PowerTALK

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Worldwide News & Analysis

Top Stories

Global Economy Still Looks Strong

Global Truck Production Drops

Volvo Electrifies Buses

NA PWC Production Declining

Report from FENATRAN Show

Greely, Weichai To Cooperate

Sumitomo Expands in Indonesia

Cummins, Hyundai Collaborate

Kubota Expands in Myanmar

India Slowdown Continues

India Vehicle Sales Decline

Hyundai Eyes Engine Plan

About Us

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中国語や日本語で読みたいという読者様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。

Questions, Comments? Contact Joe Delmont, Editor
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Click Here To Go To Page 1

Global Report

By Yosyf Sheremeta, Director of Product Management & Customer Experience

Fundamentals Strong, But Uncertainties Linger

This is excerpted from the Q3 2019 Update Bulletin prepared for PSR clients

Yosyf Sheremeta

SUMMARY. If you were to look at the latest global macro-economic fundamentals, you would see a strong and healthy economy and a rosy picture. On the other hand, if you follow the latest updates on key industries and their players worldwide, optimism is not that strong.

Furthermore, the outlook is rather cautious and reserved. Yes, some industries are better than others, such as Industrial vs. consumer focused. We notice a common feeling of uncertainty present and primarily related to outside factors. Global geo-politics, Middle East, China, Brexit, global trade tensions and tariffs have all contributed to this situation and have added uncertainty to global growth.

Fundamentally, major markets in European and North America still enjoy record low unemployment, historically very low interest rates and low inflation. However, over the past few months conditions have turned south and the growth in these areas is losing its steam. While key economic indicators remain very healthy, we do not expect any significant growth in these areas.

With the growth of economic uncertainties, we expect to continue to see rapid shifts in political situations and money capital between industries and markets going forward.

When our analysts study current and future market trends, we do not speculate on rumors or proposed future policies—although we consider their possible effects--so we have not made any significant changes in our projections related to escalated global trade tensions and economic disagreements. However, we do expect weaker global economic conditions in the near term; thus, our current forecast and growth rates already reflect this situation and the trend.

Proposed global trade policies will certainly have an impact on current markets and future growth; however, these changes will not be immediate and will depend greatly on the outcome of such policies in the long run. Furthermore, the tone of the latest discussions on global trade policies are projected to gain political capital in the short term. Based on that, we do not expect any major economic policy changes to take place in short or medium term.

Although 2019 still shows a strong performance overall vs 2018, during the past three months, we have seen a stall in continuous growth and even minor declines in key indicators around the world and across industries.

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Global Report

Continued from page 2

As we look at Q4 2019 and into 2020, we have slightly adjusted our previous forecast to be even more cautious and conservative vs the outlook in previous quarters. We do not expect any major acceleration in growth for the next 6-18 months.

Most markets still are showing modest growth rates vs 2018, but we see a slowdown in growth dynamics. The North American economy is still strong; however, there are many warning signs to sustain future growth, and a slowdown could be on the horizon within 6-18 months.

During the next few years, we will see increased growth and adoption of new technologies such as autonomous driving and electrification. Some markets will adopt these new technologies quickly, which will disrupt some industries, including established market shares. Key segments that will experience the most rapid change will be **Lawn and Garden**, **On-Highway** and some **Recreational Products**.

AGRICULTURAL. Global machinery production for the Agricultural sector is expected to decline 5.4 % in 2019; the forecast is down slightly (by 0.3%) from our projection in Q2 2019. The key contributing region to the global decline was North America where we have seen significant declines in some product categories. This trend will continue in 2020, slipping overall at 2.5%. This decline is mainly due to the replacement in China of 2-wheel drive tractors with larger HP machines.

Globally, we do not expect any rapid recovery or high growth, mainly due to current economic conditions, ongoing trade rhetoric in the segment and record low commodity prices. We forecast the recovery will be very slow at 1%-3%, and the market will not reach its prior high levels in the foreseeable future.

CONSTRUCTION. The global Construction sector performed very well over the past couple of years, posting an overall growth rate of 8.9% in 2018. The key region contributing to the growth was China. On the other hand, some equipment seems to be losing ground in Europe.

Currently, we forecast global machinery production for construction markets to grow 0.9% in 2019, which is healthy, but slightly lower than the previous quarter by 0.5%. Next year (2020) is projected to be flat to positive, by 0.1%.

