



PTWs' Economic Contribution to Society

Andrea Beretta Zanoni

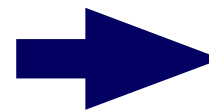
Partner, Ambrosetti – The European House

**Professor of Business Economics and Strategic Management,
Milan Bicocca University**

Agenda

- **PTWs' Industry:**
 - **Today**
 - **Tomorrow**

- PTW: A different way to look at the future



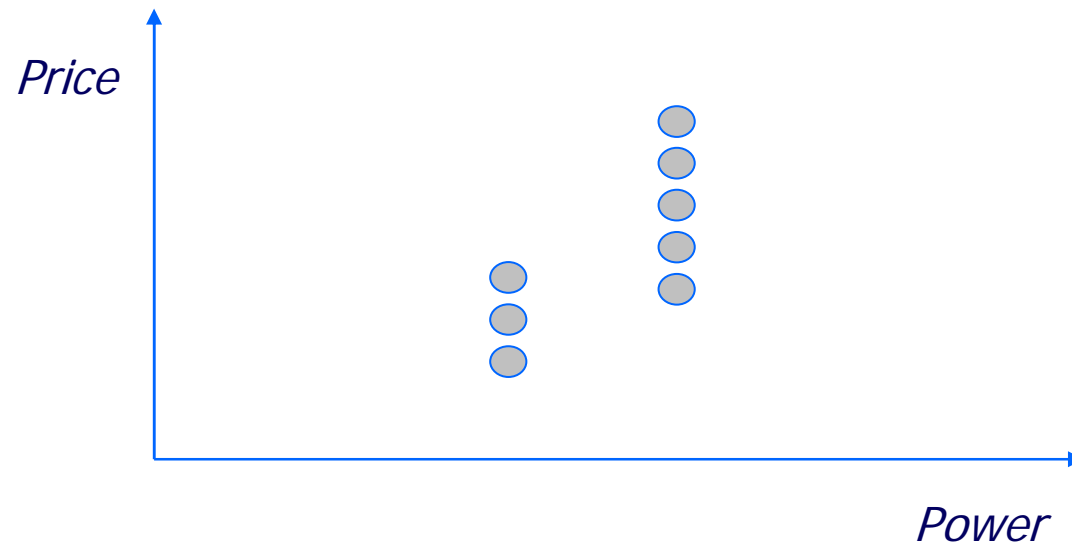
PTWs' SOCIAL AND
ECONOMIC VALUE

Ways of Approaching the PTWs Market



Italian Market – “Vertical” Product Range

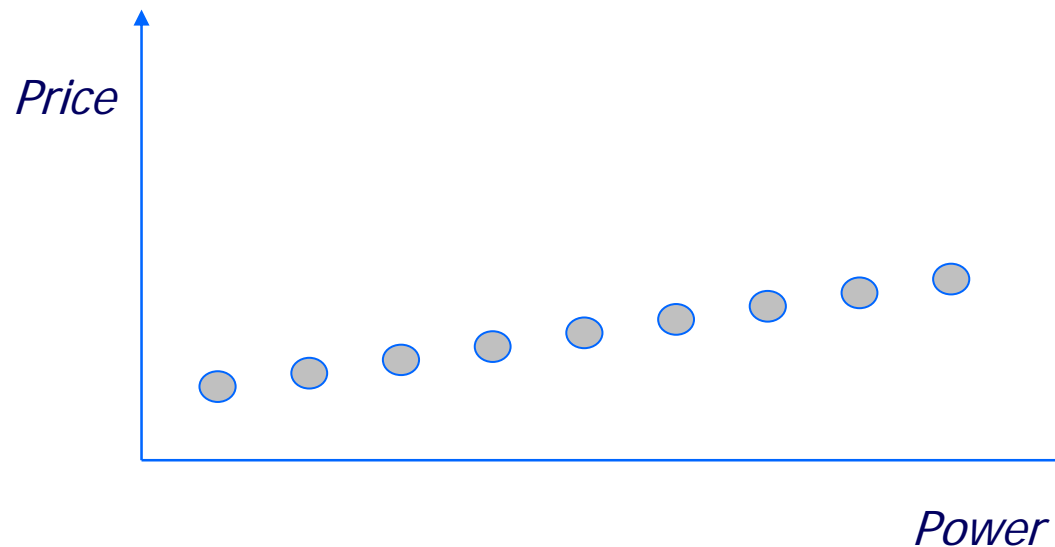
- Narrow range of powers (for instance from 600cc to 1000cc)
- Prices can differ a great deal, even among vehicles with the same engine size
- Distinctive features:
 - Price focus
 - Wide set of customizations for each model



