TAIA
The Thai Automotive Industry Association

AUTOMOTIVE SUMMIT 2015
ASEAN... the Emerging Automotive Hub of the World
24-25 JUNE 2015
BITEC, Bangkok

Thailand & ASEAN

Automotive Industry

Mr. Thanawat Koomsin
President, Thai Automotive Industry Association
(TAIA)

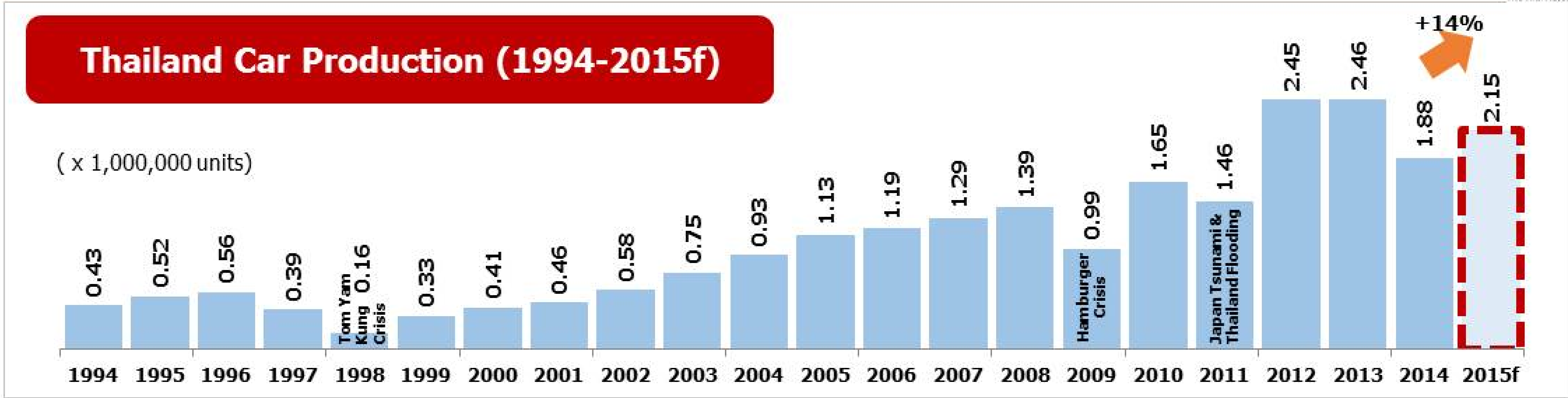
Wednesday 24th June 2015

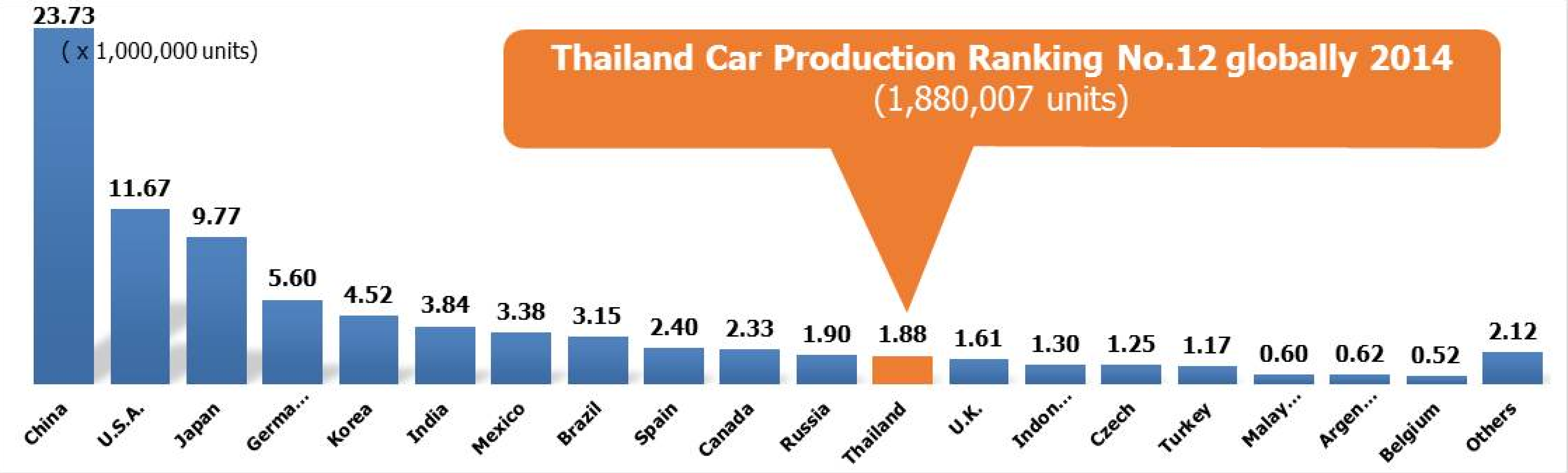
AGENDA

- Thailand & ASEAN Automotive Industry Overview
- SWOT Analysis
- Growth and Development of Automotive Industry
- Collaboration of ASEAN

