



European
Automobile
Manufacturers
Association

Economic and Market Report

EU Automotive Industry

Quarter 4 2015



March 2016



European
Automobile
Manufacturers
Association

CONTENTS

Passenger cars.....	2
Registrations	2
World	2
The European Union	5
Production	7
World	7
The European Union	10
Trade	11
Imports	12
Exports	13
Commercial vehicles.....	14
Registrations in the EU	14
Global production	19
Trade	21
Imports	22
Exports	23



PASSENGER CARS

REGISTRATIONS

WORLD

In 2015, global passenger car demand showed a modest upgrade (+2.0%), totalling 72.8 million units. This is the result of diverse global demand, with mature markets generally performing well, while many emerging markets are struggling to maintain car sales momentum despite lower oil prices.

The EU market continued its positive performance and ended 2015 extremely strongly, thanks to economic improvement and better macro conditions. With 13.7 million passenger cars sold, results for the full year were consistently higher (+9.3%) than in 2014. This represents an encouraging development, although the market is still far from being healthy. In fact, the EU market is benefiting from a natural recovery, but still needs to catch up for the losses registered after years of sales decline.

The Russian passenger car market finished 2015 with a sharp decline (-34.9%), as a result of geopolitical tensions as well as the economy's overdependence on oil and gas resources. Likewise, Ukraine showed a similar trend, posting a double-digit decline (-52.5%). Only Turkey ended the year positively (+21.2%), recovering from last year's credit crisis. Overall in Europe¹, sales increased (+2.5%), accounting for 22.9% of the global market.

In 2015, the Japanese passenger car market shrank (-9.9%) compared with 2014, totalling 4.2 million units. This negative performance and weaker domestic demand are mainly the result of the consumption tax rise in 2014.

The United States closed the year with a positive result (+5.1), although 2015 did not start in a very encouraging way because of inclement weather. 14.6 million passenger cars were sold in the US last year, accounting for 20% of the global market.

¹ Includes Belarus, Bosnia-Herzegovina, Kazakhstan, Macedonia, Russia, Serbia, Turkey, Ukraine and Uzbekistan



European
Automobile
Manufacturers
Association

Brazil's passenger car sales saw a decline in 2015 (-25%), due to high inflation, credit constraints and low consumer confidence. The Brazilian market contracted by approximately 700,000 units to 2.1 million passenger cars over the year.

Chinese sales have risen in 2015 (+6.5%), also thanks to the government's deduction of tax on the purchase of new cars introduced last October. The Chinese market reached almost 20 million units sold and accounted for more than a quarter of global passenger car sales.

Looking at other emerging markets, South Korean sales rose in 2015 (+10.5%) after a lacklustre start of the year, benefiting from a temporary reduction in special consumption tax. Indian passenger car sales increased by 7.2% in 2015, supported by lower oil prices and low inflation.

Table 2: World new passenger car registrations

	2015 ²	2014	% change 15/14	% share 2015
EUROPE	16,681,398	16,269,860	+2.5	22.9
EU ³	13,713,526	12,551,204	+9.3	18.8
EFTA	488,498	455,681	+7.2	0.7
RUSSIA	1,513,886	2,327,089	-34.9	2.1
TURKEY	712,044	587,331	+21.2	1.0
UKRAINE	43,376	91,225	-52.5	0.1
OTHERS-EUROPE ⁴	210,068	257,330	-18.4	0.3
NORTH AMERICA⁵	17,203,413	16,281,960	+5.7	23.6
<i>Of which the US</i>	<i>14,554,087</i>	<i>13,842,105</i>	<i>+5.1</i>	<i>20.0</i>
SOUTH AMERICA	3,495,103	4,347,437	-19.6	4.8
<i>Of which Brazil</i>	<i>2,101,798</i>	<i>2,800,589</i>	<i>-25.0</i>	<i>2.9</i>
ASIA	31,384,387	30,390,836	+3.3	43.1
CHINA	19,252,404	18,071,255	+6.5	26.4
JAPAN	4,230,447	4,693,050	-9.9	5.8
INDIA	2,787,978	2,600,872	+7.2	3.8
SOUTH KOREA	1,508,707	1,365,350	+10.5	2.1
OTHERS-ASIA ⁶	3,604,851	3,660,309	-1.5	5.0
MIDDLE EAST/AFRICA	4,046,597	4,076,326	-0.7	5.6
WORLD	72,810,898	71,366,419	+2.0	100.0

Source: IHS, ACEA

² Provisional figures

³ Data for Malta not available

⁴ Includes Belarus, Bosnia-Herzegovina, Kazakhstan, Macedonia, Serbia and Uzbekistan

⁵ Based on production type

⁶ Includes Hong Kong, Taiwan and all the other South Asian countries excluding India

THE EUROPEAN UNION

In December 2015, the EU passenger car market posted a very strong uplift (+16.6%), amounting to 1,109,927 units and marking the 28th consecutive month of growth. This is the highest percentage increase since the beginning of the positive trend. All major passenger car markets ended 2015 strongly, contributing significantly to the full-year positive result. Spain (+20.7%), Italy (+18.7%) and France (+12.5%) posted double-digit percentage gains during the month, followed by the UK (+8.4%) and Germany (+7.7%), which also performed better than in December 2014.

In 2015, new passenger car registrations increased (+9.3%), totalling 13,713,526 units. Nevertheless, this result is only now passing levels registered in 2010, immediately after the economic crisis. In other words, the trend is positive but volumes remain low in absolute terms.

