



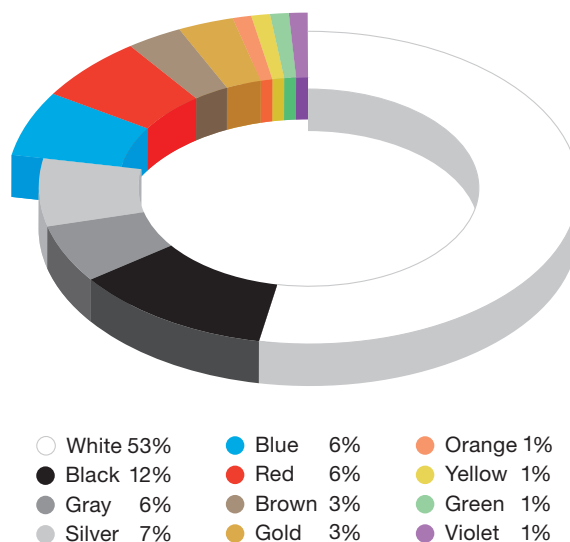
We create chemistry

BASF Color Report 2018 for Automotive OEM Coatings Asia Pacific

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New mobility focus raises attention for blue

In the Asia Pacific market, the value of color is increasingly apparent. Today's smart consumers in Asia Pacific expect their car colors to show their attitude. Color has become an essential part of everyday culture and lifestyle products. The changing consumption patterns are also affecting the automotive market, which is rapidly adapting to innovations involving new engines and connected mobility. A variety of car makers are launching new models contributing to the growth of the Asia Pacific automotive market which is also mirrored in the region's color popularity.



White retains its strong position

White has a strong iconic value in Asian culture. As one of the consumers' favorite automotive colors, white has reached a 53% share of the overall Asia Pacific market. This large share is unique among all regions. At 78%, the share of achromatic colors, which also includes black, gray and silver, is on par with the overall global level.

Blue closing in on red

Blue, at 6%, is closing in on red, the most popular chromatic color. Blue's popularity is supported by the emergence of new energy vehicles, which are equipped with the latest vehicle safety technologies. An iconic color area representing future mobility and new energy systems is developing in Asia. Brown is currently still one of the popular colors, especially in the SUV segment. However, the growth rate is slowing down, indicating that it has passed the peak of popularity.

Another characteristic of the distribution of car colors in Asia Pacific is the diversity among the chromatic colors. While the total share of chromatic colors, at 22%, is quite similar to the overall global share, it is divided more diversely among colors such as red, blue, brown and orange. This reflects in particular the dynamic Chinese market with consumers who select automotive colors according to their diverse lifestyles.

Please note: Colors with a popularity of less than 1% are not shown in the graphs.

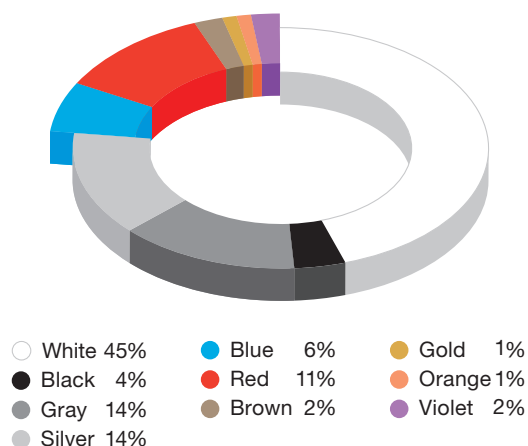
Color popularity by automotive segments

Depending on its size and type, each car can be assigned to a specific automotive segment. Between these segments color preferences vary. The five largest segments by production volumes are analyzed below.



