

Teaser

# Forecast Report EU-5

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Passenger Car Registrations 2023 – 2028

22 September 2023

# Content

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	Page	Content per country
<b>Europe-30*</b>	3	<ul style="list-style-type: none"><li>▪ Key insights</li></ul>
<b>France</b>	21	<ul style="list-style-type: none"><li>▪ Impact factors</li></ul>
<b>Germany</b>	40	<ul style="list-style-type: none"><li>▪ Economic and legal background</li></ul>
<b>Italy</b>	59	<ul style="list-style-type: none"><li>▪ Fuel type development</li></ul>
<b>Spain</b>	78	<ul style="list-style-type: none"><li>▪ Market segment development</li></ul>
<b>UK</b>	97	
Forecast Methodology	116	
Copyright Regulations	117	

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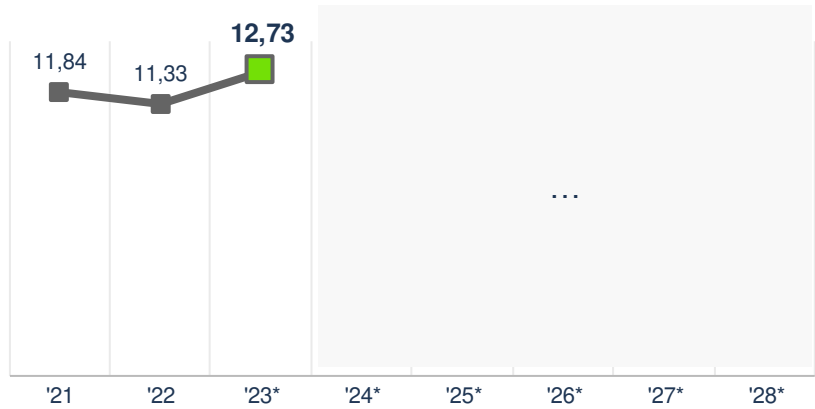
## Overview

### Total Market

Million new car registrations

2023/22	+12,3%	↑
2024/23	+10,1%	↑
CAGR 2018-23	-4,1%	
CAGR 2023-28	4,4%	

Average 2015-2019 **15,34**



### Summary

Total Market Forecast



- While 2023 is in line with our prediction, we expect the further recovery to be slower.
- Economic headwinds and ongoing high car prices lead to further postponements in 2024/25.
- Shortfalls between 2020-2024 lead to increased replacements in 2025-2027
- From 2028, we still expect a decreasing trend, based on changing preferences and demographic developments in Europe.

### Changes

to previous forecast



2023	+12,000	▪ Adjustment to actual data
2024	...	▪ ...
2025		
2026		
2027		
2028		



## Cheat Sheet: Forecast impact factors

	years							channels			
	22	23	24	25	26	27	28	Private	Fleets	RAC	D&M
1) Pent-up demand											
2) Used car shortage											
3) Semiconductor shortage											
4) ...											
5) ...											
6) ...											
7) ...											
8) ...											
9) ...											
10) ...											
11) ...											
12) ...											

