

PRESS RELEASE

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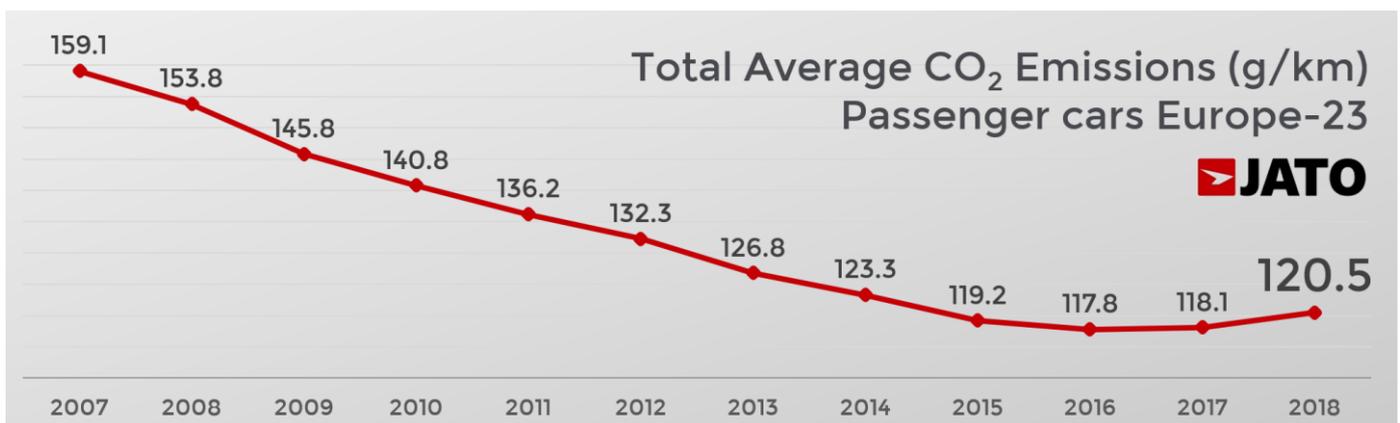
London, UK

CO₂ EMISSIONS RISE TO HIGHEST AVERAGE SINCE 2014, AS THE SHIFT FROM DIESEL TO GASOLINE CONTINUES.

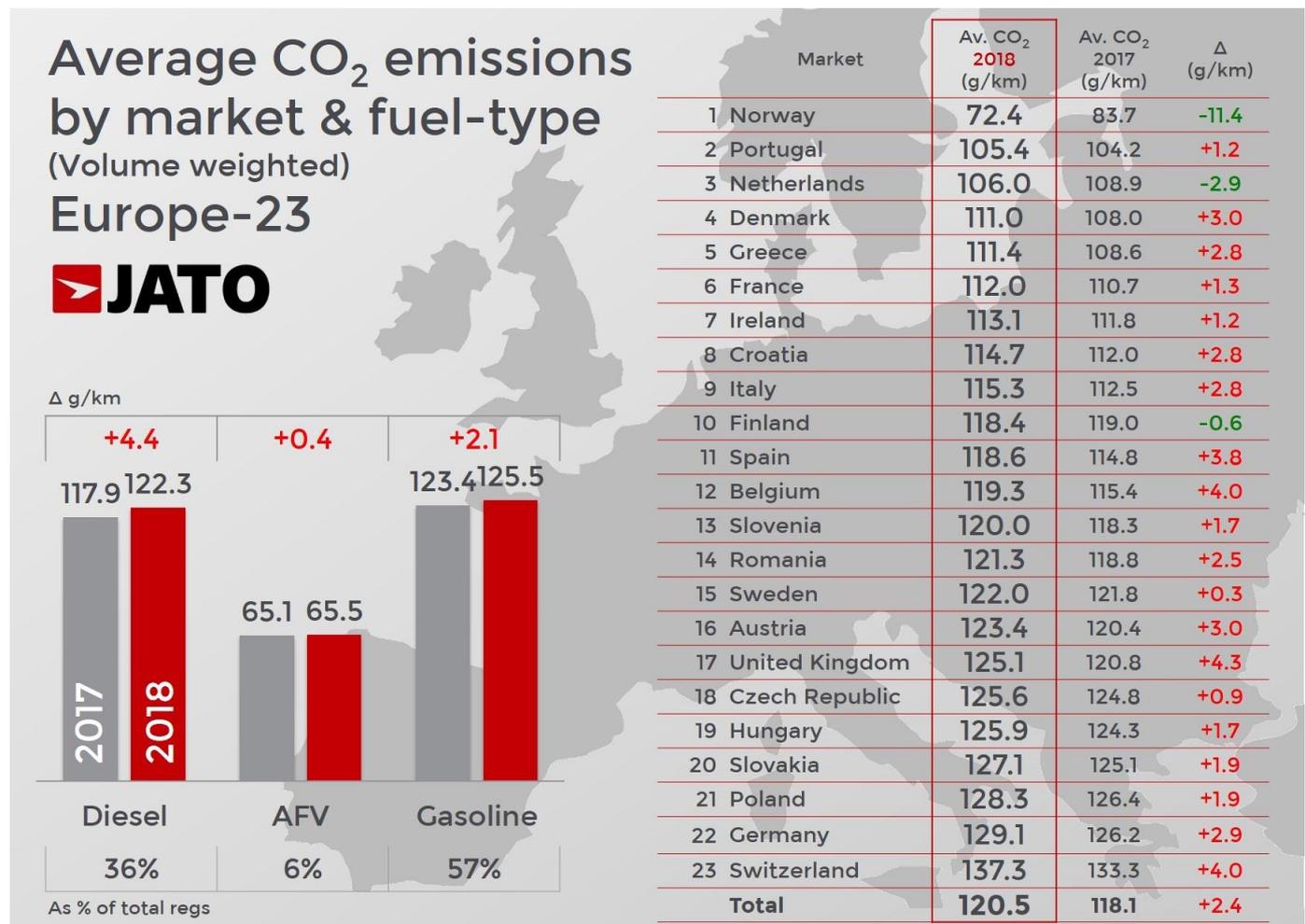
- Average CO₂ emissions increased in 20 of the 23 markets analysed
- The shift from diesel to gasoline cars accelerated the negative trend, with the latter posting a higher average
- Toyota retains the top position with the lowest average emissions among the top 25 best-selling brands

