



Ducati growth to power down

Ducatisti Co, the authorised importer and distributor of Italy's Ducati motorcycles, forecasts tepid sales this year due to stiffer competition and tightened hire-purchase rules.

Managing director Apichat Leenutaphong said Thailand's big-bike market was expected to see more aggressive competition this year.

Several manufacturers and distributors have shifted their focus to this market segment, attracted by healthy growth in recent years, he said.

"Thailand's big bikes, those with engines above 500cc, will keep thriving this year, with growth of 15-20% to 15,000 motorcycles," Mr Apichat said.

"But with so many players moving in, we expect competition will become more fierce."

He said tough competition was anticipated mainly for the segment priced below 300,000 baht, which now accounts for 70% of the big-bike market.

Japanese big bikes are expected to become very competitive in Thailand due to lower import tariffs under the Japan-Thailand Economic Partnership Agreement (JTEPA).

The JTEPA cuts the 30% import tariff on big bikes and their parts by five percentage points a year until it is eliminated at the end of 2017.

Nonetheless, Mr Apichat said tighter controls on hire-purchase approvals by financial institutions were also expected to hinder market growth.

The rejection rate by local financial institutions has risen to 25-30% from 20% in previous years, he said.

Mr Apichart forecasts sales of Ducati motorcycles will increase by only 5-7% this year from 3,057 sold last year, itself a 22% increase from 2013.

Thailand is now home to the only Ducati production site outside of Bologna, Italy.

Ducati Motor (Thailand), the local manufacturing arm of Italy's Ducati Motor Holding SpA, now makes 5,000 motorcycles a year at Rayong's Amata City Industrial Estate, with 50-60% of production slated for export.

Mr Apichart said Ducatisti planned to open a new test track in Bangkok's Min Buri district in May, where it will offer its "Ducati Driving Experience" big-bike certification course.

Ducatisti is renting nine rai of land from Thai Yarnyon Co, an automotive company run by the Leenutaphong family.

Thai Yarnyon is spending 70 million baht of its own money to build the test track.

Mr Apichart said Ducatisti planned to offer up to 25 courses from basic to advanced levels with 12 instructors and 30 Ducati motorcycles for training.

