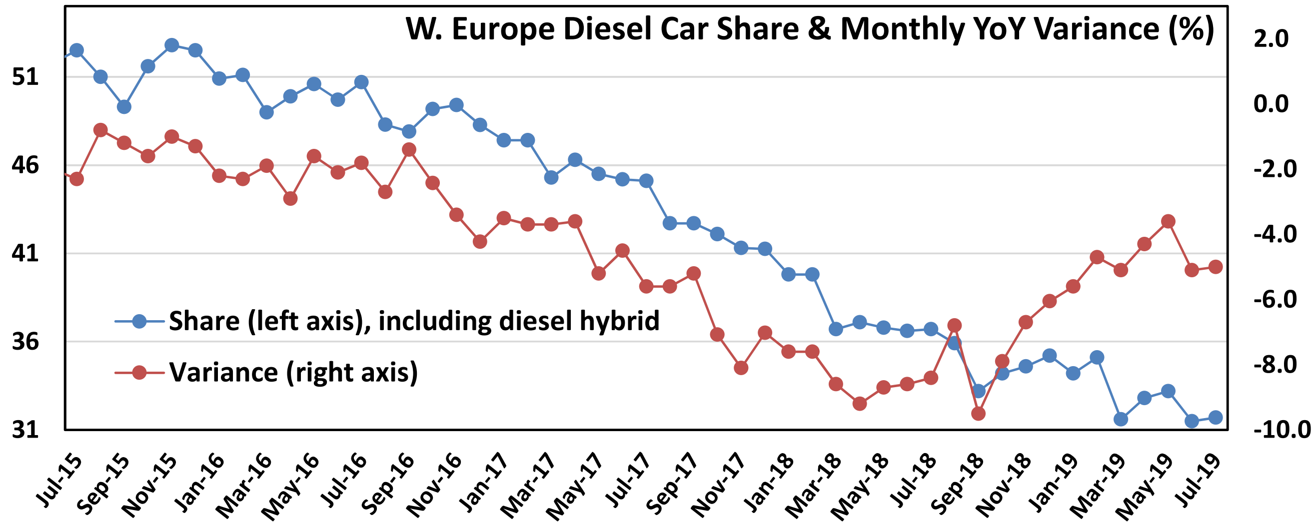
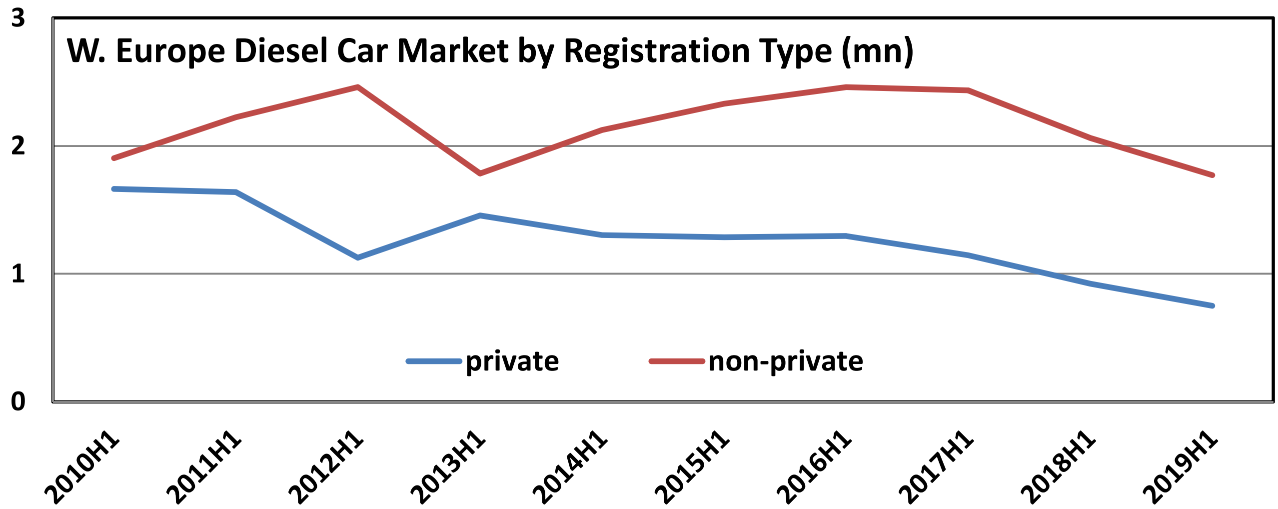
July 2019

