

## MARKET MONITOR

### EUROPEAN PASSENGER CAR REGISTRATIONS: JANUARY-AUGUST 2020



New car registrations dropped in August, going from 1.3 million in July to 0.9 million in August 2020. A dip in registrations of this order is not unusual during the summer, and in the years up to 2017 this typically occurred in the month of August. The years 2018 and 2019 were different, however, largely due to the Worldwide harmonized Light vehicles Test Procedure (WLTP) applying to all new cars starting September 2018 and the Real Driving Emissions (RDE) test procedure for nitrogen oxide (NO<sub>x</sub>) emissions applying to all new cars from September 2019 onwards. Consequently, some vehicle manufacturers rushed to register a large number of new vehicles in August 2018 and August 2019, before the introduction of the new regulations. As a result, registrations were particularly strong in August during these two years. In comparison, new car registrations in August 2020 were about 20% lower than in August 2019. The market-wide share of electric vehicles increased from 9% in July to 11% in August. Year-to-date (YTD), the electric vehicles share remains at 8%. Daimler witnessed a particularly strong increase in its electric vehicles share, going from 16% in July to 21% in August, with the majority of these vehicles being plug-in hybrid electric vehicles. The average CO<sub>2</sub> emission level for most manufacturers decreased slightly in August and, on average, is about 7 g/km away from the 2020 target level.

**Table 1.** New passenger car registrations, by manufacturer.

New car registrations				
	Aug 2020	Aug 2019	YTD 2020	YTD 2019
VW Group	218,582	-25%	1,827,967	-31%
PSA-Opel	120,793	-21%	1,057,662	-40%
Renault	82,434	-26%	724,882	-36%
Toyota-Mazda	61,083	-9%	496,051	-27%
BMW	60,561	6%	494,830	-25%
Daimler	57,538	-23%	440,147	-34%
FCA-Tesla	56,929	-12%	464,348	-39%
Ford	54,337	-13%	417,068	-38%
Hyundai	35,851	-10%	252,598	-32%
Kia	35,277	6%	265,535	-21%
Nissan	18,768	-21%	172,514	-37%
Volvo	15,557	-7%	162,854	-24%
Other	40,378	-42%	352,297	-40%
<b>ALL</b>	<b>858,088</b>	<b>-20%</b>	<b>7,128,753</b>	<b>-34%</b>

**Table 2.** Share of electric vehicles, by manufacturer.

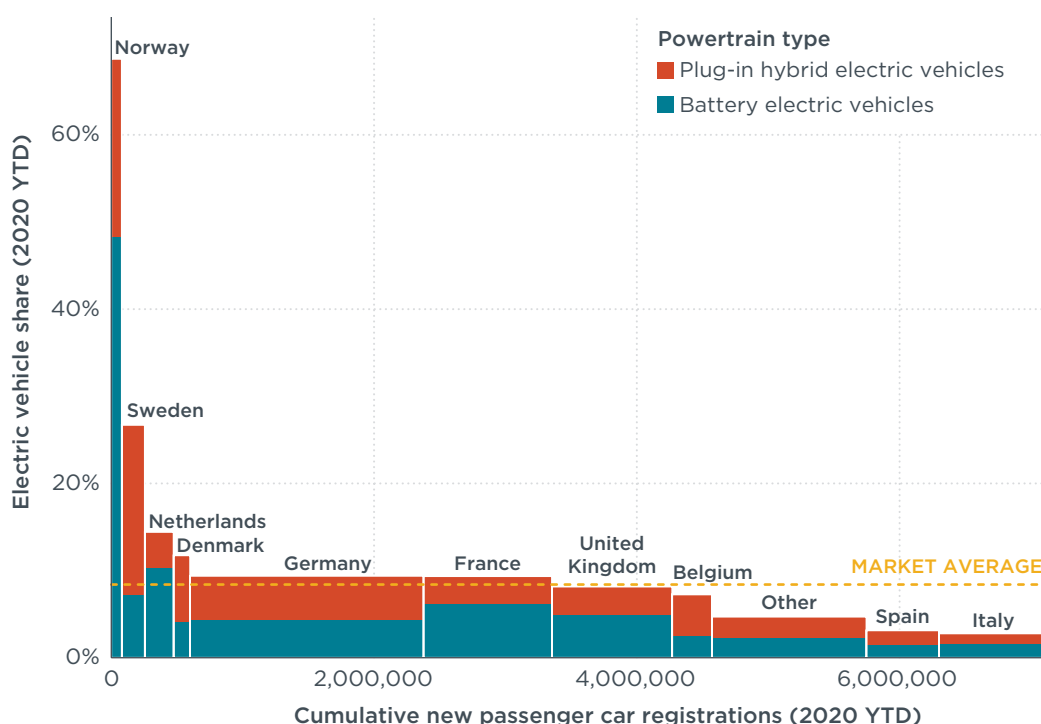
Share of electric vehicles			
	Aug 2020	YTD 2020	YTD 2019
Volvo	32%	26%	9%
Kia	22%	15%	6%
Daimler	21%	12%	2%
BMW	16%	14%	7%
Hyundai	15%	12%	6%
FCA-Tesla	13%	10%	7%
Nissan	11%	11%	8%
<b>AVERAGE</b>	<b>11%</b>	<b>8%</b>	<b>3%</b>
Other	10%	9%	7%
VW Group	10%	7%	1%
Ford	9%	5%	0%
Renault	8%	7%	3%
PSA-Opel	6%	6%	0%
Toyota-Mazda	1%	0%	0%

