



PwC Autofacts[®] Market Update

Automotive industry outlook
April 2025

Table of contents

- 1** Executive summary
- 2** Industry overview
- 3** Analyst insights
- 4** Global and regional markets analysis
- 5** **Appendix:** Scenarios and assumptions

1 Executive summary

The PwC Base Scenario forecasts a marginal sales decline for 2025 amid looming trade wars and protective policy decisions

16%

*BEV sales share in Q1 2025 across analysed markets**

BEV sales jumped by 42% YoY in Q1 2025 in the analysed markets* and reached a record Q1 market share, while the total market grew by a contrasting 6% to a total of 16.7 million units.

Driven by China, Global* BEV growth continues with record shares in key markets
BEV sales shoot up in China by 55% YoY to a record Q1 market share of 27%. USA and EU5 both reached similar results with 8% and 15%, respectively.

Global passenger car sales declined marginally by less than 1% YoY in March
The decline was opposed to developments in the major markets. China jumped by +14%, Europe** by +2% and USA by +10% YoY.

BEV sales in Europe** march forward amid implemented, yet relaxed CO₂ fleet emission targets
All EU5 countries bar France recorded high double-digit YoY growth in Q1 2025. Norway with a BEV share of 91% further grew by 47% YoY, proving potential even in mature markets.

Top OEM groups' annual reports reveal a gap between high sales volumes and profitability
Legacy brands faced headwinds amid declining sales, while far-eastern newcomers with high BEV shares recorded big revenue and EBIT margin jumps.

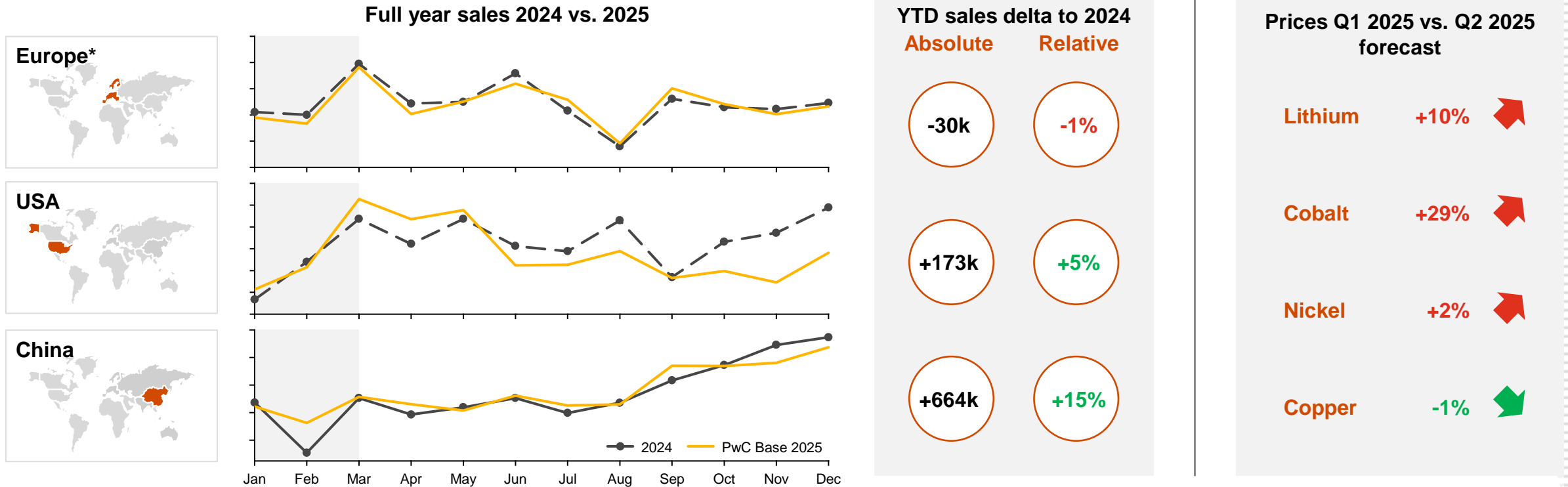
In Q1 2025, increased EU import duties on China-made BEVs begin to show an impact
While the import volumes in Q4 2024 seemed unaffected by the imposed import duties, they declined by 22% in Q1 2025 to 88,000 units. In March alone 31% less BEVs were imported YoY.

