

## China National Bureau of Statistics and Sinotrust Jointly Release '2009 Q3 China Automotive Industry Climate Index'

Beijing, October 28, 2009----The China Economic Monitoring Center of the China National Bureau of Statistics and Sinotrust International Information & Consulting (Beijing) Co., Ltd. jointly release the "2009 Q3 China Automotive Industry Climate Index".

### 1. The Comprehensive China Automotive Industry Climate Index registers 99.6 points

### 2. The Pre-warning Index of China Automotive Industry records 90.0 points

The Pre-warning Index is an important indicator reflecting the climate of the auto industry. In Q3 of 2009, the indicator reaches 90.0 points, 3.3 points and 6.7 points higher than in Q2 and Q1 respectively.

From the chart, the index in Q3 is still located in the "Green Zone", indicating that the industry climate is normal.

### 3. The Entrepreneur Expectation Index of China Automotive Industry registers 127.5 points

The Auto Industry Entrepreneur Expectation Index reflects automakers' perception on the current market situation as well as their future anticipations. The index registers 127.5 points in Q3 of 2009, up 2.3 points from Q2, showing that entrepreneurs have strong faith in the market and are becoming more optimistic than they were in Q1 and Q2.

### 4. The Dealer Manager Index of China Automotive Industry registers 117.4 points

The Dealer Manager Index demonstrates dealers' perception on the current market situation as well as their future anticipations. Registering 117.4, the index is 13.9 points higher than in Q2, showing that dealers are still optimistic about the market and that their confidence in Q4 is boosted.

In summary, the following trends were observed during the survey: First, the index of Q3 rebounds strongly after hitting the bottom in Q2. Secondly, the indicators of the auto industry health, including production, export, sales, profit, tax, investment, etc. all improve to different extents, showing a strong recovery trend. Thirdly, the capital occupation rate for finished products is reduced; the auto market is booming; and the inventory level keeps dropping. Finally, entrepreneurs and dealers show optimism in the future market development.

It is worth of notice that the auto market continues to prosper in Q3 and the major economic indicators of the auto industry record great gains compared with the same period last year. However, the global

economy is still gripped by the financial crisis, various economies have taken some trade protection measures against China; therefore, China's auto and spare parts export sector is still facing a difficult situation.

### **Forecast of the Climate Index of China Automotive Industry in the Fourth Quarter of 2009**

According to the Q3 survey results, the auto industry climate shows a strong sign of recovery; the auto production and sales increase significantly compared with the same period last year; and the pre-tax profit is much better than in the first half of this year. However, the situation in the auto and spare parts export market remains tough.

Since several of the preferential policies are due to be launched by the end of the year, it is expected that car purchases will be somewhat stimulated. Also, we anticipate that the auto market in Q4 will continue to grow at a rapid pace, the auto industry climate will keep rising, the operating conditions of the industry will maintain a good momentum, the major indicators will improve further and entrepreneurs' profit-making ability will continue to be enhanced.

According to the survey results, entrepreneurs and dealers have stronger confidence in the auto market in Q4 and still hold an optimistic attitude toward the future market development.

The Entrepreneur Expectation Index shows that all the respondents are optimistic about the market demand in Q4. In terms of labour demand, 62.5% of the respondents believe that the demand in Q4 will increase, and the remaining 37.5% report that the demand will stay the same as in Q3. In addition, in terms of liquidity and finance, nearly 80% of the interviewed entrepreneurs are more optimistic about their business operations in Q4 than in Q3.

The Dealer Manager Index shows that auto dealers hold gloomier anticipation toward Q4 than Q3. 12.9% of the respondents believe that the customer traffic volume in Q4 will "significantly increase" from Q3, and 60.9% of them believe that the customer traffic volume will "slightly increase". At the same time, 71.6% of the respondents believe that the transaction rate in Q4 will rise compared with Q3. Overall, respondents are very optimistic about the sales volume in the fourth quarter.

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## About China Automotive Industry Climate Index

The China Automotive Industry Climate Index was developed jointly by the China Economic Climate Monitor Center of the National Bureau of Statistics of China and Sinotrust at the beginning of 2009. The index gives a quantitative description of the development trends of the auto market in China.

The quarterly-issued China Automotive Industry Climate Index consists of the Comprehensive Climate Index, Pre-warning Index, Entrepreneur Expectation Index, Dealer Manager Index and Buying-power Index, based on which, the *Reports for the Research on China Automobile Industry Climate* is compiled to analyze the reasons and trends of climate changes, estimate industry development period, identify the peak and bottom of industry development, and give pre-warning signals. All this paves the way for national macroeconomic control over the auto sector and the creation of production and sales plans by automakers, and guides the sound development of China's auto industry with its accurate and most-up-to-date information.

## About Sinotrust Automotive Marketing Solutions

Sinotrust is a leading supplier of marketing solutions to the Chinese automotive market. With offices in Beijing, Shanghai and Guangzhou, we have a team of over 200 skilled professionals devoted to our automotive marketing solutions. Our Automotive Marketing Solutions integrate information, services and technology to provide marketing research services, marketing consulting & business strategy services and database marketing services, helping automotive companies position their products correctly, identify target markets accurately and conduct effective marketing so as to develop a sustainable and profitable customer relationship.

To learn more about our resources and capabilities, please go to:

[http://www.sinotrust.cn/Demo.do?cmd=hangye\\_index&color=hangye\\_index&m=1](http://www.sinotrust.cn/Demo.do?cmd=hangye_index&color=hangye_index&m=1)

or: [www.motorlink.cn](http://www.motorlink.cn) (currently only available in Chinese)

## About Sinotrust

Sinotrust is a leading supplier of marketing solutions and credit solutions in China. We collect, analyze and manage information about markets, consumers and businesses to provide marketing research, business information, consulting and database marketing services through integration of information, services and technology. Our products and services help you make better marketing and credit decisions and develop profitable customer relationships.

Over 80% of the Fortune 500 companies operating in China are using different products and services of ours. We employ about 1,000 people in our offices in Beijing, Shanghai and Guangzhou, supporting organization clients from automotive, financial services, insurance, retail, telecommunications, IT, manufacturing, consumer products and trade sectors.

At the beginning of 2007, Experian, the global leader in providing information, analytical and marketing services, made a strategic investment in Sinotrust with both capital and know-how. The investment will greatly improve our service capabilities.

To learn more about Sinotrust, please visit our website: [www.sinotrust.cn](http://www.sinotrust.cn)