Thailand & ASEAN Automotive Industry Overview

Thailand Automotive Industry Overview

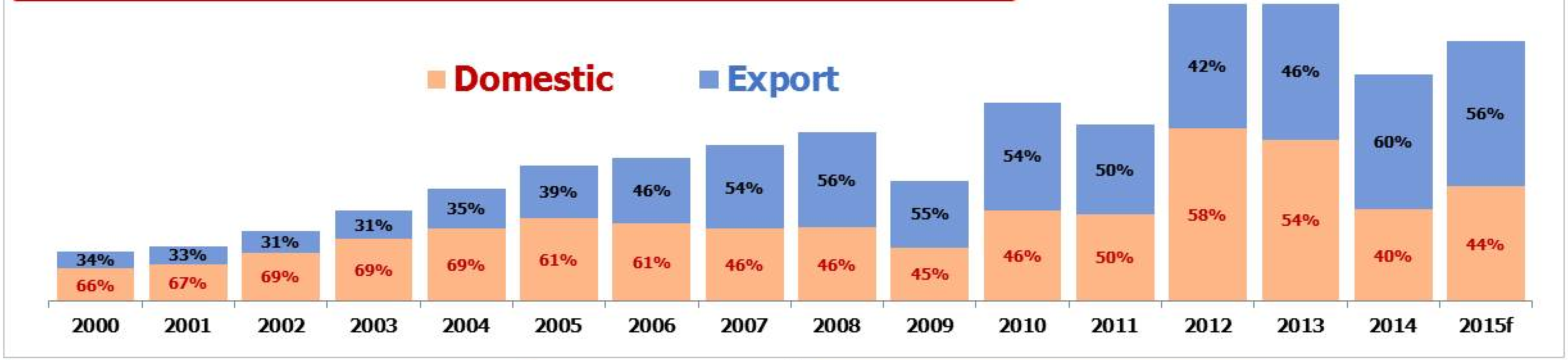




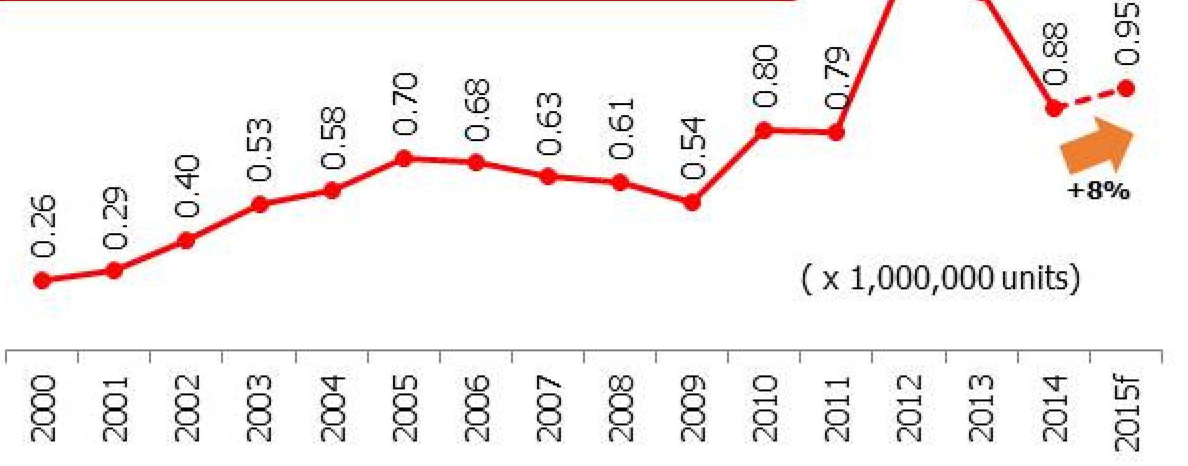
Thailand Automotive Industry Overview

The Thai Automotive Industry Association

Car Production Ratio for Domestic and Export (2000- 2015f)



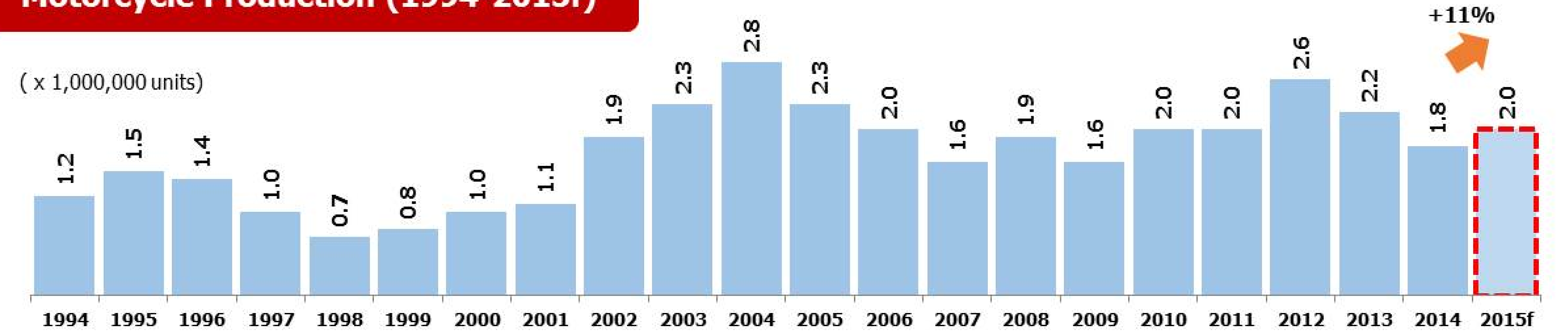
Car Domestics Sales (2000-2015f)



