



## Car makers poorly prepared for new law

Published: 28th September 2018

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Online version: <http://www.wheelswithinwales.uk/car-makers-poorly-prepared-for-new-law/>

The European car market saw spectacular growth in August, recording the highest August result in the last twenty years.

But this strong growth was artificial as registrations were boosted by stock clearances ahead of the introduction of tougher new emissions tests under the World Light Car Test Programme, or WLTP, on the 1 September. This is evidenced by unusual results in typically slow selling segments, and booming business and fleet registrations.

This last-minute push for registrations just a month before the introduction of WLTP demonstrates a lack of preparation from many car makers, say analysts JATO.

Business/fleet purchases posted a 38% increase in August (data for 15 countries), jumping from 53% of total registrations in Aug-17 to 59% last month. This is in comparison to registration growth of 11% in July and 5% in June. In contrast, private registrations increased by 11% in August, counting for 41% of the total.

In addition, the segments that traditionally post timid growth, such as subcompacts and compacts, also recorded strong growth, up by 25% and 21% respectively. There was also an unusual 2% growth in the MPV segment, where volume has been on a near constant decline during the last years.

“As we anticipated last month, it’s clear that registrations were boosted in August by car makers rushing to register their vehicles before the introduction of WLTP. These results show how artificial registrations can be, and how easily they can be manipulated by external factors.



“The evidence of the WLTP effect shows how ill prepared car makers were, and it will be interesting to see how car makers continue to respond to WLTP in the coming months.”  
comments Felipe Munoz, JATO’s Global Analyst.

One in three new cars registered in Europe was an SUV. SUVs were the clear winners of the month, with their volume up by 57%. They were led by the Nissan Qashqai, which doubled its registrations, the Renault Captur and the Tiguan (excluding the Allspace). The VW T-Roc occupied the fifth position in the SUV ranking and the third position in the B-SUV segment.