- Objective: Satisfy niche demand needs

Italian Market – “Horizontal” Product Range

- Wide range of powers and vehicle models (mopeds, scooters, motorbikes)
- Prices do not differ much among vehicles with a similar engine size
- Distinctive features:
 - Focus on production volumes



- Objective: Satisfy a wide set of demand needs, placing products along each market segment

CURRENT SITUATION AND
FUTURE PERSPECTIVES

Motorbikes' Global Market – Current Situation and Future Perspectives

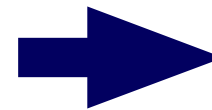
- The US market has shown the highest growth (1998-2002)
- The global market is expected to grow with a CAGR of 5,7% (until 2007)
- European markets are expected to be substantially stable
- According to volumes, the Chinese market is the largest one, followed by the Indian market. China and India together reach 90% of the global volumes
- Forecasts until 2007, CAGR:
 - China = 5,5%
 - India = 12,8%

Agenda

- PTWs' Industry:
 - Today
 - Tomorrow

STRATEGIC
DISCONTINUITY
(?)

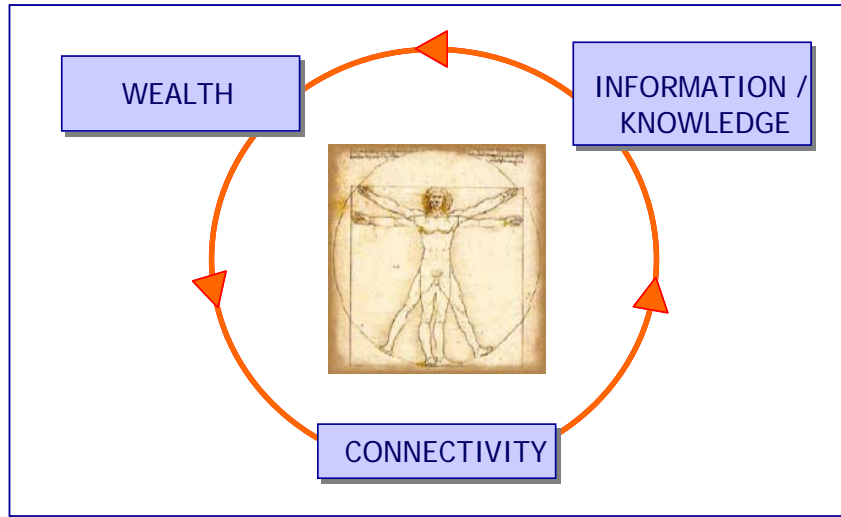
- **PTW: A different way to look at the future**



PTWs' SOCIAL
AND
ECONOMIC
VALUE

Let's Have a Look at the World: Here and Now

The world is changing ...



>
OPPORTUNITIES
AND NEEDS FOR
MOBILITY

MORE MOBILITY

MOBILITY IS
INCREASING ...

