



# Automotive in the Cross-currents

Denis Schemoul, Associate Director, EMEA light vehicle production forecast

November 2019

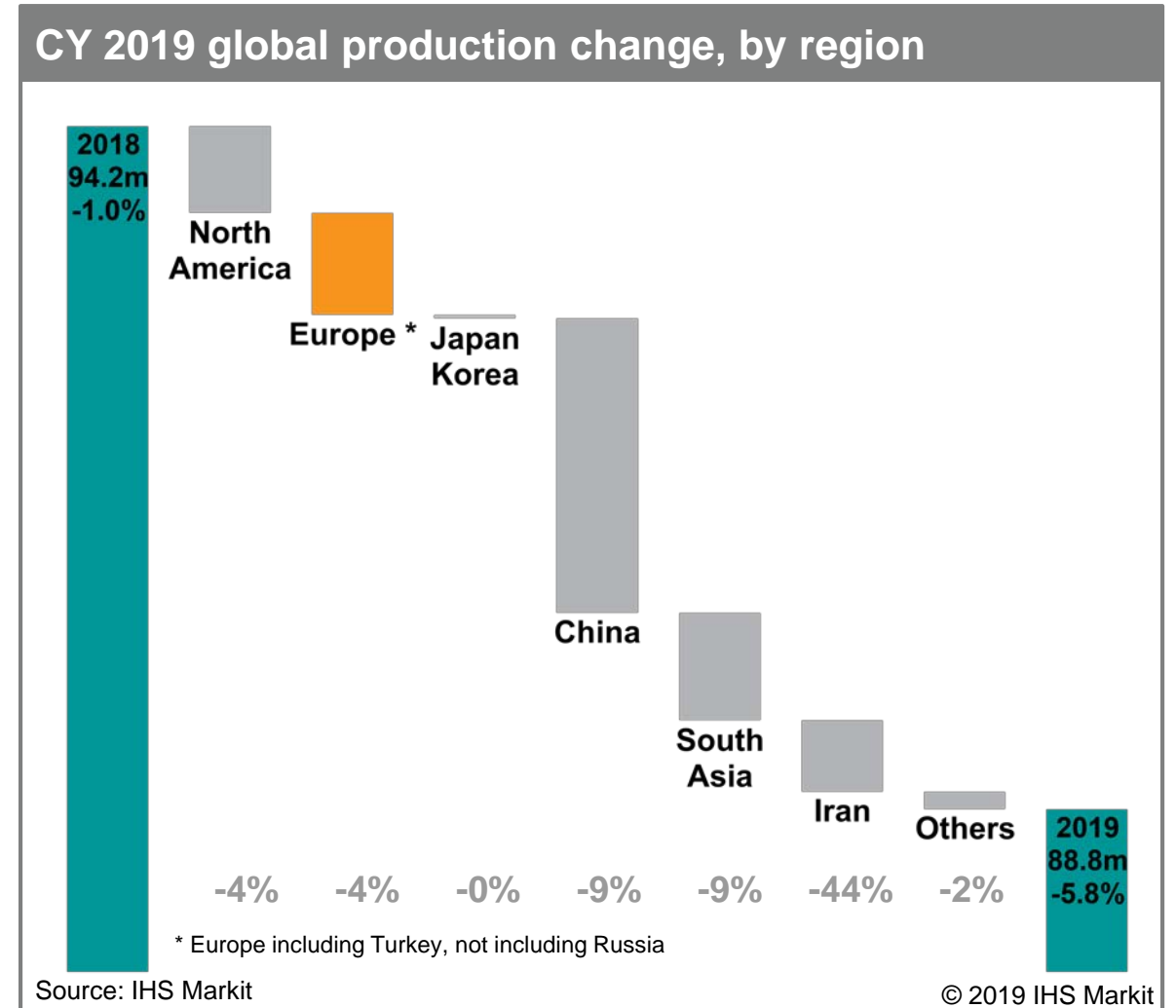
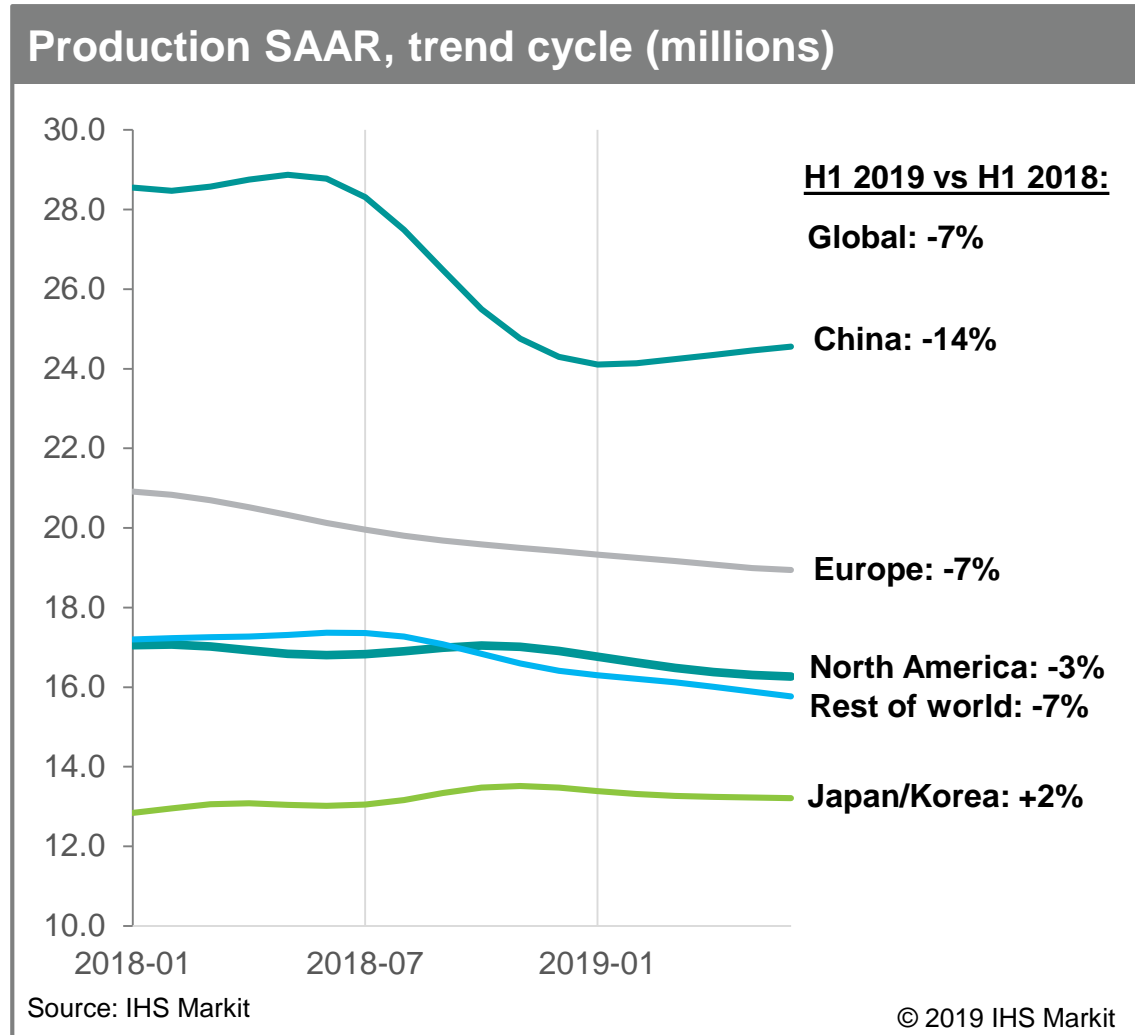
# Automotive in the cross-currents



