



Press Release

J.D. Power Asia Pacific Reports: China New-Vehicle Sales Slow, Primarily Due to Downturn in Global Demand for Exports

Inaugural China New-Vehicle Shopper Study to be Released in June

SHANGHAI: 1 April 2009 — The economic slowdown in China has resulted in a notable decline in demand for vehicles in the China market, with light-vehicle sales projected to decline by nearly two percent in 2009, compared with 2008, to 8.57 million units, according to J.D. Power Asia Pacific.

The decline is expected to be more pronounced in the light-commercial-vehicle market, with sales forecasted to decline by nearly three percent to 2.75 million units, while passenger vehicle sales (including cars, MPVs and SUVs) are expected to come in at 5.83 million units, down by one percent from 2008.

“The once red-hot Chinese economy is slowing markedly due to a pronounced downturn in global demand for its exports,” said Michael Dunne, managing director of J.D. Power Asia Pacific, Shanghai. “The country’s key export sector reported a 17 percent year-over-year decline in January, compared to an average of 20 percent growth during the first ten months of 2008. However, compared with other international markets, the new-vehicle market in China is still relatively strong, and it is particularly encouraging that the government is enacting new policies—including those that are favorable toward environmentally friendly vehicles and smaller vehicles—that will shape sales throughout 2009.”

Changes in purchase taxes on new vehicles and increases in fuel taxes are expected to cause a shift in demand toward smaller vehicles. In particular, sales of sub-compact cars are projected to increase by two percent in 2009, compared with 2008. In contrast, sales of larger vehicles—including compact and midsize cars—are expected to decline by three percent and four percent, respectively.

Despite the decline in sales projected for 2009, the automotive market in China is the second-largest in the world, behind only the United States in the number of units sold annually. To provide auto manufacturers with insight on the rapidly growing and evolving China market, J.D. Power Asia Pacific will release the inaugural China New-Vehicle Shopper Study in June. Covering 32 cities in China and including a representative combination of tier 1, tier 2 and tier 3 cities, the study is intended to examine the perceptions, attitudes and behaviors of auto shoppers in China.

A pilot study conducted prior to the release of the inaugural China New-Vehicle Shopper Study suggests that one third of vehicle shoppers in China are classified as “car enthusiasts,” who are brand-conscious. A similar percentage of shoppers are “thrifty buyers” who have lower incomes, on average, than car enthusiasts, and tend to be married and female.

“More than 80 percent of new cars purchased in China are bought by first-time new-car buyers,” said Dunne. “Understanding the thoughts and perceptions of new-vehicle buyers regarding brands and models can help manufacturers increase efficiency of their marketing and product development efforts, and ultimately raise customer satisfaction with their vehicles and the purchase process.”

About J.D. Power Asia Pacific

J.D. Power Asia Pacific has offices in Tokyo, Singapore, Beijing, Shanghai and Bangkok that conduct customer satisfaction research and provide performance analytics services in the automotive, information technology and finance industries. Together, the five offices bring the language of customer satisfaction to consumers and businesses in China, India, Indonesia, Japan, Malaysia, Philippines, Taiwan and Thailand.

Information regarding J.D. Power Asia Pacific and its products can be accessed through the Internet at www.jdpower.com.

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