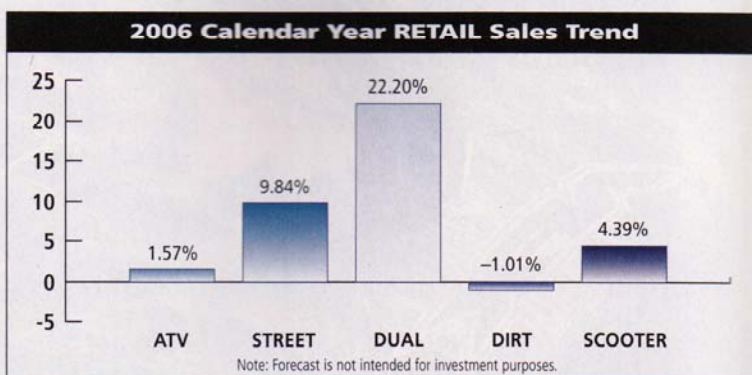


by Don J. Brown

Strength in Sportbikes

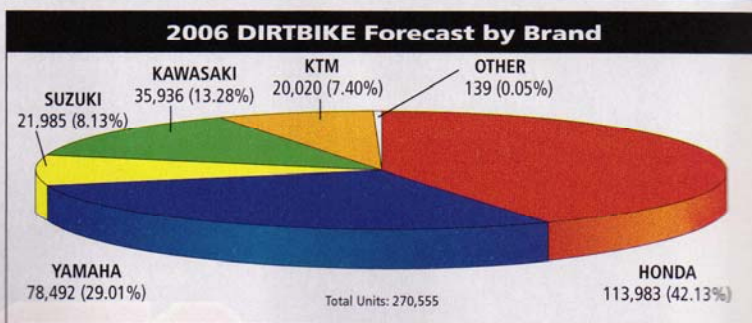
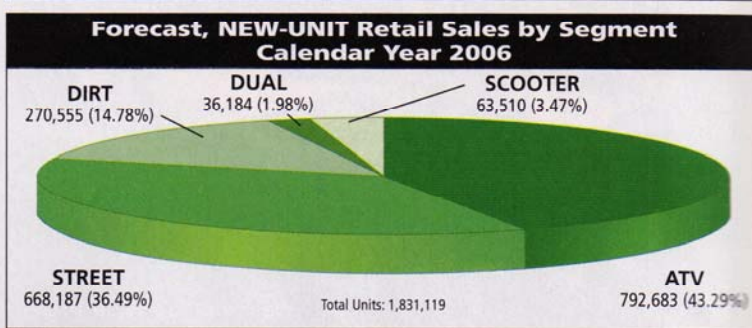
Dirtbike sales began to soften a few years ago. The decline was most rapid between 2000 and 2001, and sales have slid every year since. But at the same time, sales of the enduro models over 125cc increased from about 27,000 units sold in 2000 to just under 50,000, which we are forecasting this year. ■ Will the Chinese manufacturers and importers get organized, improve quality and stop selling their entry-level bikes to gasoline stations, auto dealers (for giveaway promotions) and Pep Boys? Sure, some franchised dealers sell Chinese bikes, mostly to families who often buy several at a time when they could buy one quality bike instead. If the Chinese improve quality and ensure safety standards to compete with the top players in the field, then they would have to raise prices, which would shorten their competitive advantage. A large number of Chinese scooters, motorcycles and ATVs are being sold, and the wide exposure they're getting is attracting more kids to the market, to be sure. What's giving me a headache is the fact that no one knows just how many of these products are being sold and through which channels. ■ Sportbikes continue to strengthen. We forecast 196,000 units to be sold this year, compared with 163,000 last year. Suzuki is the top dog with a 32 percent share. Midrange sportbikes are the top sellers, with our dealer contacts ranking the top three models as Suzuki's GSX-R600, Honda's CBR600RR and the Kawasaki Ninja ZX-6R. ■ The last time cruisers recorded double-digit sales was in 2002. Still, we expect this year that new unit cruiser sales will be about 363,000 units, a 7 percent increase over last year. ■ The industry seems to be on track to record sales of 1.8 million units (of numbers reported to the MIC). We are likely to see major design changes over the next five years as manufacturers bring to market vehicles they've been developing to attract Gen Y buyers. Nostalgia is no longer the major attraction it once was, and it will be fun to see the new designs rolling out as the manufacturers court this rapidly growing consumer market. — DJB



Two-Wheel MOTORCYCLE Sales Forecast Calendar Year 2006

	2006	2005	+/-%	SHARE
Harley-Davidson	265,433	246,977	+7.47%	27.68%
Honda	231,669	250,390	-7.48%	24.16%
Yamaha	175,303	157,474	+11.32%	18.28%
Suzuki	138,850	128,954	+7.67%	14.48%
Kawasaki	78,879	103,026	-23.44%	8.23%
KTM	22,243	19,413	+14.58%	2.32%
BMW	13,575	13,168	+3.09%	1.42%
Triumph	9,154	8,407	+8.88%	0.95%
Victory	7,444	5,839	+27.49%	0.78%
Ducati	6,165	6,416	-3.91%	0.64%
Buell	5,013	5,611	-10.65%	0.52%
Big Dog	4,565	4,370	+4.47%	0.48%
Piaggio Group*	na	na	na	na
TOTALS	958,293	949,034	+0.97%	100.00%

*Piaggio Group (Aprilia, Moto Guzzi, Vespa) data not yet available. Individual brands are not being tracked separately.



Interpreting This Index

Index is based on the author's analysis of the MIC Retail Sales Report, SEC filings of quarterly and annual reports, and other information provided by publicly traded companies (such as Harley-Davidson and Polaris). Readers are cautioned that these estimates are subject to error, which can result from changes in seasonal patterns due to unexpected weather conditions and fluctuations in the economy. Interruptions in the supply of popular models can also affect these forecasts. Questions concerning this Index should be addressed to the author, c/o Dealernews, or the author via e-mail at djb-llc@cox.net. Copyright © 2006 DJB Associates LLC, All Rights Reserved.