Subcompact

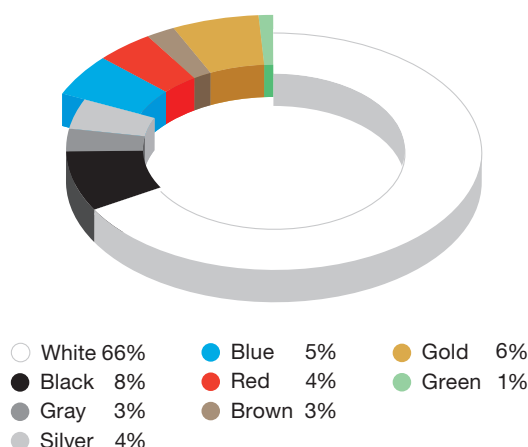
In Asia Pacific, subcompacts are often a first car for young drivers or a typical second car. While the numbers for white and black are slightly lower than in 2017, the shares of gray, silver and red have grown. Diverse silvers and grays, with characteristic effects, are popular in this segment.



Compact

The compact segment is the second largest segment in Asia Pacific by volume; however, it decreased by around 4 % since the previous year.

White has been popular in this segment for some time now and its popularity increased last year. Red cars only make up 4%, which is half the share of 2017. The share of brown also dropped to 3%, while more modern hues like gold increased slightly. Overall, the color range in the compact segment shows predominantly neutral but stylish colors in the market.

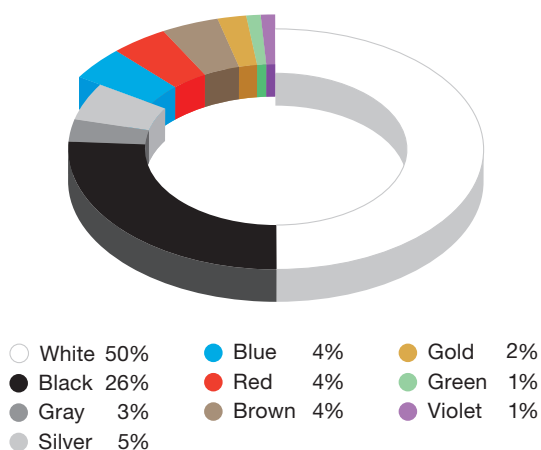


Midsized and large

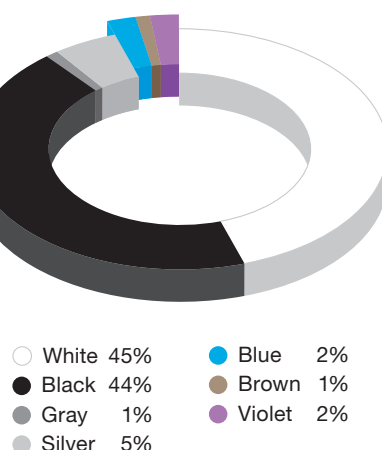
The midsize segment in Asia Pacific grew by more than 2%. The growth rate of the large plus segment is the highest among all segments, constituting more than 50%. While more people in Asia can afford to buy large cars, their share remains small. Black and white are still the most popular colors in this segment even though the popularity of black has decreased by 5 percentage points in comparison to 2017. The number of white and gray cars has increased, however. In the large car segment, white was up 14 percentage points, reaching 45%. The large share of white cars in this segment is characteristic of the Asian market, which is driven by increasingly luxury-oriented consumer groups.



Midsize



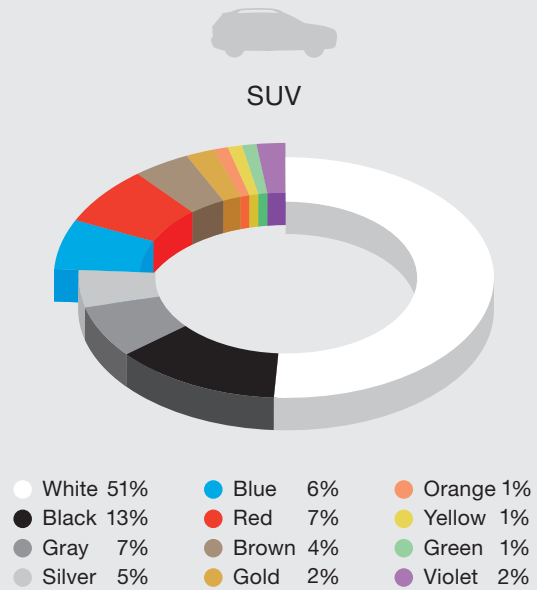
Large



More diverse black hues for SUVs

SUVs are the most popular car models in Asia Pacific. 36% of new cars are SUVs, which is 6% more than 2017.

