A Month of Extremes for Global Auto Sales in September

- **Global auto sales once again posted a drop of 2.7% y/y (nsa)* in September for the thirteenth consecutive month of decline.**
- **A double-digit contraction in US auto sales drove the month's dip as a variety of transitory factors exaggerated the decline of 11.3% y/y.**
- **Offsets are similarly transient with a spending spree ahead of Japan's October 1st consumption tax hike inflating its sales (a 13% y/y lift), while double-digit surges across Europe are more reflective of last September's regulatory-induced contractions.**
- **The global sales rate pulled back by 5% m/m (sa) in September despite a season of higher incentive spending in many markets as dealers make way for new models.**
- **Central banks are stepping in to spur growth in most major economies, but this will not fully offset the damage from a persistently volatile global trading environment.**

GLOBAL

Unprecedented uncertainty continues to wreck havoc on the global economy. Erratic US trade policies along with a host of other Trump-related actions have led to a retrenchment in global business activity. There has been a near-universal pull-back in manufacturing, trade and industrial production around the world (chart 2). In spite of heightened uncertainty, consumer spending in most major economies has been resilient. This has arguably put a floor under the descent in global auto sales, but has been insufficient to reverse the trend. Global auto sales declined again in September with year-to-date sales now down by 5.8% y/y year.

Central banks around the world have been trying to stem the impact with more than half now in easing mode. September saw monetary easing by the US Federal Reserve Board and the European Central Bank, while Japan held its rates at already-negative levels and summer reforms by the Chinese central bank continue to work through the system. Alone, these trends are unlikely to support any substantial recovery in auto sales without a resolution—or at least reduction—in global trade tensions.

CANADA

Canadian auto sales dipped by 3.9% y/y in September. An early Labour Day weekend drove part of the month's weakness with the traditionally strong sales weekend attributed to August. Fleet sales were mildly positive in September, therefore provided only a small offset to the decline in retail performance. The seasonally adjusted sales rate pulled back more sharply by 6.6% m/m (at a pace of 1.89 mn saar units) following two summer months of accelerating sales rates. Given high month-to-month volatility, this should be taken with a grain of salt.

*All numbers reported are not seasonally adjusted (nsa), unless otherwise indicated (sa).

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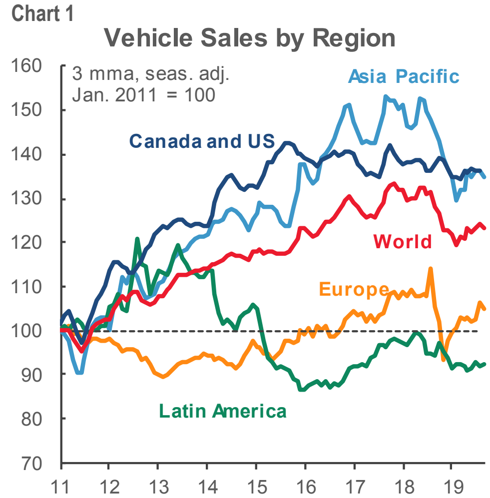
Motor Vehicle Sales

	Aug '19	Sept '19	Jan-Sept '19	Aug '19	Sept '19	Jan-Sept '19
	(y/y % change, NSA)			(m/m % change, SA)		
World	-3.7	-2.7	-5.8	1.5	-5.0	-5.9
North America						
Canada	0.6	-3.9	-3.6	3.1	-6.5	-3.8
US	10.5	-11.3	-1.2	0.8	1.1	-1.1
Mexico	-9.7	-12.1	-7.6	-1.2	-1.6	-7.6
South America						
Argentina	-27.2	-37.0	-48.3	-14.2	-25.5	-48.3
Brazil	-3.4	9.2	8.8	-8.5	7.1	9.2
Chile	-14.6	-3.4	-7.0	-8.4	4.7	-7.2
Colombia	12.7	5.4	7.6	-4.5	-0.1	7.4
Peru	4.8	19.9	0.5	-2.7	7.2	0.7
Western Europe						
France	-14.1	16.6	-1.3	8.8	-12.2	-1.7
Germany	-0.8	22.2	2.5	11.2	-30.8	2.4
Italy	-2.8	13.4	-1.7	10.6	-17.6	-1.5
Spain	-30.8	18.3	-10.9	0.9	-4.2	-11.8
UK	-1.6	1.3	-2.5	26.7	-34.8	-2.6
Eastern Europe						
Russia	-1.3	-0.2	-2.0	1.3	-0.5	-2.0
Turkey	-0.4	79.7	-38.8	101.4	62.5	-38.7
Asia Pacific						
Australia	-6.3	-6.8	-7.6	1.5	-2.7	-7.5
China	-7.7	-6.3	-11.5	-2.8	-3.2	-11.4
India	-27.2	-23.6	-14.7	-0.6	0.3	-14.9
Japan	6.7	12.9	3.1	2.3	1.4	3.5
Korea	-18.7	-11.7	-7.4	-2.9	-0.2	-7.6

Sources: Scotiabank Economics, Wards Auto, national automotive associations.

Chart 1



Sources: Scotiabank Economics, national automotive associations.

A spike in the cost of financing likely created some headwinds to September sales. The ten-year government bond rate increased by over 40 basis points over August's low in the middle of the month (chart 3). Rates remained elevated, albeit below this peak, for the remainder of the month. This is still well below highs around 2.5 last year, but would nevertheless impact short-term sales. Cash-constrained consumers may have also been anticipating a policy rate cut by the Bank of Canada in October.

More positive signs of strength in the Canadian economy have yet to accrue to auto sales. Canada's unemployment rate surprised market expectations with a drop to 5.5% y/y from 5.7% a month earlier. Job growth also continued to surpass expectations with another 54k jobs added in September, while wages accelerated to 4.3% year-over-year. Home sales across the country continued to rally for the seventh consecutive month with a pick-up of 0.6% m/m (sa) in September. Retail spending tells a mixed story with a modest pick-up in August driven by gas station sales, while vehicles and parts were largely flat (on volume and value).

