**General Information**

Although Singapore does not have a large automotive manufacturing industry, it still presents itself as a choice location for global automotive companies to carry out headquarter activities, spare-parts distribution, production of high-value products and R&D. Due to land constraints and accompanied by an effort to reduce CO2 emissions, the Singapore government has since implemented strict guidelines and limited the number of cars on the road.

Until 2012, Singapore’s automotive industry had been declining, but since 2013, it has begun to recover gradually. After sales reached the peak of 149,100 vehicles in 2006, the number of purchased cars decreased continuously to only 47,855 commercial vehicles (CV) in 2011. This development was stabilized in 2012 with a constant number of 47,555 cars (a slow decrease of 0.6 %). Smaller vehicles (until 1.6 cc) presented a different trend by increasing 9.8 % in sales. Sales of big cars and limousines, however, decreased by approximately 9.1 %.

This trend continued in 2013 with a further decrease in sales numbers. 10 % fewer cars were registered in Singapore compared to the previous year. On top of that, the government also scaled the “Tiered Additional Registration Fee” according to the “Open Market Value”. Depending on the value of the vehicle, the fee could now from between 100 % to 180 %. Next to it, the central bank also tightened the conditions for granting credits for CVs. Vehicles with a market value of more than 20,000 SGD currently can only receive a 60 % credit loan from the bank, and only 50 % for more expensive models. Furthermore, the national initiative targeted at low-emission cars has led to a further decrease. By limiting the number of permitted cars in the state, the government aims to lower CO2 emissions. This however has limiting effects on the market.

**Distribution Centre**

Almost all the major Original Equipment Manufacturers (OEMs) and Tier 1 automotive suppliers use Singapore to oversee their regional operations. Many OEMs also use Singapore as a regional logistics base to manage their aftermarket spare-parts distribution to the region. Regional procurement has become an increasingly important activity, given companies’ needs for an efficient and well-connected base to oversee this function. Singapore's excellent physical and trade connectivity, availability of supply chain professionals and well-established financial infrastructure has made the country an attractive location for procurement and supply chain management activities.

**Key Players**

New car sales in Singapore have recovered slightly in 2014: Sales went up 15% year-on-year in March to 1997 registrations, bringing the total figure in the first quarter to 5,962 units, up by 11% from 2013. For the third time in the last 12 months after July and November 2013, Toyota took the lead in the brands ranking due to 364 car sales and a market share of 18.2% (incl. Lexus sales). As such, Toyota was up to the second spot year-to-date with sales up by 77% on the same period in 2013. BMW remained 2nd in March at 355 car sales and a market share of 17.8% while Mercedes fell to third place with 287 car sales and a market share of 14.4%. Additional noteworthy brands included Nissan, which increased 347% to rank 5th, Mazda increased by 129% to rank 7th, Hyundai increased by 137% to rank 10th, Kia increased by 156% to rank 11th and Subaru increased by 238% to rank 14th.
German Automotive Companies in Singapore

BMW
BMW’s exclusive M dealer - Munich Automobiles Pte Ltd, delivered a total of 125 units of BMW M and BMW M Performance Automobiles to local customers in 2013.

This impressive result was attributed to the overall heightened awareness of the BMW M brand in Singapore, as well as the successful introduction of the BMW M Performance Automobiles range. Popular models that were well-received in 2013 included the stylish BMW M5, the elegant BMW M6 Gran Coupé, as well as the BMW M135i pocket-rocket, which have all proven to be extremely popular.

Mercedes/Daimler
Not only was Daimler ranked third on the sales ranking in Singapore; but it also showed progressive development as well towards the trend of electro/hybrid car concepts. Customers in Japan, Singapore, USA, Europe, China, and Australia are currently utilizing Daimler’s fleet of zero-emission vehicles for everyday transportation. Inside each vehicle’s fuel cell, a reaction of hydrogen and oxygen produces electricity which powers the motor. As the only byproduct of this reaction is water vapor, fuel cell technology holds great potential for reducing greenhouse gas emissions worldwide. In developing new hybrid models, Mercedes-Benz has benefited immensely from cooperating with its Formula 1 racing team, which also makes use of high-tech hybrid engines to achieve fuel savings. This could result in synergistic effects both for series production vehicles as well as racing cars. This new trend has already been observed in Singapore’s fast changing society and is expected to progress rapidly in the next 10 years.

Audi
In 2013, Audi registered a total sales volume of 1,752 cars, indicating an increase of 4.3% from 2012’s figures. Audi was among the selected few to actually have a sales increase in 2013. Indicative of its status as a premium brand, the top-seller for Audi was the Audi A6 sedan, as was the sales success of the range of SUVs. 2014 looks to be equally promising, with the launch of the Audi A3 Cabriolet, Audi A3 Sedan and the new Audi A8 bolstering the Audi line-up across the spectrum.

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<th>Ranking Top Car Brands Singapore March 2014</th>
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Source: Best selling cars blog May 2014
Outlook

From 2014 to 2018, experts forecast growth in passenger car sales to remain negative in 2014. Nevertheless, growth will most likely pick up again in 2015 as a slew of COEs (Certificate of Entitlement) are de-registered, freeing-up additional supply in the market. A healthy pipeline of infrastructure projects will support commercial vehicle (CV) sales in the coming years and similar to cars, sales of CVs will pick up in 2017, as more owners who are facing expired COEs re-enter the market.

In a saturated market like Singapore’s, the continuous development of infrastructure and transport systems, limited number of listed cars (see table below) as well as the focus on energy efficient solutions, will keep the sales mostly constant. Furthermore it will also push consumers towards sustainable concepts like electro and hybrid cars. The upcoming Asian Economic Community 2015 (AEC 2015) is not expected to raise car sales but will instead support energy efficiency in the automotive industry. Since 2011, several concepts concerning electro and hybrid car prototypes have been ongoing. In 2014, after years of research and successful collaboration, Nanyang Technology University and TUM CREATE, together with key industry partners launched the E-Taxi in Tokyo. This signaled a continued and successful effort to support R&D in the automotive industry in Singapore despite her size. The industry in Singapore therefore still remains highly essential and promising for future developments.

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