



Overview of the ASEAN-6 automotive market

6th market snapshot | PwC Automotive ASEAN Centre of Excellence

August 2026



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

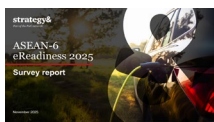
CoE objectives

- 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-6 5th automotive snapshot (Feb 2026)



ASEAN-6 eReadiness 2025



Semiconductor-powered future of the automotive industry in Malaysia: A need for integration



Electric Vehicle Sales Review Q1 2026

Our automotive capabilities (selection)

Strategic (re-)positioning

- Market entry and feasibility studies
- Growth strategy/Dealer network strategy
- Footprint optimisation
- 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+ experts* from **6 ASEAN countries**: Malaysia, Indonesia, Thailand, Vietnam, the Philippines, and Singapore. The ASEAN CoE is embedded in a strong network of **Asia Pacific representation** from China, India, Japan, and South Korea with more than 1,000 automotive experts.

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*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.

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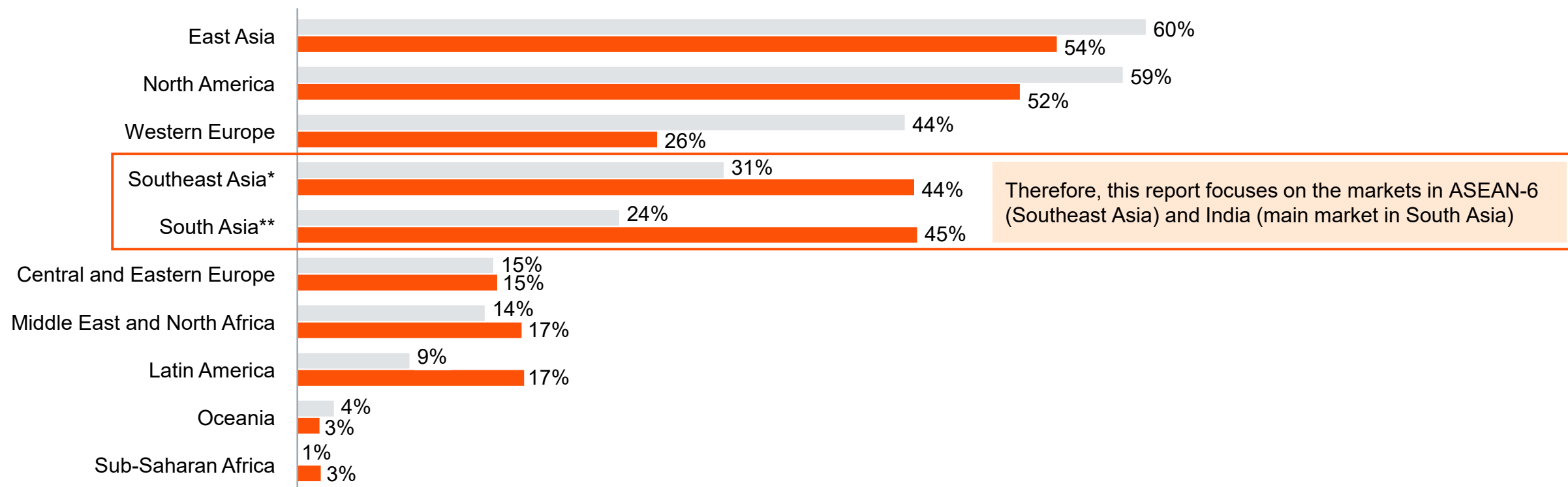
Market context and
strategic implications

PwC survey¹: SEA and SA are the two regions with the strongest growth in importance over the next five years

Market-based value pools

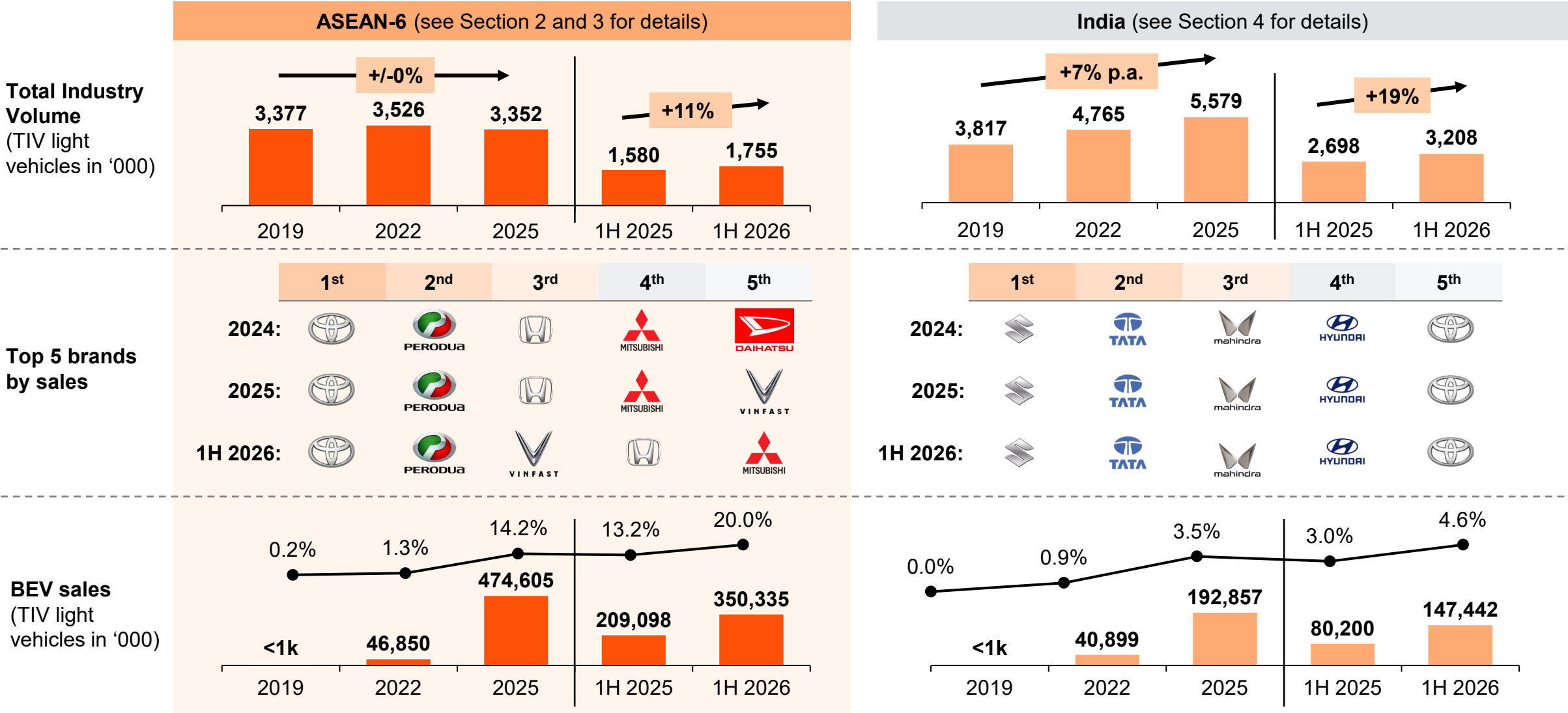
Share of respondents ranking each region among their top three most important regions during this fiscal year and over the next five years

■ During this fiscal year ■ Over the next five years



¹Survey dated April 2026, Q3.1 "Which of the following regions do you expect will offer the biggest revenue opportunities for your company?" Asked of all respondents, N = 596. * Examples of Southeast Asian territories include Thailand, Indonesia, and Vietnam. ** Examples of South Asian territories include India, Pakistan, and Bangladesh.

ASEAN leads the EV transition with significantly higher BEV penetration, while India's auto market is bigger and growing faster



Key takeaways from this 6th automotive ASEAN market snapshot

Growth remains resilient, but momentum is concentrating

Follow the strongest demand pools



ASEAN-6 TIV grew 11.1% in 1H 2026, led by Vietnam, Indonesia, and Thailand. Market divergence continues to widen, reinforcing the need for targeted country strategies.

Electrification is entering the next phase

One regional approach will not fit all markets



xEV penetration reached 32% across ASEAN-6 in 1H 2026. Adoption rates differ significantly by country, making local market strategies increasingly important.

Competitive dynamics continue to shift

Speed and value are becoming key differentiators



Chinese OEMs increased their ASEAN-6 market share to 15.7% in 1H 2026, while traditional leaders faced continued pressure. Product competitiveness and execution are becoming more critical.

Localisation is becoming a strategic advantage

Manufacturing decisions will shape competitiveness



ASEAN-6 production is projected to approach 6 million units by 2030. Footprint and localisation choices will increasingly influence cost, pricing, and profitability.

Commercial vehicles are recovering

Execution remains as important as demand



ASEAN-4 truck sales rose 23% in 1H 2026. However, competition remains intense as customers continue to prioritise operating costs, uptime, and financing solutions.

India continues to strengthen its strategic importance

Scale and growth remain compelling



India TIV grew 19% in 1H 2026 to 3.21 million units. Its scale, growth trajectory, and expanding electrification reinforce its position as a key automotive growth market.

Observations from the Auto China 2026 exhibition in Beijing

Auto China 2026 featured **1,450 vehicles**, including **181 world premieres** and **71 concept cars**, as well as advances in automotive electronics, humanoid robots, and drone technology, highlighting the scale of China's automotive ecosystem and its growing influence on the future of the industry.



From SDV to AIDV:

Technology has evolved from the “simpler” software-defined vehicle (SDV)—primarily focused on electrification, entertainment, and connectivity—to the AI-defined vehicle (AIDV), in which AI is deeply embedded, making vehicles increasingly autonomous.

Successful car companies are becoming tech companies:

Leading companies position themselves as integrated mobility and technology companies, combining traditional mechanical engineering with advanced electronics—some leading players even without the mechanical parts as a TIER 0.5 automotive company.

Chinese OEMs have matured rapidly:

Leading original equipment manufacturers (OEMs) from China have made progress in developing multi-brand portfolios and expanding their product offerings. Many are also exploring international expansion, offering competitive products for established dealers.

Traditional brands are adapting to a changing market:

Continental, Japanese, and Korean automakers are introducing new products as they respond to increasing competition from Chinese manufacturers, but their ability to remain competitive will depend on pricing, innovation speed, and the strength of their local partnerships and brands.

Automotive companies should explore three 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

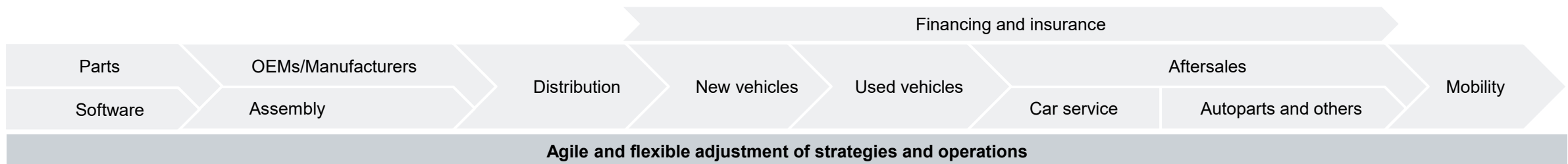
- Optimise footprint (sales/dealer network, production, R&D, and admin)
- Further enhance customer experience, loyalty, and pricing packages
- Explore digital and AI solutions in operations
- Adjust structures, processes, and systems to current operations:
 - External cost out
 - Workforce optimisation
 - Digitalise processes

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
- Parts and components distribution/Stockist
- New services and bundles from connectivity, entertainment, and charging

3 Strategic alliances

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





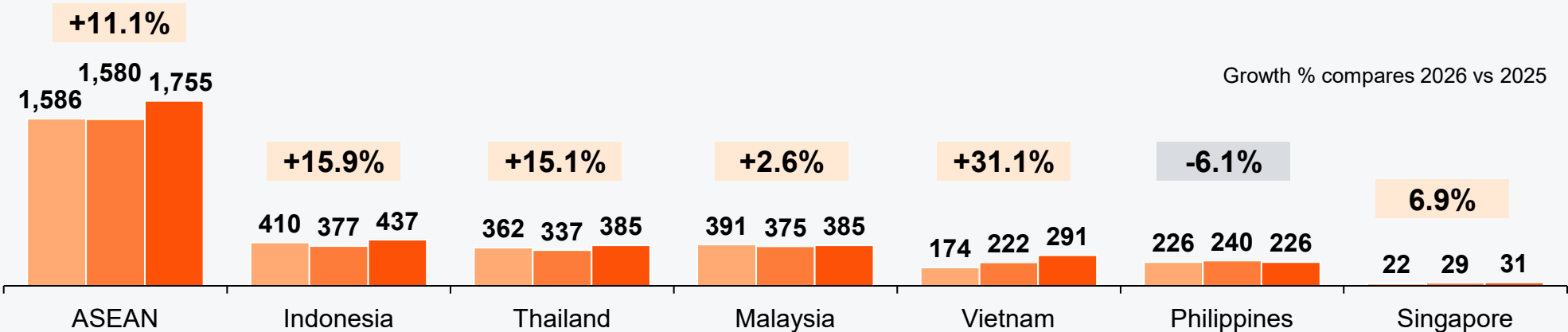
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Overview of the ASEAN-6 automotive market

ASEAN-6 TIV grew +11.1%, driven by recovery in ID and TH; strong growth in VN while market conditions in PH remain challenging

ASEAN-6 total industry volume 1H 2024 vs 1H 2025 vs 1H 2026 ('000 units sold)

Note: *Total industry volume = No. of units sold inclusive of passenger vehicles (PVs) and commercial vehicles (CVs)





Indonesia

+15.9%

growth in sales

Indonesia’s TIV rebounded in 1H 2026 after two years of decline, with wholesale deliveries up 15.9% and production rising 11.3%. Growth was supported by stronger commercial vehicle demand, BEV sales more than doubling, and GDP growth accelerating to 5.6%, though financing costs and affordability pressures remain key constraints.



Thailand

+15.1%

growth in sales

Thailand’s TIV rebounded in 1H 2026, supported by stronger domestic sales and EV momentum, with BEV sales up ~84% YoY. Although growth was tempered by a contracting pickup-market and rising cost of ownership following EV3.0 expiry, overall TIV growth remained positive, with Thailand well positioned as ASEAN’s key production hub.



Malaysia

+2.6%

growth in sales

Malaysia’s TIV remained steady in 1H 2026, as resilient passenger vehicle demand offset weakness in commercial vehicles. Growth was supported by stronger SUV demand, rapid xEV uptake, and national brands gaining share, prompting the Malaysian Automotive Association (MAA) to revise its 2026 TIV forecast upward to 800k units.



Vietnam

+31%

growth in sales

Vietnam’s TIV surged in 1H 2026, led by VinFast’s record ~116k EV deliveries (+72%). Growth was supported by robust GDP momentum (+8.18%), rising hybrid sales (+83%), and stronger imported vehicle demand (+23%).



Philippines

-6.1%

contraction in sales

Philippines’ TIV declined in 1H 2026 as elevated fuel prices weighed on consumer demand and disrupted buyer preferences. The decline was broad-based across passenger cars and commercial vehicles, while xEV growth partially offset weakness.



Singapore

+6.9%

growth in sales

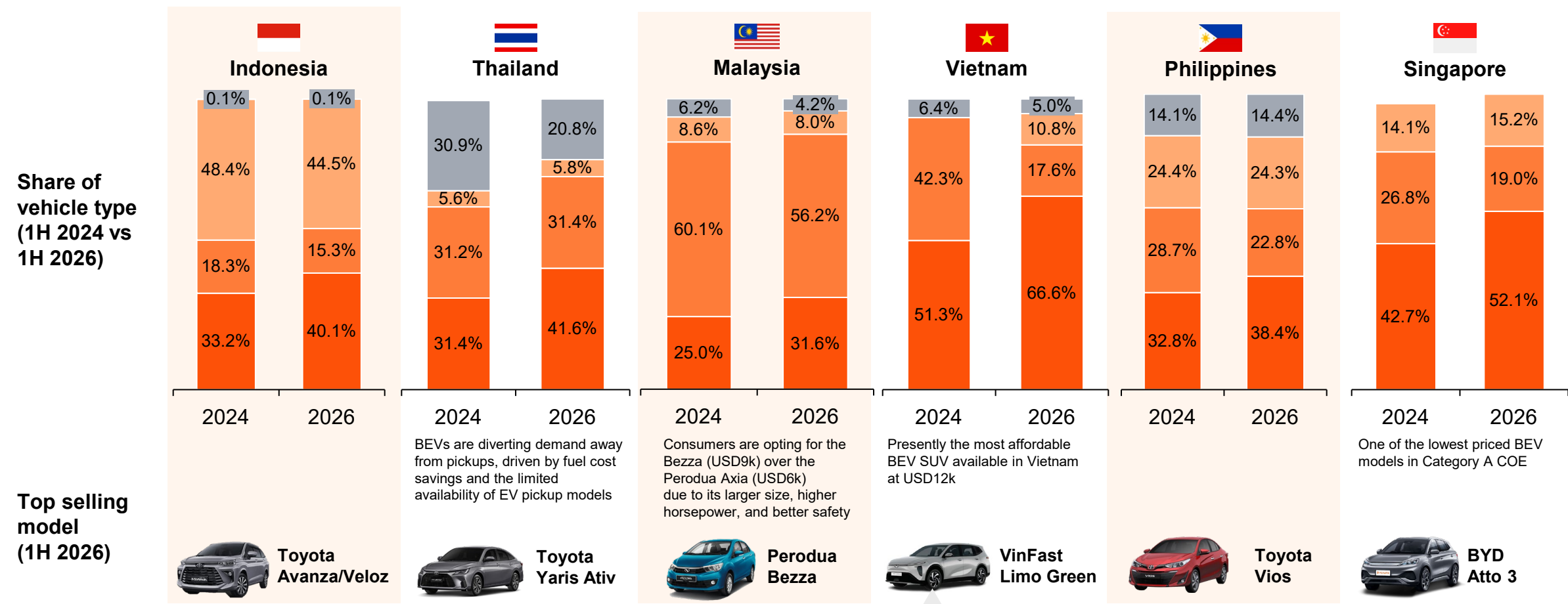
Singapore’s TIV growth is supported by expanded Certificate of Entitlements (COE) supply under the government’s ongoing quota injection programme and a resilient economy with growth in GDP of 4.8%.

Segment mix is market-specific across the ASEAN-6.

SUVs and MPVs lead in most markets, with the exception of MY

ASEAN vehicle market share by vehicle type

SUV Sedan and Hatchback MPV Pickup



Note: BEV - Battery electric vehicles, FX Rate used as of August 2026: USD:MYR ~4.1, USD:VND~26k
Source: Marklines, PwC research and analysis

ASEAN vehicle demand remains highly market-specific, with new Chinese entrants reshaping segment dynamics in select markets

ASEAN SUV and Sedan vehicle market share by segment (1H 2024 vs 1H 2026)

A: Mini / entry level B: Subcompact C: Compact D: Mid-size E: Executive/Large Others: F-Segments, and unclassified vehicles



SUV

	Indonesia	Thailand	Malaysia	Vietnam	Philippines
A	4% (0)	0% (▼0)	0% (▼0)	30% (▲29) ²	6% (0)
B	33% (▼14) ¹	0% (▼0)	12% (▼0)	18% (▲3)	23% (▼9)
C	35% (▲7)	18% (▼8)	66% (▼1)	33% (▼21)	31% (▲11)
D	27% (▲8)	51% (▲13)	19% (▲1)	18% (▼12)	38% (▼2)
E	0% (▼1)	31% (▼5)	1% (▼1)	0% (▼0)	3% (▼1)
Others	0% (▲0)	0% (0)	2% (▲2)	1% (▲1)	0% (0)



Sedan

	Indonesia	Thailand	Malaysia	Vietnam	Philippines
A	76% (▼1) ³	2% (▲1)	18% (▼1)	14% (▲8)	31% (▲15) ⁴
B	17% (▲6)	20% (0) ³	42% (▼1)	38% (▲4)	49% (▼20)
C	4% (▼3)	66% (▲3)	34% (▲5)	32% (▼14)	14% (▲4)
D	2% (▼1)	10% (▼4)	6% (▼2)	2% (▼1)	3% (▲1)
E	0% (▲0)	2% (▼1)	0% (0)	14% (▲4)	1% (▲0)
Others	0% (▼0)	0% (0)	0% (▼0)	0% (0)	3% (▼0)

Note: Orange shading is used to indicate relative concentration of market share, with darker orange highlighting segments with a particularly strong concentration in a specific market.
Source: Marklines, PwC research and analysis

Increase in percentage point vs 1H 2024
 Decrease in percentage point vs 1H 2024

Key observations

- Indonesia’s SUV-C/D segments expanded alongside new models such as the Jaecoo J5 and Mitsubishi Destinator.
- Vietnam’s SUV-A segment rose 29% following the launch of the VinFast VF 3 and VF 5—among the country’s best-selling models in 2025 and 2026.
- A-segment models account for 76% of Indonesia’s sedan market, while C-segment sedans lead in Thailand.
- BYD’s Seal and Seagull boosted A- and C-segment sedan sales in the Philippines; the B segment remains largest, led by the Toyota Vios.

