

Dramatic Increase in the Auto-Financing Sector in China as Number of Consumer Vehicle Ownership Grows

Research and Markets are delighted to announce the addition of Automotive Financing in China: Market Analysis to their offering

([PRWEB](#)) February 14, 2004 --This report deals with the auto-financing sector in China as it emerges in tandem with growing consumer vehicle ownership and reforms in the financial services market. This report does not cover vehicle leasing but consumer loans to individuals wishing to purchase cars.

The report covers the follows

1. Market Definitions
2. Key Facts
3. Core Contents
4. Company Profiles

1. Market Definitions

Auto financing loans are effectively the only way for Chinese consumers to purchase cars, unless they have significant savings or can call on family money. They have been available in China since a pilot auto financing programme was established by state-owned banks in China in May 1996.

Whether or not a desire for auto financing is growing among consumers in China, it remains highly restricted and regulated. However, as part of the World Trade Organisation (WTO) accords signed in November 1999 foreign auto financing in China is part of the wider trade agreement meaning that Chinese consumers will potentially be able to utilise similar financing options to those seen in Europe and America at present - that is to say a mixture of financing through banks, car manufacturers and other financial services providers.

WTO will mean that, apart from the Chinese banks already providing auto financing, within five years of ratification both foreign banks and car manufacturer credit institutions will also be allowed to offer auto loans to Chinese consumers.

2. Key Facts

Auto financing in China is a relatively new sector that reflects the growing ability of a small percentage of Chinese consumers to purchase vehicles. Despite growth auto financing loans remains a small component of Chinese banks overall loan portfolios.

However, growth has occurred with the market growing by over 460% since 1996 to US\$1 billion in 2000. At present auto financing loans account for approximately 15% of all new vehicle sales.

Auto financing has not followed the general development of consumer sales and general financing in China. While 1999 saw a slump in overall retail sales in China, auto financing saw its most significant growth at over 70% year-on-year.

Four of China's largest banks are the major lenders for auto financing at present. Despite the introduction of some new arrangements and offers in 1999/2000, the four major banks remain the dominant lenders.

3. Core Contents

- Details of the auto financing industry in China and its development
- Analysis of the market size for auto financing by loans issued
- Details of the domestic banks providing auto financing arrangements
- Forecasts of the market to 2005
- Data on overall vehicle sales and projected sales
- Profiles of foreign manufacturer financing companies seeking to enter the market.
- Relevant government ministries, trade associations and trade fairs/exhibitions.

4. Company Coverage

Agricultural Bank of China
Bank of China
Bank of Shanghai
China Construction Bank
China Minsheng Bank
CITIC Industrial Bank
Ford Motor Credit
General Motors Acceptance Corporation
Industrial & Commercial Bank of China
People's Bank of China
Shanghai Pudong Development Bank
Volkswagen Finance

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