Looking at the five major EU markets, Spain (+20.9%) and Italy (+15.8%) saw the strongest growth in demand during the year, followed by France (+6.8%), the UK (+6.3%) and Germany (+5.6%), which posted a robust performance in 2015.

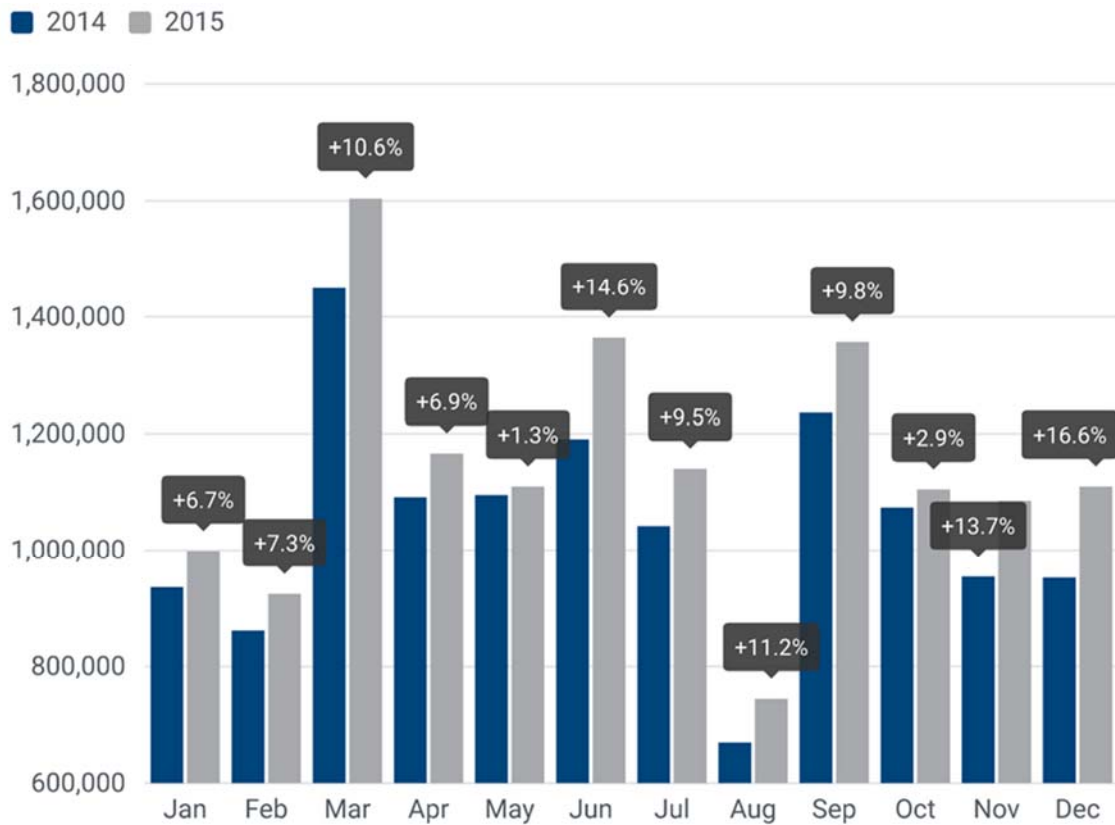
Table 3: Top 5 – New passenger car registrations in the EU

	2015	2014	% change 15/14
Germany	3,206,042	3,036,773	+5.6
United Kingdom	2,633,503	2,476,435	+6.3
France	1,917,226	1,795,885	+6.8
Italy	1,574,872	1,360,578	+15.8
Spain	1,034,232	855,308	+20.9
EU⁷	13,713,526	12,551,204	+9.3

Source: ACEA

⁷ Data for Malta not available

Figure 2: New passenger car registrations in the EU | 12 month trend



Source: ACEA

PRODUCTION

WORLD

Production in Europe showed contrasting signals during 2015. On the EU perimeter (+6.2%) and in Turkey (+2.7%), passenger car production increased. However, production shrank in Russia (-28.4%) and Ukraine (-79.8%) due to geopolitical tensions in the region. As a result, European passenger car production only showed modest growth in 2015 (+2.0%)

In 2015, US output increased (+2.7%) reaching 9.3 million units, based on the continuing growth of its domestic demand. Passenger car production in South America, on the other hand, dropped significantly (-19.1%) over the year. In Brazil several factors, including high inflation and interest rates, are affecting production. Brazilian production declined (-19.8%) in 2015 compared to levels a year earlier, to a total of less than 2 million passenger cars.

Growth of Chinese passenger car production slowed during the year (+3.8% in 2015, down from +9.6% registered during the first half of the year), reaching 18.1 million units. However, China maintained its leading position among passenger car producers, accounting for a quarter of global production.

Japanese production decreased (-6.4%) to 7.6 million units in 2015, because of stagnant domestic sales, following the consumption tax increase in 2014. South Korean production totalled 4.2 million units last year. This translates into roughly the same outcome (+0.1%) as in 2014.

In 2015, Indian passenger car production increased (+7.3%) to 3.3 million units, largely fuelled by strong domestic sales and improved economic sentiment following the election of a new government.