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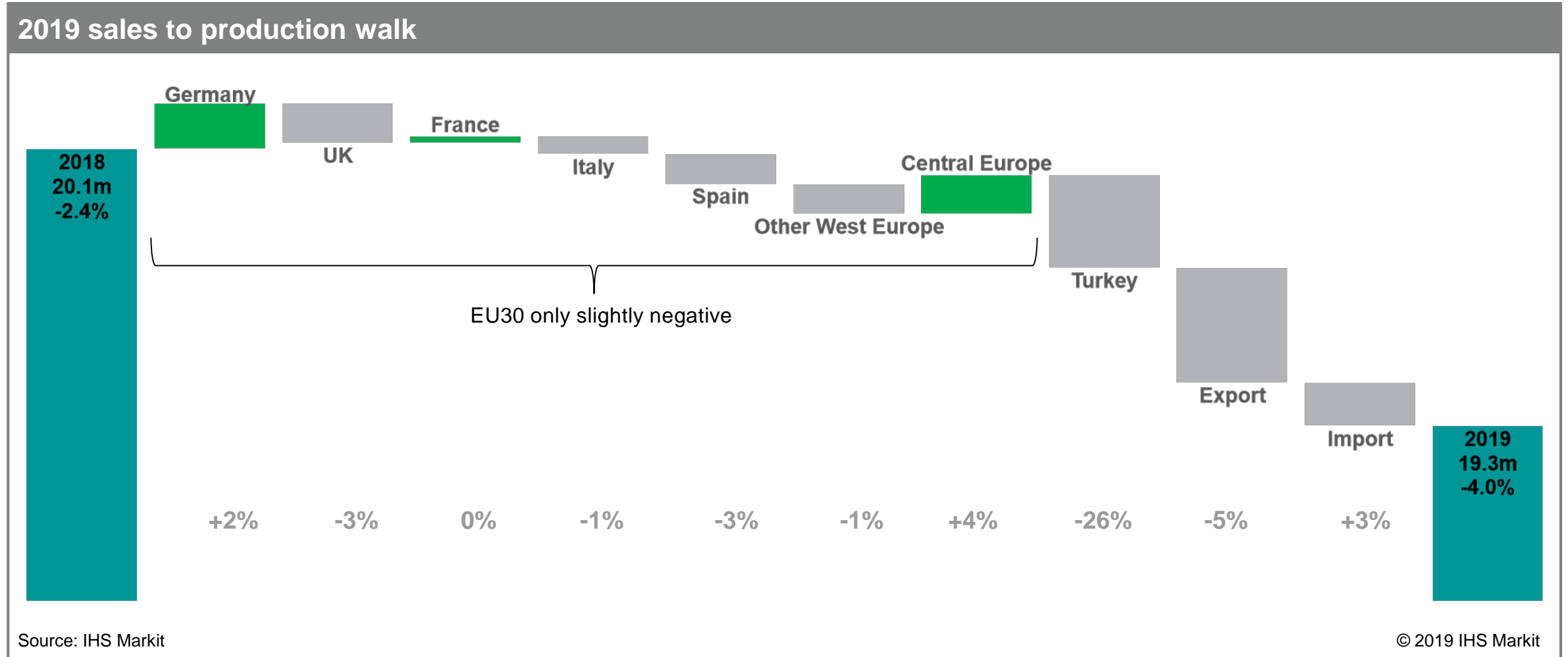
# Global production in 2019

Stabilization to emerge across the second half of the year as base of comparison ease



