

The Japanese economy is expected to recover at a rather moderate rate of approximately 3% this year, driven mainly by strong export growth in the context of the recovery in global trade.

We expect strong growth momentum in China as the recovery in private consumption is steadily gaining pace, while industrial production and exports continue to rise. Based on a recovery of the labor market and improved consumer sentiment, consumption is likely to contribute significantly to the expected growth of more than 8% this year. Against the backdrop of this robust development, the Chinese government is likely to gradually scale back its fiscal and monetary support measures.

The emerging markets as a whole will also recover noticeably this year, whereby the positive effects of coronavirus vaccinations are only likely to materialize with a certain delay compared with the industrialized countries. The Asian region is likely to recover most strongly, even though the growth momentum in the various countries is likely to remain disparate. In contrast, the recovery of Latin American and Central and Eastern European economies is expected to be significantly more moderate. The countries of the Middle East are likely to benefit from a slight recovery of the oil price, but in a long-term comparison, the oil price will remain moderate according to current estimates. Taken together, the emerging economies should achieve overall growth in the region of 6% in 2021.

Overall, the world economy is likely to experience a strong recovery in 2021 with growth of about 5%, thus expanding at a pace that is well above average by long-term standards.

## Automotive markets

On the basis of the assumed economic recovery, a significant increase in worldwide **demand for cars** is to be expected in 2021.

The European market is likely to grow significantly compared to the very weak level caused by the crisis last year. We expect a significant increase in car sales also for most of the large individual European markets.

Light vehicle demand in the US market is expected to recover significantly following the sharp decline in the previous year. The Chinese car market, which developed better than most of the other major sales markets last year, is expected to expand slightly this year.

We also expect **demand for vans** to improve significantly compared with the previous year. In the EU30 region (the European Union, United Kingdom, Switzerland and Norway), significant growth is expected in 2021, both in the combined market segment of mid-size and large vans and in the market for small vans. In the United States and Brazil, demand for large vans is also expected to be significantly stronger than in 2020. In China, we expect the positive development in the mid-size van segment to continue with further significant market growth.

The economic upturn should also result in a better development of demand in key **truck markets**.

In North America, we assume that the market for heavy-duty trucks (class 8) will expand significantly. Significant growth in demand for heavy-duty trucks is anticipated also in the EU30 region. We expect slight expansion in the Brazilian market, while a market volume at the prior-year level is likely in Japan.