



European
Automobile
Manufacturers
Association

Economic and Market Report

EU Automotive Industry
Quarter 2 2016



September 2016



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EU ECONOMIC OUTLOOK

GDP rose by 1.8% in the EU during the second quarter of 2016, compared with the same quarter of the previous year, according to an estimate published by Eurostat. Based on the European Commission's latest forecast, growth of real GDP in the EU is projected to be 1.8% in 2016 and 1.9% in 2017, following 2.0% of real GDP growth in 2015.

Table 1: EU forecast spring 2016

	Real GDP			Inflation			Unemployment rate		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Belgium	1.4	1.2	1.6	0.6	1.7	1.6	8.5	8.2	7.7
Germany	1.7	1.6	1.6	0.1	0.3	1.5	4.6	4.6	4.7
Estonia	1.1	1.9	2.4	0.1	0.8	2.9	6.2	6.5	7.7
Ireland	7.8	4.9	3.7	0.0	0.3	1.3	9.4	8.2	7.5
Greece	-0.2	-0.3	2.7	-1.1	-0.3	0.6	24.9	24.7	23.6
Spain	3.2	2.6	2.5	-0.6	-0.1	1.4	22.1	20.0	18.1
France	1.2	1.3	1.7	0.1	0.1	1.0	10.4	10.2	10.1
Italy	0.8	1.1	1.3	0.1	0.2	1.4	11.9	11.4	11.2
Cyprus	1.6	1.7	2.0	-1.5	-0.7	1.0	15.1	13.4	12.4
Latvia	2.7	2.8	3.1	0.2	0.2	2.0	9.9	9.6	9.3
Lithuania	1.6	2.8	3.1	-0.7	0.6	1.8	9.1	7.8	6.4
Luxembourg	4.8	3.3	3.9	0.1	-0.1	1.8	6.4	6.2	6.2
Malta	6.3	4.1	3.5	1.2	1.4	2.2	5.4	5.1	5.1
Netherlands	2.0	1.7	2.0	0.2	0.4	1.3	6.9	6.4	6.1
Austria	0.9	1.5	1.6	0.8	0.9	1.7	5.7	5.9	6.1
Portugal	1.5	1.5	1.7	0.5	0.7	1.2	12.6	11.6	10.7
Slovenia	2.9	1.7	2.3	-0.8	-0.2	1.6	9.0	8.6	8.1
Slovakia	3.6	3.2	3.3	-0.3	-0.1	1.5	11.5	10.5	9.5
Finland	0.5	0.7	0.7	-0.2	0.0	1.3	9.4	9.4	9.3
Euro area	1.7	1.6	1.8	0.0	0.2	1.4	10.9	10.3	9.9
Bulgaria	3.0	2.0	2.4	-1.1	-0.7	0.9	9.2	8.6	8.0
Czech Republic	4.2	2.1	2.6	0.3	0.5	1.4	5.1	4.5	4.4
Denmark	1.2	1.2	1.9	0.2	0.3	1.5	6.2	6.0	5.7
Croatia	1.6	1.8	2.1	-0.3	-0.6	0.7	16.3	15.5	14.7
Hungary	2.9	2.5	2.8	0.1	0.4	2.3	6.8	6.4	6.1
Poland	3.6	3.7	3.6	-0.7	0.0	1.6	7.5	6.8	6.3
Romania	3.8	4.2	3.7	-0.4	-0.6	2.5	6.8	6.8	6.7
Sweden	4.1	3.4	2.9	0.7	0.9	1.2	7.4	6.8	6.3
United Kingdom	2.3	1.8	1.9	0.0	0.8	1.6	5.3	5.0	4.9
EU	2.0	1.8	1.9	0.0	0.3	1.5	9.4	8.9	8.5

Source: EUROPEAN COMMISSION, DG ECFIN



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The European Union's annual inflation was estimated to be 0.3% in August 2016, up from 0.2% in July. This is in line with the European Commission spring forecast, in which the projection for EU inflation was revised to 0.3% in 2016. Assuming a gradual increase in energy prices, inflation is expected to reach 1.5% in 2017.

The number of persons employed increased by 1.5% in the EU28 in the second quarter of 2016 compared with the same period last year, according to national accounts estimates published by Eurostat. Labour market reforms and fiscal policy measures recently implemented in some member states are supporting job creation. Eurostat estimates that in the second quarter of 2016, 232.1 million men and women were employed in the EU (the highest level ever recorded). As a result, the unemployment rate in the EU is expected to fall from 9.4% in 2015 to 8.9% this year and to 8.5% in 2017, according to the latest figures from the European Commission.



PASSENGER CARS

REGISTRATIONS

WORLD

European¹ registrations of passenger cars strongly increased during the first six months of the year (+6.4%), representing 24.5% of the global market. Substantial growth posted by EU member states contributed significantly to the positive global picture, thanks to economic improvement and better macro conditions. With 7.8 million passenger cars sold in the EU, results were 9.4% higher than in the first half of 2015. This represents a solid and rather consistent performance, considering the base comparison is not particularly favourable and that the first semester of 2016 was also strong. In this context, there is no serious reason to think this positive trend should fade in the very short term. However, some risks remain, also following the Brexit vote, and uncertainty will inevitably continue to affect the car market.

During the first half of 2016, the Russian market shrank by 14.9%, due to high inflation and the resulting decline in consumer confidence. However, recent months have shown a relative stabilisation and Ukraine started to show signs of a possible recovery, with car registrations up 69.3% during first semester. After a slow start in 2016, Turkey gained momentum in the recent months, resulting in an increase in car sales of 3.2% over the first six months of the year.

Six months into 2016, Japanese sales were down 5.9% compared to 2015, due to its weaker domestic economy and lower consumption. For this reason, the Japanese government decided to postpone the consumption tax hike planned for April 2017 to October 2019. The downturn in Japanese sales was partially offset by the growth observed in South Korean sales, up 9.6% during the same period.

The United States remained stable during the first half of the year, with more than 7 million passenger cars sold so far in 2016, accounting for 19.1% of the global market.

¹ Includes Belarus, Bosnia-Herzegovina, Kazakhstan, Macedonia, Russia, Serbia, Turkey, Ukraine and Uzbekistan



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The South American passenger car market still suffered from high inflation, currency devaluations and low consumer confidence. Brazil in particular, which accounts for most of South American car sales, saw a consistent decline (-24.8%) over the first semester of 2016, mainly due to credit constraints and political uncertainty.