Strong boost

Strong decrease

Channel fully affected

Moderate boost

Moderate decrease

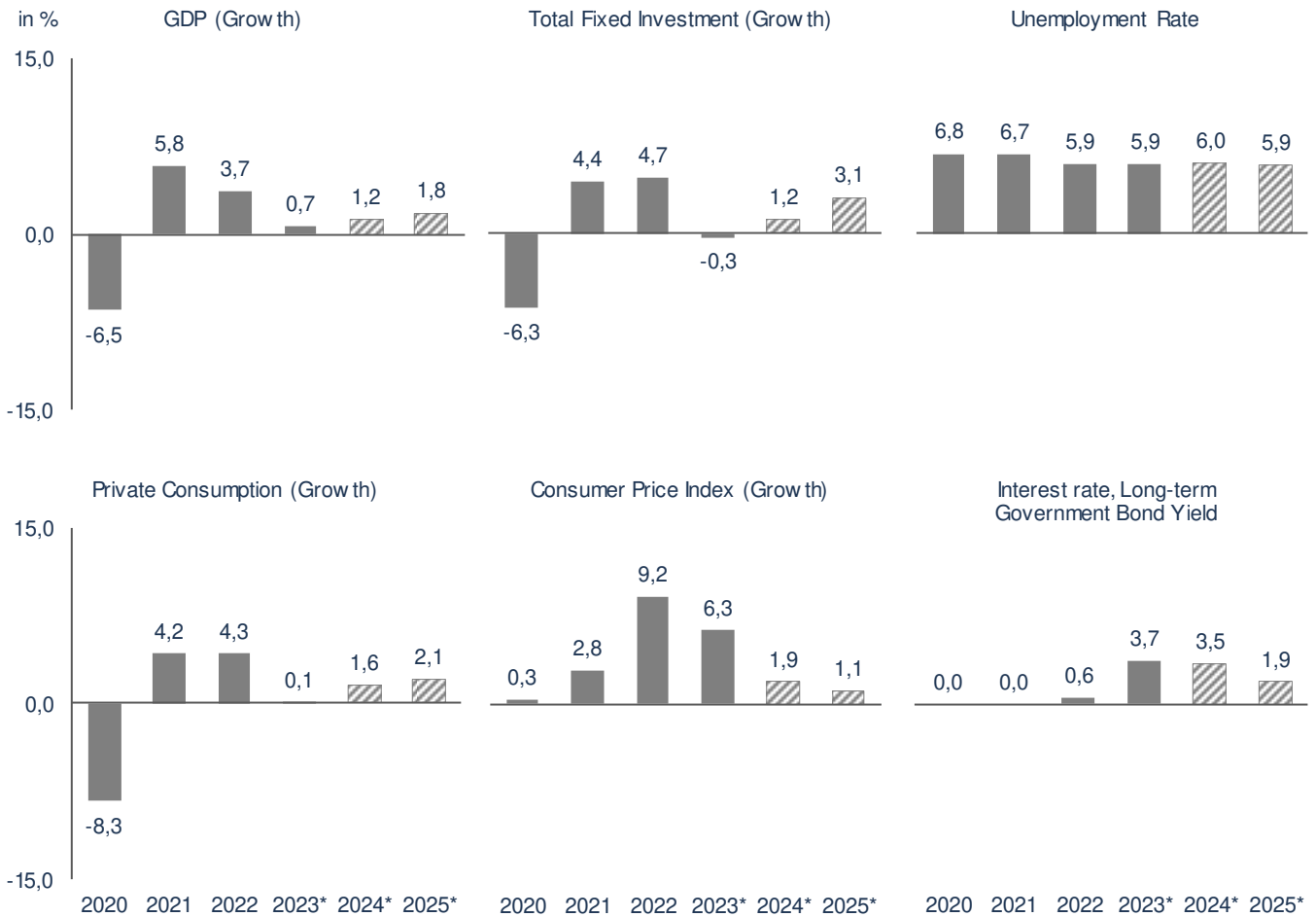
Channel lightly affected



## Dictionary

1)	Pent-up demand	<ul style="list-style-type: none"><li>▪ Losses between 2020-2023 amount to roughly one year of lost replacements</li></ul>
2)	Used car shortage	<ul style="list-style-type: none"><li>▪ Low supply of young used cars means less savings when moving from a new to a used car.</li></ul>
3)	Semiconductor Shortage	<ul style="list-style-type: none"><li>▪ Constrains car production below car demand</li><li>▪ Dealership/Manufacturer &amp; RAC bear the brunt</li></ul>
4)	...	
5-6)	...	
7)	...	
8)	...	
9)	...	
10)	...	
11)	...	
12)	...	

## Economic Indicators



- The European Economy suffers from weakness in the manufacturing sector and feeble private consumption. This is caused by the high inflation that shrinks disposable incomes, increasing interest rates leading to decreasing investment and weakening export demand particularly from China.
- Against this background, GDP will only grow by 0.7% this year while Germany as Europe's largest economy is in a recession.
- On the upside is a comparably robust labour market with a slight decrease in unemployment rates.
- Oxford Economics predicts inflation to abate from 2024 which will allow a looser monetary policy and a recovery in private consumption.

## Recent and upcoming events

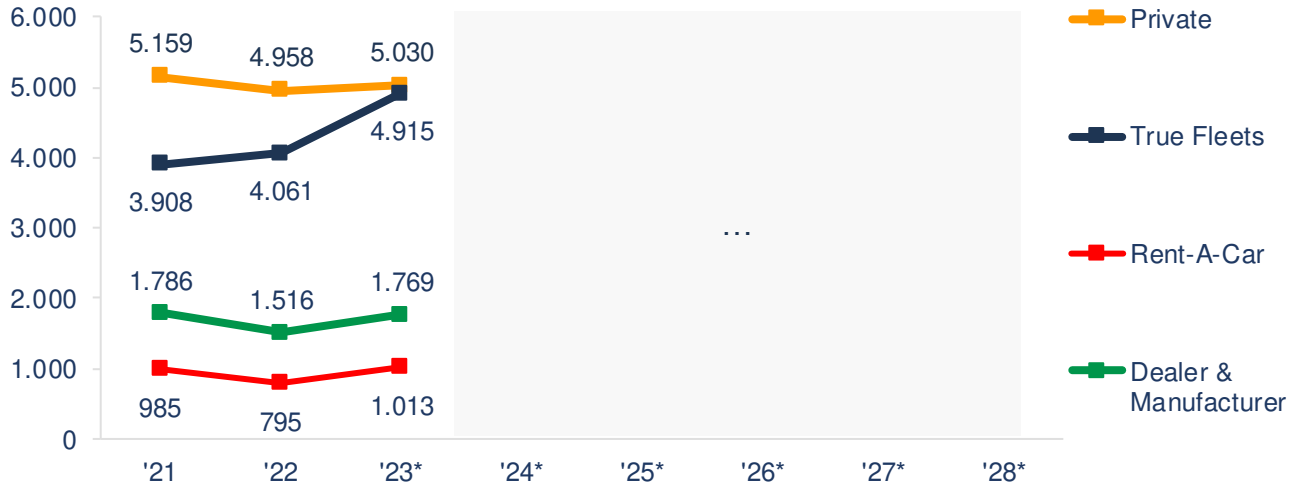


- EU-CAFÉ **CO2 regulation** for light vehicle sales
  - 15% lower emissions from 2025 (compared to 2020)
  - 55% reduction by 2030
  - 0 g/km from 2035
- Upcoming **EV incentive cuts** in many countries, including the big 5 countries.
- **Euro 7** emission standards to be introduced from 2025
  - Increase in production costs, particularly for smaller cars
  - Brings BEVs closer to price parity
  - Possible bottlenecks in homologation as seen in 2018/2019
- EU-wide **CO2 tax** on fuel and gas from 2027: Fossil fuel prices will go up, with up to 10.5 eurocents per litre for petrol, and 12 eurocents per litre for diesel, according to a study by the Potsdam Institute for Climate Research.
- EU **battery market legislation** from 2026/27, recycling quotas for critical materials
- **PHEV** utility factor: Adjustment planned for 2027 will lead to higher WLTP emissions from PHEVs

