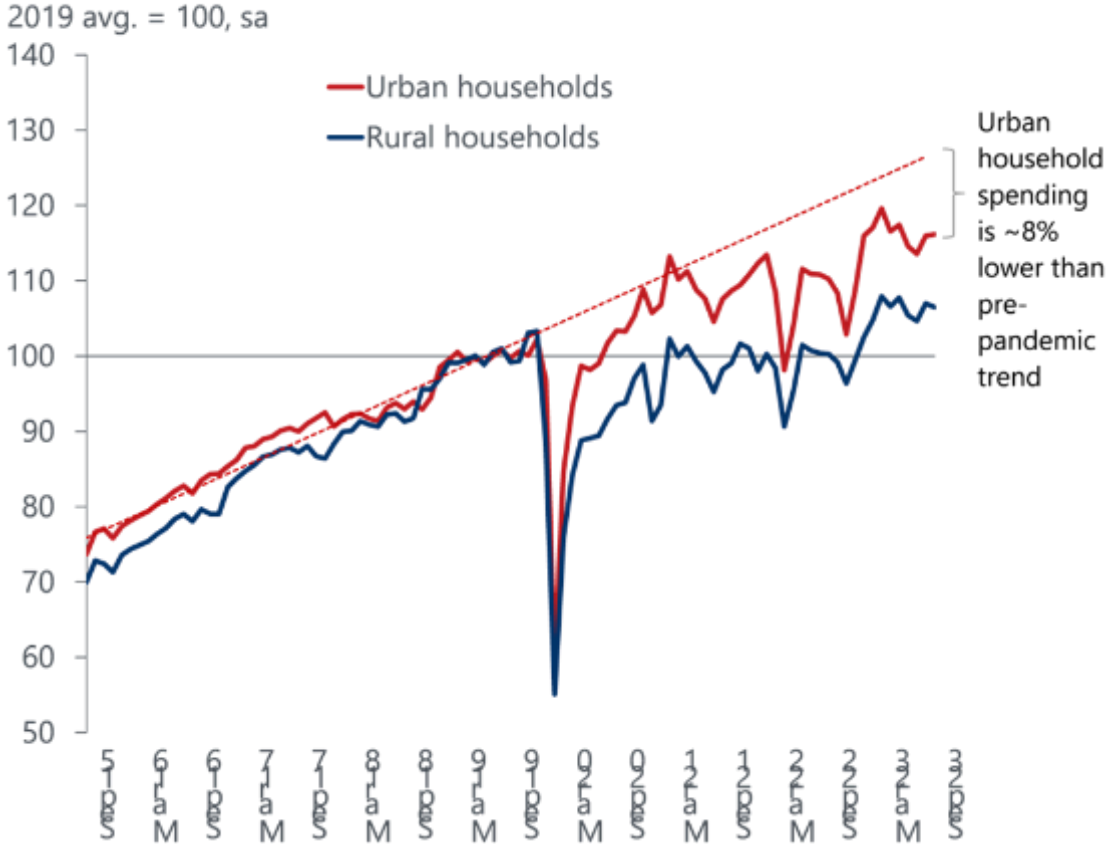
China: Downgrading medium-term forecasts
%y/y

— Revised forecasts
- - - Previous forecasts

5.1
4.4
4.0
3.9
3.8
3.8
3.7
3.6
3.6
3.5
3.4
3.3
3.1
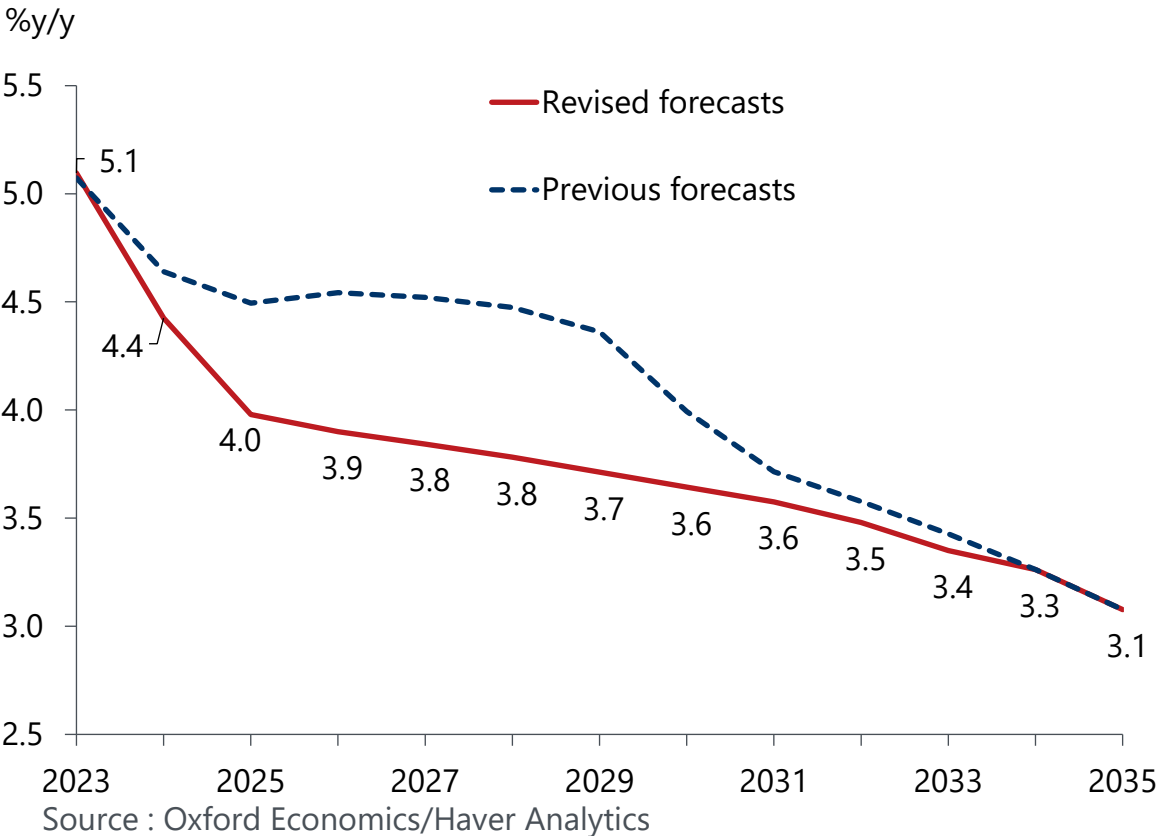
Key points

- US pandemic savings draw-down drove strong growth in 2023 despite higher interest rates – soft landing looks increasingly likely

- In Europe, Germany lags, victim of high energy prices on its large industrial sector. All countries face tough conditions this year as interest rate hikes bite hard

- China growth deceleration is dramatic, and will no longer drive global growth

- Oil prices will decline considerably, marking headwinds for motorcycle demand

Oxford Economics' global GDP forecasts

World GDP growth % change on previous year				
	2022	2023	2024	2025
Real GDP				
North America				
United States	1.9	2.5	2.0	1.4
Canada	3.8	1.0	-0.6	2.2
Europe				
Eurozone	3.4	0.5	0.6	1.8
Germany	1.9	-0.2	-0.1	1.5
France	2.5	0.8	0.6	2.1
Italy	3.9	0.7	0.5	1.2
UK	4.3	0.3	0.6	1.6
EU27	3.5	0.5	0.8	2.0
Asia				
Japan	0.9	2.0	0.7	0.6
Emerging Asia, excl Japan	3.7	4.8	4.2	4.3
China	3.0	5.2	4.4	4.0
India	6.7	7.0	5.7	7.0
Latin America				
Argentina	5.0	-1.2	-1.8	2.4
Brazil	3.1	2.9	0.4	2.3
Chile	2.5	0.0	1.8	3.1
Mexico	3.9	3.3	1.9	2.1
World	3.1	2.7	2.3	2.6
World 2015 PPPs	3.3	3.1	2.7	3.1
World trade	4.8	-1.3	1.7	4.7
Commodity Prices				
Brent Oil ($/bl)	100.8	82.5	75.8	76.7

Key factor determining economic outlook is the future of inflation

Headline CPI inflation

% year

Legend: US (red), Eurozone (blue), UK (yellow)
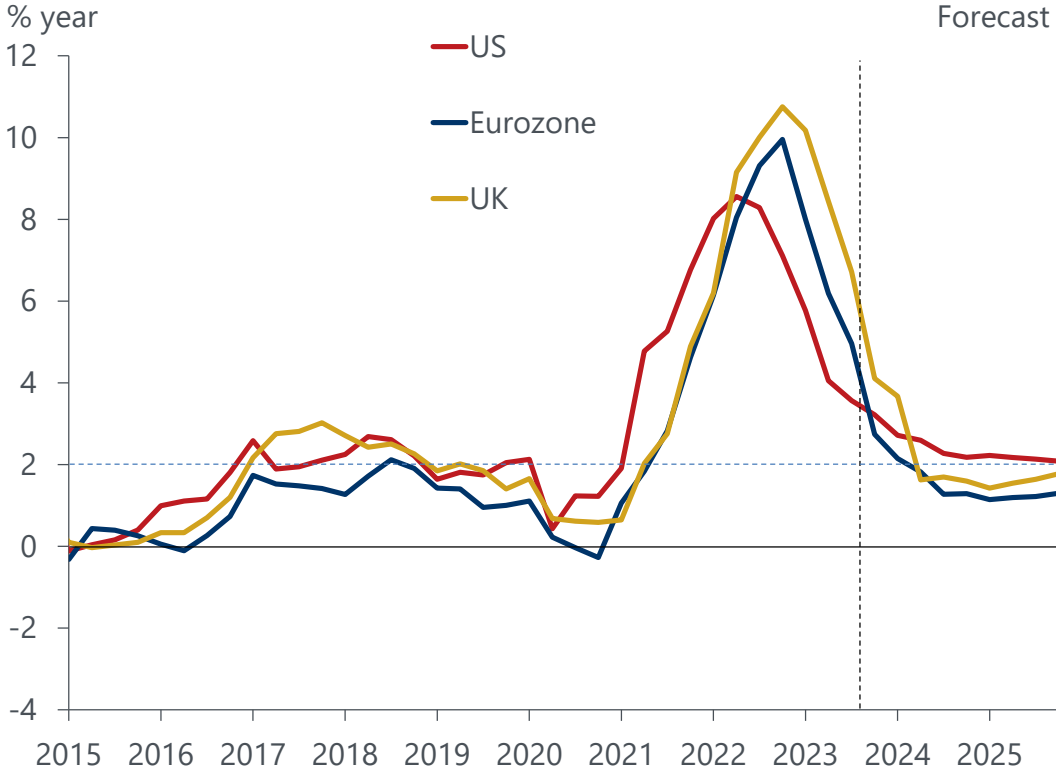
Forecast

Source : Oxford Economics/Haver Analytics

UK: Contributions to CPI inflation

% year

Legend: Other, Energy, Petrol, Food, CPI

Forecast

Sources: Oxford Economics, Haver Analytics

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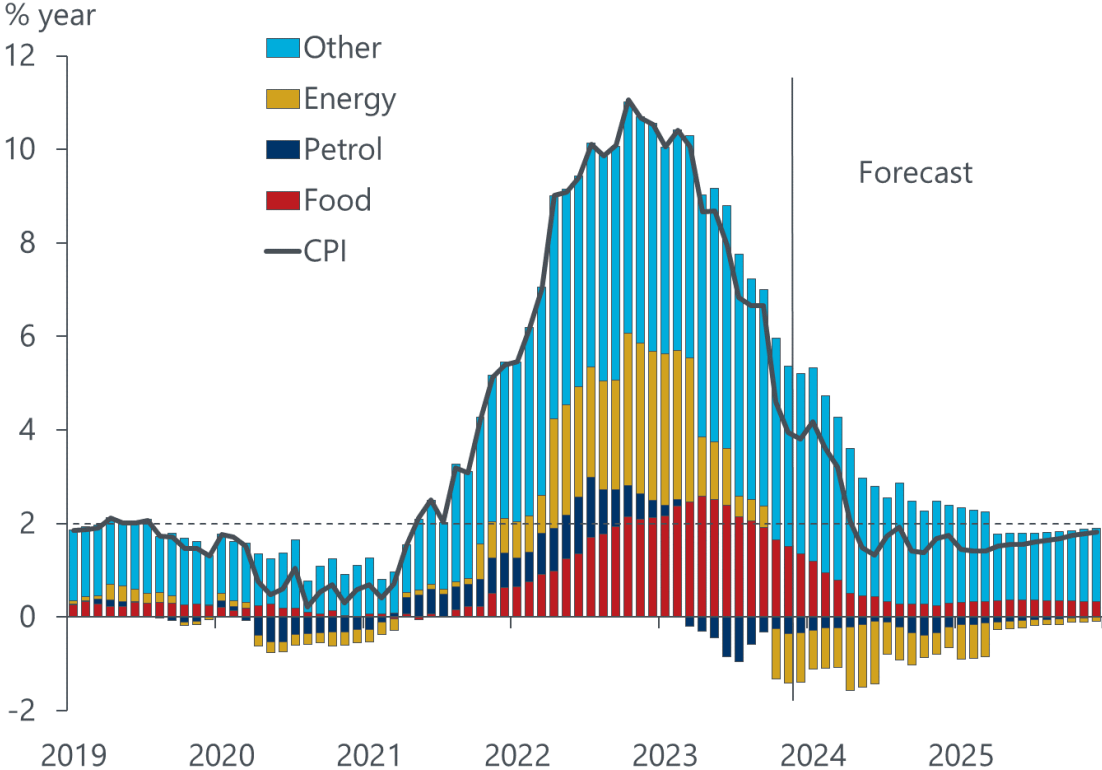
Central banks to cut rates in 2024, but we won't see effects until next year

Advanced Economy: Policy rate forecasts

%

- Fed Funds Target Rate
- ECB deposit rate
- Bank of England Bank Rate

Dotted lines show Oxford Economics' forecasts
Pale lines show markets' expectations
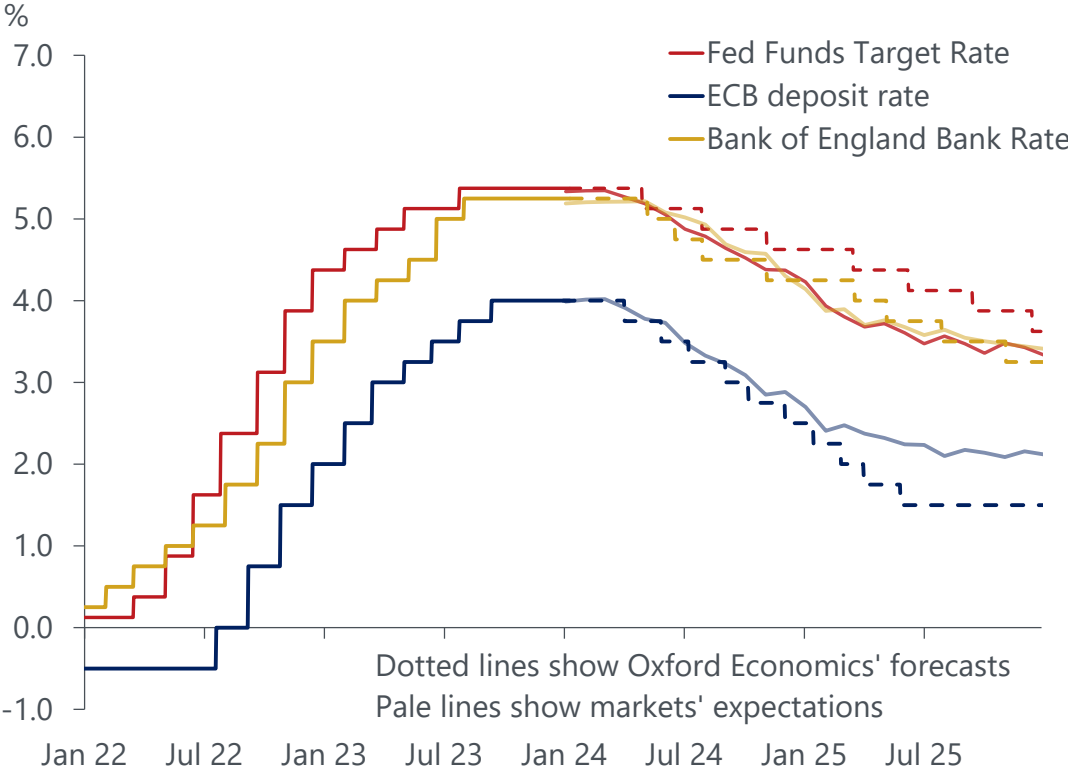
Source : Oxford Economics/Haver Analytics

