

Thai automotive industry: Light at the end of the tunnel?



All-New Mazda CX-3 was launched at the 37th Bangkok International Motor Show. While Mazda received 3,557 in total bookings, 441 were for this model./Courtesy of Mazda Sales (Thailand)

Mazda Sales (Thailand) Co has announced first-quarter sales of 10,904 vehicles, representing growth of 36 per cent compared with the corresponding period last year.

Ford Thailand's first-quarter retail sales also rose 29 per cent from the same period a year ago to 8,653 units.

The sale growth was phenomenal, taking into account the continued slump in the industry. In the first two months of this year, cumulative vehicle sales in Thailand reached 108,914 units, down by 11.9 per cent from the same period last year.

Hidesuke Takesue, president of Mazda Sales (Thailand), noted that the auto market started to head up.

"(The economic slowdown) has made the consumers more careful in spending and stick to necessities. Although there are currently no positive factors to help support the economy, the scenario for the auto market is brighter as more than 32,000 orders were placed at the recent Bangkok Motor Show. This is a good sign for the general automobile market in Thailand," he said.

In March, Mazda sold a total of 3,871 vehicles, up 50 per cent compared to the same month last year.

In a related development, the Federation of Thai Industries' automotive industry club revealed yesterday that though falling 2.3 per cent year on year to 72,404 units, domestic auto sales in March rose 26.8 per cent from February. Driving this were bookings at the 37th Bangkok International Motor Show.

Notably, Thailand's vehicle production last month revved up 8.2 per cent to 192,811 units, the highest in 30 months. Though, production from January to March declined 3.4 per cent year on year to 506,874 units.

Exports of finished vehicles in March slid 14.3 per cent on year to 109,334 units, but still exceeded 100,000 for the second straight month. Export value was up 0.4 per cent on year to Bt57.33 billion.

In the first quarter, 307,760 finished vehicles were exported, down 6.2 per cent year on year. They were worth Bt163.55 billion, up 11.3 per cent. The Thai Industries Sentiment Index rose to 86.7 in March from 85.1 in February on better orders and sales as well as financial performances.

The FTI's survey covered 1,202 operators in 45 industries.

Domestic sales in 2015 covered 799,594 units, a 9.3 per cent increase from the previous year. Toyota earlier this year forecast a 10 per cent decrease in domestic sales in 2016, to 720,000.

Mazda banks on SKYACTIV

To further grow sales, Mazda Sales (Thailand) which is now the No.3 player in the passenger car market in terms of sales is banking on its success formula.

Hidesuke attributed the recent success to the company's determination to introduce products that suit consumers' requirements. These are mainly the SKYACTIV technology that offers excellent performance and fuel economy, as well as the KODO design. He said that this year Mazda will concentrate on

developing integrated after-sales service, facilities, personnel and parts inventory in order to cater to the rising number of Mazda vehicles on the road after introduction of SKYACTIV.

"Sales of Mazda vehicles have been particularly strong since last year although the economy isn't very promising. This shows that Mazda vehicles are always in demand and the increasing monthly sales also show that Mazda will have to compete very hard against ourselves," he said.

Ford plans new models

Ford Thailand's sales in the first quarter were driven by strong demand for the recently launched all-new Everest mid-size sport-utility vehicle and the Ranger pickup truck.

"We continue to make significant progress on our plan, particularly with the success of global Ford vehicles like the Ranger and Everest that offer segment-defining smart features, powerful engines and advanced connectivity and technology," said Yukontorn "Vickie" Wisadkosin, managing director of Ford Thailand.

The Ranger remained the best-selling Ford nameplate in Thailand with total first-quarter sales jumping 33 per cent from the same period last year to 6,647 units. Ranger is also outperforming the overall pickup-truck segment in Thailand, capturing 8.2 per cent in the first quarter, up from its 2015 full-year segment share of 7.3 per cent.

Strong demand for the Ranger across the region prompted Ford to invest an additional US\$186 million (Bt6.49 billion) in its Ford Thailand Manufacturing facility for incremental production volume. The truck is currently built at the company's AutoAlliance Thailand facility, which is forecast to operate at or near maximum capacity for the foreseeable future.

The redesigned Everest also contributed to Ford's first-quarter performance with total sales of 1,420 units, representing a nearly 8-per-cent share of the mid-sized-SUV segment.

"We expect the new Focus to give our momentum another boost through the second half of the year, as well as new 2016 variants of the EcoSport and Fiesta with E85 gasohol compatibility that we recently introduced," Yukontorn said.

"We're also continuing to expand our retail footprint with more new Ford dealerships in key locations across Thailand. This is helping the Ford brand become more accessible than ever, while helping to enhance our Ford customer and ownership experience," she added.

At the end of March, Ford's overall market share rose by 1.4 percentage points from a year ago to 4.8 per cent.