**Table 3.** New passenger car fleet average CO<sub>2</sub> emission level, by manufacturer.

New car fleet average CO <sub>2</sub> (in g/km)											
	Target gap	Aug 2020		YTD 2020		Compliance credits			Status 2020	Target 2020	Target gap
		WLTP	NEDC	WLTP	NEDC	PI	EC	SC	NEDC	NEDC	NEDC
PSA-Opel	0%	123	98	124	99	3.0	0.1	4.5	92	92	0
Volvo	2%	139	116	145	121	3.0	0.0	7.5	111	109	2
Nissan	2%	131	105	135	108	3.0	0.1	7.5	97	95	2
Renault	2%	122	103	124	105	3.0	0.2	7.5	95	92	3
BMW	3%	137	114	141	117	3.0	0.9	7.5	106	103	3
Kia	4%	116	101	125	108	3.0	0.0	7.5	98	94	4
Hyundai	5%	119	104	125	109	3.0	0.0	7.5	99	94	5
Toyota-Mazda	5%	126	102	126	103	3.0	0.1	0.2	99	95	4
<b>AVERAGE</b>	<b>6%</b>	<b>131</b>	<b>108</b>	<b>135</b>	<b>112</b>	<b>3.0</b>	<b>0.2</b>	<b>6.0</b>	<b>103</b>	<b>96</b>	<b>7</b>
Ford	8%	129	109	134	112	3.0	0.1	3.6	106	98	8
VW Group	11%	138	113	143	117	3.0	0.0	6.7	108	97	11
FCA-Tesla	13%	135	114	138	117	3.0	0.1	7.5	106	94	12
Daimler	15%	140	119	152	128	3.0	0.7	7.5	117	102	15

Notes: PI = phase-in, EC = eco-innovations, SC = super-credits; all CO<sub>2</sub> values are estimates, see methodology section.

The YTD share of electric vehicles was the highest in Norway (69%), with two thirds of those vehicles being battery electric vehicles. Iceland (39%), Sweden (27%), Finland (16%), the Netherlands (14%), Portugal (11%), Denmark (12%), France (9%), and Germany (9%) also currently have electric vehicle registration shares above the European average of 8%. In Germany, the monthly market share of electric vehicles increased particularly strongly, going from 9% in June, to 12% in July, and 14% in August.



**Figure 1.** Share of electric vehicles, by country, including information on market size (cumulative car registrations).

