Includes
BEV forecast
to 2025

The European Electric Car Report West European Market Intelligence

"PHEVs dominated January volumes, BEVs suffered a hangover"

Edition 01.2021 January

Western Europe 18 Markets: EU Member States prior to the 2004 enlargement, plus EFTA markets Norway, Switzerland, Iceland, plus UK

In this report: BEV = Battery Electric Vehicles, PHEV = Plug-in Hybrids, xEV = BEV +PHEV

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Executive Summary

xEV market suffered from low stock replenishment in January following December CO2 volume dump

Matthias Schmidt | Publisher

While China has just begun the year of the Ox, judging from January numbers, the European car market may well be celebrating the year of the PHEV, following on from the BEV last year. With 2020 CO2 compliance mostly achieved, in large parts thanks to the 2020 95 per cent phase-in and full value of super-credits, 2021 will undoubtedly see a rise in xEV volumes to meet more demanding 2021 compliance levels in a total passenger car market expected to grow following a 35 year low last year.

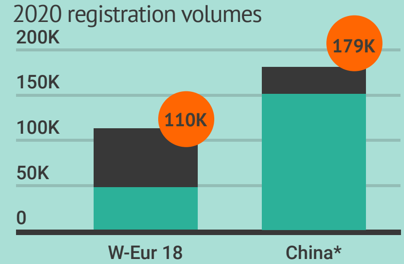
While January BEV volumes witnessed a modest 19.7 per cent growth rate over the same period last year, recording 45,970 units (6% penetration), the month was likely largely impacted by depleted stocks following the previous month's record volumes (165,600 units; 15.1% mix) as OEMs, in last-minute fashion, raced to achieve EU CO2 compliance levels. Production facilities in Christmas shutdown mode likely also contributed to low xEV inventory. Alongside this, key player Volkswagen presumably began the year by delaying MEB (ID.3/ID.4) deliveries (VW didn't want to comment on this), waiting for a software fix to be resolved. With the software update now available, ID.3/ID.4 volumes are expected to return in March, with Volkswagen also confirming to this report that production volumes at the Zwickau plant are currently at an 800 per day rate. In January, a number of key fiscal changes also impacted markets such as The Netherlands and Spain.

Looking at the year's opening month in more detail, premium manufacturers betting their hopes on profitable PHEVs to achieve 2021 CO2 compliance didn't waste any time in rolling out their controversial semi-electric models. To prevent the gap between emissions tested in the laboratory and real-world emissions from increasing, the European Commission, from January, began to regularly collect data on the real-world CO2 emissions and energy consumption using the on-board fuel consumption monitoring devices. This likely explains the reason behind BMW's decision to introduce several measures, such as rewarding drivers who use the electric motor regularly and geofencing technology – switching automatically to EV mode – in some cities. PHEVs have come in for criticism as they benefit from reduced tax rates in many key markets without an obligation to charge the vehicle.

During January, PHEVs accounted for 58.3 per cent of all plug-ins registered in the region, with premium OEMs accounting for just under 60 per cent of these. As the year progresses, thanks to advantageous fiscal rules for PHEVs, tough Malus' and an increased product offering PHEVs will remain in vogue, but BEVs are expected to bounce back from March thanks to the Tesla quarterly boost and VW's BEV bounce.

China back on top

New Passenger Car xEV (BEV/PHEV)
2020 registration volumes



Source: CAAM/SAR, *includes CVs

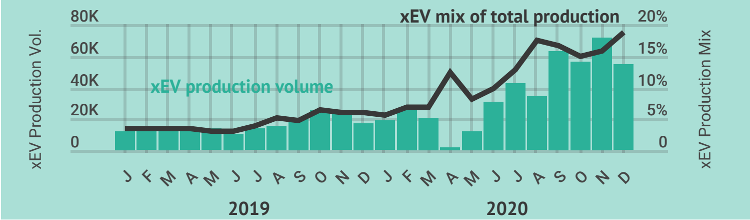
China's plug-in market off to a fast start, European hangover

West European xEV passenger car registrations finished January 69,000 units behind China. Thanks to the newly phased-in EU fleet average CO2 targets in 2020, European volumes likely suffered from a lack of supply in January following a December delivery blitz.

German plug-in production PHEVs push production

Jan 2019 - Dec 2020 New Passenger Car EV Production Germany

Source: VDA EV = BEV, PHEV, FCEV



Almost every fifth car manufactured in Germany in December an xEV.

