

Overseas Market Information



Australia

The Australian Government, in a major spending initiative, is to fund the eastern seaboard rail system for A\$ 550 million. The funding boost is expected to help increase the efficiency of freight transport and ease the pressure on the national highway network. The fund is to be mainly used in the rail link between Sydney and Melbourne. This is in addition to the A\$ 450 million allocated to the Australian Rail Track Corporation for upgrading the Sydney-Brisbane line.

(Source : Consulate General of India, Sydney)

China gets more foreign investment than US

China has again overtaken the United States as a top global destination for foreign direct investment (FDI) last year, according to a UN report. China had replaced the US as the world's largest FDI recipient in 2002 for the first time.

China's strong manufacturing industry helped the country attract FDI worth US\$ 53.5 billion (S\$ 91 billion) last year, compared with US\$ 52.7 billion in 2002, according to the United Nations Conference on Trade and Development (UNCTAD). In comparison, foreign investment in the US, traditionally the largest recipient of such money, plunged by 53 per cent last year to reach US\$ 30 billion dollars - the lowest level in 12 years.

According to data from UNCTAD, the Asia-Pacific region attracted more investment than any other developing region.

Flows to the Asia-Pacific region as a whole rebounded over the year to US\$ 107 billion from US\$ 94 billion in 2002, driven by strong economic growth and a better investment environment.

China is expected to continue to attract foreign investment into its economy.

(Source : EEPC Singapore Office)

Market Analysis of Indonesia's Bicycle Industry

Salient features of Bicycle Industry

- Industry operating at 12 per cent of installed capacity.
- 12 companies dominate the industry : Four are large producers namely Federal Cycle, Polycon, Wim Bicycle, Djawa Perdana and Toyo Asahi.

Productions of Bicycle

Year	Production (units)
1997	One million units
1998	7,50,000
1999	7,50,000
2000	6,52,081
2001	5,65,946

(Source : Department of Industry and Trade)

Persistent decline in production has been witnessed in Indonesia. The figure above suggest a decline of the industry size.

Reasons for the decline of the industry

1. Slow growth in the economy resulted in weak purchasing power of the people.
2. More importantly the industry could not stand the aggressive imports from abroad.
3. While domestic market was falling the industry player lacked drive to expand overseas due to lack of marketing expertise.

Exports from Indonesia

Exports of bicycle have been fluctuating and has been on the decline because of lack of markets for its bicycle in the west. Other players such as Taiwan, China and India have dominated the market segment in which Indonesia used to operate.

The competitiveness of exports were eroded because most of the critical components were imported from abroad. The major producers still source more than 70 per cent of the bicycle components from the international market.

Imports into Indonesia

1. Market size is estimated around 5 million bicycles unit a few years ago. There is scope for improvement in the market size due to good economic growth being forecasted in Indonesia in the current year and years to come.
2. Chinese bicycle account for estimated 40 per cent of the market size of five million bicycles.
3. Bicycle components and parts have been traditionally imported by Indonesian producers.

(Source : EEPC Singapore Office)