

# What will fuel the auto sector in the next ten years?

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The future of the auto industry in the next 10 years lies in responding to the new sociodemographic needs and focusing on growth in the emerging countries



# Long-term dynamics

# Demographics will determine buying patterns

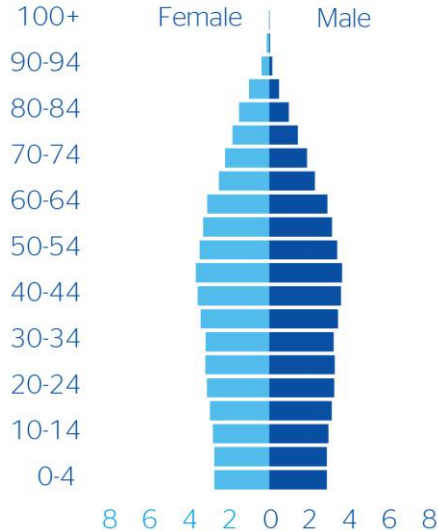
As population matures and ages,  
**young people are no longer predominant**

**Urban population** to double and reach almost  
**4 billion** by 2025,  
leading global activity

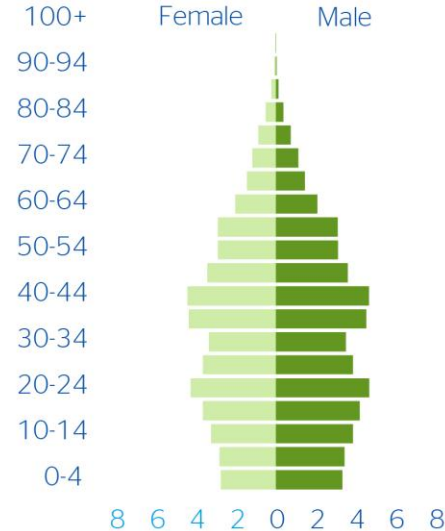
**2.5 billion new middle-class** between  
2000 and 2025, up to  
60% of total population

