EGYPTIAN AUTOMOTIVE MARKET

AMIC APRIL 2010 REPORT

AMIC EGYPT

Automotive Marketing Information Council

مجلس معلومات سوق السيارات

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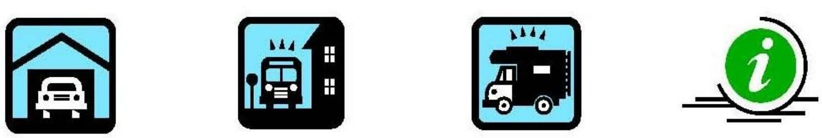

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1. PREFACE

The methodology, used in this report is mainly relying on the following steps:

* **Gathering primary and secondary data** from AMIC Egypt members.
* **Validating missing data and cross checking of data** from different sources
* **Processing, Analyzing and presenting data** in a useful way to AMIC Egypt members.
* **Gathering Macro Economic and Automotive industry** news from: Newspapers and other sources

This report was prepared and developed by:
Integrated Management Consultancy – IMC, which is a Management Consultancy Office with specific areas of strengths in:

* **Marketing – Specially Business to Business,**
* **Human Resources – Specifically in Learning Organizations,**
* **Six Sigma Methodology - Manufacturing.**
* **SME Upgrading and Training - World bank / Business Edge Partner**
* **On the Job Coaching.**

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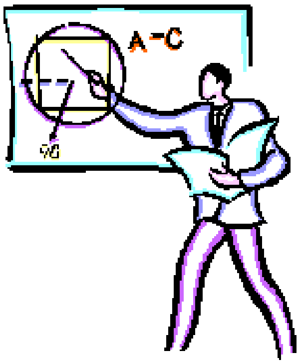
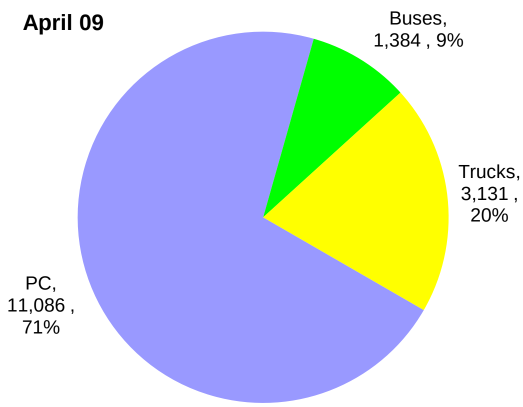
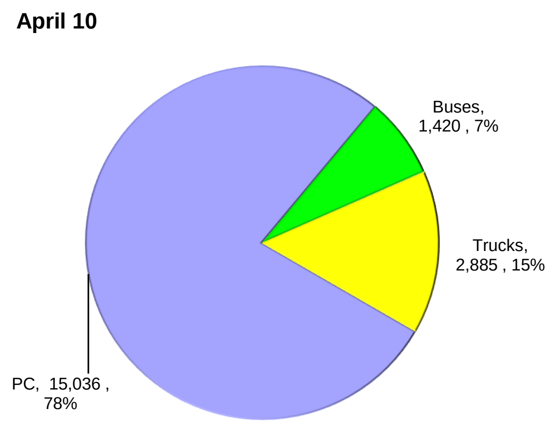
2. LOCAL INDUSTRY ANALYSIS



2.1. TOTAL AUTOMOTIVE MARKET

Total Market split April 2009 - April 2010 in volume





Passenger Cars	11,086
Buses	1,384
Trucks	3,131
Total Market Volume	**15,601**

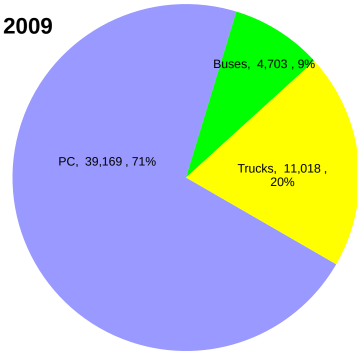
Passenger Cars	15,036
Buses	1,420
Trucks	2,885
Total Market Volume	**19,341**

Total Market volume for the month of April 2010 was higher than April 2009 sales by **24%** from **15,601** to **19,341** units.

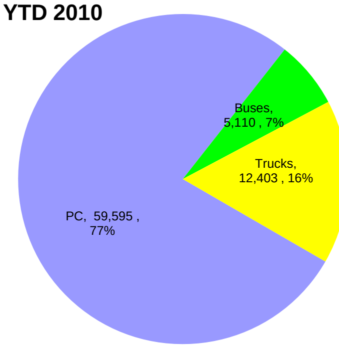
The Passenger cars segment had a volume increase of **36%** in units, when comparing April 09 to April 10; the Buses segment had a volume increase of **3%** , and the Trucks segment had a volume decrease of **-8%**

Total Market split YTD 09 – YTD 10 in volume

YTD 2009



YTD 2010



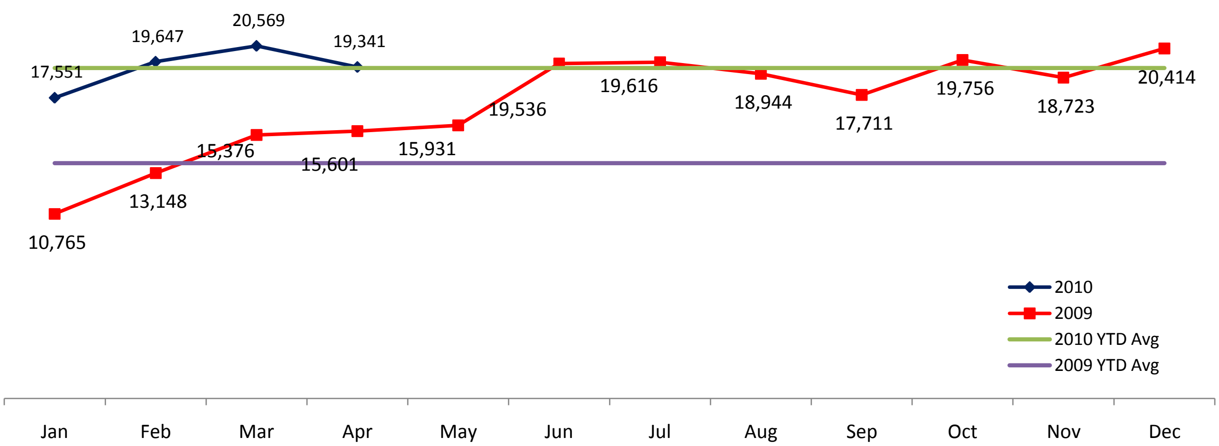
Passenger Cars	39,169
Buses	4,703
Trucks	11,018
Total Market Volume	**54,890**

Passenger Cars	59,595
Buses	5,110
Trucks	12,403
Total Market Volume	**77,108**

Total Market volume for the YTD 2010 was higher than YTD 2009 sales by **40%** **54,890** to **77,108** units.

The Passenger cars segment had a volume increase of almost **52%** in units, when comparing YTD 2010 to YTD 2009; the Buses segment had a volume growth of **9%** and the Trucks segment had a volume increase of **13%**

Total Market April 10 sales analysis in volume



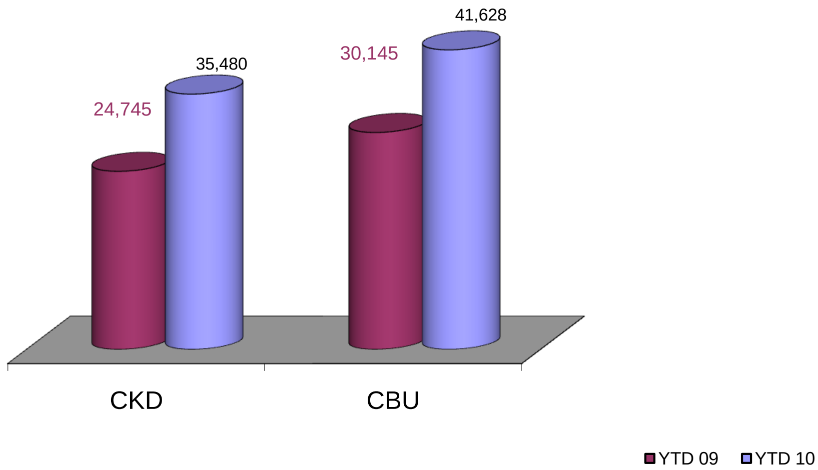
This chart is developed in order to assist in giving a comparative view of current month results to all directly relevant previous results, which could have impact on future market performance projections and/or demand forecasts.

This chart has been developed consistently for all 3 sectors.

* April 2010 sales are higher than 2010 YTD average by	**0.3%**
* April 2010 sales are higher than 2009 YTD average by	**40.9%**
* April 2010 sales are higher than 2009 average by	**12.9%**
* April 2010 sales are higher than April 2009 by	**24.0%**
* April 2010 sales are lower than March 2010 by	**-6.0%**

Performance in April 2010 is higher than the YTD 2009 average, April 2009, and the YTD 2010 average but lower than March 2010.

Total Market YTD 2009 – YTD 2010 by Origin in volume



CKD sales for Year 2010 are higher than Year 2009 by **43%** when comparing YTD 2010 to 2009 results.

From another side, CBU YTD 2010 sales are higher by **38%** than 2009.

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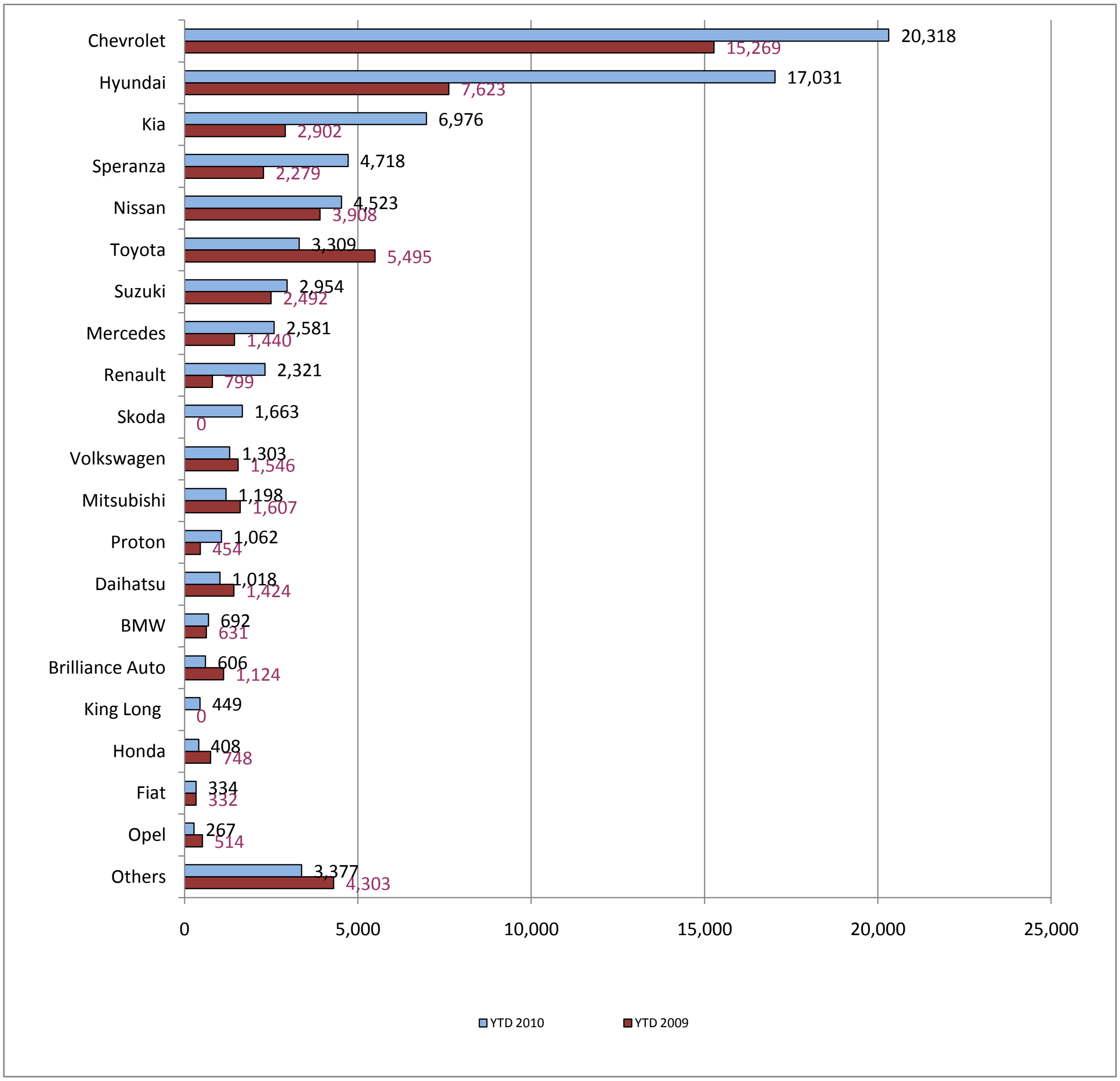
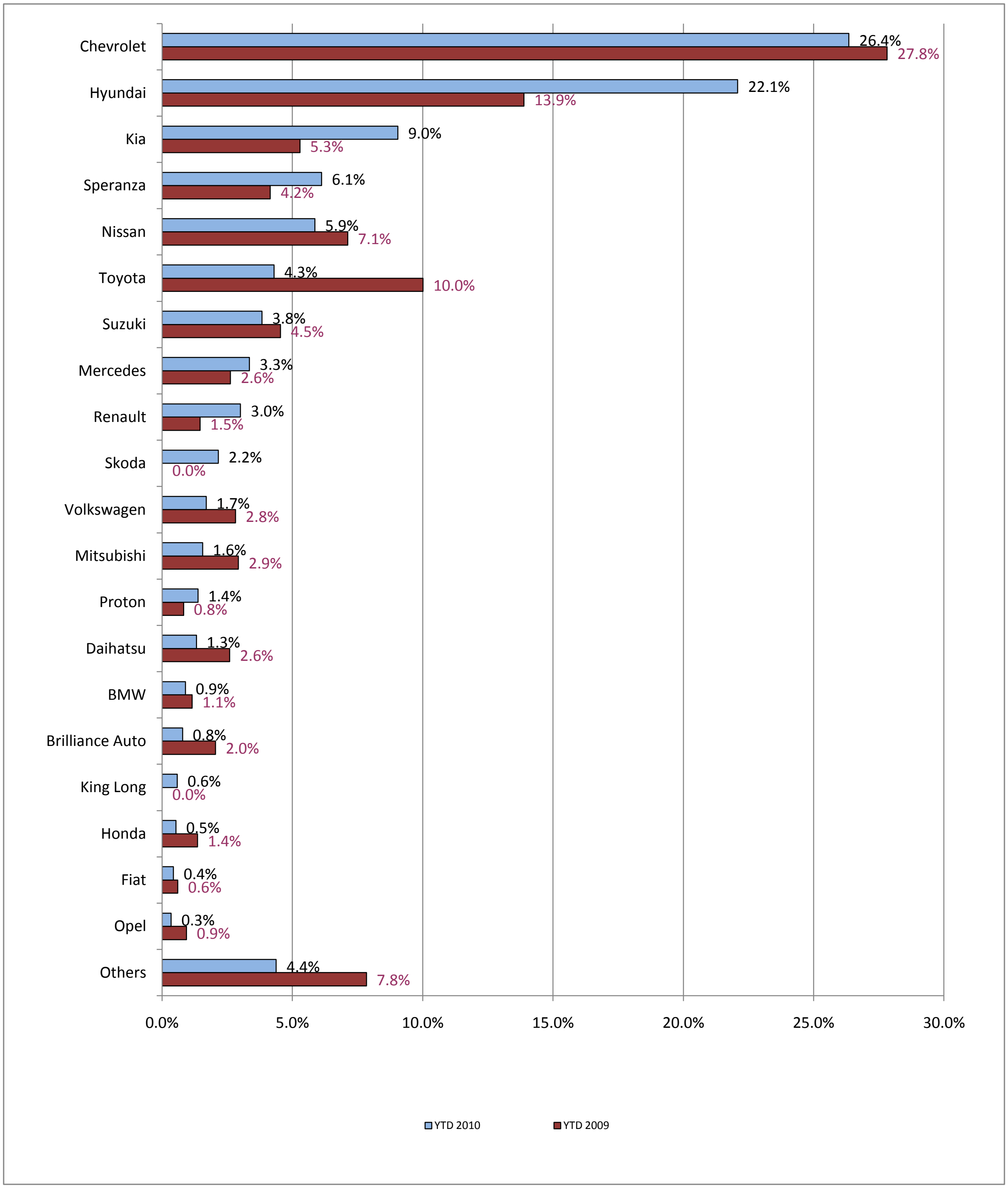
Total Market by Brand YTD 2009 – YTD 2010 in volume

