

## **AUTOMOTIVE INDUSTRY**

- The Malaysian automotive industry is an important and strategic part of our manufacturing sector. The overall automotive industry and related sectors employ around 710,000 people and contributes almost RM30 billion to Malaysia's GDP.
- There are 27 manufacturing and assembly plants in Malaysia producing passenger and commercial vehicles, composite body sports cars, as well as motorcycles and scooters.
- Malaysia also has more than 600 automotive component manufacturers, producing a wide range of components, such as body panels, trim parts, powertrain parts, rubber parts and electrical and electronic parts.
- The National Automotive Policy (NAP) 2014 was introduced with the aim to establish a competitive and resilient domestic automotive industry and to transform Malaysia into the regional hub for Energy Efficient Vehicle (EEV) through strategic investments and adaptation of high technology for the domestic market and to penetrate regional and global markets.
- To meet its objectives, among the measures outlined in NAP 2014 include:
  - Provision of customized incentives to attract strategic investments in the EEV category as well as to develop key strategic areas to enhance the domestic automotive ecosystem; and
  - Open issuance of Manufacturing License (ML) for all EEV vehicle segments including passenger vehicles with engine capacity above 1,800 c.c. and EEV motorcycles with engine capacity below 200 c.c..
- The award of customized incentives will be assessed based on the strategic level of the CKD investments as in the investment value, production volume, technology transfer, research and development activities, supply chain development, employment, exports programme and others.

### i. Details of Approved Investments

| <b>Automotive Industry</b> | <b>2013<br/>(RM mil.)</b> | <b>2014<br/>(RM mil.)</b> | <b>2015<br/>(RM mil.)</b> | <b>2016<br/>(RM mil.)</b> |
|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Total investments          | 5,647.54                  | 1,880.83                  | 1,446.72                  | 769.08                    |
| Domestic investment        | 4,060.38                  | 1,086.81                  | 970.73                    | 641.92                    |
| Foreign investment         | 1,587.16                  | 794.03                    | 475.99                    | 127.17                    |

Source: MIDA

ii. Exports

|       | Sub-Sectors          | Exports           |                   |                   |
|-------|----------------------|-------------------|-------------------|-------------------|
|       |                      | 2014<br>(RM mil.) | 2015<br>(RM mil.) | 2016<br>(RM mil.) |
| (i)   | Motor Vehicle        | 1,366.5           | 854.8             | 1,067.1           |
| (ii)  | Motorcycle           | 25.9              | 34.2              | 28.2              |
| (iii) | Components and Parts | 4,745.5           | 5,392.4           | 5,216.8           |

Source: DOS

Main Exports 2016

- Parts & accessories of motor vehicles
- Parts & accessories of motorcycles & cycles
- Cars (incl. station wagon)

Major Export Destinations 2016

- Motor-Vehicles
  - A. Passenger Vehicles
    - i. Thailand (RM355.9 mil.)
    - ii. Indonesia (RM73.7 mil.)
    - iii. Sri Lanka (RM32.6 mil.)
  - B. Commercial Vehicles
    - i. Hong Kong SAR (RM213.3 mil.)
    - ii. Singapore (RM72.6 mil.)
    - iii. Australia (RM46.6 mil.)
  - C. Motorcycles
    - i. Sri Lanka (RM14.6 mil.)
    - ii. Thailand (RM5.8 mil.)
    - iii. Japan (RM2.5 mil.)
  - D. Components and parts
    - i. P.R.China (RM790.3 mil.)
    - ii. Germany (RM422.7 mil.)
    - iii. Thailand (RM398.3 mil.)

iii. Imports

|       | Sub-Sectors          | Import            |                   |                   |
|-------|----------------------|-------------------|-------------------|-------------------|
|       |                      | 2014<br>(RM mil.) | 2015<br>(RM mil.) | 2016<br>(RM mil.) |
| (i)   | Motor Vehicle        | 11,106.9          | 9,708.9           | 9,675.1           |
| (ii)  | Motorcycle           | 659.7             | 503.7             | 295.2             |
| (iii) | Components and Parts | 8,464.6           | 10,317.7          | 10,450.5          |

Source: DOS

Main Imports 2016

- Parts & accessories of motor vehicles
- Cars (incl. station wagon)
- Trucks, motor vehicles for the transport of goods

Major Sources of Imports 2016

- Motor-Vehicles

A. Passenger Vehicles

- i. Japan (RM3,161.9 mil.)
- ii. Germany (RM3,011.3 mil.)
- iii. Thailand (RM437.1 mil.)

B. Commercial Vehicles

- i. Japan (RM1,414.3 mil.)
- ii. P.R.China (RM270.4 mil.)
- iii. Sweden (RM199.7 mil.)

C. Motorcycles

- i. Thailand (RM129.0 mil.)
- ii. Japan (RM64.1 mil.)
- iii. Indonesia (RM16.6 mil.)

D. Components and parts

- i. Thailand (RM3,686.8 mil.)
- ii. Japan (RM2,331.9 mil.)
- iii. P.R.China (RM1,653.1 mil.)

iv. Domestic Market Segment

• Production

| Segment             | 2013<br>(units) | 2014<br>(units) | 2015<br>(units) | 2016<br>(units) |
|---------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Total</b>        | <b>601,407</b>  | <b>596,418</b>  | <b>614,664</b>  | <b>545,253</b>  |
| Passenger cars      | 543,892         | 545,122         | 563,883         | 503,691         |
| Commercial vehicles | 57,515          | 51,296          | 50,781          | 41,562          |
| Motorcycles         | 549,244         | 439,907         | 382,218         | 397,918         |

Source: Reclassified, based on data from Malaysian Automotive Association (MAA)

• Sales

| Segment             | 2013<br>(units) | 2014<br>(units) | 2015<br>(units) | 2016<br>(units) |
|---------------------|-----------------|-----------------|-----------------|-----------------|
| <b>Total</b>        | <b>655,793</b>  | <b>666,465</b>  | <b>666,674</b>  | <b>580,124</b>  |
| Passenger cars      | 576,657         | 588,341         | 591,298         | 514,545         |
| Commercial vehicles | 79,136          | 78,124          | 75,376          | 65,579          |
| Motorcycles         | 546,719         | 442,719         | 380,802         | 396,343         |

Source: Reclassified, based on data from Malaysian Automotive Association (MAA)

v. Employment

**Based on Monthly Manufacturing Survey conducted by DOS**

| Description          | Employment (person) |               |               |              |                |
|----------------------|---------------------|---------------|---------------|--------------|----------------|
|                      | 2014                | 2015          | 2016          | Change (%)   | 2017 (Jan-May) |
| Motor vehicles       | 28,007              | 27,851        | 27,115        | (2.6)        | 27,557         |
| Motorcycles          | 5,923               | 5,245         | 4,670         | (11.0)       | 4,093          |
| Parts and components | 26,388              | 27,155        | 26,902        | (0.9)        | 27,026         |
| <b>TOTAL</b>         | <b>60,318</b>       | <b>60,251</b> | <b>58,687</b> | <b>(2.6)</b> | <b>58,676</b>  |

Source: Department of Statistics