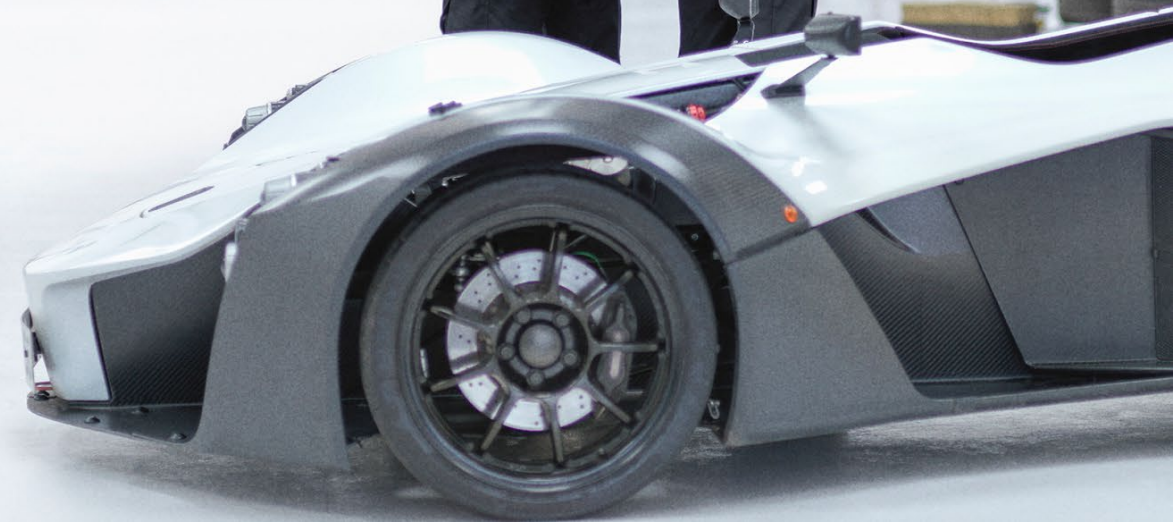




Overview of the ASEAN-6 automotive market

5th market snapshot | PwC Automotive ASEAN Centre of Excellence



February 2026

PwC's Automotive ASEAN Centre of Excellence (CoE) is ready to support you

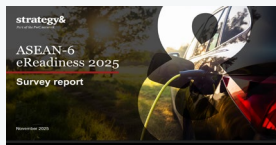
CoE objectives

- 1 Collaborate and manage **deep sector expertise** across the region
- 2 Support our automotive clients through their **transformative journey** in today's evolving landscape
- 3 **Deliver best solutions** to regional clients with our collective experience and comprehensive understanding of the automotive value chain

Our thought leadership



[ASEAN 4 Automotive Snapshot \(Aug 2025\)](#)



[ASEAN e-Readiness Report 2025](#)



[Automotive Supplier 2025](#)



[Electric Vehicle Sales Review Q4 2025](#)

Our automotives capabilities

Strategic (re-)positioning

- Market entry and feasibility studies
- Growth strategy/Dealer network strategy
- Transformational M&A
- Business model changes

Asset optimisation

- Working capital/cash flow/capex
- Tax and duties efficiency

Performance improvement

- Commercial excellence
- External cost out
- Workforce transformation
- IT, Digital and AI Solutions
- Corporate simplification

Trust, purpose and multiple impact

- Assurance/Audit
- Sustainability and ESG
- Risk assessment and assurance (incl. cybersecurity)



The CoE led by **Patrick Ziechmann**, includes 50+ participants* from **6 ASEAN countries** - Malaysia, Indonesia, Thailand, Vietnam, the Philippines and Singapore. The ASEAN CoE is embedded in a strong network of **Asia Pacific (APAC) representation** from China, India, Japan, and South Korea with 1,000+ automotive experts.

Contact us at: patrick.oliver.ziechmann@pwc.com



*Participants listed here represent only the two primary contacts per territory. Additional subject matter experts from across PwC's lines of service support the regional automotive capabilities.

Key takeaways from this 5th Automotive ASEAN market snapshot

Growth is happening, but unevenly.

The next volume pools are moving



ASEAN-6 volumes grew 1.9% (c.3.4m units), but momentum is shifting by country. Leaders should move away from an “ASEAN average” and instead shift launches, budgets, and network focus toward markets where demand is clearly strengthening.

Electrification has reached mainstream momentum.

ASEAN is now a two-speed region



ASEAN-6 xEV adoption doubled to ~26% (~752k units) in 2025. The gap is wide: Thailand ~44% vs Malaysia ~5%. Winners will need to make country-by-country powertrain choices, not one “ASEAN xEV plan”.

Market share is shifting faster than product cycles.

China is now a core competitor



Chinese OEMs reached c.11% ASEAN-6 share (2025) while Japanese brands fell to c.57% (from ~68% in 2023). This is a reset: cost, features-for-price, and launch speed will decide who continues to win.

Factory footprint is now commercial strategy, not just operations



ASEAN-6 production is expected to reach c.6m units and is increasingly linked to new entrants. Footprint and localisation choices will determine price competitiveness, exposure to incentive changes, and ability to protect margin as competition intensifies.

Policy changes will influence demand.

Plan for spikes and hangovers



Incentives and regulations are major demand drivers across ASEAN-6. Winners will prepare for pre-expiry rushes and post-expiry slowdowns with tighter control of pricing, inventory, and local assembly timing.

Trucks are facing the stress test.

Tight financing is already biting



ASEAN-4 truck sales declined ~3.4% in 2025 due to softer demand, higher operating costs, and tighter financing. Isuzu, Hino, and Mitsubishi still lead, but pressure is broad. Players will need to defend share via total cost of ownership, uptime-led service, and financing offers.

Automotive companies should explore 3 strategic thrusts and remain agile to adapt in the current dynamic environment

Connected – Autonomous – Shared – Electric (“CASE” Megatrends)

Technology

Consumer preferences

Competition

Regulations

1 Operational excellence

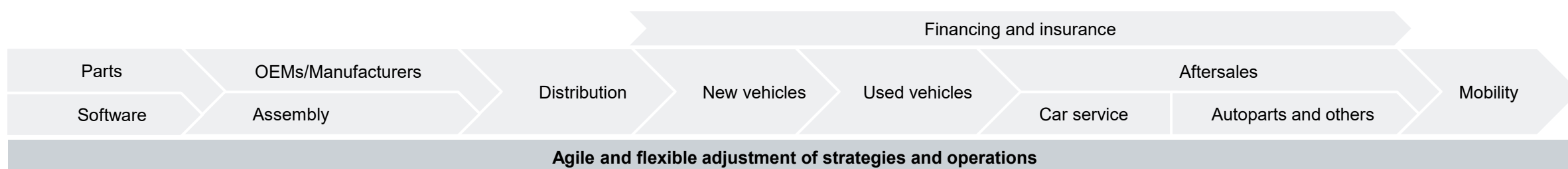
- Optimise footprint (production and sales/dealer network)
- Further enhance customer experience, loyalty, and pricing packages
- Explore digital and AI solutions in operations
- Adjust structures, processes, and systems to current operations

2 Business model redesign

- Identify new value pools, market opportunities and product innovation:
 - Transact to transform
 - Upstream growth
 - Downstream growth
 - Green field or buy and build
 - Focus activities/partial exit
- Used car, fleet and B2B play
- New services and bundles from Connectivity/Entertainment/Charging

3 Strategic alliances

- Build alliances with customers, suppliers, competitors, and related industry partners to address the four CASE megatrends
 - JV/partner search and screen
 - R&D technology
 - Sales and distribution (e.g. venture into new regional markets)
 - Purchasing
 - Production
 - Shared services
 - Alliance operating model



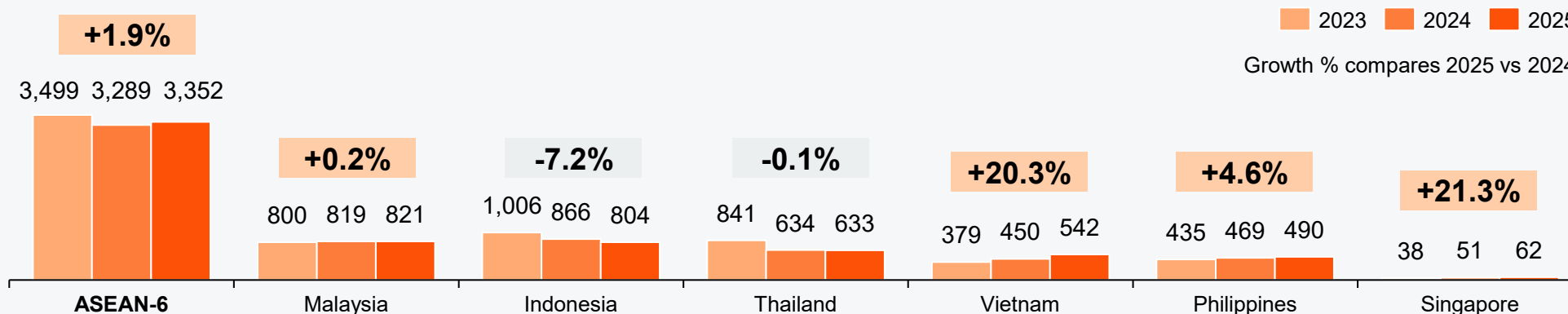


Overview of the ASEAN-6 Automotive Market

ASEAN-6 TIV grew +1.9% with growth seen in smaller markets. MY and TH remain steady, whilst ID posted the sharpest decline

ASEAN-6 Total Industry Volume ('000 units sold)

Note: *Total Industry Volume = No. of units sold inclusive of Passenger Vehicles (PV) and Commercial Vehicles (CV)



Malaysia

+0.2% growth in sales

Malaysia was ASEAN's largest light vehicle (LV) market in 2025. Driven by strong GDP growth of 4.9% and low inflation, TIV saw a slight uplift. Momentum was strongest in 4Q, driven by a surge in EV purchases ahead of the expiry of CBU EV tax incentives, and further supported by new model activity from the national makes.



Indonesia

-7.2% contraction in sales

LV TIV declined for the third year despite 5.1% GDP growth, with VAT increases, reduced public spending, and a weaker rupiah eroding purchasing power. A smaller middle class shifted demand towards used four wheelers (4W) and two wheelers (2W), while high household debt, tighter loan approvals, and scant policy stimulus weighed on new LV sales.



Thailand

-0.1% contraction in sales

With GDP at +2.2% and mild deflation (-0.14%), the market stabilised after 2024's -24.6% slump, especially in 2H25. Without November's severe floods and the Cambodia border tensions, TIV growth would likely have been achieved.



Vietnam

+20.3% growth in sales

Vietnam's TIV growth was led by VinFast (+88k), underpinned by strong GDP growth (+8.02%) and rising GDP per capita (~USD5,026), which made entry-level 4Ws affordable for more households.



Philippines

+4.6% growth in sales

Philippines TIV growth cooled in 2H25 as public spending slowed after a major infrastructure corruption scandal and severe floods. GDP rose just 4.4% in 2025, the slowest in five years and below the 5.5–6.5% target.



Singapore

+21.3% growth in sales

Singapore growth supported by additional Certificate of Entitlements (COE) being added across vehicle categories for 2025 and a strong economy with growth in GDP of 4.8%.

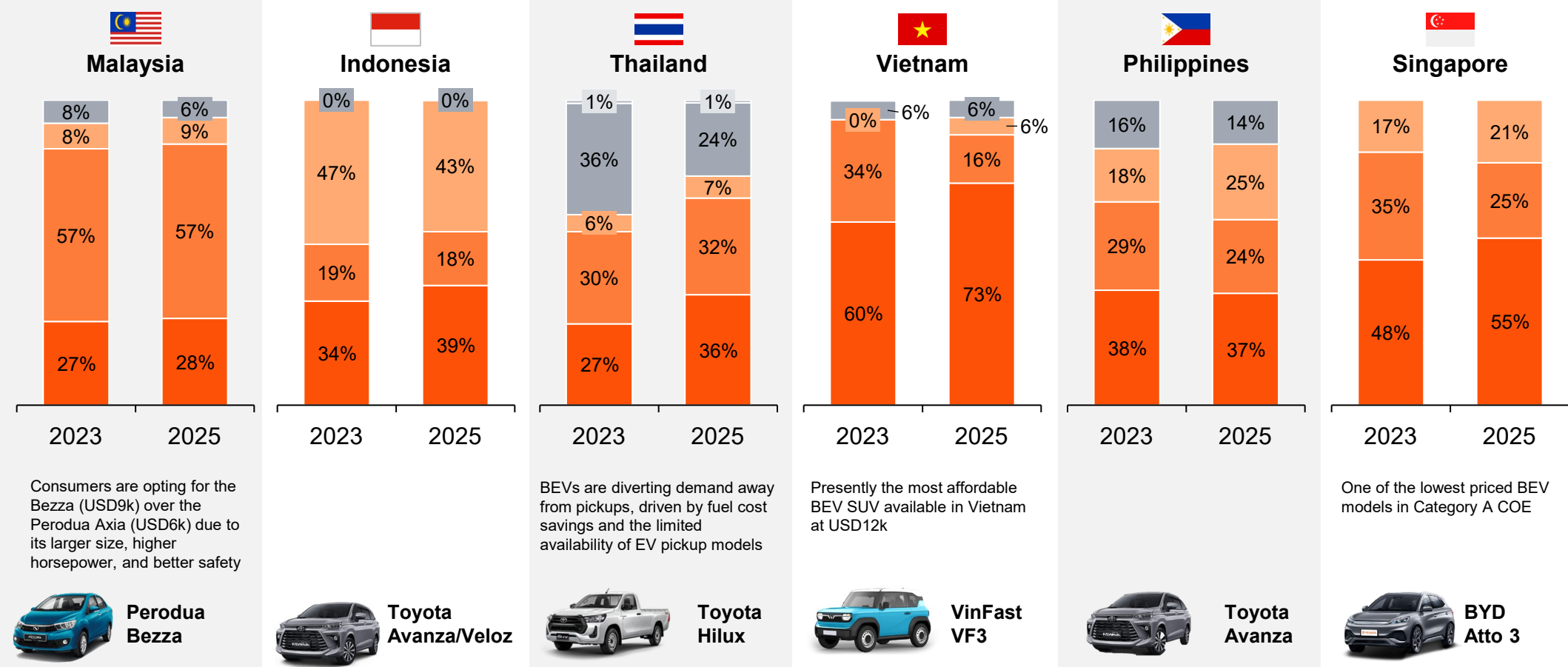
Segment mix is market-specific across the ASEAN-6. SUVs and MPVs lead in most markets, with the exception of MY

ASEAN 2025 Vehicle Market Share by Vehicle Segment

SUV Sedan & Hatchback MPV Pickup Others

Share of Vehicle Segment (2025)

Top Selling Model (2025)



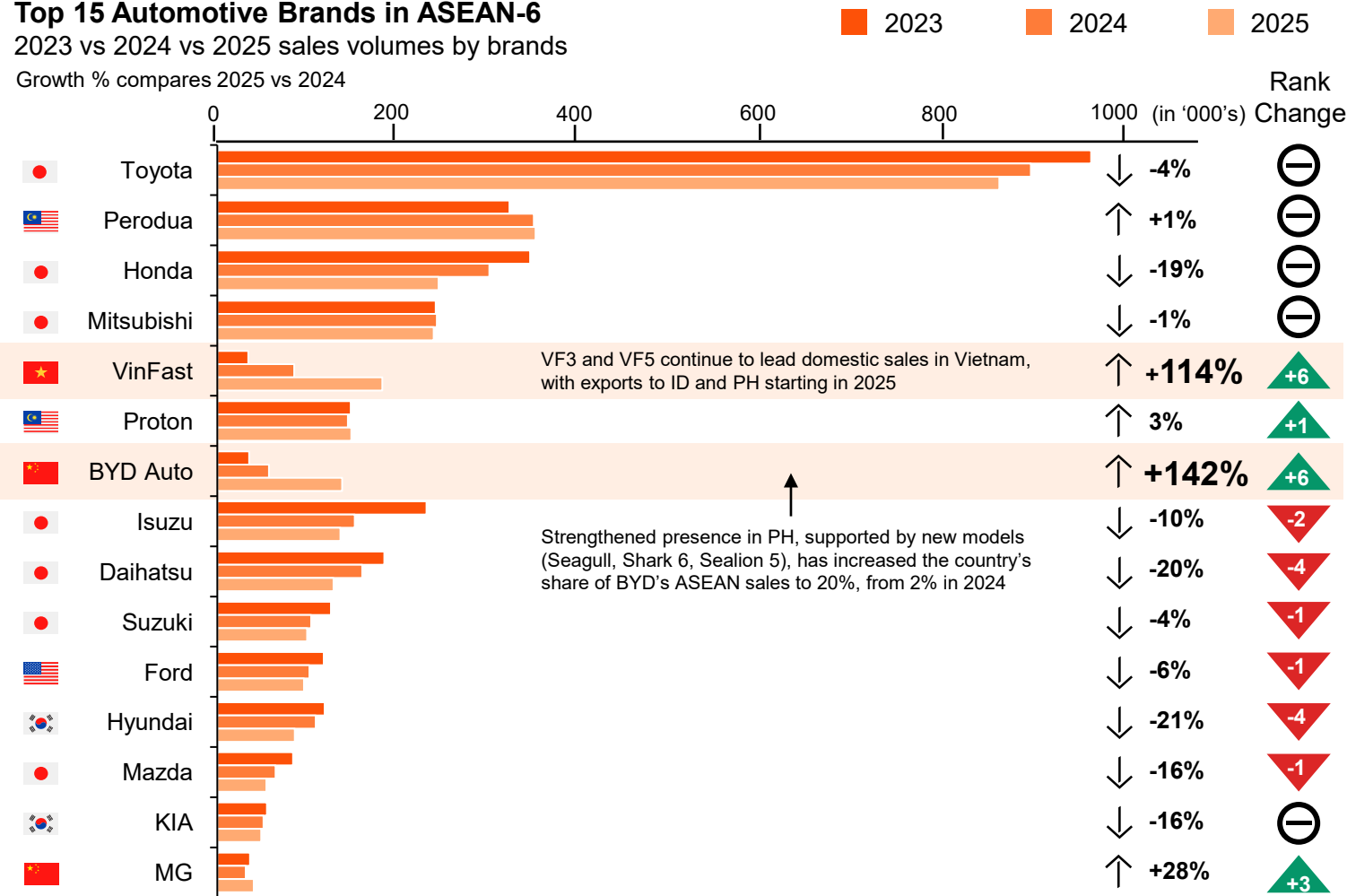
Note: BEV - Battery Electric Vehicles, FX Rate used as of February 2026: USD:MYR ~4.0, USD:VND~26k
Source: Marklines, PwC research and analysis

We see dynamic competitive changes across ASEAN-6, with Chinese OEMs rapidly gaining market share at the expense of Japanese brands

Top 15 Automotive Brands in ASEAN-6

2023 vs 2024 vs 2025 sales volumes by brands

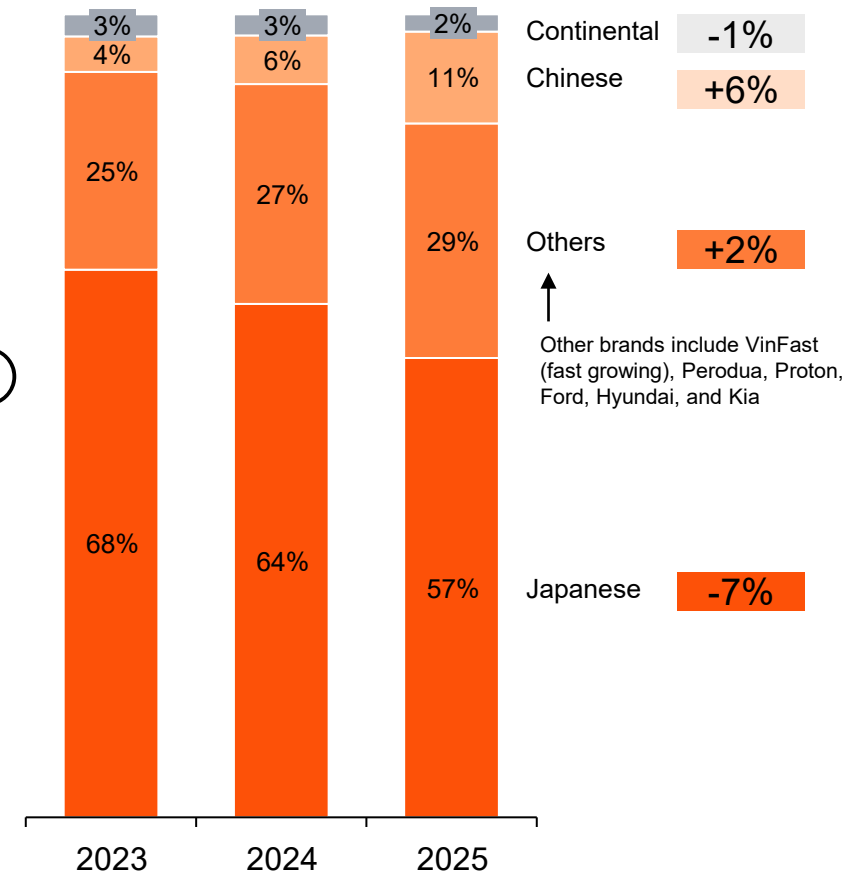
Growth % compares 2025 vs 2024



OEM Market Share in ASEAN-6

2023 vs 2024 vs 2025

Growth % compares percentage point change from 2025 vs 2024



Source: Marklines, PwC research and analysis

Japanese brands maintain a strong regional presence across ASEAN-6, while Chinese players are expanding their footprint

Top 15 Automotive Brands in ASEAN-6 by Geography

2025 ASEAN-6 sales by brand by region, %

	Malaysia	Indonesia	Thailand	Vietnam	Philippines	Singapore	
Toyota	11%	28%	26%	8%	25%	1%	1
Perodua	100%	0%	0%	0%	0%	0%	
Honda	29%	23%	29%	11%	6%	2%	1
Mitsubishi	6%	29%	11%	18%	35%	1%	
VinFast	0%	6%	0%	94%	0%	0%	2
Proton	100%	0%	0%	0%	0%	0%	
BYD Auto	11%	33%	29%	0%	18%	8%	3
Isuzu	10%	18%	52%	8%	11%	1%	
Daihatsu	1%	99%	0%	0%	0%	0%	
Suzuki	1%	65%	5%	6%	22%	0%	
Ford	5%	1%	21%	51%	22%	0%	
Hyundai	1%	22%	3%	61%	12%	2%	4
Mazda	17%	6%	14%	59%	3%	2%	
Kia	0%	0%	4%	78%	16%	2%	4
MG	5%	5%	58%	0%	29%	2%	

Note: Several brands—such as BYD, MG, KIA—do not report their sales figures to the relevant automotive authorities (for example, Malaysia's Automotive Association (MAA) or its equivalents in other countries). As a result, official sales data for these brands is unavailable, even though they are present and active in these markets

Source: Marklines, PwC research and analysis

Key observations

1 Japanese incumbents retain the broadest ASEAN-6 footprint (Toyota, Honda, Mitsubishi, Mazda), while national/new brands (Perodua, Proton, VinFast) remain concentrated in one or two markets (VinFast starting to expand regionally).

