

## Top Stories

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## About Us

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我们的读者有人更喜欢阅读PowerTALK中文和日文，为了更好的满足这些读者的要求，我们现在亚洲部分的文章，提供中文，日文还有英文阅读。点击这里直接阅读**中文**，这里直接阅读**日文**。

## PowerTALKを中国語と日本語でお読みいただけるようになりました

中国語や日本語で読みたいという読者のニーズに応えるために、アジアから中国語と日本語の記事を提供しています。中国語をご希望の方は**こちら**を、日本語をご希望の方は**こちら**をクリックしてください。

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## Data Point: *Snowmobiles*

# 105,300

By *Carol Turner*, Senior Analyst, Global Operations

This is the estimate, by Power Systems Research, of the number of snowmobile units to be produced in 2019 in the United States, Canada, Finland, and Japan. It does not include Russia.

This information comes from two proprietary databases maintained by Power Systems Research: **EnginLink™** and **OE Link™**.

**Market Share:** With combined plant totals of 45% (Canada and Finland), Bombardier Recreational Products (BRP) leads in production of Snowmobiles. In second position is Arctic Cat with 22.5%; third, Polaris with 22%.

### Engines Used by OEM:

- **BRP - Valcourt:** 100% BRP-Rotax (36,484).
- **BRP - Finland:** 100% BRP-Rotax (8,478).
- **Yamaha:** 100% Yamaha (10,343).
- **Arctic Cat:** 18% Suzuki (4,037), 34.5% Yamaha (7,724) and 47.5% Arctic Cat (10,613).
- **Polaris:** 100% Polaris (22,289).

### Industry News:

- The International Snowmobile Manufacturers Association (ISMA) reports in 2018 there were 124,786 snowmobiles sold worldwide; 53,179 were sold in the U.S. and 47,024 were sold in Canada.
- ISMA reports in 2017 there were 118,657 snowmobiles sold worldwide, including 50,659 sold US and 44,161 Canada.

**Exports:** Collectively, up to 75% worldwide.

**Trends:** In 2018, production of snowmobiles decreased nearly 5% from 2017. Production is expected to gain 5% from 2018 in 2019 to an estimated 105,300 units. The decline in 2018 is attributed to a lack of snowfall in many key riding areas worldwide, especially during the January – March period. Despite weather related issues, OEMs continue to introduce an array of new models that entice buyers as reflected in the estimated increase for 2019.

Even though there are economic struggles and fuel prices are unstable, it appears that when it snows powersports enthusiasts still want to play. As long as there is snow, snowmobiles will be produced. **PSR**

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*Going forward, we expect near future growth mainly will be tied to economic factors and performance, and not political speculations, either global or domestic, as in past years.*

## North America Report

By *Yosyf Sheremeta*, Director of Product Management & Customer Experience

### End of the Solid Trend Might be on the Horizon

During H2 2018, the economy remained stable and pure economic conditions in the region were favorable. Most industries performed very well, and the short-term outlook remains positive to flat for most market segments. We expect such positive conditions to last at least another 6-12 months.



Yosyf  
Sheremeta

At the same time, there will be some minor differences among market segments, especially those that are consumer oriented. Additionally, we have seen that some markets have bottomed out and started a new up-trend in 2018; this trend should further strengthen in 2019.

Going forward, we expect near future growth mainly will be tied to economic factors and performance, and not political speculations, either global or domestic, as in past years.

However, some risks remain on the horizon due to global trade disagreements, tariffs and policies that potentially could have an impact long term.

The general economy in the U.S. is in its ninth year of growth and markets are performing well. This has been an uncommon economic cycle with a very prolonged, low and slow recovery. At the same time, we see that some segments experienced a series of shorter cyclical growth patterns within a growth cycle. What we do like about this cycle is that we do not see any rapid ups or downs, which is the outcome of some lessons learned from previous cycle and financial crisis.

We believe slower growth for some products will continue for the next year. For example, the Agricultural segment is finally coming off a major decline (2014-2016) and started nicely to regain ground in 2018-2019; however, activities in 2017 were somewhat flat with no significant activities to boost the recovery across the segment. The Agricultural sector bottomed in 2016-2017, and we forecast it to gain stronger recovery speed in 2020-2021.

