

Bicycle Retailer

Published by the NBDA AND INDUSTRY NEWS

Herd on the Street



Lost in translation: If there is one thing you can count on when at a press conference or presentation at the Taipei Cycle Show it's a translator—a faceless voice that turns Chinese into English.

Some are better than others. So when Tony Lo, chairman of the Taiwan Bicycle Exporters Association, made a final comment in Chinese at a TAITRA press conference, Raymond Lu, the translator, offered his own interpretation of what Lo said. But Lo quickly told Lu to repeat what he said, correctly this time. A blushing Lu then had to heap praise upon himself for a job well done translating Lo's remarks.



Race Face turns up empty: The sudden demise of Race Face happened so quickly that exhibition staff at the Taipei Cycle Show set up the company's

booth anyway. It was tucked away among a number of smaller booths on the Nangang Convention Center's fourth floor. But show goers took quick advantage of the booth using it as a makeshift office and a place to sit down and gab.

Reservation shuffle takes hustle: As this is being written, fear of potential radiation exposure has sparked a major reshuffling of airline reservations out of Taiwan when the Taipei Cycle Show ends Saturday. Apparently there isn't an empty seat on any airliner that won't be stopping at Japan's Narita International Airport. So many flyers are doing whatever it takes to avoid Narita that United has shut down its Red Carpet Club.

Quake shakes up Gore: Gore's Lois Mabon said 10 of her colleagues, in Japan for meetings, were caught up in the devastating earthquake while at Narita. With all flights canceled they were handed sleeping bags, some water, and few snacks and told to settle in for the night. All of them later made it home. But Mabon, who lives on the East Coast, is taking no chances. She's flying back via Europe. "It took me almost 30 hours to fly here through San Francisco. It's about the same if I go through Europe," she said.

Taiwan industry recovers from global recession

What should have been a moment of celebration for Taiwanese suppliers was tempered by unfolding events in Japan as Tony Lo, chairman of the Taiwan Bicycle Exporters Association, announced record growth for the island nation's industry.

Lo called last year's performance "stunning" as the industry recovered from the financial meltdown that plagued global markets from December 2008 through 2009. In a nutshell, exports of complete bikes rose 17.9 percent to 5.1 million units with revenues topping \$1.5 billion—20.3 percent higher than 2009.

While overall growth set new records, the average wholesale price on complete bicycles increased a more modest 2 percent from \$291 per bike to \$296. Still, as Lo pointed out, the decision by Taiwan suppliers almost a decade ago to pursue the world's high-end market has paid off.

"Though more and more



Taipei Cycle's opening festivities included a hula hoops show.

consumers are opting for reasonably-priced products, Taiwanese bike companies are coming out ahead by targeting specialized markets that appeal

to individual tastes," said Lo, who is also Giant's CEO.

Also driving Taiwan's industry were record revenues for bi-

Continues on page 3

Japan devastation casts shadow on show

The Taipei Cycle show opened Tuesday morning at the Nangang Exhibition Hall with bursts of faux fog and confetti during the standing room only opening ceremony.

The show, now in its 24th year, is expected to attract its largest crowd ever with 5,300 overseas buyers from 36 countries and 30,000 domestic buyers. Still, press coordinator Andrea Wu said a small number of visitors cancelled their trips at the last minute over concerns about traveling to Asia in the aftermath of last week's earthquake and tsunami in Japan.

Indeed the disaster in Japan came up often on the show floor as industry folks spoke of re-routing flights around the devastated country to get into Taiwan, or trepidation about connecting through Narita International Airport in Tokyo.

Taiwan is about 1,300 miles off the coast of Japan, but uncertainty over rising radiation levels and the threat of a nuclear crisis, prompted some to stay home.

Six SRAM employees from the company's offices in Germany cancelled plans to come to Taipei after learning that key customers wouldn't

Continues on page 3



ERGON
BIKE ERGONOMICS



German Innovation

PC2. The Pedal. Reinvented.

