



 INDUSTRY REPORT 3725

Auto Parts Manufacturing in China

IBISWorld | May 2024

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Recent Developments

Performance

China has become one of the largest manufacturers of automobile parts and accessories in the world, with enhancing independent innovation capabilities and having formed six major industrial clusters. With increasing market competition, industry mergers and acquisitions activities will increase.

Performance

Electrification and intelligence of automobiles have been promoting the auto parts product structure improvement. Automobile lightweight trend will open up new growth space for the industry.

External Environment

Industry regulation and policy lead the industry development directions. The industry regulation and policy mainly includes strengthening technology research and development capabilities and application of green and low-carbon technologies.

External Environment

The Government in China provides industry assistance. Import tariffs and export rebates are the main industry assistant methods to support the industry development and expansion.

Products and Markets

Transmission system and components are the largest product segment. This segment will likely develop at the direction of portability of operation and integration of vehicle electronic integrated control.

Products and Markets

The electronic parts and accessories are the second largest segment. Intelligent connected vehicle development will drive continuous growth of electronic parts and accessories segment.

Geographic Breakdown

Auto parts manufacturers usually are established around the production bases of automobile manufacturers. The industry is mainly concentrated in the economically well-developed East China and South China regions.

Geographic Breakdown

The Yangtze River Delta has large future growth potential. Factors like developed economy and owning many large automobile manufacturers, etc, drive the industry development in this region.

Competitive Forces

There's significant competition in the industry. Industry enterprises mainly participate in the competition based on product prices and quality, after-sales service, establishment of sales distribution channels and technology research and development abilities.

Competitive Forces

With increasing market competition, enhancing independent innovation capabilities will become more important for enterprise development. Firms should retain skilled and dedicated employees to facilitate the process and progress.

Companies

Top five major players are all state-owned companies. Stated-owned companies are of large production scale and advanced technology R&D capabilities.

Companies

Some companies in this industry are also automobile manufacturers. This doubling-up of expertise includes companies like SAIC Motor Corporation Limited and Guangzhou Automobile Group Co., Ltd., etc.

Financial Benchmarks

Industry profitability has decreased over the past five years, mainly due to increasing raw material and labor costs

and market competition. However, industry profitability is forecast to grow gradually in the coming years.

Financial Benchmarks

Wages as share of industry revenue are forecast to fall. This decrease is as a result of the introduction of advanced production equipment and intelligent manufacturing system.

This section last updated May 25, 2024

About IBISWorld

IBISWorld specializes in industry research with coverage on thousands of global industries. Our comprehensive data and in-depth analysis help businesses of all types gain quick and actionable insights on industries around the world. Busy professionals can spend less time researching and preparing for meetings, and more time focused on making strategic business decisions that benefit you, your company and your clients. We offer research on industries in the US, Canada, Australia, New Zealand, Germany, the UK, Ireland, China and Mexico, as well as industries that are truly global in nature.

About This Industry

Industry Definition Businesses in the Auto Parts Manufacturing industry in China produce parts, accessories and components for motor vehicles, including motor vehicle bodies, mechanical and electronic components, and parts for electric motors. Manufacturers supply aftermarket motor vehicle assembly and replacement part companies.

Major Players

- Weichai Holding Group Co., Ltd.
- SAIC Motor Corporation Limited
- Beijing Hainachuan Automotive Parts Co., Ltd.
- Guangzhou Automobile Group Co., Ltd.
- Aviation Industry Corporation of China, Ltd.
- CITIC Dicastal Co., Ltd.
- Dongfeng Motor Parts and Components Group Co., Ltd.
- Changchun FAWAY Automobile Components Co., Ltd.
- NingboHuaxiang Electronic Co., Ltd.
- Wanxiang Qianchao Co., Ltd.

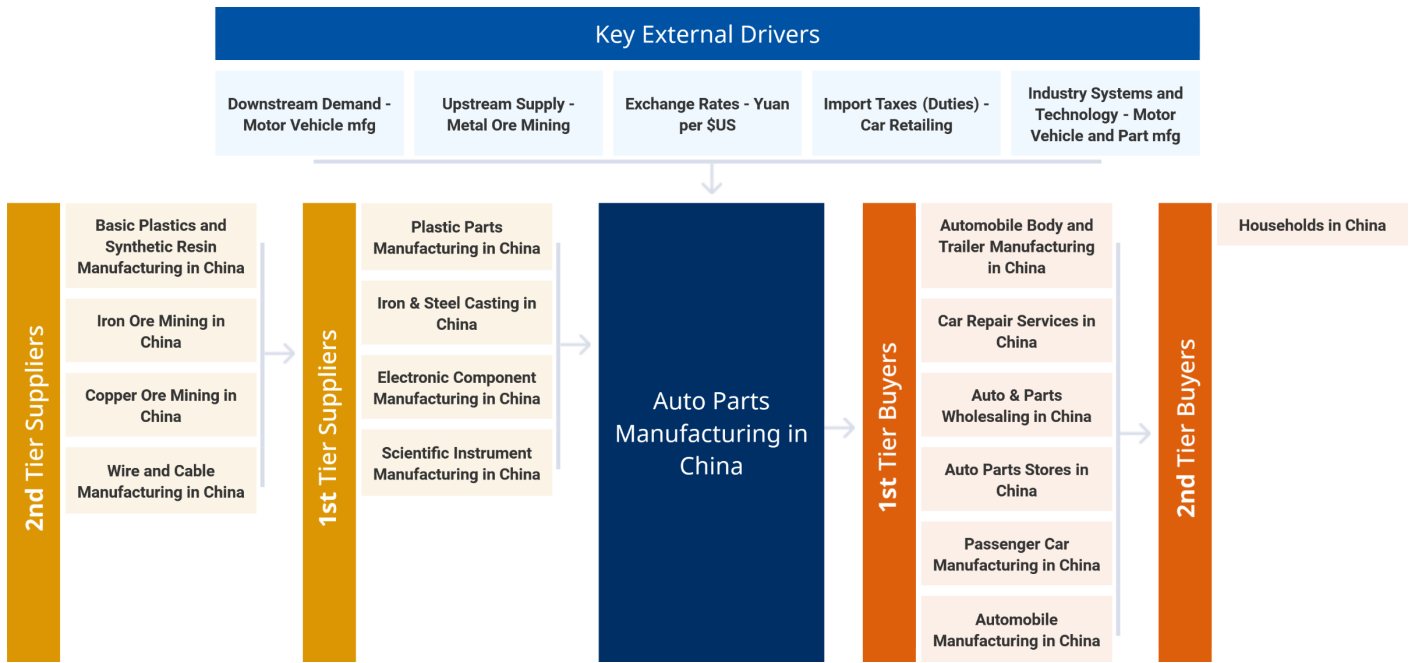
Main Activities **The primary activities of this industry are:**

- Transmission system and components
- Suspension system and components
- Wheel system and components
- Braking system and components
- Steering system and components
- Electronic parts and accessories
- Other parts and accessories

The major products and services in this industry are:

- Transmission system and components
- Electronic parts and accessories
- Suspension system and components
- Wheel system and components
- Braking system and components
- Steering system and components
- Other parts and accessories

Supply Chain



SIMILAR INDUSTRIES

Automobile Body and Trailer Manufacturing in China



Auto Parts Stores in China



Car Rentals in China



Passenger Car Manufacturing in China



RELATED INTERNATIONAL INDUSTRIES

Global Automobile Engine & Parts Manufacturing

Global Auto Parts & Accessories Manufacturing

Automobile Engine & Parts Manufacturing in the US

Automobile Electronics Manufacturing in the US

Automobile Steering & Suspension Manufacturing in the US

Automobile Brakes Manufacturing in the US

Automobile Transmission Manufacturing in the US

Automobile Interior Manufacturing in the US

Auto Parts Remanufacturing in the US

Automobile Engine & Parts Manufacturing in Canada

Automobile Electronics Manufacturing in Canada

Auto Parts Manufacturing in Canada

Automotive Electrical Component Manufacturing in Australia

Motor Vehicle Parts and Accessories Manufacturing in Australia

Motor Vehicle and Parts Manufacturing in New Zealand

Motor Vehicle Manufacturing in the UK

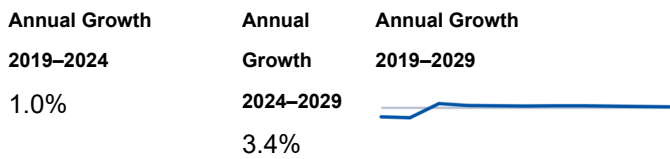
Motor Vehicle Parts & Accessories Manufacturing in the UK

Motor Vehicle Parts & Accessories Manufacturing in Ireland

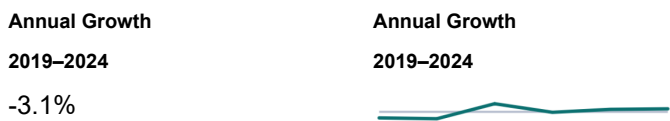
Industry at a Glance

Key Statistics

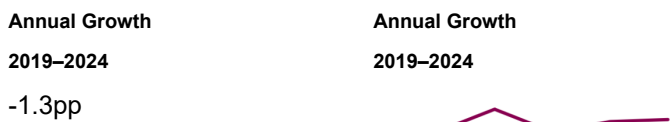
\$702.6bn
Revenue



\$40.0bn
Profit



5.7%
Profit Margin



4,407
Businesses



3m
Employment



\$44.2bn
Wages



Industry Structure

POSITIVE IMPACT

Industry Assistance High / Decreasing	Concentration Low
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MIXED IMPACT

Regulation & Policy Medium / Decreasing	Technology Change Medium
Barriers to Entry Medium / Steady	Industry Globalization Medium / Increasing

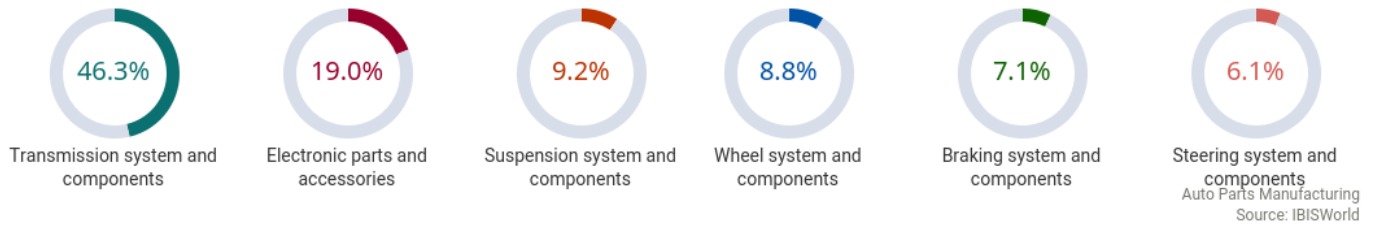
NEGATIVE IMPACT

Life Cycle Decline	Revenue Volatility Medium
Capital Intensity High	Competition High / Increasing

Key Trends

- China has become one of the largest manufacturers of automobile parts and accessories in the world, with enhancing independent innovation capabilities and having formed six major industrial clusters. With increasing market competition, industry mergers and acquisitions activities will increase.
- Electrification and intelligence of automobiles have been promoting the auto parts product structure improvement. Automobile lightweight trend will open up new growth space for the industry.
- Domestic auto parts manufacturers will continue developing international market
- Increasing competition will get more intense and industry merger and acquisition activities will increase
- Lightweight automobile trends will open up new growth space for the industry
- Sales revenue from the downstream automobile manufacturing industry has declined since 2018, and revenue growth in the Auto Parts Manufacturing industry has been slow. In 2019, the sales volume of automobiles, especially passenger vehicles, declined dramatically.

