



Global Car Production & Sales in 1st Half 2014



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Data source: OICA

Foreword

With continuous improvements of various economic and industrial development parameters and the increasing momentum in the market, the development of global automotive and related industries in the recent 6 years has been on a gradual rise. The investments of global car manufacturers in major markets with a large demand for cars also accelerate the globalization of related industries, which not only results in the technological upgrade of invested markets, but also consolidates the market share of brands in certain markets. A survey released by IHS Automotive points out that the global car production in the full year of 2014 is forecast to reach 85 million units. The survey also indicates an optimistic expectation that by 2018 a new record will most likely reach 100 million units. Such a projection does not catch us by surprise, as based on the data released by OICA for the global car production & sales over the past few years, from 2009 to 2013, global car sales continued to rise from 65 million units to 85 million units, thus increasing the possibility of reaching the goal of 100 million units by 2018.

The top 5 largest car manufacturing countries are China(1st), USA(2nd), Japan(3rd), Germany(4th), and South Korea(5th). The production of these 5 countries in the first half of 2014 was all in a slight growth over the same period of 2013. India, Mexico, and Brazil also came after these countries with less production volumes. China, ranked in the 1st place, is where global car manufacturers flock in for a lion's share. These leading manufacturing countries have abandoned the concept of manufacturing cars in their own countries and stepped forward to actively cooperate with other leading car manufacturers and expanded their production bases overseas for satisfying the market demand with the introduction of more technologies and HR integration.

Global Car Production

Table 1 shows top 39 major car manufacturing countries in Q1-Q2 2014, including the separate production volumes of cars and commercial cars. China remains at the top of car production and its production volume were 11,783,335 units, over 1/4 of global production. The total production of USA and Japan ranked the 2nd and 3rd place respectively was even less than that of China. In general, over 50% of global car production was

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concentrated within China, USA, and Japan.

South Korea in Asia has in recent years done a very good job in its automotive industry. Its total production is getting close to that of Germany. The production of South Korea in the 1st half of 2014 were nearly 2.5 million units (Germany: over 3 million). Facing challenges from South Korean competitors, German car manufacturers not only focus on the R&D of high-end automotive technologies, but are also aggressive in cooperating with Chinese companies in product standards, revealing the ambition to leave Japan far behind (e.g., the standardization of battery charging for both German and Chinese-made electricity-powered cars).

The main car models manufactured in India are generally not expensive, but the total car production of India has outpaced those of Mexico and Brazil, both of which are 2 largest car manufacturing countries in Latin America. Considering its potential, Hyundai, Ford, and BMW all set up their plants in this country. In the 1st half of 2014, the production of India were 1,910,129 units, taking the 4th place among other car manufacturing countries in Asia. Except for the increase in the car production of top 5 car manufacturing countries in the 1st half of 2014, the car production of India, however, shows a decline of 6.40%.

The car production of Mexico in the 1st half of 2014 was similar to Brazil, showing 1,665,632 units vs. 1,566,049 units. Compared to the same period of 2013, Mexico with a more open economy showed an increase of 7.60% while Brazil with more government interventions showed a substantial drop of 16.80%.

Spain, in the 9th place, has plants set up by Mercedes, Volkswagen, Opel (GM), Seat, Nissan, Ford, Santana, PSA Peugeot Citroën, Iveco, and Renault, which are mostly

located in Cataluña, Vasco, Madrid, Valencia, and Galicia. About 80% of the car production in Spain is for export. In the 1st half of 2014, the car production of Spain went up 11.80% over the same period of 2013. Its production scale is slightly higher than those of Canada and Russia.

