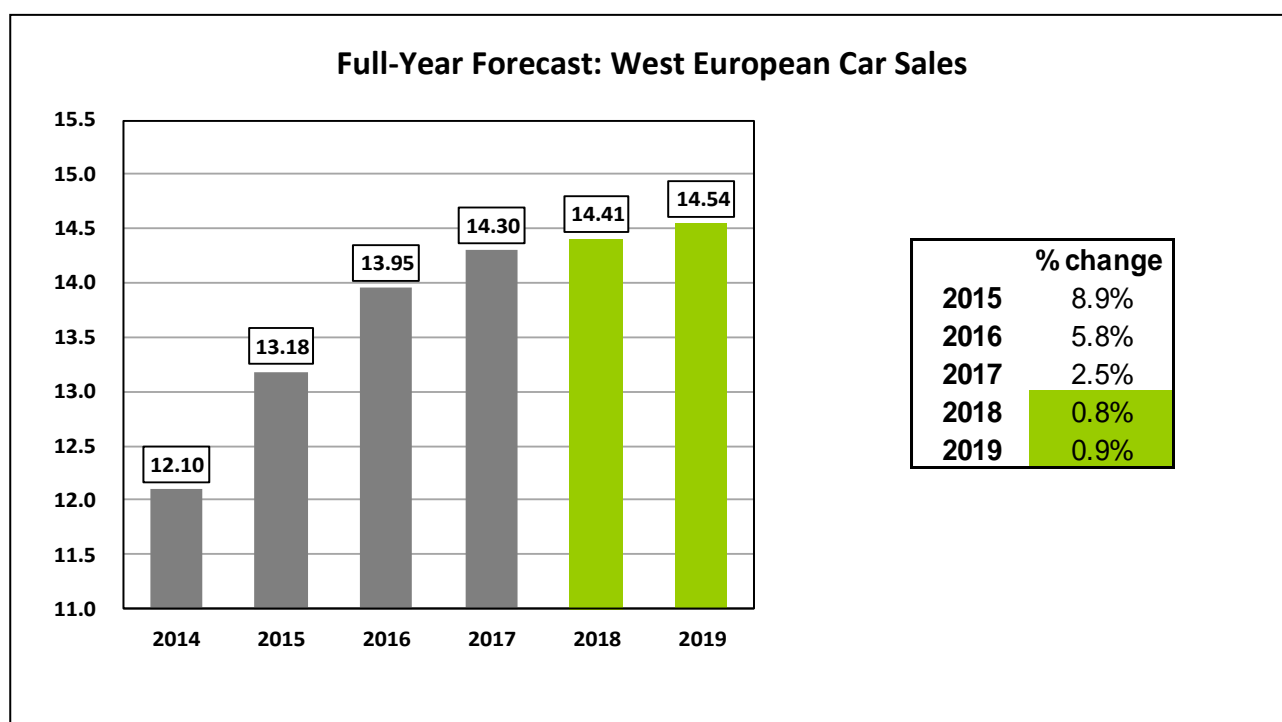




## Western European Passenger Car Sales Update

### Summary

- West European car registrations fell by 7.3% year-on-year (YoY) in October, as WLTP continued to cast a shadow over the new car market. The regional selling rate recovered slightly, to 12.6 mn units/year, from the almost six-year low of 11.3 mn units/year in September.
- Germany saw new car sales fall 7.4% YoY in October, a result which reduced the year to date (YTD) gains made from 2.4% for the first nine months, to just 1.4% once October is included. In Italy, registrations also slipped by 7.4%, and YTD sales are now down 3.2%, in what appears to be an increasingly fragile market. Meanwhile, Spanish car sales fell by 6.6% YoY in October, while the selling rate barely improved on September's 25-month low.
- In the UK, sales were down 2.9% YoY, with the selling rate staging a modest recovery to 2.2 mn units/year. The French car market fell 1.5% YoY, but the selling rate edged above 2 mn units/year, from 1.9 mn units/year in September.
- Given the persistence of falling sales in several key markets linked to WLTP-related disruption, we now see 2018 full-year growth of 0.8%, a little lower than previously. In addition, with the prospects for economic growth now looking slightly weaker in some key markets, we have reduced the 2019 West European sales forecast in volume terms, with YoY growth seen at 0.9%.



5<sup>th</sup> November 2018

For further information contact Jonathon Poskitt or David Oakley

Phone +44 1865 791737, [jposkitt@lmc-auto.com](mailto:jposkitt@lmc-auto.com) or [doakley@lmc-auto.com](mailto:doakley@lmc-auto.com)



## Western European Passenger Car Sales Update

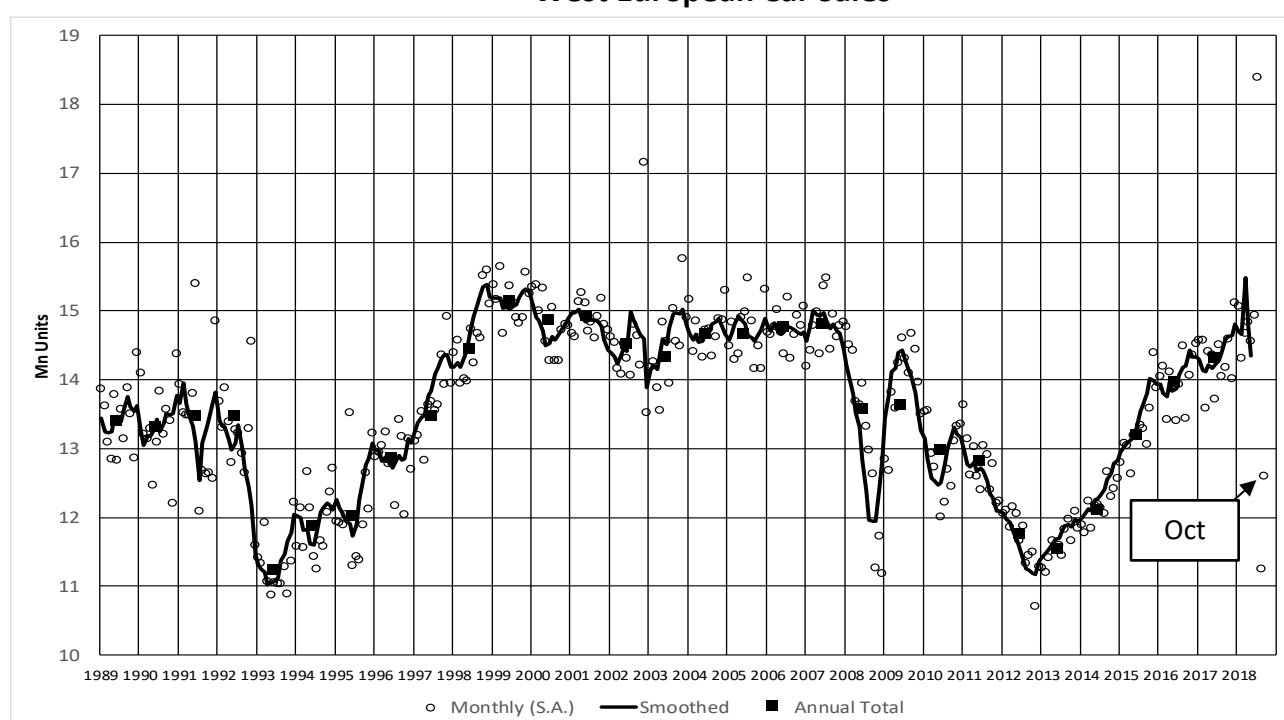
### Commentary

Despite an additional selling day compared to October 2017 across all of Western Europe (and two extra days in Germany), car sales struggled in October. The side-effects of the implementation of WLTP emissions regulations in September do not appear to have dissipated completely, and delays in testing models under the new procedure have impacted registrations. Overall, sales dropped by 7.3% YoY in October. The selling rate picked up a little to 12.6 mn units/year in October, but it should be noted that this was a rather muted rebound from an extremely low 11.3 mn units/year in September. For context, the average selling rate in the YTD is 14.6 mn units/year.

German car registrations fell 7.4% YoY in October, with the selling rate a little below 3 mn units/year. Whilst this does represent an increase of 0.5 mn units/year from September's rate, it is nevertheless a lacklustre pace for a market which should approach 3.5 mn units this year, and is therefore more evidence of the fallout from delays in WLTP testing. There should, however, be some recovery in November and December once these issues are ironed out. As in Germany, registrations in Italy decreased 7.4% YoY, but with the outlook for the Italian economy looking somewhat weak, we now expect full-year 2018 sales to finish at circa 1.92 mn units, followed by fairly slow growth next year.

The French market appears to have escaped relatively unscathed from the WLTP-related disruption, with October's 1.5% YoY decline a decent result, considering that it left sales in the YTD up 5.7% YoY. Solid full-year growth now looks virtually assured in France. In Spain, sales were down 6.6% YoY in October, with WLTP once again blamed for the decline. Even so, sales in the August to October period are still in positive territory YoY, indicating that the market remains in good health overall, with full-year 2018 sales on course to top 1.3 mn units. UK registrations dropped 2.9% YoY in October, with YTD sales now down 7.2% YoY. There should still be scope for some of the sales lost to WLTP effects in September to be recouped in the final two months of the year, but even a strong finish will only see total 2018 sales to just over 2.4 mn units.

### West European Car Sales





## Western European Passenger Car Sales Update

### West European Car Sales

	Sales (units)						Selling rate (Units/year)			
	Oct 2018	Oct 2017	Percent change	Year-to-date 2018	Year-to-date 2017	Percent change	Oct 2018	Year-to-date 2018	Year 2017	Percent change
WESTERN EUROPE	1,014,961	1,094,467	-7.3%	12,204,854	12,127,315	0.6%	12,596,708	14,577,304	14,300,916	1.9%
AUSTRIA	22,603	28,321	-20.2%	299,068	298,872	0.1%	270,975	349,476	354,174	-1.3%
BELGIUM	36,894	43,500	-15.2%	492,616	478,841	2.9%	431,599	580,811	546,558	6.3%
DENMARK	16,670	18,564	-10.2%	186,707	187,252	-0.3%	198,280	222,234	221,797	0.2%
FINLAND	7,935	8,749	-9.3%	105,630	100,837	4.8%	96,110	122,033	118,575	2.9%
FRANCE	173,802	176,493	-1.5%	1,836,522	1,737,367	5.7%	2,032,356	2,257,080	2,110,751	6.9%
GERMANY	252,682	272,850	-7.4%	2,926,100	2,884,686	1.4%	2,953,101	3,492,530	3,441,266	1.5%
GREECE	7,864	6,450	21.9%	90,207	74,479	21.1%	102,047	107,758	88,298	22.0%
IRELAND	1,725	1,943	-11.2%	124,809	130,491	-4.4%	97,067	113,018	131,338	-13.9%
ITALY	146,655	158,417	-7.4%	1,638,364	1,692,767	-3.2%	1,765,681	1,929,680	1,971,342	-2.1%
LUXEMBOURG	4,556	4,668	-2.4%	46,921	45,540	3.0%	49,718	54,376	52,773	3.0%
NETHERLANDS	30,079	36,443	-17.5%	389,660	359,374	8.4%	345,319	477,873	414,490	15.3%
NORWAY	11,655	12,472	-6.6%	123,155	128,830	-4.4%	135,919	147,980	158,650	-6.7%
PORTUGAL	13,956	15,898	-12.2%	196,633	187,450	4.9%	191,370	231,230	222,129	4.1%
SPAIN	88,410	94,671	-6.6%	1,131,053	1,027,768	10.0%	1,143,890	1,354,166	1,234,875	9.7%
SWEDEN	23,088	32,112	-28.1%	304,916	311,951	-2.3%	259,616	359,005	379,255	-5.3%
SWITZERLAND	22,788	24,724	-7.8%	248,074	256,207	-3.2%	277,423	303,425	314,028	-3.4%
UK	153,599	158,192	-2.9%	2,064,419	2,224,603	-7.2%	2,246,238	2,474,631	2,540,617	-2.6%

## 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.



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