

## U.S. Bicycle Imports Through May 2007 Year-to-Date

Commerce Numbers	China	Taiwan	Canada	Italy	Other	Total	Change	Percentage	Value C.I.F.	Unit Value
Kids, 2005	2,125,254	38,619	1	2	1,375	2,165,251	589,080	37%	53,553,788	24.73
2006	1,999,376	9,644	0	105	5,922	2,015,047	-150,204	-7%	48,195,389	23.92
2007	2,078,921	8,399	0	0	773	2,088,093	73,046	4%	53,720,783	25.73
20", 2005	2,121,945	113,544	0	0	161	2,235,650	570,169	34%	83,439,723	37.32
2006	1,805,242	55,537	0	0	9,183	1,869,962	-365,688	-16%	73,281,815	39.19
2007	2,057,747	24,884	0	1	444	2,083,076	213,114	11%	70,211,836	33.71
24", 2005	789,036	45,132	1,297	1	230	835,696	185,473	29%	41,413,181	49.56
2006	710,160	26,414	881	0	5,549	743,004	-92,692	-11%	41,114,645	55.34
2007	564,707	20,811	1,698	0	435	587,651	-155,353	-21%	36,265,085	61.71
26" Mtn, Comfort, '05	2,086,515	222,078	3,158	43	9,750	2,321,544	134,337	6%	203,659,939	87.73
2006	2,005,563	104,830	2,112	20	3,575	2,116,100	-205,444	-9%	177,696,086	83.97
2007	2,115,546	107,240	2,855	0	7,965	2,233,606	117,506	6%	194,316,291	87.00
27", 700C, 2005	143,847	117,048	1,175	1,382	1,126	264,578	136,061	106%	82,643,445	312.36
2006	181,674	108,677	1,194	651	2,265	294,461	29,883	11%	90,488,451	307.30
2007	316,865	108,265	448	2,059	4,318	431,955	137,494	47%	109,119,996	252.62
Other, 2005	165,256	7,119	21	305	1,900	174,601	83,203	91%	12,196,412	69.85
2006	11,679	8,264	5	484	5,510	25,942	-148,659	-85%	1,474,332	56.83
2007	38,386	5,626	43	541	2,158	46,754	20,812	80%	2,220,380	47.49
Totals '05	7,431,853	543,540	5,652	1,733	14,542	7,997,320	1,698,323	27%	476,906,488	59.63
Totals '06	6,713,694	313,366	4,192	1,260	32,004	7,064,516	-932,804	-12%	432,250,718	61.19
Totals '07	7,172,172	275,225	5,044	2,601	16,093	7,471,135	406,619	6%	465,854,371	62.35
Difference '06/'07	458,478	-38,141	852	1,341	-15,911	406,619			33,603,653	
Percentage Change, '06/'07	7%	-12%	20%	106%	-50%	6%			8%	

## Chinese Tax Change Ups Prices on Bicycles, Components

WASHINGTON, D.C.—What happens in Vegas may stay in Vegas, but what happens in China...not so much.

The Chinese government last month effectively doubled the value-added taxes (VAT) exporters pay on more than 2,800 classifications of exported goods.

VAT on bicycles and most bike-related parts went from 4 percent to 8 percent; from 5 to 8 percent for chains, aluminum tubing, tires and tubes. The

impact rattled the entire supply chain, not only U.S. importers but also Taiwanese, European and other bike and component makers that use Chinese parts.

The new pricing is layered on top of other increases. It will vary according to the percentage of Chinese parts used and agreements on who absorbs how much. The tax's effect multiplies as the product moves through the chain, and industry experts point out

that independent retailers who stick to their margins could increase revenue.

Chinese manufacturers supplied 95 percent of U.S. imports last year—17.2 million out of 18.1 million bicycles. Chinese imports' CIF value hit \$812 million, 77 percent of the \$1.06 billion U.S. total. The overall increase on U.S. bikes could tally an estimated 5 percent, or about \$50 million.

This also affects Taiwanese imports, particularly bikes priced at \$200 FOB

(about \$550-\$650 retail), that contain 50 percent or more Chinese parts.

China supplies Taiwan with a substantial amount of components and parts, notably 15.3 million kilograms of frames and forks valued last year at \$121 million—about 95 percent by volume and 80 percent by value of Taiwan's frame-fork imports.

The \$7.93 average per-kilo value indicates the bulk are for entry-level bikes. **BRAIN**