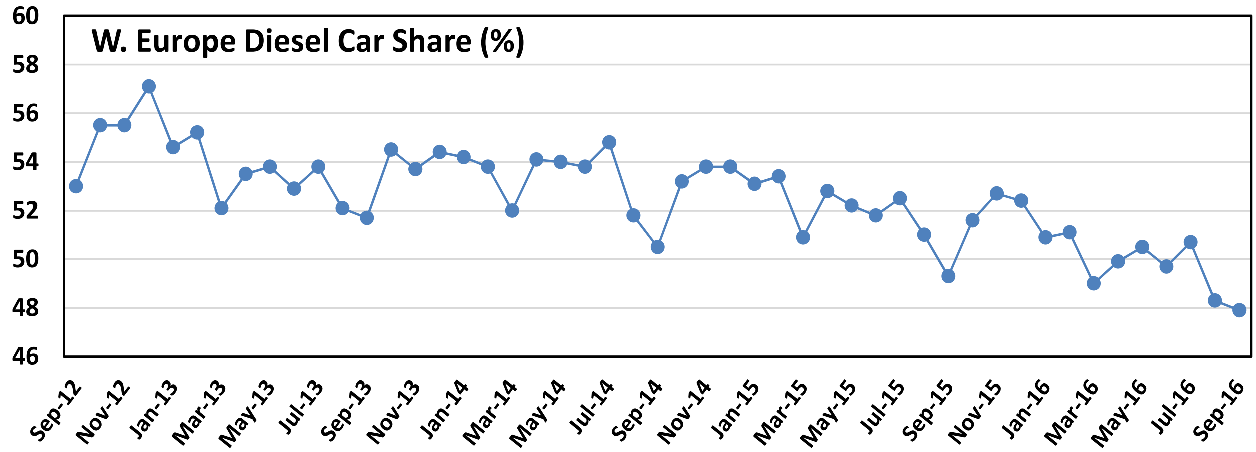
September 2016

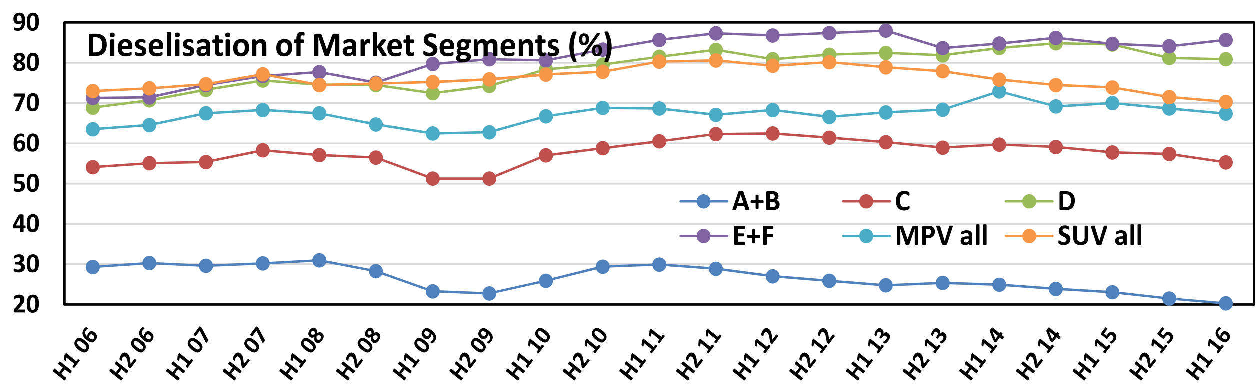
Western European Diesel Car Market

September saw another fall in Diesel Share, but Less Steep than in August

- Our estimate for September's diesel share of new car sales in Western Europe was 47.9%. Data for five smaller markets are estimated, but this is not likely to have had a significant impact on the preliminary figure. So we have another sub-50% diesel market and it looks like 2016 will turn out as we expected; the first time for many years that diesel share will account for less than one half of all car sales in the region. To September the cumulative figure was 49.5%, bearing out this projection.



