

MARKET SHARE IN PRODUCTION AND SALES OF PASSENGER VEHICLES IN ASEAN**Dr (Mrs) Muneer Sultana**

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ABSTRACT

The Association of Southeast Asian Nations is a geo-political and financial association of ten nations situated in Southeast Asia, which was formed on 8 August 1967 by Indonesia, Malaysia, the Philippines, Singapore and Thailand. Since then, association has protracted to comprise Brunei, Burma (Myanmar), Cambodia, Laos, and Vietnam. Its goals comprise hastening economic growth, social progress, and cultural progress among its members, safeguard of provincial harmony and constancy, and prospects for member countries to deliberate variances tranquilly. ASEAN has expected a better role as a universal provider of automotive, and is anticipated to nurture in prominence owing to a modest manufacture base with sturdy competencies in certain product ranges. This will increase considerably not only in terms of financial progress, but also service and technological development. ASEAN members are located in terrestrial proximity; there are economic, social and cultural gaps among the members. Therefore, the state of automotive industry differs from country to country in terms of demand, customer fondness and supply which are strong-minded by production and sales capacity of vehicles. In this context the study has been conducted to know the market share in production and sales of passenger vehicles of ASEAN countries. The study is equipped grounded on primary and secondary informations. The primary data has collected through oral interview from stalwarts of automotive industry. The secondary informations is composed from the reports of international conference of automotive industry and all existing literature has collected also from internet automotive websites, auto business magazines, e-auto journals etc. Finally suggestions have been framed and conclusions have been drawn for the study.

Keywords: Market Share, , Automotive, ASEAN Countries, Car, Motor Cycles, Conference .

1.0. INTRODUCTION

Transportation is one of the furthestmost indispensable commercial properties in the modern world. An effective method of transportation safeguards the movement of individuals and product distribution could be directed in a safe and well-timed method. To meet this obligation, numerous categories and representations of vehicles were shaped by automotive companies to accomplish the requirements of customers specially in the background of passenger vehicles. ASEAN automotive production remains to nurture on the back of intensifying internal demand and snowballing progress of export foundations. In the great of financial development markets of ASEAN, parts manufacturers are vigorously enhancing outlay to encounter intensifying vehicle production. The Association of Southeast Asian Nations is a geo-political and financial association of ten countries situated in Southeast Asia, which was moulded on 8 August 1967 by Indonesia, Malaysia, the Philippines, Singapore and Thailand. Since then, association has lengthened to embrace Brunei, Burma (Myanmar), Cambodia, Laos, and Vietnam. Its objectives comprise to speed up economic growth, social progress, and ethnic extension among its members, safeguard of provincial harmony and firmness, and prospects for associate nations to deliberate variances tranquilly. Automotive Industry “all those corporations and activities elaborate in the production of motor automobiles, comprising most machineries, such as locomotives and forms, but apart from tires, batteries, and petroleum. The industry's main products are commuter vehicles and light vans, as well as pickups, vans, and sport usefulness automobiles. Commercial vehicles (i.e., distribution trucks and outsized transport lorries, often called semis), though imperative to the industry, are ancillary”. Automotive industry is a representation of mechanical phenomenon through human compassionate. Being one of the wildest mounting segments in the

domain its vigorous development segments are enlightened through environment of competition, product existence sequence and customer demand. Global manufacture schemes play a key role in East Asian financial prudence. Most industrial manufacture in East Asia is especially in autos and auto parts, to enhance the domestic attractiveness, FDI upgrade procedure is typically accessible for assured industries which necessitate know-how allocation and dimensions building. At the same time, as low-cost automobiles fuel produce rivalry, automakers and fragments providers goal to obtain better cost effectiveness, depiction consideration on the way to low-cost knowledge avenues consequently. Furthermore, on the back of low charges and enlightening eminence, there are snowballing changes to situation of Asia as a worldwide source or courtesy base, supplementary floating the serious position of the province in the interior universal supply handcuffs. ASEAN has expected a better role as a worldwide provider of automotive, and is anticipated to raise in reputation owing to a viable production base with sturdy capabilities in convinced produce varieties. This will progress considerably not only in relations of financial progress, but also occupation and industrial development. In ASEAN, outlay is being keen predominantly into Thailand and Indonesia. Thailand, which resolves to become the 'Detroit of Asia,' is creating its situation as a centre base in the province of Southeast Asian countries. Under these circumstances, the nation endures to exercise a compact, all-embracing fragments industry. ASEAN associates are situated in environmental nearness; there are financial, societal and ethnic openings amongst the associates. Therefore, the state of automotive industry differs from country to country in relations of demand, customer fondness and supply which are strong-minded by production and sales ability of automobiles. In this context the study has been lead to know the market share in production and sales of passenger vehicles of ASEAN.