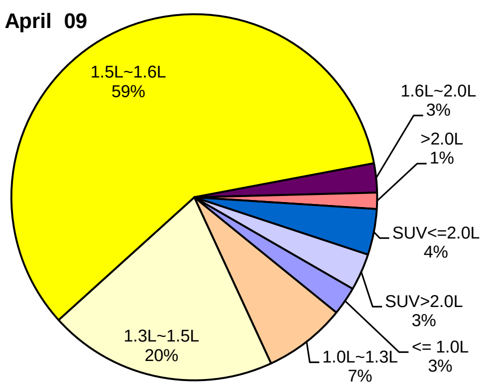


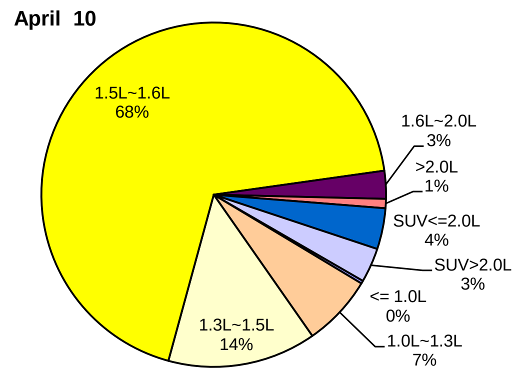
Total Market by Brand YTD 2009 – YTD 2010 in market share



2.2 PASSENGER CARS

PC Market split April 2009 – April 2010 in volume





<= 1.0 L	279
1.0L ~ 1.3 L	805
1.3L ~1.5 L	2,238
1.5L ~1.6 L	6,510
1.6L ~ 2.0 L	285
> 2.0 L	159
SUV<=2.0 L	449
SUV > 2.0 L	361
PC Volume	**11,086**

<= 1.0 L	42
1.0L ~ 1.3 L	1,005
1.3L ~1.5 L	2,097
1.5L ~1.6 L	10,304
1.6L ~ 2.0 L	393
> 2.0 L	131
SUV<=2.0 L	578
SUV > 2.0 L	486
PC Volume	**15,036**

For the month of April, the overall total PC market grew by **36%** from **11,086** to **15,036** units.

The main reason of this growth is due to the growth of 1.5L-1.6L by **58.3%** over the figures of April 2009.

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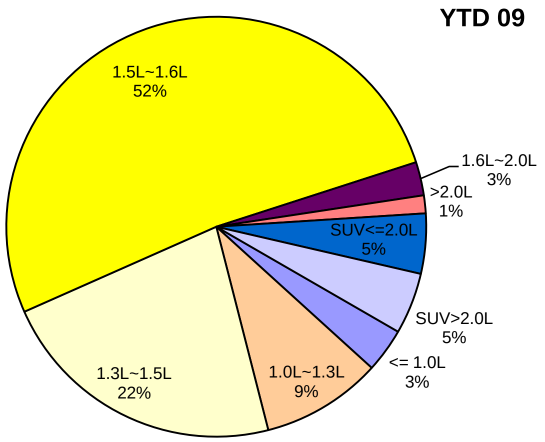
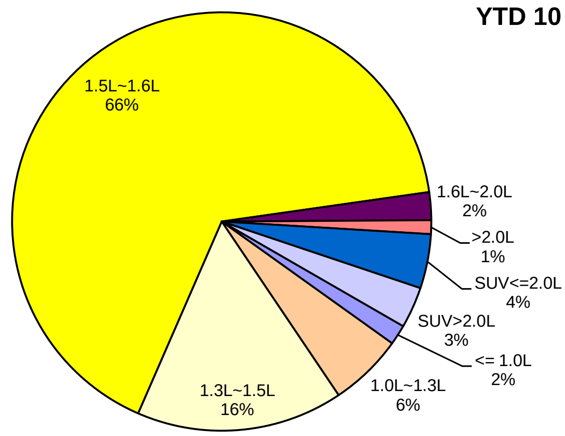
PC Market split YTD 2009 – YTD 2010 in volume

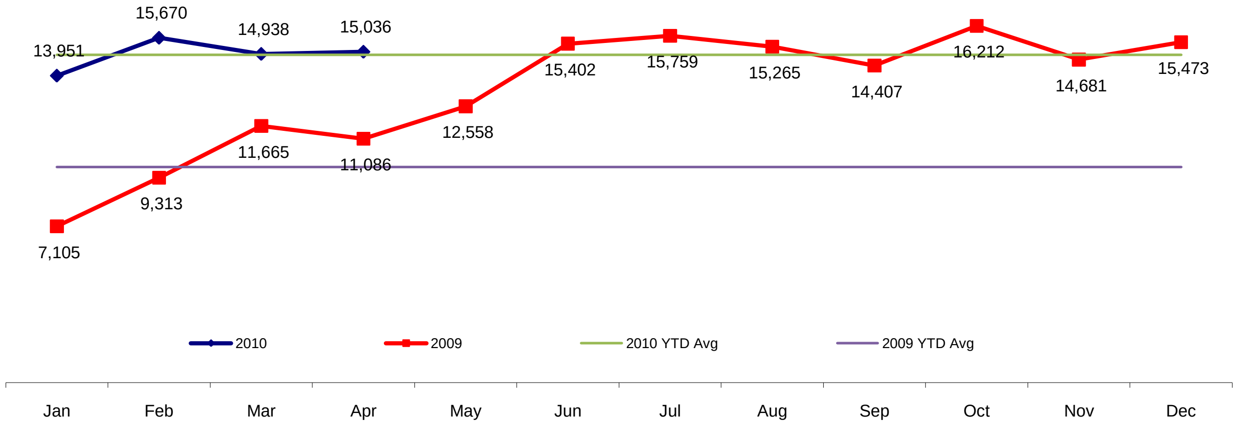




<= 1.0 L	1,332	**-31%**	<= 1.0 L	925
1.0L ~ 1.3 L	3,635	**-7%**	1.0L ~ 1.3 L	3,391
1.3L ~1.5 L	8,755	**9%**	1.3L ~1.5 L	9,511
1.5L ~1.6 L	20,236	**95%**	1.5L ~1.6 L	39,460
1.6L ~ 2.0 L	1,008	**27%**	1.6L ~ 2.0 L	1,282
> 2.0 L	540	**17%**	> 2.0 L	633
SUV<=2.0 L	1,812	**38%**	SUV<=2.0 L	2,499
SUV > 2.0 L	1,851	**2%**	SUV > 2.0 L	1,894
PC Volume	**39,169**	**52%**	**PC Volume**	**59,595**

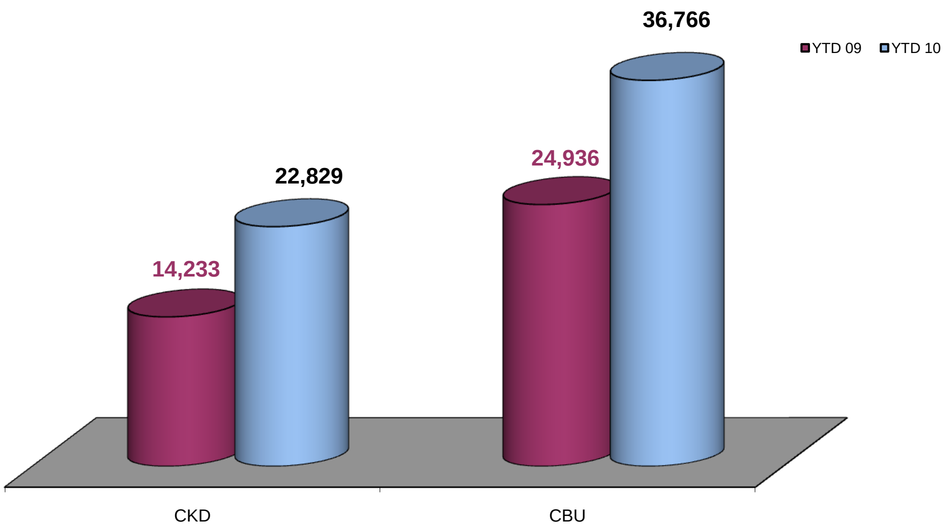
The overall total PC market grew by **52%** from **39,169** units to **59,595** units.
The main reason of this growth is due to the 1.5L-1.6L which has respective growth of **95%** over the figures of 2009.

PC Market April 2010 sales analysis in volume



* April 2010 sales are higher than 2010 YTD average by	**0.9%**
* April 2010 sales are higher than 2009 YTD average by	**54%**
* April 2010 sales are higher than 2009 average by	**14%**
* April 2010 sales are higher than April 2009 by	**36%**
* April 2010 sales are higher than March 2010 by	**0.7%**

PC Market split by Origin YTD 2008 – YTD 2009 in volume



CKD increased in volume by **60%** , and CBU increased by **47%** .

