

Dear Sir/Madam,

Growth returned to the global economy in 2009 after the sharp downturn of 2008. The world's automotive industry attained new highs in 2013, producing more than 87 million vehicles. However, the results vary greatly by geographical region, with, on the one hand, the sluggishness in Western Europe and, on the other, the dynamism of the rest of the world. In the expanding regions, the situations are varied: new large players in the automotive industry, such as China and the ASEAN countries, are producing volumes never seen before, while some countries are slowing, such as India and Russia. Other countries, such as the United States and Japan, are making impressive recoveries from a profound crisis.

As a result of these developments, Western Europe's share in production is diminishing: it now accounts for only 15% of global production, compared with 29% in 2000. With globalization, the automotive industry is shifting towards the East. The developments in the market reflect this eastward shift. The slowdown did not dampen the strong urge for vehicle ownership in the emerging economies, and the demand among first-time car purchasers also remains robust. Conversely, since the last crisis, the markets of the countries of Southern Europe, where the problems of debts and a weak demand for replacement coincide, have fallen significantly and are not recovering: compared with 2007, sales are down 48% in Italy, 55% in Spain, 79% in Greece. Since 2007, the disappearance of four million vehicles from the Western European market, a major marketplace for French automakers, has had a terrible impact on the entire industry, both on production and sales. France had to tackle a 40% drop in industrial activity, while making every effort to improve domestic competitiveness. At least this bleak environment offers some upside: the necessity of French companies to look beyond the eurozone has turned out to be particularly profitable for them. For the last two years (2012 and 2013), such sales represent more than 40% of their total sales. This well-entrenched strategy that has been in process for many years is paying off.

In 2013, French manufacturers produced 5.5 million vehicles worldwide, a creditable performance, at just 9% below the pre-crisis level of 2005. In France, automotive output contracted by 12%, to around 1.7 million vehicles. Various factors lie behind this contraction, the most prominent being

the weakness of the historical Eastern European markets and, above all, the lack of competitiveness of the French industry (well beyond the automotive sector). The report produced at the end of the Industry Summit (EGI) and, more recently, the Gallois Report clearly demonstrated the impact of heavy corporate taxation on the demise of French production. They propose measures to restore the profit margins of French industry, which have fallen compared with those of its European counterparts over several years now. The "Responsibility Pact" initiative, launched in January 2014 by the French President, is an element of this. It is essential to understand how urgent it is to take measures to return competitiveness to our domestic industry. One of the major stakes in this situation is to continue the manufacture of cars in France. All aspects of the automotive industry are affected, including assembly and mechanical production, and research and development, but the impact extends to the contributing industries; the suppliers to the French automakers, on which automakers spend € 44 billion per year. In this context of structural crisis, other storm clouds are gathering for the French automotive industry. Intellectual property protection of bodywork parts is still threatened, and its elimination would seriously affect investments in technological innovation.

Political vagaries surrounding a rise in taxation on diesel fuel would jeopardize the future of the significant groundbreaking progress made by French automakers in modernizing diesel, quite apart from the negative social impacts and the lack of sense from an ecological point of view. A significant contribution to the poor air quality in urban areas is made by the large number of older, more inefficient cars on the road. Progress toward cleaner air could be made by providing cash incentives for drivers of these cars to upgrade. This is a powerful lever for reducing emissions of pollutants and CO₂ by road traffic.

Despite the crisis, the automotive industry has continued to invest in the future since 2007. R&D expenses stand at around € 6 billion per year. The auto industry is still the leader in terms of R&D and of patent filings in France. French auto engineers do not lag the world on innovation: they are the leading developers of electric and hybrid technologies, and have made breakthroughs in the area of cars consuming two liters per 100 km. With the Automotive Industry Platform (PFA), set up

at the time of the 2009 crisis, manufacturers undertook a meaningful restructuring of the automotive industry with their equipment maker and supplier partners. Research was added to the four existing priorities of lean manufacturing, tomorrow's skills and specialties, better information and communication management and a mid- and long-term strategy in terms of products and international development. Three committees were set up in support of this new initiative: the CTA (Automotive Technical Committee), the CSTA (Automotive Standardization Committee) and the CRA (Automobile Research Committee). The automotive industry is giving thought to its future in common. In this unstable and highly complex economic universe, the CCFA keeps pace and consolidates its ability to produce quality work. It addresses the themes provided by its members in its efforts to analyze and better convey the automotive industry in France and in the world. Domestically, the CCFA is the active partner of the other professional associations of the industry, such as the CNPA for distribution and repairs, the FIEV for equipment, and the CSIAM for the foreign makes. In the large projects affecting the automobile and its general environment, the CCFA is still deeply involved in the joint discussions. With the support of its members, it makes its voice heard in such large business organizations as MEDEF, UIMM and GFI, as well as in specialized organizations such as URF and GERPISA. Internationally, it defends French interests in OICA – of which it is currently president – and EAMA, and contributes abundantly to the analytical capabilities and statistical data produced by these organizations.

You will be reassured of the success of our efforts as you read this new edition of Analysis and Statistics. We are always eager to hear from you. Please don't hesitate to contact us or consult our website (www.ccfa.fr).

Best regards.

THE FRENCH AUTOMOBILE MANUFACTURERS' ASSOCIATION



Comité des Constructeurs Français d'Automobiles (CCFA) is the French automobile manufacturers' trade association. Its members are: Alpine, PSA (Automobiles Citroën - Automobiles Peugeot), Renault and Renault Trucks. Its mission is to study and defend the business and industrial interests (excluding labor issues which are the remit of the UIMM) of all French automobile manufacturers on both national and international levels.

CCFA's activities encompass information, analysis and communication for its members as well as for government agencies, public officials, the automotive and road industry, the media and the general public.

Other sectors of the automotive industry (parts and equipment manufacturers, dealers, body manufacturers) have their own trade associations (FIEV, CNPA, FFC, *Fédération des Industries Electriques, Electroniques et de Communication* – Electrical, Electronic and Communications Industry Federation, *Fédération des Industries Mécaniques* – Mechanical Industry Federation, *Fédération Forge Fonderie* – Forging Foundry Federation, *Groupement Plasturgie Automobile* – Automotive Plastics Group, *Syndicat National du Caoutchouc et des Polymères* – National Union of Polymers and Rubber Industries, etc.). In 2009, during the crisis, French automobile

