



IHS Markit®

Automotive Industry Weekly Digest

18-22 January 2021





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[OEM Highlights] Automakers facing semiconductor shortages, set to hit light-vehicle production in Q1

IHS Markit perspective

Implications	Automakers globally are facing up to semiconductor shortages as they compete with consumer electronics firms for these components, as well as a range of other factors having an effect.
Outlook	IHS Markit initial analysis suggests that global light-vehicle production during the first quarter will fall by around 485,000 units, although this could rise as more information emerges. Nevertheless, while these shortages are set to hit in the first quarter, some automakers are already planning on pulling these volumes back later in the year. Furthermore, there is some hope that a return to normalcy will take place during the second half of 2021.

Automakers globally are facing up to semiconductor shortages. Reuters reported late last week that affected companies have included Honda – its spokesperson has said that it has begun “seeing some impact in the parts supply”. It cited the Nikkei as stating that it will shrink production by around 4,000 units per month, which would mainly affect the Fit, built at its Suzuka (Japan) facility. Separately, its Chinese partner GAC has said its joint venture (JV) with Honda had received warnings over the supply of components for certain models, without giving details.

Nissan has said it will cut production of the Note hybrid built at its Oppama (Japan) facility, without giving any details of the scale. However, the Nikkei has reported separately that output will be slashed in January from 15,000 units to 5,000 units.



In North America, Ford is pulling forward a week of downtime at its Louisville (Kentucky, US) facility which builds the Ford Escape and Lincoln Corsair. A spokesperson told Reuters, “We are working closely with suppliers to address potential production constraints tied to the global semiconductor shortage.” Toyota has also said that it will cut production of the Tundra pick-up at its San Antonio, (Texas, US) facility, although a spokesperson did not immediately know how many units would be lost. He added that no other US-built Toyota models were affected. Fiat Chrysler Automobiles (FCA) has also said that it will delay the restart of production at its Toluca (Mexico) plant, which builds the Jeep Compass and had been due to restart on 11 January, alongside its Brampton (Ontario, Canada) plant that builds the Chrysler 300, Dodge Charger and Dodge Challenger. Both are set to be closed until the end of January.

As for other OEMs, Volkswagen (VW) Group has previously warned of limits to production of certain key models across the world because of a shortage of these components. General Motors (GM) and BMW Group have told Reuters that they have not been affected yet but are monitoring the situation closely, while the *Financial Times (FT)* said that Renault Group and Daimler “are also among those companies grappling with a looming shortage”.



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Tier 1 component suppliers have also voiced their concerns over this issue to the *FT*. Bosch told the newspaper that it was receiving “significantly fewer” chips for the components it manufactures, while Valeo said it was also noting shortages. Continental added that there has been “extreme volatility” following the coronavirus disease 2019 (COVID-19) virus pandemic. It said, “After the industry shutdown in the early phase of the crisis and the resulting abrupt drop in demand, automobile manufacturers increased their production volumes much faster than expected by market experts.” The company added, “With lead times of six to nine months, the semiconductor industry has not been able to scale up fast enough to meet this unexpected growth in automotive demand,” stating that overbooking at silicon foundries was part of the problem.



One source told the *FT* that another problem stemmed from demand from other industries. The person said, “The problem is that we are lower down the chain than companies like Apple and HP” before noting that the “auto sector doesn’t pay as much for its semiconductors”. This has been compounded by strong demand for computer devices as more people work from home in the wake of the COVID-19 virus pandemic.

In addition, Reuters has noted that a massive fire at a chip production facility owned by Asahi Kasei Microdevices Corp (AKM) in Japan in October put more pressure on the supply of semiconductors. The news service suggests that fears over US regulatory scrutiny of China’s Semiconductor Manufacturing International Corp. has led to chip firms seeking new partners.

