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中国語や日本語で読みたいという読者様のニーズに応えるために、アジアから中国語と日本語の記事を提供しています。中国語をご希望の方は**こちら**を、日本語をご希望の方は**こちら**をクリックしてください。

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## North America Report

### HDMA and PSR Present COVID Impact Webinar

**Read Detailed Report and Download PPT Presentation.**

The Heavy Duty Manufacturers Association and Power Systems Research joined forces on June 17 to provide information on the impact of COVID-19 on North American production of agricultural and construction equipment.

Power Systems Research forecasts that global agricultural equipment production will be down 9.4% in 2020 compared to 2019, and global construction equipment will be down 11.3%.

In North America, PSR sees agricultural machinery production dropping 12.5% in 2020, and construction equipment production declining even more, slipping 14.2% in 2020.

The Heavy Duty Manufacturers Association (HDMA) is the Heavy Duty division of the Motor and Equipment Manufacturers Association (MEMA). HDMA membership of 220+ commercial vehicle component-supplier members includes North American suppliers to the global on and off-highway equipment OEM and replacement parts markets.

Power Systems Research is a global market research firm based in St. Paul, MN, that has focused on providing global data, intelligence and forecasts on OEMs, engine and component production since 1976. **PSR.**

### The Lithium Revolution Has Yet To Come Home

*By Tyler Wiegert, Project Manager and Power Generation Analyst*



*Tyler  
Wiegert*

This article is being written the week after SpaceX successfully brought two astronauts to the International Space Station, which has been celebrated across the country as a great achievement for the United States Space program.

I certainly share the feeling that it is good to be back in space, but there is also this lingering feeling that 50 years after we landed on the moon, we might be somewhere further along than just getting back into space on American-piloted rockets.

Combining that with a pandemic that has brought us to a public health and economic situation more appropriate for the early 20th century than the early 21st century, and protests over racial inequality issues that many hoped we'd be further along with 60 years after the Civil Rights movement, it feels appropriate to reflect on the phenomenon of future-hype.

The blog article ***Why Have Home Battery Forecasts Been Staggeringly Wrong for Years?*** examines the future-hype specifically around home battery systems.

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## North America Report

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*Home battery systems are not something that we currently forecast at PSR, but trends in that technology are closely related to one of our core segments: engine-powered generator sets.*

Specifically, why were predictions made only four years ago, not 50 or 60 or 100 years ago, so wrong about where home battery systems would be now?

The author takes Morgan Stanley to task as representative of prognosticators, because they predicted in 2016 that by now, one in 10 Australian homes (where the author lives) would have a battery, and optimistically that it might be as high as one in 5. The reality is that about one in 136 homes do, even in regions with relatively high energy costs.

Furthermore, the number of batteries installed in homes flatlined between 2018 and 2019, despite high electricity prices and large subsidies on batteries.

The author argues that analysts have made the mistake of extrapolating demand from the falling cost of battery packs. The price of a battery pack has fallen on a trajectory that would have justified optimistic predictions, halving about every three years to 1/8 the price in 2019 as in 2010.

Given only that information, it might be reasonable to assume that the quantity of battery packs demanded might increase on an equally optimistic trajectory. But, he argues, consumers do not largely respond to incremental changes in the price of batteries, even if they are large increments.

They respond to batteries saving them money, and the price has not fallen that far yet. Until that happens, the market for home battery systems is just early adopters who want the technology for non-monetary reasons, and that market shrinks with each purchase, largely regardless of any incremental price drops. Any mass adoption will require that threshold to be crossed.

*Solar Quotes Blog* [Read The Article](#)

**PSR Analysis:** Home battery systems are not something that we currently forecast at PSR, but trends in that technology are closely related to one of our core segments: engine-powered generator sets.

Currently, most home battery packs are used for peak shaving purposes, allowing homeowners to avoid paying higher energy prices at times when utility energy is in higher demand. That does not directly impact the residential gen-set market yet, as most of those units are used for emergency standby rather than peak shaving. But at the risk of engaging in future-hype, it is not difficult to imagine that the technology might improve enough to store sufficient reserves for emergency power, or to the author's point, cheap enough to justify multiple units for that purpose.

Home battery systems may not generate enough revenue on their own to draw investment in process improvements or reach production economies of scale, but they benefit from the success of more-popular technologies that also run on modular lithium ion cells.

