

# Light Vehicle Production Outlook 2026:

A year defined by alignment  
between production and demand

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## Executive Summary

Global light vehicle production in 2026 will mark a transition year for the automotive industry, as manufacturers shift from post-recovery expansion toward tighter alignment between output and underlying demand.

Following a period of uneven production growth across regions, the coming year places greater emphasis on capacity discipline, regional balance, and competitive positioning.

The following analysis is based on a presentation delivered by Denis Schemoul, Director, EMEA Light Vehicle Production Forecast, at S&P Global Mobility's 22nd annual New Year's Briefing in Frankfurt on 22 January 2026, titled "**Light Vehicle Production Outlook 2026: What to expect in 2026**," which examined the key forces shaping the global automotive landscape for the year ahead.

## Explore the full Light Vehicle Production Outlook

Gain early access to S&P Global Mobility's seven-year light vehicle production forecast and understand how leading OEMs and suppliers are using forward-looking production intelligence to inform capacity planning, regional strategy, and competitive positioning. Learn what's included in the forecast and how it can support your strategic decision-making.

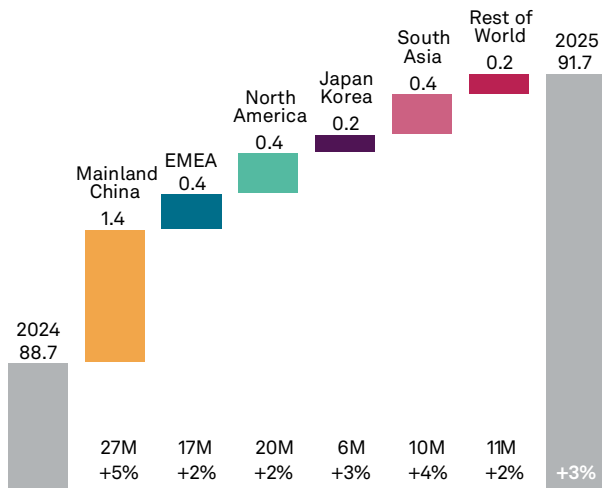
[This way to Light Vehicle Production Forecast →](#)

Global light vehicle production in 2026 is expected to align closely with underlying demand, rather than grow above it.

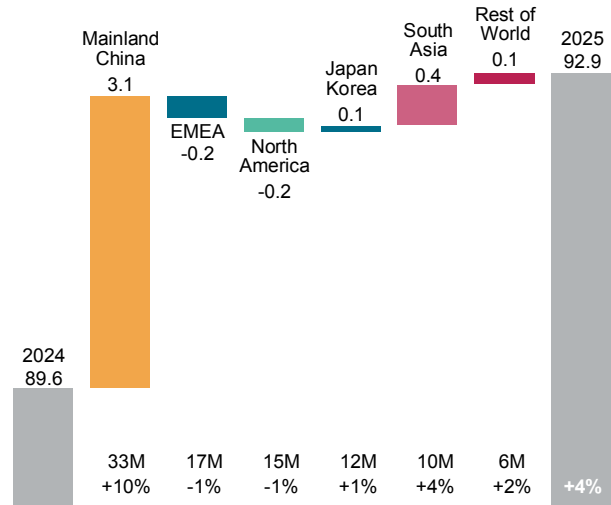
Mainland China will moderate after a strong 2025, EMEA will remain broadly flat due to the combined effects of weak light commercial vehicle (LCV) demand and an expanding volume of imports, and South Asia—led by India—will emerge as the primary region of growth. These shifts collectively indicate a year of recalibration rather than contraction.