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

1H 2024 vs 1H 2025 vs 1H 2026 sales volumes by brands

Growth % compares 2026 vs 2025

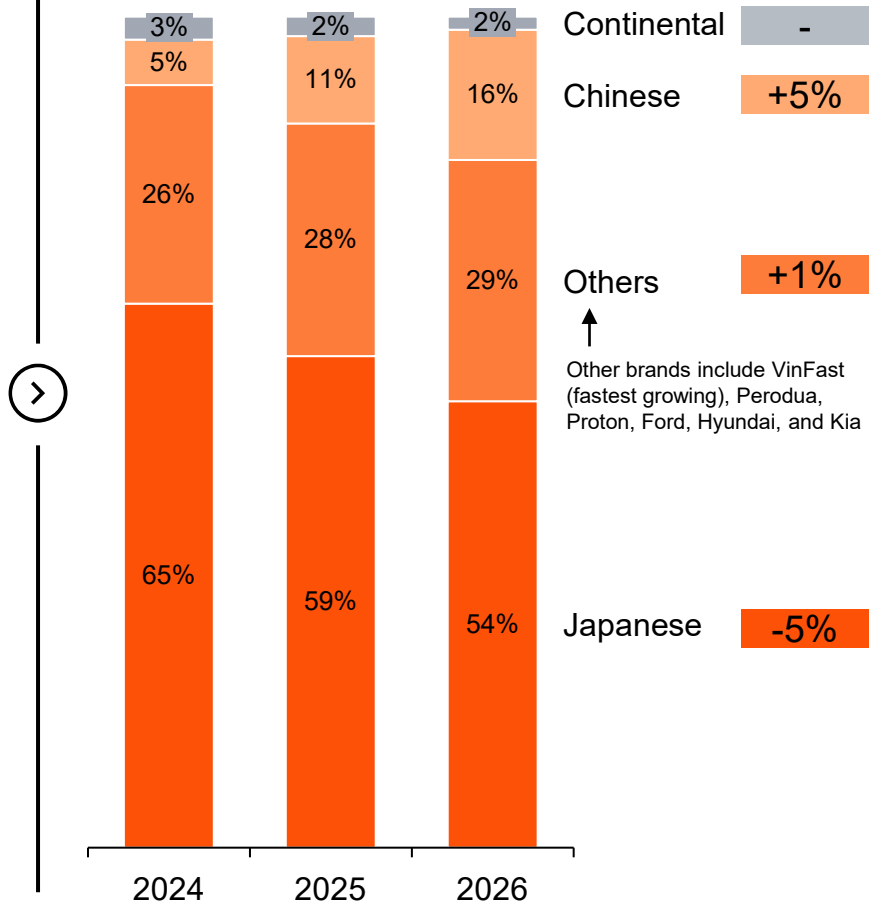
1H 2024 1H 2025 1H 2026



OEM market share in ASEAN-6

1H 2024 vs 1H 2025 vs 1H 2026

Growth % compares percentage point change from 2026 vs 2025



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
1H 2026 ASEAN-6 sales by brand by region, %

	Indonesia	Thailand	Malaysia	Vietnam	Philippines	Singapore	
 TOYOTA	30%	30%	8%	8%	23%	1%	1
 PERODUA	0%	0%	100%	0%	0%	0%	
 VINFAST	2%	0%	0%	96%	2%	0%	1
 HONDA	19%	39%	24%	11%	6%	1%	
 MITSUBISHI	29%	13%	6%	19%	32%	0%	
 PROTON	0%	0%	100%	0%	0%	0%	
 BYD AUTO	28%	31%	8%	0%	27%	7%	3
 DAIHATSU	99%	0%	0%	0%	0%	0%	
 ISUZU	20%	58%	7%	8%	8%	0%	
 SUZUKI	69%	6%	1%	7%	18%	0%	
 JAECOO	43%	37%	16%	0%	4%	0%	3
 HYUNDAI	23%	4%	1%	64%	8%	1%	4
 FORD	1%	23%	3%	54%	19%	0%	
 MAZDA	6%	16%	20%	55%	2%	1%	
 MG	8%	66%	6%	0%	17%	3%	3

Note:

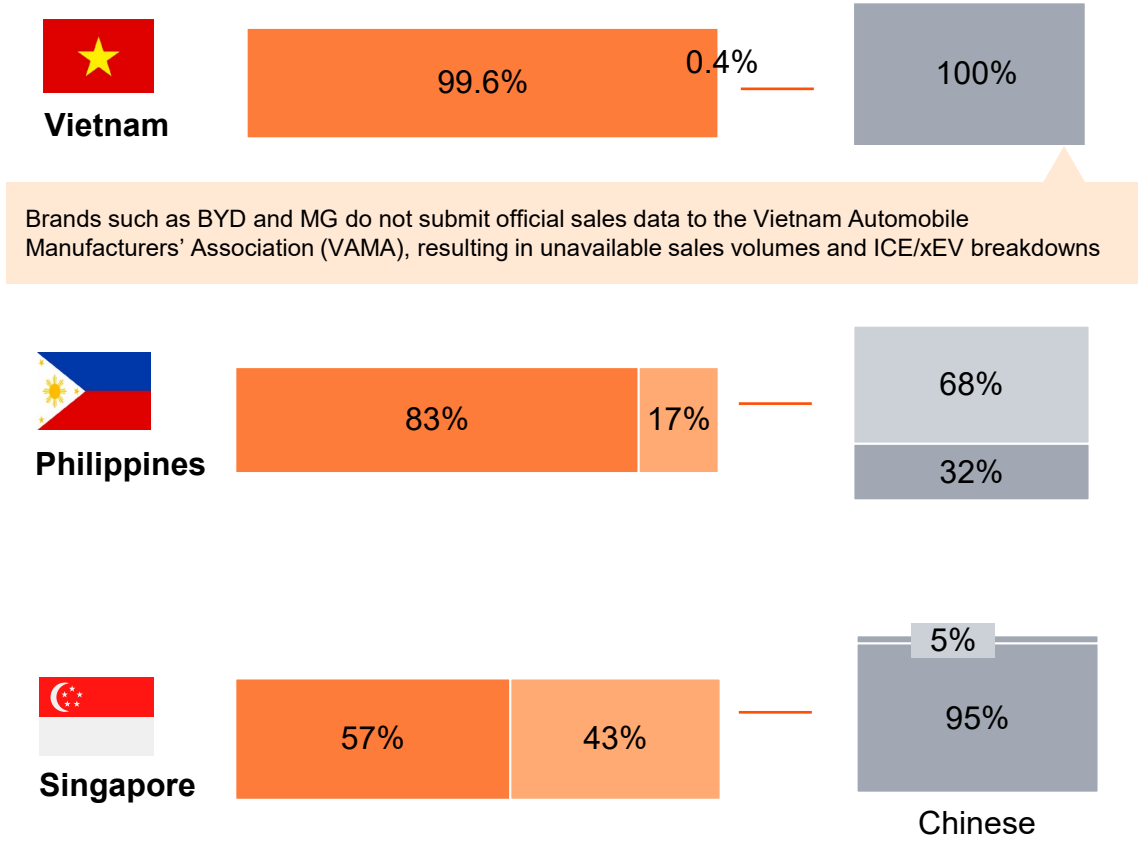
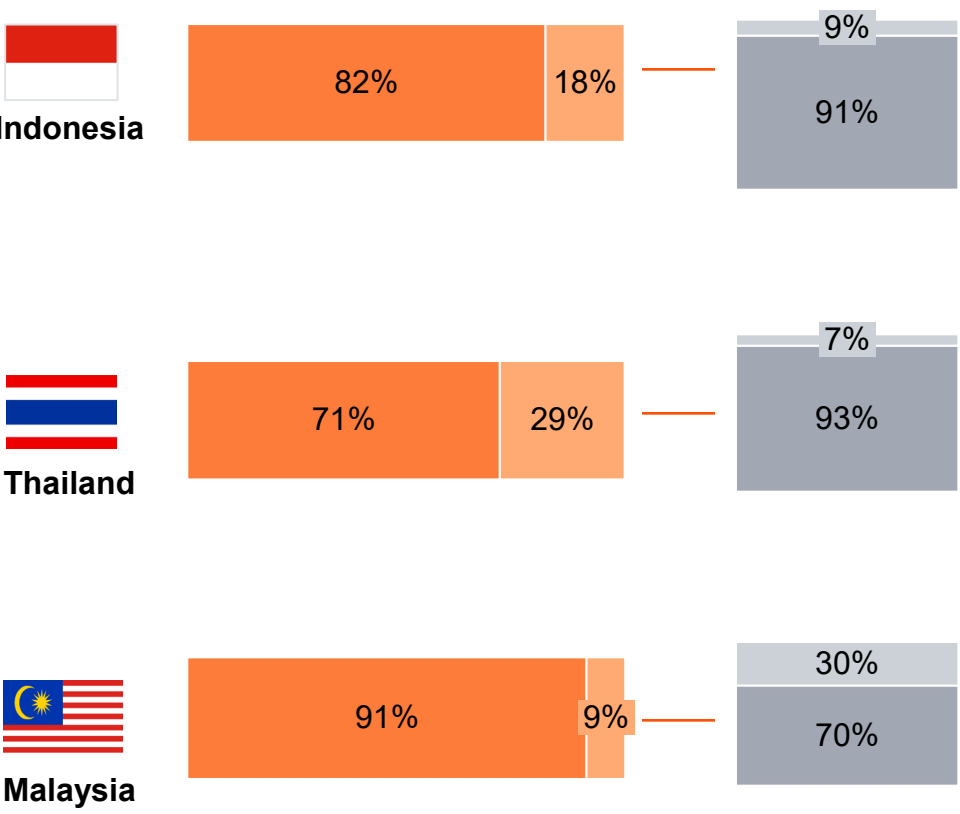
- Several brands such as BYD, MG, and KIA do not report their sales figures to the relevant automotive authorities (for example, Malaysia's Automotive Association (MAA) or its equivalents in other countries). As a result, official sales data for these brands are unavailable, even though they are present and active in these markets.
 - Orange shading is used to indicate relative concentration of market share, with darker orange highlighting segments with a particularly strong concentration in a specific market.
- Source: Marklines, PwC research and analysis

Key observations

- 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).
- VinFast has emerged as a top-five ASEAN brand by volume, with about 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.
- Chinese brands, especially BYD (multi-market) and MG (TH-led), are scaling share via exports and localisation bets.
- Korean brands Hyundai and KIA (no longer among the Top 15) have a 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 in MY and VN; SG shows a 43% share

Chinese brands market share and breakdown by powertrain (1H 2026)
% of TIV



Brands such as BYD and MG do not submit official sales data to the Vietnam Automobile Manufacturers' Association (VAMA), resulting in unavailable sales volumes and ICE/xEV breakdowns

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

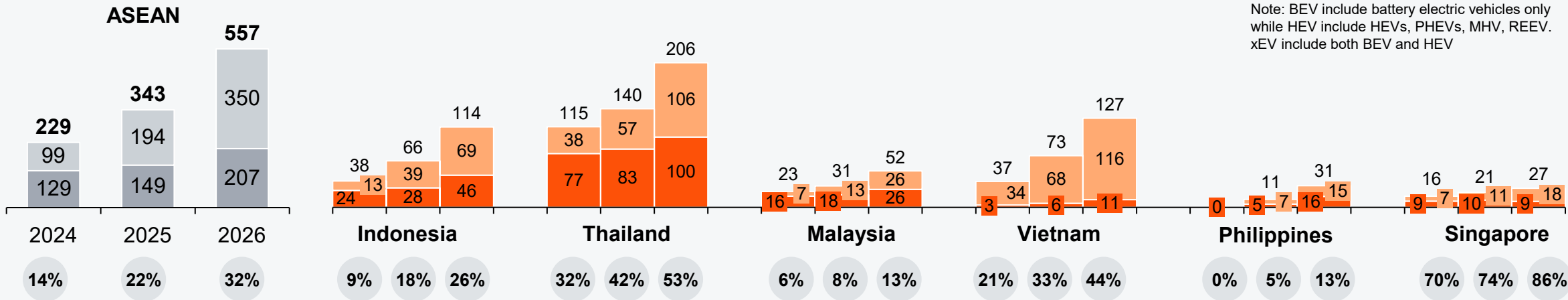
Other Brands Chinese Brands Chinese ICE models Chinese xEV models

ASEAN-6 xEV adoption increased to 32% in 1H 2026, with strong growth across every market

xEV sales volume 1H 2024 vs 1H 2025 vs 1H 2026

'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

Indonesia

- BEV sales is expected to slow due to expired BEV incentives, though renewal of select support measures are still being finalised.
- The government aims to create a fully integrated EV battery ecosystem by 2027-2028, attracting major OEM and battery investment.

Thailand

- EV3.5 scheme provides tax cuts and 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.

Malaysia

- xEV adoption driven by Chinese BEVs and especially Proton's strong eMAS models.
- Proton's strong eMAS platform and CKD EV tax incentives (extended until 2027) are expected to support continued momentum.

Vietnam

- 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

- 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

- 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.

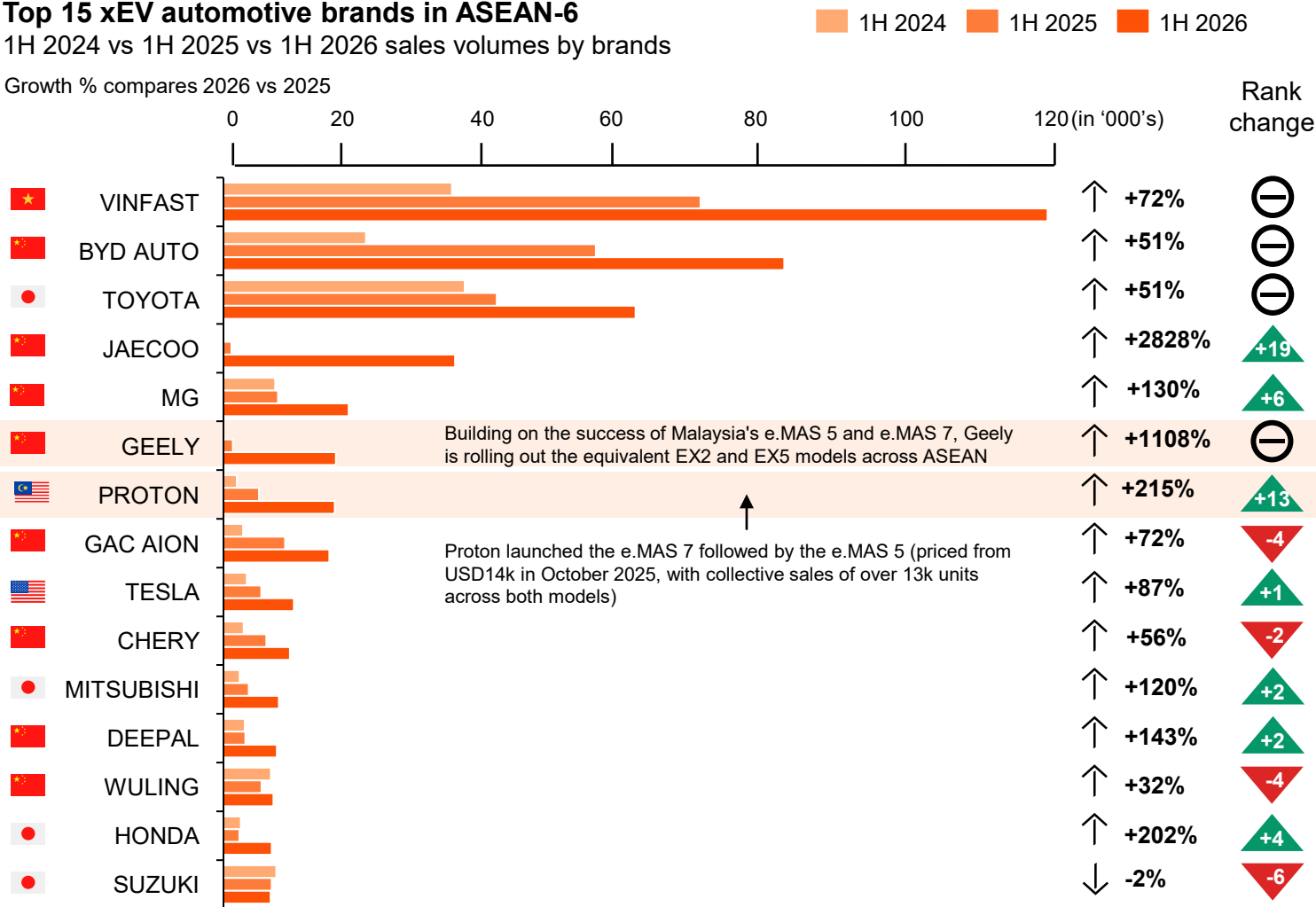
Note: BEV - Battery Electric Vehicle, HEV - Hybrid Electric Vehicle, PHEV - Plug-in Hybrid Vehicle, MHV - Mild Hybrid Vehicle, REEV - Range Extended Electric Vehicle

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

1H 2024 vs 1H 2025 vs 1H 2026 sales volumes by brands

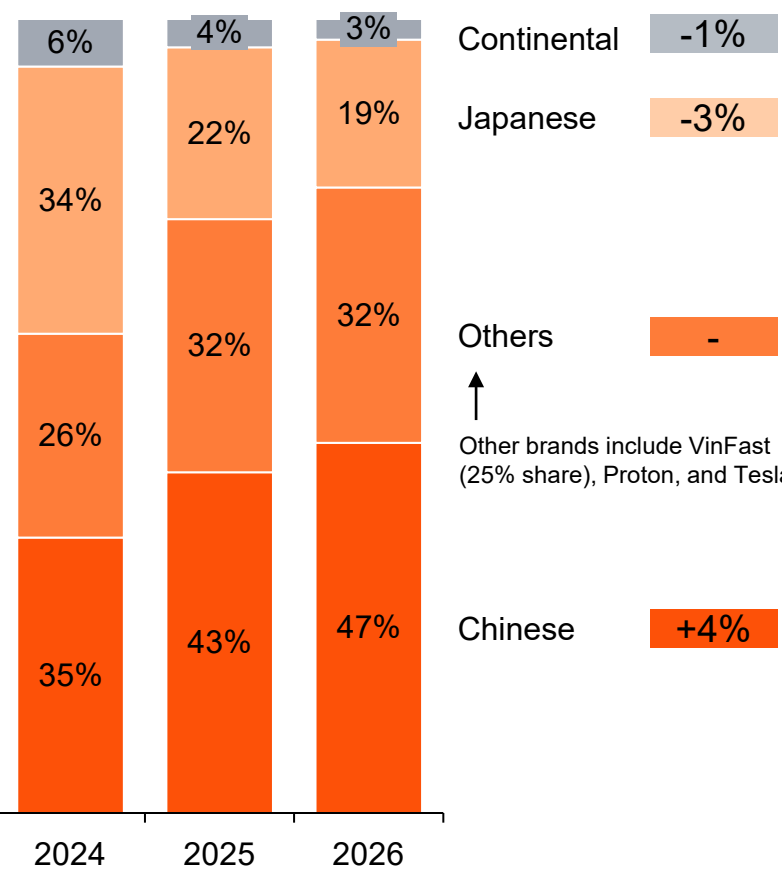
Growth % compares 2026 vs 2025



OEM xEV market share in ASEAN-6

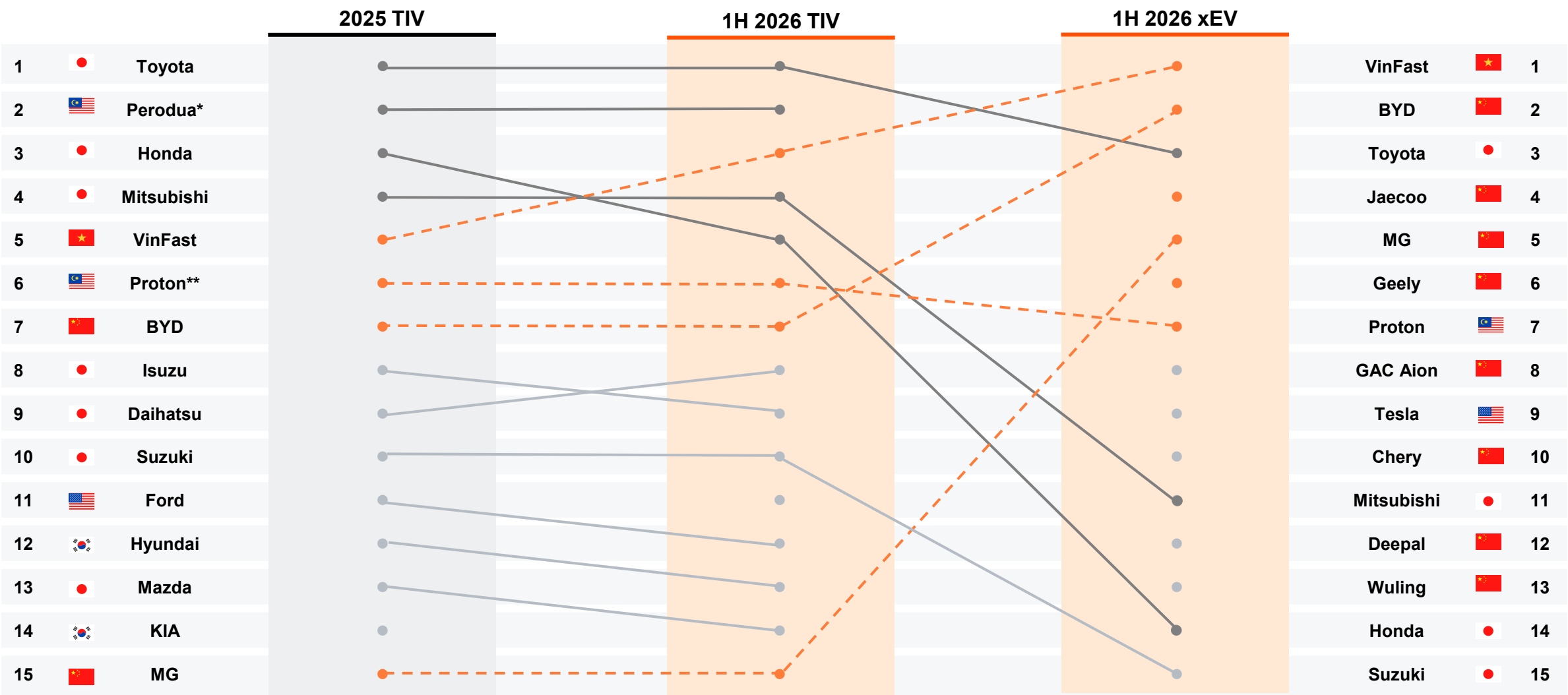
1H 2024 vs 1H 2025 vs 1H 2026

Growth % compares percentage point change from 2026 vs 2025



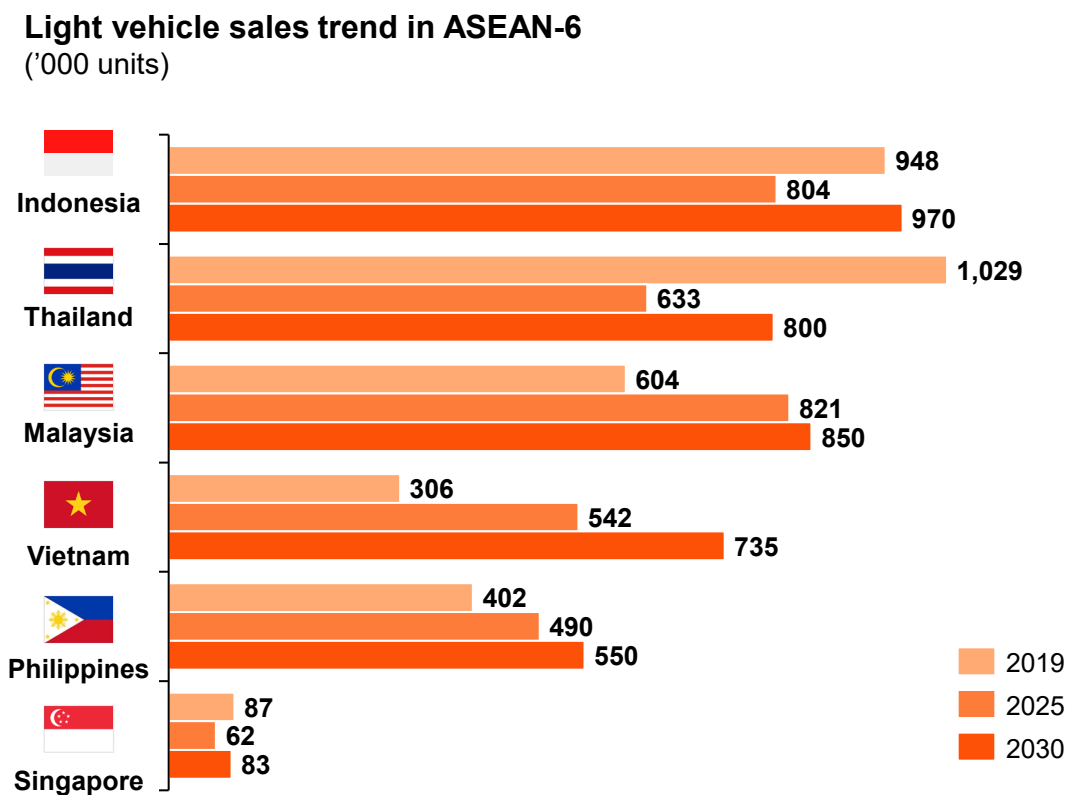
Note: FX Rate used as of August 2026: USD:MYR ~4.1
Source: Marklines, PwC research and analysis