Six months into the year, Chinese passenger car sales have risen (+9.9%), also thanks to the remarkable performance of the SUV segment. The Chinese market reached 10.3 million units sold and accounted for more than a quarter of global passenger car sales.

Looking at other emerging markets, demand on the Indian passenger car market increased over the first half of 2016, after a slow start in the first quarter. Sales reached 1.4 million units, up 3.1% compared to in the same period in 2015.

Globally, 37.4 million passenger cars were sold in the first six months of 2016, 3.2% more than one year ago.

Table 2: World new passenger car registrations

	H1 2016 ²	H1 2015	% change 16/15	% share 2016
EUROPE	9,153,396	8,599,020	+6.4	24.5
EU ³	7,842,965	7,171,186	+9.4	21.0
EFTA	247,905	244,968	+1.2	0.7
RUSSIA	623,051	731,987	-14.9	1.7
TURKEY	338,476	327,846	+3.2	0.9
UKRAINE	25,649	15,147	+69.3	0.1
OTHERS-EUROPE ⁴	75,350	107,886	-30.2	0.2
NORTH AMERICA⁵	8,497,153	8,392,699	+1.2	22.7
<i>Of which the US</i>	7,129,291	7,128,725	+0.0	19.1
SOUTH AMERICA	1,476,524	1,761,292	-16.2	4.0
<i>Of which Brazil</i>	810,098	1,077,507	-24.8	2.2
ASIA	16,372,101	15,454,584	+5.9	43.8
CHINA	10,265,141	9,337,221	+9.9	27.5
JAPAN	2,116,775	2,250,572	-5.9	5.7
INDIA	1,426,490	1,383,913	+3.1	3.8
SOUTH KOREA	767,735	700,643	+9.6	2.1
OTHERS-ASIA ⁶	1,795,960	1,782,235	+0.8	4.8
MIDDLE EAST/AFRICA	1,869,337	2,004,403	-6.7	5.0
WORLD	37,368,511	36,211,998	+3.2	100.0

Source: IHS, ACEA

² Provisional figures

³ Data for Malta not available

⁴ Includes Belarus, Bosnia-Herzegovina, Kazakhstan, Macedonia, Serbia and Uzbekistan

⁵ Based on production type

⁶ Includes Hong Kong, Taiwan and all the other South Asian countries, excluding India

THE EUROPEAN UNION

The European passenger car market grew for the 34th consecutive month in June 2016, bringing half year volumes to 7.8 million units, up 9.4% compared to the same period one year ago.

In volume terms, June results came close to 2007 levels, just before the economic crisis hit the automotive industry.

All major Western European markets recorded significant increases over the second quarter. Italian (+19.2%) and Spanish (+12.2%) markets saw the strongest performance with double-digit percentage gains – mainly as a result of an increase in fleet renewal, which was postponed during crisis years.

France (+8.3%), Germany (+7.1%) and the United Kingdom (+3.2%) also recorded positive performances during the first six months of 2016, although at more modest rates.

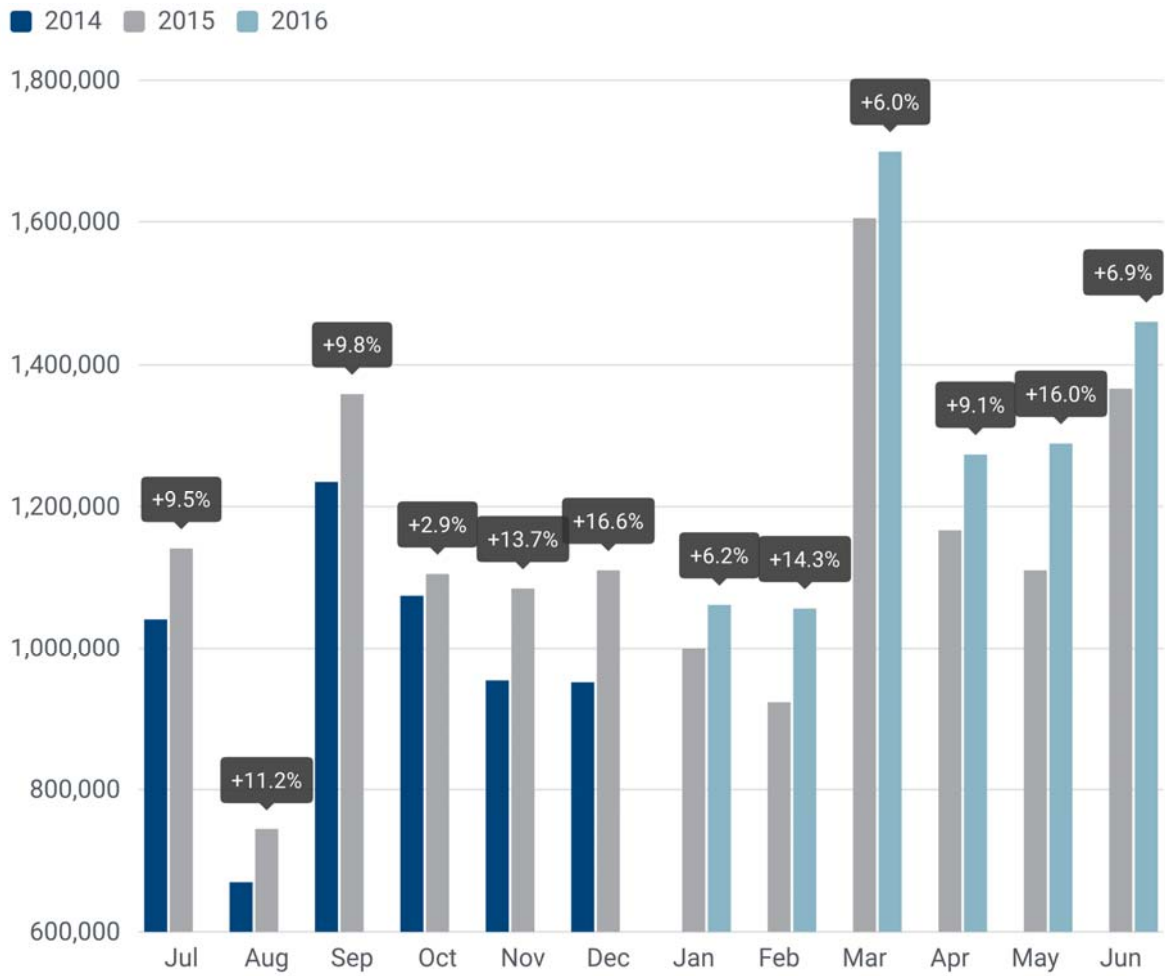
Table 3: Top 5 – New passenger car registrations in the EU