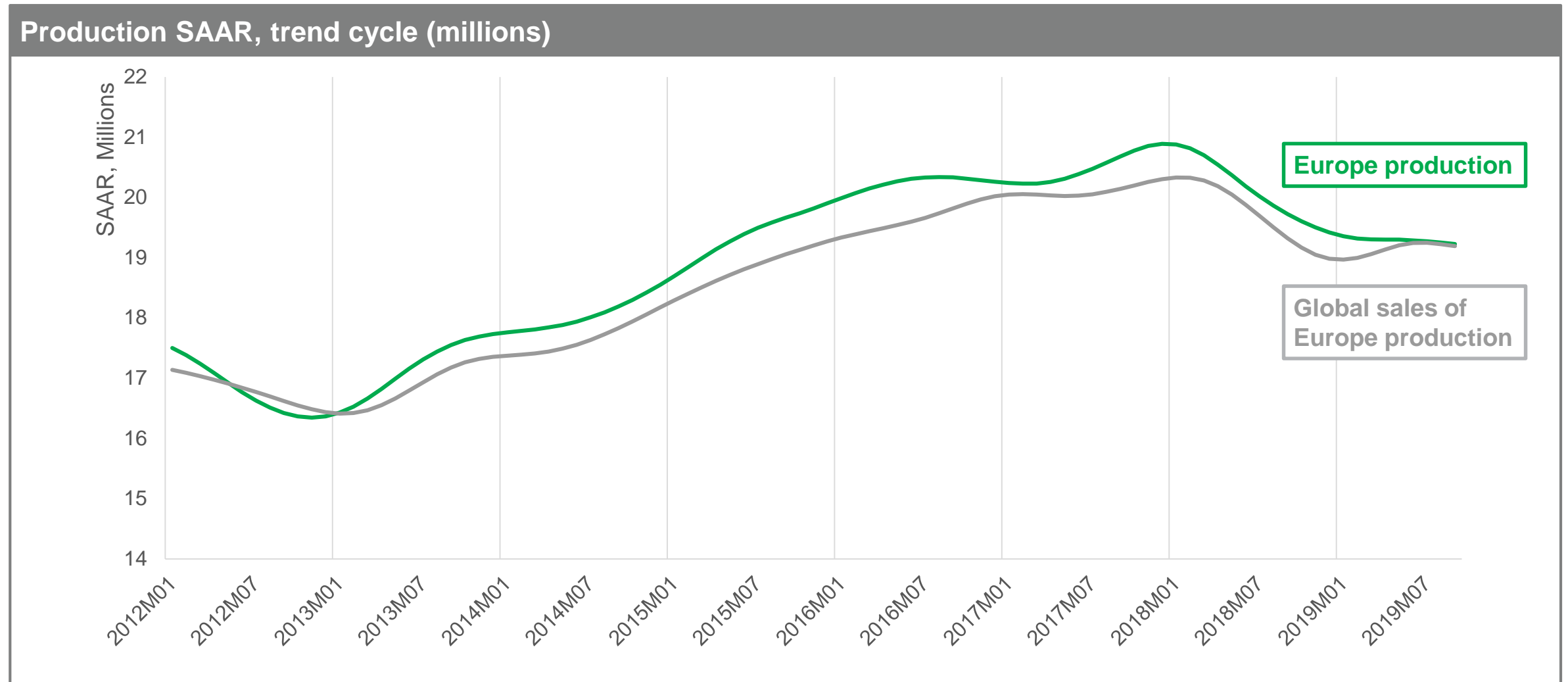
# European production in 2019

Demand dynamics: Turkey and trade affect output while EU sales stabilize



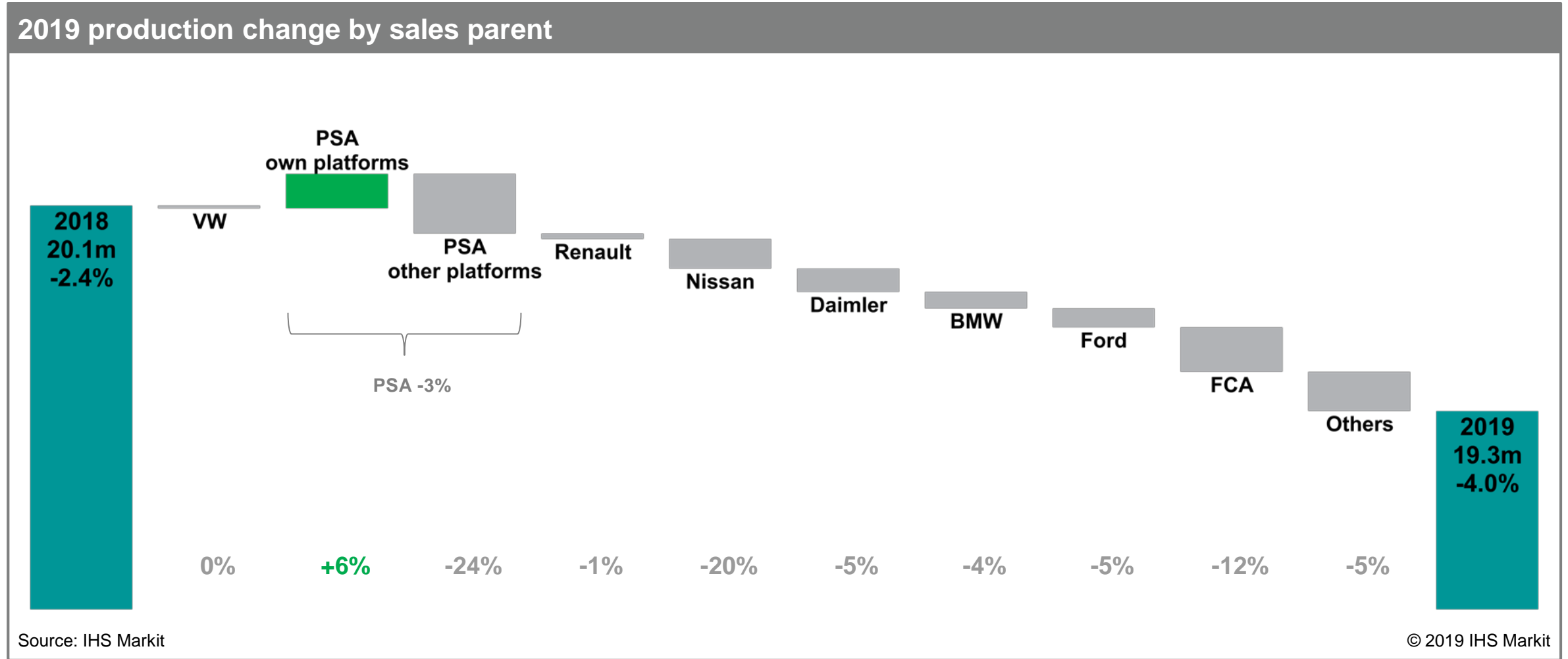