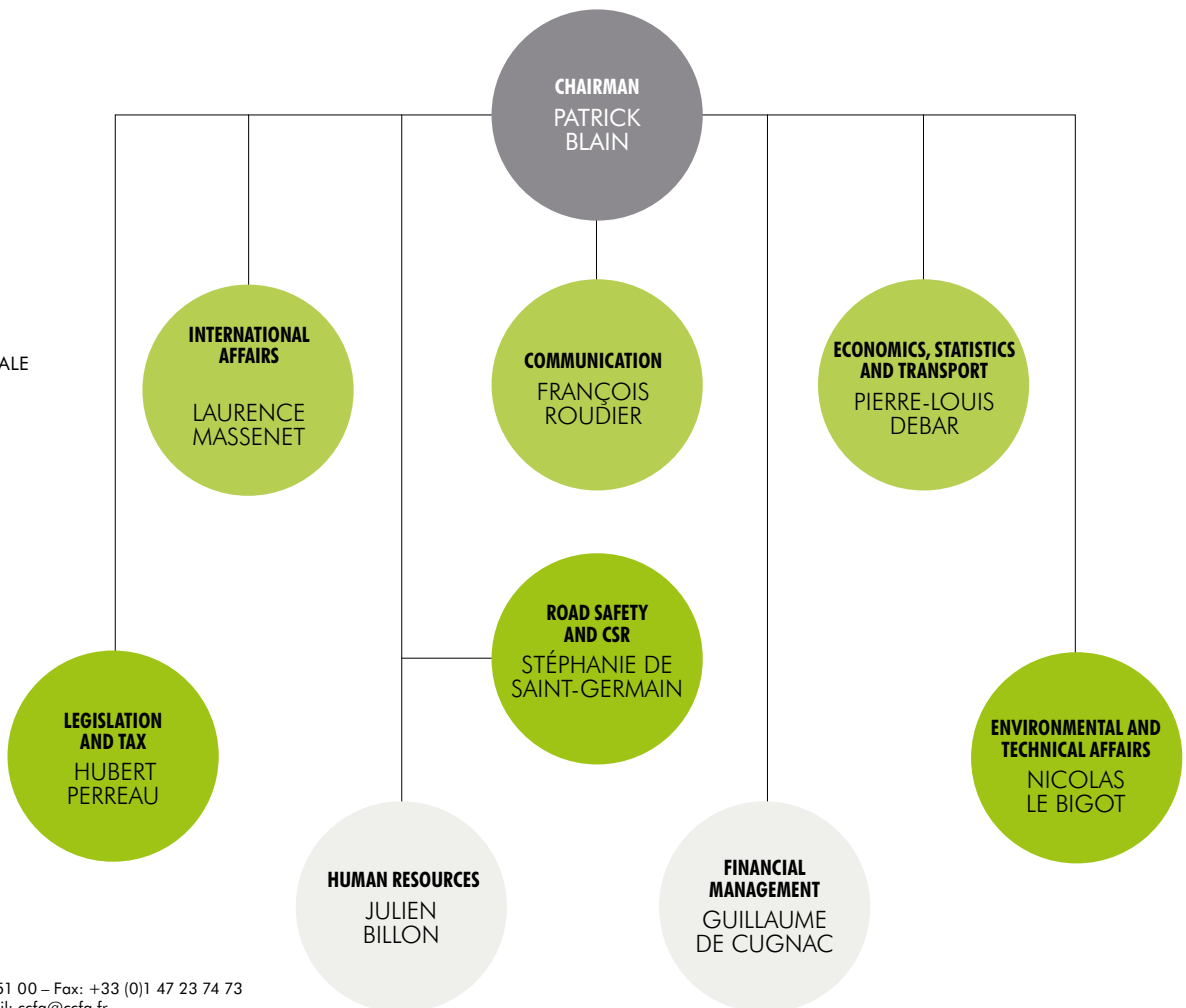
manufacturers and their suppliers came together within the Liaison Committee of Automotive Suppliers (CLIFA – *Comité de Liaison des Fournisseurs de l'Automobile*) to establish the Automotive Branch Platform (PFA – *Plateforme de la Filière Automobile*), which has the task of contributing to reinforcing the French automotive industry. Among the various committees making it up (including strategy and competitiveness, industrial performance, trades and skills), in 2012 the *Comité Technique Automobile* (CTA – Automotive Technical Committee) was added, along with its two boards, the *Comité de Standardisation Technique Automobile* (CSTA – Automotive Technical Standardization Committee) and the *Comité de Recherche Automobile* (CRA – Automotive Research Committee), their role being to guide research and development. Foreign brands are represented by the *Chambre Syndicale Internationale de l'Automobile et du Motocycle* (CSIAM – International Association of the Automobile and the Motorcycle).

CCFA is associated with Brussels-based ACEA, the European Automobile Manufacturers' Association. It is also a member of OICA, the International Organization of Motor Vehicle Manufacturers, which brings together national associations representing the industry from around the world.



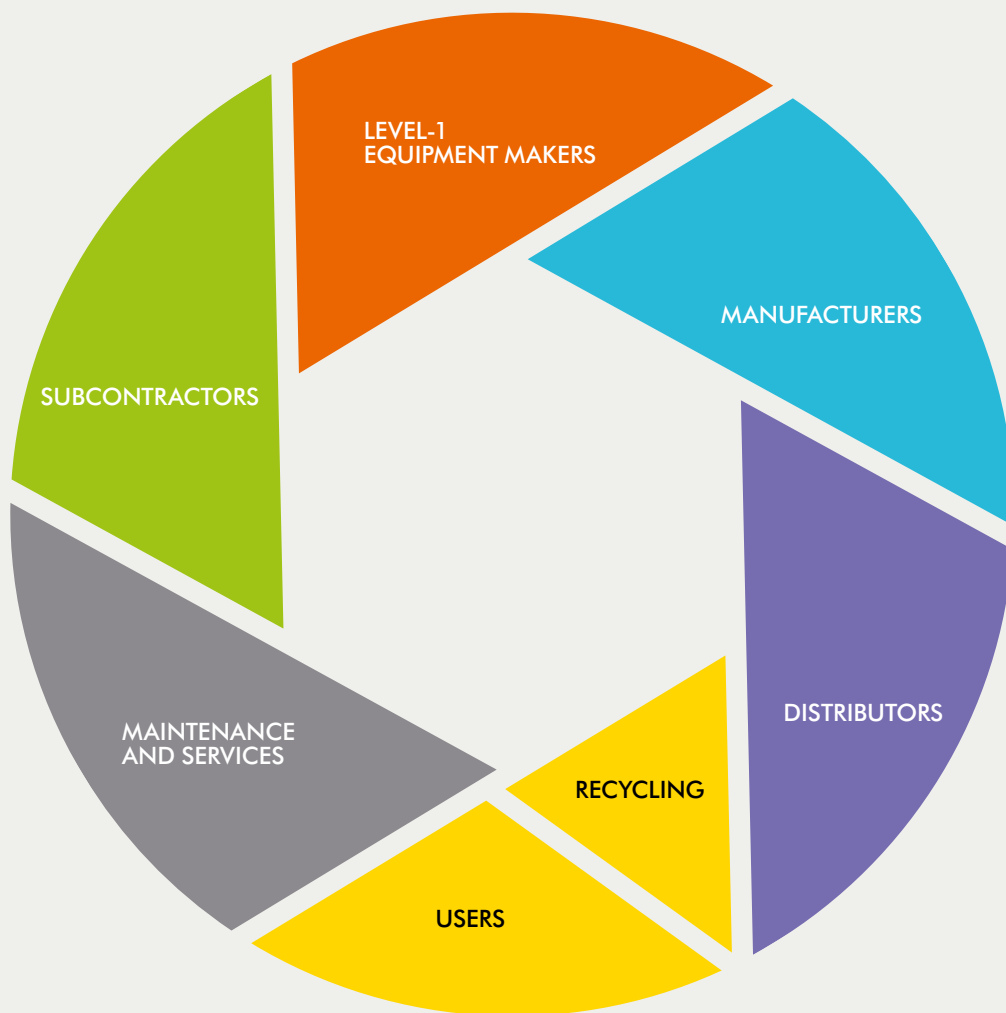
1909

YEAR IN WHICH THE CHAMBRE SYNDICALE DES CONSTRUCTEURS D'AUTOMOBILES WAS FOUNDED



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THE AUTOMOTIVE INDUSTRY IN FRANCE



28%
REDUCTION
SINCE 1990 IN THE
AMOUNT OF CO₂ EMITTED
BY A HEAVY TRUCK
TRANSPORTING ONE
METRIC TON OF FREIGHT
ONE KILOMETER ACROSS
FRANCE

2.2
BILLION
EURO,
TOTAL INVESTMENTS
OF FRENCH
AUTOMOTIVE
MANUFACTURERS
IN 2012

44
BILLION
EURO,
TOTAL AUTOMOTIVE
INDUSTRY PURCHASES
IN FRANCE IN 2012

4
UNITS
OF VALUE ADDED
IN THE NATIONAL
ECONOMY
GENERATED FOR
EACH UNIT OF VALUE
ADDED IN
THE AUTOMOTIVE
SECTOR

32
GRAMS
OF CO₂/KM,
REDUCTION OF
AVERAGE CO₂ EMISSIONS
OF NEW PASSENGER CARS
IN FRANCE SINCE
THE IMPLEMENTATION
OF THE BONUS-MALUS
SCHEME

GLOBAL AUTO MARKET STILL VIBRANT, THOUGH LOCAL DEVELOPMENTS VARY

The major markets for French companies outside Europe are in the emerging economies. However, since the end of 2013, they have been in freefall, except for China. At the same time, the European markets are just starting to recover, which means that French manufacturers can take advantage of these cyclical fluctuations.