Global: Consumer inflation expectations

%

- UK
- eurozone
- US

1yr ahead expectations

3yr ahead expectations

Source: Oxford Economics/Haver Analytics

Real wage growth in UK will be held back by "bracket creep" on income taxes

UK: Real post-tax wages*

2021 = 100

* Gross salaries less income tax & NICs, less household consumption deflator

Forecast

Sources: Oxford Economics, Haver Analytics

UK: Impact on tax receipts from income tax & NICs policies

£bn

- NICs rate cut from 12% to 10%
- NICs threshold freezes
- Income tax threshold freezes
- ◇ Total impact
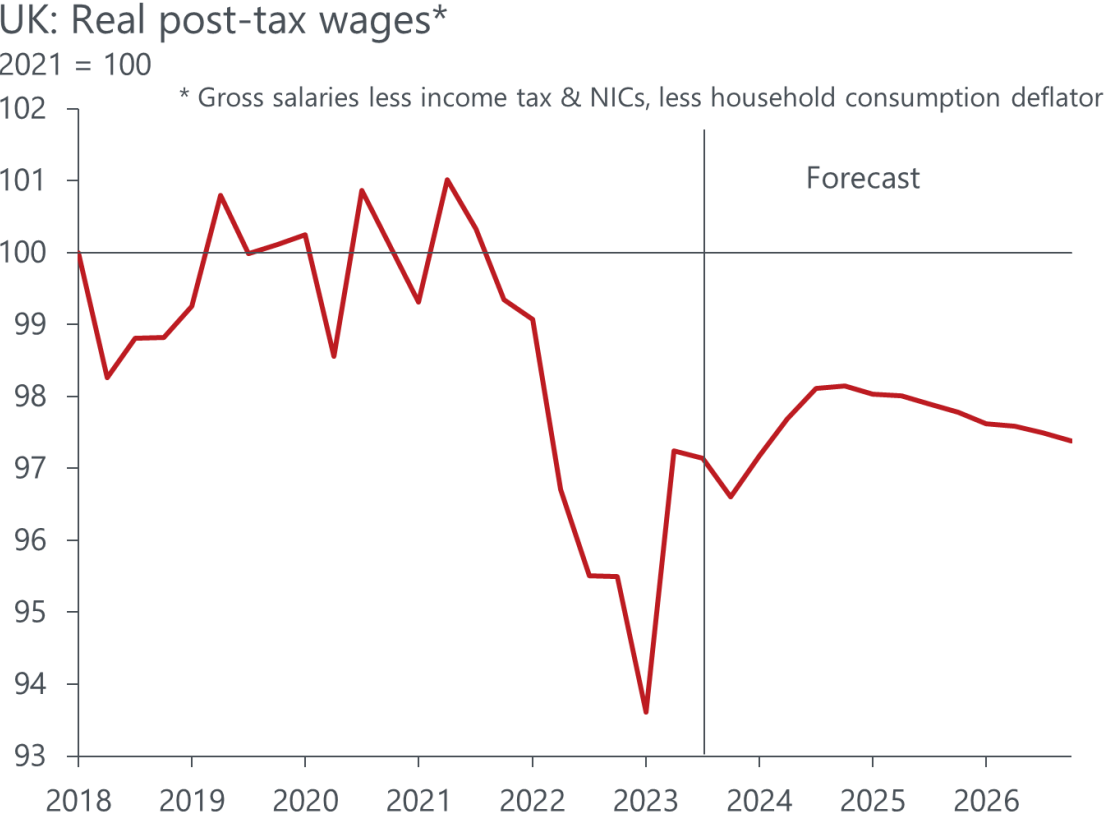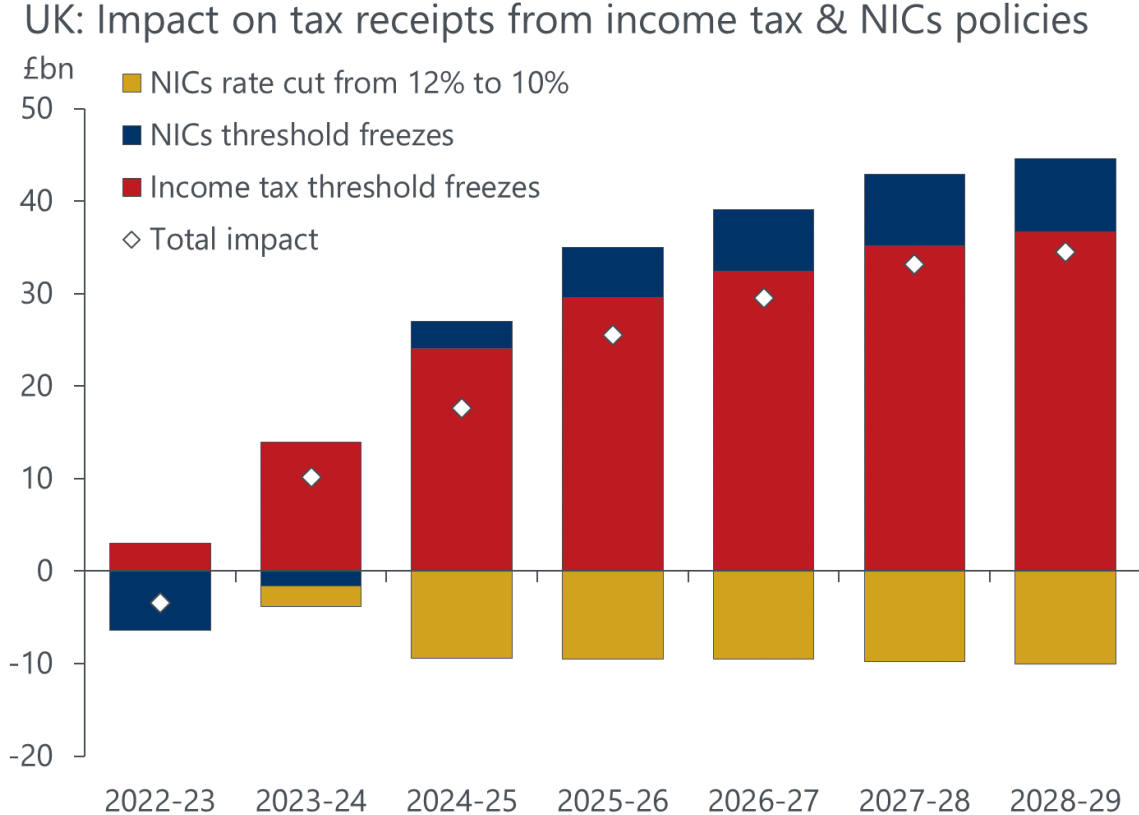
Source: Oxford Economics calculations using forecasts from OBR

Strong supply and weak demand mean oil prices unlikely to rise...

Global oil market balance

mb/day

- Stockbuilding (RHS)
- Demand (LHS)
- Supply (LHS)

mb/day

Forecast

Source: Oxford Economics/IEA

Oil price trend and outlook

US$ pb

- Brent oil
- WTI

Forecast
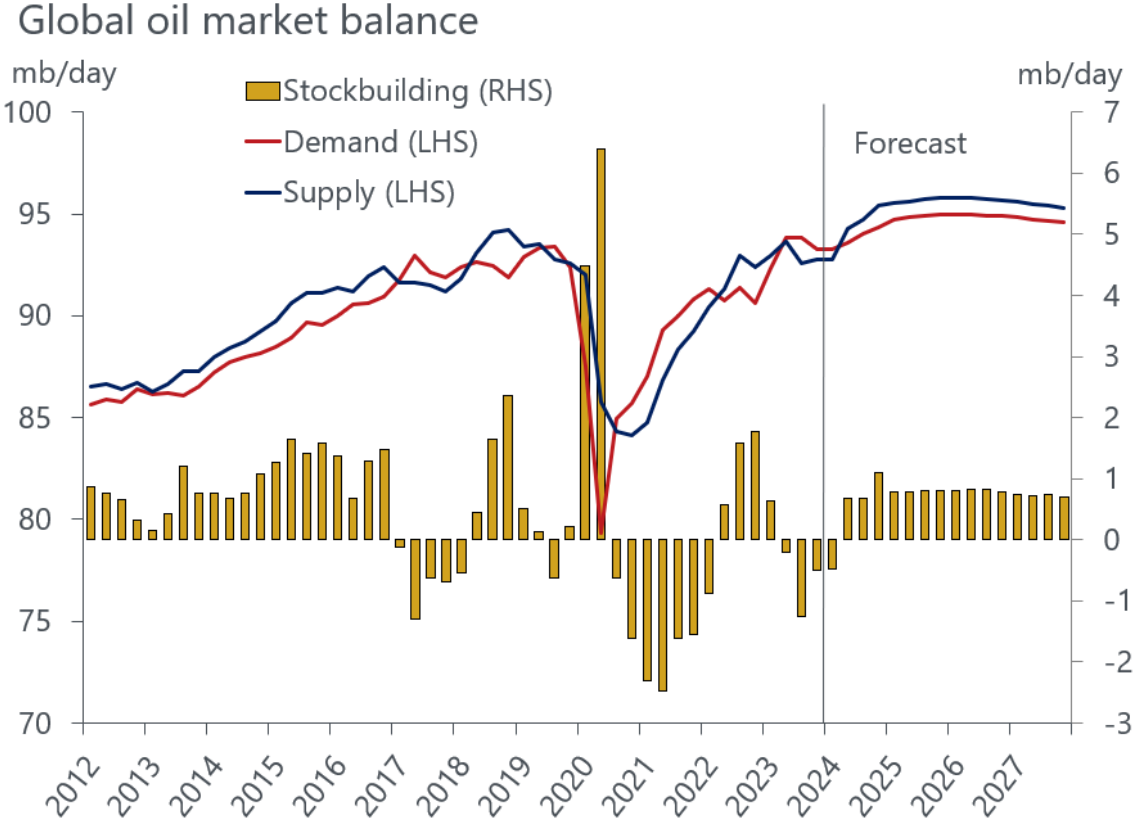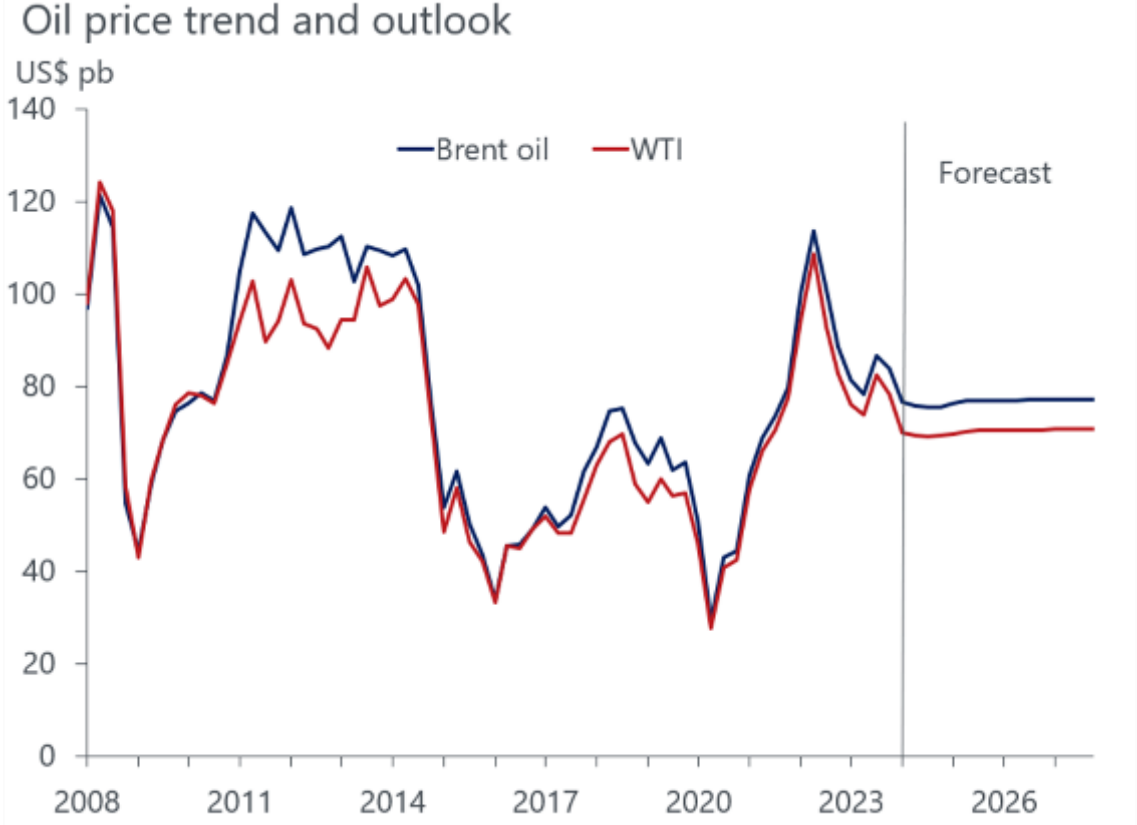
Source: Oxford Economics/Haver Analytics

But wider Mideast war could lead to UK recession

UK: Impact of Middle East conflict escalation on GDP

% change on year ago
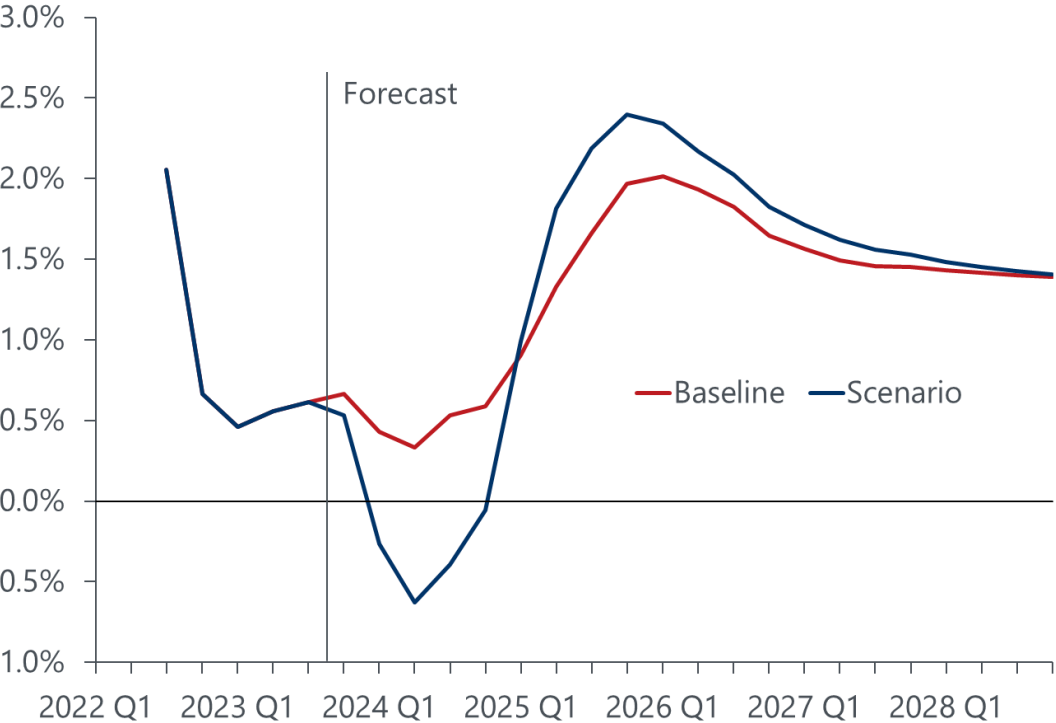
Source: Oxford Economics/Haver Analytics

UK: Impact of Middle East conflict escalation on real household disposible income

% change on year ago
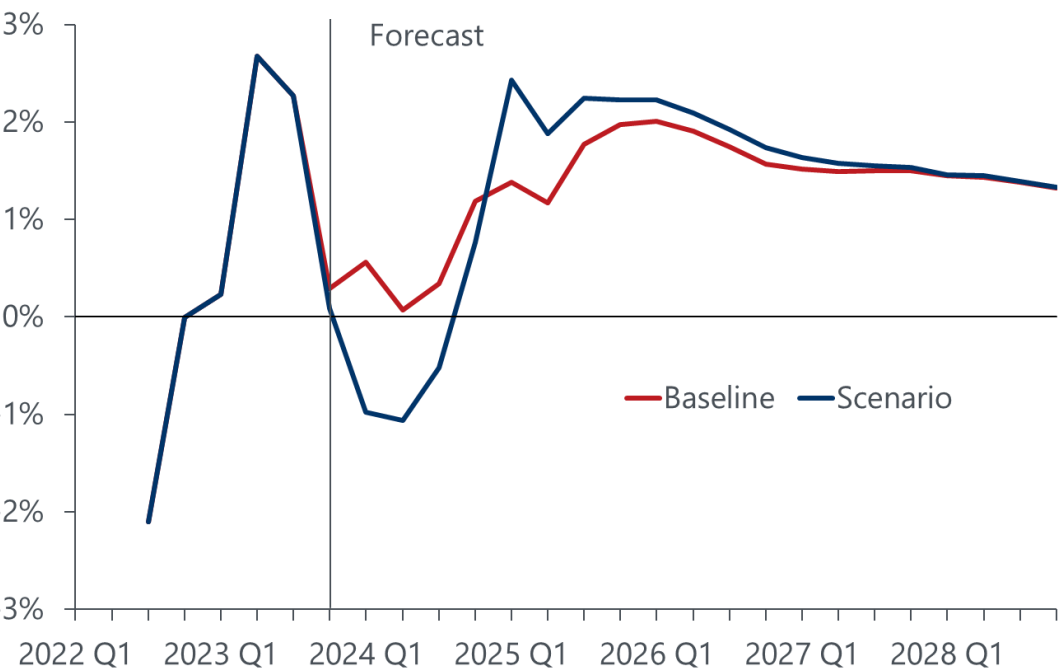
Source: Oxford Economics/Haver Analytics

Red Sea attacks likely to have small inflationary impact, but could disrupt supply chains

Global: Ocean freight rates
USD cost of transporting 40' container

— China to East Asia to Mediterranean
— Global Container Index
— China to East Asia to East Coast North America
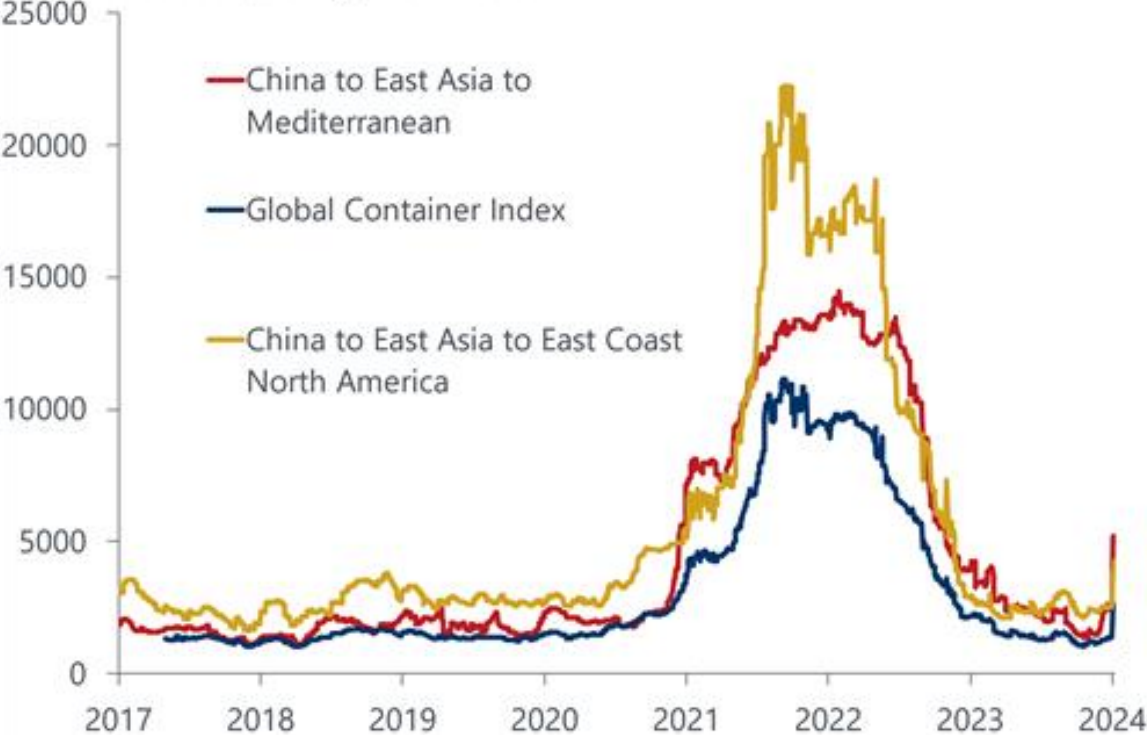
Survey indicators of supply chain problems
Proportion of manufacturing firms reporting that input or equipment shortages