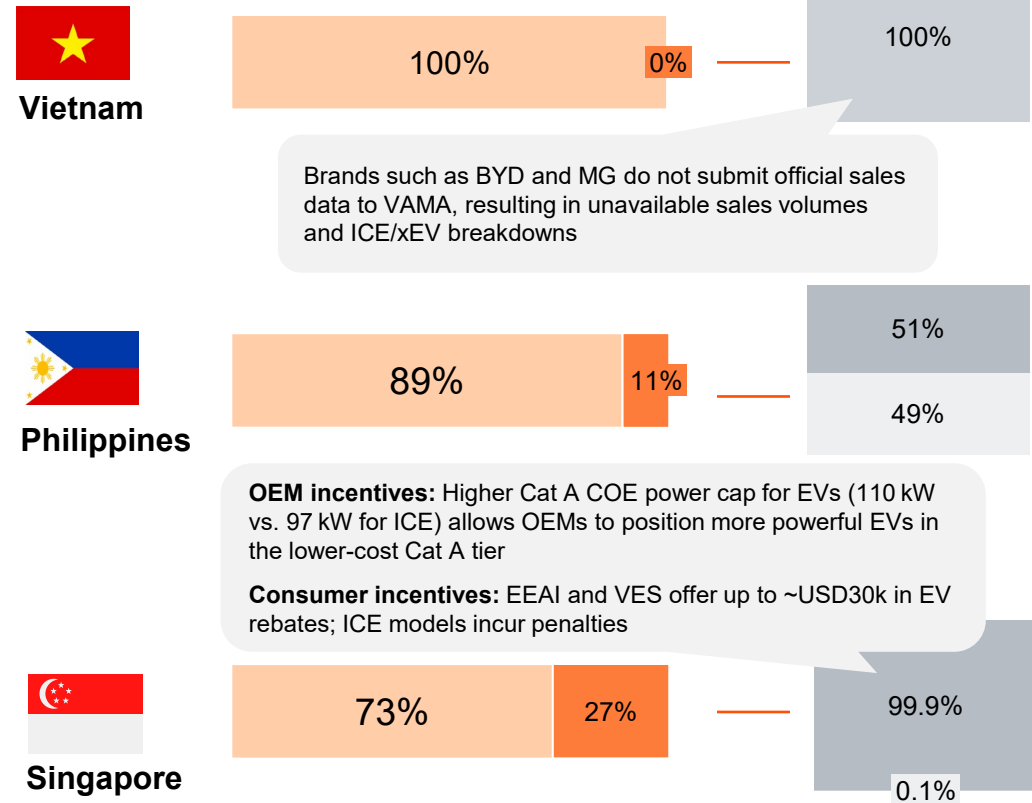
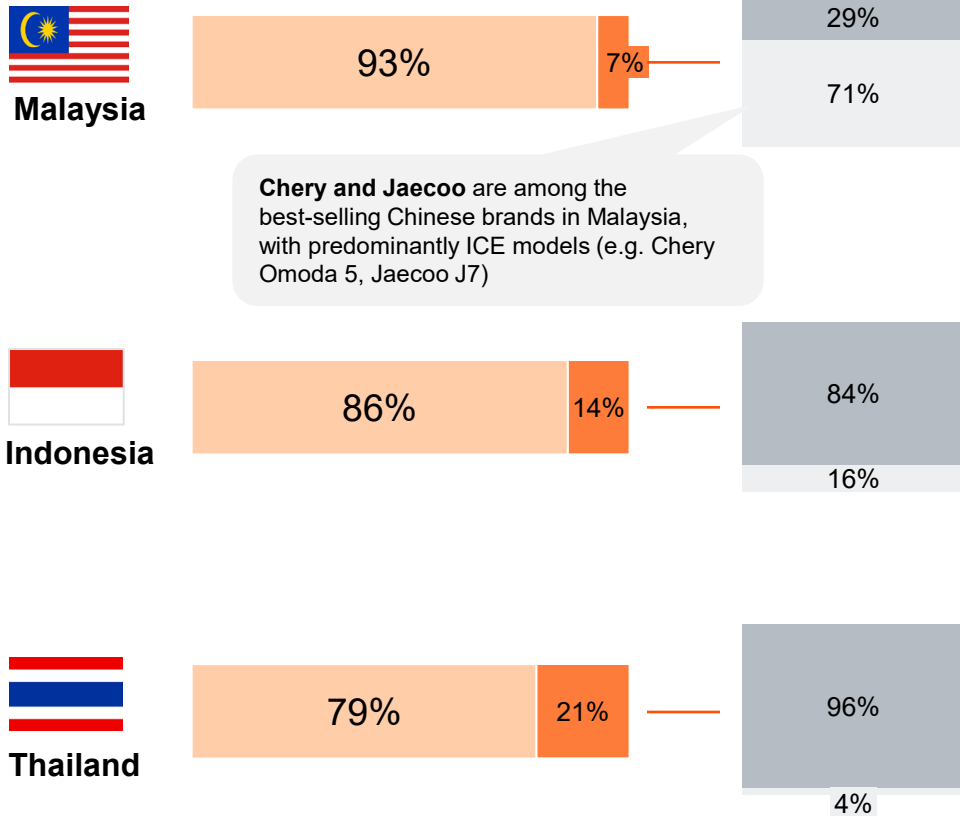
2 VinFast has emerged as a top-five ASEAN brand by volume, with ~94% of its ASEAN-6 sales in Vietnam and early exports into the Philippines and Indonesia; presence elsewhere remains nascent but is expected to grow.

3 Chinese brands, especially BYD (multi-market) and MG (TH-led), are scaling share via exports and localisation bets.

4 Korean brands Hyundai and KIA have strong presence in Vietnam, but hold smaller market share in other ASEAN countries, notably Malaysia, Thailand and Singapore.

Chinese brands now exceed 10% market share in most ASEAN-6 markets via xEV growth, except Malaysia which remains mostly ICE

Chinese Brands Market Share and Breakdown by Powertrain (2025)
2025, % of TIV



Note: EEAI - EV Early Adoption Incentive, VES - Vehicle Emission Scheme, COE - Certificate of Entitlement
Source: Marklines, PwC research and analysis

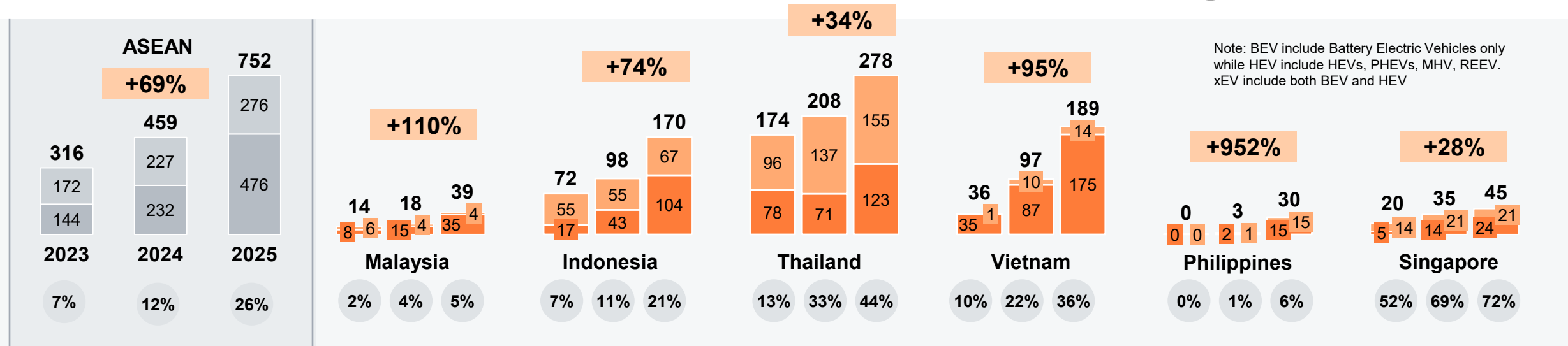
Other brands (Japanese, National, Continental, etc.) Chinese brands
 Chinese ICE models Chinese xEV models

ASEAN-6 xEV adoption rate doubled in 2025 to an average of 26%, driven by strong growth for xEVs across all markets

xEV Sales Volume

'000 units sold, % growth 2025 vs 2024; % adoption over TIV (PV and CV)

x% xEV Adoption BEV HEV



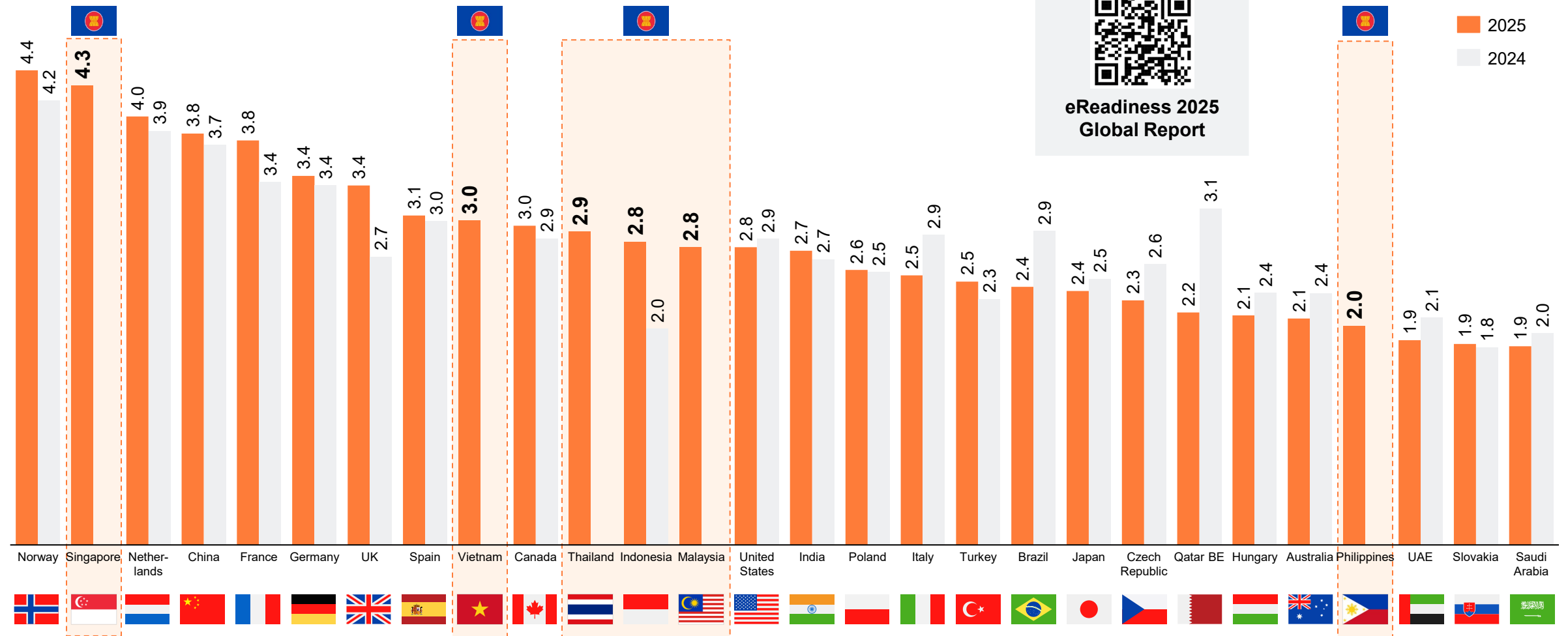
Note: BEV include Battery Electric Vehicles only while HEV include HEVs, PHEVs, MHV, REEV. xEV include both BEV and HEV

Country	Key Market Insights
Malaysia	<ul style="list-style-type: none"> xEV adoption driven by a year-end surge in BEV purchases ahead of the expiry of the CBU EV tax exemption New national-brand EV launches and CKD EV tax incentives (extended until 2027) are expected to support continued momentum
Indonesia	<ul style="list-style-type: none"> BEV sales is expected to slow down due to expired BEV incentives The government aims to create a fully integrated EV battery ecosystem by 2027–2028, attracting major OEM and battery investment
Thailand	<ul style="list-style-type: none"> EV3.5 scheme provides tax cuts + subsidies up to USD 3,200 from 2024–2027 30% of its annual vehicle production targeted to be EVs by 2030, which translates to 725k EV cars and 675k electric motorcycles
Vietnam	<ul style="list-style-type: none"> VinFast continues to dominate the market with models VF3 and VF5, priced between USD12k-USD22k 100% registration fee exemption for EVs through February 2027
Philippines	<ul style="list-style-type: none"> Zero tariff rate and import duties exemptions for EVs until 2028 EV uptake strengthened with BYD aggressively expanding affordable BEV choices, capturing >80% market share of xEVs
Singapore	<ul style="list-style-type: none"> Large COE incentives, the Early Adoption Incentive (EEAI), and the Vehicle Emission Scheme (VES) provide up to ~USD 30k rebates for EVs Targets for 60k EV charging points by 2030 and a fully electric bus fleet by 2040

Note: BEV - Battery Electric Vehicle, HEV - Hybrid Electric Vehicle, PHEV - Plug-in Hybrid Vehicle, MHV - Mild Hybrid Vehicle, REEV - Range Extended Electric Vehicle

ASEAN-6 countries are generally positioned in the middle of the e-Readiness index, with Singapore leading and the Philippines lagging

eReadiness Index



Note: The 2024 data shown above was recalculated using the weighting methodology applied in the 2025 study and therefore differs slightly from the results published in 2024, where each dimension was weighted equally at 25% across all countries. Gross income figures are based on official OECD data.

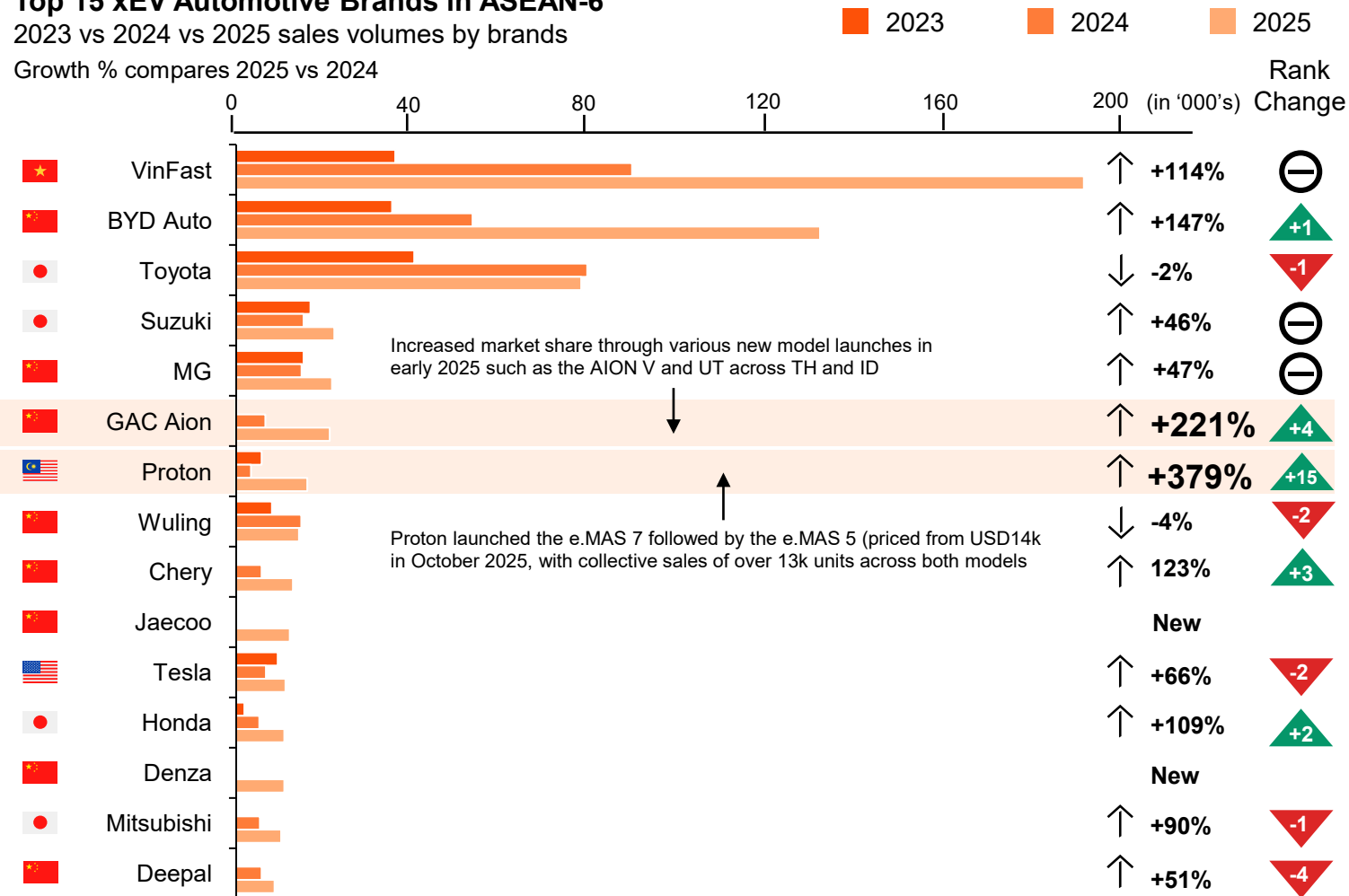
Source: PwC research and analysis

Within the xEV segment, Chinese brands and VinFast have overtaken traditional brands from Japan, US, Europe, and Korea

Top 15 xEV Automotive Brands in ASEAN-6

2023 vs 2024 vs 2025 sales volumes by brands

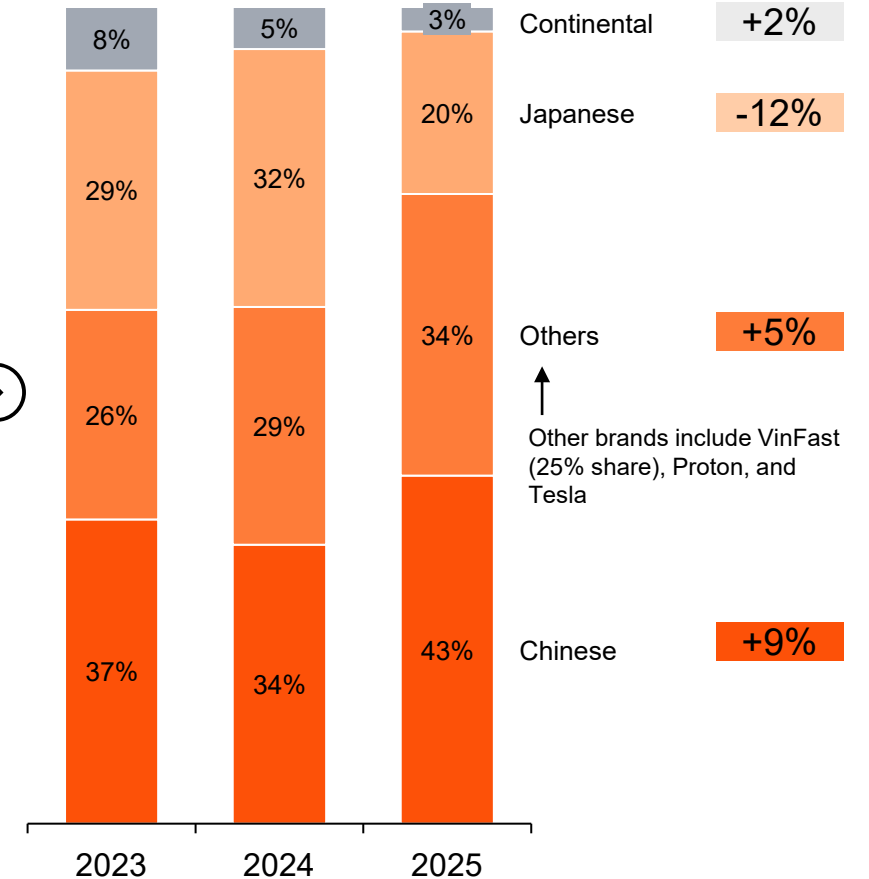
Growth % compares 2025 vs 2024



OEM xEV Market Share in ASEAN-6

2023 vs 2024 vs 2025

Growth % compares percentage point change from 2025 vs 2024

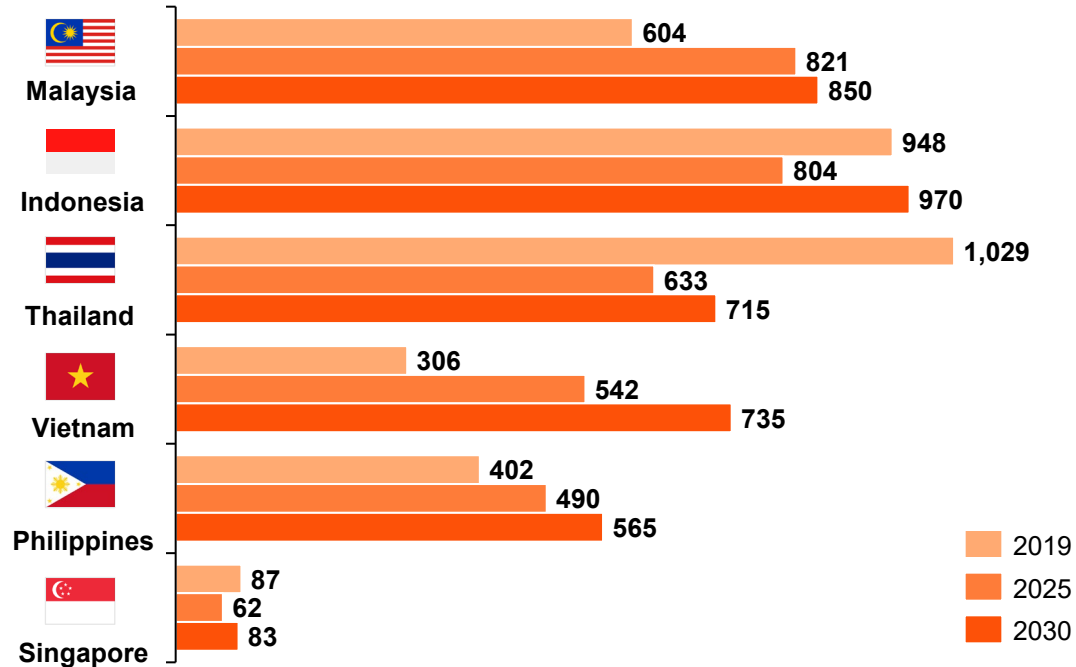


Note: FX Rate used as of February 2026: USD:MYR ~4.0
Source: Marklines, PwC research and analysis

