

Analysis of Global Car Production & Sales in the 1st Half of 2016- Europe, Asia and N. America Continue to Take the Lead

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It's a new year again! Global cars and related auto parts manufacturers are also ready to demonstrate their strengths in 2017 and search for potential business and investment opportunities in the global market. In this article, we'll review the "Global Car Production & Sale Statistics in Q1-2 2016" recently released by OICA, which shows the trend of car production and sale in Europe, N. America, Latin America, Asia, Africa and Oceania and see whether or not there are some potential opportunities in certain regions for companies interested in tapping into the markets in 2017.



PRODUCTION

The world produced 46.5 million cars in the first half of 2016. Car production in Europe and Asia (incl. Oceania) in recent years has continued to show stable growth. The production in Europe and Asia in the 1st half of 2016 showed a 4.3% and 2.3% growth respectively or 11.5 million and 24 million units of vehicles (production in Asia was more than the double of Europe); the production in N. America showed growth as well and the production was nearly 10 million units of vehicles; production in S. America was decreasing year after year and production in this region was less than 2 million units of vehicles. All countries in these region showed a decline of over 10.0%; production in Africa was less than 0.3 million units of vehicles. This region for car production is still underdeveloped.

Europe (incl. Russia, CIS and Turkey)

Top 5 car production countries in the 1st half of 2016 were Germany, Spain, France, UK and Czech Rep. and production of these five countries was over 60% of the total of Europe. Spain and UK both showed growth of over 10.0%. If we view by country, Sweden showed the highest growth of 36.3% while Finland showed the most significant decline of -20.0%. However, neither Sweden nor Finland reached the production of 0.2 million units of vehicles. Car production in Europe is mainly concentrated in W. Europe. However, countries in E. Europe like Czech Rep., Slovakia, Poland, Hungary and Romania have been also trying their best to keep the pace with the leading countries in recent years. According to the data in the 1st half of 2016, Czech Rep. and Slovakia both reached the production level of 0.5

million units of vehicles. As for Russia (incl. CIS), the total car production in this region in the 1st half of 2016 reached only about 0.6 million units of vehicles, which does not seem good. Compared to the record in 2015, production in Russia was down 16.2%. Production of Turkey in the 1st half of 2016 was nearly 0.8 million units of vehicles, up 8.7% from 2015.

Asia (Incl. Oceania)

Car production in Asia (incl. Oceania) in the 1st half of 2016 reached almost 25 million (higher than the total of Europe and America) and it's currently the most important car production region around the world. Top 5 car production countries in this region were China, Japan, S. Korea, India and Thailand. Undoubtedly, China is the

largest car production country in the world and its production in the 1st half of 2016 was nearly 13 million units of vehicles (even higher than the total of Europe or America). China and India both showed a year-on-year growth of 6.5% and these two countries were the only two countries among the top 5, which still reported growth in the 1st half of 2016. Japan, S. Korea and Thailand all showed a decline of at least -3.0% in the production. Thailand, though among the top 5, showed the production of less than 1 million units of vehicles in the 1st half of 2016 (even lower than 1/2 of the production in India). Asian country reporting the most significant decline in production in the same period was Malaysia, which showed a decline of nearly -20.0%.

America

Car production in America (N. America + S. America) in the 1st half of 2016 was roughly 11 million units of vehicles, a slight drop of 1.0% from the same period in 2015. If N. America and S. America are viewed separately, N. America showed a 2.2% growth with the production being more than 9 million units of vehicles, but on the contrary S. America showed a nearly -20.0% decline in production, which fully reveals the fact that the important car production region in America is in the North but South. USA has been always the most essential key role in car production of America. In the 1st half of 2016, U.S. car production was about 6.2 million units of vehicles (more than 1/2 of the total of the entire America), showing a year-on-year growth of 2.1%. In addition to the largest car production country in this region- USA, Mexico, Canada, Brazil and Argentina were also other main car production countries in this region (Production of each of these counties in the 1st half of 2016 was in the range of 1-2 million units of vehicles). In addition to the growth in USA, a 13.1% growth was also observed in Canada. However, in other main car production countries, the production was on a decline. Brazil and Argentina both showed a decline of over -10.0%.