Sentiment generally remains elevated, which is particularly remarkable in light of global uncertainty. According to the latest Bank of Canada survey, business sentiment in fact picked up modestly in August, though still below highs from 2017 and 2018. Consumer confidence took a dip for the second consecutive month in August according to the Conference Board, but it still remains at a healthy level.

Auto sales in Canada are forecast to end the year at 1.94 mn units. The year-to-date auto sales rate currently sits at 1.94 mn saar units with continued strength in job and wage growth to partially offset some of the headwinds facing consumption as the year advances. Potential policy rate easing by the Bank of Canada has been an upside risk in our auto sales outlook, but with a cut now looking more probable in December (versus October) this will unlikely influence 2019 sales.

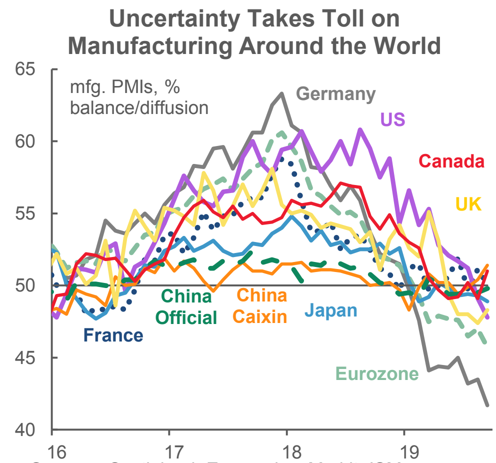
September's luxury auto sales witnessed a second month of reprieve from an otherwise steep retrenchment in sales since mid-2018. Luxury sales grew by 2.4% y/y for a second consecutive month of growth (chart 4). Following fourteen months of decline, there are low base effects coming into play with a long road to recovery ahead. Sales are likely benefiting from wealth effects with the recovery in key housing markets (GTA, GVA). Nevertheless, it is too early to declare a reversal in the longer term decline, particularly with a Liberal luxury sales tax potentially on the horizon.

Auto sales were down across the country to varying degrees. In contrast to last month's positive-across-the-map performance, September showed deterioration in sales across Canada with the exception of Newfoundland. There was also a deceleration in the rate of sales across the country.

- Central Canada posted only a modest dip of about 0.5% y/y in September. Ontario was essentially flat while Quebec dipped by about 1.5% y/y. Much of the nation's job growth is accruing to Central Canada where growth generally remains (relatively) robust, partially insulating the provinces from the nation-wide auto sales slowdown.

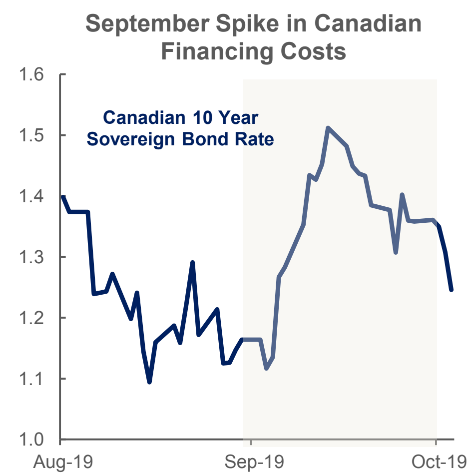
- Western Canadian provinces posted a sales decline of more than 9% y/y in September. This was not an oil-only story—British Columbia dipped by about 8.5% y/y versus Alberta's and Saskatchewan's drops of 7% and 4.5% y/y respectively. Manitoba auto sales, while a small fraction of the market, continue to weigh on the regional outlook with ten of the last twelve months posting double-digit declines.

Chart 2



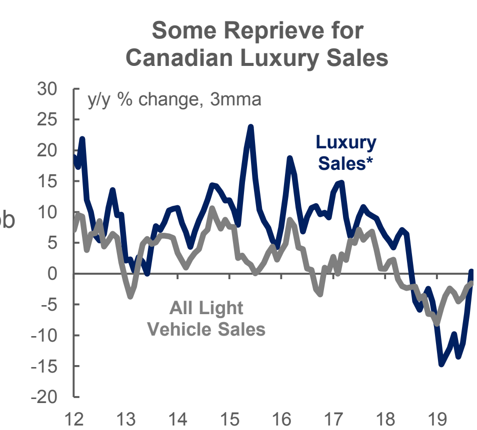
Sources: Scotiabank Economics, Markit, ISM.

Chart 3



Source: Scotiabank Economics, Bloomberg.

Chart 4



Sources: Scotiabank Economics, CVMA.
* Daimler, BMW, Audi, Jaguar LR, Porsche.

- Atlantic Canadian auto sales dipped by about 3% y/y in September with comparable drops across all provinces except Newfound which was largely flat. The region was already well into a sales slowdown last year so monthly gains speak more to recovery than strength.

UNITED STATES

US auto sales pulled back sharply by 11.3% y/y in September following last month's exceptional sales surge of 10.5% y/y. On a seasonally adjusted basis, the monthly selling rate increased by 1.3% m/m (at a rate of 17.2 mn saar units) once the effects of the early Labour Day weekend were discounted. There was a slight deterioration in year-to-date sales which is now down by 1.2% y/y. Despite a record-high incentive spending month, buyers faced a number of headwinds in September.

September was a particularly volatile month for uncertainty. A fresh round of US tariffs on US$125 bn worth of Chinese imports came into effect at the beginning of the month, while China lodged another lawsuit with the WTO. Both sides unveiled exemption lists on the margins of mid-level talks in the middle of the month, but the US did not lift its threat of a fresh round of October tariff increases. Meanwhile, contradictory statements from officials on both sides compounded confusion throughout the month. Impeachment uncertainty was layered on at the end of September.

