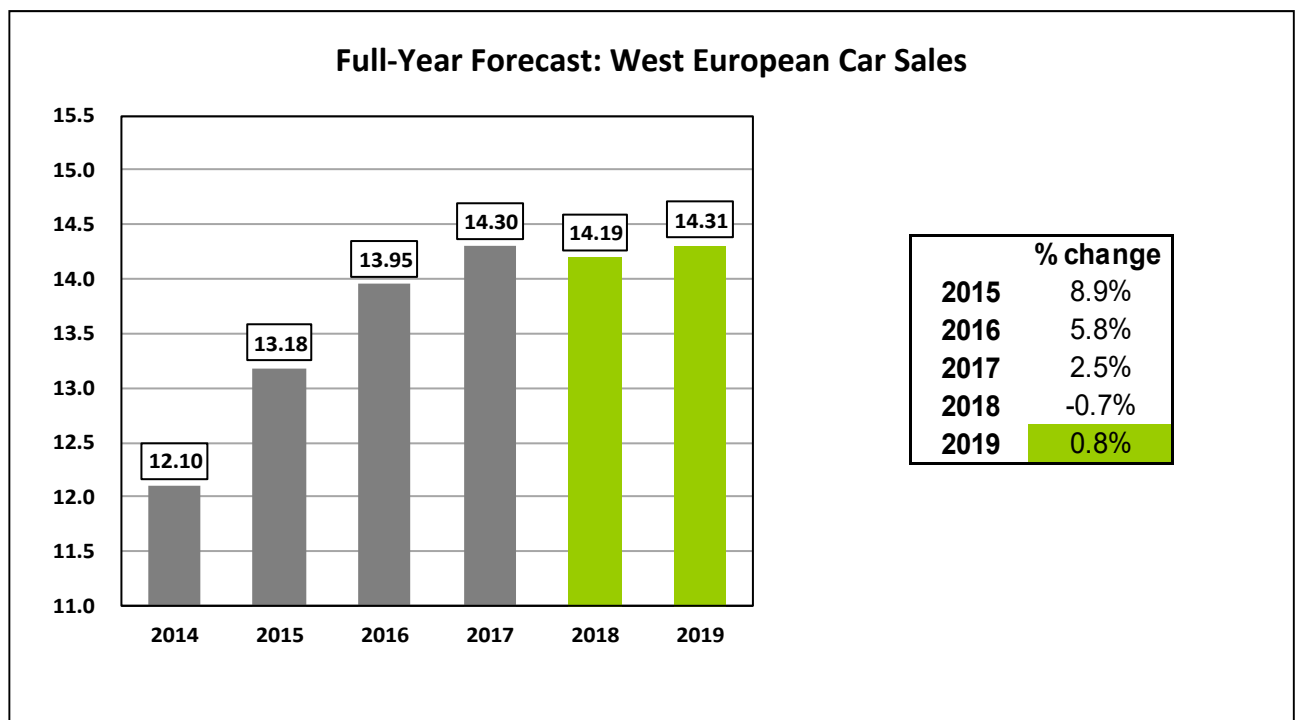


## Western European Passenger Car Sales Update

### Summary

- West European car registrations fell by 8.5% year-on-year (YoY) in December. The selling rate dropped to 12.8 mn units/year in December, compared to 13.3 mn units/year in November. Full-year registrations across Western Europe were down 0.7% YoY, with a total of 14.2 mn units sold, the first YoY decline since 2013.
- In France, 2018 closed with a disappointing 14.5% YoY fall in December, but the market still grew 3% for the full year, to deliver its best annual performance since 2011. The German market was down 6.7% YoY in December, resulting in a contraction of 0.2% in 2018. Italy saw a 2% YoY increase in December sales, but this was not enough to prevent a 3.1% full-year decline.
- December's Spanish sales were also down YoY, by 3.5%, but Spain was still the pick of the major West European markets in 2018, growing by 7% YoY. In the UK, sales fell 5.5% YoY in December; it was the worst-performing of the 'Big 5' markets in 2018, with a 6.8% YoY decline.
- With very little momentum being carried into the New Year, we now see 2019 Western European sales growing by just 0.8% YoY. This assumes that a 'no-deal' Brexit is avoided – otherwise Western European sales could fall again in 2019. France and Spain are expected to be the primary contributors to 2019 growth; in contrast, Italy is expected to see another YoY decline.



