

Automotive Rapid Response Report | COVID-19

CA Market Rapid Reporting

60% QC

w/w improvement

QC open with exception for GMA

47% ON

w/w improvement

Dealerships open

11% AB

w/w improvement

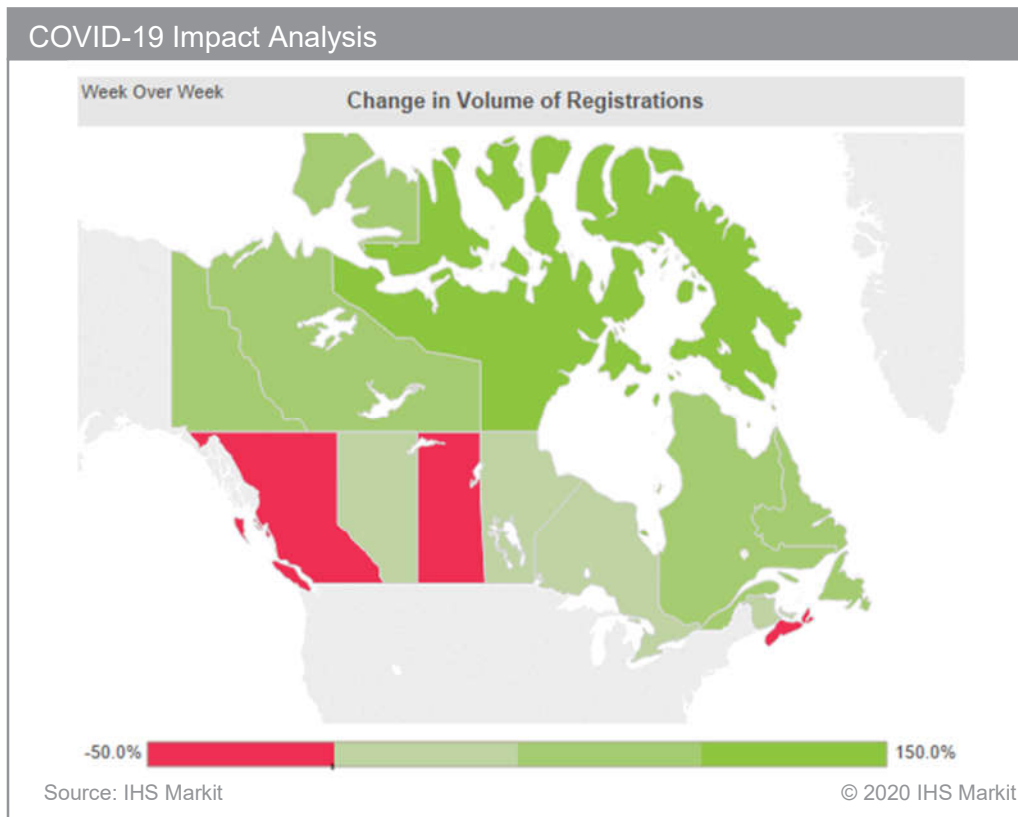
Phase 1 Retail

1% BC

w/w decline

Phase 1 – Dealers actively open, with restrictions

- A **31% increase week-on-week (w/w) in national registration volume**, representing 5,100-unit volume improvement
 - National registration volume remains steady with a 40% declined year-to-date (YTD) versus prior year-to-date (PYTD)
 - All segments seeing w/w improvements except Full Size, Medium Heavy and Utility
- A **60% w/w improvement in Quebec**, third week of significant w/w improvement of 2,400 unit increase
- Increase of **43% w/w across Compact Utility segment**, Jeep Wrangler leading w/w volume improvements
 - Compact Utility segment, third week in a row, with the largest w/w volume increase - approximately 2,600 units over prior week



Global economic overview

5.5%

projected global GDP decline, new low of 26.5 eclipsing record low during global financial crisis

