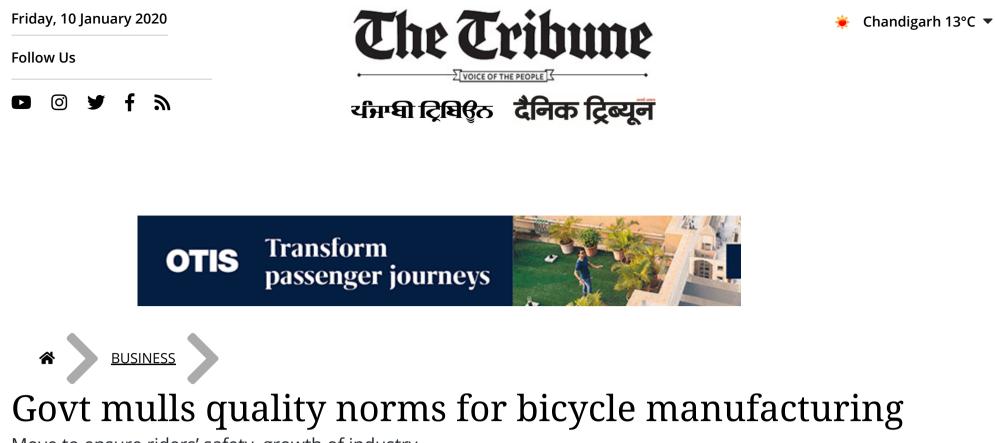
Govt mulls quality norms for bicycle manufacturing : The Tribune India



Move to ensure riders' safety, growth of industry

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Vijay C Roy

Tribune News Service

Chandigarh, January 9

The government is working on modalities to make safety standards mandatory for manufacturing bicycles. These quality standards would be comparable with global standards. Currently, only prominent manufacturers follow these standards as it is not mandatory. The move will not only ensure safety of the riders but also give fillip to the structured growth of bicycle industry in the country.

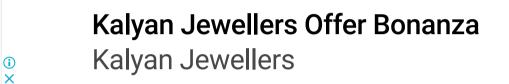
Overall, the industry size of the organised bicycle market is around 1.65 crore units and approximately over 2 crore units are sold annually. The unorganised sector, which used to sell around 40 lakh bicycles per annum a few years ago, is now selling over 50 lakh bicycles. These include imported cycles from China and small players who are trading without billing or 'under-billing' throughout the bicycle value chain.

Industry Size

- Overall, the industry size of the organised bicycle market is around 1.65 crore units but nearly 2 crore units are sold across the country annually
- Punjab accounts for 75% of the country's total bicycle production and 92% of bicycle parts' manufacturing

For example, the GST Commissionerate of Ludhiana last year raided and booked 11 bicycle manufacturers. They were involved in illegal manufacturing and trading of bicycles. They were not only causing loss to the state exchequer but also to the industry, sources said.

According to the industry, most of them were not following any quality standards. Though they sell the bicycles at cheaper rates in the highly price-sensitive market, but they put the life of riders at risk.



The sources said after receiving representation from the industry, the Department for Promotion of Industry and Internal Trade (DPIIT) is planning to make safety and critical components' standards mandatory.

"This move will boost the growth of Indian bicycle industry, which is second only to China. Since it will ensure riders' safety, it will further boost the industry," said KB Thakur, secretary general, All India Cycle Manufacturers Association.

He said it would benefit dealers as well as manufacturers. Punjab accounts for 75% of the country's total bicycle production and 92% of bicycle parts' manufacturing with Ludhiana being the major hub.

On being asked whether the slowdown had any impact on the sales of bicycles, the sources said the industry has witnessed a single-digit growth. "The unorganised sector is eating into the share of organised sector. Besides, the industry is in deep crisis due to increasing cheap imports from Bangladesh, Sri Lanka, China and low-cost South-East Asian countries, which are sending sub-standard products to India, especially in the kids' segment."

Bicycle manufacturers in Ludhiana said low-cost Chinese bicycle manufacturers were routing their products to India via Bangladesh and Sri Lanka by taking advantage of the preferential market under SAFTA. There has also been an increase in imports of cycle parts such as frames, forks, hubs, wheel rims, spokes and pedals, they added.

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