Superlight pedal body made from high performance GFK Composite.
Development Partner: Magura, Germany.

Inner-stop for intuitively correct foot positioning on the pedal.

Ultra-narrow axle construction reduces Q-factor, improves biomechanics and increases efficiency.

Oversized integrated reflectors.
Development partner: Busch & Müller, Germany



Anatomically contoured platform, 6° angle for better joint alignment, varus (knee) angle correction. Optimizes the biomechanics of the leg (hip-knee-foot). Increases efficiency, minimizes knee complaints and hot spots / numbness in the feet.

Maintenance free polymer bearings with radial seals.
Development partner: Igus®, Germany.

3M-SafetyWalk™ creates a slip free platform and increases power transfer.

PC2. Contour Pedal.

Ergon introduces the first Contour Pedal to provide an ergonomic and positive connection between bike and user. The first pedal designed with biomechanics and correct foot position in mind. Advantages are increased power transfer, more control and fewer hot spots and knee complaints. The Ergon PC2 is the first non SPD-type pedal constructed with the ergonomic biomechanical demands of the user as a priority. **Eurobike Award Winner 2010.**

German Development partners:



Taipei Cycle
Booth L0523

To distribute Ergon please visit us at Taipei Cycle 2011 - Booth L0523 or Mail distribution@ergon-bike.com

www.ergon-bike.com

Taiwan industry recovers

cycle parts, which grew at an “amazing” rate of 28.8 percent to \$660 million over 2009, Lo said. The combined value of bicycle and parts exports hit \$2.2 billion, up 22.7 percent over the prior year.

While the U.S. economy struggled through 2010, it still ranked as Taiwan’s single most important country for exports with U.S. retailers selling 21.2 percent of Taiwan’s production. Canada also made the top 10 ranking, selling 2.5 percent of Taiwan’s exports. However, the European Union and other nations in Europe remain Taiwan’s biggest overall market.

“Even in a time when the global economy is still on a rough path, Taiwan can claim to be on the winning road to success,” Lo said. —*Marc Sani*

TOP 10 Nations for Taiwan Exports

1. United States
2. The Netherlands
3. United Kingdom
4. Germany
5. Japan
6. Australia
7. Belgium
8. Canada
9. Denmark
10. Sweden

Taiwan Aims to Become Cycling Island

As Taiwan’s bicycle executives focus on bicycle innovation, they’re aiming to create a cycling culture on the island that will ensure feedback on products for future product design and development.

“Companies are leaders in bicycle technologies. What’s lacking is perhaps a cycling culture in Taiwan and also how to meet the needs of their demanding consumers in a fast-changing marketplace,” said King Liu, founder of Giant Bicycle and chairman of the Cycling Life-Style Foundation.

Liu founded the Cycling Life-Style Foundation to emphasize cycling culture and build Taiwan as a cycling island. Liu said less than 15 percent of Taiwan’s population rides bicycles. His organization’s goal is to get the other 85 percent on bikes.

He said it’s a very important task to get those people on bikes and create a group of consumers that is passionate about riding bicycles. Creating a demanding and discerning customer base on the island will allow Taiwan bicycle suppliers to remain competitive for global exports.

“Since Taiwan supplies bicycles to markets around the world, if we do not have demanding or discerning consumers, we wouldn’t be able to remain competitive. They must have very high standards so we keep improving. We will also treat this as an important preparation ground,” said Liu.



Giant Bicycle founder King Liu

Liu has been a missionary for cycling culture in Taiwan and China. Beginning with the Tour of Taiwan—a ride he organized around the island in 2007—followed by a 1,668-kilometer ride from Beijing to Shanghai in 2009, he has helped spread the message of bicycles as part of a healthy lifestyle.

“The results of this activity is it created a new record for me personally, and also we spread bicycling culture to China,” said Liu, who at age 77 still rides 40 kilometers each day.