Production by French manufacturers has declined by 10% compared with the level prior to the 2008 financial and economic crisis; meanwhile emerging economies have experienced significant growth. These economies, like the United States, have surpassed their pre-crisis levels by a great deal, whereas in other developed countries - includ-

ing the eurozone - that is not yet the case. Sales outside of Western Europe have risen by 610,000 units since 2007, reaching 2.7 million vehicles in 2013. These regions where the level of vehicle ownership is generally much lower than in Western Europe represent markets of large potential within which European manufacturers would be wise to continue and expand their investment, regardless of cyclical fluctuations.

The market in Western Europe, a mature automobile zone, remains the base market for French manufacturers. In the period 2007-2013, meanwhile, sales fell by a million vehicles to 2.8 million. The major cause of this decline is the collapse of the markets in Southern Europe and France, particularly (a decline of 4.1 million since 2007). To weather the development of overseas competition, French manufacturers continued to ensure the future through investment in France in research and development and also plants.

KEY DATA

In thousands

	1997	2007	2012	2013	Change 2013-2012	Change 2013-2007
World production of French manufacturers	4,046	6,188	n/a	n/a	n/a	n/a
Passenger cars	3,472	5,301	4,863	4,794	-1.4%	-9.6%
Light commercial vehicles	507	830	714	745	4.4%	-10.3%
All light vehicles	3,979	6,131	5,576	5,539	-0.7%	-9.7%
Heavy trucks (at constant scope)	36	58	n/a	n/a	n/a	n/a
Production of French manufacturers in France	2,525	2,573	1,647	1,445	n/a	n/a
Passenger cars	2,235	2,165	1,377	1,164	-15.5%	-46.3%
Light commercial vehicles	258	352	270	282	4.5%	-20.0%
All light vehicles	2,493	2,518	1,647	1,445	-12.2%	-42.6%
Heavy trucks	30	55	n/a	n/a	n/a	n/a
Vehicle exports outside France	2,822	4,697	4,404	4,373	-0.7%	-6.9%
Passenger cars	2,526	4,110	3,898	3,842	-1.4%	-6.5%
Light commercial vehicles	276	549	481	511	6.4%	-6.8%
All light vehicles	2,802	4,659	4,379	4,354	-0.6%	-6.6%
Heavy trucks	20	38	25	19	-25.6%	-49.8%
Vehicle exports outside Europe (17 countries)	659	2,110	2,747	2,722	-0.9%	29.0%
Passenger cars	563	1,914	2,504	2,486	-0.7%	29.9%
Light commercial vehicles	88	178	228	225	-1.2%	26.4%
All light vehicles	651	2,092	2,731	2,711	-0.7%	29.6%
Heavy trucks	8	18	16	11	-31.8%	-41.3%
Vehicle registrations in France	2,068	2,629	2,332	2,207	-5.3%	-16.0%
Passenger cars	1,713	2,110	1,899	1,790	-5.7%	-15.1%
Light commercial vehicles	313	461	384	367	-4.4%	-20.4%
All light vehicles	2,026	2,571	2,283	2,158	-5.5%	-16.1%
Heavy trucks	39.3	52.5	43.4	43.3	-0.3%	-17.7%
Coaches and buses	3.1	5.5	5.5	6.3	14.0%	15.1%
Registrations in Europe (17 countries) of vehicles from French groups	3,300	3,906	2,907	2,804	-3.6%	-28.2%
Passenger cars	2,841	3,181	2,374	2,287	-3.7%	-28.1%
Light commercial vehicles	432	690	510	497	-2.7%	-28.0%
All light vehicles	3,273	3,871	2,884	2,783	-3.5%	-28.1%
Heavy trucks	27	35	23	21	-11.6%	-40.8%

	Units	2012	2013	Change 2013-2012
Market share of French groups (new light vehicles)				
In France	%	54.9%	55.5%	0.7 point
In Europe 17 countries (excluding France)	%	15.0%	14.7%	- 0.3 point
In Europe 17 countries	%	21.9%	21.6%	- 0.4 point
Market share of French makes (new heavy trucks)				
In Europe 17 countries	%	9.6%	8.1%	- 1.6 points
French manufacturers' position in world production (PSA Peugeot Citroën and Renault-Dacia-Samsung)				
Passenger cars	%	7.7%	7.3%	- 0.4 point
Commercial vehicles	%	3.4%	3.4%	0.0 point
Total	%	6.6%	6.3%	- 0.3 point
French automobile international trade				
Exports	(In billions)	41.2	40.0	-2.9%
Imports	(In billions)	44.6	45.6	+ 2.3%
Balance	(In billions)	-3.3	-5.6	-2.2
Automotive industry contribution to foreign trade goods balance				
Exports	%	9.5%	9.4%	- 0.1 point
Imports	%	8.6%	9.0%	0.4 point
World key figures for French manufacturers (PSA Peugeot Citroën + Renault)				
Sales	(In billions)	96.7	95.0	- 1.8%
Capital expenditure	(In billions)	4.2	3.3	-21.5%
No. of employees	(In thousands of people)	331	319	-3.8%
Jobs related to the automotive industry in France				
Automotive industry	(In thousands of people)		201	
As a share of industry (including food industries, etc.)	%		6%	
Total (directly and indirectly related)	(In thousands of people)		2,323	
As a % of the employed working population	%		9%	

Following the unprecedented contraction of 2009 due to the economic and financial crisis, world GDP has returned to growth, achieving the same quick pace it had experienced up until 2007, before slowing back to under 3% in 2012 and 2013. As in previous years, there was a distinction in growth rates between the OECD members, whose GDP rose by 1%, and emerging economies (up 5%), led mainly by China, as well as Indonesia and Nigeria. After a sharp decline starting in 2012, growth in Latin America was spurred more by Argentina than by Brazil in 2013. Russia's growth also continued to slow.

Raw material prices remained near record highs throughout 2012, near the peaks of 2008, especially in the case of oil. While this decline in gasoline prices helped sustain consumer purchasing power in the short term, households in Europe were still suffering the effects of this crisis, reflected in the high unemployment levels that affected their confidence. Investment by companies declined in Western Europe for the second year running, closely mirroring the drop in domestic demand. In addition, the reduction of state deficit levels, due both to falling expenditures and to increased taxes and social charges, had an effect on agents in the economy and thus on the level of the vehicle markets.

Apart from the collapse of the Western Europe base market compared with the levels observed prior to the crisis, French automobile manufacturers need to deal with consumer decisions about what to buy, the rising cost of raw materials for manufacturing processes, and dearer and/or less-accessible short- and long-term capital, made worse by the financial crisis and the continuing strength of the euro against other leading currencies. Despite everything, they must continue to meet society's demands, which require considerable research and development expenditure. This crisis has impacted the entire automobile industry, both upstream through suppliers and downstream with transportation and the sale/maintenance of vehicles. In this economic and financial environment, in 2013 the world automotive market reached a new peak of 85.5 million vehicles; supported for the most part by the strong growth of developing countries and the continued recovery of the North American market. In Western

Europe, the new vehicle markets have fallen to very low levels, under the impact of significant declines in France, Italy and the Netherlands, yet sustained by ongoing growth in the United Kingdom. In light of an unfavorable country mix effect, the market share of French manufacturers has declined somewhat, below its 1997 level, in a context of even stiffer competition.

In Eastern Europe, a promising revival of the auto market was stymied by market declines in Russia and Ukraine. However, to satisfy vehicle ownership requirements, French manufacturers continued to develop commercially and industrially in this area whose opportunities should eventually grow.

