

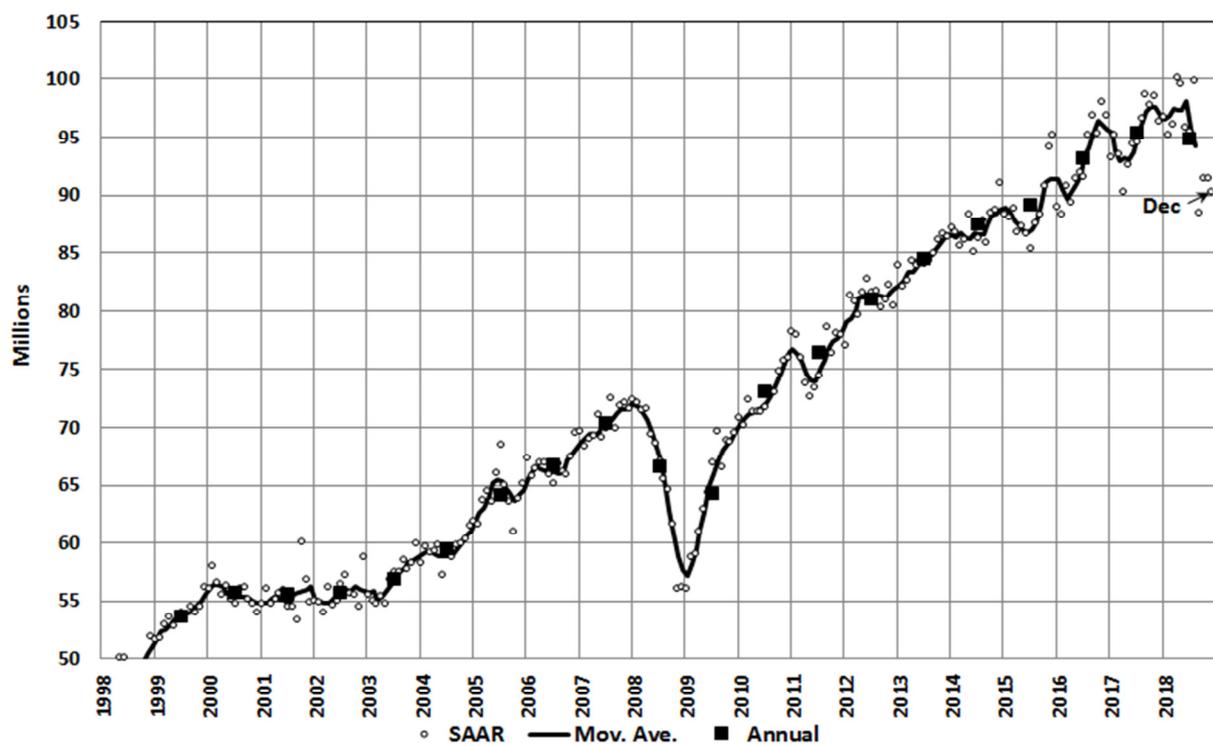
# Global Light Vehicle Sales Update

## Summary

### Commentary

- Global Light Vehicle (LV) sales fell 6.9% in year-on-year (YoY) terms in December, while the selling rate slipped further, to 90.3 mn units/year, from November's 91.2 mn units/year. Based on available data, 2018 saw Global LV sales of around 94.8 mn units, down 0.5% YoY. This represents the first annual drop in Global sales since 2009.
- Chinese LV sales were down again in December, as the year ended on a disappointing note for the Global LV market. Of the major markets, only the USA provided any relief in YoY terms, although even this was modest, while Europe saw further losses in December.

### Global Light Vehicle Sales



### North America

- With 1,624,000 LVs sold in December (+1.4%, YoY), 2018 ended with total LV sales of 17,292,000 units in the US. On an annual basis, this represents a 0.6% YoY increase from 2017. Last year finished on a strong note, with December's selling rate climbing towards 17.6 mn units/year. Despite higher interest rates, more vehicles were financed and leased in December 2018 than in the same month of 2017.
- Canadian LV sales fell in 2018, for the first time since 2009. In December, 117,000 units were sold, down 6.8% YoY, bringing the annual total to 2.02 mn units (-1.2% YoY). With December sales down by 10.4% YoY, to 141,000 units, Mexico finished the year with 1.41 mn units sold (-7.5%, YoY). Not a single month enjoyed YoY growth last year in Mexico.

## Europe

- West European LV registrations fell by 7.5% YoY in December, in an extremely disappointing end to 2018. An expected recovery in sales after the autumn's WLTP-related disruption failed to materialise, with the selling rate instead dropping to 14.7 mn units/year, from 15.3 mn units/year in November. An economic slowdown across much of Europe – plus one-off factors such as the French 'gilets jaunes' protests – seemed to deter vehicle purchases. We now see Western European LV sales growing 0.9% YoY in 2019, to 16.3 mn units.
- The Russian LV market finished 2018 at just over 1.8 mn units, an increase of 12.8% YoY. December sales came in below expectations, at 175k (+5.6% YoY). The result was particularly disappointing given the VAT increase from January 1<sup>st</sup>, which had been expected to lead to a significant pull-forward effect from 2019 into the end of 2018. We continue to anticipate a deceleration in the pace of sales for 2019, with our latest forecast seeing LV sales at 1.88 mn units, a rise of 4.6 YoY.