Readers can keep an eye on these trends by subscribing to our [OE Link](#) Production database, or to our [PowerTracker North America](#) report, which receives insight from 200 generator set dealers and 900 business consumers of gen-sets each quarter about the state and direction of the market. **PSR**

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## North America Report

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## Pandemic Disruptions Hinder Battery-Auto Adoption

By *Tyler Wiegert*, Project Manager and Power Generation Analyst

My previous article in this month's issue of *PowerTALK News* described how home battery systems, even though they are not themselves viable products for most consumers, still benefit from a virtuous cycle of product improvement and investment because of the relative success of battery-powered vehicles and other battery-powered products.

But the COVID-19 pandemic has not missed those drivers. *Venture Beat* reports that investors are largely avoiding lithium this year, preferring to safeguard cash until the economy starts to improve. The delay in funding could have several knock-on effects.

One is consolidation in the industry. Ganfeng Lithium is picking up a lithium project from Lithium Americas, a smaller operation. Fewer, larger players in the market later on might have price consequences for lithium adoption after the economy improves and demand for those goods increases.

When the primary barrier to adoption of these goods is the cost of the battery (both at initial purchase and at replacement), consolidation in the raw materials market could have a serious impact on demand for finished goods.

Perhaps the bigger concern is that assets will go unused and possibly leave the market with bankruptcies, and resources will go undeveloped. Some industry actors warned that these impacts could affect the market through the middle of the decade.

**Source:** *Venture Beat* [Read The Article](#)

**PSR Analysis:** The factor discussed above may bring the industry to a place where regulations in Europe and China are what drive adoption by simply crowding out fossil-fuel-powered cars. That situation may lead to some concern about stalling improvements in the technology (If consumers have to buy your product, why spend money improving it?), but the US market seems unlikely to adopt as-aggressive regulations about vehicle emissions or subsidies for battery-powered vehicles.

Given that adoption in the U.S. beyond enthusiastic early-adopters will depend largely on technology and price improvements, it seems likely that progress will continue, even if it is delayed by pandemic disruptions.

In the May 2020 issue of *PowerTALK News*, we discussed reports that electric vehicle manufacturers might need to buy direct control of their lithium mines to secure a stable supply chain that would be resilient to the price and market concerns laid out in this article. We will be watching to see if those players make any moves to secure mining operations while the market favors buyers of those assets. **PSR**

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## North America Report

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# DataPoint: US Lawn & Garden Tractors

## 681,500

By Carol Turner, Senior Analyst, Global Operations

The 681,500 units is the estimate by Power Research of the number of Lawn & Garden Tractors to be produced in the United States in 2020.

This information comes from industry interviews and from two proprietary databases maintained by Power Systems Research: **EnginLink™**, which provides information on engines, and **OE Link™**, a database of equipment manufacturers.

**Market Share:** With 38% of total units produced, Husqvarna leads in production of Lawn & Garden Tractors in North America. In second position, with combined plant totals, is MTD with 33%; third, also with combined plant totals, is Deere & Co. with 24%.

**Exports:** Up to 25% worldwide.

**Trends:** In 2019, production of Lawn & Garden Tractors in North America (US) increased nearly 8%, but production is expected to drop 16% in 2020. The gain in 2019 was the result of increased demand for new fuel-efficient models combined with the demand for new equipment. Latest models offer a variety of features for homebuyers based on yard size (acreage). Entry-level lawn riders are suited for 1.5 acres or less and usually have 1-cylinder engines.

Mid-grade riders have twin cylinder engines with high HP's that work well in large cutting areas. The forecasted decline is caused by the temporary lull in production of the Craftsman line along with unfavorable mowing conditions (wet spring) and the saturation of new products in the market.

COVID-19 may play a factor in the manufacturing decrease because of plant shutdowns, however production can easily ramp up to meet demand for these seasonal items. Production is expected increase up to 5% by 2025; lifespan of this product is about 10 years. **PSR**

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## Brazil/South America Report

By *Carlos Briganti*, Managing Director - SA



*Carlos  
Briganti*

### Special Report – Brazil Market Updates COVID19

Power Systems Research published in the June 13th issue of *Automotive Business* magazine a high level update on perspectives of MHV and Off-Highway segments. See the article at the link below and translated presentation.