The rise in the Asian market in general reflects the strength of the growth in sales in China, which has been the biggest auto market since 2009. Sales in other Asian countries are all over the map: a 30% fall in Iran, significant declines in India and Thailand, while growth continued in Malaysia and Indonesia. Sales in the region (excluding the Middle East) by French manufacturers grew strongly in 2013, to 840,000 vehicles (an increase of 18%). This growth is bound to continue, since investment continues (PSA Peugeot Citroën with its partners in China and Renault in India) and the vehicle ranges are being renewed and adapted.

In Latin America, where markets have reached all-time highs, though with smaller advances than in recent years, French manufacturers' sales grew to nearly 810,000 vehicles, exceeding their sales in Eastern Europe, including Turkey, for several years running. New investments and renewed, adapted vehicle ranges have been voted by French manufacturers, in an attempt to address the continuing expansion of the vehicle market in this region.

Africa disappoints, after the strong growth recorded by French manufacturers in 2012 (an increase of 110,000 vehicles); total sales fell to 300,000, a discrepancy of 40,000 vehicles.



612,000

EXTRA SALES

OUTSIDE OF EUROPE
17 COUNTRIES BETWEEN
2007 AND 2013 BY
FRENCH AUTOMOTIVE
MANUFACTURERS

WORLD MOTOR VEHICLE PRODUCTION

In 2013, world vehicle production grew by 4% to 87.3 million vehicles, which is the fourth record since the 2009 decline. This increase represented a volume of 3.1 million vehicles. Worldwide production of vehicles was around 50 million units in 1990, growing to nearly 60 million in 2000. Before the 2009 crisis, when it plummeted, it exceeded the threshold of 70 million vehicles. Since that time, it has achieved a more than 20% increase.

In the developed regions, there is no consistency to the way production

levels have developed compared with that of 2007: it fell in Western Europe (down 18%) and in Japan (down 17%), while it is up 7% in the NAFTA countries (Canada, USA and Mexico) and up 11% in South Korea. In emerging economies which are currently the main areas for growth in the automotive industry, production is a much higher than before the crisis. In 2013, production grew by 50% compared to 2007 levels in Asia-Pacific (more than doubling in China), 26% in Latin America and 13% in the new EU member states.

WORLD MOTOR VEHICLE

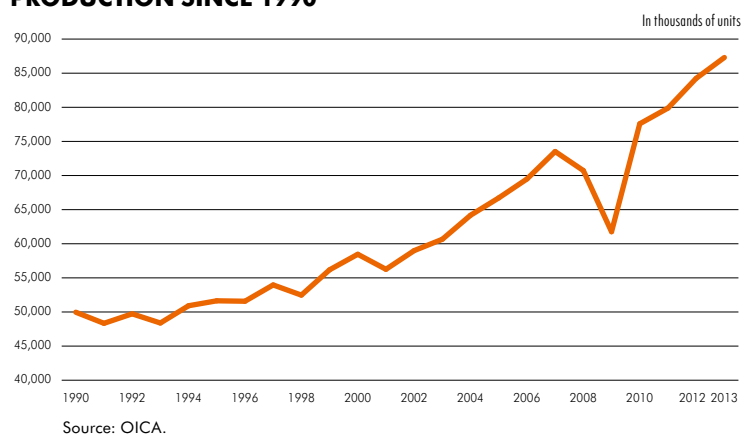
	Total		Change
	2012 thousands	2013 thousands	2013/2012 %
Europe	19,857	19,726	-0.7
of which:			
Spain	1,979	2,163	9.3
France	1,968	1,740	-11.6
Italy	672	658	-2.0
United Kingdom	1,577	1,597	1.3
Sweden	163	161	-1.1
Central and Eastern Europe	5,962	5,835	-2.1
Turkey	1,073	1,126	4.9
North and South America	20,086	21,136	5.2
of which:			
NAFTA ⁽¹⁾	15,798	16,478	4.3
South America	4,289	4,658	8.6
Asia-Pacific	43,709	45,801	4.8
of which:			
Japan	9,943	9,630	-3.1
South Korea	4,562	4,521	-0.9
China	19,272	22,117	14.8
India	4,175	3,881	-7.0
ASEAN ⁽²⁾	4,160	4,360	4.8
Africa	586	637	8.5
TOTAL	84,239	87,300	3.6
Change 2013/2012		+3.6%	

Double counting is eliminated in regional totals.

(1) NAFTA: Canada, USA and Mexico. (2) ASEAN: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam.

Sources: OICA, CCA estimates for July 2014.

CHANGES IN WORLD MOTOR VEHICLE PRODUCTION SINCE 1990



87.3

MILLION
NEW RECORD FOR
THE NUMBER OF
VEHICLES PRODUCED
IN THE WORLD
IN 2013

In Western Europe, there is a wide spread in how vehicle production has developed: from a 12% drop for France to a 16% increase for Austria, with a 9% increase for Spain and a 1% rise for Germany and the United Kingdom.

In the Americas, production rose 4% in the NAFTA zone, and a healthy 9% in South America.

As regards Asia-Pacific, which represents more than half of world production, growth of production in Indonesia (+13%) increased, though at a slower rate than in previous years. India's production

dropped by 7%, while China—the world's largest auto builder since 2008—recorded a rise of 15%. Output grew in both Malaysia (6%) and Thailand (1%). Conversely, East Asia's mature auto economies posted declines in production: Japan (down 3%) and South Korea (down 1%).

Between 2000 and 2013, the global production of motor vehicles (87.3 million) increased by nearly 50%, but there is no consistency among regions.

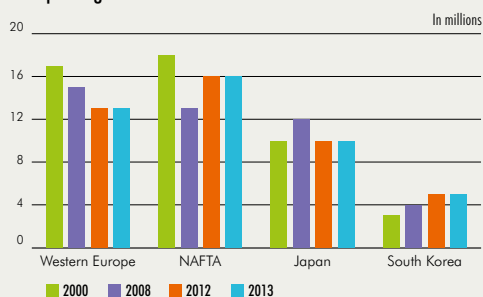
In developed economies, production dropped by nearly 5 million vehicles (10%), reaching a level of 43 million units. This accounted for only a little less than half of the worldwide production, more than 30 points less than in 2000. Within these regions, North American production dropped by 1.2 million vehicles (down 7%) and production in Western Europe dropped by over 4 million (down 25%). Japanese production fell by around 500,000 units in 2013 (5% below the 2000 level). On the other hand, production

in South Korea—a country which has benefited from more favorable exchange rates—grew by 1.4 million units (+ 45%).

In emerging regions, production rose by almost 33 million vehicles, supported by China (+ 20 million), representing 25% of world production in 2013, against less than 4% in 2000; Turkey and Central and Eastern Europe (+ 3.9 million and a market share of 8%, against 5%), Indonesia, Iran, Malaysia and Thailand (+ 3.7 million and a market share of 6% against 2%), South America (+ 2.6 million and a market share of 5% against 4%) and India (+ 3.1 million and a market share of 4% against 1%). Overall, the market share in these emerging countries or regions rose from 16% to 49% in this period.

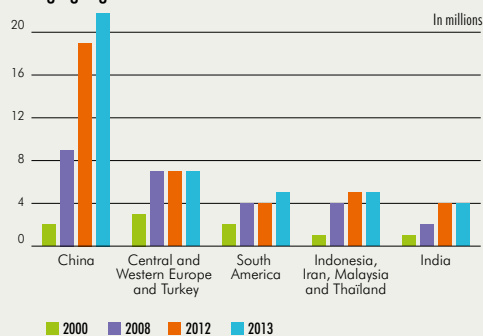
WORLD PRODUCTION OF ALL VEHICLES

Developed regions and countries

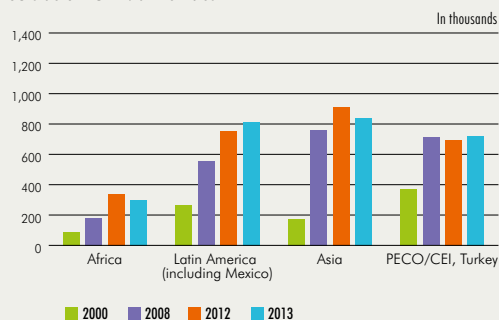


Sources: CCFA, OICA.