The mining sector looks encouraging. and increased infrastructure spending in the U.S. could drive this sector higher.

In terms of the overall economic cycle, we expect most developed markets to remain solid in Q4 2019. Within the Construction segment, we see Brazil, India and China showing very strong performance in emerging markets, and North American, European and Japanese markets supporting this trend. However, signs of a slowdown are on the horizon.

Other **Off-Highway** segments, such as **Industrial**, **Lawn and Garden** and **Power Generation**, will closely follow global economic trends.

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Click Here To Go To Page 1

Global Report

Continued from page 3

For the On-Highway sectors we see a decline in production volumes across various products (with the exception of the LCV segment and Electric Vehicles).

For the **On-Highway** sectors we see a decline in production volumes across various products (with the exception of the LCV segment and Electric Vehicles). On the other hand, we continue to see development of EV technology and the introduction of multiple EV models across the board.

New electric models are planned to be introduced by most major OEMs. At this point, the overall volume for electric vehicles (both commercial and for personal use) is insignificant in terms of market share, but we already see rapid adoption of these technologies, and its growth will accelerate over the next 5-10 years.

Since the beginning of 2019, we have significantly updated our databases and increased our near-term projections and growth rates for electric buses as well as commercial vehicles. However, the baseline production volumes remain low in terms of overall market share for these applications. We project that these new technologies, if adopted by the market will have a significant impact and rate of change in 4-5 years and will continue to rapidly expand market share.

Demand for **Medium and Heavy Vehicles** is expected to slow this year and into 2020. Commercial truck demand in North America and portions of Eastern Europe is expected to be relatively strong for much of the year while most other regions are experiencing a slowdown.

PSR expects a continued slowdown in medium and heavy truck demand for most regions in 2020. Currently, a global recession is not forecasted but a cooling off is expected. According to IHS Markit, global GDP was 3.2% in 2018 and is forecasted to edge down to 2.9% in 2019 and 2.8% in 2020. These indicators align with what PSR is seeing in the global medium and heavy truck market. **PSR**

Truck Production Index

By Chris Fisher, Senior Commercial Vehicle Analyst
and Jim Downey, Vice President - Global Data Products

Q3 2019 Truck Production Index (PSR-TPI) falls 9.4%

St. Paul, MN (Oct. 16, 2019)— The Power Systems Research Truck Production Index (PSR-TPI) dropped from 128 to 1116, or 9.4%, for the three-month period ended Sept. 30, 2019, from Q2 2019. The year-over-year (Q3 2018 to Q3 2019) loss for the PSR-TPI was, 120 to 116, or 3.3%.

Power Systems Research
TPI
Truck Production Index

Total global truck production for Q3 2019 was 1,431,959, down from 1,481,020 in Q3 2018.

The PSR-TPI measures truck production globally and across six regions: North America, China, Europe, South America, Japan & Korea and Emerging Markets.

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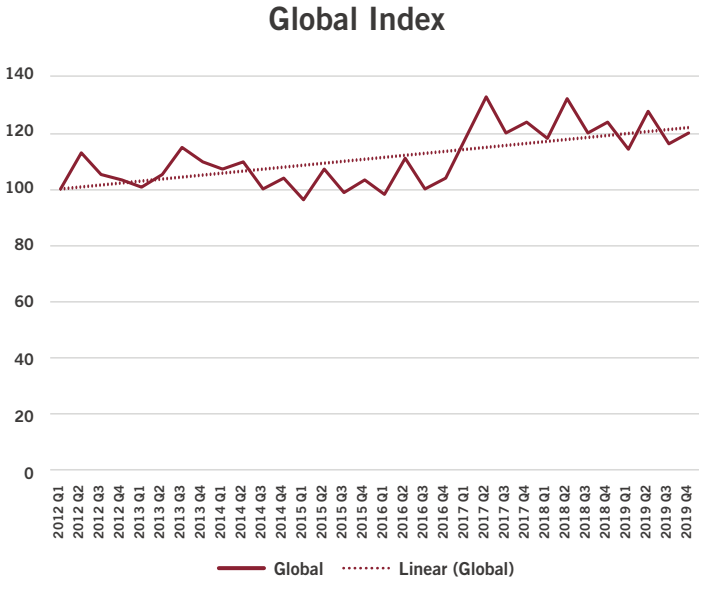
Click Here To Go To Page 1

Truck Production Index

Continued from page 4

Chris Fisher

Jim Downey



This data comes from **CV Link™**, the proprietary database maintained by Power Systems Research.

