

# AFFIN HWANG AUTO VIRTUAL CONFERENCE

11 August 2020

*Challenges and Opportunities for  
Malaysian Automotive Industry:  
Post Covid-19.*

**MALAYSIAN AUTOMOTIVE ASSOCIATION**



# CONTENTS

## 1. Malaysian automotive industry

- *Sales & production 1H2020 vs 1H2019*

## 2. ASEAN market

- *Sales & production*

## 3. Challenges for automotive industry

## 4. Market Outlook 2020

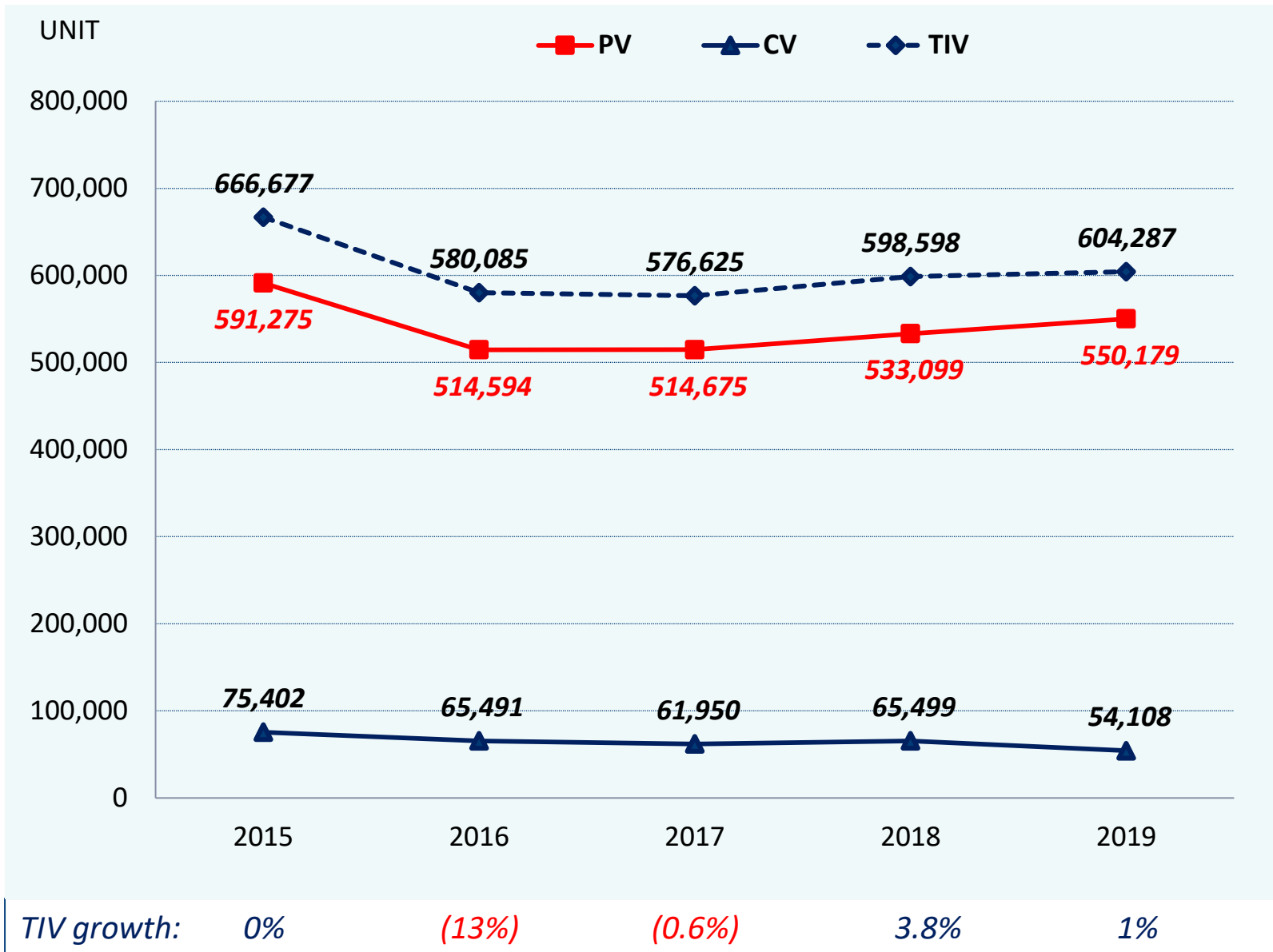
## 5. Q & A

# CONTENTS

## 1) Malaysian automotive industry

### ➤ *Sales & Production 1H2020 vs 1H2019*

# TOTAL INDUSTRY VOLUME (2015 TO 2019)

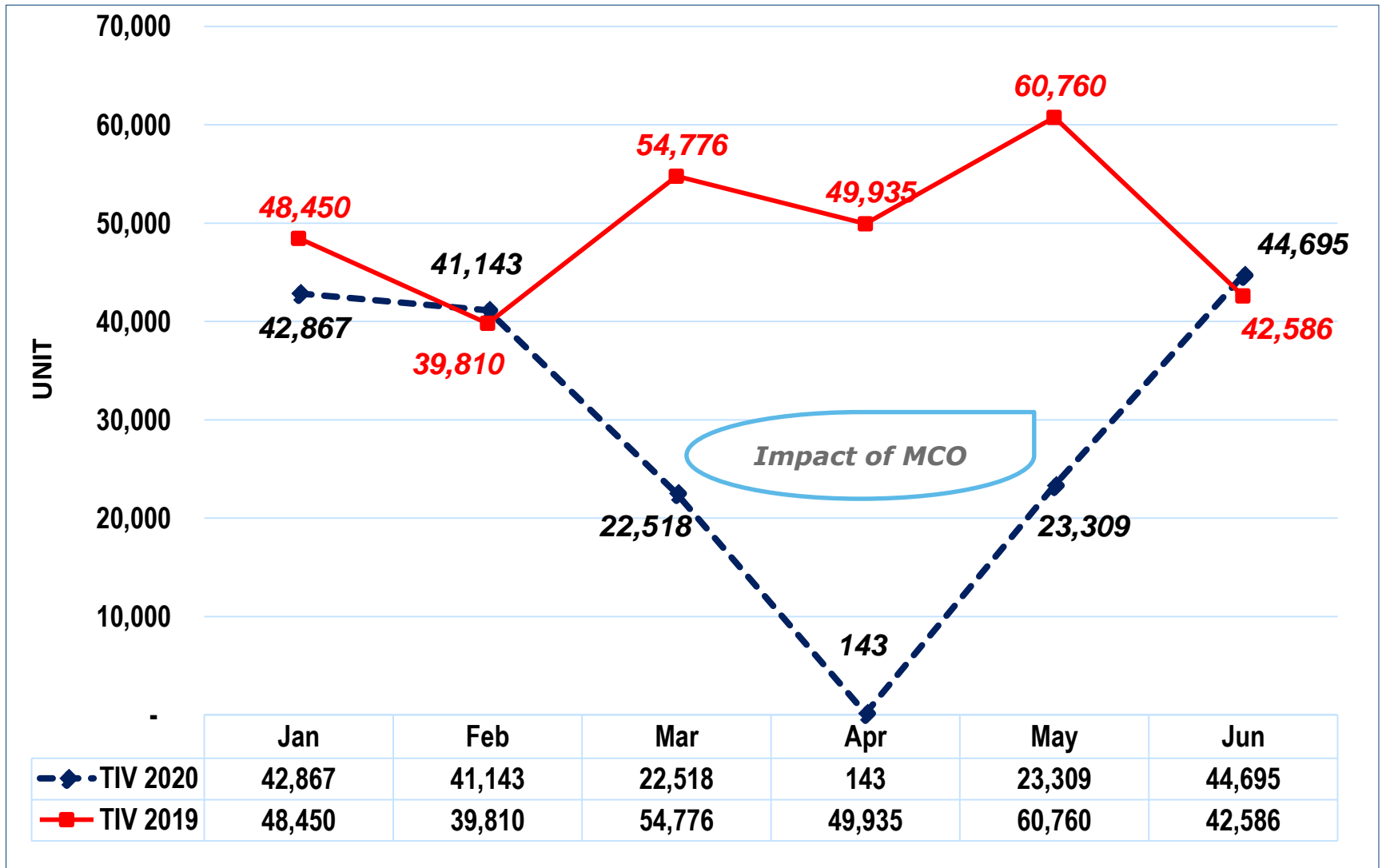


# TOTAL INDUSTRY VOLUME: BY TYPE OF VEHICLE

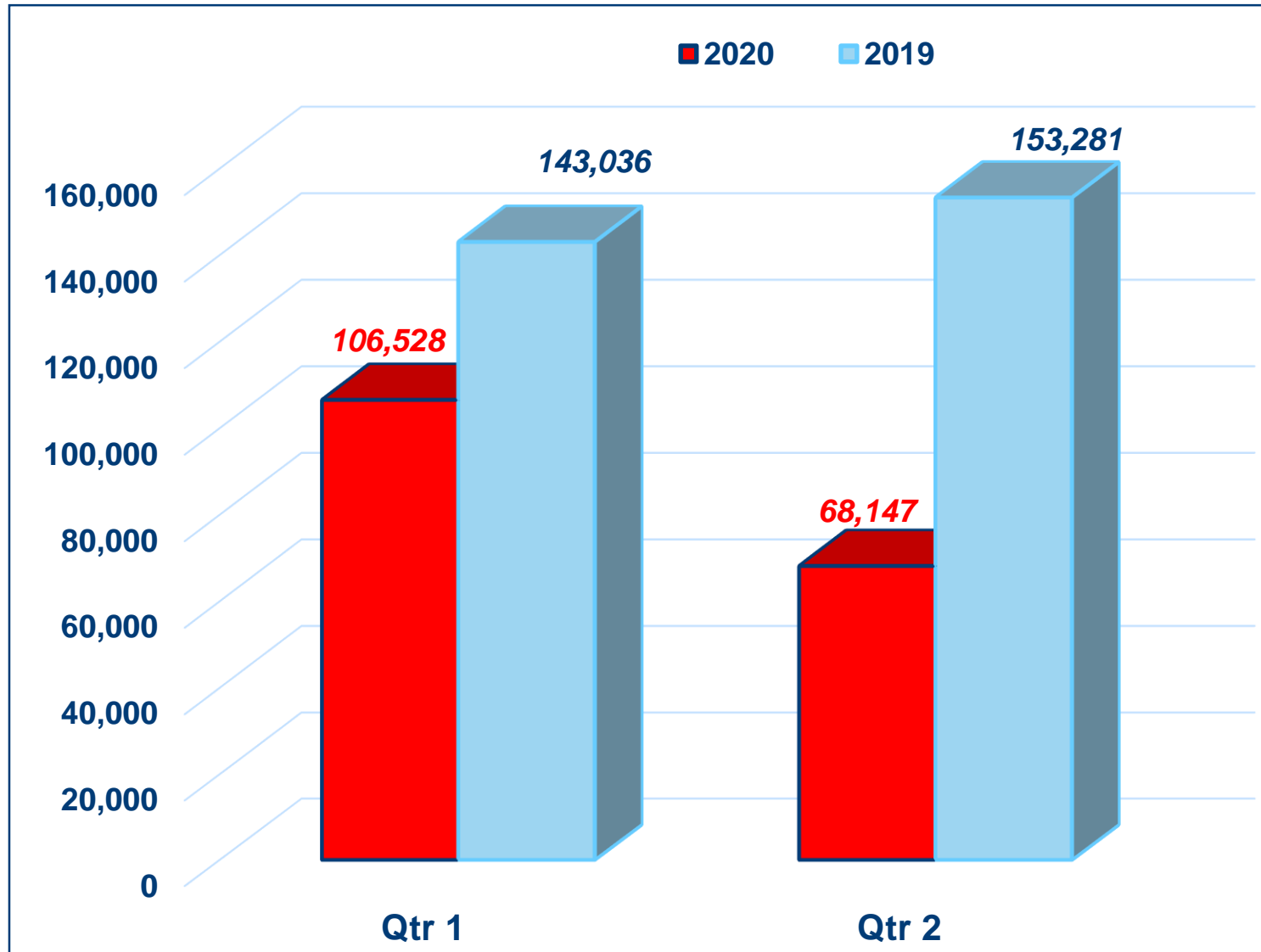


SEGMENT	YEAR-TO-DATE JUNE			
	2020	2019	Variance	
			units	%
<b>Total Industry Volume (TIV)</b>	174,675	296,317	(121,642)	(41.1)
<b>Passenger Vehicles:</b>	158,876	270,861	(111,985)	(41.3)
PC (Passenger Cars)	120,367	181,278	(60,911)	(33.6)
WV (Window Vans)	475	1,675	(1,200)	(71.6)
MPV (Multi-Purpose Vehicles)	9,233	20,757	(11,524)	(55.5)
4x4/SUV (Four Wheel Drive / Sports Utility Vehicles)	28,801	67,151	(38,350)	(57.1)
<b>Commercial Vehicles:</b>	15,799	25,456	(9,657)	(37.9)
PV (Panel Vans)	866	1,465	(599)	(40.9)
PU (Pick Ups)	10,900	16,550	(5,650)	(34.1)
Trucks	3,556	6,458	(2,902)	(44.9)
PM (Prime Movers)	310	677	(367)	(54.2)
Bus	167	306	(139)	(45.4)