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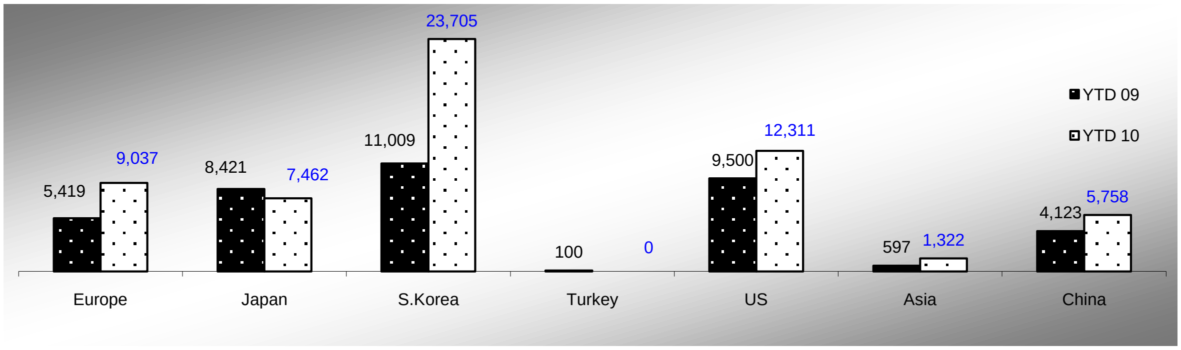
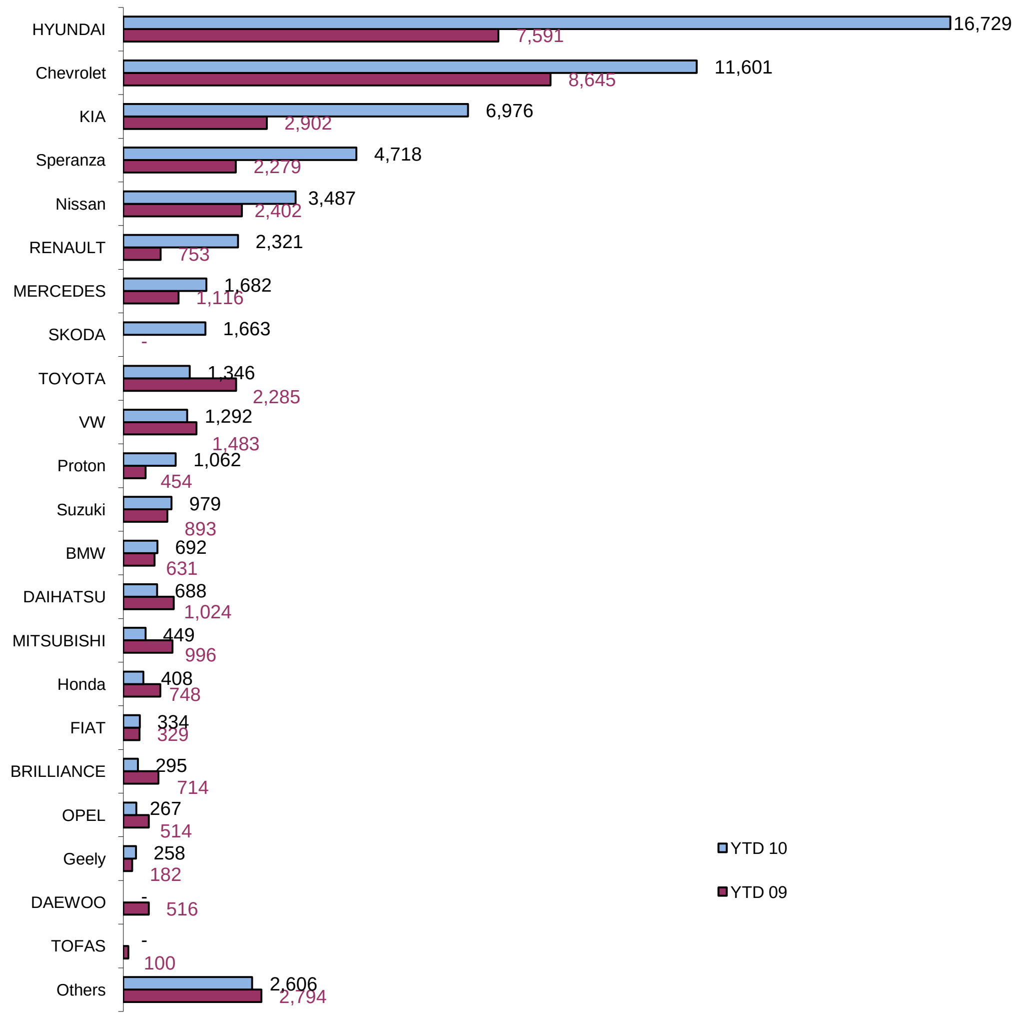
PC Market split by Brand Origin YTD 2009 – YTD2010 in volume



* European grew by	**67%**
* Japanese dropped by	**-11%**
* South Korean grew by	**115.3%**
* Turkish dropped by	**-100%**
* US increased by	**29.6%**
* Asian increased by	**121.4%**
* Chinese increased by	**39.7%**

PC Market by Brand YTD 2009 – YTD2010 in volume



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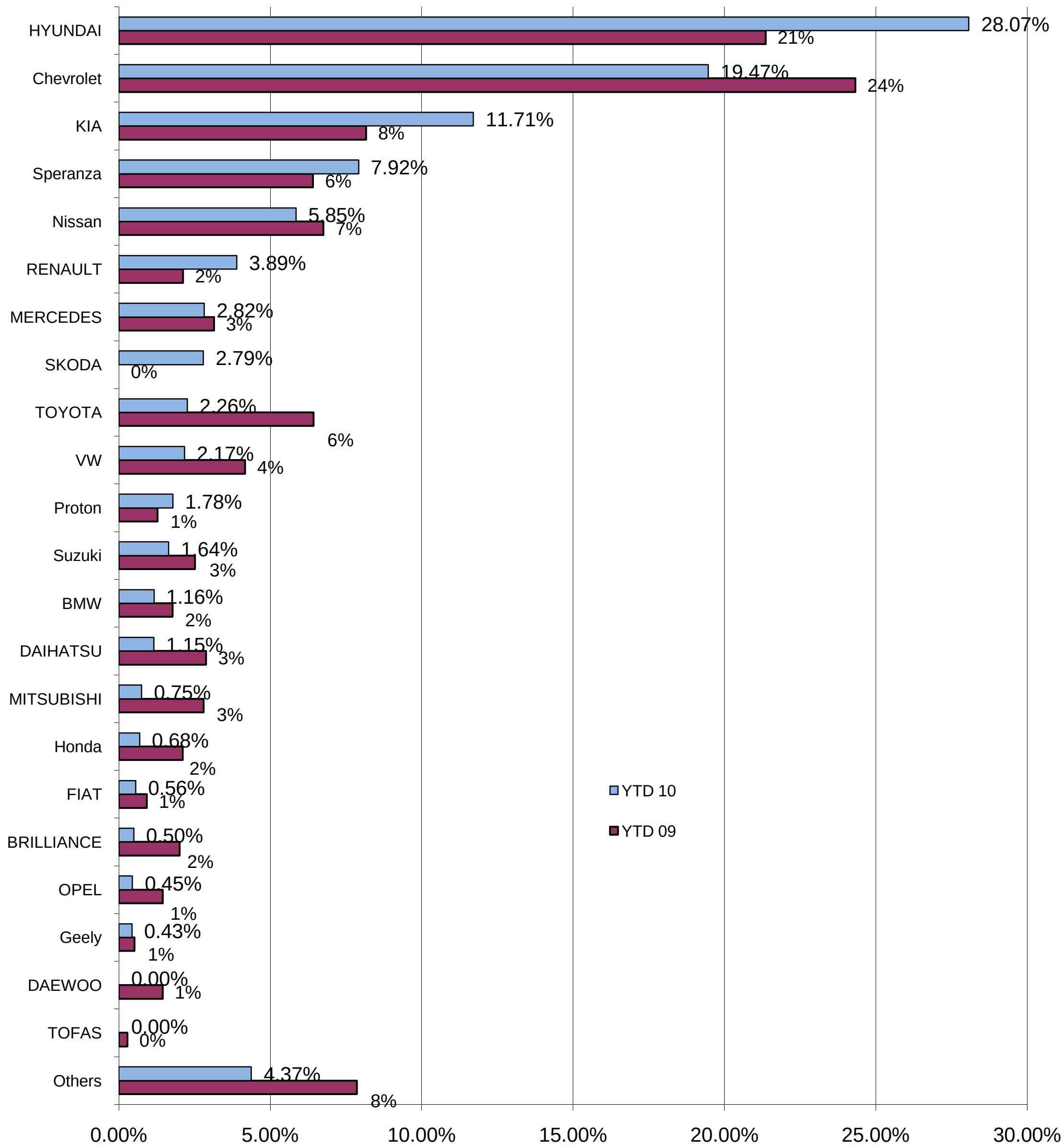
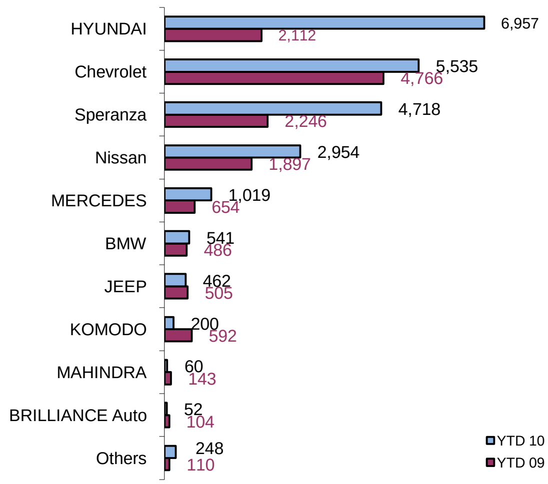
PC Market by Brand YTD 2008 – YTD2009 in Market Share



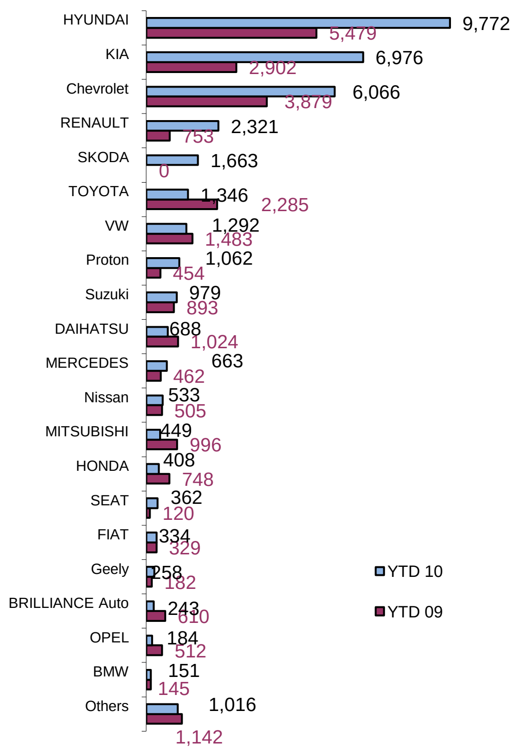
PC Brands by Origin versus CKD & CBU YTD 2009 – YTD2010 (Volume)

CKD



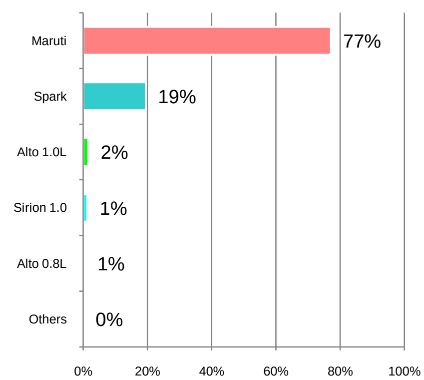
* Hyundai increased by **229%**
* Chevrolet increased by **16%**
* Speranza increased by **110%**
* Mercedes increased by **56%**
* BMW sales increased by **11%**
* Nissan increased by **56%**
* Komodo dropped by **-66%**
* Mahindra decreased by **-58%**
* Brilliance Auto dropped by **-50%**

CBU

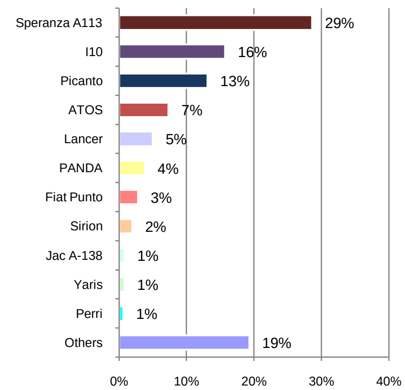


* Hyundai grew by **78%**
* Kia increased by **140%**
* Chevrolet increased by **56%**
* Renault increased by **208%**
* Skoda increased from Zero sales
* Toyota dropped by **-41%**
* VW dropped by **-13%**
* Proton increased by **134%**
* Suzuki increased by **10%**
* Daihatsu decreased by **-33%**
* Mercedes increased by **44%**
* Nissan increased by **6%**
* Mitsubishi decreased by **-55%**
* Honda decreased by **-45%**
* Seat increased by **202%**
* Fiat increased by **2%**
* Geely increased by **42%**
* Brilliance Auto dropped by **-60%**
* Opel decreased by **-64%**
* BMW increased by **4%**

