#### News Release

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|  | Kristin McCallum RitterPwC+1 (313) 394-6349kristin.m.ritter@us.pwc.com | Katura HudsonPwC US+1 (973) 236-5807katura.j.hudson@us.pwc.com |

**FOR IMMEDIATE RELEASE**

**PwC's Autofacts Forecasts Global Light Vehicle Assembly to Reach 81 Million Units in 2013, a 2.3 Percent Increase from 2012**

***Research and development continues to drive innovation as the industry prepares for longer-term growth forecast to reach 101 million units by 2017***

**DETROIT, 22 July 2013 –** Global light vehicle assembly is expected to reach 81 million units in 2013, an increase of 2.3 percent compared to 2012, according to Autofacts, PwC’s automotive analyst group. While the global market is expected to see positive growth overall, there are a number of mixed signals at the regional level. North America and Developing Asia-Pacific markets are driving most of the growth, while Developed Asia-Pacific is expected to see continued declines as assembly is localised abroad. The European Union, meanwhile, is not expected to see volume recovery until 2014.

“Economic performance is anticipated to remain mixed through the remainder of 2013,” said Rick Hanna, PwC’s global automotive leader. “However, we do see light at the end of the tunnel and are forecasting a global compound annual growth rate of approximately 5 percent, double the 2013 rate, through 2017.”

Strong growth in Developing Asia-Pacific, improving stability in the EU and investment in new technologies will drive the industry forward. Autofacts forecasts annual global light vehicle assembly to reach 101 million by 2017.

**Megatrends driving the global automotive industry:**

* + **European Union -** While assembly was expected to recover in 2013, Autofacts is forecasting a year-over-year drop of 4 percent to approximately 15.3 million units in EU assembly. The long awaited rebound is now not expected until early 2014 at the earliest, as we see decrease in light vehicle assembly drop (-500k) in the first half of 2013. New vehicle demand fell by 4.7 percent in June, and 8.1 percent year-to-date, while the light commercial vehicle sector continues to decline, with registrations down 7.3 percent in May and 6.2 percent for the first five months of the year.
	+ **North America -** While the world is waiting for the recovery of the EU, North American sales and assembly increased through the first half of 2013, contributing 13.4 percent to global growth. The region is forecasted to contribute approximately 770 thousand units to the global topline growth in 2013. One regional manufacturing trend sparking interest is the “3-crew” or “3-2-120” shift pattern (wherein three crews work two shifts at 10 hours for six days a week) being implemented at select Detroit 3 plants to help meet the excess demand, which allows for increased assembly utilisation.
	+ **Developing Asia-Pacific -** Light vehicle sales showed strong growth in 2013 compared to 2012, with Developing Asia-Pacific delivering an increase of 2.24 million units. Particularly notable are SUVs and MPVs, up 45.1 percent and 26.8 percent, respectively, compared to last year. Although 2013 has started off well for vehicle assembly, Autofacts is forecasting a modest 9.7 percent growth in assembly for the full-year, and jumping to 13.2 percent in 2014, despite global economic climate constraints.
	+ **Research and Development Growth -** R&D continues to grow as the industry approaches a new era of innovation and collaboration. Autofacts forecasts a steady release of new technologies into vehicles over the coming years, while others are not expected to reach mass production for some time. Hybrid, electric and fuel cell vehicle production accounted for roughly 2.8 percent of global light vehicle assembly in 2012. This is expected to increase to approximately 5 percent by 2017, as industry collaboration drives costs down and performance metrics are simultaneously improved. The development and integration of new technology into vehicles to improve safety, fuel efficiency, communications and infotainment continues to accelerate and proves to be an increasing trend in the auto industry.

“Despite macroeconomic uncertainties, the automotive industry continues to invest in R&D to develop and integrate new technology into vehicles,” said Hanna. “Innovation is a clear differentiator. Today’s technology investments will continue to position the industry for longer-term growth.”

For more details about PwC's quarterly forecast update, download the July issue of PwC’s Analyst Note at: [www.autofacts.com](http://www.autofacts.com) or download the Autofacts iPad application.

**About PwC's Automotive Practice**

PwC's global automotive practice leverages its extensive experience in the industry to help companies solve complex business challenges with efficiency and quality. One of PwC's global automotive practice's key competitive advantages is Autofacts®, a team of automotive industry specialists dedicated to ongoing analysis of sector trends. Autofacts provides our team of more than 4,800 automotive professionals and our clients with data and analysis to assess implications make recommendations, and support decisions to compete in the global marketplace.

**About Autofacts®**

Autofacts is a key strategic asset of PwC’s global automotive practice. Fully integrated with PwC’s more than 4,800 global automotive professionals, Autofacts provides ongoing auto industry analysis our clients use to shape business strategy, assess implications and support a variety of operational decisions. The Autofacts team also draws from the strengths of PwC’s marketing, sales and financial services groups to support other key areas of automotive companies’ functions. Since 1985, our market-tested approach, diverse service offerings and dedication to client service have made Autofacts a trusted advisor throughout the industry. For more information, visit [www.autofacts.com](http://www.autofacts.com).

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