

CHAPTER 7: MARKET TREND OF VEHICLES REGISTERED IN MALAYSIA

7.1. Introduction

This chapter will analyze the market trend of the automotive industry specifically passenger cars in Malaysia between the years 1999 and 2003. The study of passenger cars will be carried out in terms of units sold as well as engine displacement capacity.

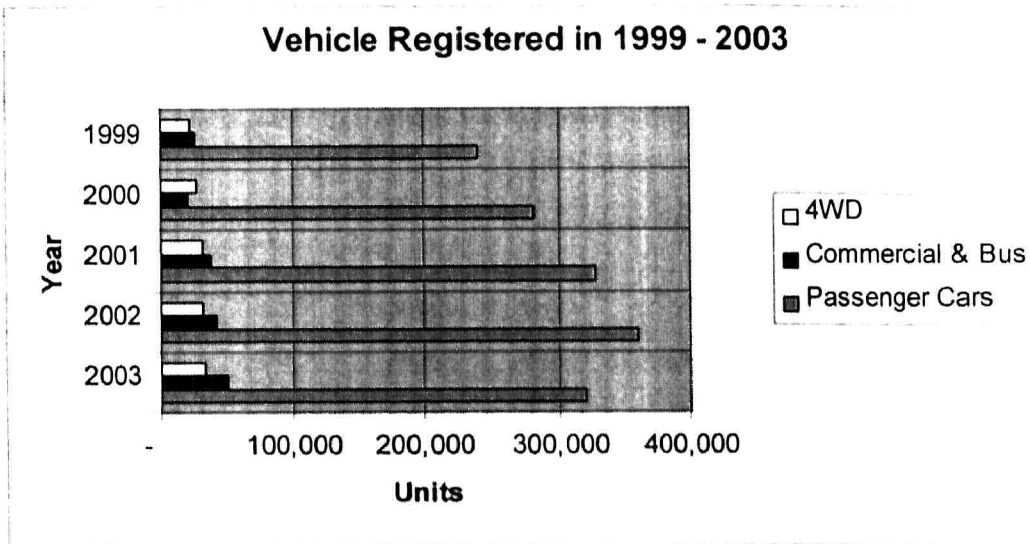
The vehicles registered in Malaysia can be categorized into four major types namely passenger cars, commercial vehicles, bus and four-wheel drive (4WD). For the year 1999 to 2003, passenger cars dominate more than eighty percent (80%) of the total vehicles registered in Malaysia. For example, in the year 2002 alone, 359,934 units of passenger cars were sold in the market, which constitutes 83% of total vehicles in the country. The other type of vehicles that is dominant is vehicles registered as commercial as well as 4WD, which are registered for either personal or commercial use. Table 7.1 shows the total number of vehicles sold (in units) for the year 1999 to Feb 2004.

Table 7-1: Vehicles Sold (in Units) for 1999 - 2003

Type	Feb-04	2003	2002	2001	2000	1999
Passenger Cars	45,655	319,847	359,934	327,447	282,103	239,647
Commercial & Bus	7,748	50,824	42,727	37,623	20,993	26,171
4WD	2,317	34,339	32,293	31,311	27,338	22,729
Total	55,720	405,010	434,954	396,381	330,434	288,547

The total vehicles registered has increased by 13% and 17% in the year 2000 and 2001 respectively, but increased only by 9% in 2002. Unfortunately, passenger car sales fell 6.9% in 2003 to 405,010 units, from 434,954 units in 2002 due to SARS outbreak and buyer reticence, ahead of a firm announcement on the new tax legislation on motor vehicle.

Figure 7-1: Vehicles Registered in 1999-2003



7.2. Market Trend of Passenger Cars in Malaysia

Table 7.2 shows that for the last five years, i.e. for the period 1999 to 2003, there were five major players in the passenger car market in Malaysia, based on the number of cars sold by each player. These major players are Proton, Perodua, Toyota, Honda and Nissan. In addition, beginning 2002, Kia has made a good access into the country. Of the entire major players above, Proton and Perodua captured 92%-93% for the years 1999 to 2002, but declined to 84% in 2003. The decrease is due to the high increase in sales of Toyota (6%) and Honda (4%) as well as a soundly accepted Korean made car, Kia (2%) in the year 2003.