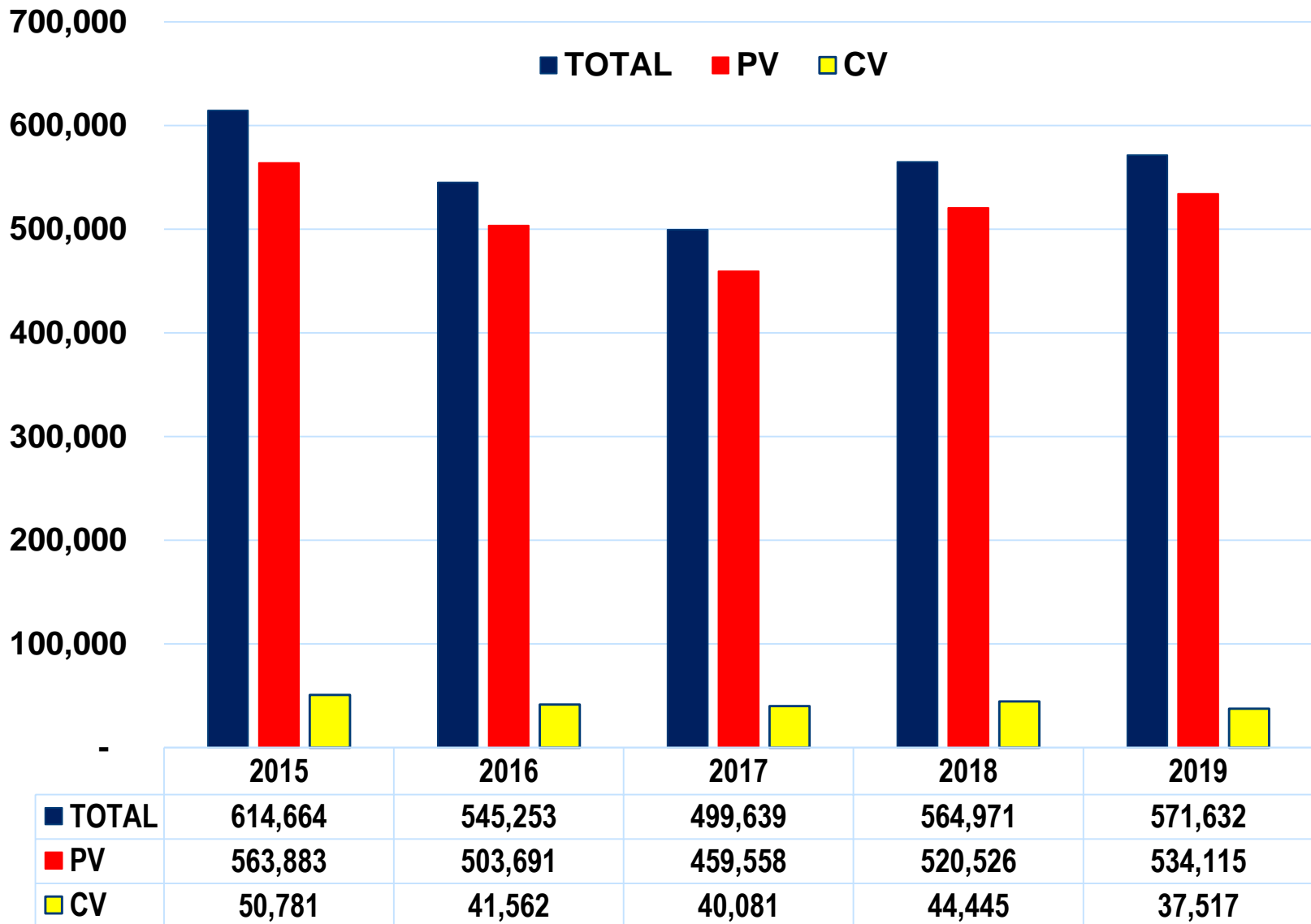
# TIV 1H2020 VS 1H2019; TREND BY MONTH



# TIV 1H2020 VS 1H2019; TREND BY QUARTER



# TOTAL INDUSTRY PRODUCTION 2015 TO 2019



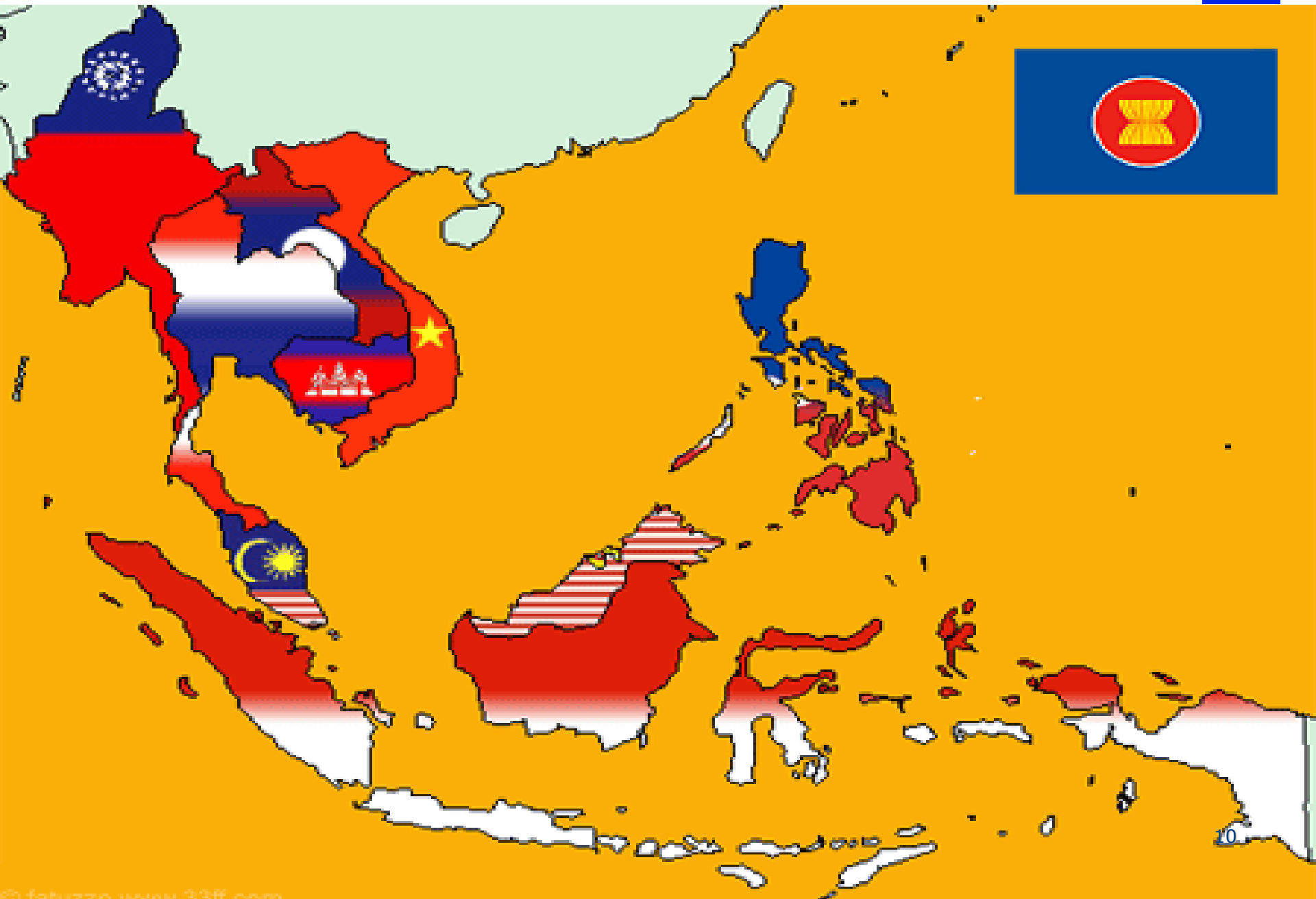


# TOTAL INDUSTRY PRODUCTION: BY TYPE OF VEHICLE

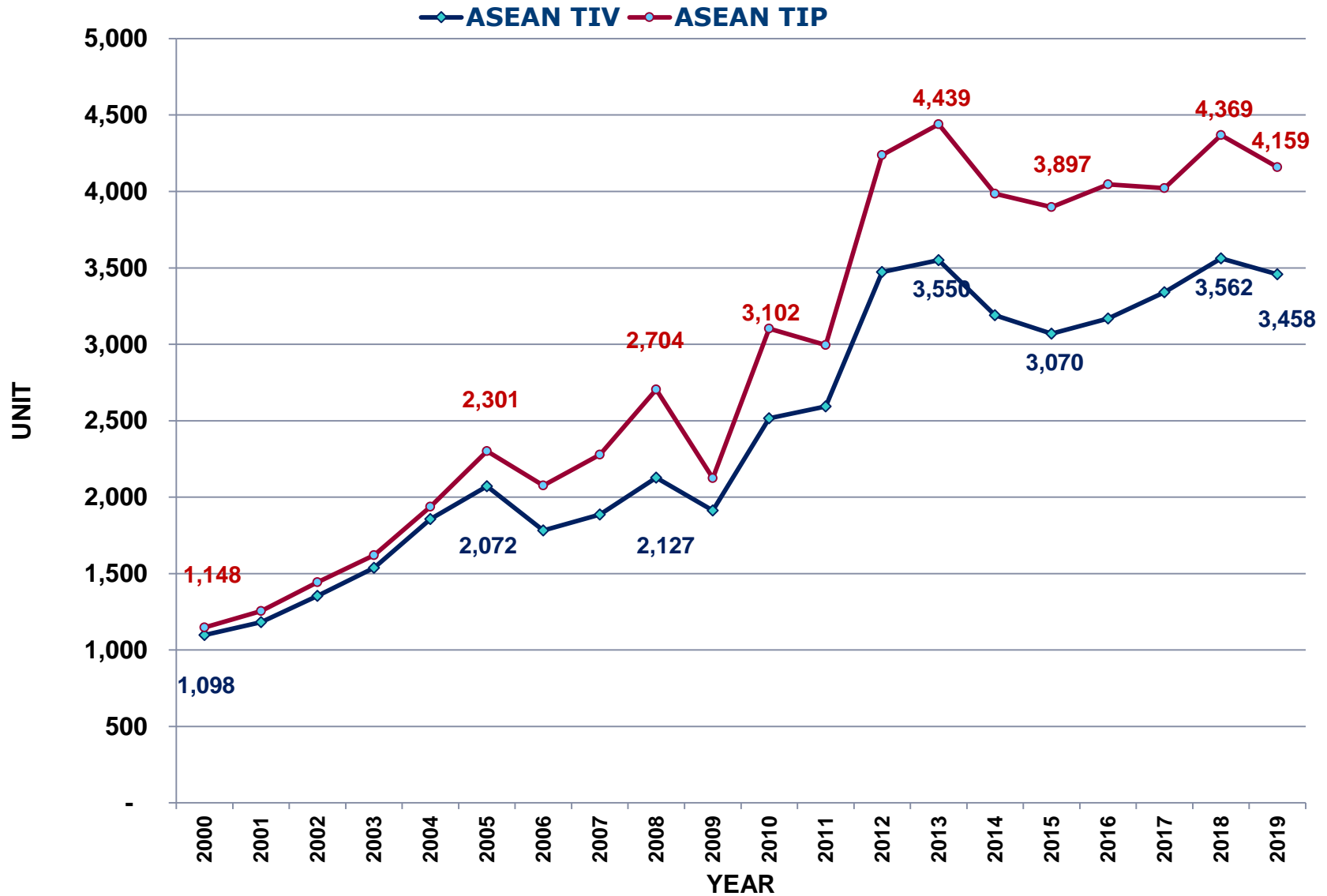


SEGMENT	YEAR-TO-DATE JUNE			
	2020	2019	Variance	
			units	%
<b>Total Industry Production (TIP)</b>	166,049	284,640	(118,591)	(41.7)
<b>Passenger Vehicles:</b>	157,174	265,482	(108,308)	(40.8)
PC (Passenger Cars)	119,905	193,904	(73,999)	(38.2)
WV (Window Vans)	518	1,351	(833)	(61.7)
MPV (Multi-Purpose Vehicles)	8,172	16,323	(8,151)	(49.9)
4x4/SUV (Four Wheel Drive / Sports Utility Vehicles)	28,579	53,904	(25,325)	(47.0)
<b>Commercial Vehicles:</b>	8,875	19,158	(10,283)	(53.7)
PV (Panel Vans)	740	1,495	(755)	(50.5)
