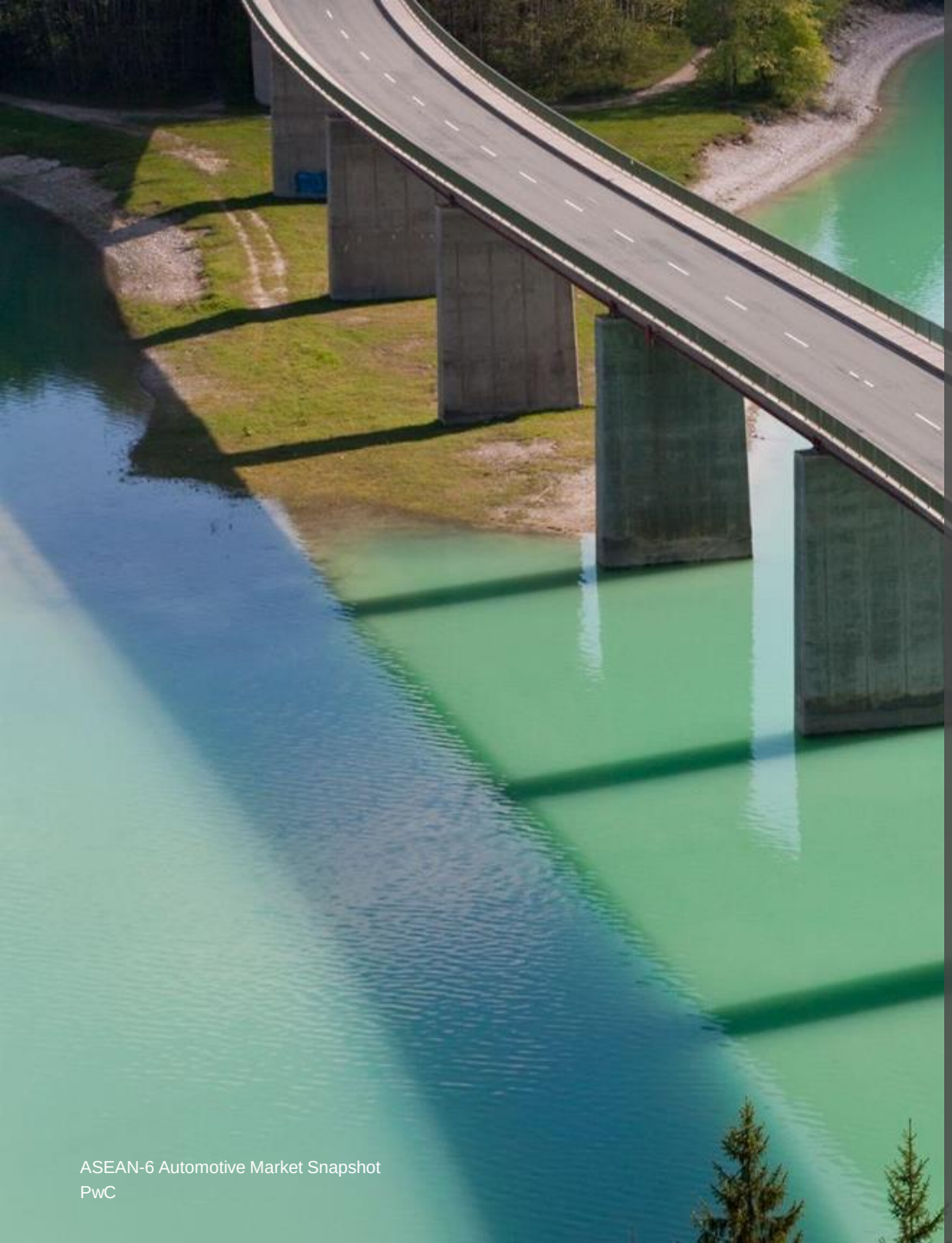
Overview of the ASEAN-6 Automotive Market

3rd Market Snapshot

by PwC Automotive ASEAN Centre of Excellence

February 2025

pwc



Key takeaways

In 2024, ASEAN-6 Light Vehicle sales dipped 5.4% to 3.28 million units. Thailand and Indonesia saw sharp declines of 25% and 13% due to economic headwinds and tighter auto loans. Malaysia sales rose 2%, supported by strong economy as well as backlog of orders. In contrast, Philippines, Vietnam and Singapore witnessed robust growth, driven by economic recovery and new model launches. For 2025, a c.2% growth is expected for the region, though Indonesia and Thailand still face downside risks.

ASEAN-6 EV adoption is accelerating, surging from 9% in 2023 to 13% in 2024, fueled by government incentives and rising eco-awareness. Thailand and Indonesia are leading the charge, targeting EV manufacturing dominance by 2030, with Malaysia and Vietnam also making strides.

Chinese automakers are aggressively challenging Japanese dominance in ASEAN markets, rapidly gaining market share with affordable, cutting-edge electric vehicles.

The ASEAN Free Trade Area (AFTA) is enhancing regional automotive trade and encouraging automakers to optimize production networks across member countries.

ASEAN automotive players should pursue 3 strategic thrusts in today's dynamic market - operational excellence, business model reinvention, and strategic alliances.

PwC's ASEAN Automotive Center of Excellence (CoE) is ready to support you

CoE Objective

- To collaborate and manage the **deep sector expertise** across the region
- Support our automotive clients through their **transformative journey** in today's evolving landscape
- **Deliver best solutions** to regional clients with our collective experience and comprehensive understanding of the automotive value chain

Our Thought Leadership

ASEAN 6 Automotive Snapshot (Sep '24)

e-Readiness Report 2024

ASEAN 4 Automotive Snapshot (Feb '24)

Electric Vehicle Sales Review Q4 2024

The CoE led by **Patrick Ziechmann**, includes 50+ participants* from **6 ASEAN countries** - Malaysia, Indonesia, Thailand, Vietnam, Philippines and Singapore. The ASEAN CoE is embedded in a strong network of **APAC representation** from China, India, Japan, and South Korea with 500+ automotive experts

*Participants mentioned here are only 2 main contact persons per territory. Additional experts from across the PwC lines of services support the regional automotive capabilities

Our Capabilities in Automotive Sector

We have extensive knowledge and expertise in the end-to-end automotive value chain

- **Strategic (Re-)Positioning**
  - ✓ Market entry
  - ✓ Transformational M&A
  - ✓ Business model changes
- **Performance Improvement**
  - ✓ Growth strategy
  - ✓ Commercial excellence
  - ✓ External cost out
  - ✓ Workforce transformation
  - ✓ IT, Digital & AI Solutions
  - ✓ Corporate simplification
- **Asset Optimisation**
  - ✓ Net WC/ cash flow/ capex
  - ✓ Capital efficiency
  - ✓ Tax and duties efficiency
- **Multiple impact and purpose**
  - ✓ Sustainability and ESG
  - ✓ Risk assessment & assurance (incl. cybersecurity)

1

Overview of the ASEAN-6 Automotive Market

Snapshot of the ASEAN-6 countries: GDP rises, but TIV drops 5.4% in 2024 amid slowdown in ID and TH markets

This snapshot study (status as of February 2025) looks at six selected, but the most important automotive markets in ASEAN, namely: Indonesia, Malaysia, Thailand, Philippines, Vietnam and Singapore (ASEAN-6).

Whilst these countries are all located in one geographical region and members of one free trade zone (AFTA), these countries are still very different in maturity and in their economic dynamics (details in the adjacent table).

Despite a robust GDP growth of between 2.7% to 7% across ASEAN-6 countries in 2024, the Total Industry Volume (TIV) for Light Vehicles (LV) sales declined by 5.4% to 3.28 million units. The most significant drops were in Indonesia (-13%) and Thailand (-25%).

The installed base of cars per 1,000 adults is highest in Malaysia (795). Philippines and Vietnam show the highest growth potential.

Thailand remains the production hub of ASEAN with 1.5m LV produced in 2024.

Macroeconomic Data & Automotive Indicators *(2024)*

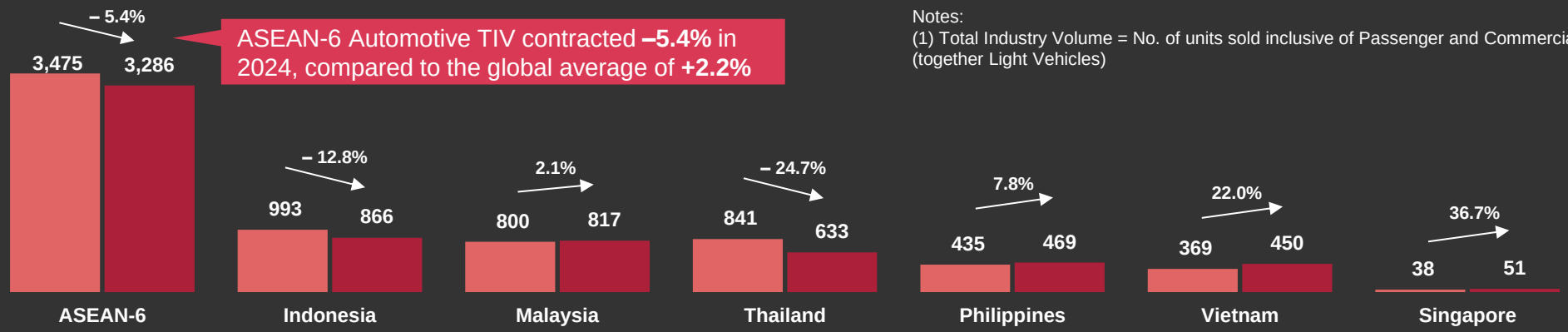
	Indonesia	Malaysia	Thailand	Philippines	Vietnam	Singapore
Population *(million)*	283	34	72	112.9	101	6
GDP *(US$, billion)*	1,337.7	443.7	533.6	461.4	451.1	536.5
GDP per capita *(kUS$)*	4.8	12.8	7.4	3.9	4.5	88.6
GDP growth *(%)*	5.0%	5.1%	2.7%	5.6%	7.0%	4,4%
Inflation rate *(%)*	1.5%	1.8%	0.4%	3.2%	3.4%	2.7%
Installed Base *(million)*	19.3	18.3	12.2	5.0	6.2	0.7
Cars/ 1k adult population	105	795	236	73	97	141
Units Sold* *('000)*	865.7	816.7	633.0	468.9	450.1	51.5
Units Mfg.* *('000)*	1,196.6	790.3	1,468.9	117.4	316.0	0.0

Source: Marklines, Macroeconomic statistics from Fitch, PwC Research and Analysis

*Note: 2024 numbers are based on the Marklines database. Other sources provide slightly different actual numbers

ASEAN-6 TIV drops 5.4% in 2024 amid slowdown in ID and TH. MY gains marginally, while smaller markets show robust growth

ASEAN-6 Total Industry Volume[1] 2023 v 2024
('000 units sold)



ASEAN-6 Automotive TIV contracted **–5.4%** in 2024, compared to the global average of **+2.2%**

Notes:
(1) Total Industry Volume = No. of units sold inclusive of Passenger and Commercial Vehicles (together Light Vehicles)

Indonesia

-13%
contraction in sales

Sales in 2024 plummeted again compared to previous year due to slowing economy, stricter loan approvals and pull-ahead effect from a temporary tax cut in 2021-22

Malaysia

2%
growth in sales

ASEAN's second largest LV market for the 2nd year in a row driven by strong economy, backlog of orders and introduction of new Chinese EV models

Thailand

-25%
decline in sales

Driven by high interest rates and high household debt to GDP ratio, impacting consumer sentiments, as well as one-off factors in 2023

Philippines

8%
growth in sales

Witnessed a robust growth, driven by economic recovery and strong remittance inflows

Vietnam

22%
growth in sales

Steep growth in 2024, mainly due to temporary registration fees cut in 2024 and interest rate cuts twice in 2023

Singapore

37%
growth in sales

Due to 10-years Certificate of Entitlement (COE) cycle as well as one-time upward adjustments to the COE quota

