

# Passenger car market slumps 31 percent in January



The German passenger car market recorded a 31 percent year-on-year drop in January, with the month having two fewer working days this year than in 2020. The Federal Motor Transport Authority registered 169,800 new registrations. This was the weakest January for registrations since 1991, with some 61,800 new passenger cars registered by international brands.

Reinhard Zirpel, President of the Association of International Motor Vehicle Manufacturers (VDIK), stated: “The weakness of the German passenger car market was primarily due to the strong decline of the private market by 37 percent. Numerous private customers already made their purchases at the end of 2020 due to the expiration of the VAT advantage. In addition, car dealerships had to remain closed throughout January.”

Zirpel added that the relatively good order backlog at the beginning of the year (up 13 percent year-on-year) and resulting deliveries also prevented a more severe slump.

The market for diesel-powered passenger cars was down 45 percent in January. There were 44,300 new diesel passenger car registrations. The diesel share has

thus fallen to 26 percent (January 2020: 33 percent).

Alternative drive systems recorded significant growth rates. According to the KBA, 16,300 passenger cars with purely battery-electric drive systems (up 118 percent) were newly registered. In addition, 20,600 new plug-in hybrids (up 138 percent) hit the roads. In total, more than 62,000 passenger cars with an alternative drive system (hybrid, electric, gas, fuel cell) were registered. This means that 38 percent of all new cars in Germany in January 2021 had an alternative drive system (2020: 16 percent).

The commercial vehicle market recorded a drop of 17 percent in January with 24,000 new registrations. Sales of light commercial vehicles up to 3.5 tons fell by 20 percent, while new registrations of heavy commercial vehicles declined by 5 percent. The fleet renewal program for commercial vehicles over , which starts at the end of January 2021, should lead to a stabilization of this market in the coming months