**Source:** *PSR at Automotive Business* [Read The Article](#)

**PSR Analysis:** Although ANFAVEA published a decreased forecast, we believe that the decrease will be lower than the Light Vehicles decrease. Metrics we follow, such as Diesel consumption and the number of Vehicles going through tolls by weight category, show a lower impact in Commercial Vehicles. Other factors: a smaller than expected reduction during the pandemic isolation, agribusiness remaining strong and a lower than expected impact on mining/construction.

### John Deere Starts Grader Production in Brazil

Previously imported, John Deere announced the start of production of G series of Graders in Brazil in the coming months. With the movement, John Deere will attend the South American Market with 90% of products made in Brazil.

**Source:** *AutoData* [Read The Article](#)

**PSR Analysis:** The decision of nationalization started in 2018 and makes more sense with recent local currency depreciation. With this movement, Deere will be more competitive in delivery time and it will have some room for margins and pricing variation, which could lead to a moderate growth of share in the market. This is reflected in our databases forecast.

### Pepsico Acquires 18 Scania Trucks Fueled by NG / Biomethane in Brazil

After the first sale of NG trucks at Fenatran in October 2019, Scania has sold 22 more, including 18 to Pepsico. The forecast of 100 NG Trucks to be sold this year has been reduced because of the pandemic effect.

**Source:** *Estadao* [Read The Article](#)

**PSR Analysis:** This sale confirms the bet on NG expansion and the PSR forecast for sales trends and technology penetration. Drivers for growth in this niche market are reduced emissions, lower operating costs and the Total Cost of Ownership compared to the diesel version. The use and confirmation of numbers will drive market expansion and fueling infrastructure may be the next bottleneck to be removed.

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## Brazil/South America Report

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*According to a statement from CAMC, a.k.a Hualing Xingma, China automotive manufacturer Geely, will acquire a 15.4% position in the company.*

## First FOTON Assembled in New Plant in Brazil

The first units of the 3.5 ton LCV have been assembled at the GEFCO Plant in Guaíba-RS, under the manufacturing contract for Foton.

**Source:** *AutoData* [Read The Article](#)

**PSR Analysis:** Despite this news, the development of the new line will be significantly delayed by the COVID-19 issue because of social restrictions and workforce mobility, the impact on the LCV segment and the lack of parts from China, which are a major part of the content of these trucks. **PSR**

## China Report

By *Qin Fen*, PSR Business Development Manager-China.

### Geely Poised to Acquire CAMC



*Qin Fen*

According to a statement from CAMC, a.k.a Hualing Xingma, China automotive manufacturer Geely, will acquire a 15.4% position in the company.

**Source:** *CV World* [Read The Article](#)

**PSR Analysis:** A win-win situation for CAMC and Geely. There are still some legal proceedings to finish, but once it's done, CAMC will save itself from financial trouble and Geely will add an asset to its commercial vehicle lineup.

### 落实锤！吉利确定控股华菱星马

2020年6月12日 — 6月12日晚间，华菱星马发布公告，公司控股股东安徽星马汽车集团有限公司组织的专业评审人员对意向受让方吉利商用车集团进行了综合评审，认为吉利商用车集团符合本次公开征集转让受让方的条件，确定吉利商用车集团为本次公开征集转让受让方。

**新闻来源:** [第一商用车网](#) [阅读原文链接](#)

**PSR分析:** 对于华菱和吉利来讲是双赢局面。还有一些法律程序需要走完，但是一旦完成，华菱会免于陷入财务困境，而吉利会在其商用车产品版块增加一份有价值的资产。

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## China Report

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*For large fleet owners like JD.com Inc. or SF Express, fuel cost might be a key factor in choosing a battery-powered vehicle over ICE-powered vehicle for urban delivery.*

## Thoughts on Battery Change for New Energy Vehicle, Using Big Data

A symposium on battery change mode for new energy vehicle was held June 15 in Xuzhou, Jiangsu. Data from National Big Data Alliance of New Energy Vehicles suggests that over 3 million new energy vehicles were in the system in 2019 and 900,000 vehicles are running daily. Data also suggest that new energy vehicle GVW range primarily falls under 4.5 tons.

**Source:** [Sohu Read The Article](#)

**PSR Analysis:** Many numbers are in the article, some contradictory. As one of the truck OEMs, XCMG does make some excellent points on the daily use of the battery-powered vehicle, using data collected from end-users, such as working hours, range anxiety and surprisingly, maintenance and downtime.