	H1 2016	H1 2015	% change 16/15
Germany	1,733,839	1,618,949	+7.1
United Kingdom	1,420,636	1,376,889	+3.2
France	1,102,429	1,017,493	+8.3
Italy	1,041,854	874,381	+19.2
Spain	623,234	555,222	+12.2
EU⁷	7,842,965	7,171,186	+9.4

Source: ACEA

⁷ Data for Malta not available

Figure 1: New passenger car registrations in the EU | 12 month trend



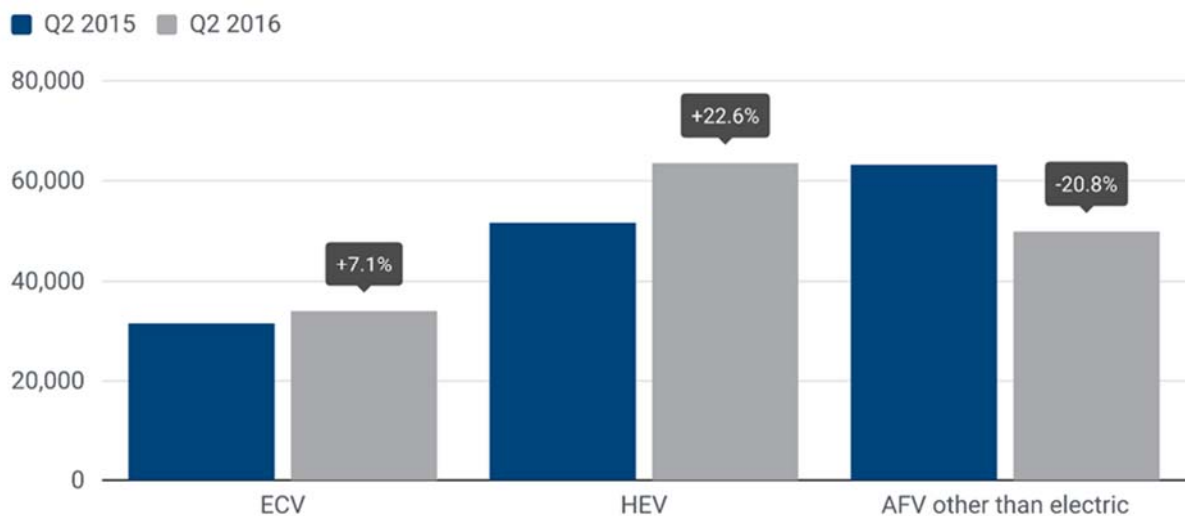
Source: ACEA

Registrations by alternative fuel type

In the second quarter of 2016, alternative fuel vehicle (AFV) registrations in the EU remained stable (+0.6%), totalling 147,784 units. Results were diverse among different vehicle categories. On the one hand, demand for electrically-chargeable vehicles (ECVs) showed moderate growth (+7.1%) during the second quarter of the year. This growth was supported by both battery (+5.1%) and plug-in electric vehicles (+9.6%). Registrations of new hybrid electric vehicle (HEV) also continued their positive momentum, posting a double-digit gain (+22.6%) and reaching 63,707 units. On the other hand, new registrations of cars powered by propane, ethanol or natural gas (NGV) showed a double-digit decline (-20.8%) during Q2 2016, totalling 50,211 vehicles.

Among the EU's major markets, Spain saw the largest increase in AFV registrations over the last quarter (+84.4%), followed by the UK (+18.4%). Growth in these countries was fully driven by the electric and hybrid electric segments. Italy performed less well compared to Q2 2015 (-14.7%), mainly due to a decline in registrations of propane and gas-fuelled cars. However, at the same time Italian registrations in the hybrid segment posted a significant increase (+46.1%). France showed a mild decline (-9.4%) in total AFV registrations, mainly due to a drop in the HEV and NGV segments. Germany remained stable (-0.3%) in the second quarter, balancing the decline in propane and gas-fuelled car sales with an increase in hybrid registrations.

Figure 2: New passenger car registrations in the EU by alternative fuel type



Source: ACEA

Diesel penetration

In the first semester of 2016, 49.7% of all new passenger cars registered in Western Europe ran on diesel, about 2.3 percentage points less than in the same period last year. In the EU-15, diesel's market share fell from 52.5% to 50.2% of registrations during the first half of the year.

The decline was widespread across Europe except for Denmark and Switzerland. The sharpest declines in the share of diesel cars were observed in Norway, Greece, Belgium, Spain Luxembourg and France.

Table 4: Share of diesel in new passenger cars in Western Europe

	H1 2016	H1 2015
Austria	57.3%	57.8%
Belgium	51.2%	58.1%
Denmark	35.2%	30.2%
Finland	33.9%	37.0%
France	52.8%	58.7%
Germany	46.8%	48.0%
Greece	54.0%	62.9%
Ireland	70.4%	71.0%
Italy	54.7%	55.4%
Luxembourg	63.5%	69.9%
Netherlands	17.6%	22.5%
Portugal	63.5%	67.6%
Spain	57.0%	63.4%
Sweden	53.4%	58.7%
United Kingdom	47.9%	48.3%
EU-15	50.2%	52.5%
<i>Iceland</i>	43.7%	46.9%
<i>Norway</i>	31.8%	42.0%
<i>Switzerland</i>	38.9%	37.3%
<i>EFTA</i>	36.9%	39.1%
Western Europe	49.7%	52.0%

Source: AAA



PRODUCTION

WORLD

European passenger car production increased (+4.2%) in the first half of 2016, mainly due to the positive performance of the EU perimeter (+6.7%) and Turkey (+16.0%). Production in Russia and Ukraine continued to decrease, following last year's negative trend.

US output remained stable (-0.8%) compared to one year ago, reaching 4.7 million units so far in 2016. During the same period, passenger car production in South America dropped significantly (-21.0%), mainly affected by the negative performance of the Brazilian market. In Brazil several factors, including high inflation and interest rates, are affecting production, which posted a double-digit drop (-21.5%) in the first half of 2016.

Passenger car production in China continued the recovery started last year, accelerating by 9.7% and reaching 10 million units produced, as a result of more stable financial markets and increased demand for SUVs. China maintained its leading position among passenger car producers, accounting for more than a quarter of global production.

