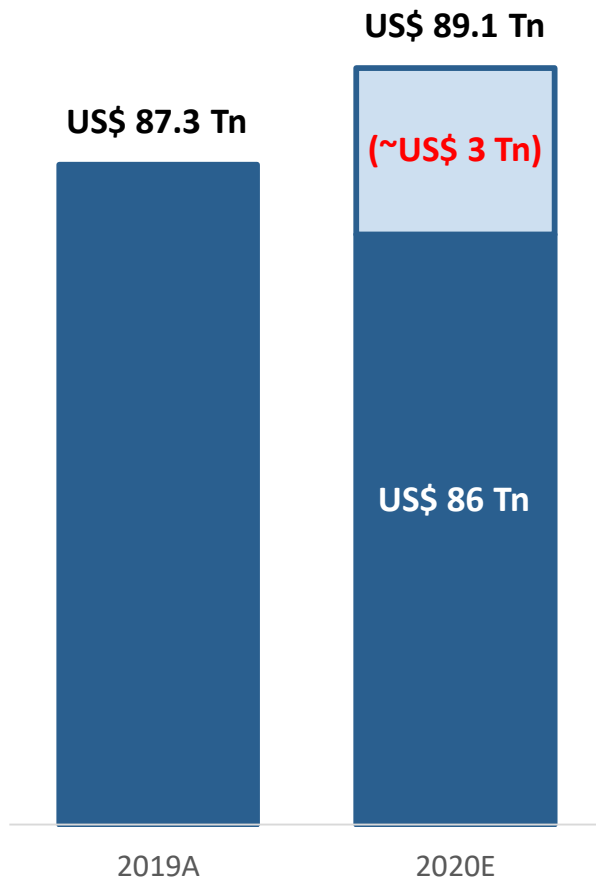


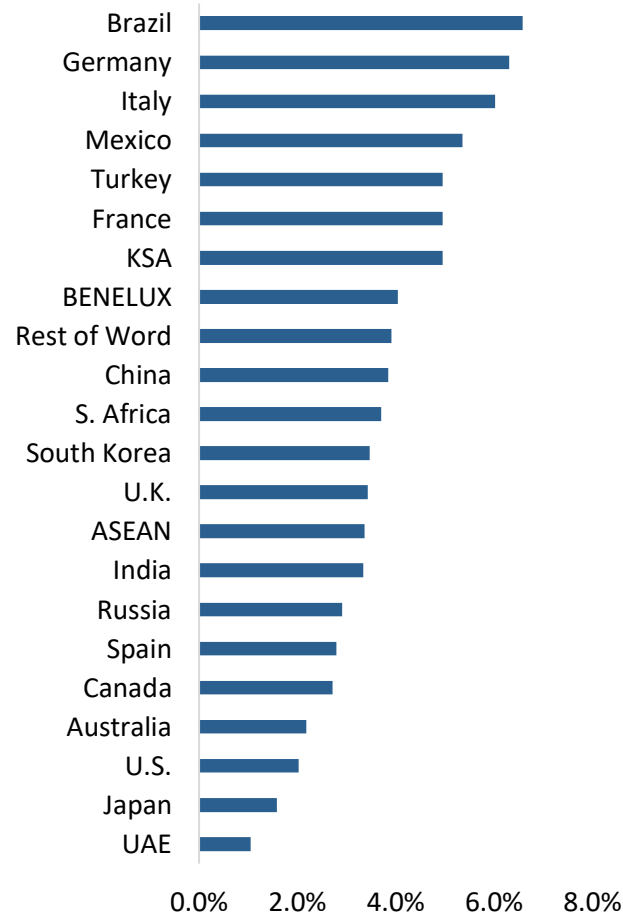
COVID-19 Impact Assessment on Automotive Industry