... AND IT IS
CHANGING

NEW MOBILITY

■ **Evolution of families and role of women**

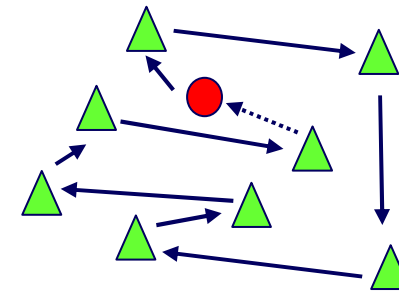
- Families are more and more fragmented. This leads to more “living sites”, e.g. the house where you leave, the house where your parents live, the house where your former wife and children live, etc..
- The majority of women work and take care of the house and family. This brings about new path of mobility, for women as well as men: home-school, school-office, office-gym, gym-supermarket, supermarket-school, school-home, etc.)

■ **Digital Technologies**

- The OECD has estimated that ICT adds new mobility: for instance, teleworkers do not commute to the office, but move to develop social relationships

More Mobility and New Mobility

- **Mono-directional, linear paths are progressively being replaced by multi-purpose and multi-destination routes. This is true for business as well as for leisure**



Multi-purpose and multi-destination routes

But ... Increasing Mobility Means Increasing Traffic Congestion ...

- The need for mobility has traditionally being satisfied by cars ...



- 1970 → 81 cars per KM of asphalt
- 2003 → 241 cars per KM of asphalt

- ... Unfortunately, without a coherent development of infrastructures

TRAFFIC
CONGESTION

Some Implications of Traffic Congestion

■ Environmental Implications

- Despite lower fuel consumption and cleaner fuels, road transport accounts for almost 25% and 50% of manmade CO₂ and NO_x emissions respectively (*Source: The European Commission "Reducing traffic jams, pollution and accidents"*)
- Traffic congestion is the main cause of noise (*Source: Ministero dell'Ambiente, 2002*)

Some Implications of Traffic Congestion - Examples

■ Economic and Social Implications

- The average length of congested periods increased from about 2 to 3 in 1982 to 5 to 6 hours by 1999 *(Source: Texas Transportation Institute, 2001)*
- The average annual hours of delay in travel per peak-hour traveller caused by congestion increased from 16 hours in 1982 to 62 hours in 2000: almost quadrupling! *(Source: Texas Transportation Institute, 2001)*
- Every year transport congestion costs Europe 2% of its GDP. That is euro 200 billion per year or 440 euro per year per person *(Source: The European Commission, DG Research)*

Summing up

Mobility cannot be given up

But it is important to understand ...

