

Operation of China's Auto Industry in May 2022

In May 2022, as China's efficient coordination of epidemic prevention and control and economic and social development, the outbreak of COVID-19 in many places in the country was effectively brought under control, and the economic sentiment improved compared with April. Especially since late May, the central government has successively introduced a series of policies and measures to promote consumption and stabilize growth. The policies are highly inclusive and have played a good role in pushing the economy back to a normal track and ensuring that it operates within a reasonable range. At the same time, the local governments responded positively and issued a variety of supporting policies to promote auto consumption, which greatly activated the market. The joint boost of central and local policies has played a significant role in boosting auto consumption. In addition, through the hard work of the auto industry, the pace of resumption of work and production has been significantly accelerated, and the industrial chain and supply chain have been gradually smoothed.

1. The year-on-year decline in automobile production and sales narrowed significantly

In May, the production and sales of automobiles reached 1.926 million and 1.862 million respectively, a month-on-month increase of 59.7% and 57.6%, a year-on-year decrease of 5.7% and 12.6%. From January to May, the production and sales of automobiles reached 9.618 million and 9.555 million respectively, a year-on-year decrease of 9.6% and 12.2%. Up to now, except for a small number of enterprises that have not resumed work due to the impact of the epidemic, the auto enterprises across the country have resumed work and production in good condition. The flow of production personnel, logistics and transportation, and supplier supply have all improved significantly, and production capacity has gradually climbed.

2. The production of passenger cars increased slightly year-on-year

In May, the production and sales of passenger cars reached 1.701 million and 1.623 million units respectively, up 70.8% and 68.2% from the previous month. The production increased by 5.2% year on year, while the sales decreased by 1.4% year on year. Compared with the previous month, the growth rate of production turned from negative to positive, the decline in sales narrowed by 42 percentage points, and the overall production and sales were close to normal levels. On the one hand, the enterprises have expectations for the promotion policy and arrange production plans in advance; on the other hand, with the recovery of the supply chain, the pace of resumption of work and production has accelerated. From January to May, the production and sales of passenger cars were 8.196 million and 8.133 million respectively, down 1.1% and 3.6% year-on-year. In May, the sales volume of domestically produced high-end brand passenger cars reached 271,000 units, a year-on-year decrease of 6.7%. From January to May, the sales volume of domestically produced high-end brand passenger cars reached 1.313 million units, a year-on-year decrease of 9.4%, which was larger than the overall passenger car sales. Shanghai and Beijing are the main areas for high-end brand consumption. This round of epidemic has affected short-term consumption. The purchase tax policy is more inclusive, and it is believed that the high-end brand market will soon recover.

3. The production and sales of commercial vehicles still declined significantly

In May, the production and sales of commercial vehicles reached 225,000 and 239,000 units, up 7.2% and 10.4% month-on-month, and down 47.0% and 50.5% year-on-year. With the pull of national infrastructure, the promotion of resumption of work and production, and the delayed repayment of principal and interest on truck loans, the truck market will gradually recover. As seen by type in May, the four types of trucks decreased year-on-year to varying degrees, among which heavy-duty trucks were still the most significant; the three types of buses also showed varying degrees of decline, among which medium-sized buses fell more obvious year on year. From January to May,

the production and sales of commercial vehicles were 1.422 million and 1.421 million, down 39.4% and 41.9% year-on-year. In terms of production and sales by model, the production and sales of buses decreased by 30.4% and 29.3% year-on-year respectively; the production and sales of trucks decreased by 40.3% and 43% year-on-year respectively.

4. The cumulative production and sales of new energy vehicles exceeded 2 million

In May, the production and sales of new energy vehicles were 466,000 and 447,000 respectively, an increase of 1.1 times year-on-year. Among them, the production and sales of pure electric vehicles were 364,000 units and 347,000 units, an increase of 1 time and 93.9% year-on-year respectively; the production and sales of plug-in hybrid vehicles were 102,400 units and 100,000 units, an increase of 1.8 times and 1.6 times year-on-year respectively; the production and sales of fuel cell vehicles were 243 and 103 respectively, an increase of 5.4 times and 10.4 times year-on-year. In May, the market share of new energy vehicles reached 24%, of which passenger cars accounted for 26.3%. From January to May, the production and sales of new energy vehicles completed 2.071 million and 2.003 million respectively, an increase of 1.1 times year-on-year, and both exceeded 2 million. According to the monthly change pattern, we are confident that the annual number will exceed 5 million. Among them, the production and sales of pure electric vehicles were 1.642 million units and 1.586 million units, an increase of 1 time year-on-year; the production and sales of plug-in hybrid vehicles were 427,000 units and 416,000 units, an increase of 1.9 times and 1.7 times year-on-year respectively; the production and sales of fuel cell vehicles were 1,000 units and 935 units, an increase of 5.8 times and 3.5 times year-on-year respectively.