Global Economy – Pre and Post COVID-19

Global GDP 2019 and 2020



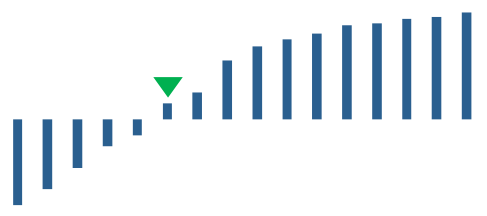
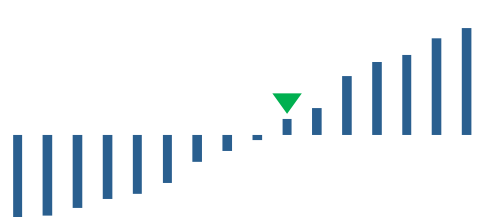
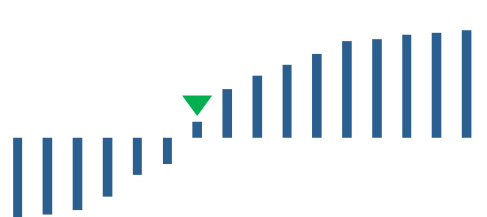
Negative Impact on Key Countries



Key Takeaways

- ❑ COVID-19 crisis has significantly impacted on performance of global economies, compelling them to call for lockdowns in the society and temporary closure of key industries including manufacturing and service industries
- ❑ Though this impact has severely impacted on consumer basket, spending on other commodities have reduced to a drastic extent due to stalling of the market
- ❑ Key countries have compromised on almost one quarter of output which is anticipated to further contract the global output between **3%** and **3.5%**
- ❑ This crisis has called for key countries to lower growth projections from as much as **8%** to **2%** on overall level

COVID – 19: Rebound Scenario – FMI Perspective

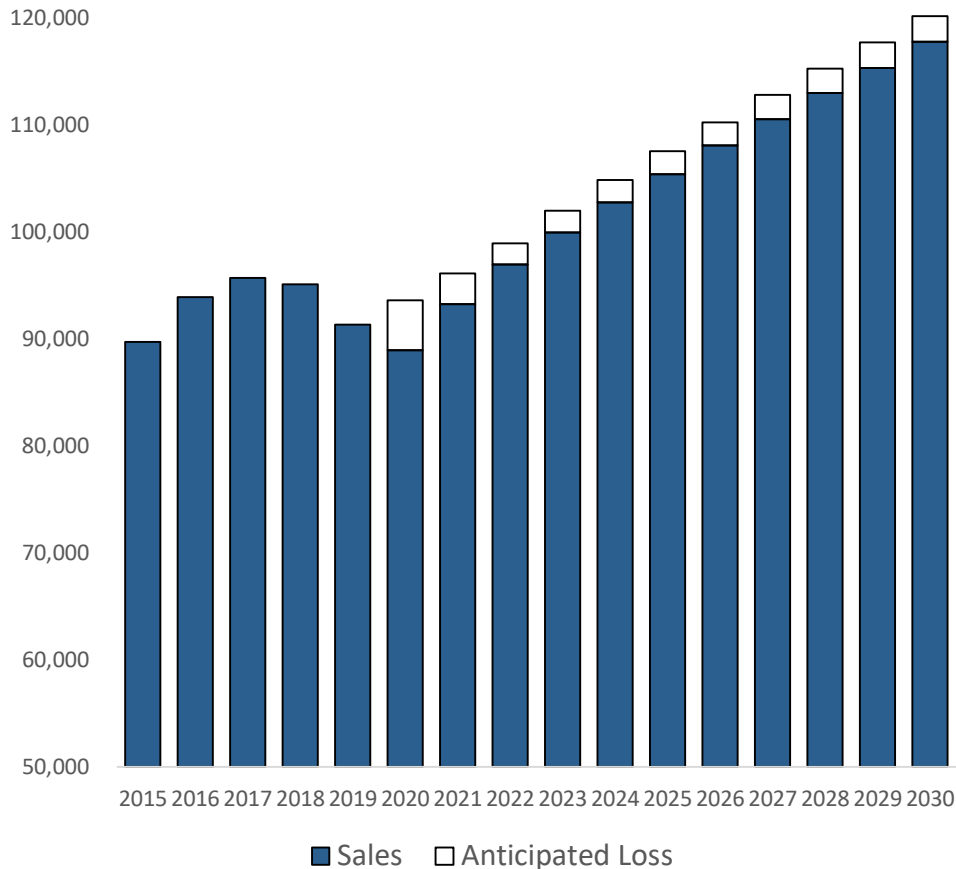
Scenario	Description	Expected Recovery by Quarters
<p>Optimistic Scenario</p>	<ul style="list-style-type: none"> ❑ In this scenario FMI anticipates the global economy to rebound between next 5 and 8 quarters. The growth is expected to be primarily supported by increased healthcare spending and infrastructure investments. Core industries of key regions are expected to turn export oriented and thus in-turn boost trade volumes ❑ Increased retail spending in near term to boost demand for white goods and in turn drive consumer spending. 	
<p>Conservative Scenario</p>	<ul style="list-style-type: none"> ❑ In this scenario FMI anticipates the global economy to rebound between next 8 and 14 quarters. This leads to conclusion that industries will try and exhaust inventory volumes for a little while and hold pre-books until a substantial cash flow is booked ❑ Logistics and insurance industry is expected to be a stressed industry for this time and the recovery is expected to be led by services sector followed by manufacturing and agricultural sector 	
<p>Likely Scenario</p>	<ul style="list-style-type: none"> ❑ In this scenario FMI anticipates the global economy to rebound between next 4 and 11 quarters. Though each industry is expected to face consequences on different platforms, but buyer confidence is anticipated to return through spending on healthcare, insurance and asset building. ❑ The vital statistics of economy to gain previous projections in next three years, however these are expected to get on growth trajectory in next 4 to 6 quarters. 	

