

Southeast Asian Car Market & Automotive Fastener Market in the First 3 Quarters of 2018

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Introduction

New vehicle sales in Southeast Asia's six largest markets picked up momentum in the second quarter of 2018, with sales rising by 7.5% to 846,865 units from 787,773 units in the same period of 2017, according to data collected by AsiaMotorBusiness.com from the mainstream local trade associations¹.

According to Statistics MRC, the global automotive fastener market accounted for \$20.02 billion in 2017 and is expected to reach \$28.90 billion by 2026, with a CAGR of 4.2%. The major factors driving the market growth are rising vehicle production, new developments and trends in automotive fasteners and considerable growth in the global automotive industry².


Indonesia

 Indonesia is the second-largest car manufacturing nation in Southeast Asia and the ASEAN region. In terms of market size, Indonesia is the biggest car market in Southeast Asia and ASEAN. Indonesia accounts for about one-third of the total annual car sales in ASEAN, followed by Thailand at the second place. Indonesia not only has a large population (258 million inhabitants) but is also characterized by having a rapidly expanding middle class. Together, these two factors create a powerful consumer force.

Country	Year	Q1	Q2	Q3	YTD 3rd Q
Indonesia	2018	330,130	303,857	361,849	995,836
	2017	316,479	281,071	305,914	903,464
	Y-O-Y	4.3%	8.1%	18.3%	10.2%

Indonesia's car market has increased in 2018 about 10.2% in comparison with the same period of 2017³.


Thailand

 Thailand offers great investment potential as a leading automotive production base in the Association of Southeast Asian Nations (ASEAN) – a fast developing region for automotive manufacturing. Over a period of 50 years, the country has developed from an assembler of auto components into a top automotive manufacturing and export hub. With shipments bound for more than 100 countries, Thailand is the 13th largest automotive parts exporter and the sixth largest commercial vehicle manufacturer in the world, and the largest in ASEAN. By 2020, Thailand aims to manufacture over 3,500,000 units of vehicles to become one of the top performers in the global automotive market⁴.

The right table shows that the car market in Thailand has increased 20.3% in comparison with last year and the biggest change has happened in the 2nd quarter of 2018, reaching 26.3%!


Country	Year	Q1	Q2	Q3	YTD 3rd Q
Thailand	2018	237,093	252,025	257,466	746,584
	2017	210,490	199,490	210,735	620,715
	Y-O-Y	12.6%	26.3%	22.2%	20.3%

Malaysia

 The Malaysian Automotive Association is projecting new car sales in 2018 to grow to 619,000. Malaysia is the third largest automotive market in the region, behind leaders Indonesia and Thailand. The new car market in the ASEAN region was estimated at three million units a year with Japanese brands dominating the market. The total industry volume (TIV) saw a drop in Q1 2018, with 135,140 units shifted compared to the 140,839 units sold in the same period for 2017. This represents a decrease of 4.05% or 5,699 units less than that managed in Q1 2017. In terms of overall total industry volume (TIV), the 3 quarters of 2018 saw a 6.9% growth with 454,971 units sold compared to 425,678 units during the same period last year⁵.

Country	Year	Q1	Q2	Q3	YTD 3rd Q
Malaysia	2018	135,140	154,574	165,257	454,971
	2017	140,840	143,613	141,225	425,678
	Y-O-Y	-4.0%	7.6%	17.0%	6.9%

Philippines

 Philippines is the 4th biggest car market in ASEAN region and The Philippines' car production, the second smallest in Southeast Asia, is less than a tenth of the output of top manufacturers Thailand and Indonesia.

The right table shows a 13.8% decrease in its car market. Philippine car market has slowed down not only because of the impact of the excise tax increase, but also inflation having an impact on car customers.

Country	Year	Q1	Q2	Q3	YTD 3rd Q
Philippines	2018	86,037	85,553	89,571	261,161
	2017	94,026	102,138	106,705	302,869
	Y-O-Y	-8.5%	-16.2%	-16.1%	-13.8%

Vietnam



In the first nine months of 2018, 194,427 vehicles were sold, down 5.2 percent compared to the same period last year, according to the Vietnam Automobile Manufacturers Association. They are driving the rapid expansion of the domestic automobile market⁶. Localization rate in the industry in Vietnam is only around 10 percent due to the lack of supporting industries, which is much lower when compared to Thailand, Malaysia, and Indonesia at 85, 80, and 75 percent respectively. As firms have to import a majority of the components, manufacturing costs increase, which is currently around 20 percent higher than neighbouring countries⁷.

Country	Year	Q1	Q2	Q3	YTD 3rd Q
Vietnam	2018	59,634	67,514	67,279	194,427
	2017	59,566	65,924	59,348	184,838
	Y-O-Y	0.1%	2.4%	13.4%	5.2%

Singapore



The decrease of the sold cars in Singapore is because of the new rule. The number of buses and goods vehicles will be allowed to continue growing but the growth cap for private cars will be cut to zero in 2018, “The Guardian” reports. Singapore, one of the most expensive places in the world to buy a vehicle, has announced it will freeze the number of private cars on its roads from next year but vowed to expand public transport. The growth cap for all passenger cars and motorcycles will be cut from 0.25% a year to zero with effect from February, the Land Transport Authority (LTA) said.

Country	Year	Q1	Q2	Q3	YTD 3rd Q
Singapore	2018	19,853	28,590	21,662	70,105
	2017	26,976	28,868	28,385	84,229
	Y-O-Y	-26.4%	-1.0%	-23.7%	-16.8%

Myanmar



Following the changes in car import regulation, there has been a sharp increase in car ownership in Myanmar. Most of the vehicles in Myanmar are imported and, in order to create jobs and retain foreign exchange reserves, the government of Myanmar has worked on improving the legal framework to allow foreign automakers to establish assembly plants in the country.

Country	Year	Q1	Q2	Q3	YTD 3rd Q
Myanmar	2018	2,962	3,879	4,974	11,815
	2017	1,538	1,657	2,174	5,369
	Y-O-Y	92.6%	134.1%	128.8%	120.1%

Brunei



The number of cars sold in Brunei also decreased about 4.8% and the main reason is the price of fuel in this small country.

Country	Year	Q1	Q2	Q3	YTD 3rd Q
Brunei	2018	2,652	3,038	2,679	8,369
	2017	2,771	3,302	2,717	8,790
	Y-O-Y	-4.3%	-8.0%	-1.4%	-4.8%

Overview of ASEAN Countries' Car Market (Forecasting)

Based on the following table and graph, the size of the ASEAN car market has increased 6.9% between 2017 to 2018 and it will increase in 2019 as well and it means the fastener industry will grow in ASEAN. ASEAN is a booming market right now, especially for fastener supplements.

Country	Year	Q1	Q2	Q3	YTD 3rd Q
ASEAN	2018	835,416	856,793	911,662	2,603,871
	2017	819,967	794,738	821,595	2,436,300
	Y-O-Y	1.9%	7.8%	11.0%	6.9%

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New vehicle registrations, 000 (forecasts)