Table 1. H1 2014 Production Statistics (Unit: Vehicle)

Rank	Country	Cars	Commercial Vehicles	Total	% Change
	Total	33,895,253	11,317,408	45,212,661	3.50%
1	China	9,708,473	2,074,862	11,783,335	9.60%
2	USA	2,163,319	3,780,010	5,943,329	4.70%
3	Japan	4,319,949	746,229	5,066,178	8.70%
4	Germany	2,910,867	156,882	3,067,749	6.60%
5	South Korea	2,138,586	203,956	2,342,542	2.60%
6	India	1,566,564	343,565	1,910,129	-6.40%
7	Mexico	942,402	723,230	1,665,632	7.60%
8	Brazil	1,154,081	411,968	1,566,049	-16.80%
9	Spain	980,566	312,266	1,292,832	11.80%
10	Canada	466,964	719,066	1,186,030	-1.80%
11	Russia	905,387	96,037	1,001,424	-4.70%
12	France	823,000	155,000	978,000	7.00%
13	Thailand	373,620	571,335	944,955	-29.50%
14	UK	791,314	37,460	828,774	1.90%
15	Indonesia	526,950	147,414	674,364	15.10%
16	Czech Rep.	634,913	1,981	636,894	10.30%
17	Turkey	357,047	207,031	564,078	-0.90%
18	Slovakia	542,000	0	542,000	5.20%
19	Iran	415,306	72,763	488,069	39.70%
20	Italy	210,444	151,805	362,249	-1.50%
21	Poland	261,300	62,002	323,302	3.30%
22	Malaysia	293,580	24,717	318,297	8.40%
23	Argentina	188,820	119,603	308,423	-21.80%
24	South Africa	112,521	133,571	246,092	-13.40%
25	Romania	224,529	14	224,543	-0.10%
26	Belgium	199,260	14,270	213,530	-15.00%
27	Taiwan	166,721	23,067	189,788	16.50%
28	Hungary	98,430	0	98,430	2.10%
29	Australia	86,807	9,340	96,147	-13.60%
30	Uzbekistan	79,340	11,670	91,010	-6.50%
31	Portugal	65,058	25,684	90,742	7.70%
32	Sweden	85,056	N.A.	85,056	4.80%
33	Others	68,733	15,118	83,851	-27.50%
34	Austria	69,957	7,849	77,806	-8.40%
35	Slovenia	48,778	48	48,826	-9.80%
36	Ukraine	22,561	1,264	23,825	30.60%
37	Egypt	8,040	5,010	13,050	-30.90%
38	Finland	6,210	0	6,210	11.30%
39	Serbia	4,030	150	4,180	-1.20%

Global Car Sales

Global car sales in the 1st half of 2014 were up 3.4% over the same period of 2013 to 44,073,262 units (*Table 2*). The difference of about 1.13 million units reveals a situation of slight oversupply.

Region/Country	H1 2013	H1 2014	% Change
All Countries	42,642,024	44,073,262	3.4%

Europe

The total car sales of all Europe in the 1st half of 2014 were nearly 9.5 million units (*Table 3*), an increase of 2.7% over the same period of 2013 (about 9.2 million units). Over 80% of sales in Europe were generated within the EU and were mostly concentrated in Germany, UK, and France. Among the top 10 countries in the EU, sales in UK, Spain, Poland, and Sweden all demonstrated an increase of 10-20%, with decline in Belgium, Netherlands, and Austria, however. In general, there was no big change in sales of Europe and its total car sales in the 1st half of 2014 represented roughly 1/5 of global sales.

On the other hand, though sales in the EU increased, sales in Russia, Turkey, and Ukraine is another story. Turkey and Ukraine showed the drop of 23.9% and 44.7% respectively, revealing a 'frozen' market for car sales in both countries. Regardless of the moderate performance of former CIS countries, they still could not do much help due to their smaller scales of sales market.

America

Table 4 reveals that the car sales in America in the 1st half of 2014 reached 12.5 million units (about 28% of global sales), which is higher than the sales in Europe. 78% of the sales (about 9.75 million units) in America came from NAFTA (mostly from USA). However, the sales in Latin America were merely 2.73 million units. Although there are many countries in America, most of the car sales are still from USA, Brazil, Canada, Mexico, and Argentina. The sales were less than 0.2 million units in any other American country.

