



Ministry of Foreign Affairs

BRIEF MARKET REPORT

Micro-mobility in Argentina

Commissioned by the Netherlands Enterprise Agency

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International.*

BRIEF MARKET REPORT

Micro-mobility in Argentina ¹

Last updated September 2020.

This brief report provides an overview of micro-mobility in Argentina, its market and recent trends.

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1 Introduction

Following world trends, there has been an increase in the use of micromobility vehicles in the last decade in Argentina, and currently with special impulse, in the context of the Covid 19 pandemic. Everything points to micro mobility, as the new more sustainable, economical and individual forms of transport are called. For example, scooters, electric skateboards (“mopeds”) and bicycles (“bikes”).

The Netherlands provides world examples of the use of micro mobility means of transport, as it is the world country with most bicycles per capita. Holland’s history of bicycling goes a long way. Already in the 1890s the Dutch built dedicated paths for cyclists, and by 1911, the Dutch owned

¹ Content information provided in this document, is of general nature only. For more detailed information, events and commercial trade offers as well as commercial business contacts, please contact the Embassy in Buenos Aires or the Dutch-Argentine Chamber of Commerce.

more bicycles per capita than any other country in Europe. There are organizations dedicated to spread the Netherlands cycling experience to other countries².

In the Netherlands, micro mobility, especially the use of bicycles has been encouraged by government policy for decades, and besides its health benefits it is also part of the Dutch concept of environmental circular economy, and the promotion of smart cities. Among many policies related with the circular economy the Netherlands offers VAT reduction on repair services for bicycles.

Business Opportunities for Dutch enterprises and micro-mobility related institutions. The use of bicycles is growing strongly in Argentina, which may present in the long term a potential market for high quality bikes and specially for high quality e-bikes. Also for accessories that are related to the use of bicycles, such as bicycle related app solutions, for instance of the type of [bike4now](#) or franchises for the training and repair of bicycles.

In terms of exports however Argentina suffers from a recession in 2020, and will experience a mild recovery in 2021. In the short-term possibilities of exporting to Argentina will be restricted as authorities limit the use of dollars for imports that it doesn't deem essential.

The exchange of policy making experiences has ample possibilities, and may lead to future trade and investment opportunities. The Netherlands's long experience in promoting micro mobility and smart city planning can be of substantial usefulness for national and city policy makers in Argentina³.

2 Market Size and local production

As in the rest of the world the use of bicycles in Argentina has been growing year after year, promoted specially by the development of bike paths ("ciclovías") in the main cities. This prompted the opening of specialized shops, and a greater production and sale of bikes. The number of bicycle shops doubled between 2014 and 2017. In 2017 the stock of bicycles in Argentina was estimated in 9 million units.

The local bicycle industry is very diverse. It is made up of 25 large assemblers, including Dalsanto (Raleigh and KTM), Vairo, Osfrei (Zenith and Pivot), La Emilia (Motomel), Aurora, Olmo, Newsan, Peretti (SLP), Enrique, Tomaselli, Walher, Karabitian (Venzo), Pereyra (Sars) and López (Topmega).

Although most of the parts are imported, 80% of the bikes sold in the country are assembled locally, in a dozen SME factories, each with between 40 and 70 employees. In addition, there is a much larger number of very small "artisanal" shops. Renown local brands include Olmo, Aurora, Legnano or Fiorenza.

² For instance the [Dutch Cycling Embassy](#) .