The job market is very strong, and combined with still strong housing starts, and extra cash in the hands of the consumers, 2018 turned out to be an even stronger year overall, compared to 2016-2017. While interest rates have risen lately, they remain historically low and help drive the momentum forward. Based on current economic activities and market conditions, we expect similar performance in 2019, but the end of the trend looks might be on the horizon within the next 9-12 months.

As we projected in 2015, the Federal Reserve Bank started rate increases in Q4 2015; since then the rate was increased nine times, and currently is 2.5%

Going forward, we expect two more rate increases in 2019 and two more increases in 2020. However, the number of rate increases will greatly depend

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## **North America Report**

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on inflation rates and economic performance, as well as economic policies of the Trump Administration and the Federal Reserve Bank. We may see even the reverse in the current trend of raising the rate, if economic conditions were to worsen and put a significant break on the economic growth.

Nevertheless, we do not think rate increases will have any significant immediate impact on most segments in the region during 2019. Consumer-oriented products such as personal transportation and recreational products will be among the first to feel the impact of rising rates.

Business fixed investments, as well as consumer spending, are very strong and show signs of continued performance at present levels.

While consumer spending is still strong, we believe spending and consumer confidence will reach its peak in H1 2019. Current strong consumer spending levels are driven by low interest rates and the strong job market. Employment has continued to trend up in several industries, including construction, mining, manufacturing and transportation.

Employment in construction continued an upward trend in November (+5,000) and has risen by 270,000 over the past 12 months. Within the industry, nonresidential and commercial trade contractors added 15,100 jobs per month over the past 12 months, which signals improvement in infrastructure spending. The Mining sector lead the way, adding 6,000 jobs per month during January- October 2018. November saw a decrease by 2,000 jobs, mainly due to weak oil prices.

We see an almost flat to slightly lower level of overall activity in 2019 at -1.2%, as the overall economy reaches its peak in productivity, as well as lower demand levels.

At the same time, we do expect tax reform implementation to give a major boost to the U.S. economy in the long run. Furthermore, we have already started to see upbeat interests from the corporate world and activities related to tax reform, such as new investment plans, job creation and new production capacity planning.

On the opposite side, current trade rhetoric and proposed policies most likely will bring some disruptions in the market. 2019 promises to be a year of political turbulences and economic uncertainties.

During the last few quarters, we have seen a significant increase in construction equipment activities. Major OEMs like CAT, Deere and Cummins showed increased sales and orders in 2017-2018, however we expect that trend will slow in 2019, especially in the second part of the year. Again, trade rhetoric might have an impact on these OEMs in the future, which will force industry re-grouping and global rebalancing.

Production in 2016-2017 reached record levels for some segments such as Minivan/SUVs and Passenger Cars, with very strong demand levels throughout the region. However, we believe these markets peaked in 2017, and we already saw a slight decrease in production numbers in 2018.

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## North America Report

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*Segments, such as Passenger Cars, and Minivan/SUV, experienced a slowdown in 2018 and will turn into negative territory in 2019-2020.*

We saw a slight drop in demand for consumer products, starting at the end of 2016. This slower demand carried forward into 2017, but the overall level of demand remained stable. We project these markets to be flat this year. Most of the decline is cyclical and is mainly due to markets having reached their peaks in 2016-2017. At this point, over the mid-term and long-term, we do not expect any major or significant declines in any of the segments.

Across other markets, we forecast that short-term growth is expected to be flat to slightly positive at low-single digits annually for some segments such as Construction and Industrial, with the mining sector likely to experience much stronger growth.

The Agricultural segment has not yet delivered the promised recovery, but we expect activities to improve in 2019-2022. Other segments, such as Passenger Cars, and Minivan/SUV, experienced a slowdown in 2018 and will turn into negative territory in 2019-2020.

**AGRICULTURAL.** This segment experienced a dramatic decline, starting in the second part of 2014, and the downward trend continued in 2015-2016 with the entire period suffering another annual double-digit decline. While some activities stabilized in 2016-2017, they did not provide us with enough evidence of complete recovery.

Overall, 2018 was a slightly positive year for the industry in terms of growth in equipment production units, but the markets will not completely recover for another few years. Production volumes in 2018 were higher by 4.2% over 2017, and we project an additional gain of 2%-3% in 2019-2020. The agricultural machinery market will remain on this recovery trend going into 2020-2023. Global trade policies will play a major role in the long run and will define market growth over the next 3-5 years.