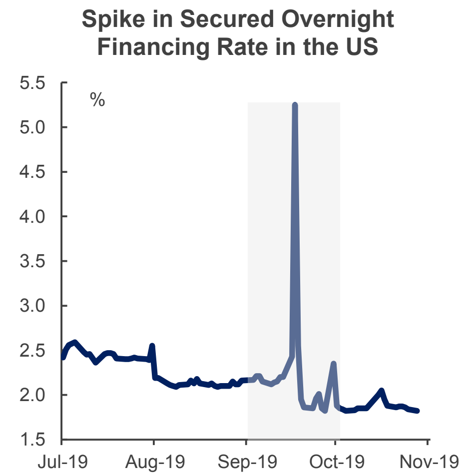
General Motors workers also went on strike across US facilities in the middle of September. According to the company, the ensuing 40-day strike resulted in an estimated 300,000 GM vehicles in lost production including high-demand full-size SUVs and pickup trucks. This may have resulted in some deferred purchases, while at a minimum, may have dampened consumption through broad-based confidence channels.

The emergence of pressures in short term funding markets in mid-September may have also taken confidence down a notch. On September 17th, the overnight interest rate for repurchase agreements—the market where financial institutions access short-term funding—spiked well-above the fed funds rate as a combination of factors exhausted short-term market liquidity (chart 5). The New York Fed quickly intervened with a series of cash injections, effectively stemming the liquidity crunch. While the spike was short-lived, it may have affected confidence as markets interpreted causation, the immediate response, and longer term implications for the short term funding market.

This occurred against a backdrop of a more dovish policy rate path. The Federal Reserve introduced its second rate cut in September. We expect two more rate cuts by early 2020 for a cumulative full percentage point of easing this cycle against persistently soft core inflation, stalling trade and business investment, and waning business confidence in light of heightened uncertainty and the global slowdown. This could ease auto financing pressures modestly through consumer rate channels (chart 6), but some of the effects have already been priced into markets.

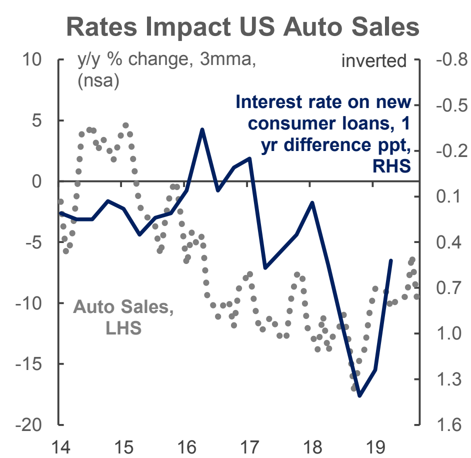
Domestic consumption has been relatively immune to heightened uncertainty. Household balance sheets are solid, with debt service ratios at their lowest levels in 40 years and household net worth (as a percentage of GDP) at a record high. The unemployment rate hit a 50-year low in September sitting at 3.5%. While wage growth

Chart 5



Sources: Scotiabank Economics, Bloomberg.

Chart 6



Sources: Scotiabank Economics, BEA, Federal Reserve.

Chart 7

Sources: Scotiabank Economics, Bureau of Labor Statistics, Statistics Canada.

pulled back in September, it has been trending modestly upward (chart 7). Consumption is nevertheless a lagged indicator of economic health. The Conference Board noted a modest drop in sentiment though levels still remain relatively high. Nevertheless, vehicle purchase intentions have posted small declines in the past few months.

US auto sales should rebound from the disproportionately large and (mostly) transitory headwinds in September. We maintain our forecast at 17.0 mn units for the year.

MEXICO

Mexican auto sales continued their steep slide in September. Sales were back into double-digit decline of 12.1% y/y, bringing year-to-date sales down further to 7.6% y/y.

The Mexican economy toes the line of a recession following three quarters of flat growth. Real GDP growth for 2019 has recently been downgraded to 0.2% amidst plummeting investment, industrial production in a ten-month decline, and a rapid deceleration in job growth. Private consumption sits at its weakest pace in a decade (chart 8).

A loss of business and consumer confidence is driving the retreat in growth. Uncertainty stems not only from the global environment, but also from the domestic policy agenda. The September budget did little to bolster confidence with overly optimistic assumptions suggesting additional spending cuts may be necessary to reach fiscal targets. A cash infusion to PEMEX was largely viewed as insufficient, doing little to reduce risks of further sovereign downgrades by rating agencies. Meanwhile, President AMLO remains ambiguous regarding the possibility of private ventures for the ailing state-owned oil company, which could go some way in ameliorating investor confidence.

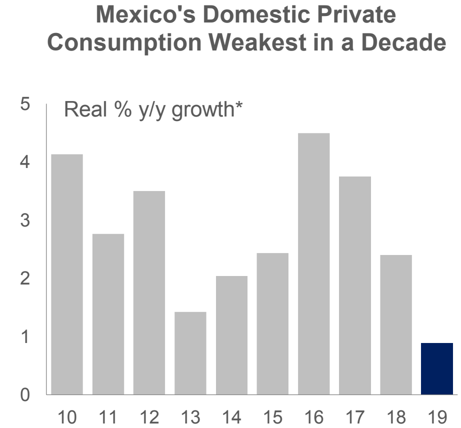
The outlook for 2020 is weak. A 1% real GDP growth forecast is subject to considerable downside risks including a faster global slowdown as well as any further deterioration in investor confidence related to Mexico's domestic policy settings. Stable inflation has been one positive in an otherwise bleak environment, which has enabled a second policy rate cut to 7.75% in late September with more cuts expected in the pipeline. However, it will not likely provide much tailwind to the auto sales outlook, particularly as the domestic outlook remains weak.

ASIA-PACIFIC

Chinese auto sales continue an unprecedented decline with purchases down by 6.7% y/y in September. This marks the fifteenth consecutive month of declines in a market that has been growing robustly since the 1990s. While September is traditionally a strong sales month—"Golden September"—softening domestic demand and the crippling trade war with the US continue to depress sales.