Indonesia's production remained well below 1 million units, down 14.7% compared to 2014. This decline in production was primarily due to weakening domestic demand as a result of a slowdown in economic growth, increasing inflation and high interest rates. Thailand, on the other hand, showed signs of recovery and ended the year positively (+6.1%), after 2014's military coup, thanks to robust export growth.

Table 4: World passenger car production

	2015 ⁸	2014	% change 15/14	% share 2015
EUROPE	18,084,210	17,723,702	+2.0	24.9
EU	15,873,609	14,952,696	+6.2	21.9
RUSSIA	1,188,724	1,659,352	-28.4	1.6
TURKEY	709,741	691,255	+2.7	1.0
UKRAINE	5,595	27,717	-79.8	0.0
OTHERS-EUROPE ⁹	306,541	392,682	-21.9	0.4
NORTH AMERICA	14,020,220	13,795,840	+1.6	19.3
<i>Of which the US</i>	<i>9,289,058</i>	<i>9,041,649</i>	<i>+2.7</i>	<i>12.8</i>
SOUTH AMERICA	2,458,949	3,040,161	-19.1	3.4
<i>Of which Brazil</i>	<i>1,990,497</i>	<i>2,481,599</i>	<i>-19.8</i>	<i>2.7</i>
ASIA	36,349,672	36,024,817	+0.9	50.0
CHINA	18,137,264	17,473,310	+3.8	25.0
JAPAN	7,648,641	8,169,024	-6.4	10.5
SOUTH KOREA	4,168,142	4,162,932	+0.1	5.7
INDIA	3,298,267	3,072,610	+7.3	4.5
INDONESIA	854,768	1,001,686	-14.7	1.2
THAILAND	890,677	839,195	+6.1	1.2
OTHERS-ASIA ¹⁰	1,351,913	1,306,060	+3.5	1.9
MIDDLE EAST/AFRICA	1,729,408	1,455,136	+18.8	2.4
WORLD	72,642,459	72,039,656	+0.8	100.0

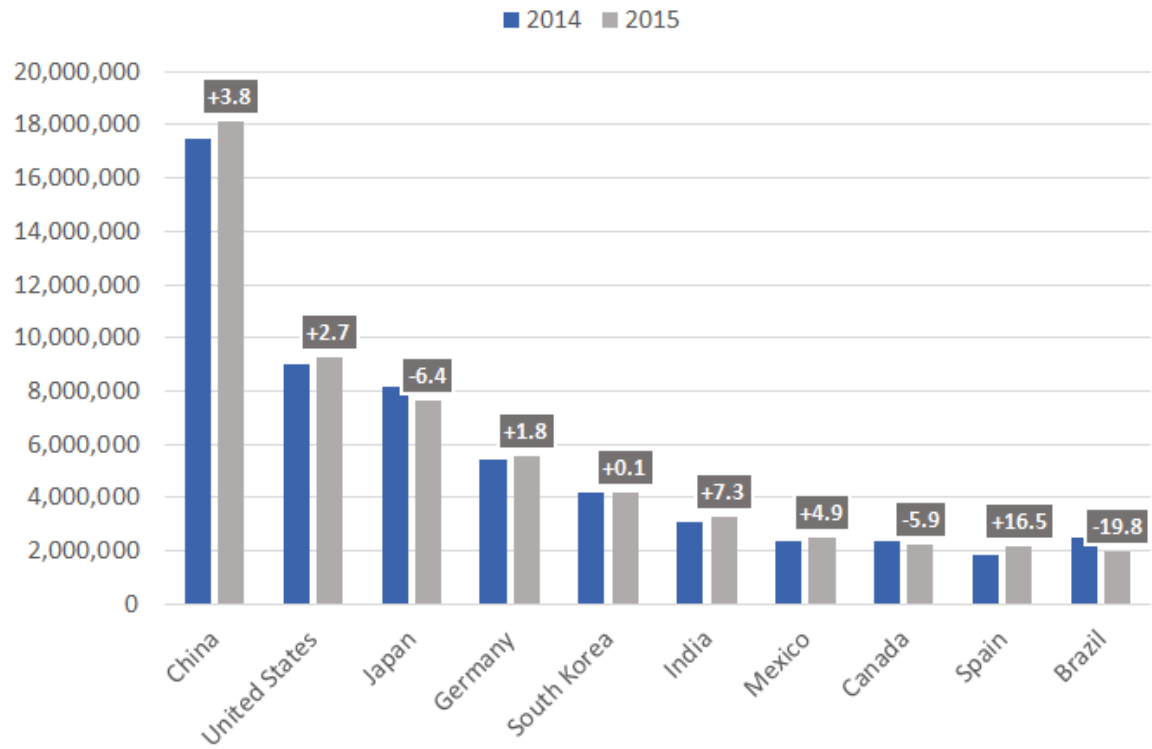
Source: IHS

⁸ Provisional figures

⁹ Includes Belarus, Kazakhstan, Serbia and Uzbekistan

¹⁰ Includes Taiwan, Australia, Malaysia, Pakistan, Philippines and Vietnam

Figure 3: Top 10 – World passenger car production



Source: IHS

THE EUROPEAN UNION

In 2015, EU production increased (+6.2%), with almost 16 million passenger cars produced. This result confirmed the EU's position as world's second largest producer after China, accounting for 21.9% of global passenger car production.

Among the main production countries of Western Europe, the UK (+2.8%), Germany (+1.8%) and France (+2.1%) showed modest growth in 2015, while Spain (+16.5%) and Italy (+53.7%) posted double-digit percentage gains, supported by strong domestic demand during the year.