**CONSTRUCTION EQUIPMENT.** Recent market performance has been very good, but there is a lot in stake in the long run.

While some OEMs within the segment booked double digit increases for 2017 and 2018, PSR remains cautiously optimistic in terms of the size of the growth as well as the growth trend. Trade tensions will certainly have a play in the long run for the sector, but not so much in the short term. Our most recent projection is rather flat to slightly positive at 1% in 2019, compared to 2018; this is slightly lower than our projections from last quarter (at 1.5%). We project rather flat growth at 0-1% over the next few years.

**INDUSTRIAL.** We see very similar trends in growth for this segment, with a gain of 0.9% in 2019 over 2018. This rate is slightly lower than previously projected in Q3 2018. The overall growth dynamic is closely mirroring the Construction segment. The main drivers for the segment are material handling and forklift applications, where the demand remains flat.

One product category that significantly stands out is Telescopic Boom Forklifts, which is experiencing significant demand and growth. The growth in 2018 for this



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## North America Report

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product category was at 16%, and we forecast additional double-digit growth over the next two years.

Another application we want to highlight is Scrubbers/Sweepers. From 2016-2017 production of Scrubbers/Sweepers in Canada and the United States increased 3%. Production is expected to gain 4% in 2018.

The improvement is attributed to government/municipal orders and the demand for new efficient machines in the market that will maximize productivity while insuring consistent performance.

Hybrid models being fabricated are projected to use up to 5% less fuel and significantly reduce harmful carbon dioxide emissions. We expect production to gain up to 3% over the next 3-5 years.

**MINING EQUIPMENT.** This sector suffered major declines during 2013-2016; however, a strong level of activities and developments in 2017 give the industry much needed hope and optimism going forward.

Increased employment rates in the mining sector also support this trend; the segment added over 58,000 new jobs in the first 11 months of 2018. A slight November weakness in mining employment coincides with a 16% decline in oil prices over the month.

Given current market trends and economic conditions, PSR does not project any rapid recovery of machinery equipment for the mining sector, due to the prolonged market decline and stagnation. Instead, it is shaping up to be a long but steady recovery. It will take several years for the industry to reach its previous production levels.

Consumer sectors, including **LAWN AND GARDEN, PASSENGER CARS, MINIVANS AND SUVs** as well as **RECREATIONAL PRODUCTS** continue to benefit from the strong economy. These segments performed very well over the past few year. **PSR**

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## Brazil/South America Report

*By Fabio Ferraresi, PSR Director, Business Development, South America*



*Fabio  
Ferraresi*

### Ford Exits Truck Business in South America

Ford says it will exit the Heavy Truck Business in South America as part of a plan for sustainable profitability in the region and alignment with Global Strategies. Production in the São Bernardo do Campo plant will be phased out in 2019. The shutdown will affect 2,700 people and will result in a US\$ 460 million financial impact on expenses related to the decision.

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## Brazil/South America Report

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**Source:** *Reuters/Press Release* [Read The Report](#)

**PSR Analysis:** Truck Market in Brazil is growing, and these volumes should migrate to competitors. The impact on supply chain will be high, both positive with higher volumes for those supplying to competitors and negative for those supplying to Ford only. Ford exports significant portion of its production in Brazil and we are working to understand if these volumes will migrate to OEM in Brazil or to global players. We will keep tracking the releases and updating the databases actual / forecast as necessary.

## 2019 Industrial Investment in Brazil To Grow 30%

ABIMAQ (Brazilian Association of Machine Builders) released a research report that contains an investment forecast of US\$ 750 Million for 2019, 30% higher than actual in 2018.

For small and medium business, the investment is about 50% higher than in 2018. The investment is concentrated in 2H 2019, when idle capacity should be reduced or eliminated. Today, an average of 25% idleness is expected. The research also points to a new round of concessions in the Infrastructure segment as the main driver for the investment.

**Source:** *M&T / ABIMAQ* [Read The Article](#)

**PSR Analysis:** This is a continuation of the situation at the end of 2018, when idle capacity had been reduced and Industrial and Construction Equipment segments started growing sales in Brazil. The CE segment should have stronger growth than in 2018, since exports will continue high and the internal market should grow with infrastructure investment. Small equipment should grow stronger than heavy equipment.

