

Along with continued growth in China's car market in 2014-2017, replacement demand for automotive LED lighting in the aftermarket is expected to take off in 2018, according to industry sources.

China saw new car sales increase from 23-24 million units in 2014 to 25 million units in 2015 and 28 million units in 2016, and the volume is expected grow to 29 million units in 2017. China-based automakers, including Great Wall Motor, Changan Automobile, Geely Auto, JAC Motors and Zotye Auto, have seen their combined market share rise from about 20% in 2013-2014 to over 40% in 2016-2017.



Maintenance for vehicles sold over the past few years will boost aftermarket demand for LED automotive lighting, mainly taillights, direction indicators and interior lamps.

OEM supply chains usually take a long time in product validation and are mostly dominated by international makers. For Taiwan-based LED makers, it is difficult to enter OEM supply chains but easy to become aftermarket suppliers.

Everlight Electronics has begun producing LED automotive lighting devices at a new factory in central Taiwan, Lextar Electronics has begun shipments of LED automotive lighting modules for the aftermarket, and Edison Opto will do so in 2018.

However, the large market potential for aftermarket LED automotive lighting in China will attract many makers and this is likely to result in price wars, sources say.

### **DVN Comment**

Very large amounts of noncompliant aftermarket vehicle lighting toys sold round the world come from China; it will be interesting to see whether and how surging domestic demand will spark a surge of legitimate, thoughtfully engineered and well-built lighting devices.