



PERSATUAN AUTOMOTIF MALAYSIA

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PRESS RELEASE FOR IMMEDIATE RELEASE

MAA PRESS STATEMENT:

ANOTHER RECORD SALES; TIV 2023 SURPASSED PREVIOUS YEAR HIGH!

Sales of new motor vehicles in 2023 rose 11% to a new all-time high, propelled mainly by passenger cars sub-segment, amid a resilient domestic economy and a very much stable socio-political environment.

Total Industry Volume (TIV) or vehicle registrations increased to 799,731 units during the year under review, surpassing the previous highest sales result of 721,177 units achieved in 2022, the Malaysian Automotive Association, or MAA said in a media release today.

The industry's sales growth last year marked the second annual gain since the downturn in 2020-2021 caused by the Covid-19 pandemic crisis. It was also the second consecutive year the TIV exceeded the 700,000 units mark.

The stellar performance in 2023 can be attributed to a number of factors, namely:

- Fulfilment of tax-free cars bookings received, a majority of which were registered before 31 March 2023, plus a fair number of these bookings were also carried over and registered after 31 March 2023;

- A much more stable socio-political environment following the formation of a Unity Government post GE-15;
- Resilient domestic economy;
- Many new model launches including electric vehicles with very competitive prices helped to spur sales; and
- Much improved industry supply chain environment.

“Kudos to the Government for steering the country into a very much stable socio-political environment and achieving much progress. Such favourable conditions have enabled businesses to thrive and succeed.

On behalf of all MAA members, I would like to express our heartfelt and sincere appreciation to the Government of Malaysia for all the support and assistance rendered to the automotive industry” said Mr Mohd Shamsor Mohd Zain, MAA President.

In the year under review, both the Passenger Vehicles and the Commercial Vehicles segments registered growth in sales.

The total registration of new Passenger Vehicles in 2023 rose to 719,160 units from 642,157 units in 2022. This was an increase of 77,003 units or 12%.

The high volume increase was largely due to the strong sales performances by the two national makes. As a result, the combined market share of both national makes (within PV segment) rose to 66.9% (481,300 units) in 2023 compared with 65.1% (418,045 units) in 2022.

Meanwhile, the non-national makes registered a higher sales volume of 237,860 units or 6% growth compared to 2022 with 224,112 units.

Electrified vehicles or xEV accounted for approximately five per cent of the TIV showing a continued positive momentum for its demand.

The xEV sales jumped by 69% from 22,619 units in 2022 to 38,214 units, with 10159 units of BEV and 28055 units of Hybrid vehicles.

This year MAA believes that the xEV demand and interest will continue to grow at the back of the government support to promote its use and with more new and exciting xEV models being introduced.

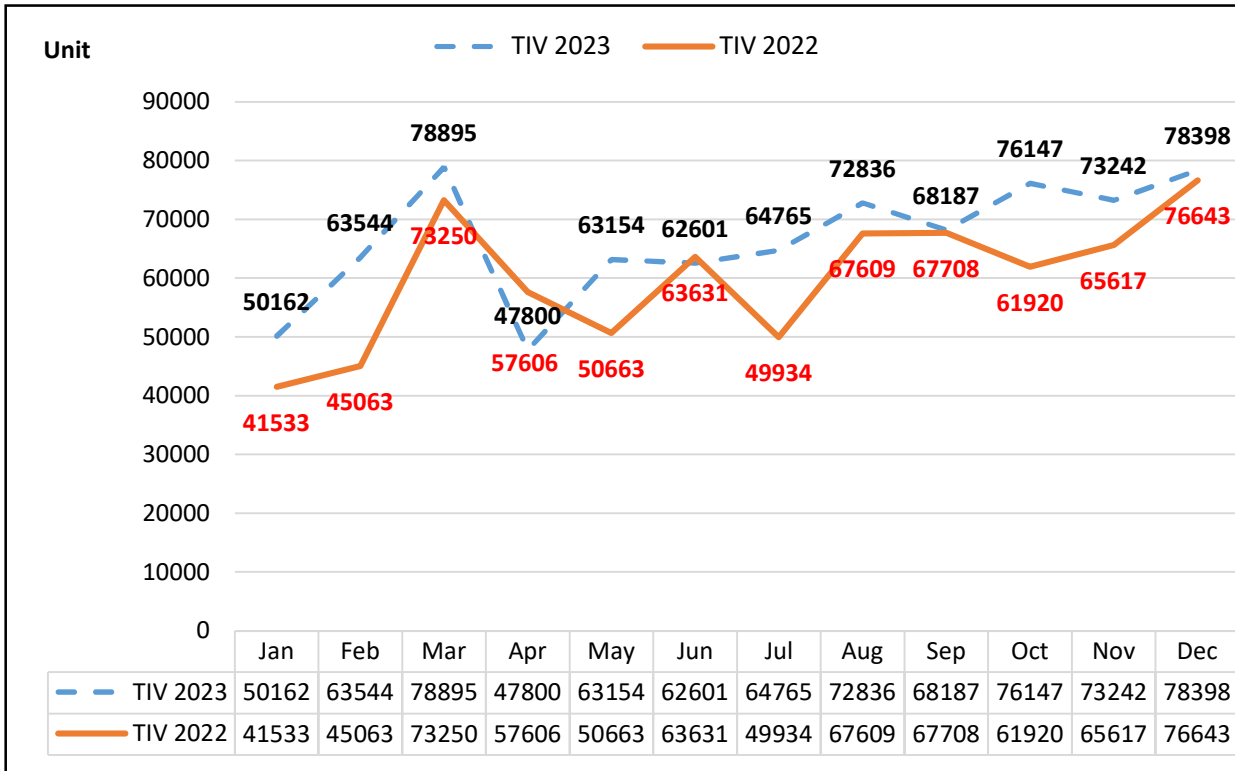
The Commercial Vehicles segment registered a small growth of 2% or 1,551 units to reach 80,571 units.

