



IHS Markit®

Automotive Industry Weekly Digest

11 October – 15 October 2021





WeChat



Auto VIP

Contents

[OEM Highlights] China's NIO starts operations in Norway	3
[OEM Highlights] China's Hongqi to export electric SUVs to Norway	3
[Sales Highlights] BYD reports 89.9% y/y growth in sales during September	5
[Sales Highlights] BMW brand sales outpace those of Mercedes-Benz passenger cars in YTD	6
[Technology Highlights] WiTricity's wireless EV charging technology to debut in South Korea	8
[Technology Highlights] GM to expand hands-free driving features with Ultra Cruise in 2023	8
[GSP] India/Pakistan Sales and Production Commentary -2021.09	10
[Supplier Trends and Highlights] HELLA launches new compact SOS 360° LED warning lamp for automotive industry	12
[Supplier Trends and Highlights] Peachtree Corners and T-Mobile 5G to launch autonomous shuttle fleet service leveraging C-V2X	12



WeChat



Auto VIP

[OEM Highlights] China's NIO starts operations in Norway

Chinese electric vehicle (EV) maker NIO has officially opened its dealership NIO House in Oslo (Norway). The automaker will offer the ES8 sport utility vehicle (SUV) in 75-kWh and 100-kWh battery pack variants. The starting price of the NIO ES8 with a standard battery pack is NOK609,000 (USD69,151), while that of the NIO ES8 with a long-life battery pack starts at NOK679,000 (USD77,099). Customers can buy the ES8 without the battery and use NIO's Battery as a Service (BaaS) sales model, in which there is a monthly subscription for use of the battery and additional services. The first integrated NIO station, with both battery swapping and charging stalls, will be launched by the end of next month in Norway. The EV maker intends to install 20 battery swap stations covering Norway's five biggest cities and major highways by the end of 2022, reports Pandaily.



Outlook and implications

Chinese EV makers are eager to explore sales opportunities in Europe, as the region represents one of the largest market for battery electric vehicles (BEVs) and plug-in hybrid vehicles, thanks to generous government subsidies and the rapidly expanding charging infrastructure. The ES8 SUV is the first model to be introduced in Norway this year, followed by the ET7 in 2022. IHS Markit forecasts European sales of NIO vehicles to be around 150 units in 2021 and around 1,400 units in 2022.

[OEM Highlights] China's Hongqi to export electric SUVs to Norway

FAW Group's premium vehicle brand, FAW Hongqi, has announced that it is to commence exports of China-made electric sport utility vehicles (SUVs) to Norway, reports Reuters. The brand states that it has received 500 orders for its SUVs in Norway. The automaker has not revealed details of the models ordered.



Outlook and implications



WeChat



Auto VIP

FAW is experiencing increasing demand for Hongqi's recent models thanks to a fresh design, a wider product range catering to private-market car buyers, and more-accessible pricing compared with previous Hongqi offerings. The brand now has eight nameplates in the Chinese market, covering sedans and SUVs. In the first half of 2021, FAW Hongqi sold 145,000 vehicles in China, up 107% year on year (y/y). FAW Hongqi joins the list of other key Chinese automakers such as Great Wall, NIO, Xpeng, and BYD that are pushing to increase their presence in European markets.



[Sales Highlights] BYD reports 89.9% y/y growth in sales during September

Chinese automaker BYD sold 80,114 vehicles in September, an increase of 89.9% year on year (y/y). This sales figure includes new-energy vehicles (NEVs) and traditionally fuelled vehicles. Last month, BYD's sales of NEVs, which consist of battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs), totalled 71,099 units, up 257.6% y/y. Passenger BEVs remained the top-selling category in the automaker's NEV line-up in September, with sales totalling 36,306 units, up 197% y/y. In September, BYD's sales of passenger PHEVs totalled 33,716 units, compared with 6,391 units in September 2020. Sales of BYD's traditionally fuelled vehicles totalled 9,015 units last month, down 60.0% y/y. Within this total, sedan sales stood at 1,763 units, down from 3,892 units in September 2020, and sport utility vehicle (SUV) sales came in at 6,634 units, compared with 14,899 units in September 2020. Sales of multi-purpose vehicles (MPVs) totalled 618 units in September, compared with 3,511 units in September 2020. In the year to date (YTD), BYD's sales are up 68.3% y/y at 452,744 units.



