

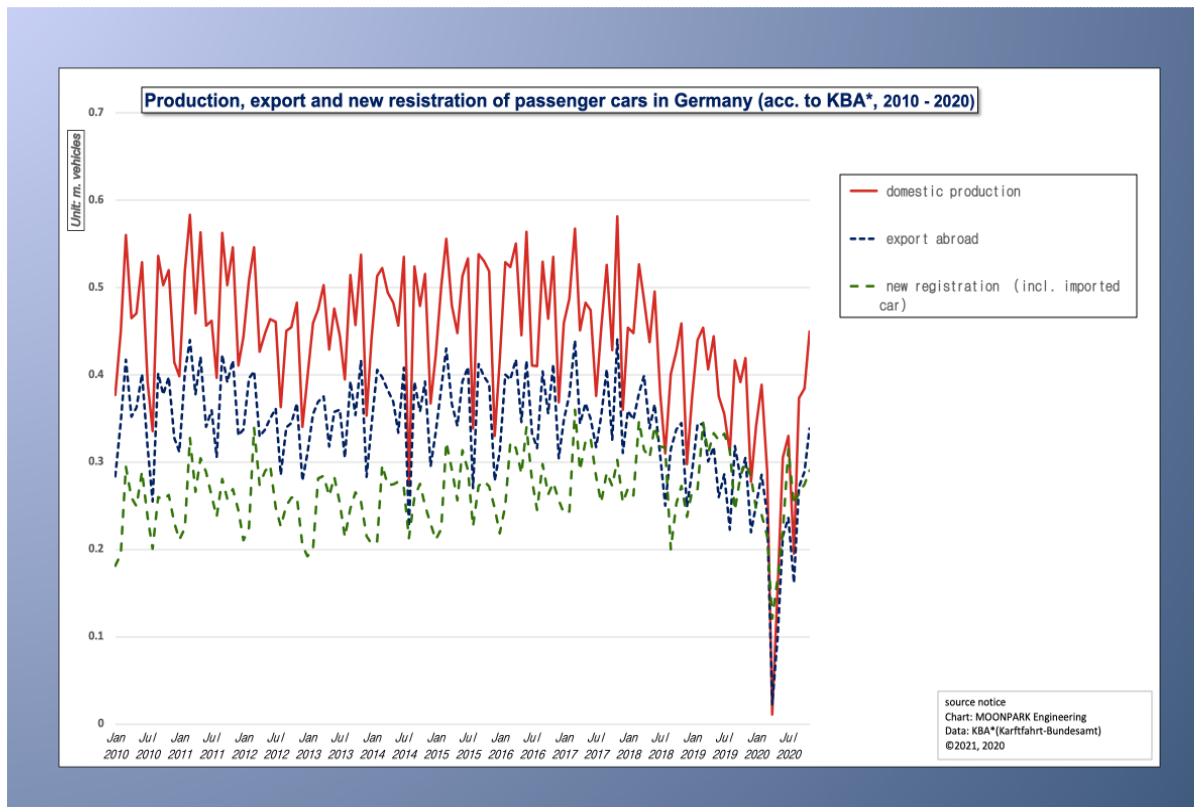
In 2020, the impact of Covid-19 through the year made it very difficult to predict the future prospects of the Global Automobile Industry. In the case of Germany, one of the major automobile industry in Europe, according to statistics from the Federal Motor Transport Authority (Kraftfahrt-Bundesamt: KBA), in the first half of 2020, there were 1.12 million new passenger cars registered in Germany. It decreased by 34.5% compared to the same period of the previous year. The production of passenger cars in Germany also decreased by 40%, only 1.5 million units during the same period. This registration showed the worst figure in 30 years after the reunion and the production volume in the last 45 years.

MOONPARK Engineering's chart (please see Picture 1 on the next page), based on the data from the German KBA, shows. In March 2020, the situation nearing suspension of production and registration for one month occurred in Germany due to the countermeasures to prevent the spread of Covid 19. The German government, which has taken that situation seriously, temporarily reduced the VAT from 19% to 16% for 6 months from July 1st and was able to return to the recovery level until the end of the year.

In this situation, the German government agreed to execute an unprecedented support finance in order to overcome the stagnation from the Covid-19 effect and at the same time support the technological development that has been promoted as a long-term plan.

At the 4th minister summit held on November 17th, 2020, the four ministers of the government agreed on and announced this special finance plan. The government will implement subsidies of more than 5 billion EUR from the beginning of 2021, which supports eco-friendly vehicles and infrastructure expansion for each sector of the automobile

industry, apart from the more large-scaled, corona relief financing for general economic stimulus from the corona crisis.



Picture 1: the change in monthly production, export, and registration of new passenger cars in Germany

It is generally expected that the automobile industry in Germany and Europe will continue to focus on the following major areas, during the Covid-19 impacted phase and in the post corona era.

The first is the development of an alternative energy source to avoid the use of fossil fuels. For the time being, the spread of electric vehicles is expected to form the basis, and further, long-term development and expansion of hydrogen-used power units, e.g., FCEV, which will be discussed in the next articles.

The second field is expected to be remarkable development of autonomous driving technology due to the rapid development of artificial intelligence, along with the spread of high-speed mobile communication networks for vehicles due to the establishment of the ICT industry infrastructure.

The next article will be continued soon...