Japanese production declined (-2.4%) to around 3.8 million units in the first half of 2016, due to stagnant economic conditions and domestic demand. In South Korea, passenger car production posted a 5.5% contraction over the first six months of the year, with production totalling just over 2 million units.

So far in 2016, Indian passenger car production increased (+5.7%) to 1.7 million units from 1.6 million units a year earlier, largely fuelled by strong domestic sales and improved export demand.

Thailand and Indonesia posted positive result, respectively up 16.3% and 8.5% during the first half of 2016, despite the unfavourable economic environment.

Table 5: World passenger car production

	H1 2016 ⁸	H1 2015	% change 16/15	% share 2016
EUROPE	9,920,550	9,517,500	+4.2	26.1
EU	8,883,942	8,326,583	+6.7	23.3
RUSSIA	530,758	643,313	-17.5	1.4
TURKEY	423,571	365,277	+16.0	1.1
UKRAINE	1,276	2,273	-43.9	0.0
OTHERS-EUROPE ⁹	81,003	180,054	-55.0	0.2
NORTH AMERICA	7,112,453	7,096,845	+0.2	18.7
<i>Of which the US</i>	4,691,439	4,726,898	-0.8	12.3
SOUTH AMERICA	1,008,878	1,277,544	-21.0	2.7
<i>Of which Brazil</i>	823,628	1,049,329	-21.5	2.2
ASIA	19,169,774	18,355,148	+4.4	50.4
CHINA	10,030,112	9,145,954	+9.7	26.3
JAPAN	3,785,211	3,878,642	-2.4	9.9
SOUTH KOREA	2,025,651	2,142,463	-5.5	5.3
INDIA	1,731,198	1,637,545	+5.7	4.5
INDONESIA	465,375	428,886	+8.5	1.1
THAILAND	500,112	430,086	+16.3	1.2
OTHERS-ASIA ¹⁰	1,597,602	1,550,544	+3.0	4.2
MIDDLE EAST/AFRICA	856,475	818,455	+4.6	2.2
WORLD	38,068,130	37,065,492	+2.7	100.0

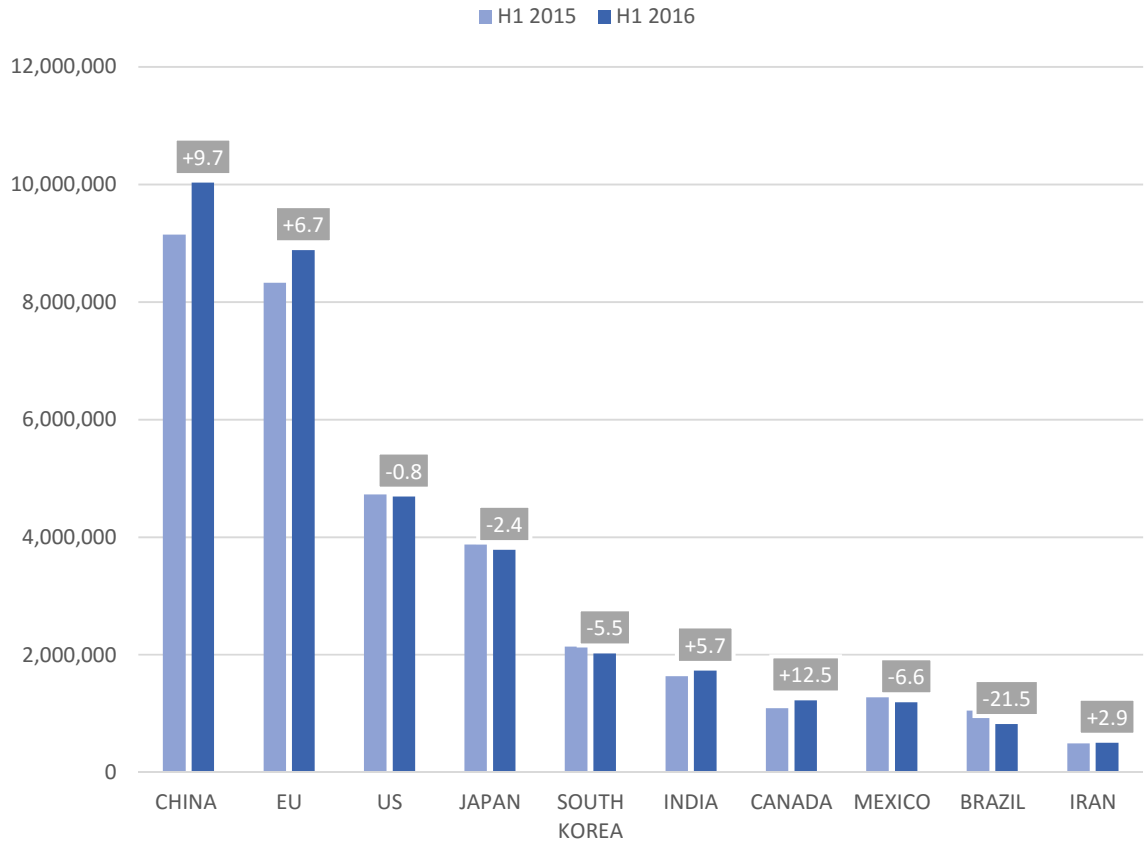
Source: IHS

⁸ Provisional figures

⁹ Includes Belarus, Kazakhstan, Serbia and Uzbekistan

¹⁰ Includes Taiwan, Australia, Malaysia, Pakistan, Philippines and Vietnam

Figure 3: Top 10 – World passenger car production



Source: IHS

THE EUROPEAN UNION

In the EU, passenger car production increased by 6.7% in the first half of 2016, reaching 8.9 million units. This confirms the EU's position as the world's second largest producer after China, accounting for 23.3% of global passenger car production.

All the main producing countries of Western Europe showed significant growth so far in 2016, fed by the continuing growth of domestic demand: the UK (+12.2%), Italy (+11.7%), Spain (+10.2%), France (+7.8%) and Germany (+3.9%).

Production in Central European countries slowed over the first half of 2016, especially in Romania (-4.9%) and Hungary (+0.4%), while the Czech Republic (+15.5%) and Slovakia (+8.4%) contributed positively to the EU's output increase during the first half of the year.