Table 7-2: Passenger Vehicles Based on Models (Units) Sold in Malaysia

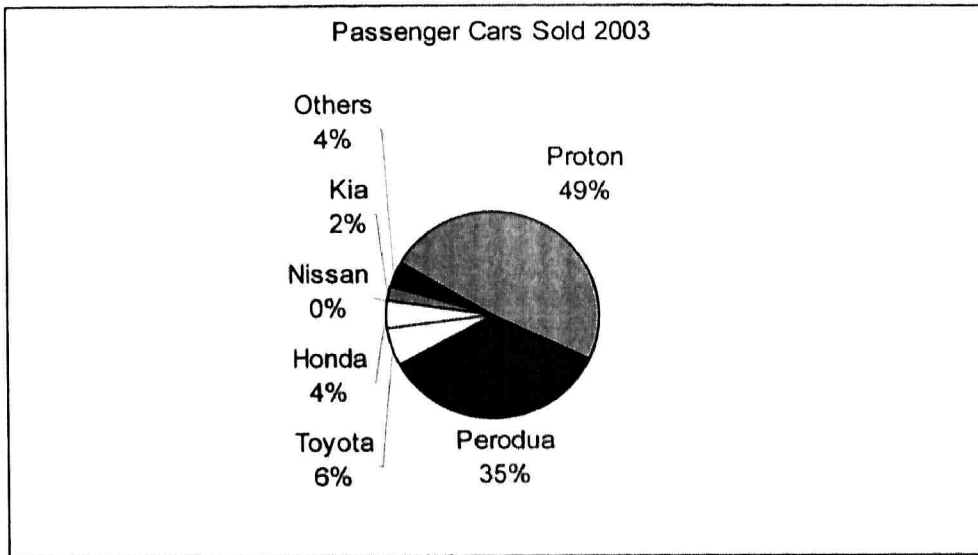
	Feb-04	2003	2002	2001	2000	1999
Models						
Saab	6	22	-	-	-	-
Porsche	4	15	-	-	-	-
BMW	321	1,989	2,281	2,011	2,085	1,219
Mazda	-	70	43	9	73	139
M/Benz	429	2,994	3,094	2,448	2,247	1,163
Daihatsu	-	1	61	90	72	169
Citroen	53	396	625	519	583	703
Ford	59	287	260	442	314	466
Renault	-	97	282	64	-	-
Proton	21,486	155,420	214,373	208,746	178,960	155,720
Perodua	13,862	111,798	114,265	94,476	82,484	66,499
Toyota	3,606	18,986	9,971	5,801	4,424	4,556
Honda	3,611	14,154	3,140	4,165	4,550	4,606
Nissan	1,026	6,105	6,203	7,077	3,929	2,970
Kia	1,086	6,948	4,281	-	-	115
Volvo	106	565	903	1,163	1,552	642
Galant	-	-	5	4	7	17
Spacewagon	-	-	24	25	30	20
Audi	-	-	77	178	328	318
Peugeot	-	-	46	229	465	325
Total	45,655	319,847	359,934	327,447	282,103	239,647

Source : MAA

In 2003, passenger car sales dropped 11% to 319,847 units, or 79% of the total motor vehicle market, compared to 359,934 units or 83% in 2002. National cars, totaling 267,218 units, took an 85% share of total market, compared to 328,638 units or 91% in 2002. With 155,420 units sold, Proton took 49% of the total passenger car market in 2003, compared to 214,373 units or 60% in 2002. Perodua, with sales of 111,798 units, accounted for 35%, versus 114,265 units or 32% the prior year. Non-national car sales jumped 53.8% to 48,137 units in

