

Press release

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CAPAS 2022 plays up Chengdu-Chongqing opportunities as Southwest auto industry hits the speed highway

Margaret Lee
Tel +852 2230 9262
Margaret.lee@hongkong.
messefrankfurt.com
www.messefrankfurt.com.hk
www.capas-chengdu.com
CAPAS22_PR1_ENG

Sitting at the heart of Southwest China, Chengdu and Chongqing's integrated resources offer an important regional transportation hub. The strategic alliance of the cities aims to promote economic growth, as well as facilitate trade and development in the surrounding areas. In 2021, an investment of RMB 1.57 trillion (approximately USD 250 billion) also aided 67 projects geared towards establishing infrastructure across the two cities¹. These activities are accelerating the advancement of the regional automotive industry in a mission to become a world-class auto industry cluster².

As one of six major automotive production bases in China, Sichuan and Chongqing house over 1,600 car manufacturers and auto parts companies, accounting for 12 percent of China's annual vehicle output². Capitalising on this solid industrial foundation, the two local governments aim to strengthen their strategic partnership in planning, technological development and infrastructure. Accordingly, forecasts reveal Chengdu-Chongqing could produce approximately three million vehicle units with a value of RMB 600 billion (approximately USD 95 billion) by 2025³.

Leveraging its strong position in the Southwest automotive aftermarket, the Chengdu International Trade Fair for Automotive Parts and Aftermarket Services (CAPAS) will spotlight opportunities arising from the collaboration in Chengdu and Chongqing. From 19 to 21 May, the eighth edition of CAPAS will convene more than 550 international and local exhibitors at the Chengdu Century City New International Exhibition and Convention Center.

The fair aims to nurture regional synergy through the returning **Chengdu-Chongqing Dual-city Economic Rim zone**. The area will unite leading companies from over 15 Sichuan cities such as CATL, Cowin Auto and LIBODE. Together, they will display a full range of auto parts in automotive manufacturing, electric vehicles and related products. Furthermore, to build closer ties with players in the region,

¹ Chongqing speeds up development in the Dual-city Economic Rim initiative, January 2022, National Business Daily, <https://qr.messefrankfurt.com/i3E6>. Retrieved February 2022.

² Sichuan-Chongqing work together to strengthen the automotive supply chain, promoting the region to become a top-notch automotive industrial cluster, April 2021, Xinhua News, <https://qr.messefrankfurt.com/Bj3n>. Retrieved February 2022.

³ Five signed agreement for Chengdu-Chongqing cooperation, December 2021, Chengdu Municipal People's Government, <https://qr.messefrankfurt.com/t9AC>. Retrieved February 2022.

Messe Frankfurt (HK) Ltd
35/F, China Resources Building
26 Harbour Road
Wanchai, Hong Kong

CAPAS will bring delegations to a number of major industrial parks in Chengdu and Chongqing.

Six other themed zones across 40,000 sqm will also draw attention to a full spectrum of aftermarket products and services. These include **New Energy & Connected Mobility, Parts & Components, Accessories & Customising, Repair / Supply Chain & Chain Stores, Commercial Vehicle** and **Tyres**.

Amplifying the commercial vehicle and logistics sectors

In efforts to shape an internationally-recognised transportation hub, the Chengdu and Chongqing government's recent work plan sets to establish wider connections with West China, Asia, and Europe⁴. This includes accelerating the construction of networks like the Chengdu-Chongqing Speed Highway, which will heighten demand in the logistics industry and the need for more commercial vehicles and fleets. In addition, the commercial application of autonomous driving expects to improve operating processes in the logistics industry. This will facilitate the transport of goods, worth an estimated RMB 14 trillion (approximately USD 2.2 trillion), through the region by 2025⁵.

In view of this, the **Commercial Vehicle zone** will feature **services** and **multinational brands**, as well as a lineup of carmakers, auto parts, distributors and software companies throughout the entire commercial vehicle supply chain. The zone will bring together the latest products, technologies and solutions for logistics and fleet management, including services for customisation, innovation and fleet transformation.

The fair will also host an array of fringe events delving into the parallel development of the commercial vehicle and logistics sectors. At the **Commercial Vehicle & Logistics Summit 2022**, industry leaders, carmakers, representatives from research institutions, tech companies and logistics associations will discuss the application of autonomous driving in commercial vehicles, and the use of connected mobility in fleets. Elsewhere, auto parts manufacturers, distributors, repair chain stores and fleet managers at the **Commercial Vehicle Aftermarket Summit 2022** prepare to explore integrated solutions and new operational models for repair chain stores and fleets.