Table 6: Top 10 – Passenger car production in the EU

	H1 2016	H1 2015	% change 16/15
Germany	2,935,321	2,826,341	+3.9
Spain	1,279,150	1,160,983	+10.2
United Kingdom	891,368	794,560	+12.2
France	875,084	811,963	+7.8
Czech Republic	727,823	630,418	+15.5
Slovakia	513,292	473,673	+8.4
Italy	390,767	349,934	+11.7
Poland	270,597	267,943	+1.0
Hungary	261,965	261,035	+0.4
Romania	202,098	212,433	-4.9
EU	8,883,942	8,326,583	+6.7

Source: IHS

TRADE

So far in 2016, the EU exported 2.7 million passenger cars worth €62 billion. In parallel, the value of EU imports strongly increasing (+16.2%) during the second quarter of the year. EU passenger car exports, on the other hand, fell both in value (-3.0%) and in volume terms (-3.4%) – although still slightly up compared to the first quarter, when declines were more significant.

This resulted in an EU trade surplus of €43.9 billion, down (-9.2%) compared to the same period a year ago.

Table 7: EU passenger car trade

Trade in value (€m)	H1 2016	H1 2015	% change 16/15
Imports	18,270	15,724	+16.2
Exports	62,194	64,104	-3.0
Trade balance	43,923	48,380	-9.2
Trade in volume (units)	H1 2016	H1 2015	% change 16/15
Imports	1,387,927	1,221,996	+13.6
Exports	2,719,916	2,815,410	-3.4

Source: EUROSTAT

IMPORTS

In the first semester of the year, most passenger cars imported into the EU came from Japan (+18.7%), the country also accounted for the highest import value (+18.5%). Turkish imports recovered significantly in both value (+8.2%) and volume terms (+11.9%), after serious declines were observed in the first quarter.

Imports from South Korea and the United States also significantly increased during the first six months of the year. Together with Japan and Turkey, these countries represent around 65% of all EU passenger car imports.

Table 8: Origin of most passenger car imports

Trade in value (€m)	H1 2016	H1 2015	% change 16/15
World	18,270	15,724	+16.2
Japan	4,442	3,750	+18.5
United States	3,639	3,114	+16.8
Turkey	2,795	2,583	+8.2
South Korea	2,342	2,160	+8.4
South Africa	1,263	983	+28.4

Source: EUROSTAT

Table 9: Origin of most passenger car imports

Trade in volume (units)	H1 2016	H1 2015	% change 16/15
World	1,387,927	1,221,996	+13.6
Turkey	299,356	267,584	+11.9
Japan	278,427	234,565	+18.7
South Korea	202,761	180,459	+12.4
United States	125,843	118,844	+5.9
Morocco	101,663	84,940	+19.7

Source: EUROSTAT

EXPORTS

Six months into the year, EU passenger car exports to the United States declined from 599,037 to 551,175, down 8.0% compared to the same period one year ago. However, the US remained the EU's most valuable export market for passenger cars, with exports worth around 18€ billion in the first half of 2016 – representing about 30% of the total.

Negative results were also recorded in export volumes to China, Switzerland, South Korea and Turkey. Japan was the only major export partner to show an increase over this period, in both value (+12.3%) and volume terms (+32.9%).

Table 10: Main destinations of EU passenger car exports

Trade in value (€m)	H1 2016	H1 2015	% change 16/15
World	62,194	64,104	-3.0
United States	18,072	19,148	-5.6
China	9,986	9,900	+0.9
Turkey	4,248	3,956	+7.4
Switzerland	3,664	3,954	-7.3
Japan	3,378	3,007	+12.3

Source: EUROSTAT

Table 11: Main destinations of EU passenger car exports

Trade in volume (units)	H1 2016	H1 2015	% change 16/15
World	2,719,916	2,815,410	-3.4
United States	551,175	599,037	-8.0
Turkey	287,983	292,914	-1.7
China	239,591	267,569	-10.5
Japan	154,166	115,998	+32.9
Switzerland	143,560	155,661	-7.8

Source: EUROSTAT

COMMERCIAL VEHICLES

REGISTRATIONS

THE EUROPEAN UNION

In the first semester of 2016, demand for new commercial vehicles in the EU continued its positive momentum, with June 2016 marking the 18th consecutive month of growth in this market segment. The EU market expanded by +13.5%, reaching near 1.2 million commercial vehicle registrations. Growth was sustained across all segments, especially light commercial vehicles (+13.2%) and trucks (+16.5%).

Looking at the largest markets, Italy recorded the highest upturn (+30.8%), followed by Spain (+14.0%), France (+12.7%), Germany (+10.4%) and the UK (+3.6%).

Table 12: New commercial vehicle registrations in the EU | by type

	H1 2016	H1 2015	% change 16/15
LCV ≤ 3,5t ¹¹	968,791	855,597	+13.2%
MHCV > 3,5t ¹²	182,706	156,875	+16.5%
MHBC > 3,5t ¹³	18,766	18,275	+2.7%
TOTAL CV	1,170,263	1,030,747	+13.5%