But I want to point out one potential issue that might travel under the radar: operating cost, more specifically, fuel cost. For large fleet owners like JD.com Inc. or SF Express, fuel cost might be a key factor in choosing a battery-powered vehicle over ICE-powered vehicle for urban delivery.

There are energy companies already working with large industrial businesses to install wind or solar power onsite to address their electricity bill issue. Once completed, giant companies like JD or SF Express will significantly cut down their operating expenses on fuel, in this case, electricity.

There is one game changer out there now. How will ICE-powered light duty trucks compete with battery-powered vehicles, when the latter runs free of charge and free of emission? What will happen to all the components suppliers for light duty trucks, especially urban delivery trucks? **PSR**

## 大数据分析下对新能源物流车换电的三点思考

2020年6月15日 — 6月15日，全国新能源换电模式物流车辆解决方案研讨会在江苏徐州举行。根据新能源汽车国家大数据联盟的资料，2019年全国新能源汽车国家监测与管理平台接入新能源车辆超过300万辆，日在线超90万辆，日上线率超过70%，实时在线率近25%，累计行驶1139.7亿公里。其中，全国接入新能源物流车共295476辆，属于4.5吨以下纯电动物流车285840辆、燃料电池物流车2233辆、插电式物流车351辆，表明了物流市场的主战场还是在4.5吨以下的蓝牌轻型物流车。对比之下，全国物流车存量约为3000万辆左右，新能源汽车约占存量市场1%。

**新闻来源:** [搜狐 阅读原文链接](#)

**PSR分析:** 这篇文章里包含很多有价值的数 据，有些互相矛盾，而有些还好。徐工作为卡车行业的厂家之一，利用客户的大数据，对于电动物流车的日常使用，提出了很多有价值的观点，比如运行时间，里程焦虑，还有让人有点意外的维保和故障问题。



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## China Report

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但是我想指出另外一点，这点可能大家并没有注意到，就是运行成本，更准确的说是燃油成本。对于京东物流和顺丰快递这样的大型车队而言，燃油成本可能是他们放弃内燃机车辆，最终选择电动车辆作为城市物流的一个关键因素。

已经有一些能源公司在和大型工业企业合作，在工厂安装风能或者光伏太阳能，帮助这些企业解决电费的问题。一旦这些项目完工，京东和顺丰这样的行业巨头就会极大地削减他们的运行费用，诸如燃油费用，对于电动车而言，就是电费了。

改变游戏规则的玩家已经在门外了，内燃机驱动的轻型卡车如何与电动车辆竞争？特别是后者运行无费用，且无排放的时候？轻型卡车的零部件供应商又会面临着什么？ **PSR**

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## Far East: Japan Report

By *Akihiro Komuro*, Research Analyst, Far East and Southeast Asia



*Akihiro  
Komuro*

### Small Signs of Recovery in Japan's Domestic Motorcycle Market

While car sales have been hit hard by the Coronavirus disaster, there are small signs of a recovery in the Japanese domestic motorcycle market. According to the Japan Mini Vehicle Association, new motorcycle sales in April 2020 (125 to 250cc) were up 2.0% YOY to 7,772 units.

This is the fourth consecutive month of YOY growth. Some observers believe this is a rebound from the decline following the October 2019 sales tax hike. This growth also is partly due to the growing need by commuters to use motorcycles as an alternative to public transportation to avoid coronavirus.

Shipments by the four OEMs, including class 1 mopeds (under 50cc), in March were up 7.3% YOY to 36,800 units. By contrast, April sales were down 11.4% YOY. However, compared to four-wheeled vehicles, the decline is limited.

On the other hand, India and Southeast Asia, which are the main market for motorcycle OEMs, are likely to take some time to recover due to the shutdown of plants, temporary closure of dealerships and the economic downturn. In terms of global demand, there is a tendency to view May and June as the bottom of the sales decline. The market recovery in emerging countries and the development of new demand in developed countries. If these two factors work together, a new stage of growth may open.

**Source: Nikkei Business** (The original article was partially revised by the author.)

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## Far East Report

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*Japan's domestic market is extremely small in terms of global scale, but Japanese brands account for about half of all motorcycles in the world. It's a welcoming situation that Japan, the home turf for motorcycles, is growing even slightly.*

**PSR Analysis:** Japan's domestic market is extremely small in terms of global scale, but Japanese brands account for about half of all motorcycles in the world. It's a welcoming situation that Japan, the home turf for motorcycles, is growing even slightly.