# European production in 2019

Supply dynamics: inventory reductions at play



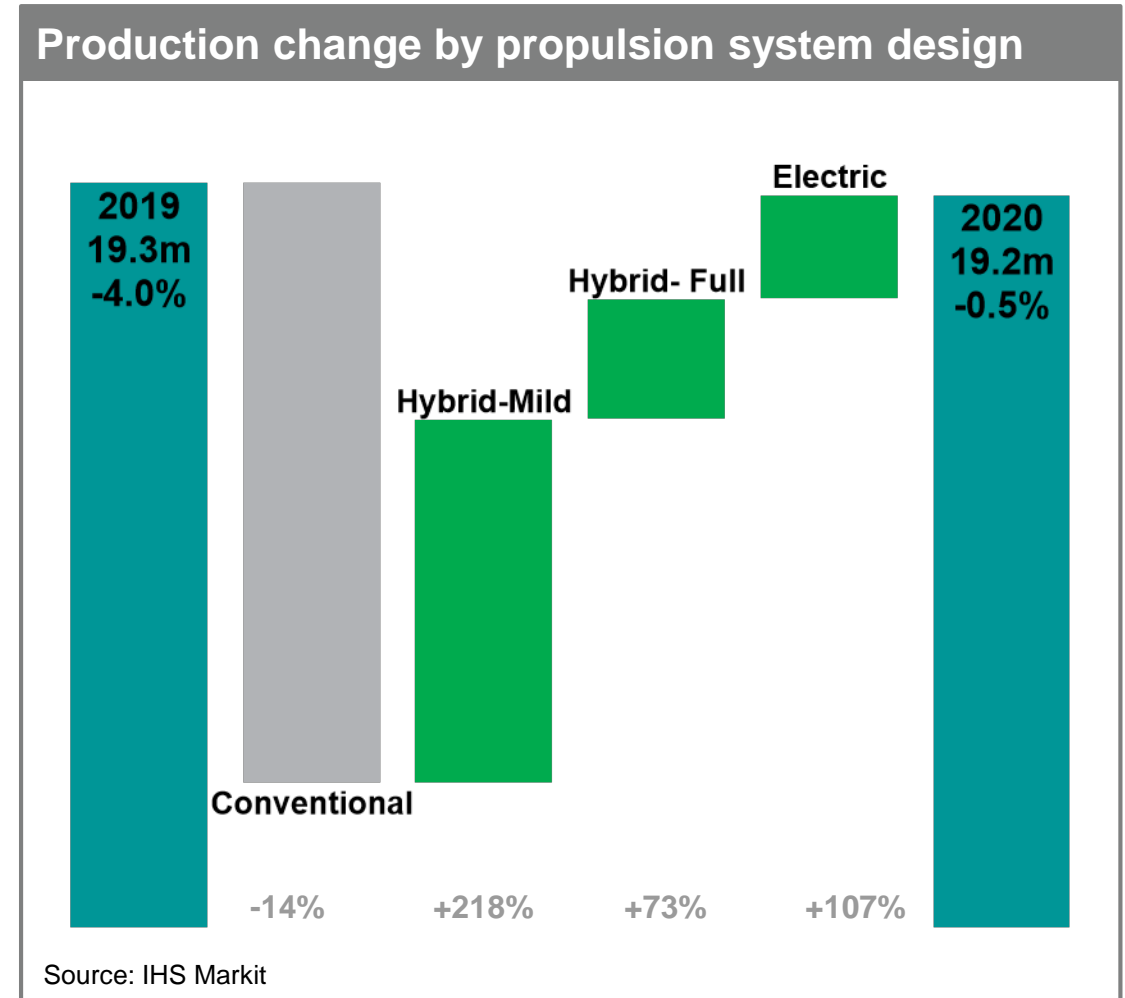
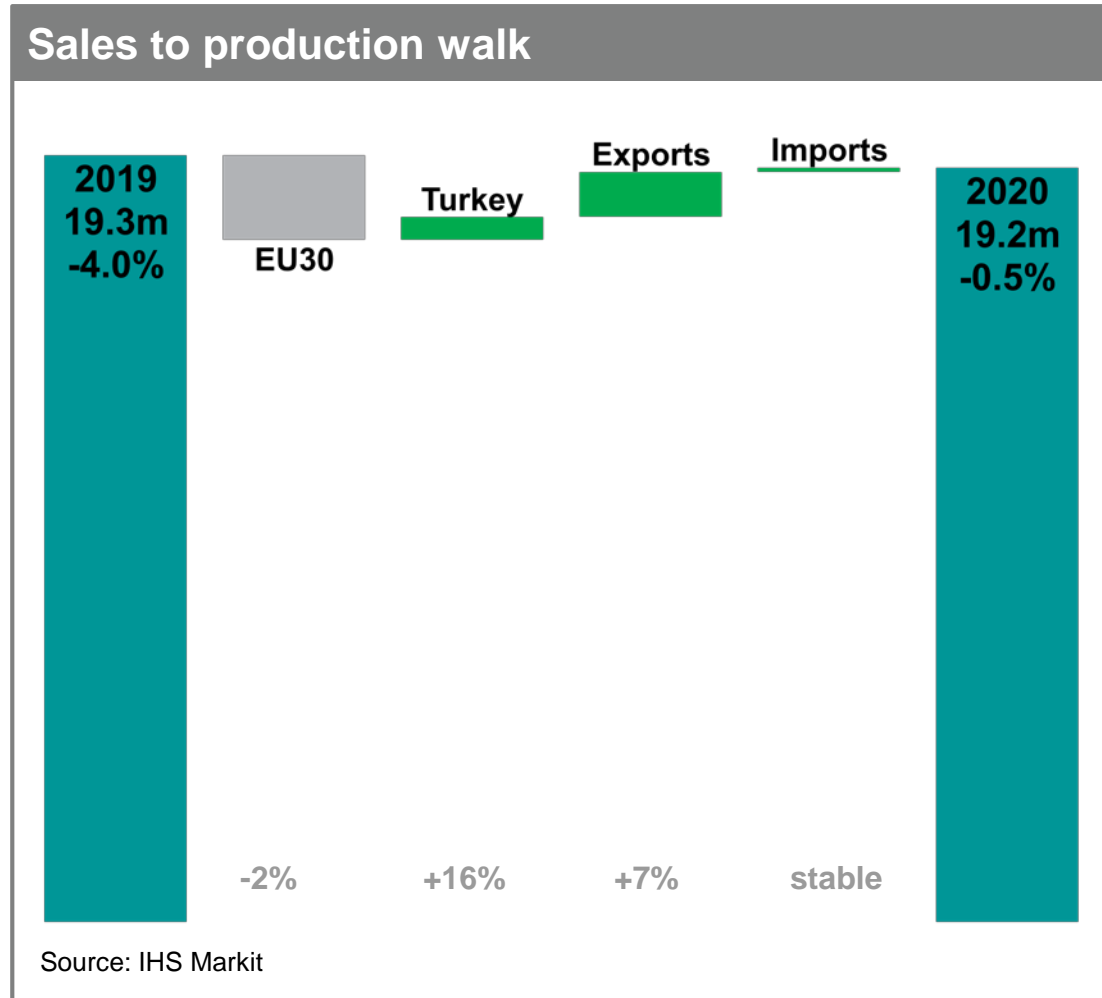
# European production in 2019