White is the most popular color in this segment, accounting for more than 50%. Black's popularity increased from 10% to 13%. Black still is the second most popular color although the percentage is considerable lower compared to white. This is still a very small share compared to other regions. More diverse black hues with varied effects reflect the personal choices of car buyers in Asia Pacific.



“The diversity of chromatic colors is characteristic for Asia Pacific. Character colors, such as red, blue, yellow, brown and gold, in small percentages can be found in almost all segments, particularly in the small and the SUV segment. Consumers in Asia Pacific show their preferences and tastes more than in the past.”

Chiharu Matsuhara, head of Design Asia Pacific

Trend competence and innovative color concepts

BASF's Coatings division has an excellent understanding of what is trending in materials and colors, and uses this to predict, which colors will play a key role in the future automotive market. Every year, the Coatings division's designers create Automotive Color Trends, an innovating collection of new colors based off extensive re-

search and in-depth analysis of global trends and cultural shifts that will influence automotive colors 3 to 5 years into the future. Together with experienced colleagues in the color lab, the Coatings division's know-how comprises not only the art of designing innovative and creative colors, but also the knowledge required to translate them into applicable paints.

BASF Color Report 2018 for Automotive OEM Coatings China

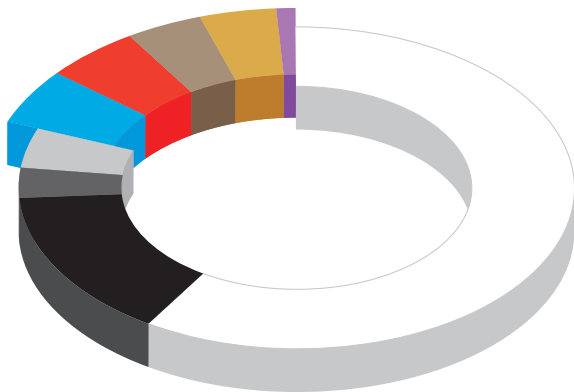


The SUV segment is growing significantly and now makes up 36% of annual car production in China. The share of smaller cars has decreased, in the compact segment around 5% and in the subcompact segment about 10%. With increasing buying power, consumers are focusing on larger cars and other segments.

Overall color popularity in China

White is the most popular color for new cars in China. At a share of 59%, it is still growing. The strong presence of white can be attributed to the preference of white for new engine vehicles. New energy vehicles (NEVs) are rapidly emerging in China, promoting an image of clean technology and future mobility. White is not only popular for SUVs but has gained popularity among other segments as well.

The popularity of black and silver has increased slightly. In general, the achromatic colors, which also comprise white and gray, are slightly more popular than in 2017.



- White 59%
- Black 15%
- Gray 3%
- Silver 4%
- Blue 5%
- Red 5%
- Brown 4%
- Gold 4%
- Violet 1%

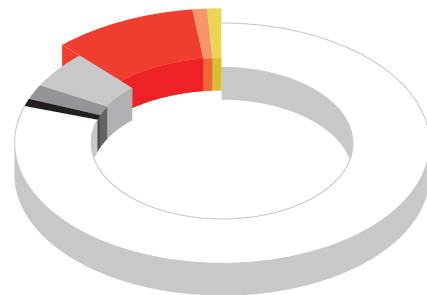
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Subcompact

In the subcompact segment, white is the most popular color. At the same time, bright and chromatic colors are valued in this segment, which is the preferred segment of the young driver target group. Red increased more than 3 percentage points over 2017. New coating color technologies such as multi-layered, highly chromatic pigments, are making red much more attractive to Chinese consumers.



- White 80%
- Black 1%
- Gray 2%
- Silver 5%
- Red 10%
- Orange 1%
- Yellow 1%



“China is a drastically changing market. We need to keep an eye on the transition, especially when it comes to the way the emergence of NEVs and connected cars influence how cars are valued and what role colors play. The transition of SUV colors can be seen in an urban cool and modern direction.”

