

Press release

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Automechanika Shanghai 2020 reveals online tools to navigate current trends and post-pandemic opportunities

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With many Asian countries and regions showing strong signs of early market recovery from COVID-19, Automechanika Shanghai is stepping up its online resources to reconnect players in the automotive ecosystem. These channels will facilitate communication between exhibitors and visitors prior to the 16th edition of the show, as well as allow players to capture the latest global industry developments in response to a rapidly evolving business environment.

Ms Fiona Chiew, Deputy General Manager, Messe Frankfurt (HK) Ltd, reflected that: “As the industry starts to spring back from the effects of COVID-19, we believe that highly influential platforms like Automechanika Shanghai play a crucial role rejuvenating the market. It is our mission to help players unlock their potential. Therefore, we are continuing to realign our resources by utilising new digital tools, spurred on from the pandemic, to support global automotive industry recovery before, during, and after the show.”

To begin with, the show recently launched a webinar series to offer guidance on trends and post-pandemic industry recovery. The first session, hosted on 9 July, examined the impact of COVID-19 in the regional market. Chaired by Mr Ricky Wang, China Aftermarket Forum (CAF) Executive Committee Vice Chairman Vice President, he spoke with representatives from the China Automobile Dealers Association, Deloitte China and Launch.

Hailing from different backgrounds, speakers were very optimistic about the post-pandemic recovery period in the automotive industry, highlighting that Asian countries and regions like China and South Korea are already showing signs of early market recovery. Forecasts discussed in the webinar predict that automotive industries in these nations could even start thriving as early as October 2020. For instance, Dr Marco Hecker, Chief Strategy Officer, Deloitte China deemed that this could be a result of strong consumer demand for car sales globally following deferred spending at the beginning of 2020.

Ms Lang Xuehong, Deputy Secretary General of China Automobile Dealers Association and Director of Industry Coordination built on this premise with findings that suggest China’s automotive market will grow in 2021, towards a long-term calculation of 30 million units sold in 2025.

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Representatives also shared that China implemented several local measures in the first half of the year to stabilise, expand and stimulate the auto market. For example, the country has extended its sales incentive for the new energy vehicle industry until 2022. It is also further promoting the emerging used-car market; introduced at the beginning of May until the end of 2023, value-added tax will be lowered to 0.5 percent of sales for used-car dealers. This growing market will become an important revenue source for dealers and OEMs. Elsewhere, the domestic government will postpone implementing the 'China 6 Emission Standards' fully¹. This will allow additional time for carmakers to sell their 'China 5 emissions vehicles' inventory following slower sales at the beginning of the year.

On a wider scale, countries and regions across the world are leveraging various government initiatives to stimulate growth. In fact, recent global research identified by Deloitte China during the webinar, has even projected an 11.3 percent upturn in global car sales as early as 2021. China, together with Japan, Australia and South East Asia will continue to bounce back at positive upward rates, in various stages, across the next three years.

Mr Cheng Yongshun, Vice President of China National Machinery Industry International, noted: "Despite current challenges brought forward by COVID-19, players are seizing new opportunities, as well as accelerating the implementation of key trends that were already influencing the global industry. As a crucial market worldwide, we can see that China and Asia are bouncing back from the pandemic quickly. In particular, the automotive market should benefit greatly from the used-car market, strong demand for new energy vehicles, cross collaboration, and digitalisation throughout the supply chain, which are being amplified at the show."

Value-added services to help players connect

In extra efforts to re-establish networks across the market, Automechanika Shanghai is pioneering other digital tools to encourage information exchange, marketing, trade and education. These resources focus on supporting players overcome some of the challenges arising from the pandemic.

To illustrate, a number of online matchmaking events will take place in the months leading up to the show's opening. Highlighting its global influence, the first session, held on 28 August 2020, will unite a collection of South American buyers looking to engage with Chinese and international companies registered as exhibitors. This will follow with another event on 20 October 2020 for buyers from Asian and European countries and regions. The online platforms aim to create a pathway for matched pairs to understand more about potential suppliers ahead of the fair, along with more matchmaking and digital hybrid events to provide exclusive sourcing opportunities at the show itself.