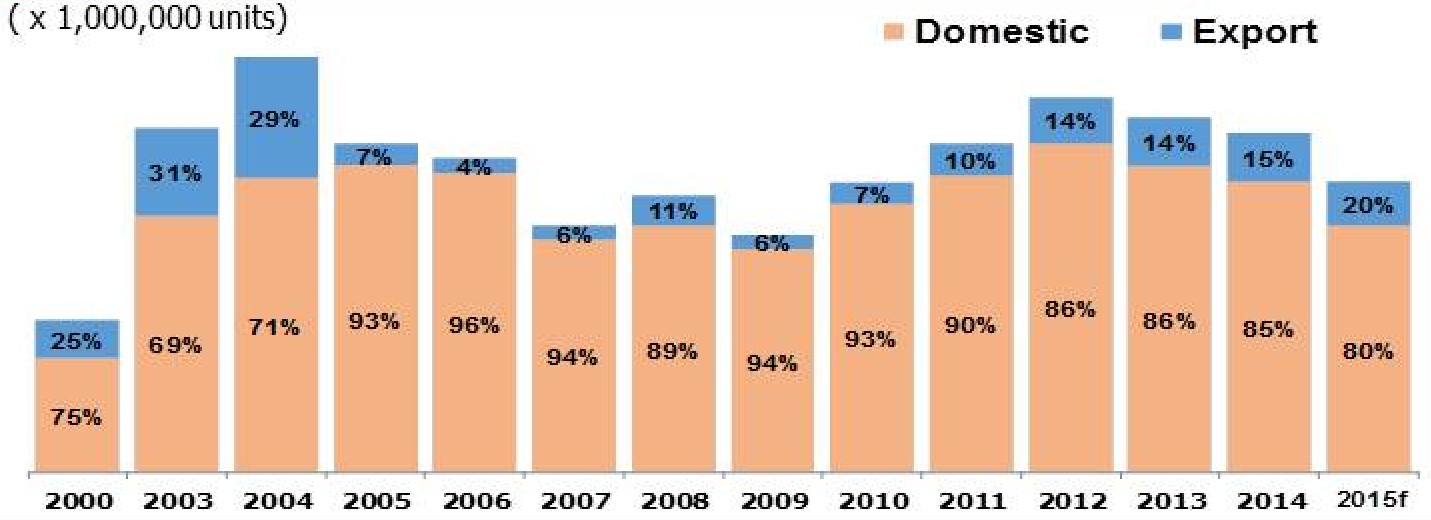
Car Export (2000- 2015f)

Thailand Automotive Industry Overview

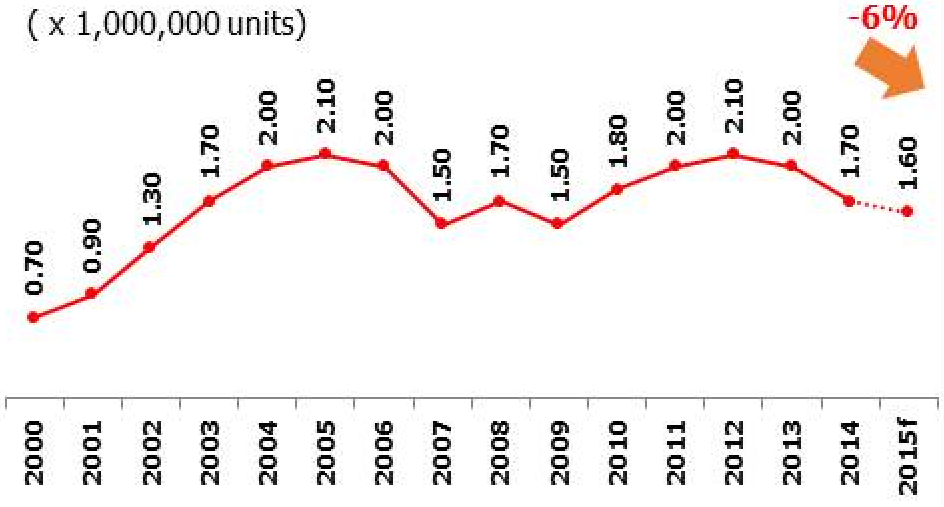
Motorcycle Production (1994-2015f)



Motorcycle Production Ratio for Domestic and Export (2000-2015f)



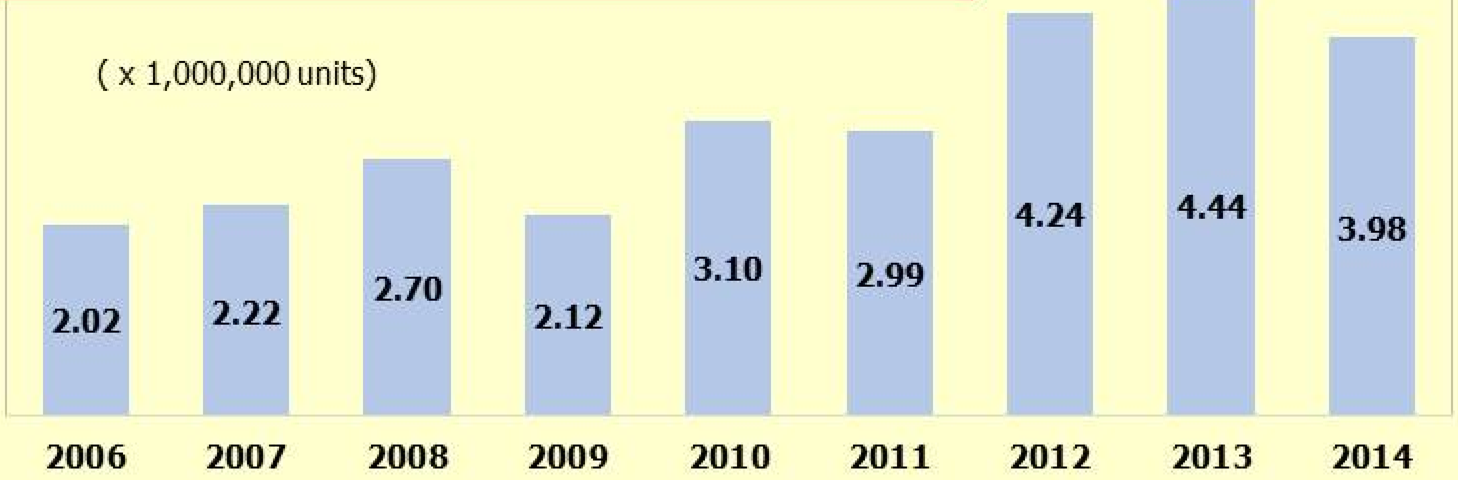
Motorcycle Sales (2000-2015f)