Supply dynamics: Powertrain demand shifts and regulation affects output



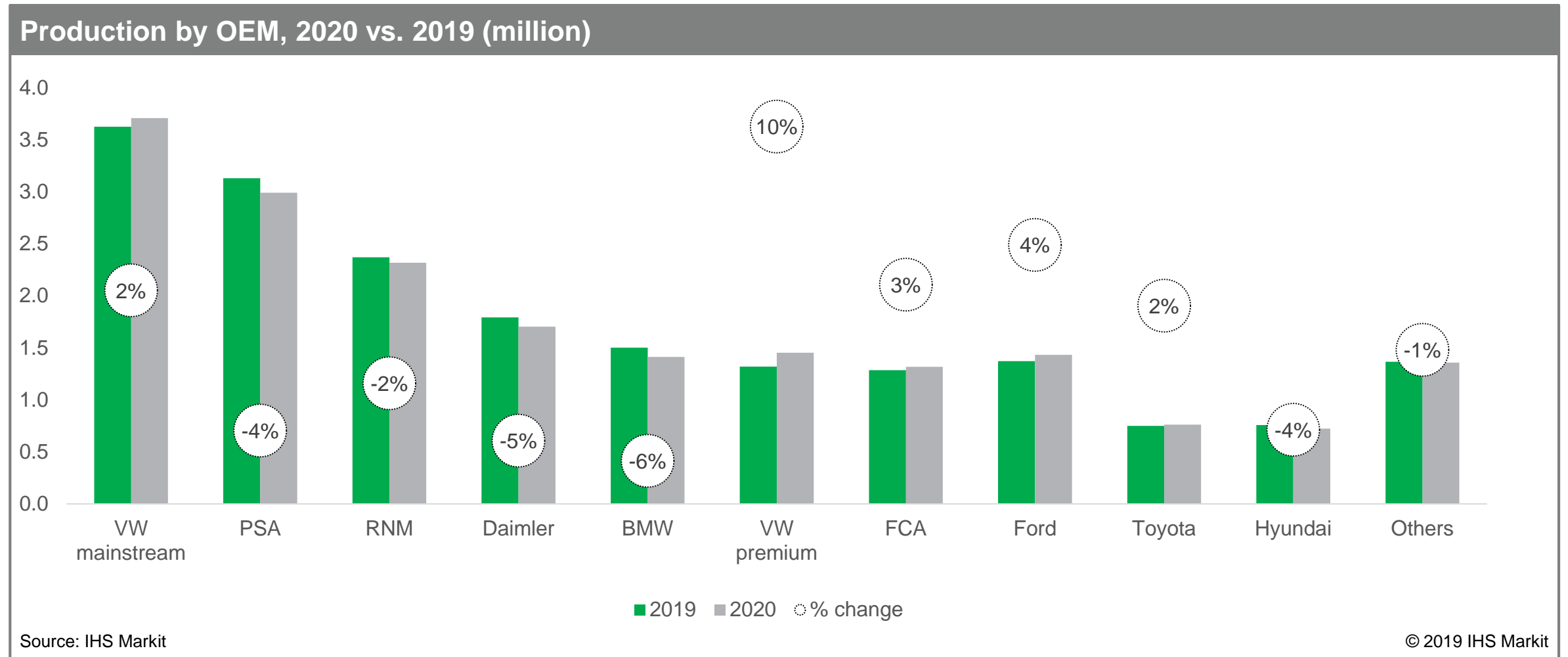
# European production in 2020

Turkey and exports to support demand again, CO2 management to craft EU supply



# European production in 2020

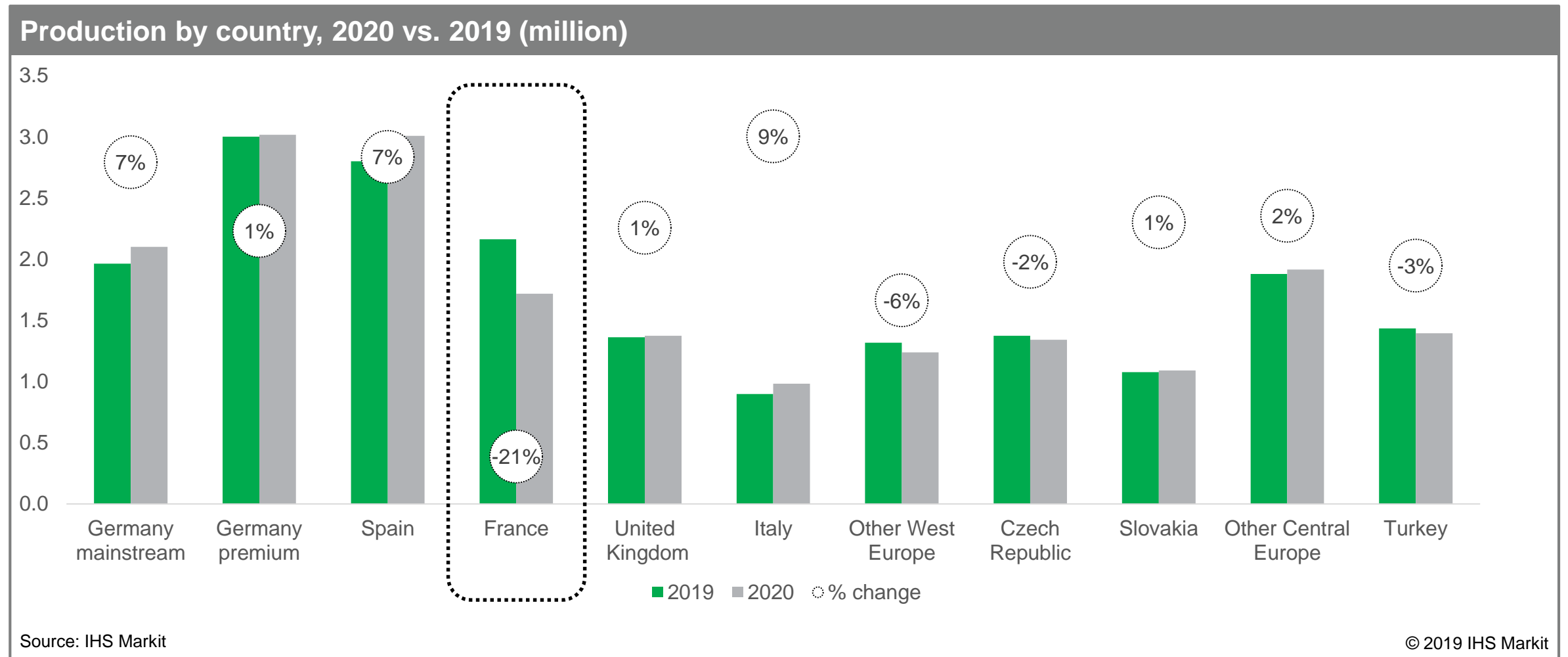
## Winners and losers





# European production in 2020

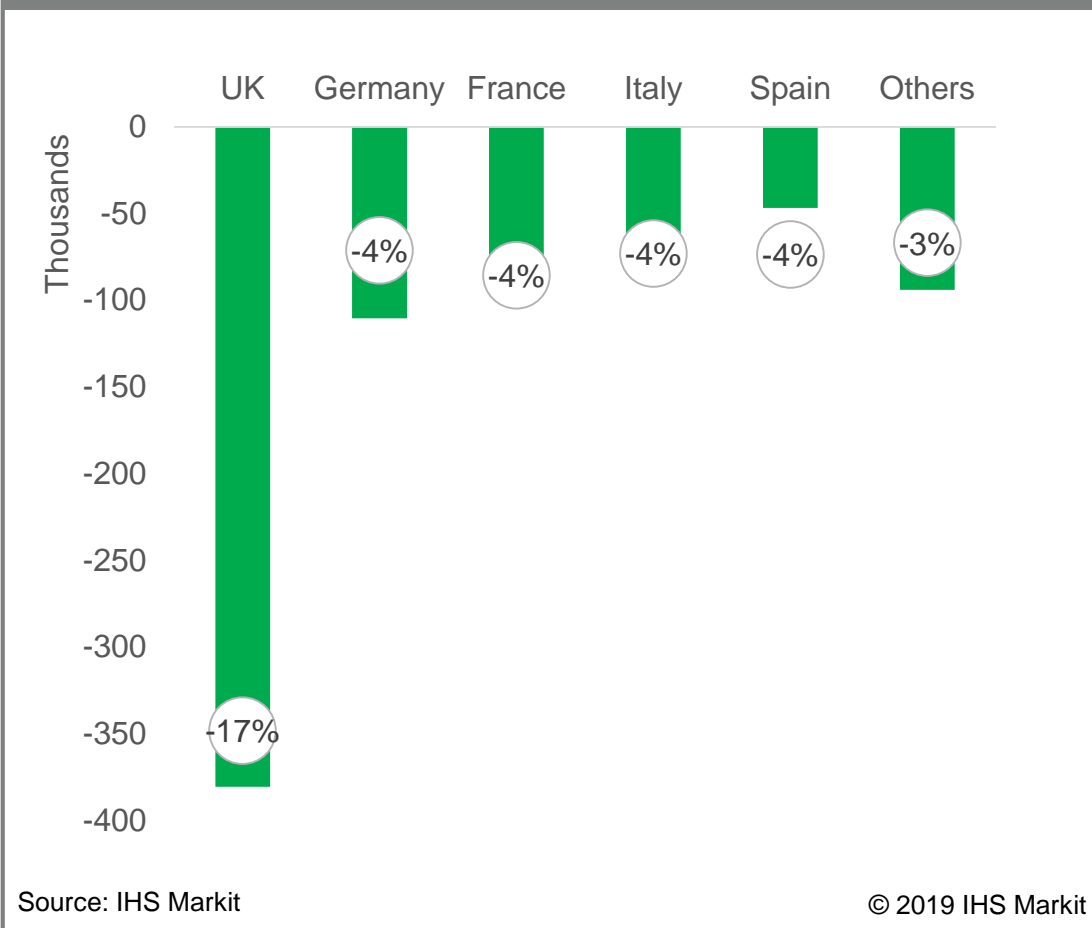
France affected by sourcing shifts to Spain, Germany, Morocco, and Slovenia