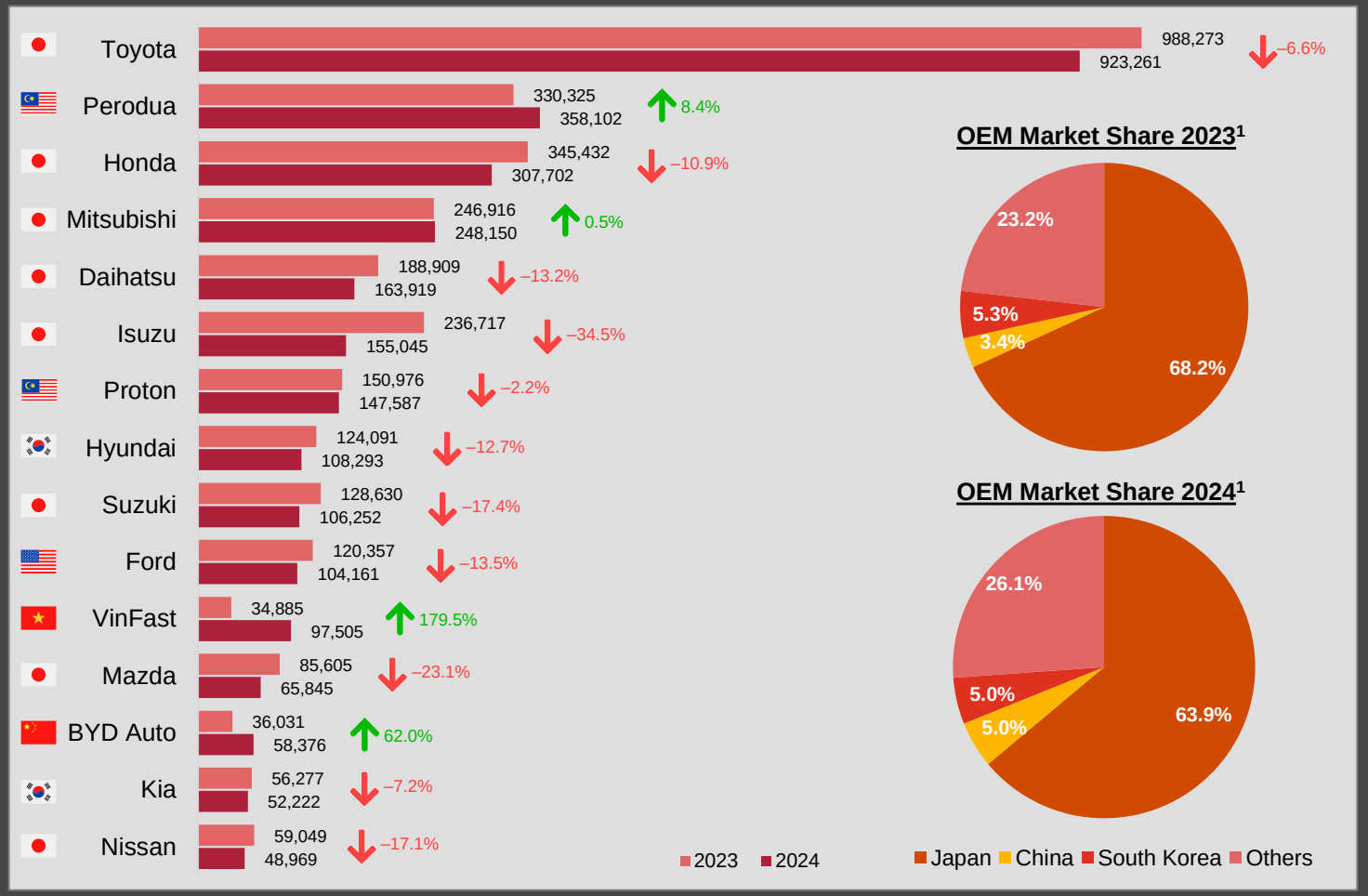
Source: Marklines, PwC Research and Analysis
ASEAN-6 Automotive Market Snapshot
PwC

Note: 2023 and 2024 numbers are based on the Marklines database. Other sources provide slightly different actual numbers

Dynamic changes in the ASEAN-6 competitive landscape, with Japanese OEMs losing market share

Top 15 Automotive Brands in ASEAN-6

(2023 vs 2024 sales volumes by brands)



Japanese OEMs

2024 sales plunged by ~12%, significantly sharper than the ASEAN-6 TIV decline of 5.4%. This decline is evident as ASEAN markets pivot to EVs, with Chinese brands rapidly gaining ground through competitive pricing, software-defined vehicles and aggressive expansion strategies

Korean OEMs

Hyundai and Kia combined witnessed a substantial drop in 2024 sales. To strengthen their grip in ASEAN, Hyundai plans to invest across the EV ecosystem – $30M investment to launch BEV assembly in Thailand by 2026, and US$1.1bn BEV battery manufacturing joint venture with LG in Indonesia

Chinese OEMs

Chinese brands captured 3.4% of ASEAN LV[2] sales in 2021-22, rising to 5.0% in 2024. SAIC Group led initially but saw its market share dip from 2.5% in 2021 to 1.7% in 2024. Meanwhile, BYD and Chery drove growth, with BYD's share rising to 1.8% and Chery's to 1.0% in 2024, up from just 0.1% combined in 2022.

Other Key Regional OEMs

Perodua and Proton, Malaysia's OEMs, dominate the local market with ~60% share, with Proton launching their first national EV to help kickstart the adoption of sustainable mobility in Malaysia.
VinFast experienced ~179% growth in 2024. The company has ambitious plans to set up EV plants in Indonesia and India, aiming for an annual production capacity of 50,000 units by 2026.

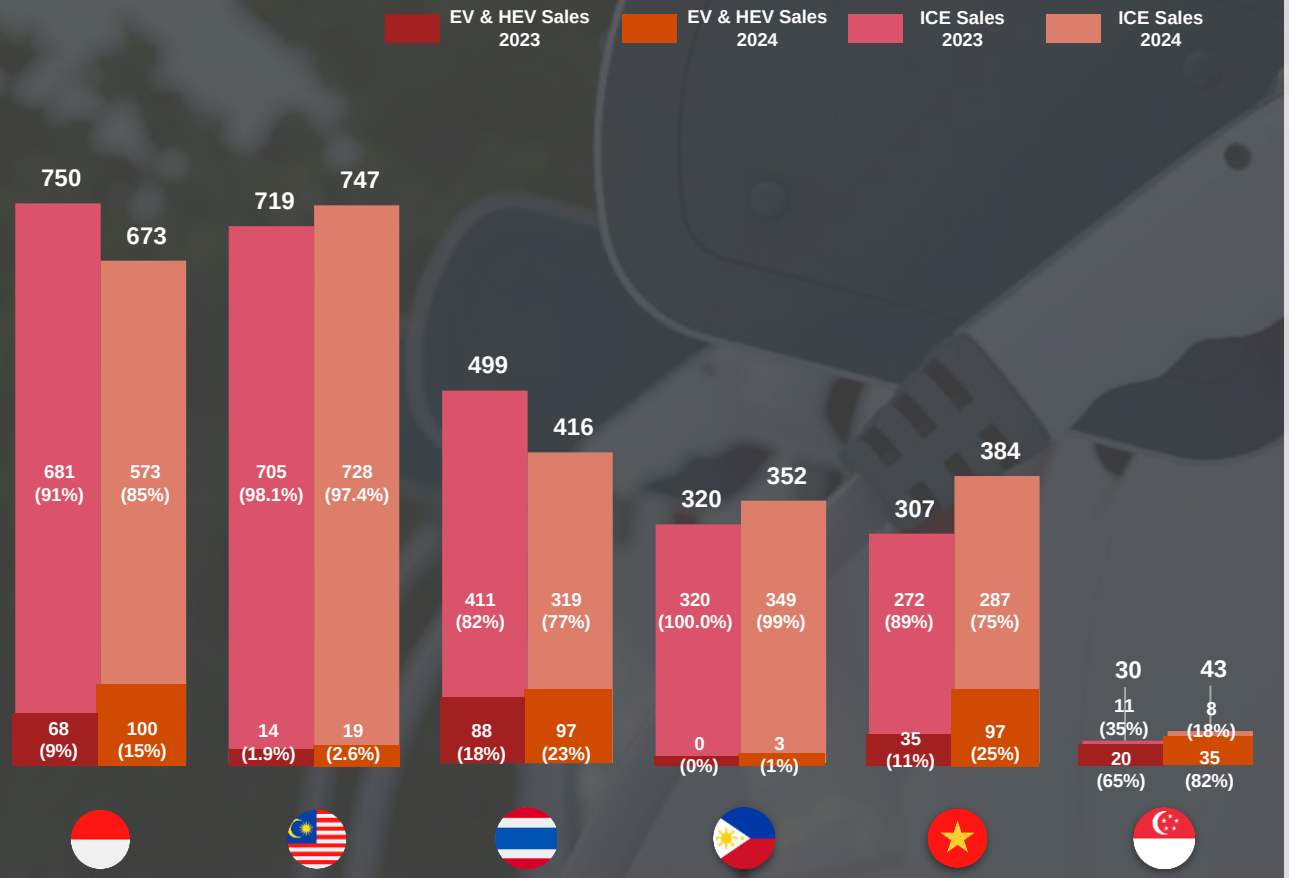
Source: Marklines, PwC Research and Analysis
ASEAN-6 Automotive Market Snapshot
PwC

Notes: The sales volumes above are from Marklines.
Not all OEMs are part of the data provided to the respective Automotive Associations in the ASEAN-6 countries.
(1) Market share includes all reported brands, and not limited to top 15 brands
(2) LV - Light Vehicles

Share of EV as a % of total PV has increased from 9% (225k units) in 2023 to 13% (351k units) in 2024 in ASEAN-6

EV & HEV sold as a % of total Passenger Vehicles

('000 units sold, 2023 vs 2024)



Source: Marklines, PwC Research and Analysis
ASEAN-6 Automotive Market Snapshot
PwC

EV sales across ASEAN-6 has shown promising growth in 2024 and is poised for a sustainable upward trajectory :

Indonesia is looking to take advantage of having the world's largest deposits of nickel to develop an integrated domestic EV supply chain. The government aims to become the 3rd largest producer of electric battery in the world by 2027 and produce 600,000 EVs by 2030

Malaysia is aiming for EVs to account for 20% of the total industry volume (TIV) by 2030 and 80% by 2050, aligned with the Low Carbon Mobility Blueprint (LCMB) and the National Energy Transition Roadmap (NETR)

By 2030, Thailand aims to convert 30% of its annual production of vehicles to EVs, which equates to 725,000 cars and 675,000 motorcycles

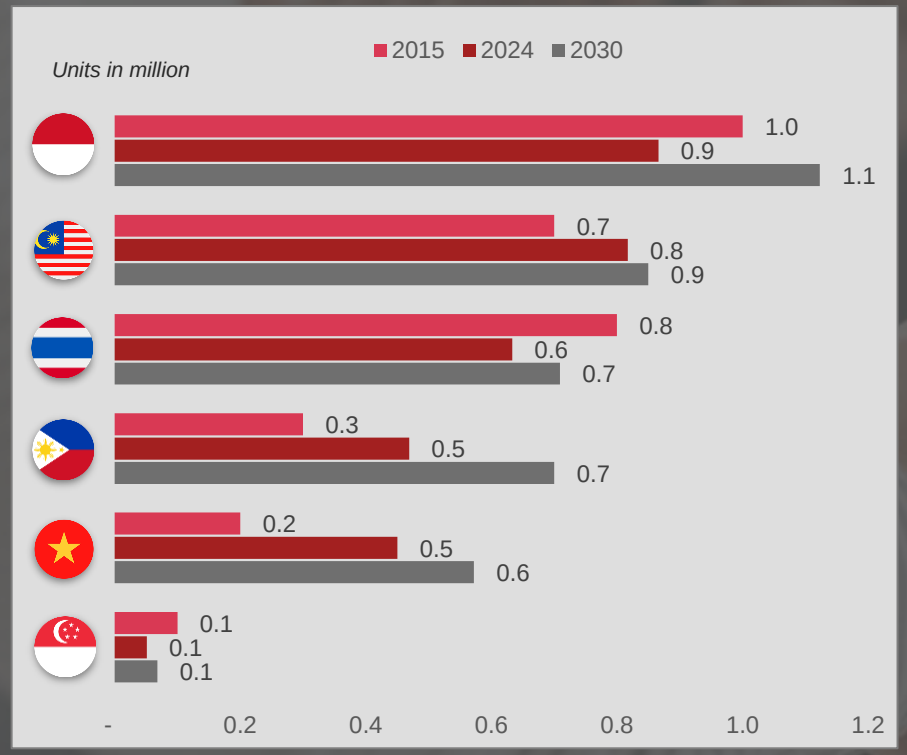
Electric Vehicle Association of the Philippines (EVAP) forecasted that the number of electric vehicles will increase to 6.6 million by 2030, out of which 5% is for electric cars

Vietnam's annual combined electric two-wheeler (E2W) and electric car sales is projected to rise from less than 1.0 million in 2024 to over 2.5 million by 2036

Under the Singapore Green Plan 2030, the government has set a target of 60,000 EV charging points by 2030. The Land Transport Authority (LTA) is also aiming to electrify half of Singapore's bus fleet by 2030 and achieve a 100% cleaner energy bus fleet by 2040

In 2024, Indonesia and Malaysia were the two largest automotive markets for LV sales in ASEAN. Philippines could catchup with Thailand

Light Vehicle Sales[1] Trend in ASEAN-6
(2015 vs 2024 vs 2030)



Top 10 Countries in Asia in 2030

Rank	Country	Sales[1]	Growth[2]
1	China	29.7m	-5.5%
2	India	6.4m	22.5%
3	Japan	4.4m	53.7%
4	S. Korea	1.6m	18.0%
5	Russia	1.5m	2.0%
6	Iran	1.2m	4.5%
7	Indonesia	1.1m	29.7%
8	Turkey	1.1m	-14.4%
9	Malaysia	0.9m	4.0%
10	S. Arabia	0.8m	-15.2%

ASEAN-6 Ranking in 2030

Rank	Country	Sales[1]	Growth[2]
1	Indonesia	1.12m	29.7%
2	Malaysia	0.85m	4.0%
3	Thailand	0.71m	12.0%
4	Philippines	0.65m	38.6%
5	Vietnam	0.57m	27.1%
6	Singapore	0.07m	33.3%