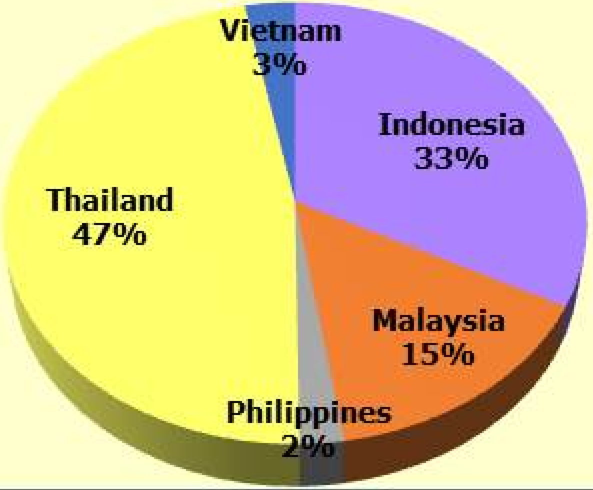
ASEAN Automotive Industry Overview

The Thai Automotive Industry Association

ASEAN Car Production (2006-2014)

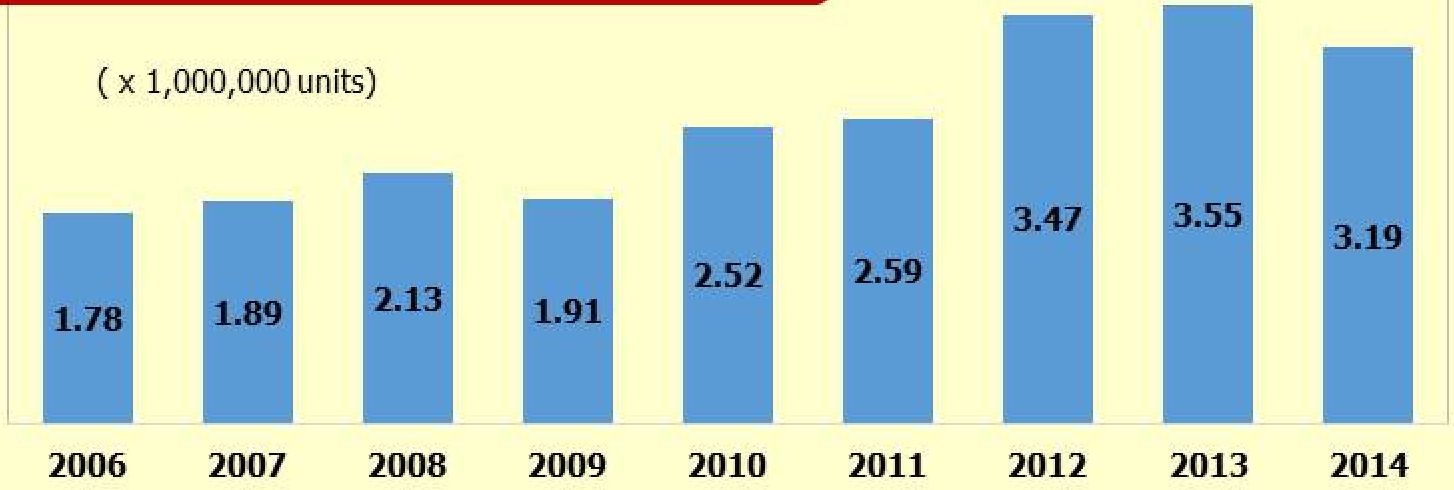


Market Share



Source : AAF

ASEAN Car Sales (2006-2014)