— Eurozone (EC survey)
— UK (CBI survey)

Key points

- Outcome of Brexit referendum had very little impact on UK economic growth

- Impact of trade barriers with the EU starting in 2021 were masked by a strong post-lockdown recovery

- Since 2022, UK growth has lagged that of other G7 nations

- Expected GDP gap between UK and rest of G7 reaches about 4% by the end of 2026, consistent with our modelling done in 2016

UK to lag its peers in GDP growth, thanks to Brexit

Benchmarking UK GDP against other G7 nations

Index 2016Q1 = 100

Source: Oxford Economics/Haver Analytics

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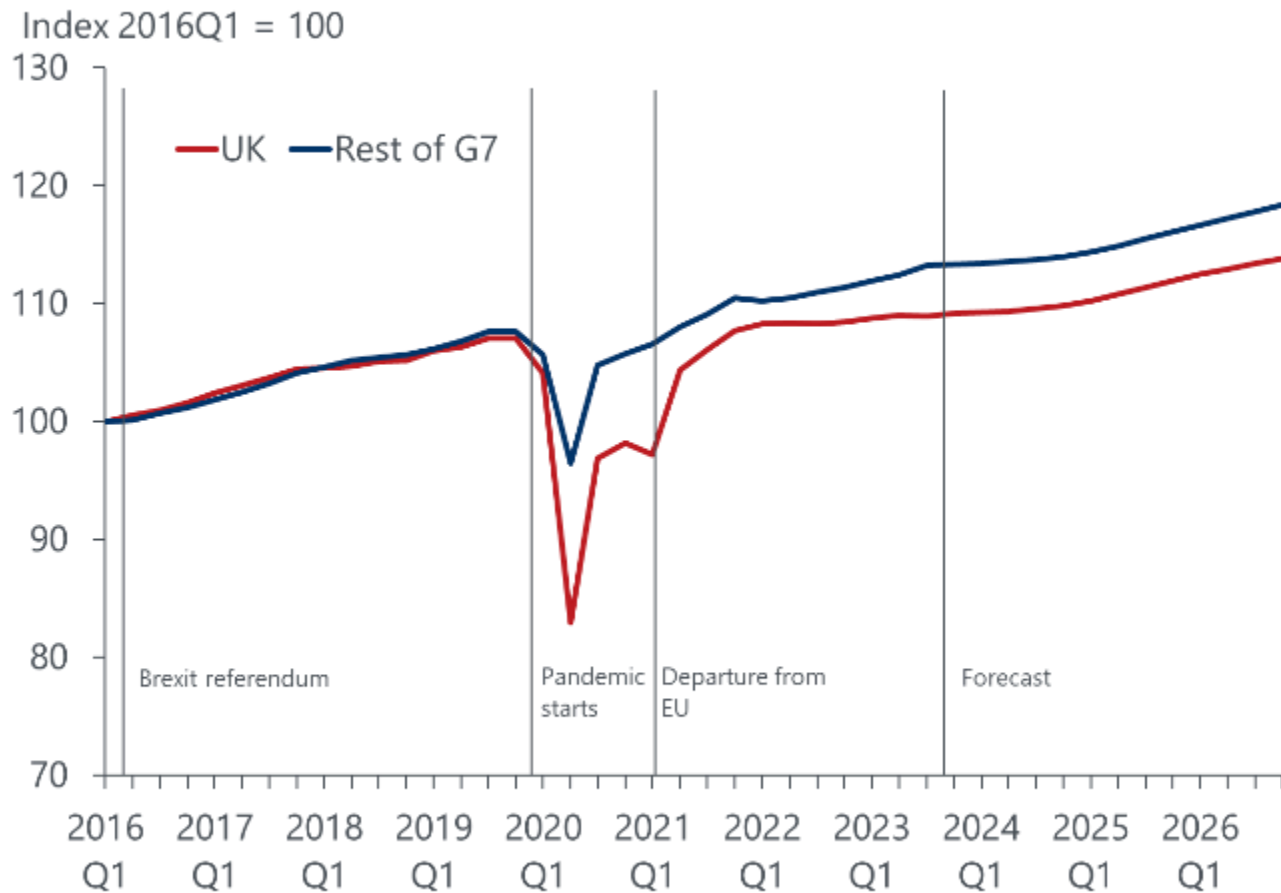
Impact of Brexit is clear in trade and foreign investment trends

UK: Trade intensity

2015=100

Legend: UK (red), EZ-3* (blue)

End of transition period

* EZ-3 = Germany, France & Italy

Y-axis: 75, 80, 85, 90, 95, 100, 105, 110, 115, 120
X-axis: 2007, 2009, 2011, 2013, 2015, 2017, 2019, 2021, 2023

Source: Oxford Economics/Haver Analytics

UK: Foreign Direct Investment

Inward less outward, % of GDP, 4QMA

Brexit vote

End of transition period

Y-axis: -20, -15, -10, -5, 0, 5, 10, 15
X-axis: 2000, 2003, 2006, 2009, 2012, 2015, 2018, 2021
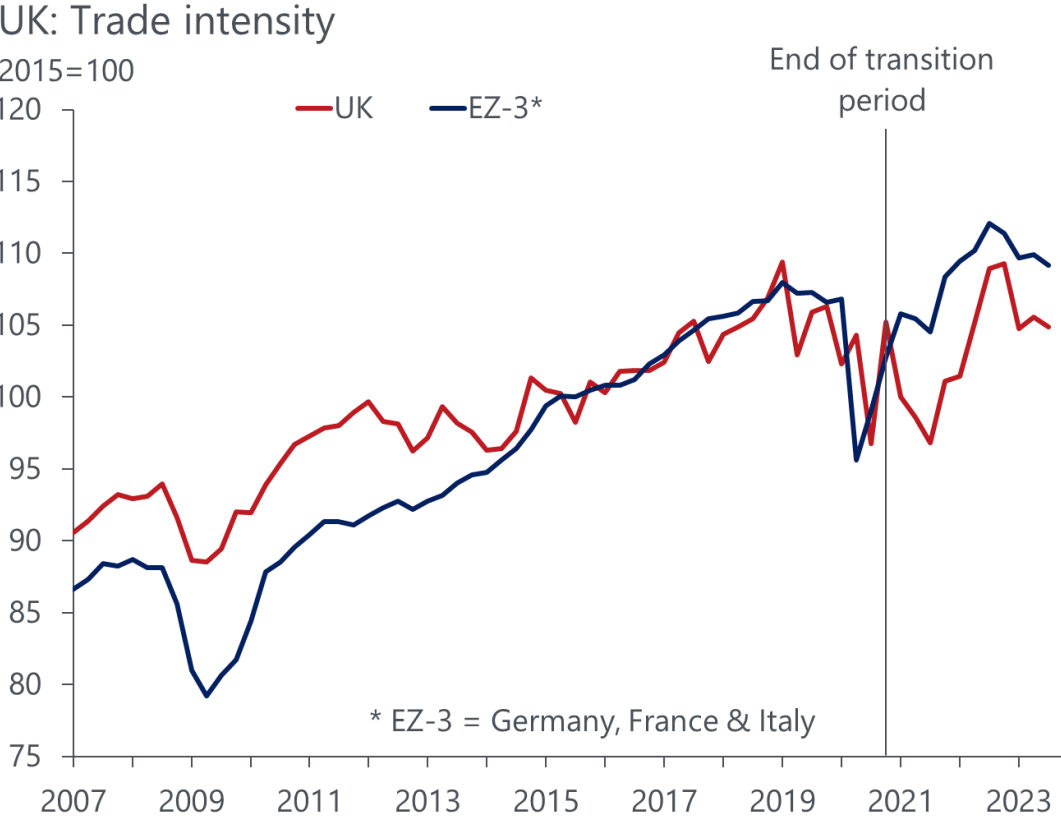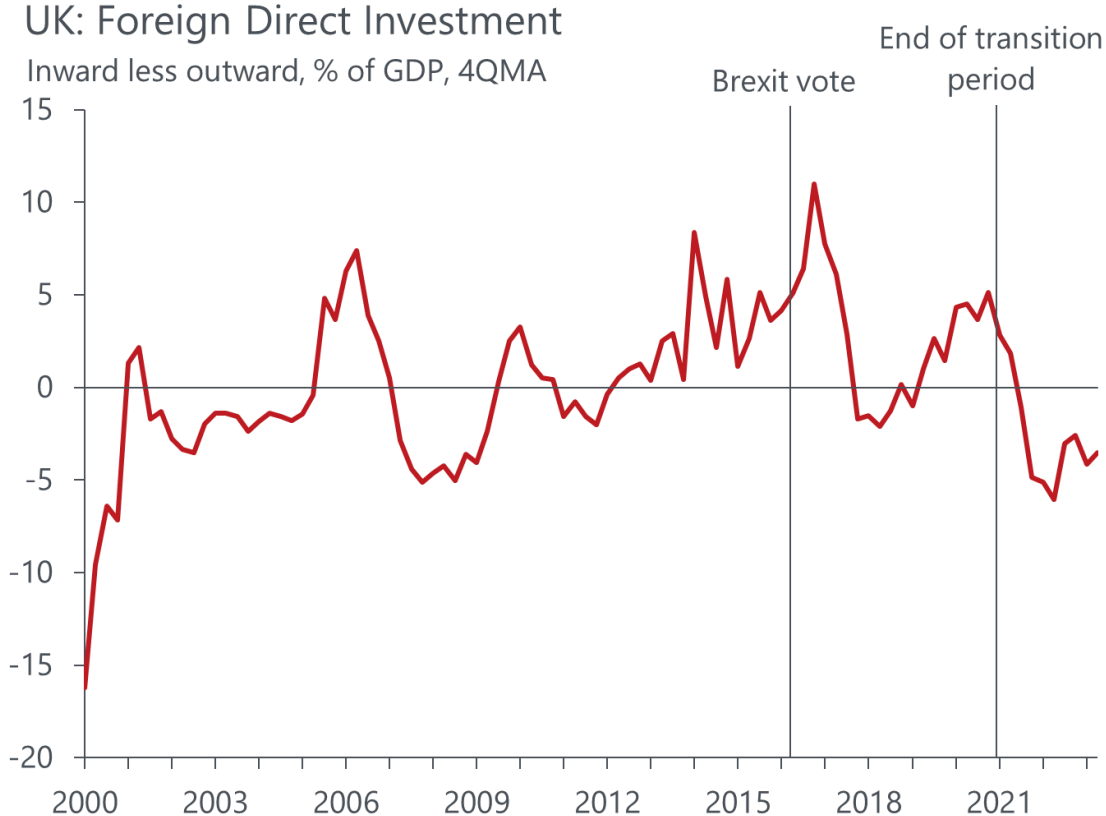
Source: Haver Analytics

Oxford Economics' UK economic forecast

Forecast for UK (Annual percentage changes unless specified)						
	2021	**2022**	**2023**	**2024**	**2025**	**2026**
GDP	8.7	4.3	0.3	0.6	1.6	1.9
Private consumption	7.5	4.8	0.5	0.9	1.8	1.9
Fixed investment	7.4	8.0	2.3	-3.2	0.5	2.8
Government consumption	14.9	2.3	0.6	4.3	2.1	1.6
Exports of goods and services	4.9	9.0	-0.5	0.4	2.8	2.4
Imports of goods and services	6.1	14.6	-1.1	2.5	2.9	2.7
Industrial Production	-3.9	-3.5	-0.3	-0.1	0.9	1.5
Consumer prices	2.6	9.1	7.3	2.1	1.6	1.8
Unemployment rate (%)	4.5	3.7	4.1	4.5	4.3	4.0
Current a/c balance (% of GDP)	-0.5	-3.1	-2.8	-2.7	-2.7	-2.7
Government balance (% of GDP)	7.2	4.4	5.4	3.3	2.9	2.4
Cen. bank policy rate (%, EOP)	0.25	3.50	5.25	4.25	3.25	2.25
10yr govt. bond yield (%, EOP)	0.97	3.67	3.54	3.59	3.37	2.92
Exchange rate (US$ per £, EOP)	1.35	1.20	1.27	1.26	1.28	1.31
Exchange rate (euro per £, EOP)	1.19	1.13	1.15	1.16	1.15	1.15

We trust you found value in this session.

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Innovating for the future. One Journey at a Time.

Dr. Anna Jerwenska

Founder & Director, Trade & Borders

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International Trade:
UK's trade agreements and
how to use them

23 January 2024

Introduction

Dr Anna Jerzewska

- 18 years of experience in customs and international trade

- Clients include: UK Government, United Nations, OECD and private sector companies

- Member of the UK Customs Thematic Working Group

- Former HMRC Deputy Director

- Former Big 4 customs adviser

- CBAM: customs lead at Cbamboo

Trade & Borders:

- Provides comprehensive customs training

- Advises companies on all things customs

- Trade policy, research, analysis

UK's (newish) Trade Agreements

Trade agreements - the basics

✓ Trade agreements offer many benefits for trade in goods and services. The core one – tariff reduction

✓ Trade agreements allow members to import goods from other members under preferential customs duty (tariff) rate as opposed to the Most Favoured Nation (MFN) tariffs paid by third countries

✓ Benefits for the importer – reduced or no customs duty

✓ Benefits for the exporter – goods more competitive

Trade agreements in force

As an independent trading nation, the UK now has over 70 trade agreements in place.

Recent trade agreements that have come into force include:

- UK-Australia Free Trade Agreement
- UK-New Zealand Free Trade Agreement
- Singapore Digital Economy Agreement
- Japan Comprehensive Economic Partnership Agreement
- Norway, Iceland and Liechtenstein Free Trade Agreement

The UK-EU Trade and Cooperation Agreement treaty covers all UK trade with the EU.

UK's trade agreements

✓ Focus on free trade agreements that reduce or remove duties – not "trade deals" e.g. UK-Singapore Digital Economy Agreement, bilateral trade deals with US states

✓ Roll-over "legacy" agreements – e.g. Canada, Mexico, Egypt, Tunisia

✓ New agreements – TCA, Australia, New Zealand

✓ CPTPP – interesting due to regional cumulation

✓ Roll-over agreements the UK is about to renegotiate – e.g. Canada, Mexico, South Korea, Switzerland

✓ India?

Agreement	Country	Entry into effect mechanism	Total UK trade with countries, 2022 (£ million) (1)
Japan	Japan	Full ratification	27,703
Jordan	Jordan	Full ratification	968
Kenya (2)	Kenya	Full ratification	1,364
Kosovo	Kosovo	Full ratification	13
Lebanon	Lebanon	Full ratification	771
Liechtenstein	Liechtenstein	Full ratification	225
Mexico	Mexico	Full ratification	5,868

Points to consider

✓ Not all products are included, not all tariffs reduced – there are exceptions in terms of goods covered by a trade agreement.

✓ In order to take advantage of preferential tariffs, the exporter needs to demonstrate that the product complies with preferential rules of origin. This requires a certain degree of customs knowledge:

1. Commodity codes

2. Rules of origin

✓ Check the UK Trade Tariff for details - https://www.trade-tariff.service.gov.uk/find_commodity

✓ Origin is a supply chain issue. It often requires working closely with suppliers to determine origin status.

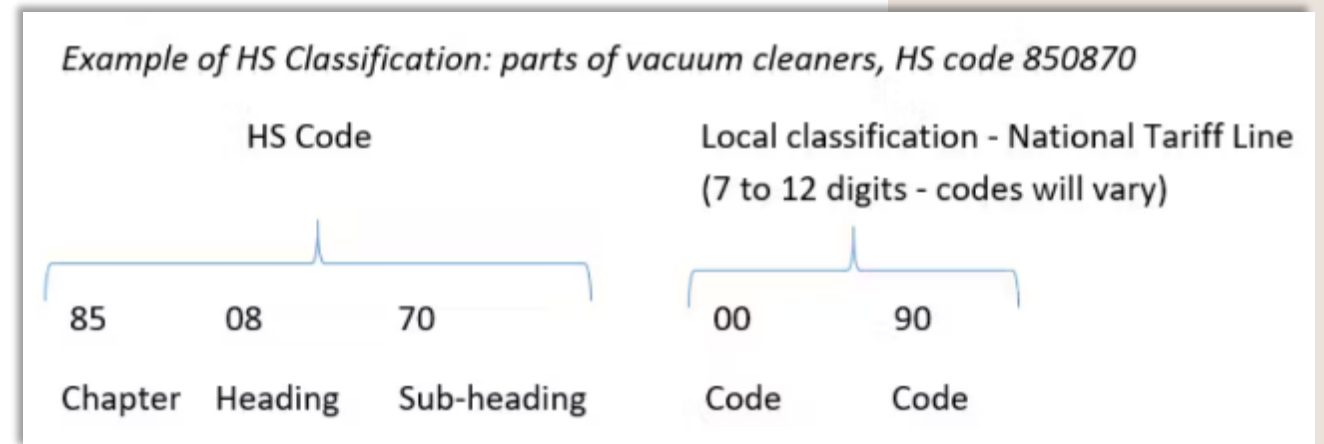**Utilising trade agreements – common mistakes**

What can go wrong?

