



NATIONAL MOTORCYCLE DEALERS ASSOCIATION NEWSLETTER APRIL 2020

## A Message from Philip Youles, NMDA Chairman

*Dear NMDA member,*

COVID-19 is undoubtedly going to wreak havoc with the 2020 season. It could not have come at a worse moment, just as we were about to reap the harvest and put some fat on for the winter we are facing - now the prospect of three winters on the bounce. Only a few weeks ago, the trade had a real positive feeling about the season ahead, all to be dashed by a tiny virus that apparently started or came from China. But wherever it came from is irrelevant, the damage to the world's economy will be mind-blowing once the full cost is counted.

As I said in my last article, use the time wisely - look at every part of your business and try to work a way through the mess. The strong will survive and as motorcycle dealers are still predominantly an owner-operator industry, the dealer of maturity will find a way to duck and dive their way through the apocalypse. When the tide does go out again in the aftermath, you will see who has lost their speedos, and there will be casualties. The ones still standing ought to have a bigger slice of the cake but unfortunately, it doesn't always seem to work that way, as we are a niche industry and there are so many niches within the niche.

An off-road dealer might not survive but that doesn't mean the off-road customer is suddenly going to buy a Vespa. Over the years I've experienced many competitors falling by the wayside, but our business hasn't been able or capable of mopping up all that extra trade. When the market has been buoyant the scene has expanded, and everyone seems to have benefitted. So, to that end, I take no comfort out of any business failing to survive this latest disaster. A strong dealer network all promoting the advantages of two-wheeled travel is the best way forward for all of us.

The manufacturers seem to have stepped up to the plate in the main and offered support with stocking, terms on invoices and other schemes to help their dealers. It is something to take comfort from that, in terms of new bike sales, the dealership as we know them today will continue for some time to be the preferred route to market.

Speaking to friends and colleagues, the purchase route of new vehicles still seems to rely on the dealerships, even if that has been contactless and the sale has been orchestrated to avoid a key worker using public transport. The unique bike at a unique price will still find a home via online media and be shipped to the far corners of the land, but that was happening anyway.

The manufacturers will have to take more care of their networks. For me, working for a 10% margin is just a joke, coupled with the world's most complicated ordering system and being forced to take a load of dead stock so you can have another 8% on the units that you can sell is manipulation at its worst. This will expose those franchises as the worthless brands that they are. Dealers that survive

need to ensure they feedback to manufacturers through the correct channels and in a structured way - ideally through a well-functioning dealer council, and one that operates for the benefit of all. They should want to see the dealer make money so that when this happens again, the dealer might just stand more chance of being there to represent them after the event.

Assuming the lockdown ends in May or early June and we come out the other side, we have an opportunity of a lift in July and August as people didn't go on holiday this year. This could put a little fat on our backs, then the winter wouldn't be quite as bad as it could be envisaged.

Then what is the plan? Because we need one. Surely riding a motorcycle or scooter is now going to look extremely safe - let's be honest, now you can die just going to the supermarket.

There must be an opportunity in the big conurbations. I personally wouldn't have gone on the tube every day before this and I certainly wouldn't want to now. The commuter side of our industry would benefit from bus lanes being open to all. I don't know how to do this but you all can write letters to your local councils and MP's asking for this, as they will always respond to local businesses that employ the electorate in their areas. Every business is popping home delivery on their list of things they do, not to mention the established players like Deliveroo, so I think this will only increase.

Then we complain about the age demographic. I think this is a tough one to fight. The local Rotary club, golf club, cricket club etc. all have the same issue. Maybe we need to tackle this from a different angle, and the motorcycle should become the obvious mid-life crisis choice. The customer that's approaching fifty has probably paid a chunk of the mortgage off, the kids have or are about to leave home. Let's harness and embrace this and sell the motorcycle as being the cool thing to do in mid-life - certainly a lot cheaper than a divorce and safer than a trip to Tesco.

Motorcycle news runs the five-thousand-mile club which is brilliant at getting people on their bikes. What about a campaign at dealership grass-roots level to introduce someone to two wheels? Maybe take them on a distinguished gentleman's ride, or just out for a ride on a sunny day.

These are just a few ideas I have running around in my crazy head in these crazy times. Above all, keep positive - there is still a demand for our products, and we must not lose sight of that.

***Philip Youles, NMDA Chair***

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*March registrations see the effects of coronavirus on dealers and buyers*

### **MOTORBIKE REGISTRATIONS IN MARCH SHOW THE BEGINNING OF COVID-19 IMPACT ON THE MARKET**

Motorcycle registrations for the plate-change month of March were -21.6% in decline against the previous March of 2019, with 13,075 new motorcycles were registered in March, down from 16,682 in March 2019. In the year-to-date, the market has shrunk by -12.2%, from 10,449 in 2019 to 10,753 in 2020 so far. Falls in registrations were seen in almost every engine band, with the sharpest coming from over 1000cc bikes at -26.4%. Only the 0-50cc band saw a small rise, from 579 in March 2019 to 584 in March 2020.

### **BE AWARE! MOTORCYCLES WITH MOT DUE BEFORE 30 MARCH WERE NOT GRANTED ANY EXEMPTION AND MAY NOW BE UNROADWORTHY**

Following the Government announcement that motorcycle and car MOT will receive a six-month exemption, thousands of riders may now believe their motorcycle will benefit from the exemption when actually they are still due a class 1 or 2 MOT test. Only motorcycles with MOT due dates on or after the 30<sup>th</sup> March have benefited from the exemption. Bikes with due dates prior to that will be still required to pass an MOT test to be legally used on the roads.

