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Predictions of Light Vehicles Production and Sales In ASEAN

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ABSTRACT

Background: 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 especially 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. **Objective:** the objective of the study is to predict the production and sales of cars in ASEAN. **Results:** findings revealed that there is increase in demand from customer's requirements for cars due to vary with the levels of income and their preferences. Hence, automakers and their suppliers will need to reinvent themselves to meet the challenges of a dramatically new global automotive landscape. **Conclusion:** ASEAN republics would implement the unhurried and achievement approaches in Automotive Industry in agreement to the auto knowledge and universal automotive industry competition tendency, to enhance the development of automotive industry from being a major production and sales base of Asia to being a sustainable primary worldwide manufacture base.

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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 especially 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 molded 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

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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 rise 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.

Need and Significance of the Study:

Automotive Industry is necessitating a strong multiplier consequence on the progress of any nation and also it is accomplished of being the driver of financial development. ASEAN are widening the border of land for the purpose of increasing trade and commerce, emerging global highways links, involvement of automotive segments significant in growing auto imports and exports and thereby generating job openings. It is need and significant to study about automotive industry in thoughtful determination to seize these prospects which consist of many Asian nations which also includes Indonesia, China, India and Thailand.

Objectives of the Study:

- i) To scrutinise the prediction of total production of cars (in millions) in ASEAN.
- ii) To examine the prediction of total sales of cars (in millions) in ASEAN.

Period of the Study:

period of the study is from 2010 to 2014 year

Scope of the Study:

The research study covers the ASEAN democracies to the extent of automotive industry, with outstanding significance on data of automotive of only selected ASEAN countries.

Limitations of the Study:

The study of Prediction of Light Vehicle Production and Sales in Major ASEAN republics is furnished based on secondary information and the secondary data were insufficient to the extent of the ASEAN automotive industry only.

Review of Literature:

1. According to Industry forecast report (2010) ¹, demand for motor vehicles in Indonesia picked up sharply between 2003 and 2005, recovering from a slump cause by the Asian Financial Crisis in 1997-98. However, substantially higher fuel prices, a sharp spike in inflation and higher interest rates all contributed to another collapse in 2006. Demand has since recovered, with an expected sales increase of at least five percent in 2010, as well as a boost in production (which fell by 22 percent in 2009).
2. According to Malaysia Auto report (2010) ² In 2009, vehicle sales dropped by 20 percent to 486,061 units from a record high of 607,805 units in 2008. Indonesia overtook Malaysia in 2008 to become the second-largest car market in ASEAN behind Thailand, but dropped back behind Malaysia again in 2009.
3. According to Rahman et al., (2009); Zain et al., 2008; Rohani and Teng, (2001)³, For Malaysian automotive production itself, furthestmost of automotive sellers have virtuous information and knowledge to recognize the seven elementary outfits (histogram, Pareto chart, cause and outcome diagram, check sheet, scatter diagram, flow chart, and control chart). The execution of SPC is measured as significant in constant procedure enhancement.
4. According to Reichhart and Holweg, (2007)⁴ opined that, adjacent localities of the segment dealers and the automakers are cooperative for segmental amount, which may be why seller commons are general structures used to attain Just In Time (JIT) supply in the automotive production.
5. According to ASEAN auto market report 2011⁵, three countries dominate the ASEAN auto market i.e. Thailand, Indonesia and Malaysia. They account for more than 90% of motor vehicle output, for example, their share of unit sales in automotive in 2010 stood at 86%.
6. According to ASEAN auto business magazine report 2011⁶, the auto industries of south East Asia are entering a new dawn. The implementation of the regional free trade agreement, AFTA opens up markets which are home to over 500 million people.
7. According to ASEAN automotive supplier report 2013⁷, the growth of automotive production in the ASEAN region has in tandem spurred the growth

of an automotive supplier industry. With very few local automotive suppliers that could initially supply the parts and the quality required by international car makers, international suppliers had to follow suit and supply components locally.

8. According to ASEAN auto market 2011⁸, reported German automakers currently account for just 1% of unit sales in the ASEAN countries. This is due in part to the high import tariffs of up to 80%. By training a stronger strategic focus on the region – accompanied by a liberalisation of trade – German firms could benefit more handsomely from the growth in the ASEAN auto market than has hitherto been the case. The European Union should therefore push hard to boost free trade with the region. Since the countries with their own vehicle manufacturing facilities will continue endeavouring to protect their local industry and foreign automakers to expand their own local factories.

