



# Main Players in the Automotive Industry of America and Asia

美洲和亞洲汽車產業主要活躍國分析 by Behrooz Lofian

China, Japan, USA and Mexico are 4 main players in the global automotive market and this article will study their power in their regions.

## China

China is the biggest car producer in the world. It produced more than 24.5 million units of cars in 2015. Therefore, it seems that it is the biggest market for the auto parts industry. The righthand statistics show that:

### Points of China as an exporter

China as the exporter of auto parts is ranked the 2nd place after Japan among the Asian exporters!

China increased its market share every year from 2011 through 2015 (in the world: 2.1%; in Asia: 6.6%).

2015 was an awful year for car producers and it caused effects to auto part producers, but China could manage the situation. Although its export value decreased, its market share increased. It means less steep decline in export of Chinese manufacturers.

\* Values are in thousand USD.

Exporters	Export Value in 2011	Export Value in 2012	Export Value in 2013	Export Value in 2014	Export Value in 2015
World	341,957,091	347,240,592	364,370,255	373,849,569	349,662,532
Asia Aggregation	101,477,084	111,682,020	112,630,801	114,251,201	106,044,028
Market Share	29.7%	32.2%	30.9%	30.6%	30.3%
China	20,353,476	22,634,079	25,517,522	28,443,914	28,281,680
Asia Market Share	20.1%	20.3%	22.7%	24.9%	26.7%
World Market Share	6.0%	6.5%	7.0%	7.6%	8.1%

Importers	Import Value in 2011	Import Value in 2012	Import Value in 2013	Import Value in 2014	Import Value in 2015
World	333,955,231	340,959,233	360,427,140	375,182,956	349,048,863
Asia Aggregation	61,719,722	68,907,649	72,066,721	74,687,066	67,108,769
Market Share	18.5%	20.2%	20.0%	19.9%	19.2%
China	21,163,566	21,940,724	24,158,946	27,373,029	23,342,521
Asia Market Share	34.3%	31.8%	33.5%	36.7%	34.8%
World Market Share	6.3%	6.4%	6.7%	7.3%	6.7%

### Points of China as an importer

1. China is the biggest importer in the auto part industry in Asia.
2. Although its market share increased during 2011-2014, its market share in this sector declined 1.9% in the world and 0.6% in Asia region in 2014-2015.

### China situation: China acts as a leader

Based on the statistics it is consultable that, Chinese import did not decrease because of the car industry's situation. They did it because their auto part sector was improved in 2014. It means that they attacked their own business and improved their auto part products. AL Ries and Jack Trout in the Marketing Warfare book said "When you are the clear market leader with some decent competition, you should be practicing defensive marketing. In defensive marketing warfare, a market leader does its best to protect the market share, profitability, and brand perception against growing competitors. If you do not enact defensive marketing, you risk losing customers to your competitors."

## USA

USA is the 2nd biggest car manufacturer in the world. Its production was more than 12 million units of cars in 2015. Its situation in auto parts is shown in the following tables:



## USA as an importer

1. USA as the biggest importer in the America region absorbed about 55% of imported auto parts to the America region.
2. U.S. market share increased from 2011 to 2015 annually except for 2013, which is not a good sign for the 2nd biggest car manufacturer. It can mean lack of domestic auto part manufacturers. Export statistics will clear U.S. situation in the auto part sector.

## USA as an exporter

U.S. market share declined in America region after 2013.

The interesting point is although U.S. market share declined in America region, its global market share increased from 2014 through 2015. It means that its auto part manufacturers could improve their production.

## USA situation: USA can keep its market share

Based on the statistics it is clear that USA has problems in its domestic auto part industries, which are increasing imported and decreasing exported auto parts. If you are a leader in the market, you have to defend your market share. USA did not do it but the good point is that the gap between USA and Mexico as the 2nd biggest exporter in America region is very large. Another positive point in the USA statistics is that its increased market share in exported auto parts in the world from 2014 to 2015. By the way It can be a point to improve its market share.

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America Aggregation	70,084,844	76,656,522	79,114,234	80,463,336	83,333,863
Market Share	20.5%	22.1%	21.7%	21.5%	23.8%
USA	37,952,792	41,790,665	43,071,211	42,741,289	43,875,067
America Market Share	54.2%	54.5%	54.4%	53.1%	52.6%
World Market Share	11.1%	12.0%	11.8%	11.4%	12.5%

Importers	Import Value in 2011	Import Value in 2012	Import Value in 2013	Import Value in 2014	Import Value in 2015
World	333,955,231	340,959,233	360,427,140	375,182,956	349,048,863
America Aggregation	101,357,177	114,602,273	116,726,460	121,339,716	121,496,767
Market Share	30.4%	33.6%	32.4%	32.3%	34.8%
USA	50,221,665	58,121,698	58,812,202	63,683,772	66,480,025
America Market Share	49.5%	50.7%	50.4%	52.5%	54.7%
World Market Share	15.0%	17.0%	16.3%	17.0%	19.0%

## Japan

Japan is the 3rd biggest car manufacturer in the world with about 9.3 million units of cars manufactured in 2015. It also has the most valuable brands in the world after Germany.

### Japan as an exporter

1. Although Japanese auto part manufacturers are the biggest exporter in the Asian region but it is clear that they have lost their market share sharply (a 10% loss in Asia and a 3% loss in the world over the past 4 years).
2. It is predictable that China will be the leader of this market in 2016.