- 1.1. *Need and Significance of the Study* : The production and sales rate in the automotive sector is considered an important reference to economic growth and performance in any particular country. The automotive industry is obligating a robust multiplier consequence on the development of a nation and hence is accomplished of existence the driver of financial progress. It shows a foremost significant role in emerging transport segment in one indicator and help industrial segment on the other to raise earlier and in that way produce a substantial occupation openings. Also as ASEAN countries are opening the land boundary for job and emerging global road acquaintances, the influence of automotive segment in snowballing exports and imports will be considerably in elevation. As automotive industry is fetching supplementary and extra standardized, the level of competition is snowballing and manufacture base of most of auto-giant corporations are presence cleaned from the advanced nations to unindustrialized nations to take the benefit of low cost of invention. It is indispensable and substantial to study about automotive industry in thoughtful determinations to grasp these openings which comprise numerous Asian countries such as Thailand, China, India and Indonesia.
- 1.2. *Objectives of the Study*:
 - (i) To Examine the Market share in Production and Sales of Cars in ASEAN countries.
 - (ii) To evaluate the Market share in production and sales of Motorcycles in ASEAN countries.
- 1.3. *Scope of the Study*: The study covers the ASEAN countries to the extent of automotive industries, with special emphasis on knowledge of automotive of only ASEAN countries.
- 1.4. *Limitations of the Study*: The study of market share in production and sales of passenger vehicles of ASEAN countries is prepared based on secondary informations and the secondary sources was limited to the extent of the ASEAN automotive industry only.

2.0. PREVIOUS STUDIES

1. According to Poapongsakorn and Techakanot (2008)¹ specified that, Thailand converted the furthestmost gorgeous position for the Japanese automakers to flinch their manufacture systems. Thai government strategies have continuously been lenient in the direction of overseas automakers and this fascinates excessive interest from worldwide auto-manufacturers. The detail that Japanese automakers created slender manufacturing, *keiretsu* (upright industrial clutches) systems and the Just-In-Time distribution scheme subsidized to the faster growth of Thailand's automotive manufacture centre in Southeast Asian region.
2. According to Petison and Johri (2008)² opined that, Localization tactics are not a new subject among worldwide automakers. In order to upsurge companies' effectiveness and lessen hazard from participants, automakers competed to look at several drivers before accepting localization policies. These drivers include host country features, industry appearances, corporation features and market features.
3. Nopprach (2009)³ clarified that AICO has effectively fascinated intra-trade in automotive portions amongst Indonesia and Thailand.
4. Shimokawa (2010)⁴ cited that, the manufacture of diverse models in the similar stages can amended prices meaningfully and it can apart from investment that would have been recycled for innovative tools outlay. The influence of the simple financial depression on the automotive industry can evidently be realised from the droplet of indigenous demand for customer cars and profit-making vehicles.

5. Kohpaiboon (2006)⁵ also resolved that, the motive to this tendency was global companies in Thailand have to moderate the additional ability of created vehicles that arose from the disaster. Imported automotive portions and apparatuses subsidised to the augmented cost of manufacture and, with petite demand from indigenous market, these aspects have enforced automakers to take severe procedures, such as finishing unsuccessful workshops, rearrangement organization personnel and obtaining support from overseas firms.

6. According to Najmuddin (2008)⁶ quantified that, the scarcity of raw resources and augmented charge of employment in Japan itself subsidised to the prevailing segment of Japanese international organizations in Southeast Asia.