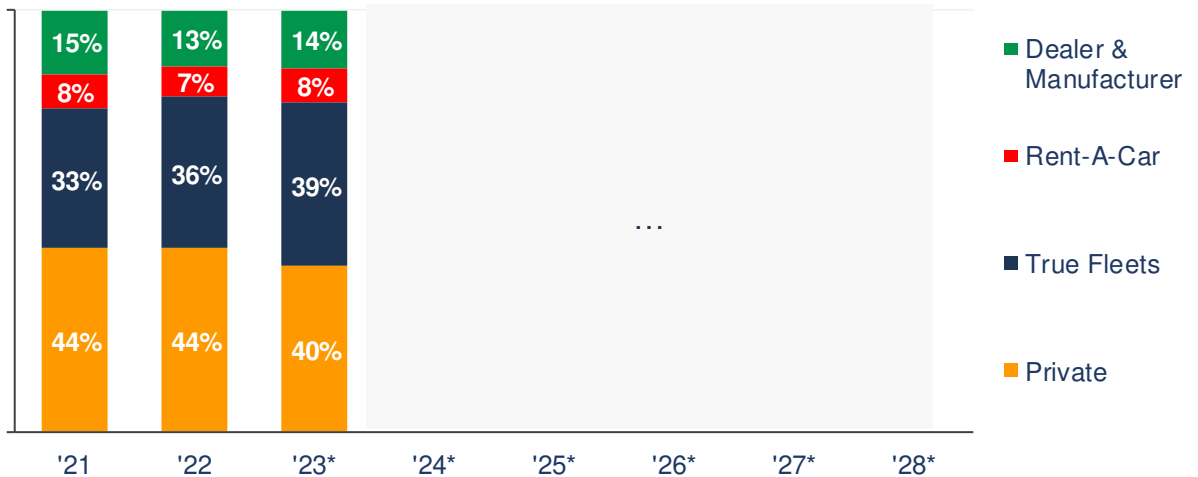


## Overview

New registrations (thousands)



Market shares in %



- **Private Market** remains subdued in 2023 (cost-of-living crisis), but ...
- **True Fleets** catch-up effects in 2023,...
- **Rent-A-Car** gets ...
- **Dealership/Manufacturer** registrations increase ...





## Sales Channel Figures

### Overview passenger cars

		2021	2022	2023*	2024*	2025*	2026*	2027*	2028*
Registrations (thsd.)	Private	5.159	4.958	5.030	...	...	...	...	...
	True Fleets	3.908	4.061	4.915	...	...	...	...	...
	Rent-A-Car	985	795	1.013	...	...	...	...	...
	Dealer & Manufacturer	1.786	1.516	1.769	...	...	...	...	...
	<b>Total Market</b>	<b>11.839</b>	<b>11.330</b>	<b>12.727</b>	...	...	...	...	...

		2021	2022	2023*	2024*	2025*	2026*	2027*	2028*
Year-on-Year Growth	Private	-4,1%	-3,9%	1,4%	...	...	...	...	...
	True Fleets	3,4%	3,9%	21,0%	...	...	...	...	...
	Rent-A-Car	6,7%	-19,3%	27,5%	...	...	...	...	...
	Dealer & Manufacturer	-7,4%	-15,1%	16,7%	...	...	...	...	...
	<b>Total Market</b>	<b>-1,5%</b>	<b>-4,3%</b>	<b>12,3%</b>	...	...	...	...	...

		2021	2022	2023*	2024*	2025*	2026*	2027*	2028*
Share of Total Market	Private	43,6%	43,8%	39,5%	...	...	...	...	...
	True Fleets	33,0%	35,8%	38,6%	...	...	...	...	...
	Rent-A-Car	8,3%	7,0%	8,0%	...	...	...	...	...
	Dealer & Manufacturer	15,1%	13,4%	13,9%	...	...	...	...	...
	<b>Total Market</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	...	...	...	...	...