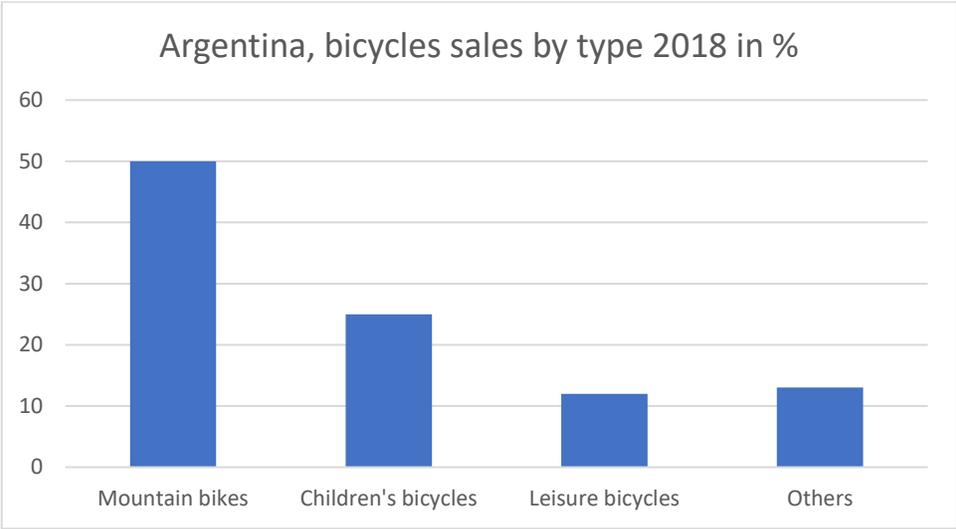
³ The promotion of bicycles is part of that of smart urban mobility as exemplified in this [NFIA document](#).

There is an extensive network of wholesalers, distributors and around 5,000 small neighborhood bike shops and workshops, many of which assemble and produce to order.

At the other extreme are international brands, such as Specialized, Trek, Giant and Tern, which offer high-end models.

The sector generates some 15,000 direct jobs at the industrial level. The forecast for 2020, before the covid19 pandemic was that 600,000 bicycles would be manufactured locally.

The main regional market is the Buenos Aires Metropolitan Area (AMBA) which includes the City of Buenos Aires and its Suburban Region. It represents 65% of the bicycle demand in the country.



Source: [Statista.com](https://www.statista.com)

Prices

The range of bicycle retail values starts at USD 115 and can reach USD 11,500 in electric versions and luxury brands.

Note. Prices are quoted for September 2020 and in USD, for easier international comparison and because nominal inflation in the local currency, the peso, is very high in Argentina.

The most popular models sell for between USD 230 and USD 345 but the top of the range reach USD 11,500.

Prices ranges by category are: for children USD 115 - USD 380; urban USD 230 - USD 460; mountain bike USD 270 - USD 770; road bicycles USD 920 - USD 2,300; and the electric ones USD 770 - USD 11500. As shown by these figures, within each category retail values can vary substantially.

The best-selling model is the mountain bike, wheel size 29, 21 speeds, mechanical disc brake, with prices depending on the quality of components.

The market for users can be divided between those who use the bike for transport and those who for recreation or sport. The sporty ones can be in turn divided among those doing physical activity

in general and those who follow specialties such as BMX, Road, Triathlon, Cross country, Endure and Downhill.

E-Bikes.

The Netherlands is a large manufacturer and exporter of bicycles within Europe. E- bicycles represented 41.7 % of total bike sales in the Netherlands in 2019, a record 420 thousand units, representing 70% of the total value of bicycles sold.

In Argentina also one of the trends that grow at the urban level is the use of electric bicycles (e-bikes) as they are seen as sustainable,

, and reduce costs considerably, since they do not pay insurance or patent. By 2017 3,000 of the 600,000 new bikes produced in the country (the rest of those sold are used) were electric bikes, and it is estimated that this segment will grow in participation.

In 2020 the coronavirus situation is expected to consolidate this trend and many believe the electric versions, including the folding models, are positioned as the most promising alternative in the industry, with a price range of between USD 460 and USD 11.500. In the popular online market “Mercado Libre”, e-bikes are offered for USD 460 to USD 2500, with many of the models around USD 1500.

E- mopeds (e-scooters).

In 2019 the local council (Legislature) of the City of Buenos Aires sought to encourage sustainable mobility by promoting a pilot test for different companies to offer the service of shared electric mopeds. By May 2019 there were 5 firms offering these vehicles for hire as micro urban mobility including Mexico-based Grin, associated with the last mile delivery service of Rappi, and Movo, associated with the ride-hail Spanish firm Cabify , along with Lime, a firm in which Uber and Google invested. But by May 2020 in the context of the pandemic, only Grin continued in the market, with only 200 mopeds.