✓ Companies miss out on using preferential tariffs under trade agreements due to lack of awareness and knowledge

✓ In some cases, complying with rules of origin is perceived as too time and resource consuming vs the margin of preference – particularly when tariffs are low

✓ Preferential tariffs are being claimed without all checks concluded – audits, penalties, repayment of duties for up to 3 years back

✓ Preferential tariff claims are being rejected – reputational damage for sellers / exporters

> Rules of origin can be complex. BUT the same principle and logic applies to all trade agreements whether it's the TCA, UK – Japan CEPA or CPTPP

Classification is key

✓ Rules of origin are based on Harmonised System (HS) commodity codes

✓ Without a correct commodity code, the preference and origin rules used will be wrong

✓ Commodity codes can change over time

✓ Trade agreements refer to a specific version of HS

✓ Important across the entire supply chain for most products

Example of HS Classification: parts of vacuum cleaners, HS code 850870

HS Code			Local classification - National Tariff Line (7 to 12 digits - codes will vary)	
85	08	70	00	90
Chapter	Heading	Sub-heading	Code	Code

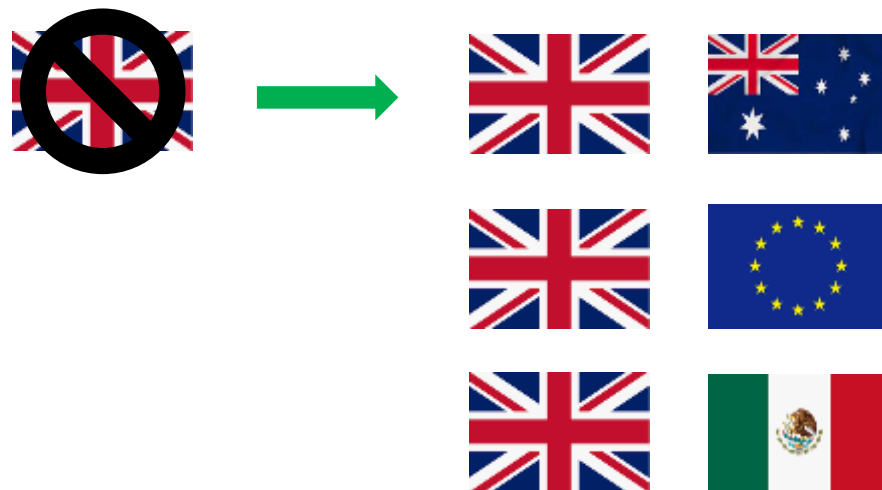Review the classification of your products

No such thing as preferential UK origin

Non-preferential origin

Preferential origin

Check rules of origin under every agreement and for each product separately

It's not "rule of origin" – it's rules

Product-specific rules

Wider origin requirements

Certification

When using preferential tariffs make sure all 3 types of requirements are fulfilled

Origin is a supply chain issue

- ✓ Most types of product-specific rules of origin require some degree of consultation with suppliers

- ✓ It makes it easier to determine origin when your suppliers understand basic concepts

- ✓ Suppliers might be required to issue supplier's declarations or long-term supplier's declarations

- ✓ Origin should be a part of wider cooperation with suppliers necessary to respond to new or upcoming trade policy measures - corporate sustainability reporting, deforestation, forced labour etc.

- ✓ Origin as a supply chain issue is also relevant for non-preferential origin - CBAM

Closer collaboration across the entire supply chain will support not only origin determination but a range of other issues as well

Thank you!

anna@tradeandborders.com

Innovating for the future. One Journey at a Time.

Panel Discussion

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Tony Campbell
Chief Executive

MCIA

Jeremy Leonard
Managing Director
Global Industry Services

Oxford Economics

Dr. Anna Jerwenska
Founder & Director

Trade & Borders

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Tony Campbell

Chief Executive, MCIA

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2023 Market Overview

113,589 -2.5% vs PY

ICE
109,527
-0.4% VS PY

MOTORCYCLE
82,685
+1.3% VS PY

Weight

25%
75%
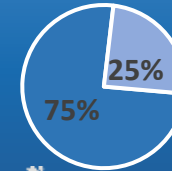
☐ MOTORCYCLE ☐ SCOOTER

SCOOTER
26,842
-5.4% VS PY

ELECTRIC
4,062
-37.8% VS PY

MOTORCYCLE
1,950
-9.4% VS PY

Weight

52%
48%
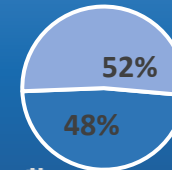
☐ MOTORCYCLE ☐ SCOOTER

SCOOTER
2,112
-51.7% VS PY

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Innovating for the future. One Journey at a Time.

2023 Key Style Performance

Scooter	28,936	-11.6%
Adventure	21,223	+2.0%
Naked	25,487	+4.9%
Modern Classic	11,144	-9.5%
Road Sport	9,192	+3.8%
Custom	7,522	+0.4%
Competition	6,587	+5.0%
Touring	2,580	-12.3%

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2024 Market Forecast

2019	2020	2021	2022	2023	2024
107,408	104,611	114,371	116,534	113,589	115,400
+1.5%	-2.6%	+9.3%	+1.9%	-2.5%	+1.6%

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Innovating for the future. One Journey at a Time.
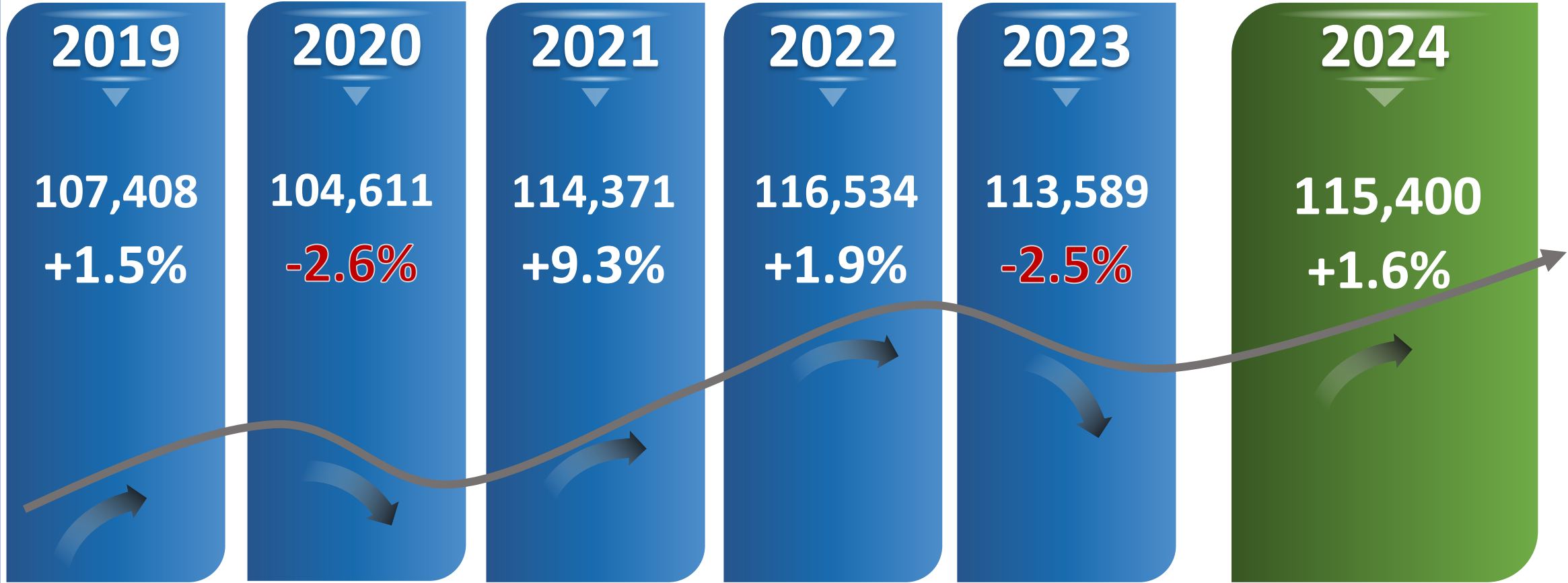
Vehicle Parc

Total
1.493mil

ICE
1.477mil

ELECTRIC
.016mil

Growth

2021 Q4	2022 Q4	2022 Q1	2023 Q1	2022 Q2	2023 Q2	2022 Q3	2023 Q3
1,373,756	1,397,041	1,412,891	1,426,319	1,493,765	1,513,582	1,479,657	1,493,400
	+23K		+14K		+20K		+20K

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Innovating for the future. One Journey at a Time.
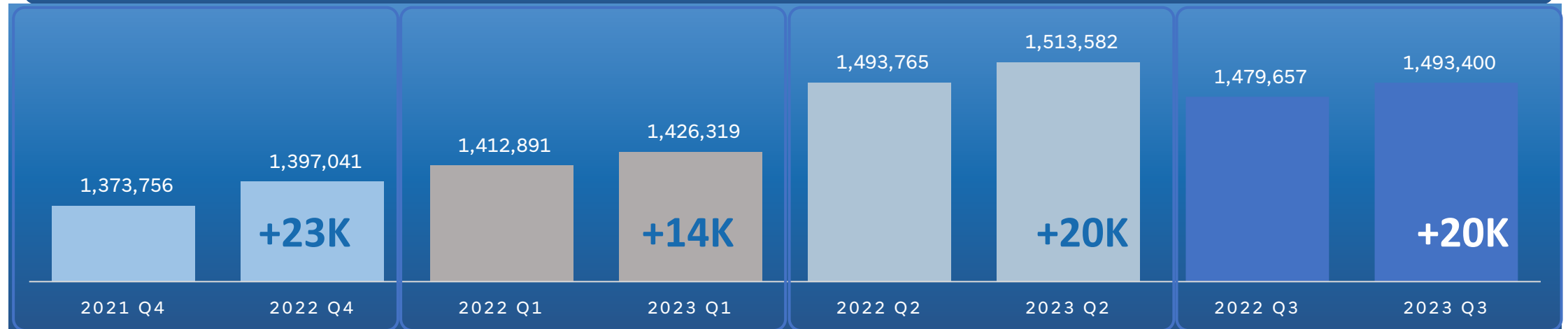
TEST PASS
Full Year 2023
Total 40,249 -6.2% vs PY

Male | Female

91.3% | 8.7%
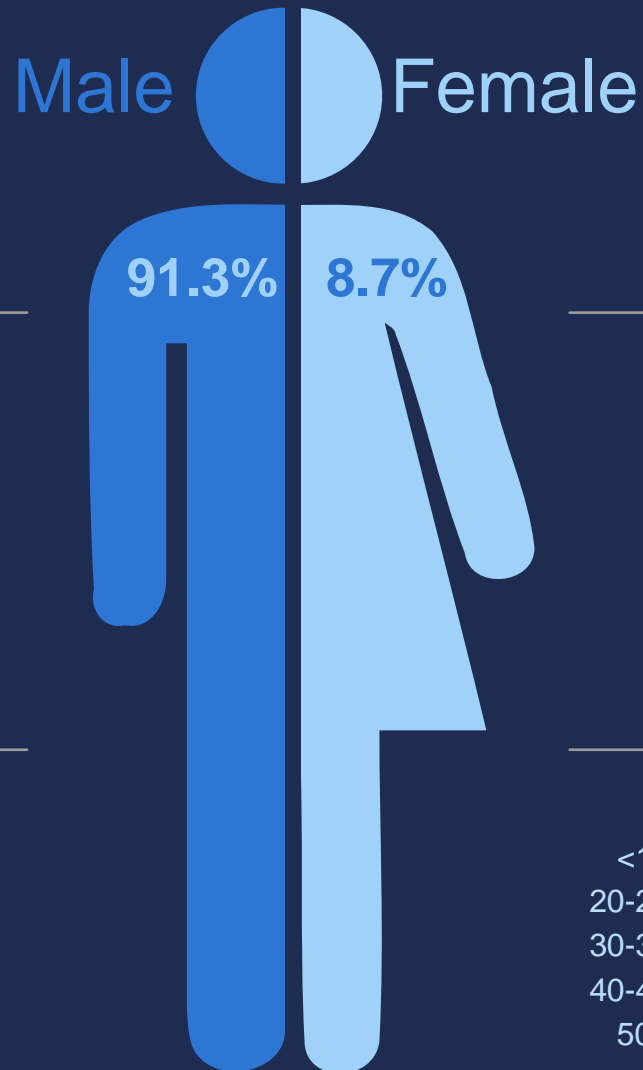
**36,765 Test Passes
-6.6% vs PY**

**3,484 Test Passes
-1.8% vs PY**

Licence Type (Male)
- A: 2%
- A1: 85%
- A2: 13%
- AM: 0%
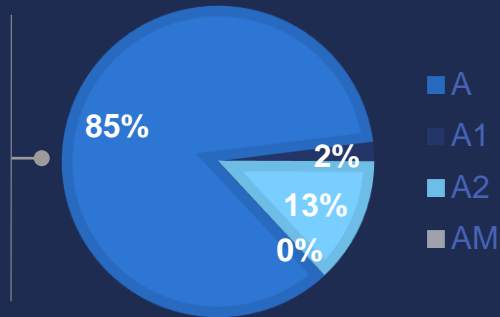
Licence Type (Female)
- A: 4%
- A1: 82%
- A2: 14%
- AM: 0%

Age Distribution (Male)
- <19: 5%
- 20-29: 36%
- 30-39: 30%
- 40-49: 16%
- 50+: 14%

Age Distribution (Female)
- <19: 4%
- 20-29: 29%
- 30-39: 31%
- 40-49: 20%
- 50+: 15%

mcia®
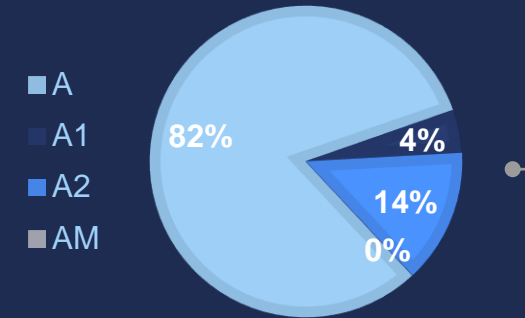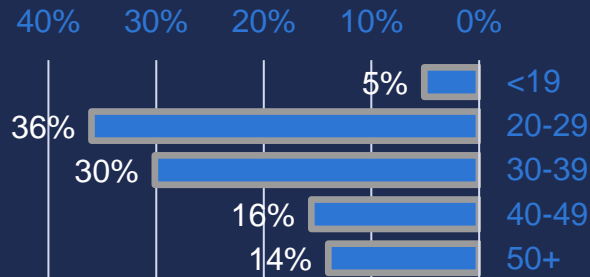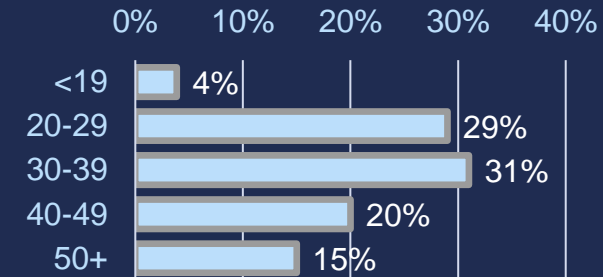
Innovating for the future. One Journey at a Time.

Matthew Atherton

Sales Director, AutoTrader

mcia

Used Bike Market, Consumer Trends & Changing Behaviours

Matthew Atherton

AutoTrader

Market Health

Omni-channel Retailing

AutoTrader

Market Health

Omni-channel Retailing

Electrification

AutoTrader

Market Health

Omni-channel Retailing

Electrification

Micromobility

AutoTrader

What powers Auto Trader's data?

The UK's largest and most engaged Vehicle buying audience

9.8m
Monthly unique users

Monthly average - Apr-Jun 2023

554m
Minutes spent onsite each month

Monthly average - Apr-Jun 2023

76.2m
Cross-platform visits each month

Monthly average - Apr-Jun 2023

90%
Of vehicle buyers visit Auto Trader

12th
Most viewed website in the UK , ahead of Gumtree, Twitter & Netflix

82%
Of time spent looking for a vehicle online is spent on Auto Trader

AutoTrader

Market Health

What is it & why do we talk about it?

AutoTrader

Demand

Market Health
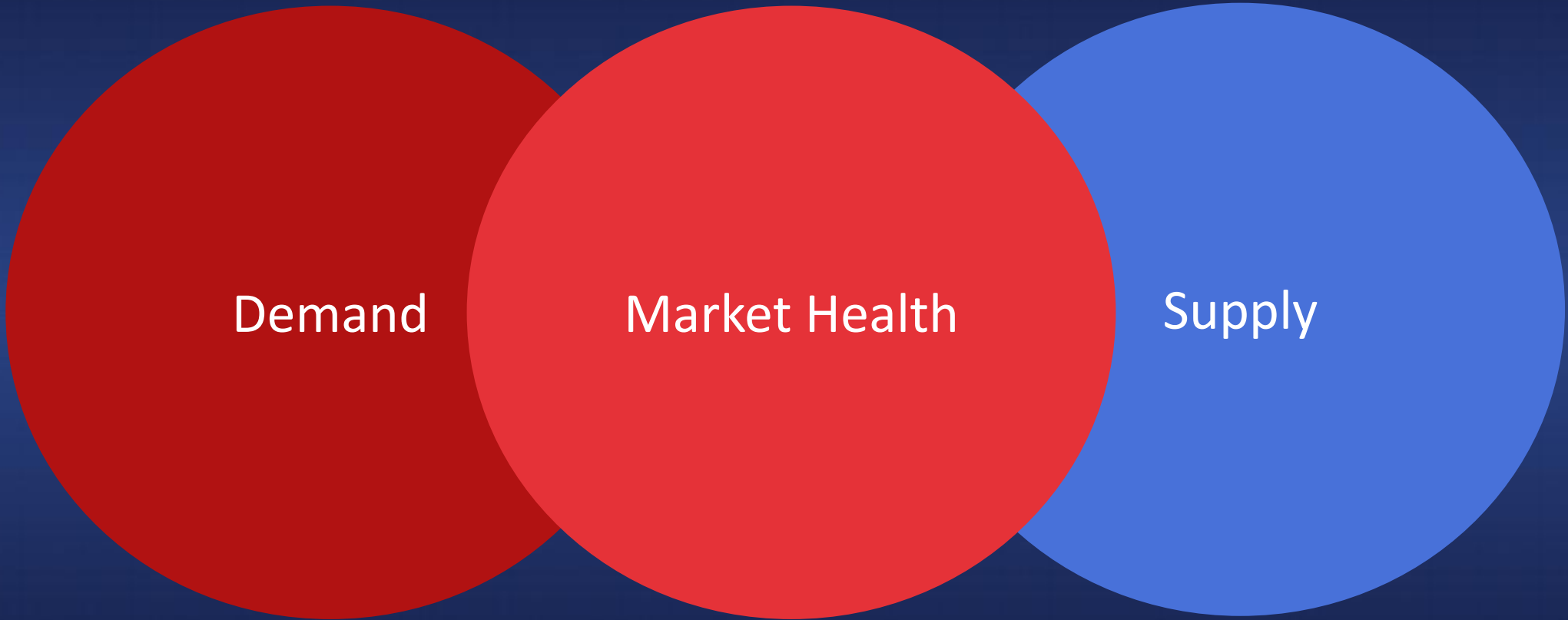
Supply

Pricing

Demand is really strong in the market however, throughout the year supply has outpaced the high demand up until December.