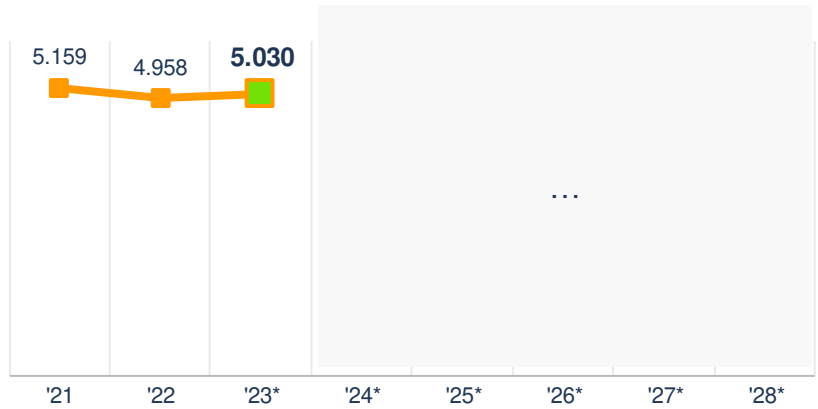


## Private

Million new car registrations

2023/22	+1,4%	↑
2024/23	+4,4%	↑
CAGR 2018-23	-6,3%	
CAGR 2023-28	3,1%	

Average 2015-2019 **6.799**



## Changes

to previous forecast

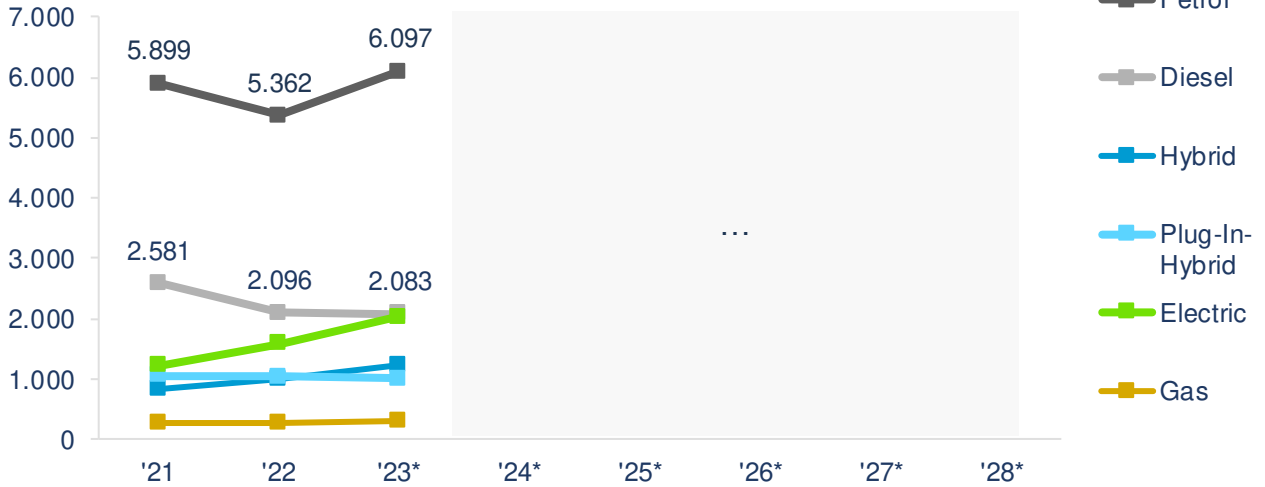


2023	-91,000	▪ Unchanged
2024	...	▪ ...
2025	...	▪ ...
2026	...	
2027	...	
2028	...	

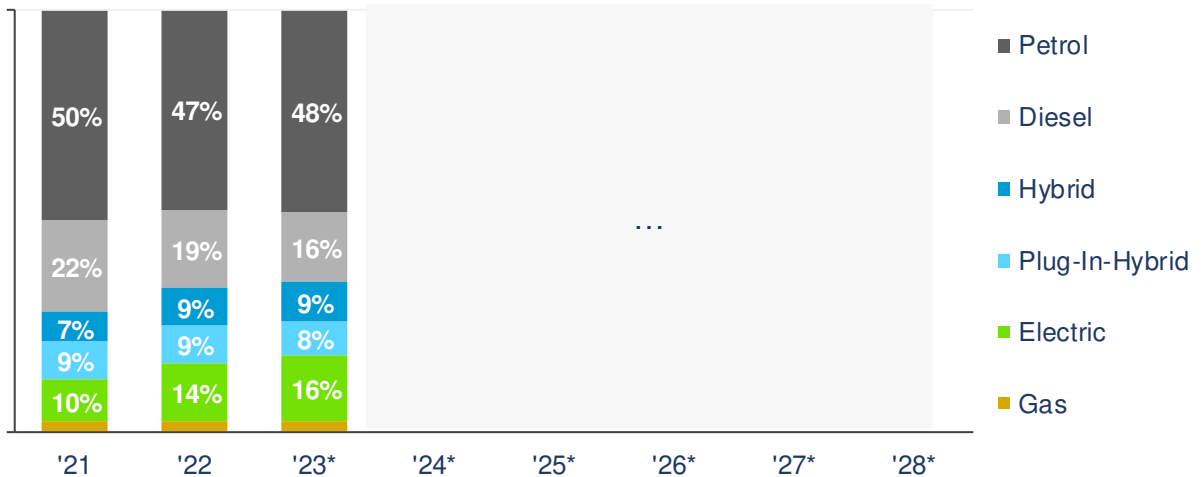


## Overview

New registrations (thousands)



Market shares in %



- **Petrol** (incl. Mild Hybrid) will remain the predominant fuel type until ...
- **Diesel** is still used by fleets and high-mileage drivers ...
- **PHEVs** are ...
- **BEV** uptake ...

## Fuel type figures

### Overview passenger cars

		2021	2022	2023*	2024*	2025*	2026*	2027*	2028*
Registrations (thsd.)	Petrol	5.899	5.362	6.097	...	...	...	...	...
	Diesel	2.581	2.096	2.083	...	...	...	...	...
	Hybrid	812	989	1.208	...	...	...	...	...
	Plug-In-Hybrid	1.047	1.025	1.000	...	...	...	...	...
	Electric	1.219	1.577	2.020	...	...	...	...	...
	Gas	269	266	312	...	...	...	...	...
	Other	10	15	7	...	...	...	...	...
	<b>Total Market</b>	<b>11.839</b>	<b>11.330</b>	<b>12.727</b>	...	...	...	...	...