Emerging regions and countries

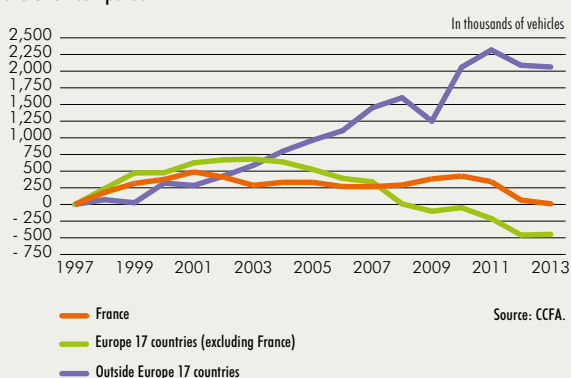


Evolution of markets for French manufacturers outside of EU-17: all vehicles



Source: CCFA.

World markets of French manufacturers: evolution compared with 1997



Source: CCFA.

In this context of changing world production, French manufacturers substantially increased exports to these emerging regions.

They grew by 1.8 million units between 2000 and 2013, excluding EU-17 countries, to reach 2.7 million vehicles.

After rising quickly prior to the crisis, these exports fell and then resumed their growth sharply compared with 2008: 261,000 extra units in Latin America (including Mexico), 117,000 more units in Africa, 80,000 more in Asia, and an increase of 12,000 in the Central and Eastern European countries and Turkey. On the other hand, exports to Spain and Italy dropped by 137,000 and 77,000 units, respectively.



49%
MARKET SHARE
OF EMERGING
REGIONS IN WORLD
MOTOR VEHICLE
PRODUCTION
IN 2013

WORLD RANKINGS OF AUTOMOBILE MANUFACTURERS

The 13 leading manufacturers—including French groups PSA Peugeot Citroën and Renault—account for 70% of the world's production, producing more than two million vehicles each. The weakness of the European market hit the performance of PSA Peugeot Citroën and Renault hard, knocking them to tenth and

eleventh place respectively in the world rankings. The production of French manufacturers accounted for 6% of world production in 2012, the same as during the last crisis of 1997, which is much lower than the record level of 9.8% reached in 2001.

WORLD PRODUCTION, IN NUMBER OF VEHICLES, IN 2013

	World ranking	All vehicles ⁽¹⁾
Toyota-Daihatsu-Hino ⁽²⁾	1	10,325
General Motors (Opel-Vauxhall-GM Daewoo) ⁽³⁾	2	9,629
Volkswagen Group	3	9,603
Hyundai-Kia	4	7,233
Ford ⁽³⁾	5	6,077
Nissan	6	4,951
Fiat-Chrysler	7	4,682
Honda	8	4,298
Suzuki-Maruti	9	2,842
PSA Peugeot Citroën	10	2,834
Renault-Dacia-Samsung	11	2,705
Daimler	12	2,306
BMW (including Mini)	13	2,006
SAIC	14	1,992
Changan	15	1,342
Mazda	16	1,264
Dongfeng Motor	17	1,239
Mitsubishi	18	1,229
Tata (Telco, Jaguar, Land Rover, Tata Daewoo)	19	1,063
Geely-Volvo	20	970
Fuji (Subaru)	21	809
Great Wall	22	758
FAW	23	718
BAIC	24	687
Mahindra	25	585
Brilliance	26	583
Isuzu	27	533
JAC	28	518
BYD	29	511
AvtoVaz	30	507
Chery	31	477
Chongqing Lifan Motor Co.	32	246
Volvo - Renault Trucks - Mack - UD Trucks	33	232
Guangzhou Auto Industry	34	161
China National Heavy Duty Truck	35	155
Proton	36	140
Paccar	37	136
Hunan Jiangnan Automobile Manufacturing Co.	38	134
GAZ	39	127
Shannxi	40	104

In thousands of vehicles

Note: The production of Chinese manufacturers does not include joint ventures.

(1) The vehicles include passenger cars, light commercial vehicles, heavy trucks, coaches and buses.

(2) Of which Daihatsu had 1,250,000 and Hino 179,000.

(3) The output of GM and Ford include their activities in China.

Sources: OICA, CCFEA estimates for July 2014.



6%
MARKET SHARE
OF FRENCH
MANUFACTURERS IN
WORLD AUTOMOBILE
PRODUCTION IN 2013

In a context of dynamic growth, world production rose by 4%, while results differ depending on the company.

Toyota has occupied first place since 2006 with a 2% rise in its production, the strong recovery of 2012 making up for the drop of 2011 consequent to the tsunami. The volumes of GM and Ford benefited from the healthy state of the North American market. The Volkswagen Group (up 4%), with a major presence in emerging economies, still held third place. Among the Asian manufacturers, Hyundai-Kia (up 1%, 4th place), Nissan (up 5%, 6th place) and Honda (up 5%/ 8th place) maintained their rankings. Conversely, Japanese manufacturer Suzuki-Maruti (down 2%, 9th place) rose in the ranking despite its drop in production. The European groups have experienced different types of growth. The production of generalist manufacturers PSA Peugeot Citroën (down 3%) declined, while that of Renault (up 1%)

increased, and that of Fiat-Chrysler (up 4%) improved thanks to the American make (up 19%). The German groups Daimler and BMW—specialists in premium ranges—continued their growth after being greatly affected by the crisis. Manufacturers in emerging countries (China, India) also have different levels of growth. Output by Changan (up 26%), SAIC (up 12%) and Dongfeng Motor (up 9%) increased, whereas that of Tata declined sharply (down 15%). Furthermore, in 2000, the European, US and Japanese manufacturers produced more than 60% of their output in their home market, while Korean auto makers devoted 90% of their output to domestic consumption. By 2012, the European and Korean auto makers were producing only around half for the domestic market, while around a third of the output of US and Japanese manufacturers were aimed at domestic consumers.

TRENDS IN PRODUCTION AND TRADE AMONG THE WORLD'S THREE LEADING AUTOMOTIVE REGIONS

Whereas the European Union was market leader for many years, since 2010 it has become the world's second production zone, whilst remaining open. The collapse of its domestic market since 2008 explains the reduction of imports as well as production. Its expansion of exports has not been enough to make up for this sharp drop in production for the domestic market. In North America including Mexico, production—essentially for the local market—continued to

recover and has now returned to its record 2000 level of 1.2 million vehicles. Exports from Japan account for nearly half of its output. Imports, meanwhile, still only account for less than 5 % of total car registrations. Outside of these three historical regions, China, which became the largest producing country in 2010, essentially only produces to satisfy its domestic market; imports, like exports, represented around 5% of its production.