## Michelin To Focus Increased Production in Manaus

After the acquisition and integration of Levorin, Michelin is preparing to invest US\$ 30 million in production capacity expansion in the Manaus plant. The additional production will be for export to OEMs and the aftermarket in Colombia (the main Central-South America market after Brazil), Argentina, Chile, Uruguay, Paraguay Mexico and Guatemala. The aftermarket in Brazil is also a target for sales expansion.

**Source:** *Valor Economico* [Read The Article](#)

**PSR Analysis:** The Brazil Motorcycles market recovery and sustained growth in South America provide a field for Michelin. Michelin is positioned as a premium tire for premium bikes and Levorin is recognized and well established in the light/ low displacement segment.

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## **Brazil/South America Report**

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*According to the recent ANFAVEA update bulletin, sales of AG and CE machines in 2018 grew 13%, above the 11% forecast previously published by the OEM association.*

## **Actual Off-Highway Sales Exceed OEM Expectations**

According to the recent ANFAVEA update bulletin, sales of AG and CE machines in 2018 grew 13%, above the 11% forecast previously published by the OEM association. Production growth is higher, around 24%, due to increased exports for some countries, while Argentina sales were below expectations, due to economic issues affecting this main market for exports from Brazil.

**Source:** *Automotive Business* | *Anfavea* [Read The Article](#)

**PSR Analysis:** Far from the numbers for 2013, the internal market grew because of the availability of funding lines; these may fade away with the new government. With that perspective, agribusiness executives didn't postpone fleet updates. **PSR**

## **China Report**

By *Qin Fen*, 秦奋 *PSR Business Development Manager-China*. 业务拓展经理

## **Beijing To Implement NS 6b Emission Rule in Mid 2019**



*Qin Fen*

BEIJING—The Beijing Municipal Ecological Environment Bureau has issued a policy draft to implement the 6b emission rule for natural gas and diesel-powered heavy duty vehicles registered and sold in Beijing, effective July 1, 2019. That's ahead of the central government's implementation nationwide.

**Sources:** *Beijing Municipal Ecological Environment Bureau*  
[Read The Article](#)

**PSR Analysis:** This is not the first time Beijing Municipal moved ahead of a national emission regulation. The implementation scope is balance considered many stakeholders.

While the regulation covers natural gas and diesel-powered equipment, the application applies only to public transportation, sanitation trucks and buses. If there is any extension of the enforcement, NS 6b for light duty gasoline vehicles and other M&H diesel vehicles will be enforced in 2020.

The implementation is aggressive in terms of the start date, but it's practical in terms of the scope of the implementation. We must wait and see what the butterfly effects will be for two other surrounding provinces, Shandong and Hebei, two of the largest truck markets in China. **PSR**



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## China Report

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## 关于北京市实施第六阶段机动车排放标准的通告

2019年2月11日 – 北京--(北京市生态环境局)–北京市生态环境保护局颁布通告，自2019年7月1日起，北京市销售和登记注册的重型燃气车以及公交和环卫行业重型柴油车须满足国六b阶段标准要求。该通告早于中央政府全国范围内的国六标准实施时间。

**新闻来源：**北京市生态环境局 – 2019年2月11日 [阅读原文链接](#)

**PSR分析：**这不是北京市第一次比国家提前实施排放法规。法规的实施范围考虑到了多方利益。

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具体实施从实施日期看，很激进，不过从实施范围看很切实际。我们还需要等着看，通告实施会对周边两省有什么蝴蝶效应。山东河北两省，可是国内两大卡车市场

## Europe Report

*By Christopher Bamforth, Europe Analyst*

### Volvo Commits To Electric Future

In May 2017, Volvo unveiled its latest concept machine--known as the EX2--to industry specialists, policymakers, the media and academics as a prototype of one of the first 100% electric compact excavators.



Today, the EX2 prototype has replaced the combustion engine with two lithium-ion batteries, totalling 38kWh. They store enough energy to operate the machine for eight hours in an intense application, such as digging compact ground.

The hydraulic architecture also has been replaced with an electric architecture which incorporates electromechanical linear actuators that help to optimize the transmission chain.

At this stage the EX2 is purely a research project and there were currently no plans for mass production.



*Christopher  
Bamforth*

[Read The Article](#) [Read The Article](#)

**PSR Analysis:** Fast-forward to February 2018, Volvo once again presents EX2, but this time at Intermat. The new

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## Europe Report

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*This year, Volvo announced that they have decided to become the first OEM to commit to an electric future.*

prototype was again very well received and won the prestigious Equipment and Machinery Award in the Earthmoving and Demolition category of the Intermat Innovation Awards.