		2021	2022	2023*	2024*	2025*	2026*	2027*	2028*
Share of Total Market	Petrol	49,8%	47,3%	47,9%	...	...	...	...	...
	Diesel	21,8%	18,5%	16,4%	...	...	...	...	...
	Hybrid	6,9%	8,7%	9,5%	...	...	...	...	...
	Plug-In-Hybrid	8,8%	9,0%	7,9%	...	...	...	...	...
	Electric	10,3%	13,9%	15,9%	...	...	...	...	...
	Gas	2,3%	2,3%	2,4%	...	...	...	...	...
	Other	0,1%	0,1%	0,1%	...	...	...	...	...
	<b>Total Market</b>	<b>100,0%</b>	<b>100,0%</b>	<b>100,0%</b>	...	...	...	...	...

## Changes

to previous forecast



- Higher short-term BEV forecast: Order backlog prevents payback effects from lower grants
- Higher ...
- PHEV forecast reduced ...

## Cheat Sheet: European trends

fuel type impact

BEV	PHEV	Hybrid	Petrol	Diesel	Gas

	BEV	PHEV	Hybrid	Petrol	Diesel	Gas
<b>Regulation</b>						
1) EU CO2 targets (CAFE)	●	●	●			
2) Euro 7				●	●	
<b>Technology</b>						
3) ...						
4) ...						
5) ...						
6) ...						
7) ...						
<b>Demand: Buyer's preferences</b>						
8) ...						
9) ...						
10) ...						
11) ...						
12) ...						
13) ...						
<b>Supply: OEM actions</b>						
14) ...						
15) ...						
16) ...						

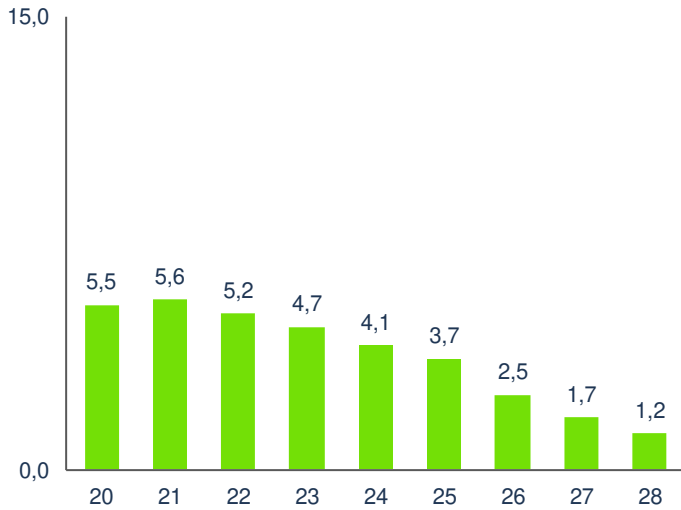
● Strong boost   ● Moderate boost   ● Strong decrease   ● Moderate decrease

## Indicators

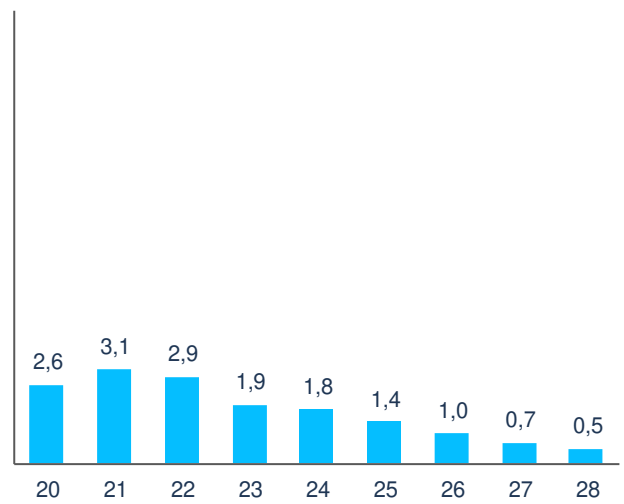
### Incentives (Thousand Euros)

Purchase grants + tax savings over three years against a comparable petrol car. Channel specific savings (fleet or private) weighed with channel share in total market.

