



**Asia-Pacific  
Economic Cooperation**

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**2016/AD1/009**  
Agenda Item: 3.1

## **United States' Automotive Industry and Market Situation**

Purpose: Information  
Submitted by: United States



**24<sup>th</sup> Automotive Dialogue  
Manila, Philippines  
25-27 May 2016**



# United States Automotive Industry & Market Situation

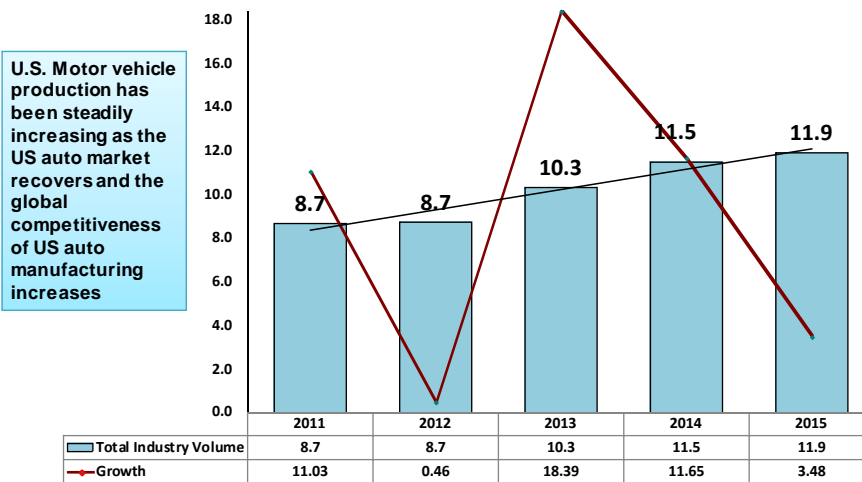
24th APEC Automotive Dialogue  
Manila, Philippines  
May 25, 2016

## Industry/Sector Overview

Categories	Total No. of Manuf. Firms	Total No. of New Entry Co.	Total No. of Employment
M.V. Manuf. Car	NAICS 33611 - <u>Automobile &amp; Light Duty MV Manuf.</u> firms <b>215</b> firms ( <b>24</b> firms with 500+ employees)	0	133,391 (130,661) >322,000<
M.V. Manuf. Truck	NAICS 33612 - <u>Heavy Duty Truck Manufacturing</u> firms <b>67</b> firms ( <b>16</b> firms with 500+ employees)	0	28,042 (25,997)
Motorcycle Manuf.	NAICS- 336991 - <u>Motorcycle, Bicycle &amp; Parts</u> - <b>443</b> firms ( <b>7</b> firms with 500+ employees)	0	10,860 (5,976)
Parts Manuf.	NAICS 3363- <u>Motor Vehicle Parts Manufacturing</u> - <b>4,258</b> firms ( <b>330</b> firms with 500+ employees)	N/A	489,256 (349,344) >521,000<
<b>Sub Total (Manufacturing)</b>	<b>4,991</b> ( <b>377</b> firms with 500+ employees)		661,549 est. (512,000) >843,000<
All Dealers	16,550 dealerships	697	1,110,000
Import Dealers	3,310 dealerships	139 est.	222,000 est.