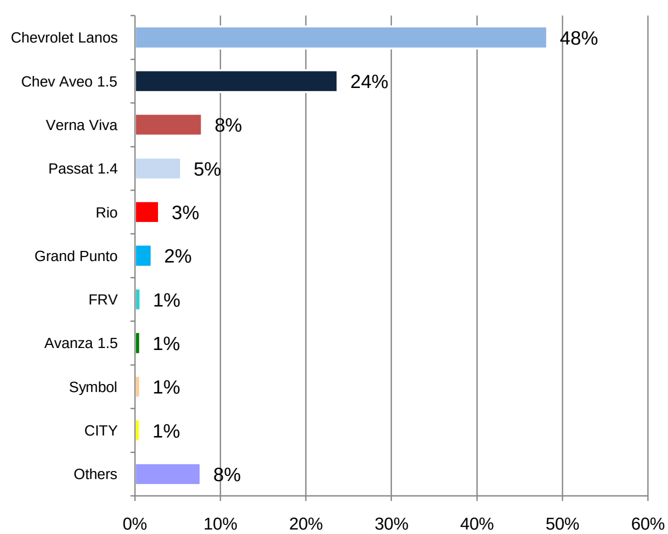
PC Models market share by segment YTD 10 in volume



Segment <=1 L
925 Units

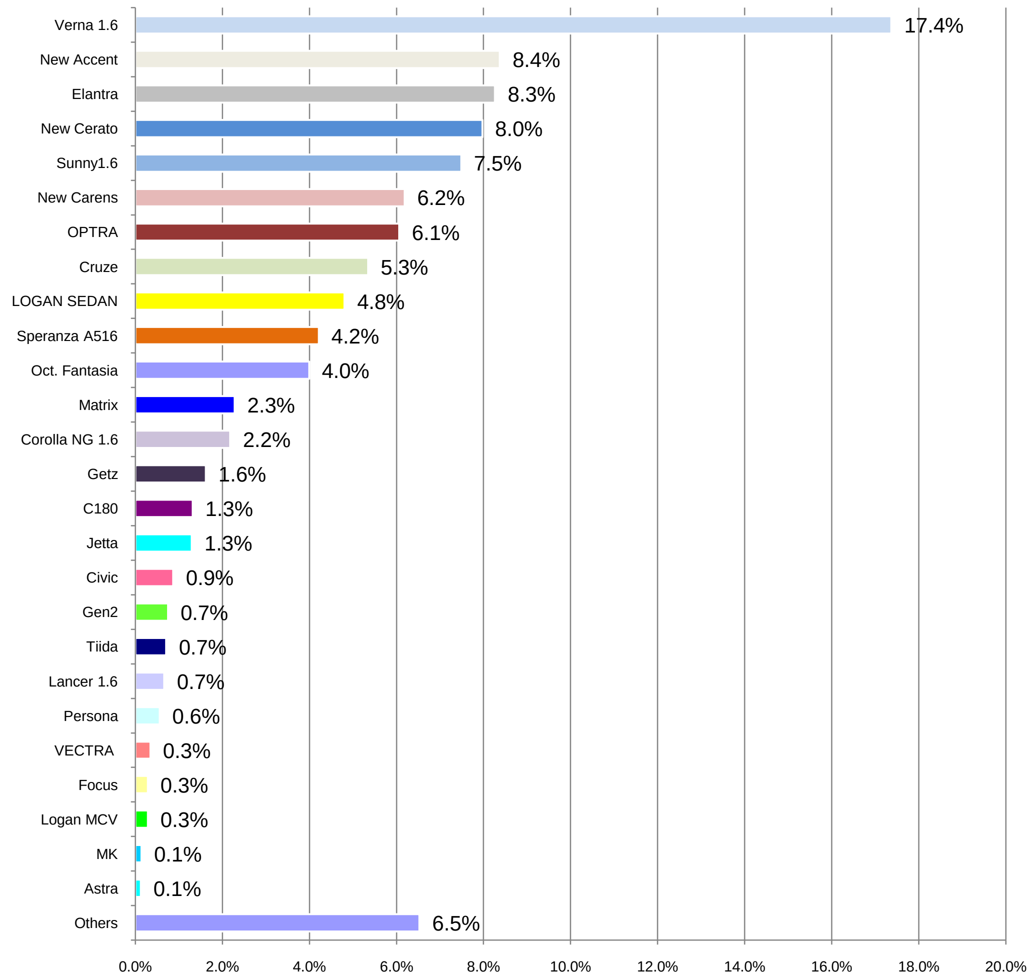


Segment From 1L to 1.3 L
3,391 Units



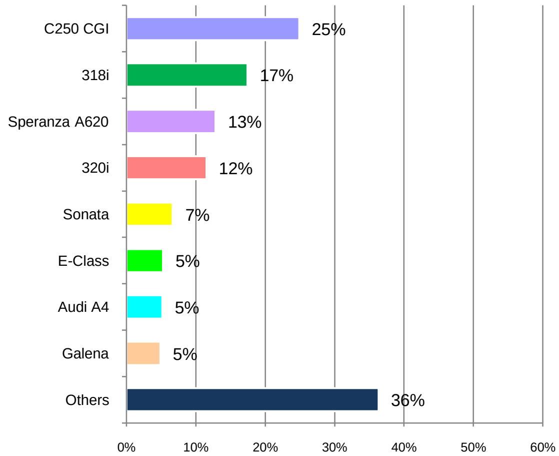
Segment from 1.3L to 1.5L
9,511 Units

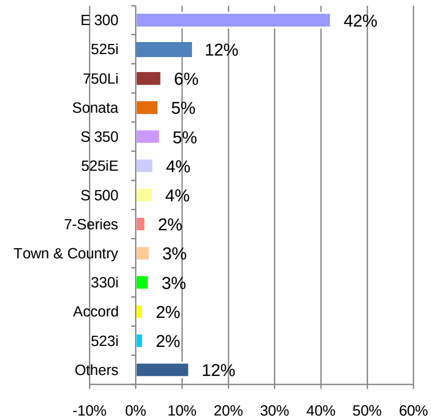
PC Models market share by segment YTD 10 in volume (continued)



Segment from 1.5L to 1.6L
39,460 Units

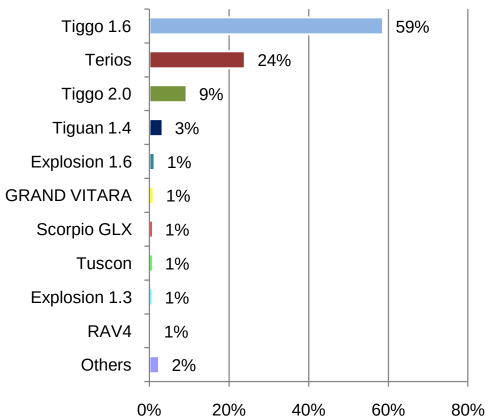
PC Models market share by segment YTD 10 in volume (continued)

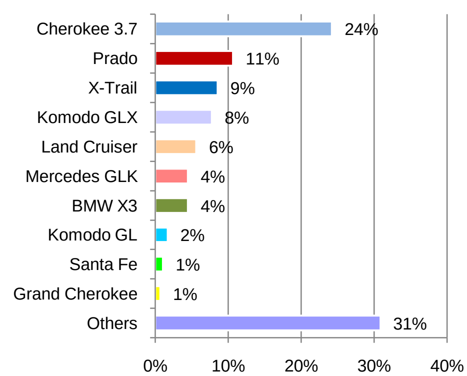




Segment from 1.6L to 2L
1,282 Units

Segment >2L
633 Units





SUV< =2L
2,499 Units

SUV > 2L
1,894 Units

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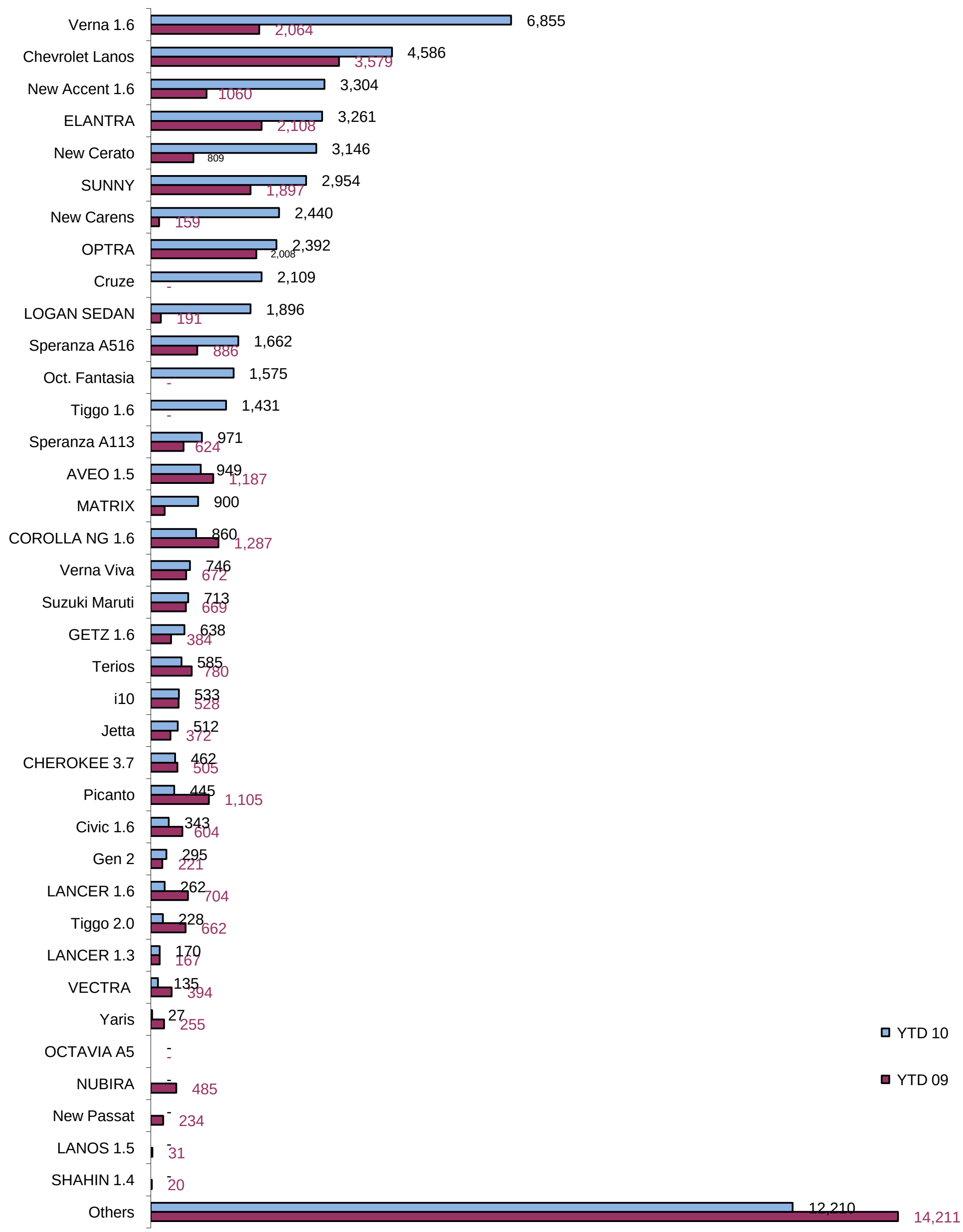
PC by Model YTD 2009 – YTD 2010 in volume (>800 cars)



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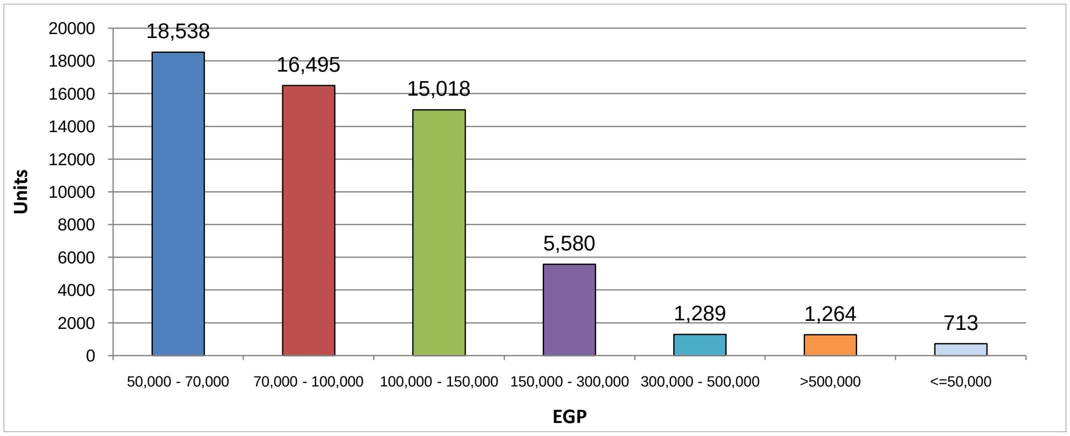
PC YTD Volume by Price Segment