The total average of CO₂ emissions increased by 2.4 g/km to 120.5 g/km in 2018 – the highest average of the last four years. The analysis, carried out by JATO Dynamics, covered 23 markets in Europe and found a direct correlation between diesel car registrations and average CO₂ emissions.

With increased negative public perception towards diesels, combined with new government regulations such as WLTP and scrutiny of the fuel type, demand for diesel fell by 18% in 2018. Felipe Munoz, JATO's global analyst commented, "The introduction of WLTP in September 2018 has been a challenge for the market, as a large number of available vehicles had not been homologated yet. The increase in CO₂ is certainly worrying and bad news for governments and most carmakers. Instead of moving forwards, the industry is regressing at a time when emissions targets are getting tougher". The data is NEDC correlated and not WLTP.

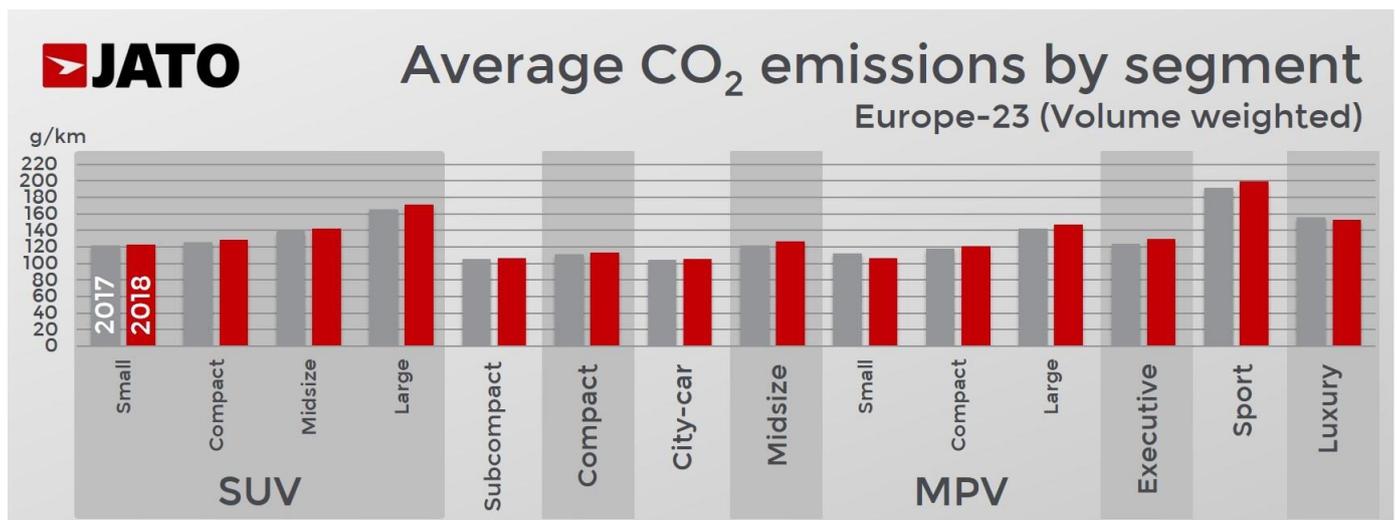


The total value of CO₂ emissions was on a steady decline from 2007, but started to slowdown in 2016 as the fall reduced from -4.1 g/km in 2015 to -1.4 g/km. At the same time, the sales growth of diesel cars fell from +7% to +1%. This trend was confirmed in 2017 with the first average CO₂ emission increase in years of 0.3 g/km, and an 8% drop in demand for diesel cars. Last year saw an even greater variation between demand for diesel (-18%) and an increase in CO₂ emissions (+2.4 g/km).