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Industry overview

2 Automotive dashboard

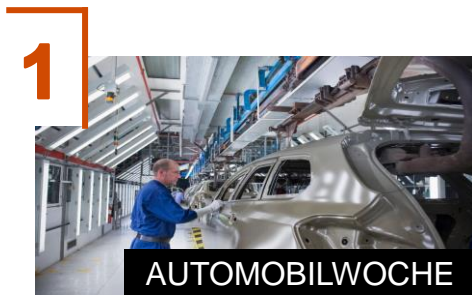
USA stays ahead amid looming tariff effects, while Europe* remains behind 2024



- Global passenger car sales declined marginally by less than 1% to 6.6 million units in March, yet 150,000 units up over 2024 YTD
- Despite a slight growth of 2% YoY to 1.4 million units in March, Europe* lags behind 1% YoY, so far this year
- Both China and USA recorded double-digit jumps in March at 14% and 10%, respectively, maintaining their YTD advantages over last year

2 Hot topics

Overview of latest developing stories in the automotive industry



China expected to drive consolidation among automotive OEMs amid profitability concerns

Collaborations and mergers aim to enhance the competitiveness of OEMs that frequently operate at a loss, as they have been impacted by intense competition in recent years.



Trump to sign executive order on auto tariffs to relieve pressure on auto makers

The changes to Trump's 25% vehicle tariffs will provide auto companies with credits for up to 15% of the value of vehicles assembled domestically. The benefit is retroactive to April 3.



Automakers pull or caveat forecasts for 2025 on uncertainty over tariffs

Stellantis suspended its targets, VW maintained its expectations with the caveat that they exclude the new tariffs impact, and MB expects lower than previous results across the board.



China bans 'smart' and 'autonomous' terms from vehicle ads after a fatal ADAS crash

China will tighten rules around such technology upgrades after a fatal crash in March that triggered widespread concerns over vehicle safety.



World's largest battery maker CATL announces major advances in battery technology

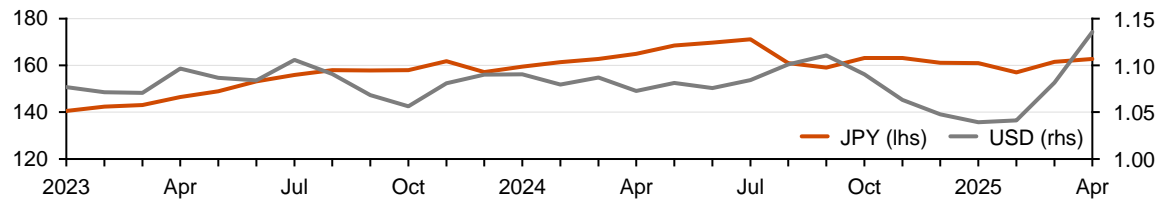
The Chinese battery manufacturing giant said that it has made technological advances that allow it to produce cheaper, lighter and faster recharging batteries.

2 Economic indicators

Current market turbulences are reflected in policy decisions and confidence levels

Exchange rates

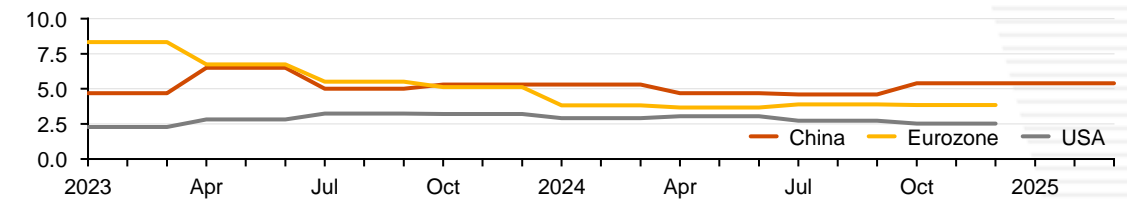
(per EUR)



The US dollar showed a depreciating trend against the Euro between February and April, on account of the shaken up global trade system that affected investors' views of US financial assets.

