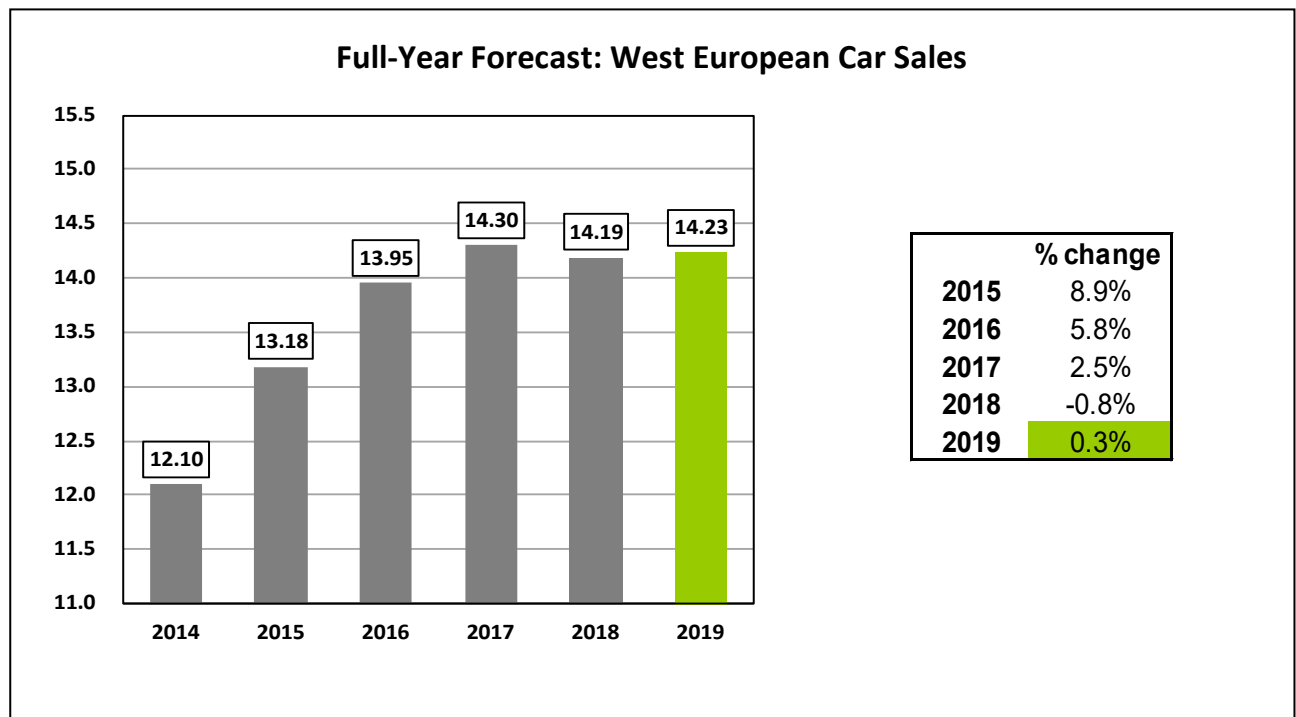


Western European Passenger Car Sales Update

Summary

- West European car registrations fell 3.7% year-on-year (YoY) in March. The selling rate was also down, at 14.1 mn units/year in March, from 14.9 mn units/year in February.
- In an important month for the UK car market, sales were down by 3.4% YoY, while the selling rate dropped to a lacklustre 2.3 mn units/year. German registrations were down 0.5% YoY in March, but for Q1 as a whole, sales were marginally higher YoY (+0.2%).
- In France, registrations fell by 2.3% YoY in March, pushing the market into negative territory for the first quarter of 2019 (-0.6%, YoY). However, the selling rate remained at a respectable 2.2 mn units/year. The Italian market contracted by 9.6% YoY in March, with the selling rate slipping to 1.8 mn units/year. For Q1 2019 as a whole, Italian registrations are down 6.5% YoY. Spain saw its seventh consecutive month of YoY decline, by 4.3% in March, while the selling rate stayed disappointingly below 1.2 mn units/year.
- For the first quarter of 2019, registrations in Western Europe as a whole are down by 3.5% YoY. The fact that the recent selling rate growth has gone into reverse is certainly a setback, leading us to forecast a virtually flat West European car market for the full-year, with growth of just 0.3% seen. This forecast assumes that an orderly Brexit and an easing of trade tensions help to boost confidence in the coming months. Any significant YoY growth is likely to come in the final four months of 2019, when sales were weak in 2018 due to WLTP-related disruption.