Compared to the same period in 2013, sales show a slight decline of 0.9% in Mexico and a growth of 4.3% and 2.8% in USA and Canada respectively. Top 5 countries in Latin America with the largest car sales all declined in sales, except for a growth of 3.8% in Colombia, and Argentina had the biggest drop of 23.8%, worse than the decline of average sales of all Latin American countries (-10.2%). According to ADEFA, Argentinean automotive market now shows a fast decline in both car sales and exports.

Table 3. H1 2014 Sales Statistics for Europe, Russia, and Turkey

Regions/Countries	H1 2013	H1 2014	% Change
EUROPE	9,200,506	9,448,752	2.7%
EU 28 countries + EFTA	7,323,155	7,800,311	6.5%
EU 15 countries + EFTA	6,861,227	7,259,978	5.8%
GERMANY	1,644,261	1,691,597	2.9%
UNITED KINGDOM	1,320,073	1,461,062	10.7%
FRANCE	1,143,051	1,171,267	2.5%
ITALY	791,011	823,480	4.1%
SPAIN	432,951	519,218	19.9%
BELGIUM	325,528	322,106	-1.1%
NETHERLANDS	245,063	232,566	-5.1%
POLAND	176,147	205,606	16.7%
AUSTRIA	190,270	186,780	-1.8%
SWEDEN	150,072	175,628	17.0%
SWITZERLAND	173,223	167,349	-3.4%
DENMARK	105,239	113,850	8.2%
CZECH REPUBLIC	90,000	105,000	16.7%
PORTUGAL	63,395	89,055	40.5%
NORWAY	86,440	86,946	0.6%
IRELAND	60,993	76,317	25.1%
FINLAND	63,696	66,220	4.0%
HUNGARY	34,083	42,334	24.2%
SLOVAKIA	36,202	40,471	11.8%
GREECE	32,243	40,028	24.1%
ROMANIA	30,737	38,805	26.2%
SLOVENIA	32,097	32,974	2.7%
LUXEMBOURG	28,526	29,572	3.7%
CROATIA	17,836	24,321	36.4%
ESTONIA	12,144	12,517	3.1%
BULGARIA	10,778	12,242	13.6%
LITHUANIA	8,385	9,600	14.5%
LATVIA	6,778	7,932	17.0%
ICELAND	5,192	6,937	33.6%
CYPRUS	4,176	4,868	16.6%
MALTA	2,565	3,663	42.8%
RUSSIA, TURKEY & OTHER EUROPE	1,877,351	1,648,441	-12.2%
RUSSIA	1,325,651	1,239,995	-6.5%
TURKEY	400,966	305,075	-23.9%
UKRAINE	112,834	62,341	-44.7%
SERBIA	12,500	15,000	20.0%
BELARUS	11,500	12,600	9.6%
BOSNIA	5,100	4,800	-5.9%
ARMENIA	2,600	2,710	4.2%
GEORGIA	2,400	2,520	5.0%
MOLDAVIA	2,600	2,300	-11.5%
ALBANIA	1,200	1,100	-8.3%

Asia/Oceania/Middle East

Due to the existence of many leading car manufacturing countries in this region (e.g., China, Japan, India, and South Korea), a large consumption market, the rise of emerging countries, and regional integration (e.g., ASEAN and RCEP), the car sales in this region are greater than those in other regions. In the 1st half of 2014, total car sales in this region were 21,347,806 units (Table 5), which is 1.7 times of the sales in America and is even 2.26 times the sales in Europe, making it the biggest car manufacturing and sales heartland in the world.

