

Global production of bicycles fell by some 7 percent in 2001, to 97 million units, as the production oscillations of the 1990s continued into the new century.<sup>1</sup> (See Figure 1.) And although production data are not yet available for 2002, preliminary indications suggest that the industry's sluggish performance continued.<sup>2</sup>

The fluctuating market is more a reflection of difficulties in inventory management due to globalization of the bicycle industry than it is of changes in demand. As production concentrates in Asia, sellers in distant markets, especially in Europe and the United States, must order stock based on estimates of the strength of their own markets six months or more in advance.<sup>3</sup> Retailers often miscalculate, leaving themselves with burgeoning inventories that are later unloaded, depressing new orders.<sup>4</sup> The result is a seesaw global production cycle in the face of flat global demand.

In the United States, for example, domestic production in 2001 continued its decade-long decline, and imports fell by 19 percent over 2000, yet robust sales were supported by drawing down the millions of bicycles in stock around the country.<sup>5</sup>

The decade-long trend in concentration of production is evident in several ways. Bicycle factories are increasingly rare in the United States, Mexico, and the European Union, as manufacturers move to countries with lower production costs, including Viet Nam and several in Eastern Europe.<sup>6</sup>

China is another major site for new bicycle factories, which has helped consolidate that country's grip on global production. In 2001, China produced 53 percent of the world's bicycles, perhaps the first time ever that one nation has supplied more than half of global output.<sup>7</sup> (See Figure 2.) Increasingly, these bikes are headed overseas: Chinese exports more than doubled between 1997 and 2001, from 14 million units to nearly 35 million.<sup>8</sup> But China also remains the world's leading user of bicycles, despite a steady decline in bicycle use over the past decade.<sup>9</sup>

Chinese inroads into the global market are especially impressive given the barriers to their

bicycles that exist in many countries. The European Union and Canada both have stiff import duties on Chinese bikes.<sup>10</sup> The United States, in contrast, does not levy such "dumping" duties.<sup>11</sup> So some 40 percent of Chinese bike exports were shipped to the United States in 2001, accounting for 87 percent of bicycles brought into the country.<sup>12</sup>

The sluggish bicycle market stands in contrast to scattered local interest in promoting more diverse urban transportation systems, including an expanded role for bicycles. The disadvantages of car-centered transportation, including air pollution, sprawl, and congestion, have prompted many cities to rethink their transportation priorities. Programs that restrict the use of private cars for a day are on the rise; some 2,000–3,000 "car-free days" of varying levels of comprehensiveness have been held in the past 10 years.<sup>13</sup> The residents of Bogotá, Colombia, voted overwhelmingly to make that city's February 2000 car-free-day experiment an annual event, and in 2002 eight other Colombian cities restricted car use for a day.<sup>14</sup>

Such initiatives help citizens imagine a transportation system with options other than cars. Many cities build on this conceptual shift by providing bikeways, the physical space needed to make cycling safe and enjoyable. Bogotá has a network of hundreds of kilometers of bikeways under construction, and Santiago's Urban Transport Plan calls for building some 1,000 kilometers of bikeways.<sup>15</sup>

Done well, the bikeway strategy can be extremely successful, as experience in Europe demonstrates. The Netherlands has doubled the length of its network of bikeways in the past 20 years, and Germany has tripled its network.<sup>16</sup> Cycling accounts for some 12 percent of all trips in Germany, and for some 27 percent in the Netherlands, compared with less than 1 percent in the United States, where bicycle infrastructure is much less extensive and less sophisticated.<sup>17</sup> In addition, there are about four times as many cycling fatalities per kilometer traveled in the United States as in Germany or the Netherlands.<sup>18</sup>