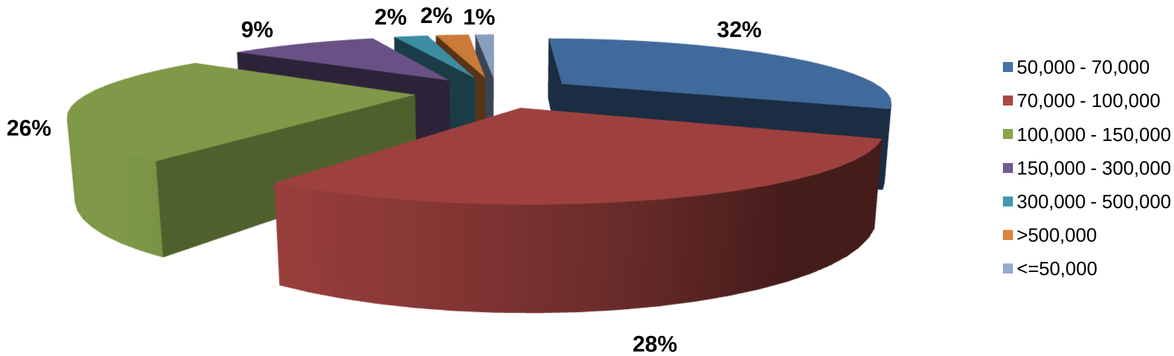
The following graphs show segmentation for the PC market according to Price segment in EGP. Both volume in units and market share in percentage are presented in seven segments:

- <= 50,000 EGP
- >50,000 EGP ~ <= 70,000 EGP
- >70,000 EGP ~ <= 100,000 EGP
- >100,000 EGP ~ <= 150,000 EGP
- >150,000 EGP ~ <= 300,000 EGP
- >300,000 EGP ~ <= 500,000 EGP
- >500,000 EGP



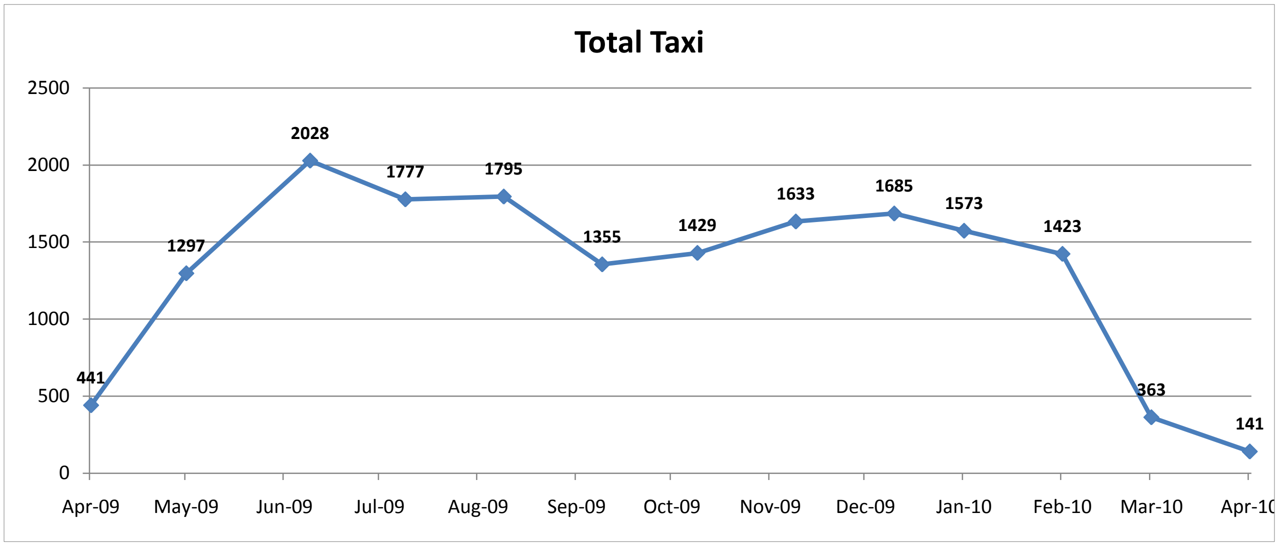
The above graph shows that the (50,000 EGP ~ 70,000 EGP) segment has the highest volume with 18,538 units, followed by the (70,000 EGP ~ 100,000 EGP) segment with 16,495 units. The least segment is the (<=50,000 EGP) with 713 units followed by the (>500,000 EGP) segment with 1,264 units.

PC YTD Volume by Price Segment - Share

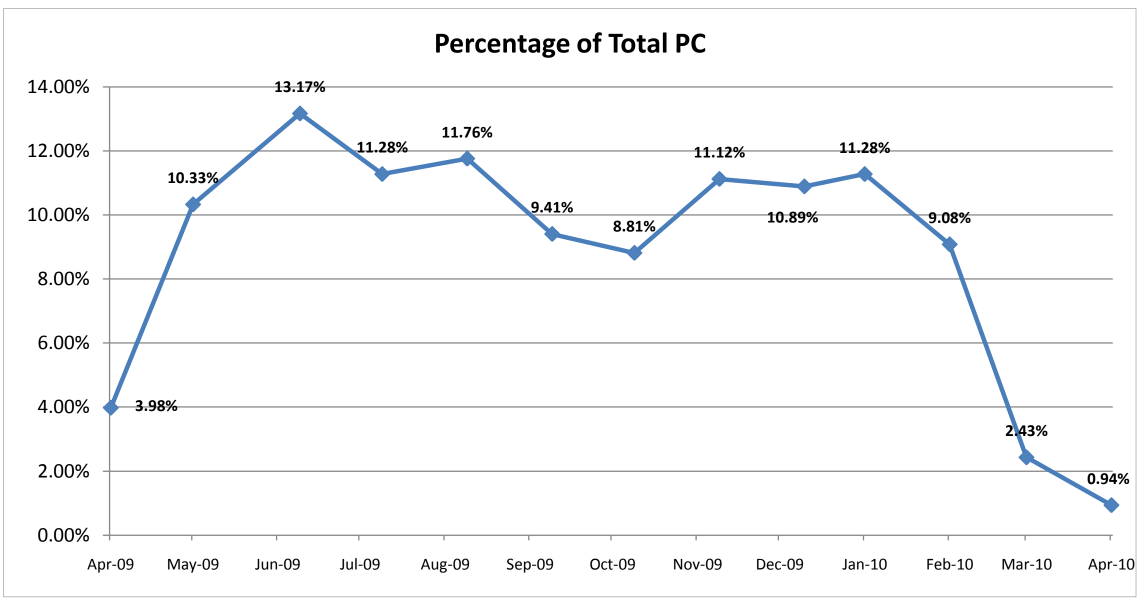


The above graph indicates that the (50,000 EGP ~ 70,000 EGP) segment has the highest market share with 32%, followed by the (70,000 EGP ~ 100,000 EGP) segment with 28%. The least segment is the (<=50,000 EGP) with 1% followed by the (>500,000 EGP) and (300,000 EGP ~ 500,000 EGP) segments with 2%.

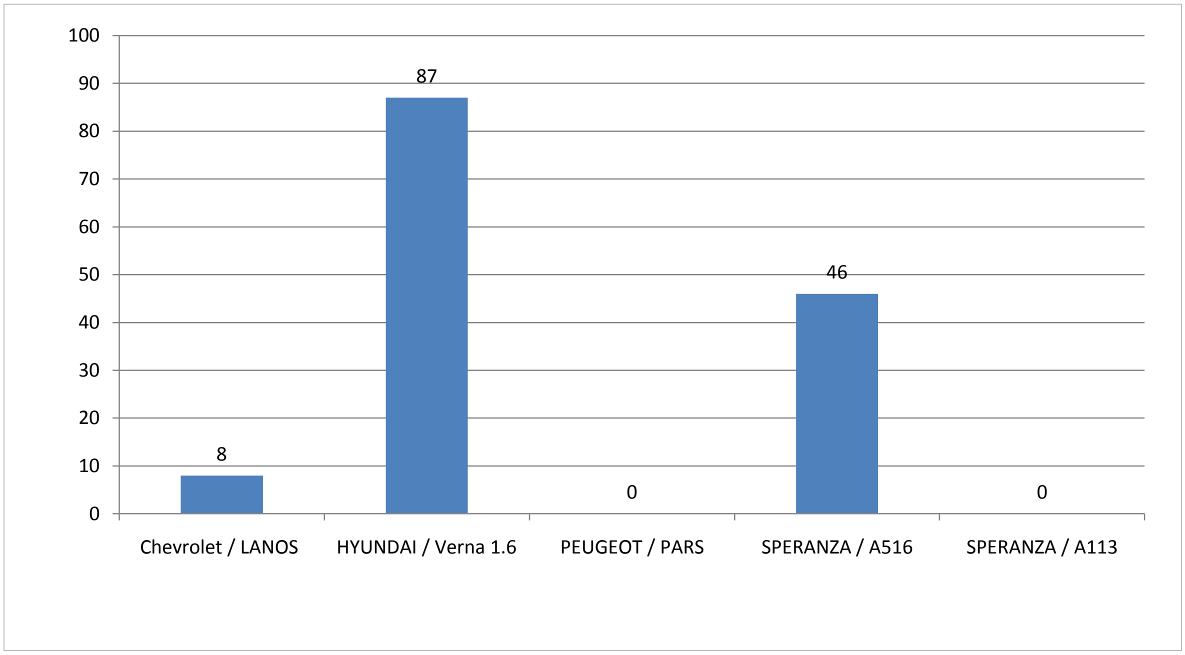
Taxi Project Sales



Taxi Project Sales as Percentage of Total PC Sales



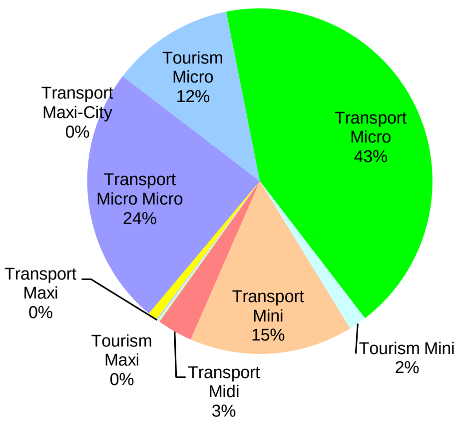
April 2010 Taxi Sales



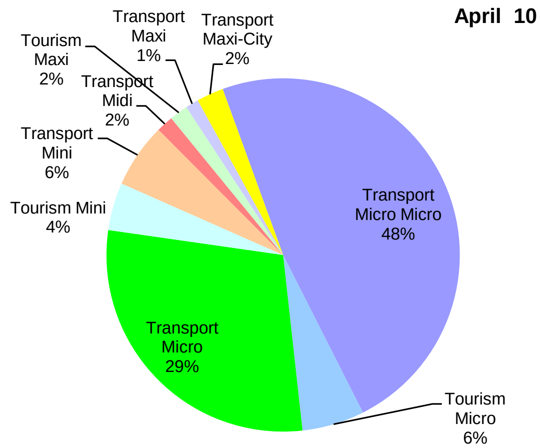
2.3 Buses

Buses Market split April 2009 – April 2010 in volume

April 09



April 10



Transport Micro Micro	336
Tourism Micro	159
Transport Micro	591
Tourism Mini	23
Transport Mini	212
Transport Midi	46
Tourism Maxi	3
Transport Maxi	2
Transport Maxi-City	12
Buses Volume	**1,384**

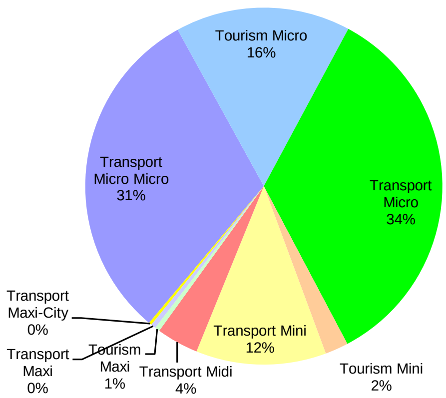
Transport Micro Micro	683
Tourism Micro	81
Transport Micro	412
Tourism Mini	62
Transport Mini	84
Transport Midi	22
Tourism Maxi	24
Transport Maxi	17
Transport Maxi-City	35
Buses Volume	**1,420**

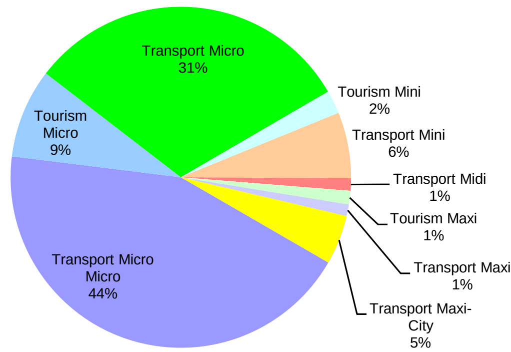
When comparing April 2009 to April 2010, total Buses Segment increased by an overall of **3%** from **1,384** units to **1,420** units.