Production in Central European countries, especially in Poland (+17.3%), Hungary (+18.7%) and Czech Republic (+9.8%), significantly contributed to this output increase in 2015.

Table 5: Top 10 – Passenger car production in the EU

	2015	2014	% change 15/14
Germany	5,542,117	5,446,423	+1.8
Spain	2,157,299	1,851,828	+16.5
United Kingdom	1,572,079	1,529,233	+2.8
France	1,486,123	1,455,160	+2.1
Czech Republic	1,241,756	1,131,247	+9.8
Slovakia	888,393	843,023	+5.4
Italy	632,928	411,702	+53.7
Hungary	511,140	430,683	+18.7
Poland	462,732	394,645	+17.3
Romania	381,556	391,425	-2.5
EU	15,873,609	14,952,696	+6.2

Source: IHS

TRADE

In 2015, the EU exported 5.7 million passenger cars worth €129 billion. The value of EU imports strongly increased (+24.0%) during last year, representing roughly a quarter of the export value (€32.5 billion).

EU exports also grew in value during this same period, although at a slower pace (+12.3%). This resulted in an EU trade surplus of €96.6 billion, up (+8.8%) compared to 2014.

Table 6: EU passenger car trade

Trade in value (€m)	2015	2014	% change 15/14
Imports	32,484	26,203	+24.0
Exports	129,112	114,993	+12.3
Trade balance	96,627	88,790	+8.8
Trade in volume (units)	2015	2014	% change 15/14
Imports	2,503,845	2,221,708	+12.7
Exports	5,696,831	5,513,784	+3.3

Source: Eurostat

IMPORTS

Japan (+15.1%) and the US (+41.3%) accounted for the highest import value for passenger cars in 2015, closely followed by Turkey (+15.8%) and South Korea (+8.0%). Together, these countries represent more than 70% of the total value of all car imports into the EU.

In 2015, most of the passenger cars imported into the EU came from Turkey (+11.6%), followed by Japan (+9.2%) and South Korea (+7.7%), the latter making up for its negative performance in the first part of the year.

Table 7: Origin of most passenger car imports

Trade in value (€m)	2015	2014	% change 15/14
World	32,484	26,203	+24.0
Japan	7,692	6,685	+15.1
United States	6,940	4,911	+41.3
Turkey	5,051	4,363	+15.8
South Korea	4,329	4,009	+8.0
South Africa	2,400	1,208	+98.7

Source: Eurostat

Table 8: Origin of most passenger car imports

Trade in volume (units)	2015	2014	% change 15/14
World	2,503,845	2,221,708	+12.7
Turkey	527,474	472,768	+11.6
Japan	478,881	438,638	+9.2
South Korea	374,726	347,842	+7.7
United States	241,793	235,009	+2.9
Morocco	169,822	152,588	+11.3

Source: Eurostat

EXPORTS

In 2015, the United States was the EU's most valuable export market, importing 1.2 million passenger cars worth €40 billion, followed by China, accounting for exports worth €18 billion.

In volume terms, the US remained the EU's main market for passenger car exports (representing 21% of the total), followed by Turkey and China. These countries together represent roughly 40% of the EU export market.

China was the only major export partner to show a decrease last year, in both volume (-22.8%) and value terms (-23.7%).

Table 9: Main destinations of EU passenger car exports

Trade in value (€m)	2015	2014	% change 15/14
World	129,112	114,993	+12.3
United States	40,439	29,779	+35.8
China	17,920	23,492	-23.7
Switzerland	7,615	6,375	+19.5
Turkey	7,455	5,133	+45.3
South Korea	6,911	4,693	+47.3

Source: Eurostat

Table 10: Main destinations of EU passenger car exports

Trade in volume (units)	2015	2014	% change 15/14
World	5,696,831	5,513,784	+3.3
United States	1,222,216	998,520	+22.4
Turkey	531,749	372,753	+42.7
China	470,058	608,912	-22.8
Switzerland	301,856	270,741	+11.5
Japan	247,296	236,833	+4.4

Source: Eurostat

COMMERCIAL VEHICLES

REGISTRATIONS IN THE EU

In December 2015, EU demand for new commercial vehicles saw a strong increase (+14.8%), totalling 191,826 units over the month and marking one year of consecutive growth. Growth was significantly sustained across all commercial vehicle segments. Italy (+23.2%), Spain (+23.0%) and the UK (+20.3%) ended the year strong by posting double digit percentage gains in December, followed by France (+9.4%) and Germany (+8.7%).