By 2030, ID and MY expected to be the largest automotive markets by LV sales, while TH is expected to remain the production hub

Light Vehicle Sales Trend in ASEAN-6

('000 units)

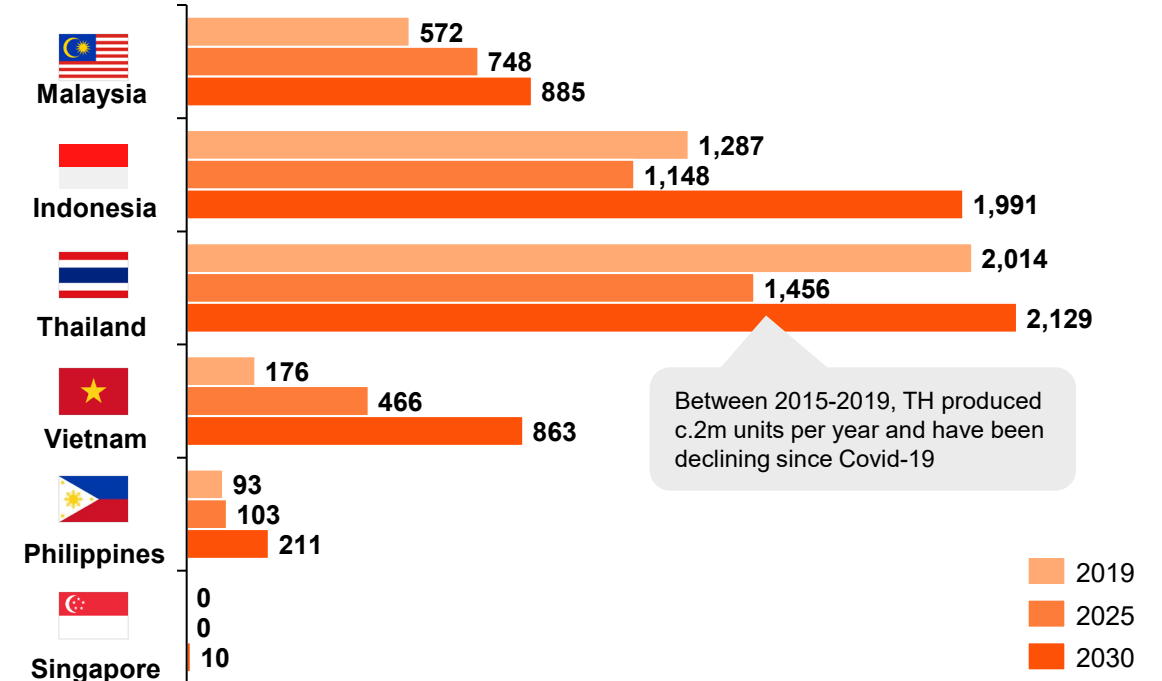


ASEAN-6 is projected to reach 3.9 million light vehicle sales by 2030, with growth driven mainly by Indonesia, Thailand, the Philippines, and Vietnam. However, ASEAN's market size remains relatively small, equivalent to around 90% of Japan's, two-thirds of India's, and just 13% of China's vehicle volumes.

Source: Marklines, PwC research and analysis

Light Vehicle Production Trend in ASEAN-6







('000 units)



ASEAN-6 is projected to account for approximately 6 million units of light vehicle production by 2030, with Thailand and Indonesia remaining the primary production hubs in the region. This output implies exports of over 2 million light vehicles from Thailand, Indonesia, and Malaysia, mainly to Australia/New Zealand, the Middle East, Africa, and the United States.

Diverse macroeconomic conditions across ASEAN-6 require country-specific automotive strategies. A “one-size-fits-all” strategy will not work

Macroeconomic Data & Automotive Indicators 2024/2025

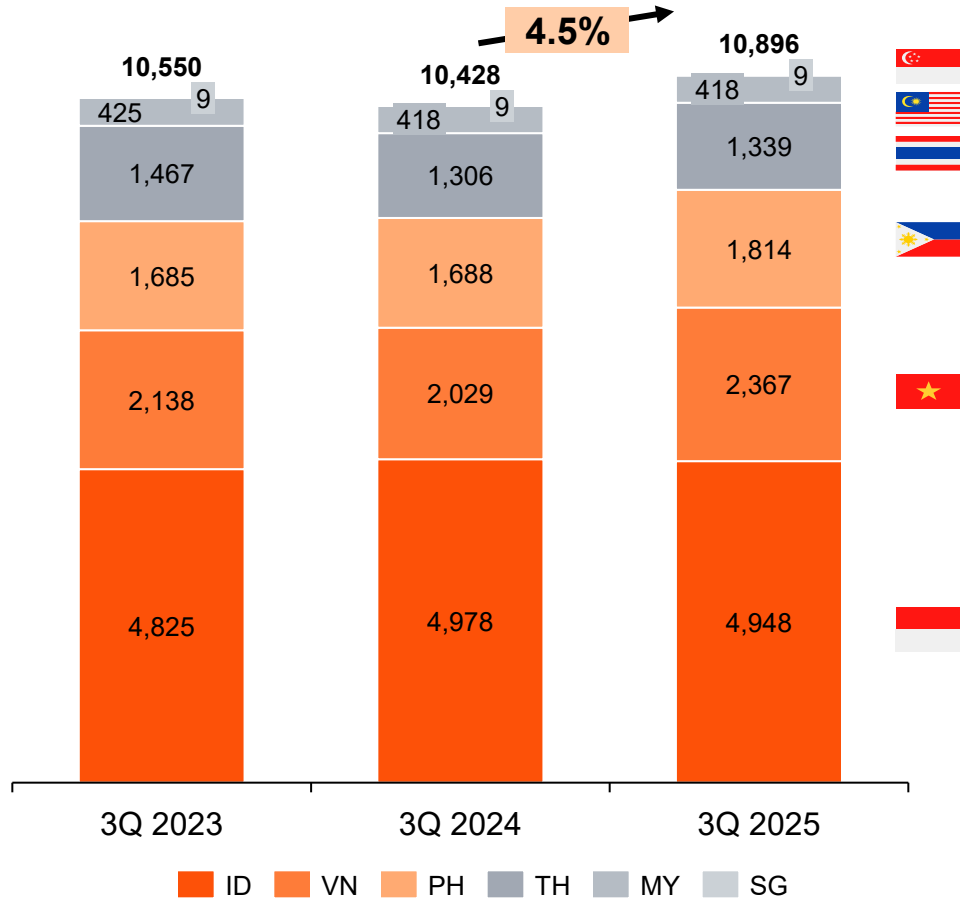
	 Malaysia	 Indonesia	 Thailand	 Vietnam	 Philippines	 Singapore
LV sales 2025	821k	804k	633k	542k	490k	62k
Number of registered LV 2024 ¹	~19.8m	~27m	~21m	~6.5m	~14.6m	~0.66m
# of auto suppliers ¹	c.728	c.1,500	c.2,100	c.360	c.256	c.50
# of assembly plants	24	22	28	24	6	1
Production capacity ¹	1.10m	1.75m	2.0m	n.a.	120k	30k
Production	748k	1.148m	1.456m	466k	103k	n.a.
Average production utilization	68%	65%	73%	n.a.	85%	n.a.
Average production per plant ¹	31k	52k	52k	n.a.	17k	n.a.
Population	34.2m	285.7m	71.6m	101.6m	116.8m	6.11m
GDP (USD)	471b	1.44t	559b	514b	494b	574b
GDP per capita (USD)	13.90k	5.07k	7.94k	5.03k	4.32k	94.48k
GDP growth	4.9%	5.1%	2.2%	8.0%	4.4%	4.8%
Inflation	1.38%	2.36%	0.83%	3.21%	2.39%	0.72%

Note: 1. Based on the latest available data (2024)

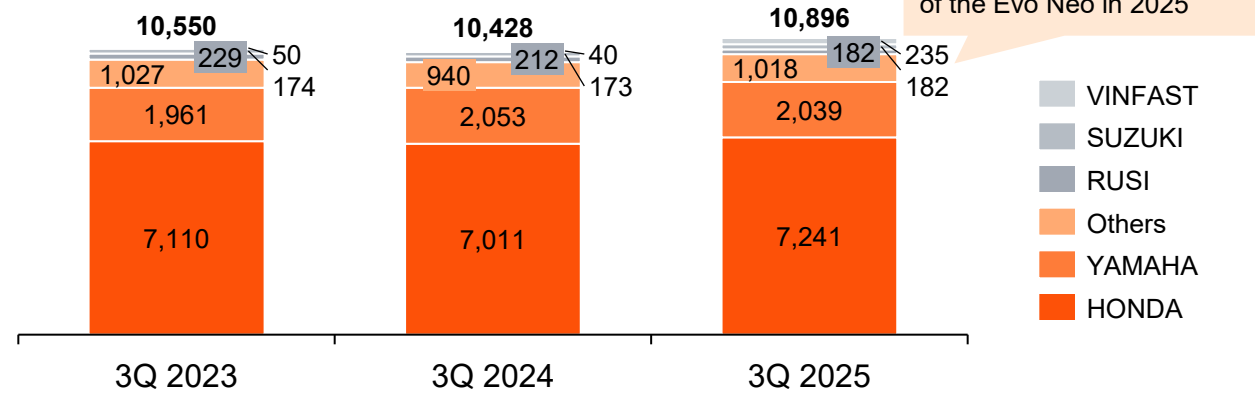
Source: Marklines, DOSM, Worldometer, IMF, CEIC, MTI, Trading Economics, BPS Statistics Indonesia, PwC research and analysis

While Honda and Yamaha account for ~85% of the two-wheeler (2W) market, VinFast is accelerating sales through attractive electric models

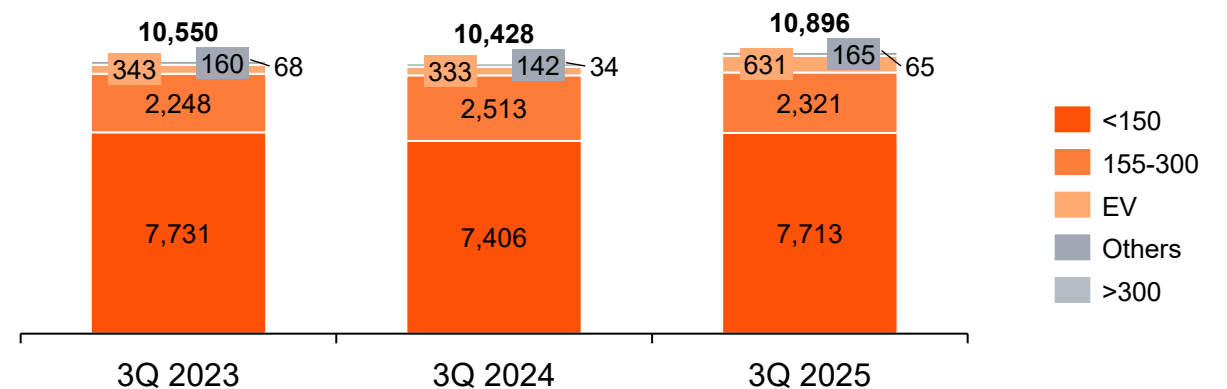
ASEAN 2W Sales by Country
(‘000 units), 3Q 2023 – 3Q 2025



ASEAN 2W Sales by Brand
(‘000 units), 3Q 2023 – 3Q 2025



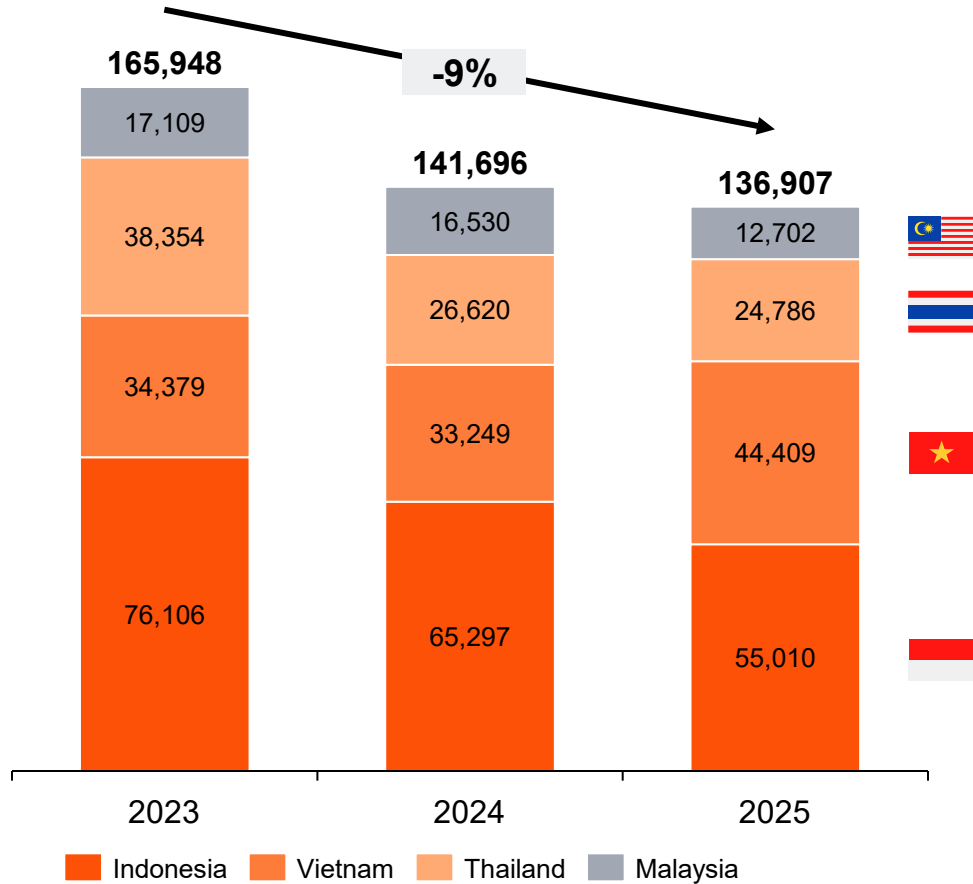
ASEAN 2W Sales by Displacement
(‘000 units), 3Q 2023 – 3Q 2025



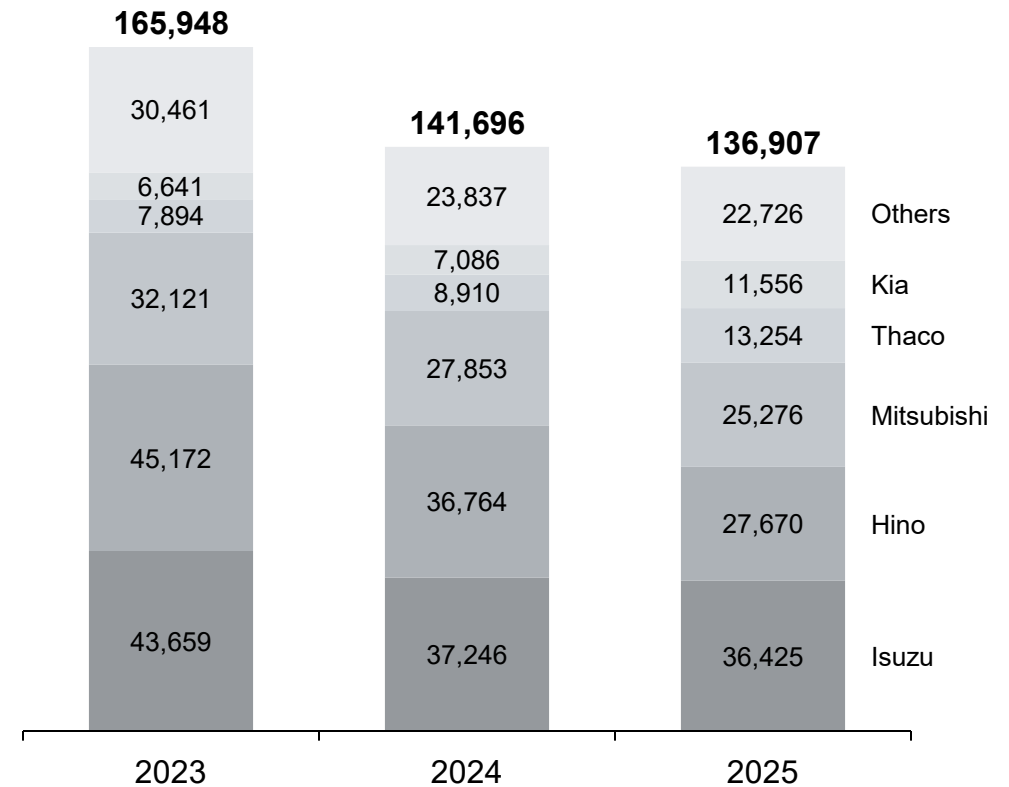
Note: Full year 2025 figures not available, therefore 3Q data was used as comparison
Source: Marklines, PwC research and analysis

ASEAN-4 truck sales led by Isuzu, Hino, and Mitsubishi. Sales declined due to economic slowdown, higher costs, and tighter financing conditions

ASEAN-4 Truck Sales by Country
Units, 2023 – 2025



ASEAN-4 Truck Sales by Brands
Units, 2023 – 2025

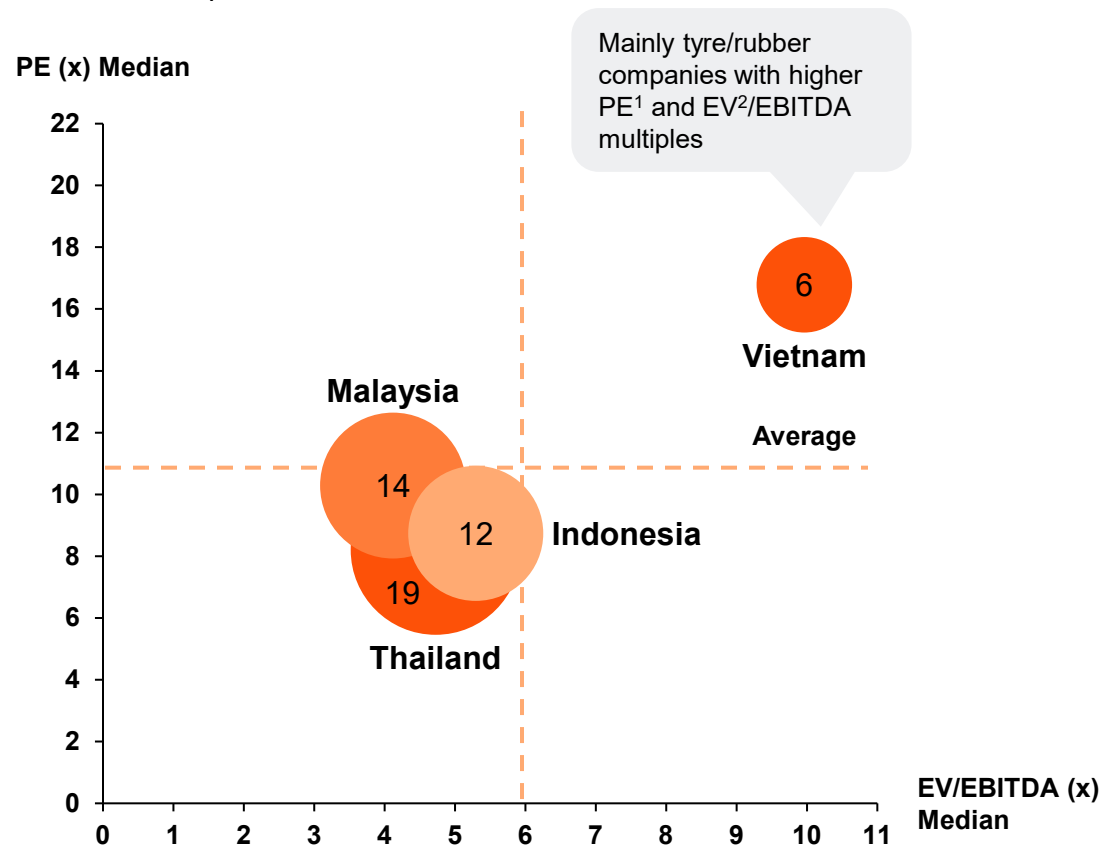


Note: Trucks include commercial vehicles with a Gross Vehicle Weight of above 3.5 tonnes. Truck sales data unavailable for Singapore and the Philippines and thus excluded in this analysis
Source: Marklines, PwC research and analysis