Recent media reports say that cars and motorcycles are a growing form of transportation for the new era, but I'm somewhat skeptical of this. Certainly, the personal use of cars and motorcycles rather than crowded public transport is a protection against COVID-19. But that cannot be the main reason for the revival of the motorcycle market.

The appeal of motorcycles as a product remains a major theme that needs to be developed. Increasing the number of riders who previously were not interested in motorcycles will be the key to the recovery of the domestic motorcycle market. There is still a lot of work for the industry to do in order to link the recent slight upward trend in the domestic market to longer-term growth. **PSR**

## 極東 > 日本レポート:

小室 明大 – 極東及び東南アジア リサーチアナリスト

### 二輪車市場に復調の兆し コロナ禍で脱・3密の移動に

コロナ禍で自動車の販売が大打撃を受ける中、二輪車市場に少しずつ復調の兆しが出ている。全国軽自動車協会連合会によると、2020年4月の軽二輪車（125cc超250cc以下）の新車販売は前年同月比2.0%増の7772台。4カ月連続で前年同月比プラスとなった。2019年10月の消費増税後の落ち込みからの反動という側面もあるが、公共交通機関に代わる「脱・3密」の移動手段として、通勤や通学に使うニーズが拡大しつつあることも背景の1つにある。原付一種（50cc以下）なども含めた今年3月の国内二輪4社の二輪出荷台数も前年同月比7.3%増の3万6800台と好調だった。国内での工場稼働停止や生産調整が本格化する前だったこともあり、3年ぶりに前年同月を上回った。4月は同11.4%減となったものの、四輪車と比べれば落ち込み幅は限定的だ。ただ、主戦場であるインドや東南アジアでは工場の稼働停止や販売店の一時閉鎖、経済低迷の影響が大きく、持ち直しに時間がかかりそう。グローバルの全体需要では、5～6月を販売台数減の底と見る向きもある。新興国の市場回復と先進国での新たな需要開拓。その両輪がうまく回れば、新たな成長のステージが開けるかもしれない。

**出典: 日経ビジネス**（一部筆者により元記事内容を改編しました）

**PSR 分析:** グローバル規模で見ると日本の国内市場は極めて小さな規模だが、世界全体の二輪車の約半数は日本ブランドである。二輪車にとってはお膝元とも言える日本の市場がわずかにでも伸びているというのは歓迎すべき状況といえる。

ニューノーマル時代に適したモビリティとしての自動車やバイクの価値が再確認されているとメディアは報じるが、私はこれにはいささか懐疑的だ。確かに、混雑した交通機関よりも自動車や二輪車のパーソナルスペースは、コロナ対策という観点からはベターなものと言えるかもしれない。だが、それが二輪車市場の復活の主

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## Far East Report

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因にはならない。二輪車の商品としての訴求力は依然として改善が必要な大きなテーマである。今まで二輪車に興味がなかったライダーをどのように増やすかが、国内二輪車市場回復のキーになるだろう。今回報じられた国内市場の若干の上向きの傾向を長期的な上昇トレンドへつなげていくために、業界がすべきことはまだまだたくさんある。 **PSR**

## Southeast Asia Report

By *Akihiro Komuro*, Research Analyst, Far East and Southeast Asia

### Southeast Asia Auto Sales Drop 80% in April

The Southeast Asian auto industry continues to suffer from the effects of the new coronavirus. New car sales in April were down 80% year-on-year due to restrictions on activity in each country. New car sales in the six major countries were down 82% in April from a year earlier to 51,063 units.

The biggest declines were in Malaysia and the Philippines, where sales were down 99.7% and 99.5%. Both countries began restricting activity in March, with production and sales of cars almost completely halted in April. Indonesia, the largest market, was down 91%. Thailand sales slumped 65%, although car dealerships operated under a declared state of emergency.

Combined sales in Indonesia, Thailand and Malaysia could fall 40% in 2020 compared to 2019. A restructuring of the production system has also occurred. Nissan will close its plant in Indonesia and outsource the production to Mitsubishi Motors.