Global Index: Much like the global economy, medium and heavy truck demand has slowed this year and is expected to remain soft throughout 2020. Currently, a global recession is not forecasted but a cooling off is expected over the longer term.

All Regions: Commercial truck demand in North America and portions of Eastern Europe have been relatively strong for much of the year while most other regions have experienced a slowdown. PSR expects a continued slowdown in medium and heavy truck demand for most regions in 2020.

For a complete report, visit the **Truck Production Index Archive**. **PSR**

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Europe Report

By Emiliano Marzoli, Senior Business Development Manager - European

Emiliano Marzoli

Volvo Electrifies Public Transportation

Read The Article

Volvo Buses, one of the leading manufacturers of buses, unveiled an electrically-powered articulated bus that can carry up to 150 passengers with 80% lower energy consumption than a comparable diesel bus during the Busworld Show in Brussels.

"In order to make it as simple as possible for our customers to take the step into an electrified future, the Volvo 7900 Electric Articulated is available as a turnkey solution at a fixed, predetermined cost per kilometer," says

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Click Here To Go To Page 1

Europe Report

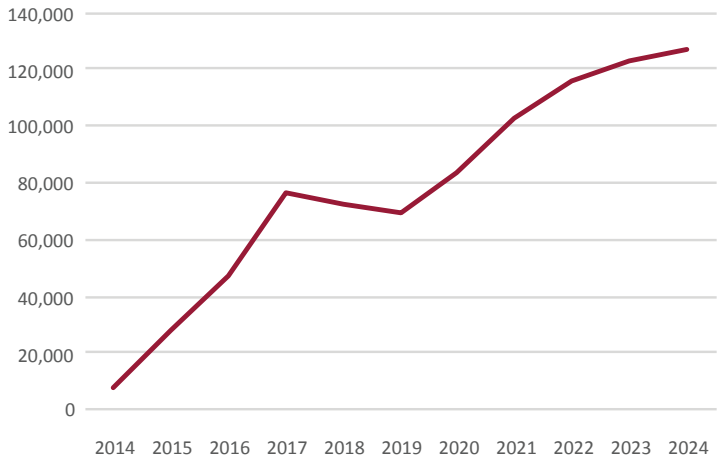
Continued from page 5

a company representative. "We ensure that the operator always has a bus ready for the road, without the need to purchase it."

Servicing, repairs, battery maintenance and driver training are all included, the company says.

The Volvo 7900 Electric Articulated is available in two lengths, 18 and 18.7 m. The number of batteries can be varied to provide the exact energy storage capacity needed for each vehicle. Charging can take place either via quick-charge stations along the route (OppCharge) or via the main grid when the bus is parked in the depot (Combo2/CCS).

Alternative Fuels Public Transport Bus Global Demand



Demand for alternative fuels buses, including Hybrids, EVs and Fuel cells has been increasing significantly in recent years, both globally and in Europe.

Source: PSR OE Link™ with Sales

In China, the government strategy has been to invest heavily in the adoption of electric buses for public transport in large cities like Beijing. Sales of EV Buses have been surging since 2017, reaching more than 70,000 buses sold per year.

After a slight decline in 2018 and 2019 due to a slowdown in the Chinese economy, we are expecting sales in China to pick up again and rise above 100 thousand public buses sold each year.

In Europe, with the effort Volvo is making to develop new alternative fuel busses, we forecast their market share to regain momentum in the coming years.

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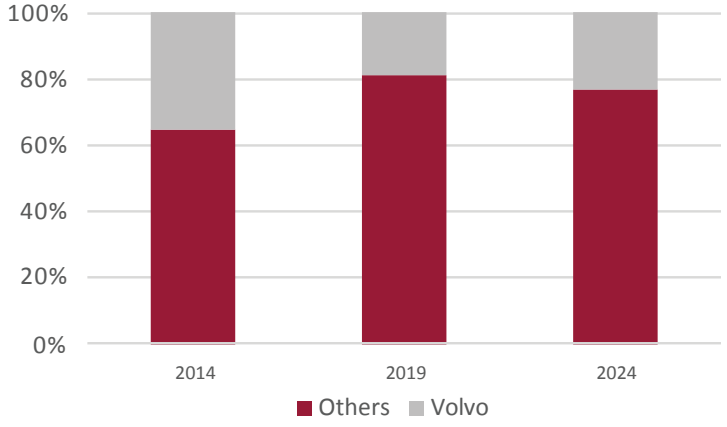
Click Here To Go To Page 1

