Cycling and Industry

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I. The Eco-System of Cycling Industry

II. The Performance of Taiwan Cycling Industry by the Viewpoint of Eco-System

III. The Development Strategy

IV. PPP-Private Public Partnership

V. Vision
“Located in the heart of Taiwan, the Sun Moon Lake has long been charming curious foreigners and local visitors alike. Its calm, turquoise water has also inspired many ancient Chinese poets and painters.

The route around the largest lake in Taiwan is a three-hour ride, where visitors can enjoy lake scenery, experience Thao aboriginal culture and learn about the local ecology in Nantou County. If you arrive in early spring, you can even catch the cherry blossoms near this mirror-like lake.”
The Development of Taiwan Bicycle Industry

**OEM**
1970~1974
Export growth

1955~1969
Motorcycle, Domestic sales slump

**ODM**
1987~1991
産業升級與外移階段
Industrial upgrading and offshoring

**OBM**
1992~2000
兩岸分工與競爭階段
Cooperation and competition between both sides across the Straits

2003 A-team

OCM
2004~NOW

1946~1951
日本零件裝配生產
Parts come from Japan

*OCM, Original Culture Manufacturing*
Based on the experience in cycling manufacturing in the past 4 decades, Taiwan has established the industrial transformation model with new thinking, new technology and new applications.

**Structure of the Soft Power**

- **Cycling culture and friendly city**
- **Cross-industry integration**
- **Branding**
- **R & D and advanced manufacturing**
I. The Eco-System of Cycling Industry
The Eco-System of Cycling Industry

Industry Value Chain

- Establishing the global design center.
- The market price line of our products is about US$300~800 as for medium/high-end products.
- The average export price of finished products is US$459 in 2014.
- Export rate for finished products is 92%; 51% for parts.

Industry cluster: Taichung + Changhua (77%)

Design
R&D
Manufacture

Retail Price: $459 x 2.5 = $1,147.5

Increased 2.5~3 times

Derivative service revenue estimated $950 x 2 = $1,900/unit

More than doubled

MIT: approximately 60% of the parts are made in Taiwan
Non-MIT: approximately 40% of the parts are made in Japan (transmission parts), China (by Taiwanese investors), EU or US (buffer/suspension products)
Strategy: targeting high-end market, export expansion, import substitution.

Design
R & D
Manufacture
Marketing
Service

Giant and Merida established the international brands and global marketing networks successfully.

Actively develop the services and export the successful experience overseas.

Ubike system export
The Eco-System of Cycling Industry

- **Modern Civilization Diseases**
  - green energy
  - environmental protection
  - health
  - economic mobilization

- **Energy Shortage**
  - zero pollution vehicle
  - creation of low carbon home green power
  - exercise & fitness
  - energy saving & carbon reduction

- **Air Pollution**

- **Traffic**

- **Life Pressure**

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**Society**
The Eco-System of Cycling Industry
—Daily life

Make 製造
Use 使用
Enjoy 玩樂

People's needs 民生需求

Food 食
Clothes 衣
Live 住
Transport 行
Education 育
Play 樂
Health 健
Fitness 美

Sales 整車銷售
Spare-parts 零件配件
Service 維修調試
Sightseeing 觀光旅遊
Sport 比賽競技
leasE-rental 租賃服務
exerciSe 運動休閒
health&fitneSs 身心健康
II. The Performance of Taiwan Cycling Industry
By the viewpoint of Eco-System

*Industry, Society and Daily Life*
The country of bicycle:
- Exported 10,240,000 bicycles in 1986 (world’s No. 1)

Industrial offshoring:
- Focused on the low-cost competition during 1986~2003

A-TEAM founded:
- focus on the current engineering sustainable development

Transferred to innovation industry:
- Creativity- increase the product value
- Quality- introduce the systematical quality control

Promote cycling culture:
- Promote the cycling tourism abroad: China, Netherlands and Japan
- Establish the innovation service system
- Cultivate the production base in Taiwan
Public Bike Sharing System—the symbolic of modern society

numbers you must know….

- 20,426 bikes in services
- 8 cities in operation
- 1 city and more coming soon
  (Hsinchu starts in April 2016)
- 823 stations
- 70 millions times usage/year

numbers you may not know….

<table>
<thead>
<tr>
<th>City</th>
<th>Turnover rate/day/bike</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taipei</td>
<td>10.34</td>
</tr>
<tr>
<td>New York</td>
<td>8.3</td>
</tr>
<tr>
<td>Paris</td>
<td>6.7</td>
</tr>
<tr>
<td>London</td>
<td>3.1</td>
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</tbody>
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Source: [www.itdp.org](http://www.itdp.org) in 2013
The Performance of Taiwan Cycling Industry
—Daily life

- Special activities
- Cycling Paradise
- Race
- Cycling around Taiwan
- Tourism & Commute

MOEA
III. The development strategy
The Combination of Government Policy and Industry Development

Pioneer Of New Life Style
Innovator of Soft Economy
Hub of International Network
Value Initiator and Champion

Making the manufacturing industry service-oriented
Making the services industry high-tech
Globalizing the services industry
Making traditional Taiwanese industries specialty-oriented

The Vision of Taiwan Industry

Development Strategy of Cycling Industry

Leader for Cycling Science
Champion in Competition Races
Trend & Stream Messagers

Sustainable Development

MOEA
**Integration of people, process and technology**

**Think Bicycle Think Taiwan**

**Cycling**
- from commuting to sport & leisure
  - cycling paradise
  - 5,312 KM bicycle path
  - 24/7 Ubike (public bike renting system)

**Product**

**V.O.C*  R&D**

**Manufacturing**

**Marketing**

**Service**

**Soft Economy & Life Style**

**Manufacturing**

**from goods to services exportation**
- exported 3,995,948 bikes in 2015
- look forward to provide Ubike system to overseas
- sharing experience, convenience and happiness

**from make to market & innovation**
- Taichung Bike Week *(make)*
- Branding Taiwan ˋ Taipei International Cycle Show *(marketing)*
- IBDC** *(innovation)*

**from make to market & innovation**

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* Voice of customer.
** International Bicycle design competition.
IV. PPP- Public-Private Partnership
Deputy Minister of Economy Cho met with the industrial representatives and discussed about the developing strategies.

President-Candidate Ma Campaign biking Tour de Taiwan.

Premier Chen visited A-Pro and had discussions with the industrial representatives.

Economy Minister Chang visited Giant and had discussions with the industrial representatives.

Vice Minister of Economy Shen met with the industrial representatives, and discussed about the developing strategies.

Premier Wu met with the representative of Taiwan Bicycle Association and took over the industrial white paper TBA submitted.

Economy Minister Shih visited Giant and A-Pro, and had discussions with the industrial representatives.

Premier Chiang visited Giant and had discussions with the industrial representatives.

Deputy Minister of Economy Cho met with the industrial representatives and discussed about the developing strategies.
Under the PPP, all the industries, public sectors and R&D institutes work together to create sustainable industry development, smart and clean city and cycling friendly environment in Taiwan.
V 、 Vision
Cycling as a hub of an Eco-System

The eco system of cycling and industry

Corporate Social Responsibility - Providing High quality products with Green technology

Green Transportation

Healthy & Happiness

Industry

Society

Daily Life
Think Bicycle
Think Taiwan

THANK YOU