Products & Services Segmentation



Major Players



- 7.1% Weichai Holding Group Co., Ltd.
- 3.5% SAIC Motor Corporation Limited
- 1.5% Beijing Hainachuan Automotive Parts C...
- 1.1% Guangzhou Automobile Group Co., Ltd.
- 0.9% Aviation Industry Corporation of China, ...
- 0.8% CITIC Dicastal Co., Ltd.
- 0.5% Dongfeng Motor Parts and Component...
- 0.5% Changchun FAWAY Automobile Compo...
- 0.4% NingboHuaxiang Electronic Co., Ltd.
- 0.2% Wanxiang Qianchao Co., Ltd.
- 83.6% Other

Auto Parts Manufacturing
Source: IBISWorld

SWOT



STRENGTHS

- High Profit vs. Sector Average
- Low Customer Class Concentration
- Low Product/Service Concentration



WEAKNESSES

- Low Revenue per Employee
- High Capital Requirements



OPPORTUNITIES

- High Performance Drivers



THREATS

- Low Revenue Growth (2018-2023)
- Low Outlier Growth
- Low Revenue Growth (2023-2028)

Executive Summary Sales revenue from the downstream automobile manufacturing industry has declined since 2018, and revenue growth in the Auto Parts Manufacturing industry has been slow. In 2019, the sales volume of automobiles, especially passenger vehicles, declined dramatically. This trend has negatively affected sales revenue in the industry. Overall, revenue for the Auto Parts Manufacturing in China is expected to increase at an annualized 1.0% to \$702.6 billion over the past five years, including a growth rate of 3.7% in 2024 alone, when profit is anticipated to narrow slightly to 5.7% of revenue.

China has become one of the largest manufacturers of automobile parts and accessories in the world. With improving technology and upgrading product structure of China's local manufacturers, industry exports have increased at a CAGR of 9.5% over the past five years, with share of industry revenue growing 5.4% in 2019 to an estimated 8.2% in 2024. Competing imports are expected to decrease at a CAGR of 5.6% over the five years through 2024. However, China still relies on imports to satisfy demand for high-quality automobile parts, as supply of high-quality and specialized auto parts of domestic manufacturers generally cannot meet the market demand. The production of advanced automotive parts is still limited in China. Products like acoustic systems, automobile special-purpose ICs (integrated chips), high-end sensors, and microprocessors are imported from developed countries. Industry revenue is forecast to rebound over the next five years, increasing at an annualized 3.4% over the five years through 2029, to total \$830.4 billion. As the technology and the quality of Chinese products improve and pricing remains competitive, demand from overseas market is anticipated to increase steadily. As a result, exports are projected to grow at a CAGR of 5.0% over the five years through 2029, to \$73.1 billion.

Industry Performance

Key External Drivers

Downstream Demand - Motor Vehicle mfg

Automobile parts and accessories manufacturers are closely linked to complete automobile manufacturing processes. Industry manufacturers are increasingly required to provide complete sub-systems for assembly. Fast development of the Automobile Manufacturing industry stimulates the growth of the Auto Parts Manufacturing industry. The sales volume of automobiles is expected to increase 3.3% in 2024.

Domestic Goods Prices - Metals - Steel

Rising raw material prices like increase production costs and can reduce profit if these costs are not passed on to customers. Increases in the price of steel and iron that are used in the manufacturing process can have a negative impact on the industry, reducing industry profitability finally. Domestic steel price is expected to increase 1.5% in 2024.

Exchange Rates - Yuan per \$US

The appreciation of the yuan against the US dollar makes Chinese exports less competitive in foreign markets, and imports cheaper in the domestic market. However, depreciation of the yuan is expected to stimulate exports of Chinese auto parts. The yuan is expected to depreciate 2.5% in 2024 and stimulate China's auto parts exports.

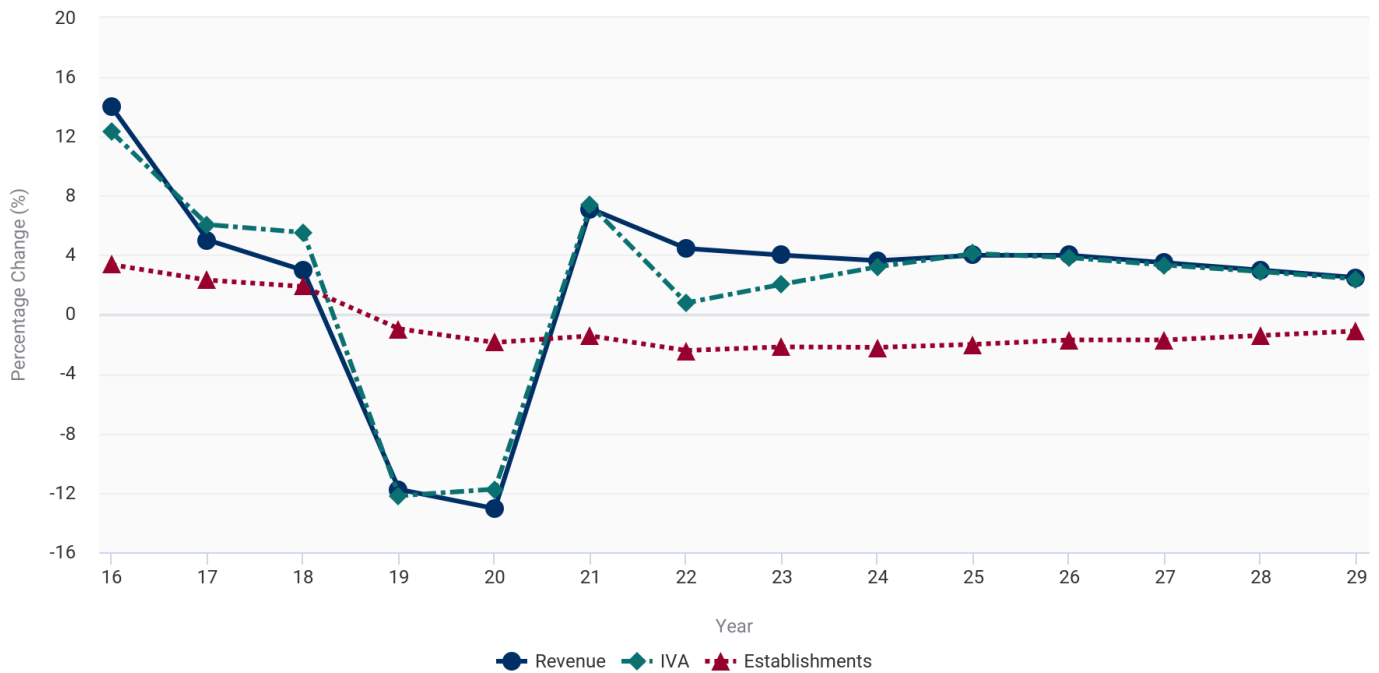
Import Taxes (Duties) - Car Retailing

Further reductions in tariffs can lead to greater import penetration, which will have certain negative impact on the development of domestic auto parts manufacturers. However, imports are significant in the aftermarket segment, where substitutes of original equipment prevail, and imports will urge domestic auto parts manufacturers to strive to improve technology research and development. In 2024, the import tariff for auto parts is expected to keep unchanged.

Industry Systems and Technology - Motor Vehicle and Part mfg

Technology and systems influence production costs and the types and specifications of products manufactured. Higher technology level will be helpful for auto parts manufacturers to reduce production costs and develop high-quality products. Therefore, auto parts manufacturers of larger scale usually will increase investment in technology research and development. The industry technology level will increase in 2024.

Industry Performance 2016–2029



Auto Parts Manufacturing
Source: IBISWorld

Current Performance

The outbreak of COVID-19 has certain negative impact on the industry

- **The COVID-19 outbreak directly caused a reduced production capability at the beginning of 2020.**

COVID-19 pandemic had also weakened consumers' purchasing power and lowered their future income growth expectation, resulting in sales reduction of automobiles, which further had negative impact on the Auto Parts Manufacturing industry. In 2020, the industry revenue decreased 13.1% to \$582.4 billion.

- With effective controls policy of COVID-19 in China, the production activities and market sales of the industry has recovered soon.

China is still need to import high-quality auto parts to meet domestic market demand

- Although domestic auto parts manufacturers has been enhancing technology research and development and improving product quality, there still exists some products, like automobile special-purpose ICs (integrated chips), high-end sensors, and microprocessors, needed to be imported from developed countries and regions.
- As the Government in China supports domestic auto parts manufacturers to strengthen technology independent innovation capabilities and domestic auto parts of larger scale has been increasing investment in research and development, domestic supply of high-end auto parts has gradually increased. Therefore, imports as share of domestic demand decreased from 4.1% in 2019 to an estimated 3.1% in 2024.

The industry has formed six major industrial clusters

- With continuous development of the Automobile Manufacturing in China, the Automobile Manufacturing industry has formed six major industrial clusters. In order to obtain more orders from automobile manufacturers and keep a long-term contracts relationship with customers, auto parts manufacturers usually are established around the production bases of automobile manufacturers.
- The industry has formed six major industrial clusters consist with the Automobile Manufacturing industry, including the Yangtze River Delta, the Pearl River Delta, the Chengdu-Chongqing western industrial cluster, the northeast industrial cluster, the central triangle industrial cluster with Hubei, Hunan and Anhui as the core and the Beijing-Tianjin-Hebei industrial cluster.