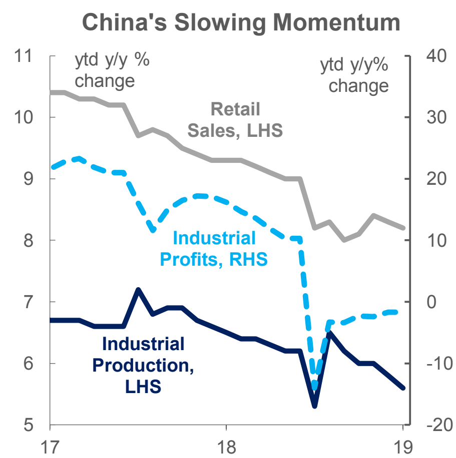
The adverse impacts of the trade war have spread beyond trade-related activities into the broader Chinese economy as weaker confidence weighs on household and business spending decisions. Softer retail spending and weaker industrial activity, along with China's continued structural transformation, are weakening real GDP gains now forecast at 6.1% for 2019 (chart 9). Chinese authorities are expected to continue to deploy additional fiscal and monetary support to prevent a more substantial growth deceleration, but so far credit flows—particularly through bank lending—struggle to deliver

Chart 8



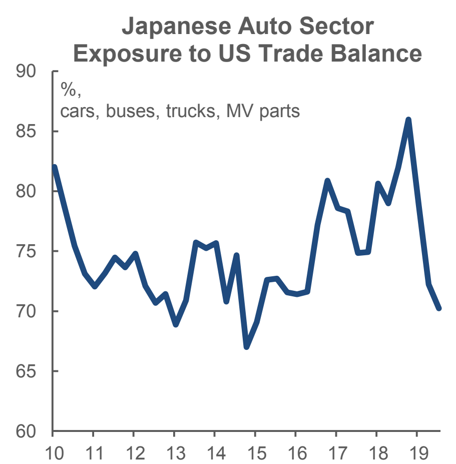
Sources: Scotiabank Economics, INEGI.
** Corresponds to the average growth for the first 6 months of each year (Jan-Jun).*

Chart 9



Sources: Scotiabank Economics, Bloomberg.

Chart 10



Sources: Scotiabank Economics, Ministry of Finance Japan.

the needed boost to maintain growth in line with the government's official target (6–6.5% of GDP), suggesting additional stimulus in the final quarter. Nevertheless, despite recent positive signals around the possible abatement of trade tensions with the US, we do not forecast this in our baseline if recent history offers any lesson.

China's new energy vehicle (NEV) market is in the midst of a shake–up. According to the Chinese Association of Automobile Manufacturers, the sale of new energy vehicles fell for the third straight month in September after a period of policy-induced acceleration (bringing sales to 5% of new sales at its peak). The government remains committed to developing the industry as a strategic interest, including through anticipated new NEV targets. But with an estimated 500 aspiring NEV auto makers in the market, they aim to better-target their support Consequently, the government cut subsidies for NEVs with less than 250 km of electric range, while higher range vehicle subsidies were halved. The government has also drafted regulations to increase the minimum start-up capital required, which together with other reforms, arguably levels the playing field somewhat for foreign producers.

Japanese auto buyers were out in full force before the October 1st sales tax hike. Sales surged by almost 13% y/y for the month. The 2% increase in the sales tax likely pulled sales forward, while it is also expected to pose a drag on consumer spending ahead. There is likely little steam left in auto sales for the remainder of the year as economic growth continues to wane. While economic performance has been reasonably stable this year, global uncertainty will likely depress domestic sentiment, potentially holding up business investments and hiring decisions. Lower global demand will also weigh on the outlook.

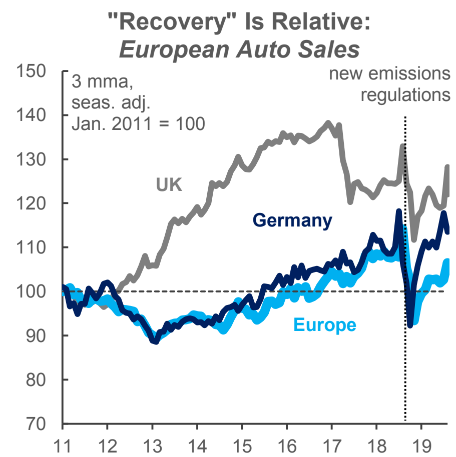
The partial US-Japan trade agreement reached in late September provides one bright spot in an uncertain global trade environment. But the agreement did not provide explicit immunity for Japan's auto sector which is particularly exposed to the US market (chart 10). A *gentleman's agreement* protects the industry for now with a joint statement indicating both sides would "refrain from taking measures against the spirit" of the deal. Needless to say, a healthy dose of caution is warranted.

Indian auto sales were down by 24% y/y in September as the sector faces an outsized slowdown. Year-to-date sales are down by 15% y/y after six months of double-digit declines. India's economy continues to lose steam with real GDP growth at 5.0% y/y in the second quarter versus 5.8% in the prior quarter and 7.4% in 2018. A drop in private investment and a banking crisis that constrained credit access continue to feed through consumer channels. The government has undertaken a variety of measures to reignite growth including corporate tax cuts and accommodative monetary policy, but these have done little so far for the auto sector that makes up about 40% of the country's manufacturing GDP. Many automakers in the country have used temporary plant closures to deal with excessive inventory as a result of the sales slowdown. We forecast a gradual recovery in India's longer-term outlook but this is contingent on a continued commitment to structural reforms in broader areas such as land and labour.