Tony Lo, chairman of the Taiwan Bicycle Exporters Association, said cultivating a cycling market in Taiwan and developing a foothold in China are goals, along with promoting cycling globally.

“We’re looking at leaving roots in Taiwan, not only in manufacturing, but also to further the Taiwan cycling market,” said Lo. “We want to make Taiwan into a beautiful cycling island.” —*Megan Tompkins*

Japan devastation

attend, and two people from Fuji’s European team didn’t make the trip. Others who reportedly cancelled their trips to Taipei included buyers from Germany’s ZEG retail group, journalists from Germany’s SAZ trade magazine and a team from Felt who were in Taiwan visiting factories before the show, but were called back to California after the tsunami hit.

Franc Arnold, owner of Ergon, said he knew of at least 10 Europeans who didn’t make the trip, including his largest customer, due to the risk and uncertainty surrounding the situation in Japan. Even though he felt traffic at the show was a bit slow at the end of the first day, he wasn’t worried and felt optimistic about business.

“I come here to talk to these people, but there’s not a big impact. I will meet with them in Europe,” he said.

Companies headquartered in Japan downplayed the impact on business from the rolling blackouts and threat of radiation. Thomas Prehn of the Osaka-based Cateye, said the company’s Japanese factories were unaffected, although a subcontractor that manufactures chips for its bike computers was destroyed. That shouldn’t impact production, however, since Cateye has a six-month supply of chips on hand, he said.

Shimano, also based in Osaka, issued a statement earlier this week saying production and delivery of components remained on track.

“The city of Sendai that was damaged severely is located almost 600 kilometers from Sakai, Osaka, where Shimano Inc. has its headquarters,” the statement said. “Also the Shimonoseki factory in Japan does not face any damages. The impact of the problems at the nuclear power plants remains an uncertain factor at this moment. We will keep our customers informed about the situation.”

Taipei Cycle runs through Saturday. —*Nicole Formosa*

Bicycle Retailer

Published by the BICYCLE AND INDUSTRY NEWS

Got News? Reach us at:

PUBLISHER **Marc Sani**
msani@bicycleretailer.com

EDITOR **Megan Tompkins**
mtompkins@bicycleretailer.com

INTERNATIONAL EDITOR **Nicole Formosa**
nformosa@bicycleretailer.com

RALEIGH

RALEIGH AMERICA MODEL YEAR 2011 : STEEL ROAD



HERITAGE: OUR PAST.
OUR PRESENT. OUR FUTURE.



raleighusa.com

Saint-Gobain doesn't beat around the bushings

It's a company that few U.S. retailers and even fewer consumers have ever heard of but manufacturers like Fox, SRAM, Shimano, Cane Creek, FSA and others spec it on a wide range of parts.

Saint-Gobain—a French company that posted revenues of more than 48 billion euros last year and has 191,000 employees worldwide—has staked out a claim in the bicycle industry that amounts to little more than a rounding error on its balance sheet.

Still, if you're a product manager who considers friction more evil than Satan, then it's likely you've done business with Saint-Gobain, said Ed Rumble, global product and market manager for its Performance Plastic division.

What Saint-Gobain makes is a variety of bushings called Norglide. Rumble refers to them as composite bearings but think of an aluminum tube laminated on the inside with a layer of PTFE. It's a compound most of us know as Teflon—the non-sticking

wonder developed years ago by DuPont.

It's those bushings that are found in most high-end forks and on a growing array of components. Shimano specs them on pedals, and if you look closely at a SRAM Red derailleur or a Cane Creek headset or shock, Norglide bushings are standard equipment.