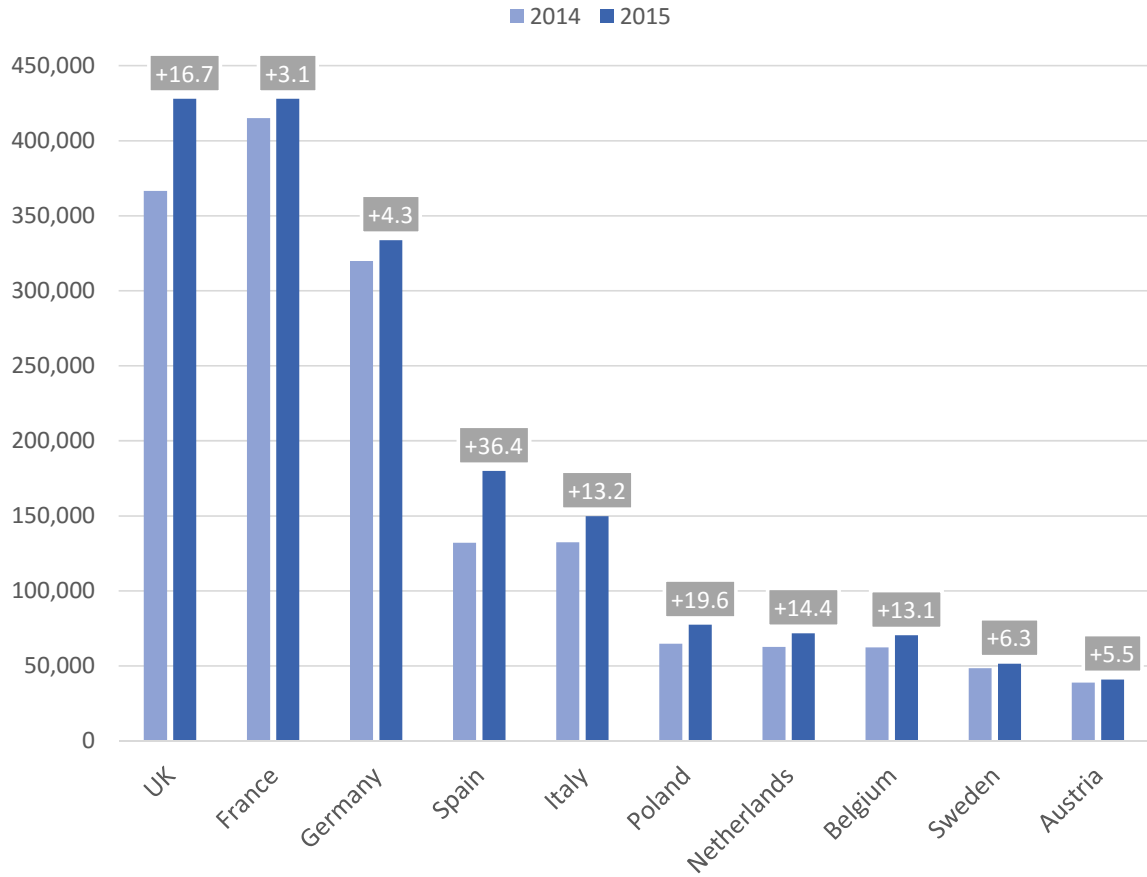
In 2015, the EU market showed a consistent uplift (+12.4%) and rose for the third year in a row, exceeding two million commercial vehicles registered (2,079,322). During the year, Spain (+36.4%) showed the most significant increase, followed by the UK (+16.7%), Italy (+13.2%), Germany (+4.3%) and France (+3.1%) – all performing better than in 2014.

Table 11: New commercial vehicle registrations in the EU | by type

	2015	2014	% change 15/14
LCV ≤ 3,5t	1,713,850	1,535,287	+11.6%
MHCV >3,5t	325,689	280,356	+16.2%
MHBC>3,5t	39,783	33,765	+17.8%
TOTAL CV	2,079,322	1,849,408	+12.4%

