

MARKET MONITOR

EUROPEAN PASSENGER CAR REGISTRATIONS: JANUARY-SEPTEMBER 2020



Following a dip in August, new car registrations increased again in September to a level of 1.3 million. Year-to-date (YTD) registration numbers are still about one-third lower than in 2019. The market-wide share of electric vehicles increased to 12% in September and 9% YTD. Daimler had the highest share of plug-in hybrid electric vehicles, with 22% in September, followed by Kia (20%) and FCA-Tesla (19%). Until recently, Volvo was expected to over-comply with its 2020 target CO₂ value (109 g/km), thanks to its relatively heavy vehicle fleet and high plug-in hybrid electric vehicle share. At the same time, Ford was still struggling with its own target value (98 g/km), given its lighter vehicle fleet and lower electric vehicle share. In October, it became public that both manufacturers had agreed to form a compliance pool. The new pool's CO₂ target value is estimated to be 101 g/km, currently with about 4 g/km of CO₂ reduction left to be achieved by the end of the year. On average, all manufacturers are within 5 g/km of their target CO₂ values. Daimler (13 g/km), VW Group (9 g/km), and FCA-Tesla (8 g/km) remain the furthest away from their 2020 target values.

Table 1. New passenger car registrations, by manufacturer.

New car registrations				
	Sep 2020	Sep 2019	YTD 2020	YTD 2019
VW Group	290,929	16%	2,119,553	-26%
PSA-Opel	177,941	-15%	1,237,577	-37%
Renault	122,799	7%	848,736	-31%
Ford-Volvo	109,473	-5%	690,133	-31%
FCA-Tesla-Honda	104,634	8%	603,244	-32%
Toyota-Mazda	98,594	2%	595,212	-24%
BMW	87,260	-13%	582,864	-23%
Daimler	83,201	-9%	524,389	-29%
Kia	48,059	5%	313,883	-18%
Hyundai	47,971	-6%	300,838	-28%
Nissan	35,027	6%	207,840	-31%
Other	61,576	9%	366,223	-34%
ALL	1,267,464	1%	8,390,492	-30%

Table 2. Share of electric vehicles, by manufacturer.

Share of electric vehicles			
	Sep 2020	YTD 2020	YTD 2019
Daimler	22%	14%	2%
Kia	20%	16%	6%
FCA-Tesla-Honda	19%	11%	8%
Hyundai	18%	13%	6%
BMW	16%	14%	8%
AVERAGE	12%	9%	3%
VW Group	12%	8%	1%
Other	11%	10%	8%
Ford-Volvo	10%	11%	2%
Renault	10%	8%	3%
Nissan	9%	10%	9%
PSA-Opel	7%	6%	0%
Toyota-Mazda	3%	1%	0%

Table 3. New passenger car fleet average CO₂ emission level, by manufacturer.

	Target gap	New car fleet average CO ₂ (in g/km)									
		Sep 2020		YTD 2020		Compliance credits			Status 2020	Target 2020	Target gap
		WLTP	NEDC	WLTP	NEDC	PI	EC	SC	NEDC	NEDC	NEDC
PSA-Opel	-1%	121	97	124	99	3.0	0.1	4.7	91	92	-1
Renault	2%	118	100	123	105	3.0	0.2	7.5	94	92	2
Nissan	2%	135	108	135	108	3.0	0.1	7.5	97	95	2
BMW	2%	138	114	141	116	3.0	0.9	7.5	105	103	2
Kia	2%	116	101	123	107	3.0	0.0	7.5	97	94	3
Hyundai	3%	115	101	123	108	3.0	0.0	7.5	97	94	3
Toyota-Mazda	4%	120	98	125	102	3.0	0.1	0.6	98	95	3
Ford-Volvo	5%	133	112	136	114	3.0	0.1	5.9	105	101	4
AVERAGE	5%	126	105	134	111	3.0	0.2	6.3	101	96	5
FCA-Tesla-Honda	8%	116	97	134	113	3.0	0.1	7.5	102	94	8
VW Group	9%	133	109	142	116	3.0	0.0	7.1	106	97	9
Daimler	13%	134	114	149	126	3.0	0.7	7.5	115	102	13

Notes: PI = phase-in, EC = eco-innovations, SC = super-credits; all CO₂ values are estimates, see methodology section.

