



The first appearance of Mitsubishi XM Concept, earlier in April at the [IIMS](#) event, that is expected to launch as Mitsubishi Expander in the next [GIIAS](#) event in August.

- Threat of new entrants: The alliance of Renault-Nissan-Mitsubishi
- Uber and Grab's contribution to 4W market
- Total domestic 4W and 2W sales performance in 5M 2017 yoy
- Astra Honda now have 75% of 2W market share

Remember the success of Honda in penetrating the 4W market in the last 3 years, with its Mobilio and BRV series? Now we see another potential rivalry in the MPV segment coming from the alliance of Renault-Nissan-Mitsubishi, where Mitsubishi as new entrant in the segment is expected to launch the Expander series in [GIIAS](#) event in August. Speculations also arise that Expander will be followed by [Nissan's parallel product](#) that is currently still unnamed. Given the newly integrated production system of Nissan and Mitsubishi, and also the vision to increase penetration in ASEAN market, we see this scenario could increase bargaining power of buyers, as the threats of substitutes arise.

Figure 1: Indonesia Total Domestic Car Sales

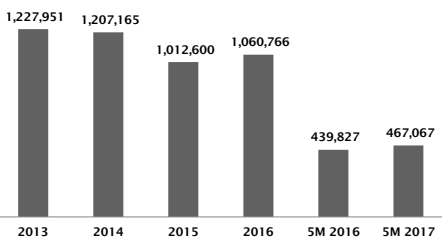


Figure 2: Indonesia Total Domestic Motorcycle Sales

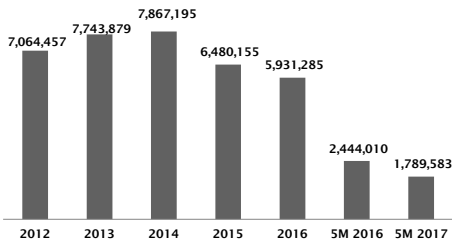


Figure 3: Astra Honda 2W Unit Sales

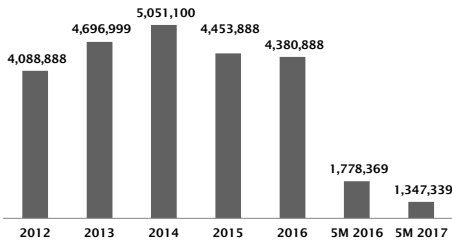
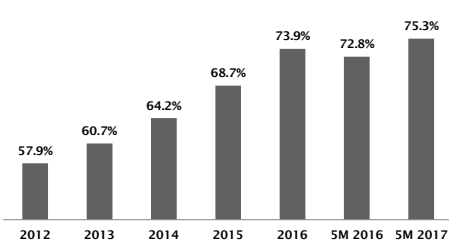


Figure 4: Astra Honda 2W Market Share



Indonesia Domestic 4W Market Leaders

	Toyota	Daihatsu	Honda	Suzuki	Mitsubishi	Nissan
2013	434,869	185,942	91,493	164,003	157,352	61,119
2014	399,746	185,226	159,147	154,923	141,962	33,789
2015	322,506	167,808	159,253	121,667	112,527	25,108
2016	382,618	189,683	199,364	92,950	97,761	13,153

Domestic car sales in [5M2017](#) grew 6% yoy, from 439,827 units to 467,067 units (*Figure 1*). Other than some potential new products that are expected to be launch in the next [GIIAS](#) event, we expect [Uber Showroom](#) and [Grab Car Gold Driver](#) Program could continue its positive contribution to the market, where Avanza and Xenia are still the favorite among drivers, given its durability and stable secondary market price.

Different things happen in domestic motorcycle sales, where it declined 27% to 1.8 mn units in 5M2017, from 2.4 mn units in the same period last year. Astra Honda managed to increase market share to 75% (*Figure 4*) although unit sales fell to 1.3 mn units in 5M2017, from 1.8 mn units in the same period last year (*Figure 3*).

Going forward, we expect domestic 4W and 2W market in June and July to weaken after the holiday season which reduces number of working days significantly that we anticipate to have an impact on the dealers' sales performances. However we also believe that the [GIIAS](#) event in August will bring a positive growth in the market until the end of year.

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