Chiharu Matsuhara, head of Design Asia Pacific

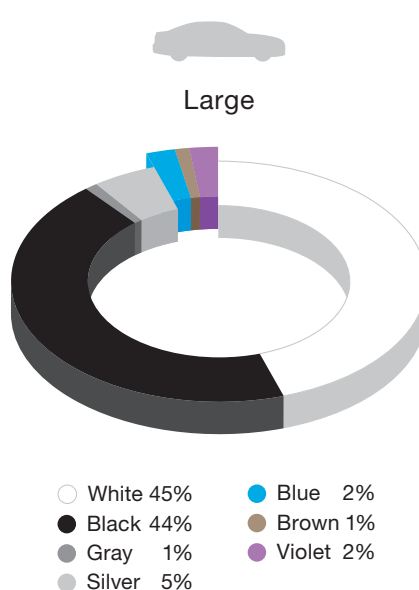
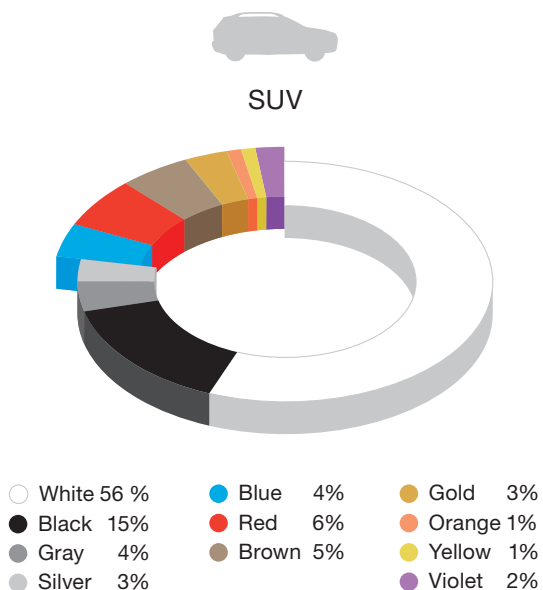
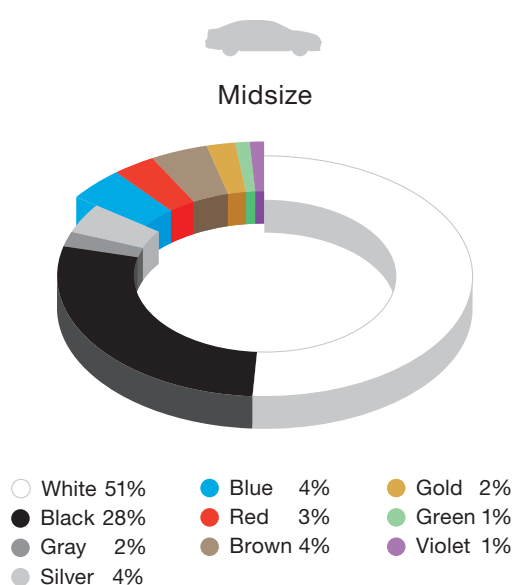
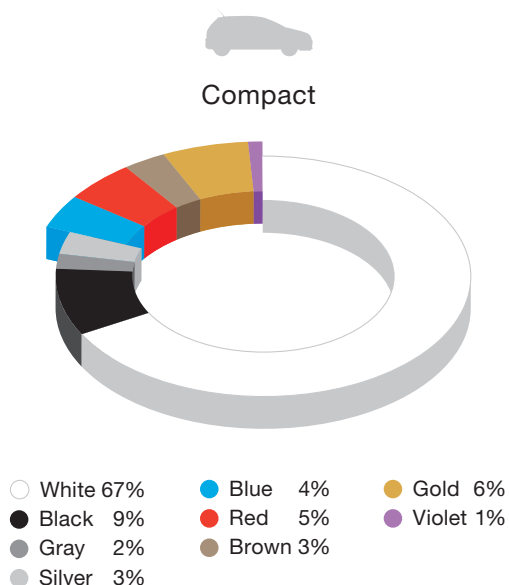
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Compact and SUV

In the compact and SUV segment, cool and bright colors such as white and blue are popular. The share of black cars also grew in both segments since 2017: SUVs grew by 5 percentage points, compacts grew by 2 percentage points. At the same time, the shares of warm colors such as brown, red and orange are decreasing. In recent years, many bright reds emerged in the SUV and compact segments. However, the red trend is cooling down, possibly owing to the design concepts of many NEVs, which include cooler and more modern colors.