TH has the highest number of publicly listed automotive companies, while Vietnam and the tyre/rubber segment trade at higher multiples

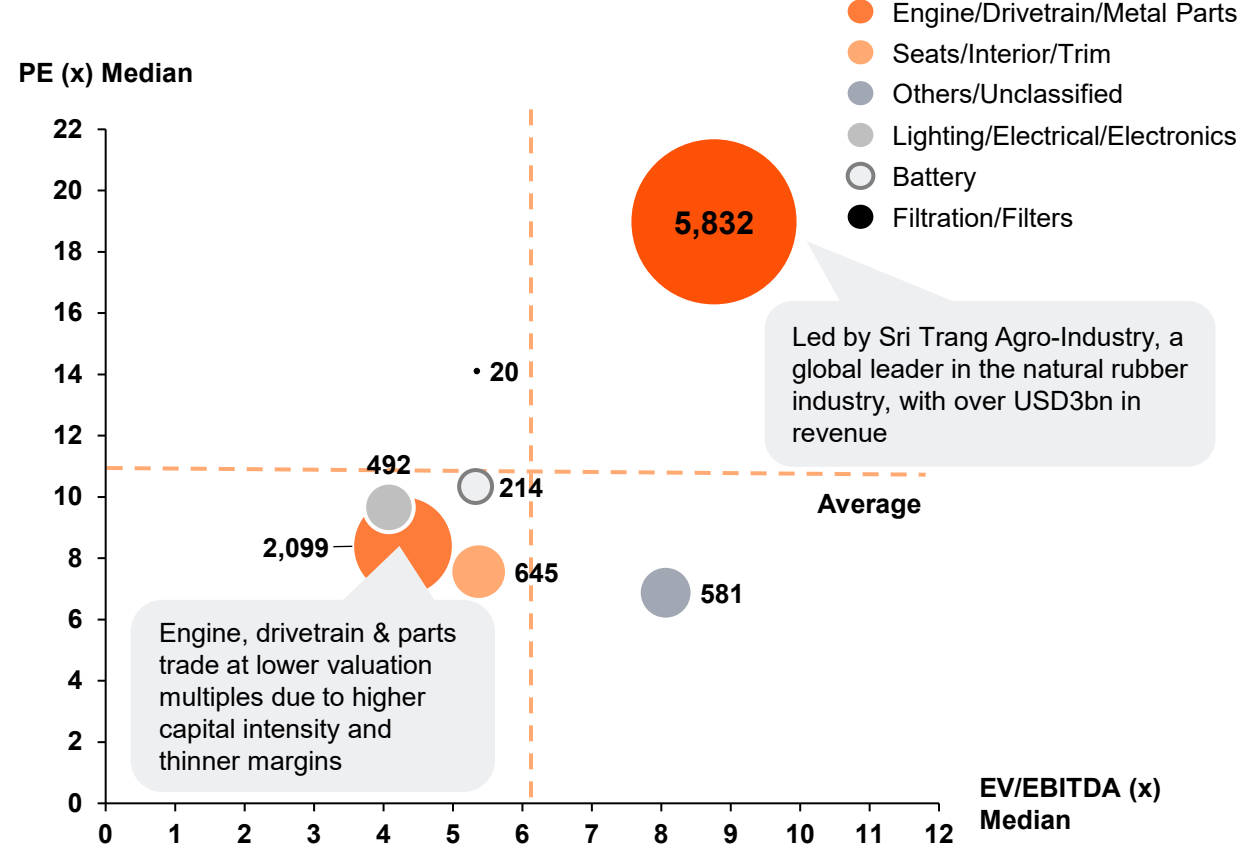
ASEAN Automotive Valuations by Country³

Number of companies



ASEAN Automotive Valuations by Segment

Revenue⁴, USD millions



Note: Figures shown are from publicly traded companies across ASEAN. 1. P/E (Price-to-Earnings): Market value divided by net profit; indicates how much investors pay per unit of earnings. 2. EV (Enterprise Value): Total company value including equity and net debt; reflects the cost to acquire the business. 3. No publicly traded automotive companies in Singapore and the Philippines. 4. Revenue figures represent cumulative revenue of all companies in the relevant segment
Source: CapitalIQ, PwC research and analysis

Tax and excise structures vary widely across ASEAN-6, reinforcing the need for country-specific pricing and manufacturing strategies



Malaysia

- **Customs duty is between 0% - 35%** on passenger vehicles and pickups. Parts are between 0% - 30%
- **Excise tax is between 10% and 105%** but there can be reductions for local production using local content



Indonesia

- **Customs duty is 50% for most passenger cars.** Pickups and commercial vehicles are 5% - 50%. Parts are between 0% - 20%
- **Luxury tax is between 0% and 95%** based on import price plus customs duty



Thailand

- **Customs duty is 40% - 80% for passenger vehicles and pickups.** Parts are between 0% - 30%
- **Excise duty is between 2% - 50%** based on the Recommended Retail Selling Price



Vietnam

- **Cars and light commercial vehicles customs duty ranges from 0% - 70%.** Parts range from 5% - 25%
- Excise duty based on the import value plus customs duty **ranges from 30% - 150%**



Philippines

- **Customs duty is 30% for passenger cars** and pick up trucks. Commercial vehicles is between 15% - 30%. Parts and accessories are between 3% - 20%
- Excise tax depends on the **net selling price and range between 4% - 50%** based on the import price plus customs duty



Singapore

- Passenger vehicles have no customs duty but have 20% excise
- **There is also Advanced Road Fund of 100% - 320%** on the Open Market Value, plus a Certificate of Entitlement, which varies but is typically around **SGD100,000**

Source: PwC research and analysis

Rising customs scrutiny and increasingly complex FTA rules heighten compliance risk, making proactive trade structuring essential

1 Free Trade Agreements (FTA)

- ASEAN has its own FTA (ATIGA) and several ASEAN+ agreements including with China, South Korea, Japan, Australia, India and others. Each ASEAN country has their own bilateral agreements, with Vietnam having the most extensive network
- ASEAN operational effectiveness relies on using FTAs to bring customs duty rates down to zero in most cases. The rules of origin vary by FTA, but a typical rule is 40% Regional Value Content. For market entrants and luxury vehicles this can be a challenging threshold to achieve. For parts this can also be difficult, particularly if there is a high steel content
- Customs are more aggressive in challenging Certificates of Origin. Reasons include the wrong rule of origin, errors in completing the certificate, and disagreements about the declared HS code. Companies used to pay zero customs duty and a retrospective assessment over several years plus penalties can be extremely serious

2 HS Code

Different ASEAN customs authorities can have different policies on the application of HS codes. In particular, there are differing views on whether something is part of a car or if a more specific heading applies, such as an article of steel. Classification can affect the duty rate, applicable FTA, licensing requirement, Anti Dumping Duties, and other trade measures.

3 US Tariffs

US tariffs are significant challenge for ASEAN exporters. It is not clear what may happen with country-specific tariffs, but the tariffs on steel and aluminum parts are not currently being challenged and so are likely to remain for the foreseeable future. There are also threats of other tariffs being imposed that make planning harder. As the tariffs become normalised, more companies are looking at production locations. The US non-preferential rules of origin are complex and not based on Regional Value Content. It is anticipated that there will be increasing challenges by the US authorities about the true country of origin for auto parts in the near future.

4 Customs Valuation

ASEAN customs authorities are typically aggressive about declared values. Challenges include related party pricing, additional payments such as royalties and distribution rights, and price adjustments (both retrospective and prospective). Having a defensive position paper can be a significant advantage when being audited. Increasingly, customs authorities are willing to issue meaningful rulings, although this can still be patchy.



2

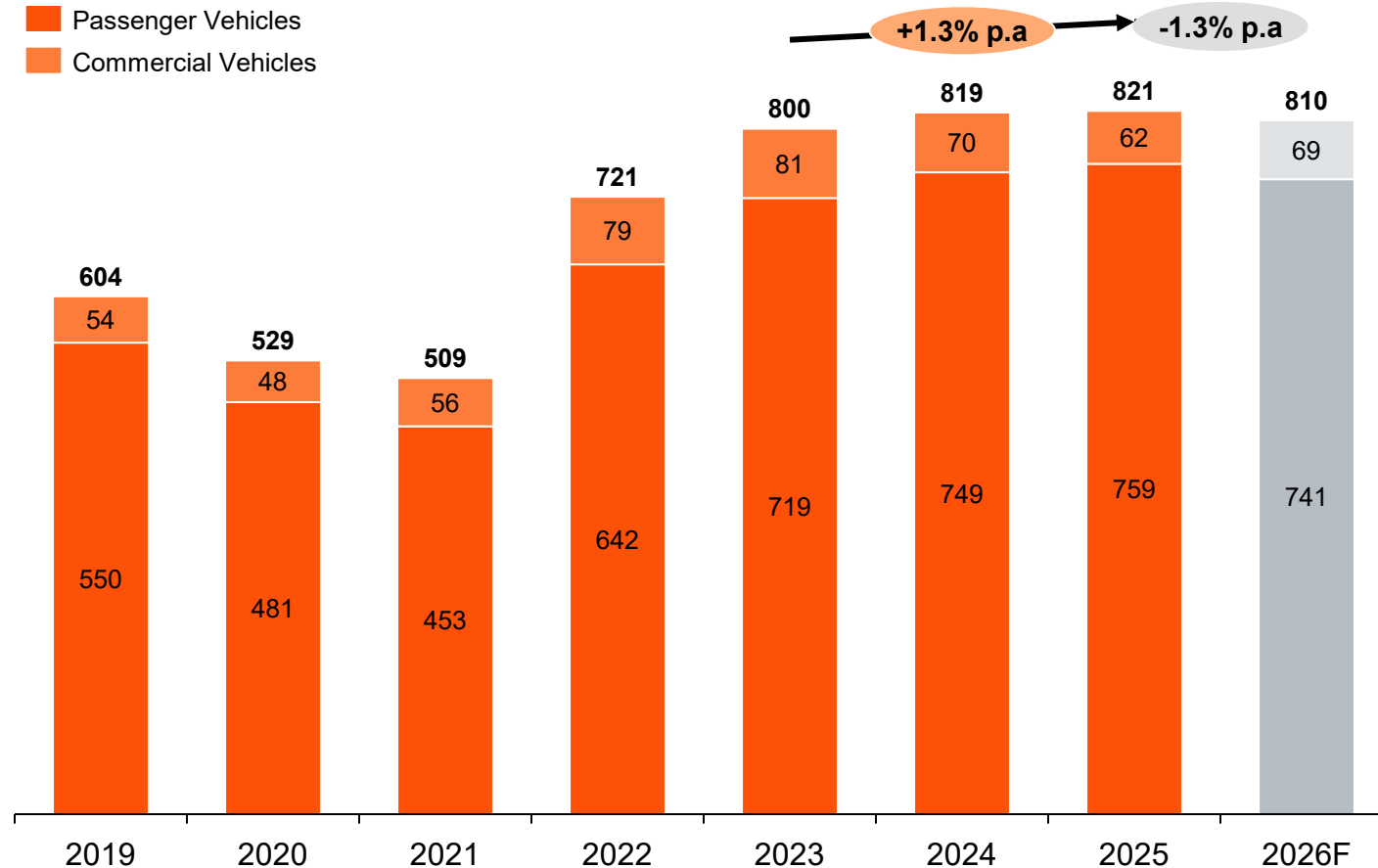
ASEAN-6
Country Profiles



2025 vehicle sales beat forecasts (~1%), driven by a strong economy, new model launches, and expiring CBU EV tax exemptions

Malaysia TIV sales: Passenger vs Commercial

('000 units), 2019 - 2026F



Source: Marklines, MAA, BMI, Bloomberg, news articles, PwC research and analysis; 2026F based on PwC best estimates

Key observations in 2025

- **TIV hit a record ~820k units**, supported by strong year-end demand and aggressive promotions
- **Tax exemptions for CBU EVs and EV road-tax waivers end 31 December 2025**, with no plans for extension, potentially leading to higher EV prices from 2026 onwards. CKD EV incentives will continue until end-2027
- **CV sales continue to decline, driven by diesel subsidy rationalisation and softer demand**; however, a modest recovery is expected, supported by higher construction/infrastructure activity and accelerating electrification in transport

Key growth drivers in 2026

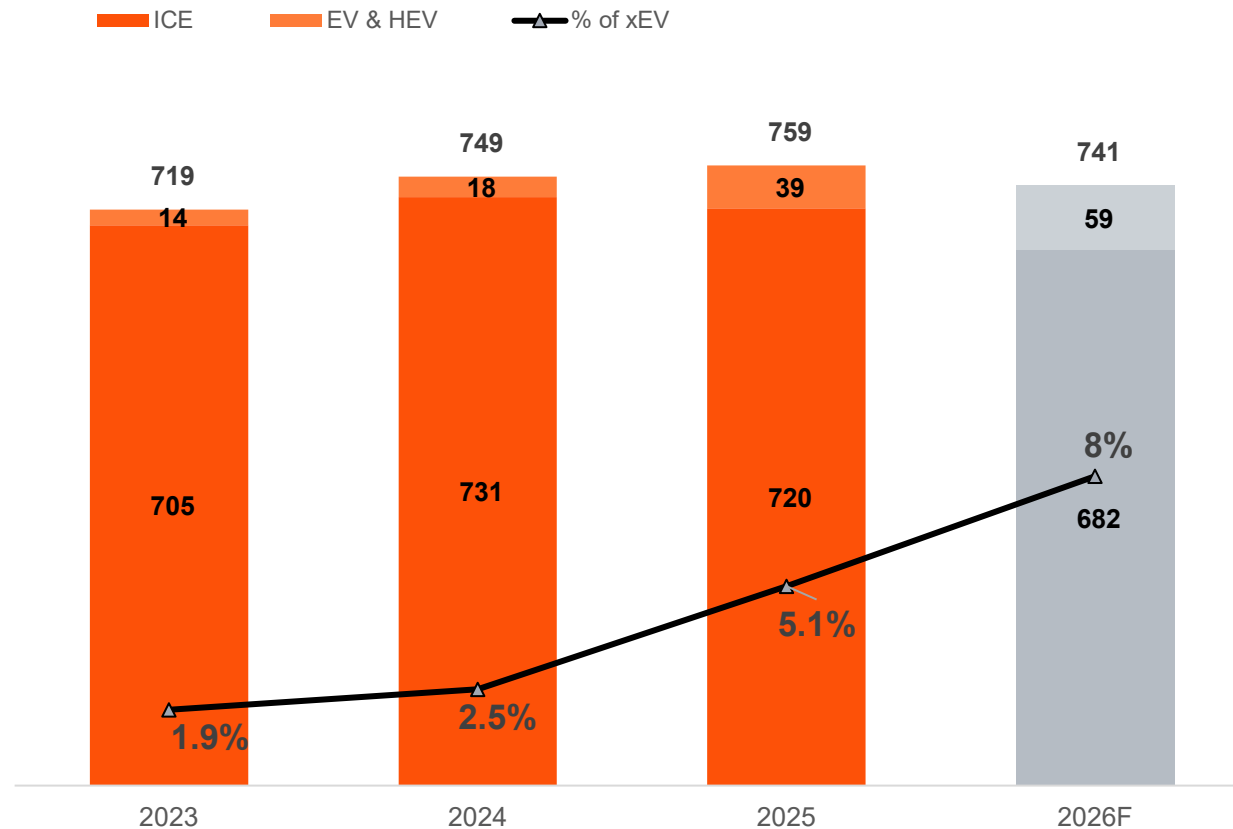
- **Malaysian economy** is expected to remain resilient in 2026 with 4% to 5% GDP growth
- **The CBU EV tax exemption expiry created a one-off uplift in 2025**, likely normalising TIV in 2026
- **CKD EVs retain tax advantages through 2027**, supporting locally assembled launches (e.g. Proton e.MAS 5/7, Perodua QV-E) and other locally assembled OEM models (e.g. Wuling, BMW)
- **More Chinese entrants and expanding CKD localisation** (e.g. GWM) should raise competitive intensity and support xEV affordability



xEV adoption expected to increase slowly in 2026 as CBU EV incentives expire

Passenger ICE and xEV sales in Malaysia

('000 units), 2023 – 2026F



Note: FX Rate used as of February 2026: USD:MYR ~4.0; 2026F based on PwC best estimates
Source: Marklines, MAA, BMI, Bloomberg, news articles, PwC research and analysis

Key trends driving EV adoption

- 1 Malaysia's National Energy Transition Roadmap (NETR)** sets a clear EV trajectory: 20% of new sales by 2030, rising to 80% by 2050, reinforcing the long-term national shift toward electrification
- 2 xEV adoption reached ~5.1% of new car sales in 2025**, indicating growing consumer acceptance and marking a key early-adoption milestone
- 3 Passing the 5% "tipping point" is significant:** As observed by Bloomberg Green Analysis, over 24 countries experienced accelerated EV adoption after surpassing this early adopter stage
- 4 Local "mass market" EVs can unlock volume:** Proton e.MAS and Perodua QV-E are priced around ~USD14k–USD18k, supported by CKD EV tax advantages through 2027
- 5 New Chinese entrants introducing xEV models and expanding CKD operations** (e.g. GWM, Chery, BYD) are expected to further increase variety, improve affordability, and support broader EV adoption
- 6 Charging infrastructure continues to expand**, with the number of public EV charging points increasing to 5,624 as of Feb 2026 (up from 3,600 units in Dec 2024). However, Malaysia remains behind its target, as the government aims to have 10,000 public EV charging points by 2025, according to the Malaysian Investment Development Authority (MIDA), highlighting remaining gaps that may moderate adoption speed



National OEMs Perodua and Proton collectively hold 62% market share. BYD continues to rise through the ranks and is now in Top 5 position

Top automotive OEMs in Malaysia

(by volume of vehicles sold in respective year)

OEM	Units sold			Market share			Change in market share (24 vs 25)
	2023	2024	2025	2023	2024	2025	
Perodua	330,325	358,102	359,904	41.3%	43.7%	43.9%	0.1%
Proton	150,975	147,587	151,564	18.9%	18.0%	18.5%	0.4%
Toyota	106,206	100,770	100,760	13.3%	12.3%	12.3%	0.0%
Honda	80,032	81,699	72,301	10.0%	10.0%	8.8%	-1.2%
BYD Auto	3,728	8,570	15,166	0.5%	1.0%	1.8%	0.8%
Chery	4,500	12,645	14,654	0.6%	1.5%	1.8%	0.2%
Mitsubishi	21,719	16,167	13,823	2.7%	2.0%	1.7%	-0.3%
Isuzu	16,908	13,268	13,627	2.1%	1.6%	1.7%	0.0%
Jaecoo	-	7,038	12,858	0.0%	0.9%	1.6%	0.7%
Mazda	19,124	14,537	9,283	2.4%	1.8%	1.1%	-0.6%
Total	733,517	760,383	763,940	91.7%	92.9%	89.4%	-3.5%

Note: FX Rate used as of February 2026: USD:MYR ~4.0

Source: Marklines, MAA, news articles, PwC research and analysis

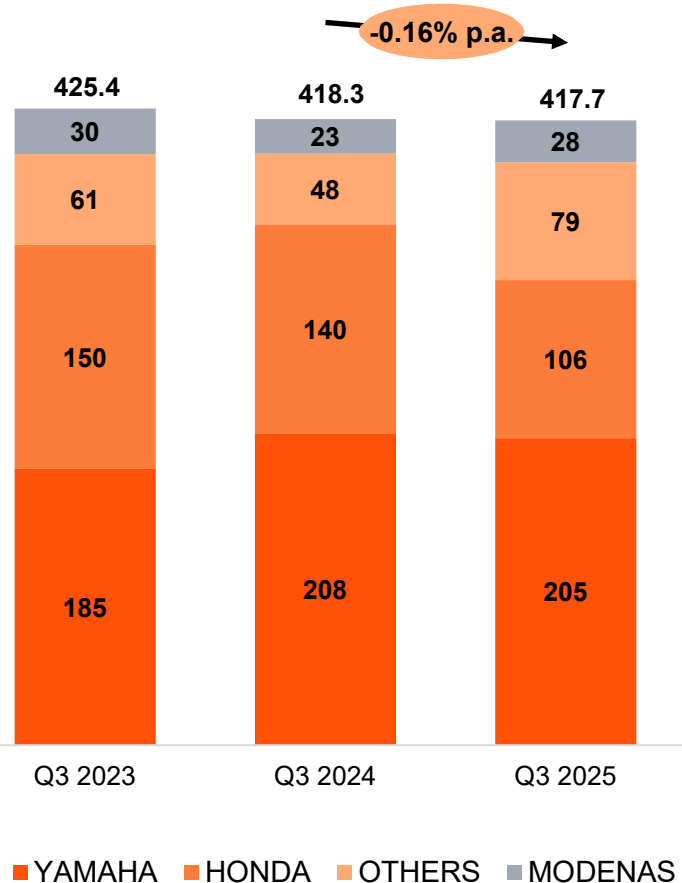
Key insights

- 1 National brands Perodua and Proton continue to hold 62% market share**, supported by steady demand for Perodua's affordable best-selling models—Bezza, Axia, and Myvi (priced at approximately USD6k–USD12k)—as well as refreshed Proton offerings such as the X50 and the launch of the new Proton e.MAS series
- 2 Japanese OEMs including Honda, Mazda, and Nissan experienced sharp declines in both volume and market share**, driven by intensifying competition from Chinese brands offering stronger value-for-money propositions. In addition, government policies favouring EV adoption have placed traditional ICE models at a relative disadvantage
- 3 Chery achieved a 1.8% market share in 2025** (+0.2 pp, or ~2k units) by leveraging competitive pricing, a diversified model lineup, and strategic investments, including the establishment of a new CKD plant
- 4 Chery is expanding in Malaysia via a multi-brand strategy**, scaling Jaecoo while rolling out iCAUR and LEPAS (with LEPAS expected to debut in 1H 2026); this is supported by its Shah Alam CKD plant (operational since 2024) which is positioned as the group's right-hand-drive (RHD) manufacturing hub outside China with plans to progressively localise additional models across brands to serve both domestic demand and RHD export markets.
- 5 BMW and Mercedes-Benz fell outside the top 10 in 2025, highlighting broader challenges faced by German OEMs.** While both brands are expanding their electric and hybrid portfolios to address rising demand for sustainable vehicles, Volkswagen continues to lag significantly and does not feature in the top 20