# The composition of populations are changing

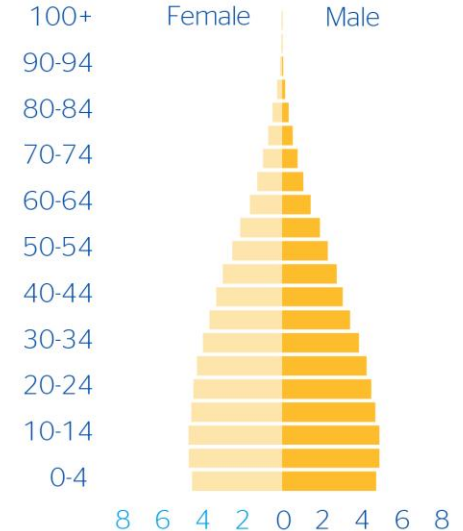
## G7



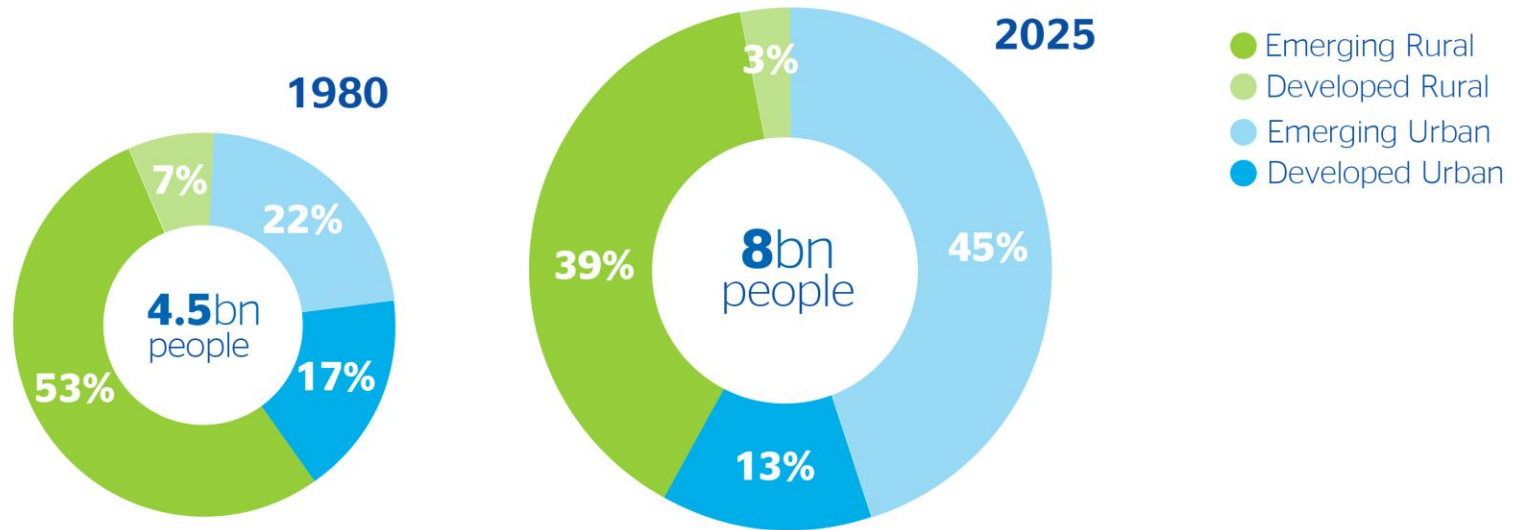
## China



## Latin America

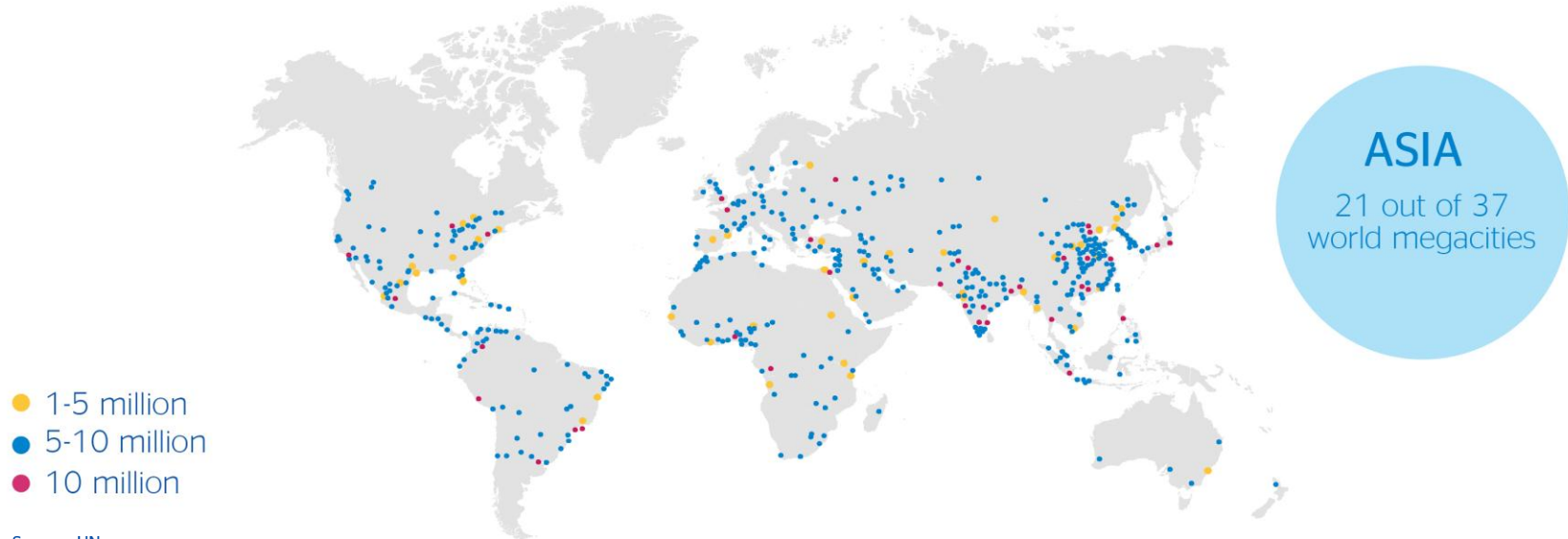


# Over 50% of the world's population will live in urban areas



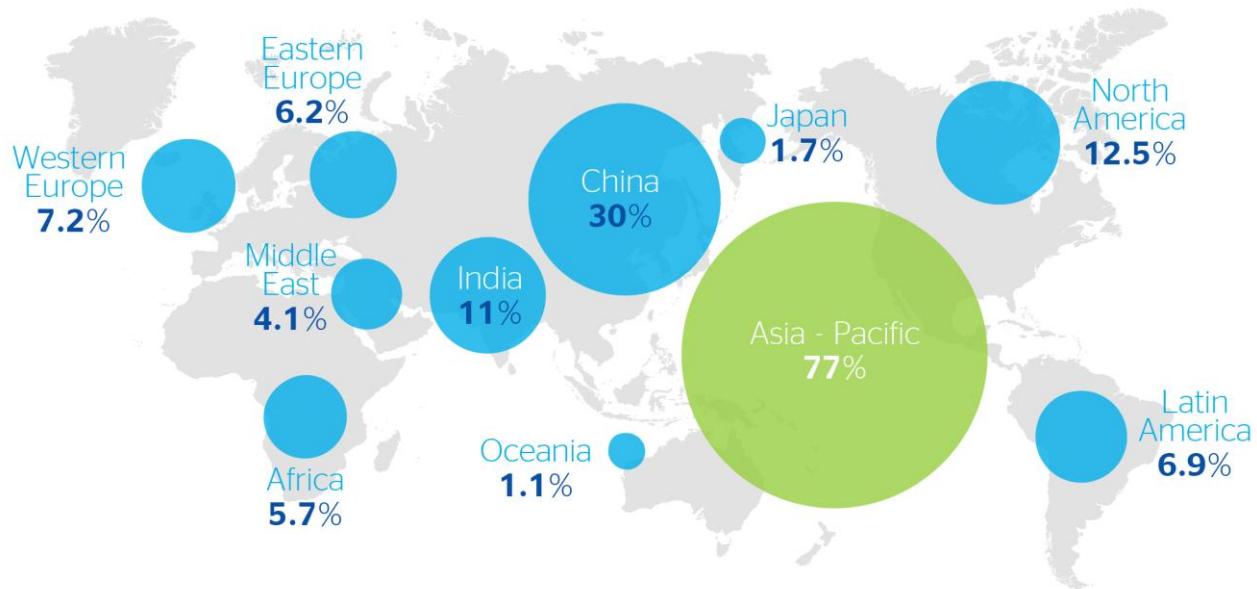
"EAGLEs Economic Outlook. Annual report 2013", March 2013  
Source: UN