Europe Report

Continued from page 6

Volvo has been at the forefront of electrification, and in 2014 had a solid lead in European sales. In recent years, other manufacturers caught up with them, but with new models released by the Swedish company we expect them to expand their lead

Alternative Fuels Public Transpot Bus Market Share Europe



Source: PSR OE Link™ with Sales

Volvo has been at the forefront of electrification, and in 2014 had a solid lead in European sales. In recent years, other manufacturers caught up with them, but with new models released by the Swedish company we expect them to expand their lead and sell more than 2,000 buses in Europe after 2024.

Facts, Volvo 7900 Electric Articulated

- Length: 18 or 18.7 m.
- Passenger capacity: Up to 150 passengers.
- Driveline: Dual electric motors with two-speed transmission. Max. power output 2x200 kW, max. torque 31 kNm at the driven axle.
- Batteries: Lithium-ion batteries with up to 396 kWh energy storage capacity.
- Charging system: OppCharge, Combo2/CCS. **PSR**

Data Point: *NA Personal Watercraft (PWC)*

88,200

By Carol Turner, Senior Analyst, Global Operations

This is the estimate by Power Systems Research of the number of Personal Watercraft (PWC) and jet drive boats that will be produced in North America during 2019. Estimated 2019 production will be down about 1,300 units, or 1.5%, from 2018.

In 2018, production was 89,509 units, up 3,035 units or 3.5% from 2017.

This information comes from industry interviews and from two proprietary databases maintained by Power Systems Research: **EnginLink™** , which provides information on engines, and **OE Link™**, a database of equipment manufacturers.

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Click Here To Go To Page 1

Data Point

Continued from page 7

Market Share: With combined plant totals of 53.3%, **Yamaha** leads in production of PWC in North America. In second position is **Bombardier (BRP)** with 39.5%; third is **Kawasaki** with 7%. Canadian-based BRP builds its Sea-Doo branded PWCs in Mexico. Tennessee Watercraft produces the jet drive boats for Yamaha.

Exports: Collectively up to 30% worldwide

Trends: In 2018, production of PWC in NA increased 3.5% over 2017. Year over Year, production is expected to remain flat, with a slight decrease of 1.3%, in 2019. Sales of these recreational vehicles depend on disposable income and leisure time. Industry revenue dropped during the recession and is still low; over the next five years continued disposable income growth will bring revenue back to its prerecession level. Expect the production of Personal Watercraft to gain up to 5% by 2025. **PSR**

Brazil/South America Report

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

Scania Pushes First CNG Truck at FENATRAN

Fabio Ferraresi

Scania displayed CNG trucks and biogas production systems at its booth as a clear bet on this technology growing against Diesel in Brazil. At the show, it sold its first regular production R 410 fueled by CNG to RN Logistics. The truck will operate at the São Paulo – Rio de Janeiro route.

Source: *Automotive Business* **Read The Article**

PSR Analysis: Scania is working to be recognized as the leading source of CNG gas in Brazil. The growing availability and development of infrastructure for distribution will make CNG an important source for commercial vehicles in Brazil, due to competitive TCO and emissions reduction that allow to supply urban buses within emissions limits and meet long term targets for complete OEM fleet.

ANP Begins HVO Standards Definition in Brazil

The national agency for oil began discussions Oct. 16 with associations and key stakeholders to set standards for HVO production and sales. This is an important step to make feasible the introduction of this renewable fuel, since there are already investments on US$ 800 million to produce it.