Outlook and implications

The growth in BYD's sales during the past couple of months has been driven by NEV sales. The NEV segment has been experiencing substantial growth in the country despite the impact of the coronavirus disease 2019 (COVID-19) pandemic, supply-chain constraints, and recent floods. The automaker recently announced plans to build a major plant in the east China province of Anhui, which will have the capacity to assemble 400,000 electrified vehicles annually, to help cater to the growing demand for BYD vehicles. The new facility will also produce electric motors, electric control systems, and other key components for electrified vehicles. IHS Markit estimates that BYD's global light-vehicle sales will reach around 524,000 units in 2021 and 568,700 units in 2022.



[Sales Highlights] BMW brand sales outpace those of Mercedes-Benz passenger cars in YTD

IHS Markit perspective

Implications BMW has maintained its sales lead over the Mercedes Benz passenger car brand after the first three quarters of the year, with sales of 1,703,080 units to Mercedes' figure of 1,590,832.

Outlook This continued the lead that BMW built up after the first and second quarters; it is looking at retaking the lead in the global premium car sales race that it lost to Mercedes-Benz in 2016, with both brands posting impressive y/y increases.



BMW Z4
BMW Group

The BMW passenger car brand was the best-selling global premium passenger car badge in the first three quarters of 2021, with sales of 1,703,080 units, which equated to a rise of 17.9% year on year (y/y). This compared with results for the company's closest rival, the Mercedes-Benz passenger car brand, of 1,590,832, which was an increase of 2.7% y/y. This ensured that BMW maintained the sales lead from the first quarter and half of the year. This sales lead was aided by BMW's relative ability to mitigate the impact of the global automotive semiconductor shortage in the first half of the year, although BMW is also now experiencing significant production supply chain issues in line with other global carmakers. The impact of the semiconductor supply issue was strongly illustrated by the respective brands' global third-quarter sales performances, with BMW posting a 10.3% y/y decline in sales to 524,870 units. However, Mercedes-Benz's figure for the same period was an even more accelerated 30.2% y/y decline to 428,361 units, with the semiconductor situation hitting the brand's global production network hard. Combined BMW Group sales (including the Mini brand) were up by 17.9% y/y to 1,932,236 in the first nine months, while they were 12.2% down in the third quarter to 524,870 units. Mercedes-Benz cars (including Smart) were up 3.0% y/y in the first three quarters to 1,617,508 units, and were down 30.5% y/y to 434,784 units in the third quarter.

On a major market basis, the BMW Group's sales in Europe rose by 11.8% y/y to 724,933 units in the first three quarters, which meant an increase in share in the company's home region. In the US, the Group managed to generate growth of 33.1% y/y to 265,683 units. In China the company delivered 669,637 units, which was an increase of 19.6% y/y. Mercedes-Benz car sales in Europe declined by 3.5% in the equivalent period to 528,180 units, while in Germany there was a 20.1% y/y fall to 152,514 units. Sales in Asia-Pacific were up 5.6% y/y to 788,713 in the first three quarters, while the rise in mainland China was 4.0% y/y to 592,203 units. Sales in North America were up by 8.6% y/y to 248,086, while in the United States the number rose by 9.6% y/y to 215,776 units.



WeChat



Auto VIP

The BMW Group sold 231,576 electrified vehicles worldwide between January and September, which was a rise of 98.9% y/y. Third-quarter sales of fully electric and plug-in hybrid vehicles climbed 43.1% y/y to reach 78,333 units. Pure BEV sales have risen by 121.4% y/y to a figure of 59,688 units in the first three quarters, with the new i4 about to supplement this figure. Mercedes-Benz passenger car hybrid and BEV sales rose by 142.7% y/y to 184,369 units in the first three quarters.

Outlook and implications

There is little doubt that the biggest single influencing factor of the current sales trend for the BMW and Mercedes-Benz passenger car brands is the semiconductor supply issue. BMW still appears to be mitigating the impact of the disruption to supply chains – and therefore production that is being caused by the global lack of semiconductor components better than Mercedes-Benz and this is the key factor in the BMW brand outperforming its traditional rival in the first three quarters of the year. According to IHS Markit's latest semiconductor light vehicle production tracker, the third-quarter outlook has been severely affected and levels of disruption have surpassed those seen in the second quarter. This is also certainly borne out by Mercedes-Benz's and BMW's respective third-quarter performances, with Mercedes posting a particularly accelerated decline during the period. Globally, the outlook is dominated by the situation in Malaysia where many 'back-end' operations are performed, such as packaging and chip testing. As this is more labour-intensive than the wafer fabrication processes, activity is more easily affected by measures that affect workforce participation. A gradual improvement in operational capacity in Malaysia is the most obvious upside opportunity, although we do not expect to see anything like 100% operational capacity until late October. For the full year IHS Markit forecasts that BMW passenger car sales will post sales of 2.23 million units, to Mercedes-Benz's 2.12 million units.