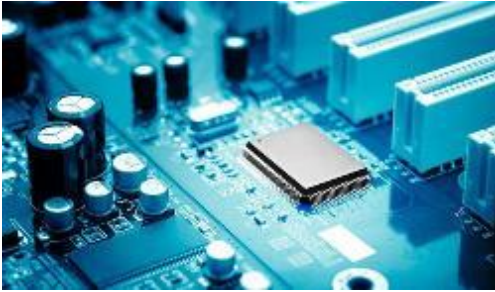
Outlook and implications

Restrictions on the supply of any component related to the manufacture of vehicles is typically detrimental to production volumes. However, in this instance a perfect storm of challenges specifically related to semiconductors has emerged, which is testing the automotive industry, particularly given the expansion of electrified powertrains, infotainment systems and sophisticated automated driver assistance systems (ADAS).

Having started to emerge towards the end of last year, it is set to come to a head in during the first quarter of 2021. IHS Markit’s initial analysis suggests that global light-vehicle production over this three-month period will fall by around 485,000 units. A large proportion of this will be lost in China, which is set to lose over 245,000 units, with this focused on joint ventures (JVs). Around 100,000 units are set to be lost in Europe, and this is expected to be mainly by the Volkswagen (VW) Group as has already been noted above. In North America and Japan, we see the lack of semiconductors as having an impact of around 37,500 units each, while in the rest of Asia it will suffer a decrease of around 61,800 units. However, as can be seen from the reports above, there is every chance that this volume could increase as other new shortages emerge. Nevertheless, while these shortages are set to hit in the first quarter, some



automakers are already planning on pulling these volumes back later in the year. Furthermore, there is some hope that normality will return during the second half of 2021.



IHS Markit will continue to track light-vehicle production disruptions and stoppages and provide detailed analysis on this situation in the coming days and weeks.

[OEM Highlights] NIO unveils ET7 electric sedan, plans to introduce solid-state battery in Q4 2022

IHS Markit perspective

Implications	The hefty price tag of the ET7 takes it out of reach of mass-market EV buyers, but it still looks fairly attractive if buyers are willing to join NIO's battery leasing programme. By selling its customers the idea of owing an EV on a leased battery pack, NIO has created a unique business model that appeals to a new generation of EV buyers.
Outlook	It is likely that NIO will later introduce a smaller sedan positioned below the ET7 to attract more customers, although it is unlikely the startup will adopt aggressive pricing strategies to compete with market leaders, like Tesla.



NIO ET7 electric sedan
NIO

NIO made several announcements on 9 January regarding its new electric sedan, an upcoming solid-state battery pack and its second-generation battery-swapping station. The NIO ET7, the brand's first sedan, was unveiled in Chengdu (China). The ET7, which is a similar size to BMW's long-wheelbase 5-Series, measures 5,098 mm long, 1,987 mm wide, and 1,505 mm tall. With a wheelbase of 3,060 mm, the ET7 provides ample interior space for up to five passengers. Design elements shown on



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the NIO ES6 and ES8 sport utility vehicles (SUVs) have been adopted on the ET7. The front end of the vehicle features newly designed LED headlights and the X-Bar design, characterised by a X-shaped front grille. As a model positioned in the premium electric vehicle (EV) segment, the ET7 is packed with an array of comfort features and advanced drivers' assistance technologies. Frameless automatic doors and air suspension system are standard on the ET7. A new 12.8-inch centre console display has been introduced for the ET7, which NIO said has better resolution and improved colour display. The ET7 is powered by the Aquila Sensing System which consists of 33 sensors, including a long-distance LiDAR sensor, 11 high-resolution cameras, and 11 supersonic sensors. The Aquila system, together with NIO's Adam computing platform, will enable NIO to introduce its advanced driver assistance system, NIO Autonomous Driving (NAD), to the ET7. However, these advanced features make the ET7 expensive. It offers two battery sizes: the 70-kWh version is priced at CNY448,000 (USD69,160) before subsidies, and the 100-kWh version is sold at CNY506,000 before subsidies. The two versions of the ET7 have ranges of 500km and 700km under NEDC test cycle respectively. The startup also gives consumers the option of joining its BaaS (Battery as a Service) programme. Under this battery leasing programme, battery cost will be taken out from the vehicle's selling price, bringing both versions down to CNY378,000. However, customers will need to pay a monthly battery subscription fee of CNY980 for the 70-kWh battery pack and for the 100-kWh battery pack. Both versions come with two electric motors that produce a combined output of 480kW and a peak torque of 850N.m. Acceleration from 0–100km/hour takes 3.9 seconds. Deliveries of the ET7 will begin in the first quarter of 2022.