EUROPE

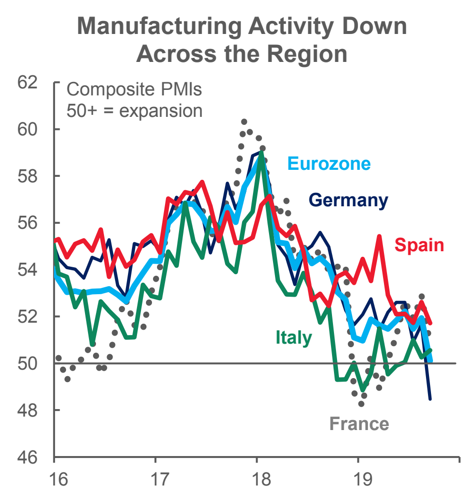
Little should be read into the large surges in auto sales across Europe in September. Most major economies saw double-digit increases, notably Germany and France with increases of 22% y/y and 17% y/y respectively. Even the UK posted a very modest sales increase (1.3% y/y). But recall the European Union introduced tight

Chart 11



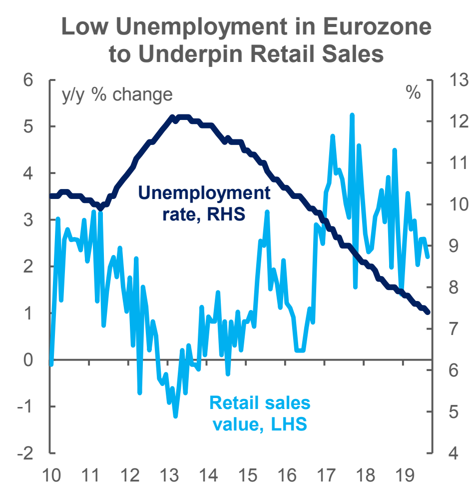
Sources: Scotiabank Economics, national automotive associations.

Chart 12



Sources: Scotiabank Economics, IHS Markit.

Chart 13



Sources: Scotiabank Economics, Eurostat.

emissions regulations in September 2018 that precipitated a sharp drop in auto sales across the region. Regional sales levels are still below the peak preceding the new regulations (chart 11).

The sales rate for September tells a far different story across the region. Almost all major economies saw a sharp pullback in seasonally adjusted sales rates—many in double digit territory. The most concerning is a 31% m/m (sa) retreat in Germany. Representing about a third of the regional market, it drives regional trends.

The regional economy as a whole continues to stumble. The Eurozone growth outlook edged lower with a modest 1.0% expansion in real GDP expected in 2019—the slowest expansion in over five years—and should remain similarly weak next year. Manufacturing activity across the region has been trending downward since the beginning of 2018 (chart 12). The deterioration has been driven by intensifying tariff battles with the US, rampant Brexit uncertainty, and softening demand from China.

The Eurozone's auto sector—most notably in Germany—is particularly exposed to downside trade risks. The EU-US trade 'truce' negotiated between European Commission President Jean-Claude Juncker and US President Trump in July 2018 is showing fault lines. A recent WTO ruling on European subsidies to Airbus triggered new US tariffs in mid-October on US$7.5 bn worth of European imports. Europe is expected to retaliate which would further unravel trade relations across the Atlantic and potentially bring forward US tariffs on European automobiles.

Solid household finances should offset an otherwise challenging economic environment. Euro area unemployment hit 7.4% y/y (sa) in August, its lowest reading since May 2008, as jobs growth continues to outpace the expansion in the labour force. With high job vacancy rates and the fastest earnings growth in a decade outpacing inflation, households' real spending power is set to keep rising, which should sustain retail sales growth (chart 13). The European Central Bank cut its policy rate to negative 0.5% in September and reinitiated its bond purchasing program which should reinforce domestic consumption.

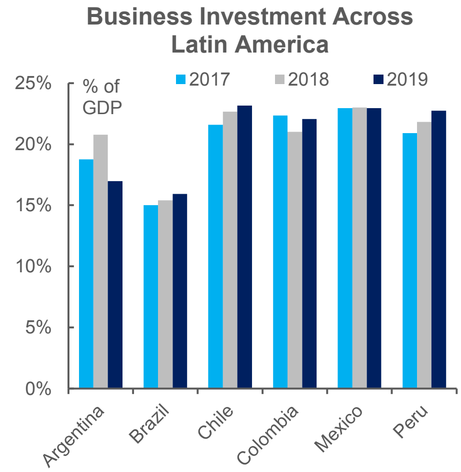
Germany holds the keys to reviving regional economic growth. Its economy faces recessionary conditions with a second quarter of stalled growth as a result of plummeting trade and manufacturing activity. While it holds the fiscal firepower to bolster confidence and reinvigorate growth, so far Germany has resisted deploying new spending.

Not surprisingly, UK auto sales continue their descent during the ongoing Brexit saga. Despite a modestly positive year-over-year growth in light of last year's regulations, the sales rate pulled back sharply by 35% m/m (sa) making it the sharpest retreat since the original Brexit vote.

SOUTH AMERICA

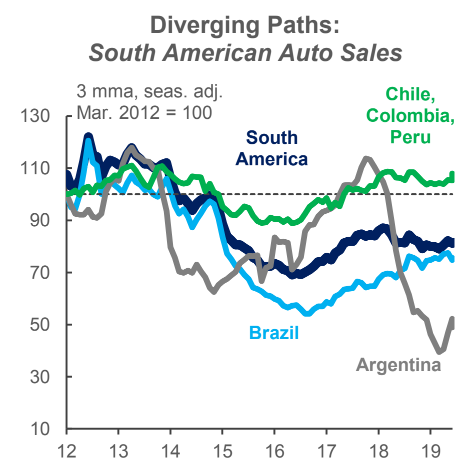
Brazilian auto sales grew by a robust 9.9% y/y in September. The continued strength in Brazilian auto sales reflects a recovering market versus a booming one. Sales have been steadily firming up after the market bottomed out in 2017, but they still remain below peaks in 2012 and 2013. Sales should continue strengthening modestly, particularly as low policy rates fuel consumer spending, evidenced by much stronger-than-expected retail sales growth at 4.3% y/y in July. But a weak economic outlook creates drag: business investment growth is modest, even relative to peers where regional levels are already low

Chart 14



Sources: Scotiabank Economics, IMF.