Comment

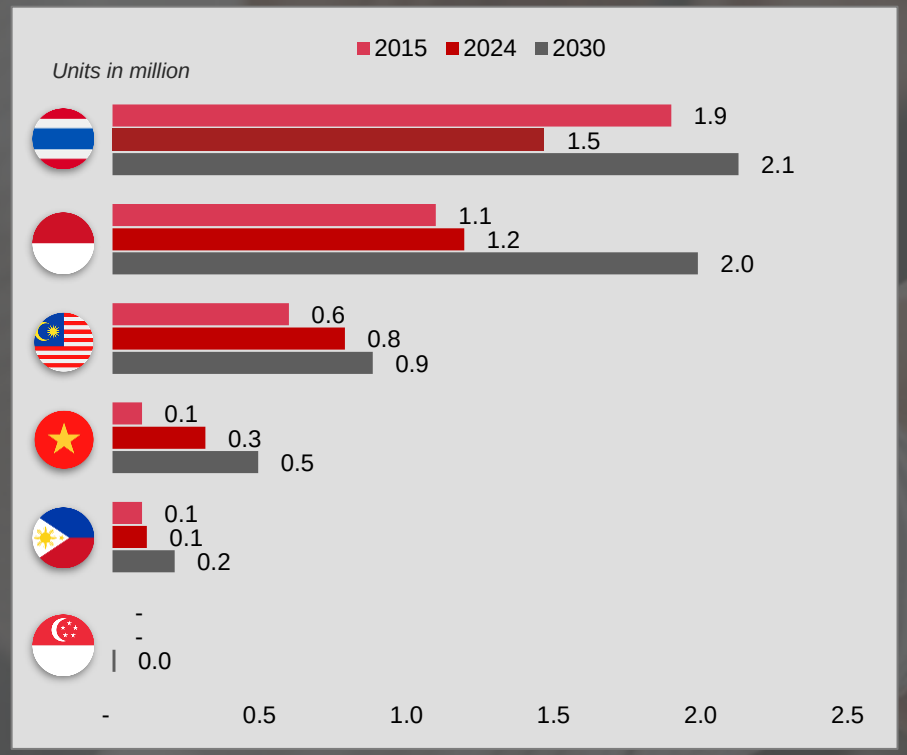
- ASEAN-6 is projected to account for **4.0m LV sold in 2030** with growth mainly expected in Vietnam, Indonesia and Philippines
- However, total market size (units sold) will be comparable to the Japanese market and only **13% of the Chinese market**

Source: S&P Global, Marklines, PwC Research and Analysis
ASEAN-6 Automotive Market Snapshot
PwC

Notes:
1) Sales figure is the predicted total sales volume (passenger & commercial vehicles) in 2030
2) Growth denotes comparison of 2030 vs 2024

By 2030, Thailand and Indonesia are projected to dominate LV production in ASEAN-6, capturing 37% and 35% respectively

Light Vehicle Production[1] Trend in ASEAN-6
(2015 vs 2024 vs 2030)



Top 10 Countries in Asia in 2030

Rank	Country	Prod[1]	Growth[2]
1	China	32.9m	5.2%
2	India	7.5m	37.9%
3	Japan	7.3m	-6.8%
4	S. Korea	3.3m	-20.1%
5	Thailand	2.1m	44.9%
6	Indonesia	2.0m	66.5%
7	Turkey	1.2m	-12.1%
8	Iran	1.2m	64.6%
9	Russia	0.9m	1.2%
10	Malaysia	0.9m	12.0%

ASEAN-6 Ranking in 2030

Rank	Country	Prod[1]	Growth[2]
1	Thailand	2.13m	44.9%
2	Indonesia	1.99m	66.5%
3	Malaysia	0.89m	12.0%
4	Vietnam	0.50m	56.6%
5	Philippines	0.21m	80.3%
6	Singapore	0.01m	n.a.

Comment

- ASEAN 6 projected to account for **5.7m LV produced in 2030** remaining a net exporter of LVs
- **Thailand will remain the main production hub** in ASEAN-6 with a share of 37%
- However, **production in Vietnam, Indonesia and Philippines is also forecasted to increase by more than 50% until 2030**

Source: S&P Global, Marklines, PwC Research and Analysis
ASEAN-6 Automotive market Snapshot
PwC

Notes:
1) Production figure is the predicted total production volume (passenger & commercial vehicles) in 2030
2) Growth denotes comparison of 2030 vs 2024

Evolving technology and increased digitalization has changed the trajectory of the Automotive industry

AUTOMOTIVE MEGATRENDS

Evolved Customers

- Changing **customer persona** and preference - Increasing spend capacity, Tech-savvy & informed customers
- High focus on **personalized** / **customized** experiences
- **Feature heavy** vehicles – Preference for infotainment, connected & safety features

Disruptive Technology

- Significant focus on **Software Defined Vehicles** (SDV)
- **AI/ ML led solutions** for integrated offerings
- Increasing focus on **cybersecurity**
- **AR/VR** for enhanced CX and collaborative workforce

Evolving Business Models

- Adoption of **direct-to-customer / omnichannel** sales models
- **Pay per use, subscription** & leasing models
- Growth in **non-product revenue streams** (e.g. service, data monetization, ecosystem revenue sharing)

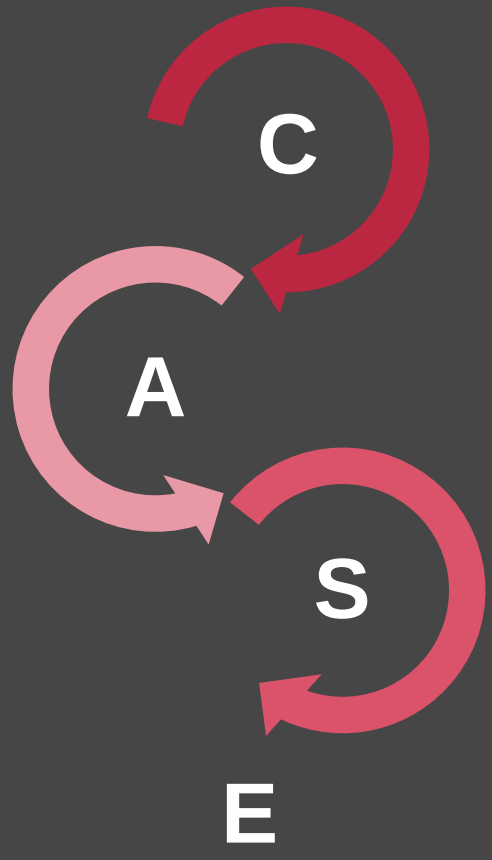
Changing face of Mobility

- **EVs** and related **infrastructure**
- Smart cities, shared and **multi-modal mobility**
- Focus on **alternate fuels** – BEVs, Flex, Hydrogen, FCEVs

Dynamic regulatory environment

- **ESG / Net Zero**/ EPR Prioritization
- Evolving **emissions** & **safety** norms
- **Data privacy** and security

KEY FOCUS



- Remote diagnostics
- Virtual Assistants
- App to car connectivity
- V2V/ V2G communication

- AI, ML, Deep Learning
- ADAS
- Driver Monitoring
- Intelligent Maps
- Auto-pilot

- Ride Hailing
- Car / Bike Share
- Public Transit
- Micro-mobility
- Multi-modal

- BEV, PHEV, REEV
- Fuel Cell Electric Vehicles
- Battery management

ADAS – Advanced Driver Assistance System
AI – Artificial Intelligence
BEV – Internet of Things
FCEV – Fuel Cell Electric Vehicle
ESG – Environmental, Social & Governance

Automotive companies should explore 3 strategic thrusts and remain agile to adjust in the current dynamic environment

Electric – Connected – Shared – Autonomous

Technology | **Consumer Preferences** | **Competition** | **Regulations**

1 Operational Excellence

- Further enhance customer experience, loyalty and pricing packages
- Optimize footprint (production and sales)
- Explore digital solutions in the business
- Adjust structures, processes and systems to the current operations

2 Business Model Reinvention

- New revenue streams, market opportunities, product innovation
- Transact to Transform
  - Upstream growth
  - Downstream growth
  - Green field or buy and build
  - Focus activities
  - Partial exit
- Software/ Connectivity/ Entertainment
- New services and bundles

3 Strategic Alliances

- Build alliances with customers, suppliers, competitors, related industry partners to address the four megatrends Electric, Autonomous, Connected and Shared
  - R&D technology
  - Sales and distribution (e.g. venture into new regional markets)
  - Production
  - Shared services

Financing & Insurance

Parts / Software → OEMs / Manufacturers / Assembly → Distribution → New Vehicles → Used Vehicles → Aftersales (Car Service / Autoparts & others) → Mobility

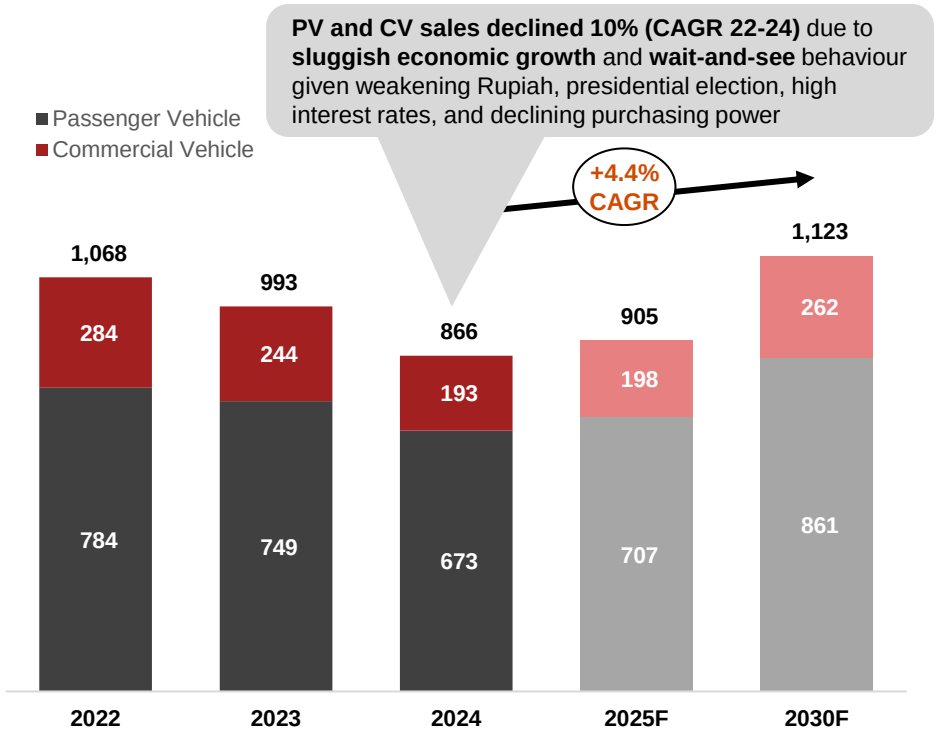
Agile and flexible adjustment of strategies and operations

2

ASEAN-6 Country Profiles

Indonesia automotive LV market declined by 10% CAGR between 2022 and 2024. However, we forecast a turn-around in 2025 – with some risk

Indonesia's Light Vehicle sales: Passenger vs Commercial
('000 Units), 2022-2030F



Key Growth Drivers

Automotive as one of strategic industry

GoI[1] targets c.2.3 Mn production in 2034 with 0.6 Mn units E4W[2], pursuant to GoI roadmap:

- Maintain significant contribution in manufacturing output at c.19% (avg. 2019-23)
- Achieve c.32% GHG emission reduction

Rapid FDI[4] Growth in EV

- EV's FDI grew since 2019[5] following GoI's EV roadmap coupled with favourable tax policy (e.g. import VAT exemption, income tax allowance)

Technological Innovation

- OEMs' rapid innovation by presenting latest technology (e.g., autonomous driving, interconnectivity, advanced features) and diversify product line-ups (e.g., launch of EV, commercial vehicle, and LCGC variants) to 'win' the automotive race

Key Growth Inhibitors

Declining Purchasing Power

- Diminishing middle class population (~21% vs 17%, 2019 and 2024) underpins sluggish consumer purchasing power
- Emerging trend of pre-owned car market due to more affordable solution than new cars

High Interest Rates on Auto Purchases

- BI[6]'s high interest rate i.e. 5.75% (2024) vs 3.50% (2022) and constant growth of 4W price yearly (avg. c.8%) discourage consumers from purchasing vehicles