In addition to the new product, NIO said it is ready to roll out its second-generation battery-swapping station. The new system does not require the driver to leave the vehicle, and the vehicle can also automatically park into the service area, ensuring fast service. Each service station can now store 13 batteries packs, to serve up to 312 vehicles per day. NIO also announced its plan to begin mass production of a 150-kWh solid-state battery pack in 2022. The startup said the energy design of the solid-state battery pack will be improved by 50% compared to its existing 100-kWh lithium-ion battery, to 360Wh/kg. The new battery technology will substantially boost the driving range of its models. The ET7 with a 150-kWh solid-state battery pack can deliver an extended range of up to 1,000 km. The startup said customers can choose to upgrade the battery pack in their existing NIO models to the solid-state battery pack when mass delivery of this new battery begins in the fourth quarter of 2022.

Outlook and implications

NIO made it clear before the launch that the ET7 will be a flagship model designed to further reinforce its image as a premium carmaker. The ET7 has served this purpose for its rich technology content, the application of new interior material, and the promise of a long range of up to 1,000 km with NIO's upcoming 150-kWh battery pack. The model also features a seemingly high capacity automated driving system powered by a suite of high-resolution sensors and cameras including a long-distance LiDAR which is rarely used in production EVs. The hefty price tag of the ET7 takes it out of the reach of mass-market EV buyers, but it still looks fairly attractive if buyers are willing to join NIO's battery leasing programme. By selling its customers the idea of owning an EV on a leased battery pack, NIO has created a unique business model that appeals to a new generation of EV buyers. BaaS, in this sense, will continue to play a critical role helping NIO to deliver higher volumes and build a unique advantage.

It is likely that NIO will later introduce a smaller sedan positioned below the ET7 to attract more customers, although it is unlikely that the startup will adopt aggressive pricing strategies in the near future to compete with market leaders, like Tesla. According to NIO's sales report, combined deliveries of its three models, the ES6, ES8 and EC6, totalled 43,728 units last year. The promised timeline for the mass delivery of the 150-kWh solid-state battery pack means customers willing to upgrade to the new battery will need to wait for nearly two more years. However, NIO's plan to bring this advanced battery technology to its production models has already placed the startup ahead of the competition and gives its customers a lot to look forward to.



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[Autonomous Driving Highlights] Chinese autonomous bus receives permit for use on open roads in Paris

An autonomous bus manufactured by China's CRRC Electric Vehicle Co has received a permit for use on open roads in Paris (France). The bus, which is 12 metres long, is based on smart driving, intelligent power, and Internet of Things (IoT) technologies. These technologies enable the bus to conduct real-time interaction between passengers, other buses, and traffic information to ensure safety, reports The Global Times.



Outlook and implications

This marks the debut of a Chinese autonomous vehicle entering the French market. China is pushing to commercialise smart autonomous vehicles, which is a key part of the country's 'Made in China 2025' plan. Recently, the country released the Technology Roadmap for Intelligent-Connected Vehicles 2.0, which expects vehicles with partially autonomous functions to account for 50% of new vehicle sales by 2025. Meanwhile, during 2019, France made further progress towards allowing autonomous vehicles on its roads in the near future. Two pieces of legislation were adopted by the end of September 2019, the "loi PACTE" and the "loi d'Orientation des Mobilités (LOM)", to promote road testing of autonomous vehicles.

