



Norway

Norwegian Cycle Market

Norway, with population of only 4.6 million, imported over 4,36,779 cycles worth US\$ 62.3 million (Rs. 274 Cr.) in 2004. This translated into every tenth Norwegian buying a cycle every year.

The following table, based on Norwegian official import statistics, provides details.

Norway's Import of Bicycles and other cycles (including delivery tricycles-not motorized) for 2004 Commodity No. 87120000.

<i>Countries</i>	<i>US\$ Million</i>	<i>No.</i>	<i>Unit Price</i>	<i>%</i>
Total	62.27	436779	143	100
China	23.92	227759	105	38
Taiwan	18.37	91714	200	30
Vietnam	4.73	43988	107	8
France	2.90	15679	185	5
Sweden	2.73	10805	253	4
United States	1.84	4267	432	3
Netherlands	1.74	2191	793	3
Germany	1.26	2200	575	2
Denmark	0.99	3904	252	2

From perspective of Indian manufacturers and exporters, the following aspects are of specific interest :

- (i) There is no domestic manufacturer of cycles in Norway.
- (ii) There was no noticeable import of Indian cycles to Norway last year.
- (iii) China was the largest single source for cycles, supplying nearly a fifth of the total imports, or 92,000 units. Its cycles were the cheapest at an average c.i.f. price of US\$ 105 or nearly Rs. 4,600. Prices from European suppliers were in multiples of this figure.
- (iv) Norwegian Customs tariff do not distinguish between SKD, CKD and CBU imports. The employment costs in Norway being exceptionally high, local assembly can only be confined to the minimum.
- (v) Norwegian consumer is highly discerning and has capacity to pay. The per capita income is US\$ 54,000 and annual per capita imports are US\$ 11,000. There is greater emphasis on quality assurance, styling, after-sales-service, and avail-ability of spare parts. Relevant to add that high per capita disposable income and love of out-door life make Norwegians go for cycles that are stylistic and have costly add-on features.
- (vi) Due to harsh winter conditions, cycles can be used only for five to six months of summer (May to September). Consequently, in case of interest in entering Norwegian market, Indian cycles should be physically available here in April, 2006.

(Source : Embassy of India, Norway & Iceland)