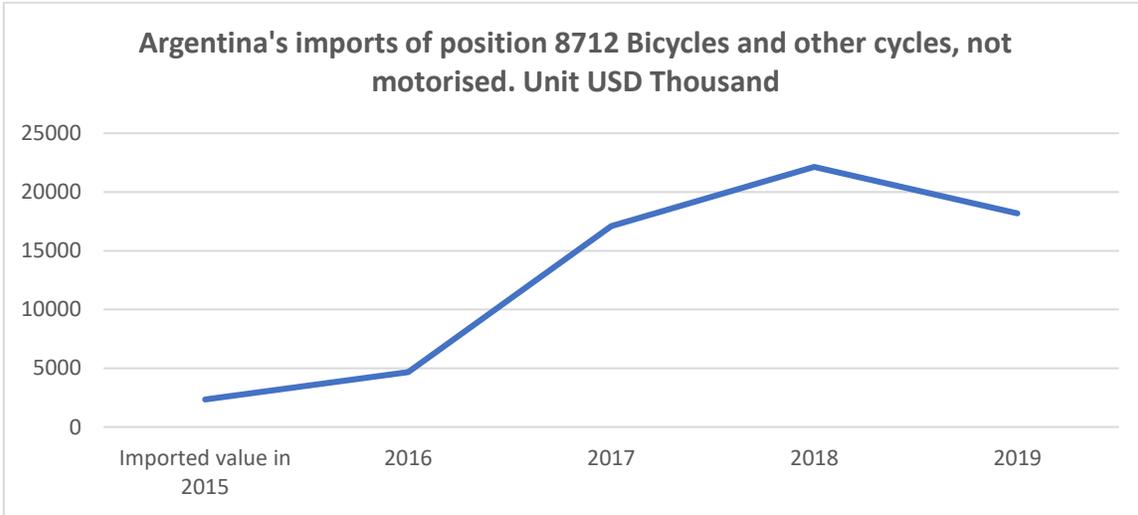
For those willing to buy an e-moped by June 2020 and depending on the make, model and features, retail prices vary between USD 154 and 420.

See in the policy section below a note on public policies and e-mopeds.

3 Imports, quantities and origin

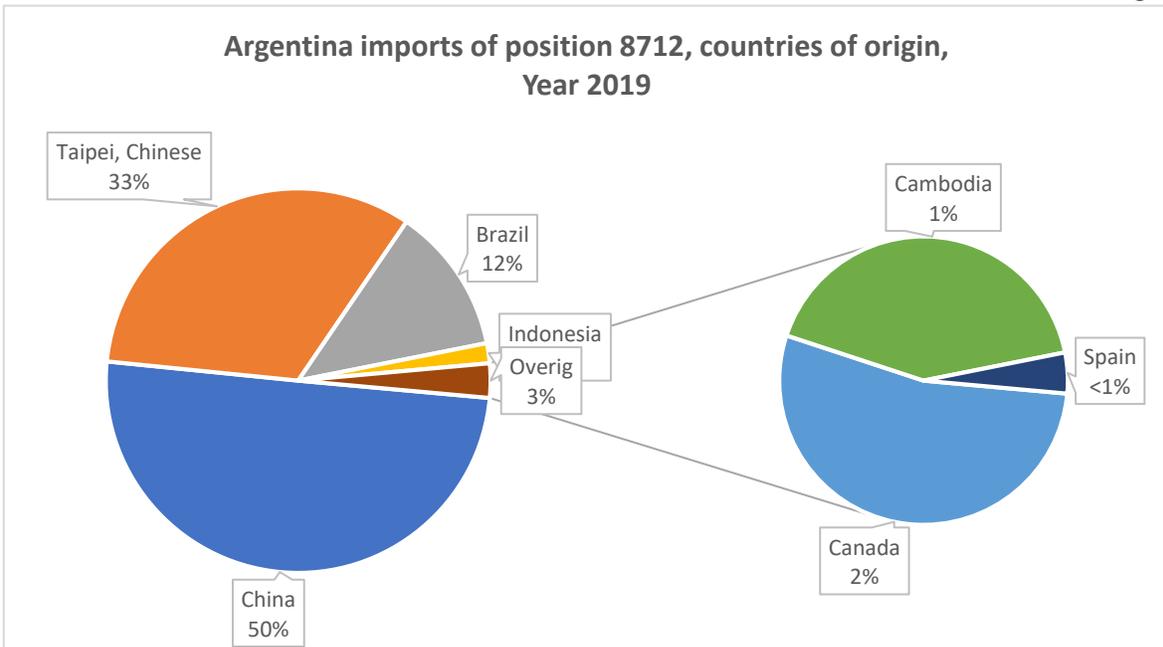
Evolution of Argentine imports of bicycles and other cycles, position group HS 8712 description: bicycles and other cycles (including delivery tricycles), not motorized, years 2015-2019, in thousand units:

Imported value in 2015	2016	2017	2018	2019
2,341	4,662	17,094	22,138	18,172



Source EU Market Access Data Base Country: Argentina

Countries of origin:



4 Demand trends: E-Commerce and Covid 19

Growth of E-commerce. As in other countries, e-commerce has been growing very strongly in Argentina, even before the covid-19 pandemic. Out of Argentina's population of some 44 million, 828.000 new customers used ecommerce in 2019, for a total of 18.773.246 e-shoppers.

In 2020 the covid-19 situation and the very long quarantine that the government decreed for the larger metropolitan areas of Argentina (of over half a year) are expected to produce an spectacular rise in the use of ecommerce: a survey conducted by Google Argentina concluded that 12% of current shoppers made its first purchase during the quarantine, and 46% of all shoppers now use online purchases either more frequently, or for products that before used to buy in the traditional way.

Online shopping increased the need for last mile delivery services, which in turn increased the use of bicycles to this end, specially for delivering foodstuffs. Orders in delivery applications grew by 50% during the pandemic and many delivery men and women move by bike.

The Argentine Chamber of Commerce and Industry of Bicycles, Parts, Wheels and Related (COMMBI, which has more than 100 company members) , recently announced a 10% discount for workers for the largest of these apps for last mile delivery: dealers for Rappi, originated in Colombia, Glovo headquartered in Spain, and PedidosYa, (originated in Uruguay and owned by the German company Delivery Hero) , can buy security accessories, cameras and covers at a discount.

Glovo had 6000 distributors in the country, of which 44% drive by bicycle. (In September 2020 Glovo announced the sale of all its Latin American operation to Pedidos Ya

). In the case of Pedidos Ya, the percentage of its distributors using bicycles is 60%. The total market is estimated to be around 15.0000 users of bicycles.

The growth of the delivery industry is such that owners of a bicycle shop have been approached by the app companies offering them a fee based on the bicycle dealers they are able to recruit for their app.

Repairs. As a result of the growth in the delivery service, the repairs trade also increased rapidly as bicycles that are permanently in circulation need continuous maintenance. A bicycle shop, in a normal week can execute 500 repairs.

The Covid 19 situation also prompted many people to repair their own unused bicycles increasing even more the work of repair shops, who now suffer an acute lack of specialized labor.

Effect of Covid 19. The campaign against the use of public transport to prevent the spread of the coronavirus, generated greater relevance for the bicycle as a safe and economic means for micro mobility.

A senior executive at Shimano, a global supplier of brakes and transmission components estimates that they will close the whole year with a 20% increase in sales.

The sale of bicycles was affected at the beginning of the quarantine, but later the use of bicycles grew as it is perceived as cheap in times of economic crisis; a way to increase physical activity and health; and in times of the pandemic, the possibility of mobilizing without social contact.

The Chamber of Bike Manufacturers (COMMBI) recorded a year-on-year growth in bicycle sales of 50% between the months of May and July during the pandemic, and the online portal Mercado Libre, the largest online sales website in the country, recorded an increase of purchases of 131% compared to the April-August 2019 period (some of these sales correspond to used bicycles).

5 Public Policy: Current measures and Challenges

Current public policies. According to a 2019 report issued by the Interamerican Development Bank the Latin American region has made progress in promoting “active transport”, (the mix of walking and cycling), notably in cycling. Among the main policies that have helped boost walking and cycling as means of transport is the implementation of bike-sharing, pedestrianization, and ciclovías⁴.