# By 2025 there will be 37 megacities, most of them in Asia



Source: UN

# The “axis” of the world is changing

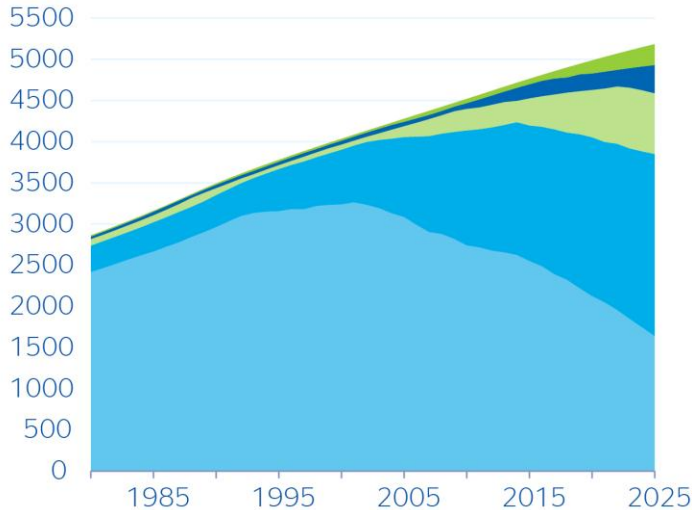


Source: BBVA Research, IMF/WEO

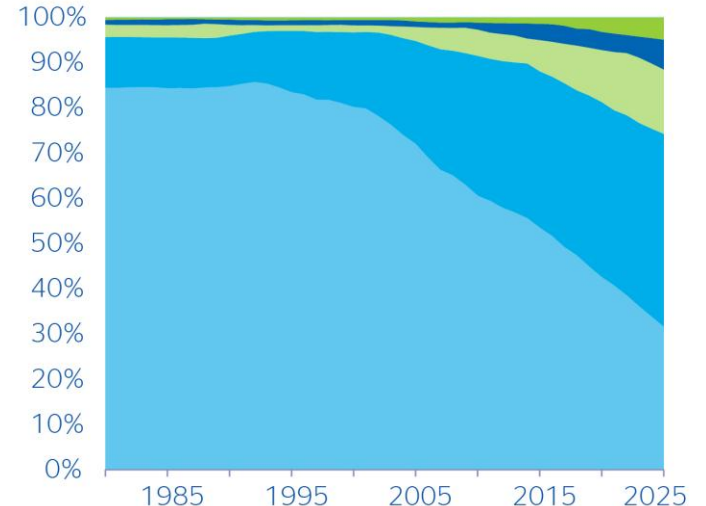


# The middle classes are becoming predominant in emerging countries

Population (millions)