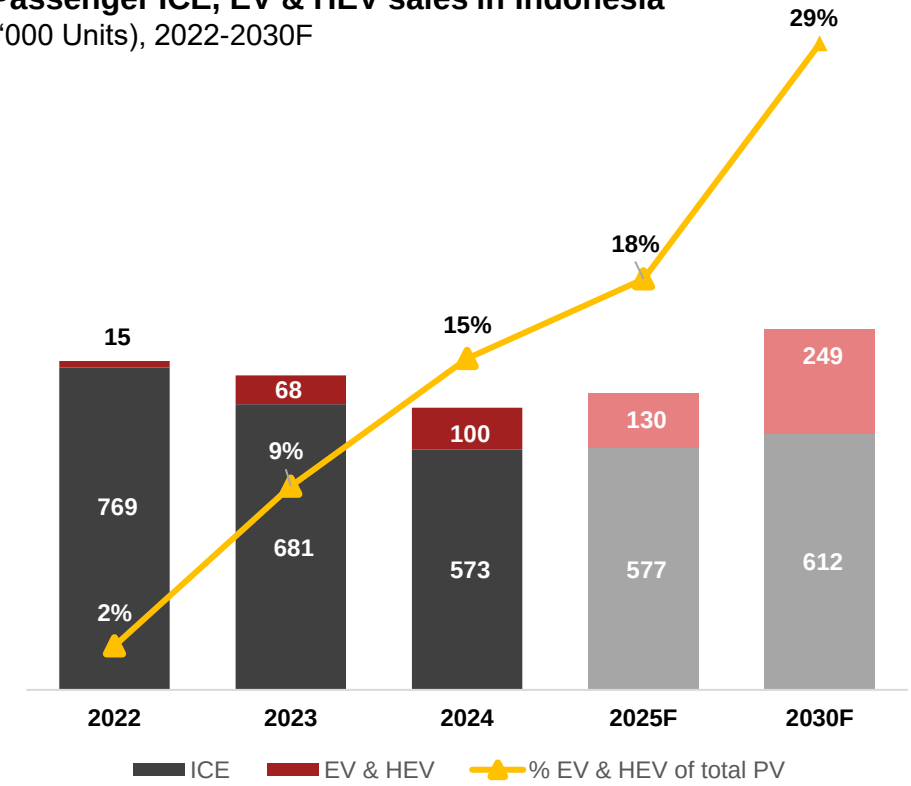
New Regulation on Automotive

- New regional surcharge (an additional tax locally known as 'opsen') kicks in on motor vehicles in 2025[7] – increasing overall OTR price

Notes: The historical and the current numbers are based on the Marklines database. Other sources provide different actual numbers 1) Government of Indonesia; 2) Electric Vehicle 4 Wheels; 3) Toyota Indonesia has consistently contributed c.61% of Indonesia's total CBU exports reaching more than 80 export destination countries; 4) Foreign Direct Investment; 5) For instance, Hyundai invested $1.55 Bn for first manufacturing hub in SEA (COD 2019), Hyundai & LGES invested $1 Bn for EV battery plant in Indonesia (COD 2024), BYD will launch their first manufacturing plant in Indonesia (COD 2026), investing $1 Bn; 6) Bank Indonesia; 7) Based on Law No. 1 of Year 2022 on Financial Relations Between the Central and Regional Governments
Source: Marklines, Gaikindo, Fitch, PwC Research and Analysis

Indonesia's EV market is growing, driven by government initiatives, foreign investments, local assembly and domestic battery production

Passenger ICE, EV & HEV sales in Indonesia
('000 Units), 2022-2030F



Key trends impacting EV market:

Indonesia is looking to take advantage of having **world's largest deposits of nickel** to develop an **integrated domestic EV supply chain** – GoI aims to become **3rd largest producer of electric battery** by 2027 and **produce 600,000 EVs** by 2030

Chinese and South Korea EV brands dominated sales, led by **BYD, Wuling, Chery, and Hyundai.** To access incentives, manufacturers are accelerating local EV production, with Hyundai kickstarted EV FDI entry1 (20,000 E4W annual production, COD 2021)

GoI have **prioritized extension of VAT exemption** for EV sales to 2025 to stimulate further **xEV adoption** in Indonesia

Local production of **EV battery** from HLI Green Power:
JV between Hyundai, LGES, Indonesia Battery Corporation

Electric vehicles (EVs) are **exempt from the odd-even license plate rule** in Jakarta, which encourages their adoption by allowing unrestricted road access

GoI aims to have **2 Mn BEVs** on the road **by 2030,** which also includes **initiatives to increase BEV related infrastructure** (e.g., charging station) which will further reduce barriers for BEV adoption. We believe that target is ambitious and on the high side

Notes: 1) Several Chinese players enter the market with newer tech innovation yet cheaper pricing c.10-20% e.g. Wuling (COD 2022, 10,000 E4W p.a.), Chery (COD 2022, 7,200 E4W p.a.), BYD (COD 2026, 150,000 E4W p.a.); 2) Restricts vehicle access to certain roads based on the last digit of the vehicle's license plate
Source: Marklines, Gaikindo, MarketLine, PwC Research and Analysis

Japanese OEMs maintain lead (c.88% market share) amidst Chinese OEMs rise, capturing c. 4.3% leveraging competitive price

Top automotive OEMs in Indonesia *(by volume of vehicles sold in respective year)*

OEM	Units sold		Market share		Change in market share
	2023	2024	2023	2024	
Toyota	336,777	288,982	33.9%	33.4%	-0.5%
Daihatsu	188,000	163,032	18.9%	18.8%	-0.1%
Honda	130,526	94,696	13.1%	10.9%	-2.2%
Mitsubishi	77,416	72,217	7.8%	8.3%	0.5%
Suzuki	81,057	66,809	8.2%	7.7%	-0.4%
Isuzu	31,427	26,379	3.2%	3.0%	-0.1%
Hino	28,449	24,158	2.9%	2.8%	-0.1%
Hyundai	40,570	22,343	4.1%	2.6%	-1.5%
Wuling	23,540	21,923	2.4%	2.5%	0.2%
BYD Auto	-	15,429	0.0%	1.8%	1.8%
Others[1]	54,841	69,755	5.5%	8.1%	2.5%
Total	**992,603**	**865,723**	**100.0%**	**100.0%**	

Key insights:

Indonesia's automotive LV market remains heavily **dominated by Japanese OEMs with c.88% market share** – **Chinese and South Korea automotive players** presence in the domestic EV segment will intensify competition:

- Japanese OEMs continue to lead Indonesia automotive sales due to demand for **affordable, fuel-efficient cars;** Japanese OEMS keen to participate in **Indonesia's EV business** with its plan:
  - **Suzuki Indonesia** introduced its 1st EV in SEA: eVX with 3 model hybrid as part of Low Carbon Emission Vehicle program
  - **Nissan** introduced its EV in Indonesia: Ariya & Sakura, and plans to expand to 27 new car models, including 19 battery-based electric vehicles by 2030
  - As part of **Honda's electrification roadmap** in Indonesia, Honda announced its 1st battery-based electric car research result in Indonesia: Honda e:N1/HRV
- **Wuling and BYD** captured **c.4% market share** by leveraging competitive pricing strategies (cheaper pricing c.10-20%), offering a diverse range of vehicles with feature-rich automobiles, and **free trade agreement with Indonesia.** However, partially the two OEMs are competing about the same EV customers
- **Korean OEMs** experienced a decline in market share due to **stiff competition** and improved value proposition offered by **Chinese OEMs; Hyundai** (as emerging Korean brand) starts to focus on **increasing EV sales in Indonesia** (up to c.15% of total sales in 2024)

Nptes: 1) Non top 10 brands with notable presence in Indonesian auto market includes Chery, Morris Garage, Vinfast, Neta.
Source: Marklines, Gaikindo, PwC Research and Analysis

Recent examples showcasing companies leveraging the 3 strategic thrusts to drive growth and maintain profitability

1 Operational Excellence

Neta Auto Manufacturing Indonesia started local production by May 2024, located at PT Handal Indonesia Motor's factory

Vietnam's EV manufacturer, **VinFast**, has officially entered Indonesia and announced to invest $1.2 Bn to build local assembly plant with 50,000 cars capacity/year

Hyundai sets up lithium-ion battery cells factory in Indonesia in collaboration with LGES and Indonesia Battery Corporation ("IBC") used to power Hyundai's EV models

Wuling continue its steps to produce EV batteries in Indonesia with charging station investment in collaboration with SOE

2 Re-strategize the Value Chain

VinFast partners with 5 dealers in Indonesia to quickly establish brand presence and link to local customers: 3 dealers in Jakarta, 1 in Medan, and 1 in Batam

Erajaya Active Lifestyle re-invents its value chain from electronic retail to be **sole brand holder and distributor for XPENG** in Indonesia

Toyota has launched Hydrogen Refuelling Station (HRS) at their xEV Center, Karawang to support development of hydrogen value chain

Geely has re-entered Indonesian auto-market with full EV line-up leveraging incentives and collaborating with Chery & Neta by sharing production facilities

3 Strategic Alliances

Indomobil and VKTR forge alliance to electrify Indonesia's roads with EV innovation: electrification in commercial vehicle segment

Strategic alliance between **CBL International and Indonesia Battery Corporation** marks major milestone in Indonesia's battery industry

Grab – **BYD** enter regional partnership to expand **EV fleet** offering across Southeast Asia

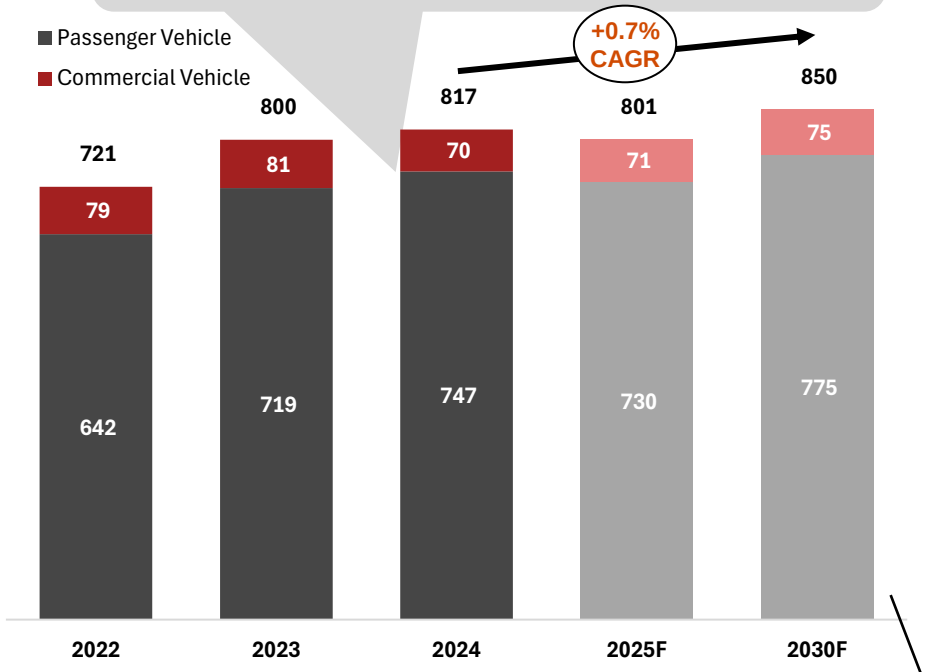
V-Green and Prime Group (multinational UAE conglomerate) have committed to build 100,000 SPKLU for VinFast EVs in the next three years valued at $1.2 Bn

Source: Public Information, PwC Research and Analysis

2024 sales grew by 2%, making Malaysia the second largest vehicle market in the ASEAN region for the second year in a row

Malaysia's Light Vehicle sales: Passenger vs Commercial
('000 Units), 2022-2030F

PV sales climbed 4% to 747,180 units in 2024, but CV sales dipped 14% to 69,567 units, impacted by the removal of the diesel subsidy in June 2024, particularly affecting pickup trucks demand



Key Growth Drivers

Improved economic outlook

- Strong GDP growth of >4.5%, declining unemployment rate and controlled inflation.
- Robust electronics manufacturing and FDI, the economic conditions will support LV sales.

Improved consumer outlook

- Reflected by higher consumer spending and a positive retail growth of c. 6%.
- Demand driven by improved availability of affordable and locally assembled vehicles.

Government policies

- Continued support for EV transition by extending tax incentives.
- Deferment of open market value (OMV) excise duty revision to January 2026.

Key Growth Inhibitors

Fuel subsidy rationalization

- Removal of diesel subsidy in June 2024
- Expected rationalisation of RON95 petrol subsidy in mid-2025.

Interest rate increases

- Throughout 2024, Bank Negara hiked the Overnight Policy Rate (OPR) by 75 basis points, lifting it to approximately 3.25% by year end.