40%

30%

20%

10%

0%

-10%

-20%

-30%

DEC 22   JAN 23   FEB 23   MAR 23   APR 23   MAY 23   JUN 23   JUL 23   AUG 23   SEP 23   OCT 23   NOV 23   DEC 23   JAN 24

—— Demand YoY
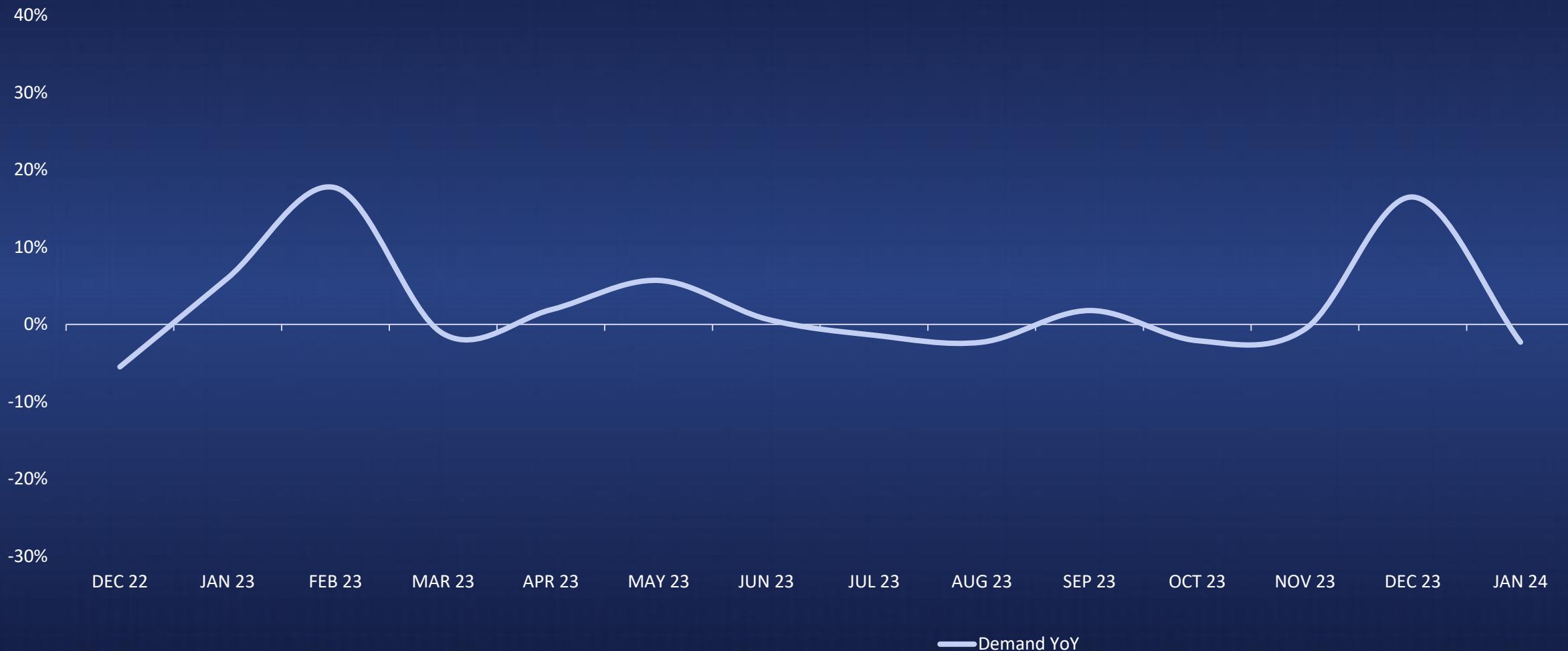
AUTO TRADER USED BIKE MARKET HEALTH
Year-on-Year.

Demand is really strong in the market however, throughout the year supply has outpaced the high demand up until December.

AUTO TRADER USED BIKE MARKET HEALTH
Year-on-Year.

Demand is really strong in the market however, throughout the year supply has outpaced the high demand up until December.

Chart legend: Market Health YoY | Supply YoY | Demand YoY

Values (Market Health YoY bars):
- DEC 22: -20%
- JAN 23: -15%
- FEB 23: -1%
- MAR 23: -20%
- APR 23: -22%
- MAY 23: -20%
- JUN 23: -18%
- JUL 23: -15%
- AUG 23: -11%
- SEP 23: -7%
- OCT 23: -11%
- NOV 23: -8%
- DEC 23: 9%
- JAN 24: -11%
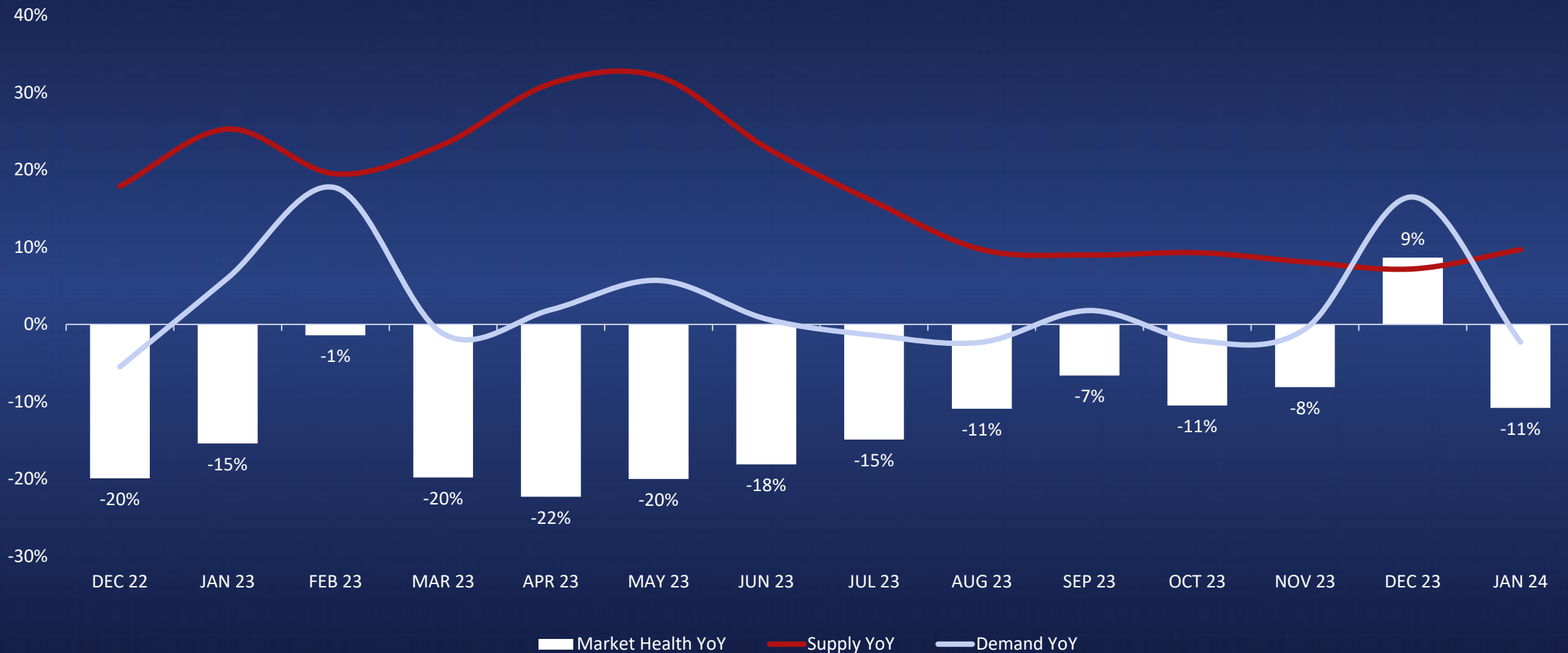
AUTO TRADER USED BIKE MARKET HEALTH
Year-on-Year.

Retailers are able to segment market health by Brand, Age and Body Type. Below are brands' market health across the last 13 months
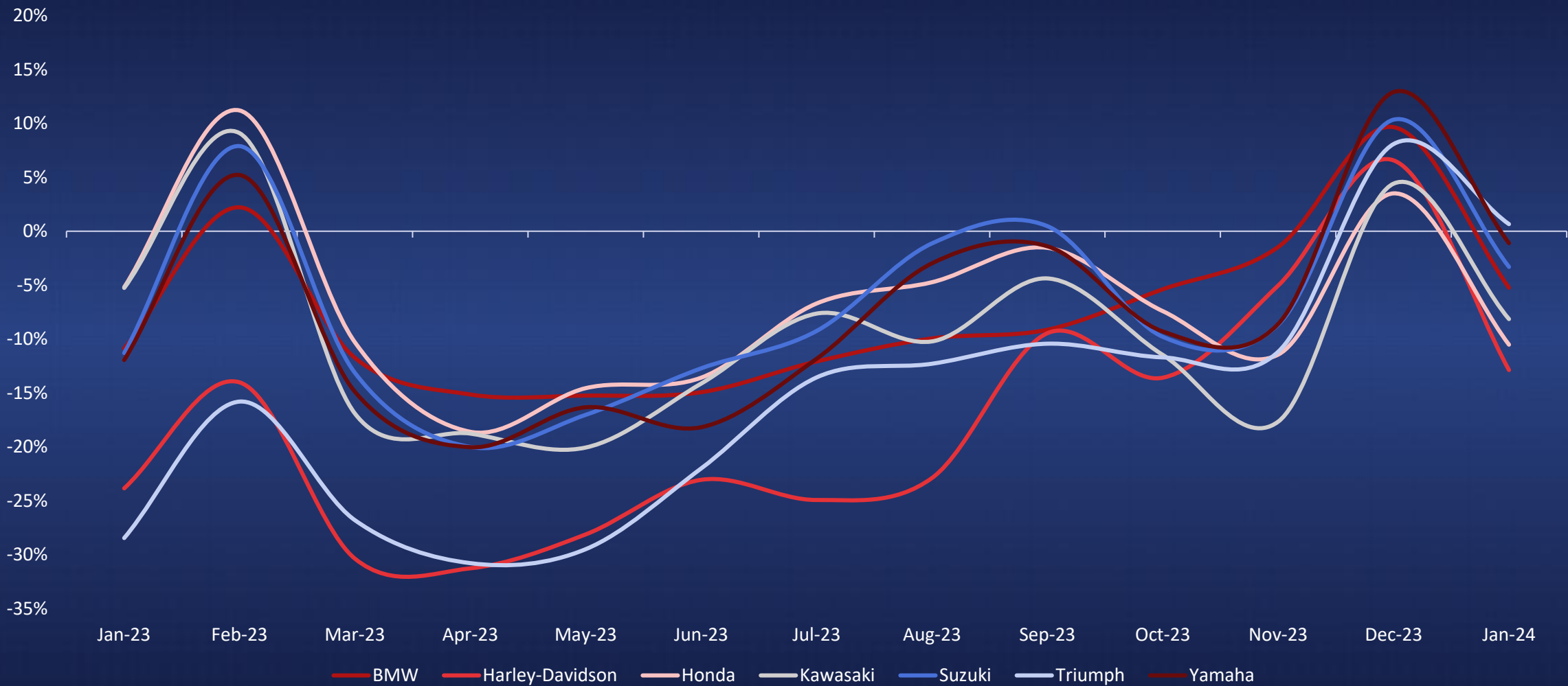
AUTO TRADER USED BIKE MARKET HEALTH BY BRAND
Year-on-Year.

Retailers are able to segment market health by Brand, Age and Body Type. Below is the market health by age across the last 13 months.

20.00%

10.00%

0.00%

-10.00%

-20.00%

-30.00%

-40.00%

Jan-23   Feb-23   Mar-23   Apr-23   May-23   Jun-23   Jul-23   Aug-23   Sep-23   Oct-23   Nov-23   Dec-23   Jan-24

— up to 1 year   — 1 - 3 years   — 3 - 5 years   — 5 - 10 years   — 10 - 15 years   — 15 years +
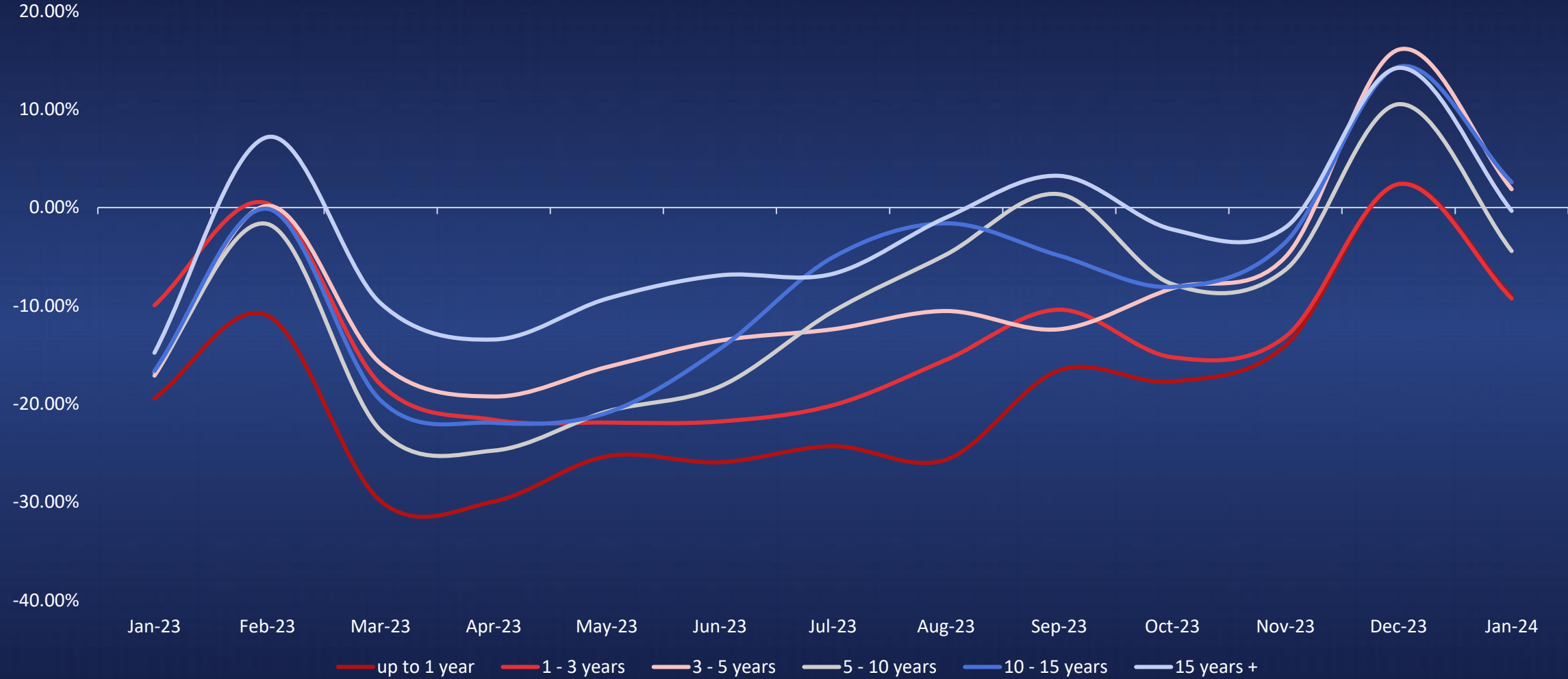
AUTO TRADER USED BIKE MARKET HEALTH BY AGE
Year-on-Year.

Retailers are able to segment market health by Brand, Age and Body Type.
Below is the market health by body type age across the last 13 months.
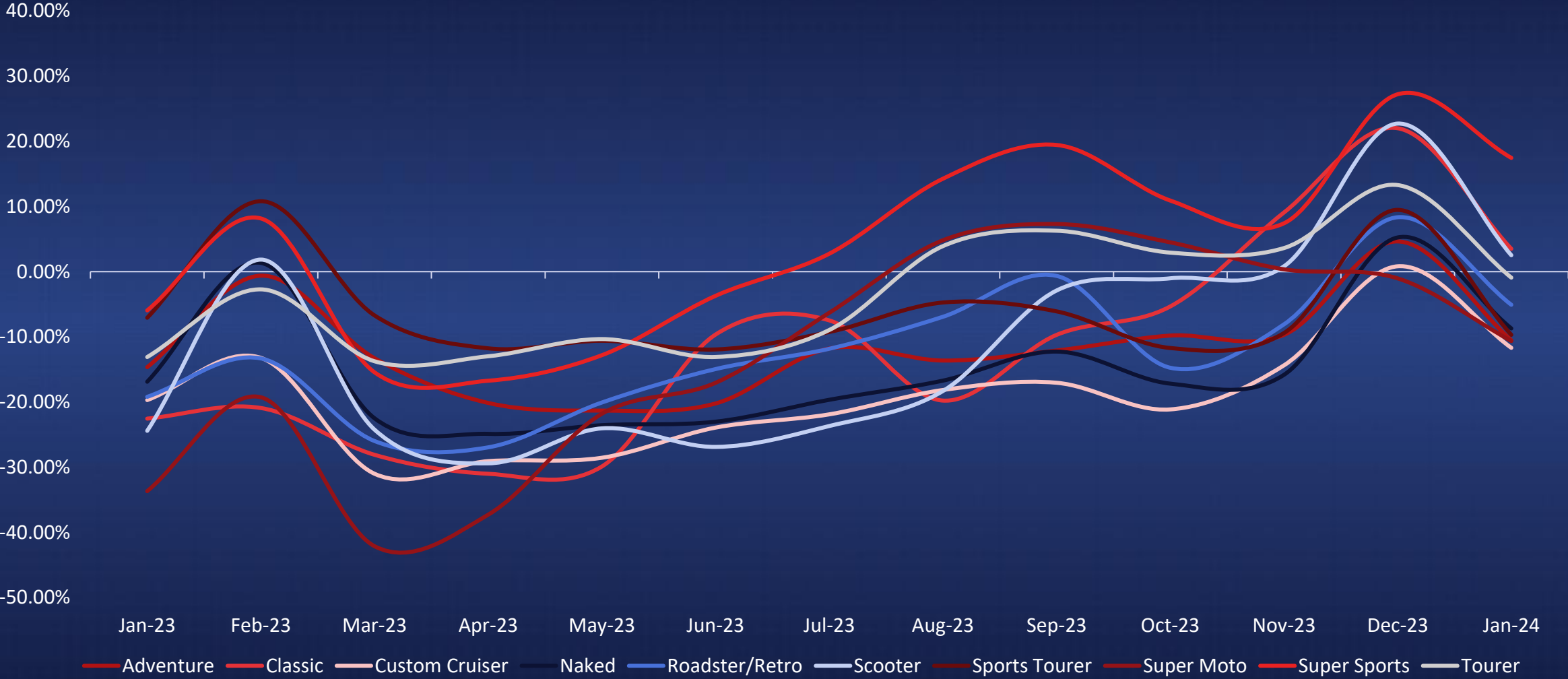
AUTO TRADER USED BIKE MARKET HEALTH BY BODY TYPE
Year-on-Year.

