

Brief Analysis of the Economic Operation of the Auto Industry in January 2021

1. Overview of overall operation

Since January, although local clusters of epidemics have occurred successively in some places in China, and the production and operation of some enterprises have been temporarily affected to some extent, all regions and departments have actively responded, scientifically prevented and controlled, and implemented precise policies to continue to coordinate epidemic prevention and control and economic and social development. Therefore, the overall national macroeconomic situation remains stable, and the business climate continues to remain in the expansion range. In this context, the automobile industry has continued a good development trend.

From the perspective of market conditions, overall demand remained stable. At the same time, since the Spring Festival last year was in January and the base was low, car sales this month showed substantial growth. Among them, the contribution of passenger vehicle sales growth remained within a reasonable range, and the sales of commercial vehicles were driven by trucks. The monthly sales volume broke the historical record of the month for 10 consecutive months. New energy vehicles continued the development trend of the second half of 2020. Sales this

month have increased by nearly 2.5 times year-on-year, and sales have set a new historical record for the month for 7 consecutive months. Auto exports also continued to recover. Following the two consecutive months of export volume in November and December last year, the export volume set a new historical record this month.

Looking forward to the first quarter, although China's economic development situation is generally good, there are still many uncertainties in the epidemic and the external environment, especially the tight supply of chips since the end of last year will also have a certain impact on global automobile production for a period of time, which in turn affects the stability of China's automobile industry.

2. Operation of the automobile industry in January 2021

● Automobile production and sales increased significantly year-on-year

In January, the production and sales of automobiles were 2.388 million and 2.503 million, down 15.9% and 11.6% month-on-month, but up 34.6% and 29.5% year-on-year.

There are two reasons for the sharp year-on-year increase in production and sales this month. First, the current market demand is still recovering. Second, the base level is low due to the 2020 Spring Festival holiday in January and the impact of the epidemic early last year. From a

month-on-month perspective, the rapid decline in production from the previous month reflects that the insufficient supply of automotive chips has affected the company's production rhythm.

- **The production and sales of passenger vehicles increased significantly year-on-year**

In January, the production and sales of passenger vehicles were 1.91 million and 2.045 million, down 18.1% and 13.9% month-on-month, but up 32.4% and 26.8% year-on-year.

From the specific data, the production and sales of cars increased by 38.2% and 31.6% respectively; the production and sales of SUVs increased by 29.8% and 25.2% respectively; the production and sales of MPVs increased by 18.3% and 8.6% respectively; the production and sales of cross-type passenger vehicles decreased by 4.8% and 18.1%.

- **Monthly sales of commercial vehicles hit a record high**

In January, the production and sales of commercial vehicles were 478,000 and 458,000 respectively, with production falling 6.1% month-on-month, sales volume up 0.5% month-on-month, and production and sales up 44.3% and 43.1% year-on-year.

From the perspective of segmented models, the production and sales of trucks this month were 443,000 and 422,000, up 46.4% and 44.3% year-on-year respectively. Trucks continued to set a single-month sales

record for 10 consecutive months; the production and sales of buses completed 35,000 and 36,000 units, an increase of 22.4% and 30.1% respectively.

- **Monthly sales of new energy vehicles hit a record high**

In January, the production and sales of new energy vehicles were 194,000 and 179,000, down 17.8% and 27.8% month-on-month, but up 285.8% and 238.5% year-on-year. New energy vehicles continue to refresh the single-month sales record, which has been 7 consecutive months.

Among them, the production and sales of pure electric vehicles were 166,000 and 151,000, an increase of 366.6% and 287.8% respectively; the production and sales of plug-in hybrid vehicles were 28,000 and 29,000, an increase of 92.4% and 104.7% respectively; the production and sales of fuel cell vehicles were 29 and 63, a year-on-year decrease of 80.0% and 63.2% respectively.