It is believed to be the world's first fully electric compact excavator prototype. It is still only considered a research project, but this award really helped Volvo feel confident in this prototype that it might actually one day become more than just an idea.

This year, Volvo announced that they have decided to become the first OEM to commit to an electric future. This follows the announcement of the results of a 10-week study of electric and autonomous machines conducted in Sweden end of 2018.

Volvo Construction Equipment says that by mid-2020 it will launch a range of electric compact excavators (EC15 to EC27) and wheel loaders (L20 to L28) and will stop new diesel engine-based development of these models.

This follows an overwhelmingly favourable reaction from the market after the successful unveiling of several concept machines in recent years, and by working closely with customers. We already saw the first machines unveiled at Bauma last April.

However, it is important to stress that Volvo still believes that diesel “currently remains the most appropriate power source for its larger machines, the electric and battery technology is proving particularly suited for Volvo's smaller equipment”.

With the rapid advance in battery and electric technology, Volvo CE can take a step towards electrification of compact equipment. **PSR**

## Far East/Southeast Asia Report

By *Akihiro Komuro*, PSR Research Analyst, Far East and Southeast Asia

小室明大 極東および東南アジア PSRリサーチアナリスト



*Akihiro  
Komuro*

### Far East > 日本:

#### ソフトバンク、自動運転宅配の米ニューロに1040億円出資

自動運転技術を開発する米国新興企業のニューロは、ソフトバンクから9億4000万ドル(約1040億円)の出資を受けたと発表した。ニューロは米国内で自動運転車を使った食料品な

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## Far East/Southeast Asia Report

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どの宅配サービスを始めており、調達した資金をサービス提供地域の拡大などに使う計画だとしている。ニューロは2016年創業の未上場企業で、自動運転車を使ったオンデマンド型の宅配サービスの開発に取り組んでいる。2018年には米スーパーマーケット大手のクローガーと同サービスの商用化に向けて提携し、米アリゾナ州で一般住民向けに食料品の無人配達サービスを始めた。ソフトバンクは10兆円ファンドと呼ばれる「ソフトバンク・ビジョン・ファンド」を通じてニューロに出資した。ソフトバンクは米食事宅配サービスのドアダッシュなどにも出資しており、ニューロの自動運転技術を応用して物流を効率化する狙いとみられる。

**Source: 日経新聞, 2019年2月19日**

**PSR 分析:** 時価総額日本第2位であるソフトバンクの次世代技術への先行投資はとてもアグレッシブだ。中国Didi Chuxing (ライドシェア)、米国Nauto (自動運転)、米国GM Cruise (自動運転)、ブラジルLoggi Technology (配送アプリ)など、次世代を担う技術を持った企業に出資していて、その投資規模と対象は必然的に多くの注目を集めている。彼らは単なるスポンサーとしての立場に留まるのではなく、それぞれの投資先の長所を正しく見定め、投資対象を広めていくことを通じて将来大きなシナジー効果を生み出そうとしているように見える。当然だが投資にはリスクがあり、また次世代技術には莫大な資金が必要であることも明白だ。ソフトバンクが現在進行形で行っている莫大な投資は、いわば世界的な大きな種まきである。回収までは時間がかかることもあるだろうが、そうしたリスクを乗り越えても社会を発展させたいという意欲を感じる。**PSR**

## Far East: Japan Report

### Softbank Invests US\$ 940 Million In Nuro

Nuro, a US start-up company that develops automatic driving technology, said it received US\$ 940 million (about 104 billion yen) from Softbank.

Nuro is an unlisted company founded in 2016 and is working on the development of an on-demand type home delivery service using automatic driving vehicles. In 2018 they cooperated with the US supermarket giant Kroger and commercialize the service and began unmanned delivery of groceries to the general population in Arizona.

**Source: The Nikkei, 19 February 2019 [Read The Article](#)**

**PSR Analysis:** Softbank, Japan's second largest market capitalized company, is being very aggressive with its investments in next-generation technology. They are investing in companies with technologies that will play a role in the next generation such as Didi Chuxing in China (ride-hailing app), Nauto in the US (autonomous driving technology), GM Cruise in the US (autonomous driving technology), Loggi Technology in Brazil (delivery app), their investment scale and object is attracting a lot of attention.

