



# Taipei Cycle Show

Live Daily Coverage From  
Nangang Exhibition Hall

## Heard On The Floor

### Taxi Driver Says No Thanks.

The other day Heard reported on John Pagliaro, Fallbrook Technologies' marketing and brand development manager, losing his wallet. It seems he dropped it in the taxi that had brought him and other Fallbrook employees to the opening day of the Taipei Cycle Show. After some frantic calling about, the taxi driver found the wallet and left it at Pagliaro's hotel. That night, Pagliaro wrote a thank you note and had it translated into Chinese. He placed it and NT\$2,000 (\$62) in an envelope and had the hotel concierge contact the driver. When the driver arrived, the concierge gave him the note and the money. The driver politely declined. Now that's a class act.

### Beer, Ale and Cider Rule.

Trade show days are brutal whether the show is in Taipei, Eurobike or Interbike. So having a stash of spirits, to lift your spirits at day's end, helps make those long days manning a booth just a bit easier to swallow. But this is Taiwan and Taiwan beer is generally the de facto brew of choice. And it's a fine brew. But not at the Pro-Lite booth. Tucked in a corner of its meeting room is a fridge stuffed with such alcoholic treats as Bellhaven Fruit Beer, a product of Dunbar, Scotland. Scottish Stout, another Dunbar concoction, and other choice items like

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# Bicycle Retailer

Issue Four

AND INDUSTRY NEWS

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## Exhibitors Pleased with Turnout



Photo by Nicole Fornosa

**Fixie Trend Reaches Taipei.** A rider tests a track bike near the well-recognized symbol of the Nangang Exhibition Hall.

With three days down and one to go, exhibitors at Taipei Cycle said they're pleased with the business they've accomplished thus far at the annual trade show.

At just over a year old, new exhibitor Portland Design Works came to Taipei to seek out new international distributors for its aftermarket line of commuter accessories, said co-founder Erik Olson.

The company already has its U.S. distribution network in place and has picked up partners in Japan and Australia. Olson has his eye on the UK next.

"We've had good interest from all sorts of places," he said.

Despite his small, 10x10 booth space tucked in the far corner of the fourth floor hall, Olson said the show has been well worth the time and expense for him and his business partner to fly to Asia.

"Next year I think we'll up it to a 10x20 just because the prices are so reasonable," he said.

Since most of its business is on the aftermarket side, Japanese tire company Panaracer is using Taipei to gather feedback from customers on the direction of its 2011 line in advance of product introductions later

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## February Revenue Tumbles for Big Three

Sales revenue at Taiwan's big three bike manufacturers fell in the double digits last month despite optimism from the Taiwan Bicycle Exporters' Association at this week's Taipei Cycle about a rebound in 2010.

Giant, the island's No. 1 manufacturer, reported a 25.99

percent drop in revenue in

### Earnings Report

February—from NT\$1.6 billion (\$50.1 million) in 2009 to NT\$1.18 billion (\$37.08 mil-

lion) this year. Year-to-date, Giant's revenue is off 8.72 percent from 2009.

Merida, the second largest Taiwanese manufacturer, saw a similar decline. Its February sales slid 25.76 percent, dropping from NT\$1.2 billion (\$37.8 million) in 2009 to NT\$901 million (\$28.1 million) this year.

Merida's year-to-date revenue is 5.43 percent lower than it was in 2009.

Ideal took a bigger hit in February with sales for the month

coming in 42.59 percent below figures for the same month last year. Ideal's revenue tumbled from NT\$379 million (\$11.8 million) in February 2009 to NT\$218 million (\$6.8 million) this year.

So far this year, Ideal's revenue is off 23.85 percent from 2009.

February could just be an off month as all three manufacturers had a positive start to the year, with Giant and Merida both reporting double-digit sales gains in January.

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## EU to Revisit Penalties on China, Vietnam

# Taiwan Manufacturers Monitor Extension of Dumping Duties

Will the European Union Commission extend a 48.5 percent anti-dumping duty on Chinese-made bikes as well as a 34.5 percent penalty on bikes made in Vietnam? Taiwan manufacturers are as interested in that decision as their counterparts in China and Vietnam.

"We think about it a lot," said SRAM's Stan Day. "I don't know whether they (the EU) will continue the duties another five years, but there will be significant change no matter what," he said. China was first slapped with dumping duties in 1993 and they've been in place ever since. Vietnam was added some years later.

Once the EU Commission files a notice that the duties are about to expire, it's expected that the European Bicycle Manufacturers Association (EMBA) will file a notice seeking another five-year extension.

Day said there's an emerging consensus among industry executives that the EU will keep the duties in place, particularly as Europe recovers from the recession. European politicians fear labor's

wrath if workers in any industry are displaced by inexpensive imports from Asia.

Day pointed out that a bigger issue would be a decision by the Chinese government to revalue the yuan upwards, and it's unlikely China would issue much of a warning if it were to do so.

Still, Day said, the company's investment in Taiwan factories and its 1,200 employees means it can compete no matter what the EU decides. He pointed out that more than 50 companies in the Taichung area supply SRAM with materials it needs to build its diverse array of components. There is no other area in the world that can beat such an efficient supply chain, he said.