The improvement in sales of commercial vehicles was due to increasing demand as companies began to invest in anticipation of a much more stable environment after the formation of the Unity Government post GE-15.

TABLE 1: TIV 2023 VERSUS 2022

Market segment	2023	2022	Variance	
			Units	%
Passenger vehicles	719,160	642,157	77,003	12%
Commercial vehicles	80,571	79,020	1,551	2%
Total vehicles	799,731	721,177	78,554	11%

CHART 1: TIV TREND 2023 VERSUS 2022, BY MONTH



On a year-on-year (y-o-y) basis, except for April and June, the monthly total vehicles sales were consistently higher in 2023 compared to similar corresponding month in 2022.

From May 2023 onwards, the TIV repeatedly recorded a monthly TIV of over 60,000 units. On top of that, there were four months where the monthly TIV exceeded the 70,000 units mark.

The **Total Industry Production (TIP)** of new vehicles in 2023 increased by 72,325 units or 10% to reach a total of 774,600 units compared to 702,275 units in 2022.

Similar to TIV, this was an **all-time high TIP** and the second consecutive year the TIP exceeded the 700,000 units mark. This big increase in production volume was in tandem with the higher overall sales in 2022.

TABLE 2: TOTAL PRODUCTION VOLUME IN 2023 AND 2022

SEGMENT	2023	2022	VARIANCE	
			UNITS	%
Passenger vehicles	724,891	650,190	74,701	11%
Commercial vehicles	49,709	52,085	(2,376)	-5%
Total vehicles	774,600	702,275	72,325	10%

We have taken the following economic and environmental factors into account in our forecast for the Total Industry Volume in 2024:

- i) At this moment, the global economy outlook remains largely uncertain. The uncertainty has been exacerbated by the on-going wars between Israel-Hamas and Ukraine-Russia, and other geo-political tensions.
- ii) The International Monetary Fund (IMF) had forecasted that global economic growth would slow from 3% in 2023 to 2.9% in 2024.
- iii) The Malaysian economy is expected to expand at 4-5% this year, driven by the continued expansion of its domestic consumption.
- iv) A much improved supply chains plus on-going new models launches including many new Electrified Vehicles (xEV) at affordable and competitive prices, will entice and sustain buying interest among consumers.

- v) Bank Negara Malaysia (BNM)'s decision at its Monetary Policy Committee (MPC) meeting on 2 November 2023 to keep the benchmark Overnight Policy Rate (OPR) at 3 percent, bode well for the industry as loan borrowing cost remains unchanged.
- vi) Consumer spending may slow down due to concerns over targeted subsidy rationalisation, high cost of living, implementation of proposed High Value Goods Tax, and higher service tax rate for some services including motor vehicles repair and maintenance.

Our TIV 2024 forecast is as follows:

TABLE 3: TOTAL INDUSTRY VOLUME 2024 VERSUS 2023

MARKET SEGMENT	2024 (FORECAST)	2023 (ACTUAL)	VARIANCE	
			UNITS	%
Passenger vehicles	666,000	719,160	(53,160)	(7.4)
Commercial vehicles	74,000	80,571	(6,571)	(8.2)
Total vehicles	740,000	799,731	(59,731)	(7.5)

Thank you.

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