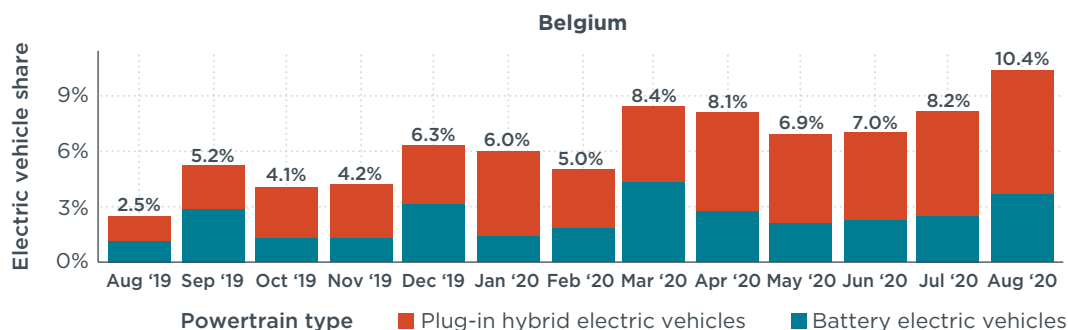
**Table 4.** New passenger car registrations, by country.

New car registrations				
	Aug 2020	Aug 2019	YTD 2020	YTD 2019
Germany	251,044	-20%	1,776,604	-29%
France	102,650	-21%	977,416	-33%
Italy	90,447	-8%	829,448	-44%
United Kingdom	87,226	-6%	915,615	-40%
Spain	70,334	-10%	551,828	-41%
Belgium	37,023	-24%	301,792	-26%
Poland	34,711	-28%	257,005	-32%
Netherlands	26,460	-22%	219,128	-25%
Sweden	25,626	-13%	175,156	-21%
Austria	21,185	-29%	160,395	-33%
Other	111,382	-32%	964,366	-30%
<b>ALL</b>	<b>858,088</b>	<b>-20%</b>	<b>7,128,753</b>	<b>-34%</b>

**Table 5.** Share of electric vehicles by country.

Share of electric vehicles			
	Aug 2020	YTD 2020	YTD 2019
Sweden	29%	27%	11%
Netherlands	21%	14%	9%
Germany	14%	9%	3%
Other	14%	11%	6%
<b>AVERAGE</b>	<b>11%</b>	<b>8%</b>	<b>3%</b>
France	11%	9%	2%
Belgium	10%	7%	3%
United Kingdom	10%	8%	2%
Austria	8%	7%	3%
Italy	4%	3%	1%
Spain	4%	3%	1%
Poland	2%	1%	0%

Belgium is the 6th largest market for new passenger cars in Europe. The electric vehicles share in Belgium increased steadily in the past months, going from an average of 3% in 2019 to 10% in August 2020. About 65% of electric vehicles in the country are plug-in hybrid electric, the rest being battery electric vehicles. Vehicle taxation in Belgium is decided at the regional level, resulting in a complex system of registration and ownership taxes which differ between the Brussels-Capital, the Flemish region, and the Walloon region. Vehicles with a CO<sub>2</sub> emission level below 50 g/km (NEDC) are currently exempt from acquisition and ownership taxes. A purchase premium for battery electric vehicles for the Flemish region ended on 1 January 2020. However, vehicles that were ordered in 2019 but are to be delivered before 31 October 2020 can still apply for the premium.



**Figure 2.** Share of electric vehicles in Belgium (spotlight of the month).

## DEFINITIONS, DATA SOURCES, METHODOLOGY, AND ASSUMPTIONS

**Manufacturer pools:** Automakers are allowed to form pools to jointly comply with CO<sub>2</sub> targets. For this factsheet, the definition of pools according to the European Commission, “M1 pooling list”, version of 15 September 2020 applies (main brands listed here): VW Group (Audi, MG, Porsche, SEAT, Škoda, VW), PSA-Opel (Citroën, DS Automobiles, Opel, Peugeot, Vauxhall), Renault (Dacia, Renault), FCA-Tesla (Alfa Romeo, Fiat, Jeep, Lancia, Tesla), BMW (BMW, Mini), Toyota-Mazda (Lexus, Mazda, Toyota), Daimler (Mercedes-Benz, Smart), Ford (Ford), Hyundai (Hyundai), and Kia (Kia). In addition, two manufacturers not forming pools (Nissan, Volvo) are included for this factsheet.