Chart 15



Sources: Scotiabank Economics, national automotive associations.

(chart 14). The steep depreciation in the Brazilian real (by 10%) could create inflationary pressures that would prompt monetary tightening. Brazil's weak fiscal position may also force a shift to higher policy rates if capital flows retract. The recently passed pension reforms will go only part of the way in reassuring investors of Brazil's long term fiscal sustainability.

Colombian auto sales continue to post positive gains with a 5.4% y/y increase in September. Sales have posted only one month of declining sales in the last year as the Colombian economy continues to gather steam. Real GDP growth of 3.2% is expected this year, strengthening to 3.6% thereafter. Tax reforms and infrastructure investment underpin the recovery, along with a stable political situation in an otherwise turbulent neighbourhood. Domestic demand grew at a healthy 4.3% y/y in the first half of the year. Given remaining slack in the economy and stable inflation, monetary policy should hold constant over the near term. As a relatively closed economy, it is reasonably protected from global trade volatility. These factors combined point to a solid growth trend in auto sales over the medium term.

Strong Peruvian auto sales persist with a robust 20% y/y uptick in September sales. While the Peruvian economy benefits from solid macro fundamentals, heightened domestic political uncertainty compounds the drag from global uncertainty. The economy is expected to slow to 2.3% (real GDP) this year, with a more modest-than-anticipated acceleration to 3.0% in 2020. Political uncertainty has escalated with President Vizcarra recently dissolving Congress, calling for new Congressional elections in January 2020. Together, these are taking a toll on business confidence and investment with the near term outlook for non-mining investment essentially flat. On the other hand, consumption has been solid as employment holds up and inflation remains stable. The lower growth environment will create modest drag on auto sales, but consumer strength supported by continued monetary easing should offset headwinds from domestic political uncertainty in the short term.

Chile's auto sales have suffered a series of setbacks including a dip of 3.4% y/y in September. Three of the last six months have witnessed double-digit declines, while the outlook faces serious risks. Economic activity decelerated in the first half of the year amidst a negative domestic supply shock as well as global uncertainty. In particular, an eight-week teachers' strike compounded the drag on growth as manufacturing activity pulled back. The eruption of massive protests in the capital in mid-October put an otherwise benign growth outlook in peril. The government has so far responded with a stimulative package including a minimum wage hike, representing about 0.4% of GDP, but there are calls for more spending to quell unrest. Prolonged protests, including potential strikes at state-owned copper mines, would seriously undermine growth. Meanwhile, investors will be weighing the outlook in light of the political landscape. The near term outlook for auto sales will hinge on expedient and peaceful resolution of domestic tensions.

Table 1 — International Motor Vehicle Sales Outlook (mns units)

	2000–15	2016	2017	2018	2019f
Total Sales	**54.9**	**77.6**	**79.3**	**79.0**	**75.3**
North America*	**17.9**	**21.0**	**20.7**	**20.6**	**20.2**
Canada	1.62	1.95	2.04	1.98	1.94
United States	15.2	17.5	17.1	17.2	17.0
Mexico	1.0	1.6	1.5	1.4	1.3
Western Europe	**13.7**	**14.0**	**14.3**	**14.2**	**14.0**
Germany	3.2	3.4	3.4	3.4	3.4
Eastern Europe	**3.1**	**3.1**	**3.4**	**3.4**	**2.9**
Russia	1.9	1.4	1.6	1.8	1.7
Asia	**17.1**	**36.1**	**37.1**	**36.8**	**34.0**
China**	7.3	23.6	24.2	23.4	22.0
India	1.2	2.1	2.2	2.4	2.3
South America	**3.2**	**3.4**	**3.8**	**4.0**	**4.2**
Brazil	1.9	2.0	2.2	2.5	2.7

*Includes light trucks. **Includes crossover utility vehicles from 2005.
Sources: Scotiabank Economics, Ward's Automotive Reports, Bloomberg.

Table 2 — Canada & US Motor Vehicle Sales and Production Outlook

	2000–15	2016	2017	2018	2019 Jan-Sept	2019 fcst	2020f	2021f
	(thousands of units, annualised)							
Canada**	**1,668**	**1,949**	**2,041**	**1,984**	**1,937**	**1,940**	**1,915**	**1,915**
Cars	776	662	644	576	502	504	460	440
Domestic	490	439	438	378	320	321	293	281
Imports	286	223	206	197	182	183	167	160
Light trucks	892	1,287	1,397	1,408	1,435	1,436	1,455	1,475
	(millions of units, annualised)							
United States	**14.4**	**17.5**	**17.1**	**17.2**	**17.0**	**17.0**	**16.9**	**17.0**
Cars	6.9	6.9	6.1	5.3	4.8	4.6	4.2	4.1
Light trucks	7.5	10.6	11.0	11.9	12.2	12.4	12.7	12.9
	(millions of units, annualised)							
North American Production*	**14.6**	**18.2**	**17.5**	**17.5**	**17.0**	**16.7**	**16.7**	**16.8**
Canada	2.2	2.4	2.2	2.0	1.9	1.9	1.8	1.7
United States	9.8	12.2	11.2	11.3	11.1	10.9	11.1	11.3
Mexico	2.6	3.6	4.1	4.1	4.0	3.9	3.8	3.8

*Includes light, medium and heavy trucks. **Canadian sales are Scotiabank estimates.
Sources:Ward's Automotive Reports, Statistics Canada.