Buses Market split YTD 09 – YTD 10 in volume

YTD 10

YTD 09



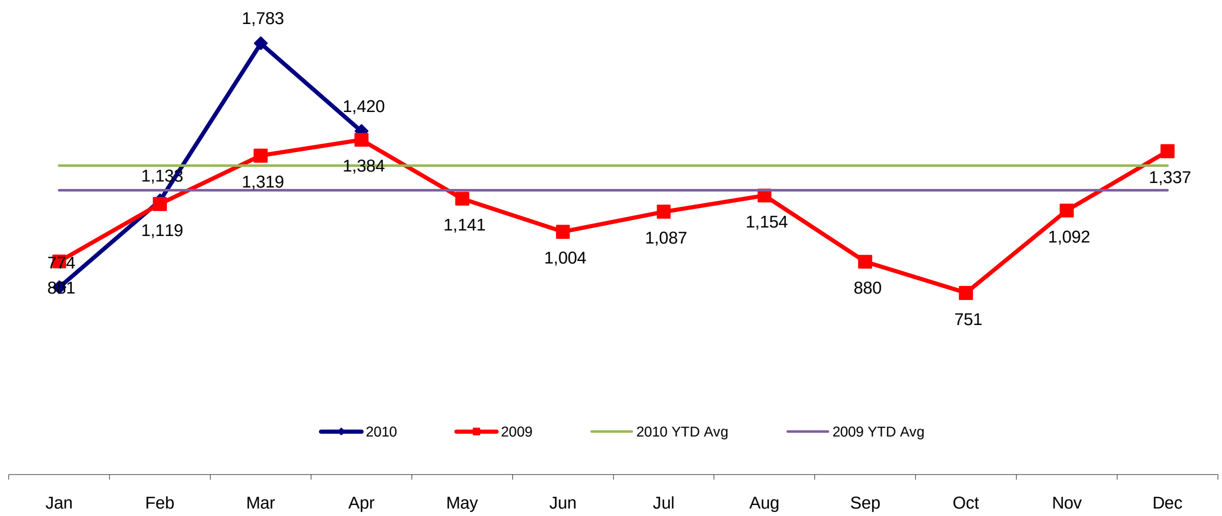


Transport Micro Micro	1,452
Tourism Micro	746
Transport Micro	1,618
Tourism Mini	99
Transport Mini	555
Transport Midi	179
Tourism Maxi	21
Transport Maxi	21
Transport Maxi-City	12
Buses Volume	**4,703**

Transport Micro Micro	2,229
Tourism Micro	433
Transport Micro	1,594
Tourism Mini	113
Transport Mini	320
Transport Midi	60
Tourism Maxi	66
Transport Maxi	56
Transport Maxi-City	239
Buses Volume	**5,110**

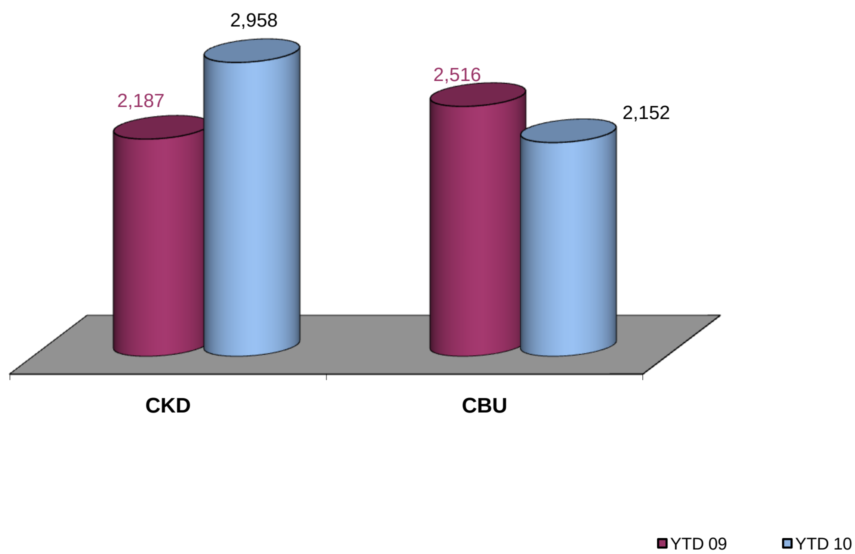
When comparing YTD 2009 to YTD 1010, total Buses Segment grew by an overall of **9%** from **4,703** units to **5,110** units. Transport segments volume decreased by **-29%** . Tourism segments volume increased by **17%**

Buses Market April 2010 sales analysis in volume



* April 2010 sales are higher than 2010 YTD average by	**11%**
* April 2010 sales are higher than 2009 YTD average by	**21%**
* April 2010 sales are higher than 2009 average by	**30%**
* April 2010 sales are higher than April 2009 by	**3%**
* April 2010 sales are lower than March 2010 by	**-20%**

Buses Market YTD 2009 – YTD2010 by Origin in volume



CKD increased by **35%** in volume against last year's volume; CBU decreased by **-14%**

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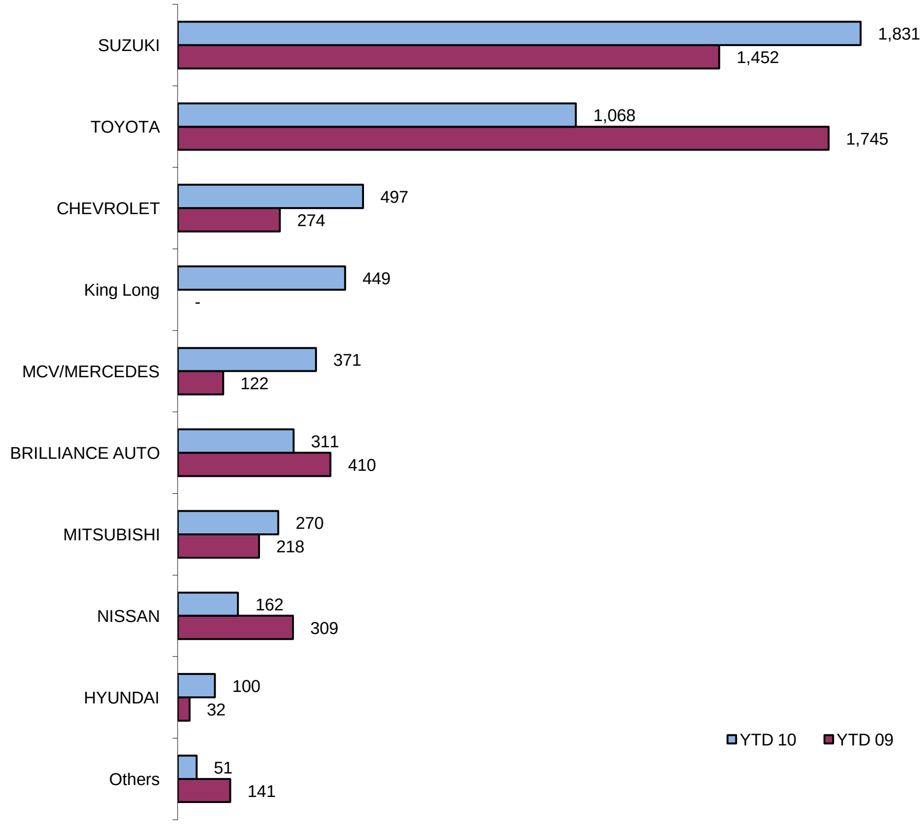
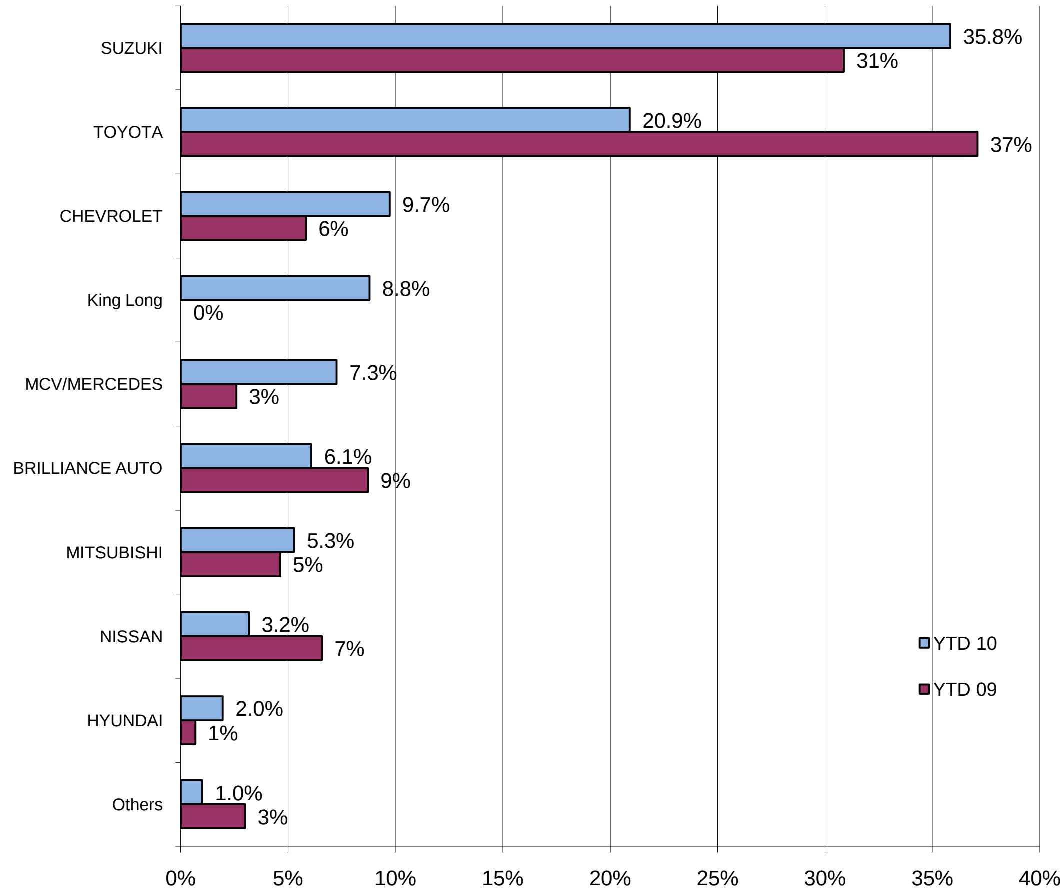
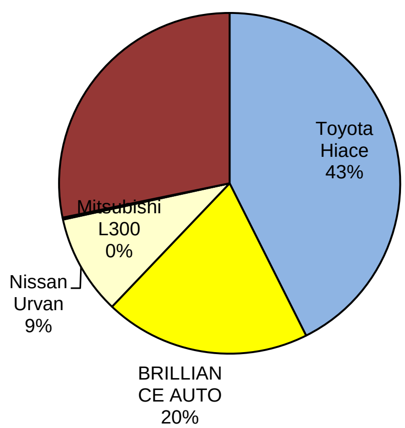
Buses Market by Brand YTD 2009 – YTD2010 in volume



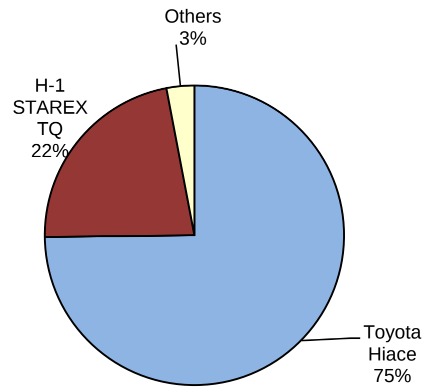
Buses Market by Brand YTD 2009 – YTD2010 in Percentage



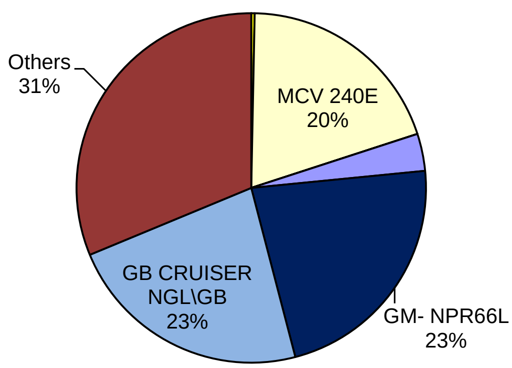
Buses Models Market Share By Segment YTD 10 In Volume



