

## **Alternative Fuel Vehicle gaining ground in a depressed market in February**

New passenger car market continues downward trend in February 2022 as registrations fell by 13% compared to the same month last year. This is the ninth month in a row, since June 2021, the market hit reverse. Due to purchasing power concerns, alternative fuel vehicle sales (bioethanol and LPG) are on the fast lane while Hybrid and Electric cars continue their breakthrough moment at the expense of petrol and most remarkably diesel vehicles.

AAA DATA, augmented data leader expert, recorded 115 386 new car registrations over the past month, a figure down compared to February 2021 and 2019, where respectively 132 637 and 172 438 registrations were observed. 2019 was the last year of reference before the automotive industry experienced major upheaval due to the pandemic outbreak. With 218 285 vehicles registered since 2022, the market sales fell by 15,7% compared to the same period in 2021 and by 33,4% compared to 2019 levels year of reference. Even used car market hasn't been immune from disruptions. Despite frenzy in 2021, data starts showing signs of weakness in used vehicle market, with a decline of 9% in February. However, while Paris welcomed the International Agricultural Show from February 26<sup>th</sup> to March 6<sup>th</sup>, Agricultural Tractor market has showed its positive dynamic over the past few years.

### **Demand shift towards Alternative fuel and electrified vehicles**

As petrol (-24%) and more specifically diesel (-39 %) continues to slump in February, Electric cars reach record market share of 12%. Hybrids (including plug-in) raised to 7% and captured one third of sales (28%) and significantly overtook diesel, accounting for 18% of sales. On smaller volumes (market share of 5%), alternative fuel vehicles saw the most substantial growth (+88%). It is mainly LPG, but also bioethanol, mostly from the agricultural sector. Thanks to a favorable tax system, these alternative fuels offer motorists substantial cost savings compared with petrol or diesel, with a lower average price per liter than fossil fuel resources.

### **Used car sales are also running out of steam**

Used car sales broke records in 2021 but are now also slowing down. For the third straight month, used car sales shrank by 9,6%, which accounts for 448 345 registrations. Younger used cars sales (less than 5 years old) saw the most substantial drop (-15%). Still, Oldest models (over 10 years-old) are the most sought-after category in the French used car market (46%) and yet are also declining (-4,6%).

### **Zoom in on the Agricultural Tractor Sector**

While the International Agricultural Show is being held in Paris from February 26<sup>th</sup> to March 6<sup>th</sup>, AAA Data takes an interest in the agricultural tractor market and observes positive dynamics

despite the health crisis. Growing steadily since 2018, the Tractor Market continues to observe a strong expansion (16,6%) in 2021 with 64 708 units registered. Diesel is still dominant with 64% in 2021 but Petrol is catching up quickly rising from 25% in 2018 to 36% last year. 4 145 Agricultural Tractors were registered in February (+5,7%). The market is highly consolidated with John Deere, top leading company which account for about 11% of the market share and a rise of 39% in February. They are followed by other players Fendt, Kubota, Claas and Massey Ferguson, respectively accounting for 6%, 5%, 4% and 4 % of the market share.