The YTD share of electric vehicles was the highest in Norway (71%), with two-thirds of those being battery electric vehicles. Iceland (42%), Sweden (28%), Finland (17%), the Netherlands (16%), Portugal (11%), Denmark (13%), France (10%), and Germany (10%) also currently have electric vehicle registration shares above the European average of 9%. In Norway, the monthly market share of electric vehicles reached an all-time high in September, with 82% of all new cars being electric. At a lower level but also with a continued strong increase, the electric vehicle share in Germany reached 16% in September.

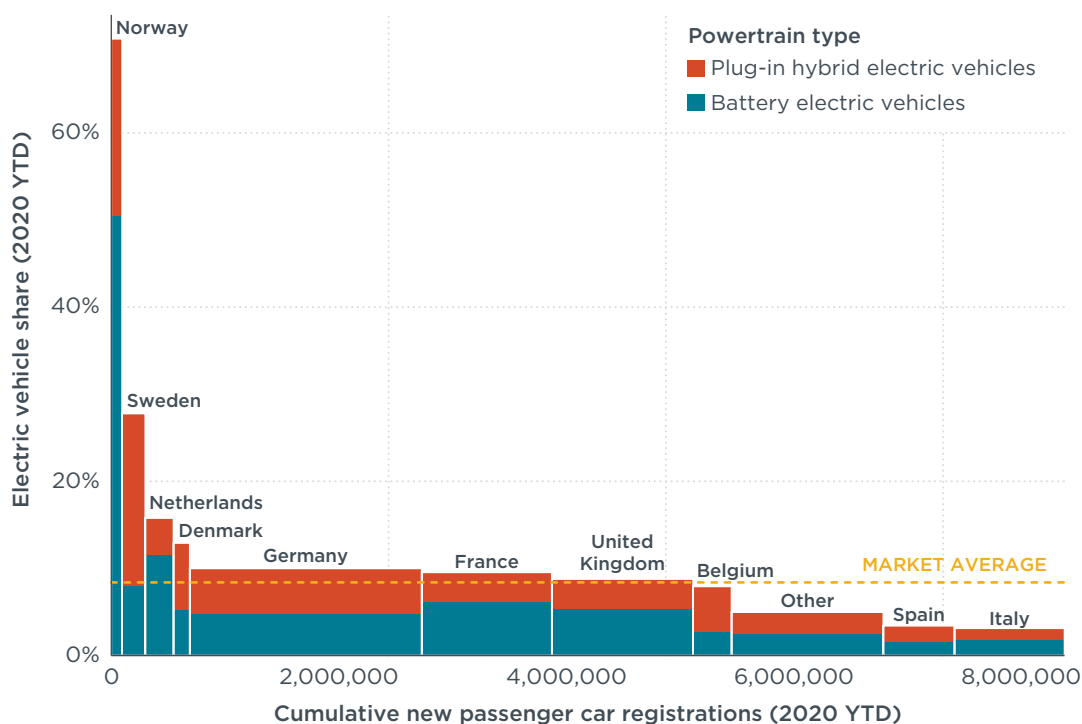


Figure 1. Share of electric vehicles, by country, including information on market size (cumulative car registrations).

Table 4. New passenger car registrations, by country.

New car registrations				
	Sep 2020	Sep 2019	YTD 2020	YTD 2019
United Kingdom	328,041	-4%	1,243,656	-33%
Germany	265,227	8%	2,041,831	-25%
France	167,677	-3%	1,145,093	-30%
Italy	156,075	10%	968,529	-34%
Spain	74,270	-14%	626,098	-38%
Poland	38,158	8%	295,163	-28%
Belgium	36,497	2%	338,289	-24%
Netherlands	29,421	-22%	248,348	-25%
Sweden	28,914	8%	204,070	-18%
Austria	22,554	7%	182,949	-30%
Other	120,630	6%	1,096,466	-26%
ALL	1,267,464	1%	8,390,492	-30%

Table 5. Share of electric vehicles by country.