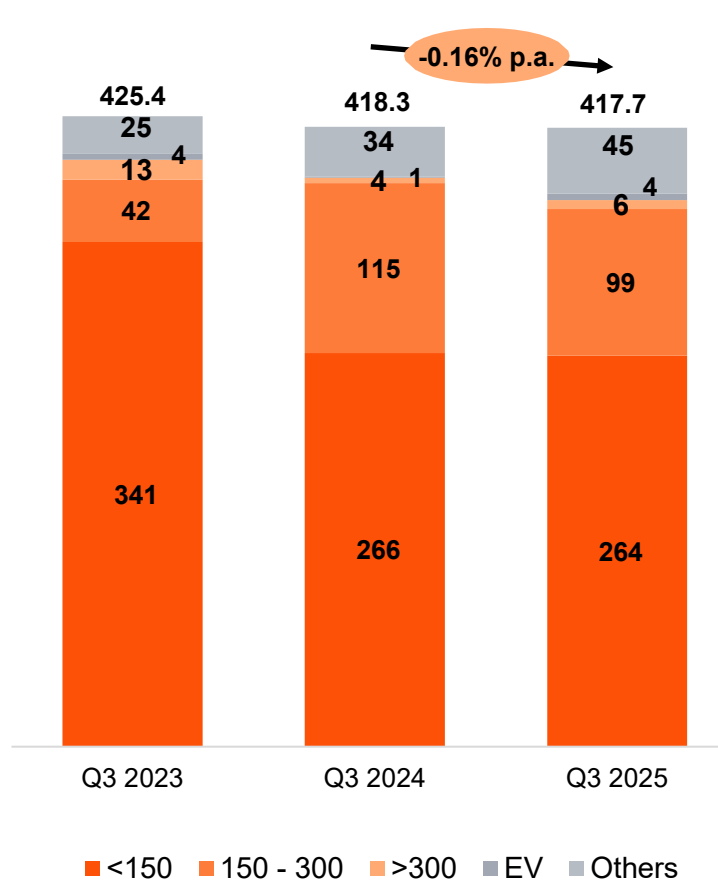


In a stable 2W market, Yamaha and Honda maintain dominance in Malaysia holding c.75% market share while EV uptake remains very slow

Malaysia 2W Sales by Brand
(‘000 units), Q3 2023 – Q3 2025



Malaysia 2W Sales by Displacement
(‘000 units), Q3 2023 – Q3 2025



Key insights

- 2W demand softening:** Demand for two-wheelers is marginally softening as consumers shift toward affordable four-wheel (4W) options. Rising incomes and better access to financing are enabling more first-time 4W ownership
- Yamaha strengthening leadership:** Yamaha has reinforced its position as Malaysia’s leading two-wheeler (2W) brand, gaining additional market share. Strong volumes continue to be driven by popular sub-150cc models such as the 135LC and Y15ZR
- Limited EV motorcycle uptake:** Despite the MARiCas 2025 programme offering rebates for electric motorcycles, adoption remains low. The segment lacks models with competitive range and performance, particularly for Malaysian riders who rely on two-wheelers for highway commuting
- Infrastructure gaps slowing adoption:** Insufficient charging infrastructure, coupled with lower per-charge range compared with ICE motorcycles, continues to weigh on consumer confidence and slow EV motorcycle adoption

Source: Marklines, MAA, news articles, PwC research and analysis



Recent examples showcasing companies leveraging the 3 strategic thrusts to drive growth and maintain profitability in Malaysia

1 Operational excellence



Toyota begins local hybrid battery assembly in Bukit Raja to strengthen Malaysia electrification capability



XPENG accelerates supply chain localisation with independent teams in Europe and ASEAN



TQ WULING will commence local assembly (CKD) of the Wuling Bingo in Malaysia in early 2026



Proton to double local parts purchase to RM8 billion by 2030, including technology transfer to vendors

2 Business model redesign



Chery Malaysia adds Brunei to export portfolio, with Jaecoo J7 (ICE & PHEV) being the first export consignment



GWM Malaysia marks first export of locally-made Wey G9 Hi4 PHEV to Thailand



Proton aligns with Malaysia's old vehicle replacement grant through trade-in programme



Kia shifts to principal-led distribution in Malaysia, replacing Bermaz Auto

3 Strategic alliances



Hyundai Motor Malaysia signs with new dealer, working on Hyundai Protection Plan with insurance partners



BMW Malaysia and Universiti Malaya partner on second-life EV battery R&D



SAIC Motor Malaysia partners with EPMB to locally assemble its MG vehicles in Q1 2026



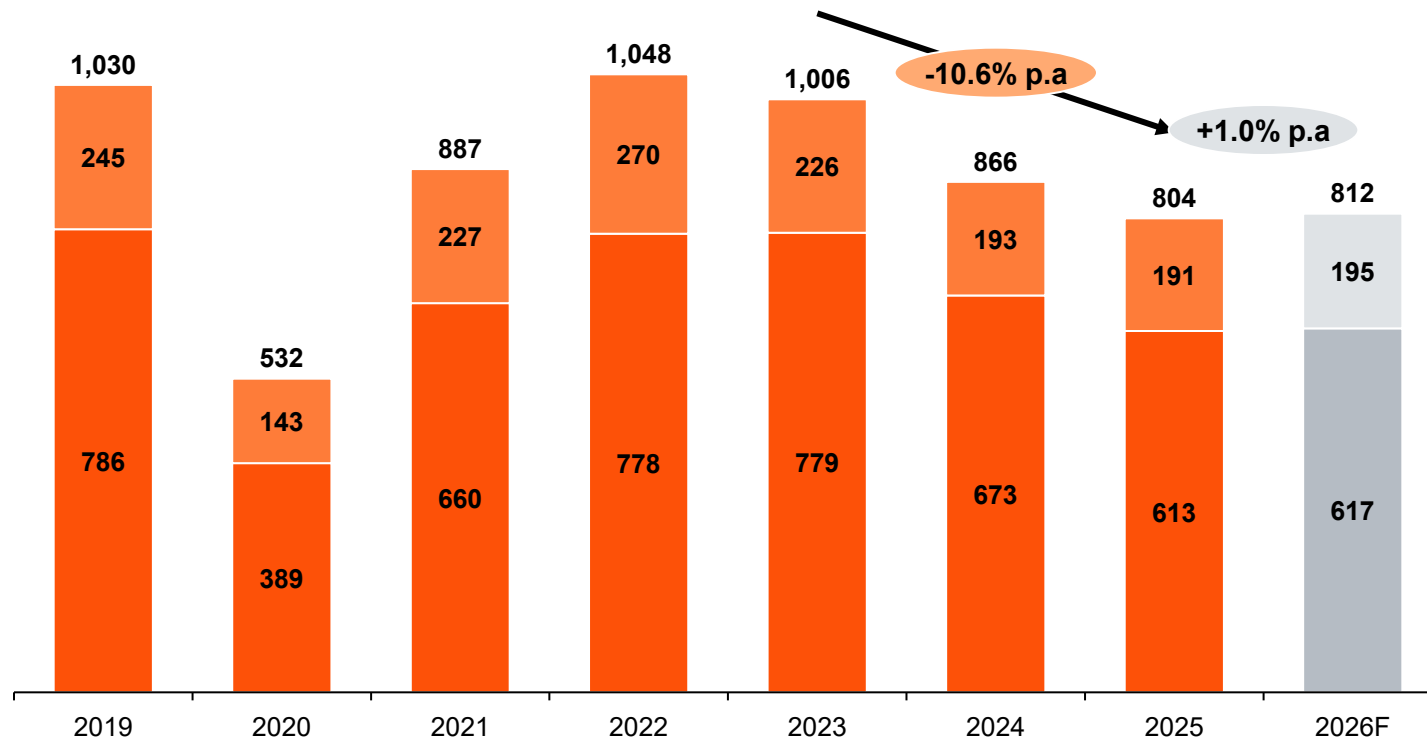
Baiterek National Managing Holding and **Proton** Malaysia, sign MoU to develop automotive industry in Kazakhstan

Indonesia LV market is expected to stabilise in 2026 despite macro uncertainty, EV policy reset, and intensifying price competition

Indonesia TIV sales: Passenger vs Commercial

('000 units), 2019 - 2026F

Passenger Vehicle
Commercial Vehicle



Source: Gaikindo, BPS, Press Releases, PwC research and analysis; 2026F based on PwC best estimates

Key observations in 2025

New car sales remain under significant pressure due to macroeconomic factors:

- **Indonesia's middle class**, a key catalyst for auto demand, has contracted from 19% in 2020 to approximately 16.6% in 2025
- **Annual car price increases of ~7%** continue to outpace average wage growth of ~3%, weighing on affordability
- **The expiry of BEV government incentives** at end-2025 pulled forward demand, resulting in a spike in December 2025 sales volumes

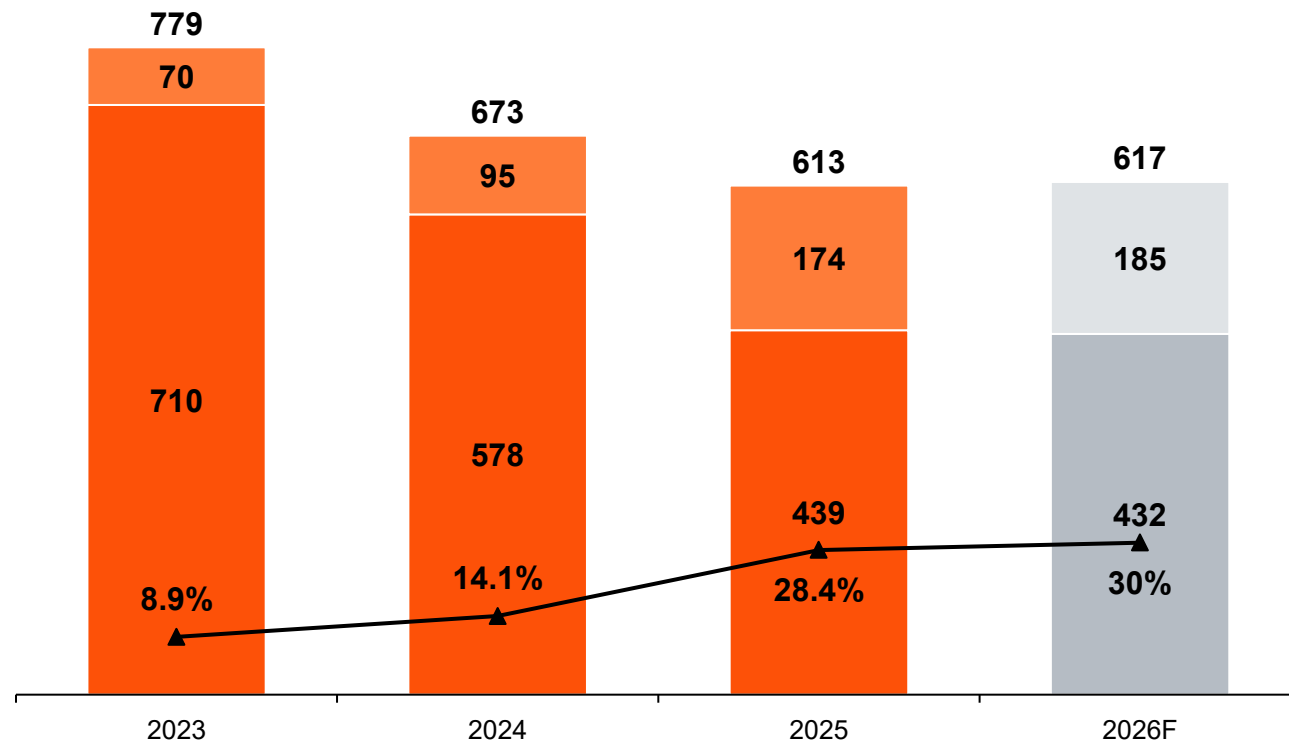
Key growth drivers in 2026

- **Price pressure persists amid uncertain economic growth**, with the used-car market increasingly filling the affordability gap for four-wheeler ownership
- **New car sales are expected to grow modestly**, with industry associations targeting ~5% YoY growth in 2026
- **Non-BEV xEV segment to gain spotlight**, following the removal of government incentives and rising consumer interest in fuel-efficient alternatives
- **The industry is transitioning into an "ecosystem-building" phase**, prompting higher OEM investment in local manufacturing and supply chains, which should support more stable inventory levels and pricing

Indonesia's xEV growth remains positive but at normalised pace post government incentive reset for BEV

Passenger ICE and xEV sales in Indonesia
(‘000 units), 2023 – 2026F

ICE xEV ▲ % EV & HEV of total PV¹



Notes: 1) BEV, PHEV and HEV 2) Perusahaan Listrik Negara (PLN); 2026F based on PwC best estimates
Source: Gaikindo, Press Release, PwC research and analysis











Key trends driving EV adoption

- xEV adoption remains positive but is expected to moderate** to ~10% growth, reflecting a more measured pace following the initial incentive-led surge
- BEV adoption is expected to normalise** as government incentives subside and vehicle prices rise
- HEVs and PHEVs are likely to emerge as key growth segments**, as ICE buyers shift toward more fuel-efficient alternatives amid ongoing economic pressure
- Price remains the primary volume driver.** With consumers increasingly price-sensitive and ~73% of EVs still CBU-imported, any tariff normalisation would directly translate into retail price increases and potentially skew purchasing decisions
- OEM commercial levers**, such as enhanced discount schemes and broader financing options (e.g. low down-payments and longer tenures), will become critical to sustaining EV demand as subsidies expire
- Local production** will be a key catalyst for price stabilisation in the post-incentive environment
- Government efforts, led by PLN²**, to expand public charging infrastructure to ~62,000 units by 2030, supported by ~44% YoY growth in 2025 to 4,655 operational chargers, should help underpin longer-term EV adoption

Japanese OEMs maintain market share leadership (c.78%) but saw c.5.3% market share erosion due to Chinese OEM expansion

Top automotive OEMs in Indonesia

(by volume of vehicles sold in respective year)

OEM	Units sold			Market share			Change in market share (24 vs 25)
	2023	2024	2025	2023	2024	2025	
Toyota 	336,777	288,982	250,200	33.5%	33.4%	31.1%	-2.2%
Daihatsu 	188,000	163,032	130,677	18.7%	18.8%	16.3%	-2.6%
Mitsubishi 	77,416	72,217	70,193	7.7%	8.3%	8.7%	0.4%
Suzuki 	81,057	66,809	66,346	8.1%	7.7%	8.3%	0.5%
Honda 	138,967	94,742	56,470	13.8%	10.9%	7.0%	-3.9%
BYDAuto 		16,669	46,711	0.0%	1.9%	5.8%	3.9%
Mitsubishi Fuso 	31,553	27,721	25,236	3.1%	3.2%	3.1%	-0.1%
Isuzu 	31,427	26,379	25,160	3.1%	3.0%	3.1%	0.1%
Chery 	4,099	9,191	19,736	0.4%	1.1%	2.5%	1.4%
Hyundai 	35,500	22,361	18,939	3.5%	2.6%	2.4%	-0.2%
Total	924,780	786,860	711,177	91.9%	91.0%	88.3%	

Source: Gaikindo, PwC research and analysis

Key insights

- Chinese automakers continue to gain momentum**, driven by a compelling value proposition combining lower pricing versus incumbents, feature-rich offerings, and a strong focus on xEVs as their core portfolio

 - **BYD is aggressively penetrating the market through the Atto 1**, an affordable BEV priced competitively against ICE incumbents in the same segment, such as the Honda Brio
 - **Chery recorded ~2x growth**, supported by multiple SUV launches across small-to-mid-size segments, offered in both ICE and PHEV variants, with a particular focus on targeting late adopters
 - **Denza D9 has dethroned the Toyota Alphard** in the premium luxury MPV segment, achieving approximately 7,000 units sold in 2025
 - **Most OEMs are now evaluating local assembly strategies**, either by building their own plants or partnering with local assemblers, to sustain price competitiveness as BEV incentives subside
- Japanese incumbents remain key market players**, but market share erosion is evident, with many facing common challenges in sustaining volumes for their traditional best-selling models

 - **Mass-market models**, including Toyota's Avanza, Calya, and Agya; Suzuki's Ertiga and XL7; Mitsubishi's Xpander; and Honda's Brio, are experiencing double-digit sales declines, reflecting weakened consumer purchasing power
 - **Flagship models show more resilient demand**, with vehicles such as Toyota's Fortuner, Mitsubishi's Pajero, and the newly launched Destinator remaining segment favourites, supported by a more affluent customer base
 - **Japanese OEMs are increasingly prioritising HEVs** as a transition technology, positioning them as a bridge solution for ICE customers amid rising electrification

Recent examples showcasing companies leveraging the 3 strategic thrusts to drive growth and maintain profitability in Indonesia

1 Operational excellence



GAC AION expands its footprint by building a **second factory** with 2x capacity of its first factory—**c.100k units annually**



Chery, currently partnering with Handal Indonesia Motor (HIM) for assembly, is **planning to open a new factory** to operate in 2027



VinFast and **BYD** to start manufacturing their cars locally and are expected to fully operate within Q1-Q2 2026

2 Business model redesign



Geely, Jacoo and MG introduce new discounted pricing scheme for limited number of bookings to fight potential BEV slump post government incentives exit



VinFast enters the market with **battery leasing scheme**, offering c.10-12% potential savings for new car purchases



Manufacturers to adopt more HEV and PHEV vehicle, as government incentives wind down and to bridge ICE users in converting to xEV

3 Strategic alliances



Changan enters Indonesia by partnering with **Indomobil**—leveraging dealer network and experience from selling Suzuki



XPENG partners with Voltron in developing the first 480 kW ultra fast charging station, with Jakarta as priority city for deployment

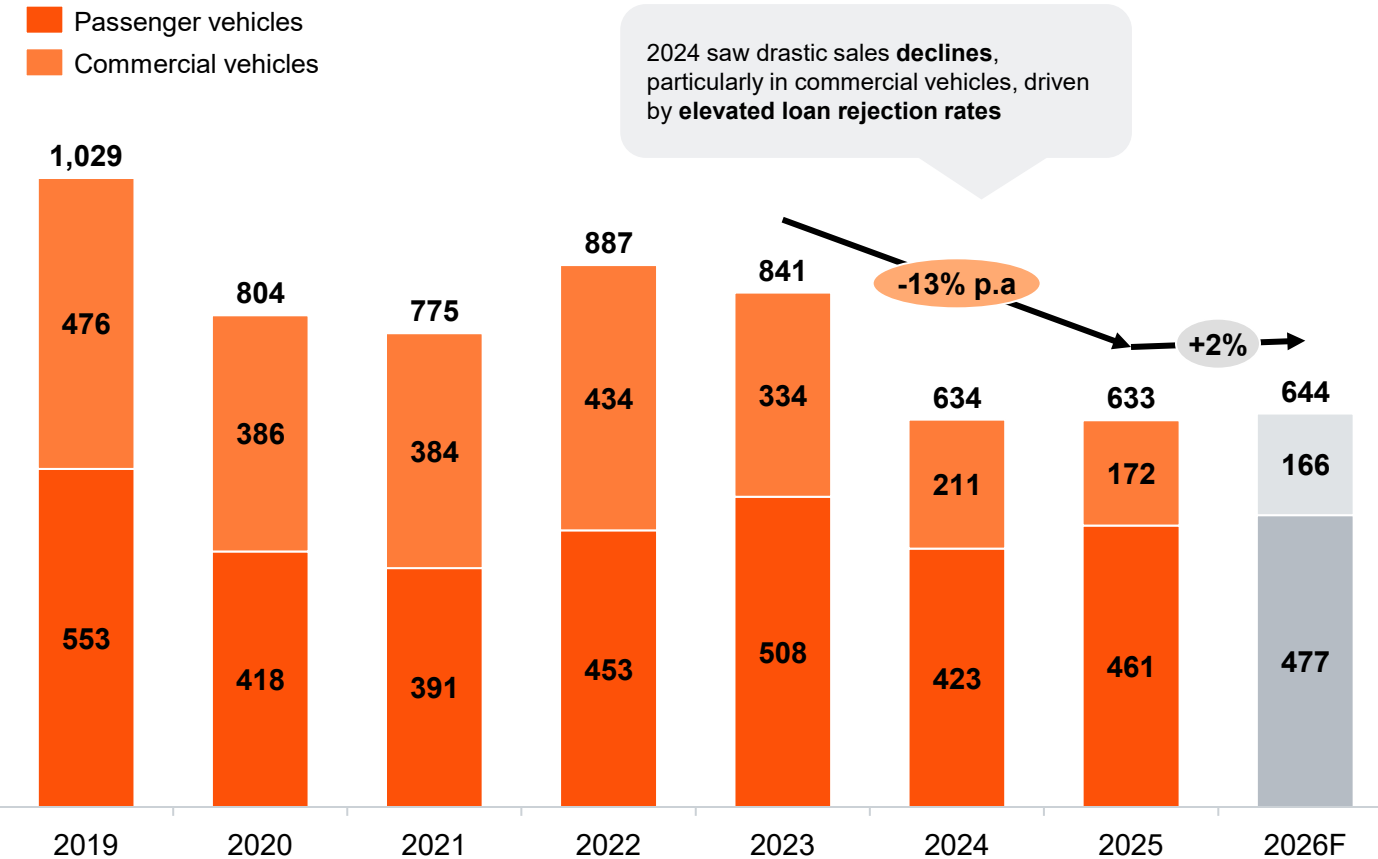


Wuling partners with Kalista, a fleet-as-a-service company, to **democratise EV** adoption in Indonesia in the commercial sector

