

AUTOMOTIVE

Southeast Asia has become a key player in the global automotive market – both in production and consumption. Indonesia and Thailand are the two largest automotive manufacturers in the region but Vietnam, Malaysia, Myanmar and the Philippines are increasingly establishing themselves as manufacturing and assembly bases that are well-equipped to serve the region and beyond.

The total Southeast Asia new car market for 2019 is estimated at 3.4 million units. With stable economic development and higher per capita income, this is projected to increase to 4 million units by 2025.

Automotive contribution to JC&C's underlying profit

37%

THE FUTURE OF MOBILITY

At JC&C, we recognise that mobility disruptions and shifts will significantly impact the automotive value chain. The sector in Southeast Asia is expected to evolve according to the following five themes.

CONNECTED

As the customers are more connected directly to Original Equipment Manufacturers ("OEMs") and other service providers through technology, dealers have to relook at their operating models and uncover new ways to deliver a more customer-centric experience.

ELECTRIC VEHICLES

A growing focus on environmental sustainability and stricter emission regulations have driven the popularity of electric vehicles. By 2030, it is estimated that Southeast Asia's annual new investment in passenger electric vehicles will reach US\$6 billion.¹ The shift towards electric vehicles may impact the aftersales segment and compel dealers to reassess how they sell both electric and conventional vehicles.

SHARED MOBILITY

The increasingly popular ride-hailing services have propelled brands such as Gojek and Grab to success. The future of mobility in Southeast Asia will be a combination of ownership and mobility.

AUTONOMOUS

Autonomous vehicles promise to deliver enhanced mobility, less traffic congestion and increased safety. This shift towards driver-less vehicles may increase the attractiveness of mobility as a service. Businesses have to position themselves as providers of integrated mobility concepts.

REGULATORY

The government in each country will play a critical role in driving the adoption of electric and autonomous vehicles. Monetary incentives, tax exemptions and subsidies are some of the ways authorities may stimulate interest in the supply and demand of these next-generation vehicles in Southeast Asia.

1. Bain & Company, "Finding a New Route to Southeast Asia's Vehicle Future", June 2019

JARDINE INTERNATIONAL MOTORS

To address the disruptive challenges facing the automotive sector, the Jardine Matheson Group (“Jardines”) established Jardine International Motors (“JIM”) in May 2019. JIM provides a unified approach that combines the leadership and experience of JC&C’s Cycle & Carriage business in Singapore, Malaysia and Myanmar, and Tunas Ridean in Indonesia, as well as Zung Fu Motors Group in Greater China. The shared wisdom, expertise, scale and relationships will enable JIM to position itself to respond to the disruptive themes faced by the automotive industry.

JIM’s unified strategy is digitally-led, customer-centric and focused on taking full advantage of future opportunities to generate new streams of revenue in the automotive field.



STRATEGY

■ DIGITAL TRANSFORMATION

- (i) Digital Enterprise: digital transformation of JIM's core systems
- (ii) Digital Business: data transformation to map and manage customer journey
- (iii) Digital Customer: building digital connectivity to the customer

■ DOWNSTREAM GROWTH

Develop downstream capabilities from retail e.g. used cars, insurance, finance and mobility

■ EVER MORE CUSTOMERS

Use our digital and expanding customer service offerings to attract and enhance customer connectivity

■ OPERATIONAL EFFICIENCY

Streamline core capability to deliver our strategy and maximise efficiency

■ CORE VALUES

Ensure that what we believe in is at the heart of our business and operations