PU (Pick Ups)	4,868	10,113	(5,245)	(51.9)
Trucks	2,942	6,928	(3,986)	(57.5)
PM (Prime Movers)	214	369	(155)	(42.0)
Bus	111	253	(142)	(56.1)

## 2) ASEAN MARKET: SALES & PRODUCTION



# ASEAN SALES & PRODUCTION 2000 - 2019



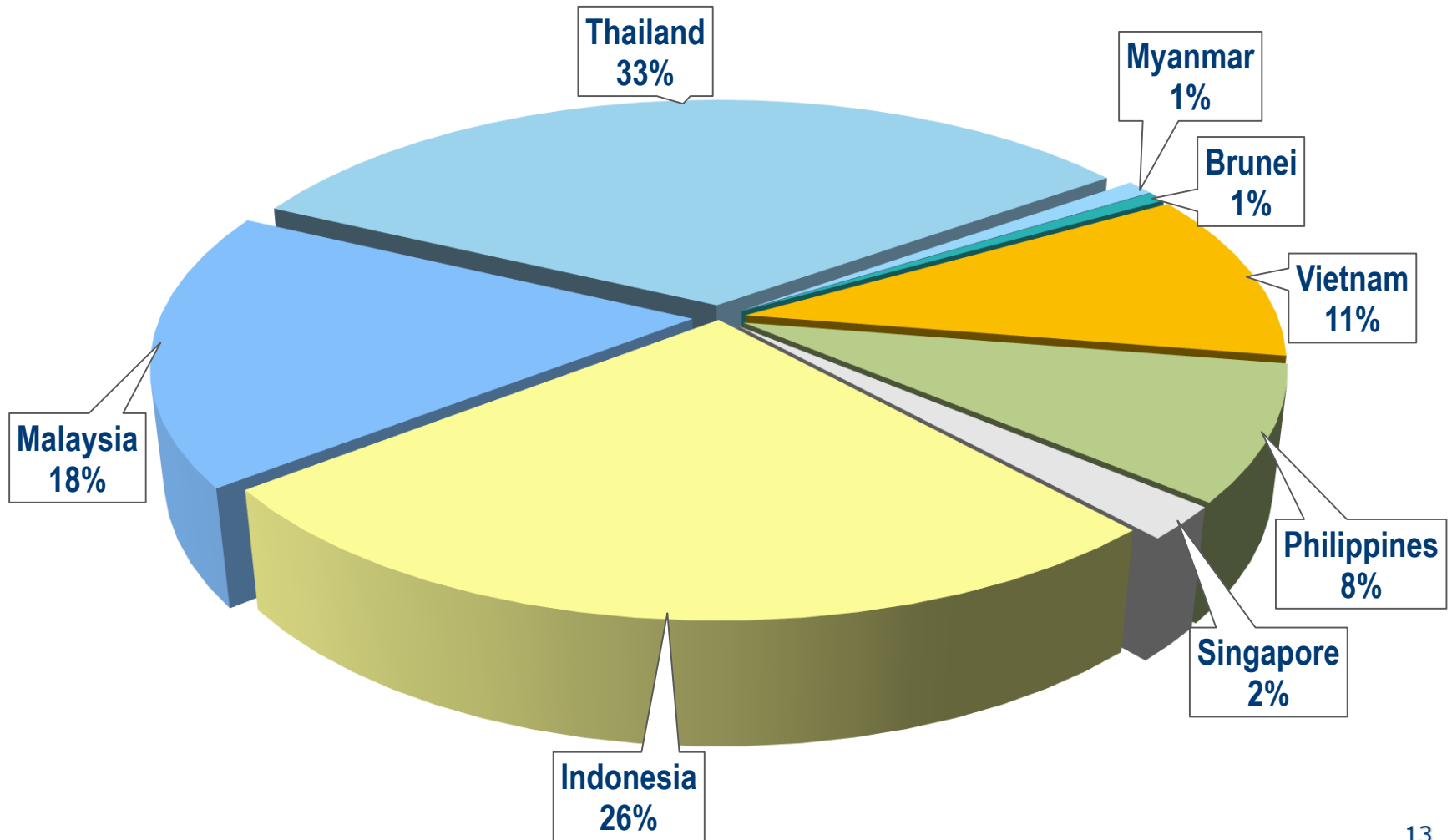
# ASEAN ~ SALES DATA



## YTD JUNE 2020 VS 2019: TOTAL INDUSTRY VOLUME

Country	Passenger Vehicles	Commercial Vehicles	Jan-Jun 2020	Jan-Jun 2019	Variance (%)
Brunei	6,442	140	6,582	5,812	13%
Indonesia	199,140	61,793	260,933	482,097	(46%)
Malaysia	158,876	15,799	174,675	296,317	(41%)
Myanmar *	7,072	2,465	9,537	8,893	7%
Philippines	23,912	61,129	85,041	174,135	(51%)
Singapore	17,638	3,414	21,052	49,094	(57%)
Thailand	144,233	184,407	328,640	523,770	(37%)
Vietnam	76,682	30,501	107,183	154,451	(31%)
<b>TOTAL</b>	<b>633,995</b>	<b>359,648</b>	<b>993,643</b>	<b>1,694,569</b>	<b>(41%)</b>