Africa

Car production in Africa in the 1st half of 2016 was approx. 0.3 million units of vehicles, showing a year-on-year decline of -4.0%. Car production in Africa was highly concentrated in South Africa. Though Egypt was the 2nd largest car production country in the region, its production was just a very small part in terms of the total. Production in Africa, if viewed from the global perspective, is hardly able to cause any impact on other regions. This region, at this time, is still an immature market for investors.

WORLD MOTOR VEHICLE PRODUCTION BY COUNTRY AND TYPE

Estimate

ALL VEHICLES	2015-Q2	2016-Q2	Change
EUROPE	10,964,877		4.3%
EUROPEAN UNION 27 countries	9,455,065		6.4%
Germany	3,084,780	3,193,975	3.5%
Spain	1,457,703	1,621,017	11.2%
France	1,059,000	1,142,000	7.8%
UK	842,319	944,778	12.2%
Czech Republic	645,898	722,236	0
Italy	519,374	572,740	10.3%
Slovakia	537,804	570,000	6.0%
Poland	361,287	378,365	4.7%
Hungary	232,200	222,900	-4.0%
Belgium	221,928	207,098	-6.7%
Romania	212,433	201,167	-5.3%
Sweden	80,451	109,640	36.3%
Portugal	87,502	80,163	-8.4%
Slovenia	73,647	72,777	-1.2%
Austria	64,100	57,950	-9.6%
Serbia	46,190	44,350	-4.0%
Finland	42,000	33,600	-20.0%
Netherlands	0	0	
CIS	796,030	658,645	-17.3%
Russia	730,245	612,130	-16.2%
Uzbek	119,412	34,253	-71.3%
Belarus	6,850	6,277	-8.4%
Kazakhstan	8,794	3,772	-57.1%
Ukraine	3,181	2,095	-34.1%
Azerbaijan	148	118	-20.3%
TURKEY	667,592	725,477	8.7%
AMERICA	10,576,419		-1.0%
NAFTA	9,040,635	9,237,597	2.2%
USA	6,125,908	6,255,476	2.1%
Mexico	1,814,071	1,737,313	-4.2%
Canada	1,100,656	1,244,808	13.1%
- SOUTH AMERICA	1,535,784	1,231,619	-19.8%
Brazil	1,289,871	1,016,680	-21.2%
Argentina	260,411	224,038	-14.0%
Venezuela	10,922	1,551	-85.8%
Chile	0	0	
Colombia	0	0	
Ecuador	0	0	
Peru	0	0	
Uruguay	0	0	
ASIA-OCEANIA	23,810,737		2.3%
China	12,108,400		6.5%
Japan	4,650,968	4,494,583	-3.4%
S. Korea	2,321,841	2,195,843	-5.4%
India	2,053,872	2,186,655	6.5%
Thailand	933,679	903,380	-3.2%
Indonesia	579,343	601,461	3.8%
Iran	555,954	562,374	1.2%
Malaysia	327,664	263,043	-19.7%
Taiwan	181,214	163,351	-9.9%
Pakistan	112,470	107,184	-4.7%
Australia	82,372	81,195	-1.4%
Bengal	0	0	
Philippines	0	0	
Vietnam	0	0	
AFRICA	319,234	306,532	-4.0%
South Africa	301,234	288,372	-4.3%
Egypt	18,000	18,160	0.9%
Algeria	0	0	
Botswana	0	0	
Kenya	0	0	
Libya	0	0	
Morocco	0	0	
Nigeria	0	0	
Sudan	0	0	
Tunisia	0	0	
Zimbabwe	0	0	
TOTAL	45,609,957		2.0%

source: OICA

SALE

The global car sale in the 1st half of 2016 reached more than 45 million units of vehicles, up 3% from the same period in 2015. If it is viewed by region, Europe and Asia (incl. Oceania & Middle East) both showed growth of 7% and 4% respectively. Russia/Turkey/CIS countries, Southern & Central America and Africa, however, showed the decline of -9%, -16% and -5% respectively. Notably, the total sale in America was on a decline, but the sale in N. America showed a 3% growth. Similar to the scenario in the global car production, car sale was still concentrated in Europe, Asia and N. America. The total sale of these three regions was over 43 million units of vehicles.