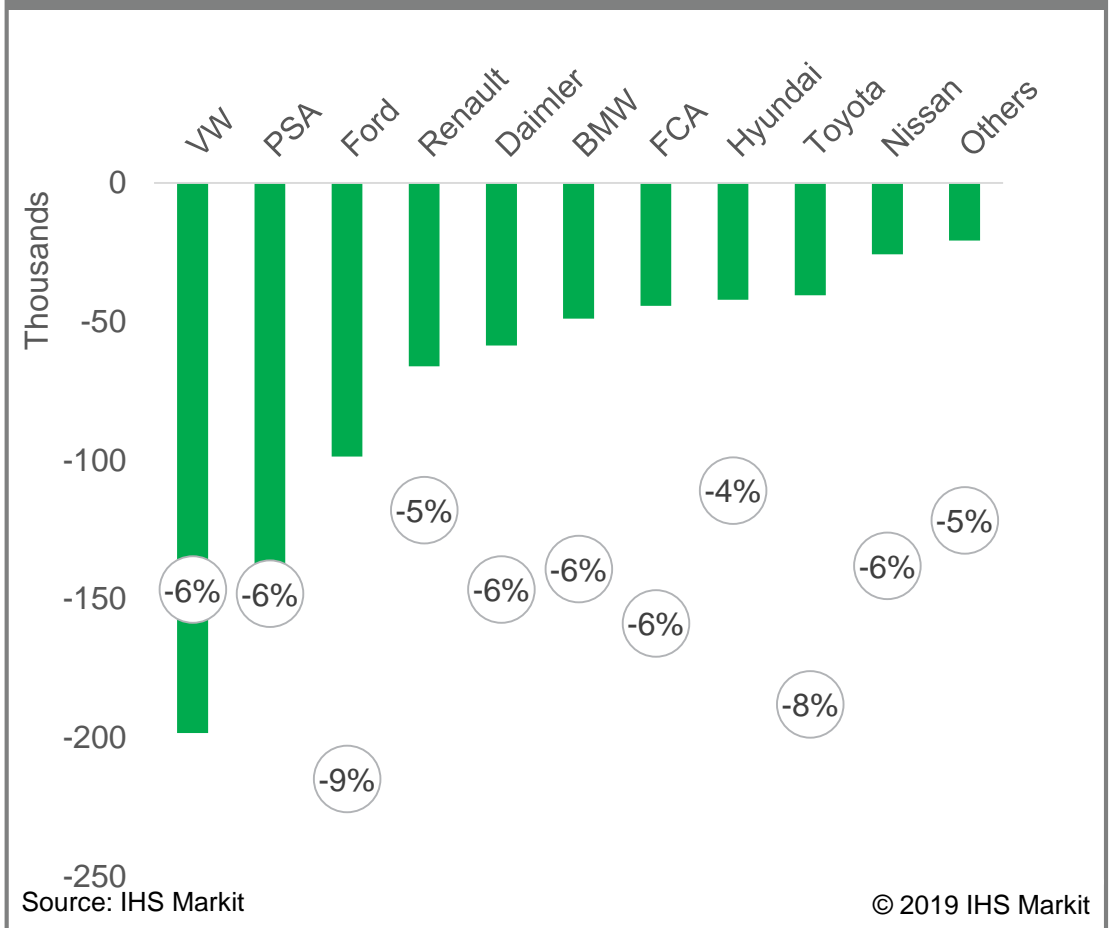
# Immediate risks: no-deal Brexit

Our contingency impact assessment for 2020 European production is close to 800,000 units

### Scenario downgrade by sales country

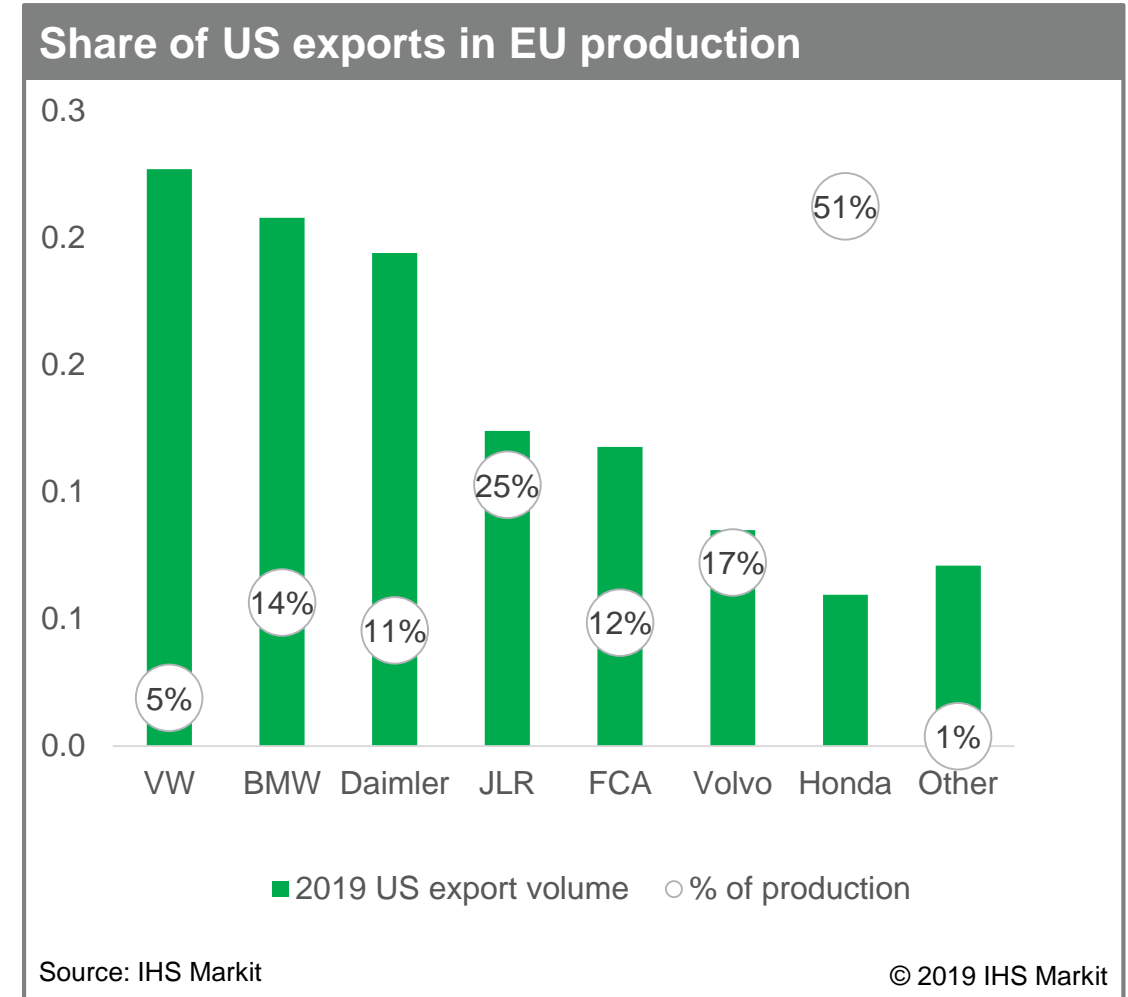
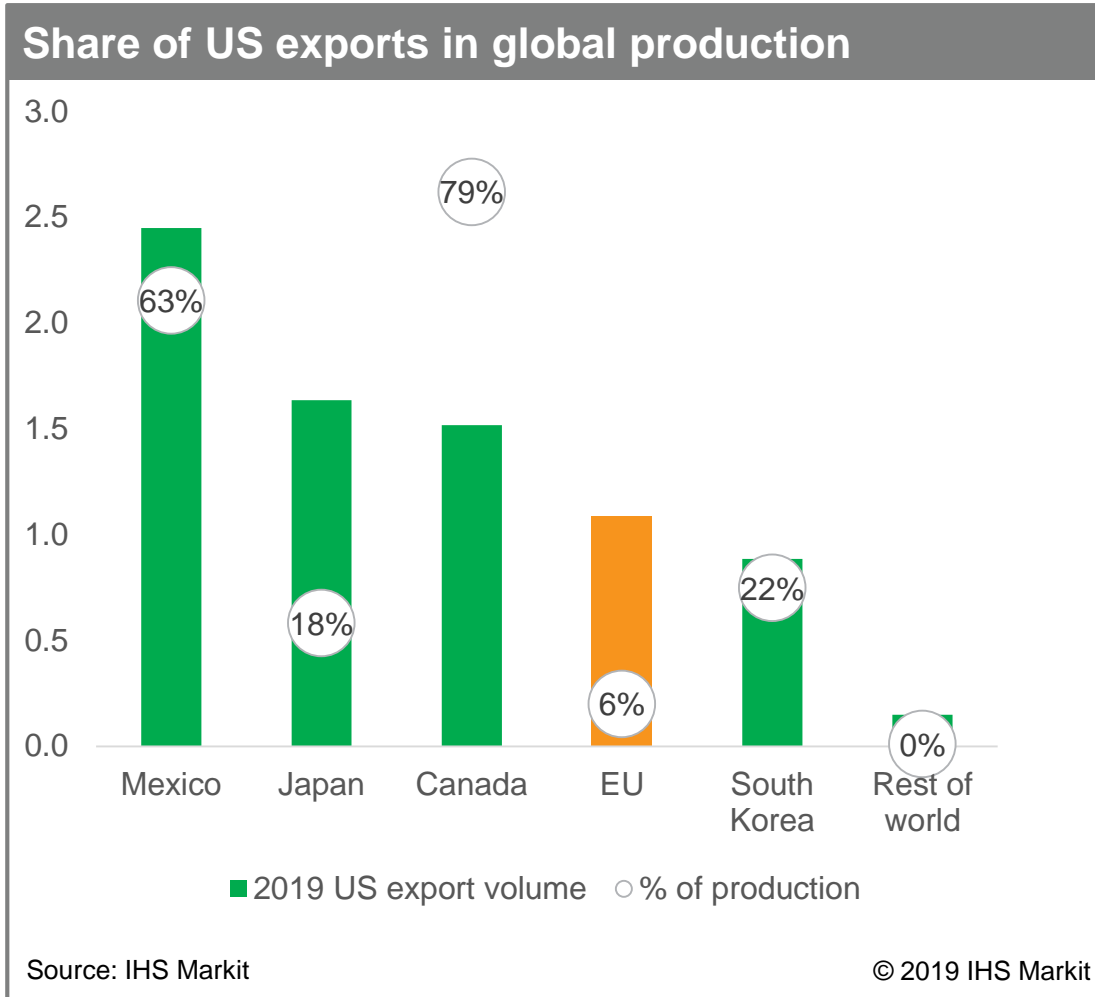