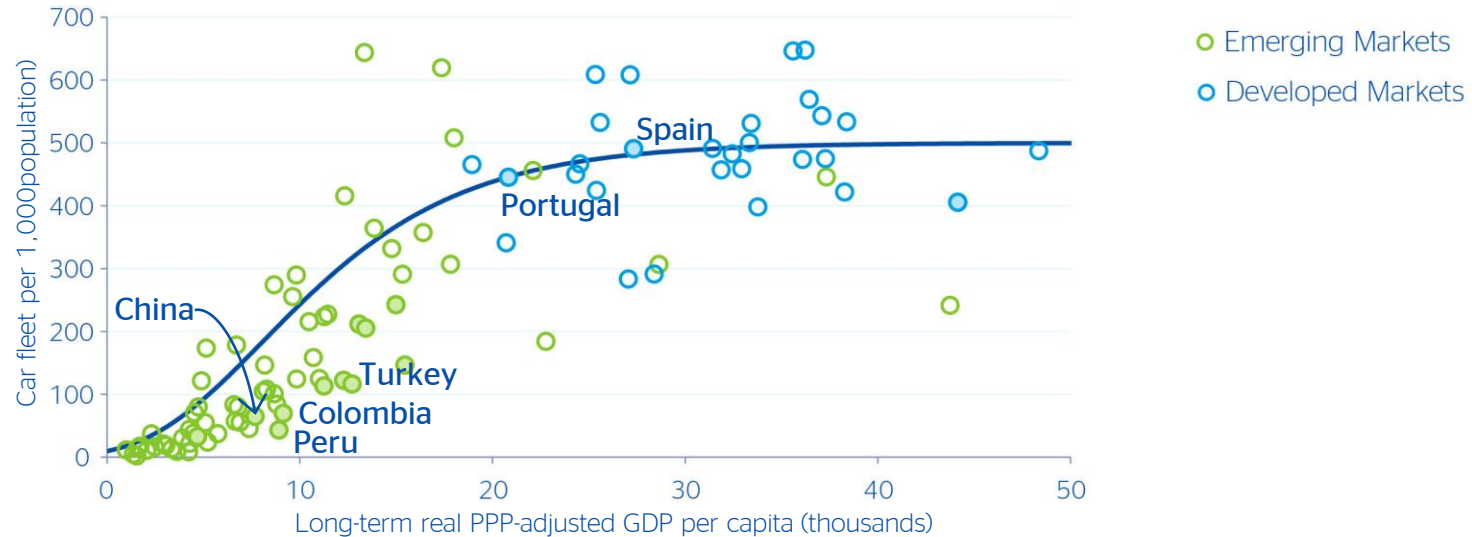


Population (%)