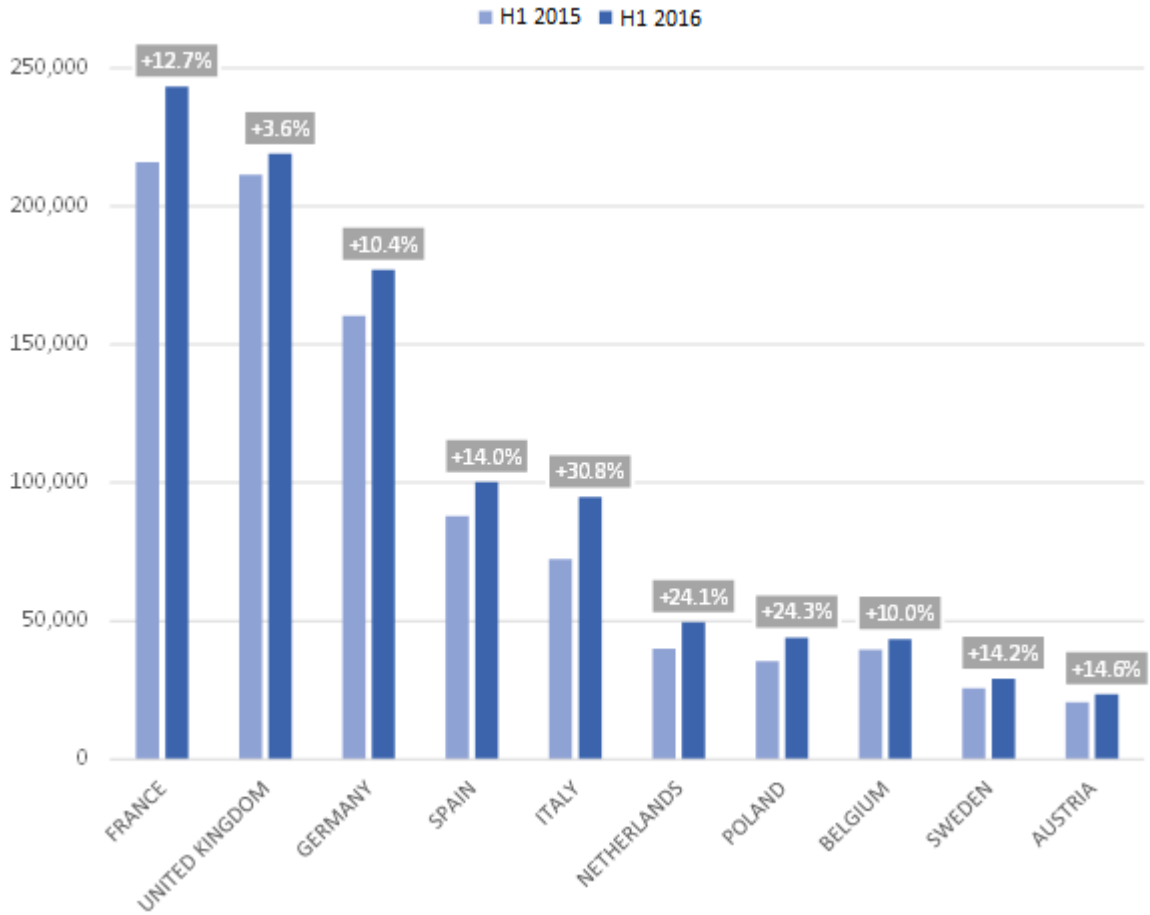
Source: ACEA

¹¹ New light commercial vehicles (LCV) up to 3.5 tonnes

¹² New medium and heavy commercial vehicles (MHCV) over 3.5 tonnes

¹³ New medium and heavy buses and coaches (MHBC) over 3.5 tonnes

Figure 4: Top 10 – New commercial vehicle registrations in the EU | by country



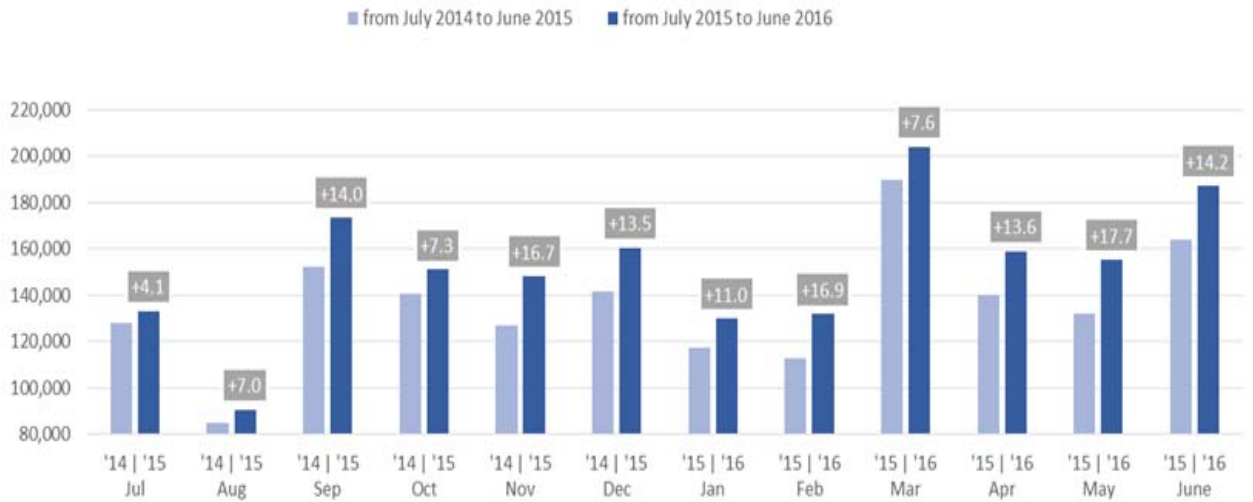
Source: ACEA

New light commercial vehicles (LCV) up to 3.5 tonnes

From January to June 2016, new registrations of light commercial vehicles totalled almost 1 million units, up 13.2% compared to the same period one year ago. June 2016 marked the 34st consecutive month of growth in the segment, which accounts for the majority of sales in the commercial vehicle market.

All major markets saw demand for vans increase during this period. Italy (+31.3%) posted the highest upturn, followed by Spain (+13.8%), France (+12.4%), Germany (+10.9%) and the United Kingdom (+3.0%).

Figure 5: New light commercial vehicle registrations in the EU | 12 month trend



Source: ACEA

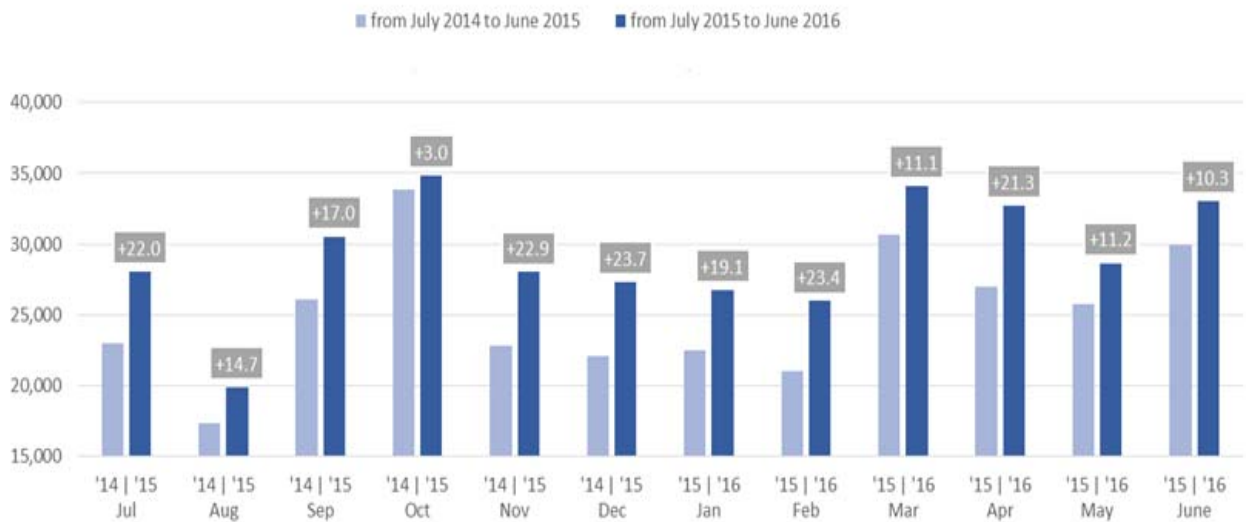
New medium and heavy commercial vehicles (MHCV) over 3.5 tonnes¹⁴

Six months into the year, the EU market showed a double-digit increase (+16.5%) in the truck segment, which totalled 182,706 new registrations.