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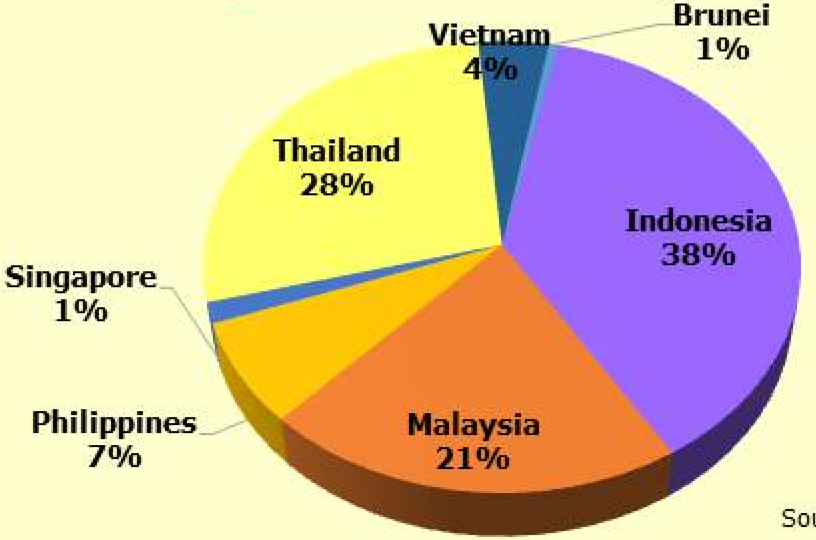
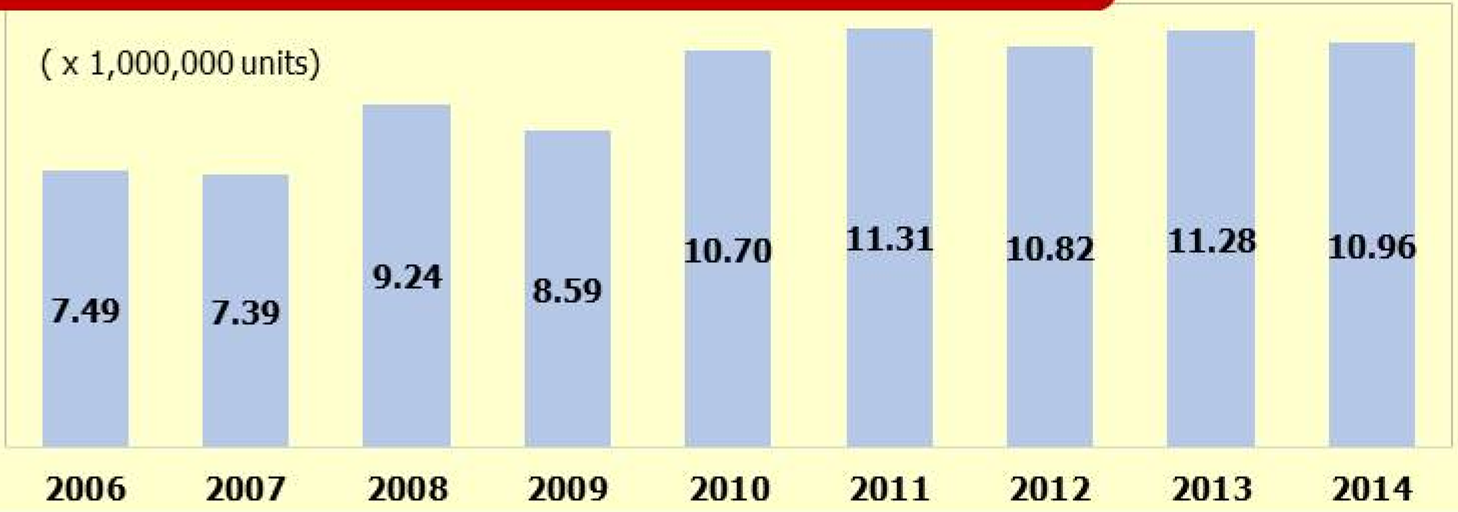


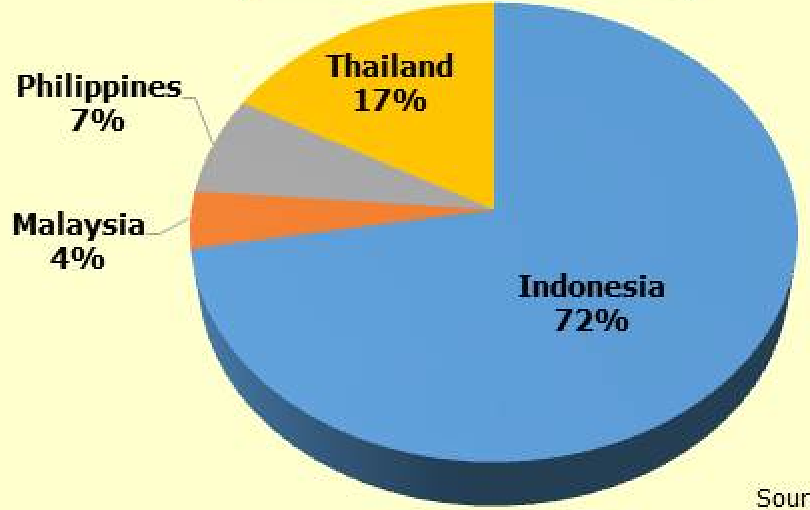
Source : AAF

ASEAN Automotive Industry Overview

ASEAN Motorcycle Production (2006-2014)

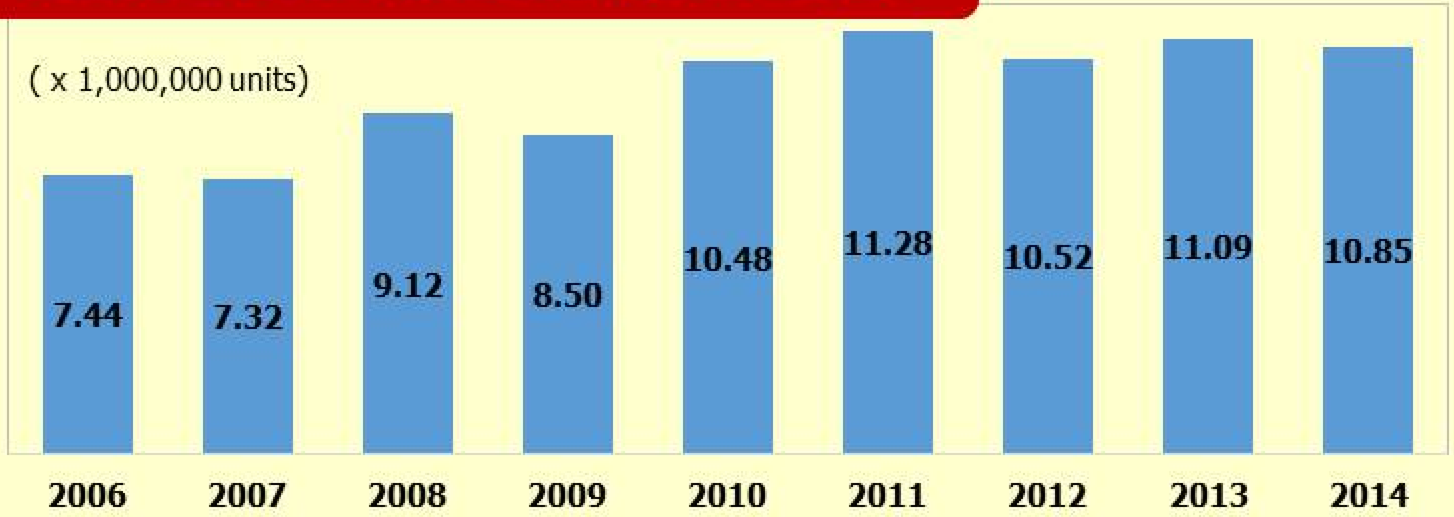


Market Share



Source : AAF

ASEAN Motorcycle Sales (2006-2014)