Electrification and intelligence of automobiles has been promoting the auto parts product structure improvement

- The alternative-fuel vehicle market has developed fast in recent years, with share of sales volume of new energy vehicles accounting for total automobiles increased from 4.5% in 2018 to 32.8% in January 2024. Meanwhile, the Government in China has been supporting the intelligent automobile development.
- Traditional auto parts manufacturers have to accelerate transformation to comply with the development trend of electrification and intelligence of automobiles. The industry enterprises are actively improving product structure, including increasing producing electric vehicle auto parts and reducing traditional fuel vehicle auto parts, and developing intelligent auto parts to assisting autonomous driving. IBISWorld.com

Historical Performance Data

Year	Revenue (\$m)	IVA (\$m)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Exports (\$m)	Imports (\$m)	Wages (\$m)	Domestic Demand (\$m)
2015	615,671	124,989	12,641	4,578	3,055,000	32,157	26,518	35,877	610,031
2016	701,810	140,357	13,067	4,683	3,159,000	31,239	28,636	40,587	699,207
2017	737,201	148,879	13,372	4,756	3,254,000	35,203	30,747	42,570	732,745
2018	759,241	157,134	13,626	4,821	3,326,000	38,203	32,199	43,874	753,237
2019	669,916	137,962	13,497	4,757	3,299,000	36,385	27,327	43,860	660,857
2020	582,435	121,758	13,245	4,682	3,263,000	35,486	27,778	43,858	574,728
2021	623,995	130,733	13,055	4,609	3,224,000	46,919	31,209	43,702	608,285
2022	651,815	131,780	12,740	4,532	3,192,000	50,134	25,443	44,153	627,123
2023	677,930	134,480	12,464	4,474	3,176,000	54,083	21,836	44,139	645,682
2024	702,628	138,822	12,190	4,407	3,154,000	57,289	20,465	44,229	665,804

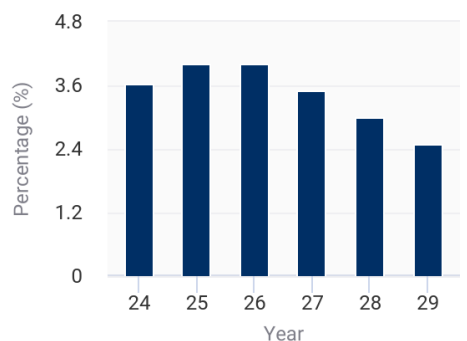
Industry Outlook

Outlook

Domestic auto parts manufacturers will continue developing international market

- **Improvements in technology and quality of Chinese products will likely support export growth.**

Industry Outlook
2024–2029



Auto Parts Manufacturing
Source: IBISWorld

Industry exports are forecast to increase at an annualized 5.0% over the five years through 2029.

- After years of development, the Auto Parts Manufacturing in China has strong production and manufacturing capabilities and certain international market competitiveness. Domestic enterprises will continue to strengthen independent innovation capacity building, and increase product exports.
- In the trend of globalization, domestic auto parts companies will continuously accelerate expansion and integration into the global auto parts procurement system through overseas mergers and acquisitions and equity joint ventures, etc.

Increasing competition will get more intense and industry merger and acquisition activities will increase

- Economies of scale and increased competition are forecast to drive industry performance over the next five years. Currently, many small companies operate with low efficiency in the industry. Issues of small scale, low concentration and competition inhibit industry development. Domestic manufacturers will have to integrate to complement each other and allocate resources more efficiently. Industry merger and acquisition activities will increase.
- Domestic enterprises of larger scale have begun incorporating some advanced international technology, equipment and management systems into operations, and enhancing independent innovation capabilities. Small enterprises will be merged or exit the industry.

Lightweight automobile trends will open up new growth space for the industry

- Driven by the national energy conservation and emission reduction policies, and the need to extend the driving mileage of electric vehicles, vehicle lightweight has gradually become one of the important development directions of the Automobile Manufacturing industry.
- Research shows that every 10.0% reduction in the weight of fuel vehicles will reduce fuel consumption by 6.0% to 8.0%. In order to meet increasingly stringent emission standards, automobile manufacturers are also vigorously promoting vehicle lightweight.
- The application trend of lightweight components is obvious. Lightweight products like aluminum automotive components have a large market space and a good market development trend.

Modular procurement will enable auto parts manufacturers to deeply participate in the automobile manufacturing process

- Modular procurement refers to the procurement of supporting products by automobile manufacturers from auto parts enterprises using modules as a unit. The transformation from single component procurement to module procurement fully utilizes professional advantages of auto parts companies, and shortens development cycle of new automobile products.
- In modular supply, auto parts companies will undertake more new product and technology development work, and actively implement synchronous or advanced development of the entire vehicle. They are increasingly involved in the development and production process of the entire vehicle, maximizing the level of generalization and standardization of components and enhancing scale effects.

Performance Outlook Data

Year	Revenue (\$m)	IVA (\$m)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Exports (\$m)	Imports (\$m)	Wages (\$m)	Domestic Demand (\$m)
2024	702,628	138,822	12,190	4,407	3,154,000	57,289	20,465	44,229	665,804
2025	730,733	144,539	11,946	4,332	3,135,000	60,726	19,953	44,450	689,960
2026	759,962	150,093	11,743	4,267	3,119,000	64,066	19,554	44,673	715,450
2027	786,561	155,110	11,543	4,212	3,103,000	67,269	19,261	44,896	738,552
2028	810,158	159,601	11,381	4,170	3,094,000	70,296	19,068	45,031	758,930
2029	830,412	163,425	11,256	4,132	3,085,000	73,108	18,973	45,121	776,276
2030	847,020	166,439	11,121	4,095	3,072,660	75,667	18,878	45,166	790,231

Industry Life Cycle The life cycle stage of this industry is △ Decline

Indicative Industry Life Cycle



Auto Parts Manufacturing
Source: IBISWorld

Contribution to GDP

- Industry value added is expected to increase at an annualized 1.7% over the ten years through 2029, which represents an underperformance of China's GDP growth of 4.3% over the same period.

Market Saturation

- Mainly due to growing merger and acquisition activities resulted from increasing industry competition, the number of enterprises and establishments will decrease at 1.4% and 1.8% on average over the ten years through 2029.

Innovation

- Technological changes and innovations are frequent in the industry. Electrification and intelligence of automobiles has been promoting the auto parts product structure improvement.

Consolidation

- The Auto Parts Manufacturing industry is highly fragmented. The four largest firms are expected to generate 13.2% of total industry revenue in 2024.

Technology and Systems

- More and more industry firms have increased investment to technology research and development and accelerate transformation in order to comply with the electrification and intelligence development of automobiles and modular procurement trend of automobile manufacturers.

Products & Markets

Supply Chain

Key Buying Industries

1st Tier

Automobile Body and Trailer Manufacturing in China

Car Repair Services in China

Auto & Parts Wholesaling in China

Auto Parts Stores in China

Passenger Car Manufacturing in China

Automobile Manufacturing in China

2nd Tier

Households in China

Key Selling Industries

1st Tier

Plastic Parts Manufacturing in China

Iron & Steel Casting in China

Electronic Component Manufacturing in China

Scientific Instrument Manufacturing in China

2nd Tier

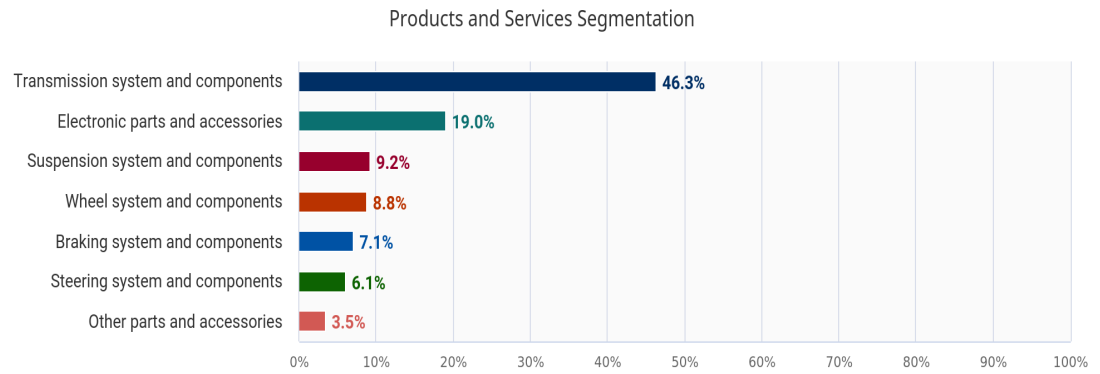
Basic Plastics and Synthetic Resin Manufacturing in China

Iron Ore Mining in China

Copper Ore Mining in China

Wire and Cable Manufacturing in China

Products & Services



2024 INDUSTRY REVENUE

\$702.6bn

Auto Parts Manufacturing
Source: IBISWorld

Transmission system and components are the largest product segment

- The transmission system and components are mainly composed of six parts, including clutch system, automated mechanical transmission system, universal transmission device, main reducer system, differential system and axle shaft system.
- The transmission system and components make up the industry's largest product segment, contributing to an estimated 46.3% of total industry revenue in 2024.
- Energy conservation and environmental protection, portability of operation and integration of vehicle electronic integrated control are important development trends of transmission system and components in the future.

Intelligent connected vehicle development will drive continuous growth of electronic parts and accessories segment

- Electronic parts and accessories mainly include automotive wiring harness and components, vehicle electronics, auxiliary driving and components, sensors, electronic control units and components. The most important role of electronic parts and accessories is to improve the safety, comfort, economy and entertainment of vehicles.
- Electronic parts and accessories are expected to generate 18.8% of total industry revenue in 2024.
- The transformation of the automobile industry towards electrification, intelligence and networking will drive the continuous growth of the electronic parts and accessories market.

Suspension system and components market develops, benefiting from single component cost advantage

- Suspension system and components refers to the whole support system composed of springs and shock absorbers between the body and tires. The function of the suspension system and components is to support the body and improve the feeling of driving. Different suspension settings will make the driver have different driving feelings.
- With the cost advantage of single components like shock absorber, spring, swing arm or control arm, subframe and torsion beam, the suspension system and components market develops fast. Suspension system and components are forecast to account for 9.2% of total industry revenue in 2024.

Wheel system and components are also major segment

- The wheel system is the walking component of a car. When the car is working, the wheels transmit the force emitted by the car to the road surface, and at the same time transmit the reaction force given by the ground back to the car. The car achieves the agreed bearing capacity and completes the standard movement based on the force and torque transmitted by the wheels. The wheel system and components include wheel hub and tire and components.
- The wheel system and components are expected to account for 8.8% of total industry revenue in 2024.

Braking system and components are the fifth largest segment

- The braking system is a series of specialized devices that can forcibly reduce the driving speed of a car. The main function is to slow down or even stop a moving car, maintain a stable speed for downhill driving, and keep a stopped car stationary. The braking system and components include brake assembly and components, brake friction materials, brake pumps and components, and brake control systems and components.

- The braking system and components are expected to account for 7.1% of total industry revenue in 2024.

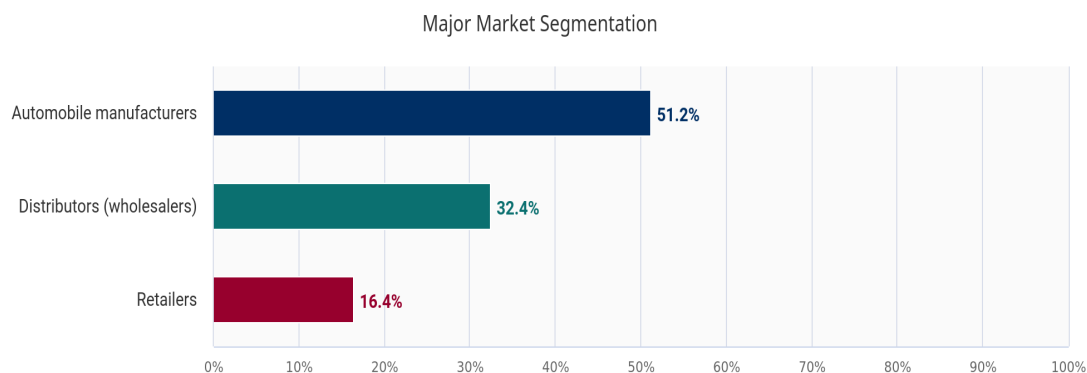
Steering system and components are an important segment

- The steering system is a series of devices used to change or maintain the direction of a car's movement or reverse. The steering system and components include steering gear assembly and components, steering column and components, and steering booster and components.
- The steering system and components are expected to account for 6.1% of the industry revenue in 2024.

