North America Outlook:
Federal Reserve
Automotive Insights
Symposium

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HAIG STODDARD
Principal Analyst, Forecast & Markets
Wards Intelligence
Despite huge build-up in pent-up demand, volume not back top pre-pandemic (2019) level until 2026.
North America/U.S. Light-Vehicle Production Forecast

- Severe inventory drain 2020-2022, plus increased local sourcing, leading to faster growth in production compared with sales gains
- Supply-chain challenges still limit available production capacity in 2023

Source: Wards Intelligence/LMC Automotive.
North America Production Capacity Utilization

• Capacity utilization steadily improving but still weak compared with typical pre-pandemic levels of 90%-plus

Utilization is production as a percent of straight-time capacity, which is based on an estimate of what each vehicle assembly plant can produce on two 8-hour daily shifts, five days per week, 52 weeks per year.

Source: Wards Intelligence.
End-of-2023 inventory at roughly two-thirds of what was considered normal in a ~17-million-unit annualized market

Lean inventory, combined with pent-up demand, why production might not go into negative territory (year-over-year) in a mild recession in 2023
U.S. Light-Vehicle Sales – Market Share for Top Automakers

- Ford, GM, Honda, Stellantis and Nissan never get back to 2019 levels
- Toyota, Hyundai Group maintain gains made since 2019
- Volkswagen, Tesla strongest long-term growth
- Not shown, “start-up” volume forecast for 2% of the market in 2027, up from 0.3% in 2022
North America Production Forecast by Major Automaker

• “Other”, or startups and smaller manufacturers, such as Mazda and Volvo, poised for strongest long-term growth

Source: Wards Intelligence/LMC Automotive.
Battery-electric pegged for one-fifth of market by 2026

BEVs still a long way from market dominance - next decade
Thank you

HAIG STODDARD
Principal Analyst, Forecast & Markets
Wards Intelligence
haig.stoddard@informa.com

www.linkedin.com/in/haigstoddard
Website: wardsintelligence.informa.com