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Strong sales of eco-friendly cars boost auto exports in May

Production: 356,204 Units, Domestic Sales: 155,735 Units, Exports: 221,237 Units

The Ministry of Trade, Industry and Energy announced on June 13 that exports of automobiles rose by 3.6 percent to USD 3.5 billion in May on strong sales of eco-friendly vehicles, marking the fourth consecutive month of growth.

The number of vehicles shipped abroad increased 2.1 percent year-on-year to 221,237 in the meantime. The value of automobile exports grew at a faster pace on higher sales of eco-friendly cars and small-size sports utility vehicles.

An average price of an exported vehicle increased 6.7 percent to \$15,047 in the first four month this year from \$14,103 in the same period of 2016. The number of eco-friendly car shipped abroad soared more than sevenfold to 45,475 from 6,331 during the same period.

Automobile exports to all regions except North America and Asia expanded. Shipments to the European Union (EU) and non-EU countries in Europe jumped 33.2 percent to \$612 million and 61.8 percent to \$198 million, respectively. Exports to the Middle East advanced 5.8 percent to \$491 million, and those to the Central and South America region expanded 13.1 percent to \$284 million. Exports to Oceania and Africa surged 12.8 percent to \$271 million and 30.7 percent to \$69 million, respectively, while shipments to North America contracted 9.9 percent to \$1.4 billion and those to Asia fell 26.5 percent to \$169 million.

Domestic production and sales of automobiles declined as there were fewer working days in May this year.

Five domestic automotive makers, Hyundai Motor, Kia Motors, GM Korea, SsangYong Motor, and Renault Samsung Motors, together produced 356,204 vehicles -- 1.5 percent down from a year earlier.

Domestic sales contracted 6.3 percent to 155,735 cars from a year earlier when car purchases increased on temporary tax cuts on automobiles. The number of vehicles manufactured and sold in Korea dropped 7.3 percent to 134,263 as consumers wait for new vehicle launches and the sales of existing car models were slow. The sales of imported cars inched up 0.2 percent to 21,472 units due to fewer working days despite robust sales of certain foreign brands.

Exports of automobile parts declined 12.4 percent to \$1.9 billion as production at Korean automotive makers' overseas plants slowed down. Component exports to North America and Asia where the sales of automobiles contracted shrank 8.1 percent to \$664 million and 45.5 percent to \$413 million.

Meanwhile, shipments of automobile parts to other regions including the EU and the Middle East jumped at double-digit rates. Shipments to the EU and non-EU countries in Europe expanded 11.5 percent to \$360 million and 80.5 percent to \$149 million, respectively, as the regional economy recovered. Strong sales of knockdown kits drove up exports to the Middle East by 11.6 percent to \$130 million, while exports to the Central and South America region surged 22.5 percent to \$100 million.

<Automobile Industry Statistics for May>

(Vehicles, USD 100 Million, %)

Item	May 2017	% change from previous month	% change from same month 2016	Jan.-May 2017	% change from same period 2016
Production	356,204	-6.9	-1.5	1,779,741	-1.2
Domestic Sales	155,735	1.4	-6.3	738,730	-1.4
Domestically produced vehicles	134,263	1.9	-7.3	637,281	-1.0
Imported vehicles	21,472	-1.7	0.2	101,449	-3.6
Exports	221,237	-7.6	2.1	1,088,802	-0.7
(Amount)	35.1	-9.6	3.6	176.6	4.9
Exports of auto parts (amount)	18.5	-3.0	-12.4	99.6	-4.1

Ministry of Trade, Industry and Energy (MOTIE)

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