Global geopolitical situation

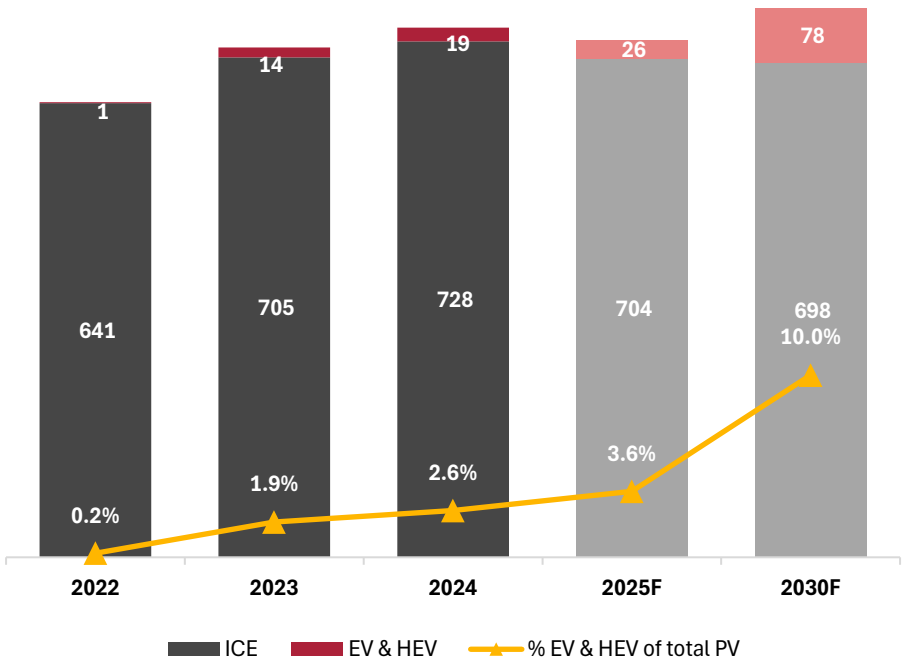
- Uncertainty about international geopolitics and trade given the imposed tariffs and restrictions on semiconductors, steel and other goods

We currently see 850k units as the maximum market potential in Malaysia. But we do not see this as a sustainable level. The year of achievement might vary depending on incentives and general economic situation of Malaysia

Source: Marklines, Fitch, Ministry of Transport Malaysia, PwC Research and Analysis
ASEAN-6 Automotive Market Snapshot

EV market is growing driven by government policies, foreign investments, local production, new models and expanding charging infrastructure – however total numbers still on the low side

Passenger ICE, EV & HEV sales in Malaysia
('000 Units), 2022-2030F



Key trends impacting EV market:

The government's National Energy Transition Roadmap ("NETR") has set an **annual EV sales target of 20% of new car sales by 2030**, rising to 80% by 2050. In 2024 however, EV share is only ~2.6% of new car sales currently. We believe the ambitions of the government for 2030 might be on the high side

Growing charging infrastructure with **Gentari** operating the largest network of licensed EV charging stations, featuring **over 400 charging points in Malaysia**. This includes more than 150 DC fast chargers, making it the country's largest fast charger operator.

EV adoption is still nascent despite various tax incentives

Local assembly of EVs from e.g. **Volvo**, **Mercedes, Proton** and **Perodua** driving the EV market growth

~99% of Malaysia's vehicle in operations (VIO) is still expected to be ICE vehicles by 2028F[1].

Notes: [1]Estimated based on government target of EV adoption growth and PwC projected VIO by 2028F
Source: Marklines, Fitch, Ministry of Transport Malaysia, PwC Research and Analysis

Malaysia's national brands Perodua and Proton account for 60% share. Cherry captures 2.4% and BYD enters the top 10 list with 1% share

Top automotive OEMs in Malaysia *(by volume of vehicles sold)*

OEM	Units sold		Market share		Change in market share
	2023	2024	2023	2024	
Perodua	330,325	**358,102**	41.3%	**43.8%**	2.5%
Proton	150,975	**147,587**	18.9%	**18.1%**	-0.8%
Toyota	106,206	**100,701**	13.3%	**12.3%**	-1.0%
Honda	80,032	**81,699**	10.0%	**10.0%**	0.0%
Chery	4,500	**19,683**	0.6%	**2.4%**	1.8%
Mitsubishi	21,719	**16,167**	2.7%	**2.0%**	-0.7%
Mazda	19,124	**14,537**	2.4%	**1.8%**	-0.6%
Isuzu	16,908	**13,268**	2.1%	**1.6%**	-0.5%
BMW	11,955	**10,527**	1.5%	**1.3%**	-0.2%
BYD Auto	3,728	**8,570**	0.5%	**1.0%**	0.5%
Total	**745,472**	**770,841**	**93.2%**	**94.4%**	

Key insights:

- National brands Perodua and Proton have experienced varied market performances. **Perodua's** market share increased from **41.3% to 43.8%** due to demand for affordable, fuel-efficient cars. Meanwhile, **Proton's** market share **slipped** marginally amid intensified **competition in its key car segments**
- **Almost all Japanese OEMs** experienced a dip in market share due to **stiff competition** and improved value for money from Chinese OEMs. Additionally, government policies favouring EVs put traditional ICE models at a disadvantage
- **Chery** captured a **2.4% market share** by leveraging **competitive pricing, diverse vehicle range** and strategic investments, aligning with customer demand for **affordable, feature-rich vehicles**
- In 2024, **BYD Auto** replaced Nissan in the **top 10** largest OEMs in Malaysia, due to its strong growth and success in the EV market
- **BMW's** slight **market share dip** and **Mercedes-Benz's** drop from the top 10 list (10th position in 2022) highlight challenges for German OEMs. Both are expanding electric and hybrid offerings to meet rising demand for sustainable, eco-friendly vehicles.

Source: Marklines, Fitch, Ministry of Transport Malaysia, PwC Research and Analysis

Recent examples showcasing companies leveraging the 3 strategic thrusts to drive growth and maintain profitability

1 Operational Excellence

Perodua will launch its first BEV in Malaysia in 1H2025

Volvo Malaysia confirms EX30 electric SUV to be locally assembled (CKD) from 2025

Sapura Industrial Berhad, Malaysia sets up new firm SIBV for EV parts/technologies

Hyundai Motor announced it plans to invest up to US$480m in Malaysia over the next five years to increase production capacity

2 Re-strategize the Value Chain

Chinese electric vehicle (EV) startup **XPENG** appointed **Sime Darby group** as its distributor for Hong Kong to expand sales operations beyond mainland China

Proton exports first 200 LHD units of X50 SUV from Malaysia to Vietnam and starts CKD production in Egypt

Sime Darby Auto Imports appointed as official importer of **Denza** brand in Malaysia

Malaysian auto part maker **EPMB** proposes diversification into vehicle assembly business

3 Strategic Alliances

Grab – **BYD** enter regional partnership to expand **EV fleet** offering across Southeast Asia

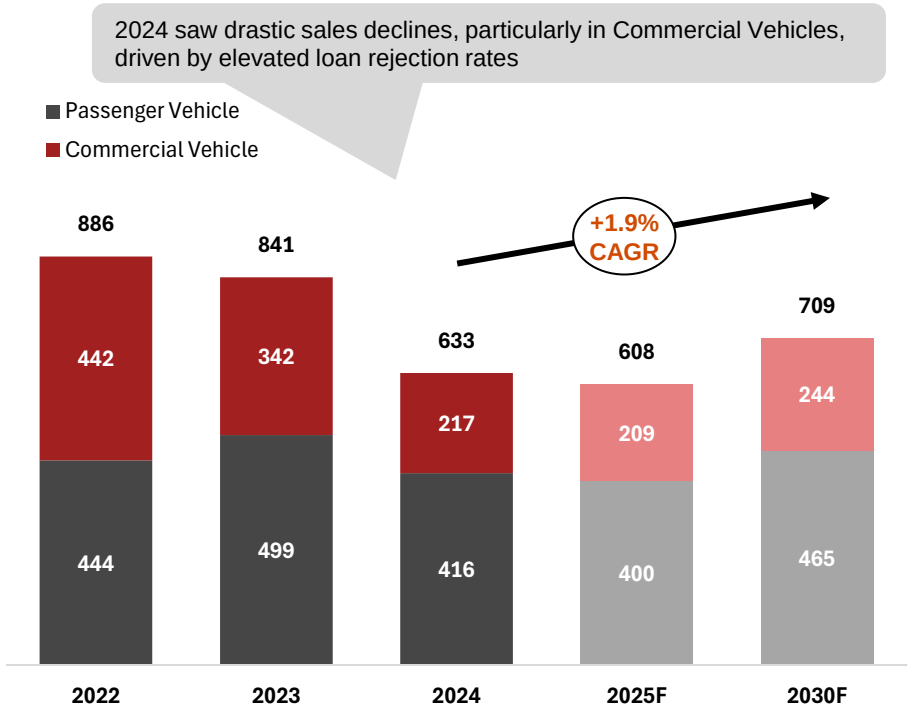
Gentari, Malaysia joins **CIMB** to drive **green mobility** and value chain decarbonization across ASEAN

Ingress Corporation and **GNEV** signed a MOU to collaborate on the potential importation, assembly and distributorship of commercial electric vehicles by **Wuling**

Source: Marklines, Fitch, Ministry of Transport Malaysia, PwC Research and Analysis
ASEAN-6 Automotive Market Snapshot

Sales dropped by 25% in 2024, marking a sustained slump since 2019. The turn around might not yet come in 2025 and will be rather slow

Thailand's Light Vehicle sales: Passenger vs Commercial ('000 Units), 2022-2030F



Key Growth Drivers

Robust ICE value chain

- OEMs' aggregate production capacity exceeds 2 mn units per year (2.16 mn units produced in 2018)
- Production supported by *c.* 800 Tier-1 suppliers and >2,000 other suppliers in a diverse and comprehensive value chain

Growing xEV value chain

- > 10 OEMs manufacture xEVs locally, driven by incentives aimed to diversify the automotive value chain
- BEV and HEV showed swift local adoption, and expanded manufacturing operations will serve local and export markets

Prospects for economic recovery

Economists foresee improved vehicle demand driven by

- Growth in Thailand's key tourism sector
- Agricultural output improvements
- Government under pressure to drive growth

Key Growth Inhibitors

Tightened credit environment

- Financial regulators imposed tightened loan criteria since Q1 '24 to combat rise in non-performing loans (household debt is c. 90% of GDP)
- New criteria led to higher auto loan rejection rates, where certain lenders face 70% rejections with impact concentrated in pickup truck segment

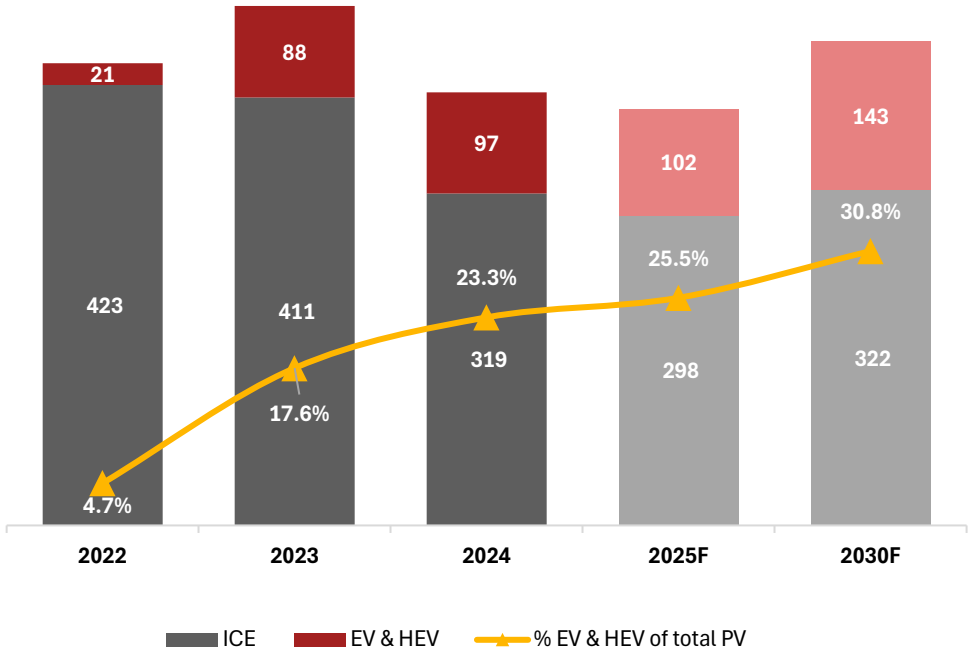
Glut in second-hand market

- Under elevated NPLs, auction of repossessed vehicles have depressed second-hand car sales, further pressuring new car sales

Notes: The historical and the current numbers are based on the Marklines database. Other sources provide different actual numbers
Source: Marklines, BMI, Krungsri, FTI, PwC Research and Analysis

Thailand's EV market is growing, driven by government policies, foreign investments, local assembly and domestic battery production

Passenger ICE, EV & HEV sales in Thailand
('000 Units), 2022-2030F



Key trends impacting EV market:

Thailand aims to become the ASEAN leader in electric vehicles with its **30@30 policy**. Through the **EV3.0** and **EV3.5** programs, the government offers subsidies, tax cuts, and local production requirements to **boost EV adoption**.

Thailand has experienced a surge in Chinese EV imports. Led by **BYD** and **Great Wall Motor**, offering competitively priced models. To access government incentives, these manufacturers are **accelerating local EV plant construction**.

Following **explosive growth in 2023**, 2024 EV sales were **more tempered** market with **tightened lending** and buyers' hesitance to purchase amid ongoing **price wars** and steady **new market entries**

However, excise reductions for HEVs resulted in **30% YoY sales growth**, signalling **sustained opportunity** for well-established **HEV** technology priced competitively against BEVs

To achieve net climate zero, the aim is that by 2035, 50% of new cars and pick-ups manufactured and 100% of new registrations are EVs.