### Japan as an importer

The gap between Japan's exported and imported auto parts shows that Japanese manufacturers have focused on their domestic market.

The decrease in their exported auto parts was not covered by the imported auto parts, and therefore, it can be predictable that Japan has some problems in its economy or these problems are between Japan and its foreign partners.

### Japan Situation

Forbes website says "to forget about Greece, Japan is the world's real economic time bomb", while Project-Syndicate also wrote about Japan's economic quandary. The Japanese economy is a paradoxical mixture of prosperity and failure. And, in a significant way, its prosperity makes its failures difficult to address.

Based on these items, it is predictable that there will be a dark future for the auto part industry in Japan.

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Market share	29.7%	32.2%	30.9%	30.6%	30.3%
Japan	37,489,204	39,698,613	35,301,229	32,492,984	28,616,865
Asia Market Share	36.9%	35.5%	31.3%	28.4%	27.0%
World Market Share	11.0%	11.4%	9.7%	8.7%	8.2%

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Market Share	18.5%	20.2%	20.0%	19.9%	19.2%
Japan	5,907,213	6,926,150	7,127,443	7,677,330	7,206,980
Asia Market Share	9.6%	10.1%	9.9%	10.3%	10.7%
World Market Share	1.8%	2.0%	2.0%	2.0%	2.1%

## Mexico

### Mexico as an exporter

1. During the 5 years, Mexico could increase its market share in America region by 6% and by 2.3% in the world. It is incredible for the 7th biggest car producer in the world with the production of 3.5 million units of cars.
2. Mexico as the 2nd biggest exporter in the America region, AL Ries and Jack Trout have mentioned in their book "Marketing Warfare", a company (or a country) needs to target the weaknesses or one specific weakness in the competition – making sure to emphasize its own strengths as well. You should never try to challenge a market leader's strengths – as you will not win



that battle. A business needs to attack where the competition is the most vulnerable. An offensive strategy is the most appropriate when your company is in the 2nd or 3rd place in the market. Sometimes it may be that no business is strong enough to offensively challenge the leader.

3. Mexico has used the weakness of USA cleverly.

### Mexico as an importer

1. The market share of Mexico's exported auto parts is 2 times bigger than that of its imported auto parts.

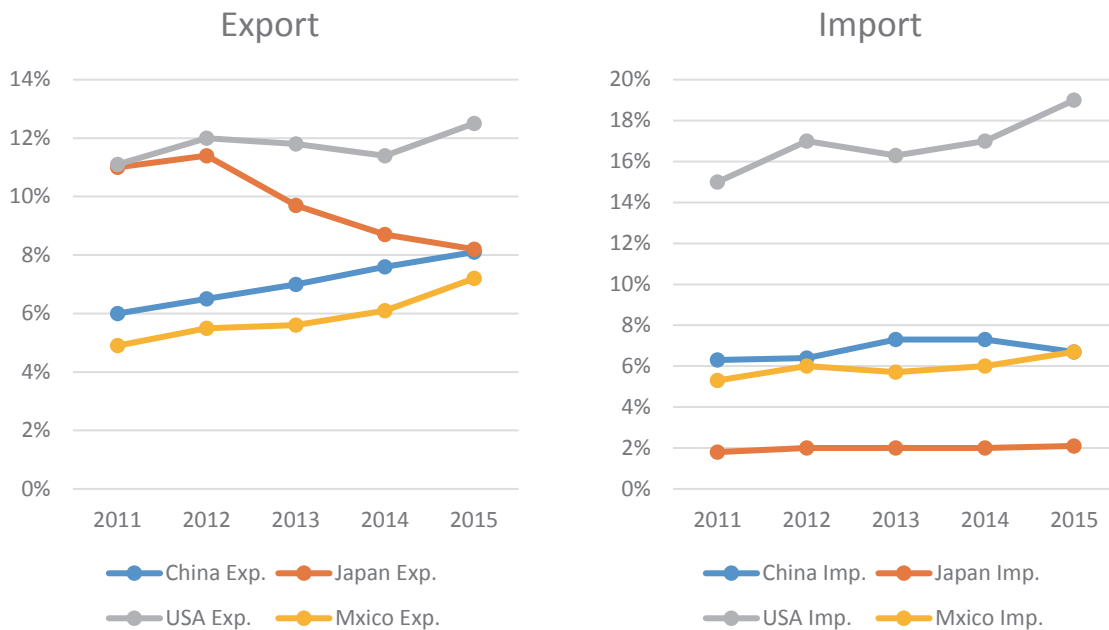
2. Imported auto parts also showed growth, which means that the car industry had positive growth.

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Market Share	20.5%	22.1%	21.7%	21.5%	23.8%
Mexico	16,801,347	19,045,971	20,521,883	22,820,323	25,132,340
America Market Share	24.0%	24.8%	25.9%	28.4%	30.2%
World Market Share	4.9%	5.5%	5.6%	6.1%	7.2%

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Mexico	17,600,876	20,598,711	20,611,065	22,921,463	23,432,939
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## Conclusion

The following graphs compare the 1st and 2nd auto part players in their markets.



1. USA is the main player of auto parts in the world, although its car production is 2 times lower than that of China.
2. Japan is in a real trouble situation.

3. Mexico acts more than expected.
4. Chinese auto part producers focus on the domestic market.