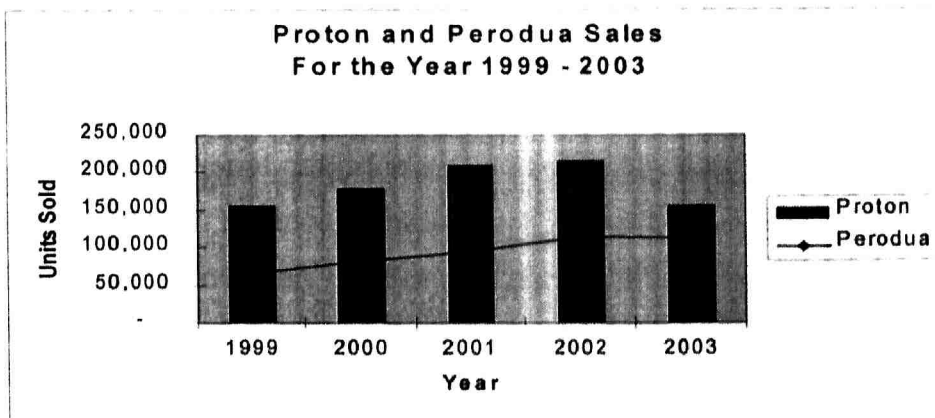
2003 compared with 31,296 units previously, raising their market share of total car vehicles sales to 15% from 9%.

Figure 7-2: Passenger Cars Sold 2003



The dominance of the national cars further decreased in the first two months of 2004, in which national cars had only sold 35,348 units (77%) in the market compared to a further increase to 8% for both Toyota and Honda and another 2% by Kia. New models from players like Proton (GEN.2) are expected to help the national cars gain back market share lost in 2003.

Figure 7-3: National Cars Sold (1999 - 2003)



In terms of the engine displacement capacity, Table 7.3 indicates that for the year 1999, 35% of cars sold were from the 1,251–1,450cc followed by 1,451–1,650cc (29%) and 0–1,050cc. However, for the period 2000 to 2003, engine displacement capacity in the 1,451–1,650 category was the highest passenger car purchased, followed by 0–1,050cc and 1,251–1,450cc respectively. In the year 2003 alone, 117,499 (37%) units of cars from 1,451–1,650cc were sold followed closely by 0–1,050 cc with 111,798 units (35%) and 45,229 units (14%) from the 1,451–1,650cc.

Table 7-3: New Passenger Vehicle Registration (In units and %) Classified by Engine Displacement Capacity (cc)

cc/year	2003		2002		2001		2000		1999	
	Units	%	Units	%	Units	%	Units	%	Units	%
0 -1,050	111,798	35	114,282	32	94,516	29	82,536	29	66,590	28
1,051 - 1,250	16,745	5	27,339	8	-	-	1,576	1	5,098	2
1,251 - 1,450	45,229	14	46,599	13	81,059	25	78,905	28	83,096	35
1,451 - 1,650	117,499	37	142,733	40	124,580	38	91,573	32	69,278	29
1,651 - 1,850	9,606	3	9,205	3	8,266	3	3,346	1	2,640	1
1,851 - 2,050	12,997	4	14,740	4	14,867	5	18,754	7	8,672	4
2,051 - 2,350	704	0	1,155	0	1,905	1	2,672	1	2,489	1
> 2,350	5,269	2	3,881	1	2,254	1	2,741	1	1,684	1
Total	319,847	100	359,934	100	327,447	100	282,103	100	239,547	100

Source : MAA

The above table will be further analyzed in terms of the top three categories of engine displacement capacity. In the year 2003, the top category, namely 1,451 -1,650 cc, national cars (Wira and Waja) dominate 50% or 59,050 units of total cars sold. The balance is made up of non-national cars, lead by Toyota Vios with 8,860 units, followed by Honda City (7,843 units), Kia Spectra (5,395 units), Nissan Sentra (4,306 units) and Toyota Corolla (1,062 units).

In engine displacement capacity below 1,050cc category, national cars dominate 100%, since no other non-national cars are available in this category. Top models in this category are Kancil EX (52%), Kelisa (27%) and Kenari (8.5%).

Even in the 1,851 – 2,050cc category, local car Proton Perdana leads (39%) followed by other non-national cars i.e. Toyota Camry (25%), BMW 318A (7%) and Nissan Cefiro (5%) respectively.