In summary, Japanese incumbents still continue to lead total sales, but Chinese brands and VinFast already dominate the xEV segment



Source: Marklines, PwC research and analysis; *a Joint Venture with Daihatsu, **a Joint Venture with Geely

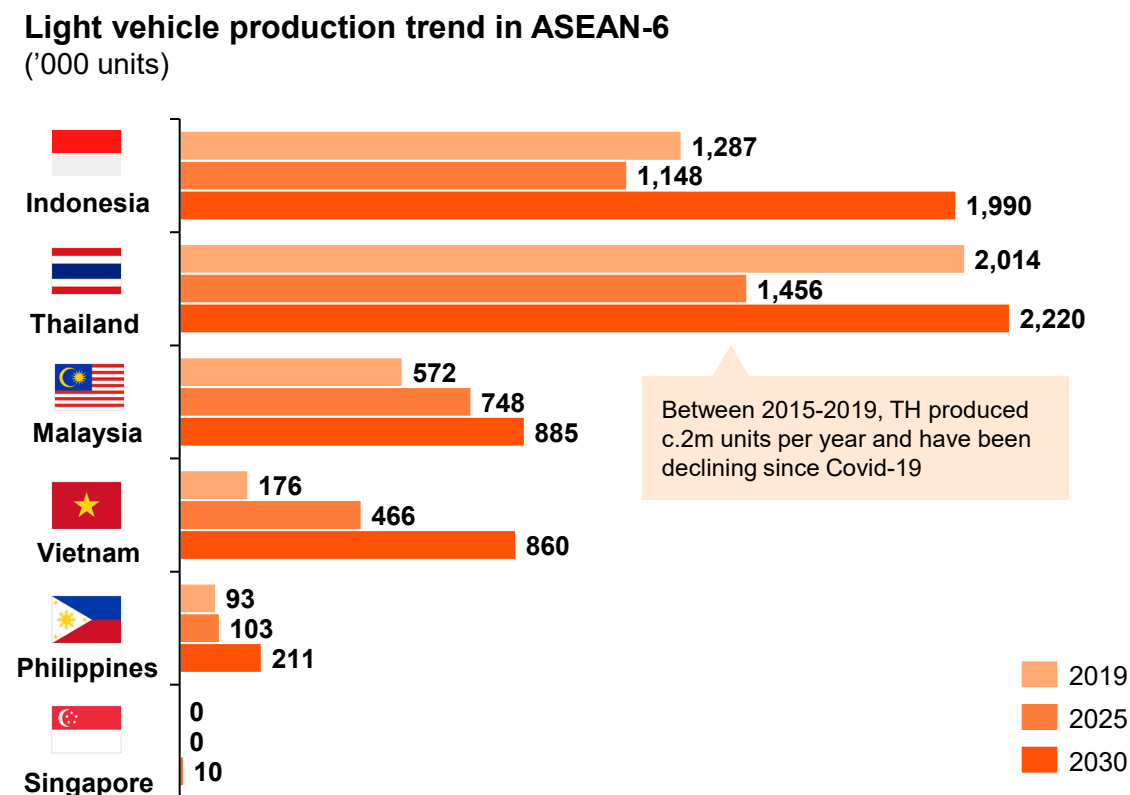
By 2030, ID and MY are expected to be the largest automotive markets by LV sales, while TH is expected to remain the production hub



ASEAN-6 is projected to reach four million light vehicle sales by 2030, with growth driven mainly by Indonesia, Thailand, 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

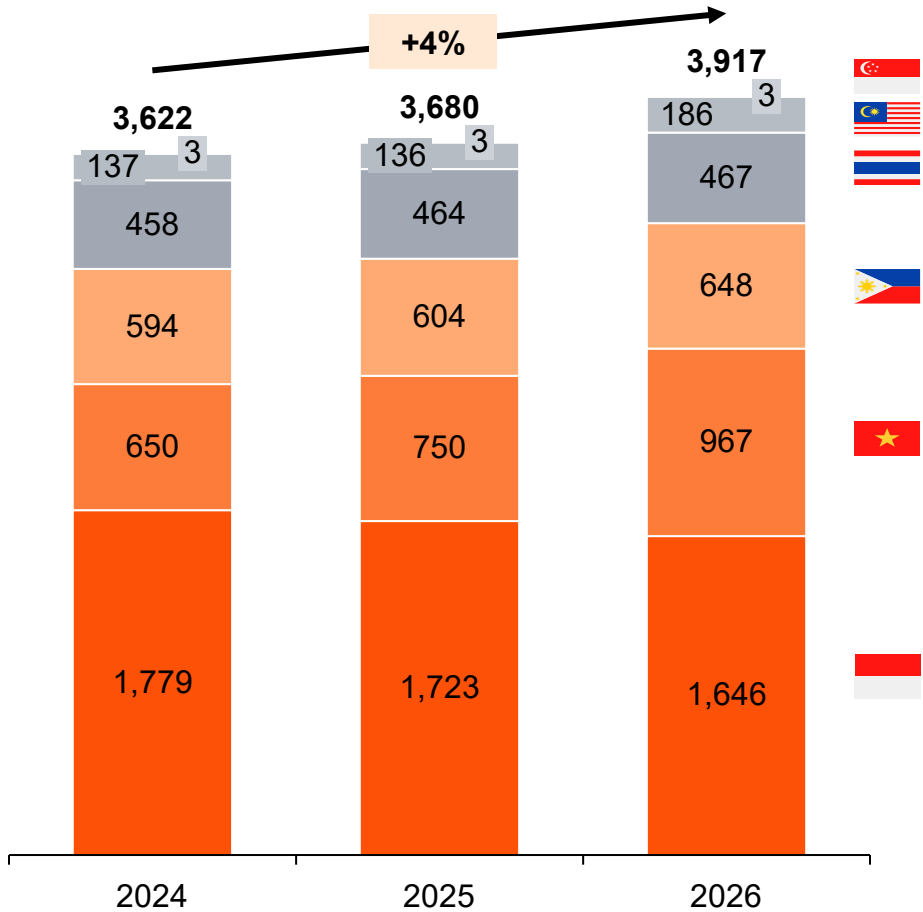
PwC ASEAN-6 automotive market snapshot



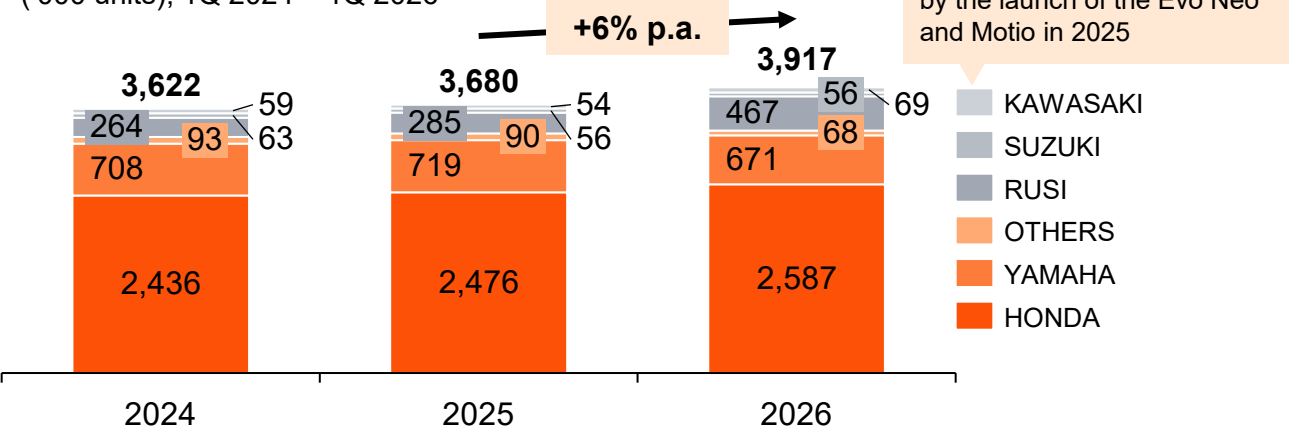
ASEAN-6 is projected to account for approximately six million units of light vehicle production by 2030, with Thailand and Indonesia continuing to serve as the primary production hubs in the region. This output implies exports of over two million light vehicles from Thailand, Indonesia, and Malaysia,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

While Honda and Yamaha accounted for ~83% of the two-wheeler (2W) market in 1Q 2026, VinFast is accelerating through attractive e-models

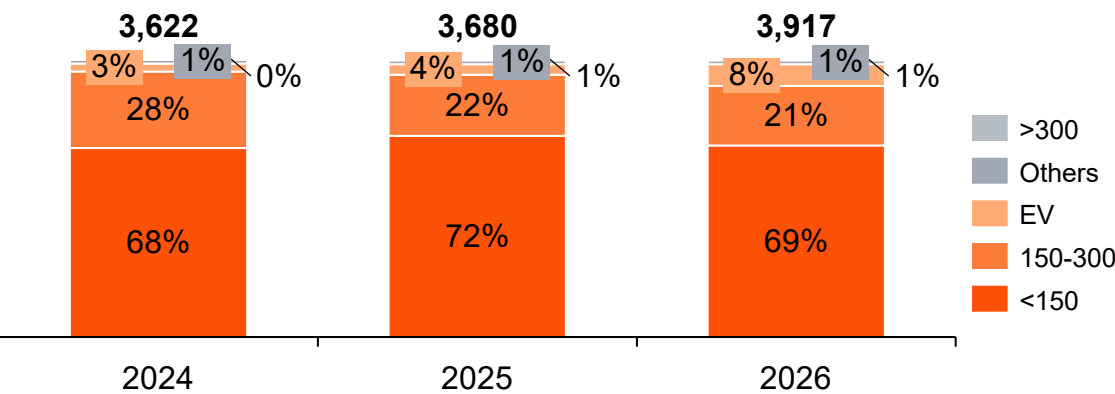
ASEAN 2W sales by country
(’000 units), 1Q 2024 – 1Q 2026



ASEAN 2W sales by brand
(’000 units), 1Q 2024 – 1Q 2026



ASEAN 2W sales by displacement
(’000 units), 1Q 2024 – 1Q 2026

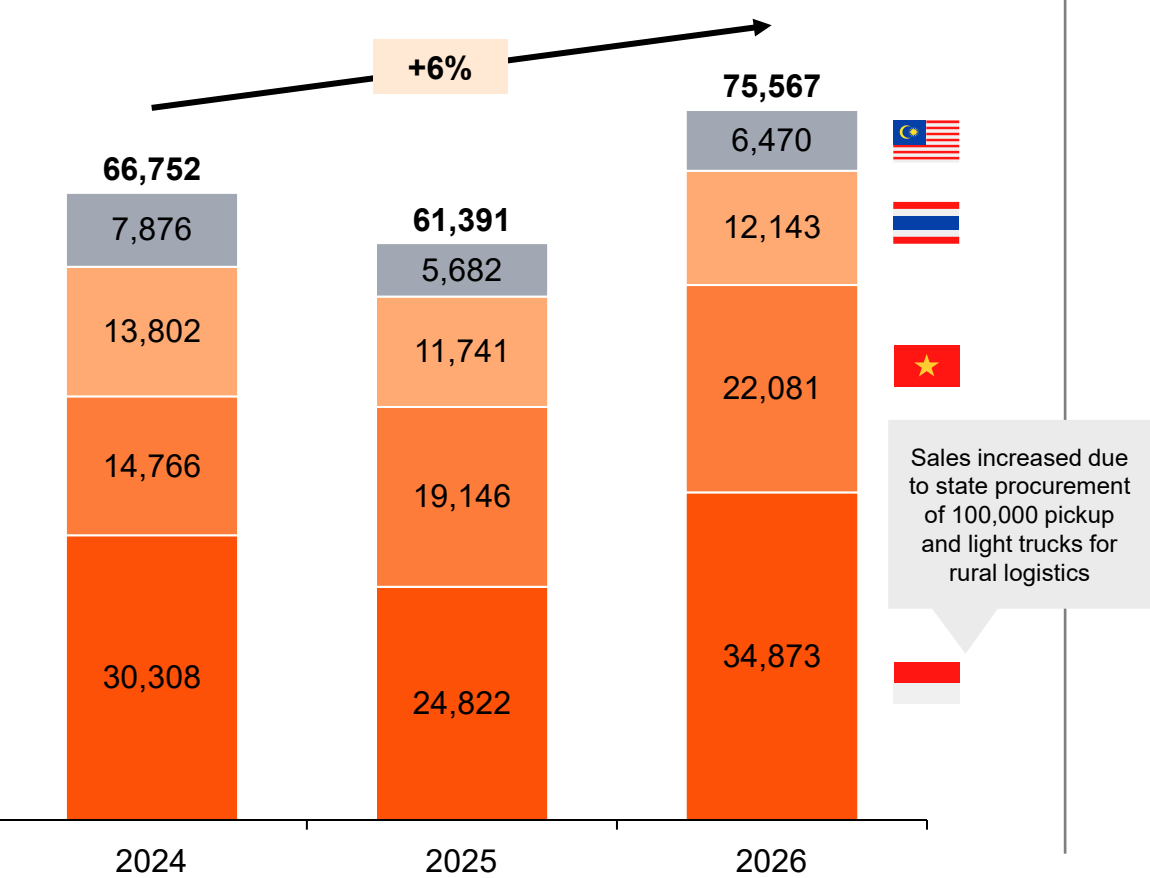


Note: 1H 2026 figures were not available in full by the date of this report
Source: Marklines, PwC research and analysis

ASEAN-4 truck sales rose 23% in 1H 2026, with Isuzu, Thaco, and Chinese brands JAC, CAMC, Beiqi, etc driving recovery

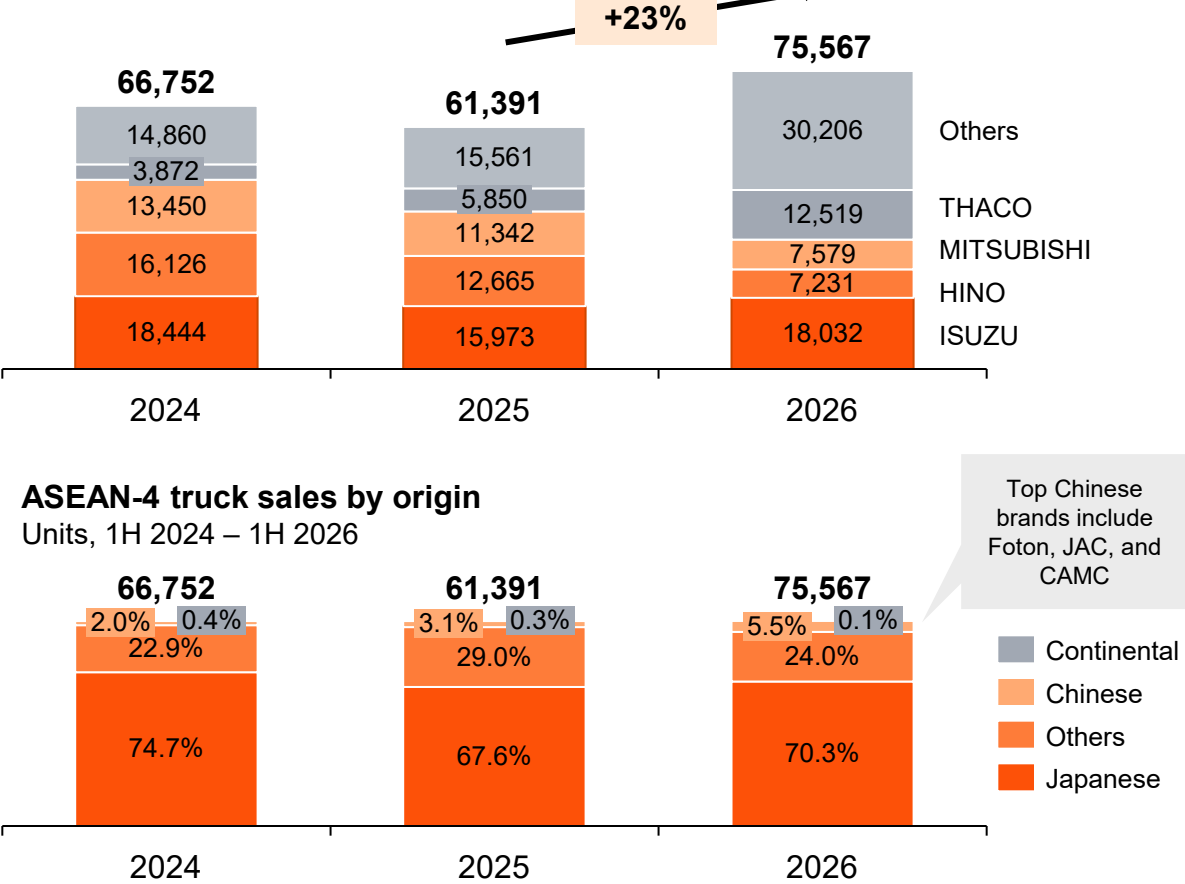
ASEAN-4 truck sales by country

Units, 1H 2024 – 1H 2026



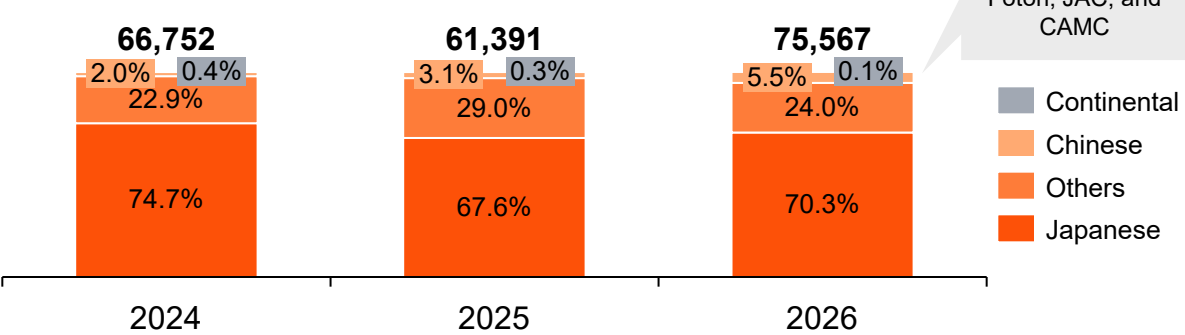
ASEAN-4 truck sales by brands

Units, 1H 2024 – 1H 2026



ASEAN-4 truck sales by origin

Units, 1H 2024 – 1H 2026



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



ASEAN-6 country profiles

3

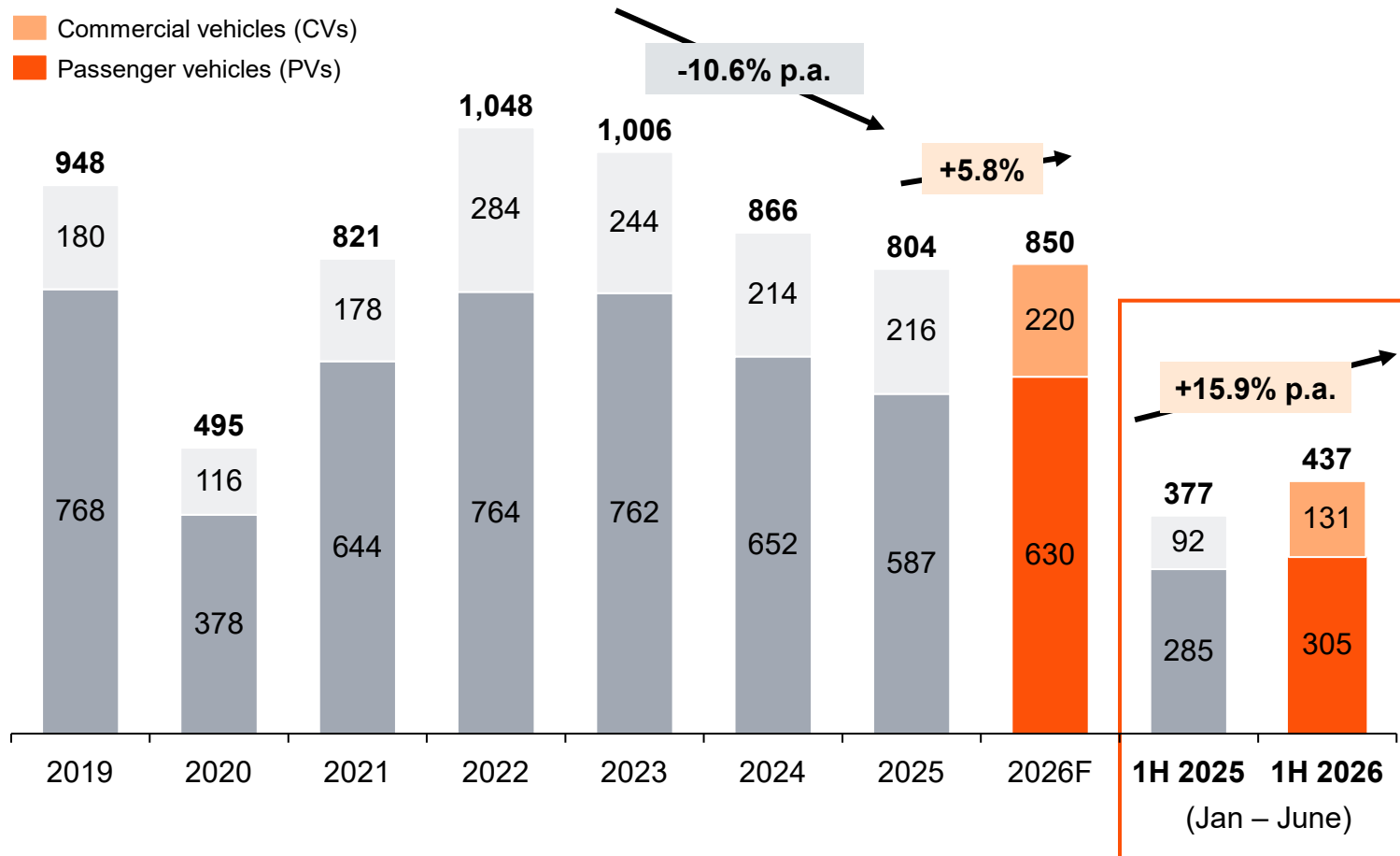
Indonesia's LV market is expected to begin recovery in 2026 (~5.8% YoY growth), despite macroeconomic uncertainty and EV policy reset

Indonesia TIV sales: Passenger vs commercial

('000 units), 2019 – 2026F

Commercial vehicles (CVs)

Passenger vehicles (PVs)



Key observations in 1H 2026

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

- **Annual car price increases of ~7%** continued to outpace average middle-income wage growth of ~3.5%, weighing on affordability.
- **Tightening vehicle credit** and a **weaker rupiah** (USD/IDR increasing by ~5.8%, Dec 2024 to 2025) significantly decreased consumers' purchasing power.
- **The expiry of BEV incentives** at end-2025 pulled forward demand, resulting in a ~18% sales spike from Nov-Dec 2025.