Source: ACEA

Figure 4: Top 10 – New commercial vehicle registrations in the EU | by country



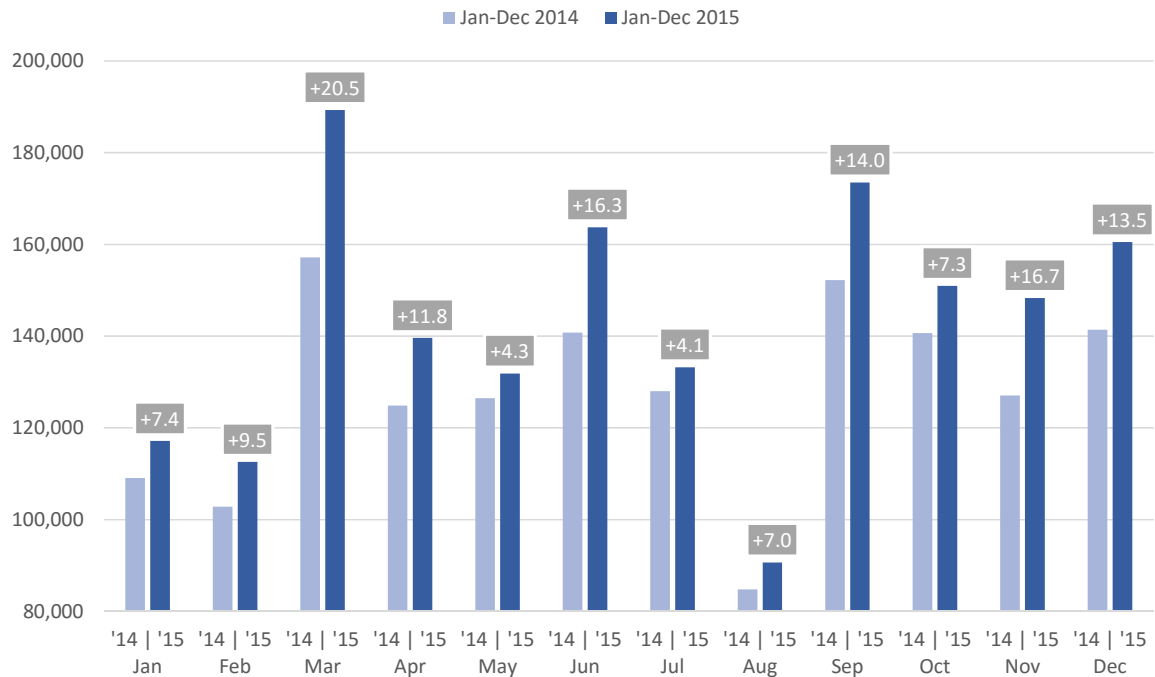
Source: ACEA

New light commercial vehicles (LCV) up to 3.5 tonnes

In December 2015, new registrations of light commercial vehicles totalled 160,518 units, up (+13.5%) compared to December 2014. This marked the 28th consecutive month of growth in the segment. Italy (+23.9%), Spain (+23.8%), the UK (+14.6%), France (+8.7%) and Germany (+5.6%) all positively contributed to this upturn.

In 2015, 1,713,850 new vans were registered in the EU (+11.6%). All major markets saw their demand for vans increase over the year, in particular Spain (+36.1%), the UK (+15.6%) and Italy (+12.4%).

Figure 5: New light commercial vehicle registrations in the EU | 12 month trend



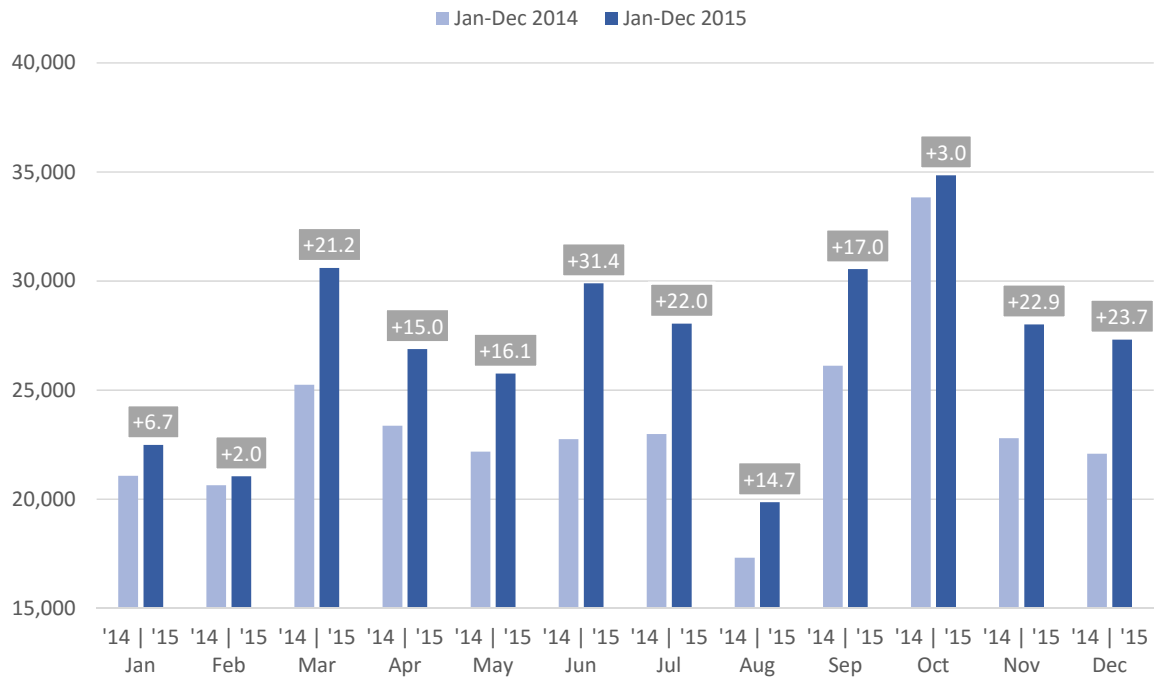
Source: ACEA

New medium and heavy commercial vehicles (MHCV) over 3.5 tonnes¹¹

In December 2015, new truck registrations in the EU totalled 27,315 units, up (+23.7%) compared to December 2014. The UK market finished the year strongly (+75.6%) after showing decline in October. Moreover, Spain (+19.5%), Germany (+19.5%), France (+13.2%) and Italy (+10.1%) saw significant market upturn at the end of 2015.

In 2015, 325,689 new trucks (+16.2%) were registered in the EU. Looking at the five major markets, Spain (+38.4%), Poland (+26.6%), the UK (+24.5%) and France (+10.3%) posted the highest increases over the year, followed by Germany (+4.4%).

Figure 6: New medium and heavy commercial vehicle registrations in the EU | 12 month trend