Real GDP change

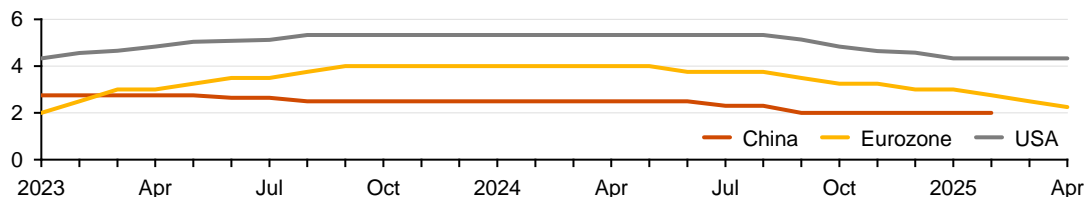
(in % over previous year)



In Q1 2025, real GDP growth in China remained stable in comparison with the previous quarter, up by 5.4% over Q1 2024. Q4 YoY growths in the U.S. and the Eurozone were comparatively weaker.

Central bank policy rates

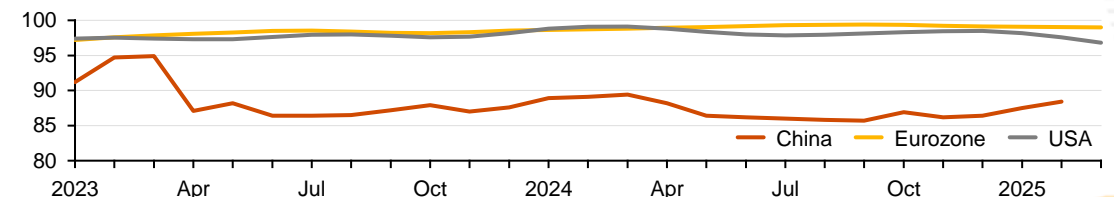
(in %)



The ECB adjusted its key rates by 25 basis points, down to 2.25% in April. The widely anticipated move addresses rising trade tensions, increased uncertainty and thus reduced confidence of households and firms.

Consumer confidence indicators

(index)



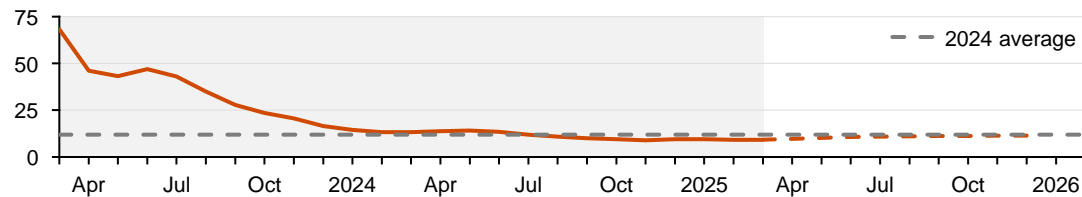
As of early 2025, consumer attitudes in all analysed key regions are pessimistic (below 100). In March, US consumer confidence dropped by 1.38 points compared to the beginning of the year.

2 BEV commodity prices

All commodity prices under review rise compared to the previous month

Lithium

(LME, in '000 USD/metric ton)

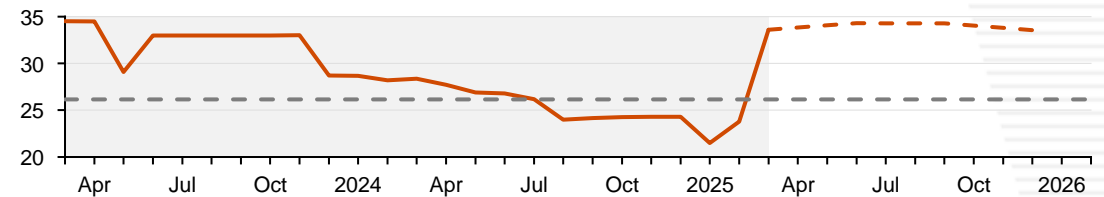


Li

In March, lithium prices increased marginally compared to February, reaching \$9,250 per ton. It can be expected that the price will keep increasing until it reaches the 2024 average at the end of 2025.

Cobalt

(LME, in '000 USD/metric ton)

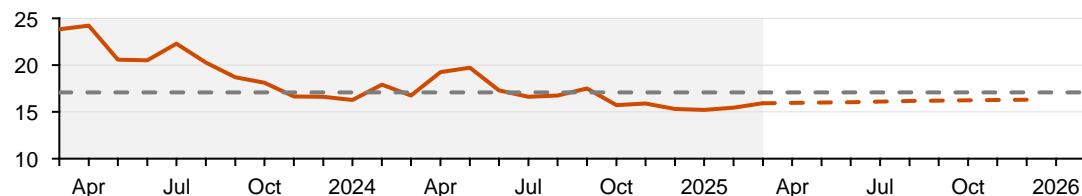


Co

The price of cobalt increased 41% compared to the previous month and reached \$33,604 per ton. The volatility and price jumps are predicted to calm down and remain stable until the end of the calendar year.