**Source: The Nikkei** (The original article was partially revised by the author.)

**PSR Analysis:** The supply of components from China, which was temporarily disrupted, has begun to recover, and supply chains outside of China are being rebuilt. Lockdowns and other restrictions are beginning to ease, and the system for restarting production sites is being put in place.

But even if production capacity returns, demand is still a key concern.

Southeast Asia has been positioned as a potential market due to population growth and income growth. Also, it already has a significant presence as a global production base. For example, Thailand exports finished vehicles to more than 150 countries.

For many companies with production bases in Southeast Asia, particularly Indonesia and Thailand, a recovery in demand from within and outside the region will be a major driver to ensure the continued existence of the Southeast Asian automotive industry, considered a strategically important base for the region. In the short term, the industry will recover from the March/April slump, but the long-term outlook is very uncertain. **PSR**

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## Southeast Asia Report

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# 東南アジア > 東南アジア全体レポート:

小室 明大 – 極東及び東南アジア リサーチアナリスト

## 東南アジア、続く苦境 4月自動車販売8割減

新型コロナウイルスの影響で東南アジアの自動車産業の苦境が続いている。各国の活動制限で4月の新車販売台数は前年同月比8割減だ。主要6カ国の4月の新車販売台数は前年同月比82%減の5万1063台だった。落ち込みが大きいのがマレーシアとフィリピンで、それぞれ99.7%減、99.5%減。両国は3月から先行して活動制限が始まり、4月は自動車の生産と販売がほぼ完全に止まった。最大市場のインドネシアは91%減だった。タイは非常事態宣言下でも車販売店の営業は認められたが、65%減に低迷した。インドネシア、タイとマレーシアの3カ国合計で販売台数は20年に前年比4割減になる可能性がある。生産体制の再編も起きた。日産自動車はインドネシア工場を閉鎖し、三菱自動車に生産委託する

**出典: 日経新聞** (一部筆者により元記事内容を改編しました)

**PSR 分析:** 一時的に途絶えていた中国からの部品供給も回復が始まり、中国以外のサプライチェーンも再構築されつつある。ロックダウンなどの行動制限も緩和され始めて、生産現場のリスタート体制は整いつつある。だが、生産能力が戻っても、肝心なのは需要そのものだ。東南アジアは人口増加と所得の増加によってポテンシャル市場として位置づけられてきた。すでにグローバルの生産拠点としても存在感は大きい。例えばタイからの完成車輸出は150か国以上にも上る。インドネシアやタイを中心とした東南アジアに生産拠点を持つ多くの企業にとって、戦略的に重要な拠点と考えられてきた東南アジアの自動車産業が今後も存続していくためには、域内外の需要の回復が大きなテーマになる。短期的には3月4月の落ち込みからは回復するだろうが、長期的には先行きが非常に不透明である。 **PSR**

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## India Report

By *Aditya Kondejkar*, Research Analyst – South Asia Operations.



*Aditya Kondejkar*

### The EV Story in Post-COVID Era

Roughly three months of countrywide lockdown, combined with zero sales and the post-pandemic uncertainty, has resulted in further degrading the health of the already struggling Indian automotive sector.

Though it has disrupted the entire value chain of the automobile industry, there is a silver lining to this Covid-19 pandemic: It has stimulated growth in renewable and eco-friendly transportation.

The Indian market has high potential for EVs since most commuters opt for two-wheelers, three-wheelers, and buses. There are numerous latent growth factors in place, and the pandemic might have set them in motion

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## India Report

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*The pandemic has sensitized the public to the necessity of clean energy. It has drawn public attention to the need to reverse the high carbon-emitting lifestyle.*

While the pandemic has disrupted the transportation ecosystem, EV technology has the potential for rapid adoption, driven by an increased awareness towards a greener and cleaner transportation.

The pandemic has sensitized the public to the necessity of clean energy. It has drawn public attention to the need to reverse the high carbon-emitting lifestyle.

### 3-Wheelers Are Low Hanging Fruit for EV Adoption

The Indian electric vehicle industry may be one of the youngest globally in terms of volumes, but it has great potential because of its substantial user base.

The Indian electric vehicle (EV) market will continue to be primarily driven by the two-wheeler and three-wheeler segments. The three-wheeler segment will see the highest CAGR over the next five years. This growth comes from the country's booming e-commerce sector and last-mile delivery.