7. Furukawa & Schmidt (2008)⁷ explored that, the environmental closeness and the profession of Japanese groups in some of the Southeast Asian countries during World War 2 fortified the automotive associated organizations to capitalize in ASEAN. After the war finished, the Japanese producers released innovative workshops in foreign markets in order for them to resell the big and obsolete merchandises with second-hand technologies.

8. According to Sally (2007)⁸ 'soft' events, such as occupation and outlay advancement, can quarter extensive economic-policy improvements. On the other hand, 'hard' procedures, such as discerning elevation and safeguard guidelines in definite productions have a undesirable influence on financial progress.

9. According to Yusuf (2004)⁹, ASEAN countries activated to device numerous encouragements to fascinate overseas outlay from all over the world from the late 1980s. In conversation for financial encouragements, organisation and financial sectors with employment arrangements, these countries required know-how allocation from advanced countries; and fixed edges for indigenous gratified and transfer production from the overseas organizations.

10. According to Wonnacott (1996)¹⁰, the two foremost motives why safeguard guidelines were executed in furthestmost of Southeast Asian countries were recessive associations and autonomy. Recessive associations here mean that the automotive industry has a outsized influence on industries, such as strengthen and consumes, which are imperative properties to Southeast Asian nations. Nationwide superiority in home-built vehicles is frequently linked with protective strategies in order for them to persist in contradiction of the overseas challengers.

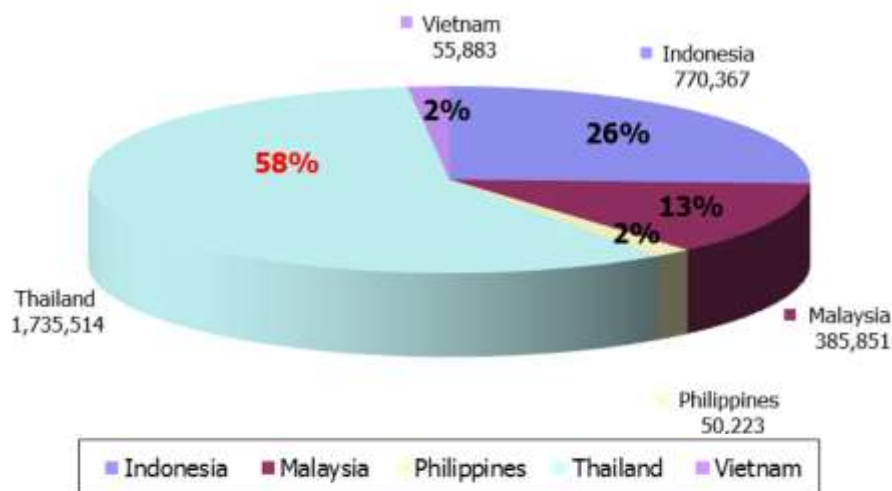
3. RESEARCH METHODOLOGY

Sources of Data: The strength of any research reliant on the organized method of informations assortment sources and its analysis. The study is equipped grounded on primary informations and secondary informations. The primary facts have collected through oral interview from stalwarts of automotive industry. The secondary informations have composed from the reports of international conferences of automotive industry and all existing literature has obtained from internet automotive websites, auto business magazines, and e-auto journals.

Exploration of Data: In exploration of data, to display the occurrence or nonappearance of precise features and to associate and compare facts standards or features midst connected matters with numerous joint features or variables, figures have been equipped and figures are influential communiqué tools—it provides text the concentration of readers, and professionally existent great volumes of composite evidence.

4.0. RESULTS AND DISCUSSION

Figure.1: Market Share in Car production.