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## Far East/Southeast Asia Report

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It seems that they are trying to create big future synergies by correctly identifying the strengths of each investment and supporting investment targets. Huge amounts of funds are needed for next generation technology, and a large investment by Softbank is like a big global seeding, although it may take time to harvest. **PSR**

### Far East > 韓国:

#### 起亜自動車、インドに参入 南東部に工場完成

起亜自動車は、インド市場に参入するため、南東部のアンドラプラデシュ州に建設中だった工場がこのほど完成したと発表した。2019年後半に本格生産を始める。生産能力は年30万台。インドで需要の高い小型車と多目的スポーツ車(SUV)を生産する。21年に販売台数でインドの上位5位に入的目标を目指す。約220万平方メートルの敷地に、工場や社員の研修施設を設けた。起亜自と関連する自動車部品メーカーの投資額は20億ドル(約2200億円)に上り、同州で1万人の雇用を生み出す見通しだ。起亜自は17年4月にインドへの進出を決め、同州と覚書を交わした。18年2月に首都ニューデリー郊外で開かれた自動車ショーでSUVのコンセプト車を披露するなど参入準備を進めてきた。

インドの乗用車の新車販売は年300万台超。18年4～12月の乗用車のメーカー別シェアはスズキ子会社のマルチ・スズキが51.7%で首位。韓国・現代自動車が16.3%で2位だった。地場大手マヒンドラ・アンド・マヒンドラとタタ自動車が6%台で続き、5位はホンダが5%台で追う。

**Source: 日経新聞, 2019年2月4日**

**PSR 分析:** 先月のPowerTALKではHyundaiがEV工場をインドネシアに設立と報じたが、これに引き続き韓国メーカーの海外進出は顕著になっている。これは必然の流れと言えるだろう。韓国内の自動車産業は非常に深刻なレベルで低迷を続けている。昨年はGMが撤退を検討し労組と衝突した。これはGMが方針を転換して韓国を東アジアの拠点とすることで決着をしたが、今年に入ってから今度はルノーが韓国子会社であるルノーサムスの釜山工場の生産縮小を検討している、との報道が出ている。労組が非常に強く、ストライキと賃上げ要求が頻発する国内を嫌うOEMは海外の成長市場で実績を立てていくことを狙っている。韓国にとって中国は最重要市場であることに疑いは無いが、中国だけに依存しすぎるとリスクが増す。成長市場である東南アジアとインドで韓国OEMがプレゼンスを確立するためのアクションは今後ますます目立っていくだろう。**PSR**

### Far East: South Korea Report

#### Kia Motors Completes Factory in India

Kia announced that a factory in the state of Andhra Pradesh to produce cars for the Indian market has been completed. It will start full-scale production in

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## Far East/Southeast Asia Report

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2H 2019, and annual production capacity is expected to be 300,000 units. The factory will produce compact cars and SUVs, which have high demand in India. Kia is targeting a spot in the top 5 in India in 2021. The factories and training facilities cover approximately 2.2 million sq. meters. Investment by automobile parts manufacturers is expected to reach US\$ 2 billion, and it is expected to produce 10,000 jobs in the state.

Annual new car sales of passenger cars in India exceeds 3 million units

**Source:** Nikkei, 4 February 2019 [Read The Article](#)

**PSR Analysis:** In the January 2019 issue of PowerTALK, I reported that Hyundai established an EV factory in Indonesia. Following the news, Korean OEM's overseas expansion has become prominent. This is an inevitable flow.

The automobile industry in South Korea continues to undergo a very serious slump. Last year, GM battled labor unions and considered withdrawing production from Korea. This was settled by GM converting policy to make Korea the base of East Asia. And now Renault is considering shrinking production of the Busan factory in Renault Samsung, a Korean subsidiary. The labor union in South Korea is extremely strong, and OEMs do not like the strict domestic environment where strikes and wage increase demands are frequent.