[Technology Highlights] WiTricity's wireless EV charging technology to debut in South Korea

US-based wireless charging technology company WiTricity has announced that its patented electric vehicle (EV) charging technology is all set to debut in the South Korean market soon. The wireless EV charging technology will be first made available as factory-installed equipment in Hyundai's Genesis GV60 electric utility vehicle, the first dedicated EV under the Genesis brand. The GV60 will initially be available for sale in South Korea. Notably, the Hyundai Motor Group had previously demonstrated WiTricity's wireless charging technology at the 2018 Geneva Motor Show. The latter calls Hyundai "the leader in moving the technology forward". "We're thrilled to see our technology in a new luxury EV like the GV60," said WiTricity CEO Alex Gruzen, adding, "This is truly a watershed moment with Hyundai at the forefront of technology solutions that enable a better driving experience. We expect it won't be long until all car manufacturers include wireless charging for their customers."



Outlook and implications

According to WiTricity, the concept of wireless charging also has the potential to provide vehicle-to-grid (V2G) power and dynamic charging to power vehicles in motion in the future. "It will be indispensable for autonomous vehicles, providing the ability to refuel without human intervention," the company said in its note, underlining the importance of wireless charging technology in the context of autonomous vehicles. Last month, the company had announced the appointment of Stephen Tsao as managing director for Asia operations. While Tsao will be based in Hong Kong, his key focus would be to forge relationships with automakers and tier-one suppliers across the Asian continent, most notably in China and South Korea, to commercialise the company's patented wireless EV charging technology.

[Technology Highlights] GM to expand hands-free driving features with Ultra Cruise in 2023

General Motors (GM) has announced the next evolution of its Super Cruise eyes-on-road, hands-free driver-assistance system, Ultra Cruise, which is due on premium vehicles in 2023. GM says the new-generation system can handle 95% of driving situations and adds lidar to the suite of sensors. When Ultra Cruise is launched, it will cover more than 2 million miles of road in the United States and Canada, compared with Super Cruise's current ability to handle 200,000 miles of highway. GM plans to expand the road coverage to more than 3.4 million miles. GM's Doug Parks says the Ultra Cruise system was developed completely in-house. Ultra Cruise is to be offered alongside Super Cruise, with Ultra Cruise to be offered on premium products and Super Cruise on more



mainstream products. GM says that, ultimately, this strategy will help speed deployment of hands-free driver-assistance systems across its product line-ups, with one tailored for a more-affordable price point. GM has added several new capabilities to Ultra Cruise, including interaction with navigation. GM is calling it a door-to-door system because it can handle 95% of driving conditions. However, if it encounters a situation it cannot decipher, for example weather or pop-up construction, or city or highway roundabouts, it will request the driver to take control using the same alert system as Super Cruise. The next generation of GM's driver-assistance system is still considered a Level 2 system by GM and requires the driver's supervision. New capabilities include an all-new dynamic display that shows the vehicle's path in urban areas, particularly useful for when the vehicle is turning. In addition, the system reacts to permanent traffic-control devices (for example, stopping at a red light or moving forward when a light is green); maintaining headway and following speed limits; automatic and on-demand lane changes; left- and right-hand turns; close object avoidance; and parking in residential driveways. Speaking to industry analysts and journalists during a background call on Cruise Ultra, the system's chief engineer said that among the changes that needed to be made for the new-generation system was recognising how to react when a driver turned his or her head left or right when the car was making a turn. In addition, the system needed to account for the fact that the driver monitor camera is on the steering wheel and would break its view of the driver as the car executed a turn. Ultra Cruise uses a combination of cameras, radars and lidar for sensor fusion.