Western European Diesel Car Market

The Region's Diesel Market was Stable in July



- July's diesel market result was a slight improvement over June 2019 at 31.7% of new car sales (+0.2 pp). Annual decline was also stable at -5 percentage points. Once again, Germany stands out as a growing diesel market (the only other was Sweden) adding 6k of diesel car sales over July 2018 and 56k YTD. Italy saw the biggest decline (-20k YoY) as its adjustment to a sustainable level of diesel demand continues. Aggregate diesel volumes in July were 59k down on those of a year ago while cumulative losses to July amount to 518k, with Italy alone accounting for 30% of that figure. Italy's diesel car share YTD remains 10pp above the regional average so we assume further falls this year, but perhaps at a declining rate. To illustrate the point, not just for Italy but more widely, we anticipate a full-year diesel volume loss of 610k (half that of 2018), implying that most of the anticipated 2019 volume decline has already happened.



- While both private and non-private diesel car sales are currently in decline, it is the private sector that has borne the brunt of the decline in volume since peak diesel in 2011. Comparing first half-year volumes for both segments, it can be seen above that non-private (primarily business + fleet + rental) sales are not wildly different from 2011H1 volumes while private registrations are less than half what they were then. Private buyers are more exposed to image & possible losses arising from falling diesel residual values while non-private users may be more concerned with fuel usage and other running costs.

July 2019

LMC AUTOMOTIVE

Western European Diesel Car Market

Diesel Share of New Car Sales (%)

	Jul-19	Jul-18	YoY	YTD July-19	YTD July-18	YoY
Austria	38.4	42.8	-4.4	39.2	41.7	-2.5
Belgium*	32.5	36.3	-3.8	30.9	36.2	-5.3
Denmark	28.0	30.8	-2.8	26.7	34.0	-7.3
Finland	16.4	21.4	-5.0	20.4	23.7	-3.3
France	34.2	39.5	-5.3	34.6	40.3	-5.7
Germany	33.4	33.0	0.4	34.6	32.4	2.2
Greece*	20.0	38.7	-18.7	24.0	34.4	-10.4
Ireland	41.3	51.0	-9.7	45.8	54.3	-8.5
Italy	37.8	50.9	-13.1	42.5	53.5	-11.0
Luxembourg	44.2	44.8	-0.6	43.7	46.5	-2.8
Netherlands	8.3	12.9	-4.6	8.4	13.8	-5.4
Norway	18.6	20.9	-2.3	15.4	18.1	-2.7
Portugal	41.0	54.3	-13.3	39.9	53.4	-13.5
Spain	28.4	36.3	-7.9	29.0	37.2	-8.2
Sweden	32.0	22.6	9.4	35.4	40.5	-5.1
Switzerland	27.1	30.3	-3.2	27.6	30.5	-2.9
UK	25.9	31.9	-6.0	27.0	32.5	-5.5
W. Europe	**31.7**	**36.7**	**-5.0**	**32.8**	**37.5**	**-4.7**

Diesel Car Sales Volume ('000s)

	Jul-19	Jul-18	YoY	YTD July-19	YTD July-18	YoY
Austria	12.1	13.5	-1.4	81.3	93.5	-12.2
Belgium*	14.6	15.5	-0.9	109.9	135.4	-25.6
Denmark	4.7	5.1	-0.4	37.2	46.8	-9.5
Finland	1.5	2.0	-0.5	14.2	18.8	-4.6
France	58.9	68.9	-10.0	460.0	547.1	-87.1
Germany	111.0	104.9	6.1	754.7	698.8	55.9
Greece*	2.4	3.3	-0.9	18.2	24.0	-5.8
Ireland	10.2	13.7	-3.5	48.3	61.9	-13.6
Italy	57.8	77.8	-20.1	524.9	682.0	-157.1
Luxembourg	2.1	2.2	-0.1	15.7	16.5	-0.9
Netherlands	2.8	4.7	-1.9	22.1	40.3	-18.2
Norway	1.7	2.0	-0.3	13.5	15.7	-2.2
Portugal	7.6	10.7	-3.2	58.7	81.8	-23.1
Spain	33.7	47.8	-14.1	237.9	322.4	-84.5
Sweden	7.6	2.8	4.7	67.8	96.4	-28.6
Switzerland	6.9	7.7	-0.8	50.4	56.0	-5.6
UK	40.7	52.3	-11.6	385.1	480.3	-95.2
W. Europe	**376.1**	**435.0**	**-58.9**	**2,899.8**	**3,417.6**	**-517.8**

**** Estimated for July 2019***

Oxford, 15th August 2019

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LMC Automotive

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