TIV sales expected to pick up in 2026, with Chinese OEMs continuing to push passenger xEV sales; rising cost-of-ownership pressures remain



Thailand TIV sales: Passenger vs Commercial
(‘000 Units), 2019 - 2026F; % CAGR



Source: Marklines, BMI, Krungsri, FTI, PwC research and analysis; 2026F based on PwC best estimates

Key observations in 2025

- **Increased EV accessibility**, driven by new Chinese EV OEMs, flagship model price cuts, and EV charging infrastructure expansion (charging stations grew from 2.6k in 2023 to 3.8k by 1H2025)
- **Policy interest rate cut** by 0.25 pp to 1.25%, supporting potential economic growth and lower debt burden for existing automotive loans
- **Extension of EV 3.0 incentives to Jan 2026** supported EV clearance sales during the latter half of 2025 (e.g. BYD)

Key outlook in 2026

- **Major Chinese OEMs are pushing passenger xEV sales in January**, in an effort to maximise the EV 3.0 incentives before expiry, while **recent entrants look to grow** their presence (NIO, JAECOO, Chery)
- **Loan approvals are gradually easing**, and recent policy rate cuts may be supportive of both passenger and commercial vehicle sales
- **However, xEV face headwinds from higher cost of ownership:**
 - **EV 3.0 incentive expiry** to increase car prices post-January by up to THB150k/unit; remaining EV 3.5 incentives are less generous
 - **Proposed increase to rate of EV charging systems (EVCS)**, which may rise to THB11/unit, making it almost on par with petrol fuelling costs
- **National policy on xEVs uncertain in near-term:** Government formulation still underway, with no further news on incentive extension/addition
- **Persistent secondary market glut in ICE:** Rising repossessions add supply faster than the weak demand can absorb

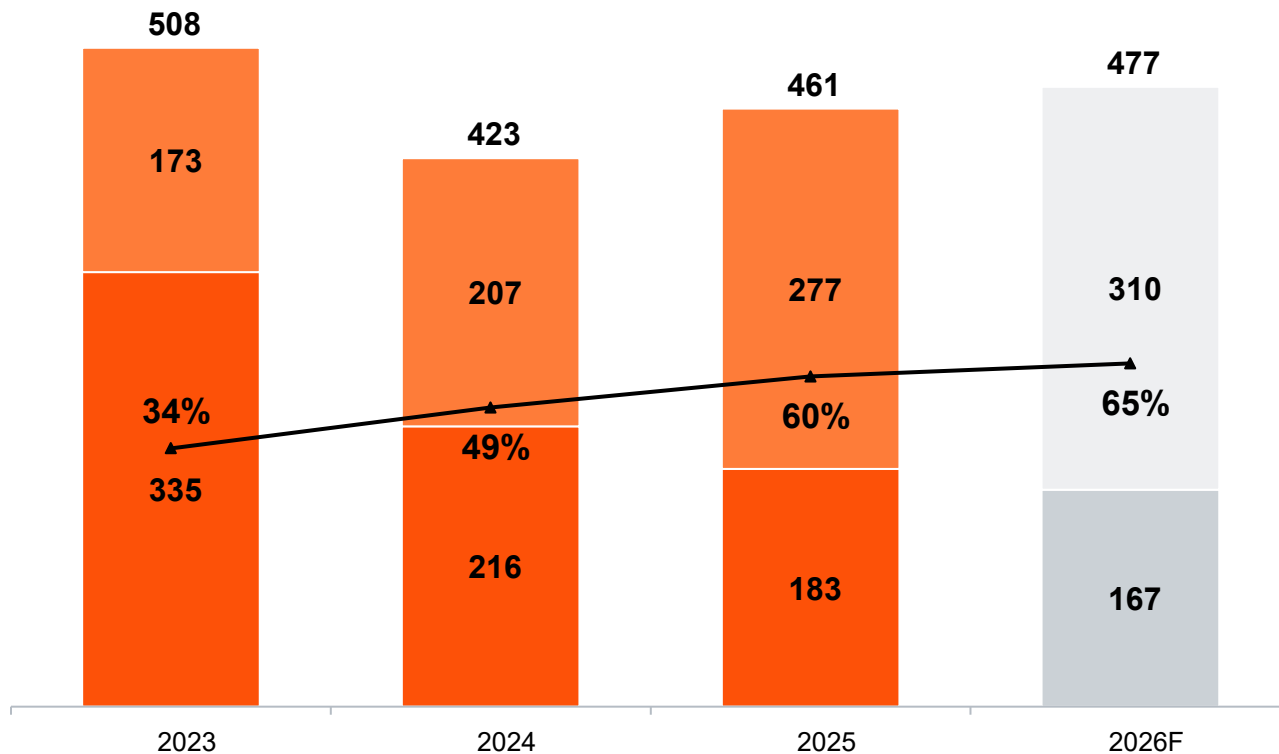


Thailand's xEV market has grown strongly, but is likely to face headwinds as cost-of-ownership pressures rise

Passenger ICE and xEV sales in Thailand

('000 Units), 2023 – 2026F

ICE EV & HEV ▲ % EV & HEV of total PV



Source: Marklines, BMI, Krungsri, PwC research and analysis; 2026F based on PwC best estimates

Key trends driving EV adoption

- Historically, rising xEV adoption** has been the key driver of PV sales recovery, with xEV sales reaching c.60% of total in 2025
 - Thailand's **30@30 policy** aims at making the nation a leader in xEV adoption and production
 - Significant xEV price cuts** instigated by major Chinese EV OEMs (e.g. BYD) have supported significant sales growth in 2025
 - Expiring EV 3.0 incentives supported fire sales** by major Chinese EV OEMs in 2025 and January 2026
- Future xEV growth may soften, as cost of ownership may rise** in 2026 and beyond: EV 3.0 has expired and only the less-generous EV 3.5 remains, EV charging rate hikes are being proposed, and the **EV price war appears to be easing** (OEMs shifting focus to margin recovery)
- GAC AION and XPENG continues to progress toward expansion** to support their rising sales momentum and growing market presence
- EV market is expected to further intensify**, as new entrants such as **JAECOO and Chery** are outperforming initial expectations and **NIO recently entered Thailand** through a partnership with Thonburi Group
- NETA's mid-2025 production halt raises concerns about its ability to fulfil offset production requirements**, with potential subsidy payback currently under discussion

Chinese OEMs rapidly gaining market share, causing key strategic shifts among the historical Japanese and Western OEM leaders



Top automotive OEMs in Thailand

(by volume of vehicles sold in respective year)

OEM	Units sold			Market share			Change in market share (24-25)
	2023	2024	2025	2023	2024	2025	
Toyota	279,320	238,433	228,888	33.2%	37.6%	36.2%	-1.5%
Isuzu	163,656	88,760	72,731	19.4%	14.0%	11.5%	-2.5%
Honda	91,496	83,260	71,512	10.9%	13.1%	11.3%	-1.8%
BYD Auto	30,559	27,030	41,576	3.6%	4.3%	6.6%	2.3%
Mitsubishi	37,511	28,434	26,813	4.5%	4.5%	4.2%	-0.3%
MG	28,390	17,500	23,929	3.4%	2.8%	3.8%	1.0%
Ford	41,830	26,929	20,349	5.0%	4.3%	3.2%	-1.0%
GAC Aion	88	5,184	13,763	0.0%	0.8%	2.2%	1.4%
BMW	14,128	12,241	10,611	1.7%	1.9%	1.7%	-0.3%
Nissan	18,497	10,762	9,053	2.2%	1.7%	1.4%	-0.3%
Total	705,475	538,533	519,225	83.8%	85.0%	82.0%	-3.0%

Source: Marklines, Krungsri, PwC research and analysis

Key insights

- Chinese OEMs rapidly gaining market share via xEV**, carving out top positions despite recent entry, benefiting disproportionately from EV incentives and having engaged in steep price cuts across recent years

 - **BYD expanded its market share by c.2.3% between 2024–2025**, engaging in aggressive price cuts and pushing production utilisation during 2025 to maximise EV 3.0 incentives before expiry (exp. Jan 2026)
 - **BYD, GWM, and SAIC MG continue to expand local manufacturing capability**, adding additional capabilities in complex xEV parts (e.g. EV motors, DC/DC)
 - **Recent Chinese entrants**—Changan, GAC Aion, and Chery—are also building local xEV production, intensifying competition and accelerating xEV penetration
- Japanese OEMs remain legacy ICE leaders despite eroding share in 2025**, owing to historical ICE prominence, extensive repair networks, and deep parts ecosystems, but **gradual electrification is noted**, with some xEVs expected to launch in 2026

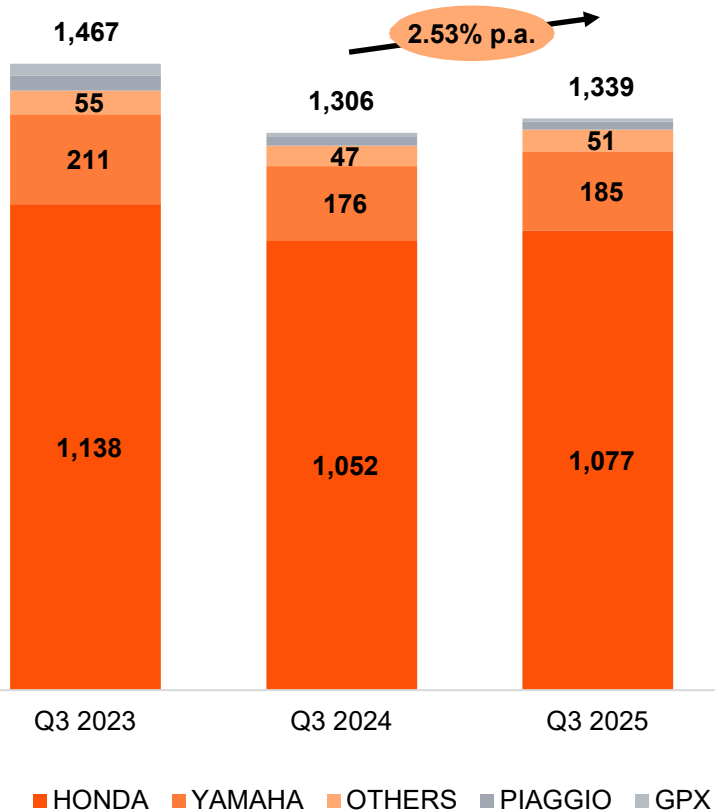
 - **Suzuki ended domestic production** given its persistent under-performance, selling its Rayong ICE factory to Ford in 2025
 - **Key OEMs announced new EV launches**: Toyota's Hilux BEV (2026), Honda's new BEV lineup (2027), and Mazda repositioning its Rayong factory to xEV SUVs with a THB5bn investment
- Continental OEMs similarly impacted**, causing strategic considerations:

 - **Ford is repositioning**: Amid domestic market share loss, it acquired Suzuki's plant to serve as an export production base for its Ranger and Everest models
 - **BMW holds premium niche**: it remains a leader in premium vehicles, with deliveries of its BEV models rising in 2025

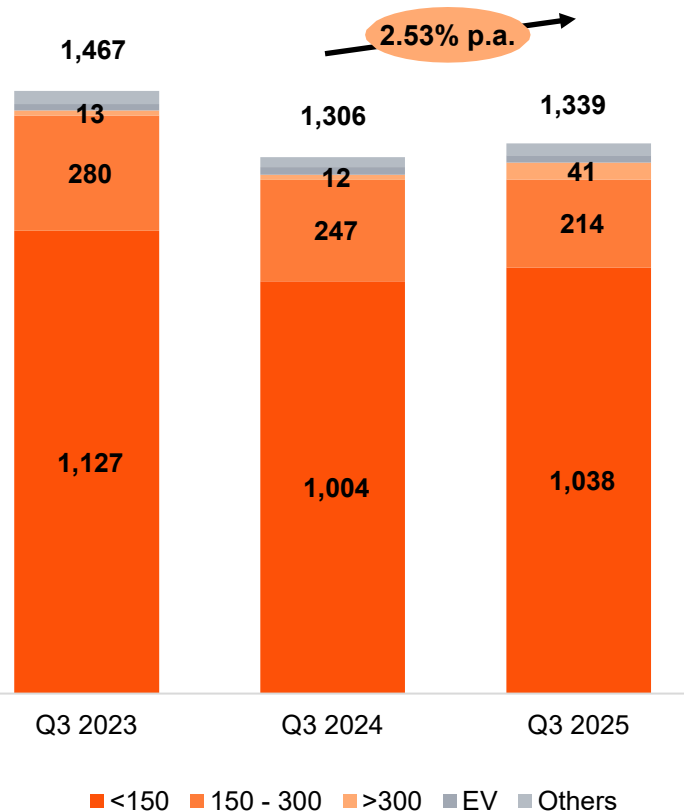


Thailand's 2W market shows early signs of recovery in Q3-2025, with Honda leading. Together with Yamaha, they hold 94% of the market

Thailand 2W Sales by Brand
(‘000 units), Q3 2023 – Q3 2025



Thailand 2W Sales by Displacement
(‘000 units), Q3 2023 – Q3 2025



Key insights

- 1 Thailand has a large motorcycle owner base**, with two-wheelers accounting for 51% of total vehicle registrations
- 2 Soft demand is expected to persist into 2026** amid a sluggish economy and high household debt. However, easing loan criteria following interest-rate cuts and La Niña-driven improvements in farm income may gradually support a recovery in rural two-wheeler demand
- 3 Honda continues to dominate the market**, led by key models such as the Wave 110, Wave 125, and Giorno+, offering a broad range of affordable mobility options for lower-income consumers
- 4 EV motorcycle penetration remains low**, despite support from the EV 3.5 scheme and the entry of new players such as Yadea, Sleek, and Strom in recent years
- 5 Future two-wheeler EV uptake is constrained by limited charging and battery-swapping infrastructure**, although expansion efforts by players such as Honda and Strom are emerging

Source: Marklines, Krungsri, PwC research and analysis



Recent examples showcasing companies leveraging the 3 strategic thrusts to drive growth and maintain profitability in Thailand

1 Operational excellence



GWM is discontinuing ORA Good Cat in Thailand after 4 years, shifting towards the new generation and **preparing to launch at least 5 new models** in 2026, including the ORA 5 SUV



Mercedes-Benz Thailand plans to launch 8 new models in 2026—including EVs, PHEVs, and ICE models—supported by strong early demand for the locally-assembled CLA 250+ Electric



BMW Thailand begins local BEV production with the i5 eDrive40 M Sport model—its first Thailand-assembled electric model



Nex Point is scaling its commercial EV by expanding production capacity, advocating for EV subsidies, and pursuing exports to Vietnam, Indonesia and Malaysia

2 Business model redesign



Toyota in Thailand started procuring Chinese automotive parts (e.g., from Wuhu Yufei) as part of its efforts to release a new low-cost EV model by 2028



Suzuki has agreed to exit its Rayong plant, which will be acquired by Ford to support its regional production plans, and will instead look to import vehicles from its plants across ASEAN and India



Mitsubishi Motors is overhauling its Thailand model by suspending its third plant and consolidating production to cut costs and adapt to weaker pickup demand and rising BEV competition



Geely Riddara is shifting its focus for Thailand by pivoting from urban EV pickups to **rural and agricultural users** and forming partnerships to expand charging access in remote areas

3 Strategic alliances



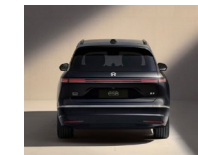
SHARGE has partnered with Grab Thailand to invest c.THB 400m in deploying 40 dedicated EVSE for Grab drivers nationwide by 2027, starting with at BKK and DMK airports and Pattaya.



Mazda is developing new EV models through a strategic partnership with Changan, leveraging joint development while using Mazda's dedicated EV plant in China for production



MG partners with Assumption University to launch an NEV research and training centre, providing equipment and expertise to build EV talent and support Thailand's industry growth



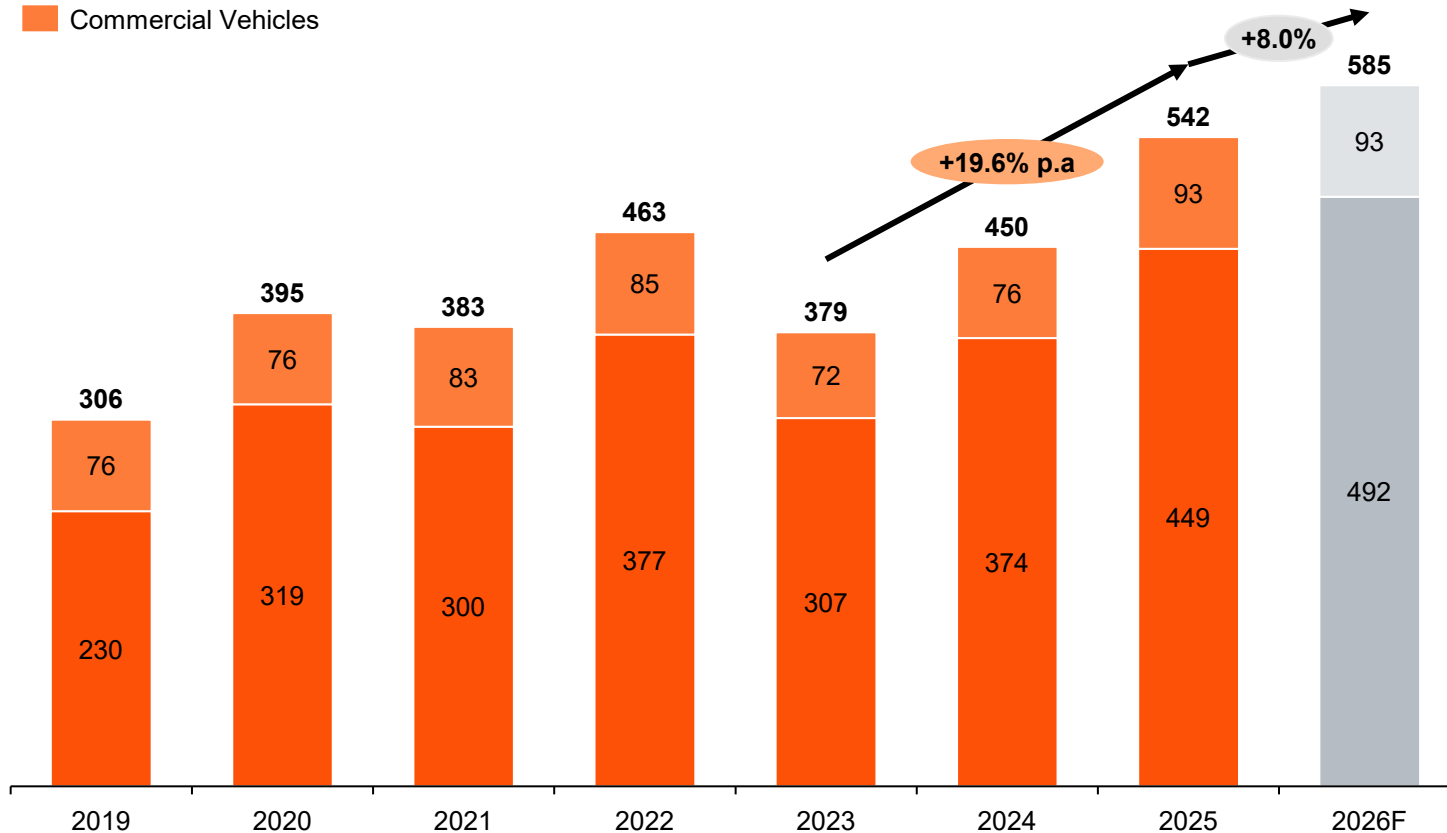
NIO signed a partnership agreement with Thonburi Group, naming it Thailand's official distributor to expand NIO and its sub-brands in the Thai market



Strong economic growth, along with government support, have driven Vietnam's strong growth in automotive sales and will continue in 2026

Vietnam TIV sales: Passenger vs Commercial ('000 Units), 2019 – 2026F

Passenger Vehicles
Commercial Vehicles



Source: Marklines, Fitch, PwC research and analysis; 2026F based on PwC best estimates