BEVs



PHEVs

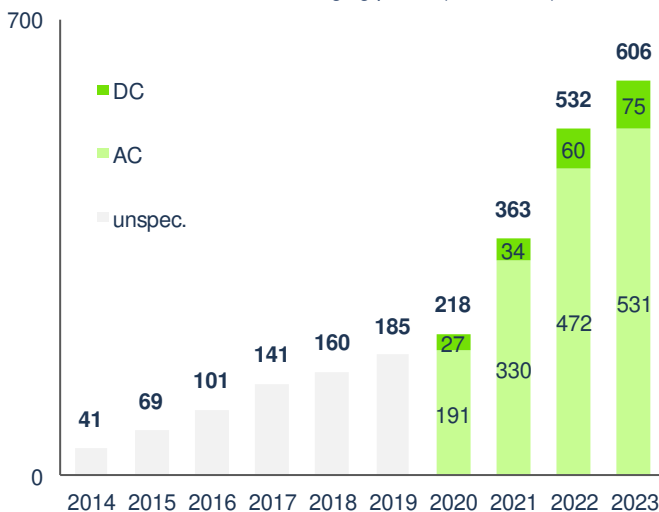


### Public Charging infrastructure

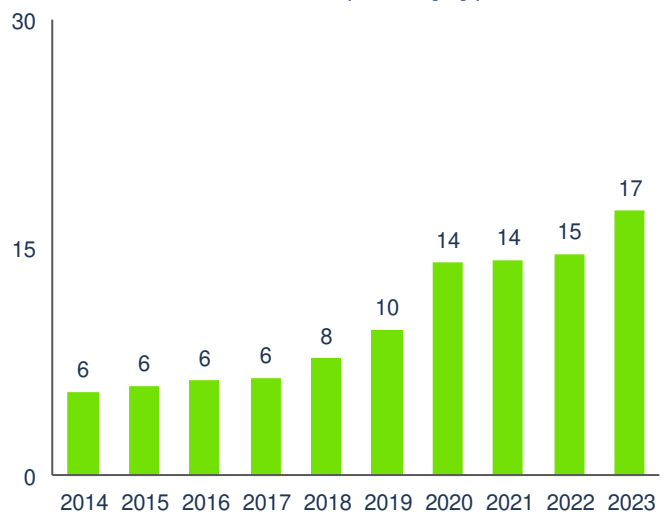
Number of charging points according to eafo, the definition changed in 2020.

Relation between BEVs in the car parc (31 December) and the number of available charging points, a number <10 is considered ideal

Number of charging points (thousands)



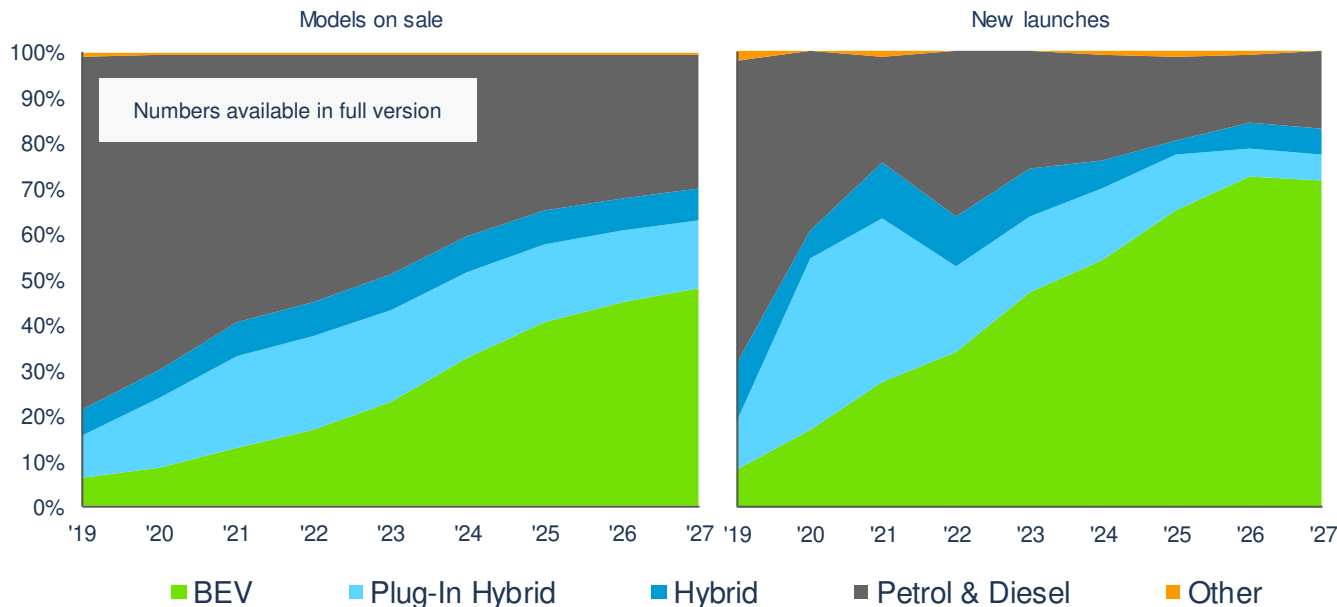
BEVs & PHEVs per charging point



## Model Policy

### European model mix by fuel type

Model counts by fuel type in the Vehicle Lifecycle database, relative to the total counts.



### Top 10 model launches in Europe in 2023

By market shares of brand and vehicle segment



Make	Model	Segment	Fuel	Event	Quarter
VW	VW PASSAT	PC Medium (D)	ICE, PHEV	New Generation	4
HYUNDAI	HYUNDAI KONA	SUV Small (B)	BEV, HEV, ICE	New Generation	4
FIAT	FIAT 600	SUV Small (B)	BEV	New	4
OPEL	OPEL ASTRA	PC Compact (C)	BEV	New	3
TOYOTA	TOYOTA PRIUS	PC Compact (C)	PHEV	New Generation	3
RENAULT	RENAULT RAFALE	SUV Medium (D)	HEV, ICE, PHEV	New	4
RENAULT	RENAULT ESPACE SUV	SUV Medium (D)	HEV	New	2
PEUGEOT	PEUGEOT 408	PC Medium (D)	BEV	New	4
KIA	KIA EV6 GT	SUV Medium (D)	BEV	New	1
CITROEN	CITROEN C4 X	SUV Medium (D)	BEV, ICE	New	1