COVID – 19 Impact Assessment

Market Factors	Correlation with GDP	Impact on GDP	Short Term Mkt Impact	Mid Term Mkt Impact	Long Term Mkt Impact	BPS Change on Projections
Manufacturing GVA Growth			○ ○ ●	○ ○ ●	○ ○ ●	-170
Services GVA Growth			○ ○ ●	○ ○ ●	○ ○ ●	-100
Agriculture GVA Growth			○ ○ ●	○ ● ○	○ ● ○	-200
Population			● ○ ○	● ○ ○	● ○ ○	-70
Employment Growth			● ○ ○	● ○ ○	● ○ ○	-40
Infrastructure Spending			○ ○ ●	○ ● ○	○ ● ○	-260
Military Expenditure			○ ● ○	○ ● ○	○ ● ○	-580
Cement Demand			○ ● ○	○ ○ ●	○ ○ ●	-540
Crude Oil Consumption			● ○ ○	○ ● ○	○ ● ○	-80
Electricity Consumption			● ○ ○	○ ○ ○	● ○ ○	-190
Retail Sales			○ ○ ●	○ ● ○	○ ● ○	+160
Healthcare Spending			○ ○ ●	○ ○ ●	○ ○ ●	+640
Mobile Subscriptions			● ○ ○	○ ● ○	○ ● ○	-200
Tourist Arrivals			● ○ ○	○ ● ○	○ ○ ●	-350