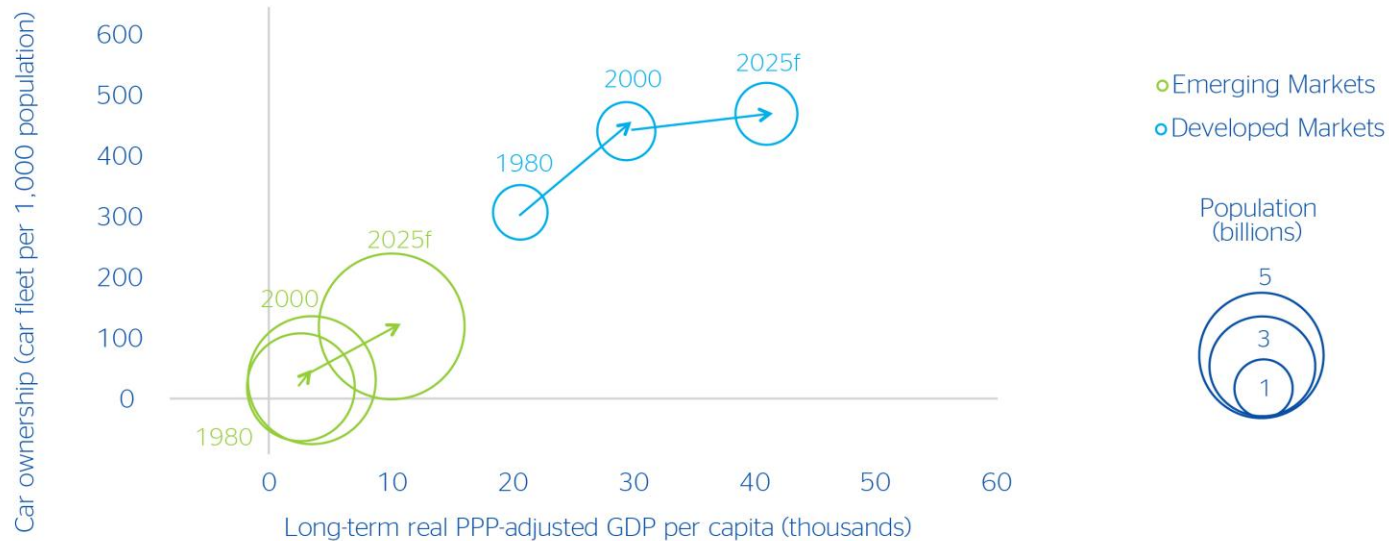
Source: BBVA Research, World Bank, UN

# Car ownership and economic development: current situation



Source: BBVA Research, World Bank, UN

# Car ownership and economic development: in the next 10 years



f: forecast  
Source: BBVA Research



# Short-term dynamics

# The current crisis has hit developed countries hard

GDP per capita decrease



Source: BBVA Research, IMF, World Bank

**80s-90s**

Countries below the highest level of income

**Long-lived**

**Current crisis**

Highest-income countries

**Not ended**

# Each country is exiting the crisis differently

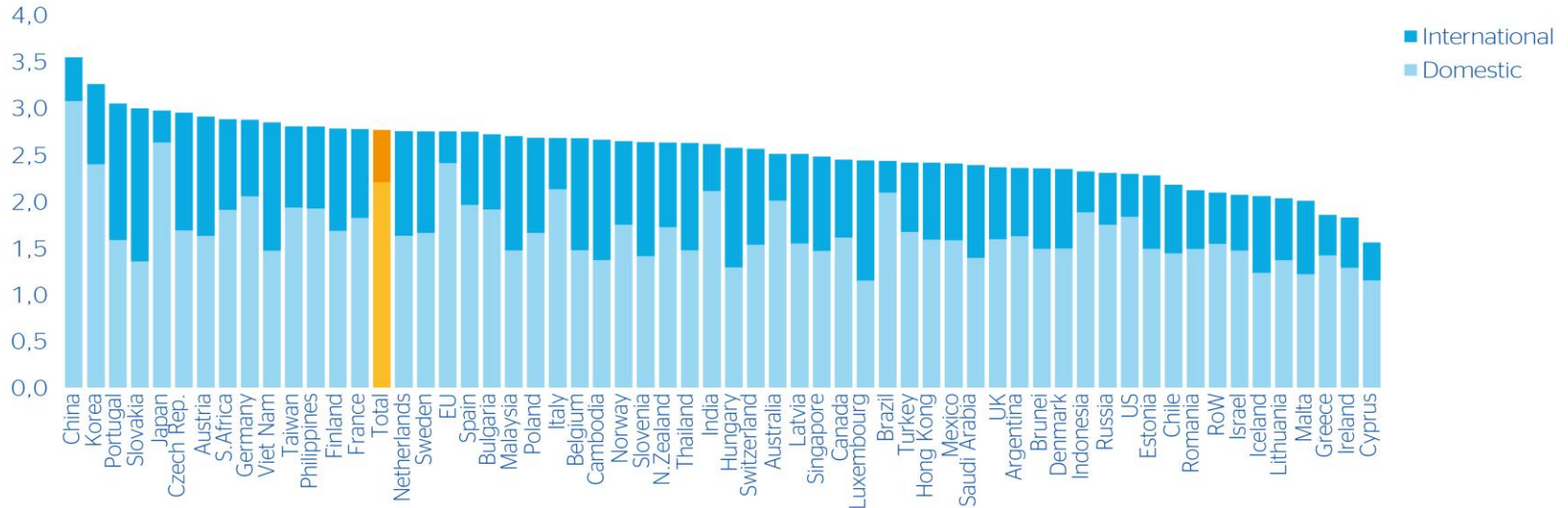
## Economic growth (cyclical comparison)



Source: BBVA Research, World Bank, IMF and Angus Maddison

# Trade protectionism unlikely on potential counterproductive effects (automobile)

Index of the number of production stages for transport equipment by country (2009)