Strong trends indicate growing potential in the regional aftermarket

The internet and social media are shaping consumer behaviour amongst the 120 million people that reside in Chengdu and Chongqing⁶. This is increasingly prevalent amongst younger age groups where there is more emphasis on personal, experiential and environmentally conscious lifestyles. This is creating new challenges and opportunities in car sales and aftermarket products and services.

⁴ Inland reform opens up new opportunities for the region, January 2022, The People's Government of Sichuan Province, <https://qr.messefrankfurt.com/r9R7>. Retrieved February 2022.

⁵ Sichuan and Chongqing set to build a world-class automotive industry cluster, December 2021, The Paper, <https://qr.messefrankfurt.com/d3TE>. Retrieved February 2022.

⁶ The rising stars of West China: Chengdu and Chongqing, March 2021, China Pictorial · <https://qr.messefrankfurt.com/Hd42>. Retrieved February 2022.

As a result, CAPAS will highlight how these trends are taking shape in the automotive industry, particularly in the rising new energy vehicles sector. National brands can leverage the show's coverage of the new energy vehicle and used car markets through the range of repair tools, tyres, accessories, customising products and replacement parts on display.

To illustrate, companies in the **New Energy Vehicle Maintenance area** will showcase a variety of auto parts, equipment, tools and chargers for aftermarket chain stores. CAPAS will also co-organise workshops about repairing batteries, electric power control units and electric motors, as well as an investment conference for the new energy vehicle aftermarket.

The **Southwest Automotive Aftermarket Summit 2022** is another key fringe event hosting carmakers, battery manufacturers and repair chain stores. The summit will delve into opportunities in the new energy vehicle aftermarket across Southwest China. In addition, the fair will work with renowned institutions on events that pinpoint prospects in aftermarket services and talent acquisition, together with solutions and insights about the development of the used car market.

CAPAS is jointly organised by CCPIT-Auto, Messe Frankfurt (Shanghai) Co Ltd and CCPIT-Sichuan. For more information, please visit www.capas-chengdu.com or email auto@hongkong.messefrankfurt.com.

Mindful of the COVID-19 outbreak, organisers are working with local authorities to ensure appropriate safety parameters are upheld. These measures are to safeguard the health and safety of all stakeholders so that the show remains a secure platform for business.

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Background information on the China Council for the Promotion of International Trade, Automotive Sub-Council (CCPIT-Auto)

The China Council for the Promotion of International Trade, Automotive Sub-Council (CCPIT-Auto) promotes foreign trade and economic cooperation, technical exchange and introduction of advanced technologies for China's auto industry by following the China Council for the Promotion of International Trade and China Chamber of International Commerce charter. It acts as a bridge for Chinese auto industry enterprises to build cooperation and exchange opportunities across the world. In addition, the committee organises three world leading and highly regarded international automotive exhibitions in Beijing, Shanghai and Guangzhou.

Background information on Messe Frankfurt

The Messe Frankfurt Group is the world's largest trade fair, congress and event organiser with its own exhibition grounds. The Group employs approximately 2,300* people at its headquarters in Frankfurt am Main and in 30 subsidiaries around the world. In 2021, the company had to contend with the challenges posed by the pandemic for the second consecutive year. Annual sales will be approximately €140* million after having been as high as €736 million in 2019 before the pandemic. Even in difficult times caused by the coronavirus pandemic, we are globally networked with our industry sectors. We have close ties with our

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Chengdu, China, 19 – 21 May 2022

industry sectors and serve our customers' business interests efficiently within the framework of our Fairs & Events, Locations and Services business fields. One of the Group's key USPs is its closely knit global sales network, which extends throughout the world. Our comprehensive range of services – both onsite and online – ensures that customers worldwide enjoy consistently high quality and flexibility when planning, organising and running their events. We are expanding our digital expertise with new business models. The wide range of services includes renting exhibition grounds, trade fair construction and marketing, personnel and food services. Headquartered in Frankfurt am Main, the company is owned by the City of Frankfurt (60 percent) and the State of Hesse (40 percent).

For more information, please visit our website at: www.messefrankfurt.com

* Preliminary figures for 2021

Background information on the China Council for the Promotion of International Trade, Sichuan Council (CCPIT-Sichuan)

The China Council for the Promotion of International Trade, Sichuan Council (CCPIT-Sichuan) aims to promote foreign trade cooperation and communication, under the guidance of the Sichuan Provincial Party Committee and the Provincial People's Government, and in accordance with the guidelines of national economic policy and principles. Its main duties are to encourage foreign trade and investment, enhance economic and technological exchange and cooperation, and to foster local enterprises to participate in the economic globalisation. CCPIT-Sichuan also organises a number of international exhibitions including the Western China International Fair.