### Scenario downgrade by OEM European output



# Immediate risks: US-EU Trade tensions

## Another half-million units at threat



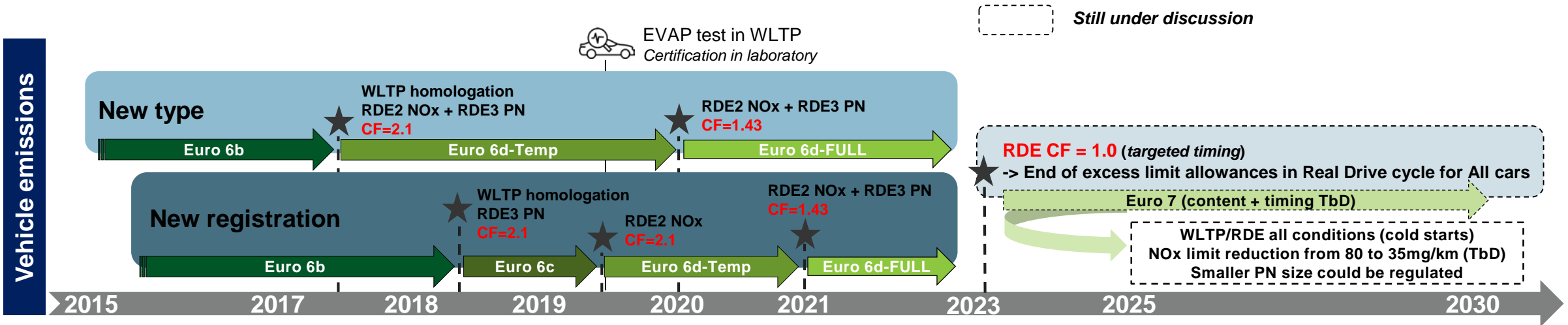
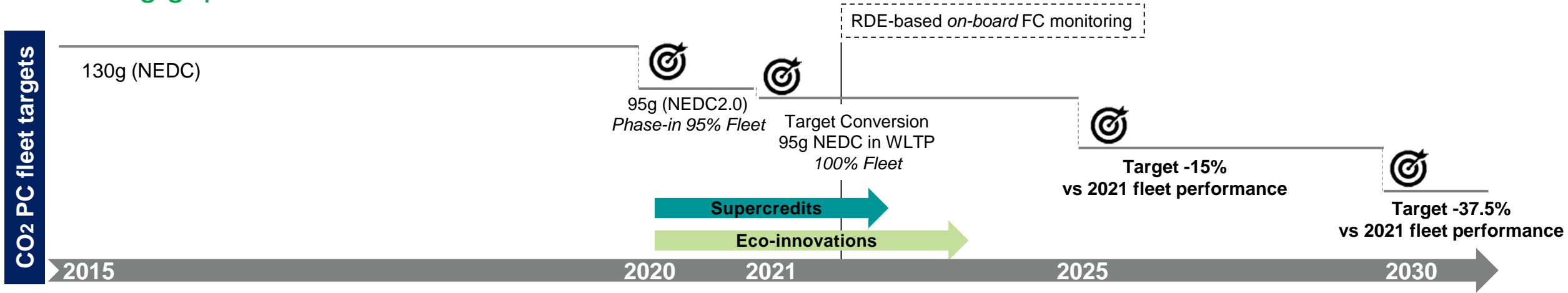
## Immediate risks: car taxation