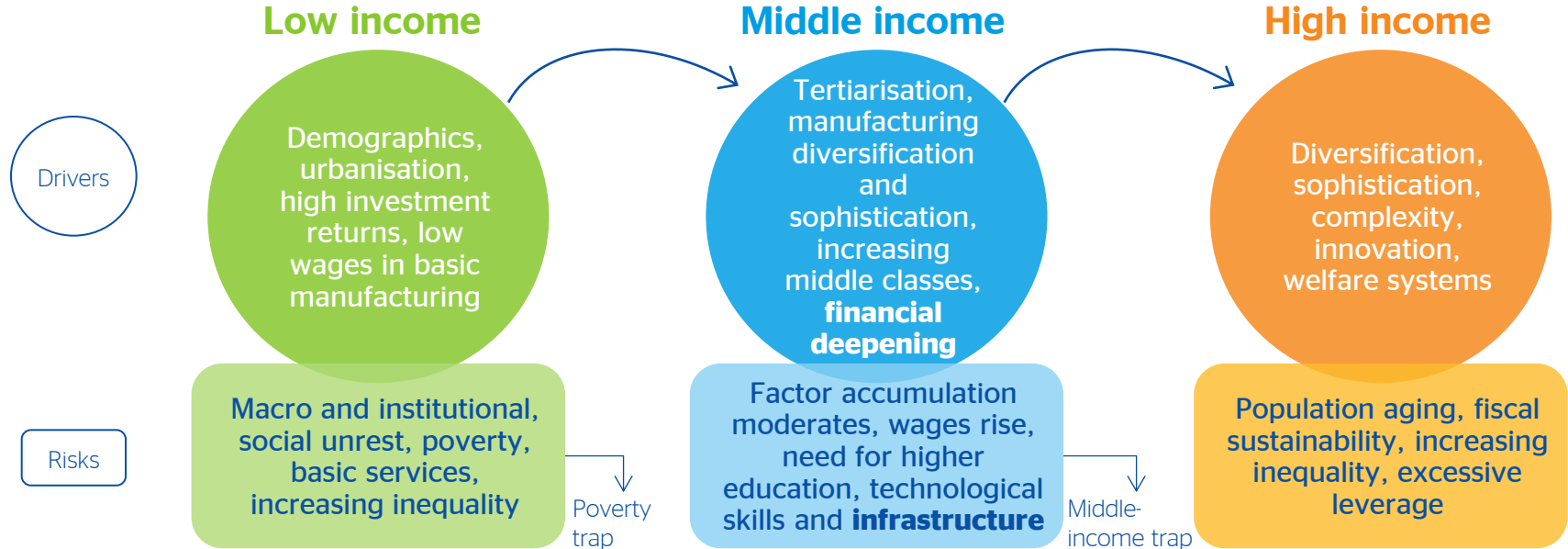
Source: OECD



# Challenges for the industry

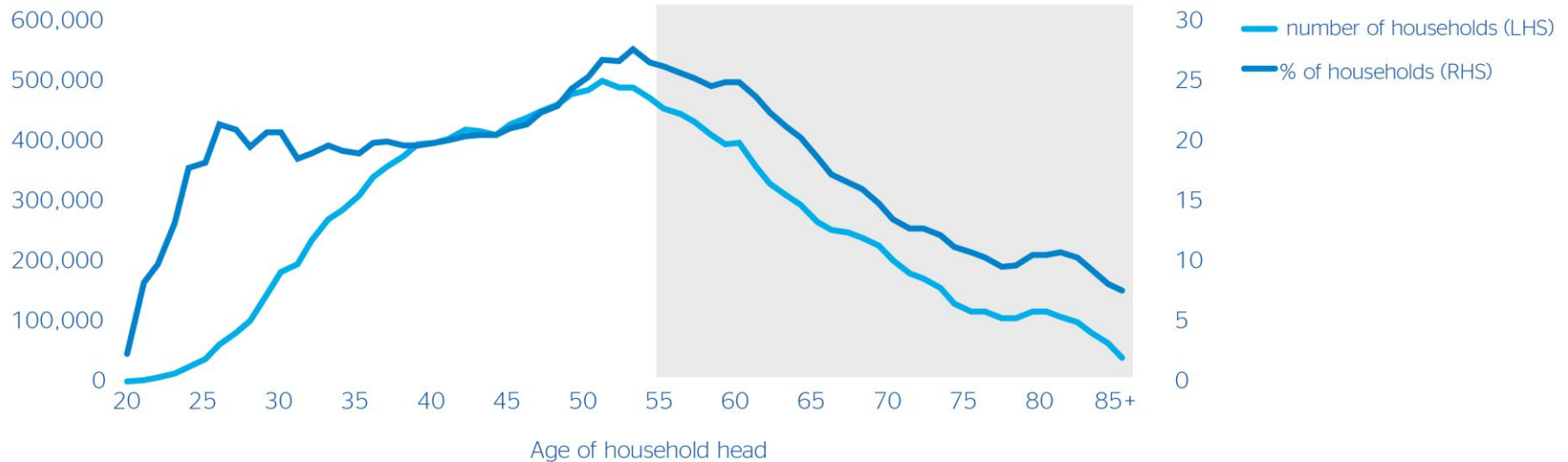


# Findings and lessons from income transition in the countries



# How to retain demand from younger customers

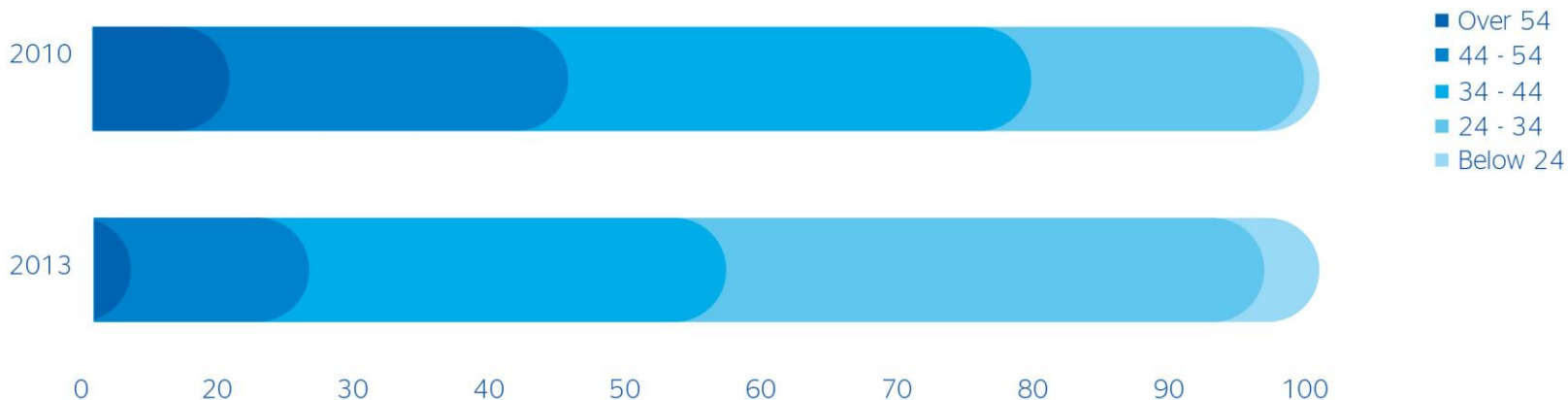
**Spain: distribution of vehicle-purchasing households by age of the head of the family (2013)**