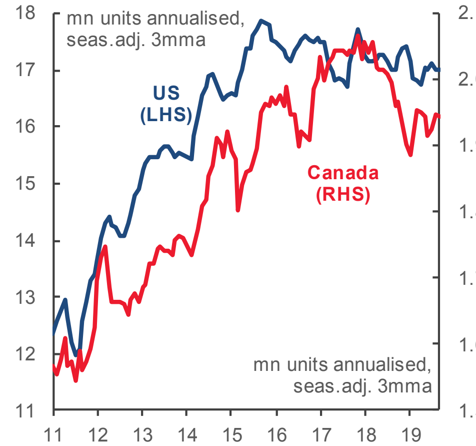
Table 3 — Provinces Motor Vehicle Sales Outlook (thousands of units ann.)* **

	2000–15	2016	2017	2018	2019f	2020f	2021f
Canada	**1,668**	**1,948**	**2,040**	**1,984**	**1,940**	**1,915**	**1,915**
Atlantic	**125**	**140**	**143**	**125**	**130**	**121**	**116**
Central	**1,034**	**1,264**	**1,299**	**1,302**	**1,258**	**1,240**	**1,240**
Quebec	411	458	462	449	448	435	435
Ontario	623	806	837	853	810	805	805
West	**509**	**544**	**598**	**557**	**547**	**554**	**559**
Manitoba	49	55	62	67	60	58	58
Saskatchewan	49	51	56	47	49	50	51
Alberta	232	220	245	226	223	227	231
British Columbia	179	218	235	217	215	219	219

*Includes cars and light trucks. **Scotiabank estimates.
Sources: Statistics Canada, Canadian Vehicle Manufacturers' Association.

Chart A1

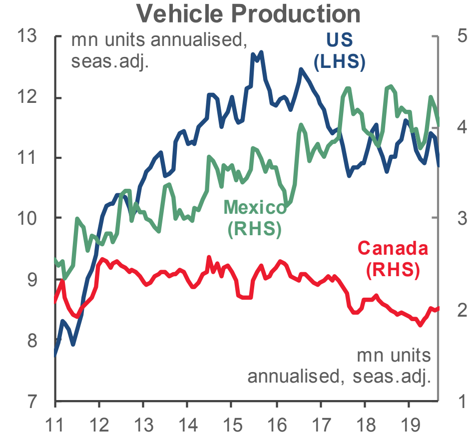
Canada and US Vehicle Sales



Sources: Scotiabank Economics, GAC, WardsAuto.

Chart A2

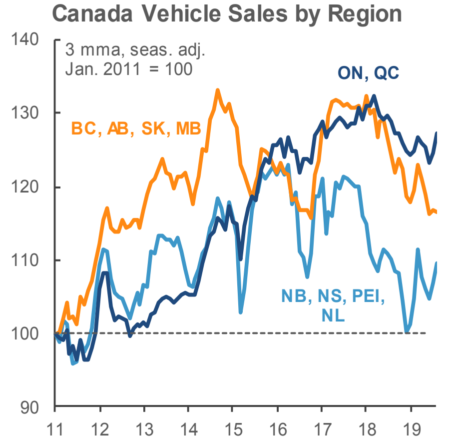
North American Vehicle Production



Sources: Scotiabank Economics, WardsAuto.

Chart A3

Canada Vehicle Sales by Region



Sources: Scotiabank Economics, Statistics Canada. One month lag in data.

Table 4 — Canadian Car Sales Share By Manufacturer (000s units)*

	2018 Jan to Sept Units	2018 Jan to Sept % of total	2019 Jan to Sept Units	2019 Jan to Sept % of total	2018 Sept Units	2018 Sept % of total	2019 Sept Units	2019 Sept % of total
Total Sales	**57.0**	**100.0**	**51.4**	**100.0**	**49.3**	**100.0**	**42.2**	**100.0**
Big Three	**9.5**	**16.7**	**7.0**	**13.5**	**8.4**	**17.1**	**7.3**	**17.2**
Fiat-Chrysler	1.2	2.1	1.0	1.9	1.2	2.5	0.7	1.7
Ford	3.0	5.2	2.2	4.2	2.2	4.4	2.3	5.4
General Motors	5.4	9.5	3.8	7.4	5.1	10.2	4.3	10.1
Japanese	**24.0**	**42.2**	**17.3**	**33.6**	**24.7**	**50.2**	**22.7**	**53.9**
Honda	8.3	14.6	6.4	12.4	8.0	16.3	7.5	17.8
Toyota	7.4	13.0	5.5	10.7	8.5	17.3	8.4	19.8
Nissan	3.7	6.5	2.3	4.5	2.7	5.6	2.5	5.9
Mazda	2.7	4.8	1.8	3.5	3.1	6.3	2.8	6.7
Mitsubishi	0.4	0.8	0.3	0.5	0.5	1.0	0.2	0.4
Subaru	1.4	2.5	1.0	2.0	1.8	3.6	1.4	3.3
European	**9.2**	**16.1**	**7.9**	**15.4**	**9.3**	**18.8**	**8.3**	**19.7**
BMW	1.8	3.1	1.4	2.8	1.9	3.8	1.8	4.2
Mercedes-Benz	1.8	3.1	1.4	2.8	1.5	3.1	1.4	3.4
Volkswagen Group	5.3	9.4	4.8	9.3	5.5	11.3	4.9	11.5
Volvo	0.2	0.3	0.2	0.4	0.2	0.4	0.2	0.4
Other	0.1	0.2	0.1	0.1	0.1	0.3	0.1	0.2
Rest of the world	**14.2**	**25.0**	**19.3**	**37.5**	**6.9**	**13.9**	**3.9**	**9.3**
Hyundai	5.4	9.5	4.9	9.5	5.7	11.5	4.7	11.1
KIA	3.2	5.7	3.1	6.1	2.8	5.7	2.9	6.8
All other	5.6	9.8	11.2	21.9	-1.6	-3.2	-3.6	-8.6

*Sources: Scotiabank Economics, Global Automakers of Canada.