Midsized and large

While black cars still make up a significant number of new cars, the share decreased notably compared to last year. The share of white cars is growing, on the other hand. These segments, which are popular for business cars, have also become more popular among private car buyers.



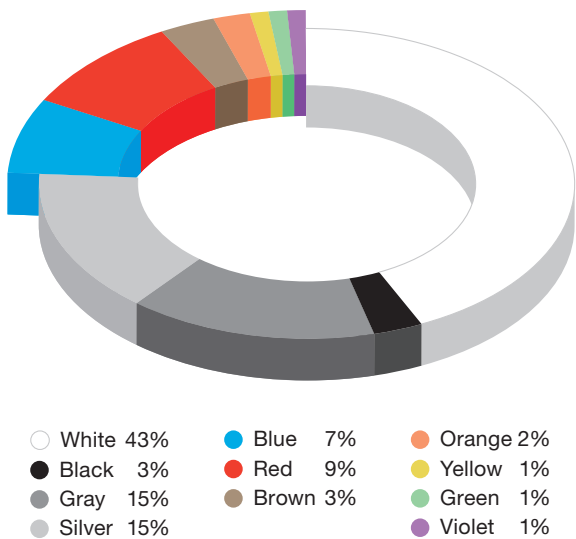
BASF Color Report 2018 for Automotive OEM Coatings India



India is a rapidly growing market with high potential. It recorded 10% production growth since 2017. Almost all car segments are growing. High mileage small cars, such as basic and subcompact cars, are very popular. These segments account for more than half of the total production. Nowadays, SUVs are also becoming popular among consumers who value a car's functional features. The segment now makes up 23% of new cars.

Overall color popularity in India

White is the most popular color in India, with 43% of new cars produced in white.



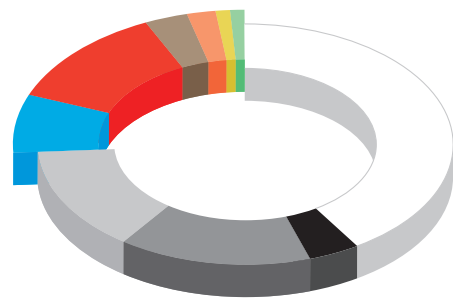
Color popularity by automotive segments

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SUV

In the growing SUV segment, many new cars are white, followed in popularity by silver and gray. 12% of new SUVs are red, which is the biggest share of red compared to all other segments. In the growing SUV segment, the diversity of chromatic colors is significant.



- White 41%
- Black 4%
- Gray 15%
- Silver 14%
- Blue 7%
- Red 12%
- Brown 3%
- Orange 2%
- Yellow 1%
- Green 1%



“Small cars which are pearl white in color are popular among Indian consumers. Customers in the warm climate of India may prefer white because white cars do not heat up so quickly. Another reason might be the luxurious image of this color, as suggested by our trend observations.”

Chiharu Matsuhara, head of Design Asia Pacific

Please note: Colors with a popularity of less than 1% are not shown in the graphs.

Basic and subcompact

The subcompact segment is the most popular segment in India, followed by the basic segment. White is the most popular color in both segments, accounting for around 35%, followed by silver and gray in second and third place. Bright colors are prominent in these segments, while the share of black cars is comparably small. The most popular chromatic colors for compact cars are red, blue and orange, for subcompact cars it is brown.

Compact and midsize

The compact and midsize segments are growing as well. However, the volumes are still small. Again, white is the most popular color in these segments with a share of more than 40%. In the compact segment, 46% of the new cars are white. Black, on the other hand, is used for only a small number of compact cars. In the midsize segment, the share of black cars is higher, at 18%.