Other parts and accessories are the smallest segment

- Other parts and accessories mainly include air intake and exhaust system, ignition system, lubrication system, cooling system and starting system, etc.
- Other parts and accessories are expected to account for 3.5% of the industry revenue in 2024.

Major Markets



2024 INDUSTRY REVENUE

\$702.6bn

Auto Parts Manufacturing
Source: IBISWorld

Automobile manufacturers are likely to select auto parts suppliers nearby

- **Automobile manufacturers refer to enterprises manufacture automobiles.**

Most of industry's products are sold directly to automobile manufacturers for automobile manufacturing and supplying to 4S stores. In 2024, automobile manufacturers are expected to account for 51.2% of total industry revenue.

- Many automobile manufacturers are likely to select auto parts suppliers which are close to their production bases, in order to get auto parts conveniently and reduce purchasing costs. Therefore, auto parts manufacturers are usually distributed around the automobile production bases.

Distributors/wholesalers are the second-largest market

- Distributors/wholesalers refer to commercial organizations that purchase auto parts from auto parts manufacturing enterprises and resells them to retailers, industrial users or other organizations. In 2024, distributors/wholesalers are expected to make up 32.4% of total industry revenue.
- Some foreign auto parts manufacturers have established first- and second-tier distributors responsible for automobile parts and accessories sales and distribution. As automobile production is concentrated in Shanghai, Changchun, Hubei, Beijing, Tianjin, Guangzhou, Chongqing and Harbin, these cities have developed strong distributor networks for automobile parts and accessories sales.

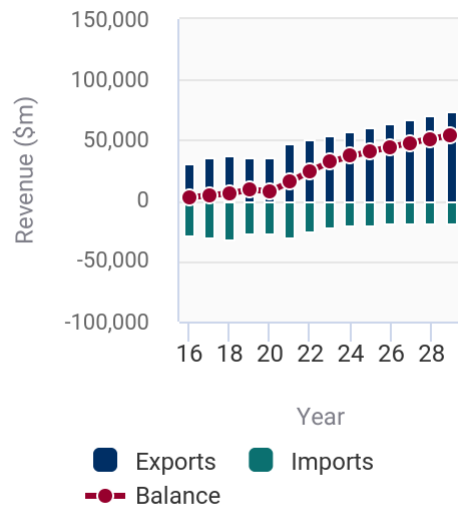
Development of retailers market benefits from wide product range and lower prices

- Retailers refers to middlemen who sell auto parts directly to end consumers.
- Some cities have established retail markets for automobile parts and accessories, like Beijing West Suburb Automobile Parts and Accessories Market, Shanghai Oriental Automobile Parts and Accessories Market, and Wuhan Wanguo Automobile Parts and Accessories Market. Customers often prefer to buy products from these markets due to the range of product available and lower prices of parts and accessories.
- With fast development of e-commerce, some retailers have selected sell auto parts through online channels. In 2024, retailers are expected to account for 16.4% of total industry revenue.

International Trade Exports in this industry are ⊖ **Medium** and Increasing

Imports in this industry are ⊕ **Low** and Decreasing

Industry Trade Balance



Auto Parts Manufacturing in
China
Source: IBISWorld

Imports

Imports have decreased as result of increasing supply of high-quality products of domestic manufacturers

- Competing imports are expected to decrease at a CAGR of 5.6% over the five years through 2024. However, China still relies on imports to satisfy demand for high-quality automobile parts, as supply of high-quality and specialized auto parts of domestic manufacturers generally cannot meet the market demand.
- With industry policy supports and enhancing technology independent innovation capabilities, domestic auto parts manufacturers have accelerated the development of high-end products. Therefore, imports as share of domestic demand decreased from 4.1% in 2019 to an estimated 3.1% in 2024.

Imports are mainly from the developed auto parts manufacturing countries and regions

- Germany is the largest source of competing imports in 2024, accounting for an estimated 35.5% of total import value. Other major sources of imports include Japan (13.3%), the United States (6.3%) and Mexico (6.2%). These countries account for 61.3% of total competing imports into China in 2024.
- These countries all have larger auto parts enterprises. For instance, Germany has Robert Bosch GmbH, ZF Friedrichshafen AG and Continental AG, etc., and Japan has Denso Corp., Aisin Seiki Co. and Yazaki Corp., etc.

Exports

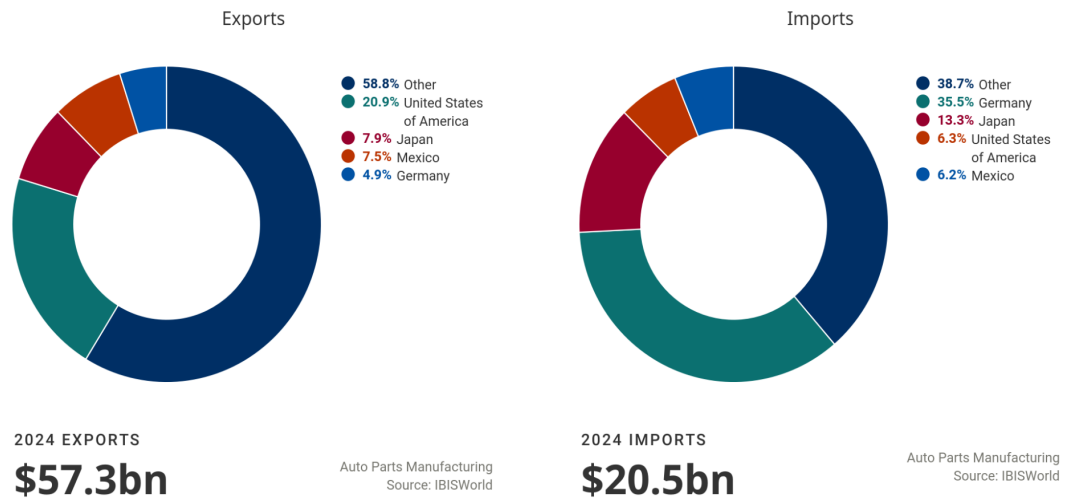
Exports have increased over the past five years

- China has become one of the largest manufacturers of automobile parts and accessories in the world.
- Exports have increased at a CAGR of 9.5% over the past five years, with share of industry revenue growing 5.4% in 2019 to an estimated 8.2% in 2024.
- Mainly due to weak global market demand between 2019 and 2020, export growth has fluctuated over the past five years.
- With improving technology and upgrading product structure of China's local manufacturers, industry exports are forecast to increase at a CAGR of 5.0% over the five years through 2029.

Industry products are usually exported to countries and regions with developed automobile manufacturing industry

- According to China Customs, the major export markets for the Auto Parts Manufacturing industry in 2024 include the United States (an estimated 20.9% of total exports by value), Japan (7.9%), Mexico (7.5%) and Germany (4.9%), which all have developed automobile manufacturing industry.

- As the seven largest automobile manufacturer and the fifth largest auto parts manufacturer, Mexico has lower labor cost compared with China and many Chinese auto parts enterprises have set up production bases in Mexico. Therefore, share of Mexico is expected to decrease gradually in the future.



Business Locations

Business Concentration in China



Percentage of Establishments by Region (%)



Auto Parts Manufacturing in China
Source: IBISWorld
Data refers to Mainland China only

The Yangtze River Delta is the largest auto parts manufacturing region

- The Yangtze River Delta includes Shanghai, Jiangsu, Zhejiang and Anhui. With its GDP accounting for 24.2% of China in 2023, the Yangtze River Delta is one of the economically developed regions in China.
- The Yangtze River Delta has gathered many large automobile manufacturers, like SAIC Motor, Geely Automobile and Tesla, etc., which provides greater downstream market demand for auto parts.
- With higher income levels of consumers, larger populations, number of vehicles in use and convenient transportation facilities, auto parts market in this region has large future growth potential.

Fast development of Guangdong-Hong Kong-Macao Greater Bay Area will promote auto parts industry in Guangdong

- Guangdong is the most developed province in China, with GDP ranking first for 34 consecutive years. With higher consumers' income levels and larger number of vehicles in use, auto parts market demand is greater in Guangdong.
- Guangdong is one the largest automobile manufacturing bases in China, with sales revenue of its automobile manufacturing industry accounting for over 10% of China and owning many large automobile manufacturers, like GAC Group and BYD. Therefore, downstream market demand for auto parts in Guangdong is stronger.
- With fast development of Guangdong-Hong Kong-Macao Greater Bay Area, auto parts industry in Guangdong has potential future growth.

The regional development of automobile industry in Hubei is clear

- The automobile industry is the largest industry in Hubei and has formed Wuhan-Xiangyang-Shiyan-Suizhou automobile belt along the Hanjiang River. Hubei is an important base for light and heavy commercial vehicles, medium- and high-end passenger vehicles, new energy vehicles and key auto parts.
- The regional development of automobile industry in Hubei is clear, with R&D of automobiles and auto parts and manufacturing of passenger vehicles mainly distributing in Wuhan, manufacturing of light

commercial vehicles and medium- and high-end passenger vehicles in Xiangyang, manufacturing of medium and heavy trucks and military vehicles in SHIYAN and manufacturing of special vehicles in Suizhou.

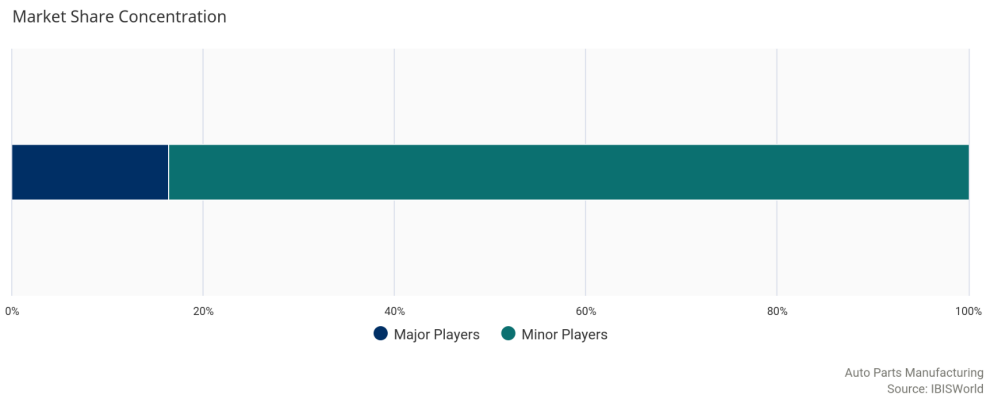
Distribution of Establishments By Region



Auto Parts Manufacturing
Source: IBISWorld

Competitive Landscape

Market Share Concentration



Concentration in this industry is ✔ **Low**

The Auto Parts Manufacturing industry is highly fragmented

- The four largest firms are expected to generate 13.2% of total industry revenue in 2024. Many small- and medium-size enterprises operate in the industry, and the market is highly fragmented.
- Many industry manufacturers operate on a small scale and are privately owned. The majority of these firms lack substantial capital, technologies and employees, and only produce single products and spare parts.
- Low market share concentration also reflects the diverse nature of the industry's products. Firms tend to focus on particular parts or markets, and the majority of enterprises manufacture single products. Only some larger firms are able to manufacture a wide variety of automobile parts and accessories.

