

EUROPEAN PASSENGER CAR TRENDS

The MPV is dead. Long live the MPV?

LMC Automotive sees the protracted decline of a once flourishing car segment coming to an end in Europe as premium models put a floor of sorts under the market share of MPVs

Oxford, 20 November 2018. Rumours about the demise of the multi-purpose vehicle (MPV)* have been somewhat exaggerated, according to the global car industry forecasting and intelligence experts at LMC Automotive.

Granted, after roaming Europe's streets in droves during the 2000s, demand for the class of passenger car also known as multi-activity vehicles (MAVs), people carriers, or minivans has waned steadily during the past decade as ever more consumers

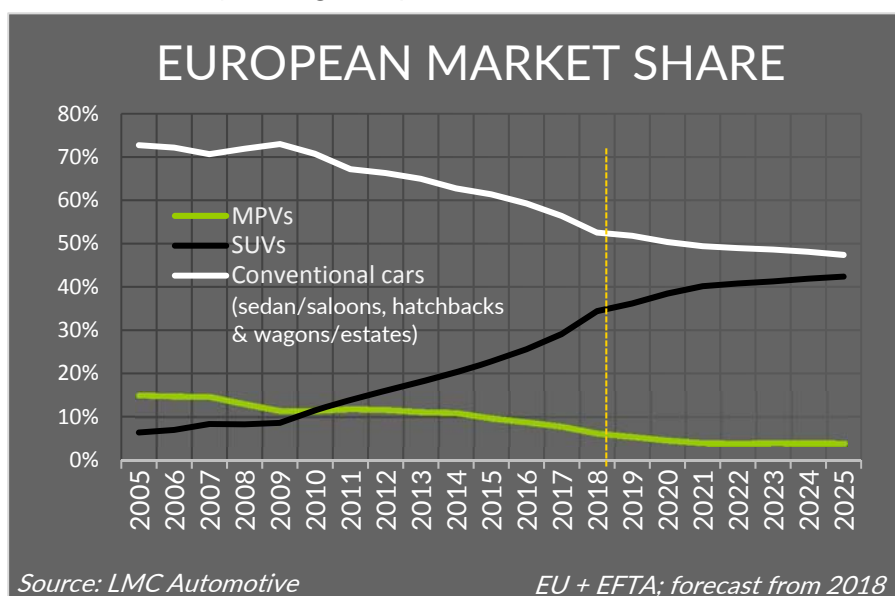
consecrate the automobile market's love affair with the SUV (sport-utility vehicle). But the consultancy believes the MPV's ultimate passing is a long way off.

"Although the market share of non-premium

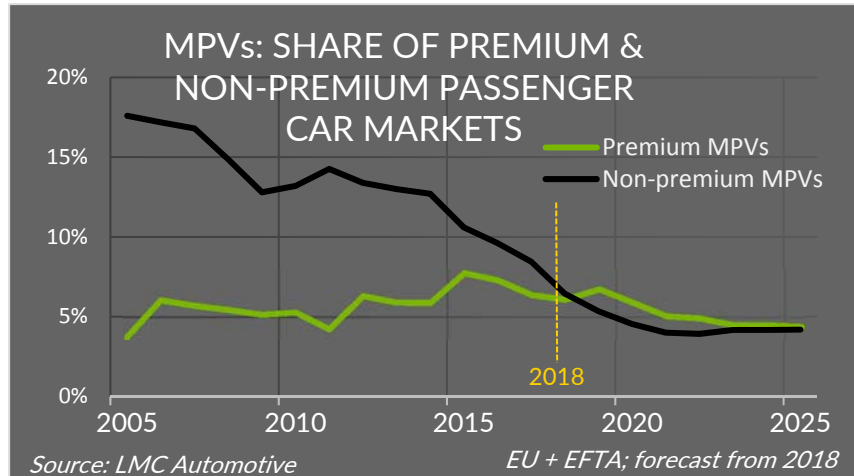
MPVs will continue to weaken over the next few years, it will then level off," says LMC Automotive analyst Sammy Chan. "In addition, we expect premium MPVs to maintain market share, at least in the near term, and actually surpass non-premium models in terms of their respective shares of the premium and non-premium passenger car markets."

Altogether, MPVs made up 15% of total European passenger car sales in 2005, when volume peaked at 2.42 million units. The figure dwindled to 11% in 2010 and an estimated 6% by the end of this year, or just over 1 million vehicles. During the same period, the market share of SUVs increased fivefold to 34% or more than 5.64 million units.

Despite the fact that they share many of the practical advantages of SUVs, such as cabin space, interior flexibility and a raised driving position, MPVs are considered boring and unattractive in the eyes of consumers. Carmakers, meanwhile, adore the higher margins achievable with SUVs, many of which are crossovers that share platforms with conventional car models.



This explains the diminishing MPV model count. In 2010, consumers had a choice of 45 different models. The figure fell drastically after 2015 alongside a major ramp-up in new SUVs. LMC Automotive predicts that by 2025, only 21 MPVs will remain. Opel and Toyota are phasing them out this year in Europe, with others to follow including Hyundai and Kia (in 2020) and Fiat (2021).



Source: LMC Automotive

As for the longer-term outlook, electrification naturally favours SUVs and particularly

larger premium models, which are better suited to the bulk, weight and cost of the extra batteries critical to extending the driving range. However, other industry trends may in fact represent a renaissance of sorts for the MPV.

“When fully autonomous vehicles and car sharing gain a foothold, the minivan actually makes a lot of sense,” says Chan,

referring to self-driving concepts like the Volkswagen Sedic and Mercedes-Benz Vision Urbanetic that give new scope to the idea of a multi-purpose vehicle. “And even before this happens, there will always be some sort of a market for MPVs.”

* Does not include “leisure activity vehicles” such as the Citroën Berlingo/Peugeot Rifter, Ford Tourneo Courier or Renault Kangoo

TOP-SELLING MPVs: EUROPE 2018

1. Volkswagen Touran
2. Mercedes-Benz B-Class
3. Volkswagen Golf Sportsvan
4. Fiat 500L
5. Renault Grand Scenic

Source: LMC
 Automotive

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