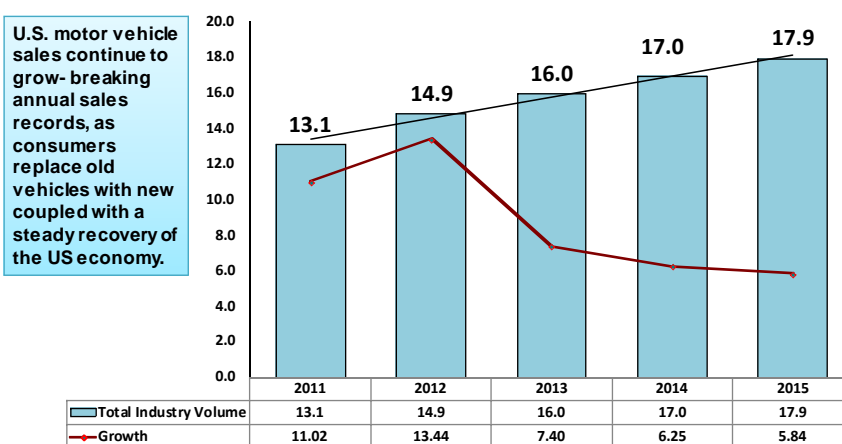
## Industry Overview

### Motor Vehicle **Production**



## Industry Overview

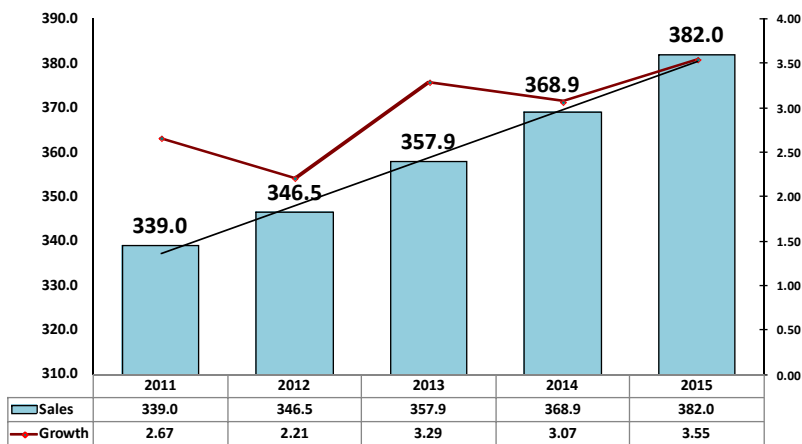
### Motor Vehicle **Sales**



## Industry Overview

### Motorcycle Sales

U.S. motorcycle sales have been steadily increasing, but are a small fraction (2%) of all types of road transport vehicles sold in the United States.

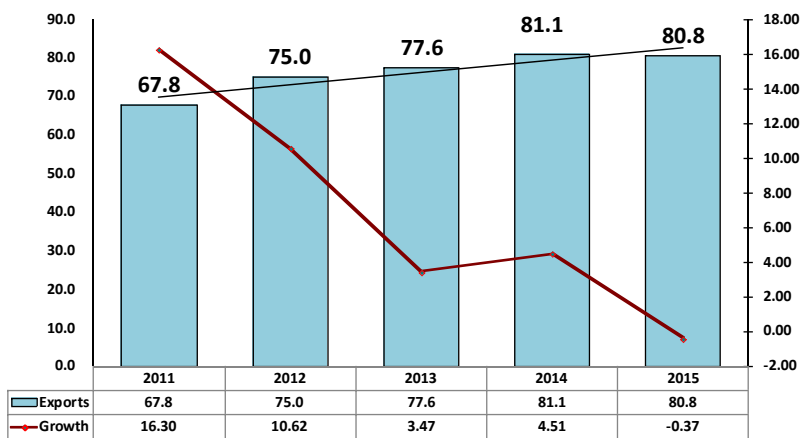


Note: Does not include scooters, ATV, off-road motorcycles

## Industry Overview

### Auto Parts Exports

U.S. auto parts exports have grown slowly over the past two years, until 2015, when it essentially flattened out at about \$81 billion



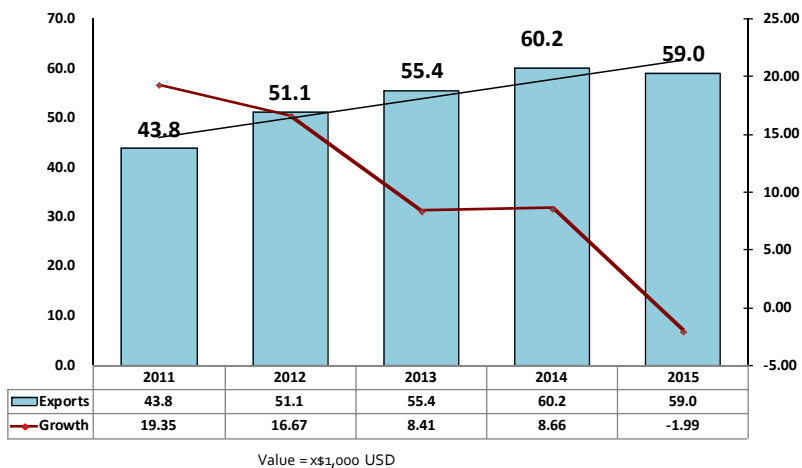
Value = x\$1,000 USD

## Industry Overview

### Motor Vehicle Exports

U.S. motor vehicle exports BY VALUE is down 2% in 2015, after a steady rise in exports from 2008.