4th April 2019

For further information contact Jonathon Poskitt or David Oakley

Phone +44 1865 791737, jposkitt@lmc-auto.com or doakley@lmc-auto.com



Western European Passenger Car Sales Update

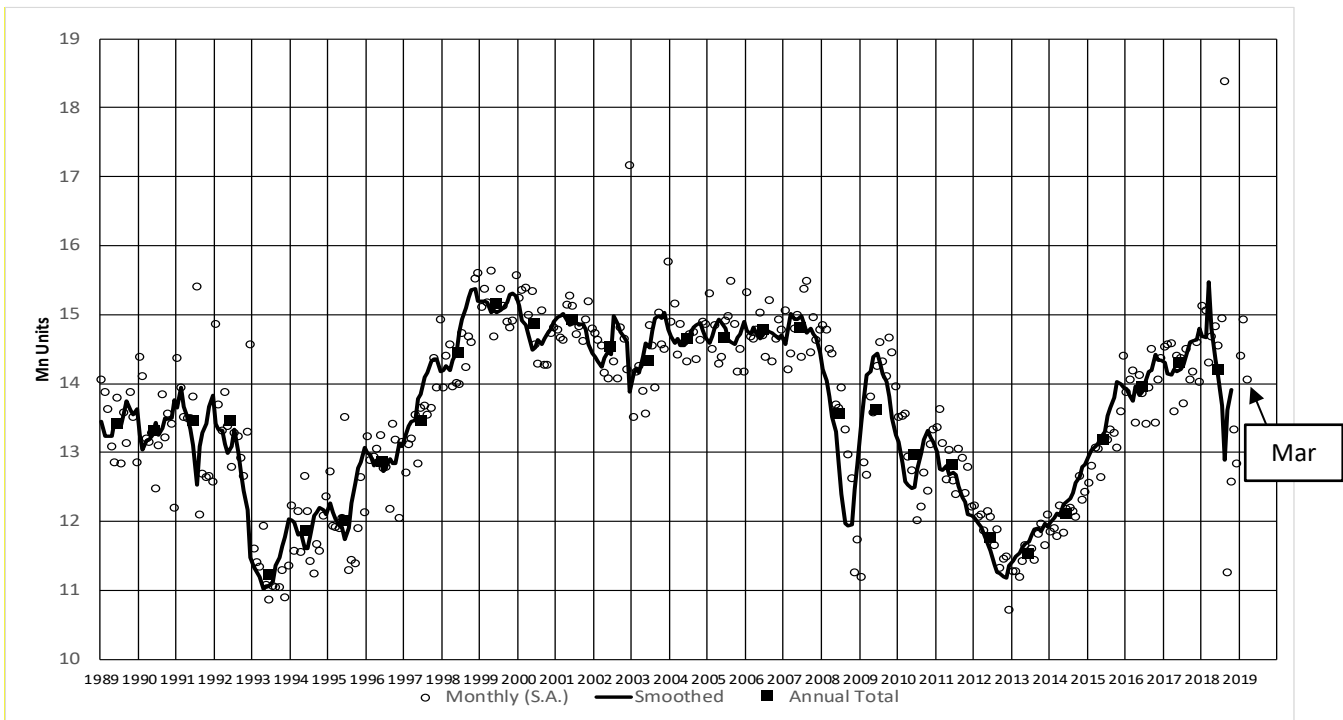
Commentary

West European car registrations fell 3.7% YoY in March, while the selling rate dropped to 14.1 mn units/year, from 14.9 mn units/year in February. There were fewer selling days in March in several key markets compared to the same month in the prior year, but the weaker selling rate suggests that it was still a poor month overall.

March is a key month for the UK market, as new registration plates are released, meaning it is usually the best month of the year for car sales. The 3.4% YoY decline was therefore a disappointing – but not disastrous – result. Fleet sales grew marginally (perhaps due to fleet buyers ensuring purchases were made before Brexit, which could lead to higher prices), but private buyers appeared to take a wait-and-see approach amidst political uncertainty and weak economic growth. Hindered by the loss of a selling day compared to the same month in 2018, German car sales fell 0.5% YoY in March. The selling rate dropped to 3.4 mn units/year, from 3.8 mn units/year in February, but this represents a return to normality – 3.4 mn units being in line with our full-year German forecast – rather than a slump.

