

Hybrid sales surge in Q1 as EV demand falters

25/04/24

- Second monthly drop in registrations since January 2023
- Rapid decline in demand for electric vehicles in the last month of the quarter
- Hybrid cars shine, with highest quarterly registrations since 2021

Europe's new car market struggled in the first three months of the year as persistently high inflation and interest rates led to a slowdown in demand. This is according to the latest data from JATO Dynamics for 28 European markets, which revealed year-on-year declines in registrations in 23 countries, with only 16 markets experiencing any growth in Q1 2024. In March, registrations totalled 1,377,541 units – a decrease of 2.7% compared to the same month last year. However, registrations in Q1 2024 were up 4.8% on Q1 2023, with 3,380,048 units registered in total in the first three months of the year.

"Although registration figures for the first quarter of 2024 paint a reasonably positive picture, the data for March is concerning," notes Felipe Munoz, Global Analyst at JATO Dynamics. "The average price of a new car is still prohibitively high, and consumers are understandably hesitant about making the shift from petrol- and diesel-powered vehicles to electric models."

"Instead of embracing the shift, uncertainty over regulation and a lack of clarity on incentives available for EVs in many European markets is putting off potential buyers. Concerns about the lifecycle of the batteries in these vehicles is another source of concern among consumers."

New Car Registrations Europe-28

-2.7%

fewer vehicles registered in March 2024 compared to March 2023

Million units March



Hybrids drive demand

The drop in consumer confidence in electric vehicles (EVs) has sparked a surge in demand for hybrid electric vehicles (HEVs), with 382,700 units registered between January and March this year – the highest number of quarterly registrations for the category since 2021. Volumes of HEVs were up 18% on the corresponding quarter in 2023, compared to year-on-year increases of 3.8% and 4.8% for EVs and the overall new car market respectively. This growth is even stronger when compared to the same period in 2022 (+50%). By contrast, the EV market and overall market have grown by 39% and 23% respectively.

“Consumers are familiar with hybrid vehicles; they’ve been in the market for more than two decades now. For many drivers, they are now the best option: cheaper than EVs at point of purchase and not reliant on public charging infrastructure that simply isn’t there in many markets.”

JATO Dynamics data for four of the largest European markets shows that the average retail price of a HEV in February 2024 was 11% and 21% lower than that of gasoline (including mild-hybrid electric vehicles, or MHEVs) and diesel-powered vehicles, respectively. By contrast, plug-in hybrid cars (PHEVs) were the most expensive, trading at an average retail price of €74,800. “Hybrid cars have an advantage over EVs in that they are self-charging, while they are 27% cheaper than an electric model on average. Why would you pay more for a vehicle that is more limited in terms of range and charging?” Munoz asks.

PHEV & BEV Registrations Europe-28

March 2024

| PHEV | | | | BEV | | | |
|------|-----------------|---------|-----------|-----|-----------------|---------|-----------|
| | | | vs Mar-23 | | | | vs Mar-23 |
| 1 | Volvo XC60 | 5785 | +38% | 1 | Tesla Model Y | 26,847 | -42% |
| 2 | Ford Kuga | 4509 | -6% | 2 | Tesla Model 3 | 11,758 | -13% |
| 3 | Audi A3 | 4273 | +105% | 3 | Volvo EX30 | 7,598 | new |
| 4 | BMW X1 | 3281 | +75% | 4 | Peugeot 208 | 5,463 | -15% |
| 5 | BMW Series 3 | 3213 | +193% | 5 | Volvo XC40 | 5,354 | -16% |
| 6 | Mercedes GLC | 3048 | +8% | 6 | BMW i4 | 5,297 | +36% |
| 7 | Kia Sportage | 2815 | +275% | 7 | Volkswagen ID.4 | 4,987 | -35% |
| 8 | Cupra Formentor | 2758 | +53% | 8 | BMW iX1 | 4,947 | +59% |
| 9 | Porsche Cayenne | 2344 | +12% | 9 | MG 4 | 4,818 | -38% |
| 10 | Hyundai Tucson | 2183 | +58% | 10 | Audi Q4 | 4,431 | -8% |
| | Total PHEV | 100,695 | +2% | | Total BEV | 196,045 | -11% |



Chinese OEMs lose traction

China’s OEMs lost market share in March – a significant trend, given their growing influence in Europe in recent years. Last month, registrations of cars manufactured by Chinese car brands totalled 33,000 units (including MG), an increase of just 0.7% on March 2023. Electric models accounted for 36% of this total. In March 2024, electric cars produced by Chinese brands represented 6.1% of total BEV registrations.

According to Munoz, the drop in overall car registrations in March translated to fewer sales for both legacy firms and Chinese OEMs. “China’s OEMs have not been immune to the worsening situation in Europe’s new car market. In addition to this, they may also be feeling the impact of increased negative scrutiny brought on by the European Commission’s investigation into Chinese EV imports.”