TRENDS IN PRODUCTION AND TRADE AMONG THE WORLD'S THREE LEADING AUTOMOTIVE REGIONS

	European Union ⁽¹⁾		United States, Canada and Mexico ⁽³⁾		Japan	
Passenger cars						
Production	in thousands	index (100=1990)	in thousands	index (100=1990)	in thousands	index (100=1990)
1980	10,166	80	7,196	101	7,038	72
1990	12,726	100	7,150	100	9,753	100
2000	14,779	116	7,092	99	8,359	86
2010	15,289	120	5,084	71	8,310	85
2013	14,709	116	7,084	99	8,189	84
Imports ⁽²⁾	in thousands	% of total	in thousands	% of total	in thousands	% of total
1980	800	8%	2,713	38%	46	1%
1990	1,495	12%	3,029	42%	186	2%
2000	2,629	18%	2,225	31%	268	3%
2010	1,900	12%	2,310	45%	186	2%
2013	1,900	13%	2,662	38%	279	3%
Exports ⁽²⁾	in thousands	% of total	in thousands	% of total	in thousands	% of total
1980	1,973	19%	107	1%	3,947	56%
1990	1,732	14%	288	4%	4,482	46%
2000	2,715	18%	1,130	16%	3,796	45%
2010	3,400	22%	857	17%	4,275	51%
2013	4,500	31%	1,362	19%	4,066	50%
Commercial vehicles						
Production	in thousands	index (100=1990)	in thousands	index (100=1990)	in thousands	index (100=1990)
1980	1,600	100	2,138	47	4,005	113
1990	1,598	100	4,553	100	3,539	100
2000	2,327	146	8,669	190	1,782	50
2010	1,819	114	7,089	156	1,319	37
2013	1,880	118	9,394	206	1,441	41
Imports ⁽²⁾	in thousands	% of total	in thousands	% of total	in thousands	% of total
1980	101	6%	125	6%	1	0%
1990	258	16%	399	9%	1	0%
2000	242	10%	915	11%	8	0%
2010	310	17%	1,136	16%	2	0%
2013	290	15%	1,536	16%	2	0%
Exports ⁽²⁾	in thousands	% of total	in thousands	% of total	in thousands	% of total
1980	362	23%	114	5%	2,020	50%
1990	179	11%	32	1%	1,349	38%
2000	248	11%	339	4%	659	37%
2010	330	18%	177	2%	566	43%
2013	420	22%	273	3%	609	42%

(1) The number of countries included in the "European Union" corresponds to the number of member states in the year in question.

(2) EU community trade is not included.

(3) Source: Ward's since 1999; Mexico is included since 2009.

Sources: Eurostat, CCA since 1991.

Trends in the world's three leading automotive regions have contrasted sharply since 1990.

In the European Union vehicle production increased by 16% (compared to + 38% in 2007) and exports—already significant—were up by nearly 94%.

In North America, including Mexico since 2009, production has risen by 41% over its 1990 level. Imports, which were already large in 1990 and which had since continued to rise, were 23% greater than those of 1990.

Exports only represented 10% of production (30% for the EU and 49% for Japan).

Finally, in Japan, vehicle production fell by 28 % due to the shrinking domestic and export markets. These markets, which had suffered a decade of decline until 2001 (29% lower than 1990), had previously grown sharply as the yen weakened and, in 2008, were 15% higher than in 1990. In 2013 they were 20% lower, chiefly due to the production of plants belonging to Japanese manufacturers outside of Japan.



49%
PERCENTAGE

OF VEHICLES
MANUFACTURED FOR
EXPORT IN JAPAN IN 2013

WORLD VEHICLE MARKETS

In 2013, the world automotive market continued to grow (4% to 85.5 million vehicles), setting a new record. While the markets grew in the emerging regions and in North America, new vehicle registrations decreased in Europe and in Asia (excluding China and Japan). The leading markets in the world (China, USA, Japan, Brazil and Germany) account for nearly two-thirds of world sales. In 2005, China took third place in the rankings, and Brazil tenth.

In the main industrialized regions, where vehicle ownership rates have achieved maturity, the markets remain well below previous levels, and their share of the world markets is now only 45%, whereas it was 68% in 2005.

While there is no consistency of performance in the emerging economies, generally they are not as active as they were in 2012.

WORLD VEHICLE MARKETS

	Passenger cars				Commercial vehicles				Total		Change
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2013/2012
	thousands	%	thousands	%	thousands	%	thousands	%	thousands	thousands	%
Europe	16,193	26.8	15,890	25.3	2,473	11.4	2,392	10.5	18,666	18,282	-2.1
of which:											
Western Europe	11,765	19.5	11,547	18.4	1,646	7.6	1,627	7.2	13,411	13,174	-1.8
Central and Eastern Europe	4,420	7.3	4,336	6.9	826	3.8	764	3.4	5,246	5,101	-2.8
North and South America	13,144	21.7	13,526	21.5	10,529	48.5	11,478	50.6	23,673	25,004	+ 5.6
of which:											
NAFTA ⁽¹⁾	8,640	14.3	9,039	14.4	8,887	40.9	9,725	42.8	17,527	18,764	+ 7.1
USA	7,242	12.0	7,586	12.1	7,544	34.8	8,298	36.6	14,786	15,884	+ 7.4
South America	4,504	7.4	4,486	7.1	1,642	7.6	1,753	7.7	6,146	6,239	+ 1.5
Asia-Pacific	29,954	49.5	32,169	51.2	8,288	38.2	8,380	36.9	38,243	40,549	+ 6.0
of which:											
China	15,495	25.6	17,929	28.6	3,811	17.6	4,055	17.9	19,306	21,984	+ 13.9
South Korea	1,325	2.2	1,244	2.0	237	1.1	300	1.3	1,562	1,544	-1.2
Japan	4,572	7.6	4,562	7.3	797	3.7	813	3.6	5,370	5,376	+ 0.1
ASEAN ⁽²⁾	2,154	3.6	2,353	3.7	1,344	6.2	1,223	5.4	3,497	3,577	+2.3
Other Asia-Pacific	6,408	10.6	6,081	9.7	2,099	9.7	1,989	8.8	8,507	8,070	-5.1
Africa	1,182	2.0	1,201	1.9	417	1.9	452	2.0	1,599	1,653	+ 3.3
TOTAL	60,473	100.0	62,786	100.0	21,708	100.0	22,702	100.0	82,181	85,489	+ 4.0
Change 2013/2012			3.8%				4.6%			4.0%	

(1) NAFTA: Canada, USA and Mexico.

(2) ASEAN: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam

Source: OICA.



1 QUARTER CHINA'S SHARE OF WORLD SALES IN 2013

In the United States, the consequences of the financial crisis, which had called a halt to household consumption, continued to be less severe and the market recovered further with nearly 16 million vehicles, compared to over 17 million between 2004 and 2006. In Western Europe, the market dropped again, but at a slower pace, to 13.2 million vehicles, against 17.3 million in 2007. Variations in other countries were disparate, ranging from a 16% fall in the Netherlands to an 11% jump in the United Kingdom, and including a 4% decline in Germany, and a 4% increase in Spain (thanks to the demand support plan that started late in 2012).

In Central and Eastern Europe, the strong growth of recent years returned in Turkey (9%), after stalling in 2012. The Russian and Ukrainian markets slumped (by 6% and 12% respectively).

China, where access to vehicle ownership is constantly expanding, in pace with the rise in its standard of living, saw its market increase by more than 14% to 22 million vehicles, despite the limitation on the number of new vehicles in large cities. Its status as the world's leading automotive market remains intact. Sales are stable in Japan

(at 5.4 million vehicles) after the strong recovery of 2012, wiping out the drop of 2011 due to the tsunami. However, they are still lagging the healthy sales of the 2000s. Vehicle registrations in South Korea declined for the second year running (down 1%, to 1.5 million vehicles). In the Asia-Pacific region, excluding the big three (China, Japan and South Korea), the 3% drop in 2013 (to 11.6 million units) put a damper on the growth until then. However, the performances of the countries making up the region vary greatly: Indonesia saw a rise of 10%, while India experienced a 10% drop; sales fell by 7% in Thailand.

In South America, car ownership continues to expand, but the pace of growth slowed over the last two years (settling at 2% in 2013). Sales in Brazil reached a new peak in 2012, to drop by 1% in 2013.

Volumes were lower in Africa, but markets continued to grow, though Morocco recorded a decline after two years of steady growth. The pace of growth slowed in South Africa and Algeria.

THE WORLD'S VEHICLE FLEET

In 2012, the world's fleet of vehicles (passenger cars and commercial vehicles) stood at 1.1 billion units (of which more than 70% were passenger cars), representing a rise of 4% over the prior year. The fleets are stable in the developed economies with mature markets and are growing fast in the emerging economies.

The USA has the most vehicles in the world—250 million—ahead of China (109 million) and Japan (76 million). France held seventh place in the world, with 38 million units.

