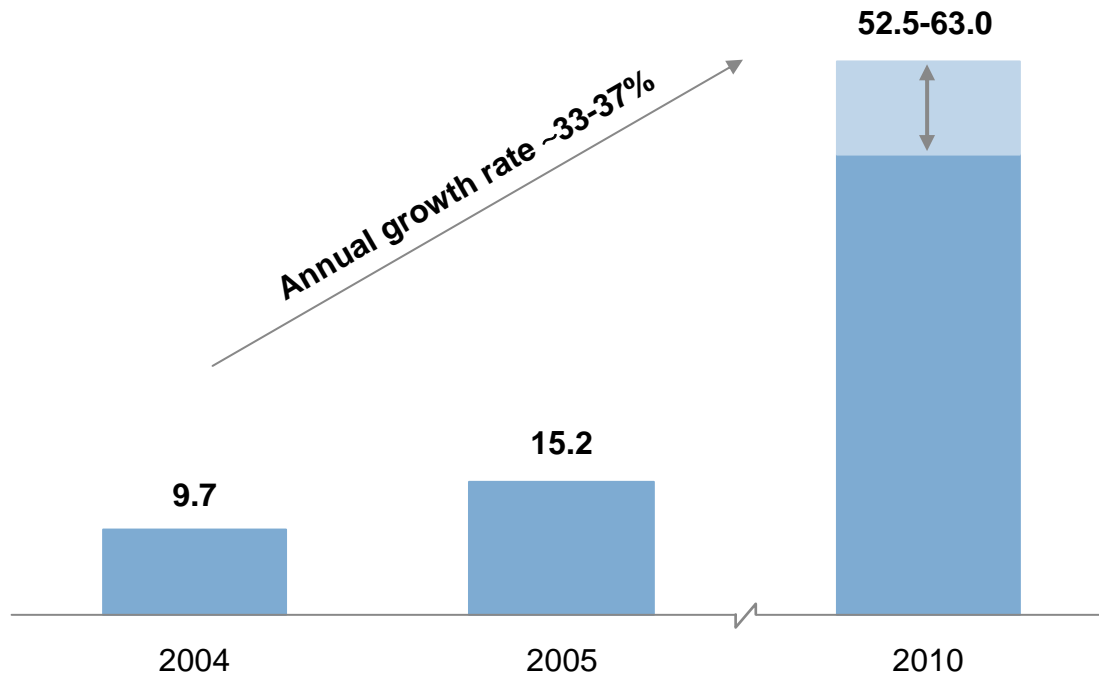


By the year 2010, the exports of auto parts from China will rise to more than 50 billion U.S. dollars

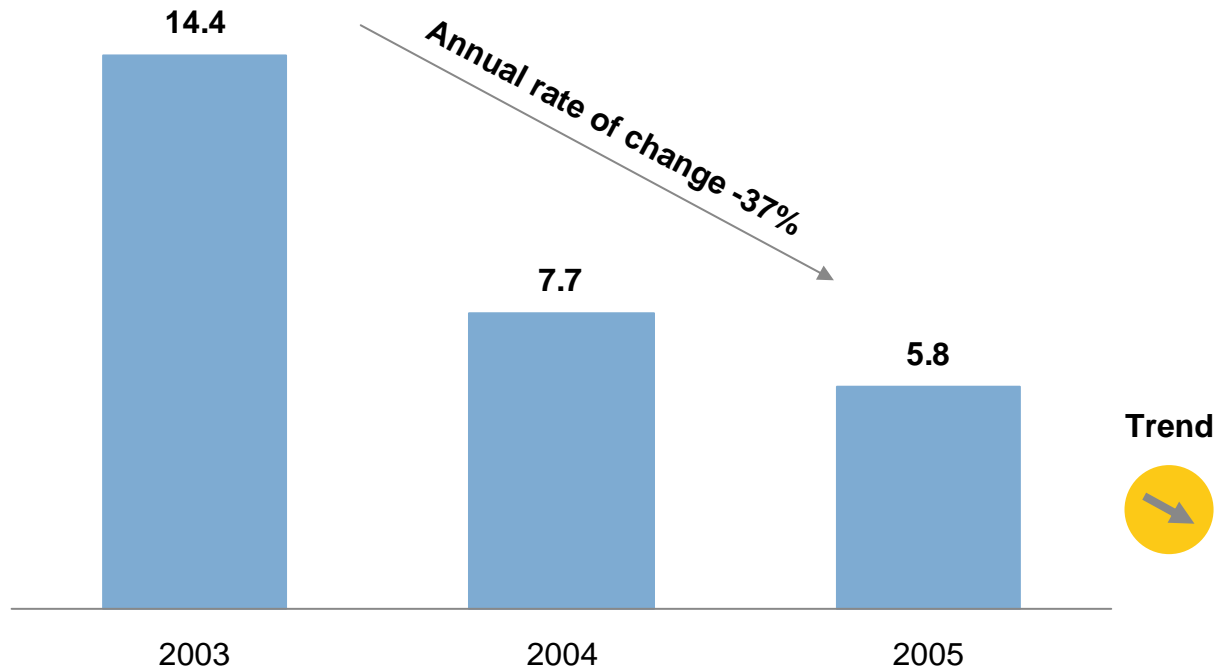
Exports of auto parts from China
In billions of U.S. dollars, 2004 to 2010



