

Analysis the motorbike market in vietnam

[Countries](#), [Vietnam](#)



Vietnam by motorbike take 61% of the total and by 4 times comparing with people who use car as main vehicle. Thus, motorbike market is an important part of Vietnam economy and considerable contribution to economic growth in recent years of Vietnam. Therefore, in this report are going to analyze the Motorbike market in Vietnam in both aspects: microeconomic and macroeconomic and bring out some conclusion about this market.

Microeconomics: In this section, it will be analyzed into three elements such as demand, supply and price. Demand of consumer: In recent years, the demand of motorbike always grows up.

According to the Vietnam Registry Department, until a half of 2011 Vietnam has about 17 million registration motorbikes and became one of countries has the ratio of people who use motorbike highest on the world. Table 2: Number of motorbike was registered Source: Vietnam Registry Department, 2010 Following above table, it can be seen that number of registered motorbike is increasing dramatically year by year. In 2006, Vietnam had 1.5 million of motorbikes but 5 year later this figure increased twice with 3 million motorbikes in 2010.

These figures are shown that demand of Vietnamese people in buying motorbike very large ND this is a complex market for investors to invest their capital as well as extend production. The main reason led to growing up of motorbike is reduced price of this product. For example, 10 years ago, a Honda dream motorbike was 30 million VND (equivalent 2,000 USD at the same time), however after 5 years Honda was opened a industry in Vietnam and now price of a Honda motorbike is just from 10 million VND (equivalent

KUDUS at the present time). Price of produce changes, therefore demand of consumers change too.

On the other hand, the second factor making demand of consumer raise is national income. According to General Statistics Office, average per capita income in 2010 was approximately 1000 SAID, increasing 2.5 times compare with income in 2004. Slogan (2010) is mentioned that for normal goods when income increases, the demand about it increases. Motorbike is a normal goods. This is sign to show that when income of people increases, their demand increase too and they will spend more money for necessary goods, such as Vietnam is one of countries where is the most of using motorbike in the world.

Thus, Vietnam is a large market and more potential for motorbike brands. Honda is brand which has most of market share in motorbike market because Honda is leader of this market when they were the first production at Vietnam over 10 years ago and they are always on the top of choice of consumers. According to General Statistics Office, until 2009 there are two industries of Honda in Vietnam and the total of productivity of those is 1.5 million produces per year.

However, in 2010 Honda has invested 70 million USD to expend these industries, and improvement productivity to 2 million produces each year. Look back on the table 2, the number of registered motorbike in 2010 was 3 million produces. Therefore, Honda was taken over a half of share market of motorbike market in Vietnam. Yamaha, Suzuki, SUM, Pigging... Are the rest

of brands in the motorbike market. In these brands, Yamaha is the most competitor of Honda with productivity each year is 1 million produces.

In first years when motorbike has just come to Vietnam, motorbike brands have set a high price because at that time demand of consumer was increasing highly and the main reason that time was taste. In recent years, with expanding on industries of old brands and setting up new brands of domestic production makes competition violently in motorbike market. As a result, reduce price is the optimal choice of producers. Domestic brands have exposed new produces with lower price, conformity with people who have low income.

Therefore, other brands must to reduce price of their produce to competitive if they do not want to lose share market. Producers emulate reducing price make demand of consumer increasing significantly. However, at this present, the supply of producers is over than demand of consumer, making surplus through the years, so in the future the price of produce will be continue reduce. On the other hand, producers must be kept productivity stability and in next some years reduce productivity to avoid surplus by yearly.