Despite these policies cycling still is not a common means of transport and cycling infrastructure remains underdeveloped. Modal shares for biking are still low in the region, with some exceptions. Notwithstanding the current increase in demand for bicycles and e-bikes, the penetration of bicycles in Argentina is well below that in European or Asian countries.

Among the many issues that could promote more micromobility are the planning of the use of urban land, the construction of bicycle paths, the promotion of the bicycle as a mean of transport for schoolers and for commuters, etc.

Public hire of bicycles is one of the policies that promote the use of these vehicles. In Argentina, these systems operate in the city of Buenos Aires (EcoBici), Rosario (Mi Bici Tu Bici), La Plata (Movete en Bici) and in Mendoza (En la Bici).

In the city of Buenos Aires, EcoBici offers 4,000 bikes and 400 dock stations. It can be used free of charge for 35 minutes. In recent years, its use went from 0.4% of the travels in the city in 2009 when it started (the city later added 250 km of bicycle lanes) to close to 4% of all trips currently. On August 2020, work began on the new bicycle lanes in several important avenues. In the months of the pandemic the Secretary of Transportation of the city of Buenos Aires registered an increase of 114% in bicycle trips.

In Rosario, Argentina’s third largest city in July 26% more trips were made using public bicycles than in the same month of 2019 and since the beginning of the quarantine, 2,500 new users were registered. In the city of La Plata, the "Movete en Bici" program includes a bicycle loan service for

⁴ “[Urban Transport Policies](#), in Latin America and the Caribbean, where we are how we got here and-what lies ahead”, IADB, December 2019

essential workers and residents who have a circulation permit during the pandemic. The number of its registered users since the quarantine began increased by 10%.

Financing. In the last ten years Banco Ciudad, the City of Buenos Aires official bank, has offered a financing program for the purchase of vehicles in interest-free installments. The number of purchases using these loans in July 2020 more than doubled those of the same month of 2019.

Note on public policy on e-mopeds. From a policy point of view, the appearance of e-scooters has raised controversies in other parts of the world, and some cities have banned them, including in the Netherlands. A common ground for this ban is the perceived danger of having a motorized vehicle to share public spaces normally used by pedestrians or bicycles⁵.

In Dutch law e-scooters are classed as a 'special moped' and they must comply with a high safety standard including the brake systems, lights, direction indicators etc. So far the usual models of e-mopeds are not allowed and their use risks a fine and possible confiscation of the scooter. If an accident takes place insurance may not cover it. By August 2020 a new design of e moped was presented in the city of Roermond, with an appearance much closer to that of a bicycle.

Public Policy Challenges. According to press reports, Argentine actual or potential users of bicycles complain about issues such as:

- Safety. A recurring problem is that cyclists do not feel safe on the street. Public policy should give more priority to pedestrians and cyclists.
- Lack of public bikes systems in big cities, for instance in Córdoba, Argentina's second largest city.
- Lack of bike culture. "Car drivers don't respect bikes, honk their horns, get angry and yell at cyclists".
- Parking places and Security. Concerns with security mean that people often need a garage where they feel is safe to park their vehicles.
- Extension of the paths network. Even in the city of Buenos Aires, with its relatively extended *ciclovía* network there are few paths in its south, southwest and west areas. There is a need to extend also the system to the large metropolitan area surrounding the city itself.
- Incentives. Incentives for purchase, renewal and repair are necessary, and also to offer economic incentives to people and employers who are willing to totally or partially change the use of motorized vehicles.
- Training and info on paths. A proposal is to promote the creation of spaces to learn to ride a bicycle for all ages, where risks are reduced. In addition, free guidance manuals should be offered to advise on road safety measures, types of vehicles to be purchased and routes offered.
- Safety should be a theme for training also for cyclists: According to the municipal authorities of the city of Vicente Lopez, in the Buenos Aires metropolitan area, while 90% of motorcycle users wear helmets, only 40% of cyclists do.

⁵ A view of micromobility policy in general and related to e-scooters can be found in this Deloitte document <https://view.deloitte.nl/rs/502-WIB-308/images/deloitte-nl-fom-micromobility-is-the-future-of-urban-transportation.pdf>

- Tourism. Also, information should be spread regarding tours and destinations to promote internal tourism in the cities.