Source: *Automotive Business* **Read The Article**

PSR Analysis: The lack of standards is the main bottleneck for large scale production of this fuel. This is a clean option to replace Biodiesel, that produces

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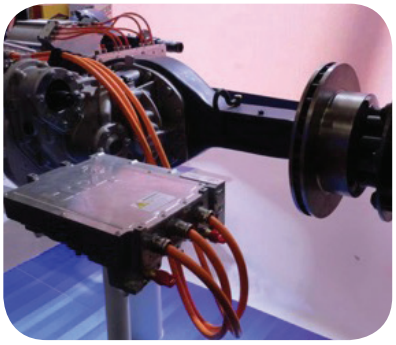
Click Here To Go To Page 1

Brazil/South America Report

Continued from page 8



grease and other issues that limit the proportion in Diesel mix. HVO can be used to 100% replace Diesel, with no impact on engine life, no emissions and 90% CO2 emission reduction. The agribusiness stakeholders in South America will find HVO to be a better way to increase the demand on grains without the limitations of Biodiesel.

Electric Axles Boom at FENATRAN

Dana, Meritor and Suspensys displayed Electric Axles at FENATRAN and drew lots of attention from attendees. Some of the solutions can replace traditional axles with no additional adjustments in the axle envelope, allowing electric propulsion for existing designs and vehicles.

Source: *Automotive Business* **Read The Article**

PSR Analysis: The solution allows OEMs to use electric propulsion in existing designs with less development cost, and it allows truck owners to retrofit Diesel powered vehicles for electric propulsion. When a new design is preferred for better overall results, these needs now can be met in low volumes or niche markets and retrofitting applications. **PSR**

China Report

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

Geely and Weichai Sign Strategic Cooperation Pact

Qin Fen

Geely and Weichai Power have signed an agreement covering strategic cooperation on methanol-powered heavy duty trucks in Weifang, Shandong province, where Weichai Power is headquartered.

Source: *CV News* **Read The Article**

PSR Analysis: When it comes to alternative fuel, few--even in the engine industry--know that China has been doing massive test-runs in several provinces and cities on methanol-powered vehicles, primarily in taxis.

Now they are in another niche market, heavy duty trucks, in which cost matters and emission regulations are stringent. Fortunately, M100 or blending Methanol, can meet both requirements, significantly cuting costs and the emissions.

Of course, there are issues of production and supply of methanol, but that's a different subject. If you want to know more, share and subscribe. **PSR**

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Click Here To Go To Page 1

China Report

Continued from page 9

吉利与潍柴动力开启战略合作 全球率先布局甲醇重卡

2019年10月15日 — 在浙江吉利控股集团有限公司（简称"吉利"）与潍柴动力股份有限公司（简称"潍柴动力"）在山东潍坊签署战略合作协议，双方就甲醇发动机开发合作达成一致意见，携手布局全球甲醇重卡市场。

新闻来源： 商用车新闻 – **阅读原文链接**

PSR分析： 谈到替代燃料，即便对于很多身在内燃机行业当中的专业人士，恐怕也有很多人不知道，中国已经在几个省市大规模实验甲醇驱动的机动车，主要以出租车为主。现在，甲醇又进入到了另外一个细分市场，重卡，这个市场不光对成本敏感，对于排放要求，也相当的严格，幸运的是，掺烧甲醇或者纯烧甲醇不光降低了成本，也大幅度降低了排放物，可以很轻松的满足国六要求。

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Far East: Japan Report

By Akihiro Komuro, Research Analyst, Far East and Southeast Asia
小室 明大 極東及び東南アジア - リサーチアナリスト

Sumitomo Construction To Increase Capacity of Indonesian Plant

Sumitomo Construction Machinery Co., Ltd. says it will invest US$ 33 million (approximately 3.5 billion Yen) in its Indonesian plant to increase production capacity.

Akihiro Komuro

In 2011, the company opened the factory, its third factory, with the aim of supplying products to the ASEAN market. The initial annual production capacity was 1,000 hydraulic excavators, but in FY2018 the annual production capacity increased to about 1,500 units. The production capacity has reached the upper limit level. Given the fact that the production volume of both the Chiba and China factories is tight, they decided to increase the production capacity of the Indonesian factory that has an expansion site. Increased production capacity will be 2,500 units per year. The new plant is scheduled to start production in January 2021.

