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17 November 2009

EUROPEAN NEW CAR MARKET INCENTIVISES ITSELF OUT OF TROUBLE

- **October shows sales recovery, but only where there are incentives**
- **European new car market up 12.8%, vs. October 2008**
- **VW Golf stays Europe's most popular model; VW best-selling brand**

The latest monthly analysis by the world's leading provider of automotive data and intelligence, JATO Dynamics, shows the European new car market lifting itself out of the car-buying slump, but only through significant incentives.

The usual models are present at the top of the sales league, headed by Volkswagen Golf, which continues to succeed through its almost universal popularity across Europe.

On the surface, JATO's regular 27-market analysis reveals the month of October to have been the best of the past year, up 12.8% versus October 2008 and with the market now only down 4.1%, YtD. However, this compares current performance to that recession-hit, but incentive-free, marketplace and sales volumes remain below the levels of early 2008.

The 'big 5' European markets – Germany, UK, France, Italy and Spain – all recorded October sales in the black and it is no coincidence that these have all operated national scrappage incentive schemes, to lift their sales.

Volkswagen remains the best-selling brand, up 9.2% in the month (4.2% YtD), while Golf remains its, and Europe's most popular model, up 45% for October (23% YtD). Ford Fiesta remains second, up 61.7% in October, although now almost 90,000 units behind the leader, YtD.

Fiat continues to perform well and is the only other Top 10 manufacturer with positive growth, YtD, with both the Punto and Panda featuring in the top ten models.

David Di Girolamo, Head of JATO Consult, remains concerned over the sustainability of these performances: "A cursory glance at this data would suggest we are moving into a recovery phase in the bigger markets, but a closer look at the figures shows this is not necessarily a natural level of demand and we are still below the pre-recession sales level," he says.

Top 10 Models

Make & Model	Oct_09	Oct_08	% Change Oct	Oct YtD_09	Oct YtD_08	% Change YtD
VOLKSWAGEN GOLF	54,093	37,299	+45.0%	487,430	396,141	+23.0%
FORD FIESTA	41,371	25,578	+61.7%	398,669	280,270	+42.2%
RENAULT CLIO	32,610	25,946	+25.7%	251,822	297,850	-15.5%
PEUGEOT 207	31,099	28,477	+9.2%	308,998	360,739	-14.3%
OPEL/VAUXHALL CORSA	29,715	24,172	+22.9%	300,468	314,459	-4.4%
FIAT PUNTO	27,049	19,530	+38.5%	276,546	245,847	+12.5%
FIAT PANDA	26,349	19,753	+33.4%	252,612	192,871	+31.0%
VOLKSWAGEN POLO	25,249	23,186	+8.9%	232,090	236,415	-1.8%
OPEL/VAUXHALL ASTRA	24,762	19,361	+27.9%	235,329	285,215	-17.5%
FORD FOCUS	24,365	26,771	-9.0%	263,827	321,878	-18.0%

Brand Performance

Volkswagen remains unopposed as Europe's top-selling car brand; whilst the Polo is a regular Top 10 performer, its success is primarily driven by the Golf, whose YtD sales in Germany (249,150) represent 18% of Volkswagen's total European YtD sales (1,386,694).

Renault's facelifted Clio and new Mégane have catapulted the French brand into second place in October, although it is Volkswagen, Ford and Fiat that claim the only YtD sales improvements in the top 10.

Top 10 Brands

Make	Oct_09	Oct_08	% Change Oct	Oct YtD_09	Oct YtD_08	% Change YtD
VOLKSWAGEN	144,877	132,687	+9.2%	1,386,694	1,330,530	+4.2%
RENAULT	114,082	83,013	+37.4%	890,413	950,598	-6.3%
FORD	108,919	92,217	+18.1%	1,090,948	1,060,615	+2.9%
PEUGEOT	88,145	75,165	+17.3%	826,123	874,645	-5.5%
FIAT	88,076	74,008	+19.0%	861,183	827,319	+4.1%
OPEL/VAUXHALL	86,777	75,939	+14.3%	908,778	994,598	-8.6%
CITROEN	79,243	69,254	+14.4%	724,221	744,184	-2.7%
TOYOTA	63,857	52,979	+20.5%	602,222	658,514	-8.5%
MERCEDES	51,990	56,120	-7.4%	493,477	598,071	-17.5%
AUDI	51,289	58,153	-11.8%	520,908	564,611	-7.7%

National Trends

Europe is rapidly dividing in new car sales, with traditional Eastern European markets suffering significant contractions, while Western neighbours seem relatively buoyant.

With the 'big 5' European markets all posting growth in October, it is becoming increasingly clear how incentives such as scrappage schemes have driven sales in the short term.

"This is not necessarily good news," warns Di Girolamo. "You can look at Eastern Europe – with VAT increases, finance restrictions and lack of government incentives – as the natural level of demand. The worry for major Western markets must now be that their incentives last until 'true' demand catches up and they do not fall back to performances reflected elsewhere."

Sales by Market

Country	Oct_09	Oct_08	% Change Oct	Oct YtD_09	Oct YtD_08	% Change YtD
Austria	26,694	25,992	+2.7%	274,370	258,150	+6.3%
Belgium	39,726	42,998	-7.6%	414,609	483,729	-14.3%
Cyprus	923	1,767	-47.8%	12,800	19,489	-34.3%
Czech Republic	14,121	16,151	-12.6%	131,873	154,569	-14.7%
Denmark	8,809	10,526	-16.3%	90,376	132,420	-31.8%
Estonia	728	1,710	-57.4%	8,578	22,530	-61.9%
Finland	7,080	10,153	-30.3%	78,852	128,703	-38.7%
France	210,424	174,939	+20.3%	1,823,925	1,750,704	+4.2%
Germany	321,111	258,814	+24.1%	3,311,877	2,630,287	+25.9%
Great Britain	168,942	128,352	+31.6%	1,685,981	1,922,770	-12.3%
Greece	11,587	19,575	-40.8%	192,304	245,504	-21.7%
Hungary	3,590	12,868	-72.1%	52,892	133,195	-60.3%
Iceland	76	181	-58.0%	1,967	8,913	-77.9%
Ireland	1,526	1,747	-12.7%	56,663	150,775	-62.4%
Italy	196,677	170,169	+15.6%	1,815,723	1,891,166	-4.0%
Latvia	330	1,202	-72.5%	4,668	17,748	-73.7%
Lithuania	522	1,727	-69.8%	6,428	20,144	-68.1%
Luxembourg	4,301	4,488	-4.2%	39,084	44,718	-12.6%
Norway	10,187	8,390	+21.4%	78,825	95,846	-17.8%
Poland*	27,145	27,634	-1.8%	266,762	263,256	+1.3%
Portugal*	13,070	14,673	-10.9%	125,919	176,805	-28.8%
Slovakia	5,579	8,554	-34.8%	74,664	74,277	+0.5%
Slovenia	4,764	5,865	-18.8%	47,750	61,120	-21.9%
Spain	98,735	77,742	+27.0%	777,526	1,025,707	-24.2%
Sweden	21,783	22,299	-2.3%	173,914	217,583	-20.1%
Switzerland*	23,463	24,294	-3.4%	219,968	241,476	-8.9%
The Netherlands	35,752	41,748	-14.4%	350,958	460,884	-23.9%
Grand Total	**1,257,645**	**1,114,558**	**+12.8%**	**12,119,256**	**12,632,468**	**-4.1%**

*Denotes Estimated data for October 2009.

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 40 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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