Legend: Adventure — Classic — Custom Cruiser — Naked — Roadster/Retro — Scooter — Sports Tourer — Super Moto — Super Sports — Tourer

Omni-Channel Retail

Electric

Micromobility

AutoTrader

How might the bike industry take advantage of Omni-Channel Retailing?

Online is more important than ever. Across retail sectors, online sales have been increasing and our site visits reflect the same trend

INTERNET SALES AS % OF TOTAL RETAIL
ONS. Jan 10 – Sep 23
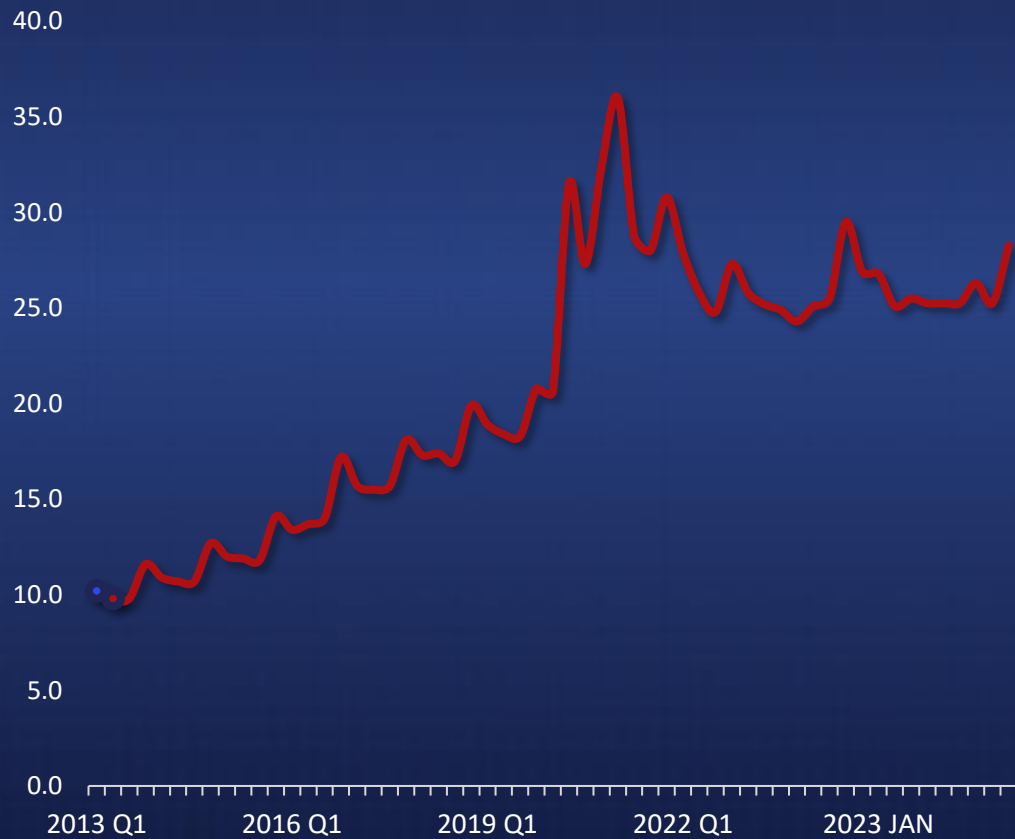
AUTO TRADER SITE VISITS
Year-on-year

67m
Dec 2023, +10
YoY

AutoTrader

Source: ONS, Auto Trader internal data.
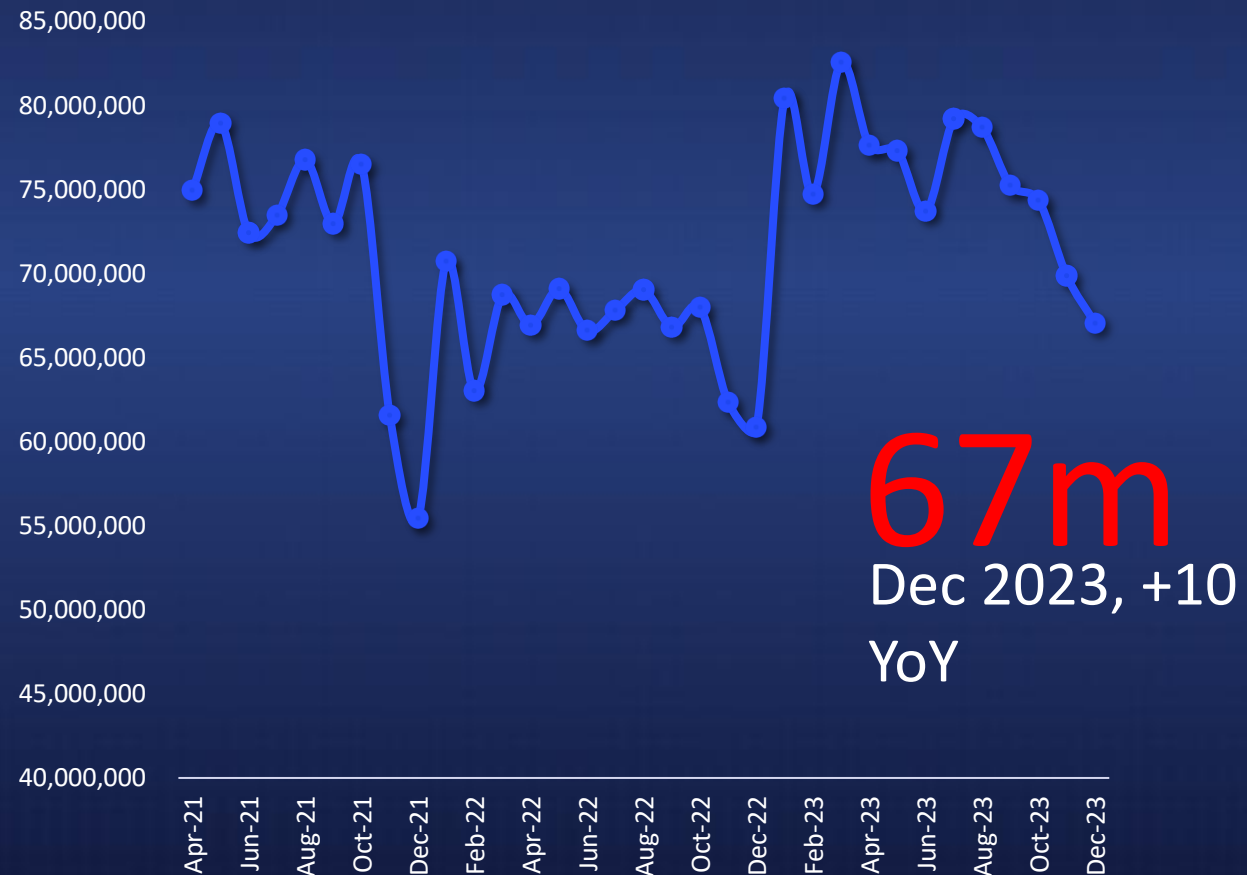
46%

of bike buyers would prefer to do some, or all, of their bike purchase online

AutoTrader
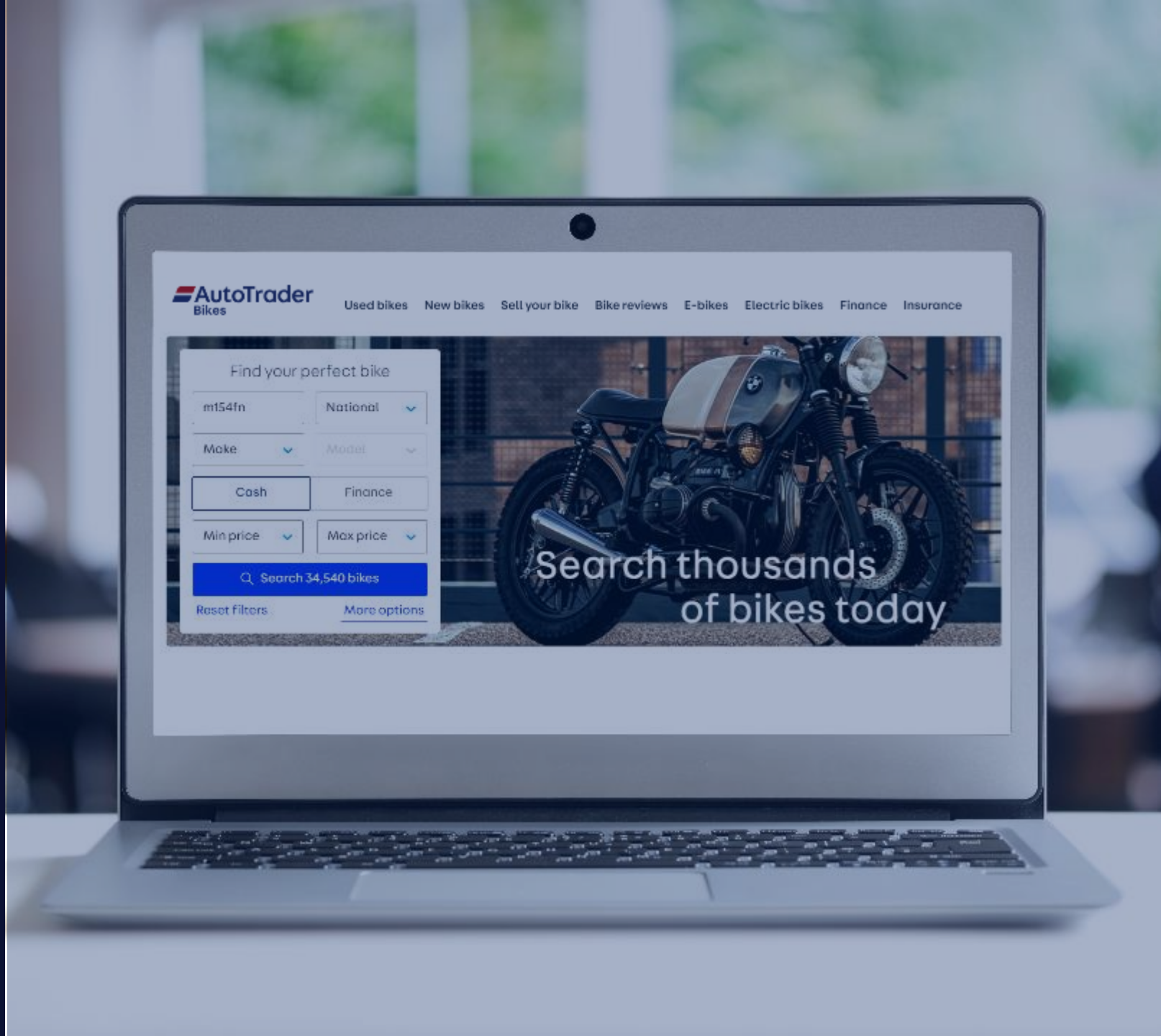
Buyers are doing many more jobs online – but the importance of the physical aspects remains clear

JOBS DONE ONLINE
Which of these tasks involved in buying a car have you done online, or would you like to do online? (n=2000)

■ I've done this online   ■ Haven't done this online, but would like to   ■ Haven't done this online, and wouldn't like to

View real price
Check availability
Get guide valuation for current car
Ask dealer questions
Book test drive
Pay deposit to reserve car
Decide on finance type and compare quotes
Complete purchase of car
Negotiate deal
Organise collection of current car
Arrange delivery/ collection of new car
Get GPX for current car
Complete finance agreement
Inspect car

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

AutoTrader

Source: Auto Trader internal data.

With 66% of consumers thinking about how they will pay for a vehicle before visiting the retailer, most figure out their options online

WHEN BUYERS THINK ABOUT HOW TO PAY
Which of these best describes when you started looking into how to pay for/finance the car? Total (n=2002)

45%

21%

18%

7%

9%

BEFORE VISITING A RETAILER

AFTER VISTING A RETAILER

Before I started looking at cars

After I'd started looking at cars, but before visiting and dealerships/ sellers

When I visited the dealership/ seller

After I'd visited the dealership/ seller, but before buying the car

Only when I came to buy the car

AutoTrader
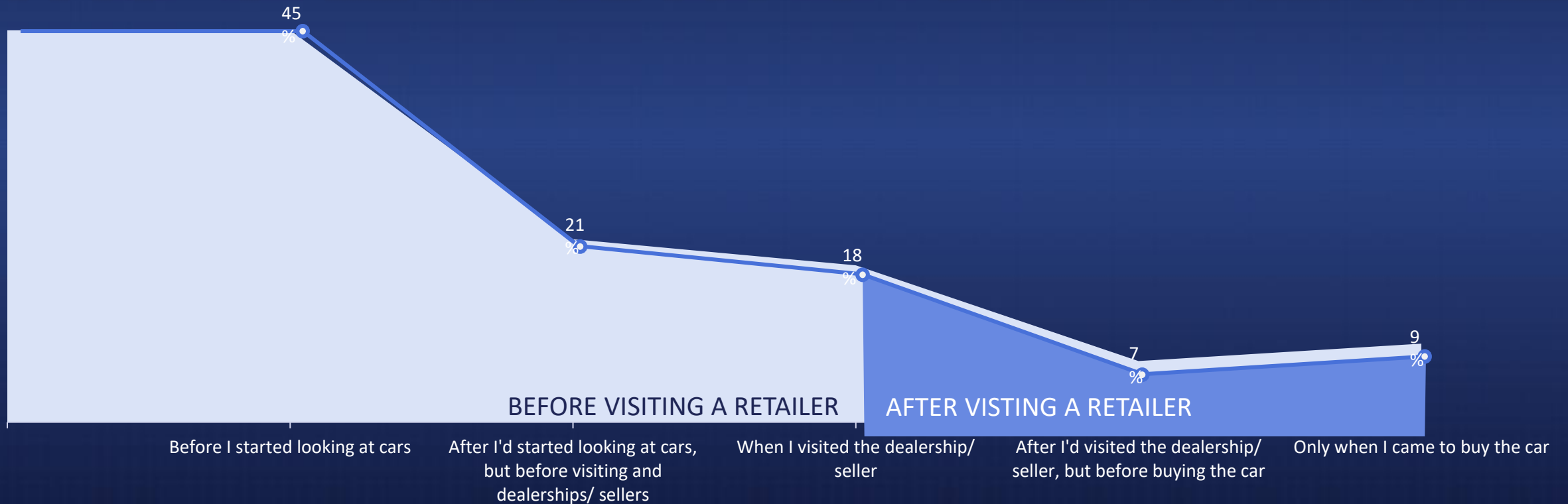
Although most research is online, the retailer remains the main finance channel.

CHANNEL FOR ACCESSING FINANCE
Who did you finalise your monthly payment agreement through?

A car retailer/ dealership	51%
A specialist car finance broker	16%
Direct through the funder	11%
Directly with a bank or loan company	11%
A comparison site (e.g. Moneysupermarket.com)	8%

AutoTrader
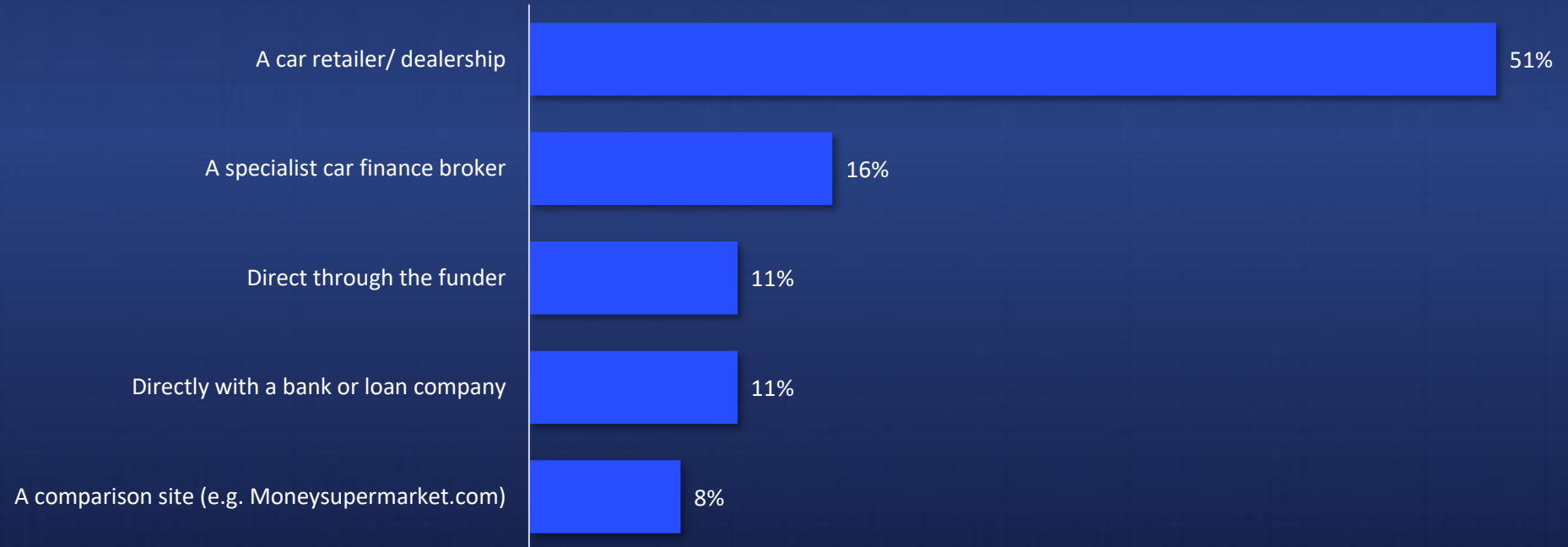
Digital journeys, Physical retailing.

