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CENTRAL AND EASTERN EUROPEAN NEW CAR SALES DROP ALMOST ONE THIRD

- **Central and Eastern European markets down by 28.1% in 2009**
- **Only Poland arrests sales decline; most other markets face double digit decline**
- **Skoda Octavia is most popular model**
- **Fiat is most improved brand**

Western car markets will be concerned to see the severe decline of new car demand in Central and Eastern Europe last year, where sales dropped by almost a third, according to the latest figures from the world's leading provider of automotive data and intelligence, JATO Dynamics.

All but one of the major volume brands experienced a downturn in sales for the year, as the regional effects of the wider economic crisis were compounded by rising taxes and a lack of Western-style incentive schemes.

Market Performance

Less than one million cars were sold in CEE in 2009, a 28.1% decline compared with 2008. The effects of recession were felt across the region, with only Poland ending the year with flat sales (+0.1% vs. 2008).

Many markets suffered double digit sales falls, with Latvia (-72.9%), Lithuania (-66.2%), Estonia (-59.6%) and Hungary (-60%) amongst the worst affected.

The picture is very different from two years ago, when the CEE region was considered the engine of growth in European new car sales.

"Central and Eastern Europe is not the new car market it once was," said David Di Girolamo, Head of JATO Consult. "The lack of any formal incentive schemes, coupled with rising taxes and more stringent banking requirements has reduced consumer demand across the region."

"This of course is something watched closely by Western markets whose own national incentive schemes come to an end in 2010," he added.

Market Performance

Country	Q4_09	Q4_08	% Change Q4	FY 2009	FY 2008	% Change Year
Croatia	9,694	18,201	-46.7%	44,868	87,559	-48.8%
Czech Republic	43,911	43,317	+1.4%	161,663	181,735	-11.0%
Estonia	2,096	3,771	-44.4%	9,946	24,591	-59.6%
Hungary	11,841	32,557	-63.6%	61,143	152,884	-60.0%
Latvia	1,029	3,285	-68.7%	5,367	19,831	-72.9%
Lithuania	1,609	3,800	-57.7%	7,515	22,217	-66.2%
Poland	80,676	84,418	-4.4%	320,288	320,040	+0.1%
Romania	28,423	47,998	-40.8%	130,195	270,995	-52.0%
Serbia	13,212	9,885	+33.7%	42,343	49,192	-13.9%
Slovakia	16,213	23,114	-29.9%	85,298	88,837	-4.0%
Slovenia	12,726	13,278	-4.2%	55,712	68,533	-18.7%
Grand Total	**221,430**	**283,624**	**-21.9%**	**924,338**	**1,286,414**	**-28.1%**

Brand Performance

Skoda remained the region's top-selling car brand in 2009, ahead of Volkswagen and Ford, showing the past efforts of major Western manufacturers to enter the Eastern European region.

Fiat was fourth overall and the only major brand showing growth compared to 2008 finishing 10.1% up by the end of the year. This was mainly due to the substitution of Zastava sales in Serbia after their takeover by Fiat.

Top 10 Brands

Make	Q4_09	Q4_08	% Change Q4	FY 2009	FY 2008	% Change Year
SKODA	33,938	34,923	-2.8%	121,291	160,579	-24.5%
VOLKSWAGEN	18,058	24,136	-25.2%	71,885	99,013	-27.4%
FORD	16,403	20,827	-21.2%	71,057	90,274	-21.3%
FIAT	18,365	13,944	+31.7%	68,617	62,337	+10.1%
RENAULT	15,914	18,077	-12.0%	67,562	84,822	-20.3%
OPEL	11,247	19,868	-43.4%	53,409	97,613	-45.3%
TOYOTA	11,673	17,565	-33.5%	52,894	80,311	-34.1%
DACIA	10,283	18,186	-43.5%	50,361	88,472	-43.1%
HYUNDAI	10,118	11,553	-12.4%	43,855	46,522	-5.7%
KIA	7,736	9,934	-22.1%	40,909	43,098	-5.1%

Model Performance

Skoda's Octavia and Fabia took the top two sales spots in 2009, while the Dacia Logan saw its sales halve (-51.5%), in its drop to third place.

Aside from new market entrants and refreshed models, the picture for models was almost universally bleak, with even the Volkswagen Golf – Europe's best-selling car – posting a 5% sales decline. The key exceptions were models assembled locally – the Hyundai I30 in the Czech Republic and the Fiat Punto Classic in Serbia.

Top 10 Models

Make & Model	Q4_09	Q4_08	% Change Q4	FY 2009	FY 2008	% Change Year
SKODA OCTAVIA	18,880	15,985	+18.1%	58,526	71,105	-17.7%
SKODA FABIA	9,650	13,973	-30.9%	45,320	70,062	-35.3%
DACIA LOGAN	7,747	12,697	-39.0%	36,819	75,858	-51.5%
KIA CEED	5,195	7,173	-27.6%	26,950	29,502	-8.7%
VOLKSWAGEN GOLF	5,823	7,064	-17.6%	25,104	26,428	-5.0%
FORD FOCUS	5,629	7,137	-21.1%	22,090	33,983	-35.0%
RENAULT MEGANE	5,253	4,207	+24.9%	21,288	21,018	+1.3%
FIAT PUNTO CLASSIC	7,994	486	+1544.9%	19,946	1,447	+1278.4%
RENAULT CLIO	4,043	6,082	-33.5%	18,887	32,604	-42.1%
HYUNDAI i30	4,874	2,948	+65.3%	17,513	12,456	+40.6%

"Our assessment of new car sales in Central and Eastern Europe makes clear the severity of the recession without the cushion of incentive schemes and should be a warning to Western markets. It remains to be seen whether the region will recover to the growth rates enjoyed here previously," concluded David Di Girolamo.

The above data is provided by JATO Consult, the company's bespoke consulting service which offers customers access to its unique data and provides solutions and advice to meet a wide range of automotive business challenges. For more information visit www.jato.com, or email consult@jato.com.

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Editorial note:

JATO Dynamics Background

JATO was founded in 1984 and provides the world's most timely, accurate and up-to-date information on vehicle specifications and pricing, sales and registrations, news and incentives. The company has representation in over 43 countries, providing unique local market expertise. The JATO client base includes all of the world's volume vehicle manufacturers, giving them the ability to react to short-term market movements, plan for long-term developments and ultimately to meet consumers' needs. JATO's data has also been adapted for consumer use in motoring web portals where customers can see the advantages and disadvantages of a specified model against any other while major leasing companies use JATO data to drive the vehicle quotation process. Visit JATO at www.jato.com.

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