Key observations in 2025

- **Strong GDP growth** of >8.0%, **declining unemployment rate**, and **controlled inflation**
- Continued support for EV transition by **extending tax incentives and a roadmap for compulsory transition in key cities**
- Demand driven by **improved availability of affordable and locally assembled vehicles**
- 2025's sales record not only represents a 43% increase since 2023, but also **officially surpassed the previous record from 2022**

Key growth drivers in 2026

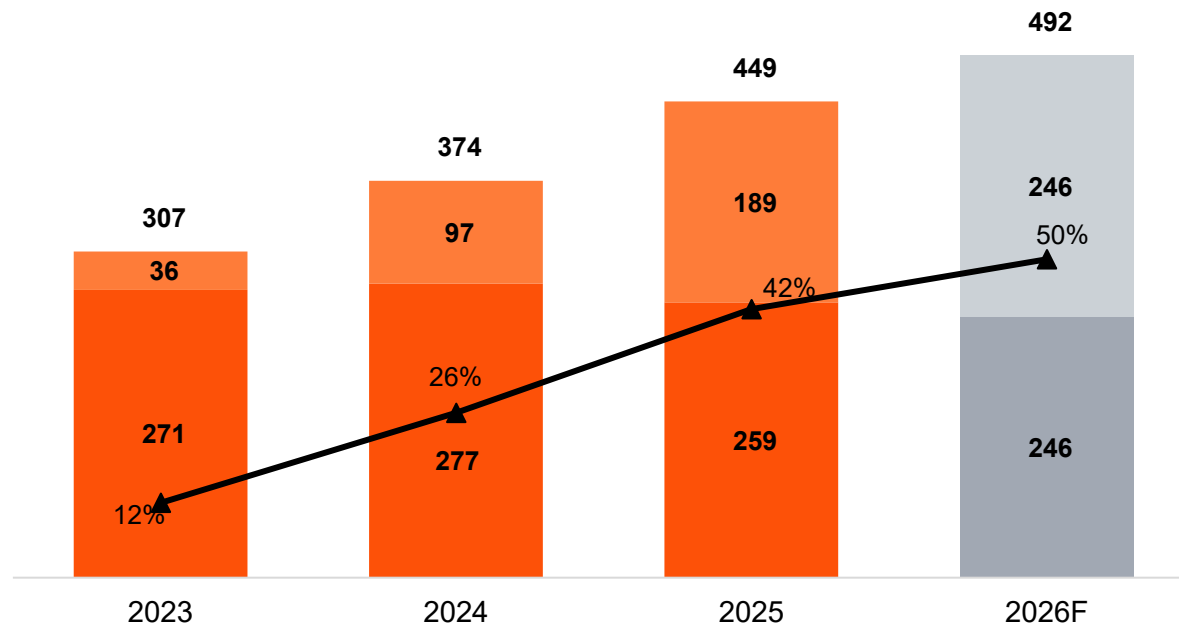
- **GDP growth is forecast to remain strong at around 6.5%**, with the government setting even more ambitious targets. Supported by this robust macroeconomic backdrop, the automotive market is expected to continue expanding
- **Automotive growth remains heavily dependent on VinFast**, with continued support and increased investment from its main shareholder to date. While there is no indication of a strategic shift, the degree of reliance on a single player remains high
- **xEVs are expected to be the primary growth driver**, underpinned by favourable government policies, including tax incentives and mandatory transition measures in key urban areas
- **Uncertainty surrounding global geopolitics and international trade** remains the key downside risk to growth



xEVs captured more than 40% of new 4W-PV sales in 2025, largely driven by local brand Vinfast. More models will further grow EV adoption but at a slower pace

Passenger Vehicles ICE and xEV sales in Vietnam
(‘000 Units), 2023 – 2026F¹

ICE EV & HEV % EV & HEV of total PV



Note: (1) 2026F figure for xEV is forecasted based on the historical % xEVs of total PV sales in Vietnam; 2026F based on PwC best estimates
Source: Marklines, Fitch, PwC research and analysis

Key trends driving EV adoption

- 1 Vietnam has set targets for EV penetration of 30% for four-wheelers and 22% for two-wheelers by 2030**, in support of its carbon-reduction objectives. While EV adoption in Vietnam is already relatively high compared with regional peers (approximately 25%), achieving a further step-change in market share by 2030 may be ambitious given existing growth constraints
- 2 Beyond local champion VinFast (c.175k units sold in 2025), new foreign entrants, particularly Chinese brands such as BYD, Geely, and Wuling, as well as Škoda from Czech/India, are expanding the range of EV options available to consumers**
- 3 Charging infrastructure is currently largely privately operated**; however, the Vietnamese government plans to accelerate the rollout of both public and private charging infrastructure to support continued EV adoption
- 4 From 1 January 2026, HEVs will be taxed at 70% of the special consumption tax applied to gasoline and diesel vehicles**, significantly reducing vehicle prices and registration tax bases. This policy brings hybrids much closer to ICE vehicles on pricing and is expected to accelerate the shift toward greener mobility by lowering the cost barrier



Record 2025 vehicle sales have reshaped VN's auto market, with VinFast's surge forcing ICE incumbents to rethink strategies amid accelerating electrification

Top automotive OEMs in Vietnam

(by volume of vehicles sold in respective year)

OEM	Units sold			Market share			Change in market share (24-25)
	2023	2024	2025	2023	2024	2025	
VinFast	35,000	87,000	175,099	9.2%	19.3%	32.3%	13.0%
Toyota	57,414	66,576	71,954	15.2%	14.8%	13.3%	-1.5%
Hyundai	68,399	69,453	53,229	18.1%	15.4%	9.8%	-5.6%
Ford	38,322	42,175	50,450	10.1%	9.4%	9.3%	-0.1%
Mitsubishi	30,894	41,198	44,107	8.2%	9.2%	8.1%	-1.0%
Kia	47,414	41,656	38,732	12.5%	9.3%	7.2%	-2.1%
Mazda	35,632	32,601	32,455	9.4%	7.2%	6.0%	-1.3%
Honda	23,802	28,267	28,719	6.3%	6.3%	5.3%	-1.0%
Thaco	9,524	11,165	15,692	2.5%	2.5%	2.9%	0.4%
Isuzu	8,671	10,522	11,742	2.3%	2.3%	2.2%	-0.2%
Total	355,072	430,613	522,179	93.7%	95.7%	96.4%	0.7%

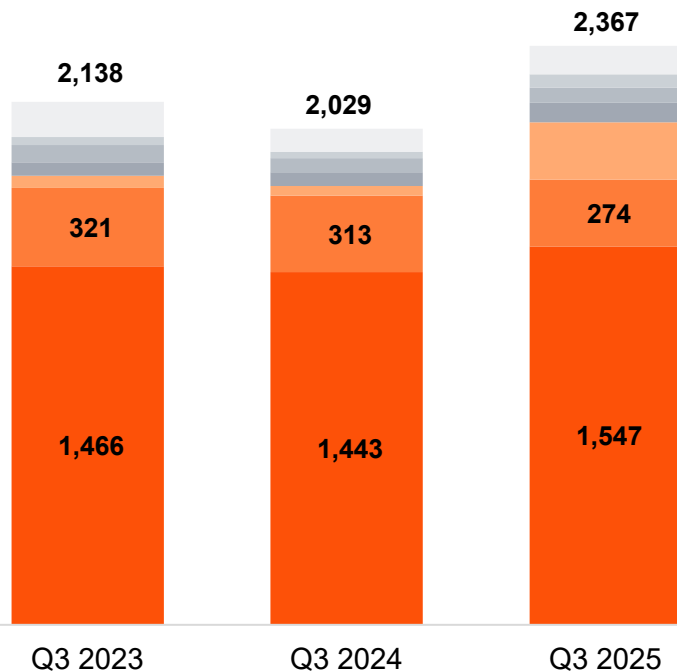
Key insights

- 1 The overall 4W market has expanded, supported by rising incomes, more favourable government policies, and reductions in taxes and fees
- 2 **VinFast** sold 175,099 vehicles, all pure BEVs, marking the **highest single-brand annual sales volume** in Vietnam's auto industry in the past 30 years. The launch of more affordable models has broadened market penetration, while the compact VF3 has remained the country's best-selling model for two consecutive years
- 3 Vietnam's automotive market saw a **sharp increase in vehicle imports from China** in 2025 (over 31,000 units); however, Chinese brands **captured only 5%–7% of total market share**. Key challenges include **intense price and quality competition**, as well as persistent consumer concerns around durability and safety
- 4 Many foreign brands pursued **aggressive year-end promotions**, including deep discounts on 2025 inventory, trade-in incentives, and attractive financing packages, **to capture market share ahead of the new year**. This led to a short-term shift toward prioritising volume and cash flow over per-unit margins, **particularly among non-EV brands competing with VinFast's aggressive pricing**
- 5 However, this dynamic is viewed as temporary. Market growth in 2026 is expected to moderate compared with the exceptional momentum seen in 2024–2025, aligning more closely with underlying economic growth trends



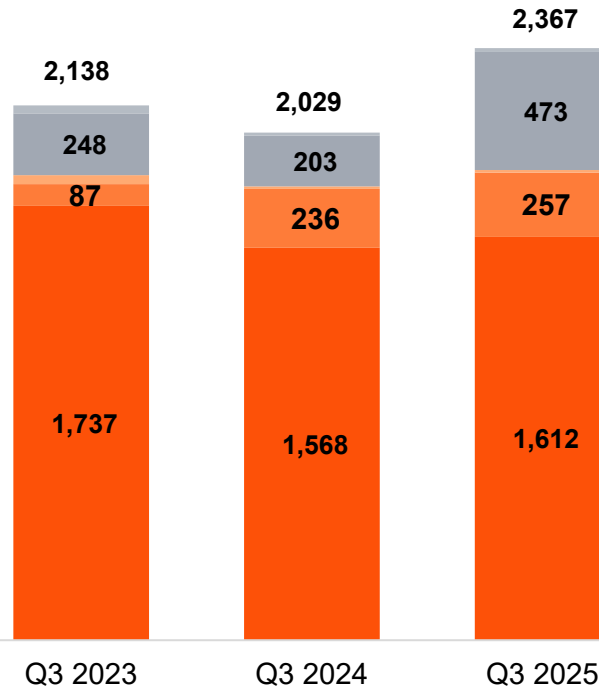
Accelerating electrification reshapes Vietnam's 2W market, highlighting rapid EV gains and mounting pressure on gasoline-focused brands

Vietnam 2W Sales by Brand
(‘000 units), Q3 2023 – Q3 2025



■ HONDA ■ YAMAHA ■ VINFAST ■ YADEA
■ PEGA ■ DIBAO ■ OTHERS

Vietnam 2W Sales by Displacement
(‘000 units), Q3 2023 – Q3 2025



■ <150 ■ 150 - 300 ■ >300 ■ EV ■ Others

Key insights

- 1 Traditional motorcycle manufacturers have seen softer performance, with major gasoline-focused brands showing signs of slowdown as the petrol motorcycle market becomes increasingly saturated
- 2 Established OEMs continue to dominate overall volumes, remaining the primary suppliers of gasoline scooters
- 3 Electric-focused brands have expanded rapidly, led by VinFast and other emerging players that scaled production, invested heavily in marketing, and deployed price-support measures to accelerate adoption
- 4 From 2026, tightening government restrictions on gasoline vehicles in major cities are expected to propel EV scooter sales, providing a strong structural tailwind for electrification in the two-wheeler segment

Source: Marklines, PwC research and analysis



Recent examples showcasing companies leveraging the 3 strategic thrusts to drive growth and maintain profitability in Vietnam

1 Operational excellence



Wuling, BYD, Hyundai-Kia, and Honda launch their first BEVs in Vietnam in 2024-2025



VinFast implements advanced manufacturing execution systems (MES) and enterprise resource planning (ERP) systems to improve operational efficiency and data accuracy



Kia inauguration of its first EV manufacturing facility in September, producing EV3 and EV4 models with 150,000 units annual capacity

2 Business model redesign



Local champion **VinFast** expands to broader ASEAN, India, USA, and the Middle East markets



TASCO signs a JV agreement with **Geely Motors** for CKD assembly plant, targeting 75,000 units capacity



Vinfast, DatBike, Selex, and other players are exploring battery rental, recycling, and other unique models to expand EV penetration

3 Strategic alliances



Geleximco signs a JV agreement with **Chery Automobile** to manufacture Omoda and Jaecoo cars in Thai Binh province



Toyota Vietnam is collaborating with local universities on joint projects to develop new materials, improve vehicle safety, and enhance fuel efficiency



VinFast partners with global tech companies like **LG Chem** to develop advanced battery technologies, aiming to enhance performance and reliability

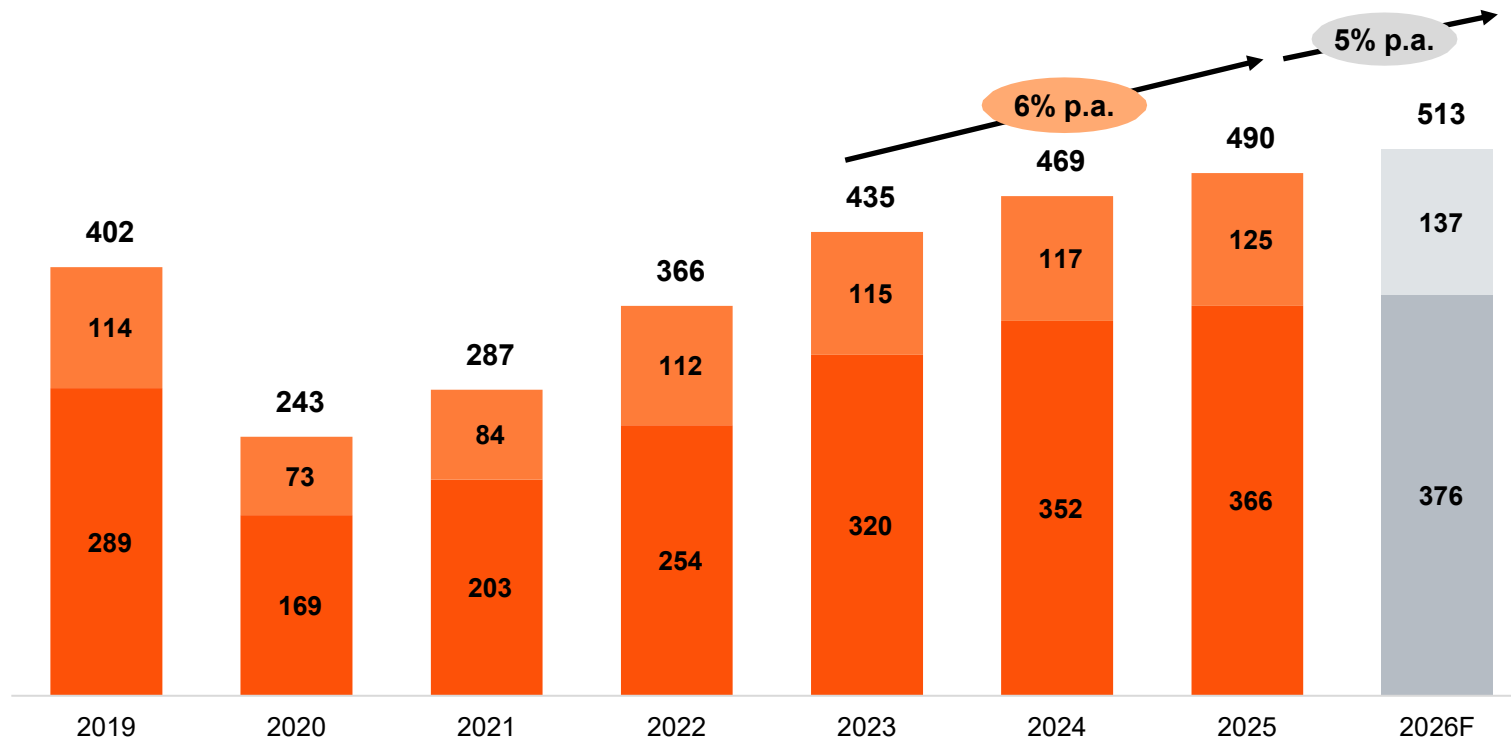


Philippine's automotive industry reaches a new high in vehicle sales for the full year of 2025 amidst relatively unfavourable market conditions

Philippines TIV sales: Passenger vs Commercial ('000 units), 2019 - 2026F

- Passenger Vehicles
- Commercial Vehicles

The PV segment continues with **robust growth** in 2025, driven by **heightened consumer confidence, improved affordability** and favourable economic conditions



Key observations in 2025

- **Headline inflation has eased from its post-pandemic peak**, prompting central bank rate cuts and supporting stronger auto loan demand rates
- **Aggressive expansion of Chinese and other regional brands** is intensifying competition, putting pressure on pricing and enriching model choice
- **Gradual uptake of EVs**, aided by additional government incentives to improve charging infrastructure and consumer awareness
- **Weaker local currency**, combined with adjustments to automotive excise taxes, has weighed on affordability and threatened demand

Key growth drivers in 2026

- **Automotive sales are expected to grow only moderately**, given potential headwinds from global supply disruptions, geopolitical tensions, possible adjustments in tariffs and excise taxes, and tighter loan approval standards from banks

Source: Marklines, Fitch, AutoIndustria, BusinessWorld, PwC PwC research and analysis; 2026F based on PwC best estimates

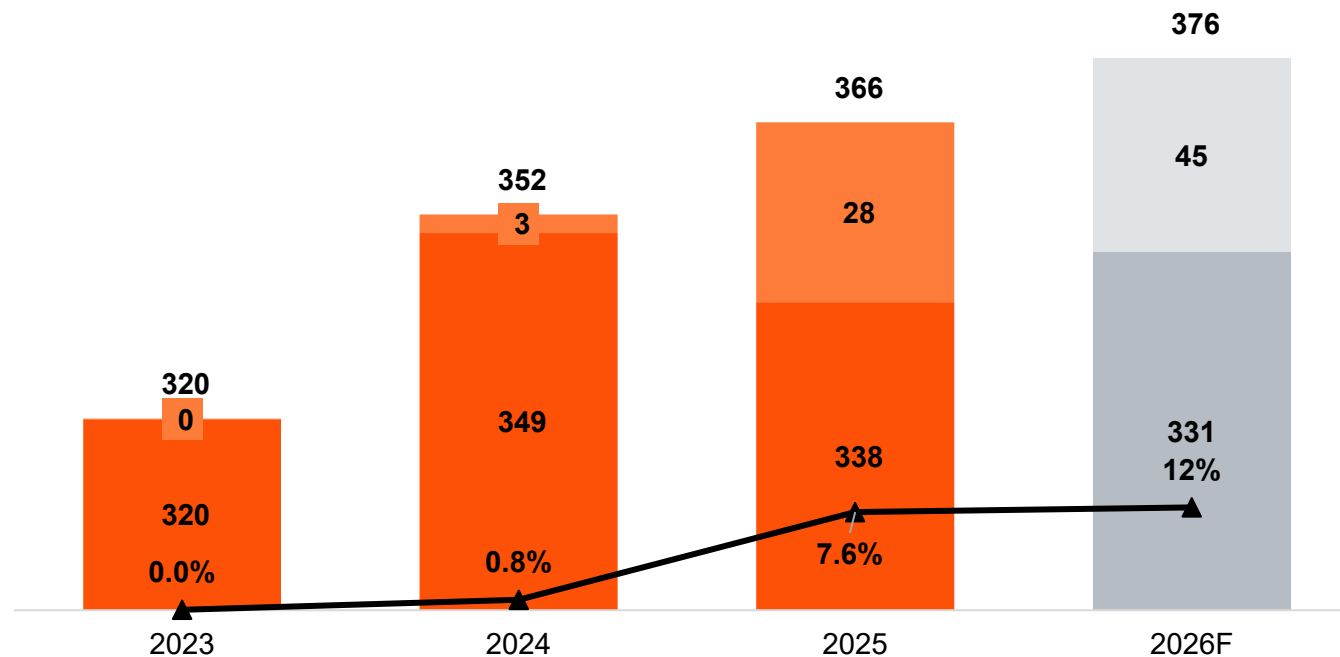


xEV penetration remains at early-stage adoption, but government policies and new model launches expected to accelerate xEV adoption

Passenger ICE and xEV sales in Philippines

('000 units), 2023 – 2026F

ICE EV & HEV % EV & HEV of total PV



Source: Marklines, Fitch, AutoIndustria, BusinessWorld, PwC PwC research and analysis; 2026F based on PwC best estimates

Key trends driving EV adoption











- 1 The government is enhancing the **Electric Vehicle Industry Development Act (EVIDA) framework and related incentives**, aiming for broader coverage of vehicle categories and industry participants to support the projected rise in EV and HEV sales through 2026
- 2 Despite import duty exemptions, **upfront prices remain significantly higher**, keeping EV penetration relatively low and mostly concentrated in higher-income urban areas
- 3 Other government initiatives to promote the uptake of EVs such as the public utility vehicle modernisation programme and the DOE electric tricycle project have been **successful in increasing the number of electric jeepneys and tricycles on the road**
- 4 xEV sales and installation of charging stations are **expected to see steady growth, with real estate and retail developers** starting to integrate charging stations into new malls, offices and residential projects, which should improve convenience and visibility of EVs over the next few years
- 5 Fleet and corporate buyers, including logistics, ride-hailing and corporate shuttle operators, are **emerging as early adopters of electric vehicles**, which can materially lift xEV volumes even if retail adoption remains cautious



Japanese OEMs lead the PH market, but have been losing market share over the 3-year period to fast growing Chinese brands

Top automotive OEMs in Philippines

(by volume of vehicles sold in respective year)

