

# **Brief Analysis of the Economic Operation of the Auto Industry in June 2021**

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

In the first six months of this year, in the face of complex and volatile domestic and international situations, the overall performance of the national economy was stable. Production and demand continued to recover, and emerging drivers were cultivated and strengthened. The production and business activities of enterprises continued to expand, but the intensity of expansion weakened somewhat. The overall employment situation was stable, showing solid resilience in development. In this context, the overall stability of the automotive market laid a solid foundation for the development of the industry.

From the market situation, this month, the production and sales of automobiles declined year on year, and the decline of commercial vehicles was greater than that of passenger cars, but the new energy vehicles and exports were still strong, both setting a new record. From the market situation in the first half of the year, the sales volume of passenger cars still exceeded 10 million under the influence of adverse factors such as chip shortage and rising raw material prices. The cumulative sales volume of new energy vehicles has reached the same level as that of the whole year in 2019, with more than 1 million pure electric vehicles. The penetration rate of new

energy vehicles has also increased from 5.4% at the beginning of this year to 9.4% in the first half of this year, and the penetration rate in June has exceeded 12%, indicating the gradual expansion of emerging momentum.

Looking to the future, China's economic operation will continue to maintain a stable recovery, which will play a good role in supporting the stability of auto consumption. However, there are still unstable and uncertain factors in the global economic recovery and epidemic prevention and control, and the development of different domestic industries is also different. The foundation for sustained economic recovery still needs to be consolidated. In particular, the impact of chip supply issues on enterprise production is still prominent, and the sharp rise of the price of raw materials will further increase the cost pressure of enterprises. These problems will also affect the automotive industry. Therefore, we still need to take a cautiously optimistic view of the industry.

## **2. Operation of the automobile industry in June 2021**

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

In June, the production and sales of automobiles were 1.943 million and 2.015 million respectively, down 4.8% and 5.3% month-on-month, and down 16.5% and 12.4% year-on-year. Compared with the same period in 2019, output increased by 2.4% year-on-year, and sales volume fell by 2.2% year-on-year. The output growth rate

dropped by 7.9 percentage points from May, and the sales growth rate has turned from positive to negative compared to May.

From January to June, the production and sales of automobiles completed 12.569 million and 12.891 million respectively, an increase of 24.2% and 25.6% year-on-year. The growth rate continued to drop by 12.2 and 11 percentage points from January to May. Compared with the same period in 2019, production and sales increased by 3.4% and 4.4% year-on-year respectively, and the growth rate was 0.2 and 1.4 percentage points lower than that from January to May.

- **The production and sales of passenger cars dropped significantly year-on-year**

In June, the production and sales of passenger cars were 1.555 million and 1.569 million, down 3.8% and 4.7% month-on-month, and down 13.7% and 11.1% year-on-year. In terms of the four types, except the sales of SUVs fell 9.3%, the others (including SUV production) all showed a double-digit decline year-on-year.

Compared with that in 2019, the production and sales of passenger cars decreased by 3% and 9.4% year-on-year, and the growth rate of production and sales changed from positive to negative compared with May.

From January to June, the production and sales of passenger cars were 9.840 million and 10.007 million, up 26.8% and 27.0% year-on-year. The growth rate continued to drop by 12.3 and 11.1 percentage points from January to May. Compared with the

same period in 2019, production and sales fell by 1.6% and 1.4% respectively year-on-year. The decline in production was 0.2 percentage points larger than that from January to May, and the sales growth rate turned from positive to negative.

- **The production and sales of commercial vehicles dropped sharply**

In June, the production and sales of commercial vehicles were 388,000 and 446,000, down 8.3% and 7.4% month-on-month, and down 26.3% and 16.8% year-on-year. In terms of vehicle types, the production and sales of trucks sharply dropped year-on-year, while the buses significantly increased. Compared with the same period in 2019, commercial vehicle production and sales increased by 31.2% and 35.8% year-on-year. Among them, the increase in production was 12.5 percentage points higher than that in May, and the increase in sales was 1.3 percentage points lower than that in May.

From January to June, the production and sales of commercial vehicles were 2.73 million and 2.884 million, up 15.7% and 20.9% year-on-year. The growth rate was 12.1 and 11 percentage points lower than that from January to May. Compared with the same period in 2019, commercial vehicle production and sales increased by 26.7% and 31.3% year-on-year, and the growth rate of production and sales increased by 0.7 percentage points than that from January to May.

- **New energy vehicle sales hit a new high**



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In June, the production and sales of new energy vehicles were 248,000 and 256,000, an increase of 1.3 times and 1.4 times respectively year-on-year. Among them, the production and sales of pure electric vehicles were 204,000 and 211,000, a year-on-year increase of 1.5 times; the production and sales of plug-in hybrid vehicles were 43,000 and 44,000, an increase of 86.5% and 1.1 times respectively, and the production and sales of fuel cell vehicles were 444 and 272, an increase of 4.3 and 2.3 times. This month's new energy production set a new historical record for the month, and new energy sales set a new historical record, hitting a new high. From the perspective of segmented models, the sales of pure electric vehicles and the production and sales of plug-in hybrid vehicles have both set new historical records.

From January to June, the production and sales of new energy vehicles were 1.215 million and 1.206 million respectively, a year-on-year increase of two times. At present, the cumulative sales of new energy vehicles have been at the same level as the full-year level of 2019. Among them, the production and sales of pure electric vehicles were 1.022 million and 1.005 million, an increase of 2.3 times and 2.2 times respectively; the production and sales of plug-in hybrid vehicles were 192,000 and 200,000 respectively, an increase of 1 and 1.3 times respectively; the production and sales of fuel cell vehicles were 632 and 479 respectively, up 43.6% and 5.7% year-on-year.