

Brief Analysis of the Economic Operation of the Automobile Industry in January 2022

I. Overview of the overall operation

In January 2022, in the face of multiple challenges such as the complex and severe economic environment and the spread of the epidemic, China's economy continued to recover and develop in general. According to the production and operation activity expectation index released by the National Bureau of Statistics, the production and operation activity expectation index of the automobile industry in January was at a high level of over 60.0%, which played a "ballast stone" role in stabilizing industrial development.

In January, the overall situation of automobile production and sales was stable, with a month-on-month decline and a slight year-on-year increase. In terms of subdivided models, supported by the continued slight improvement in chip supply and some local policies to encourage auto consumption, the performance of passenger cars was better than the overall level, and the production and sales continued to grow steadily year-on-year. The production and sales of commercial vehicles continued their downward trend month-on-month and year-on-year, and the year-on-year decline was more significant. The auto exports and the performance of new energy vehicles remained outstanding, maintaining rapid growth year-on-year.

Looking forward to the first quarter, the development of the automobile market will be affected by both positive and negative factors, including three positive factors: first, local governments will actively introduce policies related to stabilizing growth to support relatively stable market demand; second, the problem of insufficient supply of chips in the automotive industry is expected to continue to ease; third, some passenger car companies have good market expectations for 2022, and have set high annual production targets, which will also play a supporting role in production and sales in the first quarter. The unfavorable factors also include three points: first, the shortage of chips still exists in the first quarter, and the industry is not greatly affected by chips in the first quarter of 2021, hence the base is high; second, the domestic scattered epidemic also increases the risk of the industrial chain and supply chain; third, the current policy dividends for commercial vehicles have basically been exhausted, superimposed on the lack of demand in the transportation market and low freight rates, therefore, commercial vehicles will be in an adjustment period for a while in the future. To sum up, we should be cautiously optimistic about the future development of the market.

2. Operation of the automobile industry in January 2022

● The overall situation of automobile production and sales is stable

In January, the production and sales of automobiles reached 2.422 million and 2.531 million respectively, down 16.7% and 9.2% month-on-month, but up 1.4% and 0.9% year-on-year. Against the background of a relatively high base in the same period last year, the whole industry worked together to promote the stable development trend of the auto market at the beginning of 2022.

● The year-on-year growth rate of passenger car is higher than the overall level

In January, the production and sales of passenger cars reached 2.077 million and 2.186 million respectively, down 17.8% and 9.7% month-on-month, but up 8.7% and 6.7% year-on-year, providing strong support for the stable development of the auto market.

As seen by type, except for the production and sales of MPVs, the other three types all have maintained a year-on-year growth. Among them, crossover passenger cars have shown rapid growth, and SUV growth rate was higher than that of sedans.

In January, the sales volume of domestically produced high-end brand passenger cars reached 381,000 units, a

year-on-year increase of 11.1%, 4.4 percentage points higher than the overall growth rate of passenger cars.

● **The production and sales of commercial vehicles significantly dropped year-on-year**

In January 2022, the production and sales of commercial vehicles reached 345,000 and 344,000 respectively, down 9.3% and 5.5% month-on-month, and 28.0% and 25.0% year-on-year. With the gradual exhaustion of policy dividends, as well as the weakening of transportation market demand and other factors, the commercial vehicle market has been unable to show the development trend of the first half of last year in the short term.

From the perspective of subdivided models, the production and sales of buses and trucks this month both showed a year-on-year decline. Among them, the production and sales of trucks decreased by 29.0% and 25.8% year-on-year; the production and sales of buses decreased by 14.9% and 15.8% year-on-year.

Judging from the breakdown of bus and truck models: among the trucks, the sales of heavy and medium trucks still significantly declined year-on-year. Although light trucks also showed a decline, they were much better than those of heavy and medium trucks. This month, the sales of mini trucks significantly increased year-on-year. Among the buses, only large buses saw a year-on-year increase in sales, while the other two types both showed declines.

● **New energy vehicles continue to maintain ultra-high growth**

In January, the production and sales of new energy vehicles were 452,000 and 431,000 respectively, an increase of 1.3 times and 1.4 times year-on-year. Although the sales of new energy vehicles this month did not break the historical record, it continued the trend of rapid development last year, and the scale of production and sales was much higher than that of the same period last year. In terms of market share, in January, the market share of new energy vehicles reached 17%, and the market share of new energy passenger cars reached 19.2%, which continued to be higher than the level of last year. In terms of models, the production and sales of pure electric vehicles were 367,000 units and 346,000 units, an increase of 1.2 times year-on-year; the production and sales of plug-in hybrid vehicles were both 85,000 units, an increase of 2.0 times year-on-year; the production and sales of fuel cell vehicles were 142 and 192, an increase of 3.9 times and 2.0 times year-on-year.