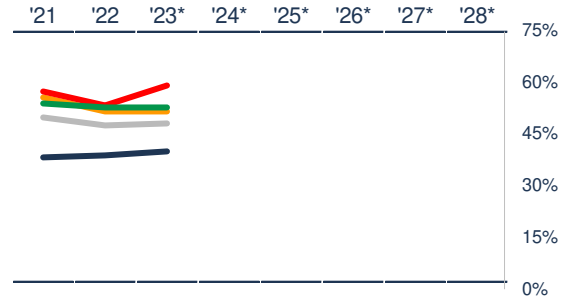
# Europe – Fuel types by channels



## Fuel type share comparison between channels

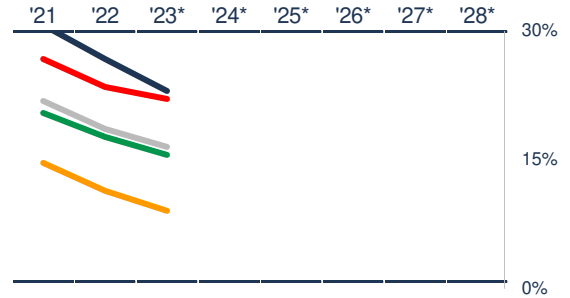
### Petrol share

	'21	'22	'23*	'24*	'25*	'26*	'27*	'28*
Private	56%	52%	52%	...	...	...	...	...
True Fleets	38%	39%	40%	...	...	...	...	...
RAC	57%	53%	59%	...	...	...	...	...
Dealer & Manufacturer	54%	53%	53%	...	...	...	...	...
<b>Total</b>	<b>50%</b>	<b>47%</b>	<b>48%</b>	...	...	...	...	...



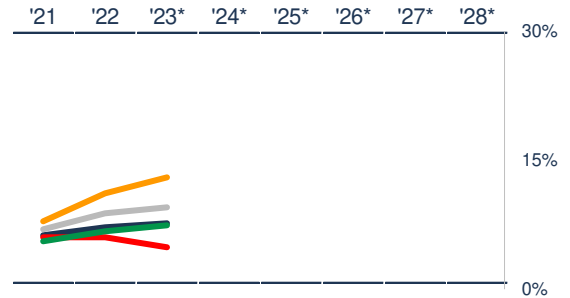
### Diesel share

	'21	'22	'23*	'24*	'25*	'26*	'27*	'28*
Private	15%	11%	9%	...	...	...	...	...
True Fleets	31%	27%	23%	...	...	...	...	...
RAC	27%	23%	22%	...	...	...	...	...
Dealer & Manufacturer	20%	18%	16%	...	...	...	...	...
<b>Total</b>	<b>22%</b>	<b>19%</b>	<b>16%</b>	...	...	...	...	...



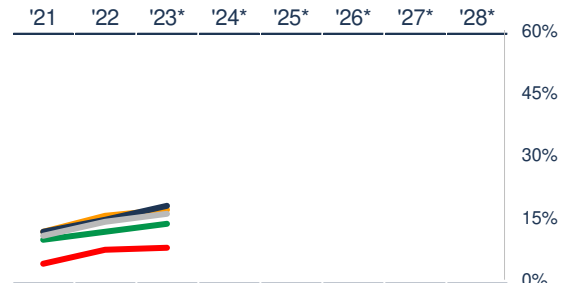
### Hybrid share

	'21	'22	'23*	'24*	'25*	'26*	'27*	'28*
Private	8%	11%	13%	...	...	...	...	...
True Fleets	6%	7%	8%	...	...	...	...	...
RAC	6%	6%	5%	...	...	...	...	...
Dealer & Manufacturer	6%	7%	7%	...	...	...	...	...
<b>Total</b>	<b>7%</b>	<b>9%</b>	<b>9%</b>	...	...	...	...	...



### Electric share

	'21	'22	'23*	'24*	'25*	'26*	'27*	'28*
Private	11%	15%	17%	...	...	...	...	...
True Fleets	11%	14%	18%	...	...	...	...	...
RAC	4%	7%	8%	...	...	...	...	...
Dealer & Manufacturer	10%	11%	13%	...	...	...	...	...
<b>Total</b>	<b>10%</b>	<b>14%</b>	<b>16%</b>	...	...	...	...	...





