



CENTER FOR  
AUTOMOTIVE  
RESEARCH

# North American Auto Manufacturing Challenges During a Global Pandemic

REMI

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3 April 2020

# THE CENTER FOR AUTOMOTIVE RESEARCH (CAR)

Automotive industry contract research and service organization (non-profit ) with more than 30 years experience forecasting industry trends, advising on public policy, and sponsoring multi-stakeholder communication forums.



## RESEARCH

Independent research and analysis on critical issues facing the industry.



## EVENTS

Industry-driven events and conferences that deliver content, context, and connections.



## CONNECT

Consortia that bring together industry stakeholders to participate in working groups, networking opportunities, and access to CAR staff.

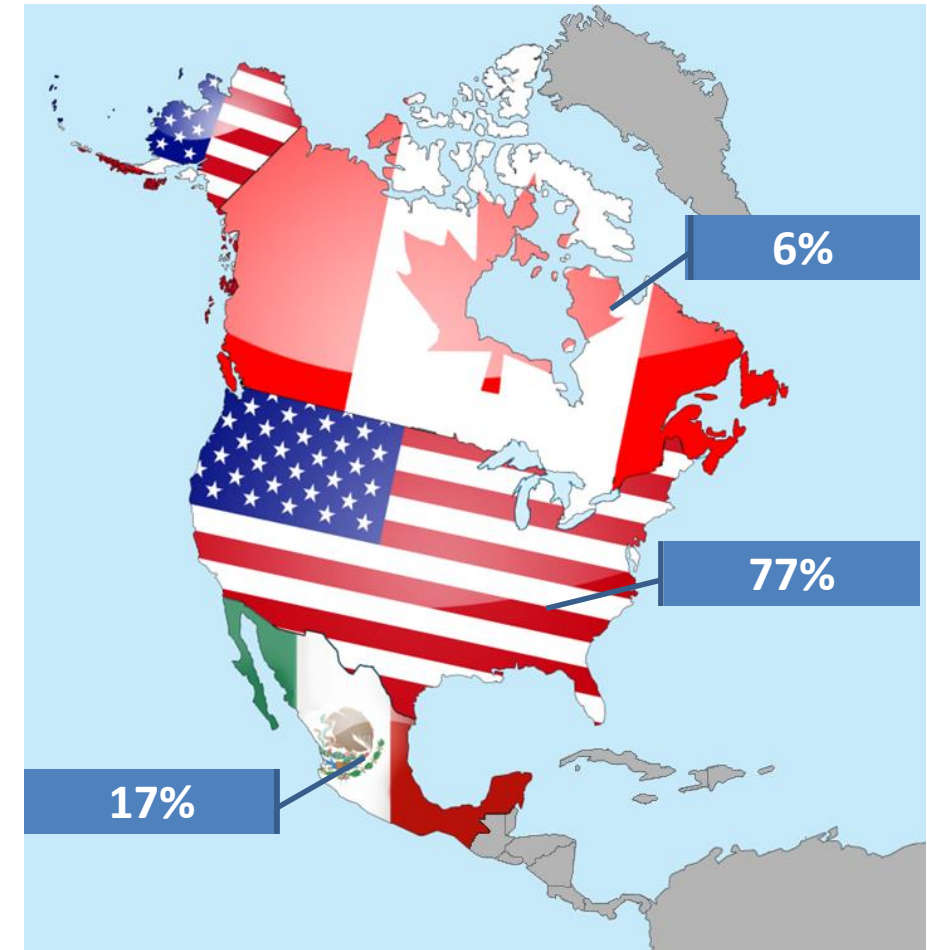
# End of the Cycle:

## N.A. Announced Automaker Investment by Region

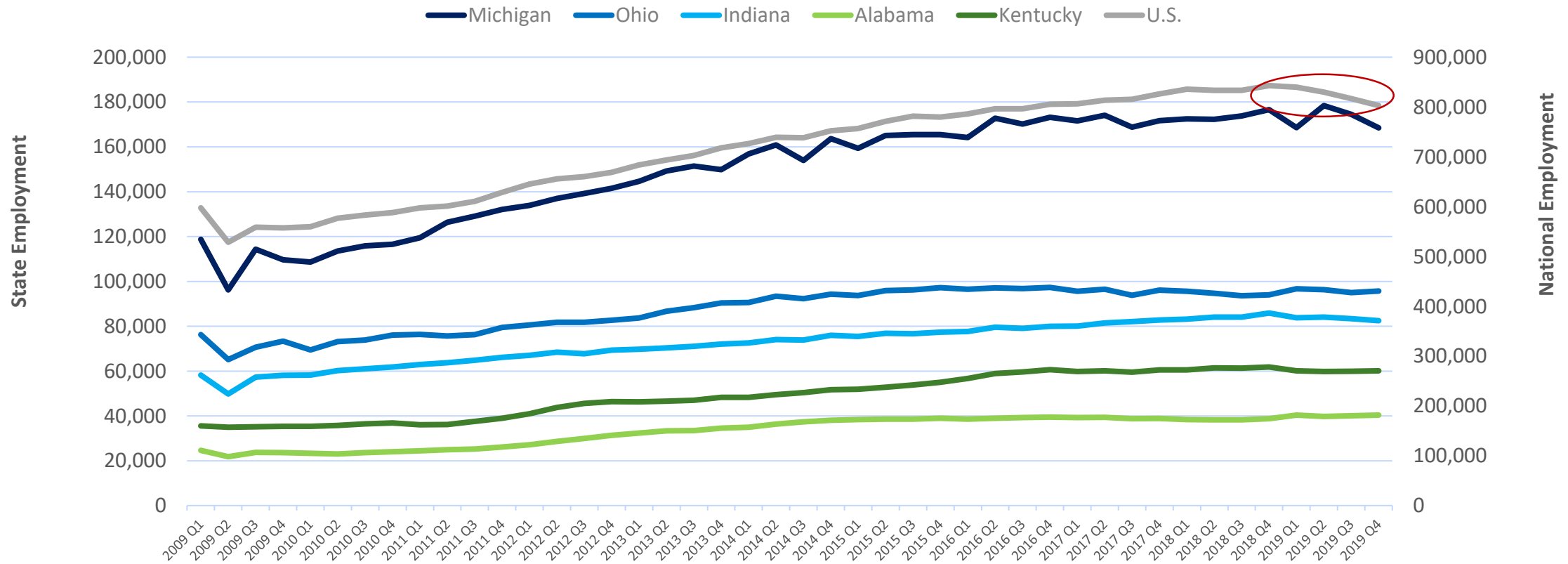
2009 to 2019

Region	Investment Amount (\$USD)
Canada	\$8.7B
United States	\$114.5B
<i>U.S. Great Lakes</i>	\$76.8B
<i>South</i>	\$23.8B
Mexico	\$24.7B
<b>Total</b>	<b>\$147.9B</b>

Note: U.S. Great Lakes includes: IL, IN, KY, MI, MO, and OH  
South includes: AL, FL, GA, MS, SC, TN, and TX