Key growth drivers in 2H 2026

Following the decline in 2025, **new car sales are expected to grow modestly in 2026**, with associations targeting ~5.8% YoY growth:

- **Non-BEV xEVs are expected to gain spotlight**, following the removal of government incentives, supported by OEMs' push to release hybrid variants of popular models and rising consumer interest in fuel-efficient alternatives.
- **Transition into an "ecosystem-building" phase**, mandating local content levels and encouraging OEMs to invest in local facilities, supporting stable inventory levels and pricing.
- However, **rising interest rates** (+75 bps to 5.5% in 2026) and **fuel prices** (e.g., ~32% price increase of Pertamina¹) pose challenges, increasing purchase and operating costs.

Notes: 1) 92-octane gasoline, widely used by middle class | Source: Gaikindo, BPS, Bank Indonesia, Press Releases, PwC research and analysis; 2026F based on PwC best estimates

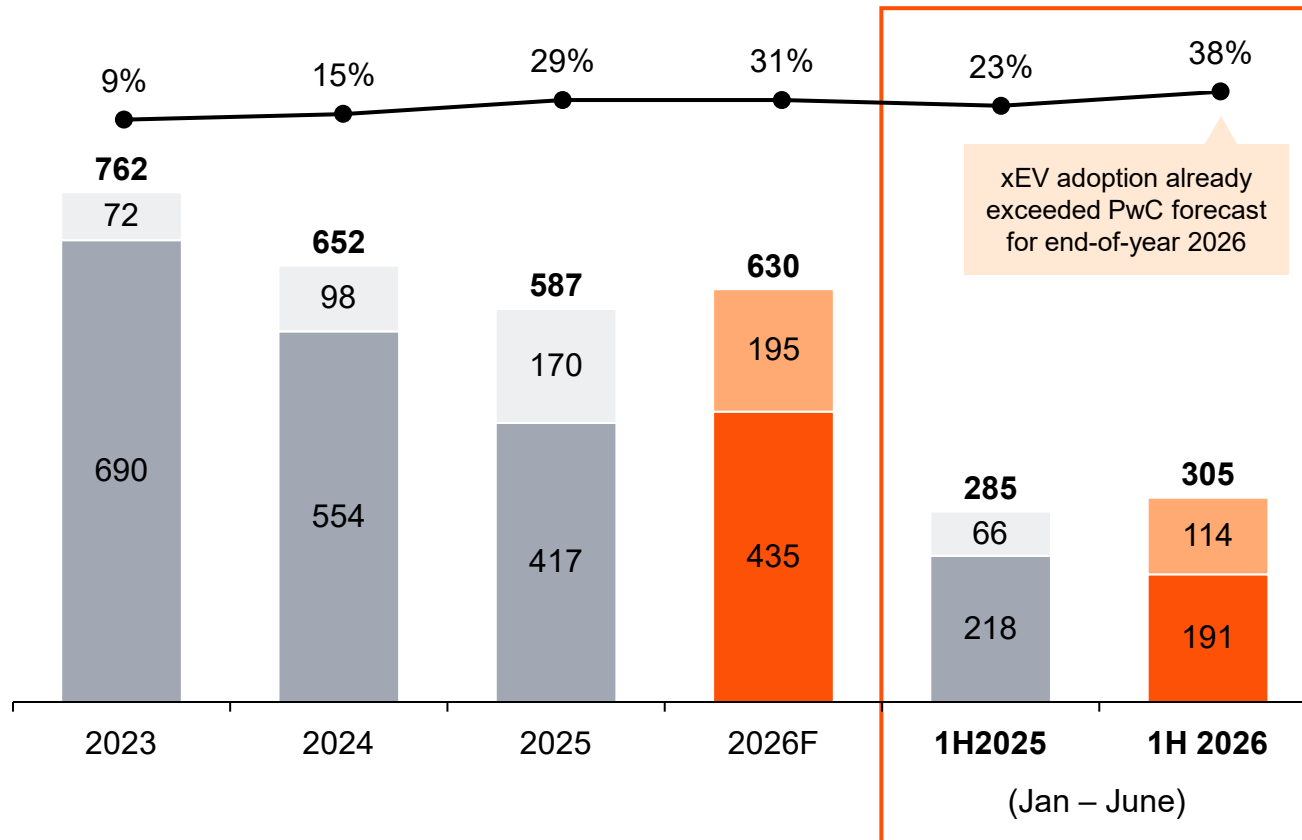


Indonesia's xEV adoption will continue to grow as local production is expected to improve supply and pricing

Passenger ICE and xEV sales in Indonesia

('000 units), 2023 – 2026F

● % of xEV ■ EV and HEV ■ ICE



Key trends driving EV adoption

- xEV adoption remains positive but is expected to moderate** (15% growth, 2026F), reflecting a normalised pace following the initial incentive-led surge.
- BEV adoption is expected to normalise** (~22.5% YoY growth, 2026E compared to ~119.8% average YoY growth in 2023-2025) as government incentives subside and vehicle prices rise.
- HEVs 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.** Consumers are becoming increasingly price-sensitive amidst a weakening rupiah (USD/IDR increasing by ~5.8%, Dec 2024 to 2025) and rising interest rates (100 bps increase in BI-rate², Jan-Jul 2026), heavily impacting individual buyers in Tier-2 and Tier-3 cities, as well as margin-sensitive MSMEs.
- OEM commercial levers** and broader financing solutions (e.g. Toyota's special interest rate scheme starting ~1% for several HEV models, DFSK's customisable financing options with flexible terms, etc.) will become critical to sustaining EV demand as subsidies expire.
- Local production**, which is both mandated and a key requirement to access previous import tariff benefits, will be a key catalyst for price stabilisation. Key players such as BYD and VinFast are aiming to begin local manufacturing operations in 2026.
- Government efforts, led by PLN³**, to expand public charging infrastructure to more than 60,000 units by 2030 are expected to support long-term EV adoption. As of 2025, there are 4,778 charging stations (~47.8% YoY growth) across 3,093 locations, improving accessibility and enabling longer distance travel.

Notes: 1) BEV, PHEV & HEV; 2) Policy Rate by Bank Indonesia; 3) *Perusahaan Listrik Negara* (PLN); 2026F based on PwC best estimates
Source: Gaikindo, Bank Indonesia, Press Release, PwC research and analysis



Japanese OEMs still dominate with the top 4 holding ~63% market share, but BEV-focused Chinese players are gaining ground

Top automotive OEMs in Indonesia

(by volume of vehicles sold in respective year)

Brand	Units sold			Market share			Change in market share
	1H 2024	1H 2025	1H 2026	1H 2024	1H 2025	1H 2026	
TOYOTA	129,803	123,847	133,925	31.7%	32.9%	30.7%	-2.2%
DAIHATSU	85,434	64,405	73,545	20.8%	17.1%	16.8%	-0.3%
SUZUKI	33,133	27,180	36,319	8.1%	7.2%	8.3%	1.1%
MITSUBISHI	36,560	31,081	32,588	8.9%	8.3%	7.5%	-0.8%
BYD AUTO	1,596	14,092	23,257	0.4%	3.7%	5.3%	1.6%
HONDA	47,589	32,681	20,673	11.6%	8.7%	4.7%	-3.9%
MITSUBISHI FUSO	13,223	11,442	17,535	3.2%	3.0%	2.3%	-0.7%
JAECOO	-	120	17,334	0.0%	0.0%	4.0%	3.9%
ISUZU	14,033	11,275	13,890	3.4%	3.0%	3.2%	0.2%
HYUNDAI	12,042	11,184	9,029	2.9%	3.0%	2.1%	-0.9%
Total	360,190	315,865	370,576	88%	84%	85%	1.0%

Source: Gaikindo, PwC research and analysis

Key insights

- Chinese automakers continue to gain momentum**, driven by a compelling value proposition combining competitive pricing, feature-rich offerings, and a strong focus on xEVs as their core portfolio.
 - BYD is aggressively penetrating the market through Atto 1**, which was the leading model in the hatchback sub-segment with ~47.3% share in 2025. The model is an affordable BEV priced competitively (IDR 199-274 Mn) against ICE incumbents in the same segment, such as the Honda Brio (IDR 168-274 Mn).
 - Chery's sales doubled**, supported by SUV models across BEV, PHEV, and ICE powertrains. Chery's BEV sales grew by ~49.2% YoY in 2025, at the same time launching PHEV variants which recorded 3,756 unit sales in its first year.
 - Denza D9 has dethroned the Toyota Alphard** in the premium luxury MPV segment, selling 7,474 units in 2025 (vs. Alphard's 2,397 unit sales).
 - Localisation is becoming a competitive requirement for BEVs** as incentives such as tariff-reduced CBU imports end in 2026. Companies that previously benefited from import incentives (i.e., PT BYD Auto Indonesia, PT Geely Motor Indonesia, etc.) have planned investments in local production of around USD ~947 Mn.
- Japanese incumbents remain key market players** (top 5 Japanese players comprising ~68% share of the market in 2026), but market share erosion is evident amidst increasing adoption of BEVs.
 - Japanese market leaders' shares declined** in 1H 2026, including Toyota (-2.2% YoY), Daihatsu (-0.3 % YoY), Mitsubishi Motors (-0.8 % YoY), and Honda (-3.9% YoY).
 - Japanese OEMs are increasingly prioritising HEVs** as a transition technology, positioning them as a bridge solution for ICE customers amid rising electrification. In 2025, HEVs accounted for ~34.9% of Suzuki's sales, 12.3% of Honda's sales, and ~12.0% of Toyota's sales.



Recent examples of companies leveraging the three strategic thrusts to drive growth and maintain profitability in Indonesia

1 Operational excellence



Wuling inaugurated its **MAGIC¹ battery production line** in Cikarang in December 2024, an investment worth IDR ~87 billion, to **support Indonesia's EV industry**.



BYD's USD ~1 billion **Subang factory** nears completion, aiming to commence mass production by Q3 2026. The facility aims to **develop the domestic market** and **increase export volumes**.



VinFast officially inaugurated its **first plant** in Indonesia in December 2025, worth IDR 3.5+ trillion. The plant aims to **support the development of the EV industry**, with an initial capacity of approximately 50k units per year.

2 Business model redesign



Wuling offers **bundled home charging solutions**, enabled by its partnership with PT Haleyora Power, enhancing EV ownership convenience.



Hyundai presented Hyundai Subscribe, a **monthly subscription scheme** for premium EV models such as the Ioniq 5 and Ioniq 6, with tax, insurance, and maintenance costs included.



VinFast offers a **battery subscription scheme**, aiming to reduce long-term EV ownership costs by eliminating concerns related to battery replacement and long-term battery performance.

3 Strategic alliances



Toyota partnered with China's **CATL**, a key battery supplier, to **increase battery production** for xEVs through an IDR ~1.3 trillion investment, aiming to grow xEVs and component exports.



XPENG collaborated with **Voltron** to introduce the first 480 kW ultra fast charging station, with Jakarta identified as a priority city for deployment.



Stellantis, via **partnering with PT Indomobil National Distributor** (Indomobil Group), is expanding its footprint in Indonesia by launching Leapmotor, with **local assembly** at PT National Assemblers (Indomobil Group).

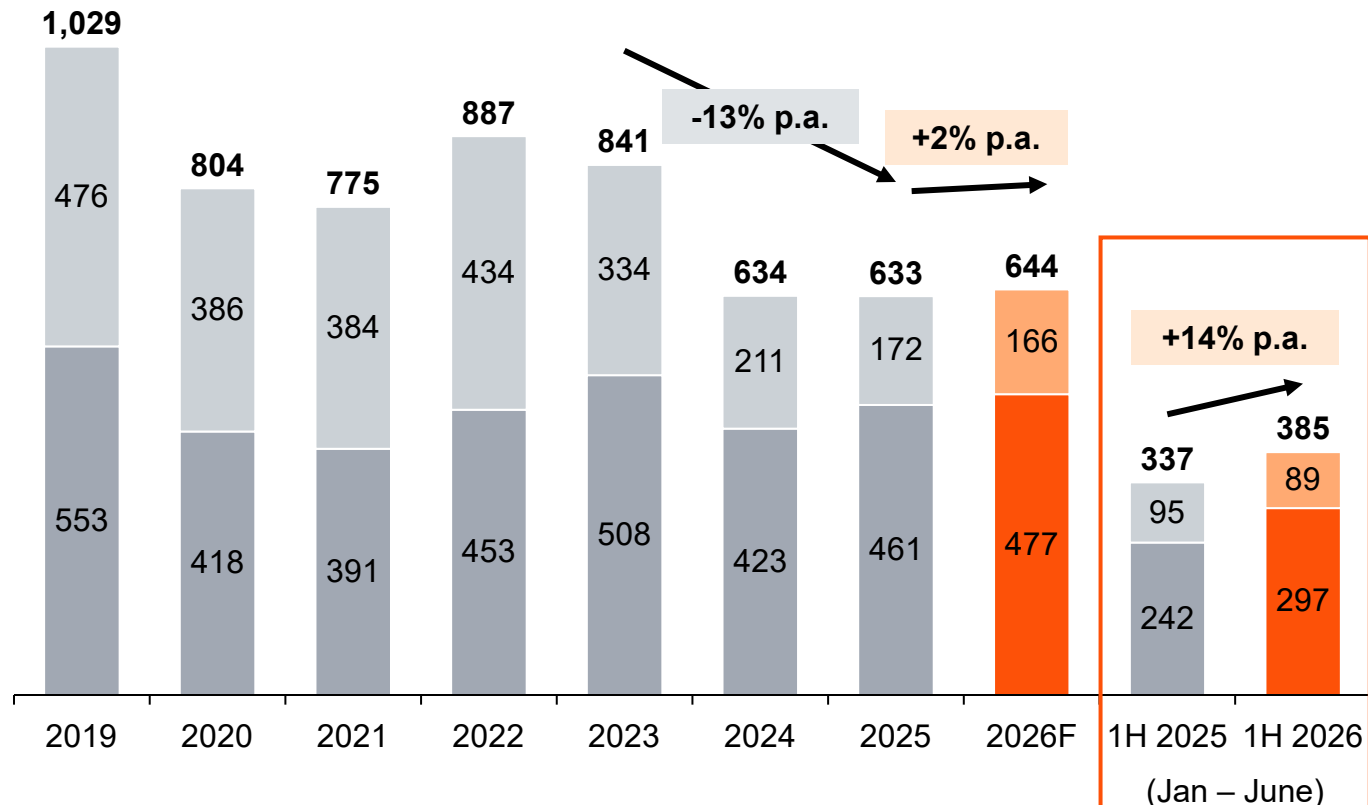
Notes: 1) Multifunction Unitized Structure Technology (MUST), Advanced Cell Safety, Greater Performance, Intelligent Management, and Combustion Free | Source: Public information, PwC research and analysis

TIV sales expected to pick up in 2026, led by Chinese pushing passenger xEV sales and Japanese electrifying; rising cost-of-ownership pressures remain

Thailand TIV sales: Passenger vs commercial

('000 Units), 2019 – 2026F

Commercial Vehicles (CVs)
Passenger Vehicles (PVs)



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

Key observations in 1H 2026

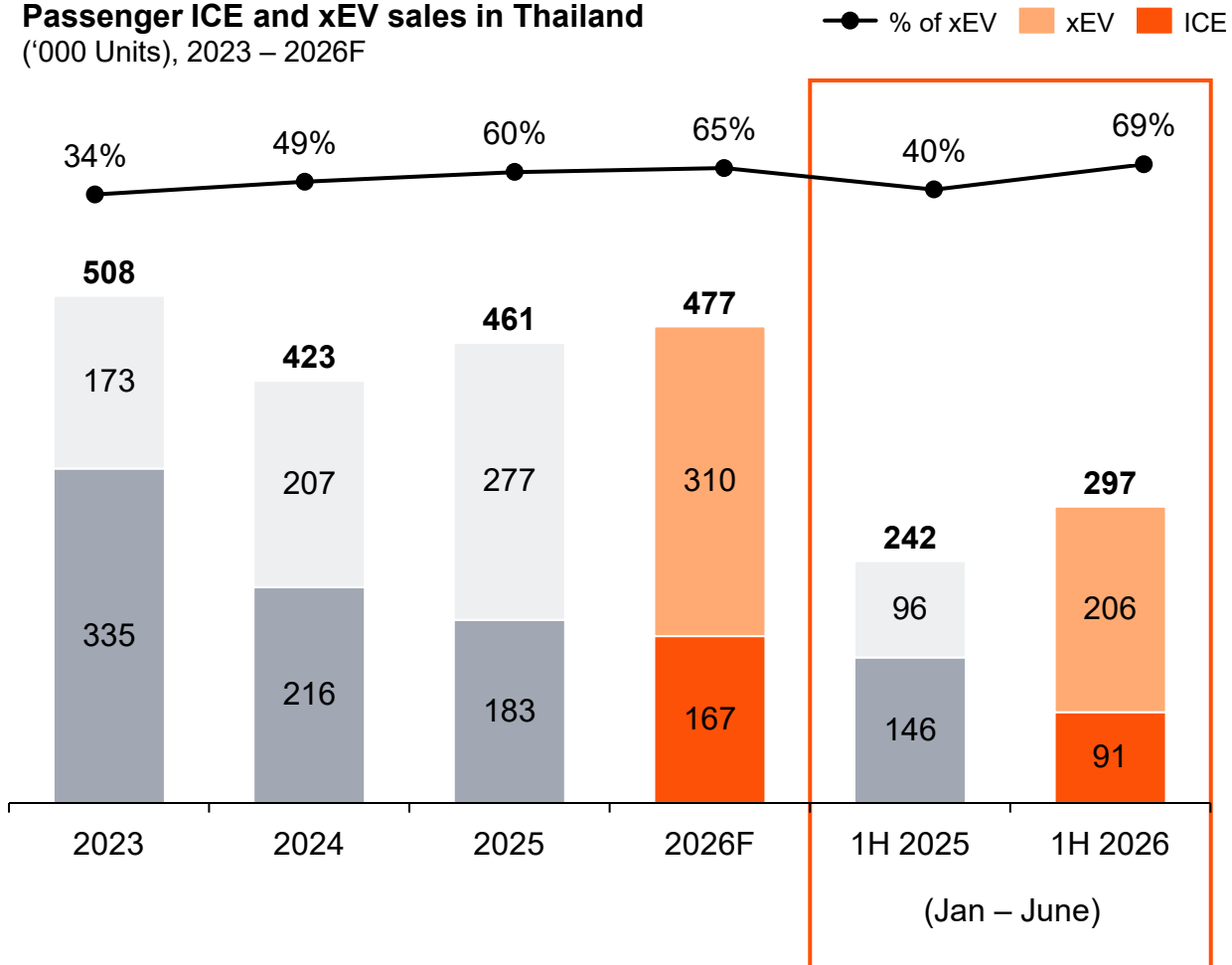
- Increased EV accessibility**, driven by new Chinese EV OEMs, flagship model price cuts, and EV charging infrastructure expansion (charging stations grew from 2.6k in 2023 to 3.8k by 1H 2025).
- Policy interest rate cut** by 0.25 pp to 1.25%, supporting potential economic growth and lowering debt burden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

Key growth drivers in 2H 2026

- Rising oil price and supply shortage are reinforcing EV demand**, with the recent **US-Iran tensions** resulted in **fuel price volatility**, strengthening the case for switching to EVs.
- Existing Chinese OEMs drove xEV 1H 2026 sales** through expanded model line ups and a sales push ahead of the January 2026 expiry of EV 3.0 incentives, while **recent entrants** such as Hongqi and Dongfeng added incremental support by expanding their presence.
- Major Japanese OEMs are ramping up electrification** while maintaining their ICE and HEV focus, with Toyota introducing a BEV line up, Honda launching a new HEV, and Mazda and Mitsubishi investing in local xEV production and technology capabilities for exports.
- However, xEV face headwinds from higher cost of ownership:**
 - The **EV 3.0 expiry** in January removed purchase subsidies of up to THB150k per unit. The remaining EV 3.5 incentives are less generous (THB100k per unit) with more qualification requirements, raising costs for both OEMs and consumers.
 - Proposed increases to EV charging systems (EVCS) rate**, which may increase to THB11 per unit from the current THB7.5-8.5 per unit, bringing costs almost on par with petrol and increasing BEV cost of ownerships.

Thailand's xEV sales expanded rapidly in 1H 2026, but high and rising cost of ownership remains a challenge to longer-term growth post-2026

Passenger ICE and xEV sales in Thailand
(‘000 Units), 2023 – 2026F



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
- Near-term xEV growth is expected to rise**, supported by:
 - EV market is intensifying**, with OEMs like **JAECOO, BYD, MG, and Changan (Nevo & Avatr)** launching new models in 2026 while new brand such as **Hongqi, Lepas** (under Chery), and **Dongfeng** enter the market
 - New generations of EV models** feature assisted driving capabilities and 800V high-voltage systems, enabling ultra-fast charging (e.g., Xpeng G9)
 - Surging fossil fuel prices** amid the US-Iran conflict have further accelerated the shift toward electrification
- EV sales are challenged by repair & insurance costs**, stemming from poor after-sales service, limited domestic parts and repair capacity, delayed warranty claims, and sharp depreciation, underscored by 1,300 OCPB complaints on defects and lack of support, and THB103mn in lawsuits against operators
- Chinese EV price advantages may narrow**, as EV3.5 incentives expire in 2027 and excise tax on imported BEVs is set to rise under the Sep 2026 Cabinet proposal, aimed at offsetting China's c.30% lower production costs and driving imported car prices up by c.25–30% (aims to ensure competitiveness of domestic production)

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

Chinese OEMs are gaining market share with new entrants, prompting Japanese and Western leaders to respond back

Top automotive brands in Thailand (by volume of vehicles sold in respective year)

Brand	Units sold			Market share			Change in market share
	1H 2024	1H 2025	1H 2026	1H 2024	1H 2025	1H 2026	
TOYOTA 	133,136	124,492	130,940	36.7%	36.9%	33.8%	-3.1%
HONDA 	50,634	41,083	41,839	14.0%	12.2%	10.8%	-1.4%
ISUZU 	54,023	42,162	40,872	14.9%	12.5%	10.5%	-2.0%
BYD AUTO 	14,775	25,877	26,072	4.1%	7.7%	6.7%	-0.9%
MG 	10,124	9,901	16,381	2.8%	2.9%	4.2%	1.3%
JAECOO 	-	959	15,020	0.0%	0.3%	3.9%	3.6%
MITSUBISHI 	14,749	13,849	14,399	4.1%	4.1%	3.7%	-0.4%
GAC AION 	2,874	6,345	11,812	0.8%	1.9%	3.0%	1.2%
FORD 	16,074	11,262	9,138	4.4%	3.3%	2.4%	-1.0%
DEEPAL 	3,150	3,226	7,773	0.9%	1.0%	2.0%	1.0%
Total	299,539	275,930	306,473	82.7%	82.8%	81.0%	-1.7%

Source: Marklines, Krungsri, PwC research and analysis

Key insights

1

Most Chinese brands continued gaining market share, driven by new vehicle launches, expanding domestic production, competitive pricing, and the addition of after-sales service.