# 2025 Recap: A year of broad-based global demand growth and uneven production

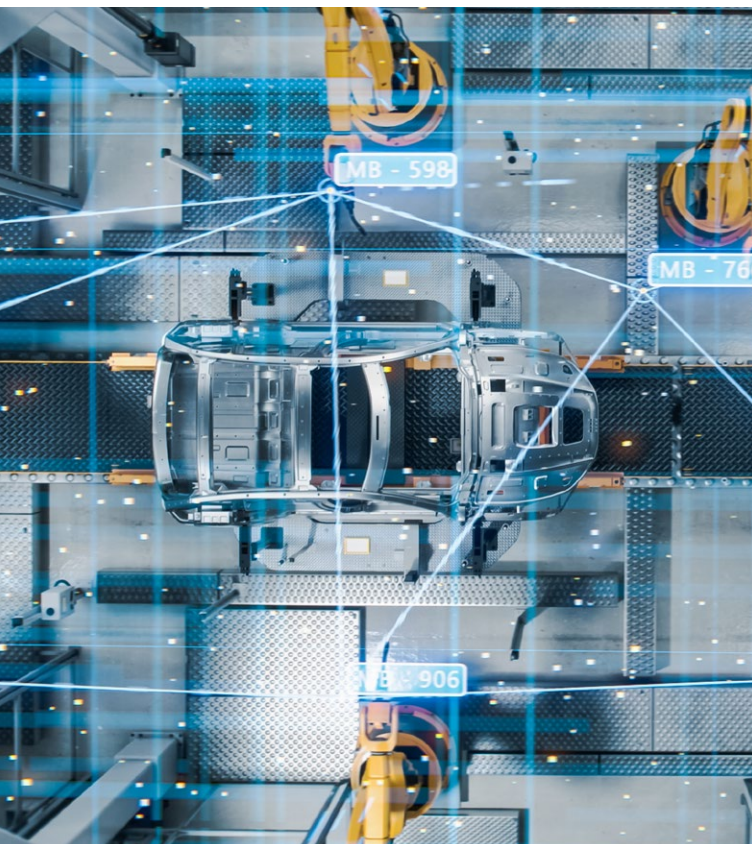
## Sales



## Production



EMEA = Western Europe + Central Europe + Turkey + Morocco + South Africa.  
 Data compiled January 2026.  
 Sources: S&P Global Mobility  
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Global vehicle demand increased across all major regions in 2025, bringing global sales to 91.7 million units, a rise of 3% compared with 2024. Production also expanded, reaching 92.9 million units, up 4%, though with noteworthy variation between regions.

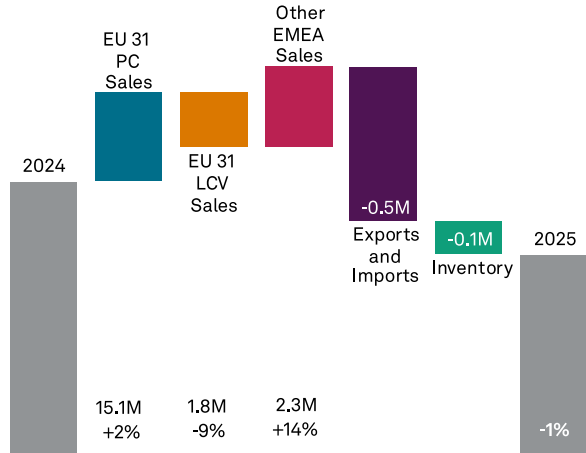
Regionally, Mainland China contributed the largest absolute volume increase, adding 1.4 million units to both sales and production. EMEA, North America, Japan/Korea, and South Asia each contributed between +0.2 million and +0.4 million units, with Rest of World adding a more modest 0.1 million units.

However, despite these synchronized increases in headline demand, production patterns diverged due to trade flows, segment-level variations, and inventory management—an imbalance that sets up the recalibration expected in 2026.

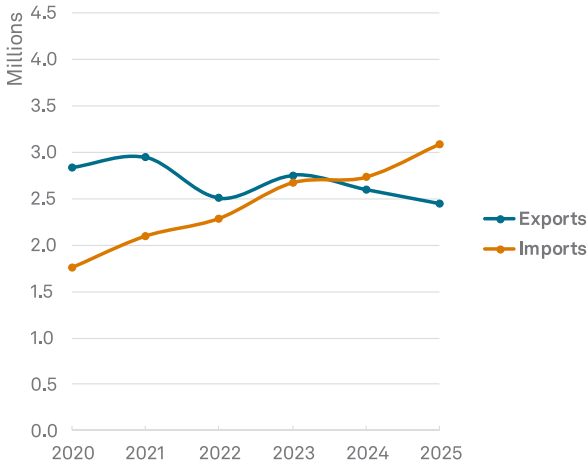
# EMEA in 2025: Split trends across passenger cars and LCVs, with rising imports shaping output

EMEA experienced divergent performance across major segments. Passenger car sales in the EU 31 increased by 2% to 15.1 million units, while LCV sales fell by 9% to 1.8 million units. This imbalance directly influenced overall demand composition. At the same time, imports into the region grew, particularly from Chinese OEMs, counteracting the positive movement in passenger car demand and placing downward pressure on domestic production volumes.