CO<sub>2</sub> taxation framework remains unstable in several countries



# Core challenge

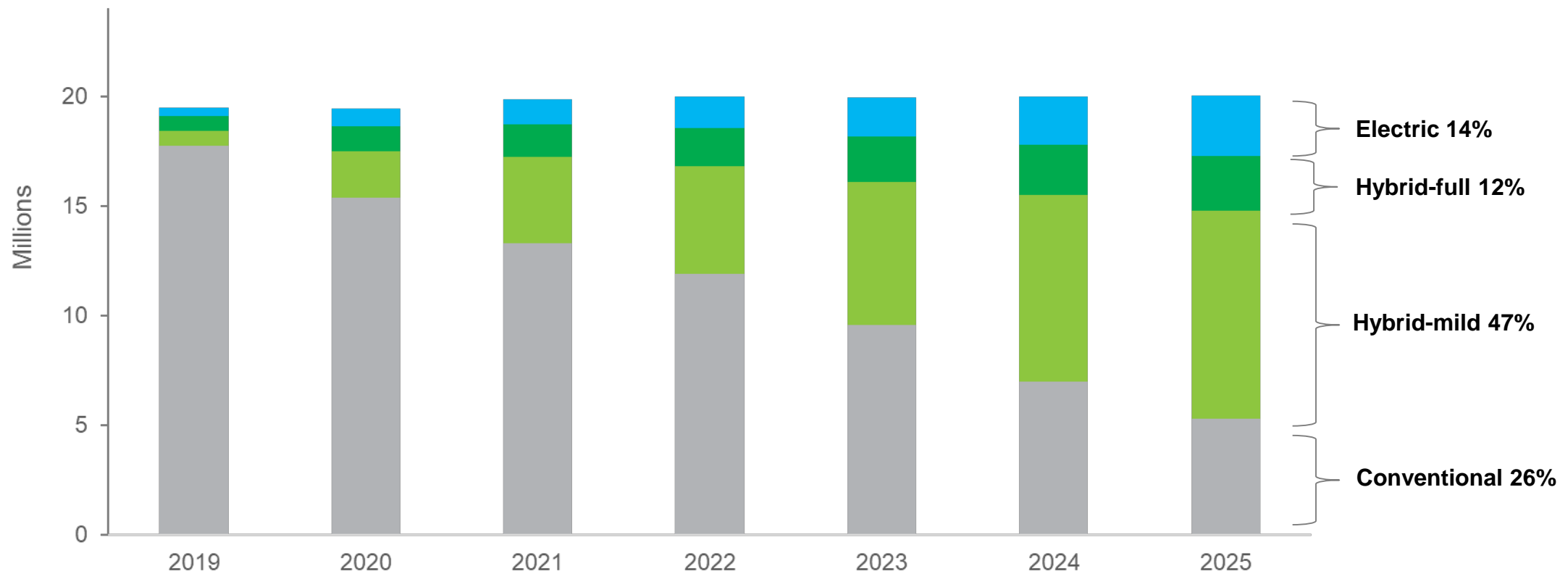
## The 95g gap



# Long-term outlook

Flattish, on the outside

## European production, by propulsion system design

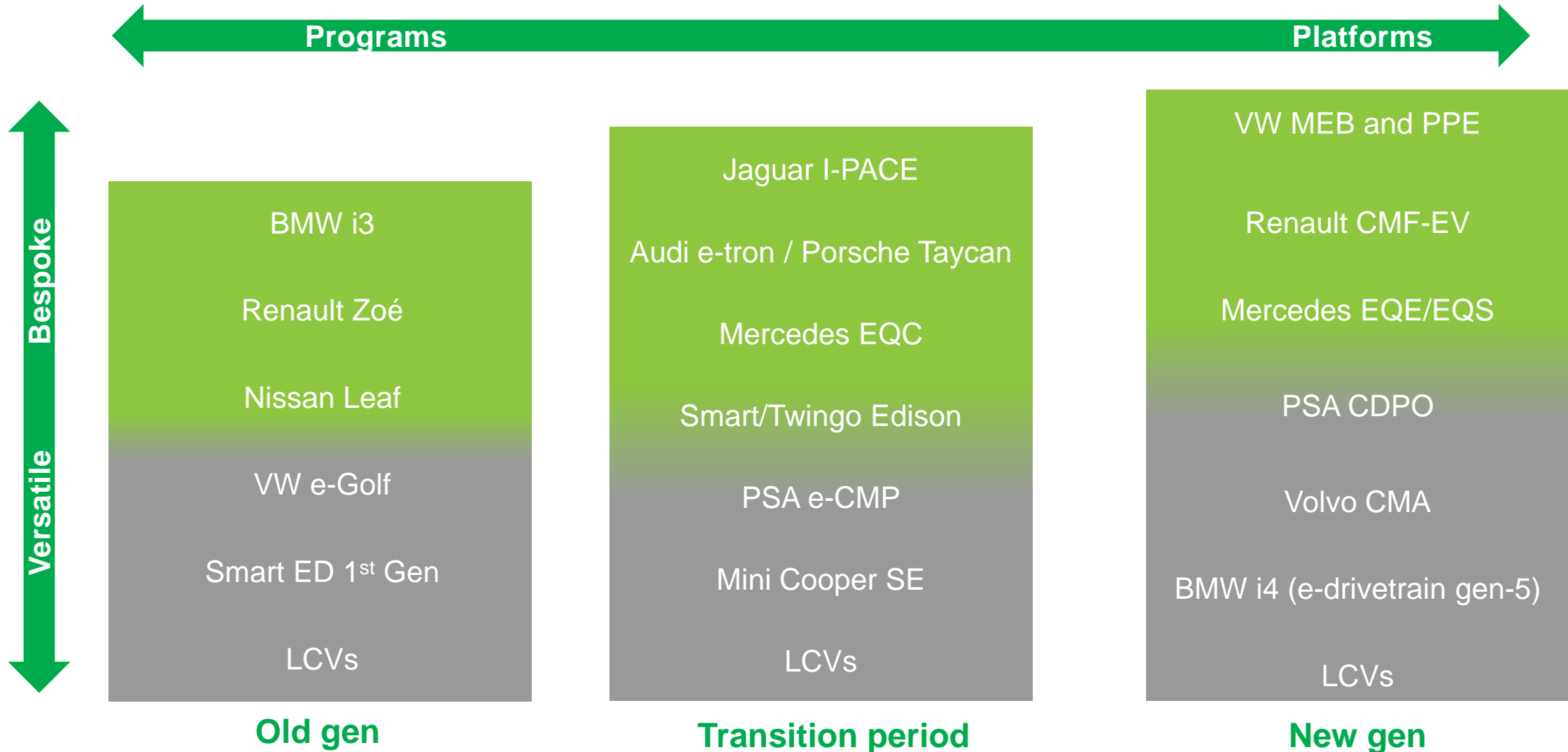


Source: IHS Markit

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# Long term outlook

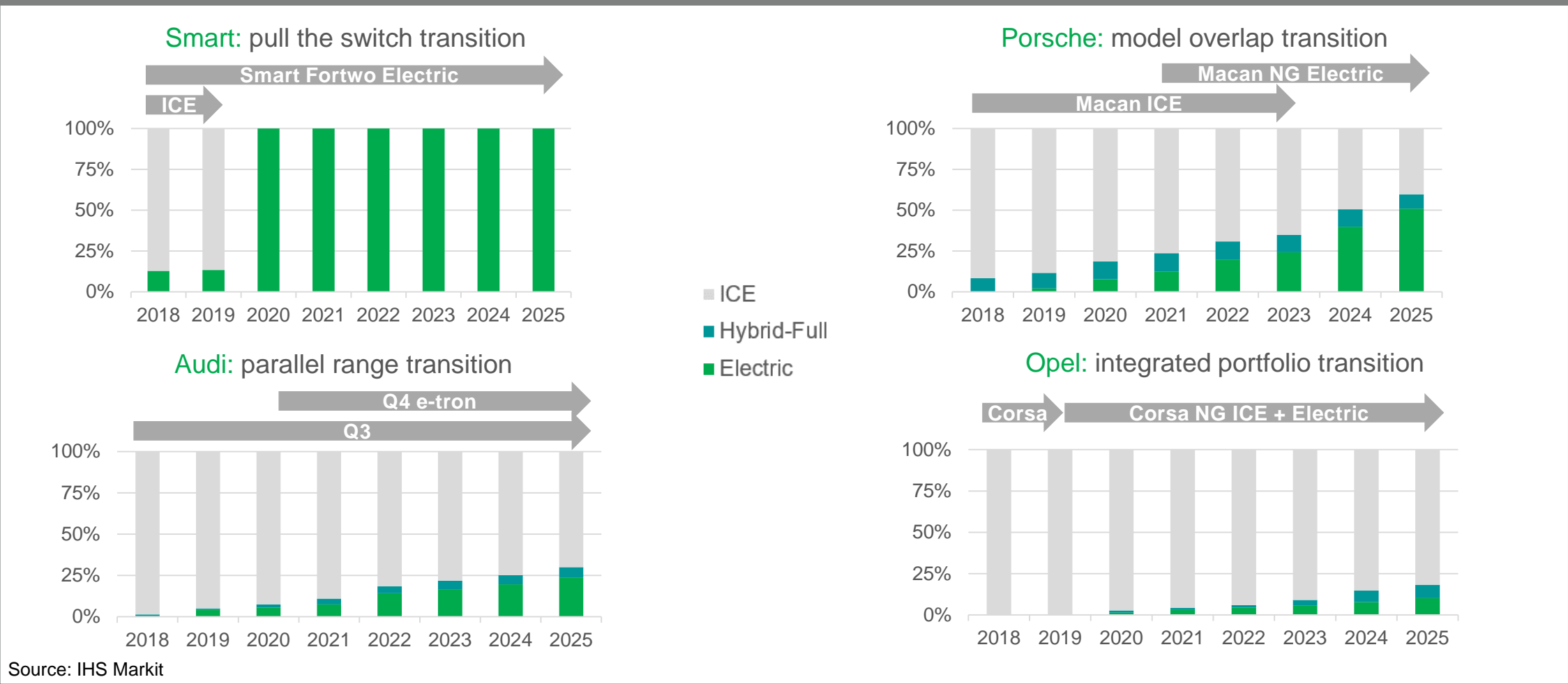
EVs to morph from competitive differentiation to competitive advantage



# Long term outlook

## Diverse approaches and paces in brand transition management

### Propulsion type mix - brand selection





# Long-term outlook

## Toward a new wave of consolidation and coop-etition

- FCA on its way for a deal
- Ford of Europe fundamental redesign, including VW partnership
- BMW and Daimler with Chinese partners, and exploring deeper ties together
- JLR with BMW on electric powertrains
- Toyota – Suzuki alliance
- Honda closing European plants
- Infiniti leaving Europe
- A-segment fate

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