Source: BBVA Research based on INE

# What do new consumers want?

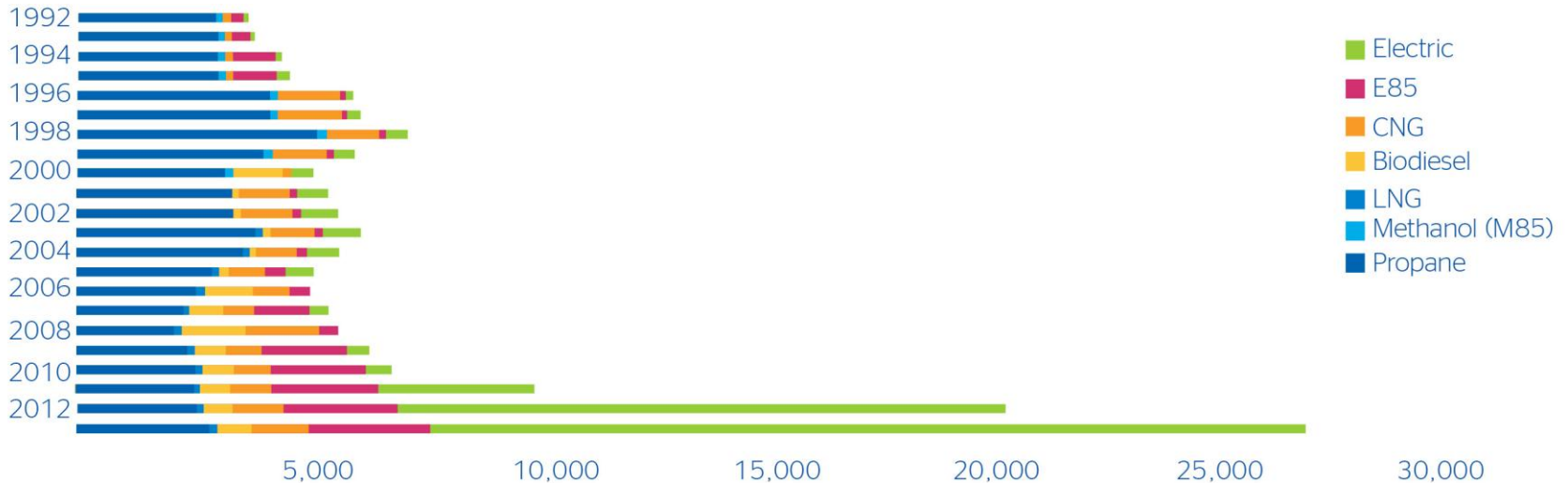
Survey: composition of car purchasers by age group (% , China)