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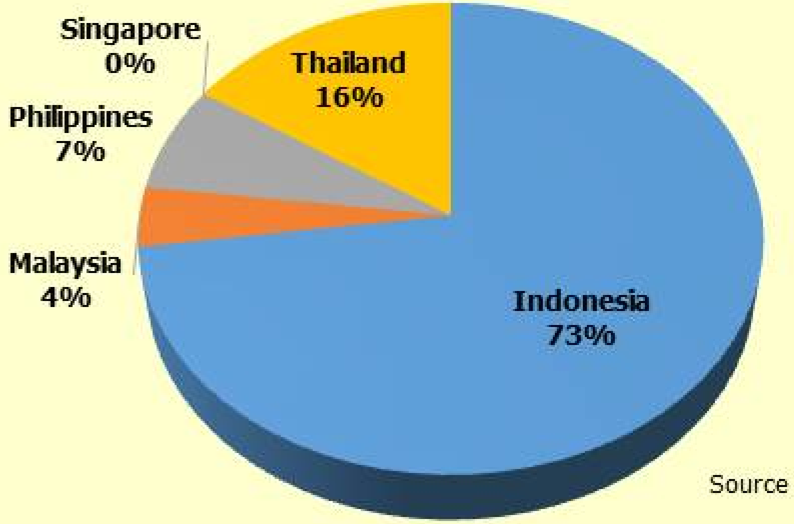


Source : AAF

Thailand & ASEAN Policies

Thailand Automotive Policy

The Thai Automotive Industry Association

Master Plan for Automotive Industry 2012-2016

[COE: Center of excellence ENV: Good Business Environment]

Source : TAI

Eco-Car Project

Eco-Car phase I

Clean

- Euro 4 or higher

Efficiency

- Fuel consumption < 5 L/100 km
- CO_2 emission < 120 g/km

Safety

- Passive safety : full frontal and side impact protection based on UNECE regulations