8.3%

projected Canadian GDP, followed by increase of 3.5% in 2021

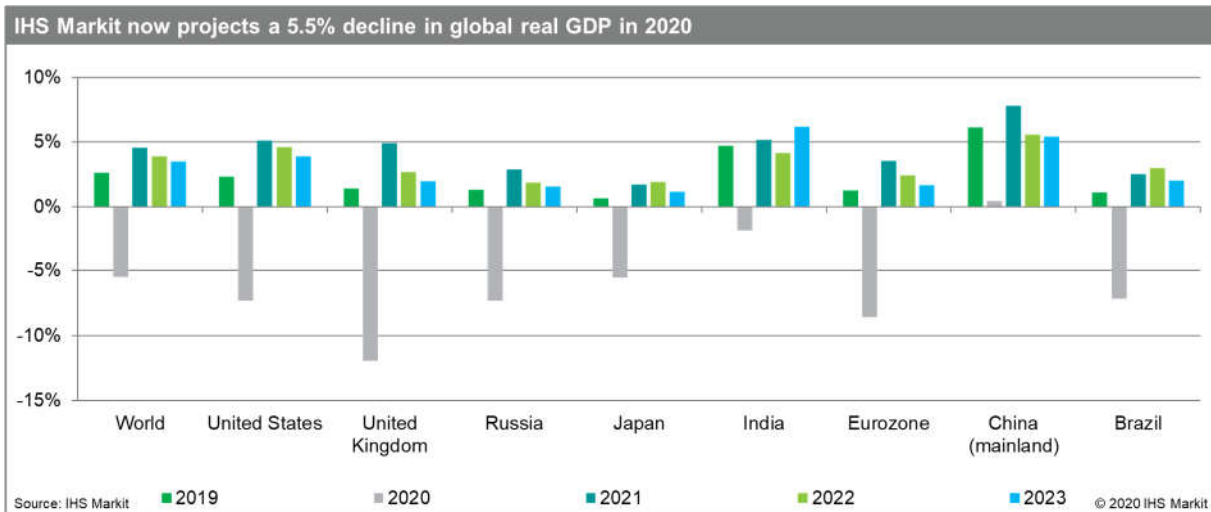
6.4%

projected US GDP decline, followed by increases of 4.3% in 2021 and 4.5% in 2022

0.5%

projected China GDP increase, followed by increases of 7.8% in 2021 and 5.6% in 2022

- IHS Markit now projects a **5.5% decline in global real GDP in 2020**, with even sharper contractions in Europe and the Americas. Recovery to the previous peak level of output will take until 2022. In April, the Global Composite Output Index fell 12.7 points to a **new low of 26.5, eclipsing the previous record low of 36.8** in November 2008 during the global financial crisis. Rates of decline in output, new orders, new export business, employment, and order backlogs all set new series records.
- US real GDP is projected to fall 6.4% in 2020**, with significant declines in consumer spending nonresidential fixed investment, and residential investment. Led by an upturn in consumer spending, real GDP is **projected to increase 4.3% in 2021 and 4.5% in 2022**.
- Canada's projected GDP for 2020 is -8.3%**, increase of 3.5% expected in 20201
- After an **8.1% decline in 2020, Eurozone real GDP is projected to recover 3.4% in 2021 and 2.7% in 2022**. Eurozone real GDP fell at a record quarterly rate of 3.8% quarter on quarter (q/q) in the first quarter, indicating a huge drop-off in activity in March. Declines were even more severe for France (-5.8%), Spain (-5.2%), and Italy (-4.7%).
- China's real GDP is projected to increase 0.5% in 2020, 7.8% in 2021, and 5.6% in 2022**. Real GDP fell 6.8% year on year (y/y) in the first quarter of 2020. However, the worst of the recession appears to be over as large industrial enterprises' work resumption rate (percent of firms reopened for business) is near 100%, while that of small- and medium-sized industrial enterprises (SMEs) has surpassed 80%.