# ASEAN TOTAL VEHICLES SALES: MARKET SHARE BY COUNTRY, YTD JUNE 2020



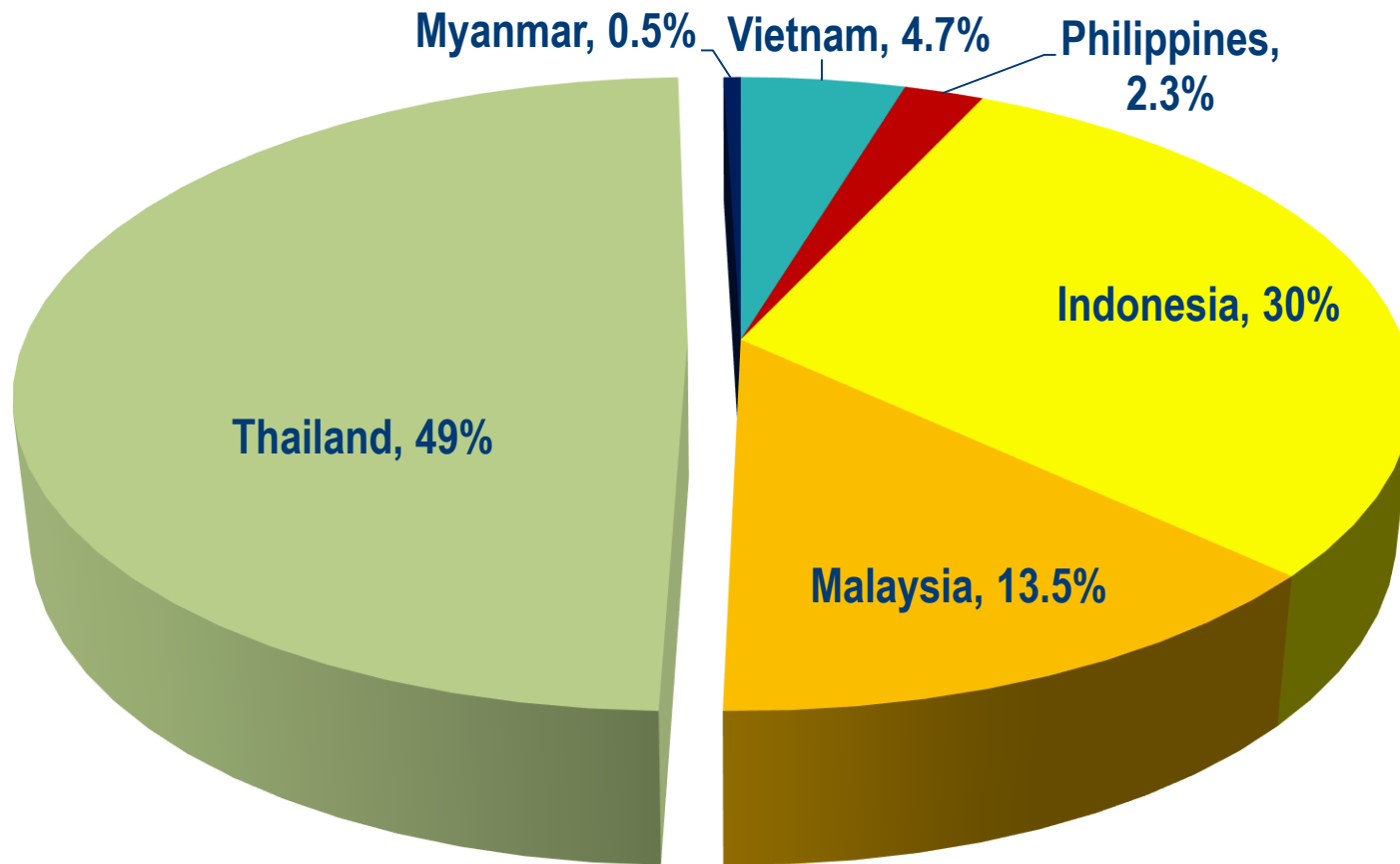
# ASEAN ~ PRODUCTION DATA



## YTD JUNE 2020 VS 2019 : TOTAL INDUSTRY PRODUCTION

Country	Passenger Vehicles	Commercial Vehicles	Jan - Jun 2020	Jan - Jun 2019	Variance (%)
Indonesia	296,460	73,085	369,545	592,396	(38%)
Malaysia	157,174	8,875	166,049	284,640	(42%)
Myanmar *	4,730	1,347	6,077	7,620	(20%)
Philippines	11,695	16,224	27,919	40,626	(31%)
Thailand	226,207	379,925	606,132	1,065,945	(43%)
Vietnam	39,921	17,611	57,532	92,306	(38%)
<b>TOTAL</b>	<b>736,187</b>	<b>497,067</b>	<b>1,233,254</b>	<b>2,083,533</b>	<b>(41%)</b>

# ASEAN TOTAL INDUSTRY PRODUCTION: MARKET SHARE BY COUNTRY, YTD JUNE 2020



## SALES: MALAYSIA VERSUS REGIONAL COMPETITORS; 2000, 2005, 2010, 2015 & YTD June 2020

YEAR	MALAYSIA		THAILAND		INDONESIA		ASEAN
	UNIT	%	UNIT	%	UNIT	%	UNIT
<b>2000</b>	<b>343.2</b>	<b>31%</b>	<b>262</b>	<b>24%</b>	<b>301</b>	<b>27%</b>	<b>1,098</b>
<b>2005</b>	<b>552.3</b>	<b>27%</b>	<b>703.4</b>	<b>34%</b>	<b>534</b>	<b>26%</b>	<b>2,072</b>
<b>2010</b>	<b>605.2</b>	<b>24%</b>	<b>800.4</b>	<b>32%</b>	<b>764.7</b>	<b>30%</b>	<b>2,516</b>
<b>2015</b>	<b>666.7</b>	<b>22%</b>	<b>799.6</b>	<b>26%</b>	<b>1013.3</b>	<b>33%</b>	<b>3,070</b>
<b>YTD June 2020</b>	<b>174.7</b>	<b>18%</b>	<b>328.6</b>	<b>33%</b>	<b>260.9</b>	<b>26%</b>	<b>993.6</b>

Notes: unit in '000.

% refers to percentage of ASEAN TIV.