9. Gould, (2001)⁹ opined that, General Motors has roughly 30,000 sellers, with roughly 9,000 associates in its supply chain. It is firm to cooperate with this enormous amount of suppliers and simultaneously exploit the enormous competitive potential advantages of put on modularity in the

supply web organization.

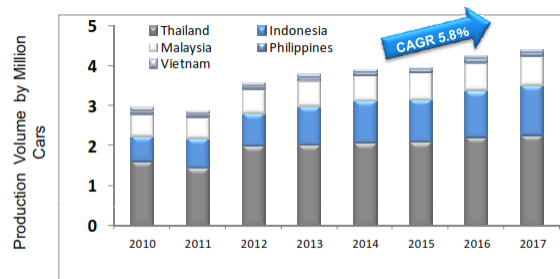
10. Kurylko, (2007)¹⁰ showed that, Audi underway a package called the “Audi modular longitudinal platform technology” on its A5/S5 coupe, substituting to a segmental construction that will allow greatest of its product shapes to portion foremost modules. Complete its segmental method, Audi has established components for dearer workings, counting boiler and airing and vital workings of the form, determination train, and postponement.

Research Methodology:

Sources of Data: The strength of any research reliant on the organized method of information collection sources and its study. The study is organized centred on primary information and secondary facts. The primary facts have composed through oral interview from stalwarts of automotive industry. The secondary data has 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.

RESULTS AND DISCUSSION

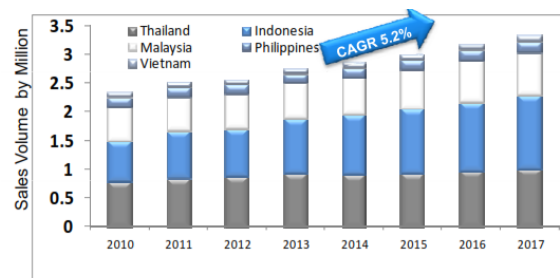
Fig. 1: Prediction of total Production of Cars (in Millions) in ASEAN from the year 2010 – 2017



Source: IHS Global Insight Automotive.

Above figure .1. depicts about the prediction of total production of cars (in millions) in ASEAN from the year 2010 – 2017. Out of total five Nations of ASEAN, Thailand stood first in prediction of production of cars up to the year 2017, later countries of ASEAN in estimation of production of cars are Indonesia, Malaysia, Philippines and Vietnam respectively.

Fig. 2: Prediction of total Sales of Cars (in Millions) in ASEAN from the year 2010 – 2017.



Source: IHS Global Insight Automotive

Figure.2. portraits about the prediction of total sales of cars in (millions) in ASEAN from the year 2010 – 2017. Out of total five republics, first Indonesia is sure in prediction of total sales of cars from the year 2010 – 2017, later Thailand, Malaysia, Philippines and Vietnam respectively are the emerging car sold markets in the near future.

Hence there is increase in demand from customers' requirements for cars due to vary with levels of income and their preferences. Consequently, automakers and their suppliers will need to reinvent themselves to meet the challenges of a dramatically new global automotive landscape.

Suggestions:

The following are the suggestions for the study of prediction of light vehicle production and sales in ASEAN:

1. Research findings reveal that there is more demand and prerequisite for light vehicle, in such a circumstance the automakers and their suppliers should increase the volume of light vehicle production and sales with increased value, dynamic changes, more fuel efficient and advanced safety features to combine technology know – how with local, low – cost manufacturing. As a result, smaller car models with enhanced safety features will enjoy stronger sales leading up to 2020.

Conclusion:

Thus, ASEAN republics would implement the unhurried and achievement approaches in Automotive Industry in agreement to the auto knowledge and universal automotive industry competition tendency, to enhance the development of automotive industry from being a major production and sales base of Asia to being a sustainable primary worldwide manufacture base. This will advantage the national growth in all aspects of economy, employment, technology development, expansion of associate commerce and domestic auto part producers, modernizations for approaching automotive industry which will support all ASEAN countries to be in the higher income nation.

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