Europe

Car sale in Europe in the 1st half of 2016 was nearly 10 million units of vehicles, up 7% from the same period in 2015. The sale in Europe was roughly 20% of the global sale. Top 5 countries with the highest car sale in this region were Germany, UK, France, Italy and Spain and the total sale in these five countries was about 60% of the total sale in Europe. Except for Spain in which the car sales was less than 1 million units of vehicles in the 1st half of 2016, other countries (i.e. Germany/UK/France/Italy) in the top 5 all showed the sale of 1-2 million units of vehicles. Italy and Spain among the top 5 both showed a 10-20% growth. Car sale in each of the European countries all showed a growing trend if compared to sale in the same period of 2015, except for Switzerland showing a decline of -2.0%. The statistics also show that car sale in this region was mainly in W. Europe and the main countries with the highest car sale in E. Europe were Poland and Czech Rep.

Russia, CIS and Turkey

Car sale in this region in the 1st half of 2016 dropped by 9% from 2015 to about 1.2 million units of vehicles. Russia and Turkey were two main countries with the highest car sale in this region. In the 1st half of 2016 the total car sale in Russia was nearly 0.7 million units of vehicles while the sale in Turkey in the same period reached more than 0.45 million units of vehicles.

The total sale in these two countries was over 90% of the total sale in the entire region. Although Russia showed the highest car sale in the region, its sale (if compared to the same period in 2015) still dropped by 14%. The country showing the highest growth was Ukraine. It reported up to 60% growth in sale (though the figure was comparatively low). On the other hand, sale in Serbia, Armenia and Belarus also showed growth of at least 5%.

America

The total car sale in America in the 1st half of 2016 was about 12.5 million units of vehicles (representing nearly 30% of the global sale). Like the scenario in production, sale in this region still has to be divided into North and South America for further analysis. The sale of NAFTA (USA/Canada/Mexico) in the 1st half of 2016 increased by 3% from 2015 to roughly 11 million units of vehicles, among which USA had represented nearly 9 million units of vehicles. The sale in Canada was about 1 million units of vehicles, which showed a year-on-year growth of 5%. Sale in Mexico, though, was only about 0.75 million units of vehicles, and its growth margin was up to 20%. Quite the opposite, sale in Southern & Central America showed a substantial drop of 16% to about 1.9 million units of vehicles. Top 5 countries with the highest car sale in this region were Brazil, Argentina, Chile, Colombia and Peru. Among

the top 5, Brazil showed the most significant drop in sale (-25%) and Colombia also showed a drop of 12%. As for Argentina and Chile, both countries showed growth of over 5%. In addition, Costa Rica, Bolivia, Dominican Rep., Nicaragua and Cuba all showed 2-digit growth in sale if compared to the same period in 2015.

Asia/Oceania/Middle East

The car sale in this region was the highest. In the 1st half of 2016, the sale reached over 22 million units of vehicles, a year-on-year growth of 4% (much higher than the sales in America and Europe). Among the top 5 countries with the highest sale (China, Japan, India, S. Korea and Australia), China, India and S. Korea all showed a 7-8% growth, even higher than the average growth of the region. China represented about 1/2 of the total sale in the region, reaching nearly 13 million units of vehicles. Japan was the only country among the top 5 showing a decline and its sale dropped by 5% from the same period in 2015. Notably, Australia has replaced Iran as the country with the 5th highest sale in the region, showing a year-on-year growth of 3%. Sale in Iran in the 1st half of 2016 dropped by 7%.



Africa

The total car sale in Africa in the 1st half of 2016 was about 0.7 million units of vehicles, a 5% drop from the same period in 2015. Top 5 countries with the highest sale in this region were South Africa, Egypt, Morocco, Algeria and Libya. In addition to Morocco and Libya which showed growth of 34% and 5% respectively in the 1st half of 2016, other three countries in the top 5 all showed a 2-digit decline. Algeria among the top 5 showed the most significant drop in sale.

