



## 2016 Top Markets Report **Recreational Transportation** Sector Snapshot

### Miscellaneous Transportation Vehicles

ITA expects the Miscellaneous Transportation Sector to expand overseas as exports become a more important driver of the U.S. industry. Total U.S. exports of these vehicles are expected to grow 5 percent annually, reaching an estimated \$1.5 billion in 2018. This sector is quite diverse, and although most of the products are recreational, some products are industrial and commercial in nature. The demand for each product is very different in individual overseas markets.

This is the least defined product category within the recreational transportation sector. From an HTS statistical standpoint, it is a catch-all classification for various motor and electric vehicles. There are, however, several major recreational products. The first segment of products is golf cars. These vehicles are used to transport golfers, clubs and bags on the golf course and are both gas and electric-powered. Snowmobiles are also a major products found in this segment. The last major segments are All-Terrain Vehicles (ATVs) and industrial vehicles.

#### The Miscellaneous Vehicle Industry Export Base

The markets for ATVs are very similar to those for motorcycles. Most ATVs are manufactured in the United States by Japanese firms. The notable exceptions are Polaris and John Deere. These products are used for off-road purposes and, sometimes, not for recreation but for farming and other commercial applications.

Over 90 percent of the world's golf cars are manufactured in Georgia by three producers. Golf cars are typically sold to golf courses on a bid basis for their entire fleet. These products typically are sold into markets with expanding golf course development. China recently had a boon in golf course construction. These courses needed golf cars, as miscellaneous vehicle exports to China totaled \$100 million in 2010 at the peak of the boom. Since that time, sales have declined, but we could start seeing the market increase again, as the golf car fleets

**Figure 1: Top Miscellaneous Vehicles Export Markets to 2018**

- 1. Canada**  
*Major market for snowmobiles, ATVs and golf cars*
- 2. Australia**  
*Major market for ATVs and golf cars*
- 3. Germany**  
*Major market for ATVs and golf cars*
- 4. Mexico**  
*Major market for golf cars and ATVs*
- 5. France**  
*Major market for golf cars, snowmobiles and ATVs*
- 6. United Kingdom**  
*Major market for golf cars and ATVs*
- 7. Sweden**  
*Major market for golf cars and ATVs*
- 8. New Zealand**  
*Major market for ATVs and golf cars*
- 9. United Arab Emirates**  
*Major market for ATVs and golf cars*
- 10. Belgium**  
*Major market for ATVs and golf cars*

do need to be replaced every five to ten years, depending on usage.

The snowmobile market has the most defined demand of all recreational transportation products, as these are sold only in markets with sufficient snow. Canada, Finland and Sweden are the biggest market for these products.

All three of these product areas are extremely competitive worldwide due to economies of scale advantages that result from servicing the large U.S. market. ITA estimates that 90 percent of the world market lies within North America. For the ATV market in particular, there is enough demand to have many manufacturers offering different products. These products, however, could be considered unique or novelty products in most overseas markets.

Canada is expected to be the largest market for all miscellaneous vehicle products in 2018, with U.S. exports to Canada expected to reach an estimated \$656 million, representing 44 percent of all miscellaneous vehicle exports. All miscellaneous vehicle products are in high demand in Canada. There are significant trails for snowmobiles throughout Canada, perhaps even more than in the United States. Those trails often are used in summer by ATVs and motorcycles. In addition, there are also 2,363 golf facilities, the third largest total in the world.

The second largest destination for miscellaneous vehicle exports is Australia. In 2018, U.S. exports to the market will reach an estimated \$103 million. This market is primarily a great market for golf cars and ATVs. Australia has 1,628 golf facilities. In addition, there are large territories that are perfect for ATV use.

Mexico will be the third largest destination for miscellaneous vehicles and is expected to grow 10

percent annually to 2018 and reach \$69 million. Mexico offers great terrain to use ATVs throughout the country. It also has over 160 golf courses, primarily for international visitors and tourists.

Germany will be the fourth largest destination, as miscellaneous vehicle exports are expected to reach nearly \$68 million in 2018. Germany has 747 golf facilities. In addition, there are some opportunities to use both ATVs and snowmobiles.

The fifth biggest destination for U.S. exports of miscellaneous vehicles is France. U.S. exports to France are forecast to reach \$54 million in 2018. France has the sixth largest number of golf facilities, with 648 such facilities.

Sweden is the seventh largest market for U.S. miscellaneous vehicles, as exports are expected to total \$47 million in 2018. This is the largest market outside North America for snowmobiles.

#### **Optimizing U.S. Leverage**

There are not many barriers for most miscellaneous vehicles. The most important one may well be noise standards for snowmobiles in Sweden, which will be elaborated in the case study of Europe.

Another issue for miscellaneous vehicle manufacturers is that certain markets have high tariffs for perceived luxury goods. Golf cars in Thailand are assessed at a high rate, due to their being considered a luxury good.

Finally, ITA will promote typical export promotion services like Gold Keys and International Company Profiles so that U.S. companies can find the best way to sell their products overseas.