7<sup>th</sup> January 2019

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## Western European Passenger Car Sales Update

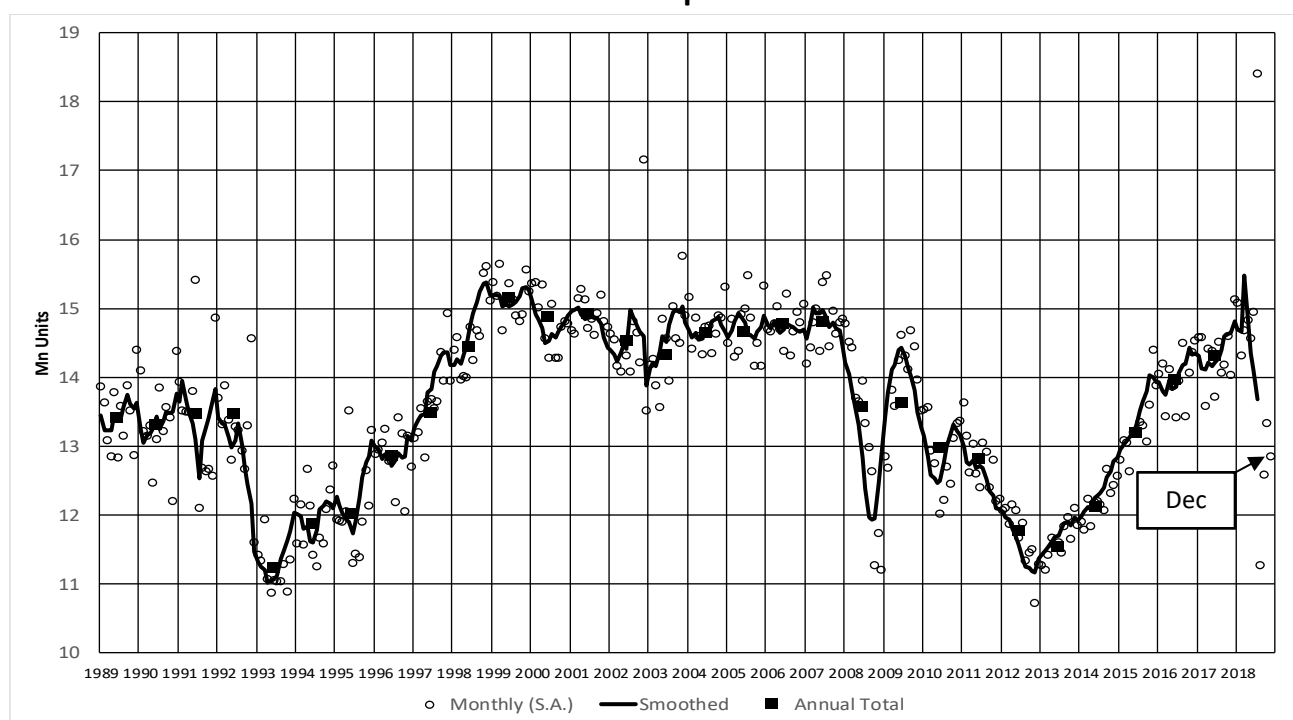
### Commentary

2018 ended on a sour note for the Western European car market, with December delivering an 8.5% fall YoY. More concerning is the selling rate, which, surprisingly, slipped to 12.8 mn units/year in December, from 13.3 mn units/year in November. This reversal came as somewhat of a shock, as the pace of sales was expected to pick up following the slump caused by WLTP-related disruption in the autumn. Instead, it appears that the economic slowdown across the region, along with one-off factors such as the protests in France, have conspired to shift West European sales into a lower gear.