OEM	Units sold			Market share			Change in market share (24-25)
	2023	2024	2025	2023	2024	2025	
Toyota 	199,160	215,829	223,807	45.8%	46.0%	45.6%	-0.4%
Mitsubishi 	78,370	89,123	86,808	18.0%	19.0%	17.7%	-1.3%
BYD Auto 	15	1,007	26,122	0.0%	0.2%	5.3%	5.1%
Suzuki 	18,455	20,371	22,002	4.2%	4.3%	4.5%	0.1%
Ford 	31,320	27,996	21,784	7.2%	6.0%	4.4%	-1.5%
Nissan 	27,136	26,774	20,570	6.2%	5.7%	4.2%	-1.5%
Honda 	16,645	15,518	16,257	3.8%	3.3%	3.3%	0.0%
Isuzu 	15,597	15,862	15,257	3.6%	3.4%	3.1%	-0.3%
MG 	7,006	9,004	12,072	1.6%	1.9%	2.5%	0.5%
Hyundai 	9,130	12,019	10,476	2.1%	2.6%	2.1%	-0.4%
Total	402,834	433,503	455,155	92.6%	92.5%	92.8%	0.4%

Source: Marklines, Fitch, AutoIndustria, BusinessWorld, PwC PwC research and analysis

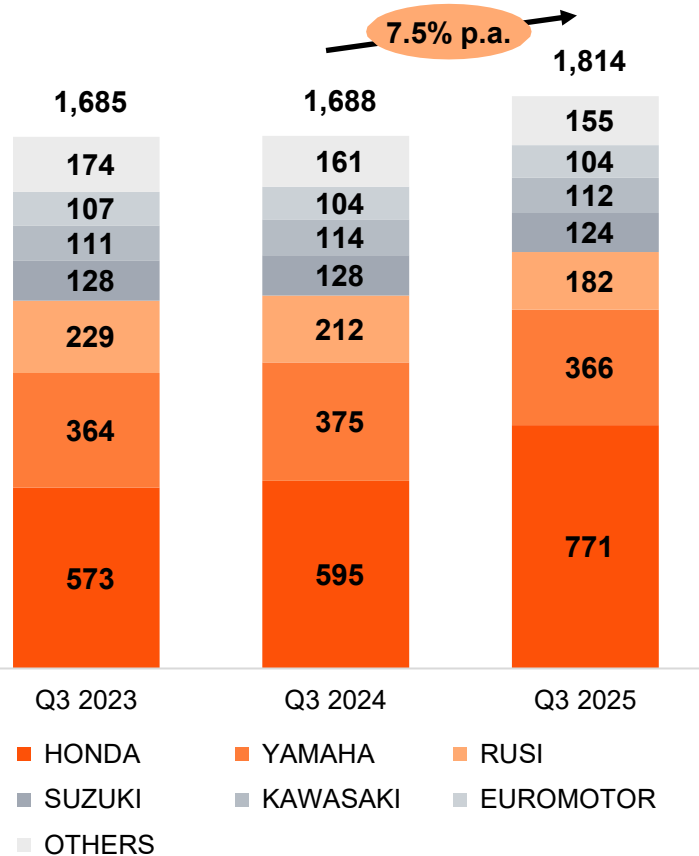
Key insights

- 1 Japanese OEMs are still lagging in electrification**, gaining visibility on hybrid but their full-BEV offerings remain limited compared to Chinese brands, which are using BEVs to capture much of the early EV demand under EVIDA. Japanese players are largely waiting for clearer infrastructure and regulatory signals before scaling a broader EV line-up
- 2 Japanese OEMs may still be growing in absolute volume but are slipping or flattening in market share**, as they are not capturing all incremental demand as the market continues to expand
- 3 Smaller competitors are consolidating distinctive niche positions**, with players like Ford, Isuzu, and Hyundai holding modest but meaningful shares by concentrating on crossovers, light trucks, and commercial vehicles models.
- 4** The country is also looking to further strengthen its automotive supply base and is currently in the middle of **negotiating for lower tariffs** and forging free trade agreements (FTA) with the focus of attracting key manufacturers looking to diversify from China under the China +2 strategy as well as expanding its FTA network with key economies like the European Union, India and Canada
- 5 Overall market growth is modest**, but competitive intensity is rising as new and smaller players enter. Market may continue to fragment and force incumbents to compete more aggressively on price, features, and financing

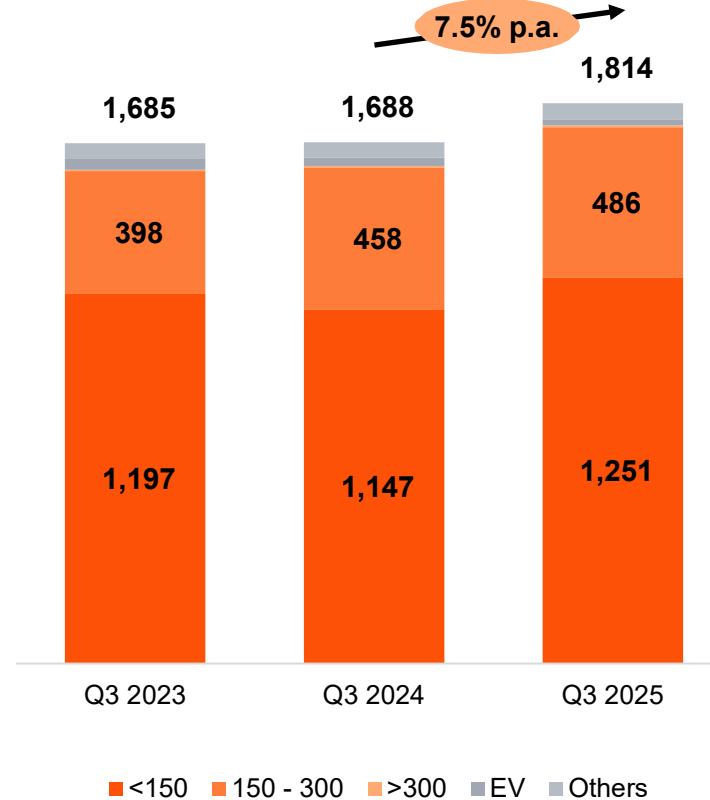


The 2W market is expected to sustain strong demand, driven by mobility needs and continued Japanese brand dominance

Philippines 2W Sales by Brands
(‘000 units), Q3 2023 – Q3 2025



Philippines 2W Sales by Displacement
(‘000 units), Q3 2023 – Q3 2025



Key insights

- 1 Demand for 2W remains optimistic** as consumers increasingly seek cost-effective alternatives to 4W vehicles
- 2 Short-term growth in 2W sales is expected**, driven by rising popularity of motorcycle taxis and delivery services as secondary income sources
- 3 Japanese brands, specifically Honda, Kawasaki, Suzuki, and Yamaha**, continue to dominate the market accounting for the majority of 2W sales
- 4 Sudden influx of “emerging brands”** such as CFMoto, Hero Motorcycles, FKM, and QJMotor has helped in boost in the demand for 2W in the country
- 5 Adoption of electric 2W vehicles remains limited** due to inadequate infrastructure and a narrow range of available EV models in the market

Source: Marklines, Fitch, AutoIndustria, BusinessWorld, PwC PwC research and analysis



Recent examples showcasing companies leveraging the 3 strategic thrusts to drive growth and maintain profitability in the Philippines

1 Operational excellence



Mitsubishi PH opens new mega dealer in Marikina City, with the 2,878sqm facility sitting on a huge 6,500sqm lot



VinFast's long-term PH market strategy is built around ecosystem development and customer confidence



GAC Motor consolidated its Philippine operations under a single, factory-controlled entity

2 Business model redesign



Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI) elects new president for the automotive industry association



United Asia Automotive Group, Inc.'s inaugural 1,200sqm training facility and 8,700sqm spare parts warehouse network



Astra Otoparts expands operations in the Laguna facility

3 Strategic alliances



Toyota ramps up Tamaraw production to support local small business aligning with government efforts to strengthen national supply chains



OMODA and JAECOO Motor Philippines has formalised their partnership with Autohub Group to accelerate local expansion



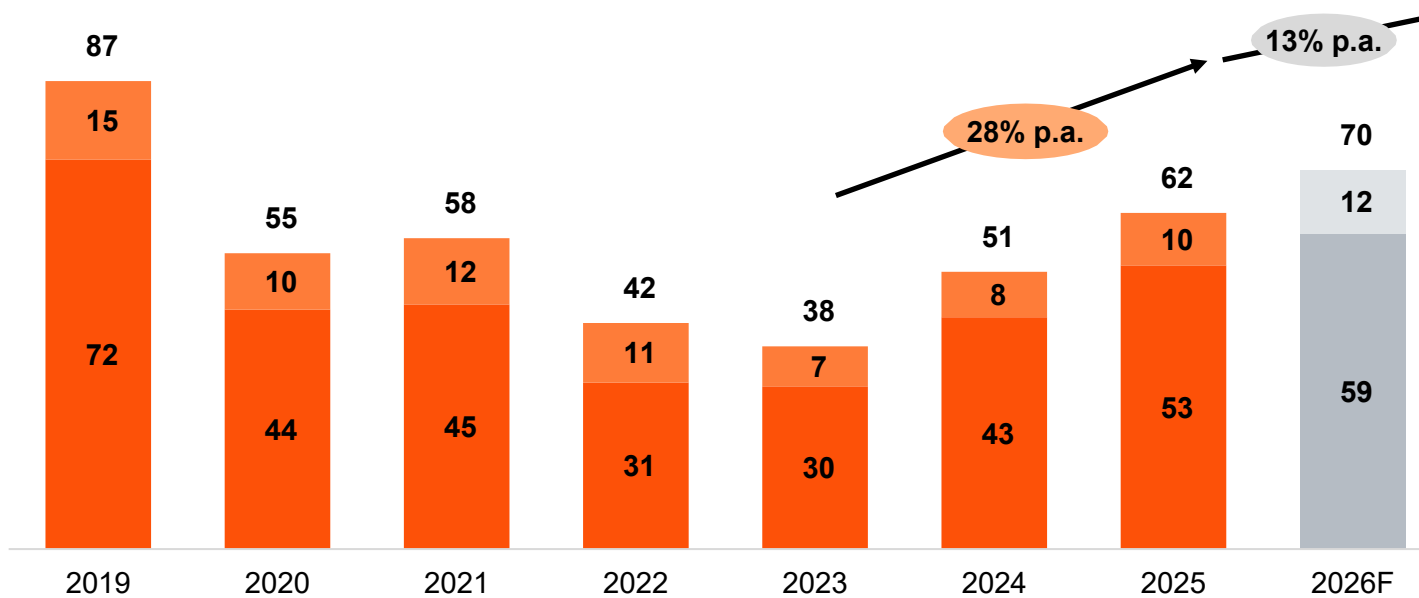
BYD and Ayala extends partnership following record-breaking growth



A convergence of resilient demand, favourable COE dynamics and a strong pipeline of models is likely to reinvigorate sales volumes in 2026

Singapore TIV Sales: Passenger vs Commercial (‘000 units), 2019 – 2026F

- Passenger Vehicles
- Commercial Vehicles



Key observations in 2025

- Macro resilience:** In Q4 2025, GDP expanded 5.7% YoY while MAS core inflation is expected to normalise towards 1-2% YoY, supporting consumer spend
- Rise in COE¹ supply:** Rise in COE quota from c.30k in 2024 to c.36k in 2025, amidst additional COE injections²
- EVs remain an accessible option:** Government rebates (extended once more) reducing upfront costs, and OEMs tuning power outputs to fit lower-priced Cat A have given access to a broader buyer base. E.g. BMW, BYD, Kia, Tesla tuned the power outputs to fit in Cat A³

Key growth drivers in 2026

- COE supply uplift:** PVs COE supply may rise to c.50k, up from c.36k in 2025 due to deregistration of older cars cohort (2015-2020), and the additional COE injection
- New model pipeline:** 60 new models (incl. variations, facelifts, brands) upcoming in 2026 will refresh line-ups, driving higher showroom traffic and conversion. E.g. Honda and Subaru will launch EVs in a bid to regain market share, KGM entering Singapore
- Declining COE premiums for Cat A and Cat B⁴:** Cat A and Cat B premiums⁶ have been on a consistent decline since October 2025 to present / February 2026 (SGD128,105 to SGD106,320 for Cat A, SGD141,000 to SGD110,890 for Cat B)

Notes: 1) Certificate of Entitlement (COE) is a permit required to register a vehicle in Singapore where it grants the right to own and use the vehicle for 10 years; 2) Additional injections of up to 20,000 COEs have started since February 2025 and will be injected over the next few years according to Singapore Land Transport Authority; 3) COE Category A cars refer to those with engines up to 1,600cc and maximum power output up to 97kW; 4) COE Category B cars refer to those with engines above 1,600cc and maximum power output above 97kW; 6) COE premiums shown are derived from the first bidding rounds of the respective months of the bidding exercise

Source: BMI Research, The Business Times, Singapore Land Transport Authority, Singapore Ministry of Transport, Ministry of Trade and Industry Singapore, press search, PwC PwC research and analysis; 2026F based on PwC best estimates

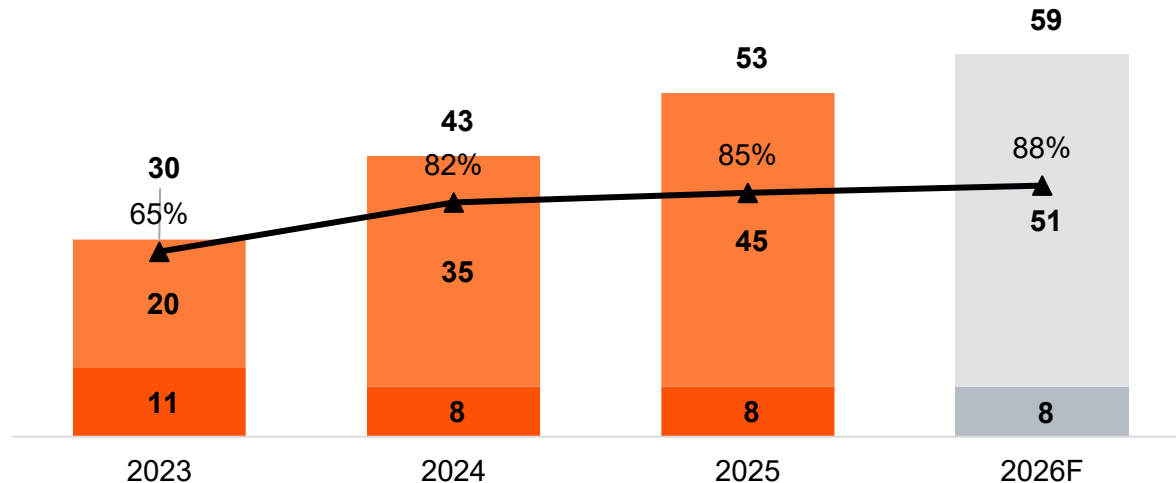


Extended rebates, a rapidly maturing charging ecosystem, and more compelling, value-driven offerings will further strengthen EV adoption

Passenger ICE and xEV sales in Singapore

('000 units), 2023 – 2026F

ICE EV & HEV % EV & HEV of total PV



Key trends driving EV adoption

- Extended incentives and rebates:** Extension of VES¹ till 31 December 2027, and EEAI² till 31 December 2026 with rebates (i.e. combined cost savings up to SGD30,000 and SGD20,000 off the ARF³ for electric cars registered in 2026 and 2027 respectively) to sustain adoption momentum
- EV ecosystem developments:**
 - Charging infrastructure expansion:** Rise in installation of EV charging points in Singapore to 25,000+ in 2025 from 15,000+ in 2024
 - Set-up of supercharging network:** SP Group, Huawei, and EVE introduced SG's 1st ultra-fast EV charger in February 2026 that significantly reduces charging time for CV fleets (200km of range in 5 minutes); the pilot/station (currently has 4 charging points), integrates Huawei's latest liquid-cooled ultra-fast DC⁴ technology with BESS⁵
 - Broader ecosystem developments:** Wearnes Automotive and Nio have signed an MoU and kickstarted a feasibility assessment for the set up and deployment of battery swapping stations in Singapore (for its Firefly brand/models)
- Chinese OEMs sharpening sales playbook:** Chinese OEMs are more deliberate in increasing appeal to buyers seeking value-for-money offerings. E.g. BYD targets the key purchase driver—price—by being competitively priced vs. ICE vehicles/other EV brands, while layering in value-added features (BYD's Atto 3's large interior with features such as sunroofs and tyre pressure monitors which cost more vs. comparable models)

Notes: 1) VES – Vehicle Emission Scheme; 2) EEAI – EV Early Adoption Incentive; 3) ARF refers to Additional Registration Fees which is the tax imposed on vehicle registration; 4) DC refers to Direct Current; 5) BESS refers to Battery Energy Storage System
Source: Singapore Land Transport Authority, CNA, The Business Times, press search, PwC PwC research and analysis; 2026F based on PwC best estimates



BYD has solidified its leadership position and is poised for further growth, while Toyota and Mercedes-Benz are trying to recover share

Top automotive OEMs in Singapore (by volume of vehicles¹ sold in respective year)

OEM	Units sold			Market share			Change in market share (24-25)
	2023	2024	2025	2023	2024	2025	
BYD Auto	1,729	6,399	11,715	5%	12%	19%	6.1%
Toyota	9,396	9,678	8,732	25%	19%	14%	-4.9%
BMW	3,436	5,071	5,091	9%	10%	8%	-1.8%
Honda	2,931	4,264	5,042	8%	8%	8%	-0.3%
Mercedes-Benz	4,447	5,360	5,079	12%	10%	8%	-2.4%
Tesla	941	2,384	3,476	2%	5%	5%	0.9%
Hino	739	1,177	1,790	2%	2%	3%	0.6%
Nissan	1,777	2,274	1,615	5%	4%	3%	-1.9%
Hyundai	1,146	2,061	1,464	3%	4%	2%	-1.7%
Mitsubishi	1,006	1,044	1,251	3%	2%	2%	0.0%
Total (Top 10)	27,548	39,712	45,255	73.2%	77.0%	71.6%	-5.4%

Notes: 1) Volume of vehicles sold here comprises volume of passenger vehicles and commercial vehicles sold in Singapore
Source: Singapore Land Transport Authority, The Straits Times, press search, PwC PwC research and analysis

Key insights

- EVs account for **45% of new passenger car registrations (23,684 units)** in Singapore in 2025 vs. 34% of new registrations in 2024; EV incentives of up to SGD30,000 in rebates compared to petrol hybrids with no Vehicle Emission Scheme (VES) rebates amidst tightening of the scheme's criteria
- BYD** has surpassed long-term market leader Toyota in H1 2025, and ended 2025 as **Singapore's best-selling OEM**; market leadership is **cemented through extensive retail footprint** (10 showrooms via multi-dealer model vs. market's norm of 1-2 showrooms), and **feature-led differentiation** (more value-adding features such as advanced connectivity and remote app controls vs. JP/KR mass-market brands)
- BYD sales volume is expected to continue growing, underpinned by a **broader lineup with a stronger PHEV focus and a deeper SUV/MPV coverage**, while **expanding reach to the luxury car segment** with the Denza brand
- Toyota** has seen a **decline in market share** amid **intensifying competition**, attributed mainly to it being **slow to embrace a wider EV range** to cater to evolving consumers' needs (majority are petrol-hybrids, with a single Lexus electric SUV model); Toyota, through Borneo Motors, is **set to broaden its 2026 EV offering** (including a facelifted Toyota bZ4X) to **regain market share and bolster growth**, consistent with its global strategy
- Mercedes-Benz** (No.2 OEM in 2023) has also faced a **similar downward trajectory as Toyota**. To regain market share, Mercedes-Benz will **expand its EV line-up in 2026** (e.g. long-range CLA model), while Cycle & Carriage is **investing SGD50m from 2023-2027 to refurbish its SG network** (e.g. dedicated consultation spaces at the Mercedes-Benz Centre to drive showroom traffic and sales conversion)



Recent examples showcasing companies leveraging the 3 strategic thrusts to drive growth and maintain profitability in Singapore

1 Operational excellence



Aug 25 – Chinese EV OEM JMEV (owned by Jiangling Motors Group) has officially launched its electric sedan through its exclusive distributor Valor Auto



Aug 25 – Chinese luxury OEM Nio is expected to debut in Singapore in Q1 2026 with its right-hand drive Firefly compact EV through its exclusive distributor Wearnes Automotive



Dec 25 – Chinese EV OEM IM Motors (JV between SAIC, Zhangjiang Hi-Tech and Alibaba Group) has officially launched its electric sedan, IM 5 saloon, and IM 6 SUV through its official distributor Eurokars



Jan 26 – Chinese EV OEM iCAUR (owned by Chery) has begun its pre-orders for Jaecoo J8 and V23 electric SUV

2 Business model redesign



Carro's product line expansion: Appointed as an authorised Dongfeng dealer with new showrooms in Singapore and Malaysia; all Dongfeng cars through Carro come with discounts and authorised dealer warranties, as well as Carro's exclusive financing and insurance solutions

3 Strategic alliances



Partnership between Huawei and SP Group: Partnership established to deploy ultra-fast EV charging, integrating battery energy storage for high-power charging at locations with power limitations



Partnership between Charge+ and XPENG Motors: Partnership established to build a network of high-powered supercharging hubs across SEA, leveraging Charge+'s >3,000 public charging stations across Singapore, Malaysia, and Thailand, and XPENG's fast-charging technology



Partnership between Nio and Wearnes Automotive: Wearnes Automotive and Nio have signed an MoU and kickstarted a feasibility assessment¹ for the set up and deployment of battery swapping stations in Singapore (for its Firefly brand/models)

Notes:

1) Battery charge and swap for electric cars are currently not covered under Singapore's national charging standard where there are two trials currently with the technology for electric heavy commercial vehicles carried out under separate special permits given by the Singapore Land Transport Authority

Source: Press search, PwC PwC research and analysis



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