Source: Marklines, BMI, Krungsri, PwC Research and Analysis

Japanese OEMs maintain market lead as Chinese manufacturers rise, while BYD captured > 4% market share just 3 years from market entry

Top automotive OEMs in Thailand *(by volume of vehicles sold)*

OEM	Units sold		Market share		Change in market share
	2023	2024	2023	2024	
Toyota	279,320	**241,495**	33.2%	**38.1%**	4.9%
Isuzu	163,656	**88,401**	19.4%	**13.9%**	-5.5%
Honda	91,496	**83,258**	10.9%	**13.1%**	2.3%
Mitsubishi	37,511	**28,401**	4.5%	**4.5%**	0.0%
BYD Auto	30,559	**26,971**	3.6%	**4.3%**	0.6%
Ford	41,830	**26,971**	5.0%	**4.2%**	-0.7%
MG	29,276	**17,399**	3.5%	**2.7%**	-0.7%
BMW	14,128	**12,208**	1.7%	**1.9%**	0.2%
Mazda	22,122	**10,841**	2.6%	**1.7%**	-0.9%
Nissan	18,497	**10,759**	2.2%	**1.7%**	-0.5%
Total (top 10)	**728,295**	**546,656**	**86.5%**	**86.2%**	

Key insights:

- **Japanese OEMs** continue to lead Thai automotive sales. However, **high loan rejection rates from tightened lending criteria** made it more difficult to purchase new cars, particularly **light pick-ups**, which constitute most Thai car sales. As a result, Isuzu has been the most affected, experiencing a **5.5% market share loss** from 2023 to 2024.
- Amid struggles, **Mazda** announced in 2025 that it will invest **THB 5 billion** (USD 150 million) in Thailand to produce **100,000 electrified SUVs** annually, aligning with new tax incentives.
- **Chinese auto manufacturers are on the rise**, with BYD increasing its market share from 3.6% in 2023 to 4.3% in 2024 (notably with decreasing registrations but less drop compared to the market). Additionally, more Chinese manufacturers, such as **ChangAn**, **GAC Aion,** and **Chery Automobile Co.**, are entering the local EV production market.
- Due to increasing demand for EVs & HEVs, companies like **Banpu NEXT** and **Durapower** are forming JVs in Thailand to develop and build EV batteries.
- With an aggregate of **13,659 cars sales** in 2024 (BMW: 12,208 & MINI: 1,451), **BMW Group** retains the top spot in the **premium segment** in Thailand.

Source: Marklines, Krungsri, PwC Research and Analysis

Recent examples showcasing companies leveraging the 3 strategic thrusts to drive growth and maintain profitability

1 Operational Excellence

Mazda to add $150 million investment in Thailand to establish MHEV manufacturing hub

Changan announced an investment of $268 million to build its first overseas EV production plant in the country, to be operational in 2025

BYD and **French auto parts maker, Forvia** open seat assembly plant in Thailand for BYD's plant

Juneyao Auto launches JY Air EV in Thailand; planning local assembly in 2025

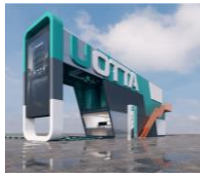
2 Re-strategize the Value Chain

GWM joins forces with 5 auto parts manufacturers and distributors **SVOLT, HYCET, NOBO, MIND, Exquisite** to strengthen Thai auto industry

Schaeffler Thailand inaugurates new central logistics center and plans to build new R&D center

Stellantis appoints **Phra Nakorn Automobile Co. Ltd** as **Leapmotor** distributor in Thailand

3 Strategic Alliances



U Power, SAIC Motor-CP partner to advance EV battery-swapping in Thailand

Energy Absolute to collaborate with **Chinese partner** on lithium-ion battery project in Thailand

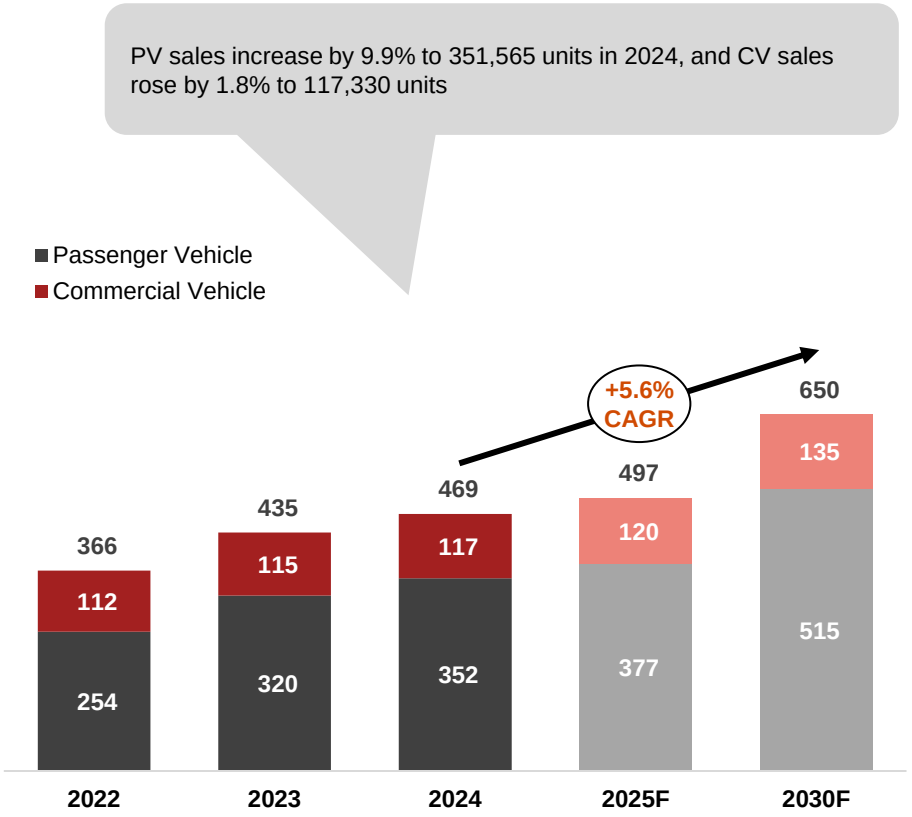
Gentari, Malaysia joins Thai partners to expand EV charging network; VaaS offering launched

BYD acquires 20% stake in Thai distributor, **Rever Automotive**

Source: Marklines, PwC Research and Analysis

2024 sales rose by 7.7%, marking the Philippines' highest volume of vehicles sold so far. Additional growth can be expected

Philippines' Light Vehicle sales: Passenger vs Commercial ('000 Units), 2022-2030F



Key Growth Drivers

Strong economic fundamentals

- An optimistic outlook on the Philippine GDP growth, coupled with a sound financial sector and a growing consumer loan portfolio, drives the demand for automobiles in the country. Expanding OFW remittances and increasing BPO earnings also contribute to this demand.

Increasing adoption of EVs

- Favourable incentives for buyers, such as discount on excise tax and traffic exemptions, have aided the country's adoption of EVs

Sustained government infrastructure spending

- Infrastructure spending, such as road infrastructure, rose by 13.22% from 2023, which supports the demand for commercial vehicles in the country.

Key Growth Inhibitors

Increased credit risks

- Auto nonperforming loans (NPLs) in Philippine banks have remained relatively high after the pandemic. The increased interest rates suggest that many borrowers are still experiencing financial difficulties, preventing them from meeting their auto loan payment commitments.

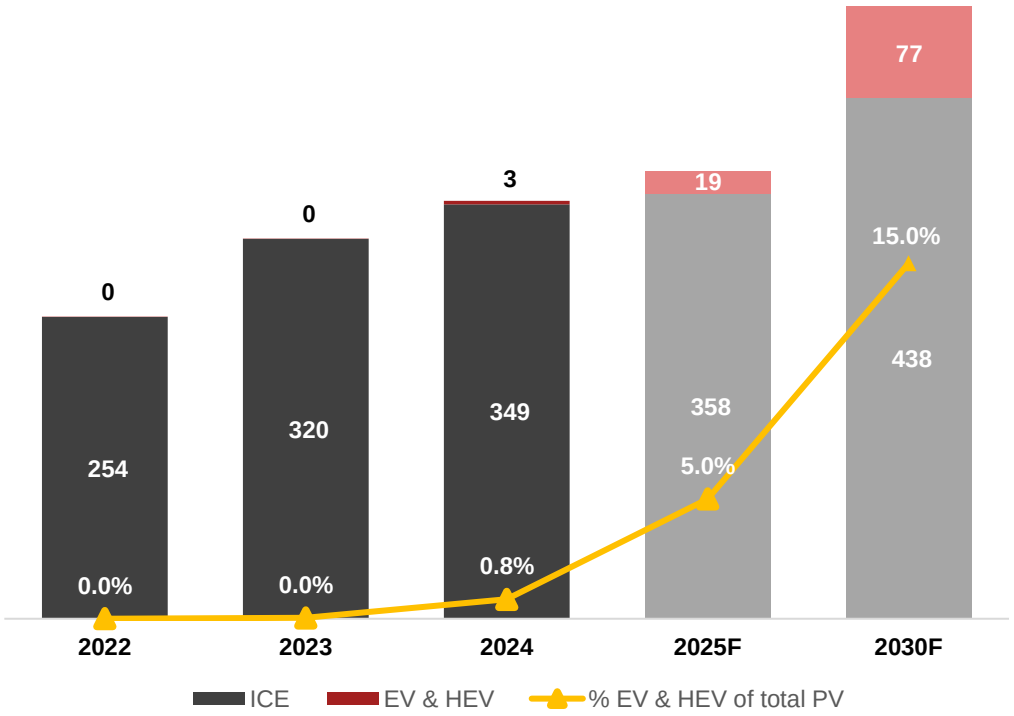
Pessimistic consumer outlook

- Characterized by slow consumer spending, high interest rates, and supply chain disruptions due to geopolitical tensions, may temper consumer confidence and lead consumers to withhold purchasing big-ticket items such as automotive vehicles.

Source: Marklines, Fitch, AutoIndustria, BusinessWorld, PwC Research and Analysis

Improved government policies in the Philippines are expected to boost consumer sentiment towards EVs, driving growth in the country's EV market which is currently still at a low level

Passenger ICE, EV & HEV sales in the Philippines
('000 Units), 2022-2030F



Source: Marklines, Fitch, AutoIndustria, BusinessWorld, PwC Research and Analysis

Key trends impacting EV market:

The Philippines enacted the **Electric Vehicle Industry Development Act (EVIDA)** to improve energy security by reducing dependence on imported fuels. The act encourages the growth of electric vehicles (EVs) and micromobility options to **lessen reliance on fossil fuels**.

EVIDA includes **fiscal incentives for manufacturing, importing, and using EVs,** as well as non-fiscal benefits such as streamlining customs and registration processes. The act offers incentives by exempting import duties on fully built EV charging stations

Sale of EVs have significantly increased between the years 2023 and 2024

Price has become more competitive as EVs enjoy excise tax exemptions

The Philippines aims to adopt 6.6 million EVs, including 3.6 million electric motorcycles and 300,000 electric cars, by 2030 with a goal for 50% of all vehicles to be electric by 2040.

Japanese OEMs maintain market lead but face increased pressure from Chinese brands as their popularity rises and new players enter the market

Top automotive OEMs in Thailand *(by volume of vehicles sold)*

OEM	Units sold		Market share		Change in market share
	2023	2024	2023	2024	
Toyota	199,160	**215,829**	45.8%	**46.0%**	0.2%
Mitsubishi	78,370	**89,123**	18.0%	**19.0%**	1.0%
Ford	31,320	**27,996**	7.2%	**6.0%**	-1.2%
Nissan	27,136	**26,774**	6.2%	**5.7%**	-0.5%
Suzuki	18,455	**20,371**	4.2%	**4.3%**	0.1%
Isuzu	15,597	**15,862**	3.6%	**3.4%**	-0.2%
Honda	16,645	**15,518**	3.8%	**3.3%**	-0.5%
Hyundai	9,130	**12,019**	2.1%	**2.6%**	0.5%
MG	7,006	**9,004**	1.6%	**1.9%**	0.3%
Kia	5,034	**6,692**	1.2%	**1.4%**	0.3%
Total	**407,853**	**439,188**	**93.8%**	**93.7%**	

Key insights:

- **Japanese OEMs** still dominated the Philippines' automotive market, owning up to ~80% of the market share.
- Significant influx of **Chinese OEMs** as consumers' perceptions of Chinese brand cars improve, with brands like BYD, GAC Motor, Jetour, and MG all have experienced substantial growth over the year.
- **Geely**, once considered an increasingly popular brand, dropped from 9th place in 2023 to 15th in 2024. The brand struggled to overcome negative sentiments regarding its aftersales service in 2023. Despite operational changes in mid-2024, customer complaints about aftersales services persist.
- New model introductions and the increasing uptake on the popularity of electric vehicles are expected to drive growth in the country's automotive industry in the short to medium term. **Vinfast has recently announced a CKD plant in the Philippines.**
- The country has recently announced that it is finalizing an incentive program that seeks to encourage car companies to boost manufacturing operations in the country called the Revitalizing the Automotive Industry for Competitiveness Enhancement (RACE) program.
- Nearly 50 brands are already competing in the Philippines' automotive market , the top players face increasing competition as Filipino auto buyers enjoy a greater diversity of vehicle choices.

