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**HEAVYWEIGHT MOTORCYCLES:
QUARTERLY REPORT
(COVERING THIRD QUARTER
OF 1986) ON SELECTED
ECONOMIC INDICATORS**

**Report to the President on
Investigation No. 332-164
Under Section 332
of the Tariff Act of 1930**



USITC PUBLICATION 1909

NOVEMBER 1986

UNITED STATES INTERNATIONAL TRADE COMMISSION

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Highlights

The following are highlights of the economic data collected on the heavyweight motorcycle industry for the third quarter of 1986, compared with data collected for the third quarter of 1985. Much of the data obtained by the Commission regarding the domestic heavyweight motorcycle industry are business confidential (even in the aggregate), and hence little information concerning the domestic industry is available in the public report.

- o Total retail sales of heavyweight motorcycles decreased by 35.4 percent from 47,826 units in July-September 1985 to 30,905 units in July-September 1986. Between the same periods, the average unit selling price for U.S.-produced heavyweight motorcycles increased by 23.3 percent, from \$4,410 to \$5,439. Despite the decrease in retail sales and price increases for domestic products, the market share held by the three domestic producers increased from 48.3 percent in the third quarter of 1985 to 56.0 percent in the same period of 1986.
- o U.S. production of heavyweight motorcycles decreased from 24,678 units in July-September 1985 to 15,058 in July-September 1986, or by 39.0 percent (table 1).
- o Retail sales of domestic motorcycles decreased from 23,084 units in July-September 1985 to 17,319 units in July-September 1986, or by 25.0 percent.
- o U.S. producers' and dealers' inventories of domestic motorcycles decreased from 55,607 units as of September 30, 1985 to 55,056 as of September 30, 1986, or by 1.0 percent.
- o Total employment decreased from 3,095 workers as of September 1985 to 2,789 workers as of September 1986, and total hours worked by production and related workers decreased in September 1986, compared with the same period in 1985.
- o Retail sales of imported heavyweight motorcycles decreased from 24,742 units in July-September 1985 to 13,586 units in July-September 1986, or by 45.1 percent (table 3).
- o Importer shipments to dealers were down sharply, from 19,305 units in the third quarter of 1985 to 5,296 in the third quarter of 1986. There was a 20 percent decrease in inventories of imported heavyweight motorcycles held by importers and dealers as of September 30, 1986 when compared with the 57,743 units held in inventory as of June 30, 1986. However, comparing year-to-year data, inventories of imported heavyweight motorcycles fell 47.0 percent, dropping from 86,977 units as of September 30, 1985, to 46,056 units held as of September 30, 1986 (tables 4 and 5). This reflects a drawdown in importers' inventories during the fourth quarter of 1985 and the first three quarters of 1986 that was not offset by a corresponding increase in U.S. imports.

Table 1.—Heavyweight motorcycles: U.S. production,
July–September 1985, and July–September 1986

(In units)

Period	Quantity
July–September 1985.....	24,678
July–September 1986.....	15,058

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 2.—Heavyweight motorcycles: U.S. import shipments,
July–September 1985, and July–September 1986

(Quantity in units; value in thousands of dollars)

Period	Quantity	Value
July–September 1985.....	19,305	42,297
July–September 1986.....	5,296	15,402

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 3.—Heavyweight motorcycles: U.S. importers' retail sales, by
engine sizes, July–September 1985, and July–September 1986

(In units)

Item	July– September 1985	July– September 1986
Over 700 cc but not over 790 cc.....	11,371	4,834
Over 790 cc but not over 970 cc.....	4,190	1,849
Over 970 cc.....	9,181	6,903
Total.....	24,742	13,586

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 4.—Heavyweight motorcycles: U.S. importers' end-of-period inventories, by engine sizes, September 30, 1985, and September 30, 1986

(In units)

Item	September 30, 1985	September 30, 1986
Over 700 cc but not over 790 cc.....	14,527	3,132
Over 790 cc but not over 970 cc.....	5,608	1,532
Over 970 cc.....	8,162	9,929
Total.....	28,297	14,593

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.

Table 5.—Heavyweight motorcycles: Dealers' end-of-period inventories of imported motorcycles, by engine sizes, September 30, 1985, and September 30, 1986

(In units)

Item	September 30, 1985	September 30, 1986
Over 700 cc but not over 790 cc.....	31,408	12,390
Over 790 cc but not over 970 cc.....	6,113	2,861
Over 970 cc.....	21,159	16,212
Total.....	58,680	31,463

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission.