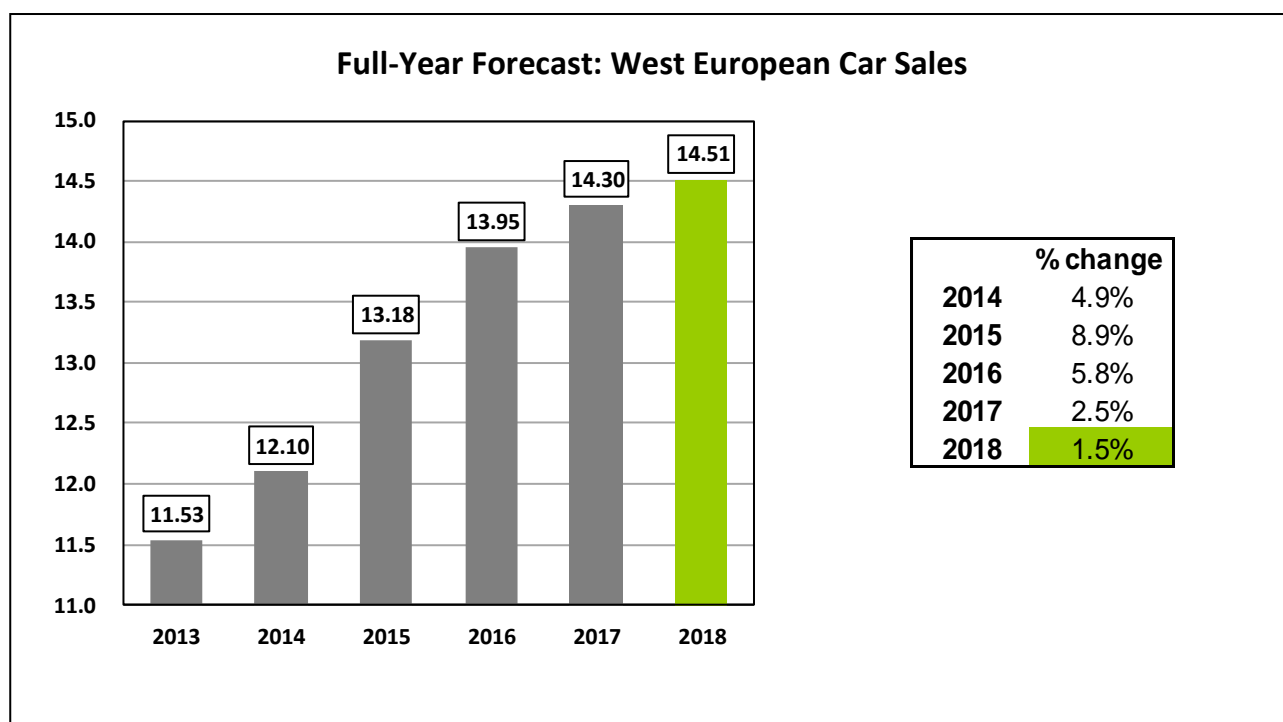




## Western European Passenger Car Sales Update

### Summary

- West European car registrations grew by 26.6% year-on-year (YoY) in August, although this was largely a result of one-off effects linked to the change to WLTP emissions regulations. The regional selling rate rose to an all-time high of 18.4 mn units/year for last month, from 14.7 mn units/year in July, but we should not read too much into this due to the unique circumstances affecting Western European sales currently.
- In France, registrations soared by 40% YoY, while for the year-to-date (YTD), sales are up 8.9%. There was a similar story in Spain, where sales surged by 48.7% YoY in August, with the selling rate reaching a record level of over 1.9 mn units/year.
- The size of the WLTP-related uplift in Germany was a little smaller in percentage terms, at 24.7%, but this still had a large impact on the regional selling rate. UK car sales grew by 23.1% YoY, albeit from a low base, given that August is traditionally one of the quietest months of the year. Italy was less affected by WLTP, but registrations were still up a healthy 9.5% YoY.
- In general terms, we expect that the exceptionally high WLTP-related sales volumes recorded in July and August will be cancelled out by lower sales as we move into the autumn; such that the net effect on the year as a whole will be fairly neutral. However, we have recently revised down our forecast for the Netherlands, which sees the overall Western European 2018 sales forecast nudge down to 1.5%, from 1.6% last month.



5<sup>th</sup> September 2018

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## Western European Passenger Car Sales Update

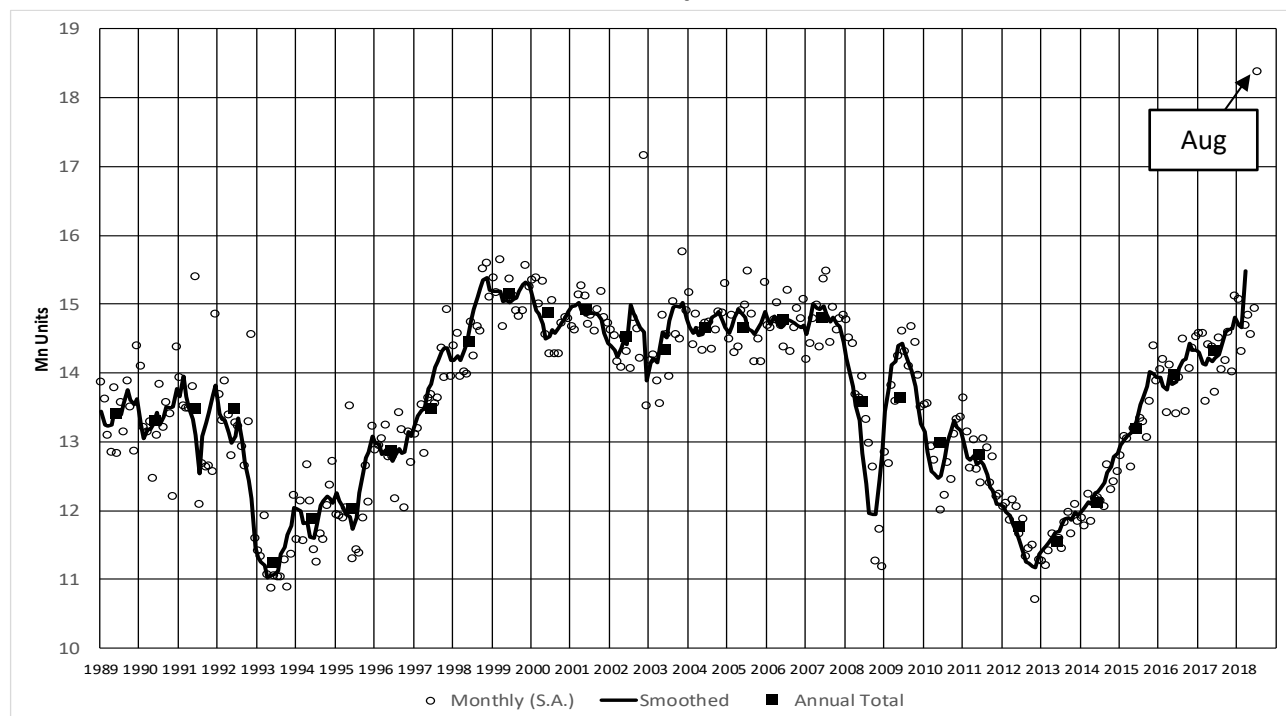
### Commentary

West European sales soared by 26.6% in YoY terms in August, while the selling rate increased from 14.7 mn units/year in July, to almost 18.4 mn units/year last month, due to a combination of factors linked to the introduction of WLTP emissions regulations. From 1<sup>st</sup> September, the new, stricter WLTP testing regime must be used for all new cars in the EU, and only a limited number of cars tested under the old NEDC system can be sold after this date. Therefore, in August there was a strong incentive for self-registration of vehicles and heavy discounting on the part of retailers, while savvy buyers may have made purchases before higher taxes were applied where these are linked to CO<sub>2</sub> emissions.

France saw August sales surge by 40% YoY, giving the highest volumes for that month since 2000, and the highest ever selling rate, at almost 3.1 mn units/year. In Spain, a 48.7% YoY increase was driven by a combination of self-registrations and models being offered at heavily discounted rates. The fact that August is usually a quiet month for sales only served to exaggerate the effect on the selling rate. Therefore, we should be careful not to read too much into these figures.

In Germany, sales were up by 24.7% YoY in August, which translates into more than 60,000 additional units compared with the same month in the prior year. The selling rate reached almost 4.4 mn units/year, but, as in several other markets, it is highly likely that there will be a correction in the coming months, so this spike will be short-lived. The UK market grew 23.1% YoY in August, with the selling rate hitting its highest-ever level at 3.1 mn units/year. This was helped by seasonal effects, and, if anything, we might have expected sales to increase even further in August. The Italian car market grew 9.5% YoY in August, a modest upturn compared to those of its neighbours, but this could be explained by the fact that taxation in Italy is not linked to CO<sub>2</sub> emissions; therefore we would expect the impact of WLTP to be limited. Several smaller markets such as Austria, Belgium, Denmark and the Netherlands saw YoY rises in excess of 30%.

### West European Car Sales





## Western European Passenger Car Sales Update

### West European Car Sales

	Sales (units)						Selling rate (Units/year)			
	Aug 2018	Aug 2017	Percent change	Year-to-date 2018	Year-to-date 2017	Percent change	Aug 2018	Year-to-date 2018	Year 2017	Percent change
WESTERN EUROPE	1,015,144	801,981	26.6%	10,139,185	9,668,663	4.9%	18,383,148	15,237,312	14,299,909	6.6%
AUSTRIA	34,345	26,102	31.6%	259,260	240,929	7.6%	466,767	376,546	354,174	6.3%
BELGIUM	54,437	35,517	53.3%	428,577	394,446	8.7%	749,692	629,813	546,558	15.2%
DENMARK	20,693	15,307	35.2%	157,859	154,312	2.3%	269,699	232,634	221,797	4.9%
FINLAND	12,004	9,671	24.1%	91,167	82,970	9.9%	154,919	129,841	118,575	9.5%
FRANCE	150,391	107,453	40.0%	1,513,968	1,390,225	8.9%	3,072,661	2,333,566	2,110,751	10.6%
GERMANY	316,405	253,674	24.7%	2,473,284	2,323,742	6.4%	4,374,587	3,690,060	3,441,266	7.2%
GREECE	6,304	5,137	22.7%	75,819	61,751	22.8%	115,872	109,552	88,298	24.1%
IRELAND	5,930	5,752	3.1%	120,025	124,674	-3.7%	124,117	117,455	131,381	-10.6%
ITALY	91,551	83,590	9.5%	1,365,281	1,366,553	-0.1%	2,278,328	1,991,405	1,970,184	1.1%
LUXEMBOURG	3,984	3,429	16.2%	39,566	36,904	7.2%	65,192	56,636	52,773	7.3%
NETHERLANDS	41,355	29,076	42.2%	330,657	287,465	15.0%	593,441	507,988	414,670	22.5%
NORWAY	14,524	13,415	8.3%	100,880	102,874	-1.9%	172,015	151,802	158,650	-4.3%
PORTUGAL	15,281	11,940	28.0%	169,748	156,644	8.4%	282,252	239,969	222,057	8.1%
SPAIN	107,692	72,410	48.7%	973,514	849,810	14.6%	1,943,847	1,412,494	1,234,875	14.4%
SWEDEN	24,670	29,915	-17.5%	262,717	248,160	5.9%	316,122	387,171	379,255	2.1%
SWITZERLAND	21,484	23,160	-7.2%	204,877	206,963	-1.0%	293,595	310,116	314,028	-1.2%
UK	94,094	76,433	23.1%	1,571,986	1,640,241	-4.2%	3,110,042	2,560,263	2,540,617	0.8%

## Notes:

Greece and Luxembourg: estimates for latest month.

Greece data source has changed to Sales from Registrations.

The percent change in the final column compares the average selling rate in the year-to-date with the last full year.

The average of the seasonally adjusted selling rate for an entire year is by definition the total of sales in the year.



## LMC Automotive

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