French car sales fell by 2.3% YoY in March, but a closer look reveals that this may have been partly the result of March 2019 containing one selling day fewer than the same month in the prior year. The selling rate rose slightly above 2.2 mn units/year, for the first time since last August, which is a decent result for this market. In Italy, sales appeared to suffer from a payback effect in March, declining by 9.6% YoY, having been pulled forward to February to avoid tax increases on higher-emitting vehicles. Meanwhile, the Italian authorities' failure to implement a bonus scheme for electric vehicles in a timely manner also seems to be holding back sales. Although Spain's YoY fall of 4.3% in March was less severe than February's -8.8% result, it was nevertheless a weak outturn for a market which is still some way off the peaks seen in the past. Only company cars saw YoY growth in March, while the individual and hire car sectors were down. Political uncertainty and an increasing hostility to petrol and diesel fuels at both national and local policymaking levels appear to be acting as a drag on sales for the time being.

West European Car Sales



Western European Passenger Car Sales Update

West European Car Sales

	Sales (units)						Selling rate (Units/year)			
	Mar 2019	Mar 2018	Percent change	Year-to-date 2019	Year-to-date 2018	Percent change	Mar 2019	Year-to-date 2019	Year 2018	Percent change
WESTERN EUROPE	1,641,252	1,704,884	-3.7%	3,783,645	3,920,043	-3.5%	14,059,824	14,464,723	14,192,210	1.9%
AUSTRIA	32,015	35,517	-9.9%	81,060	90,715	-10.6%	326,912	319,659	341,949	-6.5%
BELGIUM	54,873	58,431	-6.1%	155,866	165,557	-5.9%	555,045	623,502	549,632	13.4%
DENMARK	26,323	19,782	33.1%	66,286	56,972	16.3%	280,994	263,723	218,506	20.7%
FINLAND	9,277	11,723	-20.9%	29,100	34,417	-15.4%	95,751	102,451	120,491	-15.0%
FRANCE	225,818	231,110	-2.3%	553,340	556,858	-0.6%	2,218,383	2,185,970	2,173,523	0.6%
GERMANY	345,523	347,433	-0.5%	880,092	878,611	0.2%	3,437,498	3,677,707	3,435,832	7.0%
GREECE	9,069	11,724	-22.6%	23,704	25,096	-5.5%	105,269	110,893	104,186	6.4%
IRELAND	16,738	17,726	-5.6%	64,098	71,760	-10.7%	107,820	112,840	125,594	-10.2%
ITALY	193,662	214,270	-9.6%	537,289	574,823	-6.5%	1,821,942	1,864,888	1,909,433	-2.3%
LUXEMBOURG	5,621	5,379	4.5%	14,867	14,296	4.0%	55,843	57,989	52,807	9.8%
NETHERLANDS	39,126	41,920	-6.7%	116,124	135,679	-14.4%	497,247	427,394	443,812	-3.7%
NORWAY	18,375	14,401	27.6%	38,485	33,799	13.9%	201,770	155,422	147,929	5.1%
PORTUGAL	24,900	27,887	-10.7%	59,442	63,169	-5.9%	216,238	220,656	228,067	-3.2%
SPAIN	122,664	128,180	-4.3%	316,911	340,316	-6.9%	1,171,452	1,209,881	1,319,920	-8.3%
SWEDEN	30,256	37,206	-18.7%	73,880	87,397	-15.5%	320,798	324,094	353,666	-8.4%
SWITZERLAND	28,958	28,126	3.0%	72,065	72,089	0.0%	308,329	312,130	299,716	4.1%
UK	458,054	474,069	-3.4%	701,036	718,489	-2.4%	2,338,534	2,495,525	2,367,147	5.4%

Notes:

Greece data: estimate 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

LMC Automotive is a market leader in the provision of automotive intelligence and forecasts to an extensive client base of car and truck makers, component manufacturers and suppliers, financial, logistics and government institutions around the world and is highly respected for its extremely responsive customer support. It offers forecasting services covering global sales and production for light vehicles and heavy trucks, as well as forecasts of engine and transmission supply and demand. In addition, LMC Automotive publishes special studies on subjects of topical interest to the automotive industry.

LMC Automotive is part of the LMC group. LMC is the global leader in economic and business consultancy for the agribusiness sector.

For further information about LMC Automotive, you can visit us at www.lmc-auto.com or email us at forecasting@lmc-auto.com.

© LMC Automotive Ltd, 2019. All rights reserved in all countries. Decisions based on this information are at the user's own risk and LMC Automotive cannot accept any liability for its accuracy. If the information in this document is reproduced in any form full attribution must be given to LMC Automotive.