A reminder that the NMDA is your trade body and here to help and advise you on regulatory and operational issues that affect your business. However, if there are issues that we have not covered, or you have concerns about, please do contact us on the NMDA helpline 01788 538303.

Stephen Latham  
Head of NMDA

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Similarly, in terms of style, the majority saw steep falls. Touring bikes saw a big drop of -38.8% in comparison to March 2019, with adventure sport and customs also falling similarly by -29.9% and -25.9% respectively. Scooters and mopeds saw a shallower drop, including mopeds that aren't scooters having an increase from 115 to 143 in March 2020 – this could be as a consequence of their necessity for commuting.

The Honda PCX 125 was one again the most registered model with 317 units, followed by two BMW models - the BMW R 1250 GS with 272, and the BMW S 1000 RR in third with 206 sales. Honda also maintained its lead as the biggest selling brand with 2,180 units registered, followed by BMW with 1,435, and Yamaha in third with 1,355.

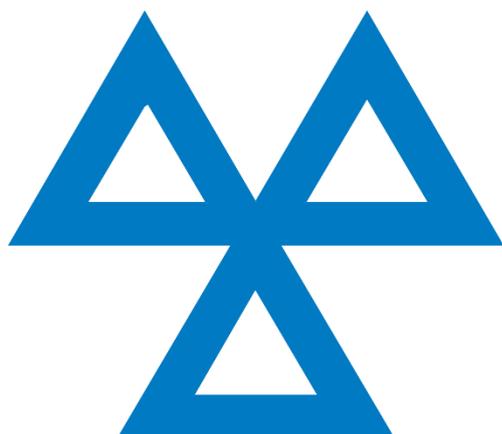
In comparison to the car market, the motorbike registrations have been modest in their decline, but it is still a worrying sign that COVID-19 is having a deep impact on the market.

We may see the April figures show the true nature of the impact of lockdown on dealerships, as many of these March numbers may have been ordered prior to the plate-change.

Although the current situation is worrying for many of our members, and we are unsure of how it will continue to pan out, we can confidently say we will endeavour to provide as much support as possible to assist in these unprecedented times.

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On 25 March 2020, the Government announced all cars and motorcycles which usually would require an MOT test will be exempted from needing a test from 30 March 2020. The exemption will last six months.

Legal changes needed to be made to allow the exemption to be put in place, so, although the exemption was announced on 25 March, the exemption was effective from 30 March 2020.

This means that only motorcycles with MOT due dates on or after the 30<sup>th</sup> March will benefit from this exemption. Bikes with due dates prior to that and have not passed their MOT test will still be required to pass an MOT test to be legally used - even if the MOT test happens after this April onwards.

Many franchised motorcycle dealers' workshops and independent garages that carry out MOTs are still legally open. The Government has not included them in the list of businesses that have to close during the Coronavirus outbreak so that they can continue to carry out works to keep all motorcycles on the road safe and roadworthy, therefore reducing the risk of accidents that would place additional strain on the NHS.

The MOT extension dates from 30 March, will be moved in batches, so that they are working 7 days ahead. That will mean, say, that every Tuesday – the following Tuesday's tests are moved 6 months ahead. The new 'due date' will appear in the MOT History Service when it is amended.

This process provides a degree of flexibility which will allow the Government to keep the changes under review as the Coronavirus emergency unfolds or reseeds.

**NMDA urges riders to check their motorcycle' MOT due date and get an MOT test done if their machine is not eligible to receive an exemption thus ensuring it remains legal and roadworthy.**

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## **NMDA DEALER ATTITUDE SURVEY SPRING 2020 – QUESTIONNAIRES HAVE BEEN SENT**

A reminder that the NMDA Dealer Attitude Survey for Spring 2020 should have landed through your letterbox or in your inbox. This is your chance to pass comment on the industry and current issues that affects you. All entries are handled confidentially to ensure the sentiment is averaged across the country to get a balanced picture of what really is affecting your business. If you haven't received your questionnaire, or for more information please contact Jordi Skilbeck – [jordi.skilbeck@rmif.co.uk](mailto:jordi.skilbeck@rmif.co.uk)

In these difficult times, it may be easier for you to complete the survey online - [please follow this link to do so](#). We have also delayed the survey cut off date until the 24<sup>th</sup> April to give you time to complete the survey online, however this is subject to further review in light of the evolving circumstances.

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## **WHAT YOU GET FOR YOUR MEMBERSHIP FEE**

- **Legal services** – Free legal advice from in-house lawyers
- **HR & Employment advise** – Resources for providing HR documentation
- **Trading Standards** – Guidance advice handling legislation
- **MOT Training** – Training centres to update and instruct MOT testers
- **Conciliation & Arbitration** – Resolving trade and consumer disputes
- **Government Lobbying** – Ensuring we are in consultation over law changes
- **FCA Advise** – Keeping up to date with F&I knowledge

- **DVLA Partner** – Working with DVLA to assist future projects
- **DVSA Advisor** – Advising on MOT test requirements
- **Utility packages** – Reviewing potential on saving energy costs
- **Banking & Credit Cards** – Possible savings on banking charges
- **Business advice** – On call to assist dealers with day-to-day issues
- **BDN EXPO Trade Show** – Attend the annual motorcycle trade show
- **Monthly Sales Report** – Review of monthly motorcycle registrations
- **Monthly Newsletter** – Updating on issues, trends & results affecting your business
- **Quarterly member meeting** – Reviewing issues affecting the industry
- **Bi-annual Attitude Survey** – Monitoring dealer/manufacturer relationship
- **NMDA Website** – Easy way to check on updates

For more information, please contact Ed Buckley (Membership Manager) on 07919576306 mobile or email [ed.buckley@rmif.co.uk](mailto:ed.buckley@rmif.co.uk).