



OUTLOOK FOR 2020

# CHINA'S CAR MARKET RECOVERY PUSH

June 2020




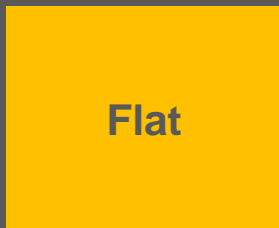

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# EXECUTIVE SUMMARY

- China aspires to a V-shape recovery.
- Launched all-of-society campaign to boost car sales. April surprised up.
- But a V-shape is doubtful. Look instead for a long tail gradual recovery.
- Consumer confidence shaken by serious economic and political headwinds.
- Tens of millions of unemployed.
- US-China relations at a 50-year low.

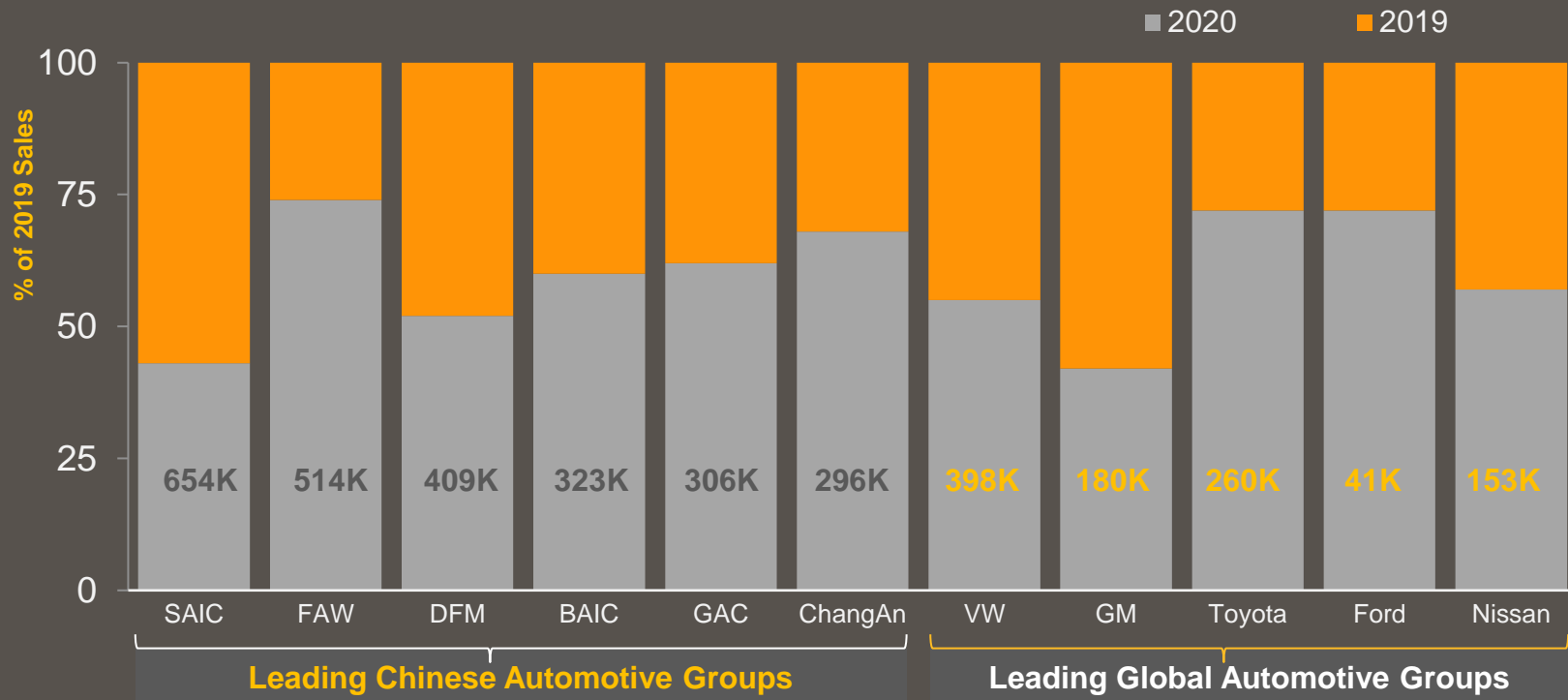
# CHINA LIGHT VEHICLE SALES - 2020

*Vehicle sales are projected to fall 15-17% in 2020.*

January 2020/2019	February 2020/2019	March 2020/2019	April 2020/2019	Full Year 2020
 -18%	 -80%	 -45%	 Flat	 -15%