"What we found when we came to Taiwan was a culture with a great desire to manufacture technical products and a commitment to quality and reasonable costs," he said. "There's always interest in moving to low-cost areas for labor, but in my mind we should fight this and expand in Taiwan rather than move," Day said. "SRAM's focus will be to stay here," he added. —Marc Sani

# February Revenue Tumbles...

Continued from page 1

Ying-Ming Yang, chairman of the Taiwan Bicycle Exporters' Association and president of Kenda, said he expects a return to growth in 2010 after a difficult 2009 when export units fell 20 percent.

"All the manufacturers are very busy," Yang said.

Even with export volume down last year, the unit value of each bike rose, putting the total export value in 2009 less than 10 percent below 2008.

And 2008 exports were unusually high because of several factors including a parts shortage from Shimano that prompted brands to rush to put in orders, and a bicycle boom in Taiwan's domestic market.

—Nicole Formosa

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# Europe Is Bright Spot For Taiwan Industry

SRAM's Stan Day is thankful that the door has been slammed shut on 2009 and that a new season has begun.

"It felt like the floor was falling out from underneath us," said Day, as he recalled the tumultuous months following a near meltdown of the global financial industry.

But early signs this year appear to have put that falling floor back in place as consumer confidence slowly rebounds, said Day, addressing members of the A-Team.

Day joined with Specialized's Bob Margevicius to give the A-Team's 22 Taiwan members an update on trends in the European market.

Driving improvements in European sales are increased professionalism among the continent's diverse dealer base; dealers are more comfortable

selling higher cost and higher margin products; and dealers are expanding, he said.

Margevicius said Specialized does one-third of its business in Europe. "And we've seen a recovery ourselves," he said.

Margevicius cited a renewed interest in bicycle touring. Participation has doubled within a year, he said, and ties in with families wanting to stay closer to home during holidays and vacation.

Other factors are at work as well. Most European countries are investing heavily in bicycle infrastructure, while industry suppliers build bikes that meet Europe's more stringent CEN standards. That focus on continuous improvement in quality, efficiency and innovation is helping spur consumer demand for new products, he said. —Marc Sani

## Heard . . .

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Stanford Press, a cider, and the always hearty Abbot Ale. And for those who fear these fearsome choices, there's a few cans of bland beer courtesy of Heineken. Plus some red wine.

**BRAIN's Taipei Crew Calls It a Night.** We first produced newsletters like these at last year's Taichung Bike Week. We got so many compliments for the work done by Doug McClellan and others that we decided to cover the Taipei Cycle Show the same way. Putting out this round of four newsletters has been well worth it. BRAIN staff editor Nicole Formosa

has anchored the effort with great writing and superb photography. Doug McClellan, the magazine's international editor, helped Nicole and publisher Marc Sani get through the last day. Doug also spent most of the week working on the official Show Dailies. Thanks to all those who helped with information, quotes, gossip and beer. Cheers.

**Minor Correction.** Steve Cuomo, or Mr. PR, got his client, Dahon, some nice coverage in *Men's Journal*, not *Men's Health* as we reported on Thursday. Sorry, Steve.



## Exhibitors Pleased...

Continued from page 1

this year at Eurobike and Interbike, said Panaracer's Jeff Zell.

Zell said he saw far fewer North American product managers this year and more Europeans. That may have to do with the fact that most U.S. product managers already have spec wrapped up by the time Taipei Cycle arrives, combined with the fact that many companies have tightened their purse strings this year.

"With all the budgetary concerns, people are saying, 'I'm not going this year if I don't have to,' even if they might

have before just because they didn't want to miss anything," Zell said.

Andrea Wu, press coordinator for Taipei Cycle organizer TAITRA, said early numbers indicate the show has been well attended with a 9.3 percent increase in international visitors on the first day and a 7 percent increase on day two. The number of foreign journalists covering the show has increased as well, Wu said.

Taipei Cycle wraps up today, when it opens its doors to consumers. —Nicole Formosa



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**Bicycle Retailer**  
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# Taichung Bike Week Sprouting Multiple Dates

The industry may want to refer to it as Taichung Bike Week Plus or Taichung Bike Week Duo. Why?

SRAM plans to meet with product managers the first week of December and Ride On, a separate group of mostly European companies, also plans to stick to the first week of December.

In the meantime, organizers backing new Nov. 15 dates have no plans to change. Behind the scenes, various opinions over the dates could be a clash of cultures mixed with a dash of competition for exclusive face time with product managers.

Adding to the mix is the city of Taichung, which is backing the Nov. 15 dates. The city's charismatic mayor, Jason Hu, plans to

host a major industry party Nov. 16. Last year's party was a "must attend" event for the island nation's bicycle industry. The city is also organizing bike routes, transportation and other activities.

The result: Some product managers may find themselves flying to Taiwan twice in less than a month.