Vehicle density in the world was on average 170 vehicles per thousand

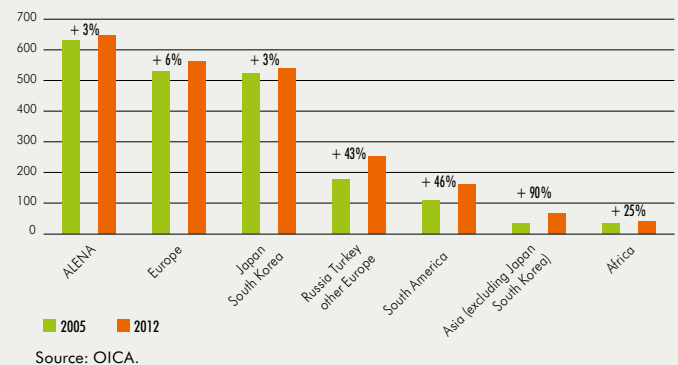
inhabitants—up 18% over 2005. However, density figures vary from 42 vehicles per thousand inhabitants in Africa to 647 in the NAFTA zone (USA, Canada and Mexico). Asia (excluding Japan and South Korea) has a density of 67; South America – 160; while Europe, Japan and South Korea boast densities of greater than 500.

NUMBER OF VEHICLES IN THE WORLD

	Total		Change
	2011	2012	2012/2011
	thousands	thousands	%
Europe	361,254	367,767	+ 1.8
of which:			
Western Europe	243,190	243,801	+ 0.3
Central and Eastern Europe	118,064	123,966	+ 5.0
North and South America	375,136	384,702	+ 2.6
of which:			
NAFTA ⁽¹⁾	302,318	306,658	+ 1.4
USA	248,932	251,497	+ 1.0
South America	72,818	78,044	+ 7.2
Asia-Pacific	325,509	352,589	+ 8.3
of which:			
China	93,563	109,220	+ 16.7
South Korea	18,437	18,870	+ 2.3
Japan	75,513	76,126	+ 0.8
Other Asia-Pacific	137,996	148,373	+ 7.5
Africa	36,638	38,172	+ 4.2
TOTAL	1,098,537	1,143,231	+ 4.1
Change 2012/2011		4.1%	

(1) NAFTA: Canada, USA and Mexico.
Source: OICA.

VEHICLE OWNERSHIP BY REGION



In 2012, the mature regions represented 60% of vehicle ownership and 17% of the world's population. Those regions lost around 10 points to the emerging economies.

Within the Europe zone, where a third of the world's cars reside, vehicle ownership expanded more in the east than in the west (cf. page 17). The rate of vehicle ownership varies in Europe, from 142 in Albania to 745 in Iceland; nearly a quarter of Romanians own vehicles (240), while the range for the major West European countries is 550 – 600.

In the Americas, the NAFTA zone accounts for 22% of the world's vehicles, the United States boasting a level of vehicle ownership

of 791 per 1,000 inhabitants. The picture is different in South America, an emerging region, which accounted for just 7% of the world's vehicles in 2012. Ownership density in South America is just 160 per thousand.

In the mature markets of Japan and South Korea, ownership density is 499 and 386 respectively. The picture is different in more populous developing countries, where density is low: India – 18; China – 79; and Indonesia – 73. China and Japan taken together account for more than half of the vehicles in the Asia-Pacific region.



1.1
BILLION
NUMBER OF
VEHICLES IN
THE WORLD

GLOBAL TRADE IN AUTOMOTIVE PRODUCTS

Global trade in automotive products grew by 1% in 2012, according to the World Trade Organization (WTO), valued at US\$ 1.295 billion, 5% above the level reached before the 2008 crisis.

Between 2005 and 2012, very different changes were detected between countries and regions in the balances of products from the automotive industry. The surplus in South Korea rose from US\$ 34 billion to US\$ 59 billion; in Japan it rose from US\$110 billion to

US\$145 billion and in the EU it rose from US\$80 billion to US\$ 177 billion. Despite a markedly lower automotive market in 2012 than in 2005, the US deficit remained almost unchanged at nearly US\$ 120 billion. On the other hand, the positive balance of US\$ 9 billion recorded in Canada in 2005 became a US\$ 9 billion deficit, as a result of the place that Mexico took in trade within NAFTA. The US\$7 billion surplus in Brazil gave way to a US\$9 billion deficit. The

WORLD TRADE OF AUTOMOTIVE PRODUCTS Exports (FOB)/ Imports (CIF) to/from the main regions

In US\$ billions

ZONES	World			USA and Canada, later North America ⁽¹⁾			European Union ⁽²⁾			Japan			Other countries ⁽⁴⁾		
	EXP.	IMP.	Balance	EXP.	IMP.	Balance	EXP.	IMP.	Balance	EXP.	IMP.	Balance	EXP.	IMP.	Balance
USA															
2005	86.0	205.5	-119.5	59.3	94.3	-35.0	10.4	43.1	-32.7	1.5	49.4	-47.9	14.8	18.7	-3.9
2010	99.5	189.8	-90.3	60.2	91.7	-31.5	9.7	33.6	-23.9	1.2	42.9	-41.7	28.4	21.5	6.8
2012	132.0	250.4	-118.4	74.3	117.6	-43.3	12.8	47.6	-34.8	1.8	53.6	-51.7	43.1	31.7	11.4
Canada															
2005	66.8	57.6	9.1	64.4	47.3	17.1	0.5	3.1	-2.6	0.1	4.6	-4.5	1.8	2.6	-0.8
2010	50.1	59.6	-9.5	49.1	46.2	3.0	0.3	4.5	-4.2	0.0	5.7	-5.6	0.7	3.3	-2.6
2012	62.2	71.4	-9.2	60.7	54.8	5.9	0.3	5.9	-5.6	0.0	6.2	-6.2	1.1	4.5	-3.4
European Union⁽²⁾															
2005	492.0	412.6	79.5	51.1	9.2	41.9	357.7	357.7	0.0	7.7	21.0	-13.3	75.5	24.6	50.9
2010	546.4	426.9	119.4	42.9	10.0	32.9	369.2	369.2	0.0	7.0	18.9	-11.9	127.3	28.9	98.4
2012	615.3	438.7	176.5	57.4	13.8	43.6	376.4	376.4	0.0	10.7	16.2	-5.5	170.8	32.4	138.4
Japan															
2005	122.9	13.2	109.7	55.0	1.8	53.3	20.2	8.0	12.1				47.7	3.4	44.3
2010	149.5	14.2	135.4	50.9	1.3	49.6	18.2	7.3	10.9				80.5	5.6	74.9
2012	166.0	20.4	145.5	59.4	2.1	57.3	15.5	11.1	4.4				91.0	7.2	83.8
South Korea															
2005	37.8	4.1	33.7	12.3	0.5	11.8	9.0	1.8	7.2	0.4	1.2	-0.8	16.0	0.6	15.5
2010	54.5	8.0	46.5	13.6	0.8	12.7	6.6	3.5	3.1	0.6	2.2	-1.6	33.8	1.5	32.3
2012	72.0	9.8	62.2	20.5	1.5	19.0	8.9	5.0	4.0	0.8	1.6	-0.8	41.8	1.8	40.0
China (excl. Hong Kong)															
2005	10.0	13.6	-3.6	3.7	1.1	2.6	1.4	4.5	-3.1	1.2	4.9	-3.7	3.7	3.1	0.5
2010	28.0	53.0	-25.0	7.0	5.4	1.6	4.2	25.7	-21.6	2.3	16.7	-14.4	14.6	5.2	9.4
2012	43.1	74.0	-30.9	9.9	10.0	-0.1	4.9	41.3	-36.4	2.8	16.3	-13.5	25.6	6.4	19.2
Brazil															
2005	12.0	4.7	7.3	3.6	0.6	3.0	1.6	2.0	-0.4	0.0	0.5	-0.5	6.8	1.6	5.2
2010	12.6	17.0	-4.4	1.6	2.3	-0.7	1.0	3.5	-2.6	0.0	1.2	-1.2	10.0	10.0	0.0
2012	13.0	21.7	-8.6	1.6	4.0	-2.4	0.4	4.7	-4.3	0.0	1.4	-1.4	11.0	11.6	-0.6
Trade of the main European Union countries⁽³⁾															
	Germany			France			Spain			Italy			United Kingdom		
2005	162.9	68.8	94.1	65.4	54.2	11.2	45.0	46.6	-1.5	26.8	41.7	-14.9	30.9	52.0	-21.1
2010	195.7	79.3	116.4	54.1	58.7	-4.7	47.5	31.4	16.1	29.1	39.7	-10.6	30.9	45.5	-14.6
2012	228.1	93.2	134.9	53.0	57.2	-4.3	46.7	29.4	17.3	31.2	30.0	1.2	38.6	50.8	-12.3

(1) Since 2005, exports to North America mainly target the USA, Canada and Mexico.