Source: Marklines, Fitch, AutoIndustria, BusinessWorld, PwC Research and Analysis

Recent examples showcasing companies leveraging the 3 strategic thrusts to drive growth and maintain profitability

1 Operational Excellence

Toyota invested P5.5 billion to locally produce a new commercial vehicle, called the 'Tamaraw', exclusive to the Philippine market

Geely Automotive International Corporation (GAIC) recently announced that they will officially takeover the Geely Philippines' operations

Chinese EV brand **Omoda & Jaecoo** officially launched in the Philippines and plans to open 24 dealerships in the country by the end of 2025

VINFAST

VinFast Auto has recently announced that it will officially enter the Philippine electric vehicle market

2 Re-strategize the Value Chain

CAMPI

boi PHILIPPINES BOARD OF INVESTMENTS

The **Philippine Board of Investments (BOI)** has partnered with the Bureau of Customs-Manila International Container Port (BOC-MICP) and the **Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI)** to streamline customs procedures for the importation of motor vehicle parts, a move aimed at boosting the country's automotive industry

Japan's **Mitsubishi Motors Corp. (MMC)** has committed to invest P7 billion in the next five years to increase its operations in the Philippines

StB Giga Factory Inc., an Australian-owned lithium-iron-phosphate factory, sets up the Philippines' first electric vehicle batteries factory

3 Strategic Alliances

EVAP
Electric Vehicle Association of the Philippines

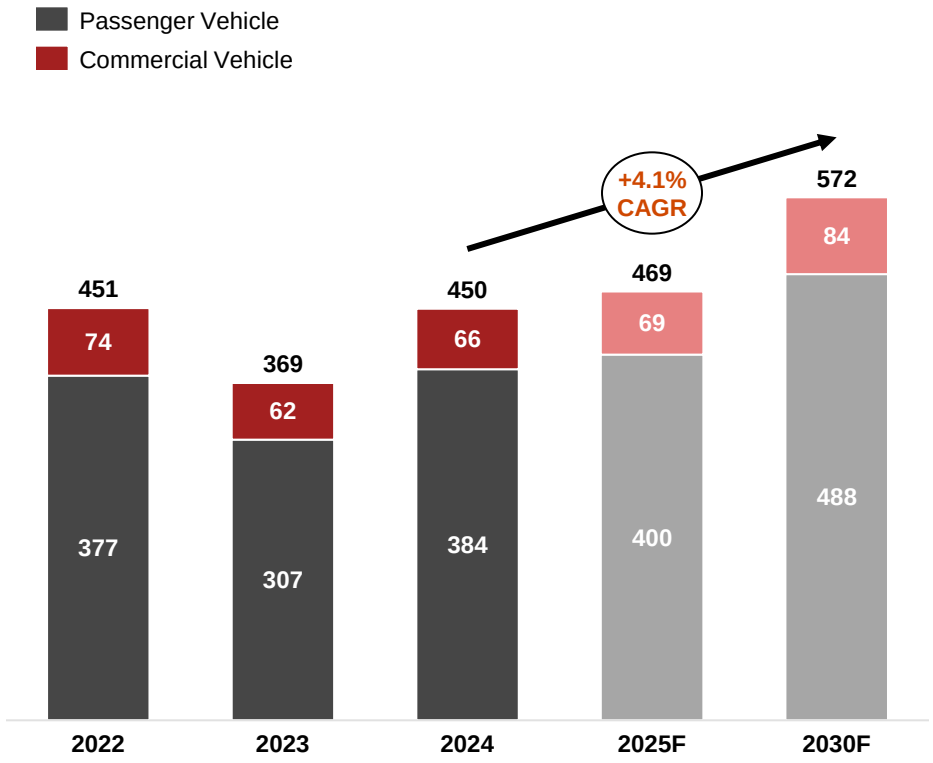
Electric Vehicle Association of the Philippines (EVAP) met with executives of the Regional Comprehensive Economic Partnership (RCEP) Industry Cooperation Committee (RICC) to discuss a possible collaboration in the EV sector among industry players

Inchcape, a global automotive distributor, has been appointed by **Changan** International Corporation to distribute Changan vehicles in the Philippines.

Source: Marklines, AutoIndustria, BusinessWorld, PwC Research and Analysis
ASEAN-6 Automotive Market Snapshot

Strong economic growth, along with government support should drive Vietnam's 6% growth in automotive sales through 2030

Vietnam's Light Vehicle sales: Passenger vs. Commercial
('000 Units), 2022-2030F



Key Growth Drivers

Economic Growth

- 7% growth in 2024, targeting 7-7.5% for 2025 and 6-7% in coming years, increasing exports
- >10% growth in FDI, focused in Automotive, electronic, and other manufacturing

Improved outlook for consumption

- Despite a pullback in 2021-2023, retail spending and overall disposable income are growing

Government policies

- Targeting 30% EV fleet by 2030
- Reduction of registration fees and import taxes

Key Growth Inhibitors

Insufficient infrastructure

- Lack of EV charging, limited parking, insufficient infrastructure inhibit interest in 4W
- Increasingly strict enforcement of traffic laws, as well as new train routes impact consumer decisions

Financial market developments

- SBV has been maintaining rates as of late, which is likely to continue through 2025
- 4W Automotive prices / loans remain relatively expensive for the mass market

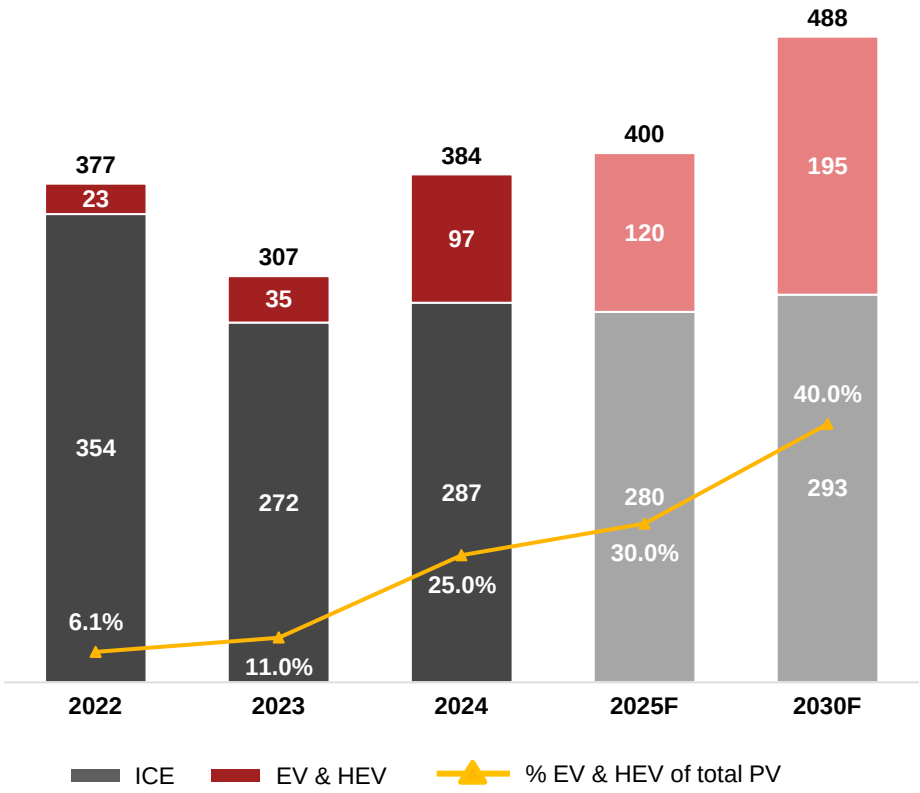
Global geopolitical situation

- The new US administration (Vietnam's largest export partner) may introduce targeted tariffs, affecting certain industries and having a knock-on effect on the domestic economy

Source: Marklines, Fitch, PwC Research and Analysis
ASEAN-6 Automotive Market Snapshot
PwC

EVs captured nearly 20% of new 4W sales in 2024, though significant growth is needed to meet 2030 targets

Passenger ICE, EV & HEV sales in Vietnam
('000 Units), 2022-2030F



Key trends impacting Vietnam's EV market:

Vietnam has targeted 30% of 4W, and 22% of 2W EV by 2030 to work towards meeting carbon reduction goals. Though EV sales in Vietnam are relatively higher than other markets (c.25%), a significant growth in share by 2030 may be ambitious, given certain growth inhibitors

In addition to the local champion, **Vinfast** (c. 70k units sold in 2024), new foreign entrants (**BYD, Geely, Skoda, Wuling**, etc) are increasing EV options for consumers. Charging infrastructure is largely privately managed at the moment, though Vietnam's government is planning to accelerate the building out of both public and private charging infrastructure

EV adoption is still low, but new affordable models from VinFast, as well as new foreign entrants may drive increased penetration

Vinfast's local EV production services both domestic and export markets, though overall adoption has not met initial expectations

Source: Marklines, Fitch, PwC Research and Analysis
ASEAN-6 Automotive Market Snapshot
PwC

Local champion, VinFast, has grown in overall market share. Traditional foreign OEMs remain the strongest, though new foreign entrants could contest existing market position

Top automotive OEMs in Vietnam *(by volume of vehicles sold)*

OEM	Units sold		Market share		Change in market share
	2023	2024	2023	2024	
VinFast	34,885	**97,399**	9.2%	21.3%	12.0%
Hyundai	67,450	**67,168**	17.9%	14.7%	-3.2%
Toyota	57,414	**66,576**	15.2%	14.5%	-0.7%
Ford	38,322	**42,175**	10.1%	9.2%	-0.9%
Kia	47,414	**41,656**	12.6%	9.1%	-3.5%
Mitsubishi	30,894	**41,198**	8.2%	9.0%	0.8%
Mazda	35,632	**32,601**	9.4%	7.1%	-2.3%
Honda	23,802	**28,267**	6.3%	6.2%	-0.1%
Thaco	9,524	**11,165**	2.5%	2.4%	-0.1%
Isuzu	8,671	**10,522**	2.3%	2.3%	0.0%
Total	354,008	**438,727**	**93.7%**	**95.7%**	

Key insights:

- **VinFast** has grown significantly in terms of share of total market volume. The introduction of more affordable models has increased overall market penetration
- **BYD, Geely**, and other foreign brands have recently entered the market, introducing new models which may expand the overall 4W EV market
- The overall 4W market has grown due to increasing incomes, more favorable policies, and reduction of taxes / fees
- Though Chinese OEMs have not yet reached the top-10, sales volumes and market dynamics in the next 12-18 months will provide a more comprehensive view on the extent to which these brands could compete with established competitors due to attractive pricing, efficient distribution, and consumer preferences

Source: Marklines, PwC Research and Analysis

Vietnam's market has multiple recent examples of Automotive companies leveraging 3 strategic thrusts to drive growth

1 Operational Excellence

Wuling, BYD, Hyundai-Kia, Honda have launched their first BEVs in Vietnam in 2024-2025

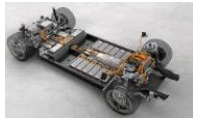
VinFast has implemented advanced manufacturing execution systems (MES) and enterprise resource planning (ERP) systems to improve operational efficiency and data accuracy..

Kia inaugurated it's first EV manufacturing facility in September, producing EV3 and EV4 models with 150,000 unit annual capacity

2 Re-strategize the Value Chain

Local champion **VinFast** has expanded to broader ASEAN, India, USA, and the Middle East

TASCO signed a JV agreement with **Geely Motors** for CKD assembly plant, targeting 75,000 unit capacity



Vinfast, DatBike, Selex, and other players are exploring battery rental, recycling, and other unique models to expand EV penetration

3 Strategic Alliances

TASCO signed a JV agreement with **Geely Motors** for CKD assembly plant, targeting 75,000 unit capacity

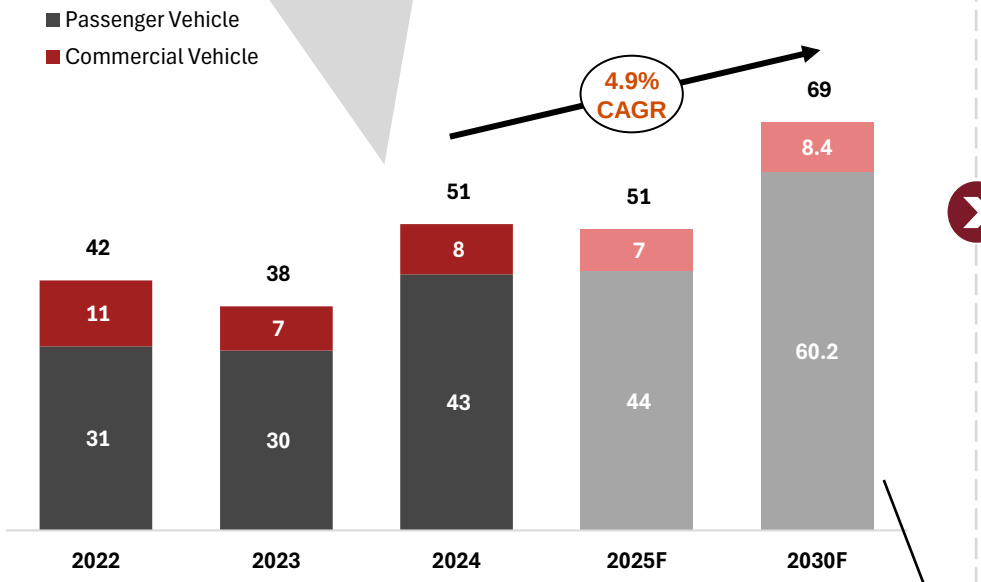
Toyota Vietnam is collaborating with local universities on joint projects to develop new materials, improve vehicle safety, and enhance fuel efficiency