Source: Sumitomo Construction Machinery Press Release

PSR Analysis: Sumitomo Construction Machinery has a market share of about 70% in Japan in asphalt pavers, but their domestic market share for excavators is only about 7%. One analysis indicates that construction machinery demand

Click Here To Go To Page 1

Far East Report
Continued from page 10

Hyundai Motor and Cummins have signed a memorandum of understanding (MOU) to collaborate on fuel cell powertrain development and commercialization.

is slowing down overall, but stable demand has continued for small construction machinery, and Sumitomo Construction Machinery is increase production to meet this demand. In other OEM factories, small construction machinery production is in high operation, and this trend will continue. **PSR**

極東 > 日本:

住友建機、約35億円投じインドネシア工場の生産能力を増強

住友建機は10月3日、インドネシア工場に3,300万ドル（約35億円）を投資して、生産能力を増強すると発表した。同社は2011年にアセアン市場への製品供給を目的に世界３番目の工場としてインドネシア工場を開設。当初の年間生産能力は油圧ショベル1,000台規模としてスタートしたが、以降販売台数の増加に合わせて生産台数を伸ばし、2018年度は年間約1,500台規模の生産実績となり、生産能力は上限レベルに達している。また他の工場である千葉工場、中国工場共に、生産台数が逼迫している現実から、すでに拡張用敷地を確保しているインドネシア工場の生産能力を増強することにした。増強後の生産能力は2,500台/年になる。新工場の生産開始は2021年1月を予定している。

出典: 住友建機プレスリリース

PSR 分析: アスファルトPAVERでは日本国内で約70%ものシェアを持っている住友建機だが、Excavatorの国内シェアは約7%である。建機需要はいささかスローダウンしているという声も聞かれるが、特に小型建機については安定的な需要が継続しており、この需要に応えるべく住友建機は増産のための投資を行うことを決めた。他のOEMの工場においても小型建機生産は高い稼働の最中であり、今後もこの流れは継続する。**PSR**

Far East Asia: South Korea

Cummins, Hyundai Motor Collaborate on Hydrogen Fuel Cell Technology

Hyundai Motor and Cummins have signed a memorandum of understanding (MOU) to collaborate on fuel cell powertrain development and commercialization. Combining Hyundai's fuel cell technology with Cummins EV powertrain, battery, and control technology is expected to develop a new powertrain.

Initial development is focused on the North American commercial vehicle market and includes integrating these systems into vehicles in collaboration with North American OEMs. The two companies also will look for ways to work together to develop the next generation of fuel cell systems, and each promises to assign a personal team to explore and pursue other areas of collaboration.

Source: Hyundai Motors Press Release

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Click Here To Go To Page 1

Far East Report

Continued from page 11

PSR Analysis: The relationship between Hyundai and Cummins has been around for a long time. They established a joint venture in 2013 to produce engines for construction machinery in Korea.

This time, the aim is to introduce the fuel cell technology that Hyundai has researched in the North American commercial vehicle market. Alliance strategies have become a trend for automotive OEMs around the world. The collaboration between Cummins, the world's largest engine maker, and Hyundai, Korea 's top OEM, is likely to have a significant impact in terms of scale and financial strength. **PSR**

極東 ＞韓国:

米カミンズ、現代自動車と水素燃料電池技術で協力

2019年9月26日・・・・・・Hyundai Motor Company（現代自動車）とカミンズは、本日、世界の2つのパワートレインリーダーが覚書（MOU）を締結し、電気および燃料電池のパワートレインを開発および商用化する機会を共同で評価したことを発表しました。これらの新しいパワートレインは、現代自動車の燃料電池システムとカミンズの電気パワートレイン、バッテリー、および制御技術を組み合わせることで開発されることが期待されています。最初の開発は北米の商用車市場に焦点を当て、北米のOEMと協力してこれらのシステムを車両に統合することを含めます。また、両社は、次世代の燃料電池システムを開発するために協力する方法を模索し、それぞれが他のコラボレーション分野を調査および追求するために個人のチームを割り当てることを約束します。

出典: 現代自動車プレスリリース

PSR 分析: 現代とカミンズの関係は以前より近しい。2013年に合弁会社を作り韓国内で建機向けエンジンの生産を行っている。今回は燃料電池に関する契約で、現代がこれまで研究してきた燃料電池技術を北米の商用車市場に投入することが狙いだ。世界の自動車OEMにとってアライアンス戦略が潮流となっている中、世界最大のエンジンメーカーであるカミンズと韓国トップOEMである現代の協業は、その規模や資金力から見ても大きな影響を与える可能性が高い。**PSR**

Southeast Asia: Myanmar Report

Kubota Invests 3 Billion Yen In New HQ and Logistics Base

Kubota says that a sales subsidiary in Myanmar "Kubota Myanmar Co., Ltd" (KMCL) will build a new base in the Thilawa Special Economic Zone near Yangon and consolidate its head office and logistics functions.