All major markets saw their demand for trucks strongly increase during this period: Italy (+34.2%), France (+17.0%), Spain (+16.0%), the UK (+10.1%) and Germany (+8.7%).

Noteworthy was the contribution of the youngest EU member states, especially Poland (+30.0%) and Romania (+50.3%).

Figure 6: New medium and heavy commercial vehicle registrations in the EU | 12 month trend



Source: ACEA

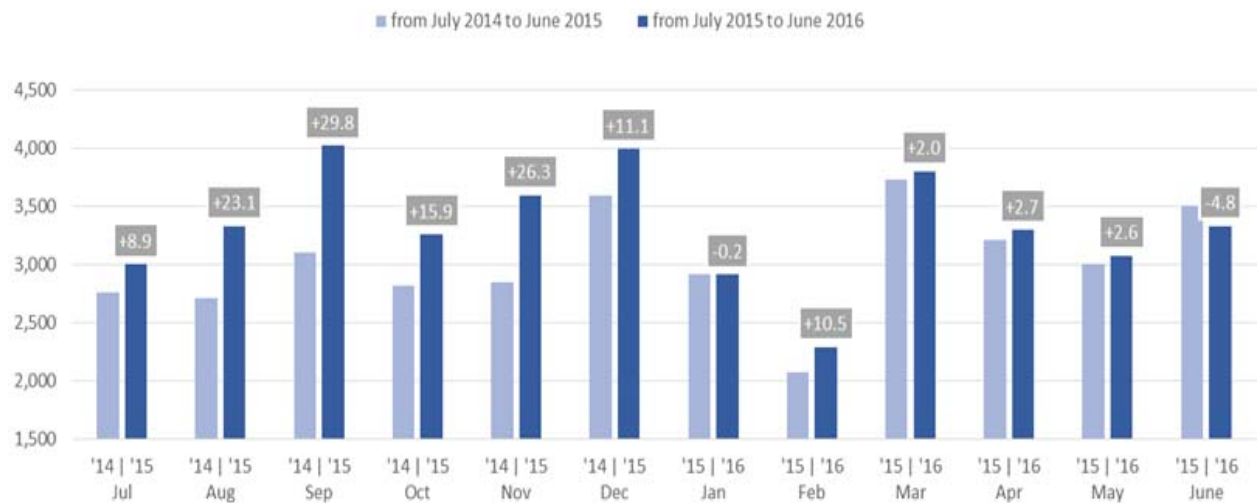
¹⁴ Excluding buses & coaches

New medium and heavy buses and coaches (MHBC) over 3.5 tonnes

In the first semester of 2016, new bus and coach registrations increased (+2.7%) compared to the same period in 2015, totalling 18,766 units, despite a (-4.8%) decline in June.

Demand was primarily driven by Germany (+15.6%) and Spain (+9.2%), while Italy (-7.1%) and the UK (-3.5%) posted declines over this period.

Figure 7: New medium and heavy bus and coach registrations in the EU | 12 month trend



Source: ACEA



GLOBAL PRODUCTION OUTLOOK¹⁵

In 2016, European¹⁶ commercial vehicle production is expected to increase slightly (+3.5%) and reach around 3.4 million units, mainly driven by an increase in domestic demand, especially in van and truck segments. This growth will be broadly supported by improving economic conditions in many parts of the Eurozone, also helping to improve consumer confidence.

Commercial vehicle production in China¹⁷ closely follows market demand. Therefore Chinese output is projected to rise (+1.7%), reaching around 5.7 million units by the end of 2016, mainly fuelled by the recovery of its domestic demand.

North American production is also on an upward trajectory, supported by broad economic recovery and an increase in demand across all commercial vehicle segments. Production is projected to reach 4.3 million units, with an increase of 7.5% in 2016.

Japanese production is expected to decline, as domestic sales have been falling since the consumption-tax increase. This will result in a stable production figure of about 1.7 million units for the whole region¹⁸.

South America will see its commercial vehicle production fall (-3.5%) to around 0.6 million units as a consequence of Brazil's economic crisis.

Production trends in parts of the Middle East and Africa (MEA) region are showing signs of improvement. As a result, the 2016 commercial vehicle production forecast for the region expects around 0.5 million units to be produced, up 13.5% compared to 2015.