[Autonomous Driving Highlights] Apple autonomous car may be five to seven years away

Apple could launch an autonomous vehicle within five to seven years, according to a Bloomberg report, citing "people with knowledge of the efforts". Bloomberg reports that its sources confirmed that Apple has a small team of hardware engineers developing the car's autonomous drive systems, interior, and external body design, and the company plans to ship a vehicle eventually. In the past, Apple had reportedly focused its programme on creating the underlying autonomous drive system, an approach that Waymo and Argo AI are focused on. Bloomberg says that some Apple engineers on the project believe the company could release a product in five to seven years. These sources also reportedly stated that the vehicle is nowhere near ready for production, and the timeline could change. Bloomberg also reports that most of the team is either working from home or only coming into the office for short periods, and that those conditions are slowing progress on the project. Apple has declined to comment on the matter, Bloomberg reports.



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Outlook and implications

Apple's autonomous car project has been watched closely for several years, and Apple seems to have changed its approach several times. Typically, Apple does not manufacture its own products, so most expect Apple to contract the manufacturing to another company, although it is not clear which firms would be in the running for that contract at the moment. Progress on Apple's car programme has ebbed and flowed, with hundreds of engineers hired in 2014, only for the programme to be scaled back in around 2016 to focus on the self-driving system. In late 2020 and early 2021, work on the project has reportedly been revived. Apple's success in computers, phones, and other consumer electronics devices has largely been when the company comes in and makes an existing product type more intuitive, easier to use, and attractively designed. It is not clear how this approach will play out as the company puts its attention on to autos, although Apple's success and iconic brand appeal is perceived as a potential threat to other companies in the space.



[CES 2021] Mobileye to launch autonomous vehicle test fleets in four more cities during 2021

At virtual technology expo CES 2021, supplier Mobileye has announced plans to launch autonomous vehicle test fleets in at least four more cities in 2021, including Detroit, Tokyo, Shanghai, and Paris. Mobileye also plans to deploy autonomous vehicles in New York City if the company receives regulatory approval. In addition, at the expo, Mobileye revealed its new system-on-chip LiDAR system, which features digital and “state-of-the-art” signal processing and radar technology with 2304 channels. Combined with crowdsourced high-definition maps Road Experience Management (REM), rules-based Responsibility-Sensitive Safety (RSS) driving policy, and camera-based sensing technology, this will enable Mobileye to launch commercial robotaxi operations as well as autonomous technology for consumer passenger vehicles by 2025, says the company. Mobileye says that cars using its existing technology have mapped nearly 1 billion kilometres globally, with more than 8 million km mapped daily.



Outlook and implications

Mobileye, an Israel-based company acquired by US chip-maker Intel, develops advanced perception systems that enable drivers to detect nearby vehicles, other road users, and unexpected hazards. Mobileye is making rapid advancements in developing an autonomous vehicle system using cameras and a custom-made processor chip. Mobileye is also working with multiple automakers including Audi, BMW, Honda, General Motors, Fiat Chrysler Automobiles, and Tesla. Mobileye launched its first autonomous test fleet in Jerusalem (Israel) in 2018 and later expanded testing to Munich (Germany) in 2020. Last year, Intel acquired Israeli public transit app Moovit to help Mobileye develop robotaxis, with plans to launch them in early 2022.

[CES 2021] Aptiv develops new platform to support automated and electric vehicles

At technology expo CES 2021, Aptiv has announced the launch of its next-generation platform to support automated and electric vehicles (EVs). The platform has Level 1–3 advanced driver assistance system (ADAS) capabilities, which can be used across a range of vehicles and can be updated wirelessly by automakers. The platform helps to dramatically reduce the costs required for developing and validating assisted driving systems. Aptiv's new platform also enables the supplier to monitor vehicle problems and provides over-the-air updates so carmakers can upgrade car features and fix glitches in real time. Kevin Clark, CEO and president of Aptiv, said, “Our next-gen ADAS solution cost-effectively delivers safety features over the lifetime of the vehicle that exceed consumer expectations on a platform upon which OEMs can continue to innovate”.