- **BYD, MG, OMODA & JAECOO, and GAC AION are accelerating competition** in the BEV and PHEV segments through a steady stream of new model launches.
- **OMODA & JAECOO recently opened its Thailand NEV manufacturing plant** in April 2026, targeting annual production of 80,000 vehicles per year by 2028.
- **Chinese EVs remain competitively priced** compared to those from other countries due to better import tax benefits.
- **GAC AION strengthened its market presence** by rolling out GAC CARE, offering enhanced after-sales services and customer support.
- **BYD shares declined recently** as there is more competition from other Chinese BEVs such as MG and JAECOO.

2

Japanese OEMs are beginning to respond more actively on growing competition from Chinese EVs through electrification investments tailored to the Thai market.

- **Toyota, Honda, and Isuzu are accelerating electrification** in 2026 by launching new HEVs (e.g. Toyota Hilux Travo-e and New Honda City eHEV).
- **Mazda and Mitsubishi are investing approximately THB 7.4 billion and THB 16 billion** respectively to boost local EV production, with Mazda expanding its HEV portfolio and Mitsubishi focusing on xEV manufacturing.

3

Other brands are similarly impacted. Amid domestic market share loss, Ford is acquiring Suzuki's plant to strengthen its manufacturing footprint and serve as an export base for Ranger and Everest models.

4

The top 10 brands lost approximately 1.7% market share as growth from non-top 10 brands (e.g., Tesla, Chery, Xpeng) outpaced them

Recent examples of companies leveraging the three strategic thrusts to drive growth and maintain profitability in Thailand

1 Operational excellence



Chery Group and OMODA & JAECCO officially opened their NEV plant in Thailand in April 2026, featuring advanced aluminium body welding technology with a target annual production of 80,000 vehicles per year by 2028.



Hyundai has begun local BEV production in Thailand in May 2026 at its Samut Prakan facility, positioning the country as a key regional hub for EV production and export.



In 2026, **Isuzu invested approximately THB 15 billion to modernise its Thailand production base**, strengthening manufacturing capabilities for both ICE and EV vehicles while advancing greener production technologies.



Auto Alliance invested approximately THB 7.4 billion to upgrade its plant for Mazda's new MHEV production, reinforcing Thailand's role as a key manufacturing hub for domestic sales and exports to Japan and ASEAN markets.

2 Business model redesign



GAC AION is building a lifecycle service model through GAC Care, offering customer-centric assurance, rapid support, and specialised expertise that extends beyond vehicle sales.



Ford is expanding its regional production footprint through the acquisition of Suzuki's Rayong plant, strengthening export capacity for its Ranger and Everest models.



In 2026, **GWM transitioned from a manufacturer-held to a dealer-led stockholding strategy**, aiming to improve inventory management and support growth, while maintaining its One Price Policy.



Isuzu launching the D-Max BEV in Thailand in 2026, demonstrating its commitment to advancing carbon neutrality through diverse powertrain technologies and alternative fuel initiatives.

3 Strategic alliances



ZEEKR partnered with TPM Automotive and SINCCEL to launch a supercharging EV station in August 2026, strengthening the Southeast Asian EV ecosystem.



Huawei and CHANGAN have partnered to promote an integrated clean energy ecosystem in Thailand, combining EV with residential solar and energy storage solutions through a "Buy an EV, Get Solar" campaign.



CHANGAN partnered with CATL to establish an EV battery and e-drive service centre, strengthening its after-sales capabilities and reinforcing its long-term commitment to the Thai EV market.



Audi, through PON Holdings, acquired its Thai distributor in June 2026 to reinforce financial strength, gain leverage with Audi AG, and enhance competitiveness with new BEV, PHEV, and ICE models.

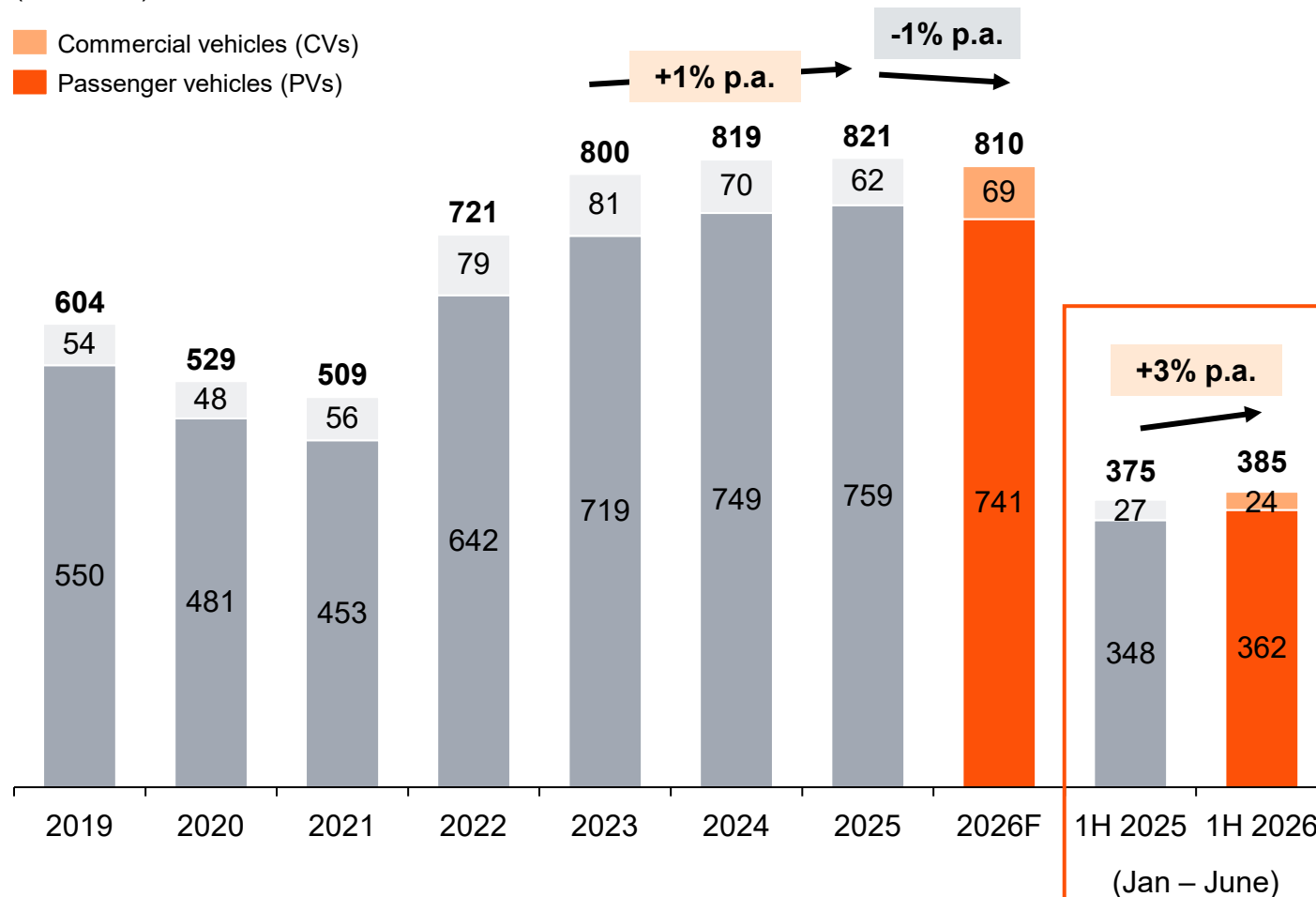


Malaysia's TIV reached a record ~385k units in 1H 2026, prompting MAA to lift its full-year forecast to 800k units

Malaysia TIV sales: Passenger vs commercial

('000 units), 2019 – 2026F

Commercial vehicles (CVs)
Passenger vehicles (PVs)



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

Key observations in 1H 2026

- Malaysia's TIV rose 3% YoY to 385,353 units in 1H 2026, marking the strongest first-half performance on record.
- SUV sales grew 19% YoY, offsetting an 11% decline in commercial vehicle sales.
- Pickup truck demand fell 19% following the rationalisation of diesel subsidies.
- CVs contribution to the overall TIV is structurally shrinking, with its share expected to fall from 8% to 7% in FY26.
- Malaysia recorded 6.0% YoY GDP growth in 2Q2026, the fastest among ASEAN economies, with manufacturing growth at a near two-decade high of 7.3%, supporting consumer purchasing power.

Key growth drivers in 2H 2026

- MAA raised its FY26 TIV forecast to 800k units from 790k, with approximately 52% of volume still expected to land in 2H 2026. PwC is slightly more optimistic given the H1 dynamics.
- Booking backlog are at approximately 152k–162k units at mid-year, above the average levels recorded in 2025.
- The implementation of the OMV/PU(A)402 excise recalculation and the New Customised Incentive Mechanism has been deferred to January 2027, removing a near-term cost overhang for the industry.
- The overnight policy rate (OPR) remained unchanged at 2.75% with inflation contained at 1.5–2.5%, keeping financing conditions supportive through year-end.

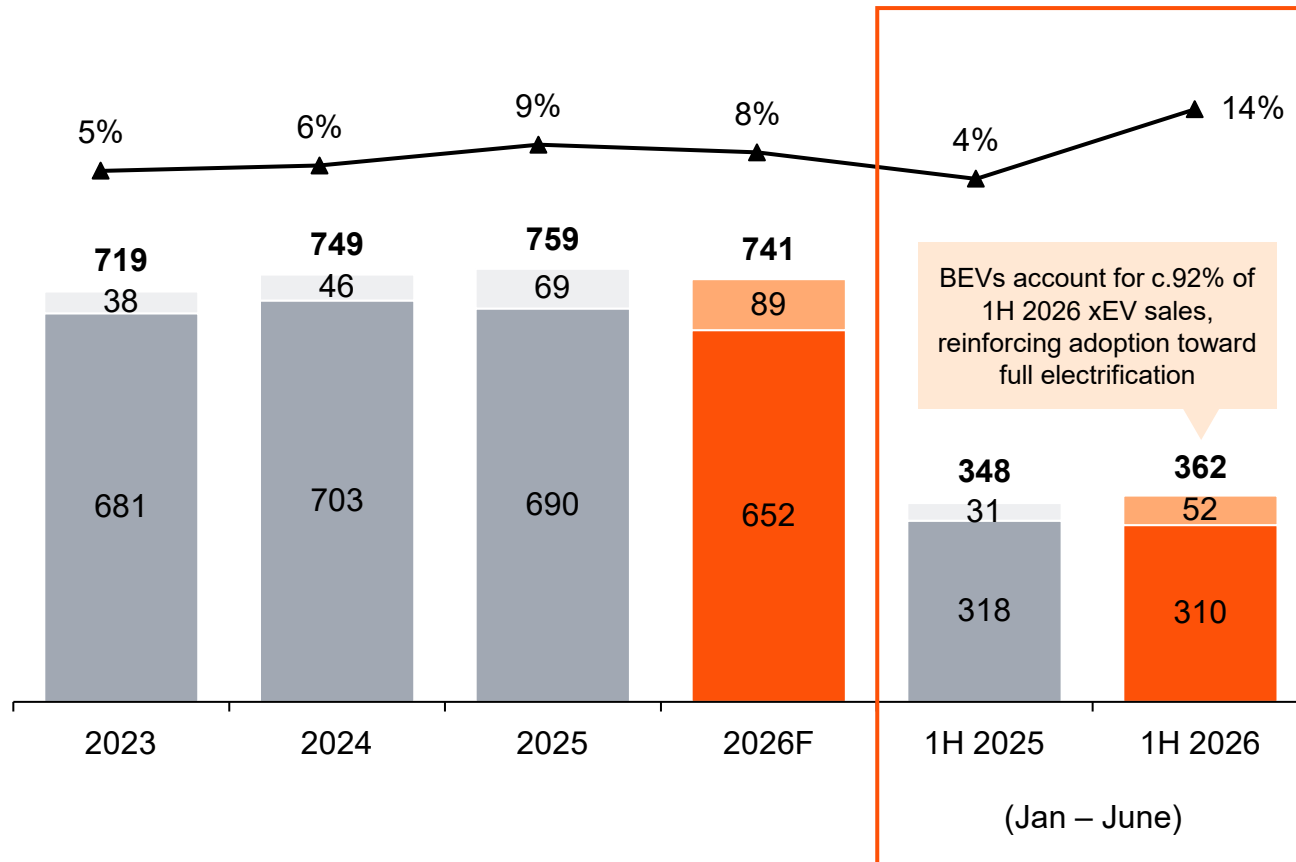


CKD localisation drives Malaysia's EV market as xEV penetration doubles to 9% in 1H 2026

Passenger ICE and xEV sales in Malaysia

('000 units), 2023 – 2026F, 1H 2026

■ EV and HEV ■ ICE ▲ % of xEV



Key trends driving EV adoption

- 1H 2026 xEV share of TIV rose to 14%** (from 4% in 1H 2025), with combined passenger EV and HEV volumes reaching approximately 52,000 units.
- BEV sales are growing faster than the broader xEV category**, indicating adoption is shifting from hybrids towards full electrification.
- New Ministry of Investment, Trade, and Industry (MITI) rules (effective 1 July 2026)** set a RM200k cost, insurance, and freight (CIF) floor and 180kW minimum for imported EVs, pushing volume towards CKD models.
- Public charging points reached 6,416 in May 2026**, below the 10,000 interim target and the 2030 goal of 30,000; but the shortfall is concentrated in slower AC charging (4,273 installed) and regional coverage, with only 240 charging points across Sabah and Sarawak combined.
- DC fast-charging deployment has exceeded targets** (2,143 installed vs an original 1,500-unit target), and approval timelines have been reduced from 60 days to as few as 14 working days under the new guidelines on electric vehicle charging bays (GPP-EVCB).
- MITI is studying a proposed levy on EV sales** to fund public charging infrastructure development, reflecting the government's continued focus on closing the charging network gap.

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



Proton closes the gap with Perodua to its narrowest margin since 2013, as national marques extend their dominance to 67% share

Top automotive OEMs in Malaysia

(by volume of vehicles sold in respective year)

Brand	Units sold			Market share			Change in market share (25 vs 26)
	1H 2024	1H 2025	1H 2026	1H 2024	1H 2025	1H 2026	
PERODUA	169,849	166,188	158,295	43.4%	44.3%	41.3%	-3.0%
PROTON	72,088	69,773	98,009	18.4%	18.6%	25.6%	7.0%
TOYOTA	45,962	43,584	35,988	11.7%	11.6%	9.4%	-2.2%
HONDA	39,226	33,750	25,929	10.0%	9.0%	6.8%	-2.2%
MITSUBISHI	8,265	6,703	6,757	2.1%	1.8%	1.8%	0.0%
BYD AUTO	4,368	6,069	6,467	1.1%	1.6%	1.7%	0.1%
JAECOO	4	6,134	6,461	0.0%	1.6%	1.7%	0.0%
MAZDA	8,389	3,952	5,709	2.1%	1.1%	1.5%	0.4%
CHERY	6,891	6,713	5,590	1.8%	1.8%	1.5%	-0.3%
ISUZU	6,509	6,250	5,092	1.7%	1.7%	1.3%	-0.3%
Total	361,551	349,116	354,297	92.4%	93.1%	91.9%	-1.2%

Key insights

- Top 10 OEM concentration remained broadly steady at 91.9%** of the market (compared to 93.1% in 1H 2025 and 92.4% in 1H 2024). Market share is rotating between incumbents rather than fragmenting to smaller or newer brands outside the top 10.
- National marques' combined share reached approximately 67% in 1H 2026** (Perodua: 41.3%; Proton: 25.6%), up from approximately 63% in 1H 2025 (Perodua: 44.3%; Proton: 18.6%).
- The Perodua-Proton sales ratio narrowed from 2.4:1 to 1.6:1** (166.2k : 69.8k in 1H25 vs. 158.3k : 98k in 1H26). Proton's 7.0% market share gain is the single largest gain in 1H 2026, while Perodua's share declined by 3.0%.
- Japanese OEMs Honda and Toyota both lost 2.2% market share.** Comparing to 1H 2025, Honda's unit volume fell by 23.2% (33.8k to 25.9k) while Toyota's fell by 17.4% (43.6k to 36k).
- Chinese entrants show a mixed picture:** BYD Auto (+0.1%) and JAECOO (+/- 0.0%) maintained market share, while Chery declined by 0.3%. Combined, BYD Auto, JAECOO, and Chery now hold approximately 4.9% of the market.
- Mazda posted the sharpest recovery in 1H 2026**, with units up 44.5% YoY (3.95k to 5.7k) and market share rising by 0.4%, while Mitsubishi held flat at 1.8%.

Note: FX Rate used as of August 2026: USD:MYR ~4.1, 2. Chery Group includes several brands—including Jaecoo, iCAUR, Jetour, Omoda and Lepas—which collectively account for c. 5.4% of TIV.
Source: Marklines, MAA, news articles, PwC research and analysis



Recent examples of companies leveraging the three 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's electrification capabilities.



XPENG is accelerating supply chain localisation with independent teams in Europe and ASEAN.



TQ WULING commenced local assembly of Bingo EV in Malaysia in January 2026.



Proton plans to expand its EV production capacity at its Tanjung Malim plant to 42k units (up from 20k units), including CKD production of eMAS 5.



Tier-1 automotive supplier MCE Auto Hub opens a RM50 million plant to strengthen electronics and mechatronic solutions.

2 Business model redesign



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



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



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



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



Perodua adopts a battery-as-a-service model to lower upfront EV costs while addressing concerns around battery degradation and resale value.

3 Strategic alliances



Hyundai Motor Malaysia signs with a new dealer and is developing the Hyundai Protection Plan with insurance partners.



BMW Malaysia and Universiti Malaya partner on second-life EV battery research and development.



SAIC Motor Malaysia partners with EP Manufacturing Bhd to locally assemble its MG vehicles in Q1 2026.



Baiterek National Managing Holding and Proton Malaysia signed a memorandum of cooperation to support the development of Kazakhstan's automotive industry.

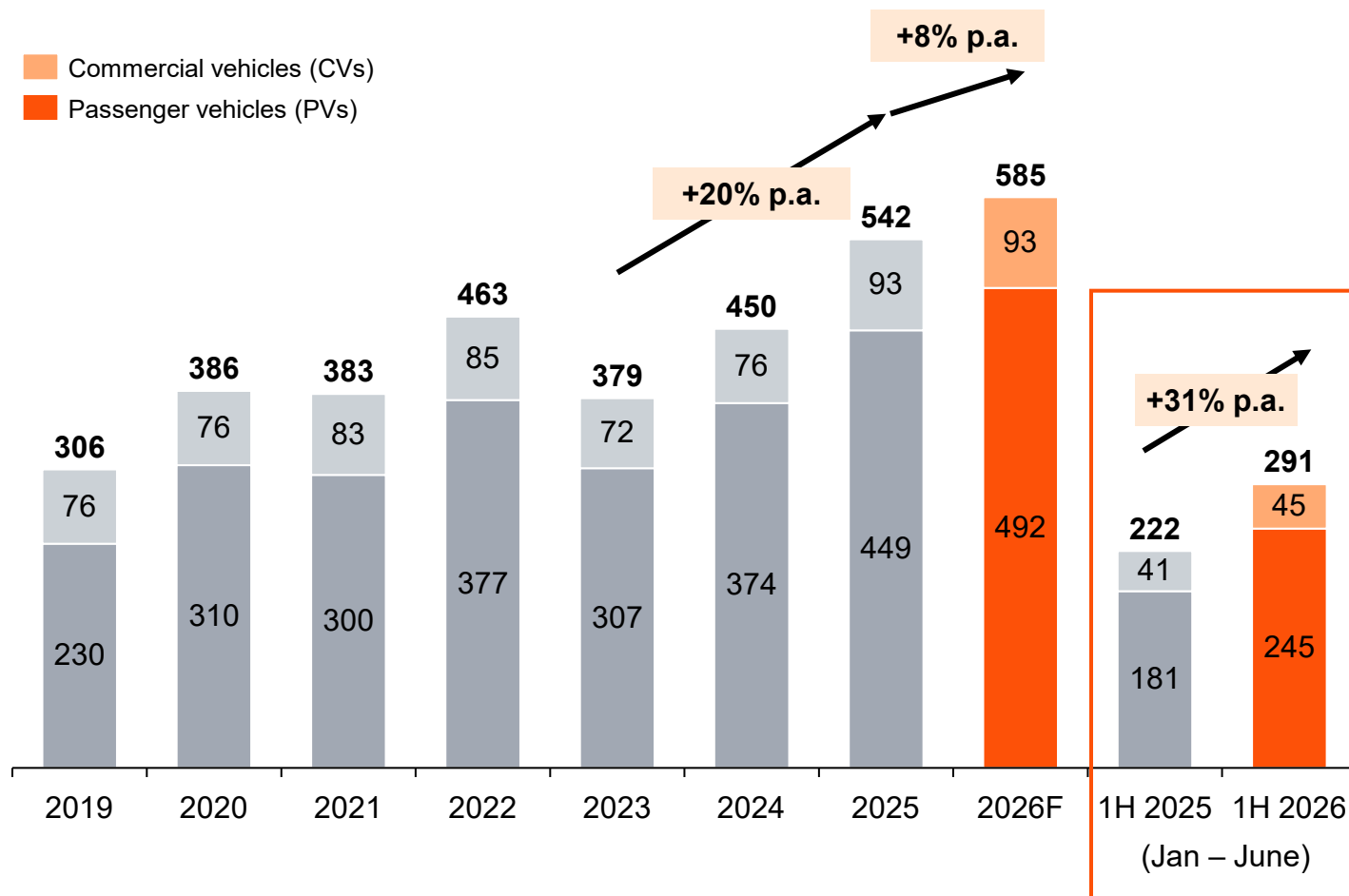


Auto market growth in 2026 is driven by continued economic growth, EV adoption trends, and infrastructure development initiatives

Vietnam TIV sales: Passenger vs commercial

('000 Units), 2019 – 2026F

Commercial vehicles (CVs)
Passenger vehicles (PVs)



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

Key observations in 1H 2026

- **Strong GDP growth** of over 8.0%, **declining unemployment rates**, and **controlled inflation** continued to support vehicle demand.
- **Hybrid and EV adoption accelerated**, driven by growing consumer interest in lower operating costs and more sustainable mobility solutions.
- EVs moved from a niche segment to a **mainstream market force**, largely driven by VinFast.
- The market returned to **strong growth in 2025 and accelerated further in 1H 2026**, with a 31% growth rate compared to 1H 2025 and a projected growth of 8% in 2026 compared to 2025.