Outlook and implications

During the call, GM did not specify which vehicle it will launch Ultra Cruise on, although it is to be a Cadillac. The timeline suggests that the Celestiq may be the first model to receive Ultra Cruise. In addition, GM said it is too early to discuss the pricing, although it did confirm Ultra Cruise is to be offered as a subscription product and potentially as an option. With Ultra Cruise, GM opted to use essentially the same steering wheel and verbal alerts as with the Super Cruise system. However, GM has enhanced the HMI in the digital instrument cluster and it is developing an app for use when the car is parked to provide more detailed trip information. For owners of Cadillac vehicles with the basic Super Cruise system who opt to buy a newer car, the Ultra Cruise system should feel familiar and yet provide an improvement. For customers familiar with the Super Cruise system, the transition to Ultra Cruise should seem reasonably seamless, with GM keeping the basic functionality consistent in the new-generation system. Although the Ultra Cruise system will not be available until 2023, it will be an important feature in future. It will form part of the features and services that GM says it expects to lead to it nearly doubling its revenue by 2030.



[GSP] India/Pakistan Sales and Production Commentary -2021.09

India/Pakistan sales

August 2021: +8.5%; 309,319 units vs. 285,306 units

YTD 2021: +60.55%; 2,470,442 units vs. 1,538,729 units

The Indian subcontinent's light vehicle sales grew 60.5% from January to August 2021. Sales in the Indian automotive market in August jumped 6% versus August 2020. In Pakistan, light vehicle sales increased 65%. The year-to-date (YTD) growth spike in India and Pakistan was due to the small base in second quarter 2020 because of strict lockdowns last year. Demand surged as people are avoiding public transportation because of COVID-19-related fears. The festival season coinciding with harvesting season is further pushing demand in this quarter. The accumulation of savings due to the cut in expenses has boosted consumers' ability to pay the down payment on a vehicle. Lower interest rates are also alluring customers to purchase a new car. However, price hikes on account of annual inflation and increasing commodity prices are deterrents to growth. Also, the chip crisis is creating a mismatch between supply and demand. Demand outstrips supply as the manufacturers and dealers are fully operational now; however, semiconductor shortages are leading to production halts. OEMs are trying to reorganize model and trim plans to maximize production.

On the macro side, the Indian economic growth forecast is expected to be strong in 2021, at around 7.7%. Lower interest rates and the tendency to avoid public transportation and instead to use private cars may be the key drivers that will help the industry grow. In 2021, the market is expected to grow at 20% on a year-on-year (y/y) basis.



In Pakistan, automotive sales were strong in July/August 2021. The incentives announced in Budget 2021–22 led to the spike in sales. The reduction in Federal Excise Duty (FED) on vehicles across the board and the sales tax reduction for below 1000 cc cars led to the rush. Also, the entry of new players and growing demand help the industry making a strong comeback. The aggressive near-term macroeconomic outlook, lower interest rates, and recovery in businesses and the economy will remain major drivers of growth. There is a possibility of high short-term growth. However, in the medium term, a deterioration of macroeconomics is likely. In the long term, momentum is positive for the car industry, and the government is focused on pushing the automotive industry. Changes in private-sector policies will also help drive sales in the country.

India/Pakistan production

August 2021: 1.8%; 325,841 units vs. 320,012 units



WeChat



Auto VIP

YTD 2021: 69.5%; 2.94 million units vs. 1.73 million units

The Indian subcontinent's light vehicle production in August 2021 likely recorded 325,841 units, growth of 1.8% in production over August 2020 amid production shutdowns due to the semiconductor shortage. Its year-to-date (YTD) production rose 69.5%, with over 2.94 million units built, mainly owing to the low base of comparison in 2020.

The Indian auto market continued to grow on the back of an improving preference for personal mobility and improved consumer confidence in the rural and semiurban markets. Additionally, continued government policy support, low dealer inventory rates, and an extended waiting period of up to nine months for the best-selling models, such as the Hyundai Creta, the Kia Seltos, and the Tata Altroz, supported the demand. However, India had faced a catastrophic second wave of COVID-19 infections, with soaring daily new cases of over 0.4 million. The tally surpassed 32 million total COVID-19 cases, with over 97% discharged after recovery. India reported total deaths of 0.44 million. In June, local state governments, such as Delhi, Haryana, Maharashtra, Uttar Pradesh, and Karnataka, eased statewide lockdowns. Major OEMs, including Honda, Hyundai, Maruti Suzuki, MG, and Toyota, restarted production post lockdown with a gradual ramp-up in July.