MG accounted for more than half (61%) of Chinese EV registrations in March, followed by BYD (24%) and Great Wall (5%). Registrations of MG models in March declined by 38% year on year, while registrations of BYD vehicles rose from 427 units to 2,892 units over the same period.

Tesla leads BEV market, despite slowdown

Tesla led the ranking for BEVs in Europe with 39,000 units registered in March. However, this marked a 36% drop in registrations compared to March 2023, while Tesla's share of the BEV market dropped from 27.8% in March 2023 to 19.9% last month.

Despite the drop in market share, Tesla was well ahead of other OEMs for BEV registrations, with BMW placing second after recording a 60% year-on-year increase in registrations. Volvo also performed well with a 70% increase in registrations, largely due to the success of the EX30, Europe's third most-registered EV behind the Tesla Model Y and Model 3. The strong results from BMW and Volvo helped offset significant drops not only from Tesla but from Volkswagen, Renault and MG.

Top 25 Best-Selling brands. March 2024 Europe-28

| | | | vs Mar-23 |
|----|---------------|---------|-----------|
| 1 | Volkswagen | 129,187 | -5% |
| 2 | Toyota | 94,300 | +9% |
| 3 | Bmw | 80,928 | +9% |
| 4 | Mercedes | 78,318 | +1% |
| 5 | Peugeot | 69,051 | -12% |
| 6 | Renault | 68,922 | +5% |
| 7 | Skoda | 65,956 | 0% |
| 8 | Audi | 65,239 | -20% |
| 9 | Kia | 57,699 | -6% |
| 10 | Hyundai | 52,958 | -5% |
| 11 | Ford | 52,318 | -20% |
| 12 | Dacia | 51,918 | -3% |
| 13 | Nissan | 50,947 | +18% |
| 14 | Opel/vauxhall | 48,051 | -10% |
| 15 | Citroen | 44,904 | -3% |
| 16 | Tesla | 39,288 | -36% |
| 17 | Volvo | 38,563 | +33% |
| 18 | Fiat | 36,238 | -10% |
| 19 | Seat | 28,310 | 0% |
| 20 | Mg | 26,087 | +10% |
| 21 | Suzuki | 24,309 | +21% |
| 22 | Cupra | 20,463 | +2% |
| 23 | Mazda | 19,662 | -14% |
| 24 | Land rover | 17,478 | +3% |
| 25 | Mini | 16,840 | -27% |

Volkswagen Golf returns

Notably, the Volkswagen Golf was Europe's second most-registered car in March, with volumes rising by 43%. Its series of latest updates could help to explain this rapid growth. The Dacia Sendero – the top-seller in Q1 2024 – the Renault Clio, Ford Puma and Toyota Yaris were the other success stories from the month.

In terms of new models, the Volvo EX30 shone in March with almost 7,600 units registered, making it the brand's third most popular model behind the XC40 and XC60. Other strong players last month were the Honda ZR-V, registering almost 2,600 units; the Honda E:NY1 with 2,290 units; the BMW i5 with 2,168 units; the Mitsubishi Colt with 1,635 units; and the BMW iX2 with 1,331 units. Lexus registered 1,151 units of its LBX, Kia registered 1,032 units of the EV9, Fiat registered 959 units of the Fiat 500, and Mercedes registered 948 units of the CLE.

Top 25 Best-Selling models. March 2024 Europe-28

| | | | vs Mar-23 |
|----|---------------------|--------|-----------|
| 1 | Tesla Model Y | 26,847 | -42% |
| 2 | Volkswagen Golf | 25,779 | +43% |
| 3 | Dacia Sandero | 25,660 | +23% |
| 4 | Nissan Qashqai | 24,764 | +14% |
| 5 | Peugeot 208 | 23,462 | -1% |
| 6 | Renault Clio | 22,964 | +28% |
| 7 | Citroen C3 | 21,110 | +16% |
| 8 | Volkswagen T-Roc | 20,852 | -3% |
| 9 | Ford Puma | 19,077 | +26% |
| 10 | Toyota Yaris | 19,056 | +39% |
| 11 | Opel/Vauxhall Corsa | 18,761 | -26% |
| 12 | Toyota Yaris cross | 18,586 | -18% |
| 13 | Kia Sportage | 18,503 | +4% |
| 14 | Peugeot 2008 | 18,473 | 0% |
| 15 | Skoda Octavia | 18,369 | +13% |
| 16 | Hyundai Tucson | 17,077 | -8% |
| 17 | Renault Captur | 15,954 | +16% |
| 18 | Nissan Juke | 15,786 | +30% |
| 19 | Dacia Duster | 15,478 | -12% |
| 20 | Audi A3 | 15,367 | +19% |
| 21 | Fiat/Abarth 500 | 14,664 | -23% |
| 22 | Toyota Corolla | 13,931 | +14% |
| 23 | Fiat Panda | 13,780 | +13% |
| 24 | Volkswagen Tiguan | 12,976 | -7% |
| 25 | Volvo XC40 | 12,827 | +2% |



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