(2) For the comparisons, 15 EU countries have been included since 1993, 25 since 2004 and 27 since 2006.

(3) Since 2001, CCFA has based its estimates of imports and exports for European Union countries on local customs statistics.

(4) The "other countries" total contains countries not included in the three major divisions.

Source: GATT/WTO.

\$74 BILLION

THE RECORD LEVEL OF
CHINESE IMPORTS OF
AUTOMOTIVE PRODUCTS

In 2012, world trade in automotive products accounted for 7% of the world's goods exports and 11% of the world's manufactured product exports. 2012 was marked by a 7% drop in the value of the euro against the dollar, whereas the exchange rate between the yen and the dollar remained practically identical.

In light of low market levels in the NAFTA countries and the European Union, the share of intraregional trade in world trade continued its fall, going as low as 59% in 2012 (as against 64% in 2007). In NAFTA and Europe (excluding CIS), this share exceeded 70% and in South America it exceeded 80%, while it was hardly more

than 30% for Asia-Pacific. In 2012, Germany was still the largest exporter of automotive products with an 18% share worth US\$ 228 billion. Germany's exports in 2012 dropped in dollar terms, but continued to grow in euro.

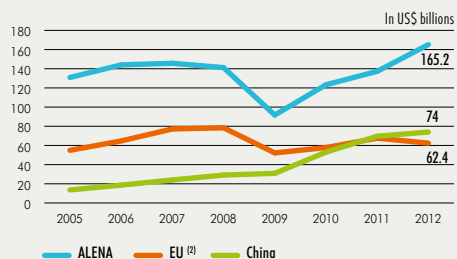
Japan, in second place, exported goods to the value of US\$ 166 billion, of which US\$ 60 billion to North America (making up 36% of its total exports, compared with more than 50% at the start of the 2000s). Japan's exports to China dropped to US\$ 14.3 billion from 2011 to 2012, due to the geopolitical situation. By comparison, Japan exports goods valued at US\$ 15.5 billion to the EU-27.

EU-27 automotive exports reached \$ 659 billion. Trade within the

deficit for China, which meanwhile became the world's leading vehicle market, grew from US\$ 4 billion to US\$ 31 billion. In South Africa, the deficit was reduced over the same period from US\$ 5 billion to US\$ 1 billion, due to the expansion of exports. India's surplus grew from US\$ 1 billion to US\$ 4 billion, on the back of an expansion of exports, from a value of less than US\$ 3 billion to more than US\$ 10 billion. Not counting intrazone trade, imports to the

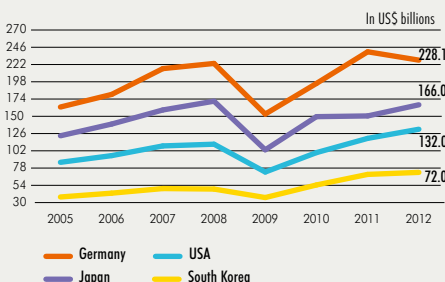
European Union were overtaken for the first time by those to China (at a value of US\$ 62 billion vs. EU 74 billion) in 2012. Nonetheless, these levels of imports lag those of the NAFTA countries, which amounted to over US\$ 160 billion for the first time. The other countries that were large importers of automotive products in 2012 were Russia (US\$ 41 billion), Australia (US\$ 31 billion) and Saudi Arabia (US\$ 20 billion).

IMPORTS FROM THE MAIN REGIONS FOR AUTOMOTIVE PRODUCTS (not including intraregional trade)



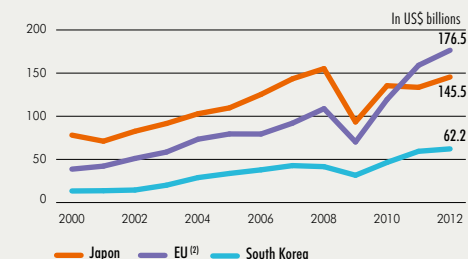
Source: GATT/WTO.

MAJOR EXPORTING COUNTRIES OF AUTOMOTIVE PRODUCTS



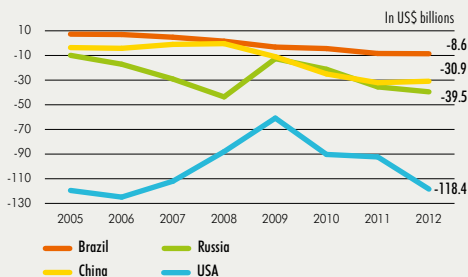
Source: GATT/WTO.

SURPLUSES IN AUTOMOTIVE PRODUCTS



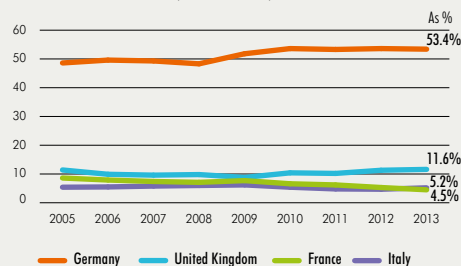
Source: GATT/WTO.

DEFICITS IN AUTOMOTIVE PRODUCTS



Source: Eurostat.

SHARE IN EXPORTS FROM THE EU TO THE NON-EU road vehicles (SITC 78)



Source: GATT/WTO.

EU accounted for 61% of this total (73% in 2009). Exports from the EU to China were valued at US\$ 37 billion, or—taking into account the cost of shipping and insurance—more than half of China's entire imports. EU exports to Russia were valued at US\$ 24 billion; to Africa – US\$ 20 billion; and to the Middle East – US\$ 13 billion. On the basis of Eurostat data, more than half of the EU's exports to non-EU countries are due to Germany (53% in 2013), ahead of the United Kingdom (12%), Italy, Spain and France (at 5% each). France accounted for 4% of world exports, worth US\$ 53 billion (inclusive of intra-EU trade), against almost 8% in 2004. The United States is still the world's leading importer of automotive products at US\$ 250 billion; after its domestic market bounced back, its deficit for automotive products stood at US\$ 118 billion, i.e., a level similar to the US\$ 120 billion recorded between 2004 and

2006. China's imports—up 6 billion in 2012—came from the EU-27 (56% against 42% in 2009), followed by Japan (22% against 36% in 2009), NAFTA (13%) and South Korea (7%). Since 2005, Chinese imports have grown by 27% per year. Russian imports of automotive products stood at US\$41 billion in 2012, ahead of Saudi Arabia (US\$ 20 billion) and the United Arab Emirates (UAE) (US\$13 billion). Reflecting the evolution of oil resources, the imports of these countries have risen sharply since 2005, increasing annually by 10% on average in Saudi Arabia, 11% in the UAE and 19% in Russia. The reason for the decline in the ratio measuring the share of intraregional trade is clearer when you take into account these changes in demand, as well as the fact that Australia doubled its imports between 2005 and 2012 to US\$ 30 billion



177
BILLION

THE EU'S 2012
SURPLUS IN
AUTOMOTIVE
PRODUCTS