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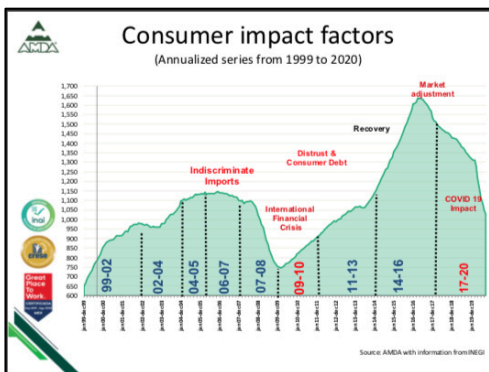
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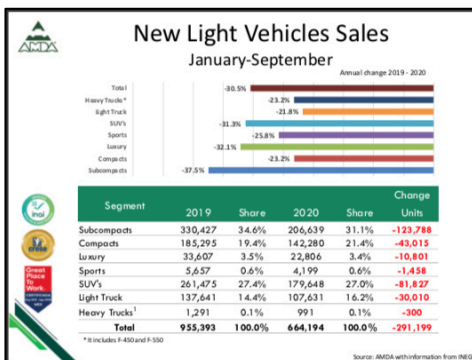
Mexico's Automotive Industry Outlook for 2020-2025

This presentation will show you an executive overview about the performance of Mexican automotive market during the last nine months and the impact that COVID19 has had and how it has changed our perspective for 2020 and the years to come.

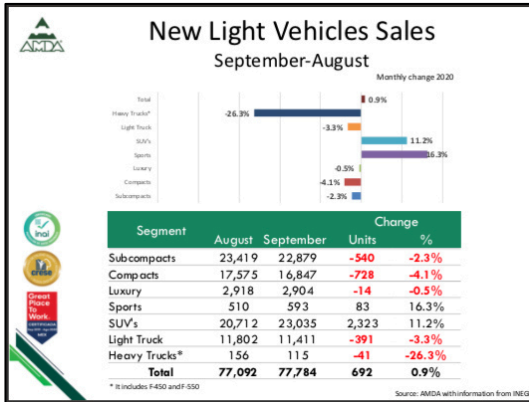
As we look at this first slide, we can notice that internal market has gone through different stages since the last crisis linked with the financial crash in 2008-2009 having a period of distrust and consumer debt, but then finally faced a recovery which took our market to the highest point of sales in 2016 with 1.6 million vehicles sold, facing at that moment a joint mix of economic conditions that boost the market, as those related with financing sector. After that period of record figures, vehicles sales have faced a constant fall, which was deepened this year by pandemic, impacting both supply and demand sides, and specially potential consumers in terms of income and employment.



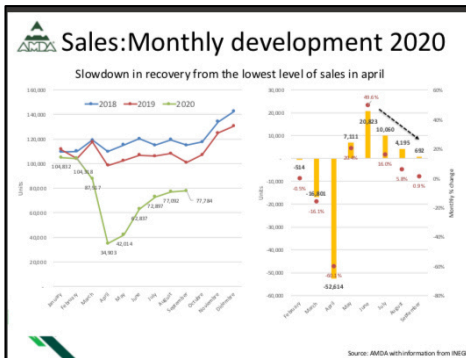
Current data for the last nine months show us that sales are 30.5% below last year. This means a loss of almost 300,000 (three hundred thousand) vehicles during this period. By segment it can be observed that all segments have been impacted by COVID19 crisis, mainly subcompacts, Suv's and compact vehicles, which represent an important share of total market.



Despite we have face a recovery from the worst sales bimester of April-May, the trend show us that the advance we have seen during may, June, July, August, and now in September has weakened. In September 2020, sales reach a total of almost 78 thousand units, which is only a 0.9% increase compared with August.



This slowdown trend we notice in the market is clearly shown in the next slide if we compare how increase of sales month by month has been falling, as pointed by the arrow, from a recovery of 20 thousand units in June to a 692 additional units in September. These trend is pointing out a slow advance for the rest or the year, which can be also explained as the economic situation of several households remain with uncertainty and distrust about purchasing durable goods, specifically new vehicles in the next years.



In 2020, we are expecting annual sales below a million units: 945 thousand, this would represent a decrease of 28.3% from 2019, and 26% below our PRE-COVID estimation (1 million 272 thousand units). This would position our market in levels seen during 2011-2012 almost a decade ago, and the perspective of recovery is uncertain yet but it will clearly be a slow recovery process.



Monthly sales forecast

664,194 units were sold during January-September 2020.
In September the real data was higher than forecast with a variation of 3.83%.

	September	% Change	Units
Forecast 2020	74,914	3.83%	2,870
Observed	77,784		

Annual forecast 2020: 945,058 units (-28.3%)



Source: AMDA
* Assumptions: GDP Annual rate for Quarters II and IV (1.1, 1.8 and -7.9%), RIPC (0.80%) and Financing (2.20%) The most relevant explanatory variable is financing level.