Source: Yearbook of the Chinese Automobile Industry, Oliver Wyman analysis

The profitability of the Chinese automotive supplier industry has declined substantially in the last few years

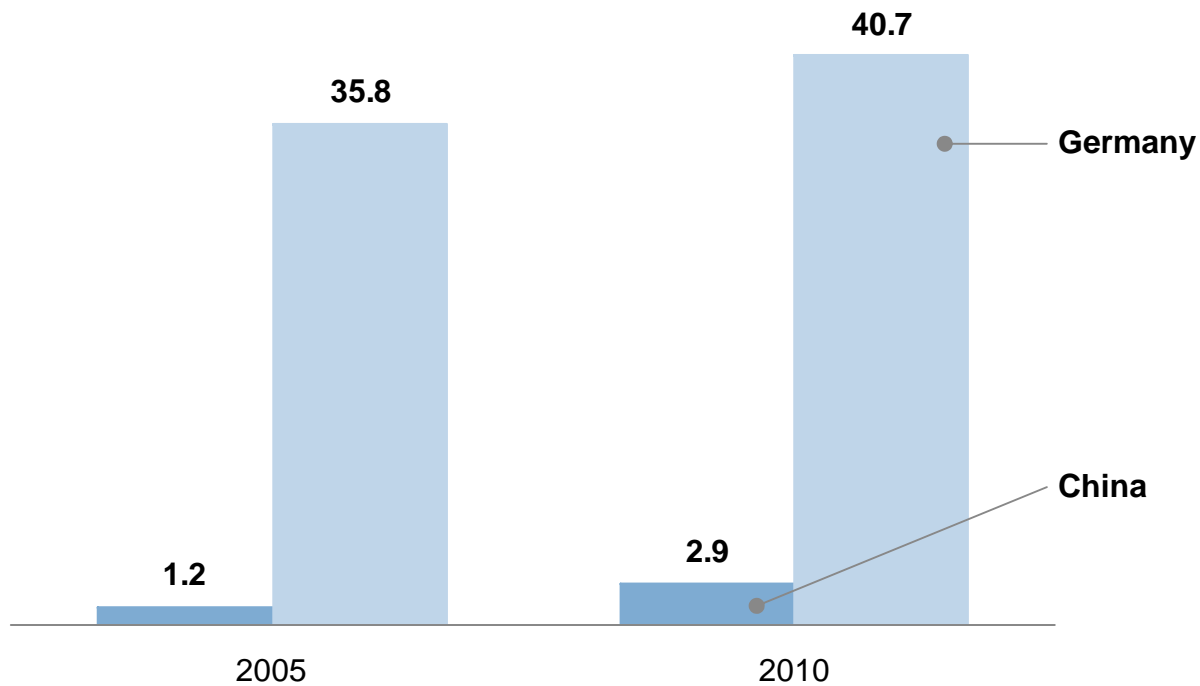
Profitability of the Chinese automotive supplier industry
In %, 2003 to 2005



Source: China Automobile and Parts, China Automotive Industry Research, Oliver Wyman analysis

Thanks to its low wage costs, China will continue to be an attractive production site for auto manufacturers and automotive suppliers in the future as well

Comparison of wage costs in China and Germany
In U.S. dollars per hour, 2005 to 2010



Source: The Economist Intelligence Unit, Oliver Wyman analysis