

## **PRESS RELEASE**

### **EICMA 2023, TOP EXECUTIVES OF THE TWO-WHEELER INDUSTRY DISCUSS NEW MANUFACTURING CHALLENGES**

*The first day of the International Two-Wheeler Exhibition hosts a conference on the industry's present and future manufacturing challenges, opening with a keynote speech by Gianluca Di Loreto of Bain & Company Italia*

MILAN, NOV. 8 - Supply chains, logistics, geopolitical instability, cost of raw materials, demographic and economic dynamics, the growing prominence of the Far East.

The global two-wheeler industry is meeting at EICMA, the International Exhibition of Two Wheelers, which celebrates in the halls of Fiera Milano in Rho its 80th Edition until Sunday, Nov. 12, and is debating how to face and interpret these new scenarios.

"Globalization and new production paradigms: how the two-wheeler industry interprets the complexity of the current challenges" is in fact the title of the conference promoted by EICMA and Confindustria ANCMA thanks to the contribution of ICE (Italian Trade Agency), which was held at the end of the first day of the exhibition event.

"A very important appointment that," stressed ANCMA president Paolo Magri at the opening, "once again emphasizes the institutional value of EICMA, not only to develop advocacy and public affair activities in favor of the sector, but also to offer opportunities for training, in-depth analysis and comparison for our industry.

In fact, the conference brought together in the audience many entrepreneurs and operators of the sector and opened with the Keynote speech by Gianluca Di Loreto, partner of the strategic consulting firm Bain & Company Italia. And it was from the elements and data that emerged from Di Loreto's in-depth speech that the panel discussion developed with some of the leading managers and figures in the mobility industry, including William Armuzzi of Honda Motor Europe LTD, Ezio De Carlo of Decathlon Produzione Italia S.p.A., Mariano Roman of Fantic Motor S.p.A., Eric De Seynes of Yamaha Motor Europe N.V. and Roberto Vavassori, Brembo S.p.A. and ANFIA.

The introductory report by Bain & Company did, in fact, offer numerous insights such as, for example, Asia's projected population growth (seven times that of Europe by 2040) and the consequences on economic and financial balances, China's primacy in the production of raw materials such as steel and aluminum, and the dominance in the semiconductor market of Asia, which controls half of the production as well as two-thirds of the final assembly. Also coming from Di Loreto's talk was confirmation of the extent to which a rebalancing of the price of raw materials, in this case steel, rubber, plastics and natural gas, whose values had skyrocketed during the pandemic period, is also taking place in two-wheeler production. This has led, for example, European bicycle manufacturers to partially revise their supply chains by shifting the center of gravity of production to the Old Continent. On the other hand, as far as the transition to e-mobility is concerned, it is shown to be happening faster in Asia, while, in Europe, there is an increase in the use of e-bikes.

Europe is therefore trying to defend its market niches based on quality production, but Asian competition is increasingly aggressive and qualified. How to respond? According to Di Loreto within this context it is necessary to identify a series of drivers that could guide the strategic choices and increase the competitiveness of European companies: investing in research and development, not only on the product, but on its entire life cycle, in order to innovate faster and reduce the time-to-market; focusing on dimensional growth, investing in sustainability, which is increasingly becoming a discriminating factor in investors' choices and, above all, can become a strong element of attraction for talents.

In the panel discussion, led by journalist Filomena Greco, managers from the two-wheeler industry stressed the importance of returning to investing in research and development to protect the value of European creativity and production. It is also crucial to bring back the technological primacy in Europe, focusing on innovation to regain a strong competitiveness to counter the growing advance of Asian companies.

Also focus of the debate was the issue of sustainability, a factor that can offer numerous competitive advantages, not least that of being able to attract young talent. Finally, top industry leaders are moving at a brisk pace toward the idea of considering the Asian advance as something not to be countered with protectionism and taxes, but focusing on the need to create a competitive environment with equal rules for all.