

Chilean automotive sector has increased by almost 2 million units in the last decade

An important transformation has experienced the automotive market in the last 10 years: the increase of the automotive fleet for light and medium vehicles in 1.96 million units; the increase of car model on sales; and Chinese and sport utility vehicles (SUV) leadership along with the emerging advance of electric vehicles, are some of the changes that have been noticed in the market.

For the General Secretary of the National Automotive Association (ANAC), Gustavo Castellanos, this growth was due to the several Free Trade Agreements and Economic Cooperation Agreement that Chile has, in total 26 that allow vehicles to enter the market without import tariffs.

For consideration, up to 2008, some pick up trucks were produced in Chile, but during that year General Motors closed the automotive plant located in the first region of the country, in the city of Arica where Chevrolet Luv and D-Max were assembled.

Sales of new cars per year

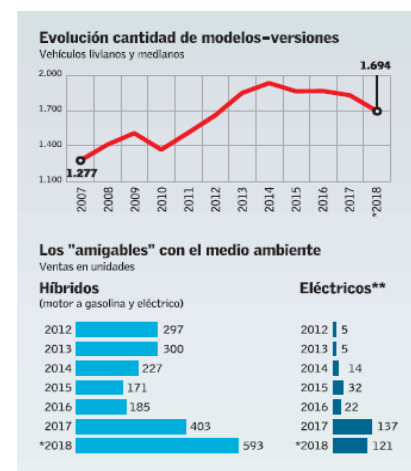


Castellanos also stated that during the last ten years, the luxury tax was eliminated for some vehicles with high cost and some environmental & security measures were introduced similar to developed countries. The increase income per capita, the economic expansion and the wide range of loan offers boosted the sales of new cars from 240,000 units in 2008 to 420,000 forecast for this year.

According to ANAC, In the last 10 years, 283 new model-version on sales entered the market, accounting for nowadays nearly 1,700. In this context, one of the sectors that strongly improved are the Sport Utility Vehicles (SUV), increasing from 17% in 2008 to 35% today.

Even though, in the light automobile sector gasoline vehicles have kept the preference among users, in the pickup truck sector the situation is different: diesel vehicles increased from 67.8% in 2008 to 84% nowadays.

Evolution quantity of model-version Hybrid and Electric vehicles (light and medium vehicles)



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At the same time, the transmission system has also experienced some changes: today, 26% of the light and medium vehicles have automatic transmission compared to 16% a decade ago. In the SUV sector, automatic transmission vehicles represent 43.6%.

In terms of brands, Chinese are the leaders in this category. They entered the market in 2007 and only represented 2.4% of market share. From 2011 onwards, they increased to 15% and today represent 16% of the sales, displacing South Korea for the first time.

Auspicious forecast

The General Secretary forecasts has good expectations for the sector, but he considered that we should create a traffic culture among people, improve infrastructure, incorporate new technologies to vehicles and at the same time, continue with the measures to improve the quality of the air through low or zero-emissions vehicles.

The scenario is clear. Sales of new cars will keep growing, due to the prominent economic situation of the country after the arrival of the new Government made even the International Monetary Fund (IMF) and the Central Bank of Chile modify their economic forecast from 3.4% to 3.8% and 4% to 4,5% for this year respectively. The Government also sent a bill to the Congress in order to increase the minimum wage (USD420 approx. today) 2.7% for 2019 and according to several important economists, the following sector will lead the economy in 2019, which will help Thai companies in the sector to increase their exporters to the country:



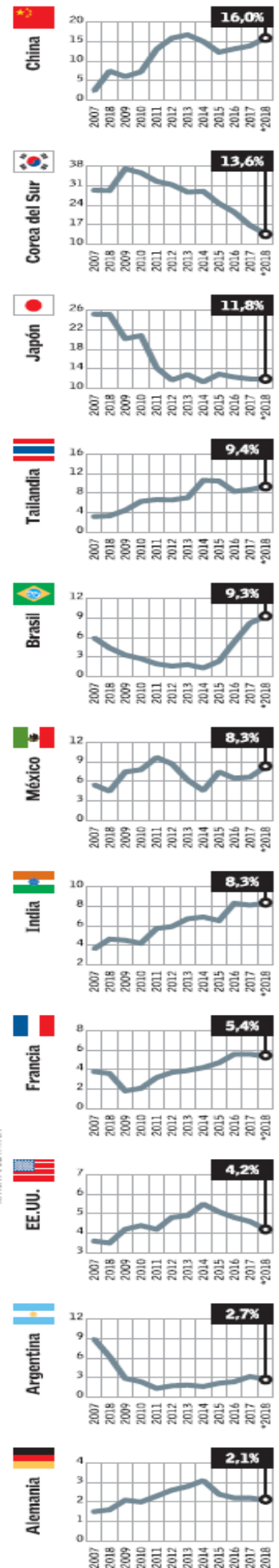
Construction: 65.38%



Mining: 42.31%

Comercialización según origen de fabricación

Participación





Commerce: 42.31%



Financial Services: 34,62%



Transport & Telecommunications: 19.23%



Manufacturing Industry: 15.38%



Services: 7.69%



Agriculture: 3.85%

Finally, the sales of electric vehicles in big volume are still in its infancy, considering that between January and August 2018 only 121 electric cars were sold in the Chilean market, which represent only 0.04% of the total market and 56% of all the electric cars commercialized in Chile between 2012 and 2017. Likewise, the country is still not prepared: there are only 31 electric stations – 23 in Santiago as the main capital and 8 in other cities.

Source: El Mercurio Newspaper

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DITP Santiago, Chile

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