94%

of car buyers say they **research online** as part of their vehicle buying journey

94%

of car buyers say they **visit a dealership** as part of their vehicle buying journey

Having done more online, over half of showroom visitors now expect to buy

VISITING A DEALERSHIP WITH INTENT TO PURCHASE
2019 vs 2023, Total n=1014

59%

32%

2019

2023

Electric

Supply & Demand for electric is growing but it still only makes up a small proportion of the market

ELECTRIC BIKE AD VIEWS
Chart shows volume of stock & advert views for electric bikes segmenting them by New & Used

LEXMOTO 4%

SUPER SOCO 15%

TALARIA 3%

PIAGGIO 4%

NIU 7%

SURRON 15%

BMW 7%

ZERO 13%

VMOTO 3%

SEAT 4%
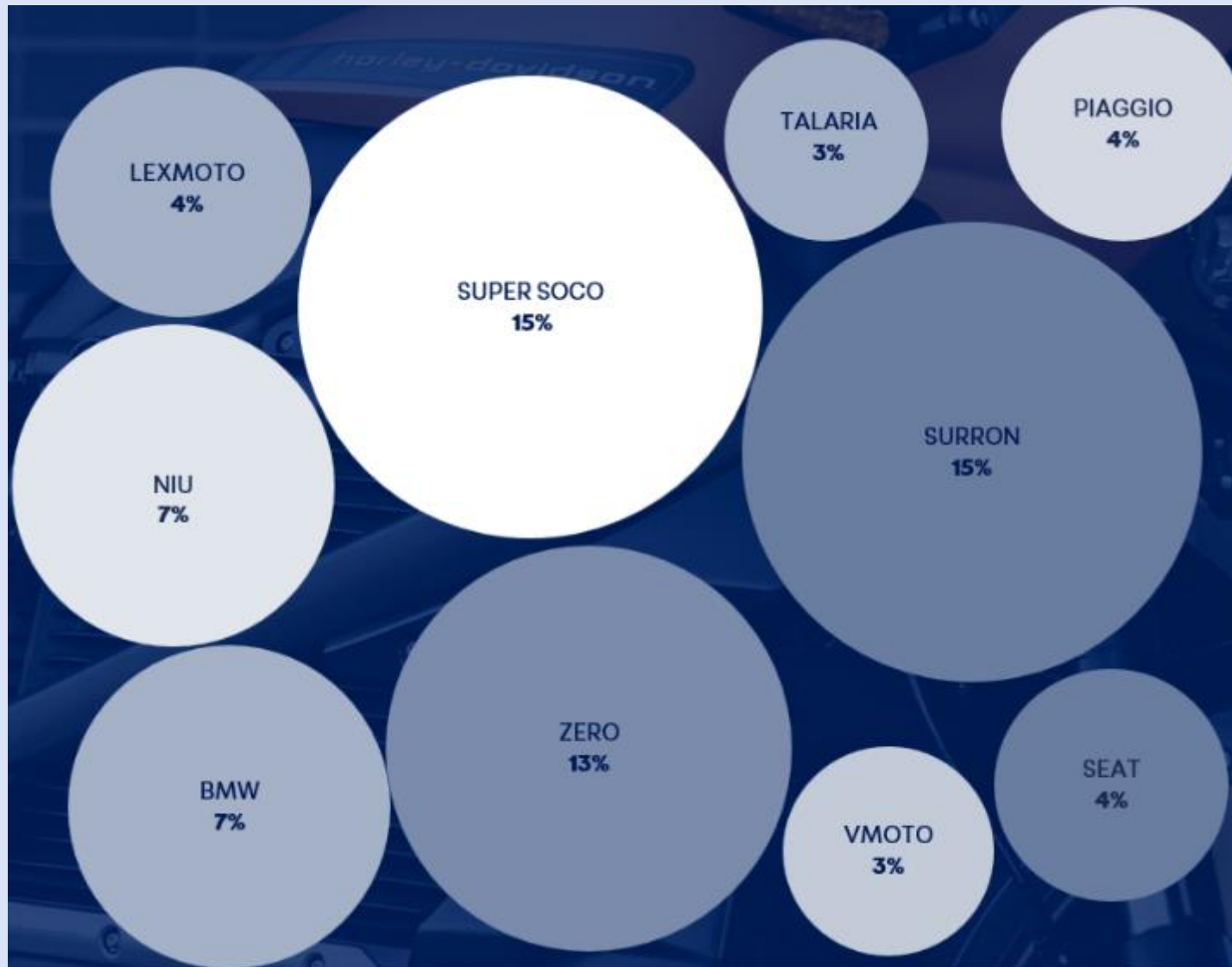
BIGGEST ELECTRIC BRAND

SUPER SOCO

DECEMBER 23

FASTEST GROWING ELECTRIC BRAND

MGB

+737% MORE ADVIEWS PER ADVERT VS DECMEBER 22

AutoTrader

Consumers still have concerns that need to be addressed...

BARRIERS TO ADOPTION
What are the key aspects stopping you from owning an electric vehicle?
Total (n=4,002)

Chart data (Barriers to adoption, % of respondents):
- Electric vehicles are expensive to buy — 56%
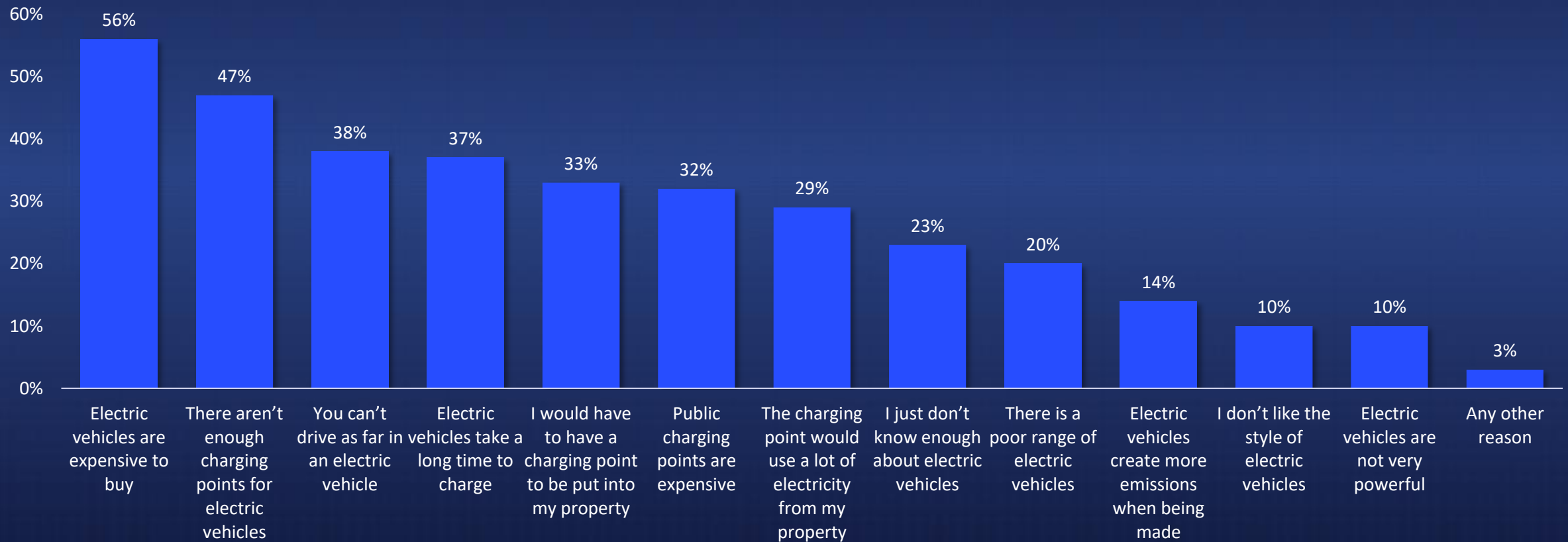- There aren't enough charging points for electric vehicles — 47%
- You can't drive as far in an electric vehicle — 38%
- Electric vehicles take a long time to charge — 37%
- I would have to have a charging point to be put into my property — 33%
- Public charging points are expensive — 32%
- The charging point would use a lot of electricity from my property — 29%
- I just don't know enough about electric vehicles — 23%
- There is a poor range of electric vehicles — 20%
- Electric vehicles create more emissions when being made — 14%
- I don't like the style of electric vehicles — 10%
- Electric vehicles are not very powerful — 10%
- Any other reason — 3%

Micromobility

Small vehicles for shorter journeys

Large vehicles for longer journeys

AutoTrader

It's reassuring to see that there are high levels of awareness of e-bikes across age, location and household income
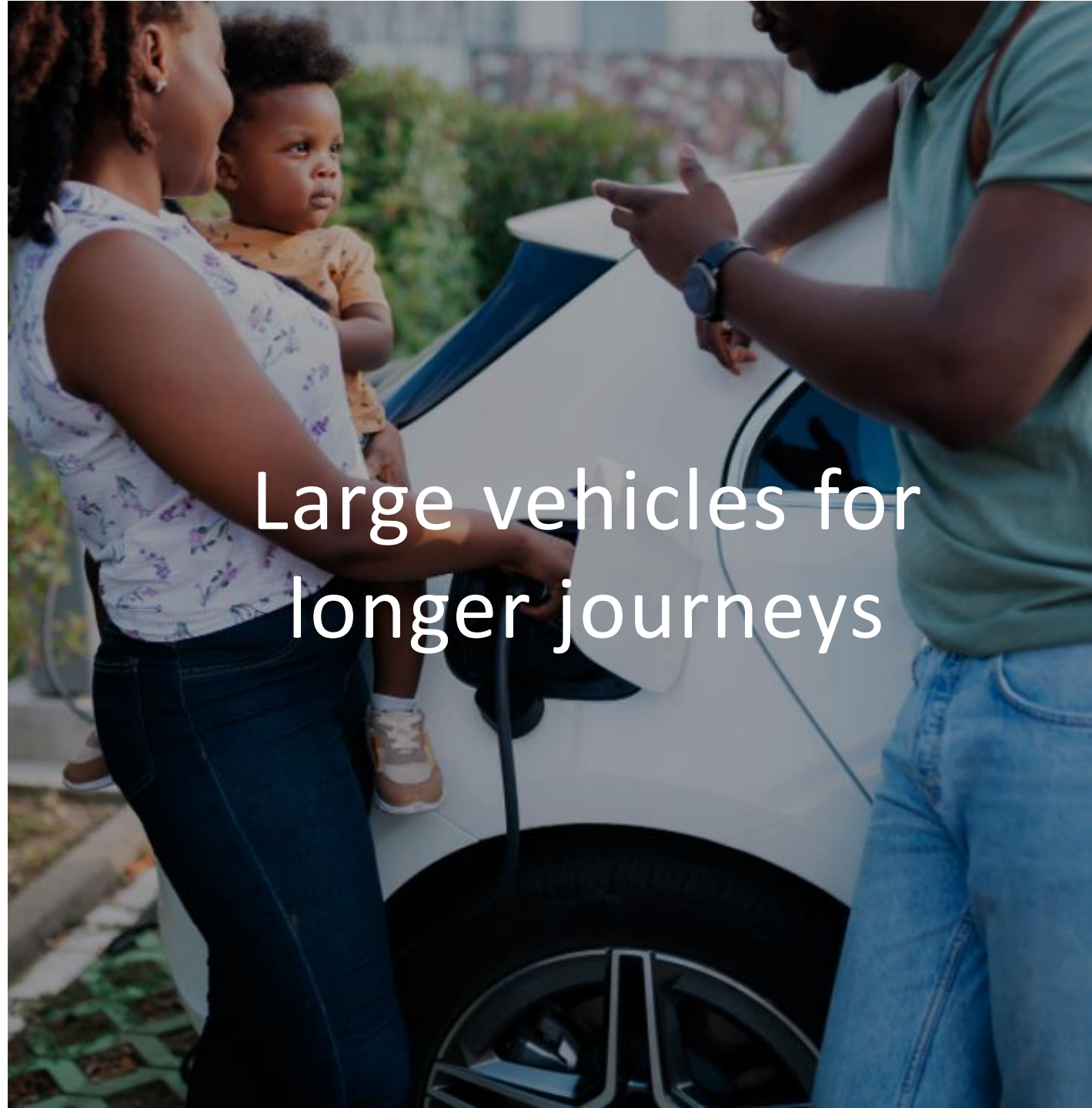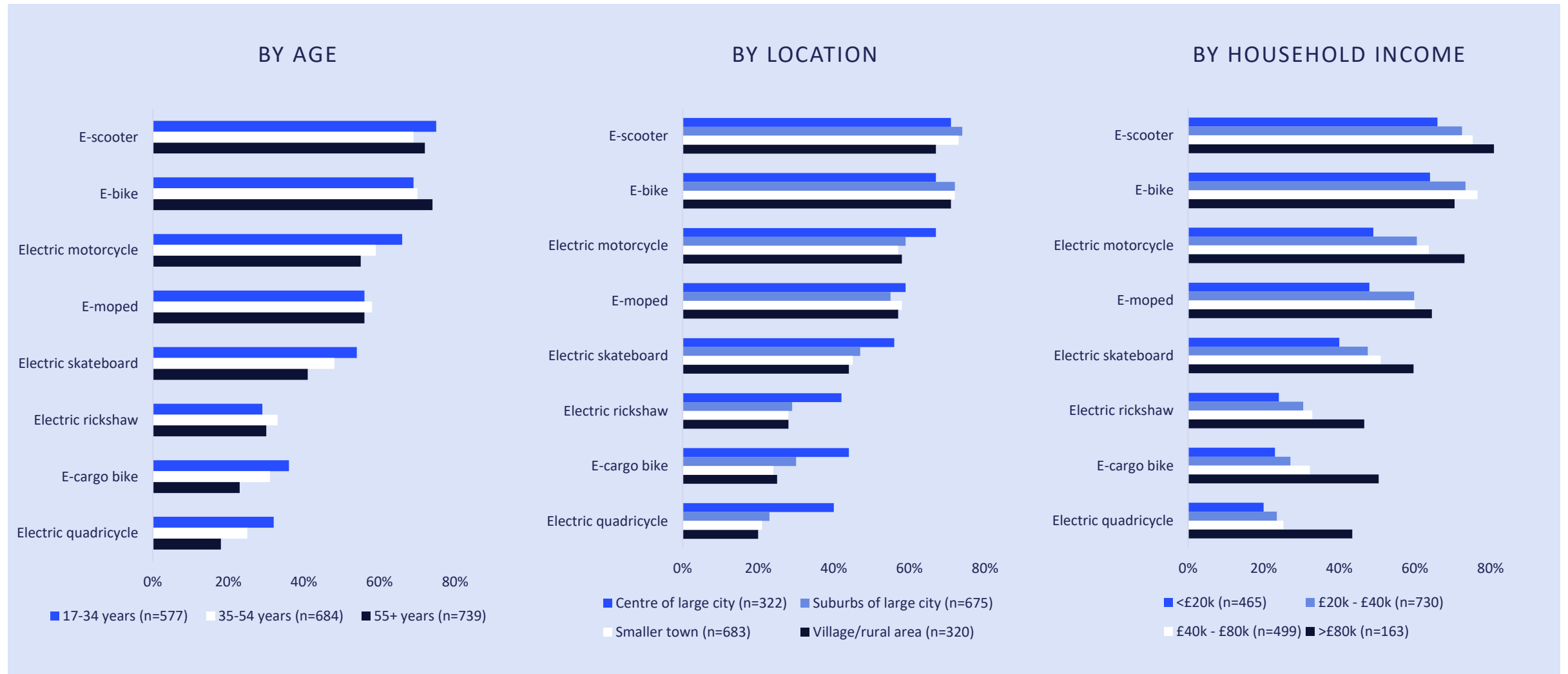
BY AGE

- E-scooter
- E-bike
- Electric motorcycle
- E-moped
- Electric skateboard
- Electric rickshaw
- E-cargo bike
- Electric quadricycle

0%   20%   40%   60%   80%

■ 17-34 years (n=577)   □ 35-54 years (n=684)   ■ 55+ years (n=739)

BY LOCATION

- E-scooter
- E-bike
- Electric motorcycle
- E-moped
- Electric skateboard
- Electric rickshaw
- E-cargo bike
- Electric quadricycle

0%   20%   40%   60%   80%

■ Centre of large city (n=322)   ■ Suburbs of large city (n=675)
□ Smaller town (n=683)   ■ Village/rural area (n=320)

BY HOUSEHOLD INCOME

- E-scooter
- E-bike
- Electric motorcycle
- E-moped
- Electric skateboard
- Electric rickshaw
- E-cargo bike
- Electric quadricycle

0%   20%   40%   60%   80%

■ <£20k (n=465)   ■ £20k - £40k (n=730)
□ £40k - £80k (n=499)   ■ >£80k (n=163)

MICROMOBILITY KNOWLEDGE
% who selected "definitely know what this is"

There were early signs of strong demand for electric quadricycles in 2023 :

35m

search appearances for
electric quadricycles

AutoTrader

CITROEN AMI: NEW ELECTRIC CARS ADVERT VIEWS RANK
August 2022 – October 2023

Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23

12 — 2 — 5 — 3 — 5 — 2 — 2 — 12 — 13 — 14 — 10 — 21 — 48 — 85 — 60

Artificial Intelligence - the challenges and opportunities…

By far, the greatest danger of Artificial Intelligence is that people conclude too early that they understand it.

Eliezer Yudkowsky

Some would say much longer……

OpenAI set to launch store as ChatGPT reaches 100mn users

Group aims to turn artificial intelligence interface into a digital platform

Sam Altman, left, and Microsoft chief executive Satya Nadella on stage at an OpenAI event © Justin Sullivan/Getty Images

Challenges

- Strategy

- Education

- Sustainability

- Confidence

- Job disruption

- Privacy and Security

Opportunities

- Efficiency and productivity

- Margin

- Enhanced decision making

- Ongoing marginal gains

- Personalised experiences

- Automation

- **Harley Davidson - with IBM is using AI to reduce customer acquisition cost by 30% by customise advertisements, analysing customer profiles and predict what and when a customer is likely to buy.**

- **Motorcycle Engineering - Lightning's first AI-driven endeavour was an AI-generated design yielding weight savings in excess of 20 percent.**

- **Riding and Safety - Motobot and Motoroid are using AI to learn through experience how to ride a motorbike in extreme conditions by itself – showcasing a self-balancing motorbike**

AI won't take your job. Somebody using AI will.

Professor Richard Baldwin, Geneva Graduate Institute, May 2023

68% of LinkedIn's Jobs on the Rise **did not even exist** 20 years ago, including seven of the top ten titles.

Skill sets for jobs have changed 25% since 2015 and are projected to shift by 65% by 20

LinkedIn, Jobs in the Rise Report 17 January 2024

Autonomous Vehicle Safety Specialist: Ensuring that self-driving bikes operate safely, including the development and enforcement of safety protocols.

Machine Learning Engineer for Automotive Systems: Designing and implementing AI algorithms that help vehicles learn and make decisions.