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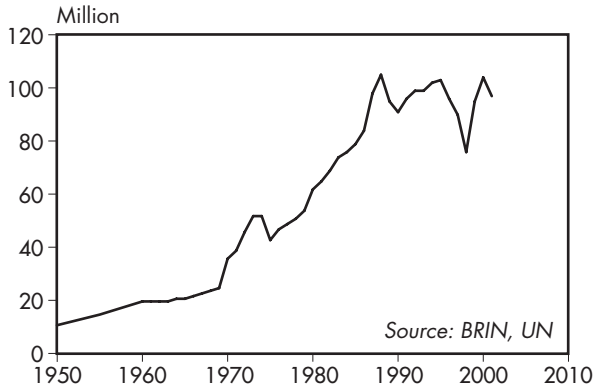


Figure 1: World Bicycle Production, 1950–2001

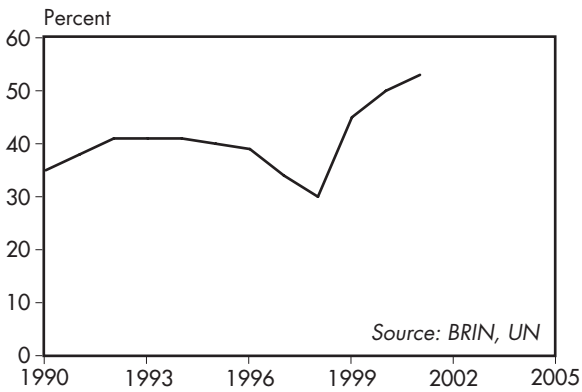


Figure 2: Chinese Bicycle Production as a Share of World Production, 1990–2001

World Bicycle Production, 1950–2001

Year	Production (million)
1950	11
1955	15
1960	20
1965	21
1970	36
1971	39
1972	46
1973	52
1974	52
1975	43
1976	47
1977	49
1978	51
1979	54
1980	62
1981	65
1982	69
1983	74
1984	76
1985	79
1986	84
1987	98
1988	105
1989	95
1990	91
1991	96
1992	99
1993	99
1994	102
1995	103
1996	96
1997	90
1998	76
1999	95
2000	104
2001	97

Source: *Bicycle Retailer and Industry News* and United Nations.

### BICYCLE PRODUCTION SEESAWS (pages 58–59)

1. Global production from “World Market,” in *Bicycle Retailer and Industry News*, 1 January 2003, p. 23, and from United Nations, *Industrial Commodity Statistics Yearbook 2000* (New York: 2000).
2. John Crenshaw, “Shift to China Makes Waves in Global Market,” *Bicycle Retailer and Industry News*, 1 January 2003, p. 22.
3. Megan Hjermstad, “After a Decade of Change, Suppliers Still Restless,” *Bicycle Retailer and Industry News*, 1 January 2003, p. 18.
4. Ibid.
5. “Bike Suppliers Work Off Industry Glut,” *Bicycle Retailer and Industry News*, 15 March 2002.
6. Crenshaw, op. cit. note 2, p. 22.
7. Based on data in “World Market,” op. cit. note 1, and on United Nations, op. cit. note 1.
8. Crenshaw, op. cit. note 2.
9. Use calculated from data in “World Market,” op. cit. note 1.
10. Crenshaw, op. cit. note 2.
11. Hjermstad, op. cit. note 3.
12. Ibid.
13. Ghazal Badiozamani, Project Coordinator, UN Car-Free Days, U.N. Department of Economic and Social Affairs, discussion with author, 25 February 2003. Car-free days range from the closing of a few streets on Sundays to the closing of major arteries on weekdays or the more comprehensive banning of private automobiles throughout most of the city, as practiced in Bogotá.
14. See <[www.un.org/News/Press/docs/2002/envdev618.doc.htm](http://www.un.org/News/Press/docs/2002/envdev618.doc.htm)>.
15. “Bicycle Use,” in *Sustainable Transport e-Update*, at <[www.itdp.org/STe/STe2/index.html](http://www.itdp.org/STe/STe2/index.html)>, viewed 22 January 2003.
16. John Pucher and Lewis Dijkstra, “Making Walking and Cycling Safer: Lessons from Europe,” *Transportation Quarterly*, summer 2000, pp. 25–50.
17. Ibid.
18. Ibid.