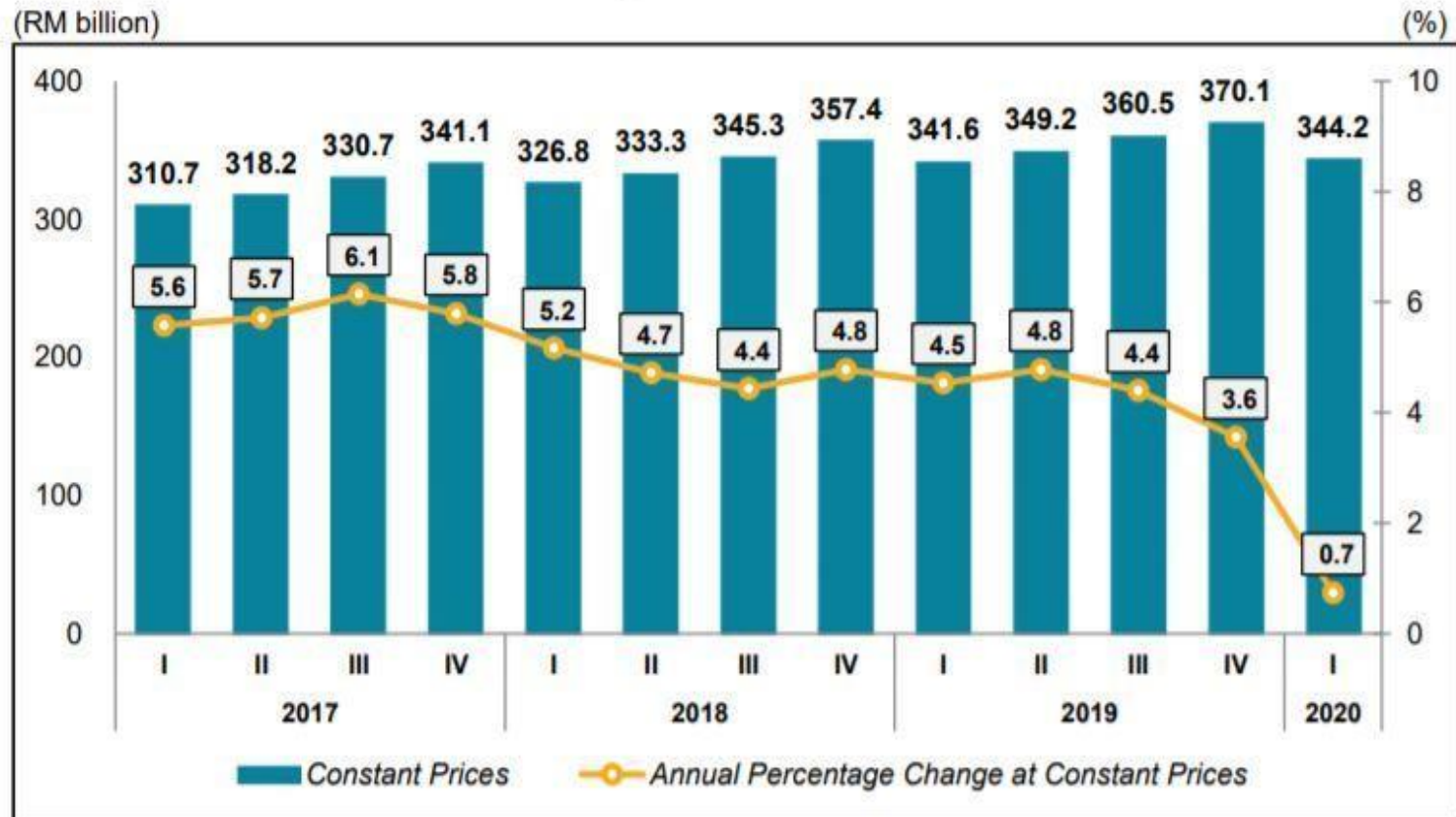
# CONTENTS

## 3) Challenges for automotive industry post Covid-19

## i) Economic downturn

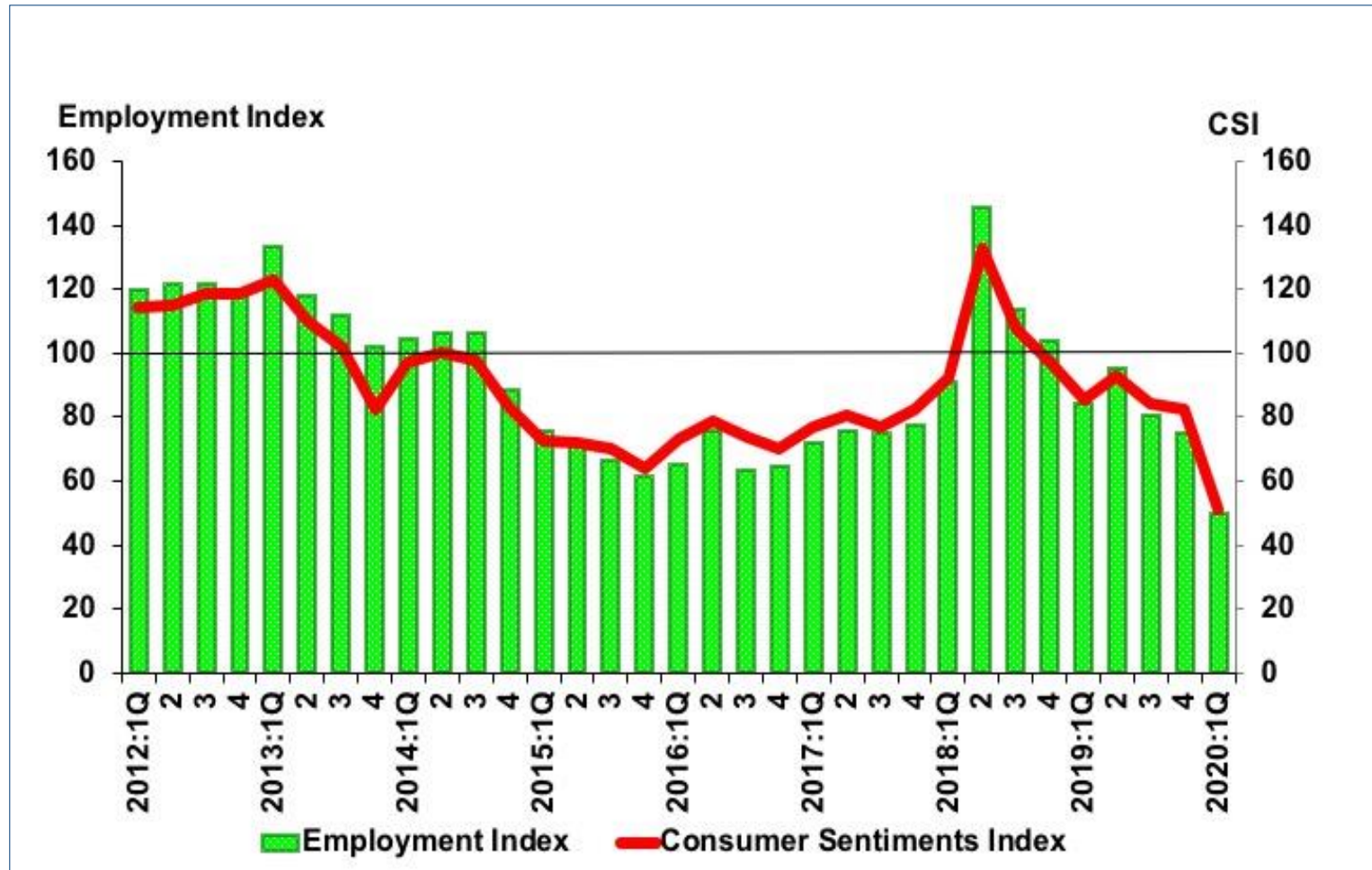
Malaysia is likely to face a recession this year!