Source: ACEA

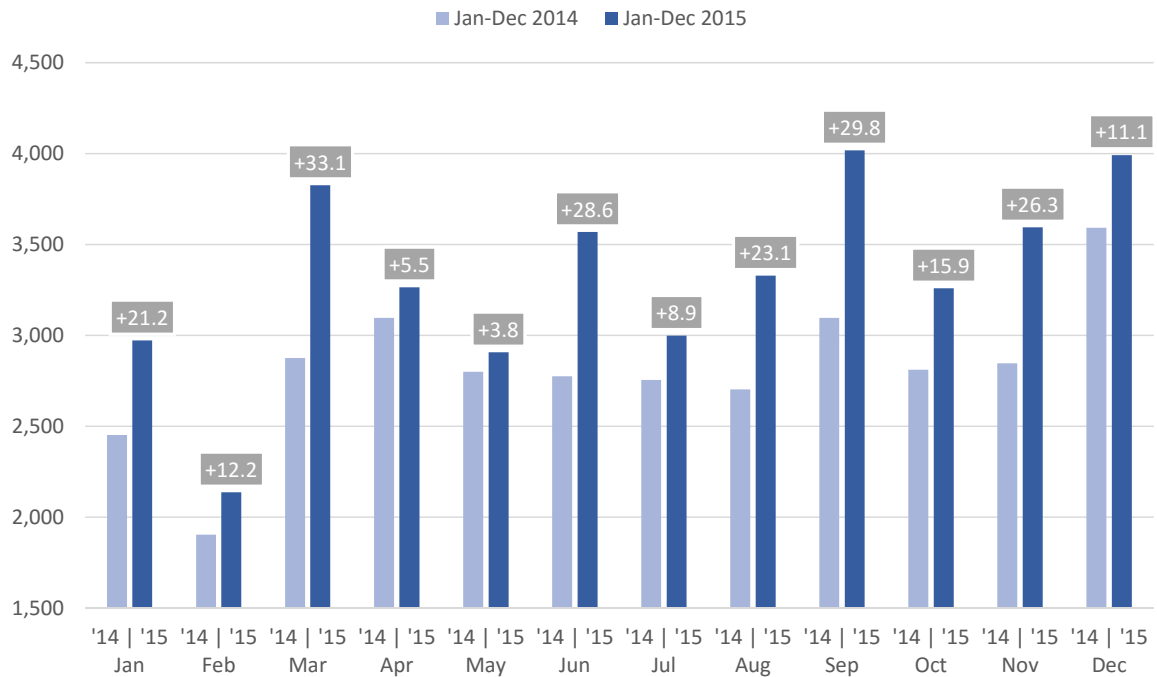
¹¹ Excluding buses & coaches

New medium and heavy buses & coaches (MHBC) over 3.5 tonnes

In December 2015, new bus and coach registrations increased (+11.1%) compared to December 2014, totalling roughly four thousand units. Italy (+79.1%), France (+33.0%), the UK (+32.6%) and Germany (+11.6%) accounted for a large part of the overall expansion.

In 2015, the EU market increased (+17.8%), totalling 39,783 new buses and coaches. Demand was primarily driven by Spain (+38.0%), the UK (+27.2%) and France (+24.6%), followed by Italy (+13.3%) and Germany (+8.6%). Significant growth was also recorded for the Romanian market (+101.1%).

Figure 7: New medium and heavy bus & coach registrations in the EU | 12 month trend



Source: ACEA



GLOBAL PRODUCTION

In 2015, European¹² commercial vehicle production posted substantial growth (+9.2%), reaching about 3.2 million units, mainly driven by an increase in domestic demand for commercial vehicles, especially in the van and truck segments. This has been broadly supported by improving economic conditions in many parts of the Eurozone, which have helped to stimulate confidence. In addition, as a result of the introduction of the new Euro VI emission regulations at the beginning of the year, some markets took advantage of scrappage incentives (eg the Spanish government's PIVE plan to encourage fleet renewal).

Commercial vehicle production in China¹³ declined (-10.8%) to 5.7 million units, mainly influenced by weak demand in the light commercial vehicle segment. Growth of Japanese production also decelerated, as domestic sales have been falling since last year's consumption tax increase. This resulted in a stable production figure of around 1.7 million units for the whole region¹⁴.

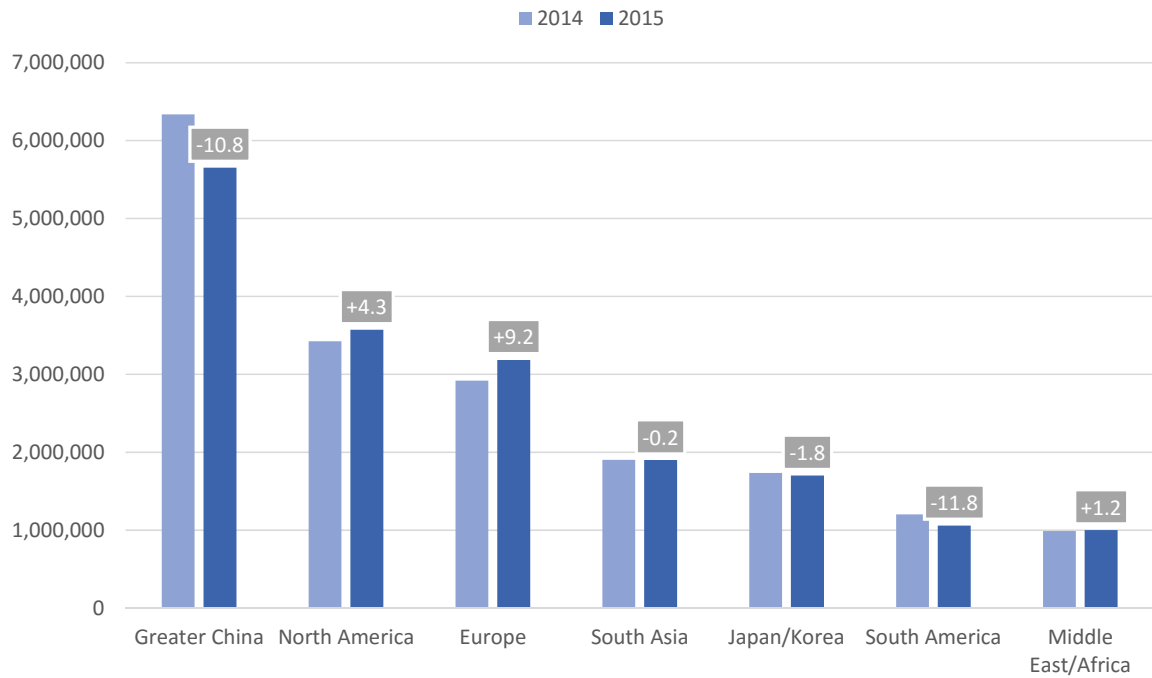
South America saw its commercial vehicle production fall (-11.8%) to about one million units as a consequence of the region's economic slowdown and Brazil's recession.