Source: Media reports citing Autohome.com.cn survey

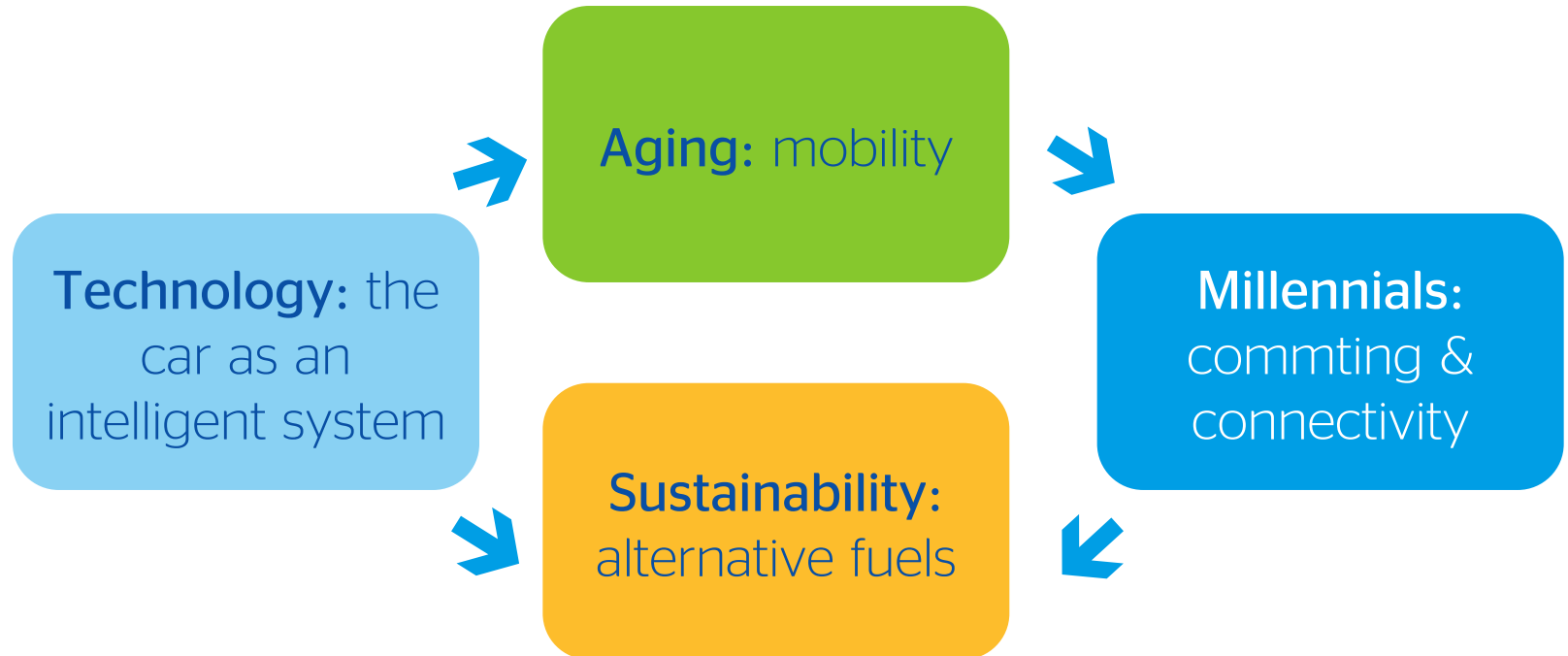
# Environmental issues

## Alternative fuel stations in the US



Source: Alternative Fuels Data Center (AFDC)

## More than mechanical sophistication



A blurred background image showing two people, a man and a woman, in a professional setting. The man is in the foreground, seen from the back, wearing a white shirt. The woman is behind him, looking towards the camera with a slight smile. The overall tone is light and professional.

# Conclusions



## Conclusions

Demographics are key to the evolution of the industry

The expansion of the middle class in emerging countries will result in an explosion in the sector

Relevance of the automotive sector: competitiveness

Technology

In the next 10 years, the industry needs to focus on the emerging countries, given the expansion of the middle classes and their development into more urban societies



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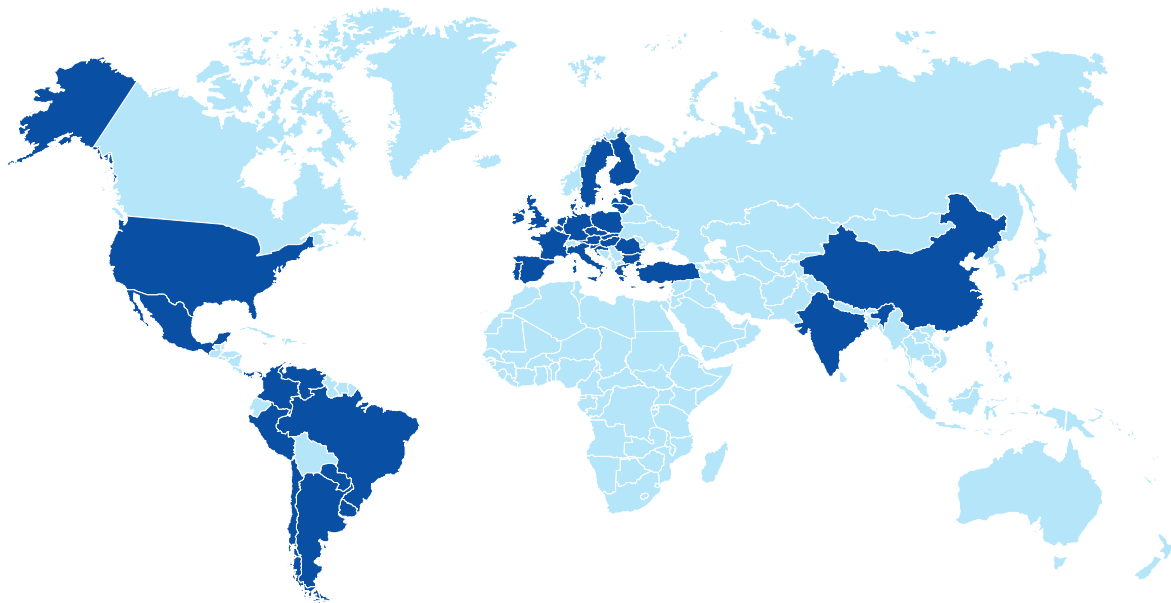
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economies

Emerging  
economies

Global  
scenarios

Financial  
systems and  
regulation

Analyze the world's principal geographic areas and their key economic activities



Economics

Industries

Geostrategic

Financial

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