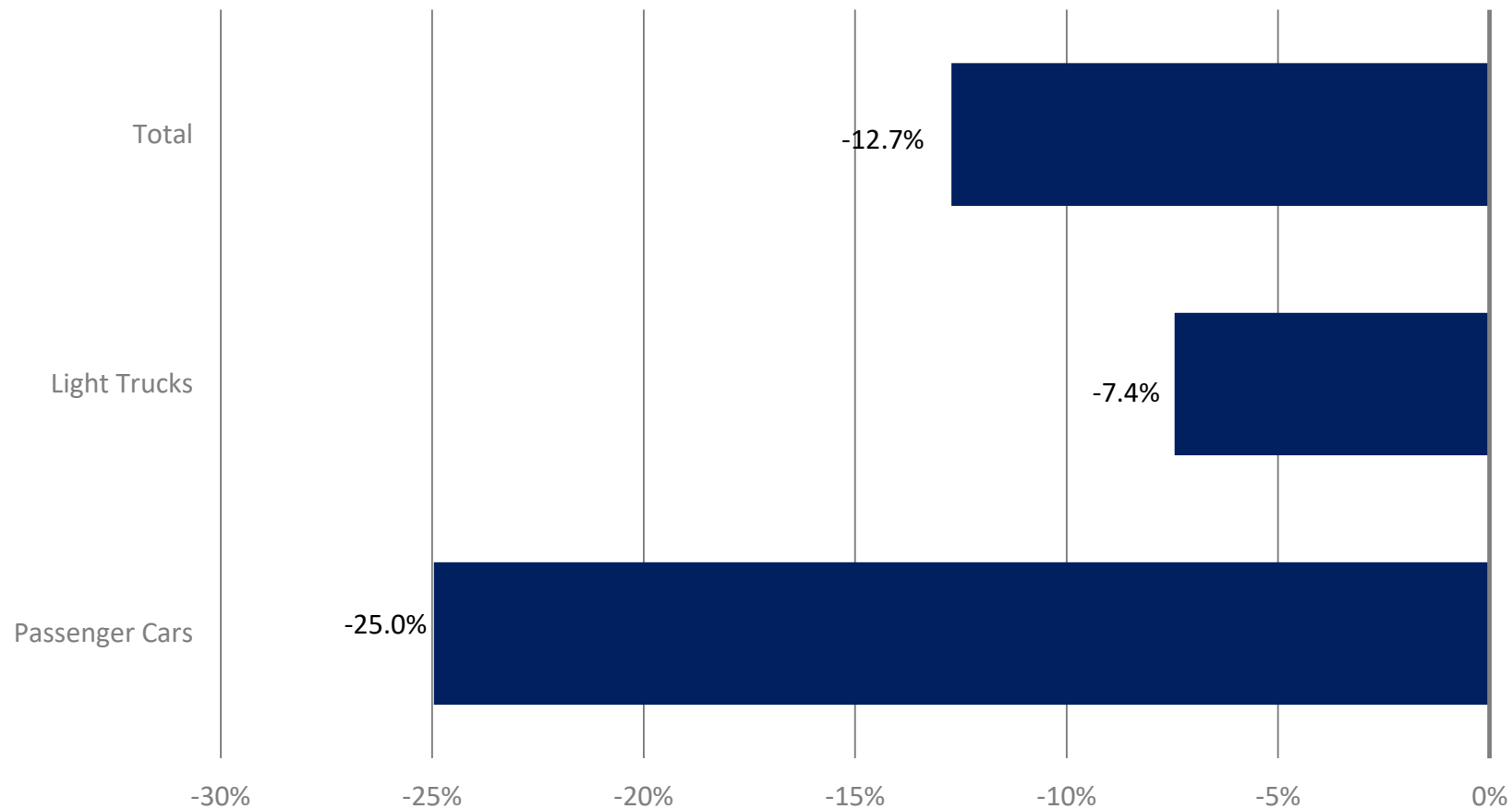


# Motor Vehicle and Parts Manufacturing Employment: Michigan vs. U.S. and Other States Q1 2009 – Q4 2019



# U.S. Light Vehicle Sales

## Percent Change (YTD) Through March: 2020 vs. 2019

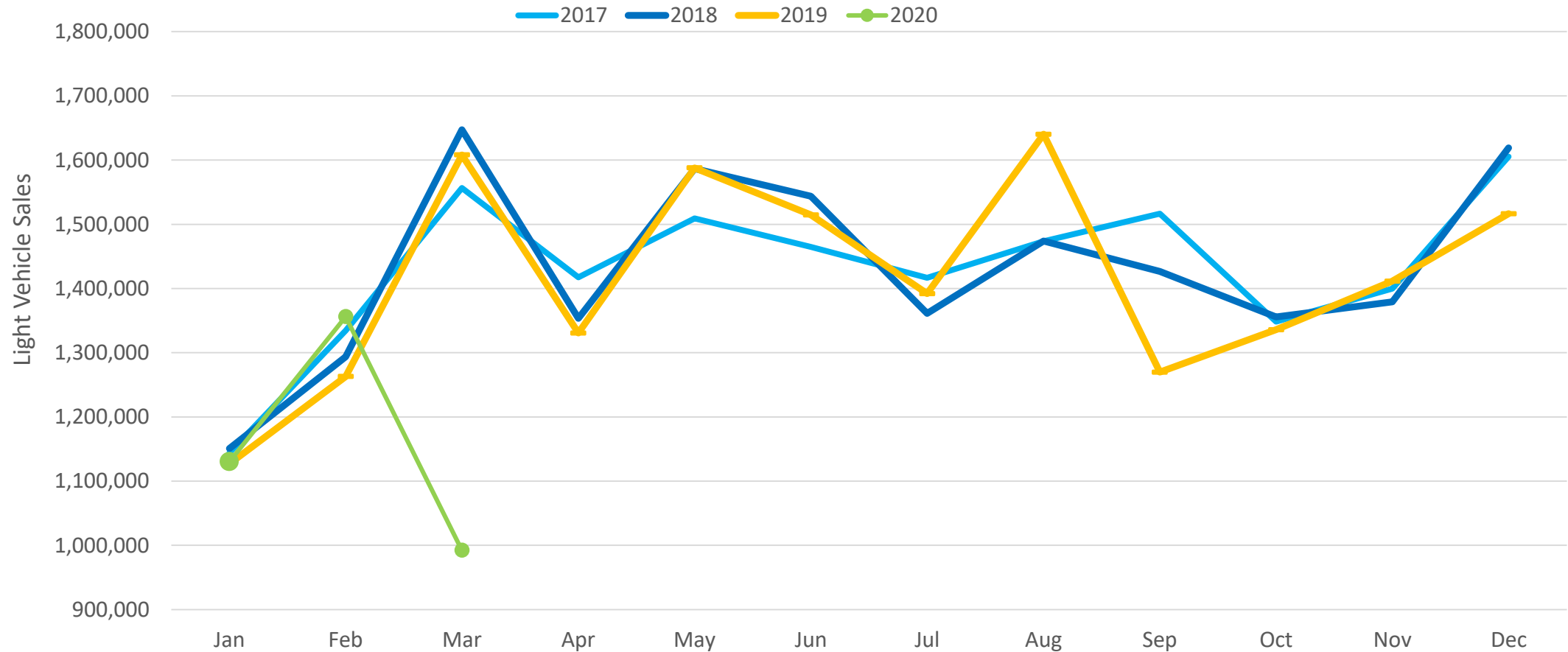


3,476,512 -506,969 100%	Total
2,575,212 + -207,170 74.1%	Truck
901,300 -299,799 25.9%	Cars