Sales to production bridge



Trade flows



EMEA = Western Europe + Central Europe + Turkey + Morocco + South Africa.  
 EU31 = EU+EFTA+UK  
 Data compiled January 2026.  
 Source: S&P Global Mobility.  
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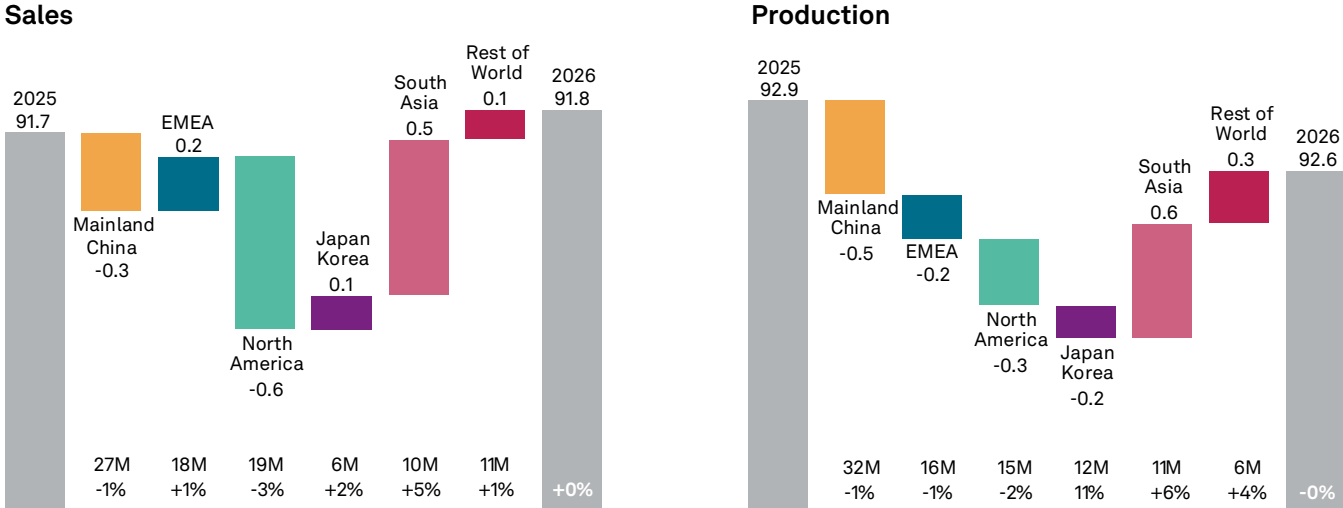
The Sales-to-Production Bridge pictured above highlights these dynamics:

- Passenger car growth contributed positively to demand.
- LCV declines offset part of this impact.
- The increase in imports reduced the need for incremental local production.
- Inventory effects were limited, reflecting a relatively balanced flow of goods.

The net result is that EMEA’s production uptick remained limited despite rising passenger-car sales—an important context for the flat 2026 outlook.

# 2026 Light vehicle production outlook: Global production expected to slightly retreat as output aligns with real demand

The projection for 2026 shows a modest reduction in global production from **92.9 million units in 2025** to **92.6 million units in 2026**. This adjustment reflects deliberate capacity planning rather than a downturn. After a year in which demand outpaced supply in several markets, 2026 shifts toward equilibrium.