6 Institutions and Events

- National Ministry of Transport <https://www.argentina.gob.ar/transporte>
- Industrial Chamber of Motorcycles, Bicycle, Wheels and Related (Cámara Industrial de motocicletas, bicicletas, partes, rodados y afines, [CIMBRA](#)). Tel +54 9 0 11 2464-4793
- Argentine Chamber of Trade and Industry of Bicycles, Parts, and related items (Cámara Argentina de Comercio e Industria de Bicicletas, Partes, Rodados y Afines, [COMMBI](#))
Tel +54 (011)4331-1315 Email: contacto@commbi.com.ar
- [Argentina en Bici org](#), An NGO that will host a **worldwide forum** next year in the city of Rosario. It promotes sustainable mobility thru the use of the bicycle
- Association of Urban Cyclists, (Asociación de Ciclistas Urbanos, [ACU](#)) an NGO that promotes also the use of bicycles.
- [Santa Fe en Bici](#), an institution that promotes the use of bicycles including the program “To work on bike” (Al trabajo en Bici”) in the capital of Santa Fe Province.
- Metropolitan Foundation ([Fundacion Metropolitana](#)) a prestigious ONG that focusses on public policy design through participative processes, including for land planning and public transport.

Institutions related with The Netherlands

- **Embassy of the Netherlands in Argentina**
Economic Section T: +54 11 4338 0090 , Website www.paisesbajosytu.nl
Linkedin: [EmbajadadelReinodelosPaísesBajosenBuenosAires](#)
- **Netherlands Business Support Office in Córdoba**, a foreign trade office of the Dutch government implemented by the Netherlands Enterprise Agency (RvO.nl) located in the important region of Córdoba in the center of the country. T+54 9 3584 383 175
Website link: [NBSO Córdoba](#)
- **Argentine-Dutch Chamber of Commerce** The chamber that gathers most Dutch businesses in Argentina. Website <https://ccah.org.ar/> Email info@ccah.org.ar
- **European Enterprise Network (EEN) in Argentina**
The EEN is a network funded by the EU to support SMEs and research centers in the EU and emerging economies including Argentina. Website:
<https://een.ec.europa.eu/about/branches/argentina>

Events. Several usual events related with bicycles needed to be re scheduled because of the Covid 19 pandemic.

Expo Bici a fair dedicated to bicycles and micromobility vehicles, takes place usually in the month of November. There is not a date yet for the next edition.

[Expo Aire Libre](#), a fair dedicated to all outdoors activities, including bicycling. Originally scheduled for November 2020 in Buenos Aires, it will be rescheduled for 2021. Accreditation will begin in March 2021.

[World Bicycle Forum](#), a bicycle policy promotion Forum will take place for its 10th edition in the Argentine city of Rosario in 2021. No date has been announced yet. More details <https://www.facebook.com/forummundialdabicicleta/>

Annex: Specific Import Procedures

This Annex brings a summary of the information available in the Market Access Database published online by the EU commission⁶.

Import requirements that apply specifically to bicycles (position group HS 8712)

- Registration with the Integrated Trade System (SISCO)

A document certifying that an importer is registered with the Integrated Trade System (SISCO) of the Ministry of Productive Development.

The document is a prerequisite for conducting electronic procedures via SISCO. It is required for customs clearance.

Spanish name of the document = Registración en el Sistema Integrado de Comercio (SISCO) The registration is to be applied for by the importer or his agent online via the Integrated Trade System (SISCO) of the Ministry of Productive Development. The application is to be completed in Spanish.

The required data is to be entered into the interface of SISCO at sisco.mecon.gob.ar. Moreover, in case of clothing and footwear, a print-out of the application for the registration is to be submitted.

The period of validity of the registration is not limited.

See below note on compliance with safety requirements⁷

- Automatic Import Licence Required for all positions in the group except 8712.00.10, 8712.00.90. It is usually a brief procedure. Application for the License is to be submitted electronically via the Integrated Import Monitoring System (SIMI) www.afip.gob.ar/simi/. The period of validity of the import licence is 180 days from the date of approval in SIMI.

- Non-Automatic Import Licence Only required for 8712.00.10, 8712.00.90

To be submitted electronically via the Integrated Import Monitoring System (SIMI) within the computerised system Malvina (SIM).