Transport Micro Segment
1594

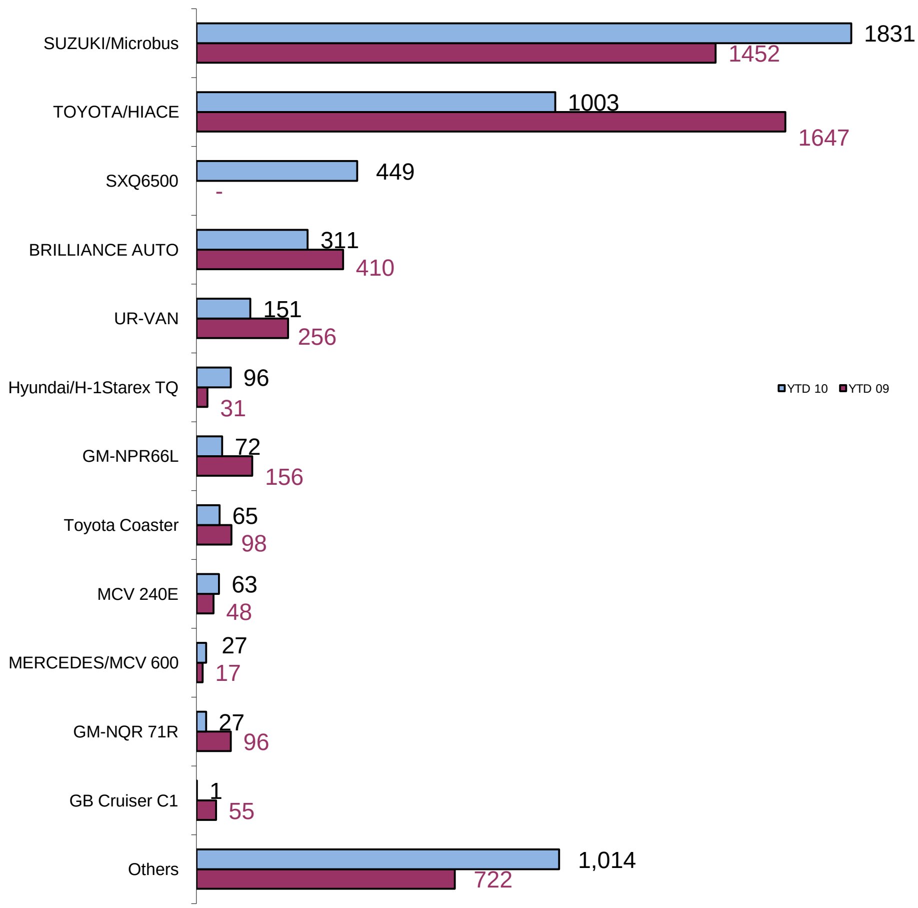


Tourism Micro Segment
433



Transport Mini Segment
320

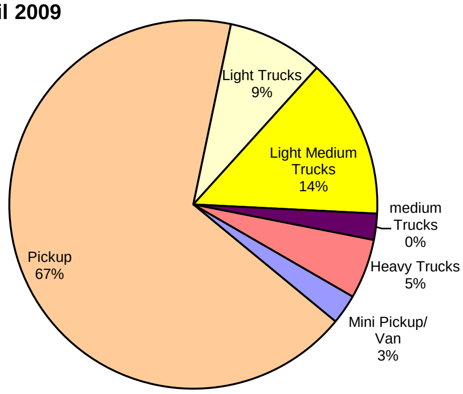
Buses by Model YTD 2009 – YTD2010 in volume



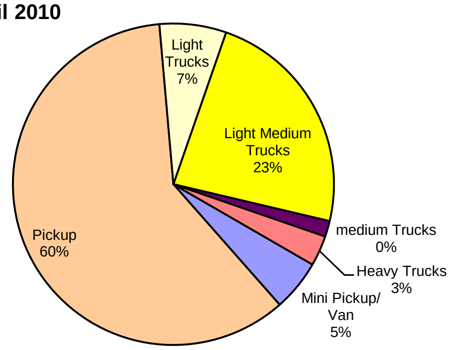
2.4 TRUCKS

Trucks Market split April 2009 – April 2010 in volume

April 2009



April 2010

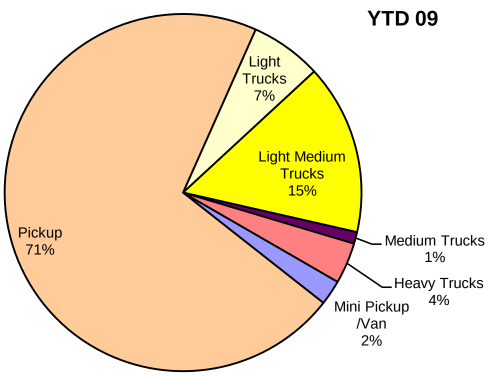


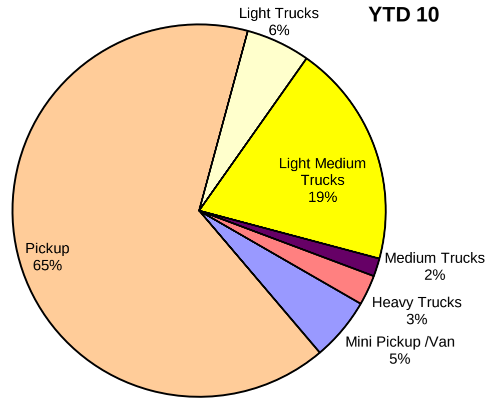
Mini Pickup /Van	82
Pickup	2,108
Light Trucks	264
Light Medium Trucks	441
Medium Trucks	72
Heavy Trucks	164
Truck Volume	**3,131**

Mini Pickup /Van	149
Pickup	1,734
Light Trucks	194
Light Medium Trucks	674
Medium Trucks	46
Heavy Trucks	88
Truck Volume	**2,885**

Trucks segment decreased by **-8%** , mainly due to Pickup segment decrease by **-18%** which has the highest contribution in volume.

Trucks Market split YTD 09 – YTD 10 in volume



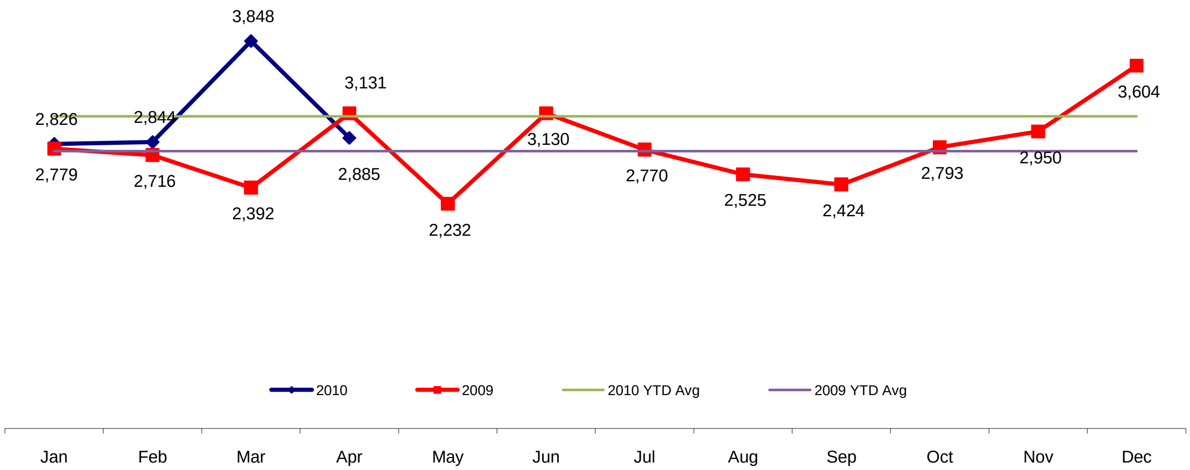


Mini Pickup /Van	250
Pickup	7830
Light Trucks	712
Light Medium Trucks	1700
Medium Trucks	117
Heavy Trucks	409
Truck Volume	**11,018**

Mini Pickup /Van	679
Pickup	8111
Light Trucks	690
Light Medium Trucks	2404
Medium Trucks	195
Heavy Trucks	324
Truck Volume	**12,403**

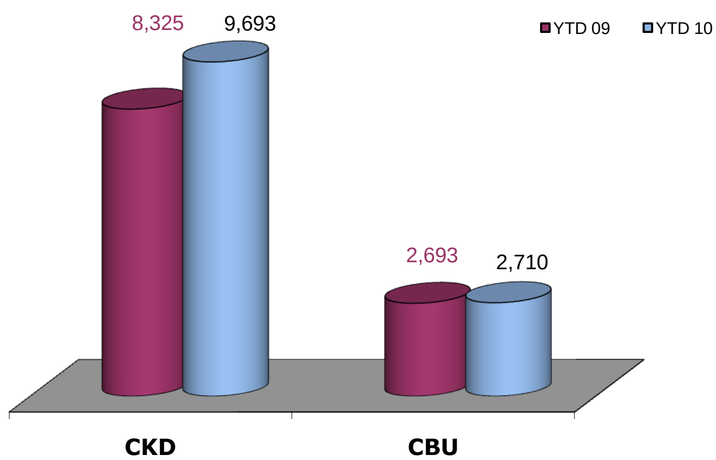
Trucks segment grew by **12.6%** , mainly due to Pickup segment growth of by **3.6%** which has the highest contribution in volume.

Trucks Market April 2010 sales analysis in volume



* April 2010 sales are Lower than 2010 YTD average by	**-7.0%**
* April 2010 sales are higher than 2009 YTD average by	**4.7%**
* April 2010 sales are higher than 2009 average by	**3.5%**
* April 2010 sales are Lower than April 2009 by	**-7.9%**
* April 2010 sales are lower than March 2010 by	**-25.0%**

Trucks Market YTD 2009 – YTD 2010 by Origin in volume



CKD increased by **16.4%** and CBU increased by **0.6%** . However, CKD volume has much more influence on YTD volume than CBU.

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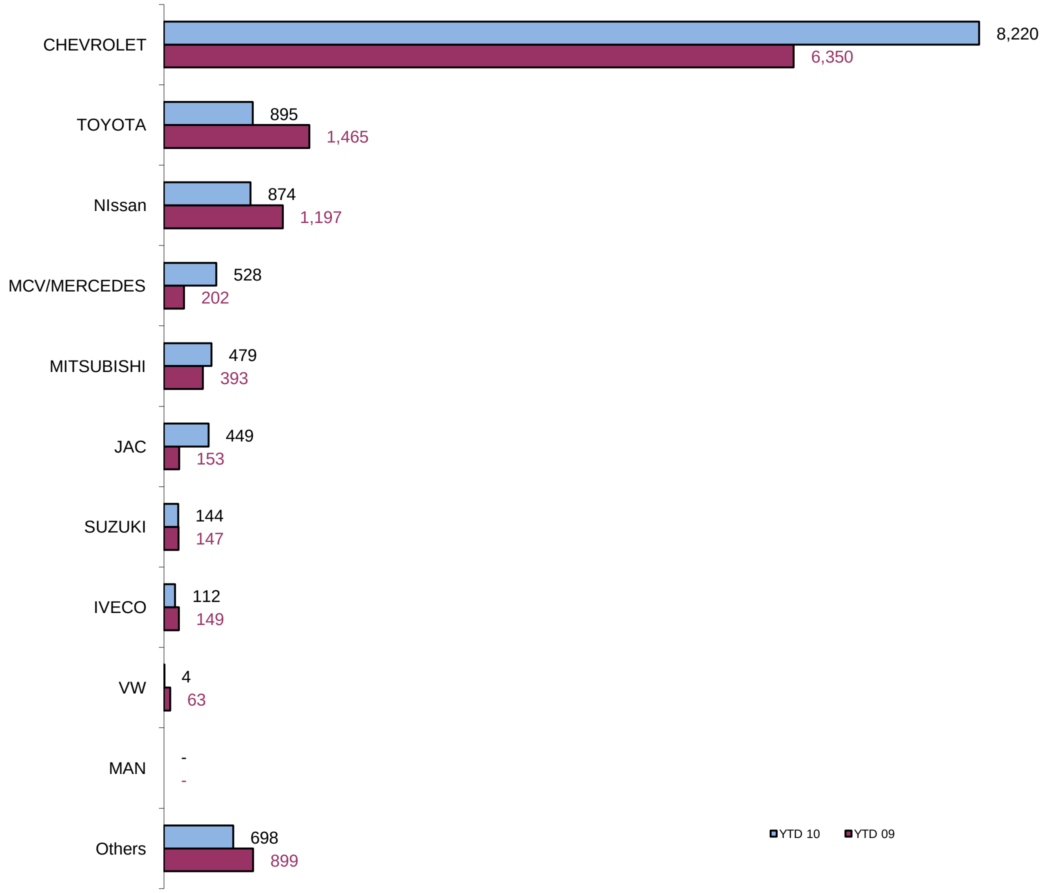
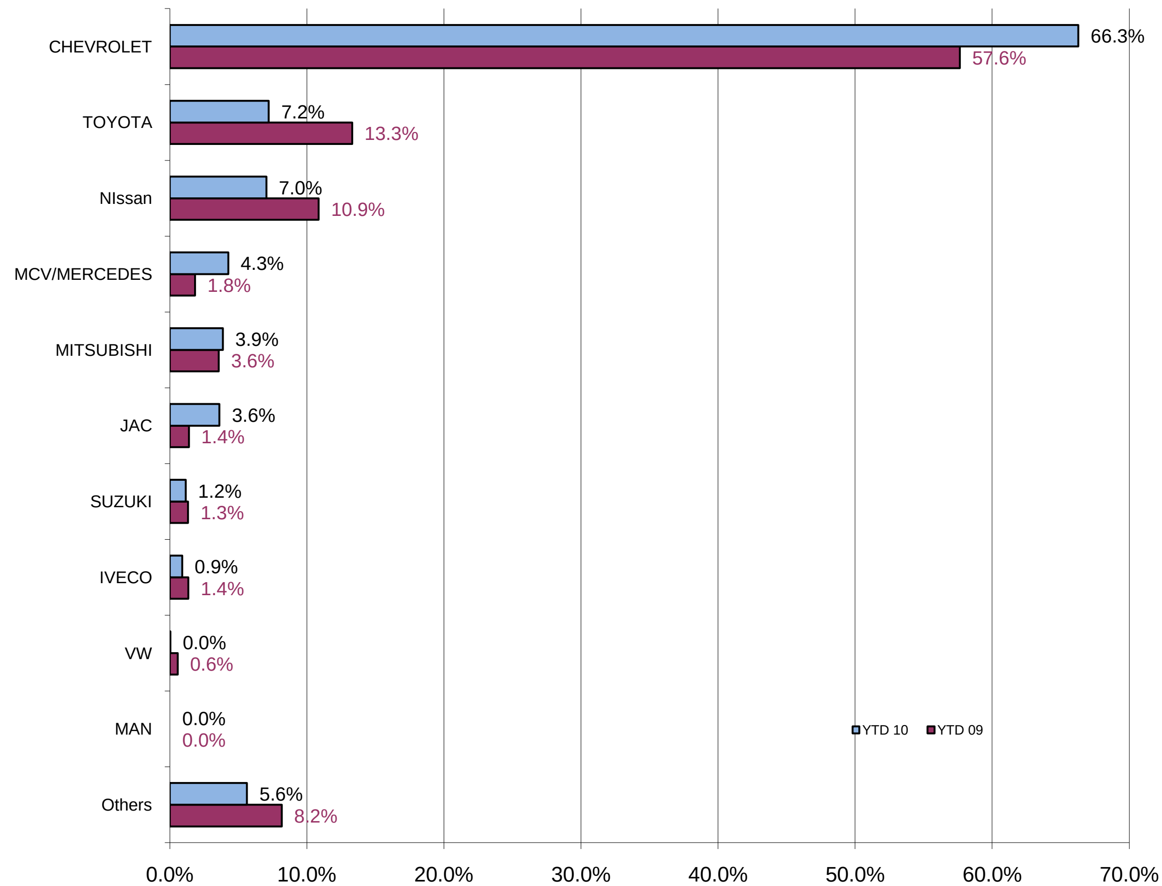
Trucks Market by Brand YTD 2009 – YTD2010 in volume