[Supplier Trends and Highlights] HELLA launches new compact SOS 360° LED warning lamp for automotive industry

Operating temperature ranging from -20°C to +60°C



Source: Hella

HELLA has developed a new compact SOS 360° LED warning lamp for vehicles, it said in a press release on 6 October. The warning lamp is CE tested and operates with a standard 9V battery. Its impact-resistant polycarbonate light dome has a temperature resistance ranging from -20°C to +60°C. The lamp can be placed on the vehicle's roof, by using magnetic mounting.

Outlook and implications

The HELLA SOS 360° is small and can fit into the glove compartment. As soon as it is placed on the vehicle, it becomes magnetically activated. High-performance LEDs enable it then to generate an all-round warning signal, which can be seen up to a kilometer away.

In September, HELLA launched a new compact 328 630 full LED rear lamp for special vehicles, municipal vehicles and for agricultural and construction machines. The lamps are suitable for 12V and 24V applications.

[Supplier Trends and Highlights] Peachtree Corners and T-Mobile 5G to launch autonomous shuttle fleet service leveraging C-V2X

The fleet is comprised of autonomous EVs from Navya and Local Motors



Source: Getty Images/ florintt



WeChat



Auto VIP

Peachtree Corners has partnered with T-Mobile 5G to launch a new fleet of autonomous shuttles, called Piloting Autonomous Use Locally (PAUL), it said in a press release on 6 October. The service will be implemented by Beep and will operate along Technology Parkway and include stops at popular destinations in the area such as hotels, restaurants, among other points.

Beep's autonomous shuttles are connected on T-Mobile's 5G network with each shuttle equipped with a 5G gateway for telematics data and enable the use of cellular vehicle-to-everything (C-V2X).

Outlook and implications

The fleet is comprised of autonomous electric vehicles (EVs) from Navya and Local Motors.

“From the beginning, we've made it our mission to create the city street of the future in the most differentiated smart city environment in North America—and with Beep launching the new PAUL autonomous shuttle service, we're continuing to break new ground. This deployment not only allows for the continued development and deployment of safe, enjoyable and eco-friendly transportation options—but it also allows a true mobility-as-a-service pioneer like Beep to leverage our city-owned V2X infrastructure and vibrant ecosystem to help accelerate new technology development that further enhances safety and earns critical trust from the public,” said Brian Johnson, city manager of Peachtree Corners.

###



WeChat



Auto VIP

Email

AsiaPacificAutomotive@ihsmarkit.com

Local Automotive Site

中国（中文）：[IHSMarkit.com/China Automotive](https://IHSMarkit.com/China_Automotive)

日本（日本語）：[IHSMarkit.com/Japan Automotive](https://IHSMarkit.com/Japan_Automotive)

韩国（韩国语）：[IHSMarkit.com/Korea Automotive](https://IHSMarkit.com/Korea_Automotive)

Disclaimer

The information contained in this report is confidential. Any unauthorized use, disclosure, reproduction, or dissemination, in full or in part, in any media or by any means, without the prior written permission of IHS Markit Ltd. or any of its affiliates ("IHS Markit") is strictly prohibited. IHS Markit owns all IHS Markit logos and trade names contained in this report that are subject to license. Opinions, statements, estimates, and projections in this report (including other media) are solely those of the individual author(s) at the time of writing and do not necessarily reflect the opinions of IHS Markit. Neither IHS Markit nor the author(s) has any obligation to update this report in the event that any content, opinion, statement, estimate, or projection (collectively, "information") changes or subsequently becomes inaccurate. IHS Markit makes no warranty, expressed or implied, as to the accuracy, completeness, or timeliness of any information in this report, and shall not in any way be liable to any recipient for any inaccuracies or omissions. Without limiting the foregoing, IHS Markit shall have no liability whatsoever to any recipient, whether in contract, in tort (including negligence), under warranty, under statute or otherwise, in respect of any loss or damage suffered by any recipient as a result of or in connection with any information provided, or any course of action determined, by it or any third party, whether or not based on any information provided. The inclusion of a link to an external website by IHS Markit should not be understood to be an endorsement of that website or the site's owners (or their products/services). IHS Markit is not responsible for either the content or output of external websites. Copyright © 2020, IHS Markit®. All rights reserved and all intellectual property rights are retained by IHS Markit.