Table 5 — Canadian Truck Sales Share By Manufacturer (000s units)*

	2018 Jan to Sept Units	2018 Jan to Sept % of total	2019 Jan to Sept Units	2019 Jan to Sept % of total	2018 Sept Units	2018 Sept % of total	2019 Sept Units	2019 Sept % of total
Total Truck Sales	**124.2**	**100.0**	**125.2**	**100.0**	**125.7**	**100.0**	**126.2**	**100.0**
Total Light Truck Sales	**124.2**	**100.0**	**125.2**	**100.0**	**125.7**	**100.0**	**126.2**	**100.0**
Big Three	**67.2**	**54.1**	**65.6**	**52.3**	**65.5**	**52.1**	**62.9**	**49.9**
Fiat-Chrysler	19.5	15.7	18.6	14.9	16.5	13.1	16.8	13.3
Ford	23.6	19.0	23.6	18.8	24.4	19.4	23.1	18.3
General Motors	20.4	16.4	19.9	15.9	20.8	16.6	19.1	15.1
Other Domestic	3.8	3.0	3.5	2.8	3.8	3.0	4.0	3.1
Japanese	**39.1**	**31.5**	**40.6**	**32.4**	**41.5**	**33.0**	**41.6**	**33.0**
Honda	8.9	7.1	9.1	7.3	9.1	7.3	9.5	7.5
Toyota	12.1	9.7	13.0	10.4	12.6	10.1	12.7	10.1
Nissan	9.2	7.4	9.4	7.5	10.2	8.1	9.4	7.5
Mazda	3.8	3.1	3.6	2.9	3.6	2.9	4.0	3.2
Mitsubishi	1.8	1.5	2.0	1.6	1.8	1.4	2.2	1.8
Subaru	3.4	2.8	3.5	2.8	4.1	3.3	3.8	3.0
European	**11.0**	**8.8**	**10.9**	**8.7**	**12.0**	**9.5**	**12.9**	**10.2**
BMW	2.1	1.7	2.2	1.8	2.7	2.2	2.8	2.3
Mercedes-Benz	2.5	2.0	2.3	1.9	2.3	1.9	2.6	2.1
Volkswagen Group	4.6	3.7	4.5	3.6	5.2	4.1	5.6	4.4
Volvo	0.6	0.5	0.7	0.5	0.6	0.5	0.7	0.6
Other	1.1	0.9	1.1	0.9	1.1	0.9	1.2	0.9
Rest of the world	**6.9**	**5.6**	**8.2**	**6.6**	**6.7**	**5.4**	**8.7**	**6.9**
Hyundai	5.7	4.6	6.7	5.3	6.1	4.9	7.4	5.8
KIA	3.2	2.6	3.6	2.8	2.6	2.1	3.4	2.7
All other	-2.0	-1.6	-2.0	-1.6	-2.0	-1.6	-2.0	-1.6

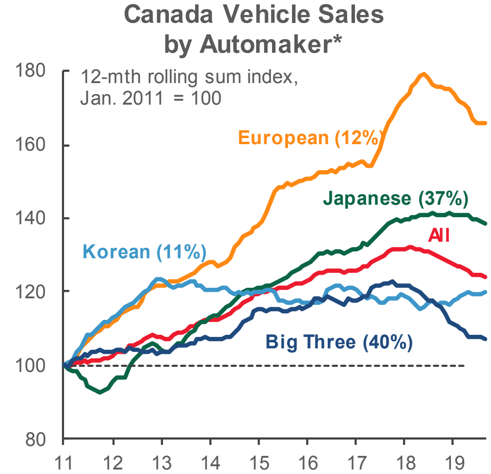
*Sources: Scotiabank Economics, Global Automakers of Canada.

Table 6 — Car Sales By Province (000s units)

	2018 Jan to Aug	2019 Jan to Aug	2018 Aug	2019 Aug
CANADA	**415.70**	**348.69**	**52.53**	**43.06**
ATLANTIC	**28.40**	**23.30**	**3.29**	**2.94**
Newfoundland and Labrador	5.70	4.53	0.67	0.60
Prince Edward Island	1.71	1.68	0.26	0.20
Nova Scotia	13.15	10.48	1.40	1.25
New Brunswick	7.84	6.62	0.96	0.90
CENTRAL	**299.27**	**252.59**	**39.20**	**31.84**
Quebec	118.43	100.64	15.37	12.90
Ontario	180.84	151.94	23.83	18.94
WEST	**88.04**	**72.80**	**10.04**	**8.27**
Manitoba	10.57	7.09	1.24	0.96
Saskatchewan	5.07	4.42	0.62	0.51
Alberta	27.49	23.09	3.09	2.51
British Columbia	44.91	38.20	5.10	4.29

Source: Statistics Canada. One month lag in data.

Chart A4



Sources: Scotiabank Economics, GAC.
*market share in parentheses.

Table 7 — Truck Sales By Province (000s units)*

	2018 Jan to Aug	2019 Jan to Aug	2018 Aug	2019 Aug
CANADA	**1,007.99**	**1,019.19**	**126.21**	**143.05**
ATLANTIC	**66.35**	**69.55**	**3.29**	**10.26**
Newfoundland and Labrador	15.97	17.13	0.67	2.66
Prince Edward Island	3.80	4.03	0.26	0.61
Nova Scotia	25.09	26.01	1.40	3.71
New Brunswick	21.50	22.37	0.96	3.29
CENTRAL	**626.19**	**646.36**	**81.21**	**91.81**
Quebec	204.27	214.05	26.99	29.79
Ontario	421.92	432.31	54.22	62.02
WEST	**315.45**	**303.29**	**41.71**	**40.97**
Manitoba	38.22	33.21	5.01	4.41
Saskatchewan	29.26	29.33	3.92	4.09
Alberta	136.49	132.57	18.16	18.31
British Columbia	111.48	108.19	14.61	14.16

*Light, medium and heavy trucks. Source: Statistics Canada. One month lag in data.