# Europe – Fuel types by channels



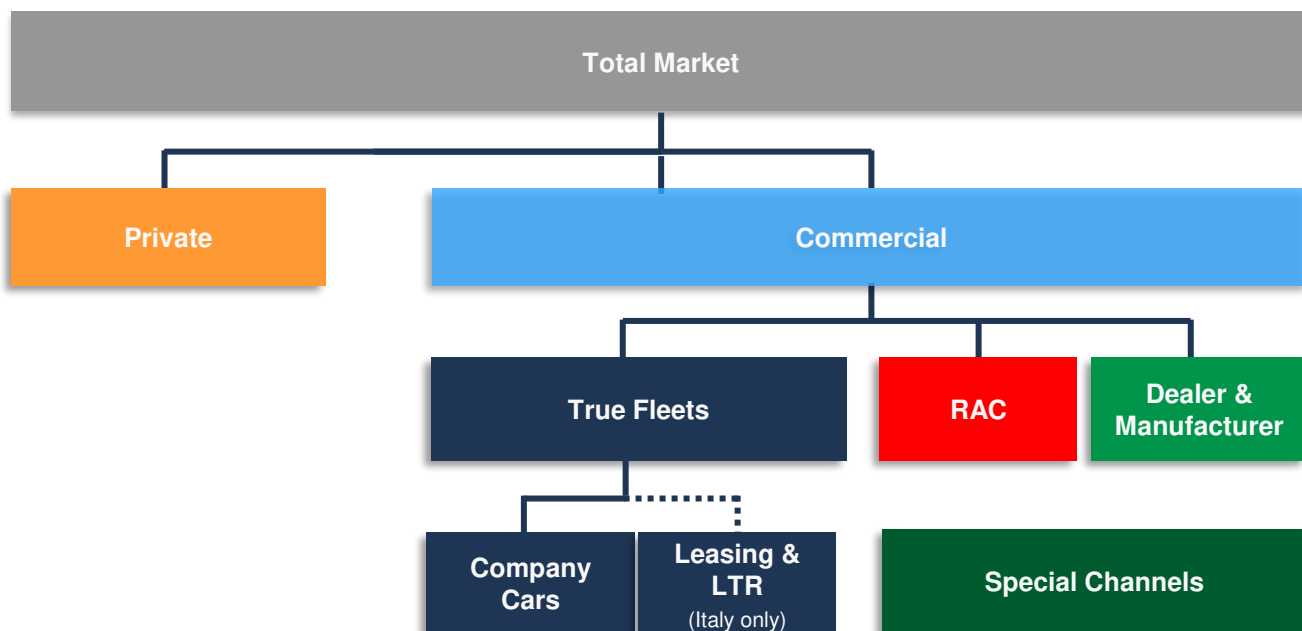
## Fuel types volumes in channels (thsd.)

		2021	2022	2023*	2024*	2025*	2026*	2027*	2028*
<b>Private</b>	Petrol	2.882	2.565	2.609	...	...	...	...	...
	Diesel	756	557	458	...	...	...	...	...
	Hybrid	410	551	653	...	...	...	...	...
	Plug-In-Hybrid	322	306	233	...	...	...	...	...
	Electric	575	764	832	...	...	...	...	...
	Gas	209	205	241	...	...	...	...	...
	Other	6	10	4	...	...	...	...	...
	<b>Private</b>	<b>5.159</b>	<b>4.958</b>	<b>5.030</b>	...	...	...	...	...
<b>True Fleet</b>	Petrol	1.495	1.576	1.955	...	...	...	...	...
	Diesel	1.197	1.086	1.127	...	...	...	...	...
	Hybrid	244	289	374	...	...	...	...	...
	Plug-In-Hybrid	498	482	536	...	...	...	...	...
	Electric	437	582	873	...	...	...	...	...
	Gas	34	43	47	...	...	...	...	...
	Other	3	3	2	...	...	...	...	...
	<b>True Fleet</b>	<b>3.908</b>	<b>4.061</b>	<b>4.915</b>	...	...	...	...	...
<b>RAC</b>	Petrol	562	425	598	...	...	...	...	...
	Diesel	263	186	222	...	...	...	...	...
	Hybrid	58	48	48	...	...	...	...	...
	Plug-In-Hybrid	56	71	61	...	...	...	...	...
	Electric	37	58	77	...	...	...	...	...
	Gas	7	6	6	...	...	...	...	...
	Other	0	1	0	...	...	...	...	...
	<b>RAC</b>	<b>985</b>	<b>795</b>	<b>1.013</b>	...	...	...	...	...
<b>Dealer &amp; Manuf.</b>	Petrol	960	796	935	...	...	...	...	...
	Diesel	366	267	276	...	...	...	...	...
	Hybrid	99	101	132	...	...	...	...	...
	Plug-In-Hybrid	171	165	170	...	...	...	...	...
	Electric	170	173	238	...	...	...	...	...
	Gas	19	13	18	...	...	...	...	...
	Other	1	1	1	...	...	...	...	...
	<b>Dealer &amp; Manuf.</b>	<b>1.786</b>	<b>1.516</b>	<b>1.769</b>	...	...	...	...	...

# Methodology

- Our Forecast approach starts by determining the long-term trend which is driven by factors as car ownership and changing mobility preferences, demographics like urbanisation and the number of households, environmental and traffic policy, and the technical developments in terms of digitalisation and battery development.
- Having derived the overall trend, we compute medium term fluctuations stemming from the economic cycle, replacement demand, taxation and subsidies or model policy, i.e. the impact from new model introductions.
- For the short-term perspective of the current and next year and to go into monthly forecasts, we are considering the individual seasonal patterns and working days impacts as well as special effects such as sales promotions or anticipated or delayed registrations.
- The forecast is based on Dataforce new registrations derived from the IRIS® system, the car parc and used car transfer figures, insights from the fleet manager panel Dataforce FleetBase® and macroeconomic and sociodemographic forecasts provided by Oxford Economics. Then we add our own calculations on the impact of model policy, replacement demand, environmental regulation and taxation changes.
- The total market and channel forecasting has been developed in collaboration with the forecasting specialists from MSI Sistemas de Inteligencia de Mercado while the fuel type forecast uses designs from the expert consultant Detlef Borscheid.

## The Dataforce Forecast Market Segmentation



# Copyright Regulations

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