BY VALUE

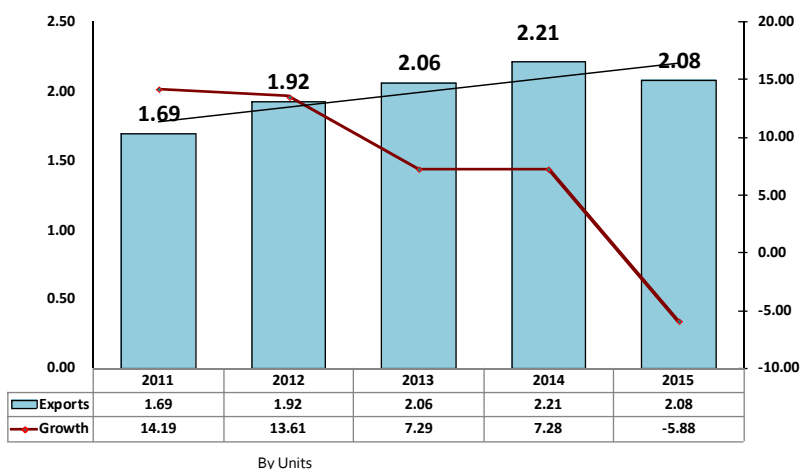


## Industry Overview

### Motor Vehicle Exports

U.S. motor vehicle exports BY UNITS is down in 2015 by nearly 6%. This is significantly more than the 2% decline in value-pointing to the fact that the value of each unit has increased.

BY UNITS



## Free Trade Agreements

**REGIONAL** (2 agreements- NAFTA, CAFTA with 8 countries)  
Canada, Mexico, Costa Rica, El Salvador, Guatemala,  
Honduras, Nicaragua, as well as the Dominican Republic)

**BILATERALS** (11 countries):  
Israel, Jordan, Australia, Chile, Singapore, Bahrain, Morocco,  
Oman, Peru, Panama, Colombia and Korea

**UNDER NEGOTIATION/PENDING** (2 agreements- with 39  
countries):

Trans-Pacific Partnership (Australia, Brunei, Chile, Mexico,  
Canada, Japan, New Zealand, Singapore, Vietnam, Malaysia  
and Peru)

Transatlantic Trade and Investment Partnership (EU-28)

## Market Outlook

	<b>2015 ACTUAL*</b>	<b>2016 FORECAST**</b>	<b>Projected Growth Rate</b>
<b>Total Industry Volume (TIV)</b>	17,948,087	18,317,000	2.6%
<b>Passenger Vehicles (PV)</b>	7,572,662	7,724,000	2%
<b>Commercial Vehicles (CV)</b>	<b>Total</b> (10,375,425) <b>Light Duty</b> (9,897,997) <b>Med-Heavy Duty</b> (477,428)	<b>Total</b> (10,593,000) <b>Light Duty</b> (10,096,000) <b>Med-Heavy Duty</b> (497,000)	3%

## Tax Structure

Vehicle Type	TARIFFS	LOCAL TAXES		
	Duty Assessed	Excise Duties	GST	Other Taxes (Please specify)
<b>Passenger Vehicles</b> (Cars, SUVs, Minivans)	2.5%	None	None	Each of the 50 states impose their own sales taxes (ranging from 0% to 8.25%) and registrations fees (ranging from \$30 to \$320) for new cars/trucks.
<b>Road Tractors</b>	4%			
<b>Buses</b>	2%			
<b>Truck Cab Chassis</b> (diesel 5-20 mt)	4%			
<b>Commercial Vehicles</b> (Trucks- incl. pickups)	25%			

## Free Trade Agreements – Auto Industry

Duties under FTAs – Tariff phase down has been implemented with all FTA partners but Korea.  
Tariff phase down for Korea- see below:

Category		BASE (MFN)	2014	2015	2016	2017	2018	2019	2020
CBU	Passenger Car	2.5%	2.5%	2.5%	0%	0%	0%	0%	0%
	Commercial Vehicle	25%	25%	25%	25%	25%	25%	17%	9%
	Bus	2%	0%	0%	0%	0%	0%	0%	0%
	Motorcycle	2.4%	0%	0%	0%	0%	0%	0%	0%
Parts		2.5% ave.	0%	0%	0%	0%	0%	0%	0%

## Automotive Policies and Regulations

- **FUEL ECONOMY:** For the 2017-2025 light duty vehicle fuel economy regulations, the U.S. created what is referred to as “One National Program” – an attempt to coordinate the two federal and one state (California) programs that set fuel economy requirements. The programs are still different in structure and operation, but attempts have been made to harmonize the stringency of the three programs.
- Since the targets were set so far into the future, one key element was conducting a “mid-term review” of the last four years to see if adjustments to the stringency of those years were appropriate. The development and consumer acceptance of advanced technologies are important elements of this review. The first step in this process occurs this summer with the issuance of a Technology Assessment Report by the U.S. regulatory agencies (the U.S. Environmental Protection Agency and the National Highway Traffic Safety Administration).
- The Environmental Protection Agency has also proposed new regulations for heavy duty trucks. This is important to the domestic auto industry because some of our companies’ vans and pick-ups fall into this category. Like with passenger vehicles, the industry needs one national standard and requires appropriate compliance flexibilities and adequate lead time for new technologies.