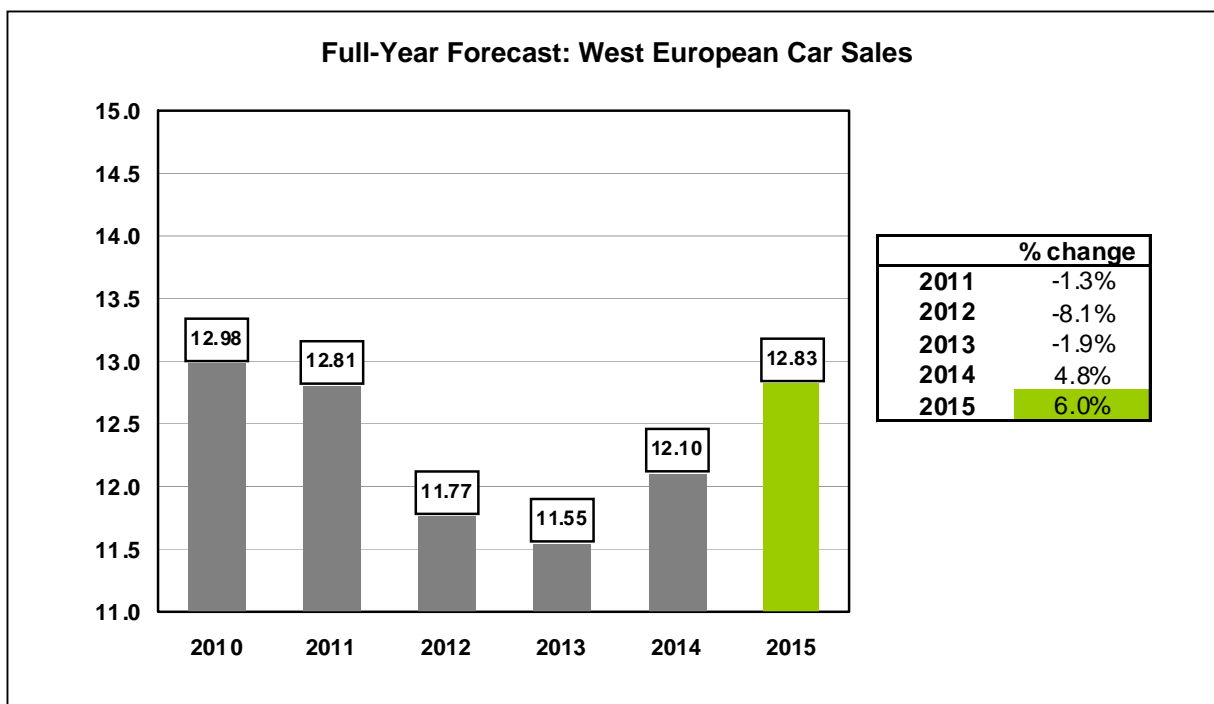


## West European Car Sales

June 2015

### Summary

- Car sales in Western Europe grew by 14.2% in June. After a weaker May, the West European car market picked up again in June, with its selling rate climbing above 13.2 mn units/year.
- Despite positive market results, recent developments threaten growth. The likelihood of Greece leaving the euro has risen sharply in the last week or so, and this could potentially knock market recovery off course later this year. We continue to closely monitor the situation, though, at this stage, do not reflect a return to economic recession in the region as a core assumption.
- Result for Germany: sales up by 12.9% — the year-to-date market was up by 5.2%. The UK car market continued to pick up well, the first half of the year up 7% over H1 2014. The Spanish car market registered another strong month in June, growing by 23.5% year-on-year. In Italy, the car market saw double-digit growth for the sixth consecutive month, year-to-date 15% up on 2014. After falling in May, car registrations grew in France by 15% year-on-year, aided by more selling days this June versus last year.



6 July 2015

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*For more detailed discussion and the full data table, please continue to next page...*

## Commentary

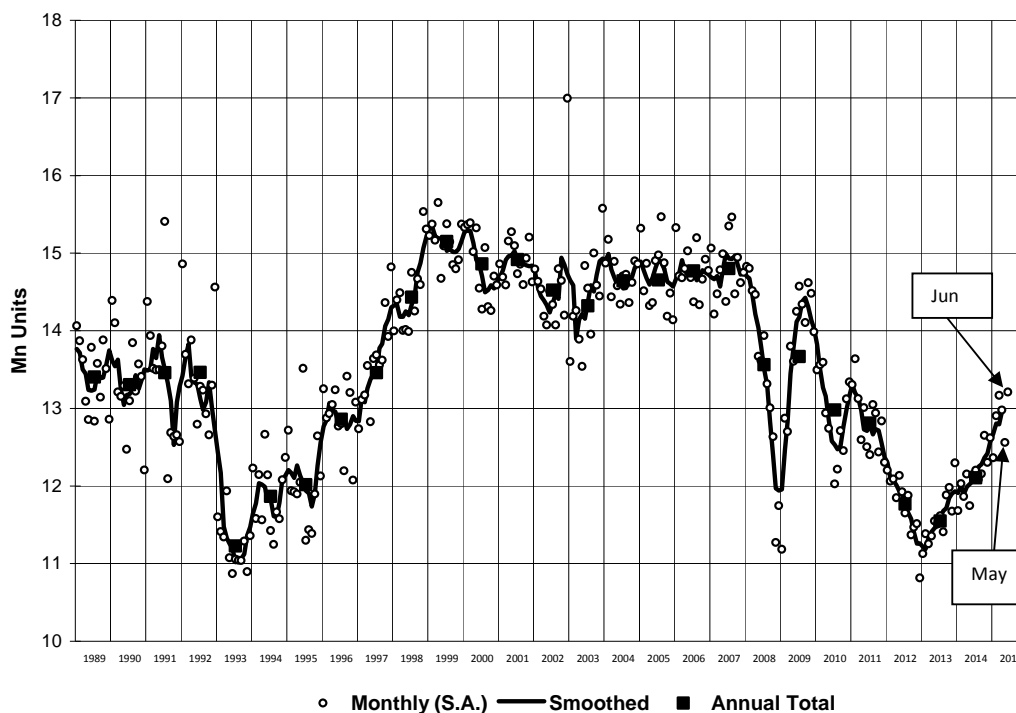
After nearly grinding to a halt the previous month, West European car market growth picked up well in June, partly helped by extra selling days. Strong year-on-year growth was seen in all Big Five markets in the region, the selling rate climbing to 13.2 mn units/year. France's selling rate was above 2 mn units/year for the first time in three years, Spain's selling rate surpassed 1 mn units/year once again, and Germany's selling rate stood at 3.3 mn units/year. The UK market continues to improve, helped by attractive financing offers.