EMEA = Western Europe + Central Europe + Turkey + Morocco + South Africa.  
 Data compiled January 2026.  
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Regional dynamics -- key contributors to this alignment include:

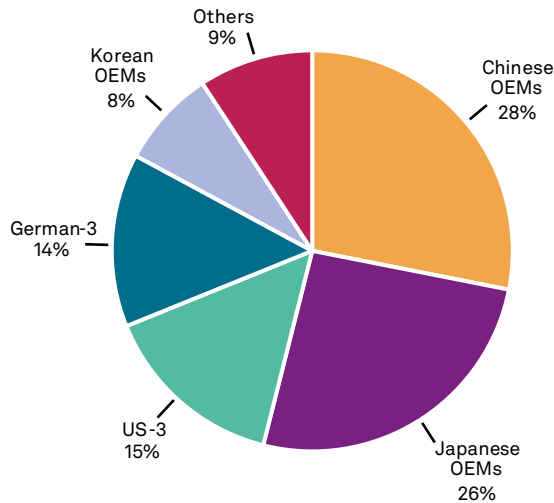
- **China:** Production is expected to decline by 0.5 million units, reflecting a normalization of domestic demand and a cooler export environment following sharp growth in 2025, which had been supported by private domestic OEMs and favorable export conditions.
- **North America:** A reduction of 0.3 million units, consistent with cautious replacement cycles and moderated inventory strategies, is expected after prior years marked by supply-chain imbalances.
- **South Asia:** An increase of 0.5 million units to global sales and 0.6 million units to global production is expected in 2026. These numbers are the largest positive regional contribution, highlighting India as the main regional source of growth.
- **EMEA:** A stable trajectory with a limited change (-0.2M units) is expected, consistent with the 2025 foundations. Persistent import growth, especially from Chinese OEMs, and continued LCV weakness will remain the principal constraints on local output expansion.

This combined picture supports a narrative of stabilization rather than downturn for the year.

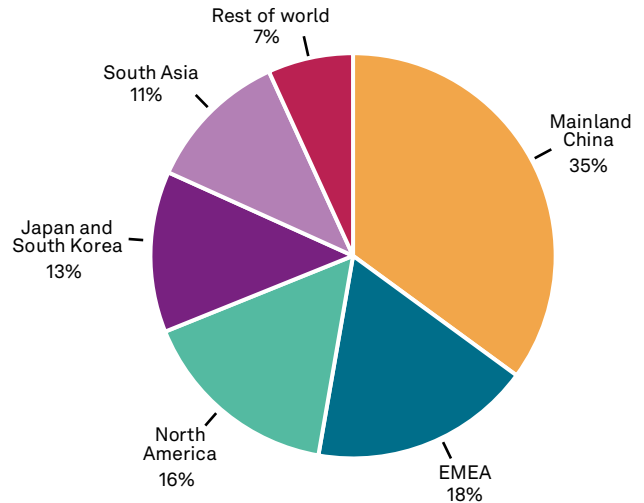
# 2026 Standout OEM positioning

## Chinese OEMs surpass Japanese OEMs in global production share

2026 Light vehicle production mix by region:



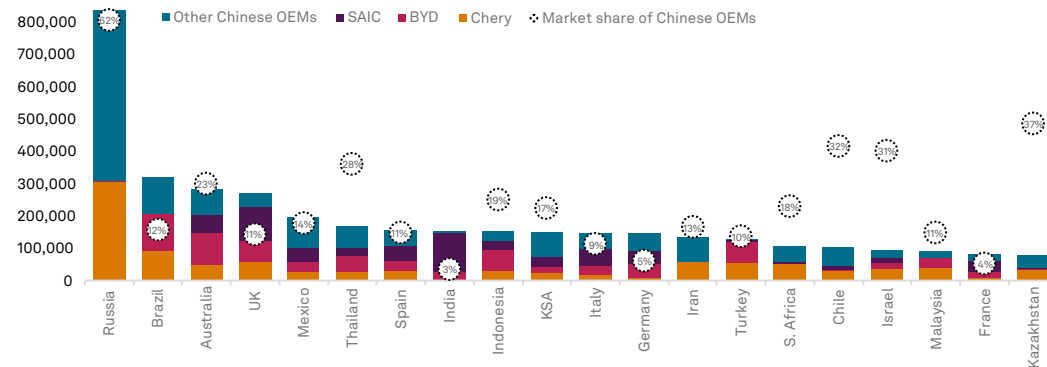
2026 Light vehicle production mix by OEM origin:



EMEA = Western Europe + Central Europe + Turkey + Morocco + South Africa.  
 US-3 = Stellantis GM Ford. German-3 = VW BMW Mercedes-Benz  
 Data compiled January 2026.  
 Source: S&P Global Mobility.  
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One of the most consequential structural shifts in 2026 is the change in global production shares among OEM groups. Chinese OEMs are expected to reach 28% of global light-vehicle production, surpassing Japanese OEMs at 26%.