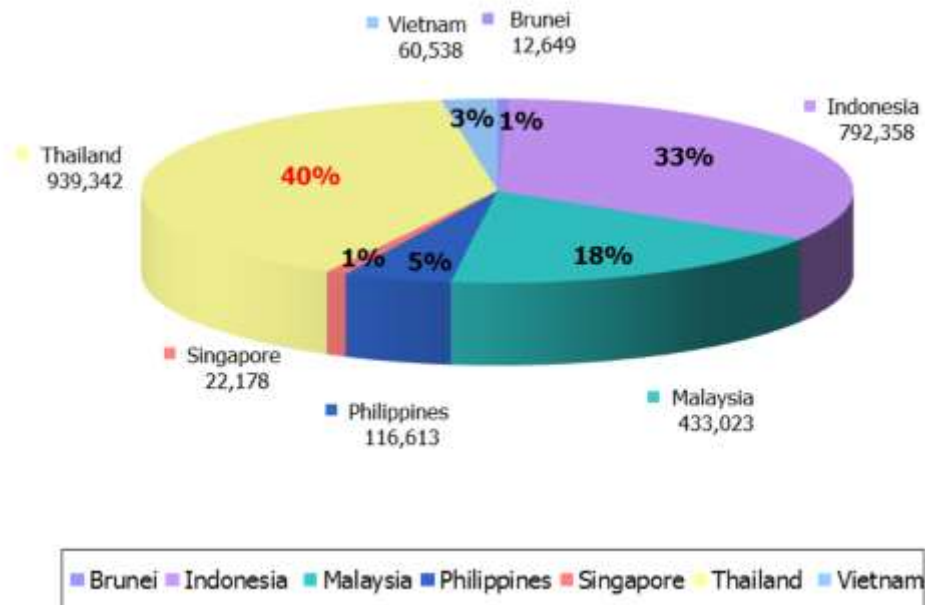


Source: ASEAN Automotive Conference report 2013.

Above figure .1. deals about the Market Share in Car oroduction of five ASEAN countries. Out of total of five ASEAN countries, Thailand emerges as the highest market share in car production at 58 percent, followed by 26 percent, 13 percent, and 2 percent each market share in car production is from Indonesia, Malaysia, Vietnam and Phillipines respectively.

Therefore it can be concluded that, Thailand is a major market share in car production than other five ASEAN countries.

Figure.2: Market share in Car Sales.

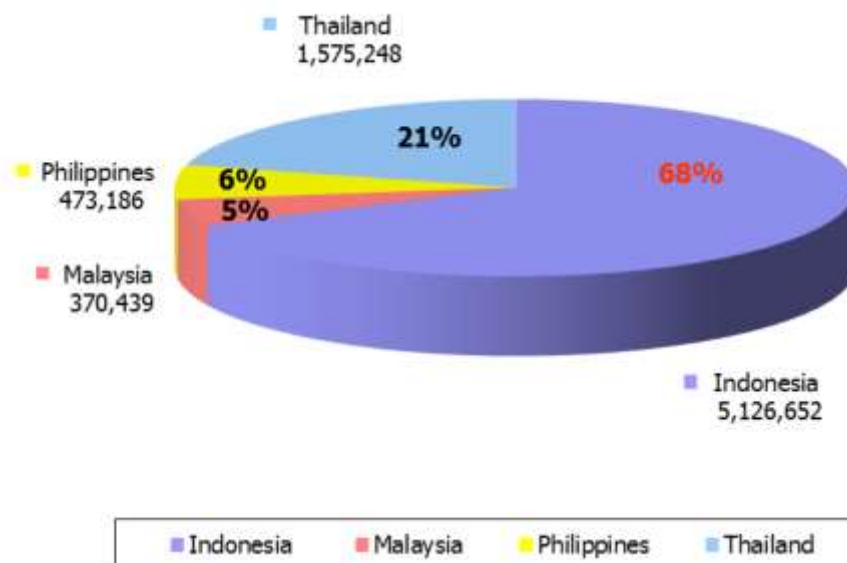


Source: ASEAN Automotive Conference report 2013.

Figure .2. Indicates about the market share in car sales of seven ASEAN countries. Out of total seven ASEAN countries, Thailand market share in car sales is the highest stood at 40 percent, followed by 33 percent, 18 percent, 5 percent, 3 percent and 1 percent each market share in car sales is from Indonesia, Malaysia, Philippines, Vietnam, Brunei and Singapore respectively.