The industry concentration will increase gradually in the future

- According to Medium and Long Term Development Plan of Automobile Industry released in April 2017, by 2025, several of the top ten auto parts groups in the world are anticipated to be Chinese.
- As industry competition will get much fiercer, industry merge and acquisition activities will increase and small enterprises are expected to be merged or exit the industry.

Key Success Factors

IBISWorld identifies over 200 Key Success Factors for a business. The most important for this industry are:

Undertaking technical research and development:

Product innovation and expenditure on research and development can provide a competitive advantage for industry firms like reducing production cost and improving product quality.

Develop a symbiotic relationship with another industry:

Secure symbiotic relationships with downstream firms can provide a competitive advantage for industry enterprises and guarantee long-term sales contracts with automobile manufacturers.

Develop effective quality control:

Successful companies in the industry adopt quality assurance techniques and policies to improve their products and processes and guarantee product quality.

Develop an extensive distribution network:

Having extensive sales channels can help manufacturers expand sales areas, better understand market changing trend, and increase market share and revenue growth.

Invest in new technology to enhance operational efficiency and quality:

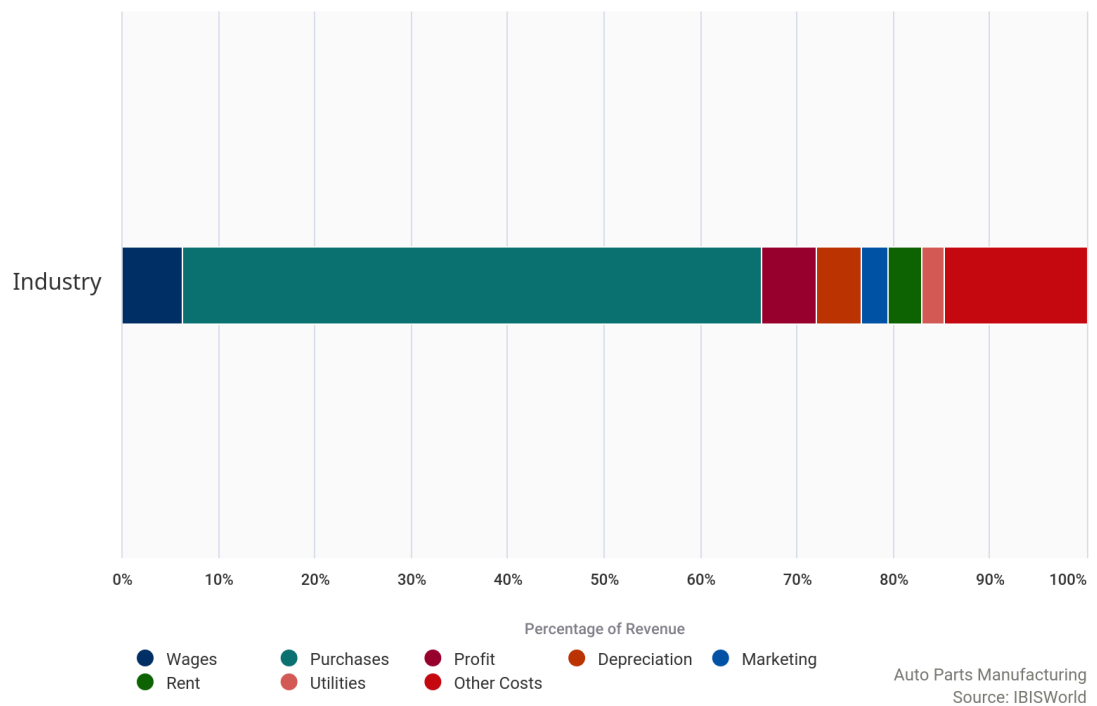
Increasing investment in technological improvements and product development can improve industry firms' products and help firm to launch new products meeting market changing trend.

Secure export markets:

The development of export markets is important for firms in the industry that seek to develop internationally. Developing international market also benefits the improvement of brand influence of manufacturers.

Cost Structure Benchmarks

Cost Structure 2024

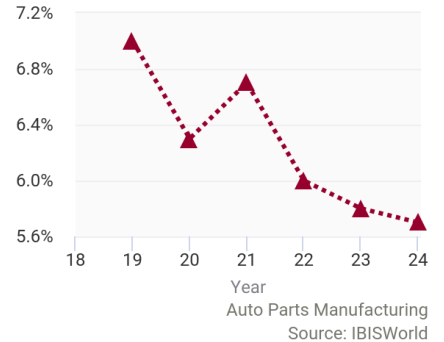


Profit

Industry profitability has decreased over the past five years, but will grow gradually

- Mainly due to increasing raw material and labor costs and market competition, average industry profit is estimated to account for 5.7% of revenue in 2024, down from 7.7% in 2018.
- With enhancing industry technology level and high-end development, industry profitability is expected to grow gradually during the next five years.

Profit as a Share of Revenue 2019-2024

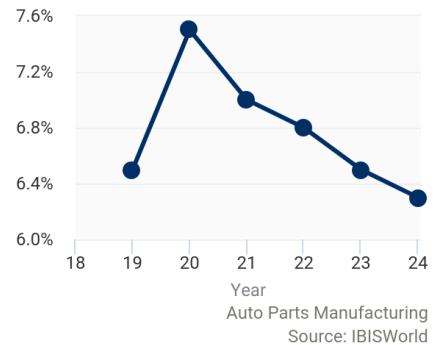


Wages

Wages as share of industry revenue will decrease

- Another major industry cost is labor, which is expected to account for 6.3% of industry revenue in 2024. Although the cost of labor is lower in China than in many other countries, domestic manufacturers do not generally use advanced technology. Consequently, firms rely heavily on labor for production.
- With introduction of advanced production equipment and intelligent manufacturing system, the industry will not need many employees. Therefore, wages as share of industry revenue are forecast to decrease to 5.4% in 2029.

Wages as a Share of Revenue 2019-2024

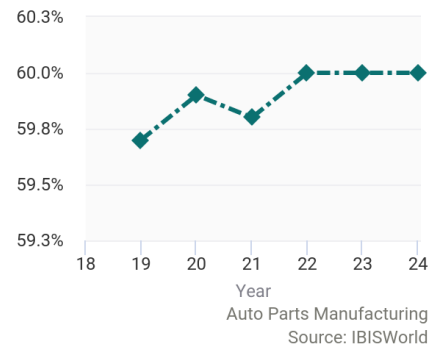


Purchases

Purchases are the largest segment and have increased

- Purchases of raw materials, including iron, steel and machine parts, are the largest cost for industry operators. Purchases are expected to account for 60.0% of industry revenue in 2024.
- Prices had risen strongly, especially for steel, due to increasing global and domestic demand for raw materials from 2015 to 2022. The COVID-19 pandemic has also halted mining operations, which have increased the price of raw materials. Some auto parts manufacturers have had to pass on these cost increases to limit the loss in revenue.

Purchases as a Share of Revenue 2019-2024



Basis of Competition

Competition in this industry is ▲ High and the trend is Increasing

- There's significant competition in the industry.

Industry enterprises mainly participate in the competition based on product prices and quality, after-sales service, establishment of sales distribution channels and technology research and development abilities.

With increasing market competition, enhancing independent innovation capabilities will become more important for enterprise development. Firms should retain skilled and dedicated employees to facilitate the process and progress.

Barriers to Entry

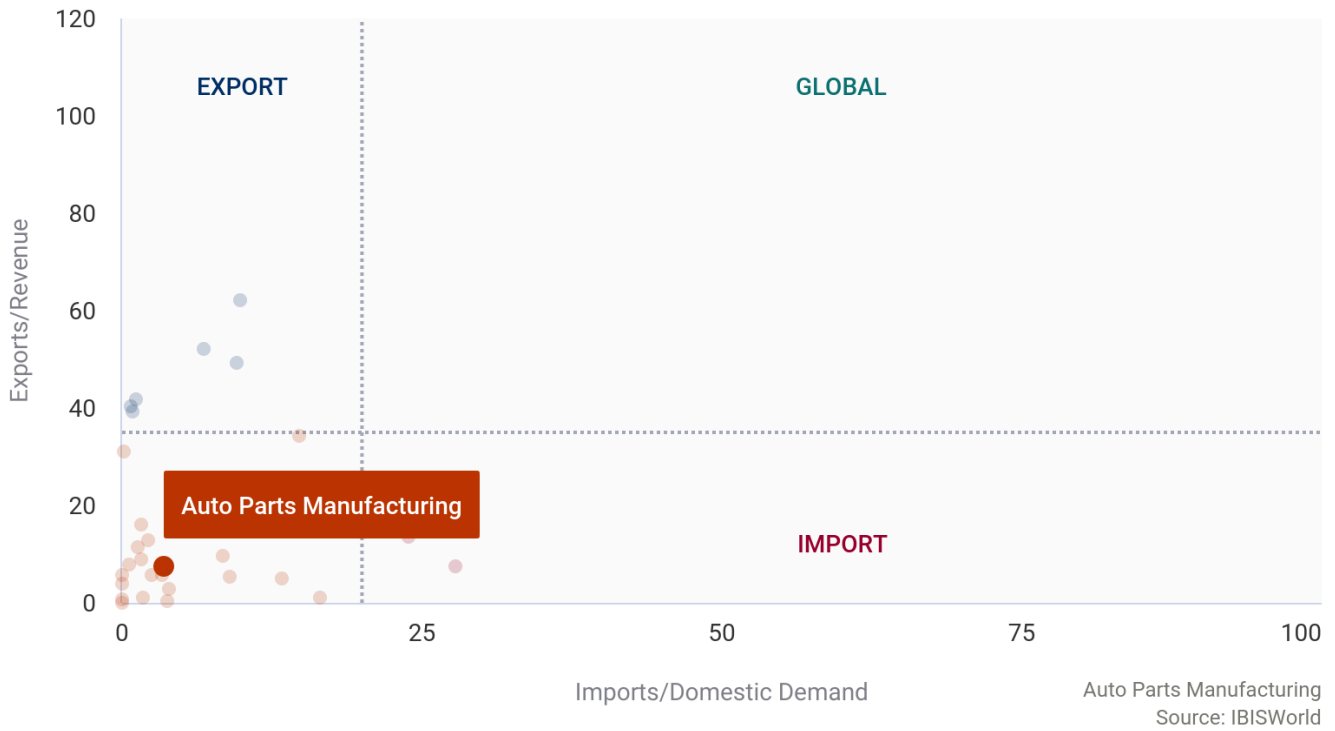
Barriers to Entry in this industry are ⊖ **Medium** and the trend is **Steady**

The Auto Parts Manufacturing in China is capital intensive, which makes it more difficult for new enterprises to enter the industry.

