

Market Study on the Automotive and Auto Parts Industry in Argentina

Traditionally tools and equipment that are used by shops come from Europe, mostly from France, Germany, Italy. The United States accounts for most of the balance.

In the next 3 years, this market is expected to continue increasing at an average annual rate of 5%, in close relationship to the general increase in the number of cars sold in the country. The trend of most shops and service agencies of modernizing their equipment in order to service recent car models will also continue driving demand.

8. END USERS

During the 1980s, Argentine automotive production was buffeted by the same forces that rocked the economy. Vehicle production plummeted from 281,793 vehicles produced in 1980 to about 99,639 in 1990.

Three years after being close to collapse, the automotive industry in Argentina hit a sale's record in 1993 which for the first time exceeded the figure of 321,769 units sold in 1980. During both periods, foreign cars were sharing the domestic market in Argentina.

The most important end users of automotive parts in Argentina are the automobile and truck manufacturers. According to ADEFA, in 1993 more than 60% of total local production of automotive parts went to this industry, 25% to the local aftermarket and 15% to exports.

In 1993 421,000 automobiles and light utility vehicles were sold (311,200 local production and 109,700 imported). Projections for 1994 is of 490,000 cars, including imports. This means that in 2 years - excluding 1992 production - the automobile fleet increased over 15%.

During the first 8 months of 1994, production increased by 25.3% when compared to the same period in 1993, 258,281 vehicles versus 206,060 last year. An average of 38,800 vehicles have been sold per month in the internal and external markets during 1994, for a total of 311,039 units between January and August, 1994.

The total production of the industry has therefore increased from 99,639 units in 1990 to 262,022 in 1992 and further to 342,344 in 1993, the latter composed by 331,095 cars and 11,249 trucks and buses. Imported cars now make up 23% of the market. Foreign cars accounted for 105,000 units in 1993, of which 70,000 units were from Brazil. Of the remaining 35,000 imported cars, 6,500 units were imported from Japan.

The Argentine automobile industry manufactured a total of 29,976 units for export in 1993, 83.3% above 1992 levels, for a total 341,189 units sold last year. This represents a 31.4% increase over 1992 sales, and 124% over 1991.