Global automotive overview

69.2M

global LV sales,
down -22.9%

1.34M

Canada LV sales,
down -30%

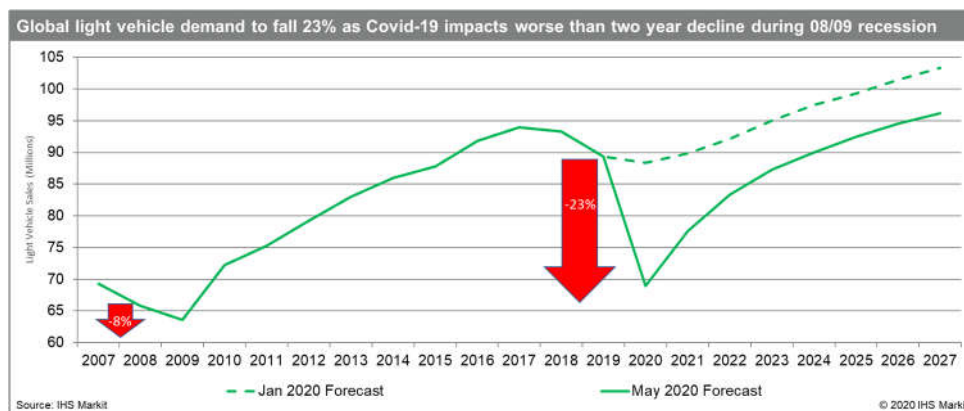
12.7M

US LV sales,
down -25.4%

21.2M

China LV sales,
down -14.7%

- **Global demand to fall to 69.2 million units, down -22.9% in 2020.** Forecast revised down almost 20 million units from pre-Covid levels. The 2020 slump in auto demand far worse than 2-year decline global recession 2008/09. However, instantaneous nature of autos demand shutdown could mean worst of auto cycle is already behind us—but recovery could struggle.
- **Canada light vehicle sales forecast for 2020 has been lowered to 1.34 million units** (down from previous 1.41-million-unit setting)
- **US light vehicle sales to fall to 12.7 million units (-25.4% y/y) followed by 14.3 million in 2021 (up 12%)** as OEM Incentives/support, online sales & almost half of states not limiting dealer activity helping to provide some cushion against worst-case scenario.
- **China light vehicle sales in April declined by 2.8%** (estimate based on CAAM), a marked improvement comparing to 48% decline in March. To date, 17 cities/provinces have introduced vehicles incentives including plate quotas, NEV subsidy and scrappage incentives. In addition, nationwide implementation of China 6 would be postponed to January 2021. Financial institutions have been instructed to provide auto finance with lower down payment/interest rate and longer terms.
- April 2020 figures proved disastrous due to a full-month of lockdown in many markets: ITA -98%, ESP -97%, UK -97%, FRA -89% and GER -61%. **Total West Europe demand -80%. Eurozone continues to face a deep recession and auto demand to fall -26.4% in 2020.** Although lockdowns are softening in main European countries such as France,



Global light vehicle demand by market

Market	2020 TIV	% Change (y/y)	vs. Jan 2020 forecast
US	12.7m	-25.4%	-4.1m
China	21.2m	-14.7%	-3.4m
West/Central Europe	13.3m	-26.4%	-4.2M
Global	69.2m	-22.9%	-19.5m

Source: IHS Markit

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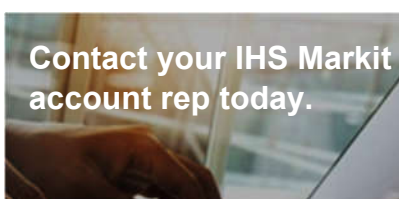
*Based on data received through 19 May 2020.

Access more information and resources

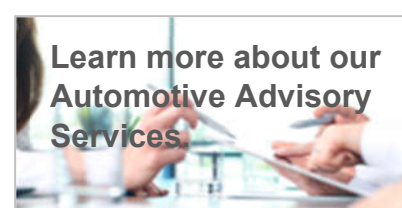


Coronavirus (COVID-19)
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