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Outlook and implications

Aptiv has been aggressively working in the autonomous vehicle (AV) space, and has four AV centres, including in Boston, Pittsburgh, Singapore, and Las Vegas. Aptiv has accelerated its AV efforts, including operating a fleet of robotaxis in Las Vegas in association with Lyft. In 2019, Hyundai and Aptiv formed a joint venture called Motional to develop AV technologies. Motional has partnerships with Lyft and Via to launch robotaxi services.



[Supplier Trends and Highlights] AAM, Inovance Automotive join forces on next-generation electric-drive technology

Electric drive systems will be manufactured at AAM's Changshu Manufacturing Complex in mainland China



Source: Getty Images / kynny

American Axle & Manufacturing (AAM) has partnered with Suzhou Inovance Automotive for development and delivery of scalable, next-generation 3-in-1 electric drive systems, the company announced in a press release on 11 January. The electric drive systems will be manufactured at AAM's Changshu Manufacturing Complex in mainland China, beginning with the first 135 kW model for a Chinese OEM in the first quarter of 2021.

"The global electric drive market continues to expand as increasingly stringent emissions regulations require innovative propulsion system solutions. Our cooperation with Inovance Automotive will add an exciting new offering to AAM's fast-growing portfolio of scalable 3-in-1 electric drive systems and accelerate our ability to bring new cost competitive technologies to market. We are excited to join forces with such a highly accomplished and innovative provider of power electronics technology," said David C. Dauch, chairman and CEO, AAM.

Outlook and implications

A 3-in-1 electric drive system integrates an inverter, electric motor, and gearbox into a single housing. AAM and Inovance Automotive will focus on the advancement of highly integrated 3-in-1 electric drive systems leveraging the partners' complementary expertise in electric-propulsion technology. The collaboration will seek to enhance the power density, efficiency and cost effectiveness of the electric drive technology offered in the global NEV market. Suzhou Inovance Automotive is a provider of automotive power electronics and powertrain systems in mainland China.

[Supplier Trends and Highlights] Gentex partners with Simplenight for connected car services

Gentex will integrate Simplenight into HomeLink car-to-home automation system



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Source: Getty Images

Gentex Corporation has announced a partnership with Simplenight to offer connected car services, the company said in a press release on 11 January. The collaboration will offer drivers and occupants access to mobile capability for booking personalized entertainment and lifestyle experiences in addition to everyday purchases in the car.

Gentex will integrate Simplenight into its connected vehicle technologies, such as the HomeLink car-to-home automation system. Gentex is integrating Simplenight into its HomeLink Connect app, which helps users program their HomeLink buttons and control cloud-based devices from their vehicles.

“The Simplenight platform is the perfect complement to our growing list of V2I and transactional vehicle features. Mobile commerce platforms are executing billions of transactions annually, which will only increase in the coming rideshare and autonomous age. Our goal is to work with Simplenight on creative ways to help our automaker customers offer a one-stop shopping, connected-car experience,” said Neil Boehm, CTO, Gentex’.

Outlook and implications

Gentex supplies electro-optical products for automotive market. Simplenight offers a customizable platform for bookings across multiple industries. The platform is designed to integrate into automaker infotainment, navigation systems, mobile applications, and voice assistants.

In November 2020, Gentex announced a partnership with PayByCar under which drivers will be able pay for gas and essentials directly from their vehicle.