Barriers to Entry Checklist

Competition	High △
Concentration	Low ⊙
Life Cycle Stage	Decline △
Technology Change	Medium ⊖
Regulation & Policy	Medium ⊖
Industry Assistance	High ⊙

Trade Globalization 2024



Auto Parts Manufacturing
Source: IBISWorld

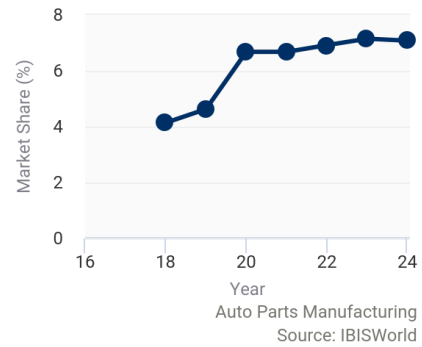
Major Companies

Major Players

Weichai Holding Group Co., Ltd.

Market Share: 7.1%

Weichai Holding Group Co., Ltd.



Year	Revenue (\$b)	Growth (Hours)	NPBT (\$b)	Growth (Hours)	Assets (\$b)	Growth (Hours)
2013	9.5	N/C	0.7	N/C	12.8	N/C
2014	12.9	35.8	1.1	57.1	19.5	52.3
2015	11.7	-9.3	0.5	-54.5	18.3	-6.2
2016	14.0	19.7	0.7	40.0	24.7	35.0
2017	22.4	60.0	1.6	128.6	28.1	13.8
2018	24.1	7.6	2.1	31.2	31.1	10.7
2019	25.2	4.6	2.1	0.0	34.3	10.3
2020	28.6	13.5	1.8	-14.3	39.2	14.3
2021	31.6	10.5	2.2	22.2	42.9	9.4
2022*	33.5	6.0	2.1	-4.5	43.8	2.1
2023*	35.4	5.7	2.2	4.8	44.9	2.5

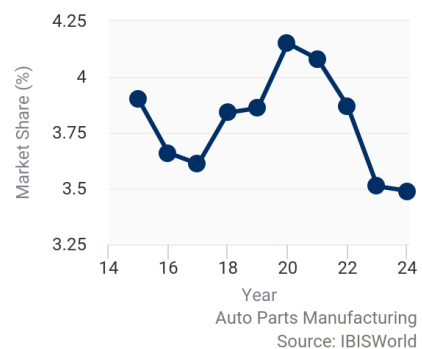
Source: Annual Report

Note: *ACMR-IBISWorld estimates

SAIC Motor Corporation Limited

Market Share: 3.5%

SAIC Motor Corporation Limited



SAIC Motor Corporation Limited - industry segment performance

Year	Revenue (\$b)	Growth (Hours)
2013	17.5	N/C
2014	18.3	4.6
2015	20.0	9.3
2016	22.3	11.5
2017	23.5	5.4
2018	26.6	13.2
2019	23.9	-10.2
2020	20.7	-13.4
2021*	24.7	19.3
2022*	27.4	10.9
2023*	29.7	8.4

Source: Annual Report

Note: *ACMR-IBISWorld estimates

Huayu Automotive Systems Company Limited - financial performance

Year	Revenue (\$m)	Growth (Hours)	NPBT (\$m)	Growth (Hours)	Assets (\$m)	Growth (Hours)
2013	11.3	N/C	1.2	N/C	8.8	N/C
2014	12.0	6.2	1.1	-8.3	10.3	17.0
2015	14.5	20.8	1.2	9.1	12.5	21.4
2016	18.7	29.0	1.5	25.0	16.2	29.6
2017	20.8	11.2	1.6	6.7	18.3	13.0
2018	23.8	14.4	1.7	6.2	20.2	10.4
2019	20.8	-12.6	1.4	-17.6	20.1	-0.5
2020	19.3	-7.2	1.2	-14.3	21.8	8.5
2021*	21.7	12.4	1.4	16.7	23.8	9.2
2022*	22.4	3.2	1.4	0.0	24.5	2.9
2023*	22.9	2.2	1.5	7.1	25.1	2.4

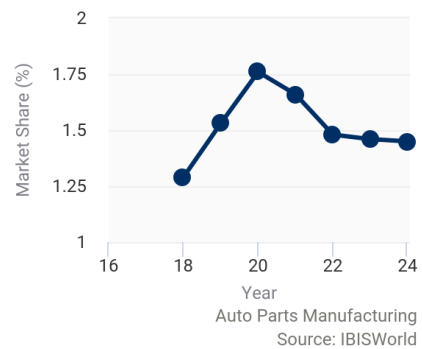
Source: Annual Report

Note: *ACMR-IBISWorld estimates

Beijing Hainachuan Automotive Parts Co., Ltd.

Market Share: 1.5%

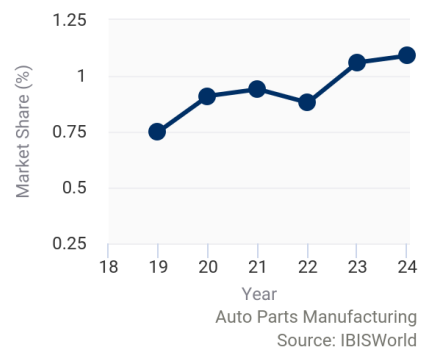
Beijing Hainachuan Automotive Parts Co., Ltd.



Guangzhou Automobile Group Co., Ltd.

Market Share: 1.1%

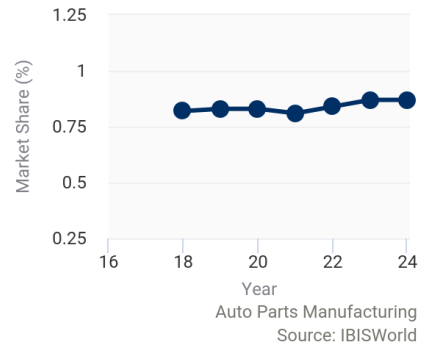
Guangzhou Automobile Group Co., Ltd.



Aviation Industry Corporation of China, Ltd.

Market Share: 0.9%

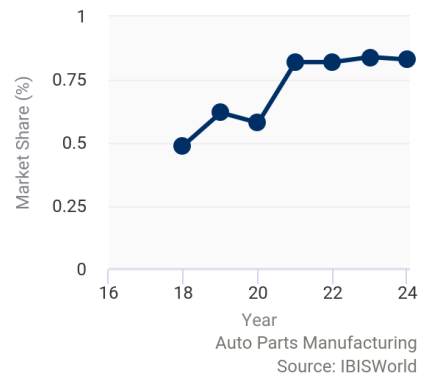
Aviation Industry Corporation of China, Ltd.



CITIC Dicastal Co., Ltd.

Market Share: 0.8%

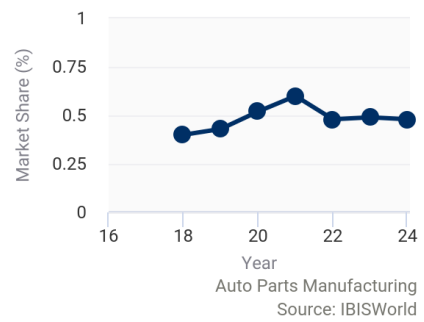
CITIC Dicastal Co., Ltd.



Dongfeng Motor Parts and Components Group Co., Ltd.

Market Share: 0.5%

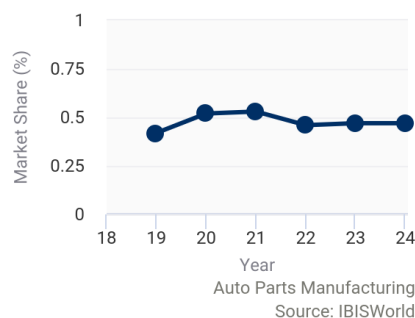
Dongfeng Motor Parts and Components Group Co., Ltd.



Changchun FAWAY Automobile Components Co., Ltd.

Market Share: 0.5%

Changchun FAWAY Automobile Components Co., Ltd.



Year (Units)	Revenue (\$m)	Growth (% change)	NPBT (\$m)	Growth (% change)	Assets (\$m)	Growth (% change)
2004	409.0	N/C	4.5	N/C	229.9	N/C
2005	265.8	-35.0	-14.3	N/C	236.1	2.7
2006	300.5	13.1	0.3	N/C	231.6	-1.9
2007	401.4	33.6	5.9	1,866.7	244.0	5.4
2008	419.8	4.6	22.9	288.1	226.6	-7.1
2009	430.6	2.6	43.1	88.2	275.8	21.7
2010	913.2	112.1	94.1	118.3	528.9	91.8
2011	1,080.1	18.3	80.9	-14.0	638.2	20.7
2012	1,216.7	12.6	74.0	-8.5	758.4	18.8
2013*	1,097.0	N/C	58.3	N/C	897.9	N/C

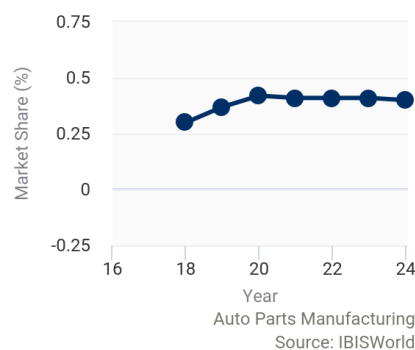
Source: Annual Report

Note: *January to September

NingboHuaxiang Electronic Co., Ltd.

Market Share: 0.4%

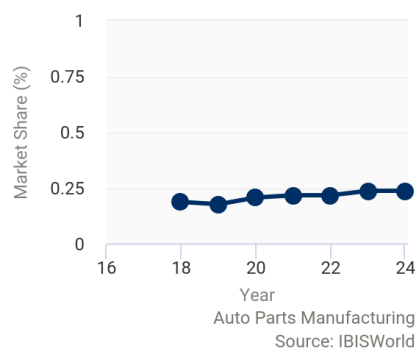
NingboHuaxiang Electronic Co., Ltd.



Wanxiang Qianchao Co., Ltd.

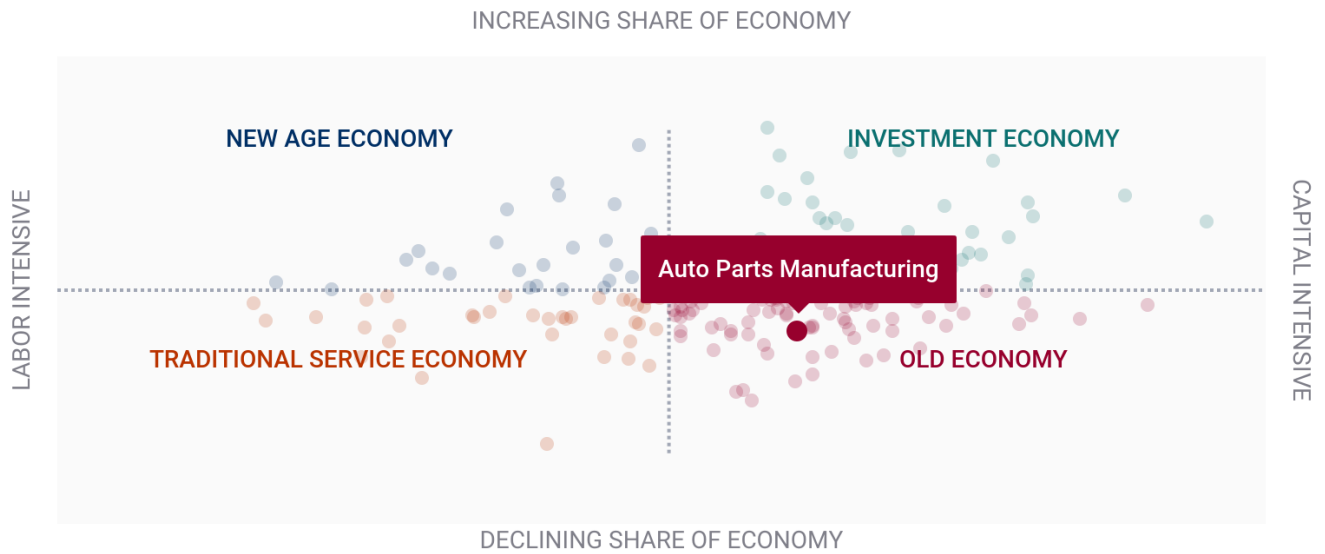
Market Share: 0.2%

Wanxiang Qianchao Co., Ltd.