In order to capture Myanmar's demand for agricultural machinery, which is expected to expand further in the future, they will improve the efficiency of the

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Click Here To Go To Page 1

Southeast Asia Report

Continued from page 12

Myanmar's total population and rice production are almost the same size as Thailand, but it depends on human power and cattle for the majority of farm work, so it is expected that mechanization of farm work will progress in the future.

supply chain and strengthen the service system, and they will promote business expansion in Myanmar.

In 2011, Thailand's SIAM KUBOTA Corporation Co., Ltd. started selling agricultural machinery in Myanmar through distributors. In 2016, Kubota's sales subsidiary, KMCL, was established and directly operated in Myanmar. Now, by consolidating the headquarters and logistics functions that were dispersed in three locations in Myanmar, they will improve the efficiency of the supply chain and support system such as the expansion of service training centers for dealers and the establishment of demonstration locations.

Source: Kubota News Release

PSR Analysis: Myanmar's total population and rice production are almost the same size as Thailand, but it depends on human power and cattle for the majority of farm work, so it is expected that mechanization of farm work will progress in the future.

In Southeast Asia, the demand for agricultural mechanization is still strong, and it is a market where long-term growth is expected.

Kubota already has a very large share in Thailand and many other Southeast Asian countries but is actively investing to deepen its commitment to the market. Like other Japanese OEMs, they have a strong support strategy. By developing a Myanmar base adjacent to Bangladesh and Laos, they will further solidify their leadership position in the area. **PSR**

東南アジア > ミャンマー:

クボタ、約30億円投じミャンマー子会社の新本社・物流拠点を建設

㈱クボタは9月26日、ミャンマーにおける販売子会社「Kubota Myanmar Co., Ltd」（以下、KMCL）が、ヤンゴン近郊のティラワ経済特区内に新拠点を建設し、本社と物流の機能を集約すると発表した。今後、更なる拡大が見込まれるミャンマーの農業機械需要を取り込むため、サプライチェーンの効率改善やサービス体制強化を進め、ミャンマーにおける事業拡大を推進していく。2011年よりタイのSIAM KUBOTA Corporation Co., Ltd.が、ディストリビューターを通じて、ミャンマー国内で農業機械の販売を開始し、2016年にクボタの販売子会社であるKMCLを設立し、直接ミャンマーで事業活動を行ってきた。今回、ミャンマー国内の3カ所に分散していた本社及び物流機能を集約することで、サプライチェーンの効率化を図るとともに、ディーラー向けのサービストレーニングセンターの拡張やデモ実演場所の設置等サポート体制の強化を図る。

出典: クボタ ニュースリリース

PSR分析: ミャンマーの総人口及びコメ生産量はタイとほぼ同等ながら、農作業の大半を人力と役牛に依存しているため、今後は農作業の機械化が進展す

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Click Here To Go To Page 1

Southeast Asia Report

Continued from page 13

る見通しだ。東南アジアではまだまだ農業機械化の需要は底堅く、長期的な成長が期待できる市場だ。すでにクボタはタイをはじめ多くの東南アジア各国で非常に大きなシェアを獲得しているが、さらに深く市場にコミットすべく投資を積極的に行っている。他の日本のOEMと同様に手厚いサポートを戦略にしている。バングラデシュやラオス、とも隣接しているミャンマーの拠点を発展させることで当該エリアにおける主導的立場を今後さらに明確化していくだろう。**PSR**

India Report

By Ritvik Kulkarni, Research Analyst-India

India Economy Faces Further Slowdown

The Indian government has taken a number of measures to revive growth, but experts predict slow growth for next fiscal year. **Read The Article**

Ritvik Kulkarni

PSR Analysis: The free fall in 2018-2019 is mainly due to

- **Consumption demand slump:** We believe, consumption demand is likely to remain soft due to weak kharif 2019 prospects and job cuts in the industrial sector.
- **The job market** can pick up only when companies start adding fresh capacities. However, companies are unlikely to get aggressive on adding capacity untill they see clear signs of a sustainable increase in demand.
- **Purchasing Manager's** Index represents weak manufacturing and service sector activities
- **Consumer confidence** tumbles to 48.7 in September from 95.7 in July over jobs and economic the situation.

