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Mexico’s economic slowdown continues to have a negative impact on sales of automobiles and auto parts, as evidenced by sales figures covering the January-July 1993 period. On Aug. 28, the Mexican Association of Automobile Distributors (Asociacion Mexicana de Distribuidores de Automotores, AMDA) reported sales of new automobiles in July totaled 48,827 units, a decline of more than 18% from the 58,673 units sold in July 1992. The total included sales of imports as well as cars assembled at eight plants in Mexico. Similar declines were also reported in the months prior to July, following strong sales during the first quarter of the year (for more details see SourceMex 07/07/93). In fact, consulting firm Operadora de Bolsa Serfin is predicting that automobile sales this year will decline by more than 10.4% in comparison to 1992. The Serfin forecast matches a similar projection made by AMDA in late June. AMDA revised downward its estimates from earlier in the year, projecting a sales decline of more than 10% for 1993. AMDA reported sales of new cars to wholesalers during July totaled 38,056 units, down 30% from 61,954 units in July 1992. In addition, the organization reported that total automobile production in July totaled 40,356 units, compared with 57,923 units in the same month last year. The slowdown in automobile sales is also reflected in other statistics. According to the government news agency Notimex, the Finance Secretariat (Secretaria de Hacienda y Credito Publico, SHCP) collected 588 million nuevo pesos (US$179.4 million) in automobile sales taxes in January-June 1993, a decline of 5.2% from the same period in 1992. In addition, one of Mexico’s largest banks, Banco de Comercio (Bancomer) reported that the percentage of loans granted for automobile purchases this year had declined to 10% of all loans so far this year, compared with 15% in 1992. The slump in automobile sales has led to a similar trend in the Mexican auto parts industry. According to the Auto Parts Manufacturers Association (Industria Nacional de Autopartes, INA), sales to consumers in January-May were down 4% from a year ago, while sales to automobile assembly plants declined by 8% over the same period. In fact, INA figures showed that sales of parts to Mexico’s three largest producers of automobiles were running sharply behind the levels of May-July 1992. Sales to the major assembly plants were down 9.2% in May, 16.3% in June, and 25% in July. Not surprisingly, the pattern is a direct result of a decline in domestic production of automobiles: AMDA statistics show in June Chrysler output declined by 26.8%; Ford by 15.6%, General Motors by 14.8%. According to El Financiero International weekly business newspaper, about 26,000 workers employed at auto parts factories have lost their jobs in 1993, a 13% reduction in the work force (for recent coverage of auto parts industry see SourceMex, 04/15/92, 01/20/93). "The market is difficult and recessionary due to the lack of liquidity," Ricardo Vidal, president of Clevite de Mexico told El Financiero International. "It’s the worst market I have seen in the last five years." Clevite produces engine bearings for cars and trucks. Nevertheless, some sectors of the auto parts industry are worse off than others. For example, some manufacturers of engine components and electrical parts report an increase of 20% in sales so far this year because stricter safety and anti-pollution regulations have increased demand for these parts. On the other hand, sales are down as much as 50% for manufacturers of parts for radiator and cooling systems and suspensions. (Sources: El Financiero, 08/02/93; El Financiero International, 08/16/93; Notimex, 08/23/93, 08/28/93)