- Are we seeing the decline in diesel accelerate? There was some talk of this happening after August's figure, which looked poor compared with a year earlier. However, analysis of the annualised monthly decline shows that while the diesel market fell by 2.7 percentage points in August, the year-on-year decline in September was just 1.4 points. So in fact, the decline remains well within the long-term trend. By this measure, September was actually the strongest month since January.



- This month we include the long-term diesel picture by market segment. Logic would dictate that diesel is being eroded from the bottom up (in vehicle size terms). This picture is borne out in the chart above. Since 2011, the combined A+B Segment has lost one third of its diesel content. Conversely the D, E and F Segments are largely untouched. The decline in the SUV Segment is connected to ongoing downsizing in that segment, driven by a flood of A, B and C Segment crossover vehicles which are less likely to be diesel powered than traditional large or full-size SUVs. This trend has some way to run yet; the hatchback segment will continue its migration to the crossover vehicle form. The C Segment will be the next battleground for diesel – this process is already under way.

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Western European Diesel Car Market

Diesel Share of New Car Sales (%)

	Sep-16	Sep-15	YoY	YTD Sep-16	YTD Sep-15	YoY
Austria*	56.0	54.5	1.5	57.0	57.6	-0.6
Belgium*	52.5	60.5	-8.0	51.5	59.7	-8.2
Denmark	33.2	30.5	2.7	35.4	30.0	5.4
Finland	30.6	34.6	-4.0	32.9	35.7	-2.8
France	51.1	56.5	-5.4	52.7	58.2	-5.5
Germany	44.6	46.8	-2.2	46.0	47.9	-1.9
Greece*	50.0	65.0	-15.0	51.0	61.4	-10.4
Ireland	72.8	71.3	1.5	69.8	71.0	-1.2
Italy	57.0	53.5	3.5	56.6	55.2	1.4
Luxembourg	66.1	70.9	-4.8	64.4	70.4	-6.0
Netherlands*	19.0	25.3	-6.3	18.0	24.7	-6.7
Norway	26.8	39.8	-13.0	31.2	40.9	-9.7
Portugal*	66.0	69.7	-3.7	64.0	67.5	-3.5
Spain	57.7	63.7	-6.0	56.9	63.4	-6.5
Sweden	49.0	54.5	-5.5	52.6	57.6	-5.0
Switzerland	37.9	39.2	-1.3	39.3	38.1	1.2
UK	46.5	45.9	0.6	47.6	47.9	-0.3
W. Europe	**47.9**	**49.3**	**-1.4**	**49.5**	**51.7**	**-2.2**

Diesel Car Sales Volume (‘000s)

	Sep-16	Sep-15	YoY	YTD Sep-16	YTD Sep-15	YoY
Austria*	16.7	14.1	2.7	142.3	135.2	7.0
Belgium*	21.9	22.2	-0.3	218.3	234.0	-15.7
Denmark	6.1	5.4	0.7	59.7	46.5	13.1
Finland	3.0	2.9	0.0	30.5	29.5	0.9
France	86.3	93.0	-6.8	791.3	826.6	-35.3
Germany	132.9	127.5	5.4	1,174.6	1,153.2	21.3
Greece*	2.9	3.3	-0.4	32.8	35.6	-2.7
Ireland	3.4	3.4	0.0	100.0	86.0	14.0
Italy	87.6	69.8	17.8	795.5	660.7	134.8
Luxembourg	2.2	2.4	-0.2	25.2	25.4	-0.1
Netherlands*	6.4	8.9	-2.5	51.5	74.4	-22.9
Norway	3.7	4.9	-1.2	36.2	45.8	-9.6
Portugal*	9.2	8.8	0.4	101.7	93.4	8.4
Spain	45.9	44.5	1.4	497.5	497.0	0.4
Sweden	15.8	16.1	-0.3	142.6	143.1	-0.5
Switzerland	9.9	9.4	0.5	90.7	90.8	0.0
UK	218.4	212.3	6.1	1,023.3	1,004.3	19.0
W. Europe	**672.4**	**649.0**	**23.4**	**5,313.5**	**5,181.4**	**132.1**

***** Estimated for September 2016***

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LMC Automotive

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