VinFast has partnered with global tech companies like **LG Chem** to develop advanced battery technologies, aiming to enhance the performance and reliability

Modest sales growth can be expected given the Singapore government's objective of a 'car-lite' society

Singapore's Light Vehicle sales: Passenger vs Commercial[1]
('000 Units), 2022-2030F

Sales relies heavily on the issuance of Certificate of Entitlements (COE). A sales forecast will hence be further subject to changes in COE quota and other policies controlling the vehicle population that are set by the Singaporean government within the next years



We currently see 70k units as the maximum market potential in Singapore. But we do not see this as a sustainable level. The year of achievement might vary depending on COE and economic factors in Singapore

Key Growth Drivers

Increased issuance of COEs

- Additional 20k COE certificates to be injected into the market starting Feb 2025
- COE quota for Feb 25 to Apr 25 increased by c. 8% compared to Nov 24 to Jan 25

Growing EV market maturity

- Introduction of more affordable COE category A EVs by OEMs
- Strong consumer preference for fuel-efficient and environmentally friendly cars

Electrification incentives

- Extending tax incentives (e.g. EV Early Adoption Incentive) until the end of 2025
- The 2025 Budget (announced Feb 18 '25) also announced incentives to electrify heavy vehicles and co-funding for fast chargers[2]

Key Growth Inhibitors

Government "car-lite" strategy

- The government's "car-lite" vision sets a target for a zero-vehicle growth rate in passenger car and motorcycle population and a 0.25% growth in CV population until 2028

COE restrictions on volume growth

- Strict control of Certificates of Entitlements (COE) issuance to register a vehicle in Singapore
- Premiums for COEs remain high at ~S$100k

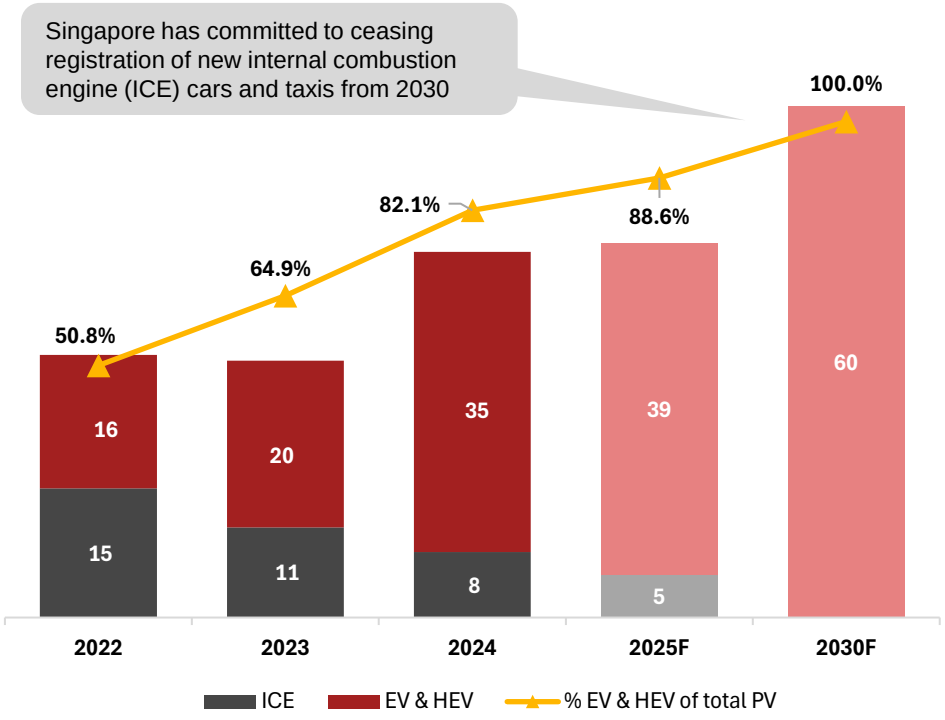
Additional fees on premium cars

- The government had also increased taxes (Additional Registration Fee) on premium and luxury cars in mid-2023, amounting to as much as 320% (up from 220%)[3]

Notes: [1]Estimate from Fitch Solutions forecast in Q3 2024; [2] The Heavy Vehicle Zero Emissions Scheme and Electric Heavy Charger Grant, more details to be announced in a debate on the Transport Ministry's budget [3]Of vehicle's open market value over S$80,000
Source: Singapore Land Transport Authority, Singapore Ministry of Transport, Fitch Solutions (BMI), Press Search, PwC Research and Analysis

EV and hybrid car OEMs will be the main benefactors of SG's push to phase out all ICE vehicles on the road by 2040

Passenger ICE, EV & HEV sales in Singapore
('000 Units), 2022-2030F



Key trends impacting EV market:

The government's Green Plan sets a clear target to **phase out all ICE vehicles** on Singapore's roads **by 2040**, which will be enabled by **new car registrations** being **limited to** only **clean energy vehicles** (incl. hybrid) **starting 2030**

With a base of currently **15,300 EV charging stations** in Nov 24 (c. 7,000 publicly accessible), Singapore has yet to significantly scale its installations efforts in order to meet the Green Plans **target of 60,000 installed stations by 2030**

Accelerating EV adoption through registration fee rebates and market offerings

Imported vehicles from **Chinese OEMs** and **Tesla** driving EV market growth

20-30% of Singapore's vehicles in operations(VIO) will consist of electric vehicles by 2030F[2]

Notes: [1]Estimated based on Fitch Q3 2024 forecast of EV and HEV share growth from 2024 to 2025 [2]Estimate from BloombergNEF
Source: Singapore Land Transport Authority, SG Green Plan, BloombergNEF, Fitch Solutions (BMI)

Especially EV-focused OEM BYD has gained significant market share though Toyota remains market leader

Top automotive OEMs in Singapore *(by volume of vehicles sold)*

OEM	Units sold		Market share		Change in market share
	2023	2024	2023	2024	
Toyota	9,396	**9,678**	25%	**18.8%**	-6.2%
BYD	1,729	**6,399**	4.6%	**12.4%**	7.8%
Mercedes	4,447	**5,360**	11.8%	**10.4%**	-1.4%
BMW	3,436	**5,071**	9.1%	**9.8%**	0.7%
Honda	2,931	**4,264**	7.8%	**8.3%**	0.5%
Tesla	941	**2,384**	2.5%	**4.6%**	2.1%
Nissan	1,777	**2,274**	4.7%	**4.4%**	-0.3%
Hyundai	1,146	**2,061**	3.0%	**4.0%**	1%
Mazda	1,176	**1,260**	3.1%	**2.5%**	-0.7%
Kia	1,074	**1,214**	2.9%	**2.4%**	-0.5%
Total	**28,118**	**39,965**	**74.7%**	**77.6%**	

Key insights:

- China's **BYD** has grown to be the **second best-selling OEM in Singapore (from 6th in 2023)**, surpassing German OEMs such as Mercedes and BMW with its **affordable electric vehicles and mass market options**
- **EV OEMs** such as **Tesla or BYD** have grown through **offering more models (e.g. Tesla Model 3 or BYD Atto 3 Sport)** that fall into the more affordable **COE Category A** (max. power output of up to 110kW), while picking up **overall market demand for clean energy vehicles**
- Hyundai, being the **only OEM with local assembly** capabilities grew its market share by 1%, **introducing a new EV model** (Ioniq 6) and a **target to reach an annual production capacity of 30,000** units in Singapore by 2025
- Toyota amongst other OEMs (e.g. Mazda, Kia, Nissan) have **experienced a decline in market share** in light of **increased competition** and the **market entrance** of affordable **Chinese EV OEMs** (e.g. Chery, Dongfeng, GAC Aion and Xpeng)

Source: Singapore Land Transport Authority, Press Search, Fitch Solutions (BMI), Press Search, PwC Research and Analysis

Singapore is seeing the entry of more BEV brands – mainly Chinese – and the roll out of charging partnerships

1 Market entries

Aug 24 – Chinese EV OEM **Geely** (owned by Zeekr) debuted with its Zeekr X model, a premium SUV on the Singaporean market

Jan 25 – Chinese EV OEM **Neta Auto** debuted at the SG Motorshow 2025, launching the sale of its NETA X and NETA AYA models

Early 2025 – Malaysian EV OEM **Proton** works with car dealer Vincar (distributor of GAC and Neta) to distribute its first EV in Singapore

H2 2025 – Alibaba and SAIC JV **IM Motors** made its debut during the Singapore Motor Show with start of sales being expected for H2 2025

2 Strategic alliances

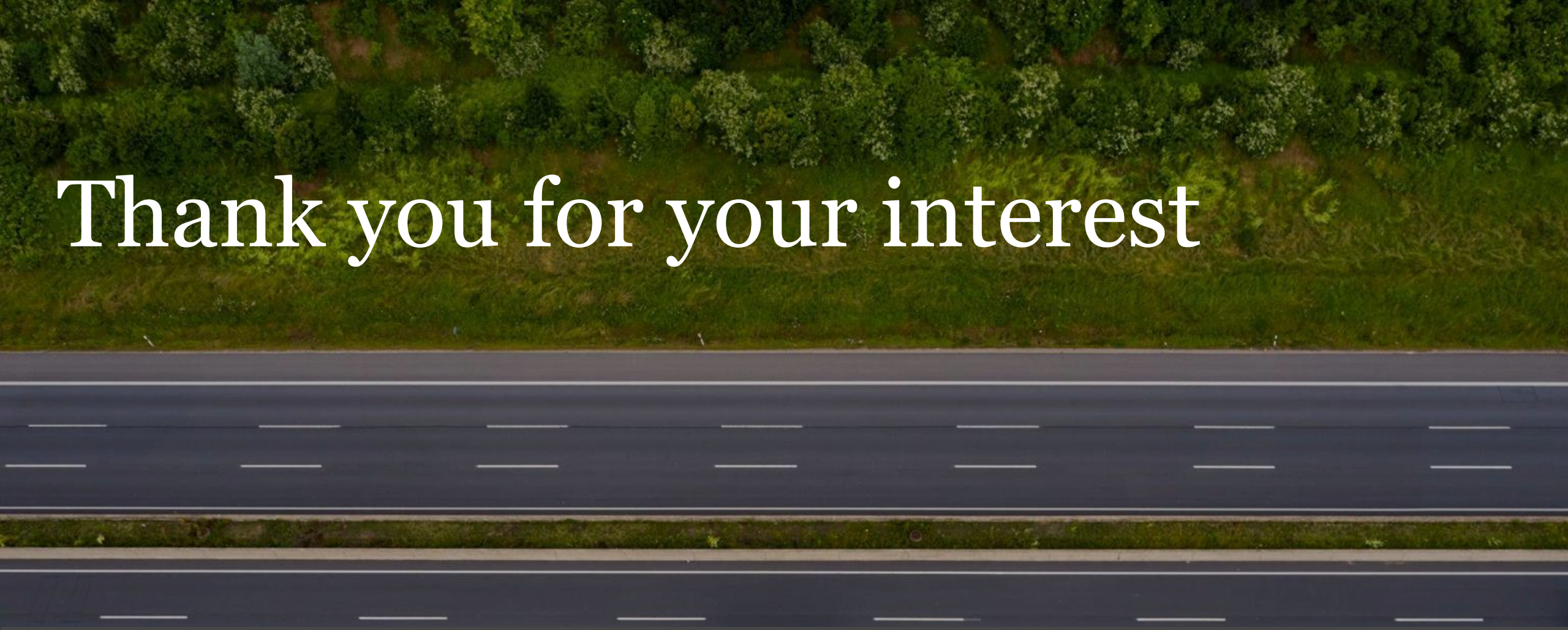
Oct 24 – Battery swapping player **Gogoro and its distribution partner Cycle & Carriage** announced the launch of battery swapping and smartscooters. Both Gogoro and competitor Mo Batteries aim to commercially **rollout their operations** within the course of **2025**

2024 –**EVe** (subsidiary of LTA, responsible for the rollout of SG's public EV charging infrastructure) and **Huawe**i announced a collaboration to expand the infrastructure with **480kW chargers** (according to Huawei these chargers are almost 10x faster than conventional 50kW fast chargers in Singapore)

Oct 24 – **Hyundai and NTU** entered an agreement to collaborate on hydrogen energy **research**, focusing on resource-circulation hydrogen **production technologies, AI**, and robotics for **advanced manufacturing systems**

Feb 25 – **Mercedes Benz** Singapore has launched a new service called **Mercedes me Charge**, with **access to over 3,000 EV charging stations** through a single app by collaborating with the local charge point operators (SP Group, Charge+, and Volt). It offers features like operator-independent charging and the ability to search for available charging stations

Source: Press Search
ASEAN-6 Automotive Market Snapshot
PwC



Thank you for your interest

© 2025 PwC. All rights reserved.

PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details. This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors. At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 149 countries with more than 370,000 people who are committed to delivering quality in assurance, advisory and tax services.

Find out more and tell us what matters to you by visiting us at http://www.pwc.com/asiapacific