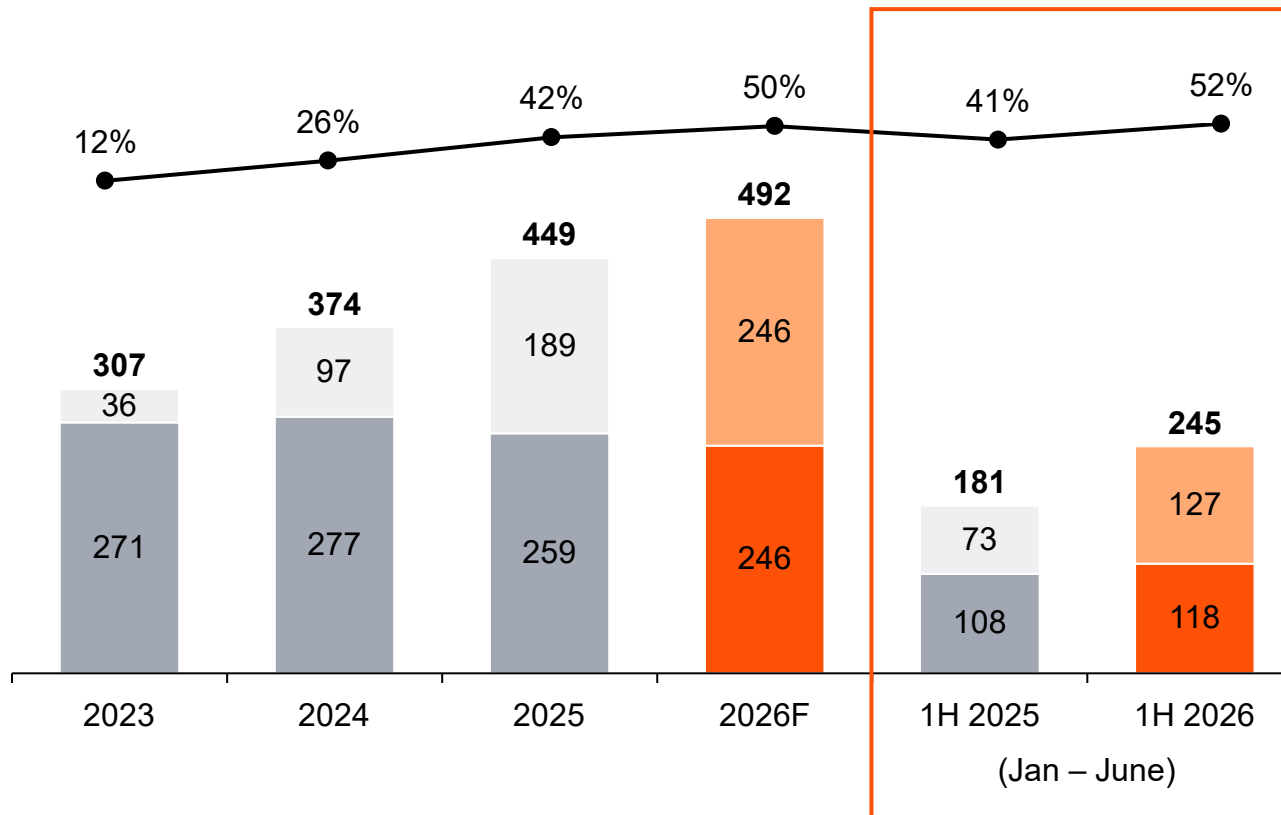
Key growth drivers in 2H 2026

- **GDP growth is forecast to remain strong at around 7%**, with the government setting even more ambitious targets. A growing middle class increases consumers' purchasing power.
- **Electrification continues to be led by VinFast** through its efforts to expand its affordable portfolio and favourable regulatory support. However, the market's heavy reliance on a single player presents a potential concentration risk.
- **Infrastructure is currently under strong development** with new highways and ongoing projects for better regional connection, reducing travel friction and further encouraging vehicle purchases.
- **Broader vehicle offerings across price points and attractive financing, incentives, promotional campaigns** help improve vehicle affordability and expand the addressable customer base.
- Vietnam still **depends heavily on imported vehicles and components**, exposing the market to foreign exchange fluctuations, trade policy changes, and supply chain disruptions.

xEVs expected to capture ~50% of passenger vehicle sales in 2026, driven by broader affordable EV options, lower TCO¹, and government's electrification ambitions

Passenger vehicles ICE and xEV sales in Vietnam
(‘000 Units), 2023 – 2026F²

● % of xEV ■ EV and HEV ■ ICE



Key trends driving EV adoption

- 1 Vietnam targets **30% EV penetration for passenger cars by 2030, 50% of urban EV, 100% of electric urban bus and taxis by 2030, and 100% green road transport by 2050**, in line with its net zero commitment.
- 2 **VinFast leads the market expansion** through a broad product portfolio targeting affordable segments, with domestic sales growing by more than 70% in 1H 2026. Beyond VinFast, **Chinese and international automakers continue to introduce EV and hybrid offerings**, increasing market awareness and expanding market choices.
- 3 The current global fuel crisis has strengthened the appeal of EVs due to its **lower fuel and maintenance cost** relative to ICE vehicles, especially for high-utilisation users. Hence, **commercial transportation operators are increasingly electrifying their fleets**.
- 4 **Large-scale deployment of charging stations nationwide** has improved the convenience of EV ownership. VinFast's ecosystem alone reportedly include approximately 150k charging ports across the country. Other public charging service providers are also expanding their network to meet growing demand.
- 5 **Increasing consumer acceptance and awareness**, with multiple EV models ranking among Vietnam's best-selling vehicles.

Note: ¹Total cost of ownership

²2026F figure for xEV is forecast based on the historical % xEVs of total PV sales in Vietnam; 2026F based on PwC best estimates

Source: Marklines, Fitch, PwC research and analysis

Vehicle sales continued to grow in 1H 2026, driven by strong EV demand, while declining ICE market share signals an accelerated transition towards EV and hybrids

Top automotive OEMs in Vietnam (by volume of vehicles sold in respective year)

Brand	Units sold			Market share			Change in market share
	1H 2024	1H 2025	1H 2026	1H 2024	1H 2025	1H 2026	
VINFAST 	33,549	67,569	115,916	19.3%	30.4%	39.9%	9.5%
TOYOTA 	22,338	29,274	35,410	12.9%	13.2%	12.2%	-1.0%
HYUNDAI 	25,359	24,194	25,069	14.6%	10.9%	8.6%	-2.3%
FORD 	17,651	21,700	21,232	10.2%	9.8%	7.3%	-2.5%
KIA 	17,383	17,761	15,732	10.0%	8.0%	5.4%	-2.6%
MITSUBISHI 	14,622	15,793	21,653	8.4%	7.1%	7.4%	0.3%
MAZDA 	12,679	14,685	15,298	7.3%	6.6%	5.3%	-1.3%
HONDA 	10,481	11,233	11,305	6.0%	5.1%	3.9%	-1.2%
THACO 	4,950	7,198	13,582	2.9%	3.2%	4.7%	1.4%
ISUZU 	4,136	4,631	5,385	2.4%	2.1%	1.9%	-0.2%
Total	163,148	214,038	280,582	94%	96%	97%	0.2%

Key insights

- 1 The overall 4-wheel market grew **about 12% YoY in 1H 2026**, reaching approximately 290k units. The growth was supported by strong economic conditions, attractive promotions, improved financing availability, and continued recovery in consumer demand.
- 2 VinFast, achieving 115,916 vehicles sold in 1H 2026, continues to be the **largest automotive brand in Vietnam** by a significant margin. The brand captured around 40% market share, with multiple models ranked among the country's best-selling vehicles, including the Limo Green, VF3, VF5, and VF6.
- 3 Despite posting overall vehicle sales growth, **traditional ICE brands' market share declined**. No longer the primary market growth engine, ICE's market share is shifting away towards BEVs and hybrids.
- 4 **Hybrid vehicles gained popularity as a transitional technology**, proven by hybrid sales' continued growth due to consumer concerns around fuel efficiency and environmental impact.
- 5 **Charging infrastructure becomes a competitive differentiator**. VinFast has gained competitive advantage through a massive rollout of its charging network across the country. While several new EV brands have entered the Vietnamese market recently, charging infrastructure remains the main barrier to large-scale market expansion.
- 6 **Vehicle imports remain a major source of market supply**. China has become Vietnam's fastest-growing major vehicle import source by value, driven by the arrival of new EV brands. Beyond China, countries in ASEAN (mainly Thailand and Indonesia) remain the backbone of vehicle import.

Source: Marklines, PwC research and analysis



Recent examples of companies leveraging the three strategic thrusts to drive growth and maintain profitability in Vietnam

1 Operational excellence



VinFast pushed fleet-oriented EV models, such as the Limo Green, which became the top selling model in 1H 2026. The company plans to expand its small-size segments through several new models.



Toyota invested over USD 360 million to expand and modernise its manufacturing facilities and establish Vietnam's first domestic hybrid vehicle production line. Phase 1 plans to add 15,000 units of annual production capacity and begin operations by end-2028.



Toyota, Kia, and other OEMs are accelerating their transition from ICE-focused portfolios to hybrid-centric strategies, including expanding HEV offerings across multiple vehicle segments.

2 Business model redesign



VinFast sold its shares in VinFast Trading and Production JSC, a subsidiary owning VinFast's manufacturing unit, to a consortium of investors led by Future Investment Research and Development JSC. The restructuring will help VinFast reduce significant debt burden and free up capital to invest in R&D and sales expansion strategy.



Tasco Auto expanded into EV charging infrastructure through a **partnership with Esky**, committing to developing a high-power DC fast charging network nationwide.



Thaco Auto expanded beyond vehicle distribution and assembly into proprietary vehicle development (minibus and passenger car), aftermarket services, and export activities.

3 Strategic alliances



To further expand its charging activities across Vietnam and Southeast Asia, **V-Green** signed a cooperation agreement with several key providers: **Fast+** to build 5,000+ stations in Vietnam, **eTreego** to build 100,000+ stations in Vietnam, Indonesia, and the Philippines, and **ChargePoint** to distribute charging equipment in Vietnam.



OMODA & JAECCO are set to inaugurate a new vehicle assembly plant in Vietnam through a joint venture with Geleximco Group. The factory is progressing towards launching operations, with initial production focused on BEV models including Jaecoo J5 and Omoda 4.



VinFast partners with **TUV Rheinland**, Germany's global leading testing, inspection, and certification organisation to strengthen Vietnam's automotive testing capabilities while creating opportunities for local firms to participate more deeply in global value chains.

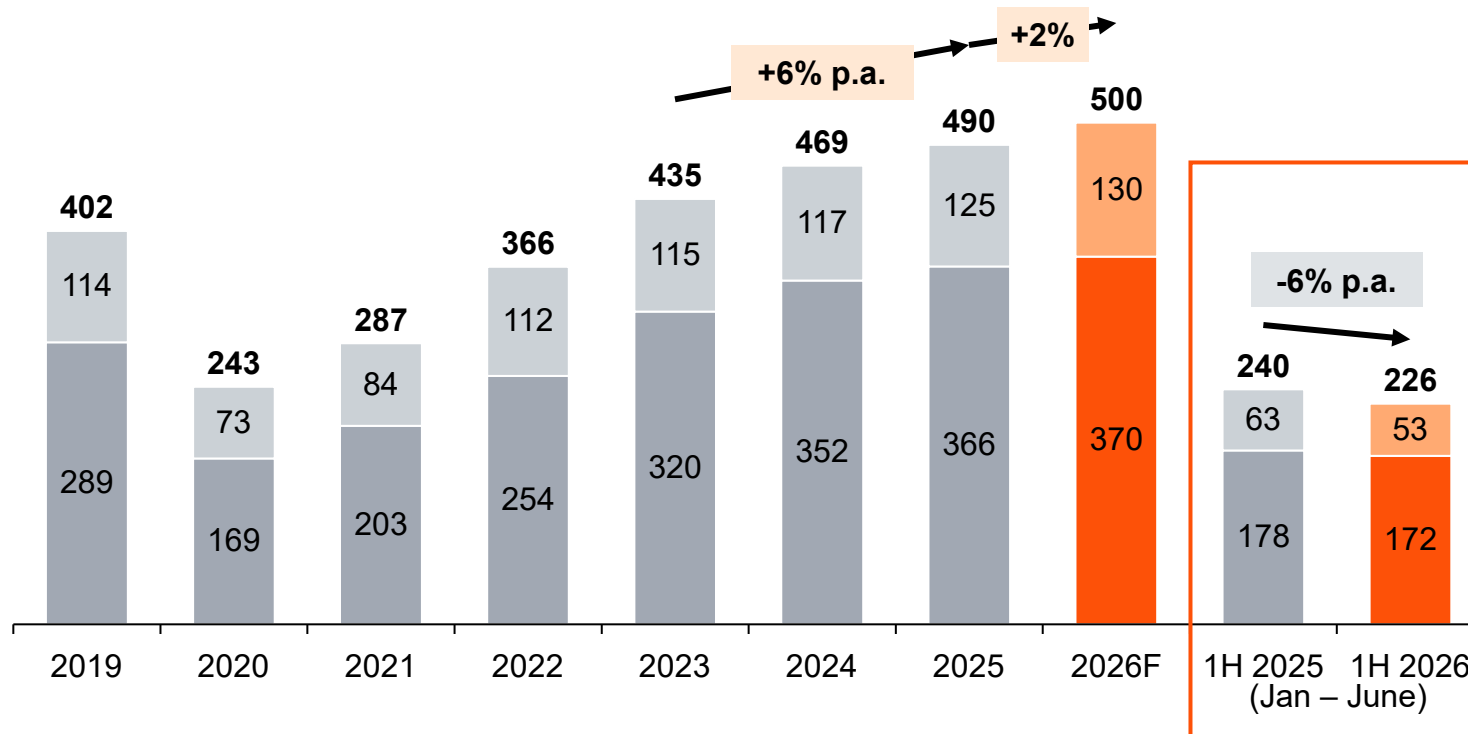


Philippines TIV reached a record high in 2025, while a stronger second half recovery supports a cautiously optimistic 2026 outlook

Philippines TIV sales: Passenger vs commercial

('000 units), 2019 – 2026F

Commercial vehicles (CVs)
Passenger vehicles (PVs)



Key observations in 1H 2026

- Philippine vehicle sales reached a record high of **490k units in 2025**, supported by easing inflation and improving loan affordability, especially in 1H 2025. The growth in 2H 2025 slowed down significantly, which continued in 1H 2026.
- Chinese automakers** continued to expand their presence in 1H 2026, broadening consumer choice through affordable offerings, and increasing competitive pressure on established Japanese brands.
- The **transition toward electric mobility** gained traction in 2025 and continued in 1H 2026, supported by government incentives and transport modernisation efforts. This trend accelerated further with stronger EV and hybrid adoption alongside additional manufacturing incentives.

Key growth drivers in 2H 2026

- While automotive demand is expected to soften in 2026 due to **slower economic growth, rising fuel and transport costs, and government spending uncertainty**, recent improvements such as **new model launches and continued growth in xEV adoption** point to a stronger second-half recovery with a potential for TIV to reach 500k by year-end.

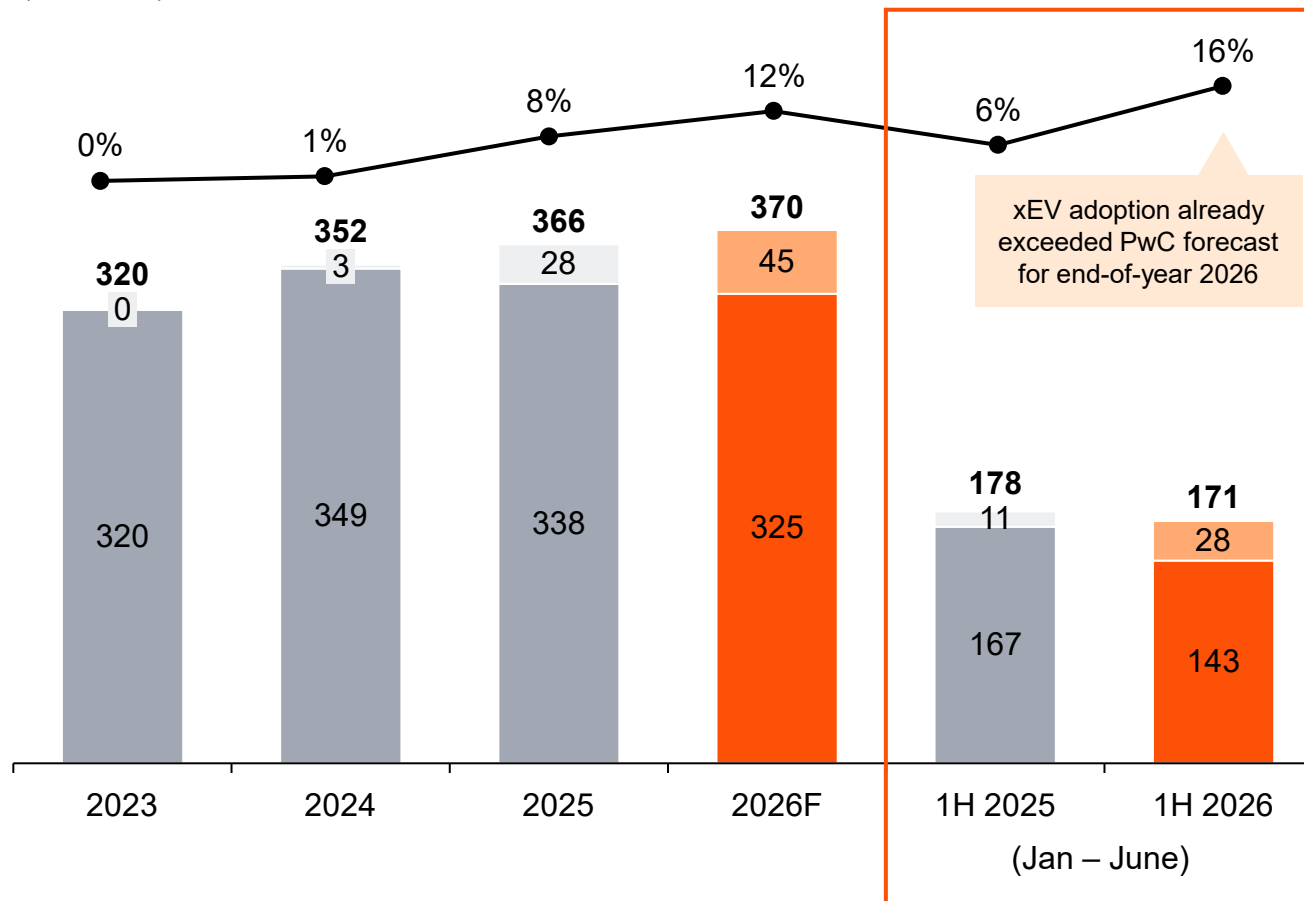
Source: Marklines, Fitch, AutoIndustria, Philippine News Agency, Inquirer, PhilStar, PwC research and analysis; 2026F based on PwC best estimates



Government initiatives, manufacturing support, and growing consumer acceptance are accelerating xEV adoption in the Philippines

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

● % of xEV ■ EV and HEV ■ ICE



Key trends driving EV adoption

- 1 xEV adoption more than doubled to **16.0% of passenger vehicle sales in 1H 2026**, demonstrating that electrified vehicles are capturing incremental demand even as the broader passenger vehicle market declined.
- 2 Hybrid adoption accelerated despite broader automotive market headwinds, driven by **rising fuel costs, environmental concerns, and increasing consumer interest** in alternatives to conventional vehicles.
- 3 Government support for EV manufacturing strengthened in 2026, with President Marcos **signing Executive Order No. 121**, establishing a PHP 60 billion **EV incentive programme** that offers tax-based incentives to manufacturers committing at least PHP 5 billion in investments and local production targets.
- 4 Transport electrification remains a national priority, with the **PUV Modernisation Programme** supporting the replacement of ageing jeepneys and the Department of Energy targeting at least 311.7k electric-powered PUVs on Philippine roads by 2028.
- 5 Affordability remains a key adoption barrier, as BEVs and PHEVs **typically cost up to 2x more** than comparable ICE vehicles; however, EV-specific **financing options and auto loans** are improving accessibility leading to demand increase by 2026 year-end.

Source: Marklines, Fitch, AutoIndustria, Department of Energy, Manila Observatory, BusinessWorld, PwC research and analysis; 2026F based on PwC best estimates



Japanese OEMs continue to lead the market while BYD emerges as a fast-growing challenger, reaching third place in just three years

Top automotive OEMs in Philippines

(by volume of vehicles sold in respective year)

Brand	Units sold			Market share			Change in market share
	1H 2024	1H 2025	1H 2026	1H 2024	1H 2025	1H 2026	
TOYOTA 	103,364	106,807	100,286	45.7%	44.5%	44.5%	0.0%
MITSUBISHI 	42,598	44,021	36,321	18.8%	18.3%	16.1%	-2.2%
BYD AUTO 	201	8,664	22,324	0.1%	3.6%	9.9%	6.3%
SUZUKI 	9,650	10,732	9,262	4.3%	4.5%	4.1%	-0.4%
FORD 	14,460	10,953	7,435	6.4%	4.6%	3.3%	-1.3%
NISSAN 	13,939	11,858	6,921	6.2%	4.9%	3.1%	-1.9%
HONDA 	7,944	8,223	6,600	3.5%	3.4%	2.9%	-0.5%
ISUZU 	7,292	7,504	5,461	3.2%	3.1%	2.4%	-0.7%
MG 	3,933	7,963	4,232	1.7%	3.3%	1.9%	-1.4%
KIA 	2,448	4,195	3,364	1.1%	1.7%	1.5%	-0.3%
Total	205,829	220,920	202,206	91.1%	92.0%	89.7%	-2.3%

Key insights

- Japanese OEMs continue to dominate the Philippine automotive market**, supported by the strong local manufacturing presence of major Japanese automakers and favourable policy support. However, they face growing competitive pressure from Chinese OEMs, which are gaining traction through more competitive pricing and stronger EV offerings.
- Chinese OEMs are gaining traction in the Philippine market**, driven by their ability to offer more affordable vehicles with BYD leading EV sales in Q1 2026 and experiencing a significant uptick in units sold and market share in 1H 2026.
- Local government initiatives** are in the works, such as the PHP 60 billion allocation for EV-specific incentive under the Electric Vehicle Industry Development Act (EVIDA) framework and reduced tariffs on US vehicles, which support EV uptake and US carmakers respectively.
- The industry is still optimistic that the second half of the year will offer a more favourable outlook** considering increasing interest in especially xEVs vehicles amidst increasing fuel prices in the country
- Increasing investment in EVs and manufacturing** is attracting investment from both automakers and suppliers, creating opportunities to innovate charging stations, battery services, and other support infrastructure.