Eco-Car phase II

Clean

- Euro 5 or higher

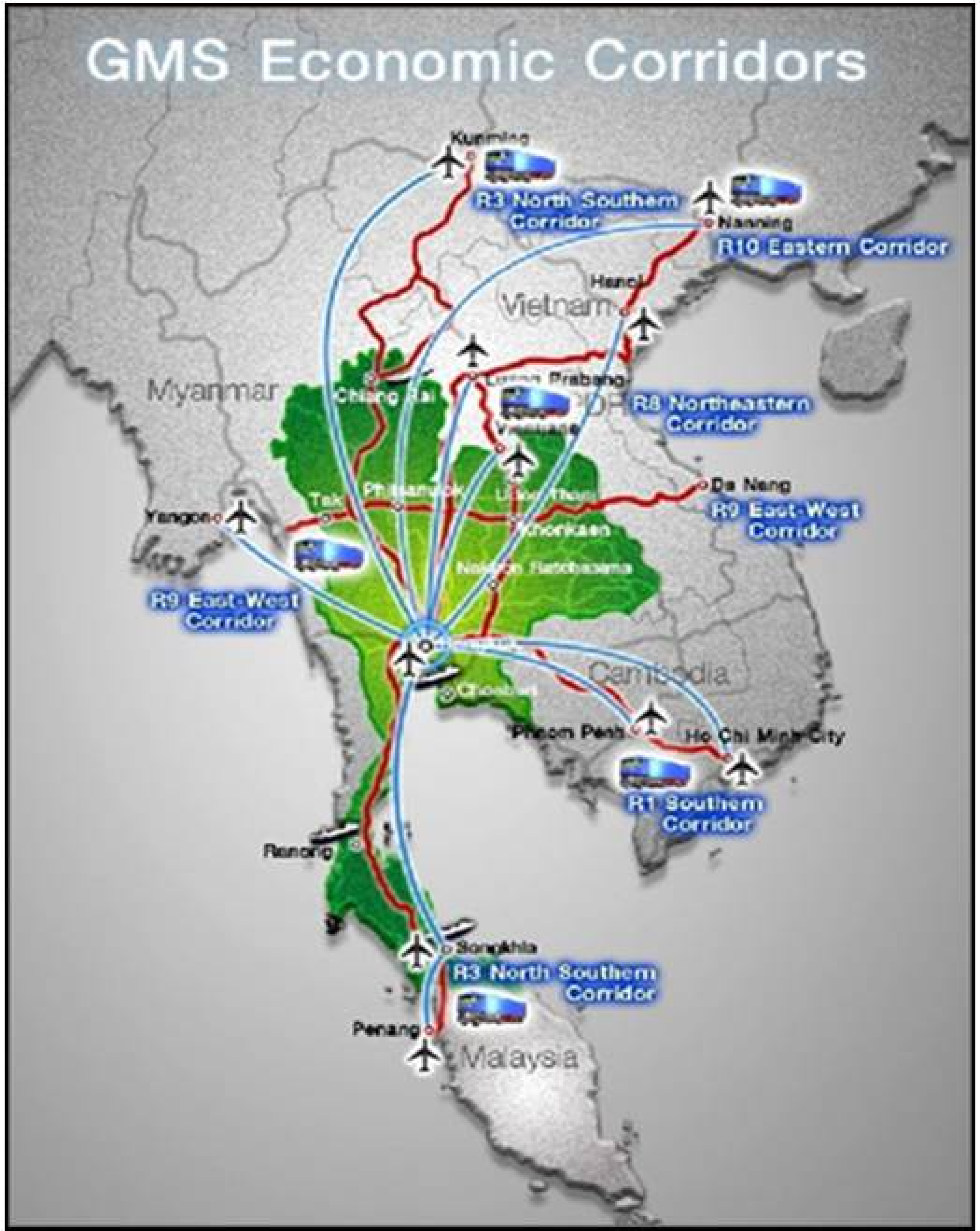
Efficiency

- Fuel consumption < 4.3 L/100 km
- CO_2 emission < 100 g/km

Safety

- Passive safety : full frontal and side impact protection based on UNECE regulations
- Active safety : ABS, ESC

Transportation Linkage among Thailand & ASEAN



ASEAN Automotive Policies

Indonesia

There has a long term policy to be the automotive production base on MPV, light commercial truck & energy saving and environment all friendly vehicle by year 2025.

Cambodia

The Government has a policy to promote automotive industry under the Cambodian investment law, such as

- To encourage Foreign Direct Investment from ASEAN and Japan to invest in automotive manufacturing industry in Cambodia
- To enhance skill labor through exchange program by job training

Philippines

Lawmakers have introduced legislations that would provide tax incentives to manufacturers and importers of electric and hybrid motor vehicles. These legislations are currently under deliberations by both houses or Congress.

Vietnam

The Government has approved new development strategy on automotive industry by expecting to meet general environment requirement and energy standard of vehicle in year 2035.

THAILAND AUTOMOTIVE INSTITUTE
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Policy to promote green technology by country

Thailand

Hub of global green automotive production

Indonesia

Low Cost Green Car Program
Low Carbon Emission Program

Malaysia

Hub of Energy Efficiency Vehicle (EEV)

Philippines

Tax incentives to Manufacturers and Importers of EV and Hybrid Car → Plan for Euro 4 by 2016

SWOT Analysis
Thailand & ASEAN

SWOT Thailand & ASEAN Automotive Industry

STRENGTH

Thailand	ASEAN
• World production base (Rank no.13 in 2014) • Supplier's long experience • Competitive supply chain • High skill labor • Government policy support industry	• Low labor cost • Linkage of transportation in ASEAN region

WEAKNESS

Thailand	ASEAN
• Inadequate of testing, R&D center • Cost of labor increasing • Trend to lack of skill labor in future • Knowledge transfer	• Different on automotive standard • Difference on custom system and trade facilities

OPPORTUNITIES

Thailand	ASEAN
• New testing, R&D center investment • Growth & development of Thai suppliers to be globalization • More FDI in new products • AEC 2015 increase free flow of products, labor, trade and investment	• Single market and production base • More investment as low labor cost • Larger of market • Expanding regional supply chain • Knowledge transfer • Development of automotive technology