The main cause of the emissions increase last year can be attributed to the downturn in demand for diesel. The average emissions for diesel cars continued to be lower than their gasoline counterparts (3.2 g/km). Munoz explains, “The positive effect of diesel cars on emissions has faded away as their demand has dropped dramatically during the last year. If this trend continues and the adoption of alternative fuelled vehicles doesn’t accelerate, the industry will need to take more drastic measures in order to meet the short-term targets.”

Although the demise of diesel has certainly had an impact on emissions, it wasn’t the sole cause. The arrival of new SUVs last year, including the launch of 16 new models, paired with an increase in demand for the car type also contributed to the overall increase of average CO₂ emissions in Europe. The emissions averages for SUVs worsened by 1.4 g/km, and the SUV segment counted for 35% of passenger car registrations last year – the only segment to post a positive change in 2018.



The SUV average was the fourth highest and was only surpassed by small segments in terms of volume: sport cars, luxury sedans and vans. In contrast, the lowest emission segments (city-cars and subcompacts) posted a decline in registrations of 1.5%. In other words, consumers in Europe are opting for the vehicles with the highest emissions, so the industry’s growth is taking place at the expense of higher emissions. The shift in fuel type from diesel to petrol – combined with an increase in registrations in the SUV segment – is crucial to understanding the change in CO₂ emissions.

Top 20 Best-Selling brands ranked by Average CO₂ emissions (Volume weighted) Europe-23



Make	Av. CO ₂ 2018 (g/km)	Av. CO ₂ 2017 (g/km)	Δ (g/km)	Position 2017
1 TOYOTA	99.9	101.2	-1.4	1
2 PEUGEOT	107.7	104.5	+3.2	2
3 CITROEN	107.9	105.5	+2.4	3
4 RENAULT	109.1	106.6	+2.5	4
5 NISSAN	110.6	115.8	-5.2	7
6 SUZUKI	114.2	114.9	-0.7	5
7 SKODA	116.7	115.9	+0.8	8
8 SEAT	116.9	118.0	-1.1	10
9 VOLKSWAGEN	118.8	119.5	-0.7	11
10 FIAT	119.2	115.6	+3.6	6
11 KIA	120.4	120.1	+0.4	12
12 DACIA	120.8	116.9	+3.9	9
13 HYUNDAI	123.3	122.0	+1.2	15
14 FORD	123.7	120.8	+2.9	13
15 OPEL/VHALL	125.6	123.4	+2.3	16
16 AUDI	127.6	124.3	+3.3	17
17 BMW	128.9	121.8	+7.1	14
18 VOLVO	130.0	124.3	+5.8	18
19 MAZDA	135.2	131.2	+4.0	20
20 MERCEDES	139.6	129.0	+10.5	19

The correlation between the decline in demand for diesel cars and the increase in CO₂ emissions was most evident when analysing the data by country. Only three countries saw improvements in CO₂ emissions: Norway, Netherlands and Finland. In Norway, the growing popularity of electric and hybrid cars (57% market share) was large enough to absorb the drop posted by diesel cars (-28%). In the Netherlands, the improvement was due to an increase in demand for AFVs (+74%) which counted for 11% of the total market. However, this market is still strongly dependent on gasoline cars, which make up 76% of the market. The worst performance was seen in the UK, which has carried out one of the most aggressive campaigns against diesel.

At a brand level, Toyota was once again the leader among the top-sellers and posted an average below 100 g/km for the first time since tracking of the average CO₂ emissions began. Last year, 60% of its registrations were within the hybrid range. Toyota was also one of only five brands that posted an improvement in comparison to 2017, with emissions falling by 1.4 g/km. This is mostly due to the good commercial performance of the Toyota C-HR and its fuel type mix. Nissan saw the most improvement thanks to the strong performance of the Leaf, which became Europe's top-selling electric car in 2018. At the same time, its top sellers (mostly SUVs) recorded registrations drops.

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Notes to Editors

Volume-weighted average CO₂ emissions are calculated by multiplying the CO₂ emissions rating of each car version by the volumes achieved by that version in a given timescale, totalling this product for all versions, then dividing by the total volume of all versions. The data is NEDC correlated and not WLTP

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More insights:



About JATO

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 intelligence 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.

Major leasing companies use JATO's intelligence to drive the vehicle quotation process. Visit JATO at www.jato.com for more information.

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