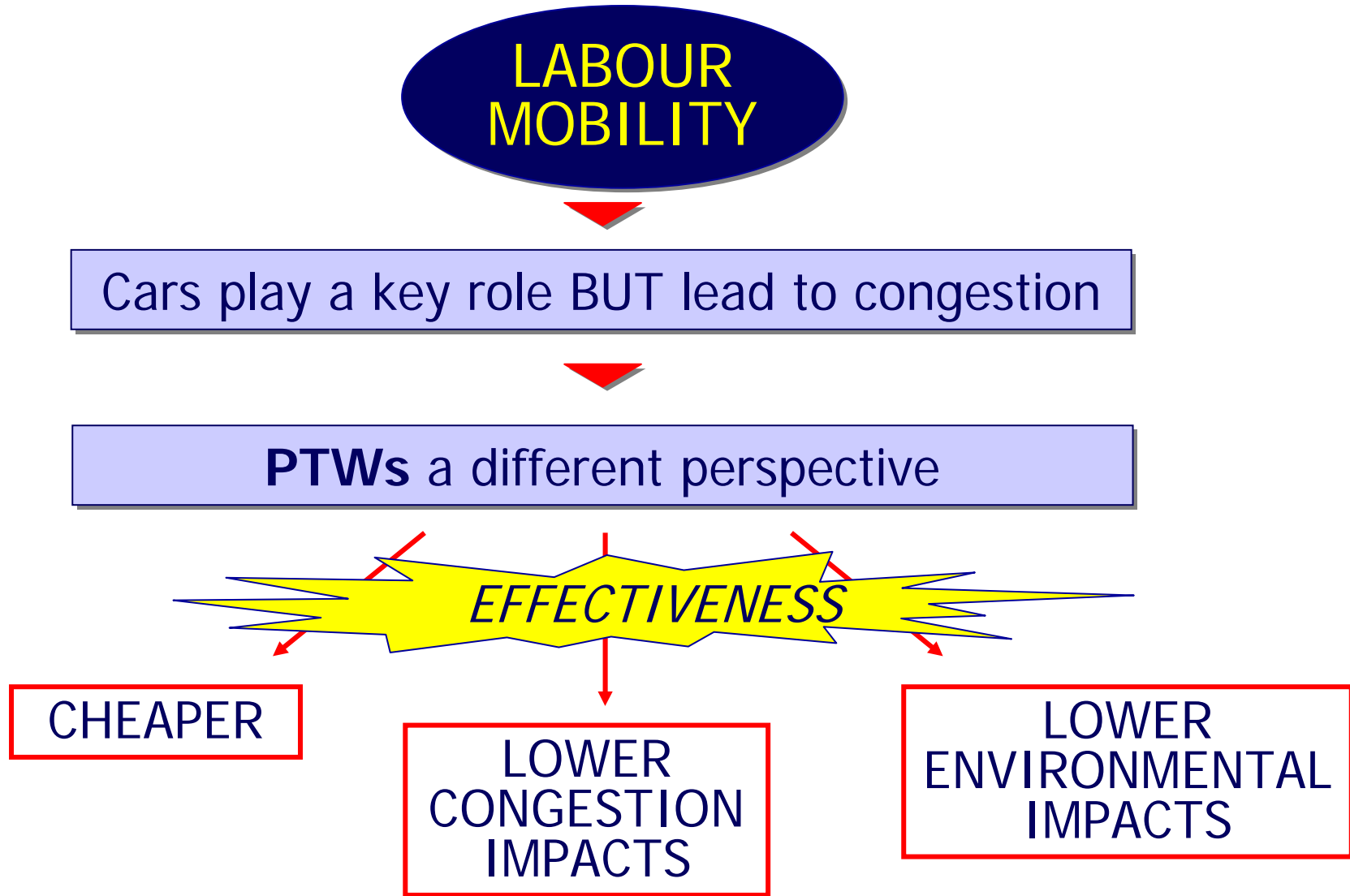
... A new concept of MOBILITY

LABOUR
MOBILITY

SOCIAL
MOBILITY



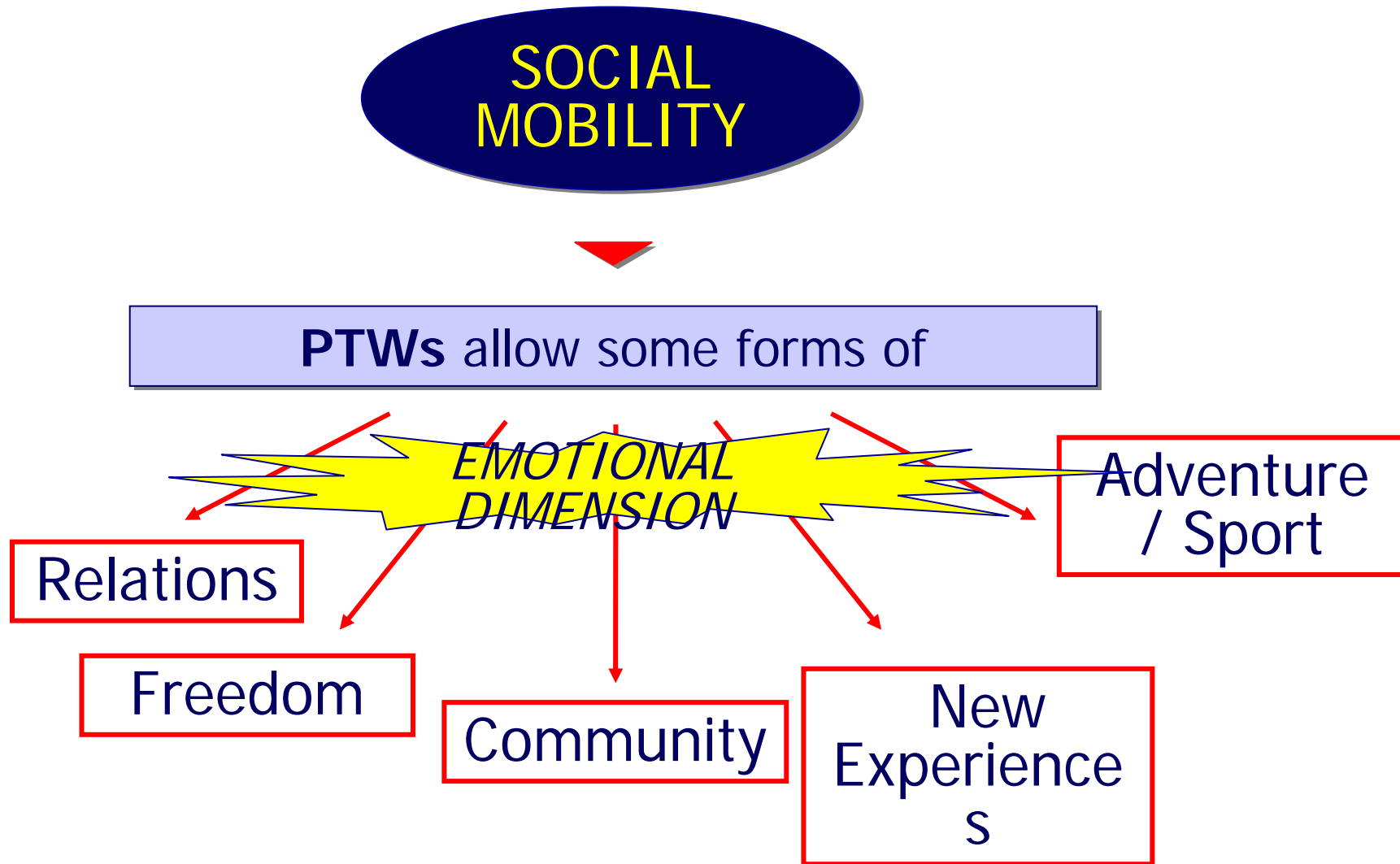
Labour Mobility



For Example ...

TOWN	VEHICLE	TRIP (MINUTES)	AVERAGE SPEED (km/h)	MINUTES LOST DURING THE TRIP
PARIS	CAR	189	21,7	37
	Scooter 125 cc	133	30	23
MUNICH	CAR	250	28,3	N.A.
	MOTORBIKE 750 cc	209	33,6	15,4

Social Mobility



The Challenge

1)

MAKING A CLEAR DISTINCTION BETWEEN
THE TWO DIFFERENT KINDS OF
MOBILITY:
LABOUR AND SOCIAL

2)

REAP MOST BENEFITS FROM:
INCREASING MOBILITY AND NEW
MOBILITY

3)

DEVELOP NEW PRODUCTS AND SERVICES
FOR NEW MOBILITY

PTWs Use's Impact on GDP: A Simulation

Hypothesis

- Time required to go from "A" to "B"

A → B

- 240 working days per year
- Each working day = 8 working hours
- Each employee goes from "A" to "B" at least once a day
- Milan GDP 2003 = 122.124 million euro
- 70% of all motorcycles' are used by employees
- 40% of all mopeds' are used by employees
- Less time to go from "A" to "B" = More time to work**

Minutes

	PTW	BUS	CAR
Milan	20	23	38

Source: Lega Ambiente – "Trofeo Tartaruga 2004"

PTWs Use's Impact on GDP: A Simulation

If 15% of the employees that usually go to work by bus and by car should decide to go to work by PTW ...

... The GDP would increase

Euro Million

	GDP
15% of Employees choose PTW instead of BUS	85,53
15% of Employees choose PTW instead of CAR	513,16
Total Increase of GDP	598,69