### Mahindra and Mahindra To Shift Focus To Electric 3-Wheelers

#### Read The Article

Mahindra and Mahindra Ltd (M&M) is intensifying its focus on electric three-wheelers as it seeks to grow its electric transportation business. The Mumbai-based company has set an ambitious target of selling 10,000 electric three-wheelers each month and is in talks with state governments as well as private entities to promote sales of these zero-emission vehicles.

### Recent Strategic Partnerships in EV Space

Since India still is in a partial lockdown, auto OEMs are operating at limited capacity, but the disrupted supply chain is slowly coming back on track. As part of this renewal, we are seeing several developing partnerships by key players in the EV space. This is an important indication that the Indian auto market is nearing a critical point for EVs.

Two examples of these new partnerships: In June 2020, Tata Autocomp, the provider of automotive products and services, tied-up with US-based Tellus Power to set up electric vehicle charging stations. Also, MG Motor and Tata Power have partnered to deploy superfast chargers.

However, the major critical point remains the price gap. The government and OEMs have to work together to reduce the cost by producing equipment in India and sourcing the equipment locally, along with batteries and cells. If this happens, India could become the largest EV market in the world. **PSR**

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## Russia Report

By *Maxim Sakov*, Market Consultant, Russia



*Maxim  
Sakov*

The market of construction machinery showed good results in Q1 2020, following ruble devaluation and the construction of hospitals. However, it began to decline in April, and the Association of European Business (AEB) expects an 18% decline for 2020 instead of the small growth forecasted earlier. The most significant sales decline is expected for excavators, loaders and dump trucks. Only crawler tractors can avoid decrease. However, it's still 32.6% worse than pre-crisis expectation.

Experts note that the largest decline is likely to be in more expensive applications, or where existing fleets have larger reserves. In cases where there are no support measures, the decline could be as much as 50% or more.

However, one positive signal is that there are no plans to reduce road construction projects.

Hitachi notes that demand for mining machines fell by 40-50% because of coal low prices, so the company is focusing on construction applications. Many machines were used in construction of COVID hospitals.

The Ministry of Industry and Trade (Minpromtorg) also expects a decline. It hopes to soften the decline with subsidized leasing. Local OEMs are even more pessimistic – Rosspetsmash sees a possible 30-40% decline and suggests adding road construction industry to the list of segments affected by COVID-19.

Agriculture machine makers feel more confident. They expect a flat market, and some see even small growth in their segment. **Read The Article**

**PSR Analysis:** As expected, negative trends have affected off-highway machinery. However, the impact seems to be smaller than forecasted, and no catastrophic scenario for the industry (or even for some OEMs separately) is expected.

## Autotor Plant To Suspend Assembly of BMW Cars

Autotor's Kaliningrad plant plans to suspend assembly of BMW cars from the middle of June to the beginning of July because of a components shortage. This is reported by CEO of the plant Ruslan Sadykov.

Stephen Teichert, head of BMW Russia, claims Autotor production capacity has been reduced by about 70%; however, in July the OEM plans to increase production to pre-COVID-19 level. **Read The Article**

**PSR Analysis:** The Autotor plant in Russia assembles passenger cars kits for BMW, Hyundai and Kia, and trucks for Hyundai, Daewoo, and Ford. Currently,



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## Russia Report

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the problems are claimed only for BMW components. The supply chain problems have been caused by COVID-19 lockdowns.

## Kamaz Introduces Mining Truck

KAMAZ says it has developed and built KAMAZ 65805 – the first truck in its new mining truck portfolio. The product line will consist of dump trucks with wheel formula 8x4 and 10x6 and cargo capacity from 45 to 70 tons. The dimensions of the new truck will allow driving on regular automobile roads.

The new KAMAZ is powered by a 12-liter inline KAMAZ R-6 engine of 500 hp, and hydromechanical transmission with retarder.

The truck is introduced as “Autonomous ready,” and can be converted to a driverless vehicle by installing sensors and a decision-making chip.

Cargo capacity of the new truck is 60 tons, and full mass is 87 tons. The truck is positioned as a competitor to smaller BelAZ machines. Mass production is expected in 2022.

### Read The Article

**PSR Analysis:** It looks as though KAMAZ is going to take market share in small mining trucks from Belorussian BelAZ, which held a near monopoly position in Russia a few years ago. Now, larger mining trucks are assembled in Russia by Caterpillar and Komatsu. Another point – KAMAZ has recently developed its own HHP inline engine. **PSR**

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