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



Recent examples of companies leveraging the three strategic thrusts to drive growth and maintain profitability in the Philippines

1 Operational excellence



Toyota Motor Philippines' Tamaraw received the Department of Transportation's "Modern PUV" certification, enabling Toyota to better serve Filipino commuters and enhancing product credibility.



Suzuki Philippines is opening and relaunching various dealerships, some of which are full Sales, Service, and Spare Parts (3S) dealerships across Luzon and Visayas, optimising its service coverage.



GAC International Philippines officially joined the Chamber of Automotive Manufacturers of the Philippines, Inc (CAMPI), positioning them to contribute to sector-wide standards, policy development, and automotive industry advancement.

2 Business model redesign



GAC International Philippines has consolidated its GAC Motor, Aion, and Hyptec brands into a unified ecosystem, creating an integrated sales and service model with a stronger brand identity.



Mitsubishi Motors aims to enhance their brand identity by strengthening their products and technology, putting their all-new Pajero at the forefront of their brand and concentrating management resources on ASEAN strategic models.



Ford Philippines' "Ready Set Ford" platform shifts their focus from a product-focused portfolio to a brand story that highlight what their vehicles enable their customers to do.

3 Strategic alliances



BYD and ACMobility renewed their long-term passenger car distribution partnership, helping expand BYD's dealership network from 25 locations in 2024 to 79 operational dealerships by end-2025.



General Motors and SAIC Motor announced a 20-year extension of their joint venture, providing a platform to co-develop and launch at least 30 new energy vehicles by 2030 and expand global technology deployment.



Nissan Philippines appointed Autohub Group, Synergiauto Ventures Corporation (SVC Group), and Autocentral Group to strengthen coverage across Metro Manila, Cavite, Cebu, and Mindanao and enhance network performance.

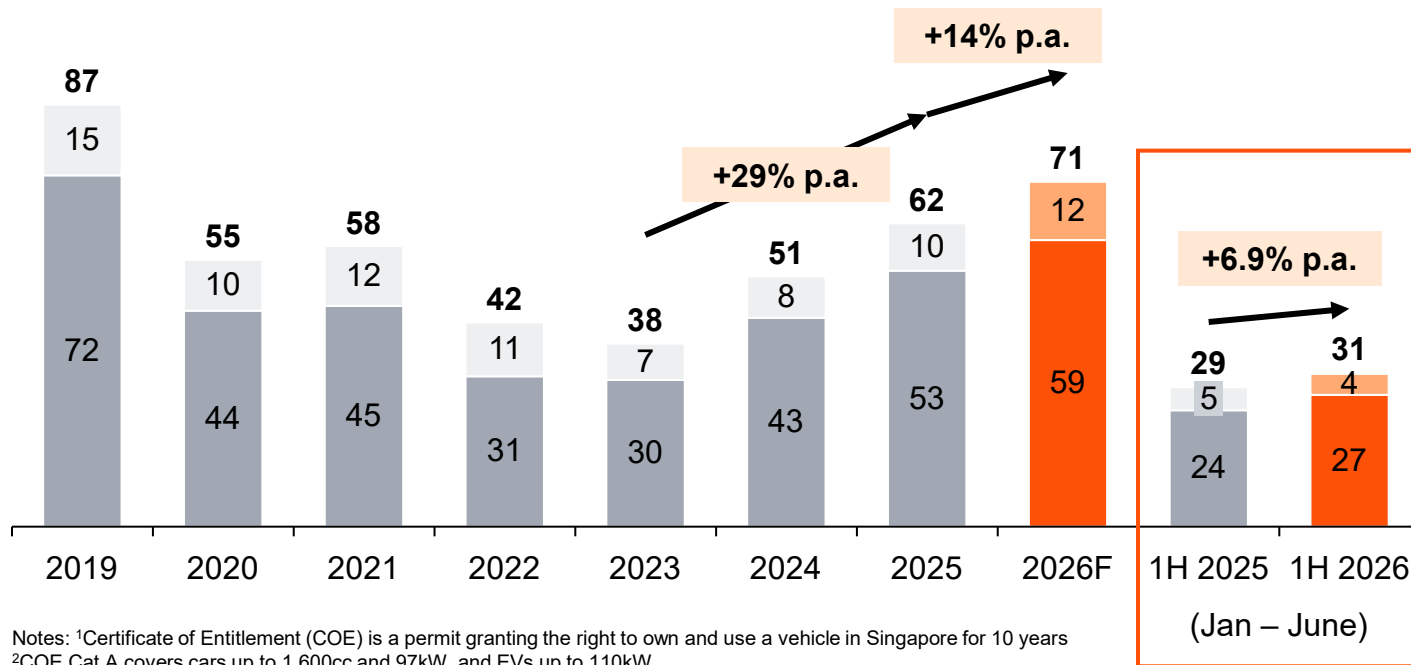


Passenger demand is powering 1H 2026 growth; easing Cat C premiums and larger quotas set up a commercial vehicle recovery in 2H

Singapore TIV sales: Passenger vs commercial

('000 units), 2019 – 2026F

Commercial Vehicles (CVs)
Passenger Vehicles (PVs)



Notes: ¹Certificate of Entitlement (COE) is a permit granting the right to own and use a vehicle in Singapore for 10 years

²COE Cat A covers cars up to 1,600cc and 97kW, and EVs up to 110kW

³Cat B covers cars above 1,600cc or 97kW, and EVs above 110kW

⁴Cat C registrations include Early Turnover Scheme (ETS) vehicles; ETS was discontinued for light CVs from Mar 2025 and heavy CVs from Dec 2025

⁵Cat C covers goods vehicles and buses

⁶Premiums shown are from the first bidding round of the respective month

⁷Up to 20,000 additional COEs are being injected over several years from February 2025, per LTA

⁸EEAI – EV Early Adoption Incentive

⁹VES – Vehicle Emission Scheme

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

Key observations in 1H 2026

- **Macro resilience:** 2026 GDP growth forecasts stand at 4.5 to 5.5%, up from 4.0% in late 2025; the Monetary Authority of Singapore (MAS) tightened policy in April 2026, raising core inflation forecasts to 1.5–2.5%.
- **Passenger vehicle demand up:** 27,144 cars were registered in 1H 2026, up 13.3% YoY, on greater COE¹ supply for Cat A² and Cat B³; TIV rose 9.6% vs the ASEAN-6 average of 11.1%.
- **Commercial vehicle sales down:** CV registrations fell 10.4% YoY (Jan-Jul)⁴ as Cat C⁵ premiums⁶ hit a record SGD95,000 in July 2026 on infrastructure-led demand and tight supply.

Key growth drivers in 2H 2026

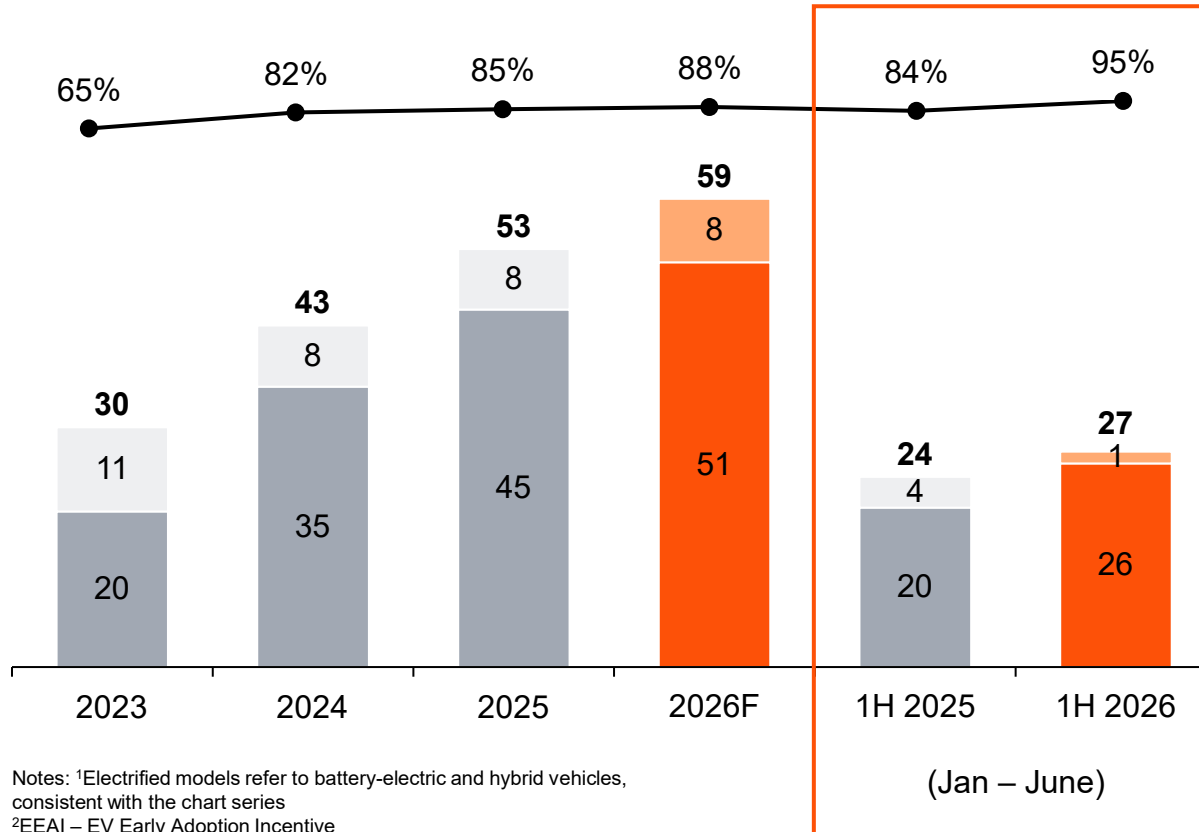
- **COE supply steady, mix shifting:** Total quota will edge up to 19,085 for Aug-Oct 2026, aided by the Land Transport Authority (LTA)'s multi-year COE injections⁷, with Cat B and Cat C up 6.2% and 5.4% while Cat A fell 4%.
- **EV incentive expiry to pull demand forward:** EEAI⁸ expires on 31 December 2026 and VES⁹ a year later, with combined savings of up to SGD30,000; a pre-expiry rush should support 2H 2026 volumes.
- **Premiums easing, CV recovery ahead:** Cat A eased to SGD123,890 and Cat C to SGD91,545 in the first August 2026 bidding; a 5.4% larger Cat C quota and softer premiums should lift CV volumes in 2H 2026, while 60+ new models widen choice.



BEVs passed 60% of new registrations in 1H 2026 as the 2030 cleaner-energy mandate drives a structural shift beyond incentives

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

● % of xEV ■ EV and HEV ■ ICE



Notes: ¹Electrified models refer to battery-electric and hybrid vehicles, consistent with the chart series

²EEAI – EV Early Adoption Incentive

³VES – Vehicle Emission Scheme

⁴ARF – Additional Registration Fee, the tax imposed on vehicle registration

⁵PARF – Preferential Additional Registration Fee, the rebate granted on deregistration

⁶BESS – Battery Energy Storage System

Source: Singapore Land Transport Authority, CNA, The Business Times, The Straits Times, press search, PwC research and analysis; 2026F based on PwC best estimates

Key trends driving EV adoption

- 1 Electrification reached a milestone:** BEVs made up 62.4% of new car registrations in 1H 2026, up from 45% in 2025, while ICE registrations more than halved to 1,493 units in 1H 2026. Including hybrids, electrified models¹ reached 94.5%, against an ASEAN-6 average of 31%.
- 2 Policy tightening on both sides:** The EEAII² ends on 31 December 2026 and VES³ a year later, worth up to SGD30,000 and SGD20,000 off the ARF⁴; Budget 2026 also cut the PARF⁵ rebate by 45ppt and halved the cap to SGD30,000, raising depreciation faster for ICE cars than for EVs. All new cars must be cleaner-energy models from 2030, underpinning demand beyond the rebates.
- 3 Charging network past the halfway mark:** 30,500 charging points were deployed as of March 2026, over half the 60,000 target for 2030 (40,000 public, 20,000 private), though fast-charging remains the gap, with at least one fast-charging hub in every Housing & Development Board (HDB) town targeted only by end-2027. For example, SP Mobility and Huawei launched Singapore's first ultra-fast charger paired with a BESS⁶ at Temasek Polytechnic.
- 4 Chinese OEMs are reshaping the field:** Chinese brands now account for approximately 43% of Singapore's TIV, the highest among the ASEAN-6, led by BYD at 24.3% share in Q1 2026 (3,239 of 7,679 new electric cars); Tesla ranked third on 1H 2026 car registrations, while Toyota held second on petrol-hybrids serving private-hire demand.
- 5 Watchpoints for the ownership ecosystem:** Residual values remain untested over the 10-year COE cycle as battery condition becomes a pricing factor, while independent workshops face a costly pivot to EV servicing given brand-specific training and proprietary systems.

Electrification is redrawing Singapore's top ten, lifting Chinese brands and Tesla as European premium marques and Honda fall back

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

Brand	Units sold			Market share			Change in market share
	1H 2024	1H 2025	1H 2026	1H 2024	1H 2025	1H 2026	
BYD AUTO 	2,658	4,934	7,144	11.8%	17.2%	22.7%	5.5%
TOYOTA 	4,144	4,152	3,897	18.5%	14.5%	12.4%	-2.1%
TESLA 	969	1,419	2,826	4.3%	4.9%	9.0%	4.1%
MERCEDES-BENZ 	2,463	2,537	1,796	11.0%	8.8%	5.7%	-3.1%
BMW 	2,523	2,664	1,591	11.2%	9.3%	5.1%	-4.2%
HONDA 	1,664	2,416	1,289	7.4%	8.4%	4.1%	-4.3%
CHERY 	18	195	1,270	0.1%	0.7%	4.0%	3.3%
MG 	339	320	964	1.5%	1.1%	3.1%	2.0%
GAC 	46	466	870	0.2%	1.6%	2.8%	1.2%
NISSAN 	1,097	913	758	4.9%	3.2%	2.4%	-0.8%
Total	15,921	20,016	22,405	71%	70%	71%	1.5%

Notes: ¹Volumes comprise passenger cars, goods vehicles, and buses newly registered; all periods shown are January to June
Source: Singapore Land Transport Authority, The Straits Times, press search, PwC research and analysis

Key insights

- Chinese brands now set the pace:** Four Chinese marques sit in the top ten (BYD, Chery, MG, and GAC), together taking 32.6% of the market in 1H 2026 from 20.6% a year earlier. Across all makes, Chinese brands account for approximately 47% of new car registrations, the highest among the ASEAN-6.
- BYD extended a lead built on Category A:** BYD reached 22.7% share, up 5.5% YoY, having overtaken Toyota in 2025 with 11,184 cars registered, up 80.6%. Category A-eligible EVs and private-hire demand remain the engine of growth.
- Tesla was the only Western brand to gain:** Tesla grew by 4.1% to 9.0% on a wider Model 3 and Model Y line-up, as BEVs reached 62.4% of new car registrations in 1H 2026.
- Two different pressures hit the decliners:** Mercedes-Benz and BMW shed 3.1% and 4.2% as record Category B premiums and the Budget 2026 cut to scrapping rebates hit high-end buyers first, with some orders cancelled ahead of the February bidding. Meanwhile, Honda's 4.3% fall is a Category A story, losing mainstream buyers to Chinese EVs with no battery-electric model of its own.
- Toyota is defending, and the strain is showing:** Toyota retained second on hybrids but slipped 2.1%. Distributor Borneo Motors retrenched staff on 30 July 2026 after its managing director resigned, and is countering with the bZ4X, its first battery-electric model in Singapore. Easing premiums should steady 2H volumes without reversing EV substitution.



Singapore players are sharpening distributor operations, shifting to asset-light and energy-led models, and partnering to scale electrification

1 Operational excellence



In August 2026, Eurokars EV opened a new MG and IM Motors after-sales centre at Tanjong Penjuru, tripling servicing capacity with dedicated EV bays and faster turnaround.



In July 2026, Borneo Motors, the exclusive distributor for Toyota and Lexus, retrenched its staff as parent Inchcape streamlined its Singapore operations.



In February 2026, fleet operators registered 119 electric heavy vehicles in the first two months of the Heavy Vehicle Zero Emissions Scheme¹.

2 Business model redesign



ComfortDelGro moves beyond charging: Having acquired its ENGIE joint-venture partner and relaunched the business as CDG Energy in August 2026, the company is extending from EV charging into fleet electrification and smart energy management across 2,600 charging points in Singapore and Malaysia.



BlueSG relaunches asset-light as Flexar: The company returned to point-to-point car sharing in April 2026 under Goldbell, replacing the fully owned all-electric fleet with a mixed petrol and electric fleet run through third-party fleet partners, with no membership fee.

3 Strategic alliances



The LTA places its largest electric bus order: Six contracts for 660 electric buses awarded in December 2025 to ST Engineering Mobility Services with CRRC, BYD, Yutong, and Cycle & Carriage Automotive with Zhongtong Bus, for deployment from end-2026.



EVe expands fast charging with operator partners: LTA subsidiary EVe awarded fast charging hub contracts to SP Mobility and ComfortDelGro Engie in April 2026 across eight sites, following earlier awards in March 2026 to SP Mobility and Shell. These initiatives support the goal of establishing a fast-charging hub in every HDB town by end-2027.



Grab and WeRide launch autonomous rides: Singapore's first autonomous public ride service, Ai.R, began operations in Punggol in April 2026 on two LTA-designated routes, serving over 1,000 early riders and accumulating more than 30,000km of autonomous mileage.

Notes:

¹The Heavy Vehicle Zero Emissions Scheme was launched on 1 January 2026 to incentivise the adoption of electric heavy goods vehicles and buses in Singapore; the figure shown is as at end-February 2026

Source: Singapore Land Transport Authority, Singapore Ministry of Transport, The Straits Times, Channel NewsAsia, company announcements, press search, PwC research and analysis



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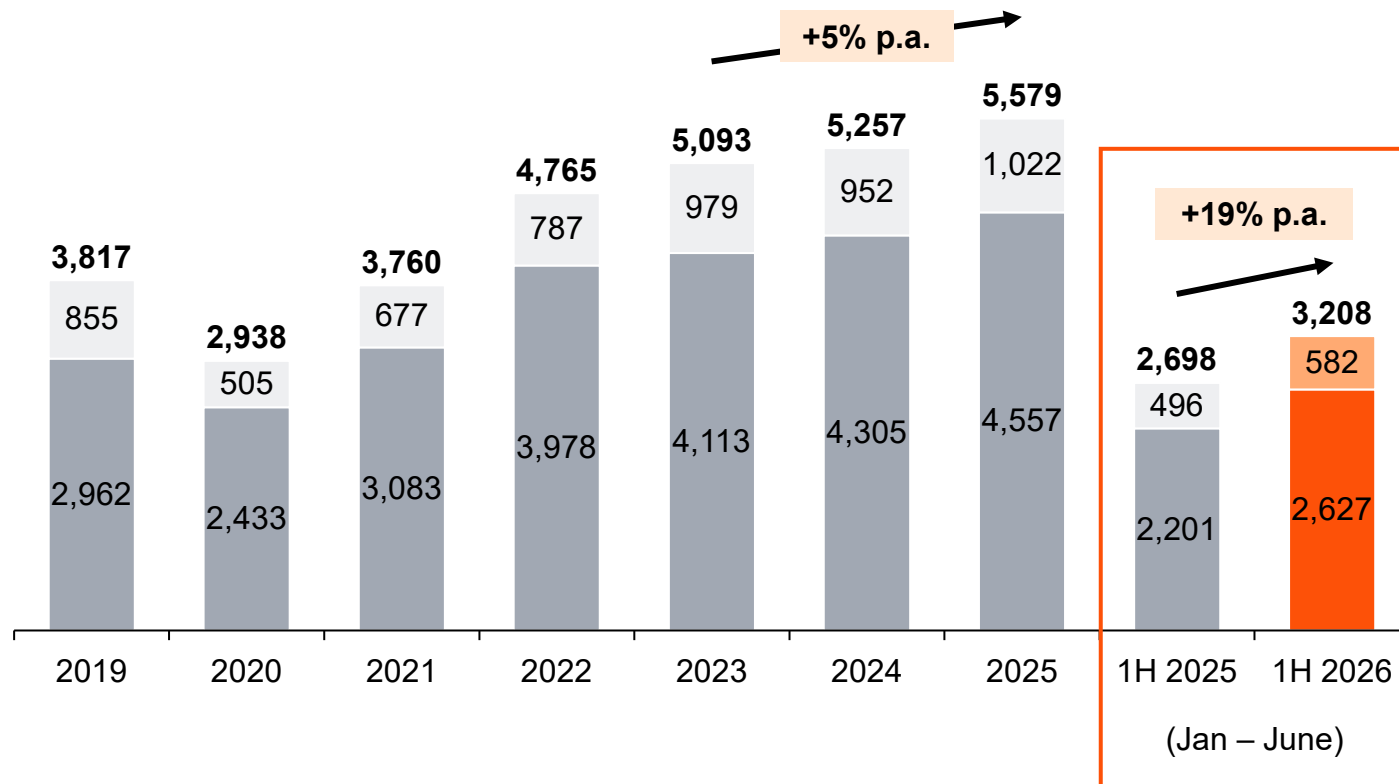
India's automotive
market

In India, SUVs and rural demand underpinned 2025 growth, while GST rationalisation, new launches and EV adoption supported growth further

India TIV Sales: Passenger vs Commercial

('000 units), 2019 – 1H 2026

- Commercial Vehicles (CVs)
- Passenger Vehicles (PVs)