Recap

According to the statistics, the most important markets for car production and sale are in W. Europe, N. America and Asia. If we view by country, Germany/UK/France/Italy in W. Europe, USA in America and China/India in Asia are all countries showing the highest car production and sale. Although the current automotive market may be influenced by President Trump's presidency and BREXIT, which may also influence the will of companies to invest or the will of consumers to buy cars, we still need more time to analyze whether the influence will be positive or not.

TOTAL SALES FIGURES

Estimate

REGIONS/COUNTRIES	2015 H1	2016 H1	% Change
ALL COUNTRIES	44,521,698	45,794,358	3%
EUROPE	9,821,693	10,520,244	7%
EU 28 countries + EFTA	8,489,055	9,306,196	10%
GERMANY	1,779,255	1,910,833	7%
UK	1,588,600	1,639,822	3%
FRANCE	1,233,496	1,345,831	9%
ITALY	946,777	1,136,581	20%
SPAIN	643,182	723,516	12%
BELGIUM	327,970	353,114	8%
POLAND	213,169	254,731	19%
NETHERLANDS	241,309	243,637	1%
SWEDEN	193,513	216,749	12%
AUSTRIA	182,121	195,252	7%
SWITZERLAND	180,094	176,154	-2%
CZECH REPUBLIC	126,887	148,394	17%
DENMARK	123,665	138,948	12%
PORTUGAL	116,876	137,756	18%
IRELAND	98,254	121,532	24%
NORWAY	93,442	97,544	4%
FINLAND	64,461	74,012	15%
HUNGARY	47,971	58,934	23%
GREECE	46,661	50,607	8%
SLOVAKIA	42,869	50,438	18%
ROMANIA	43,389	47,620	10%
SLOVENIA	36,450	41,257	13%
LUXEMBOURG	28,242	31,415	11%
CROATIA	25,334	30,679	21%

LITHUANIA	11,422	15,457	35%
BULGARIA	13,799	14,661	6%
ESTONIA	12,835	14,430	12%
ICELAND	9,641	13,369	39%
LATVIA	8,913	10,662	20%
CYPRUS	5,485	7,748	41%
MALTA	3,898	4,513	16%
RUSSIA, TURKEY & OTHER EUROPE	1,332,638	1,214,048	-9%
RUSSIA	804,390	694,936	-14%
TURKEY	455,269	450,997	-1%
UKRAINE	19,408	31,092	60%
SERBIA	12,200	14,021	15%
BELARUS	11,400	12,100	6%
BOSNIA	4,500	4,468	-1%
GEORGIA	2,000	2,000	
MOLDAVIA	1,900	1,834	-3%
ALBANIA	1,300	1,300	
ARMENIA	1,200	1,300	8%
AMERICA	12,568,834	12,463,784	-1%
NAFTA	10,278,353	10,548,332	3%
USA	8,709,058	8,801,708	1%
CANADA	953,710	1,006,036	5%
MEXICO	619,375	740,588	20%
CENTRAL & SOUTH AMERICA	2,290,481	1,915,452	-16%
BRAZIL	1,318,949	983,536	-25%
ARGENTINA	317,158	335,657	6%
CHILE	137,458	146,690	7%
COLOMBIA	133,000	116,500	-12%
PERU	90,704	85,009	-6%
PUERTO RICO	45,100	38,000	-16%
COSTA RICA	25,800	31,900	24%
PANAMA	27,500	29,400	7%
ECUADOR	39,700	23,700	-40%
URUGUAY	24,800	19,900	-20%
GUATEMALA	15,200	15,100	-1%
PARAGUAY	13,700	14,200	4%
BOLIVIA	10,400	13,500	30%
DOMINICAN REPUBLIC	10,500	12,400	18%
TRINIDAD & TOBAGO	9,500	9,700	2%
GADELOUPE	6,396	6,649	4%
MARTINIQUE	6,118	6,591	8%
NICARAGUA	5,400	6,100	13%
EL SALVADOR	6,000	5,200	-13%
HONDURAS	5,500	5,000	-9%
GUYANA	2,484	2,620	5%
CUBA	2,200	2,600	18%
JAMAICA	2,900	2,500	-14%
BAHAMAS	1,700	1,600	-6%
VENEZUELA	7,200	1,000	-86%
BELIZE	400	400	
ASIA/OCEANIA/MIDDLE EAST	21,364,728	22,134,021	4%
CHINA	11,863,814	12,829,752	8%
JAPAN	2,676,634	2,547,345	-5%
INDIA	1,678,262	1,791,129	7%
SOUTH KOREA	898,396	969,040	8%
AUSTRALIA	578,427	598,140	3%
IRAN	596,400	554,300	-7%
INDONESIA	526,846	529,071	0%
THAILAND	369,109	368,630	0%
SAUDI ARABIA	405,100	325,500	-20%
MALAYSIA	322,184	275,459	-15%
PHILIPPINES	131,495	167,486	27%

