

## **Brief Analysis of the Economic Operation of the Automobile Industry in March 2022**

### **I. Overview of the overall operation**

At present, China's economic operation has generally remained within a reasonable range, but the complexity and uncertainty of the domestic and foreign environments have intensified, and some have exceeded expectations. The recent outbreak of COVID-19 in China has significantly increased difficulties for market entities, put constraints on the smooth flow of economic circulation, and further increased downward pressure. From the perspective of auto supply, the shortage of chips has not been significantly alleviated, and the price of raw materials for power batteries has risen rapidly, which has further pushed up the manufacturing cost of enterprise products. The production and operation activities of automobile enterprises have been affected to a certain extent, and the overall situation is lower than expected. From the perspective of auto consumption, the consumption momentum is obviously insufficient, and showing a certain decline compared with the same period.

In the first quarter, automobile production and sales increased slightly year-on-year, and the growth rate dropped significantly compared with the same period of the previous year. As seen by type, the growth rate of passenger car production and sales is higher than that of the industry as

a whole; commercial vehicle production and sales still show a rapid decline year-on-year; new energy vehicle production and sales continue to grow rapidly, both exceeding one million units, with a market share of 19.3%. The strategic leading role of new energy vehicles is further highlighted.

Looking forward to the situation of the whole year, affected by the macro economy, the development of the automobile industry is facing the triple pressure of shrinking demand, supply shock and weakening expectations. The task of stabilizing growth is very arduous. Local governments should refine and implement national policies and measures for stabilizing growth as soon as possible, and enterprises should continue to actively take effective countermeasures. At the same time, we also suggest government departments to introduce policies and measures to promote auto consumption, including the previous effective purchase tax halving policies, etc.

## **2. Operation of the automobile industry in March 2022**

### **● Automobile production and sales decreased year-on-year**

In March, the production and sales of automobiles reached 2.241 million and 2.234 million respectively, an increase of 23.4% and 28.4% from the previous month, and a decrease of 9.1% and 11.7% from the same period last year.

From January to March, the production and sales of automobiles reached 6.484 million and 6.509 million respectively, a year-on-year increase of 2.0% and 0.2%.

- **Production and sales of passenger cars decreased slightly year-on-year**

In March, the production and sales of passenger cars reached 1.881 million and 1.864 million respectively, an increase of 22.4% and 25.1% month-on-month, and a year-on-year decrease of 0.1% and 0.6%.

From the specific data: the production and sales of sedans and crossover passenger cars increased year-on-year, among which the cross-type passenger car production and sales increased by 39.4% and 34.1% respectively; the production and sales of SUVs and MPVs decreased year-on-year.

From January to March, the production and sales of passenger cars reached 5.499 million and 5.545 million respectively, up 11.0% and 9.0% year-on-year.

In March, the sales volume of domestically produced high-end brand passenger cars reached 273,000 units, a year-on-year decrease of 14.3%, and the decline was greater than the overall passenger car sales. From January to March, the sales volume of domestically produced high-end brand passenger cars reached 929,000 units, a year-on-year increase of

7.4%, which was 1.6 percentage points lower than the overall passenger car sales.

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

In March, the production and sales of commercial vehicles reached 360,000 and 370,000 units respectively, up 29.2% and 47.7% month-on-month, and down 38.0% and 43.5% year-on-year.

From January to March, the production and sales of commercial vehicles were 985,000 and 965,000 units, down 29.7% and 31.7% year-on-year, respectively. In terms of models, the production and sales of trucks decreased by 30.7% and 32.8% year-on-year respectively; the production and sales of buses decreased by 18.5% and 18.7% year-on-year respectively.

Sales of bus and truck segments in March: Four types of trucks declined year-on-year to varying degrees, among which heavy trucks fell more significantly; large buses grew rapidly, and medium and light buses declined rapidly.

- **New energy vehicles continue to maintain rapid growth year-on-year**

In March, the production and sales of new energy vehicles were 465,000 and 484,000 respectively, a year-on-year increase of 1.1 times. Among

them, the production and sales of pure electric vehicles were 376,000 and 396,000, an increase of 1.1 times year-on-year; the production and sales of plug-in hybrid vehicles were 89,000 and 88,000, an increase of 1.6 times and 1.4 times year-on-year respectively; the production and sales of fuel cell vehicles were 500 units and 367 units respectively, an increase of 10.1 times and 5.2 times year-on-year.

From January to March, the production and sales of new energy vehicles reached 1.293 million and 1.257 million respectively, a year-on-year increase of 1.4 times. Among them, the production and sales of pure electric vehicles were 1.036 million and 1.007 million respectively, an increase of 1.3 times year-on-year; the production and sales of plug-in hybrid vehicles were 256,000 and 249,000, an increase of 2.3 times and 2.0 times year-on-year respectively; the production and sales of fuel cell vehicles were 856 and 738 units, an increase of 7.2 times and 3.9 times year-on-year respectively.