U.S. companies generally prefer the earlier dates—get business wrapped up before Thanksgiving and avoid a trip to Taiwan in December. European companies, on the other hand, prefer the later dates since they don't celebrate Thanksgiving—that gives them more time to plan for 2012.

Still, COLIPED, the European association for bicycle parts,

will attend Taichung Bike Week in November and has told organizers Steve Fenton and Katerina Rejchrtova that the association will bring 25 to 30 companies to Taichung. COLIPED has plans to take up a floor of booth space at The Splendor Hotel, one of the host sites.

So far, all the parties involved are sticking with their plans. Hank Kao, SRAM's general manager in Taiwan, said the company has always held its product manager meetings the first week in December and has no plans to change.

Ride On, comprised of FSA, Hayes Bicycle Group and its associated brands, Mavic, Vittoria, Crankbrothers, Hutchinson, Fox and Fizik, will continue to wel-

come product managers to the Freshfield Resort in the hills outside of Taichung in December, said FSA's Claudio Marra.

The November dates are more than two weeks earlier than last year's event. And U.S. companies like that. "Those dates will be much more useful to us this year," said Chris Speyer, a vice president at Raleigh USA.

Fenton, owner of Pro-Lite, and Rejchrtova, chief executive officer for WTB Europe, said the dates were set after discussions with dozens of product managers and after several informal polls done by *Bicycle Retailer & Industry News*, *Bike Europe* and several email surveys sent to more than 1,500 people.

—Marc Sani

## Unicyclistas Boast Growth in Single-Wheel Market

If there can be said to be a cartel of the world's leading unicycle manufacturers—an OPEC of one-wheelers—then it was out in force at Taipei Cycle.

Kris Holm, creator of the high-end, eponymous unicycle brand, was explaining the intricacies of his business when three top officials of Unicycle.com happened by.

Business is growing, they said, although it's not the kind of crazy growth that marks an unsustainable fad but slower growth that they say has legs.

"You know where mountain bikes were in the '70s? That's where the unicycle is," said Amy Drummond, a partner in Unicycle.com.

Holm demurred. "I would say we're up to at least the late '90s," he said.

Unicycle.com has become a leading sales

channel for unicycles—carrying their own house brands as well as independents like

Kris Holm—because not many people can shop for a unicycle at their local bike shop.

The mainstream industry is slowly becoming more aware, however. QBP now distributes Unicycle.com products.

Specialty unicycle sales are probably at least 20,000 units a year, they estimated, not counting the much higher numbers of cheap models that are bought for kids.

The unicycle makers all source from companies that make traditional bicycles, but most components have to be specially adapted. Many brands work with Amy Chu, whose Taichung, Taiwan-based Magic Winner Company serves as their trading company.

Holm, for example, last year worked with Velo, the huge Taiwan saddlemaker, to design a new unicycle saddle from scratch. More

recently, he's been working with a supplier on a 3-D forged seatpost.

Joshua Torrana, general manager of Unicycle.com, was excited to learn in Taipei that the initial batch of the industry's first disc brake for 36-inch unicycles was about to ship. They're made by Taiwan contract manufacturer Bengal. "It's a big deal and a big step for unicycles," he said. He noted that 36-inch models are increasingly popular for off-road riding and touring.

Torrana said it would help reduce incidents of the dreaded "UPD," or "unplanned dismount," which are a problem with the big-wheeled models.

The unicyclistas said unicycle sales should continue to grow because the sport has an undeniable appeal, yet its steep learning curve keeps it from turning into a fad.

And there are things you can do on one wheel that you just can't do on two.

Roger Davies, who owns Unicycle.com's sister company in the United Kingdom, has a steel pin in his hand from a fall he took while riding. He hadn't been paying attention to the road because he was engrossed in another activity. "It was a really good book," he said.

On the plus side, Torrana said, "You can't eat a bowl of cereal while you're commuting on a bicycle. You can on a unicycle."

—Doug McClellan



Surrounding Kris Holm (center), founder of Kris Holm unicycle brand, are (l to r) Joshua Torrana of Unicycles.com; Amy Chu of the Taiwan trading company Magic Winner; and Amy Drummond and Roger Davies of Unicycle.com.

Photo by Doug McClellan





# Shots From the Third Day



**Cheers:** 4 p.m. is beer o'clock at the Pro-Lite booth, when owner Steve Fenton (left) pulled out some unusual imports not typically found in Taipei. Joining him are Chris Wreghitt (center) and Keiran Earl.



**Making a Splash:** Echowell wins the creativity award for the use of a fish tank to demonstrate the waterproof properties of its cycling computer.



**Tricksters Time Out:** A couple of BMX riders take a break from doing tricks and stunts outside the convention center.



**Showstoppers:** Two Fuji showgirls show off the new made-in-Japan line.

**Soothing Strings:** Kind Shock hired a local musician to play the Taiwanese violin in its booth. General manager Martin Tsu emphasizes serenity amid the hustle and bustle of the show with water features and plants.



Photo by Doug McClellan

Center and bottom left photos by TAITRA

Bottom and top photos by Nicole Formosa

**Taipei Cycle Show**  
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