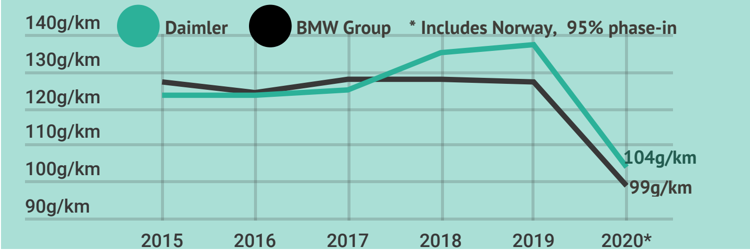
December was once again a record month for German plug-in passenger car production in terms of the proportion (18.7%) of new vehicles fitted with a plug in a single month. Latest VDA data reveals 54,000 externally rechargeable passenger cars were manufactured in December. According to the VDA, 62 per cent of all German manufactured xEVs were exported last year. Sixty-eight per cent of all domestic manufactured BEVs were exported.

Premium bounce as phase-in EU CO2 legislation ended in 2020

Premium manufactures including the likes of Daimler, BMW Group, Audi, Tesla, JLR and Volvo/Polestar accounted for just under half (46%) of all new plug-in passenger car volumes in January. With BMW and Daimler accounting for 58% of that total, both manufactures are likely to see strong volumes in 2021 in order to maintain their EU fleet average compliance commitments that they both achieved in 2020. With the 95% phase-in period now vanished and full-use of the 7.5g/km available super-credits likely used, more xEVs are required.

Premiums achieve CO2 'compliance-light' as expected

EU CO2 fleet average emissions . Schmidt Automotive Research . OEM data



Daimler, BMW Group and Volvo Cars premium plug-in push

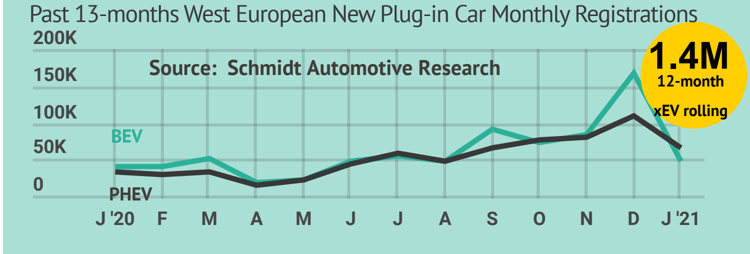
Just under every fourth BMW/MINI (24%), almost every third Mercedes/Smart (30%) and almost every second Volvo/Polestar (45%) was an xEV in January. PHEVs accounted for 79% of those volumes.

PHEVs premium fuelled rise continues

Premium brands dominate PHEV volumes. 57 per cent of all PHEVs registered across the region in January came from premium brands.

Bonus Malus/CO2 compliance/BiK witness PHEV's return

Past 13-months West European New Plug-in Car Monthly Registrations



Tab. 01/02: Western Europe Passenger Car BEV Registrations by Market Jan 2021

Source: Trade associations, SAR * Poland includes used-imports

Market	Share of W-Eur Market Jan 2020	Jan 2020 Volume	BEV mix of national market Jan 2020	Jan 2019 Volume	BEV mix of national market Jan 2019	Delta (%)	Share of W-Eur Market YTD 2021	YTD 2021 Volume	BEV mix of national market YTD 2021	YTD 2020 Volume	BEV mix of national market YTD 2020	Delta (%)
Germany	35.5%	16,315	9.6%	7,493	3.0%	117.7%	35.5%	16,315	9.6%	7,493	3.0%	117.7%
France	14.1%	6,472	5.1%	10,952	8.2%	-40.9%	14.1%	6,472	5.1%	10,952	8.2%	-40.9%
UK	13.6%	6,260	6.9%	4,054	2.7%	54.4%	13.6%	6,260	6.9%	4,054	2.7%	54.4%
Norway	11.9%	5,461	53.0%	4,236	44.3%	28.9%	11.9%	5,461	53.0%	4,236	44.3%	28.9%
Italy	5.4%	2,494	1.9%	1,945	1.2%	28.2%	5.4%	2,494	1.9%	1,945	1.2%	28.2%
Austria	3.0%	1,377	9.7%	695	3.0%	98.1%	3.0%	1,377	9.7%	695	3.0%	98.1%
Netherlands	2.5%	1,163	3.3%	1,901	4.3%	-38.8%	2.5%	1,163	3.3%	1,901	4.3%	-38.8%
Sweden	2.4%	1,106	5.4%	1,225	7.3%	-9.7%	2.4%	1,106	5.4%	1,225	7.3%	-9.7%
Switzerland	2.2%	1,027	6.8%	782	4.2%	31.3%	2.2%	1,027	6.8%	782	4.2%	31.3%
Belgium	2.4%	1,089	2.9%	750	1.4%	45.2%	2.4%	1,089	2.9%	750	1.4%	45.2%
Eire	2.1%	978	3.9%	891	2.9%	9.8%	2.1%	978	3.9%	891	2.9%	9.8%
Denmark	1.3%	577	5.6%	530	2.8%	8.9%	1.3%	577	5.6%	530	2.8%	8.9%
Spain	1.1%	495	1.2%	1,619	1.9%	-69.4%	1.1%	495	1.2%	1,619	1.9%	-69.4%
Portugal	0.9%	413	4.1%	891	8.9%	-53.6%	0.9%	413	4.1%	891	6.2%	-53.6%
Finland	0.8%	355	3.8%	180	1.7%	97.2%	0.8%	355	3.8%	180	1.7%	97.2%
Luxembourg	0.4%	199	5.3%	100	2.3%	99.0%	0.4%	199	5.3%	100	2.3%	99.0%
Iceland	0.3%	120	20.7%	135	19.0%	-11.1%	0.3%	120	20.7%	135	19.0%	-11.1%
Greece	0.2%	69	0.9%	18	0.2%	283.3%	0.2%	69	0.9%	18	0.2%	283.3%
W. Europe	100.0%	45,970	6.0%	38,397	3.7%	19.7%	100.0%	45,970	6.0%	38,397	3.7%	19.7%
Poland*	-	253	0.8%	326	0.8%	-22.4%		253	0.8%	326	0.8%	-22.4%
Cz. Rep	-	231	1.6%	384	2.0%	-39.8%		231	1.6%	384	2.0%	-39.8%

