

China automotive aftermarket report describes developing, impressionable marketplace

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Shanghai ([PRWEB](#)) September 29, 2004 -- Technomic Asia, an international strategic consultancy specializing in China strategies for US companies, today announced the availability of its Strategic Assessment of China's Light Passenger Vehicle Aftermarket. This detailed market report provides insight into the rapidly growing industry with analysis of trends and opportunities.

The report, which stems from Technomic Asia's extensive primary research among key industry players, found that increasing private ownership and an overall rise in vehicle quality and reliability are key trends in China's developing automotive aftermarket. Additionally, the present lack of a dominant company or brand will allow for healthy competition to shape the marketplace.

"Prior to this report, there was no single resource for the automotive aftermarket. The Strategic Assessment of China's Light Passenger Vehicle Aftermarket provides a foundation for developing a business strategy," said Steve Ganster, managing director of Technomic Asia.

Ganster recently presented findings from the report to the Business Opportunities in China's Automotive Aftermarket 2004 Conference in Shanghai, which was sponsored by the Centre for Management Technology.

"Technomic Asia forecasts the light passenger vehicle parc to grow from an estimated 15 million in 2003 to more than 50 million by 2010, driven by aggressive new sales of vehicles," Ganster said. "Most repair categories are expected to grow at an annual rate of 18 to 20 percent per year. The current parts and service market for light passenger vehicles is estimated at more than US\$11 billion and will grow to over \$46 billion by 2010."

To put the China auto market in context, there is about 1 car for every 100 people in China. In North America there are 40 cars for every 100 persons. Today, the eastern provinces of China represent 45 percent of the total automotive market, but markets in other regions are rapidly developing.

"China's aftermarket will take shape in the next few years in terms of channel structure, brands and competitive positioning. This time period will be critical for foreign players to establish position," Ganster said.

Ganster warns that not all businesses are destined to succeed in China, citing current unstructured distribution systems, corruption, counterfeiting and the market's fragmentation. "Companies need to be very careful in developing their China investment strategies. Making money in China is still very difficult, though long-term opportunities look significant."

About Technomic Asia

Technomic Asia is part of a consulting firm with more than three decades of experience helping clients plan and



execute Asian growth strategies. Technomic Asia assists companies in entering or expanding their Asian business by providing critical market insight, an understanding of addressable business potential and assistance in designing the optimum strategy for success. Technomic has operated in Asia since the late 1970s and has its main offices in Shanghai and Singapore.

Technomic Asia has assisted nearly 200 companies in their Asian strategy development through more than 600 assignments. These firms include many of the leading multinational companies in the world, as well as small manufacturers and even start-up companies seeking to establish a base in Asia. Find more information online at <http://www.technomicasia.com> and <http://www.chinatoolbox.net> .

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