There is no doubt that China is the most important market for South Korea, but if Korea depends too much on China it increases its risk. Actions to establish the presence of South Korea OEMs in growth markets such as Southeast Asia and India will become increasingly prominent in the future. **PSR**

## 東南アジア > 東南アジア各国

東南アジア > インドネシア、タイ、マレーシア、ベトナム、フィリピン、シンガポール

東南アジア主要6カ国の新車販売 2018年過去最高

東南アジア主要6カ国の2018年の新車販売が2017年実績比6%増の約357万6000台となった。3年連続で前年実績を上回り、5年ぶりに過去最高を更新した。経済が堅調なタイでは低金利ローンの提供などで各社が販売にしのぎを削り、20%増の約104万台と大幅に伸びた。最大市場のインドネシアも7%増の約115万台と堅調な伸びを見せた。主要6カ国はタイ、インドネシア、マレーシア、フィリピン、ベトナム、シンガポールを指す。域内では日本メーカーが約8割のシェアを握っている。

**Source:** 日経新聞, 2019年2月6日

**PSR 分析:** 東南アジアの自動車産業にとって2018年は良い一年だった。モータリゼーションは少しずつだが確実に進んでおり、国内自動車産業の成熟度



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## Far East/Southeast Asia Report

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*2018 new car sales in six key Southeast Asia countries increased 6% over 2017 to about 3,576,000 units.*

も増している、それを実感できた年だったと言えるだろう。だが、ソース記事でも触れられているが、2019通年の新車販売の見通しは概ね横ばいになるだろうという見方が一般的だ。インドネシアは約110万台(GAIKINDO)と予測している。タイは約105万台(FTI)、マレーシアは約60万台(MAA)の予測だ。総じて控えめで慎重な予測が目立っている。昨年12月の新車販売が前年同月比2%減少したことと、先行きの不透明感が慎重な予測の根拠だ。需要は旺盛だが依然としてグローバルな外的要因に影響される市場の体質は残っている。特に米中貿易戦争の行方は東南アジアの将来を大きく左右する。東南アジアがさらに市場の堅牢性を高めるためには、長期的見地に立ったうえで域内諸国同士の結束を高めて更なる発展を目指すことが大切になっていくだろう。 **PSR**

## Southeast Asia: Indonesia, Thailand, Malaysia, Vietnam, Philippines, Singapore

### 2018 New Car Sales in Southeast Asia Hit Record Highs

2018 new car sales in six key Southeast Asia countries increased 6% over 2017 to about 3,576,000 units. The six key countries are Thailand, Indonesia, Malaysia, Philippines, Vietnam, Singapore. This exceeded the previous year's results for the third consecutive year.

In Thailand, where the economy is steady, each company used low-interest loans to push sales up by 20% to about 1.04 million units. Indonesia, the largest market, posted an increase of 7.5%, to about 1.15 million units. In the region, Japanese brands hold about 80% of the market.

**Source:** Nikkei, 6 February 2019 [Read The Article](#)

**PSR Analysis:** For the auto industry in Southeast Asia, 2018 was a good year. Motorization is progressing steadily, and it was a year that saw the maturity of the domestic automobile industry continue to increase. However, many believe 2019 prospects for new car sales generally will remain unchanged.

Indonesia forecasts about 1.1 million units (GAIKINDO). Thailand forecasts about 1.05 million units (FTI), and Malaysia forecasts about 600,000 units (MAA).

In general, conservative and cautious forecasts are common. One reason for the caution is that new car sales in December 2018 decreased by 2% from the same month the previous year. Demand is robust, but there are vulnerabilities to global external factors. The future of Southeast Asia depends largely on the future of the US-China trade war. In order for the Southeast Asia market to expand, it is important to enhance the unity of the countries in the region, keeping in mind the long-term perspective. **PSR**

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## India Report

By *Jinal Shah*, Regional Director, South Asia Operations

### PMO Okays EV Promotion Measures

The Prime Minister's Office (PMO) has given its go-ahead to at least a dozen measures proposed by a committee of secretaries to help achieve a 15% share of total vehicle sales by electric vehicles (EVs) in the next five years.

#### Read The Article



*Jinal  
Shah*

**PSR Analysis:** While India has yet to formulate comprehensive policies for electric transportation; the government recently has approved proposals providing incentives to manufacturers and buyers as well as creators of infrastructure for electric transportation.

Today, the penetration of electric vehicles is not governed by technology, since it requires proper infrastructure and stronger market acceptance. Increased private and personalized transportation depends on government action to set up infrastructure, so electrification of this segment will take longer.

We believe electrification will be highest for public transportation and three-wheeler segments as the infrastructure development for these two segments is relatively under control. Government procurement is expected to be a major driver for growth in coming years followed by increased demand by fleet operators.