Fig. 01/04: W-European BEV Registrations and y/y Change Jan 2021

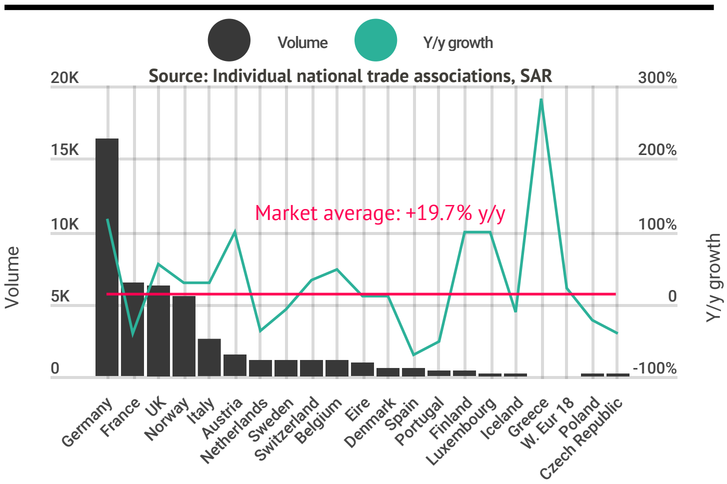


Fig. 01/05: W-European BEV Registrations/Mix Jan 2013 - Jan 2021

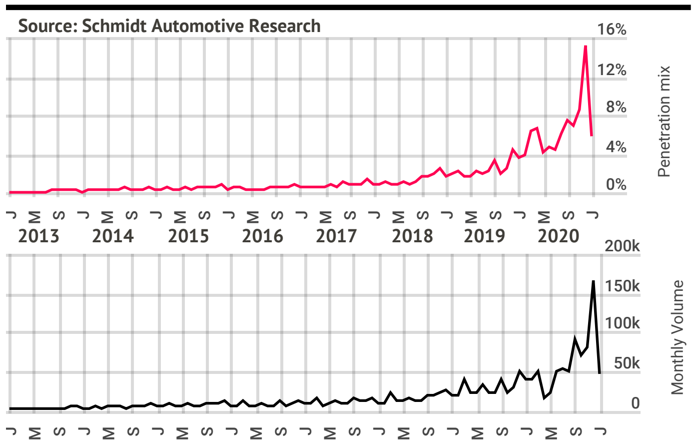
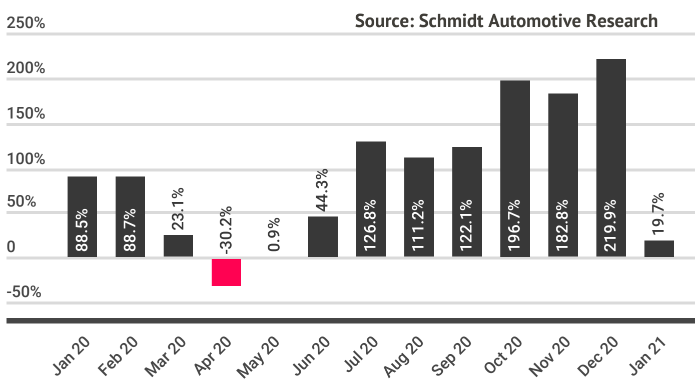


Fig. 01/06: W-European BEV Registrations y/y Monthly Growth Rate



BY MARKET

Germany remained the dominating market in January, with more BEVs registered in Europe's largest passenger car market than the next two markets (**France/UK)** combined. German volumes doubled over the same period last year, and a real disparity is beginning to emerge in terms of BEV distribution between northern and southern European markets. **Germany, France, Norway** and the **UK** accounted for three in four (75.1%) of all the BEVs delivered in the 18 market region in January. In terms of total xEV volumes the concentration of the top four markets is slightly less (65.4%) due to the likes of **Sweden** registering high PHEV volumes.