[GSP] Global Sales and Production Commentary -2020.12

Global sales

November 2020: -2.6%; 7.49 million units vs. 7.69 million units

YTD 2020: -16.2%; 68.32 million units vs. 81.50 million units

- Governments around the world are working toward sustainable ways to manage the COVID-19 virus. Recovery cycles will be largely determined by the path of the pandemic, including progress on vaccine programs. Many parts of the world face a winter of stubbornly high COVID-19 infection rates and ongoing restrictions, which could further dent automotive demand prospects. The crisis is intensifying operational and economic pressures on an already-stressed global automotive industry, especially as OEMs and suppliers finetune strategies toward coping with “new normal” vehicle demand levels.
- Successful clinical trials of several vaccines have reinforced the expectation of IHS Markit that effective vaccines will be widely available by mid-2021. A hopeful world was watching in early December 2020 as the UK began a cautious roll-out of the first fully tested, clinically authorized vaccines.
- Global economic growth eased in November, as the JPMorgan Global Composite Output Index (compiled by IHS Markit) edged down 0.2 point to 53.1. A deceleration in services overshadowed an acceleration in manufacturing output to its fastest growth pace since January 2018. After a 4.2% contraction in 2020, world real GDP growth should post 4.6% in 2021, and 4.0% in 2022 (upgraded). Dated Brent crude oil prices should average USD41 per barrel (/barrel) for 2020 and USD47/barrel in 2021.



- Runaway virus levels and harsh lockdown restrictions decimated first-half 2020 automotive demand. April 2020 saw the low point of the current cycle, down 46% year on year (y/y). Sales in May fell 33%, June -14%, July -5%, August -10%, September +2.8%, October +2%, and estimates for November suggest -2.6%, with some markets back in lockdown due to rising COVID-19 cases. Full-year 2020 global demand is forecast to fall 14.8% from 2019 levels, to 76.5 million units (upgraded). Key upgrades include mainland China, the US, Russia, and India, in some cases despite high or rising infections. Many European markets were downgraded in the wake of further restrictions (especially fresh lockdowns).
- Benchmarked against the IHS Markit pre-COVID-19 forecasts made in January 2020, COVID-19-related downgrades for 2020 represent over 12 million units of losses compared with potential global auto demand. This is far worse than the two-year peak-to-trough decline of 8% during the global recession in 2008/09 and helps scale the sheer magnitude of delayed and destroyed demand.



- IHS Markit remains cautious on recovery prospects, with key markets likely to experience differing demand cycles. We have already seen some “bounce and fade” activity—as post-lockdown “bounces” in demand “fade” as economies face further fallout from the pandemic, not least due to additional virus-control restrictions (lockdowns). Many governments have rolled out support and stimulus packages to help economies through the healing process, some with targeted auto stimulus programs. Global demand for 2021 is set at 83.4 million units, up by 9.0% y/y (upgrade).
- First in, first out—effective pandemic containment has enabled an impressive demand rebound for mainland China, with 2020 reset to 23.6 million units, down by 4.9% y/y (upgrade). Bright spots include premium demand and the light commercial vehicle (LCV) sector. Support includes revised new-energy vehicle (NEV) rules, a six-month delay to the China-6 emissions deadline, city derestrictions, license plate quota increases, and revised lending rules. We have also upgraded 2021, although some auto incentives are phasing out. Our 2021 forecast is set at 24.9 million units (+5.6% y/y).



- Despite adverse COVID-19 trends, US auto demand continues to recover, supported by OEM/dealer incentives, online sales, government stimulus, a new President elect, and improving economics. We have upgraded 2020 to almost 14.6 million units, down 14.7% y/y. Demand in 2021 will benefit from a higher starting point, optimism on effective vaccines, and additional fiscal policy support—with an upgrade to 16 million units for 2021 (+10% y/y). Risks remain, notably from still-weak fleet sales and tight inventories; restocking efforts could be vulnerable to any further virus restrictions in the winter.
- European recovery prospects are mixed, with worrying virus resurgences, varied economic/stimulus support, ongoing restrictions, the Brexit “mad riddle,” and fears for a post-Christmas third wave. Total Western and Central European automotive demand for 2020 is set at 13.7 million units, down 24.2% y/y. Government auto stimulus programs from mid-2020 continue to help, especially for Big 4 EU markets. The cautious December UK vaccine rollout provides some hope in the gloomy midwinter as we look to 2021, with growth set at 11% y/y, to 15.3 million units, although Brexit risks remain.

