

A Brief Analysis of the Economic Operation of the Auto Industry in China in September

2020

1. Overview of the overall operation

In September, the domestic economic situation continued to improve, and the implementation of the "six stability" and "six guarantees" tasks became more and more effective, the production and operation conditions of enterprises continued to improve, the supply and demand cycle was gradually improved, the employment prices were generally stable, the development momentum was further enhanced, and local promotion was added with regard to consumption related policies, activities and the double festival effect, the auto market continued to recover, and production and sales continued to grow during the month.

Judging from specific data, both auto production and sales in the month showed double-digit growth, and the cumulative decline in auto production and sales has narrowed to less than 7%. Commercial vehicles, driven by trucks and buses, continue to maintain a rapid growth momentum. The sales of commercial vehicles and trucks both set new historical records in September; sales of passenger vehicles continued to increase and the growth rate this month continued to increase, which has a significant impact on the overall automotive market. The growth support role surpassed that of commercial vehicles, among which SUV sales set a new record in September. It is worth mentioning that new energy vehicles continued to grow this month, and their monthly sales volume also set a new historical record for September.

From the perspective of the industry development trend, in the fourth quarter, commercial vehicles will continue to grow due to policies and investment; in terms of passenger vehicles, the Beijing International Auto Show opened in late September promoted the full launch of new products by enterprises, superimposing the promotion of consumer policies in various regions continuation will have a positive impact on the market. However, it is worth noting that the current pressure of stabilizing employment and stabilizing enterprises to protect people's livelihood is still high, and domestic consumer confidence has not yet fully recovered, and it will take some time for the demand for low-end products to be fully released. At the same time, the recent epidemic in some areas will also have an impact on the auto market to some extent.

2. Operation of the automobile industry in September 2020

● Automobile production and sales showed double-digit growth year-on-year

In September, the production and sales of automobiles completed 2.524 million and 2.565 million respectively, up 19.1% and 17.4% month-on-month, and 14.1% and 12.8% year-on-year. As of this month, automobile production and sales have shown growth for six consecutive months, and sales have maintained a growth rate of more than 10% for five consecutive months.

From January to September, the production and sales of automobiles completed 16.957 million and 17.116 million respectively, down 6.7% and 6.9% year-on-year. The decline continued to narrow by 2.9 and 2.8 percentage points from January to August.

● Passenger vehicle production and sales continued to grow year-on-year

In September, the production and sales of passenger vehicles were 2.045 million and 2.088 million respectively, up 20.8% and 19.0% month-on-month, and 9.5% and 8.0% year-on-year. As seen by type, the production and sales of sedans, SUVs, and crossover passenger vehicles all maintained growth year-on-year, while the production and sales of MPVs declined year-on-year. Among them, SUV sales set a new record in September.

From January to September, the production and sales of passenger vehicles were 13.222 million and 13.376 million respectively, a year-on-year decrease of 12.4%, and the decline continued to narrow by 3.1 and 3 percentage points from January to August. To be specific, SUVs and crossover passenger vehicles were better than the overall level. Among them, the production and sales of sedans decreased by 16.8% and 16% respectively; the production and sales of SUVs decreased by 4.4% and 5.5% respectively; and the production and sales of MPV decreased by 34.1% and 32.7% respectively; the production and sales of cross-type passenger vehicles decreased by 8% and 7.9% year-on-year respectively.

● **Commercial vehicle production and sales continued to maintain substantial growth year-on-year**

In September, the production and sales of commercial vehicles were 479,000 and 477,000 respectively, an increase of 12.7% and 10.6% from the previous month; an increase of 39.0% and 40.3% from the same period last year. In terms of vehicle models, both buses and trucks have shown growth. Among them, trucks have refreshed the historical record of the month for the sixth time this year, which supports commercial vehicles to achieve the sixth historical record of the month. In terms of truck types, light trucks and heavy trucks contributed the most to the growth.

From January to September, the production and sales of commercial vehicles were 3.735 million and 3.741 million, an increase of 21.5% and 19.8% year-on-year. The growth rate continued to expand by 2.2 and 2.5 percentage points from January to August. In terms of production and sales of different models, bus production and sales decreased by 7.8% and 9.5% year-on-year; truck production and sales increased by 24.9% and 23.2% year-on-year.

● **Production and sales of new energy vehicles kept growth yearly**

In September, the production and sales of new energy vehicles were 136,000 and 138,000 respectively, a year-on-year increase of 48.0% and 67.7%. Thanks to the government's support for the consumption of new energy vehicles and the strong measures of enterprises, the scale of the new energy vehicle market has risen steadily. This month, the production and sales of new energy vehicles set a new record in September. From the perspective of breakdown of energy types, the production and sales of pure electric vehicles were 107,000 and 112,000, an increase of 40.0% and 71.5% year-on-year; the production and sales of plug-in hybrid vehicles were 29,000 and 26,000 respectively, increasing by 89.5% and 53.9%; the production and sales of fuel cell vehicles completed 3 and 1 respectively, a year-on-year decrease of 97.6% and 99.2% respectively.

From January to September, the production and sales of new energy vehicles were 738,000 and 734,000, a year-on-year decrease of 18.7% and 17.7% respectively. Among them, the production and sales of pure electric vehicles were 568,000 and 579,000, down 22.9% and 18.6% respectively; the production and sales of plug-in hybrid vehicles were 170,000 and 154,000, down 0.4% and 13.9% respectively; The production and sales of fuel cell vehicles were 570 and 579 respectively, down 56.7% and 53.7% year-on-year.