Therefore it can be concluded that Thailand has the highest market share in car sales compared to other ASEAN countries.

Figure.3: Market Share in Production of Motorcycles.

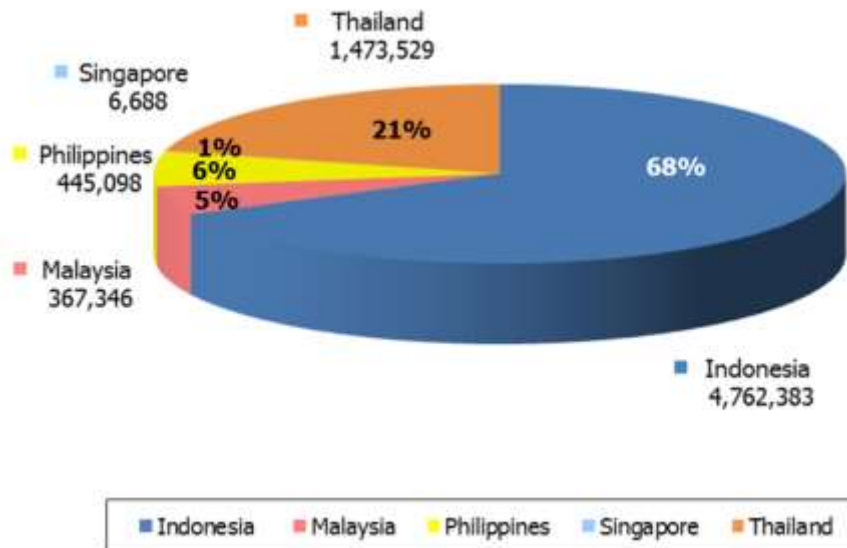


Source: ASEAN Automotive Conference report 2013.

Figure.3. depicts about the Market Share in Production of Motor cycles in four ASEAN Countries. Out of total of four ASEAN countries, Indonesia has the highest market share in production of Motorcycles, followed by Thailand, Philippines and Malaysia at 21 percent, 6 percent and 5 percent respectively.

Therefore, it can be concluded that Indonesia arises as the highest Market share in production of Motorcycles compared to other three ASEAN countries from the above figure.

Figure.4: Market Share in sales of Motorcycles.



Source: ASEAN Automotive Conference report 2013.

Figure.4. refers about the Market share in sales of Motorcycles in five ASEAN countries. out of total of five ASEAN countries, Indonesia has the highest market share in sales of Motorcycles at 68 percent, followed by 21 percent, 6 percent, 5 percent and 1 percent market share in sales of motor cycles are from Thailand, Philippines, Malaysia and Singapore respectively.

Therefore, it can be concluded that Indonesia has the highest market share in sales of motor cycles than other four ASEAN countries from the above figure.

SUGGESTIONS

The following are the suggestions for the Automotive Industry of ASEAN countries.

Finding out the research revealed that, only Thailand and Indonesia emerges as the largest market share in production and sales of cars and motor vehicles than other ASEAN countries, this is because of mounting middle classes with larger disposable incomes, increased investments in automotive sector and introduction of automotive guidelines supporting market progress. In such a case other ASEAN countries of automotive sector should emphasis on Production and sales of passenger vehicles by means of expansion of economy, more disposable incomes, capacity expansions by automakers, launch of several new model vehicles strengthened by foreign vehicle model proliferation at competitive price points and also by price decrease of market liberalization, foreign investment influx for vehicle production enlargement and exploiting know-how to enhance auto production and increase product competition.

CONCLUSION

Therefore, ASEAN countries would implement the deliberate and accomplishment strategies in Automotive Industry in accordance to the auto knowledge and universal automotive industry competition tendency, to augment the progress of automotive industry from being a major production base of Asia to being a maintainable foremost worldwide manufacture base. This will advantage the domestic progress in all aspects; economy, employment, technology development, expansion of associate commerce and domestic auto part producers, modernizations for forthcoming automotive industry which will support all ASEAN countries to be in the higher income nation.

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