Operating Conditions

Costs of Growth: Targeting Capital vs. Labor



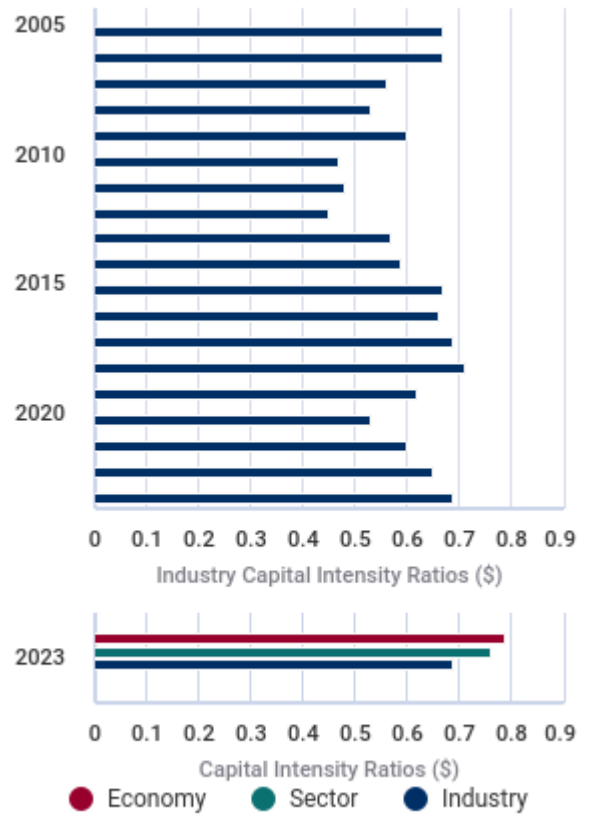
Auto Parts Manufacturing in China
Source: IBISWorld

Capital Intensity

The level of capital intensity is ▲ High

The Auto Parts Manufacturing in China is capital intensive, which makes it more difficult for new enterprises to enter the industry.

Capital Intensity Ratios



Auto Parts Manufacturing
Source: IBISWorld

Technology & Systems

Potential Disruptive Innovation: Factors Driving Threat of Change

Level	Factor	Disruptive Effect	Description
⊖ Medium	Rate of Innovation	Potential	A ranked measure for the number of patents assigned to an industry. A faster rate of new patent additions to the industry increases the likelihood of a disruptive innovation occurring.
☑ Very Low	Innovation Concentration	Very Unlikely	A measure for the mix of patent classes assigned to the industry. A greater concentration of patents in one area increases the likelihood of technological disruption of incumbent operators.
☑ Very Low	Ease of Entry	Very Unlikely	A qualitative measure of barriers to entry. Fewer barriers to entry increases the likelihood that new entrants can disrupt incumbents by putting new technologies to use.
⚠ Unknown	Rate of Entry	Unknown	Annualized growth in the number of enterprises in the industry, ranked against all other industries. A greater intensity of companies entering an industry increases the pool of potential disruptors.
⚠ Very High	Market Concentration	Very Likely	A ranked measure of the largest core market for the industry. Concentrated core markets present a low-end market or new market entry point for disruptive technologies to capture market share.

The rate of new patent additions to the industry is low. This is combined with a low concentration of innovation. Both factors being low suggests that new technology entry is slow and widespread, which limits the threat of disruptive threats hurting leading industry operators.

The major markets for this industry are highly concentrated, which implies that the market has a focus on key customer segments. This presents an opportunity for strategic entrance into lower-end markets or unserved markets for innovations to take on a disruptive trajectory.

The level of technology change is ⊖ Medium

Transmission system and components are the largest product segment

- The transmission system and components are mainly composed of six parts, including clutch system, automated mechanical transmission system, universal transmission device, main reducer system, differential system and axle shaft system.
-

The transmission system and components make up the industry's largest product segment, contributing to an estimated 46.3% of total industry revenue in 2024.

Energy conservation and environmental protection, portability of operation and integration of vehicle electronic integrated control are important development trends of transmission system and components in the future.

Intelligent connected vehicle development will drive continuous growth of electronic parts and accessories segment

- Electronic parts and accessories mainly include automotive wiring harness and components, vehicle electronics, auxiliary driving and components, sensors, electronic control units and components. The most

important role of electronic parts and accessories is to improve the safety, comfort, economy and entertainment of vehicles.

-

Electronic parts and accessories are expected to generate 18.8% of total industry revenue in 2024.

The transformation of the automobile industry towards electrification, intelligence and networking will drive the continuous growth of the electronic parts and accessories market.

Suspension system and components market develops, benefiting from single component cost advantage

- Suspension system and components refers to the whole support system composed of springs and shock absorbers between the body and tires. The function of the suspension system and components is to support the body and improve the feeling of driving. Different suspension settings will make the driver have different driving feelings.

-

With the cost advantage of single components like shock absorber, spring, swing arm or control arm, subframe and torsion beam, the suspension system and components market develops fast.

Suspension system and components are forecast to account for 9.2% of total industry revenue in 2024.

Wheel system and components are also major segment

- The wheel system is the walking component of a car. When the car is working, the wheels transmit the force emitted by the car to the road surface, and at the same time transmit the reaction force given by the ground back to the car. The car achieves the agreed bearing capacity and completes the standard movement based on the force and torque transmitted by the wheels. The wheel system and components include wheel hub and tire and components.

-

The wheel system and components are expected to account for 8.8% of total industry revenue in 2024.

Braking system and components are the fifth largest segment

- The braking system is a series of specialized devices that can forcibly reduce the driving speed of a car. The main function is to slow down or even stop a moving car, maintain a stable speed for downhill driving, and keep a stopped car stationary. The braking system and components include brake assembly and components, brake friction materials, brake pumps and components, and brake control systems and components.

-

The braking system and components are expected to account for 7.1% of total industry revenue in 2024.

Steering system and components are an important segment

- The steering system is a series of devices used to change or maintain the direction of a car's movement or reverse. The steering system and components include steering gear assembly and components, steering column and components, and steering booster and components.

-

The steering system and components are expected to account for 6.1% of the industry revenue in 2024.

Other parts and accessories are the smallest segment

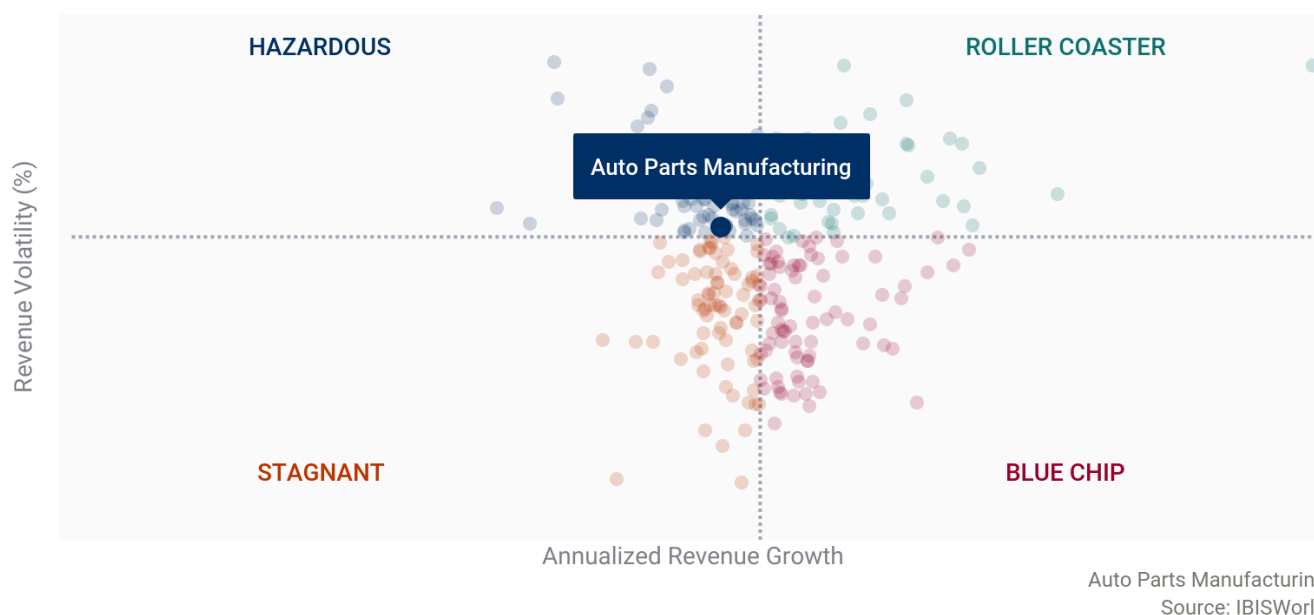
- Other parts and accessories mainly include air intake and exhaust system, ignition system, lubrication system, cooling system and starting system, etc.

-

Other parts and accessories are expected to account for 3.5% of the industry revenue in 2024.

Revenue Volatility The level of volatility is △ Medium

Volatility vs. Growth



The development of the Automobile Manufacturing industry directly influence the industry

- China's Automobile Manufacturing industry had grown strongly before 2018, and the number of vehicles in use across China has increased significantly. This trend has driven significant growth in the upstream Auto Parts Manufacturing industry.
- In 2019, the production output and sales volume of automobiles decreased 7.5% and 8.2%, respectively, which directly negatively influenced the Auto Parts Manufacturing industry, resulting in decreasing industry revenue and contribution to industry fluctuation.

The outbreak of COVID-19 has increased industry volatility

- The COVID-19 outbreak directly caused a reduced production capability.
- COVID-19 pandemic had also weakened consumers' purchasing power and lowered their future income growth expectation, resulting in sales reduction of automobiles, which further had negative impact on the Auto Parts Manufacturing industry.
-

In 2020, mainly due to negative impact of sudden outbreak of COVID-19 pandemic, the industry revenue decreased 13.1% to \$582.4 billion.

Regulation & Policy The level of regulation is ⊖ Medium and the trend is Decreasing

Implementation Plan of Strong Chain Project for Guangdong Auto Parts Industry

The Department of Industry and Information Technology of Guangdong Province launched the Implementation Plan of "Strong Chain Project" for Guangdong Auto Parts Industry in September 2022, Deepening efforts to stabilize and strengthen auto parts chains, accelerating the construction of independent, efficient, safe and stable industrial chain supply chain system, and improving the international competitiveness of Guangdong auto parts industry.