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

Key observations in 1H 2026

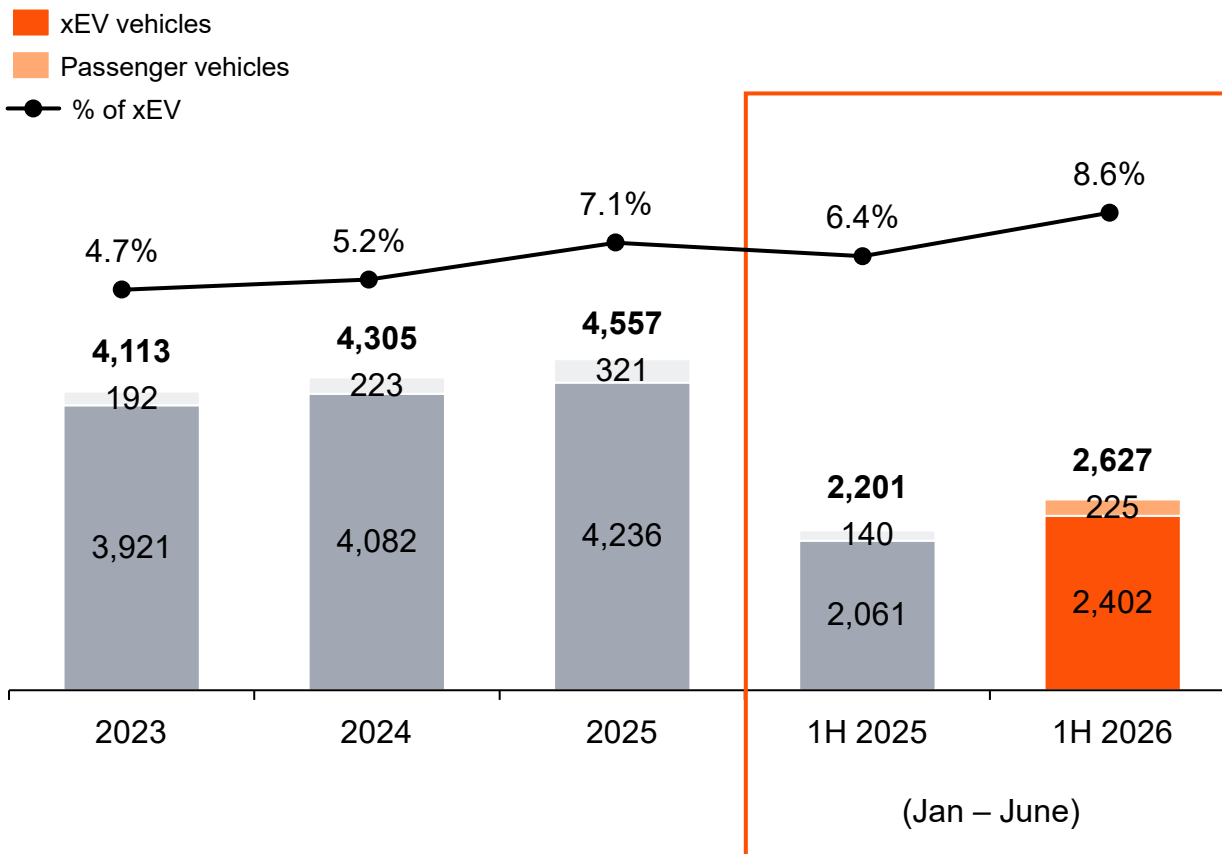
- Rural demand recovery:** Rural PV demand outpaced urban demand in 2025, supported by improving rural incomes and consumption
- SUV-led growth:** SUVs accounted for more than half of the PV sales, reflecting sustained momentum and continued consumer preference for larger vehicles and a strong pipeline of newer SUV launches, including Maruti Suzuki Victoris, Tata Sierra, Tata Harrier.ev, Hyundai Creta Electric, amongst others
- Infrastructure-led CV demand:** Continued infrastructure activity supported freight and construction-related CV demand, particularly across the Medium & Heavy Commercial vehicle segment
- CV GST rationalization:** GST rate cut from 28% to 18% w.e.f. September 2025 led to a decrease in CV prices, boosting sales

Key growth drivers in 2H 2026

- Strong model pipeline:** New launches and facelifts improved showroom traffic, expanded consumer choice and supported conversion. The pipeline includes new EVs and refreshed SUVs
- Rising freight demand:** Increase in freight demand is aided by consumption boost driven by GST rationalization and steady replacement sales; however, volatility in retail fuel prices stemming from sustained West Asia crisis may hinder the CV demand
- Broadening EV adoption:** Passenger-vehicle BEV penetration increased from 2.4% in 2024 to ~4% in 2025 supported by broader model availability and improving EV economics; Fuel-price volatility is further strengthening the operating-cost case for EV

Strong EV policy push, improving charging ecosystem, and more compelling, value-driven offerings to further strengthen EV adoption in India

Passenger ICE and xEV sales in India
(‘000 units), 2023 – 1H 2026



Source: Marklines, Press search, PwC research and analysis

Key trends driving EV adoption

1

EV policy push:

- **Tax benefits:** GST on EVs is reduced to 5%, creating a structural tax advantage versus ICE vehicles, which face materially higher GST. EV chargers and charging stations are also taxed at 5%, supporting lower charging infrastructure costs.
- **State-level adoption support:** Several states provide purchase incentives, tax and registration fee exemptions, and financing support for EV adoption. For example, Maharashtra provides demand-side incentives while Odisha provides purchase subsidies and interest subvention.
- **Road-tax and registration fee waivers:** Several states also offer road tax and registration fee waiver, reducing the on-road price gap between EVs and ICE vehicles.
- **Lower battery manufacturing costs:** The Union Budget of India exempted 35 additional capital goods and machinery used in lithium-ion battery manufacturing for EVs from customs duties, supporting domestic battery manufacturing and improving the long-term cost competitiveness of EVs.

2

Charging ecosystem expansion: India had 29,151 public EV charging stations as of December 2025, compared to ~11,903 in 2023, including 8,805 fast chargers.

3

Broader EV model availability: Rapid expansion of EV offerings across SUV and mainstream segments is widening consumer choice and bringing EVs to a broader customer base.

4

Improving EV proposition: Longer range, faster charging, comparable total costs of ownership, and feature-rich models are addressing key barriers to adoption and narrowing the usability gap versus ICE vehicles.



Market growth increasingly favours SUV-focused OEMs with premium offerings; Tata emerges as key share gainer supported by EV momentum

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

Brand	Units sold			Market share			Change in market share
	1H 2024	1H 2025	1H 2026	1H 2024	1H 2025	1H 2026	
SUZUKI 	917,001	896,405	1,044,408	34.4%	33.2%	32.6%	-0.7%
TATA 	485,651	449,302	604,819	18.2%	16.7%	18.9%	2.2%
MAHINDRA & MAHINDRA 	380,817	430,478	505,916	14.3%	16.0%	15.8%	-0.2%
HYUNDAI 	310,143	289,874	308,558	11.6%	10.7%	9.6%	-1.1%
TOYOTA 	140,027	161,531	185,195	5.3%	6.0%	5.8%	-0.2%
KIA 	126,246	141,835	166,251	4.7%	5.3%	5.2%	-0.1%
ASHOK LEYLAND 	94,226	94,943	110,438	3.5%	3.5%	3.4%	-0.1%
EICHER MOTORS 	42,053	46,153	54,367	1.6%	1.7%	1.7%	0.0%
MG 	26,221	30,893	38,982	1.0%	1.1%	1.2%	0.1%
SKODA 	15,464	36,195	38,895	0.6%	1.3%	1.2%	-0.1%
Total	2,537,849	2,577,609	3,057,829	95%	96%	95%	-0.2%

Notes: ¹Volume of vehicles sold here comprises volume of passenger vehicles and commercial vehicles sold in India
Source: Marklines, Press search, PwC research and analysis

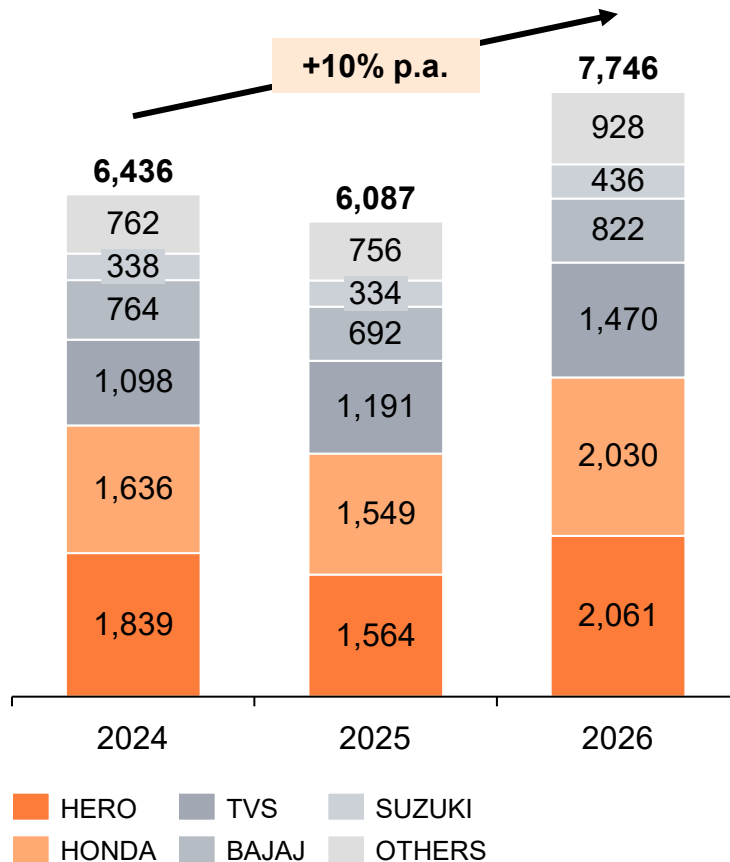
Key insights

- 1 Maruti Suzuki – Strong growth but share dilution:** Volumes grew approximately 17% YoY in 1H 2026, but market share declined as Tata and Mahindra grew faster. Continued weakness in the traditional small-car segment remains a constraint, while Maruti continues to expand its SUV portfolio.
- 2 Tata Motors – Strong PV momentum alongside CV recovery:** Combined volumes grew approximately 35% YoY in 1H 2026, with the PV business benefiting from strong demand for Punch and Nexon, alongside continued EV momentum. New launches including Sierra and Harrier.ev further broadened Tata's SUV and EV portfolio.
- 3 Mahindra – SUV-led growth with expanding EV reach:** Volumes grew approximately 18% YoY in 1H 2026, broadly maintaining its ~16% market share, supported by strong demand for its SUV portfolio. Its new electric SUVs are also broadening its customer base, with ~80% of BE 6 and XEV 9e buyers being new to the Mahindra brand, highlighting potential for growth beyond its traditional ICE SUV franchise.
- 4 Hyundai – Strong SUV franchise, but share pressure:** Hyundai's volumes grew approximately 6% YoY in 1H 2026, supported by continued strength in its SUV portfolio, particularly Creta and the new Venue. However, market share declined slightly amid intensifying competition across SUV and EV segments and weaker demand in small cars and sedans.
- 5 Toyota – Strong SUV / hybrid franchise supports growth:** Toyota's volumes grew approximately 15% YoY in 1H 2026, broadly maintaining its market share, supported by continued strength across its SUV, MPV, and hybrid portfolio. The Innova Hycross and Urban Cruiser Hyryder remained leading models in India's strong-hybrid segment.

April-YTD 2026 marked a broad-based recovery in India's 2W market, with demand accelerating sharply following GST rationalisation in 2H 2025

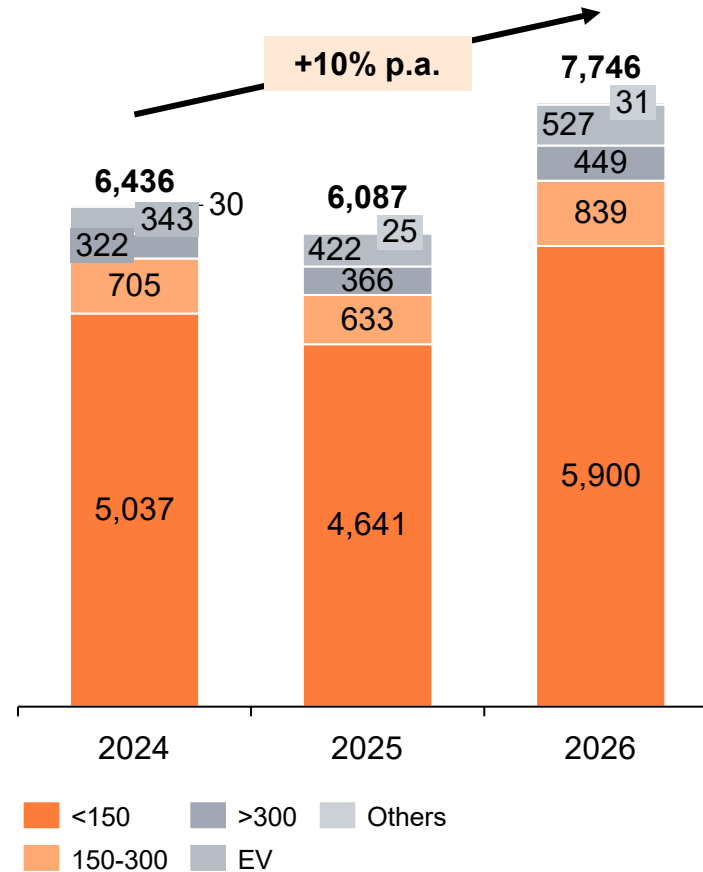
India 2W sales by brand

('000 units), 2024 (Jan–Apr) – 2026 (Jan–Apr)



India 2W sales by displacement

('000 units), 2024 (Jan–Apr) – 2026 (Jan–Apr)



Key insights

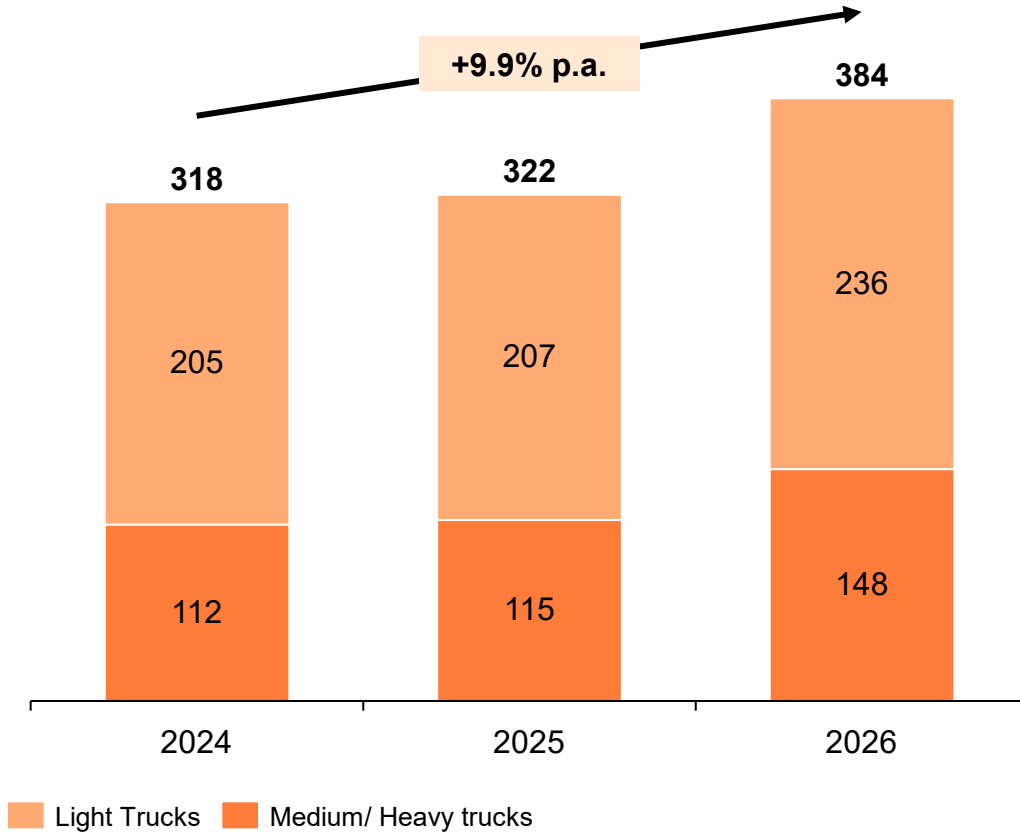
- 1 GST-led affordability boost:** Reduction in GST (from 28% to 18%) on two-wheelers **below 350cc**, which account for approximately 99% of the market, improved affordability and supported a sharp recovery in demand.
- 2 'Premiumisation' and 'scooterisation' are reshaping 2W competitive dynamics:** 2026 recovery is increasingly broad-based beyond traditional commuter motorcycles, with scooters and 150–300cc motorcycles growing strongly.
- 3 Competitive share shift:** Changing product mix is reshaping OEM positioning, with TVS gaining share on the back of its strong scooter, premium motorcycle, and EV portfolio, while Hero faces longer-term share pressure amid weaker commuter-motorcycle growth.
- 4 Electrification gaining traction:** Lower GST on EVs (5%) versus ICE two-wheelers (18%) along with extended PM e-Drive subsidies scheme have significantly reduced upfront cost and accelerated EV adoption. Additionally, declining battery prices, expanding charging infrastructure, and modern features have made EVs more accessible.

Source: Marklines, Kruingsri, PwC research and analysis

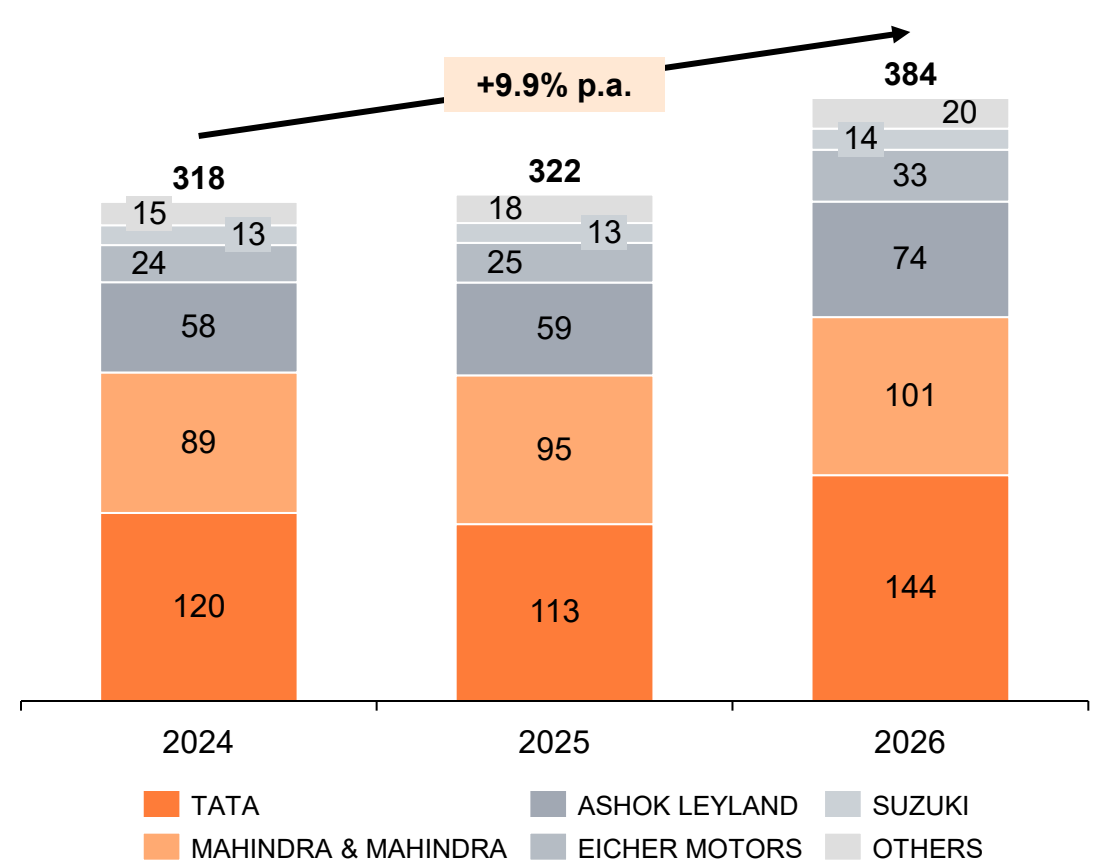


India truck market breaks out of two years of muted growth in 2026, fuelled by GST rationalisation and infrastructure-led demand

India truck sales by type
(’000 units), 1H 2024 – 1H 2026



India truck sales by brands
(’000 units), 1H 2024 – 1H 2026



Note: Trucks include commercial vehicles with a Gross Vehicle Weight of above 3.5 tonnes
Source: Marklines, PwC research and analysis



Recent examples of companies leveraging the three strategic thrusts to drive growth and maintain profitability in India

1 Operational excellence



Mar 25 – Hero MotoCorp was recognised for its digital transformation across manufacturing and customer operations, using technology to improve processes, productivity, and customer connectivity.



Mar 25 – Bajaj Auto had extended its operational improvement programme to 1,217 Indian dealerships, with more than 80,000 improvement initiatives implemented by dealer and distributor employees.



Jun 25 – Hyundai Motor India digitalised after-sales operations, with 91% of repair orders opened digitally, live vehicle-service streaming available at 632 workshops, and remote diagnostics enabling more proactive customer care.



May 26 – Mahindra & Mahindra deployed AI voice agents to automate customer outreach, using AI-powered calls to engage prospective buyers, answer queries, and support test-drive bookings.

2 Business model redesign



Nov 25 – Mahindra launched Charge IN, an open ultra-fast charging network targeting more than 1,000 charging points by end-2027, accessible to EV owners of all brands—expanding Mahindra's offering beyond vehicle sales.



May 25 – Tata Motors expanded its Ace EV fleet with Magenta Mobility to 350 vehicles, targeting e-commerce, FMCG, parcel/courier, and other B2B applications.



Feb 26 – Maruti Suzuki introduced a battery-rental model (BaaS) for its first EV, the e VITARA, reducing upfront cost of EV ownership.

3 Strategic alliances



Jan 26 – Motherson finalised a 51:49 joint venture with South Korea-based Egtronics to develop and manufacture power electronics for EV and hydrogen commercial vehicles, including traction inverters, on-board chargers, and DC-DC converters.



Jan 26 – Maruti Suzuki onboarded five deep-tech startups to deploy AI- and IoT-based solutions across manufacturing, logistics, and workplace operations, including AI-based visual inspection for high-precision manufacturing.



Jun 26 – Tata Motors partnered with Chery to use Chery's EV platform for Tata's premium Avinya EVs in India, enabling faster access to EV technology while Tata develops its own dedicated platform.

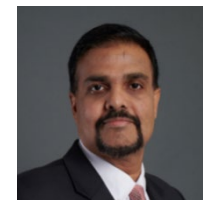


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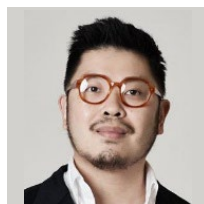
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