TAIWAN	150,884	149,097	-1%
ISRAEL	127,000	143,700	13%
VIETNAM	103,492	135,863	31%
PAKISTAN	115,323	109,881	-5%
UAE	125,300	101,400	-19%
OMAN	81,800	74,700	-9%
NEW ZEALAND	65,574	69,057	5%
SINGAPORE	31,895	53,762	69%
KUWAIT	70,200	49,100	-30%
HONG-KONG	34,201	32,012	-6%
QATAR	42,200	31,000	-27%
UZBEKISTAN	28,400	27,400	-4%
BAHRAIN	28,500	22,700	-20%
KAZAKSTAN	53,083	21,964	-59%
BANGLADESH	26,700	20,400	-24%
LEBANON	19,900	19,900	
SYRIA	19,400	19,400	
PALESTINE	17,500	17,500	
SRI LANKA	8,300	15,400	86%
IRAQ	24,100	12,200	-49%
JORDAN	11,200	11,700	4%
BRUNEI	8,300	8,000	-4%
LAOS	7,100	6,200	-13%
NEPAL	2,900	4,400	52%
NEW CALEDONIA	4,667	4,033	-14%
CAMBODIA	3,000	3,300	10%
AZERBAIJAN	5,100	2,300	-55%
MACEDONIA	1,900	2,200	16%
TURKMENISTAN	2,300	2,200	-4%
YEMEN	2,700	1,900	-30%
TAHITI	1,600	1,800	13%
MYANMAR	900	1,200	33%
TAJIKISTAN	3,100	1,000	-68%
KYRGYZSTAN	2,400	800	-67%
MONGOLIA	400	700	75%
AFRICA	766,443	676,309	-5%
SOUTH AFRICA	302,619	272,461	-10%
EGYPT	162,100	129,200	-20%
MOROCCO	64,400	86,500	34%
ALGERIA	94,989	54,100	-43%
LIBYA	26,400	27,600	5%
TUNISIA	23,700	26,300	11%
BOTSWANA	18,605	20,200	9%
REUNION	13,108	14,148	8%
NIGERIA	9,700	8,800	-9%
MAURITIUS	4,900	4,600	-6%
KENYA	6,900	4,000	-42%
GHANA	2,400	3,600	50%
SENEGAL	2,800	3,300	18%
ANGOLA	8,800	3,100	-65%
IVORY COAST	3,500	3,100	-11%
CAMEROUN	2,000	2,000	
UGANDA	1,500	2,000	33%
NORTH SUDAN	1,800	1,800	
TANZANIA	2,600	1,600	-38%
GABON	1,600	1,400	-13%
ZAMBIA	1,600	1,200	-25%
BURKINA FASO	600	1,100	83%
CONGO KINSHASA	1,500	1,100	-27%
ZIMBABWE	1,200	1,000	-17%
MALAWI	900	700	-22%
BURUNDI	200	600	200%
MADAGASCAR	1,100	600	-45%
LIBERIA	200	200	

source: OICA

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