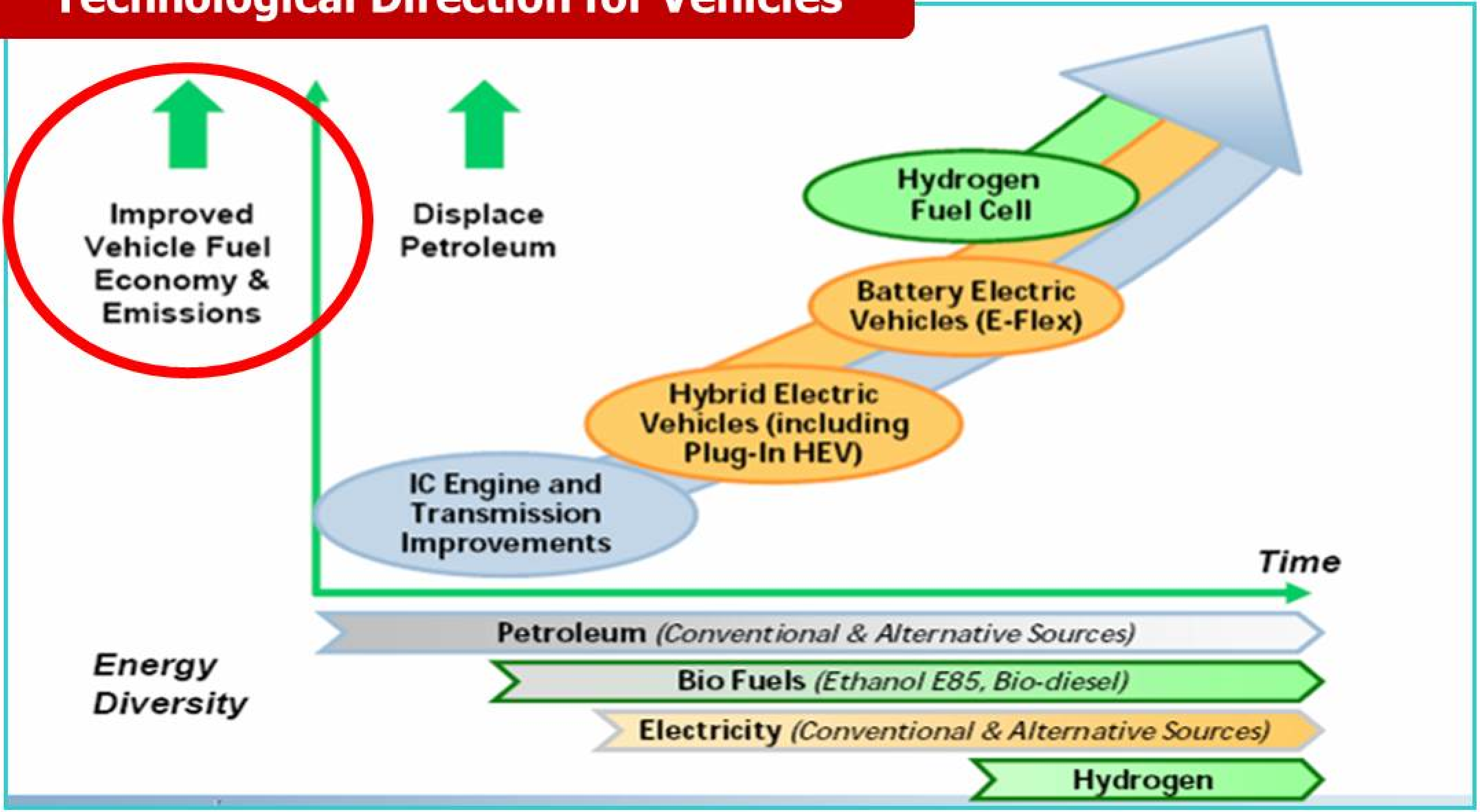
THREATS

Thailand	ASEAN
• NTBs/NTMs increasing on competition • More competitors from ASEAN • Unstable of Gov.'s policy	• More complicated market • Coming of China & India's product

Growth and Development of ASEAN and Thailand

Automotive Industry

Technological Direction for Vehicles

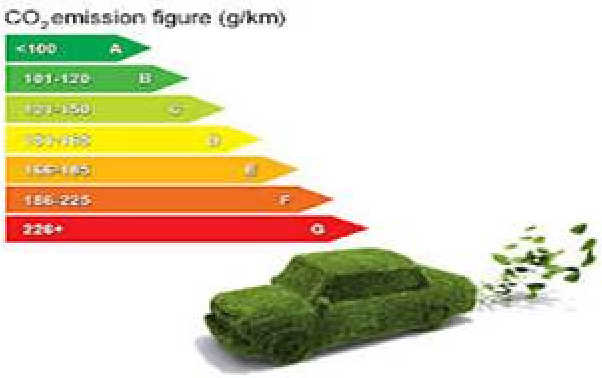


Automotive Technical Trend

The Thai Automotive Industry Association

Growth and development of ASEAN and Thailand Automotive Industry in the next decade especially impact from the environmental and energy concern

- Improve productivity by using more robot & automatic system.
- Environment friendly factory , less waste and energy consumption.
- More lightweight material and higher emission control system as well as lower CO2 emit.
- Alternative & Renewable energy usage and prepare for coming of NEV (New Energy Vehicles)
- Green Technology for industry and vehicle development.



Comparison of Current Structure VS New Structure

Thailand has introduced new tax structure, which is based on CO_2 emission and fuel consumption, and will be effective in January 2016.

Categories Of Vehicle	Tax Structure in Present				Tax Structure in Future			
	Engine Capacity (Horse Power)	Tax Rate (%)			CO_2	Tax Rate (%)		
		E10	E20	E85		E10/E20	E85/NGV	Hybrid
Passenger Vehicles -Passenger Vehicles and, Vans less than 10 seats	≤2,000 CC 2,001-2,500 CC 2,501-3,000 CC >3,000 CC (เกิน 220 HP)	30 35 40 50	25 30 35 50	22* 27 32 50	≤ 100 g/km 101-150g/km 151-200 g/km >200 g/km >3,000 CC	} 30* 35 40 50	} 25 30 35 50	10 20 25 30 50
PPV / DC /Space Cab/Pick Up	≤3,250 CC >3,250 CC	20/12/ - /3,18 50			≤ 200 g/km >200 g/km >3,250 CC	25*/12/5/3,18 30/15/7/5,18 50		
Eco Car (Benzine/Diesel) / E85	1,300/1,400 CC	17			≤100 g/km 101-120 g/km	14*/12 17/17		
Electric Vehicle /Fuel Cell/ Hybrid	≤ 3,000 CC >3,000 CC	10 10 50			 >3,000 CC	10 ** 50		
NGV-OEM	≤ 3,000 CC >3,000 CC	20 50			 >3,000 CC	** 50		

Remarks * : Assign safety standard for Active Safety (ABS+ESC) for Passenger Vehicles and, Vans less than 10 seats must obtain CO_2 ≤150 g/km / PPV must obtain CO_2 ≤200 g/km / Eco Car must obtain CO_2 ≤100 g/km

** Depend on CO_2 emission

* less than 1,780 CC but not over 2,000 CC

Source from Thailand Excise Dept.

Indonesia : the Government has an incentive tax on saving energy vehicle such as lower tax rate on low fuel consumption of vehicle, such as

Affordable energy saving vehicle (not including Sedan/Station Wagon)	Engine up to 1,200 CC	20 km/lt (Petrol)	Luxury Tax 0% Sales Price
	Engine up to 1,500 CC	20 km/lt (Diesel/semi Diesel)	

Collaboration of ASEAN

1. Development of ASEAN Mutual Recognition Arrangement (MRA) on type approval for automotive products
   => No new test require after test by one country member and export to have market in another country.
2. Fuel harmonize standard
   => Under study to have same or common fuel spec in the region.
3. Free flow of labor , trade in goods, and investment. (FDI)
   => In order to facilitate business and enhancement of supporting SMEs Developments
4. Introduce of NSW (National Single Window)
   => To reduce documentation and shorter time or custom process.
5. Reduction of Non-Tariff Measure and Barriers (NTM & NTB)
6. Development of Self-Certification Scheme under ASEAN Trade in Goods Agreement (ATIGA)
7. Etc.

Thank you