



Press release

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European car market fell by 7.5% in January, according to Autofacts estimate

Better than expected results considering continued challenges in euro zone

MILAN, 13 Feb 2012 – European Union and European Free Trade Association (EU+EFTA) new car registrations fell by 7.5 percent to 992k units year over year (YoY) in January, according to Autofacts estimates. Despite the decline, registrations during the first month of 2012 similar to the numbers at the end of 2011, with marked variation across Europe coupled with some surprisingly positive results. The market was weighed down by anticipated developments including a 21 percent decline in France, a 16.9 percent decrease in Italy and a 47 percent drop in Portugal.

The overall weakness was offset by the German market, down just 0.4 percent, a flat UK market and a surprising 2.5 percent increase in Spain, helped by a surge in rental car registrations at month end. Of greater surprise was a 1.5 percent growth in the Irish market, particularly given the current economic and financial challenges in the region. This is significant given that January typically accounts for approximately 25 percent of full year registrations in Ireland. Positive results were also seen in Finland, Norway, Switzerland and Poland, the latter two with growth of 15 percent and 22 percent respectively.

"We believe that the new car registrations decline is attributed to euro zone challenges, economic uncertainty in some markets, and the affects of incentive removal in France and Belgium," said Michael Gartside, Autofacts senior automotive analyst. "However, we also witnessed some surprisingly positive results, which helped to partially offset other developments."

With most economic forecasters now downgrading the outlook for 2012 and many European economies expected to fall back into recession, this may be a difficult year for the industry, according to Autofacts. After falling by 1.4 percent to 13.57m units in 2011, Autofacts anticipates that registrations will decline by a further ~5 percent to just under 12.9m units in 2012. This would represent the fifth consecutive annual decrease for the EU+EFTA region and a loss of 3m units from 2007's high.



Elsewhere in Europe, the Italian car market registered 137,199 vehicles in January, down 16.9 percent YoY. In Spain, registrations grew by 2.5 percent to 54,961 units. In the UK, 128,853 units were registered rising 0.03 percent. In Germany, a marginal decline of just 0.4 percent to 210,195 units, helped to offset the declining markets. While in France there was a decline of 24.3 percent YoY to 147,143 units. Another increase was seen in the UK, with 128,853 vehicles registered rising 0.03 percent.

For more details about specific European markets, visit www.autofacts.com to download the full *European car market review*.

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