

**Effects of crises are intensifying on the automotive market.
SUV sales are driven by electrification trend**

Successive and overlapping crises drag on and heavily affect the automotive sector, including used car market. Demand shifts towards cheaper to run cars. On the new car market, the momentum towards widespread electrification benefits SUV segment; now outpacing sedans. Even cars without a license and motorcycles that had, until now, proven resilient are now impacted and declining.

The new passenger car market continues downward trend in April 2022 as registrations falls by 22,6% compared to the same month last year. This is the eleventh month in a row since June 2021. The automotive sector is still mired in global crises superimposing themselves and severely disrupting production. Spiking fuel prices and debates over LEZ (low emission zones) worry and confuse customers.

AAA DATA, augmented data leader expert, recorded 108 723 new car registrations over the past month, a figure down compared to April 2021 and 2019, where respectively 140 426 and 188 195 registrations were observed. 2019 was the last year of reference before the automotive industry experienced major upheaval due to the pandemic outbreak. Two years ago, national lockdown pulled down the shutters on auto dealers and vehicles sales nosedived to a record low by 89%! With 474 083 vehicles registered since 2022, the market sales fell by 18,6% compared to the same period in 2021 and by 36,1% compared to 2019 levels year of reference. Used car market continues to show signs of shrinking with a decline of 16,9% in April to 434 730 registrations.

“Car registrations decline accelerates and gradually extend and is no longer limited to the new car market” says Marie-Laure Nivot, Head of Market Intelligence at AAA Data. “It has affected used car sales for several months now and on an increasingly marked trend. It both results from vehicle shortage issue and soaring high prices not budging. It is very clear that customers are seeking second-hand models, which are more affordable and more fuel-efficient oriented, most specifically electric, hybrid or bioethanol powered models”.

SUVs steals the limelight in electrification momentum

In the new car market, electrified engines’ success story intensifies with a 33% leap, reaching a market share of 12%. Like march, hybrids sales hit air pocket and falls by 3%, even -8% for plug-in hybrids. They still account for 30% of car registrations, while petrol’s share (-33% to 37%) and most notably diesel’s (-48% to 16% market share) are plunging.

Electrification momentum goes hand in hand with SUVs dynamic which, although it contracted by 19%, still accounts for 46% of registrations. SUVs outsell sedans that account for 45% of registrations. At a lower level (4% of market share), there seems to be a renewed interest in station wagons thanks to some new significant new features: Dacia Jogger, Peugeot 308, and Citroën C5X. As for coupes, they

only account for 0,4% of registrations but increased drastically by 50%, driven by frenzy over several models such as the Alpine A110 and BMW 2-series and 4-series.

Demands shifts toward electrics and second-hand bioethanol powered models

April marks the fifth consecutive month during which the used market contracted 16,9% to 434 730 units. Significant discrepancies exist depending on the Crit'Air stickers color classification, age, or engine type. Older models are the most impacted, first to be excluded from ZFE nationwide program: Crit'Air 4, Crit'Air 5 and non-eligible models. Used electric vehicles with a Crit'Air 0 classification are entitled to a 1000 euros bonus incentive subsidy and almost doubled in sales, in April and since the beginning of the year. Hybrids (Crit'Air 1 and 2) and bioethanol cars (Crit'Air 1, 2 or 3) are also highly sought after.

Purchasing power issues are now transforming the landscape of financing modes in favor of leasing (long-term rental and lease-purchase option) which share is up one point, on the used car market, compared to last year; and is now close to 4%.

Motorcycles and no-license-car sales decline looms

Motorcycle market started to show signs of slowing in March but is now clearly declining in April by 12,5% and hits reverse on the first four months of 2022 (-2,8%). No license-car sales also suffer strong fall, down by 27% with significant disparities within brands. Amongst market leaders, French Aixam-Mega group (Aixam brand) fends off decline and resist with an overall growth of 1,6%. However, Ligier (Ligier and Microcar brands) and most notably Stellantis (Citroen brands) respectively drops to 6,1% and 74,8%.

More information or data available on request from the press service.

aaadata@rumeurpublique.fr

Stéphane Chevalier – 06 26 63 69 08