

Southeast Asia Automotive Financing Market to Hit a Sales of US\$ 16.34 Billion By 2031

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/EINPresswire.com/ -- The [Southeast Asia \(SEA\) automotive financing market](#) revenue was US\$ 9.46 billion in 2022 and is projected to attain a valuation of US\$ 16.34 billion by 2031, growing at a CAGR of 6.33% during the forecast period from 2023 to 2031.

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The growth of the nation's economy, improvements to the nation's road infrastructure, and a sharp rise in export revenues and trading partners have propelled Southeast Asia's automotive financing market into its mature stage. Banks and Captives, which are 90–100 years old and provide a range of finance services, are the dominant players in the market.

In addition to increasing disposable income, the region's urbanization has raised consumer demand for automobiles. Due to the fact that many consumers choose to finance their car purchases rather than paying cash, there is now considerable demand for automotive financing solutions.

The market is expanding due to the switch from ICE to EV and fast digitization. Internal combustion engines are being phased out of the market owing to electric vehicles' improved energy efficiency, low cost, and environmental friendliness. As a result, EVs are currently favored in Thailand over ICE cars. Online car sales have transformed into a "one-stop-shop" experience that offers buyers guidance and customization. On average, 38% of consumers in Southeast Asia want to buy a more fuel-efficient car than they had anticipated before COVID-19. More than 40% of consumers in Indonesia, the Philippines, and Thailand have indicated that they want to follow this trend.

4 Wheelers Vehicle to Generate About US\$ 11 Revenue



Four-wheelers are likely to dominate the automotive financing market in Southeast Asia (SEA). The 4-wheeler sector is anticipated to earn over US\$ 11 billion in revenue by 2030, continuing to hold the majority of the market. This growth is due to improvements in infrastructure, an increase in disposable income, and shifting consumer preferences. The continued demand for 4-wheeler finance would be advantageous for financial institutions and lenders.

Banks are the Major Providers of Automotive Financing in Southeast Asia

Banks are anticipated to maintain their dominant position in the market and are likely to generate more than US\$ 8.52 billion by the end of the forecast period. Their established presence, substantial customer base, and reputation in the financial industry all contribute to their domination. Due to the lower interest rates they offer to their customers, banks are dominating the source-type section of the automotive financing market. With faster turnaround times and a lower incidence of loan refusal, car financing penetration across banks has also improved in the previous two quarters.

Thailand Generated Sales of About US\$ 3.37 Billion in the Southeast Asia Market

In terms of revenue contribution, Thailand, the region's largest automotive financing market, occupies a strong position. In 2022, Thailand contributed significantly to the regional market, capturing about US\$ 3.37 billion. This significant donation demonstrates the nation's strong need for automobile financing solutions.

Thailand's auto loan industry has had a substantial impact on the growth of the national economy. For instance, Toyota Motors Thailand's Sales Volume Report shows that 523,770 vehicles were sold on the domestic market.

Additionally, the Thai government has put supporting regulations and incentives in place to encourage the automotive sector, which has further driven the market. These programs encourage people to choose auto finance by offering tax breaks, loan subsidies, and palatable interest rates.

Commercial vehicle demand will increase owing to continuous government investment, growth in online shopping, and logistics. The nation's automakers intend to boost demand by introducing new models, which will include both internal combustion engines and electric vehicles. As a result, Thailand will be able to export more cars to the rest of the region thanks to the expanded trade opportunities provided by the present ASEAN Free Trade Area agreement.

Competitive Landscape

The market is still in a growing phase and is expected that competition will get more intense during the forecast period. To strengthen their position in the market, prominent firms are using a variety of tactics, including alliances, joint ventures, mergers and acquisitions, and global

expansion. A growing subscription industry is changing market dynamics.

Report on the Southeast Asia Automotive Financing Market @- <https://www.astuteanalytica.com/industry-report/southeast-asia-automotive-financing-market>

Leading Players in the SEA Automotive Financing Market

- BNP Paribas
- Chase Auto Finance
- Honda Financial Services
- Hitachi Capital
- General Motors
- Ford Motor Credit Company
- Daimler Financial Services
- Volkswagen Financial Services
- Toyota Financial Services
- Standard Chartered Auto Financing
- DBS Car Loan
- Other Prominent Players

Segmentation Outline

The Southeast Asia automotive financing market segmentation focuses on Vehicle, Ownership, Providers, Vehicle Usage, Financing, End-Users, and Country.

By Vehicle

- 2 Wheeler
- 3 Wheeler
- 4 Wheeler

o LCVs

o HCVs

By Ownership

- New Vehicle
- Used Vehicle

By Providers

- Banks
- OEMs
- Others

By Vehicle Usage

- Commercial
- Private
- Heavy

By Financing

- Leases

- Loans
 - o Direct
 - o Indirect
- By End User
 - Individuals
 - Enterprises
- By Country
 - Malaysia
 - Singapore
 - Thailand
 - Indonesia
 - Vietnam
 - Philippines
 - Cambodia
 - Myanmar
 - Rest of SEA

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