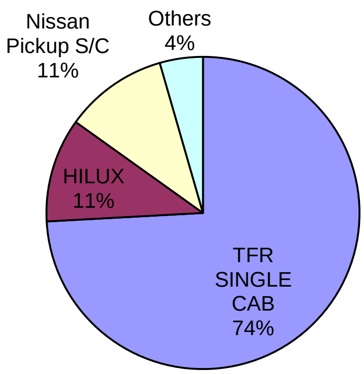


AMIC Egypt
Email: AMICEgypt@link.net

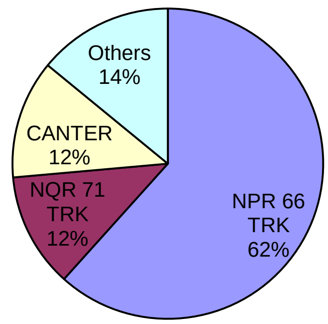
Trucks Market by Brand Market Share YTD 2009 – YTD2010



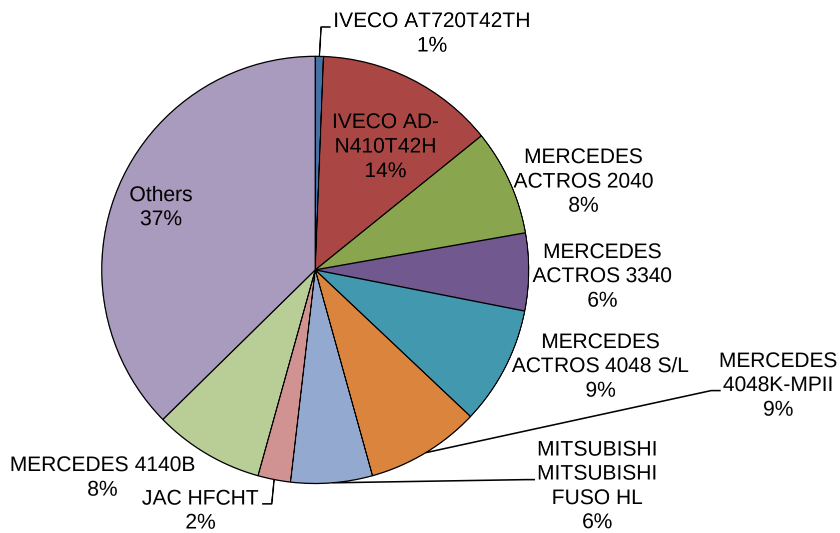
Trucks Models Market Share By Segment YTD 10 in Volume



Pickup Segment
8111



Light Medium Trucks Segment
2404



Heavy Trucks Segment
324

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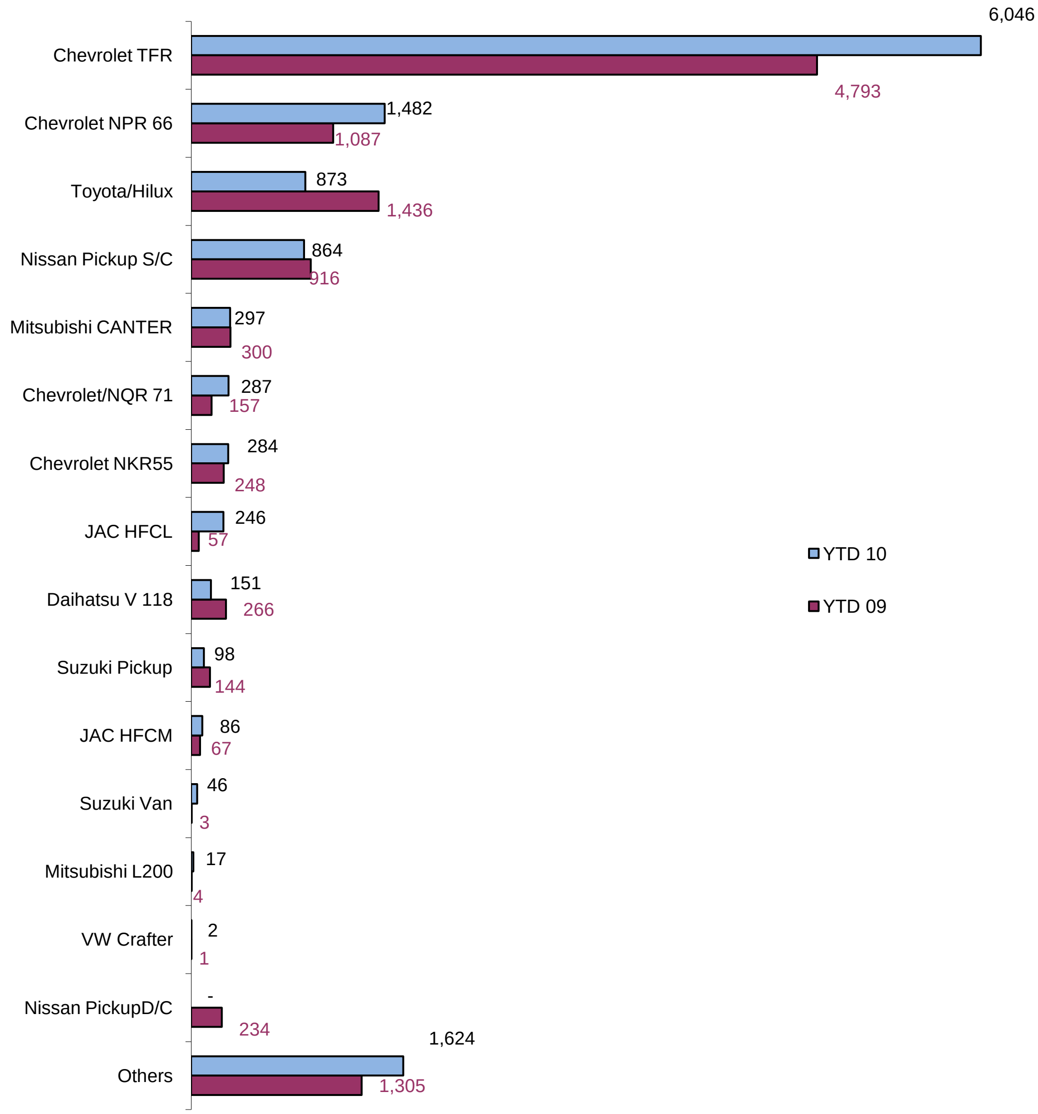
Trucks by Model YTD 2009 – YTD2010 in volume



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3. MONTHLY NEWS FLASH 15TH TO 15TH

3.1 EGYPT MACRO FLASH

PETROLEUM MINISTER TO REVISE ENERGY SUBSIDIES

Source: Zawya, April 19, 2010

A senior government official indicated that the Prime Minister has asked the Minister of Petroleum to present several scenarios involving a reduction in subsidies on energy products within one month for review by the Cabinet, reported Al-Masry Al-Youm.
The objective of the request is to reduce the size of energy subsidies, which are expected to reach LE 62 billion in the fiscal year, around 80 percent of total subsides in the budget.
Diesel is currently subsidized by LE17.5 billion, or 52 percent of energy subsidies, butane gas by LE 7.7 billion or 23 percent of energy subsidies, gasoline by LE5.7 billion or 17 percent of energy subsidies and natural gas by LE1.6 billion or 4.6 percent of total energy subsidies, according to the newspaper as cited by Beltone Financials daily market report.
The government is already planning to raise the prices of natural gas and electricity for non-energy intensive industries in July 2010. The move is not expected to have a significant impact on companies in these industries, but could raise average annual headline inflation from 11 percent to 13 percent.

MINISTRY OF TRADE CHANGES EXPORT REBATE SYSTEM

Source: Daily News, April 26, 2010

The Ministry of Trade and Industry has decided to start in July 2010 applying the new methodology for granting export rebates (also considered a form of subsidy) using a value-added-based system, reported local newspapers.
The current system grants exports a percentage of their value in rebates, according to Beltone Financial's daily market report.
Different industries benefit from the export rebate system, including textiles and some manufacturing industries. The change in methodology aims to encourage the use of local components in production.
The Export Development Fund, disbursing the subsidy, has a budget of LE4 billion.

SUDAN CUTS TARIFFS BY 80% ON EGYPTIAN GOODS

Source: Beltone, April 27, 2010

The Sudanese government agreed to implement the Arab Free Trade and COMESA free trade agreements on Egyptian products exported to Sudan, cutting customs rates on 53 Egyptian products by 80%, following three months of negotiations, reported Al Ahram newspaper. The products subject to the lower tariffs include vehicles, furniture, appliances, food products, textiles and apparel. The Sudanese government had previously exempted five products from customs duties in 2004, out of the 58 Egyptian products which it taxes.

CHINA CURBS COMMODITY EXPORTS TO EGYPT

Source: Arab Finance, April 27, 2010

China is taking steps to curb the shipment of goods to Egypt, according to the state-run General Organization for Export and Import Control (GOEIC) (link here).
The move comes as part of a deal between Egypt and China aimed at imposing tighter control measures on the bilateral commodity trade, reported Al-Masry Al-Youm.
GOEIC chief Mohamed Shafiq told the newspaper that China had halted the shipment of Egypt-bound cargos from July to December of last year. He went on to say that both sides had agreed that the GOEIC would be notified every six months about blocked shipments.
Shafiq explained that, according to the terms of the agreement, goods exported to Egypt would be monitored by the Chinese government so that the latter could verify that all goods listed on shipping lists and those prepped for export were the same. This, he said, was in order to combat smuggling.

3.2. AUTOMOTIVE INDUSTRY LOCAL NEWS CLIPS

New Buses save 250 Million EGP

Al Sayarat -Al Ahram – 7th of May 2010

Mr. Salah Farag, CEO of the public transportation body, have declared that the new buses which are operating in Cairo area will be saving 250 Million EGP over the coming 3 years which is representing 30% of the subsidy given to the transportation body which adding to a yearly amount of 690 Million EGP this year.
He also added that due to the bad traffic situation in Cairo, the buses are only doing 6 rounds instead of 10 daily and transport around 3.2 Million passenger daily.
He also added that the new buses, which are running, now are 200 units and another 300 units will be added in next October.

Nissan Egypt celebrates 5 years in Egypt

Al Sayarat -Al Ahram – 7th of May 2010

Nissan Egypt is celebrating five years in Egypt by launching a large maintenance campaign from Saturday the 8th of May till Tuesday the 8th of June 2010.
Knowing that Nissan Egypt is owning the only Nissan training center in North Africa.

El Rawas and Mitsubishi

Al Sayarat -Al Ahram – 7th of May 2010

New negotiations round will be held between El Rawas and Mitsubishi Dubai, to re-discuss the possibility of renewing the agency contract after responding to the main request of Mitsubishi which is mainly renovating and maintenance centers.

Mazda is back to the Egyptian market with GB Auto

El Sayarat -Akhbar El Youm– 8th of May 2010

GB auto is considered the exclusive agent of Mazda in Africa and the middle east.
Mazda will witness a new era in the Egyptian market after signing the exclusive agreement with GB auto, which will assure after sales services through a new service center in "Abu Rawash", few KM away from Hyundai after sales service center. In addition a hotline 16670 will be available to answer all client requests and questions 24 hours 7 days a week.

A test Drive for Wrangler Unlimited 2010

El Sayarat -Akhbar El Youm– 15th of May 2010

A test drive for Wrangler Unlimited 2010 in Sinai mountains area "Wadi bawbaw" which is blocked by rocks.
For 6 hours over a distance of 10 KM covered with rough rocks and very difficult track the Wrangler Unlimited proved to be more than adequate for such very difficult tracks.