**Abbreviations:** CO<sub>2</sub> = carbon dioxide emissions; g/km = grams per kilometer; YTD = year to date.

**Technical scope:** This factsheet focuses on new **passenger car** registrations of category M1. Light commercial vehicles are not included. **Electric vehicles** here include battery electric, plug-in hybrid electric, and fuel cell vehicles.

**Geographic scope:** The European CO<sub>2</sub> regulation for vehicle manufacturers applies to all countries of the European Economic Area (EEA). This includes the 27 member states of the European Union, plus Iceland, Liechtenstein, Norway, and the United Kingdom (UK). Data for new car registrations and shares of electric vehicles in this factsheet cover all of these countries, with the exception of Bulgaria, Liechtenstein, and Malta. Data for CO<sub>2</sub> emission levels additionally omit Hungary, Lithuania, Poland (until April 2020), Portugal, and Romania (together less than 10% of the total market).

**Data sources:** AAA DATA (France), SMMT (UK), Dataforce (all other markets).

**Results may change over time:** Registrations and/or CO<sub>2</sub> data may be retrospectively updated by some of the national type approval authorities. YTD values are regularly updated to reflect all latest data available.

**Test procedures:** For the conversion of CO<sub>2</sub> values from the New European Drive Cycle (**NEDC**) to the Worldwide harmonized Light vehicles Test Procedure (**WLTP**), manufacturer-specific factors based on 2019 market data are applied.<sup>1</sup>

**Flexible compliance mechanisms:** To facilitate meeting their CO<sub>2</sub> targets, manufacturers can make use of a number of compliance mechanisms: (1) For 2020, the top 5% of new car registrations with the highest CO<sub>2</sub> emission level will be omitted from the calculation of a manufacturer’s average CO<sub>2</sub> emissions (**phase-in** provision). We estimate this to lower each manufacturer’s 2020 CO<sub>2</sub> level by approximately 2-5 g/km, on average by approximately 3 g/km, (2) Manufacturers can reduce their CO<sub>2</sub> level by up to 7 g/km by deploying **eco-innovation** technologies. As a conservative estimate, we apply the 2019 level of eco-innovation CO<sub>2</sub> emission reductions per manufacturer,<sup>2</sup> (3) New registrations of vehicles with less than 50 g/km CO<sub>2</sub>/km (NEDC) in 2020 are counted twice (**super-credit** multiplier of 2.0). The impact of super-credits for complying with the CO<sub>2</sub> targets is capped at 7.5 g/km per manufacturer for the years 2020-2022 together.

**Mass-based targets:** For each manufacturer pool, a specific **2020 CO<sub>2</sub> target value** applies, depending on the average mass of the new cars registered. For this factsheet, we assume the average mass per manufacturer pool to remain constant with respect to the market situation in 2019.<sup>3</sup>

- 1 Applying the methodology outlined in: Jan Dornoff, Uwe Tietge, and Peter Mock, *On the way to “real-world” CO<sub>2</sub> values: The European passenger car market in its first year after introducing the WLTP*, (ICCT: Washington, DC, 2020), <https://theicct.org/publications/way-real-world-co2-values-european-passenger-car-market-its-first-year-after>
- 2 Applying the methodology outlined in: Uwe Tietge, Peter Mock, and Jan Dornoff, *Overview and evaluation of eco-innovations in European passenger car CO<sub>2</sub> standards*, (ICCT: Washington, DC, 2018), <https://theicct.org/publications/eco-innovations-european-passenger-car-co2-standards>.
- 3 Uwe Tietge, Peter Mock, and Jan Dornoff, *CO<sub>2</sub> emissions from new passenger cars in the European Union: Car manufacturers’ performance in 2019*, (ICCT: Washington, DC, 2020), <https://theicct.org/publications/co2-new-passenger-cars-europe-aug2020>

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