## China

- The Chinese market ended 2018 on a weak note, although advance data indicate that the December selling rate of 25.7 mn units/year was slightly higher than November's rate of 25.2 mn units/year. On a YoY basis, however, sales (i.e., wholesales) declined by 13.7% in December, registering the fourth consecutive month of double-digit decline. In 2018 as a whole, sales fell by 3.1% YoY to 27.7 mn units, the first annual contraction on record. Personal Vehicle (PV) sales accounted for the entire loss, while Light Commercial Vehicle (LCV) sales increased for the first time since 2010.
- Looking ahead, China's sales outlook is uncertain due to the US-China trade war. Sales are also expected to be impacted by high inventory and the planned implementation of the State VI emission standard. In the LCV market, tighter regulations on overloading could lead to a shift from Light Trucks to Medium Trucks.

## Other Asia

- In Japan, the December selling rate was 5 mn units/year, down almost 8% from an exceptionally strong November. In 2018 as a whole, sales increased by only 0.8%, but that was still a good result for this shrinking market. A buoyant economy, a tight job market, and rising wages helped boost sales. Looking ahead, the planned consumption tax hike in October 2019 is a concern.
- The South Korean market ended 2018 on a lacklustre note, despite the fact that December was the final month of the temporary tax cut on Personal Vehicles. The December selling rate of 1.69 mn units/year was nearly 5% lower than November. Yet, the market expanded by 1.4% in 2018 as a whole after two consecutive years of contraction.

## South America

- The Brazilian market slowed sharply in the final month of 2018, in contrast to the financial market rally ahead of the inauguration of the new president, Jair Bolsonaro, on 1<sup>st</sup> January. The December selling rate was 2.2 mn units/year, down 12% from a solid November. On a YoY basis, however, sales increased by over 9% in December, and nearly 14% in 2018 as a whole.
- In Argentina's volatile market, the selling rate rose to 567k units/year in December, but the dismal state of the market is unchanged. On a YoY basis, sales declined by 39% in December, and an average of 40% in Q4 2018, in the face of soaring inflation and high interest rates. The market contracted by 10% in 2018 as a whole.

14 January 2019

---

## Global Light Vehicle Sales Update

	Sales (units)						Selling rate (Units/year)			
	Dec 2018	Dec 2017	Percent change	Year to date 2018	Year to date 2017	Percent change	Dec 2018	Year to date 2018	Year 2017	Percent change
WORLD	8,158,305	8,759,890	-6.9%	94,790,660	95,298,434	-0.5%	90,271,061	94,790,660	95,298,434	-0.5%
USA	1,624,477	1,601,630	1.4%	17,291,599	17,189,409	0.6%	17,566,900	17,291,599	17,189,409	0.6%
CANADA	116,605	125,131	-6.8%	2,017,852	2,042,737	-1.2%	1,985,449	2,017,852	2,042,737	-1.2%
WESTERN EUROPE	1,102,774	1,192,478	-7.5%	16,152,953	16,206,595	-0.3%	14,738,742	16,152,953	16,206,595	-0.3%
EASTERN EUROPE	400,961	451,955	-11.3%	4,243,124	4,222,523	0.5%	4,283,771	4,243,124	4,222,523	0.5%
JAPAN	382,875	387,823	-1.3%	5,203,234	5,164,249	0.8%	5,045,939	5,203,234	5,164,249	0.8%
KOREA	156,495	150,145	4.2%	1,776,642	1,751,938	1.4%	1,693,758	1,776,642	1,751,938	1.4%
CHINA	2,639,989	3,057,808	-13.7%	27,732,352	28,608,998	-3.1%	25,686,452	27,732,352	28,608,998	-3.1%
BRAZIL / ARGENTINA	251,981	249,883	0.8%	3,245,326	3,029,738	7.1%	2,778,017	3,245,326	3,029,738	7.1%
OTHER	1,482,148	1,543,038	-3.9%	17,127,578	17,082,248	0.3%	16,492,031	17,127,578	17,082,248	0.3%

Notes:

- The percentage change in the final column compares the average selling rate in the year-to-date with the last full year.
- Late reporting countries and estimates are included in "Other".
- Eastern Europe includes Turkey.
- China includes estimate of light vehicle imports.



---

**LMC Automotive** is a market leader in the provision of automotive intelligence and forecasts to an extensive client base of car and truck makers, component manufacturers and suppliers, financial, logistics and government institutions around the world and is highly respected for its extremely responsive customer support. It offers forecasting services covering global sales and production for light vehicles and heavy trucks, as well as forecasts of engine and transmission supply and demand. In addition, LMC Automotive publishes special studies on subjects of topical interest to the automotive industry.

LMC Automotive is part of the LMC group. LMC is the global leader in economic and business consultancy for the agribusiness sector.

For further information about LMC Automotive, you can visit us at [www.lmc-auto.com](http://www.lmc-auto.com) or email us at [forecasting@lmc-auto.com](mailto:forecasting@lmc-auto.com).

©LMC Automotive Ltd, 2019. All rights reserved in all countries. Decisions based on this information are at the user's own risk and LMC Automotive cannot accept any liability for its accuracy. If the information in this document is reproduced in any form then full attribution must be given to LMC Automotive.