

Automotive Remanufacturing Business Climate (ARBC) Q3/2020.

Stable market situation despite pandemic.



INDEX Q3/2020

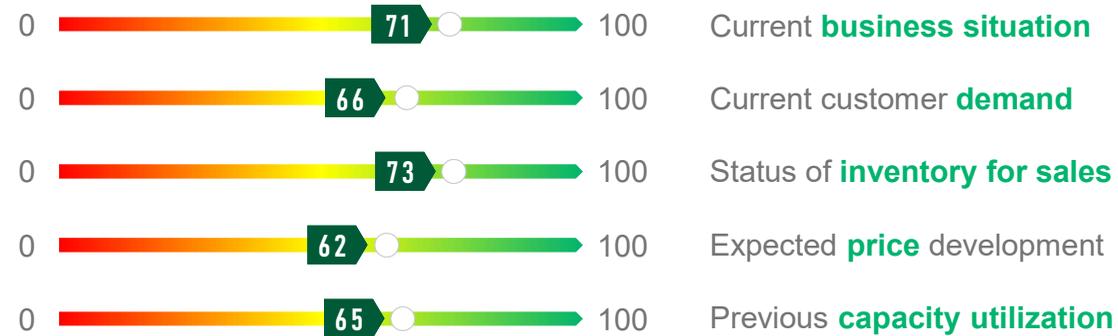
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Despite the extensive influence of the COVID-19 pandemic that has marked this year, the overall market situation of the automotive remanufacturing industry appears to be stable in the third quarter of 2020. Nevertheless it can be assumed that the pandemic also caused severe cuts in the after-sales business, such as through new hygiene regulations or reluctance of customers.

CONCLUSION

The Q3/2020 ARBC achieves a respectable result – especially considering the current situation, which is characterized by the COVID-19 pandemic. The spare parts market and remanufacturing companies are in a relatively stable situation and seem to be suffering comparatively little from the pandemic, unlike many other industries. Logistics and supply chains are functioning and have not led to any major restrictions on operations. It remains to be seen how the situation develops and whether the longer-term effects of the pandemic will affect the industry.

BUSINESS SITUATION



CHALLENGES

The **COVID-19 pandemic** represents a major **uncertainty** in the industry, with various possible effects, for example on investment decisions, global supply chains and operating models. The increasing **digitalization**, growing influence of **e-mobility** and increasingly dominant role of **E/E components** in automotive products reinforce the **complexity** for industry professionals and can be both risk or opportunity for those. In addition, there is a growing **awareness of sustainability** in society and a tightening of sustainability aspects in **legislation**, reinforcing the importance of remanufacturing.

ABOUT THE PROJECT

The Automotive Remanufacturing Business Climate (ARBC) is a new project launched in 2020 by APRA Europe with Kemény Boehme & Company GmbH (KBC). Through the recurring survey with industry professionals, an overall indicator is being developed, aimed to explore the current situation and future prospect of the automotive remanufacturing market.

The survey will be delivered on a six-month basis to provide industry professionals a regular indicator that allows to find divergences and parallels between the general market conditions and their own situation. From this, implications for specific measures to further improve business operations can be derived.

If you have any questions, thoughts or doubts please let us know!

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Further information.



METHODOLOGY

The survey was conducted in the third quarter of 2020 over a period of three months with professionals of the automotive remanufacturing industry, such as remanufacturers, solution and service providers, core and spare parts suppliers as well as wholesalers, distributors and core dealers.

Different factors were evaluated with a time horizon of +/- 6 months. The evaluation of the current situation and expected development were weighted to reflect the overall industry index (see right), while the retrospective view serves to estimate the overall development. The assessment of the current situation counts for 70% in the industry index and the forecast for 30% respectively.

Index evaluation

	Current	Future
1. Overall business situation	30%	30%
2. Overall customer demand	30%	30%
3. Status of inventory of products for sales	40%	-
4. Number of employees	-	20%
5. Price development	-	20%
Index	70%	30%

ABOUT US

The Automotive Parts Remanufacturers Association (APRA) represents the interests of automotive remanufacturing companies since 1941. APRA's Europe Middle East Africa division (EMEA) is well-known as APRA Europe and based in Brussels, Belgium. The association's approx. 600 members worldwide are primarily **tier 1 suppliers** and independent **remanufacturers** as well as **core brokers**. Together with the FIRM association APRA Europe represents approx. two-thirds of all employees in the European automotive remanufacturing industry. APRA Europe promotes remanufacturing as an integral part of the **circular economy** and represents the **interests of the industry**, including **free trade**, an **independent aftermarket** and **legal certainty**. Remanufacturing is the highest form of recycling and should therefore be actively promoted by politicians, law giving institutions and companies. Members benefit from the organization's **close integration with other industry associations**, receiving **guidance and support** for business matters. APRA Europe also holds its own conferences and other events to bring together supply and demand – for the benefit of each. Further information: www.apra.org/europe

Kemény Boehme & Company GmbH (KBC) is a mid-sized management consultancy based in Munich with a heritage in the **automotive industry** providing solutions for technology-oriented industries and products throughout Europe and further afield. KBC addresses the entire **value chain** from product development, procurement and production to quality, after sales and total lifecycle optimization. KBC successfully supports companies in the area of **remanufacturing** - from the development of the corporate strategy to the design of core processes and portfolios up to the successful rollout. In addition to **developing and implementing content and solutions**, KBC also provides **proactive program and project management** and **digitalization services** to their clients. Further information: www.kbc-consultants.com