Estimated Value			
Regions/Countries	H1 2013	H1 2014	% Change
AMERICA	12,430,755	12,486,009	0.4%
NAFTA	9,387,383	9,752,949	3.9%
UNITED STATES OF AMERICA	7,965,617	8,310,911	4.3%
CANADA	902,008	926,950	2.8%
MEXICO	519,758	515,088	-0.9%
CENTRAL & SOUTH AMERICA	3,043,372	2,733,060	-10.2%
BRAZIL	1,799,064	1,662,920	-7.6%
ARGENTINA	497,132	378,594	-23.8%
CHILE	192,329	173,242	-9.9%
COLOMBIA	139,200	144,500	3.8%
PERU	102,986	92,845	-9.8%
ECUADOR	56,235	56,177	-0.1%
PUERTO RICO	48,500	49,500	2.1%
URUGUAY	27,200	27,200	
PANAMA	23,500	25,000	6.4%
COSTA RICA	17,500	19,500	11.4%
PARAGUAY	14,800	18,500	25.0%
GUATEMALA	11,900	13,200	10.9%
DOMINICAN REPUBLIC	10,300	12,300	19.4%
BOLIVIA	10,400	9,200	-11.5%
TRINIDAD	7,300	8,000	9.6%
VENEZUELA	50,000	7,000	-86.0%
GUADELOUPE	6,513	6,324	-2.9%
EL SALVADOR	5,500	5,700	3.6%
MARTINIQUE	5,352	5,418	1.2%
HONDURAS	4,700	4,700	
NICARAGUA	4,100	4,100	
GUYANA	2,461	2,540	3.2%
JAMAICA	2,300	2,500	8.7%
CUBA	2,200	2,200	
BAHAMAS	1,700	1,700	
BELIZE	200	200	

Estimated Value			
Regions/Countries	H1 2013	H1 2014	% Change
ASIA/OCEANIA/MIDDLE EAST	20,201,507	21,347,806	5.7%
CHINA	10,782,270	11,683,541	8.4%
JAPAN	2,711,645	3,005,806	10.8%
INDIA	1,718,244	1,594,176	-7.2%
SOUTH KOREA	796,401	840,075	5.5%
INDONESIA	583,387	608,833	4.4%
AUSTRALIA	573,711	559,951	-2.4%
IRAN	392,800	547,000	39.3%
THAILAND	740,795	440,911	-40.5%
SAUDI ARABIA	361,200	390,500	8.1%
MALAYSIA	313,488	333,142	6.3%
TAIWAN	134,647	148,732	10.5%
UNITED ARAB EMIRATES	128,400	136,800	6.5%
ISRAEL	105,200	127,000	20.7%
PHILIPPINES	102,209	126,859	24.1%
OMAN	104,900	104,800	-0.1%
PAKISTAN	79,222	79,207	0.0%
KUWAIT	73,900	76,400	3.4%
KAZAKSTAN	68,779	74,000	7.6%
NEW ZEALAND	54,533	62,217	14.1%
IRAQ	57,400	57,400	
VIETNAM	43,131	54,986	27.5%
QATAR	41,500	43,900	5.8%
HONG-KONG	23,999	30,035	25.2%
UZBEKISTAN	28,100	28,300	0.7%
BAHRAIN	25,800	27,600	7.0%
BANGLADESH	20,700	21,500	3.9%
SYRIA	21,000	20,600	-1.9%
LEBANON	18,300	19,600	7.1%
PALESTINE	17,500	18,200	4.0%
SINGAPORE	16,702	17,774	6.4%
JORDAN	14,200	13,400	-5.6%
AZERBAIDJAN	11,100	12,400	11.7%
BRUNEI	9,600	11,900	24.0%
NEW CALEDONIA	5,744	5,211	-9.3%
NEPAL	1,800	3,200	77.8%
TADJIKISTAN	3,000	3,100	3.3%
LAOS	1,700	3,000	76.5%
KIRGHIZISTAN	2,400	2,400	
TUKMENISTAN	2,300	2,400	4.3%
MACEDONIA	1,400	2,100	50.0%
YEMEN	2,000	2,000	
SRI LANKA	1,400	1,800	28.6%
TAHITI	1,700	1,700	
MONGOLIA	1,000	1,300	30.0%
CAMBODIA	800	1,050	31.3%
MYANMAR	1,500	1,000	-33.3%



When population is taken into account, the performance of car sales in China and Japan would be very similar to each other and both countries showed increase of 8-10%, making them the leading car sales countries in the region. As for the sales of India, though in the 3rd place, it showed a decline of 7.2%, which should be an issue to be concerned about. The car sales in South Korea were better than that in Indonesia. In terms of production and sales, 1/3 of car production in South Korea is for domestic sales, while 2/3 of production is for exports.