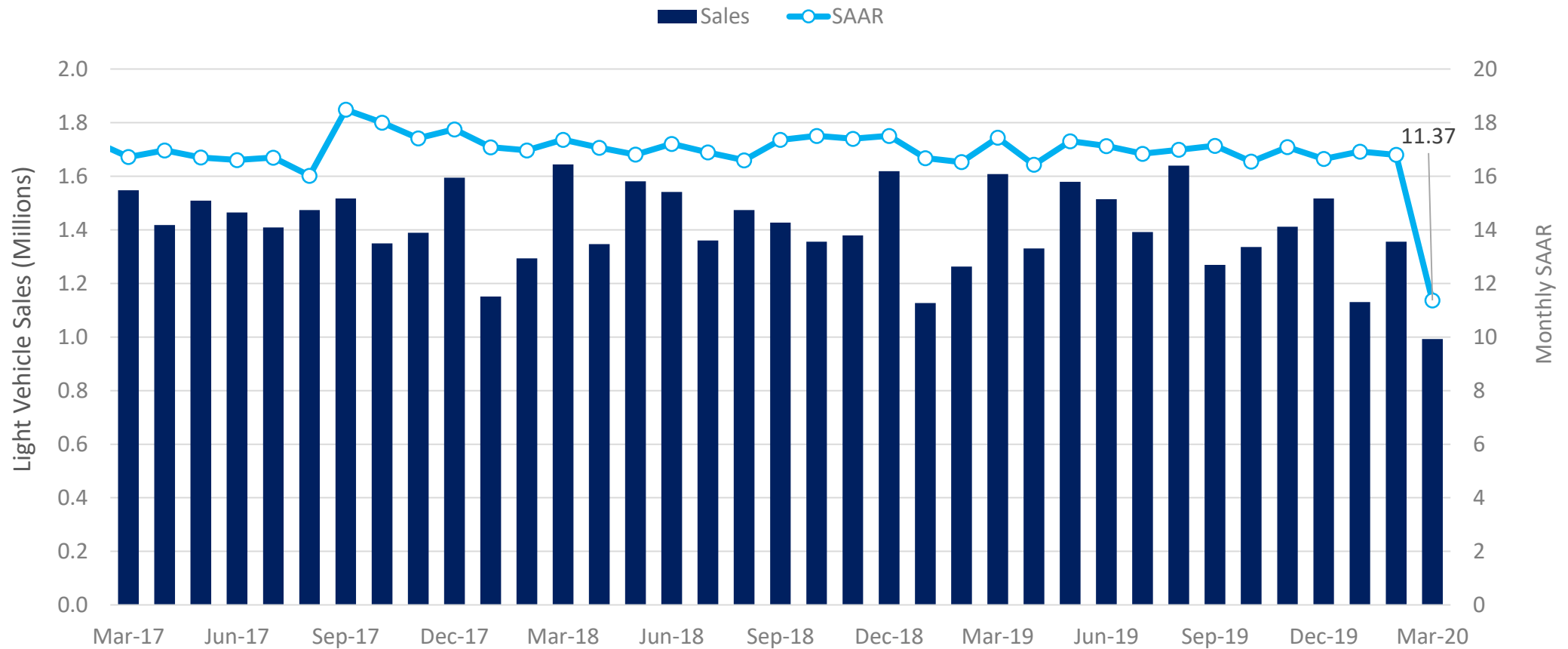


# U.S. Light Vehicle Monthly Sales

## January 2017 – March 2020



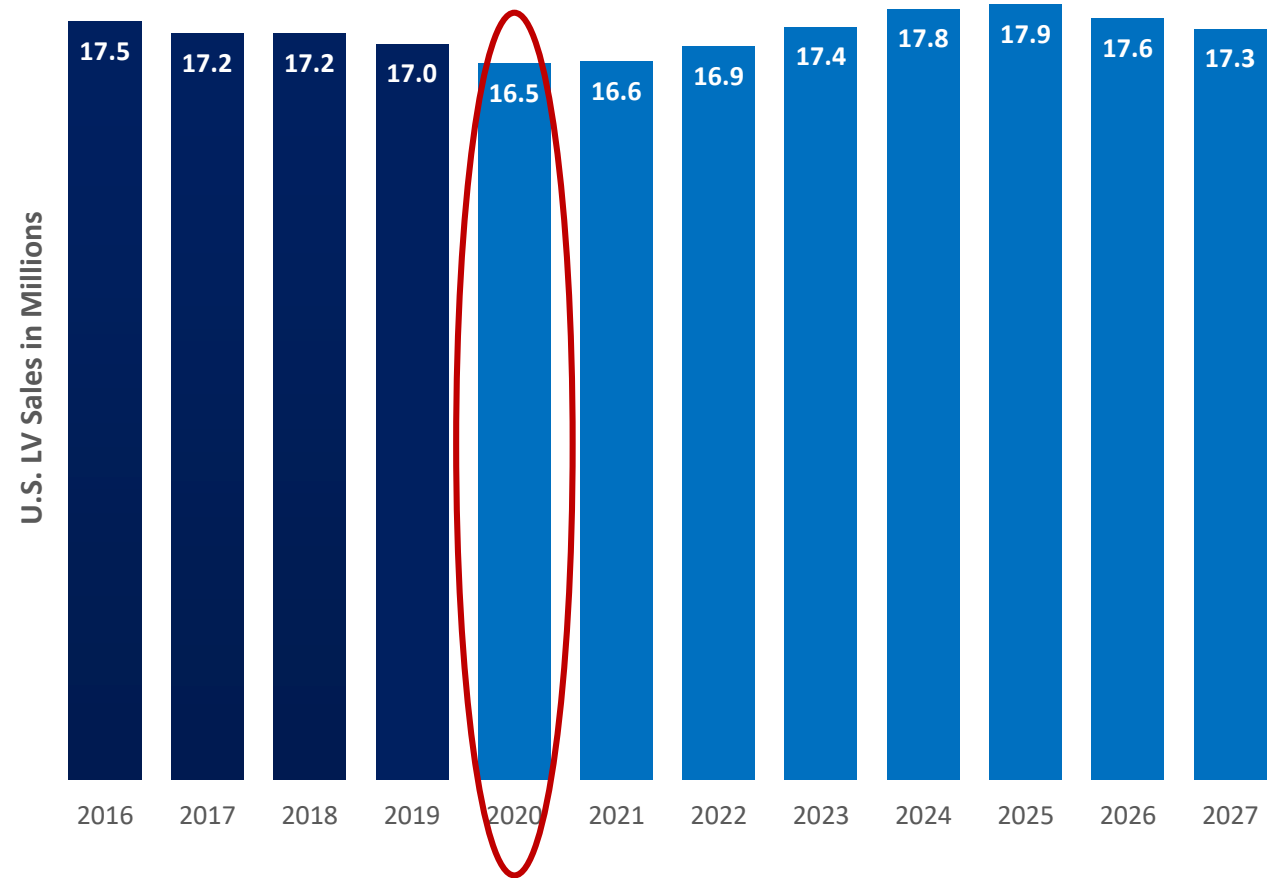
# U.S. Light Vehicle Monthly Sales and SAAR: March 2017 to March 2020



# CAR's U.S. Light Vehicle Sales Forecast 2020-2027

JANUARY 2020

U.S. Light Vehicle Sales



Source: CAR Research, *January 2020*





# Modeling the Pandemic

1. Production disruption due to shortages from China
2. Impact of the virus itself
3. Demand drop and recession

# Understanding What Comes Next

- A stoppage, not a slowdown
  - Capital for recovery is a bigger issue
  - Direct precedent not available
- Knowing when we've hit bottom
  - Of the pandemic
  - Of the resulting economic downturn
- Duration is everything
  - Bringing production back becomes more difficult
  - Demand challenges are compounded
    - Deferred sales today can be sales that never happened next year
    - New → Used → Existing Vehicle

# Arsenal of Health

12 automakers and 9 other companies

## Location of supports

- 20 in the United States
- 8 in Europe
- 5 in Asia
- 1 in Canada

## Means of supports

- 10 Personal protective items production/procurement
- 8 Service providers
- 7 Medical device production/procurement
- 5 General medical items production/procurement
- 3 Cash donation
- 1 Volunteering



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# Thank you

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