Share of electric vehicles			
	Sep 2020	YTD 2020	YTD 2019
Sweden	34%	28%	11%
Netherlands	26%	16%	10%
Other	19%	12%	6%
Germany	16%	10%	3%
Belgium	13%	8%	3%
AVERAGE	12%	9%	3%
Austria	11%	7%	3%
France	11%	10%	3%
United Kingdom	10%	9%	3%
Spain	5%	3%	1%
Italy	5%	3%	1%
Poland	2%	2%	0%

Portugal is one of the smaller vehicle markets in Europe, with about 94,000 new cars registered YTD in 2020, but it is an above-average market when it comes to electric vehicle shares. In September, 13% of new cars registered were electric. About 11% of new cars were electric YTD, with roughly half of them being battery-electric and the remaining being plug-in hybrid electric vehicles. Customers of electric vehicles in Portugal benefit from a purchase premium of up to 3,000 Euros, plus a 100% deduction in acquisition tax for battery electric vehicles (75% in the case of plug-in hybrid electric vehicles). For company cars, further depreciation allowances apply.

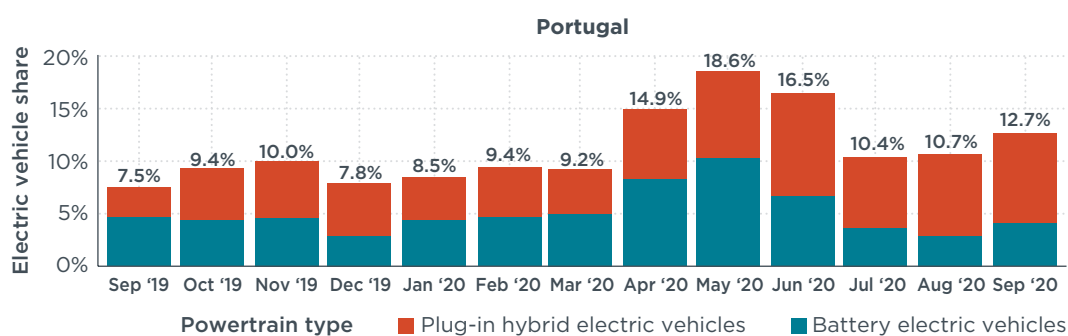


Figure 2. Share of electric vehicles in Portugal (spotlight of the month).

DEFINITIONS, DATA SOURCES, METHODOLOGY, AND ASSUMPTIONS

Manufacturer pools: Automakers are allowed to form pools to jointly comply with CO₂ targets. For this factsheet, the definition of pools according to the European Commission, “M1 pooling list”, version of 30 October 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, Honda, Jeep, Lancia, Tesla), BMW (BMW, Mini), Toyota-Mazda (Lexus, Mazda, Toyota), Daimler (Mercedes-Benz, Smart), Ford (Ford, Volvo), Hyundai (Hyundai), and Kia (Kia). In addition, one manufacturer not forming a pool (Nissan) is included for this factsheet.

Abbreviations: CO₂ = 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 CO₂ 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 CO₂ 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 CO₂ 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 CO₂ 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.¹

Flexible compliance mechanisms: To facilitate meeting their CO₂ targets, manufacturers can make use of a number of compliance mechanisms: (1) For 2020, the top 5% of new car registrations with the highest CO₂ emission level will be omitted from the calculation of a manufacturer’s average CO₂ emissions (**phase-in** provision). We estimate this to lower each manufacturer’s 2020 CO₂ level by approximately 2-5 g/km, on average by approximately 3 g/km, (2) Manufacturers can reduce their CO₂ level by up to 7 g/km by deploying **eco-innovation** technologies. As a conservative estimate, we apply the 2019 level of eco-innovation CO₂ emission reductions per manufacturer,² (3) New registrations of vehicles with less than 50 g/km CO₂/km (NEDC) in 2020 are counted twice (**super-credit** multiplier of 2.0). The impact of super-credits for complying with the CO₂ 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 CO₂ 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 2019.³

- 1 Applying the methodology outlined in: Jan Dornoff, Uwe Tietge, and Peter Mock, *On the way to “real-world” CO₂ 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 CO₂ standards*, (ICCT: Washington, DC, 2018), <https://theicct.org/publications/eco-innovations-european-passenger-car-co2-standards>.
- 3 Uwe Tietge, Peter Mock, and Jan Dornoff, *CO₂ 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>

Contact: Peter Mock, +49 30 847129-102, peter@theicct.org

www.theicct.org

communications@theicct.org

[twitter @theicct](https://twitter.com/theicct)

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