



Comparing Chinese Automotive Fastener Market Demand Before and After the Pandemic

中国疫情前后车用扣件市场景气比较

Automotive fasteners are an important component of the automotive industry, as they are used in the assembly and construction of vehicles. While specific statistics for automotive fasteners may vary, they are generally considered to be closely related to overall automotive statistics. Here are some potential connections between automotive fastener statistics and broader automotive trends. The number of fasteners used in a car can vary depending on the make and model, as well as the specific components and parts used in the vehicle. However, on average, a typical car is estimated to have around 3,000 to 4,000 fasteners. These fasteners can include a wide range of types and sizes, including bolts, screws, nuts, washers, and clips, among others. The exact number and type of fasteners used in a car can vary depending on factors like vehicle size, weight, and intended use, as well as the manufacturer's design choices and production processes. Therefore, analysing the automotive industry in China can illuminate the situation of automotive fastener situation in this country.

Chinese Automotive Market Before the Pandemic

Chinese automotive industry has long been considered one of the largest and fastest-growing industries in the world, and for a good reason. In 2019, China produced over 25 million vehicles, accounting for approximately 30% of the global production, providing employment for millions of people and being a significant contributor to the Chinese economy.

However, the outbreak of COVID-19 in early 2020 had a significant impact on the industry, with vehicle production and sales in China declining sharply in the first quarter of the year due to the lockdowns and travel restrictions imposed to contain the spread of the virus.

Despite this initial setback, Chinese automotive industry showed signs of recovery in the second half of the year as the Chinese government implemented measures to stimulate demand and support the industry's recovery. According to the data from China Association of Automobile Manufacturers (CAAM), vehicle sales in China reached 25.3 million units in 2019, representing a 9.6% decline from the previous year. However, the industry rebounded in 2020, with vehicle sales increasing by 6.4% to 25.3 million units.

The recovery was driven by increased demand for new energy vehicles, which saw a sales increase of 10.9% in 2020. This increase was partly due to the Chinese government's promotion of new energy vehicles and the implementation of policies to support the development of the industry.

In terms of production, the pandemic also had a significant impact, with China producing 25.72 million vehicles in 2019, but production declining by 2% in 2020 to 25.24 million units. However, the production of new energy vehicles increased by 10.9% to 1.37 million units in 2020, indicating a growing interest in sustainable and environmentally friendly modes of transportation.

The recovery of the Chinese automotive industry has been a significant boost to the country's economy, as it provides employment for millions of people and contributes significantly to GDP. The Chinese government's measures to stimulate demand and support the industry's recovery have also been instrumental in its resurgence.



In conclusion, while the outbreak of COVID-19 had a significant impact on the Chinese automotive industry, the industry showed remarkable resilience in bouncing back in the second half of 2020. Increased demand for new energy vehicles and the implementation of government policies to support the industry's recovery were crucial factors in this rebound. Chinese automotive industry remains a key player in the global market and will continue to be a significant contributor to the Chinese economy in the years to come.

Chinese Automotive Market After the Pandemic

According to industry reports and projections, Chinese automotive industry is set to continue its recovery in 2022 and 2023 after the disruptions caused by the pandemic. Despite the challenges faced by the industry in recent years, several factors are expected to contribute to its growth in the coming years.

1. Strong domestic demand is a major driver of the industry's growth. Chinese government has implemented measures to support the domestic auto market, including tax cuts and incentives for new energy vehicles. The growing middle class in China is also expected to continue driving demand for vehicles, particularly SUVs and luxury cars.
2. Another key factor is continued growth in new energy vehicles (NEVs). China is already the largest market for NEVs, and the government has set ambitious targets for their adoption. The production and sales of NEVs are expected to continue growing, driven by subsidies, incentives, and stricter emissions regulations.
3. Digitalization and automation are also playing a crucial role in the industry's recovery. Chinese automakers are investing heavily in technologies such as 5G, artificial intelligence, and robotics to improve efficiency, reduce costs, and enhance competitiveness.
4. In addition, China's Belt and Road Initiative is expected to create new export opportunities for Chinese automakers, further fuelling the industry's growth.

Chinese carmakers produced 27.02 million units in 2022, up by 3.4% year on year, while sales rose by 2.1% to 26.86 million units, the data from the China Association of Automobile Manufacturers (CAAM) shows. The year-on-year growth in output and sales last year came despite multiple headwinds faced by the Chinese automotive industry, including the resurgence of Covid-19, a shortage of semiconductor chips, high battery raw materials prices and an unstable geopolitical situation, CAAM said. The purchase tax for vehicles priced below 300,000 yuan (US\$45,000) and with 2-liter or smaller engines was 5% of the sticker price between June 1 and December 31, 2022, down from 10% previously, according to China's Ministry of Finance. In December 2022, China's automobile output totalled 2.38 million units, down by 0.3% month on month and down by

18.2% year on year. Sales reached 2.56 million units last month, up by 9.7% month on month but down by 8.4% year on year. The rapid spread of Covid-19 in China following the relaxation of the country's Zero Covid policy during December resulted in a decrease in consumer activity. As a result, automobile output and sales did not achieve the expected growth for the month, CAAM said. China's output and sales of electric vehicles (EVs), meanwhile, continued to register strong growth in 2022, both setting fresh record highs in the final month of the year. EV output in China totalled 7.1 million units in 2022, an increase of 96.9% year on year, while sales of such vehicles rose by 93.4% to reach 6.89 million units. For December 2022, EV output came to 795,000 units, up by 3.52% month on month and up by 51.80% year on year. EV sales totalled 814,000 units last month, up by 3.56% month on month and up by 51.80% year on year.⁶

Car Production in China increased to 1,715,000 units (1,715K units) in February 2023; it was 1,397,000 units (1,397K units) in January 2023⁷.



The Future of Car Manufacturing in China

Potential statistics that were projected include vehicle sales in China growing at an average annual rate of 2.1% from 2021 to 2025, reaching around 30 million units by 2025. NEV sales in China are projected to reach 6.6 million units by 2025, accounting for over 20% of total vehicle sales. China's share of the global NEV market is expected to grow to over 50% by 2030, up from around 45% in 2020. The market share of Chinese automakers in the global automotive market is expected to increase to around 20% by 2025, up from around 12% in 2019. **Chinese automotive aftermarket is expected to grow at an average annual rate of 9.2% from 2020 to 2025, reaching around RMB 2.8 trillion (USD 400 billion) by 2025.**

Overall, Chinese automotive industry is expected to continue its upward trajectory in the coming years, driven by strong domestic demand, growth in NEVs, digitalization and automation, and expanding export opportunities. ■

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