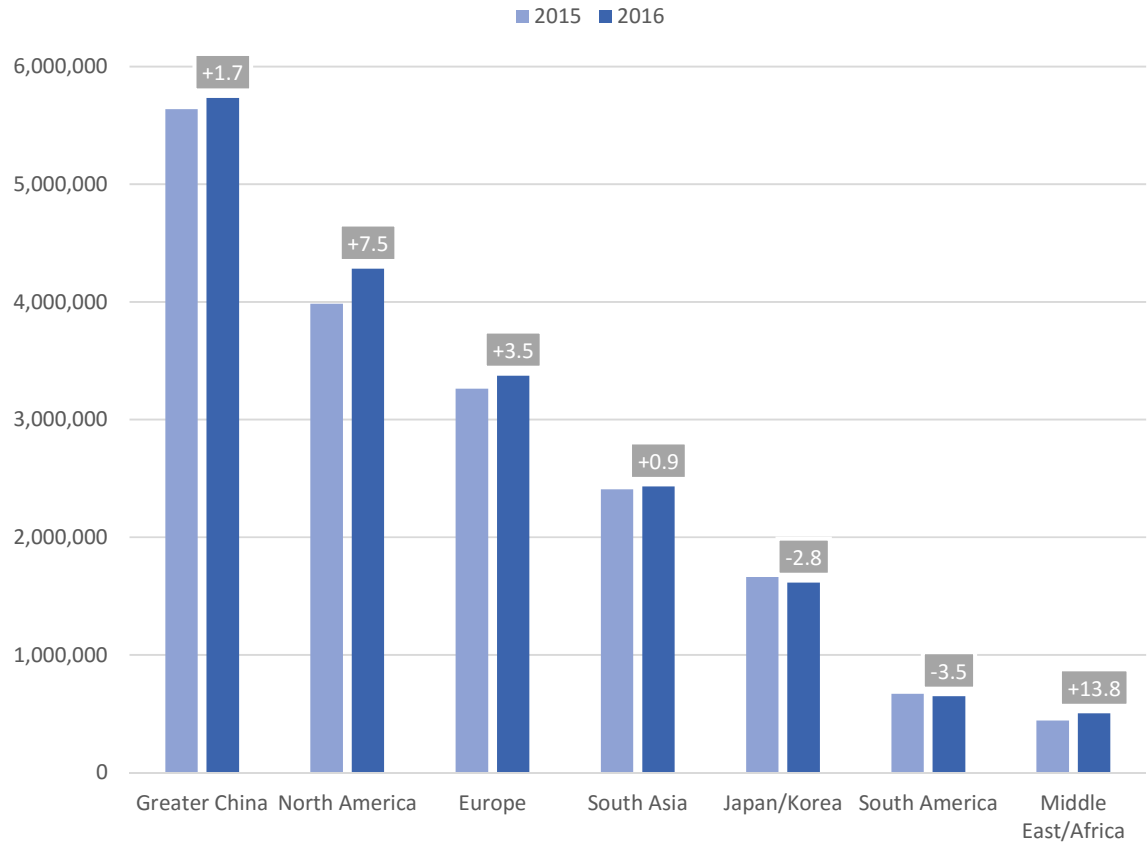
¹⁵ Commercial vehicle production figures not available on a quarterly basis

¹⁶ Includes Turkey and CIS countries

¹⁷ Includes Hong Kong and Taiwan

¹⁸ Includes Japan and South Korea

Figure 8: World commercial vehicle production | by region¹⁹



Source: IHS

¹⁹ IHS 2016 production forecast

TRADE

Over the first half of 2016, EU exports of both light and heavy commercial vehicles decreased (-3.5% and -5.0% respectively), with total exports adding up to around €5.1 billion, down 4.4% compared to the same period last year.

Despite the significant increase observed in the value of total commercial vehicle and bus imports (+34.6%), the EU's trade balance remained positive over the period, with a trade surplus of €1.3 billion.

Table 13: EU commercial vehicles (CV), buses and coaches (BC) trade | by type

Trade in value (€m)	CV up to 5t	CV over 5t + BC	Total CV + BC
H1 2016			
Imports	2,936	943	3,879
Exports	2,013	3,136	5,149
Trade balance	-924	2,193	1,269
H1 2015			
Imports	2,124	758	2,882
Exports	2,085	3,301	5,387
Trade balance	-39	2,543	2,504
% change 16/15			
Imports	+38.2	+24.3	+34.6
Exports	-3.5	-5.0	-4.4

Source: EUROSTAT

IMPORTS

So far in 2016, most EU commercial vehicle imports originated from Turkey (+26.4%). China came second with 37,113 units, down 3.0% compared to the same period last year.

An important increase of commercial vehicle imports from Thailand, Serbia and Switzerland has been observed during the first six months of the year, while imports from India, Argentina and the United States saw significant declines compared to 2015.

In total, the EU imported 277,247 commercial vehicles (including buses and coaches) over the first half of 2016, 18.3% more than last year.

Table 14: Top 10 – Origin of EU commercial vehicle and bus imports

Trade in volume (units)	H1 2016	H1 2015	% change 16/15
World	277,247	234,359	+18.3
Turkey	179,639	142,122	+26.4
China	37,113	38,243	-3.0
Thailand	21,039	12,133	+73.4
Morocco	10,284	9,472	+8.6
South Africa	8,875	8,112	+9.4
United States	4,300	5,111	-15.9
Switzerland	3,363	2,621	+28.3
Serbia	2,456	94	+2512.8
Argentina	2,096	2,831	-26.0
India	1,975	3,931	-49.8

Source: EUROSTAT

EXPORTS

From January to June 2016, EU commercial vehicle exports almost doubled (+86.9%) compared to the first half of 2015. Substantial increases were observed in exports to Cameroon, Serbia, Australia, Norway and especially Hong Kong, the latter mainly driven by the truck segment.

Exports to Ukraine, traditionally a key market for EU commercial vehicle trade, are gaining momentum again after last year's geopolitical tensions; they went up 77.7% compared to the same period last year.

At the same time, exports to the United States (-59.2%), Turkey (-21.4%) and Switzerland (-4.4%) declined during this period.

Table 15: Top 10 – Destinations of EU commercial vehicle and bus exports

Trade in volume (units)	H1 2016	H1 2015	% change 16/15
World	538,764	288,222	+86.9
Hong Kong	284,689	628	+45232.6
Turkey	27,559	35,056	-21.4
United States	16,536	40,487	-59.2
Switzerland	14,505	15,175	-4.4
Norway	13,889	12,262	+13.3
Ukraine	10,810	6,082	+77.7
Australia	9,523	8,270	+15.2
Cameroon	9,394	2,354	+299.1
Israel	8,210	7,554	+8.7
Serbia	7,590	4,361	+74.0

Source: EUROSTAT



European
Automobile
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ABOUT ACEA

- ACEA represents the 15 Europe-based car, van, truck and bus manufacturers: BMW Group, DAF Trucks, Daimler, Fiat Chrysler Automobiles, Ford of Europe, Hyundai Motor Europe, Iveco, Jaguar Land Rover, Opel Group, PSA Group, Renault Group, Toyota Motor Europe, Volkswagen Group, Volvo Cars, and Volvo Group.
- More information can be found on www.acea.be or [@ACEA_eu](https://twitter.com/ACEA_eu).

ABOUT THE EU AUTOMOBILE INDUSTRY

- 12.2 million people - or 5.6% of the EU employed population - work in the sector.
- The 3.1 million jobs in automotive manufacturing represent 10.4% of EU manufacturing employment.
- Motor vehicles account for over €400 billion in tax contributions in the EU15.
- The sector is also a key driver of knowledge and innovation, representing Europe's largest private contributor to R&D, with €44.7 billion invested annually.
- The automobile industry generates a trade surplus of €100.4 billion for the EU.

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