### Sales of Chinese OEMs outside China: top 20 countries



More than 20% of Chinese OEM sales will be outside of China

Data compiled January 2026.  
 Source: S&P Global Mobility.  
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The drivers for this phenomenon include:

- Continued growth among private Chinese brands (e.g., BYD, Geely, Chery), both domestically and internationally.
- Sustained overseas expansion, with more than 20% of Chinese OEM sales occurring outside China.

These data points highlight long-term competitive shifts and illustrate how Chinese OEMs have consolidated their global position through scale and cost leadership.

## EMEA OEMs performance: Recovery driven by product cycles, pressure driven by import competition

Within EMEA, OEM performance will diverge based on product cadence and segment exposure:

- Premium OEMs will benefit from favorable replacement cycles, enabling localized production stability despite external pressures.
- Mainstream OEMs will face growing import competition, which will reduce the need for local production even when demand is stable.

These dynamics underscore two demands that OEMs must meet in the 2026 environment: disciplined production planning and targeted portfolio management aligned with regulatory and competitive realities.

## EMEA OEMs performance: Recovery driven by product cycles, pressure driven by import competition



### 1. Prioritize production-demand alignment to avoid excess inventory.

The combination of moderating growth in China and flat conditions in EMEA means inventory discipline remains essential.



### 2. Increase focus on South Asia for scalable growth.

India's contribution of +0.6 million units to global production marks it as the central growth market in 2026. Programs tied to localization, cost optimization, and export-capable platforms will carry strategic importance.



### 3. Account for sustained competitive pressure from Chinese OEMs.

Their rising share (now 28% of global production) requires enhanced differentiation strategies, cost discipline, and market-specific positioning.



### 4. In EMEA, product cycle strength will shape outcomes more than overall market demand.

OEMs with new models entering the market will be better positioned to offset import pressures and segment-specific weakness.



## Translating market signals into strategy: Access deeper global light vehicle production insights

The outlook for 2026 reflects a global light-vehicle sector moving into a phase of measured alignment. After the broad-based demand recovery of 2025, the coming year will be defined by output matching underlying demand with greater precision.

For OEMs, suppliers, and industry strategists, the implications are clear: competitive advantage in 2026 will be shaped by disciplined capacity management, region-specific portfolio planning, and a sharp understanding of how shifting production footprints intersect with evolving trade flows and product cycles. These dynamics reinforce the need for accurate, up-to-date production intelligence to guide decisions in a year defined not by expansion, but by recalibration.

To explore these trends in greater depth and to access the detailed seven-year outlook covering 50+ countries, 900+ manufacturing plants, 8,000+ models, and nearly 60 production attributes, we invite you to learn more about S&P Global Mobility's Light Vehicle Production Forecast. This dataset provides the forward-looking production volumes, plant-level insights, and competitive intelligence needed to support strategic planning, assess OEM and supplier opportunities, and benchmark against evolving global manufacturing strategies.

You can submit your details to download a sample and request chat with our sales team or speak with your S&P Global Mobility representative to understand how this forecast can support your organization's decision-making.

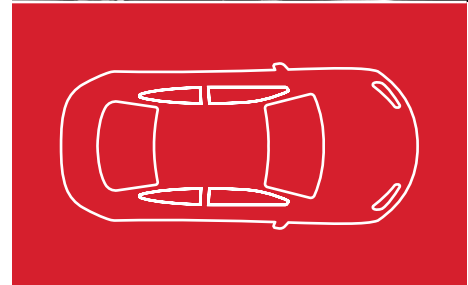
[Discover the Light Vehicle Production Forecast →](#)

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