Here are some of our thoughts on customer mix, challenges and drivers for each category:

**Buses:** Key challenges limiting the faster adoption of electric buses in India are that the batteries of e-buses must become lighter so that the buses can carry higher passenger loads for the same charge and should not have to pay more per kilometer than diesel buses. Also, like diesel buses, the e-buses need to be ready for use at all times. The battery costs account for almost 50% of electric vehicles.

Battery swapping recently adopted in India can revolutionize the future of public transportation in India. Swapping can make the cost comparable to standard IC engine buses, it also reduces the number of excess batteries required to operate a fleet, and it reduces the parking space required for charging these batteries.

**3-Wheelers:** E-Auto sales are also expected to grow through the entry of OEMs like Bajaj and TVS, although they will still account for a relatively

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## India Report

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*In the long-run, natural economic and environmental attractiveness will make an EV boom in India inevitable.*

smaller share of the overall electric 3-wheeler category. Demand aggregation through public procurement and battery swapping is expected to play an important role in early adoption. Entry of organized players will increase enforcement of standards and registration, creating a powerful market driver.

**4-Wheelers:** While at an early stage of adoption, Mahindra and Tata will continue to grow their presence to cater to government contracts and growing private demand. Entry is likely by MNCs like Nissan, Hyundai, Kia and Honda in the coming years. We foresee the inflection point in this segment by 2022-23

**2-Wheelers:** Major OEMs, such as Hero, Ampere, TVS, and Lohia, have high-powered electric 2-wheelers in the pipeline. Numerous start-ups, focusing on better performing vehicles, such as Ather, Tork and Emflux, began sales in 2018.

However, the segment will be driven by private ownership and subsidies. It will be characterized by a migration from lead acid batteries to lithium-ion batteries and from low speed to high speed vehicles. In the short-term, most of these manufacturers will continue to import electronic components.

In the long-run, natural economic and environmental attractiveness will make an EV boom in India inevitable. The continued fall in costs for lithium-ion batteries will drastically lower upfront costs, and improvement in battery technology will lead to affordable and higher range EVs. Private investment in infrastructure likely will be a function of demand driven by these elements and will provide the ingredients needed for expansion. **PSR**

## Russia Report

By *Maxim Sakov*, Market Consultant, Russia

### Volkswagen To Invest Up To US\$ 200 Million



*Maxim  
Sakov*

Volkswagen is going to invest up to 200 million US\$ (12 billion Rubles) under a special investment contract aimed at developing transmissions production.

“They already make engines,” said one government official, “and now we are negotiating transmissions.”

The Volkswagen Group Rus plant is located in the Kaluge region, 170 kilometers from Moscow. It makes VW and Skoda cars, and gasoline engines. Plant production capacity is 225,000 cars/year.

A special investment contract presumes State subsidies and other privileges in exchange for local production. **Read The Article**

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## Russia Report

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**PSR Analysis:** The State continues to attract global OEMs by offering special privileges. And, although terms of these investment programs are becoming stricter, businesses still are interested in participating. VW, in spite of “dieselgate” and other pressures continues to invest significant amounts of money in Russian production. Similar information is leaked about Hyundai – they reportedly are going to invest US\$ 260 million in local engine and transmissions production.

## GAZ Group and Azermash To Build Plant for Exports

Gadjigabul (Azerbaijan) started construction on a JV with GAZ Group and local Azermash. It's expected, that vehicles from the new plant will be exported to Turkey, Georgia and Iran.

The plant will assemble LCVs and special vehicles. Planned production capacity is about 1,000 vehicles/year.

Construction is expected to be completed in 2020. **Read The Article**

**PSR Analysis:** GAZ group is looking for ways to expand its export opportunities. One of the ways is the creation joint ventures and production plants in CIS countries with established export links. It's important to note that the GAZ Group is a part of Russian Machines holding, which is under US sanctions now.

## Chetra Starts Production of Components for John Deere

Promtractor plants (brand Chetra) in Cheboksary has started production of components for John Deere AG machinery.

Since December 2018, Chetra has supplied 140 tons of foundry products (wheels for 8000-series tractors). It's planned that until the end of the year 400 tons will be supplied, and the product range will be expanded, because new orders are on the way. Front frame production is expected soon.

**Read The Article**

**PSR Analysis:** The John Deere Russia assembly plant is located in the Domodedovo, Moscow region. Previously, it was a kit assembly, but now they have started using local components. Tractor plants concern (brand Chetra) changed ownership last year, after significant financial troubles. Now it's State-private partnership. **PSR**

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