Action Plan for Carbon Dioxide Peaking before 2030

The State Council printed the Action Plan for Carbon Dioxide Peaking before 2030 in October 2021, stimulating the high-quality development of remanufacturing industry of auto parts, engineering machinery, stationery and office equipment, enhancing popularization and application of resource regeneration products and remanufacturing products, and aiming to largely improve energy efficiency and broadly apply the green and low-carbon technologies.

Interim Measures for the Management of the Remanufacturing Specifications of Auto Parts

The National Development and Reform Commission issued the Interim Measures for the Management of the Remanufacturing Specifications of Auto Parts in April 2021. The interim measures standardize the remanufacturing behavior and market order of auto parts, ensure the quality of remanufactured products, and promote the


standardized development of remanufacturing industry.

National Catalogue of Industries Encouraged by Foreign Investment (2020 version)

The National Development and Reform Commission launched the National Catalogue of Industries Encouraged by Foreign Investment (2020 version) in December 2020, which put forward that foreign investment are encouraged in auto parts manufacturing industry, remanufacturing of mechanical equipment including machine tools, engineering machinery and railway locomotive equipment, remanufacturing of high-end medical devices and key components like medical imaging equipment, and remanufacturing of office equipment like photocopiers.

The 14th Five-Year Plan for Circular Economy Development

The National Development and Reform Commission printed the 14th Five-Year Plan for Circular Economy Development, improving the remanufacturing level of auto parts, engineering machinery, machine tools, and stationery and office equipment, promoting remanufactured auto parts and stationery and office equipment in after-sales maintenance, insurance, commerce, logistics, leasing and other fields, and further increasing the proportion of remanufacturing products in the after-sales market.

Industry Assistance The level of industry assistance is  **High** and the trend is **Decreasing**

Private support doesn't apply to the industry

The Auto Parts Manufacturing industry does not receive any private sector support.

Key Statistics

Industry Data

Year	Revenue (\$m)	IVA (\$m)	Establishments (Units)	Enterprises (Units)	Employment (Units)	Exports (\$m)	Imports (\$m)	Wages (\$m)	Domestic Demand (\$m)
2015	615,671	124,989	12,641	4,578	3,055,000	32,157	26,518	35,877	610,031
2016	701,810	140,357	13,067	4,683	3,159,000	31,239	28,636	40,587	699,207
2017	737,201	148,879	13,372	4,756	3,254,000	35,203	30,747	42,570	732,745
2018	759,241	157,134	13,626	4,821	3,326,000	38,203	32,199	43,874	753,237
2019	669,916	137,962	13,497	4,757	3,299,000	36,385	27,327	43,860	660,857
2020	582,435	121,758	13,245	4,682	3,263,000	35,486	27,778	43,858	574,728
2021	623,995	130,733	13,055	4,609	3,224,000	46,919	31,209	43,702	608,285
2022	651,815	131,780	12,740	4,532	3,192,000	50,134	25,443	44,153	627,123
2023	677,930	134,480	12,464	4,474	3,176,000	54,083	21,836	44,139	645,682
2024	702,628	138,822	12,190	4,407	3,154,000	57,289	20,465	44,229	665,804
2025	730,733	144,539	11,946	4,332	3,135,000	60,726	19,953	44,450	689,960
2026	759,962	150,093	11,743	4,267	3,119,000	64,066	19,554	44,673	715,450
2027	786,561	155,110	11,543	4,212	3,103,000	67,269	19,261	44,896	738,552
2028	810,158	159,601	11,381	4,170	3,094,000	70,296	19,068	45,031	758,930
2029	830,412	163,425	11,256	4,132	3,085,000	73,108	18,973	45,121	776,276

Annual Change

Year	Revenue (%)	IVA (%)	Establishments (%)	Enterprises (%)	Employment (%)	Exports (%)	Imports (%)	Wages (%)	Domestic Demand (%)
2015	7.93	11.8	1.10	0.81	4.30	-2.19	-13.0	11.6	7.39
2016	14.0	12.3	3.37	2.29	3.40	-2.86	7.99	13.1	14.6
2017	5.04	6.07	2.33	1.56	3.01	12.7	7.37	4.89	4.80
2018	2.99	5.54	1.90	1.37	2.21	8.52	4.72	3.06	2.80
2019	-11.8	-12.2	-0.95	-1.33	-0.81	-4.76	-15.1	-0.03	-12.3
2020	-13.1	-11.7	-1.87	-1.58	-1.09	-2.47	1.65	0.00	-13.0
2021	7.14	7.37	-1.43	-1.56	-1.20	32.2	12.3	-0.35	5.84
2022	4.46	0.80	-2.41	-1.67	-0.99	6.85	-18.5	1.03	3.10
2023	4.01	2.05	-2.17	-1.28	-0.50	7.88	-14.2	-0.03	2.96
2024	3.64	3.23	-2.20	-1.50	-0.69	5.93	-6.28	0.20	3.12
2025	4.00	4.12	-2.00	-1.70	-0.60	6.00	-2.50	0.50	3.63
2026	4.00	3.84	-1.70	-1.50	-0.51	5.50	-2.00	0.50	3.69
2027	3.50	3.34	-1.70	-1.29	-0.51	5.00	-1.50	0.50	3.23
2028	3.00	2.90	-1.40	-1.00	-0.29	4.50	-1.00	0.30	2.76
2029	2.50	2.40	-1.10	-0.91	-0.29	4.00	-0.50	0.20	2.29

Key Ratios

Year	IVA/Revenue (%)	Imports/Demand (%)	Exports/Revenue (%)	Revenue per Employee (\$'000)	Wages/Revenue (%)	Employees per estab. (Units)	Average Wage (\$)
2015	20.3	4.35	5.22	202	5.83	242	11,744
2016	20.0	4.10	4.45	222	5.78	242	12,848
2017	20.2	4.20	4.78	227	5.77	243	13,082
2018	20.7	4.27	5.03	228	5.78	244	13,191
2019	20.6	4.14	5.43	203	6.55	244	13,295
2020	20.9	4.83	6.09	179	7.53	246	13,441
2021	21.0	5.13	7.52	194	7.00	247	13,555
2022	20.2	4.06	7.69	204	6.77	251	13,832
2023	19.8	3.38	7.98	213	6.51	255	13,898
2024	19.8	3.07	8.15	223	6.29	259	14,023
2025	19.8	2.89	8.31	233	6.08	262	14,179
2026	19.8	2.73	8.43	244	5.88	266	14,323
2027	19.7	2.61	8.55	253	5.71	269	14,469
2028	19.7	2.51	8.68	262	5.56	272	14,554
2029	19.7	2.44	8.80	269	5.43	274	14,626

Figures are inflation adjusted to 2024

Additional Resources

Glossary

BARRIERS TO ENTRY

High barriers to entry mean that new companies struggle to enter an industry, while low barriers mean it is easy for new companies to enter an industry.

CAPITAL INTENSITY

Compares the amount of money spent on capital (plant, machinery and equipment) with that spent on labor. IBISWorld uses the ratio of depreciation to wages as a proxy for capital intensity. High capital intensity is more than \$0.333 of capital to \$1 of labor; medium is \$0.125 to \$0.333 of capital to \$1 of labor; low is less than \$0.125 of capital for every \$1 of labor.

CONSTANT PRICES

The dollar figures in the Key Statistics table, including forecasts, are adjusted for inflation using the current year (i.e. year published) as the base year. This removes the impact of changes in the purchasing power of the dollar, leaving only the "real" growth or decline in industry metrics. The inflation adjustments in IBISWorld's reports are made using the US Bureau of Economic Analysis' implicit GDP price deflator.

DOMESTIC DEMAND

Spending on industry goods and services within China, regardless of their country of origin. It is derived by adding imports to industry revenue, and then subtracting exports.

EMPLOYMENT

The number of permanent, part-time, temporary and seasonal employees, working proprietors, partners, managers and executives within the industry.

ENTERPRISE

A division that is separately managed and keeps management accounts. Each enterprise consists of one or more establishments that are under common ownership or control.

ESTABLISHMENT

The smallest type of accounting unit within an enterprise, an establishment is a single physical location where business is conducted or where services or industrial operations are performed. Multiple establishments under common control make up an enterprise.

EXPORTS

Total value of industry goods and services sold by Chinese companies to customers abroad.

IMPORTS

Total value of industry goods and services brought in from foreign countries to be sold in China.

INDUSTRY CONCENTRATION

An indicator of the dominance of the top four players in an industry. Concentration is considered high if the top players account for more than 70% of industry revenue. Medium is 40% to 70% of industry revenue. Low is less than 40%.

INDUSTRY REVENUE

The total sales of industry goods and services (exclusive of excise and sales tax); subsidies on production; all other operating income from outside the firm (such as commission income, repair and service income, and rent, leasing and hiring income); and capital work done by rental or lease. Receipts from interest royalties, dividends and the sale of fixed tangible assets are excluded.

INDUSTRY VALUE ADDED (IVA)

The market value of goods and services produced by the industry minus the cost of goods and services used in production. IVA is also described as the industry's contribution to GDP, or profit plus wages and depreciation.

INTERNATIONAL TRADE

The level of international trade is determined by ratios of exports to revenue and imports to domestic demand. For exports/revenue: low is less than 5%, medium is 5% to 20%, and high is more than 20%. Imports/domestic demand: low is less than 5%, medium is 5% to 35%, and high is more than 35%.

LIFE CYCLE

All industries go through periods of growth, maturity and decline. IBISWorld determines an industry's life cycle by considering its growth rate (measured by IVA) compared with GDP; the growth rate of the number of establishments;

the amount of change the industry's products are undergoing; the rate of technological change; and the level of customer acceptance of industry products and services.

NONEMPLOYING ESTABLISHMENT

Businesses with no paid employment or payroll, also known as nonemployers. These are mostly set up by self-employed individuals.

PROFIT

IBISWorld uses earnings before interest and tax (EBIT) as an indicator of a company's profitability. It is calculated as revenue minus expenses, excluding interest and tax.

VOLATILITY

The level of volatility is determined by averaging the absolute change in revenue in each of the past five years. Volatility levels: very high is more than $\pm 20\%$; high volatility is $\pm 10\%$ to $\pm 20\%$; moderate volatility is $\pm 3\%$ to $\pm 10\%$; and low volatility is less than $\pm 3\%$.

WAGES

The gross total wages and salaries of all employees in the industry. The cost of benefits is also included in this figure.

The logo for IBISWorld, featuring the company name in a white serif font inside a black rounded rectangle.

WHERE KNOWLEDGE IS POWER

IBISWorld helps you find the industry information you need – fast.

With our trusted research covering thousands of global industries, you'll get a quick and intelligent overview of any industry so you can get up to speed in minutes. In every report, you'll find actionable insights, comprehensive data and in-depth analysis to help you make smarter, faster business decisions. If you're not yet a member of IBISWorld, contact us at 1-800-330-3772 or info@ibisworld.com to learn more.

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