Chart 1: Malaysia's GDP Q1 2017 – Q1 2020



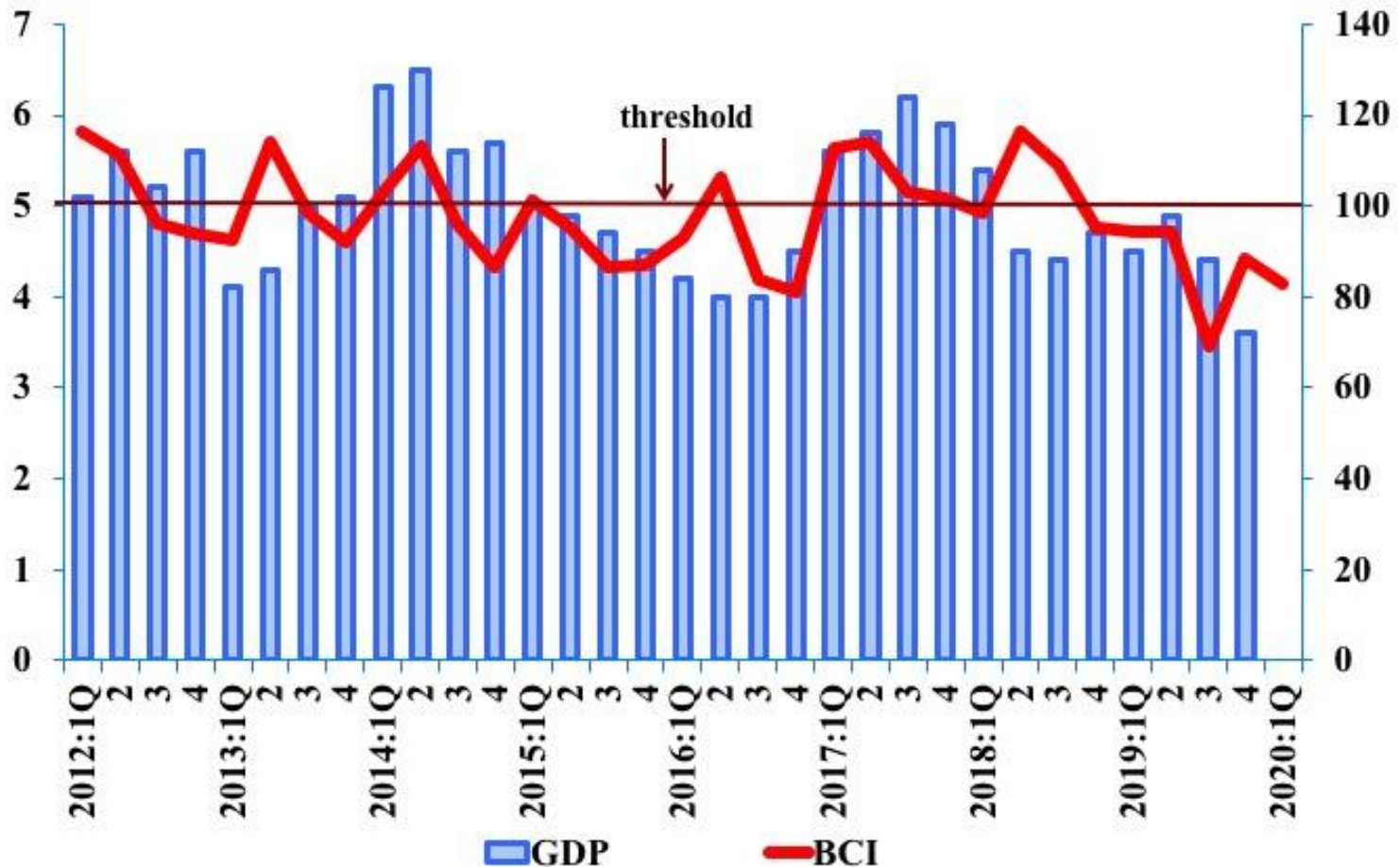
## ii) Consumer Sentiments Index

Weakening consumers' confidence, fear of pay cuts & layoffs resulted in cautious spending patterns observed currently



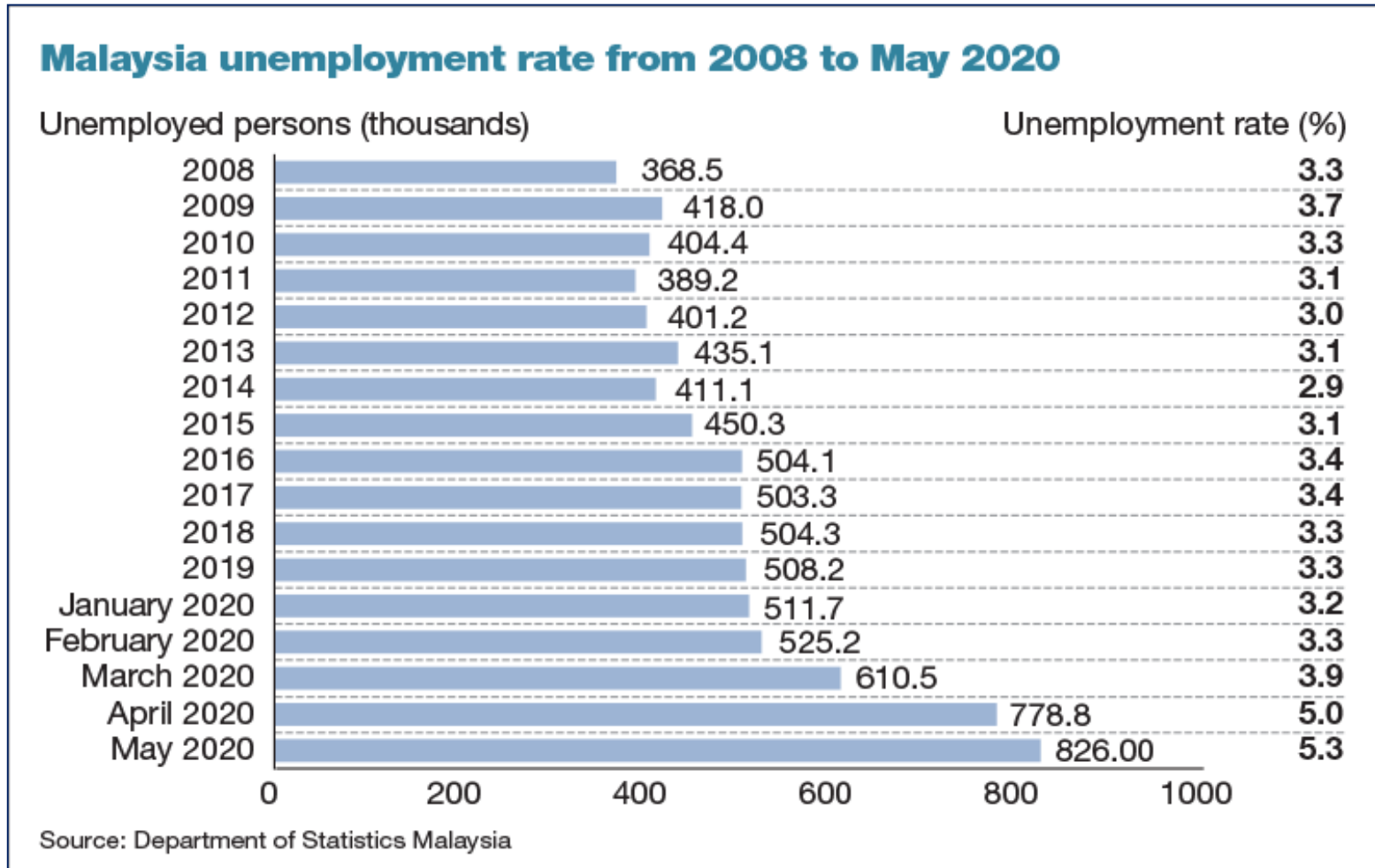
### iii) Business Conditions Index

The BCI had also been declining. Businesses are holding back investments in view of continuing uncertainties.