France's 14.5% YoY decline in December saw the selling rate drop to 1.8 mn units/year. However, December's sales may have been distorted by tax changes taking effect from January, which gave consumers an incentive to hold off on purchases until 2019. The uncertainty created by the 'gilets jaunes' protests, which continued well into December, may also have played a part. Italy bucked the trend of many of its neighbours, with YoY sales growth in December – albeit modest at 2% – yet a 3.1% fall in volumes for 2018 as a whole. The selling rate in December was above 1.9 mn units/year, but with political uncertainty and a stuttering economy, the car market seems likely to miss the elusive 2 mn units/year mark once again in 2019. The German car market saw its first full-year decline since 2013, dropping 0.2% YoY. After an exceptionally strong start to the year, the market is still to recover fully from the impact of WLTP, although a worsening economic outlook may now be having a greater effect. December's 6.7% YoY decline saw the selling rate creep up to 3.3 mn units/year, still below the average for the full year.

In Spain, sales were down 3.5% YoY in December, but the selling rate rose towards the 1.3 mn units/year that would be expected, save for the recent distorting effects of WLTP. If a greater degree of certainty regarding the economy and future environmental regulations can be established, further growth is attainable in 2019. UK car sales were down 5.5% YoY in December, capping a second consecutive year of decline, as sales fell 6.8% YoY. Brexit-related uncertainty, WLTP disruption and negative headlines surrounding diesels all took their toll.

### West European Car Sales





## Western European Passenger Car Sales Update

### West European Car Sales

	Sales (units)						Selling rate (Units/year)			
	Dec 2018	Dec 2017	Percent change	Year-to-date 2018	Year-to-date 2017	Percent change	Dec 2018	Year-to-date 2018	Year 2017	Percent change
WESTERN EUROPE	942,340	1,029,362	-8.5%	14,194,612	14,300,867	-0.7%	12,844,793	14,194,612	14,300,867	-0.7%
AUSTRIA	19,221	25,690	-25.2%	341,949	354,174	-3.5%	291,316	341,949	354,174	-3.5%
BELGIUM	23,197	28,072	-17.4%	549,632	546,558	0.6%	327,764	549,632	546,558	0.6%
DENMARK	13,912	16,516	-15.8%	218,537	221,797	-1.5%	183,164	218,537	221,797	-1.5%
FINLAND	6,159	8,068	-23.7%	120,495	118,575	1.6%	101,278	120,495	118,575	1.6%
FRANCE	165,390	193,375	-14.5%	2,173,523	2,110,751	3.0%	1,844,361	2,173,523	2,110,751	3.0%
GERMANY	237,058	253,950	-6.7%	3,435,832	3,441,266	-0.2%	3,326,562	3,435,832	3,441,266	-0.2%
GREECE	7,846	7,057	11.2%	104,657	88,298	18.5%	96,671	104,657	88,298	18.5%
IRELAND	142	160	-11.3%	125,594	131,333	-4.4%	59,495	125,594	131,333	-4.4%
ITALY	124,078	121,689	2.0%	1,909,433	1,971,342	-3.1%	1,927,271	1,909,433	1,971,342	-3.1%
LUXEMBOURG	2,835	2,844	-0.3%	53,027	52,773	0.5%	49,558	53,027	52,773	0.5%
NETHERLANDS	20,028	17,365	15.3%	443,812	414,308	7.1%	219,029	443,812	414,308	7.1%
NORWAY	12,461	16,077	-22.5%	147,929	158,650	-6.8%	145,779	147,929	158,650	-6.8%
PORTUGAL	16,157	17,053	-5.3%	228,256	222,129	2.8%	218,347	228,256	222,129	2.8%
SPAIN	99,291	102,943	-3.5%	1,321,407	1,234,875	7.0%	1,259,723	1,321,407	1,234,875	7.0%
SWEDEN	22,937	34,958	-34.4%	353,666	379,393	-6.8%	268,709	353,666	379,393	-6.8%
SWITZERLAND	27,539	31,072	-11.4%	299,716	314,028	-4.6%	283,398	299,716	314,028	-4.6%
UK	144,089	152,473	-5.5%	2,367,147	2,540,617	-6.8%	2,242,368	2,367,147	2,540,617	-6.8%

## 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.



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