Automotive AI Ethicist: Addressing ethical issues related to AI in automotive applications, such as bias in decision-making algorithms and accountability in accidents.

Vehicle Data Analyst: Interpreting the vast amounts of data generated by connected bikes to improve performance and safety features.

AI-Enhanced Cybersecurity Analyst: Protecting bikes from cyber threats by using AI to identify vulnerabilities and prevent attacks.

User Experience (UX) Designer for In-Bike AI Systems: Creating user interfaces for AI applications, such as voice recognition systems and rider-assist features.

V2X (Vehicle-to-Everything) Communications Coordinator: Managing the communication between connected vehicles and other entities (infrastructure, pedestrians, internet, etc.).

AI Operations Manager: Overseeing the day-to-day AI operations within manufacturing or service environments.

Predictive Maintenance Specialist: Predicting when a bike or its parts may need maintenance or replacement.

AI-Integrated Supply Chain Analyst: Optimising supply chain logistics in the automotive sector using AI.

AI Trainer for Motorcycle Systems: Teaching AI to recognise various scenarios the bike might encounter on the road.

Robotics Engineer: Designing robots that assemble bikes and incorporate AI to improve their operations.

Personal Mobility Advisor: Using AI to provide personalised transportation solutions to riders based on habits and prefs.

Connected Car Services Developer: Creating new services and apps for connected motorcycles

Smart Infrastructure Engineer: Smart roads and infrastructure communicating with AI-enabled vehicles improving traffic flow and safety.

3D Printing Specialist for Custom Parts: Using AI to design and print automotive parts on demand.

AI-Assisted Quality Control Analyst: Overseeing quality control in vehicle manufacturing, identifying defects or inconsistencies.

Customer Service AI Interface Manager: Managing interfaces that handle customer service inquiries

AI for
Everyone…

Scott Belsky's 4 P's Framework

1. Play
Novelty precedes utility in the tech world. Encourage and allow your teams to play with new technology despite the risks. Give them access without expectations.

2. Pilot
All great revolutions at work start with a pilot - one project that the team is encouraged to do "the new way." Encourage your team to pick a project - perhaps one thing a quarter, if not more - with the goal of learning from it, so find a champion and let them run with a pilot.

3. Protect
Make sure that the pilot project has a different set of KPIs/objectives that don't penalise the owners. The goal should be learning, not revenue or conversion - this is how you incentivise experimentation.

4. Provoke
Invite the tough questions from those that participate or watch the new play unfold. The culture must allow for people to question the ROI, the ethics, or the implications.

Be willing to do things that upturn and disrupt norms; it's always true that "anything you don't want to do to your business someone else will be willing to do to your business." True innovation is a business of exceptions - just because something has been tried many times before and didn't work doesn't mean it's the wrong idea…

Hiroshima Process International Guiding Principles for Organisations Developing Advanced AI system

1. Take appropriate measures throughout the development of advanced AI systems, including prior to and throughout their deployment and placement on the market, to identify, evaluate, and mitigate risks across the AI lifecycle.

2. Patterns of misuse, after deployment including placement on the market.

3. Publicly report advanced AI systems' capabilities, limitations and domains of appropriate and inappropriate use, to support ensuring sufficient transparency, thereby contributing to increase accountability.

4. *Work towards responsible information sharing and reporting of incidents among organisations developing advanced AI systems including with industry, governments, civil society, and academia.*

5. Develop, implement and disclose AI governance and risk management policies, grounded in a risk-based approach – including privacy policies, and mitigation measures, in particular for organisations developing advanced AI systems.

6. Invest in and implement robust security controls, including physical security, cybersecurity and insider threat safeguards across the AI lifecycle.

7. Develop and deploy reliable content authentication and provenance mechanisms, where technically feasible, such as watermarking or other techniques to enable users to identify AI-generated content

8. Prioritise research to mitigate societal, safety and security risks and prioritize investment in effective mitigation measures.

9. Prioritise the development of advanced AI systems to address the world's greatest challenges, notably but not limited to the climate crisis, global health and education

10. Advance the development of and, where appropriate, adoption of international technical standards

11. Implement appropriate data input measures and protections for personal data and intellectual property

A lifelong learning assistant for everyone

AI driven learning from your personal AI mentor

Real time feedback and training to the answers you give in role plays....

Creating training experiences in real time – faster, more relevant and cheaper.

Make personalised recommendations based on credentials, role, experience, previous results, peer group development etc

Delivered to your phone

Training at the point of use
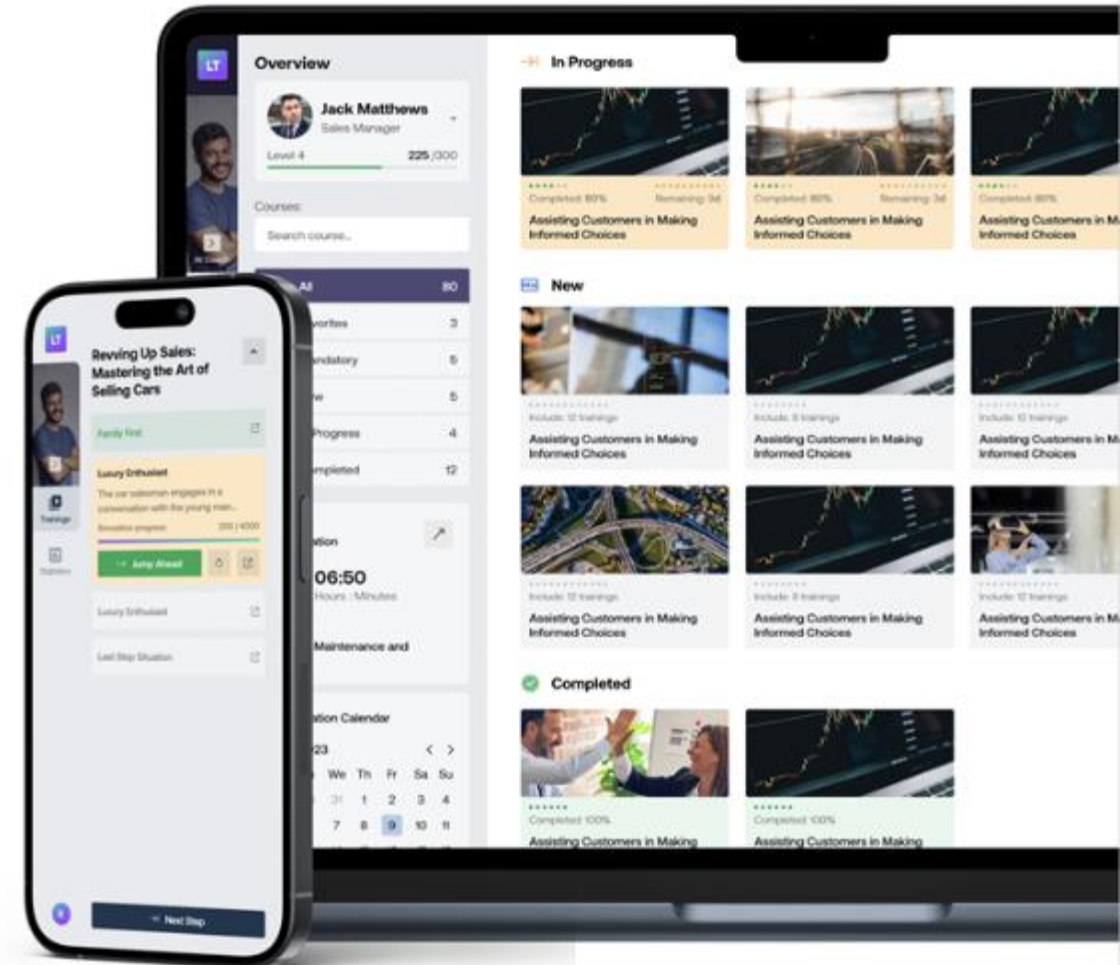
MCIA and Bridge are currently working together to bring some free to use courses and content to the MCIA membership and we look forward to sharing further details in due course.

It will include a wealth of highly valuable, free to use courses including:

- Consumer Duty
- Foundational Technical Training
- Health and Safety

More information and launch dates will be communicated shortly!

Thank you

EMTEC
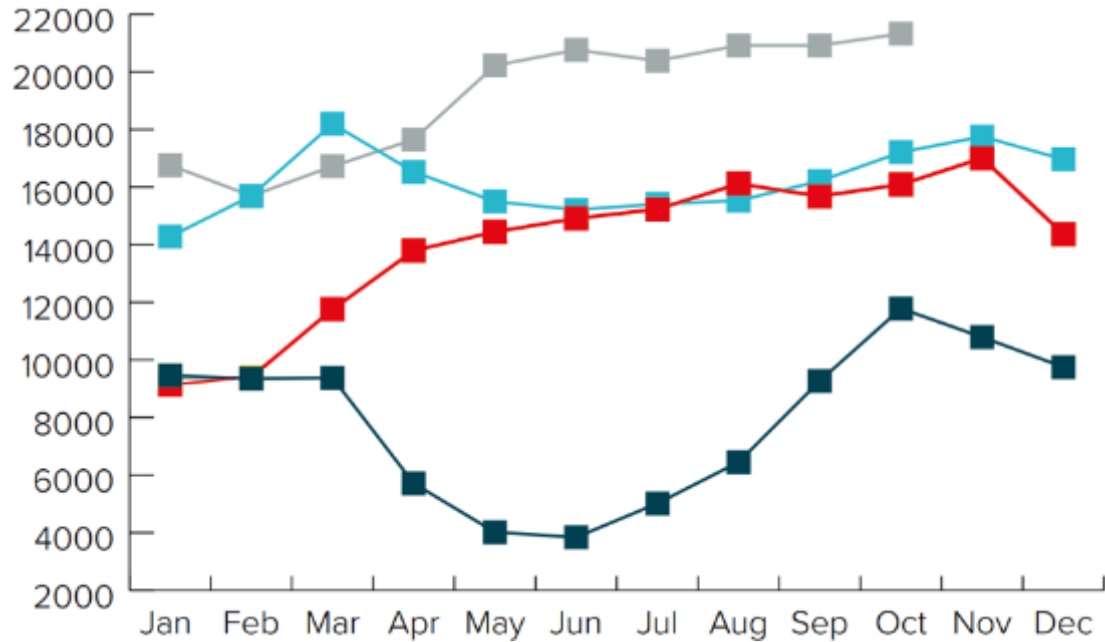Part of Nottingham College

Innovating for the Future through Apprenticeships

David Higham

Job Postings

Vehicle Technicians, Mechanics and Electricians

Total monthly unique postings
21,323 2023

2023
2022
2021
2020

Data provided by the IMI
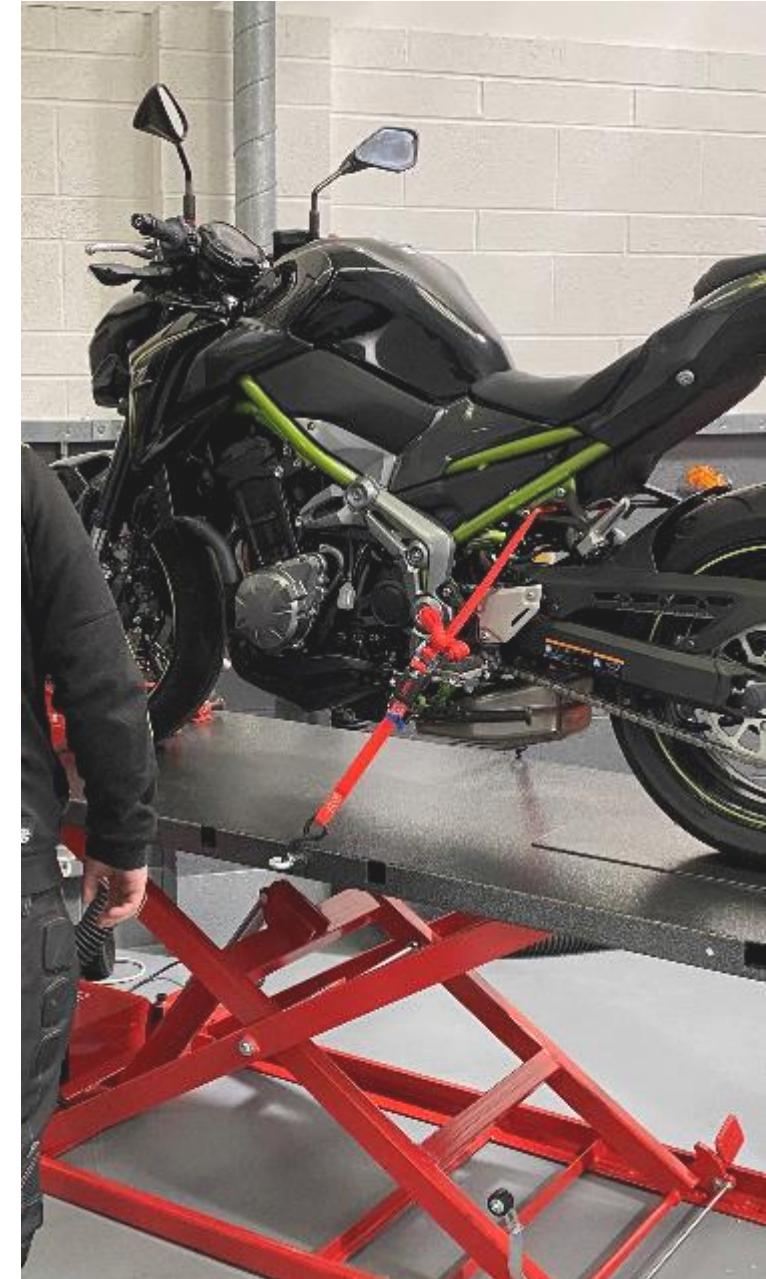
- **Apprenticeships are not new**
- **Not just for young people**
- **Real Careers**

The benefits of employing apprentices

- Raise staff morale
- Reduce staff turnover
- Increase your diversity
- Upskill existing staff
- Improve your productivity
- Attract the best candidates
- Create a talent pipeline across your organisation
- Improve your company image
- Match the skills of employees to the skills you need

Our Journey

- L3 Motorcycle Technician Standard

- Career Focused

- Partnership with Industry
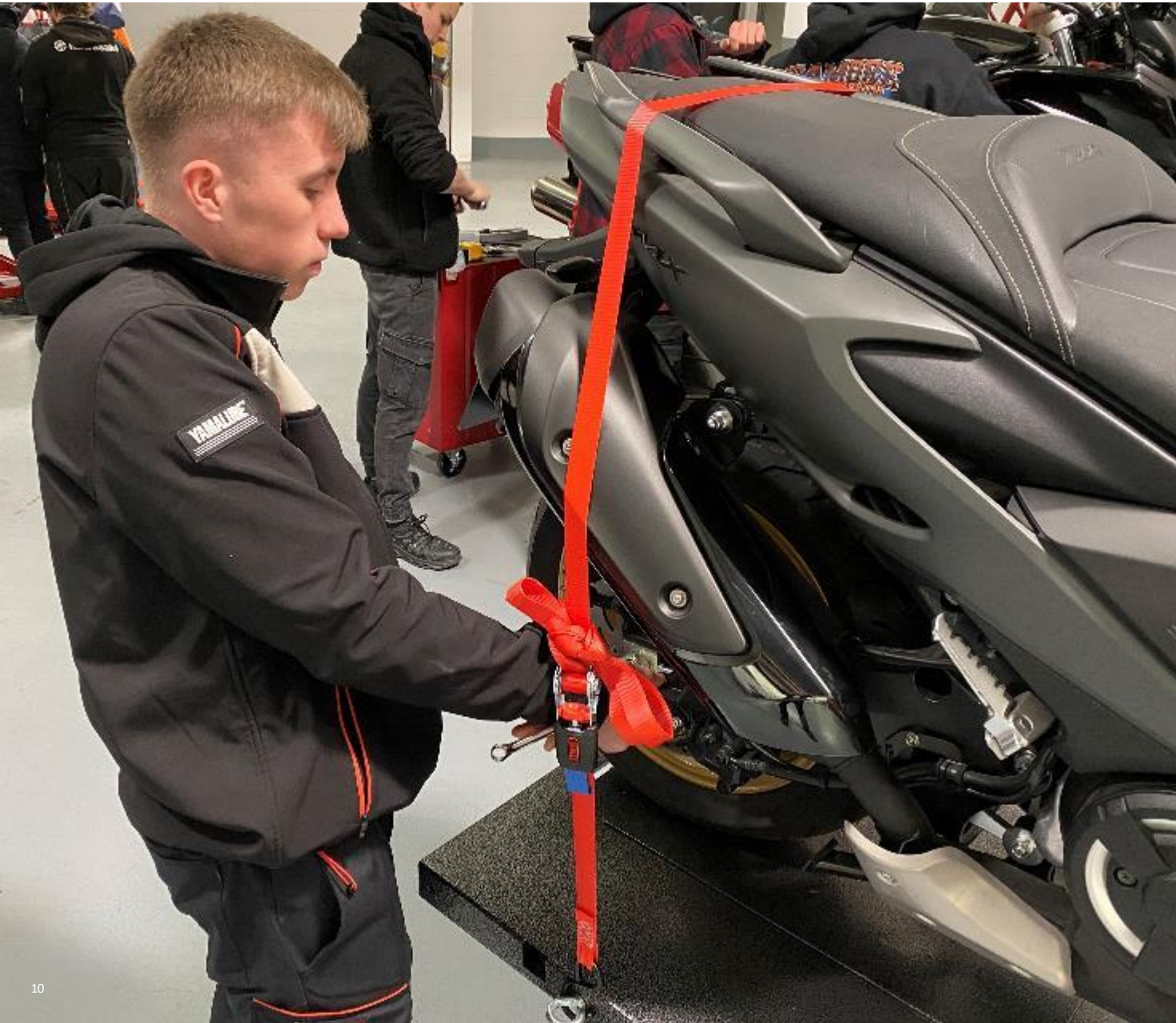
Observations

- Plan company wide recruitment and think succession

- Scalable

- Financially Viable

- Meet young people where they are at

- Lack of awareness

- Demand

- Funding

The Future

- Electric Vehicles and Net Zero

- Extended Reality

- Government Policy

- Career Progression

EMTEC
Part of Nottingham College

Thank you!

Tony Campbell
Chief Executive

MCIA

Matthew Atherton
Sales Director

AutoTrader

Justin Cooke
Chair

BridgeLT

David Higham
Head of Growth &
Innovation

EMTEC

mcia

Innovating for the future. One Journey at a Time.

Thank You!