¹² Includes Turkey and CIS countries

¹³ Includes Hong Kong and Taiwan

¹⁴ Includes Japan and South Korea

Figure 8: World commercial vehicle production | by region



Source: IHS

TRADE

In 2015, EU exports of heavy commercial vehicles and buses increased (+2.3%), while the export value of light commercial vehicles remained stable (+0.9%), worth around €4 billion.

Despite a significant increase in total commercial vehicle and bus imports (+27.7%), the EU's trade balance remained positive over the year, with a trade surplus of €3.8 billion.

Table 12: EU commercial vehicles (CV), buses and coaches (BC) trade | by type

Trade in value (€m)	CV up to 5t	CV over 5t + BC	Total CV + BC
2015			
Imports	4,963	1,559	6,522
Exports	3,956	6,380	10,336
Trade balance	-1,007	4,821	3,814
2014			
Imports	3,973	1,136	5,108
Exports	3,922	6,236	10,158
Trade balance	-51	5,100	5,049
% change 15/14			
Imports	+25.0	+37.3	+27.7
Exports	+0.9	+2.3	+1.7

Source: Eurostat

IMPORTS

Most EU commercial vehicle imports originated from Turkey (+33.5%) in 2015, while China came second with 129,503 units (+76.6%).

An important increase of commercial vehicle imports from Argentina, Taiwan and India was observed during the year, while imports from Thailand (-14.3%) and South Africa (-1.4%) went down compared to 2014.

In total, the EU imported 554,830 commercial vehicles, buses and coaches over the year.

Table 13: Top 10 – Origin of EU commercial vehicle and bus imports

Trade in volume (units)	2015	2014	% change 15/14
World	554,830	406,314	+36.6
Turkey	313,545	234,792	+33.5
China	129,503	73,342	+76.6
Thailand	30,665	35,791	-14.3
South Africa	18,742	19,005	-1.4
Morocco	18,547	16,407	+13.0
United States	8,362	8,255	+1.3
Argentina	6,666	2,541	+162.3
Switzerland	6,117	5,615	+8.9
Taiwan	4,608	201	+2192.5
India	4,562	469	+872.7

Source: Eurostat

EXPORTS

In 2015, EU commercial vehicle exports to Turkey (+37.5%) and especially to the US (+325.1%) grew, the latter mainly driven by the buses and coaches segment. At the same time, exports to Algeria, Nigeria and EFTA countries declined in comparison with 2014.

Ukraine, traditionally a key market for EU commercial vehicle exports, ranked ninth after a decline of 66.2%, still suffering from the effects of the geopolitical tensions in the region.

Significant growth was observed in exports to Benin and Jordan, contributing to the slight upturn in EU exports (+0.5%).

Table 14: Top 10 – Destinations of EU commercial vehicle and bus exports

Trade in volume (units)	2015	2014	% change 15/14
World	537,065	534,597	+0.5
Turkey	60,124	43,743	+37.5
United States	49,699	11,692	+325.1
Switzerland	28,827	28,831	-0.01
Norway	25,830	26,442	-2.3
Australia	23,423	20,329	+15.2
Algeria	19,430	29,143	-33.3
Benin	18,854	4,623	+307.8
Nigeria	18,155	24,286	-25.2
Ukraine	17,076	50,524	-66.2
Jordan	14,558	7,061	+106.2

Source: Eurostat



European
Automobile
Manufacturers
Association

ABOUT ACEA

ACEA's members are BMW Group, DAF Trucks, Daimler, Fiat Chrysler Automobiles, Ford of Europe, Hyundai Motor Europe, Iveco, Jaguar Land Rover, Opel Group, PSA Peugeot Citroën, Renault Group, Toyota Motor Europe, Volkswagen Group, Volvo Cars, Volvo Group. More information can be found on www.acea.be.

ABOUT THE EU AUTOMOBILE INDUSTRY

- Some 12.1 million people - or 5.6% of the EU employed population - work in the sector.
- The 3.1 million jobs in automotive manufacturing represent 10.4% of EU's manufacturing employment.
- Motor vehicles account for €396 billion in tax contribution in the EU15.
- The sector is also a key driver of knowledge and innovation, representing Europe's largest private contributor to R&D, with €41.5 billion invested annually.

European Automobile Manufacturers' Association – ACEA
Avenue des Nerviens 85 | B-1040 Brussels | www.acea.be
T +32 2 732 55 50 | M +32 485 886 647 | F +32 738 73 10 | info@acea.be | [@ACEA_eu](https://twitter.com/ACEA_eu)