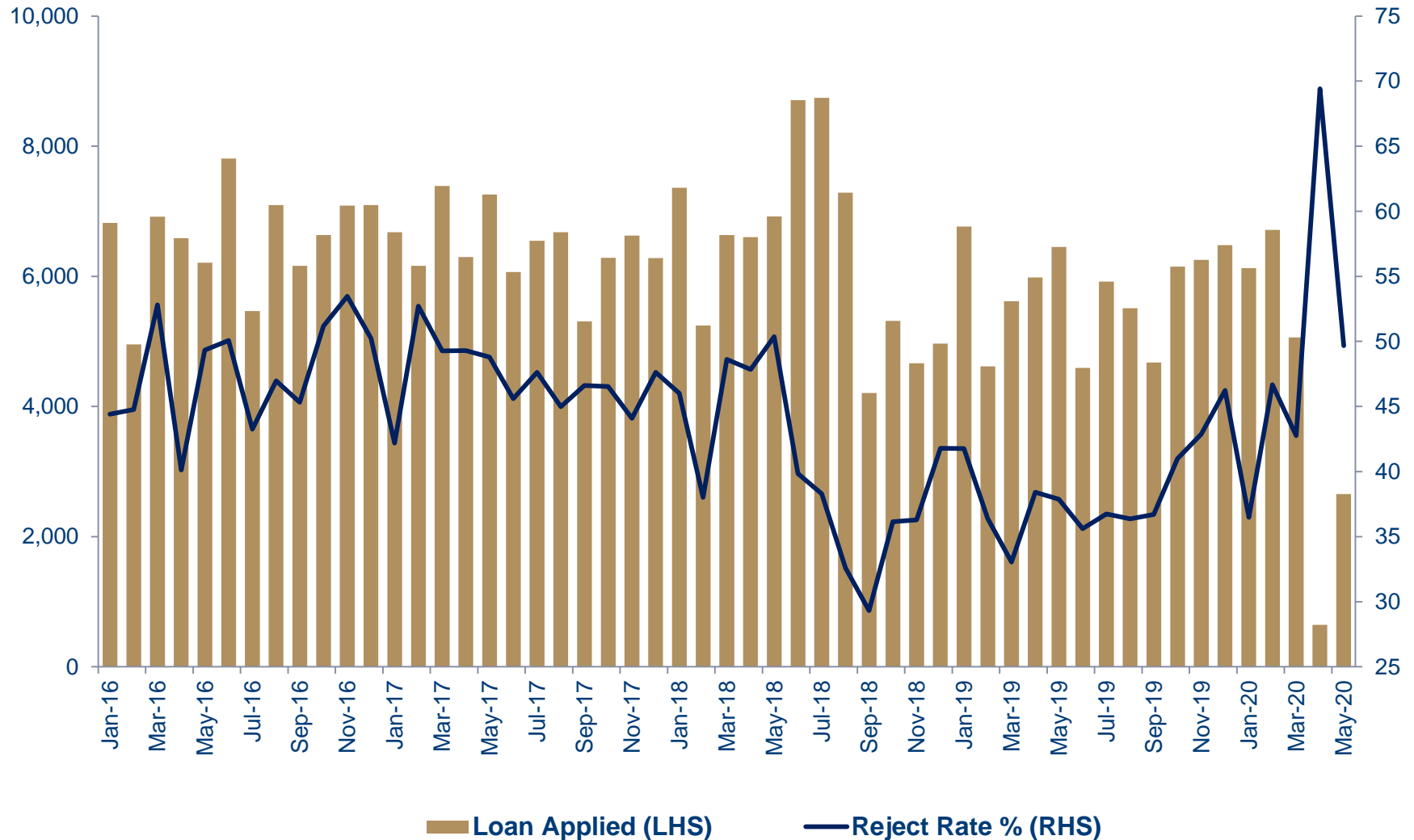
## iv) Unemployment rate

Unemployment rate has been on the rise since the beginning of the year



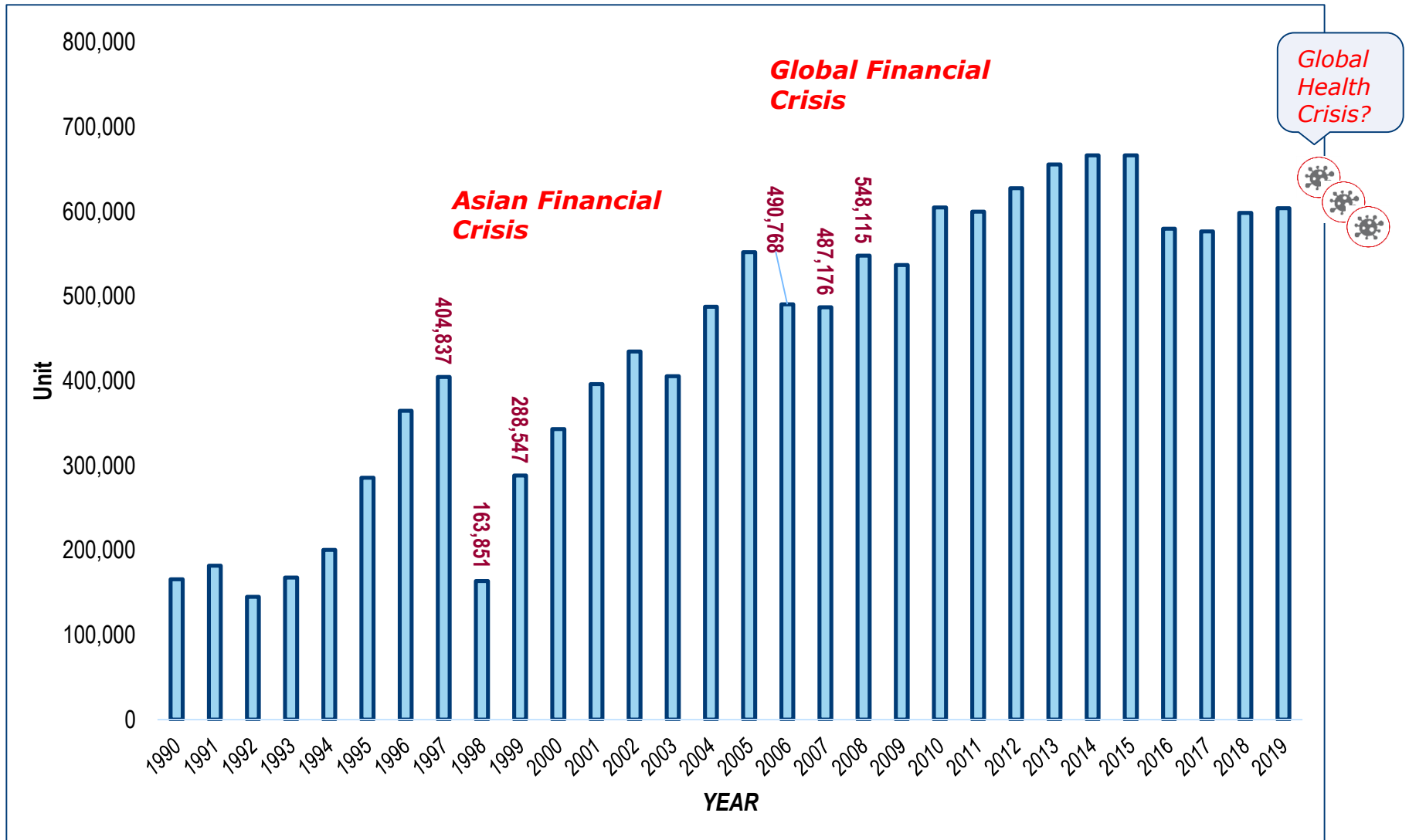
# v) Loans for purchase of Passenger Cars

Stricter vetting by banks and higher rejection rate



# vi) Strong correlation between the economy and TIV

TIV declined during economic crisis



## vii) Saturated local market

Very high number of registered vehicles already

### ACCUMULATED REGISTERED VEHICLES IN MALAYSIA

TOTAL CUMULATIVE PRIVATE MOTOR CARS		TOTAL CUMULATIVE VEHICLES (ALL TYPES)	
YTD Dec 2019	14.7 million	YTD Dec 2019	31.2 million



**Average 1.2 million annual increase in the number of registered vehicles.**





# CONTENTS

## 4) Market outlook

## MALAYSIA: GDP

PERIOD	GROWTH
2019 (Actual)	4.3%
1Q 2020 (Actual)	0.7%
2020 (Forecast)	-2% to 0.5%

*Source: Bank Negara Malaysia*

For 2021, the World Bank has forecasted Malaysia's economy to expand at 6.9%.

# MARKET OUTLOOK 2020

			VARIANCE	
	TIV 2020 FORECAST *	TIV 2019 ACTUAL	UNITS	%
<b>Passenger Vehicles</b>	<b>427,700</b>	<b>550,179</b>	<b>(122,479)</b>	<b>(22.3)</b>
<b>Commercial Vehicles</b>	<b>42,300</b>	<b>54,108</b>	<b>(11,808)</b>	<b>(21.8)</b>
<b>Total Vehicles</b>	<b>470,000</b>	<b>604,287</b>	<b>(134,287)</b>	<b>(22.2)</b>

\* revised TIV forecast as at 24 July 2020

# MARKET OUTLOOK

	<b>TIV 2021 FORECAST</b>	<b>TIV 2022 FORECAST</b>
<b>Passenger Vehicles</b>	<b>500,500</b>	<b>546,000</b>
<b>Commercial Vehicles</b>	<b>49,500</b>	<b>54,000</b>
<b>Total Vehicles</b>	<b>550,000</b>	<b>600,000</b>
<b><i>Growth rate</i></b>	<b><i>17%</i></b>	<b><i>9.1%</i></b>

# CONTENTS

## 6) Questions & Answers

# Thank You