Global production

November 2020: -1.5%, 7.82 million units vs. 7.93 million units

YTD 2020: -18.3%, 66.92 million units vs. 81.87 million units

- The December 2020 forecast update reflects a 500,000-unit upgrade to the 2020 forecast. This upgrade is based on the continued strength of the recovery in mainland China; better-than-expected responses in Europe to the November lockdown measures; plus a mixture of increases across Japan, South Korea, India, and Association



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of Southeast Asian Nations (ASEAN) markets. North America and South America were trimmed for the balance of 2020, while a more uniform picture of improvement is now expected in 2021.

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[VIP ASSET] SUVs to remain main growth driver of China new vehicle market in 2021

IHS Markit perspective

Implications	The CAAM's full-year 2020 data are not available at the time of writing; however, from the data for January to November 2020, Chinese brands are dominant players in the SUV market with a share of 49.1%, while Japanese and German brands trail behind with market shares of 19.9% and 19.0% respectively.
Outlook	IHS Markit data indicate SUVs had a 39% share of the Chinese light-vehicle market in 2019. By 2021, the market share of SUVs is expected to increase to 41%, with their sales volumes increasing from around 9.71 million units in 2019 to 10.24 million units in 2021.

The light-vehicle market share of sport utility vehicles (SUVs) is expected to increase to 41% in China this year, with SUVs' sales volumes increasing from around 9.71 million units in 2019 to 10.24 million units in 2021. IHS Markit data indicate that SUVs had a 39% share of the Chinese light-vehicle market in 2019.



WEY Tank 300 SUV.
Great Wall Motor

New vehicle sales in mainland China are expected to decline by 2% in 2020, according to the China Association of Automobile Manufacturers (CAAM). The data, released on 8 January ahead of the CAAM's official production and sales figures, is an estimate of new vehicle sales in China based on sales results reported by major automakers in the market. Against the backdrop of the coronavirus disease 2019 (COVID-19) pandemic, the world's largest auto market has fared much better than most of the other major auto markets. To put this into perspective, at the beginning of the COVID-19 virus outbreak, which first began in China's Hubei province, auto sales in China were forecast to slump by up to 15% during 2020.

The CAAM's full-year 2020 data are not available, at the time of writing; however, from the data for January to November 2020, Zhejiang Geely Holding Group, Great Wall Motor, FAW Volkswagen (VW), Changan Auto, and SAIC VW are the top five SUV manufacturers in the Chinese market. These five are followed in the rankings by Chery Auto, Dongfeng Honda, SAIC General Motors (GM), Dongfeng Nissan, and GAC Honda. The top-10 rankings suggest both Chinese OEMs and international OEMs have managed to secure shares in the SUV market; however, Chinese brands are the dominant players in the SUV market with a share of 49.1%, while Japanese and German brands trail behind with market shares of 19.9% and 19.0% respectively. In this article, we have highlighted a few highly anticipated new models from a long list of recent and upcoming SUV launches to give a glimpse of trends in the Chinese SUV market.



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Changan UNI-K

The Changan UNI-K is the second model in Changan's UNI-series, a new product line the Chinese automaker announced last year to bolster its SUV sales. The first model, the UNI-T compact SUV, has already become the best-selling SUV of the Changan brand. The vehicle has been gaining popularity among young Chinese consumers for its bold design, futuristic-looking digital cockpit, and improved build quality. Building on the success of the UNI-T, Changan will begin sales of the UNI-K, a full-size SUV, in 2021. The model will feature Changan's new-generation 2.0-litre turbocharged engine and all-wheel-drive system powered by BorgWarner. Demand for the UNI-K is unlikely to match that of its smaller sibling; however, the model, as an embodiment of Changan's engineering and technology capacity, is still one of the most anticipated SUVs in 2021.