However, the threat that the West European economic and car market recovery will be knocked off course over the coming months has increased sharply in recent weeks as Greece steps ever closer to leaving the Eurozone. While a collapse in the Greek car market itself would not have a significant impact at the West European total car market level, a greater issue is the potential contagion coming from a Greek euro exit, which could impact the banking sector, bond yields and consumer confidence generally. That scenario could well see the Eurozone plunge back into recession, with car market growth in the region unwinding in 2016.

There remains great uncertainty what will happen next in Greece, and therefore the potential path that economic growth will take. At this stage, we do not assume contagion as part of our base forecast, but rather a moderation of growth in the Eurozone over the latter half of 2015 and into 2016.

We have adjusted the car market forecast down slightly for 2015 to 12.8 mn units (from 12.9 mn units) in view of a moderation in the outlook for economic growth. However, with such a strong first half, the 12.1 mn units achieved in 2014 will still comfortably be eclipsed.

### West European Car Sales



## West European Car Sales

	Sales (units)						Selling rate (units/year)			
	Jun 2015	Jun 2014	Percent change	Year-to-date 2015	Year-to-date 2014	Percent change	Jun 2015	Year-to-date 2015	Year 2014	Percent change
<b>WESTERN EUROPE</b>	<b>1,313,045</b>	<b>1,150,107</b>	<b>14.2%</b>	<b>6,901,761</b>	<b>6,388,717</b>	<b>8.0%</b>	<b>13,209,202</b>	<b>12,863,844</b>	<b>12,102,144</b>	<b>6.3%</b>
AUSTRIA	30,528	29,100	4.9%	161,699	166,607	-2.9%	293,299	299,175	303,318	-1.4%
BELGIUM	49,426	43,018	14.9%	288,424	287,824	0.2%	510,592	488,330	482,939	1.1%
DENMARK	20,128	17,572	14.5%	103,408	98,783	4.7%	198,213	203,437	189,031	7.6%
FINLAND	8,976	9,209	-2.5%	57,076	59,142	-3.5%	100,632	99,368	106,231	-6.5%
FRANCE	225,645	196,233	15.0%	1,015,998	958,752	6.0%	2,058,115	1,908,328	1,795,720	6.3%
GERMANY	313,539	277,614	12.9%	1,618,949	1,538,268	5.2%	3,280,833	3,194,807	3,036,791	5.2%
GREECE	6,107	7,964	-23.3%	40,249	37,469	7.4%	61,807	73,510	71,217	3.2%
IRELAND	1,449	1,684	-14.0%	82,708	65,631	26.0%	81,195	109,173	96,283	13.4%
ITALY	146,682	128,272	14.4%	869,929	758,034	14.8%	1,569,141	1,567,295	1,357,742	15.4%
LUXEMBOURG	4,363	4,416	-1.2%	25,496	27,145	-6.1%	49,289	44,041	49,793	-11.6%
NETHERLANDS	36,999	32,699	13.2%	201,522	198,953	1.3%	331,464	358,092	388,539	-7.8%
NORWAY	14,207	11,441	24.2%	74,392	72,385	2.8%	167,859	149,668	144,202	3.8%
PORTUGAL	21,067	15,751	33.8%	100,625	75,807	32.7%	186,423	186,919	142,812	30.9%
SPAIN	111,333	90,175	23.5%	555,212	455,000	22.0%	1,041,686	996,897	855,283	16.6%
SWEDEN	32,257	28,749	12.2%	167,984	151,747	10.7%	349,050	334,383	303,866	10.0%
SWITZERLAND	32,523	27,919	16.5%	161,202	149,905	7.5%	303,560	308,093	301,942	2.0%
UK	257,817	228,291	12.9%	1,376,889	1,287,265	7.0%	2,626,044	2,542,326	2,476,435	2.7%
Notes:	Austria, Denmark, Greece, Luxembourg and Switzerland: estimates for latest month									
	The percent change in the final column compares the average selling rate in the year-to-date with the last full year.									

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