As a prerequisite for obtaining access to the electronic system, importers must have completed a Registration of the Importer with the Directorate General of Customs and be in possession of a Tax Payer Registration Code (CUIT) and a fiscal code (of security level three). The latter is to be previously obtained on the website of the Federal Administration of Public Revenue (AFIP). Moreover, as a prerequisite for the non-automatic licence, importers must also be previously inscribed in the Single Register of the Ministry of Productive Development (Registro Único del Ministerio de Desarrollo Productivo - RUMP).⁸

⁶ [Source Market Access Database](#), EU Commission

⁷ Note: In order to obtain a proof of compliance with essential safety requirements (comprobante de cumplimiento de requisitos esenciales de seguridad) or a confirmation of exemption, as applicable, for new bicycles, importers must apply for a prior registration with SISCO within the module for "Bicicletas". The registration starts with a new file for legal documentation ("Nuevo Expediente Documentación Legal").

⁸ The applicant must file all details within ten days from starting the submission of the required information (in this case, the SIMI will display "requerimiento Art. 4" (requirement Art. 4). It is noteworthy that in

The competent authority may furthermore request additional particulars and/or documents which are to be filed within ten days from displaying "requerimiento Art. 5" (requirement Art. 5) in the SIMI. These details are stipulated in Annex XV of Resolution No. 523-E/2017 (as amended).

Note on Import Licenses: by August 2020 Argentina's economy suffers from an scarcity of dollars, several measures have been taken by the Government to reduce the expenditure of hard currencies for imports. Among those, firms have reported that import approval times have lengthened, specially for those items not considered as inputs for product manufacturing or essential services. It is therefore recommended that prospective exporters make appropriate enquires before considering the offer of their products.

Custom Tariffs for **8712:**

MFN duty 20%

Additional taxes and duties:

Value added tax (VAT) levied at a rate of 21% of the duty paid value.

Statistical fee (STF) levied at a rate of 3% of the dutiable value. However, there is only a maximum amount to be paid at importation in accordance with the dutiable value:

Dutiable value:

Maximum amount to be paid

Less than 10,000 USD: 180 USD

Between 10,000 USD and 100,000: USD,3,000 USD

Proportional tax on profit (PTP): is levied at a rate of 6% of the duty paid value. (Goods imported for personal use and consumption of the importer are taxed at a rate of 11% of the duty paid value, whilst goods imported as industrial goods for use in the importing company are exempted from proportional tax on profit.)

Import requirements specific for product group HS 8711: motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars.

Import license. The positions relevant for the e bikes and e scooters are within the 8711.60.00 grouping which require Automatic Licenses.

Homologation Certificate for Motor Vehicles (Last updated on 28 Aug 2020)

A document confirming that parts of motor vehicles and safety gear to be imported conform to the standards applied in Argentina.

Required for customs clearance and market access.

addition to the specifics required for all applications (please see the list of minimum information below), supplementary documentation is to be submitted. These additional details vary depending on the type of commodity to be imported and may be consulted in the Annexes II to XIV of Resolution No. 523-E/2017 (as amended) (please also refer to the list below).

Spanish name of the document = Certificación de Homologación de Autopartes de Seguridad (C.H.A.S.) The permit is to be applied for by the importer or the manufacturer at the National Institute of Industrial Technology = Instituto Nacional de Tecnología Industrial (INTI). The application is to be completed in Spanish. Depending on the kind of goods, different application forms are available.

The processing time is approximately 60 days.

Custom Tariffs for 871160 (With electric motor for propulsion) and for 871190 (Others)

MFNduty 20%

Additional taxes and duties:

Value added tax (VAT) is levied at a rate of 21% of the duty paid value.

Excise tax (EXC) is levied at a rate of 20% of the duty paid value increased by 30% for goods of a retail sales price, not including taxes, exceeding 428,577.88 ARS. If the retail sales price, not including taxes, is 549,458.82 ARS or more, excise tax is levied at a rate of 30% of the duty paid value increased by 30%.

Statistical fee (STF) is levied at a rate of 3% of the dutiable value. (See values for 8712.00.10 above)

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