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[IHS Markit Insight] Week Ahead Economic Preview



Key Points:

- A full calendar for the week ahead includes GDP data for China, flash PMIs for the four largest developed world economies plus a host of monetary policy meetings. The US presidential inauguration is also going to be keenly watched, while in Europe additional interest comes from the EU Leaders Summit, where the pandemic will be in full focus.
- Monetary policy events include central bank meetings in Brazil, Canada, China, the Eurozone, Japan, Indonesia and Norway. All are seeking to assess the ongoing impact of the pandemic on both domestic and international economic conditions.
- China has so far seen the strongest economic recovery, which is likely to be confirmed with the release of fourth quarter GDP data showing accelerating growth. The strength of the economic rebound is, however, putting pressure on the central bank to rein in its pandemic stimulus, with increasing numbers of analysts expecting a rate hike in the second half of the year. The People's Bank of China's meeting will therefore be eagerly watched for clues as to the policy trajectory.
- Similarly, in Japan, the central bank will have been pleased to see recent encouraging business survey data, and the flash PMIs are updated for January later in the week. But a tightening of COVID-19 restrictions means the focus will likely remain firmly on building the recovery.
- In the US, concerns have likewise risen regarding record COVID-19 case numbers, but tensions have also built ahead of the presidential inauguration ceremony on 20 January. The January flash PMIs will therefore be eyed for the impact of the political unrest and virus on both manufacturing and services activity, as will the jobless data.
- It is a similar situation in Europe, where rising virus cases have led to more aggressive lockdown measures in many countries, notably the UK and Germany. The UK is also showing signs of struggling from its fresh departure from the EU, with supply chains showing signs of stress. Flash PMIs for the Eurozone and UK will therefore be eagerly assessed for early insights into how the region's major economies have fared at the start of the New Year, with the surveys released hard on the heels of the ECB's first monetary policy meeting of 2021.



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APAC Special Report: “ASEAN Economic Outlook for 2021” by Rajiv Biswas, APAC Chief Economist at IHS Markit

- Southeast Asia was badly hit by the COVID-19 pandemic in 2020, with the ASEAN regional grouping—which comprises ten Southeast Asian nations—suffering a severe recession. ASEAN GDP is estimated to have contracted by 4.1% in 2020 due to the impact of lockdowns and bans on international travel.
- Prospects for 2021 are for a strong economic rebound, with ASEAN GDP growth forecast at 4.5% y/y, based on expectations for the progressive rollout of COVID-19 vaccines during 2021. A key factor underpinning the anticipated economic rebound in the Southeast Asian region is expected to be buoyant economic growth in China, which is forecast to grow at 7.5% y/y in 2021. With broad-based Asia-Pacific recovery expected in 2021, other major Asia-Pacific economies, such as Japan and India, are also forecast to show a rebound in GDP growth in 2021, which will help to boost ASEAN exports and foreign direct investment inflows.
- However, with large new waves of COVID-19 cases having engulfed many countries in recent months, including the EU, Japan and Malaysia, this year is likely to be characterized as a year of uncertainty. There are considerable risks around how quickly vaccines can be deployed and how rapidly the pandemic will be brought under control in different countries.



[Asset Download] Top 10 Auto Tech Trends to watch for in 2021



Top 10 Auto Tech Trends to watch for in 2021

- EV charging speeds keep increasing
- 5G automotive deployment continues
- Automated driving launches continue to differentiate in L2, L2+, and L3
- Software becomes critical to ACES as new purpose-built mobility, vehicles launch for ride-hailing services
- Europe to boost battery manufacturing
- Over the air software update (OTA) proliferates
- Automotive chip shortage
- Production 3D printing enters light production vehicles
- Matrix lighting proliferates beyond premium
- Lidar sensors enabling automation especially in L3 and L4 launches

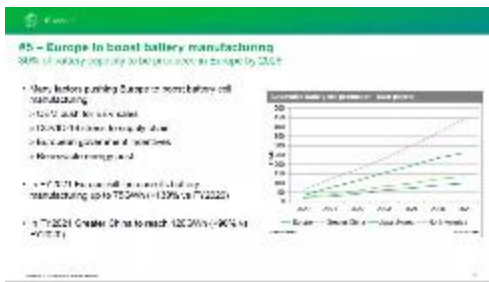




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