The car sales in Indonesia, Australia, and Iran were all in the range of 0.5 million to 0.6 million units. Sales in Indonesia grew 4.4% over the same period of 2013; sales in Australia dropped by 2.4%; sales in Iran, even with unstable politics and economics, substantially grew 39.3%. Thailand, ranked in the 8th place, dropped by 40.5% over the same period of 2013, due to the influence of the previous coup and the unstable economics that indirectly reduced customers' willing to purchase cars. Sales were roughly 0.3 million to 0.4 million units in Saudi Arabia and Malaysia (with a growth margin of 6-8%). As for Taiwan, Israel, and Philippines, they all had a remarkable growth of 10%-20%.

Africa

Although Africa is an emerging market, it does not have great demand for cars and cars are still expensive products for most African people who do not have high incomes. (Table 6) Car sales in Africa are mostly from South Africa, Egypt, Algeria, and Morocco (the latter 3 countries are located in North Africa, near Europe) which have better economy and infrastructure. However, Africa's total car sales in the 1st half of 2014 could not even compete with the total sales of Peru or South Korea in the same period, so it means there are still many opportunities for companies to develop car sales market in Africa.

Although the car sales of South Africa in the 1st half of 2014 reached 308,615 units, which is two times the sales of Egypt in the 2nd place, its sales dropped by 5.3% over the same period of 2013. The performance of Egypt was better than others with an increase of 6.4%. As for Algeria and Morocco in the 3rd place and 4th place, their sales both declined. Algeria dropped by 28.5%, especially.

Table 6. H1 2014 Sales Statistics for Africa

Regions/Countries	H1 2013	H1 2014	% Change
AFRICA	809,256	790,695	-2.3%
SOUTH AFRICA	325,874	308,615	-5.3%
EGYPT	138,200	147,000	6.4%
ALGERIA	128,600	92,000	-28.5%
MOROCCO	58,900	58,700	-0.3%
NIGERIA	25,400	32,500	28.0%
TUNISIA	23,000	27,000	17.4%
LIBYA	21,900	26,300	20.1%
BOSTWANA	19,100	19,000	-0.5%
ANGOLA	14,200	16,200	14.1%
REUNION	11,582	12,230	5.6%
KENYA	6,300	11,000	74.6%
GHANA	6,600	8,000	21.2%
MAURITIUS	5,000	5,400	8.0%
SENEGAL	3,000	4,200	40.0%
TANZANIA	3,300	4,000	21.2%
IVORY COAST	3,000	3,500	16.7%
GABON	2,700	3,200	18.5%
UGANDA	2,000	2,100	5.0%
CAMEROUN	1,900	2,050	7.9%
ZIMBABWE	2,200	2,000	-9.1%
ZAMBIA	1,500	1,500	
CONGO	1,100	1,150	4.5%
MADAGASCAR	900	900	
MALAWI	800	830	3.8%
SUDAN	1,200	600	-50.0%
BURKINA	500	320	-36.0%
BURUNDI	300	200	-33.3%
LIBERIA	200	200	

Conclusion

In the 1st half of 2014, the automotive markets in USA, Europe, China, and Japan all performed really well and consumers became more willing to purchase cars due to the continuous drop in oil prices. Most market analysts think that, though the automotive market may be weak in certain countries due to political and economic reasons, most markets will step into the period of "stable growth" by 2020 due to better economy, more open investment policies of governments, and increasing consumers' confidence. If suppliers of automotive fasteners or industrial components can take chances and be aggressive in tapping into markets with outstanding production and sales, they can absolutely get the upper hand of global expansion and find their own niche.