Weakening confidence is primarily attributable to the deterioration in confidence on the economic situation and employment.

We analyzed the last three-four historical cycles to see the cause-effect-recovery, and we found:

- **The previous** slowdowns were driven more by macro and/or global events such as Asian crisis, Dotcom Bubble, Global financial crisis etc.
- **The current** crisis seems to stem primarily from
  1. NBFC crisis (approximately 60% of Lending/Financing)
  2. Current economic slowdown (Low business and consumer sentiments and slower income growth)
  3. Increasing cost of regulatory compliances and environmental concerns

As such, we are at least a year away from recovery and a growth trajectory

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India Report

Continued from page 14

Vehicle Retail Sales Continue Decline in September

Automobile retail sales in India registered a double-digit decline in September, according to registration data provided by the Federation of Automobile Dealers Associations (FADA). The survey indicates no respite for the industry in the demand downturn, which is one of the worst ever. **Read The Article**

PSR Analysis: What started as a small dip in sales in September 2018 in Commercial and passenger vehicles has blown into a full conflagration, engulfing the entire auto industry across segments for the first time in a decade.

While the entire auto industry is undergoing a prolonged slowdown, despite attractive discounts offered during the festive season; the automotive industry is searching for ways to stimulate turn-around.

Although the industry is cyclical and the free fall of GDP over last few quarters reflects the overall slowdown, the re-charging of the industry is a challenge because we are disproportionately dependent on domestic consumption.

As such, innovative ownership models and financing mechanisms can encourage buyers. Downturns like these are an opportunity for industry to increase efficiencies, consolidate supply chains, implement new age manufacturing, develop new products, and re-examine export strategies. **PSR**

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Russia Report

By Maxim Sakov, Market Consultant, Russia

Hyundai Plans To Launch Engine Plant in St Petersburg

Maxim Sakov

Planned production capacity of the plant will be 330,000 engines per year. Initial production will be 233,000 engines, and 20% of them will be exported. Expected employment is 500 people. Investment is about US$ 195 million (12.7 billion Rubles).

Last December, authorities of St Petersburg and Hyundai Motor Manufacturing Russia signed a Special Investment contract. According to it, the OEM will invest about 16.6 billion Rubles in production development projects in St Petersburg. According to Hyundai, the contract also presumes construction of an R&D center. **Read The Article**

PSR Analysis: Generally, the government encourages an OEM to bring complicated component technologies inside the country. A new scoring system being discussed, expected to be implemented next year, is a large step to it. Meanwhile, the VW plant in Kaluga has assembled its 500,000th engine.

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Click Here To Go To Page 1

Russia Report

Continued from page 15

Authorities Continue Looking for Dormash Plant Investor

The future of Orel OEM of graders, loaders and dozers has been negotiated with the governor of Orel. One possible investor is Exmash, (part of UMG group), located in Tver and producing excavators. According to a company representative, they could launch new excavator model in the Dormash plant.

Under the State support program it's supposed to spend about US$ 8 million for Dormash modernization. The process of production restoration is planned to be started after completion of bankruptcy proceedings. According to the experts, total amount of OEM's debts is about US$ 15 million.

Earlier several potential investors, including Belorussian Amcodor were discussed, but no final agreements were reached. **Read The Article**

PSR Analysis: The Dormash plant filed for bankruptcy in 2015. Currently, production is shut down, and personnel have been dismissed. However, the government is going to resume production at the plant. Taking into consideration the Chetra case, which was resurrected with the Government's support, Dormash has good chance to resume operations.

Russian Pipelayer-Transformer Tested

The DST-Ural plant is testing a new multi-functional pipelayer, which could replace several machines. Development of the machine started in 2016, following a request from a large gas company. They requested a platform combining the functions of a pipe transporter, a pipelayer and a welding module.

The designers have decided to move the engine to the back of the chassis. And in front they have set a universal platform, which allows installation of various modules.

The machine weighs 68 tons, it's powered by 412 hp YAMZ engine, and the derrick can lift up to 50 tons. **Read The Article**

PSR Analysis: DST, among other Russian construction machinery OEMs, pays a lot of attention to R&D. Among new development of the company is a remotely operated dozer without a cabin, plus several other machines. **PSR**

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