

New report gives insights into global automotive parts, accessories market

IndexBox shares some key findings from its newly released report called *World: Parts and accessories of motor vehicles - market report. Analysis and forecast to 2025.*



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Key findings:

The consumption of motor vehicle parts saw robust growth

In 2016, the market for the parts and accessories of motor vehicles expanded to \$1,308bn, which was slightly higher than the year before. This figure reflects the total revenue of producers and importers (excluding logistics costs, retail marketing costs, and retailers' margins, which will be included in the final consumer price).

From 2007 to 2016, the average annual growth rate of consumption stood at +5.8% per year. The auto market is the main driver of growth in terms of the consumption of motor vehicle parts and accessories. In 2016, the US experienced a record increase in car consumption, while consumption in the EU increased slightly.



Darren Hayes-Powell appointed MD of Goodyear SA

27 Oct 2017



A slowdown in the growth of developing countries, in particular China, remains the main constraint with regard to the growth of the automotive market, which, however, is expected to remain solid.

“Driven by the global growth in motor vehicle sales, the motor vehicle parts and accessories sector as a whole is projected to continue with an upward consumption trend over the next nine years.”

Market performance is forecast to grow with an anticipated CAGR of +3.6% from 2016 to 2025, which is expected to lead

the market value to \$1,788bn by 2025 (in constant wholesale price of 2016).

As the largest market for parts of motor vehicles, China significantly increased its share in global consumption

China (44%) was the country with the highest consumption, followed somewhat lagging behind by the US (21%), Japan (6%), Germany (4%), Canada (3%), and India (3%), together comprising approximately 81% of global consumption.

From 2007 to 2016, the highest annual rate of growth in terms of the consumption of parts and accessories of motor vehicles was recorded in China, with a +12.4% growth.

“Driven by the strong consumption growth rate, China significantly strengthened its share in global consumption, seeing it increase from 26% in 2007, to 44% in 2016.”

Amongst the leading consuming countries, Canada (\$1,126/year), the US (\$853/year), and Japan (\$640/year) recorded high levels of per capita consumption, which were significantly higher than the world average of \$178/year. China recorded the most notable annual growth of per capita consumption from 2007 to 2016 at +12.1%.

The global production of motor vehicle parts slowed its growth

The production of motor vehicle parts and accessories posted steady growth over the last few years, with the exception of 2009, when it dropped slightly, only to resurge in the following year. However, this growth decelerated by the end of the period, following an overall slowdown in the global economy and trade.



Women in the motoring industry

Liz Segal 2 Feb 2018



In 2016, the global production of motor vehicle parts and accessories expanded to \$1,314bn.

The production of motor vehicle parts in China and the US grew at a quick pace

The output of the three major producers of parts and accessories of motor vehicles, namely China (\$597.5bn), the US (\$261.3bn) and Japan (\$105.6bn), represented over 74% of the global output of parts and accessories of motor vehicles in value terms.

In China and the US, the production value increased on average by +12.6% per year and +5.6% per year, respectively, from 2007 to 2016. By contrast, the volume of production in Japan (-1.7% per year) contracted over the period under

review.

Approximately a third of the global production of motor vehicle parts is exported

Motor vehicle parts and accessories are a widely traded commodity, with the share of exports in the total global output standing at about 28%, over the period from 2007 to 2016. The high trade intensity is determined mainly by extensive cooperation between the global car manufacturing corporations and the suppliers of car parts around the world.

Motor vehicle parts and accessories will continue to be highly traded, fueled by increasing consumption, as well as intense global and regional integration. However, trade expansion could be restrained by the softening growth of motor vehicle manufacturing, along with an increasing domestic demand in some of the major exporting countries.



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18 Jul 2017



An additional risk is presented by the introduction of protectionist measures on key markets, namely the USA. Announced by the US administration, the proposed review of the NAFTA Free Trade Zone Agreement may damage the industry in Mexico, which has fostered close cooperative links with US-based businesses, thereby promoting a significant volume of cross-border trade in terms of motor vehicle parts with the USA.

China, Mexico, and Korea emerged as the fastest growing exporters worldwide

In 2016, the value of global exports totaled \$366bn, with a mixed trend pattern being observed over the last ten years. A gradual increase over the period from 2007 to 2008 was followed by a slight decline in 2009 and strong growth was noted again from 2010-2011. In 2012, however, it flattened and then fluctuated mildly at almost this level through to 2016.

In 2016, Germany (\$57bn), the US (\$57bn), Japan (\$57bn), China (\$28bn), Mexico (\$26bn), Korea (\$22bn) and France (\$15bn) were the main global suppliers of motor vehicle parts and accessories, with a combined share of 61% of global exports. From 2007 to 2016, China (+9.7% per year), Mexico (+7.4% per year) and Korea (+7.2% per year) were the fastest growing suppliers amongst the major exporters, while exports from the other countries expanded at a more moderate pace; moreover, in France, exports declined by -2.9% per year, on average.

China and Mexico emerged as the fastest-growing importers

The value of global imports totaled \$360bn in 2016. The imports trend pattern generally mirrored that of exports: these trade flows globally complement each other.

In 2016, the US (\$67bn), Germany (\$38bn), China (\$26bn), Mexico (\$23bn), Canada (\$21bn), Spain (\$17bn) and the UK (\$16bn) constituted the leading destinations for imports of motor vehicle parts and accessories, together comprising 57% of global imports.

Amongst the major importing countries, China (+10.2% per year) and Mexico (+7.1% per year) gained the highest annual rates of growth from 2007 to 2016. While the share of these countries in terms of global imports increased slightly from 2007-2016, the share of the other major importers experienced a slight contraction; this, however, failed to result in a significant change to the structure of global imports.

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24 Apr 2018





At the same time, the rate of growth in these countries was different. China mostly imported gearboxes, mainly from Germany; Chinese exports mainly consisted of wheel rims and brakes to the US and Japanese markets.

In Mexico, import and export growth was facilitated by enhanced cooperation and trade links with US companies. The USA is Mexico's main trade partner, with gearboxes dominating imports; no single product category dominates the remaining volume of imports and exports, however – all product types are supplied to both countries.

For more about the research findings, go to www.indexbox.co.uk.

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