# AUTOMAKERS ENDURE THROUGH EARLY 2020

*Sales as a percent of 2019 - Q12020*





**February 2020:**

**Peak of Covid19 Lockdown**

Production and Demand Came to a Standstill

# March 2020: Testing Temps Everyday Everywhere

Showroom Traffic at 20% Normal Rate



**April 2020:**  
Constant, Careful  
Vigilance

Contactless Car Sales  
and Delivery Grow





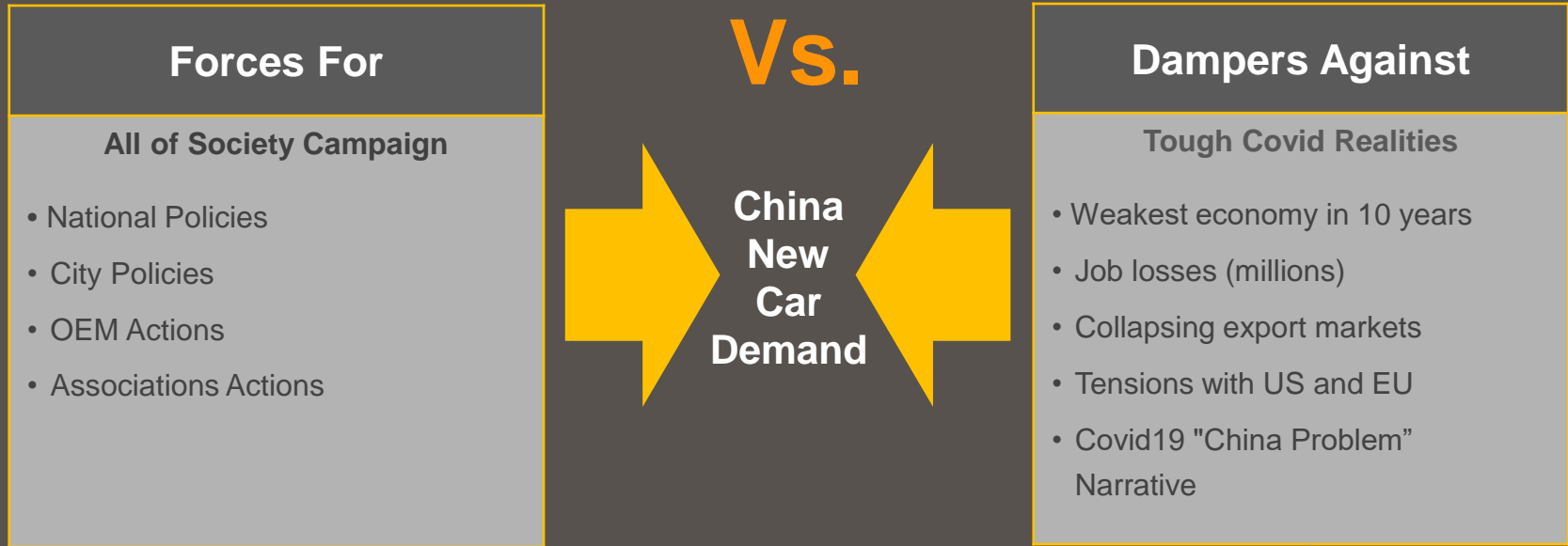
**May 2020:**  
Incentives + "Relief  
Buying" Lifts Sales

Customers Return to the  
Showrooms (with Masks)



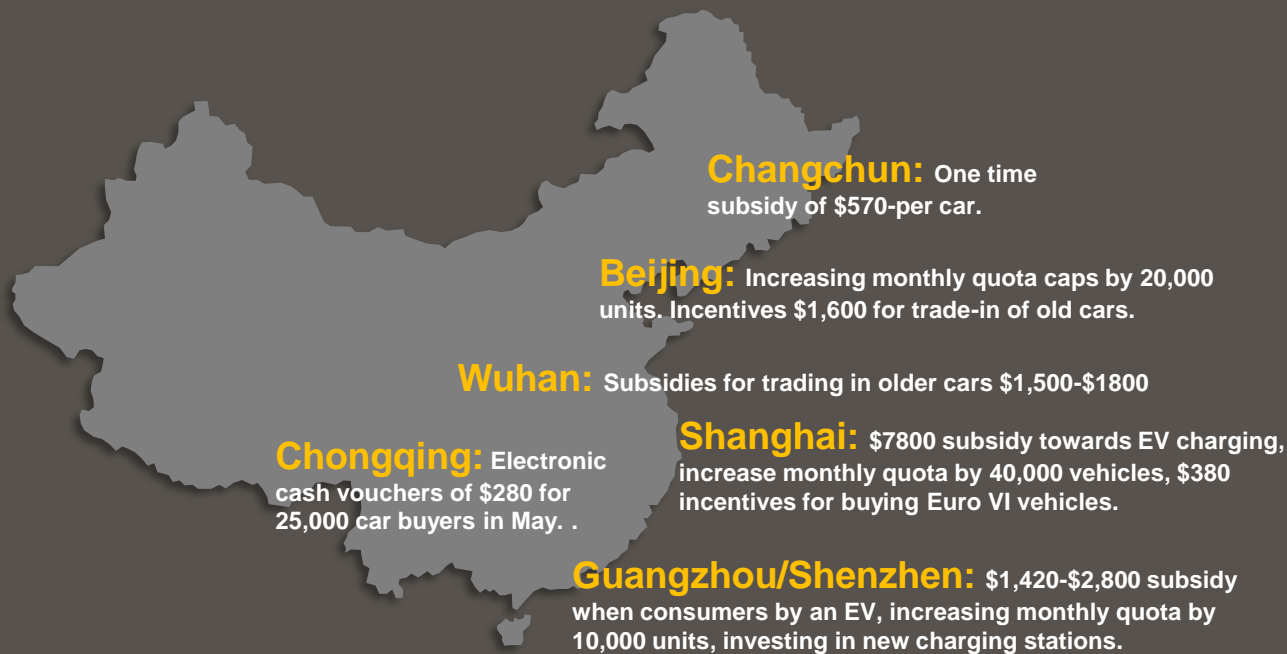


# FACTORS IMPACTING FUTURE NEW CAR DEMAND



# City/provincial policies encourage car buying.

Home city to the "Big 6" automakers all announced incentives for car buyers



**Other Cities:** Now allow pickup purchases and are organizing special car buying events

- Nanjing
- Tianjin
- Shaanxi
- Jinan
- Chengdu
- Taiyuan
- Hebei
- Henan
- Xinjiang
- Harbin
- Guilin
- Hunan
- Yunnan
- Ningbo
- Shenzhen

# SUMMARY

- China light vehicle sales will **decline by 15-17%** in 2020.
- The all-of-society effort to ignite sales **cannot overcome** underlying economic weakness - both domestic and global
- **VW, Toyota and Honda** continue to **take** share. **Detroit Three** continue to **lose** share. GM sales may land at 2.3M, down from a peak of 4M in 2017.



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