Impact of COVID-19 on Automotive Sales

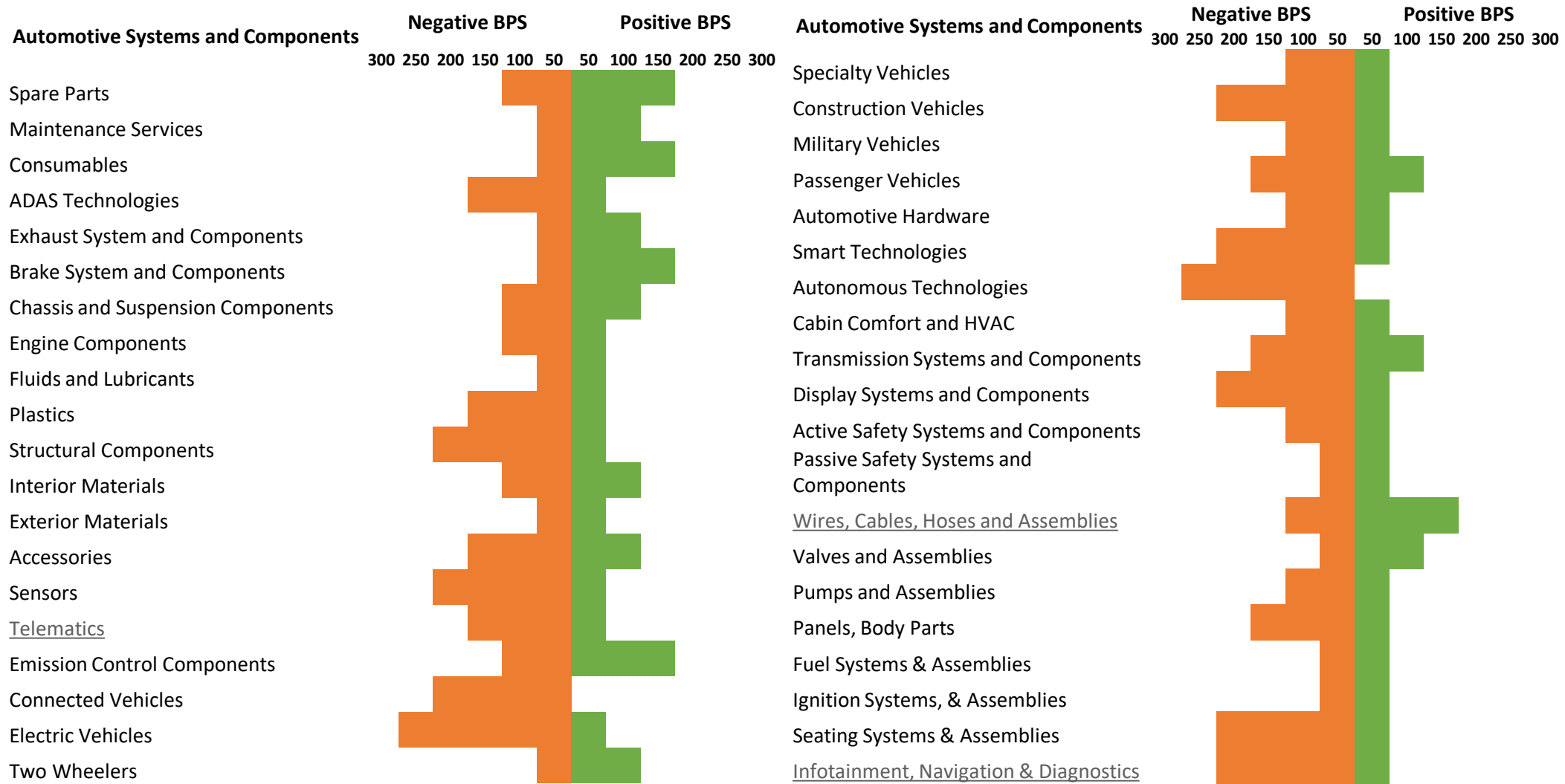
Automotive Sales Projections



Key Takeaways

- ❑ The global automotive sales including passenger cars and commercial vehicles have been finding hard times to get back in full swing since 2010. Since sub-prime crisis, rebound of each economy has been different. It took a toll on ownership and gave rise to budding business of ride sharing across the globe
- ❑ Current crisis has impacted on income source of individuals and to an extent has reduced the spending power of individuals which is further expected to weaken the sales outlook
- ❑ Governments across the globe in near term are expected to spend in public transport infrastructure to boost the economy, which is further expected to provide increasing preference for ride sharing and commuting
- ❑ Pre crisis market evaluation suggested a ten year CAGR to remain between 2.5 and 3.2%, however with current scenario the projections need to be revised by a drop of almost 200 to 250 basis points
- ❑ With a dip expected in automotive sales this year, it is expected to be back in its shape by first quarter of 2022

Impact Assessment on Automotive Systems and Components



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