Automechanika Shanghai
Shanghai, 2 – 5 December 2020

¹ China: Light-duty: Emissions, transportpolicy.net, May 2020, <https://www.transportpolicy.net/standard/china-light-duty-emissions/> (accessed on: 8 August 2020)

At the same time, Automechanika Shanghai will continue to convene key market leaders, specialists and consultancies in its webinar series discussing future prospects in the auto industry. To find out more, please visit <http://www.automechanika-shanghai.com/events>.

Automechanika Shanghai will take place from 2 to 5 December 2020 at the National Exhibition and Convention Center in China. During the four-day exhibition, over 50 fringe events will target current and future trends, and thematic showcases will amplify emerging business opportunities across the entire supply chain.

Elsewhere, amongst the 5,300 exhibitors expected to join the fair, key brands like Anchi, APG, Bangbang, Bilstein, Brembo, Carzone, CSIC, DeVilbiss, EAE, Eni, FAWER, FUCHS, HASCO Powertrain Components, Homotor, K-MAN, Launch, LIQUI MOLY, MA-FRA, MAXIMA, Michelin Lifestyle, MP Concepts, SAIC MOTOR, SATA, Sinopec Lubricant, SONAX, TEIN, Unionevo, VIE, Wanli, WEIFU, Yunyi, Zero Mileage Lubricant, ZF and Zynp Group have already confirmed their participation.

These exhibitors will be spread across the **Parts & Components, Electronics & Connectivity, Diagnostics & Repair / Body & Paint, Accessories, Customising, Tomorrow's Service & Mobility** and **REIFEN (Tyres & Wheels)** sectors in the 300,000 sqm exhibition space.

The fair is organised by Messe Frankfurt (Shanghai) Co Ltd and the China National Machinery Industry International Co Ltd (Sinomachint). In light of the COVID-19 outbreak, organisers are working with local authorities to ensure appropriate safety parameters are upheld. These measures are to safeguard the health and safety of all stakeholders so that the show remains a secure platform for business.

To find out more, visit www.automechanika-shanghai.com. Please contact Messe Frankfurt (HK) Ltd on + 852 2802 7728 or via email auto@hongkong.messefrankfurt.com for further enquiries.

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Background information on Messe Frankfurt

Messe Frankfurt is the world's largest trade fair, congress and event organiser with its own exhibition grounds. With about 2,600 employees at 29 locations, the company generates annual sales of around €736 million. We have close ties with our industry sectors and serve our customers' business interests efficiently within the framework of our Fairs & Events, Locations and Services business fields. One of the Group's key USPs is its closely knit global sales network, which extends throughout the world. Our comprehensive range of services – both onsite and online – ensures that customers worldwide enjoy consistently high quality and flexibility when planning, organising and running their events. The wide range of services includes renting exhibition grounds, trade fair construction and marketing, personnel and food services. Headquartered in Frankfurt am Main, the company is owned by the City of Frankfurt (60 percent) and the State of Hesse (40 percent). For more information, please visit our website at: www.messefrankfurt.com

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Background information on Sinomachint

China National Machinery Industry International Co Ltd. (Sinomachint) is a wholly-owned

subsidiary of China National Machinery Industry Corporation (SINOMACH), a large state-owned group. Sinomachint specializes in areas such as international exhibitions, trade and project contracting. International exhibition is a core business for Sinomachint, which are recognized because of many years of exhibition organizing experience and a professional organization team. Sinomachint held exhibitions that combine internationality and locality in over 30 large and medium-sized Chinese cities. The total exhibition area of exhibitions that Sinomachint independently organizes or jointly do with partners each year exceeds 3 million square meters. For more information, please visit the website at: www.sinomachint.com.