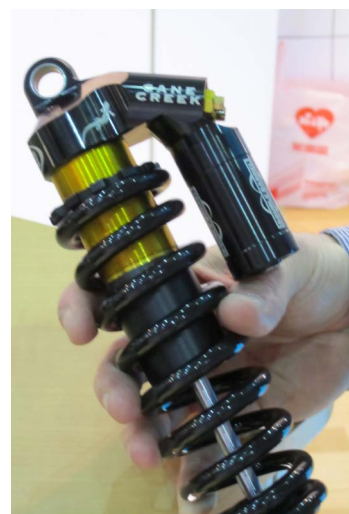
What the company specializes in is laminating the slippery PTFE to metal—a process that requires high heat and high pressure, Rumble said. "It's a product that no one sees but everyone can feel," he explained.

The company, however, is under pressure from product managers seeking to trim every penny they can off the price of parts. "They always want it cheaper," Rumble quipped. So this year the company is at the Taipei Cycle Show pushing a less expensive version called Eko Plus.

"Cyclists have many requirements to ensure the optimum riding experience. Eko Plus is just one way to demonstrate our



Ed Rumble, global product and market manager for Saint-Gobain's Performance Plastic division



Cane Creek shock that uses its bushings.

commitment to bringing unique and affordable innovations to manufacturers," Rumble said.

And as its prices come down it could in some cases replace less expensive plastic bushings. A key advantage PTFE-laminated products have over plastic is that it repels water and decreases wear and tear. Over time plastic absorbs moisture that degrades

performance.

The new product offers Saint-Gobain an opportunity to move into lower price points and increase sales volume—a job that falls to Peter Hu, the company's sales and marketing manager in Taiwan. And he's ready to talk. Drop by and visit him at **booth L1218**. —Marc Sani

Gates, Nuvinci and Bosch team up for e-bike concept

Gates Carbon Belt Drive paired up with Nuvinci and Bosch to create a concept electric bike that representatives from all three companies revealed Tuesday at Taipei Cycle.

The bike, designed by Karl Heinz Nicolai, president of Nicolai and general manager of Gates Europe, integrates Gates' Centertrack belt drive, Fallbrook's Nuvinci 360 drivetrain and Bosch's e-bike system. The battery is mounted on the frame's downtube allowing designers more flexibility to build a bike with women's-specific geometry or a shorter rear triangle for a sportier look. Cables and wiring are fully integrated into the frame for a cleaner look.

For all weather and everyday commuting the e-bike can be equipped with accessories

like fenders, rack and lighting. A mountain bike application requires additional dirt and debris protection covers for the battery, but the compact chainstay is designed to offer sufficient ground clearance.

The bike is not intended for production, but instead to present OEMs with an idea of a different approach to e-bikes for the future, Nicolai said. A similar bike would likely cost €2,600 to €3,200 at retail, he added.

The three technologies will not be sold as one system, and Gates is taking the lead on the project with the idea to deliver more technology and knowledge to its customers by bringing them better products, Nicolai said.



There are a couple small OEMs planning to spec a similar setup in 2012, although Nicolai would not specify the companies.

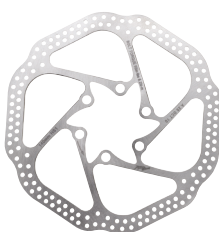
"It's a system approach," said Nuvinci's Al Nordin. "A bike manufacturer can open up a larger consumer market for their bike."

Check out the bike at **booth N1123** on the fourth floor of the exhibition hall. —Nicole Formosa



Brakes that help you fly!

Welcome to the growing family.



www.avidbike.com

Introducing the brand new Elixir 9 and Elixir 7.

These new additions both feature the race-proven precision and control of the Elixir line, with our better-than-ever, next generation TaperBore™ technology. It'll be love at first squeeze. Adopt a pair today!

Snapshots from the Velo Party



A local belly dance troupe provided the evening's pre-dinner entertainment.



Velo president Stella Yu leads a toast.



Local singers covered popular Top 40 songs from artists like Britney Spears.



Yu chats up BRAIN publisher Marc Sani and Eurobike's Erich Reiss.



Wellgo's John and Shirley Chen.



BRAIN editor Megan Tompkins and Electra's Mark Pippen.



BRAIN international editor Nicole Formosa and Eurobike's Reiss.