Nickel

(LME, in '000 USD/metric ton)

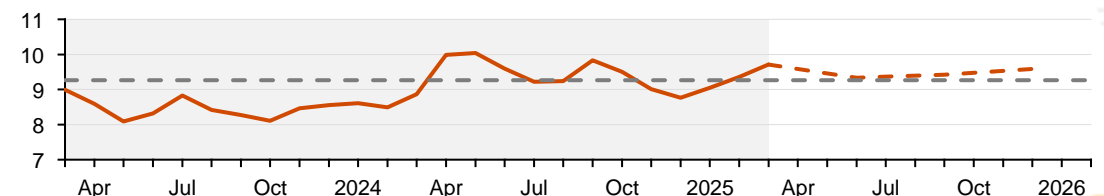


Ni

After a quiet January and February, the nickel price has risen by more than 3% but is still 5% below the level of the same month last year. The price is expected to continue to rise slightly in 2025.

Copper

(LME, in '000 USD/metric ton)



Cu

The copper price remains true to its annual trend and rises again by 4%. According to forecasts, it will come close to the 2024 average over the course of the year before rising from Q3 onwards.

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Analyst insights

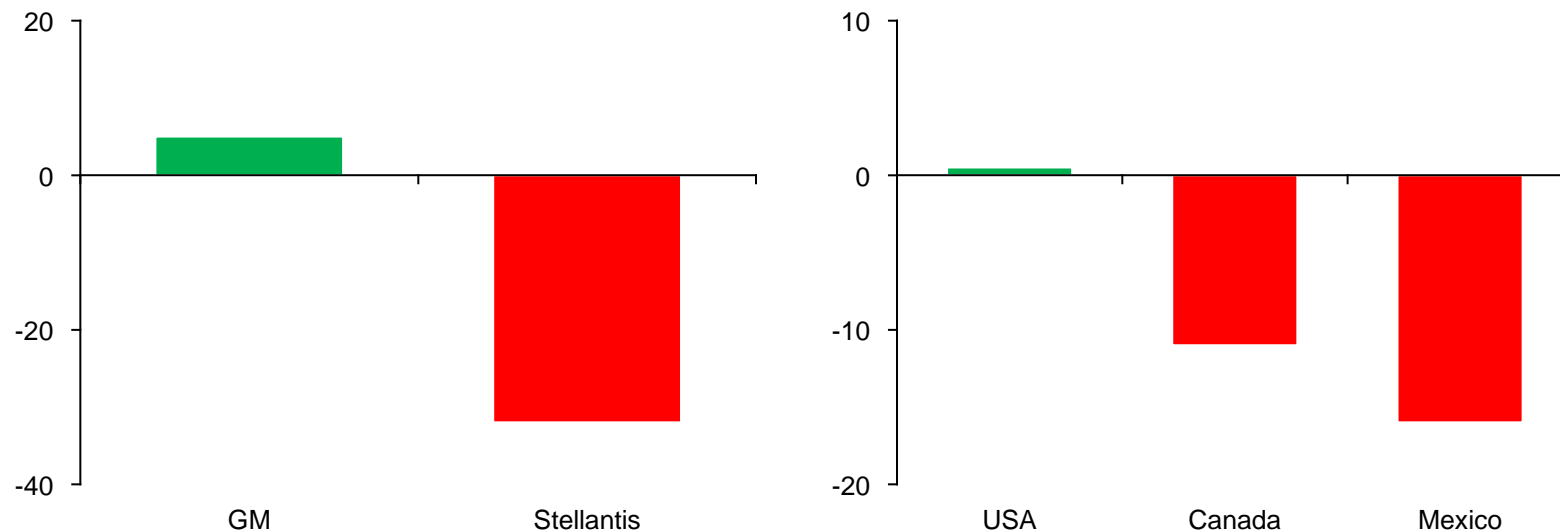
3 Trump tariffs on auto OEMs

Tariffs are to cause lower overall output than production shifts in the near-term



Estimated announced production adjustments

(for Q2 2025, in thousand)

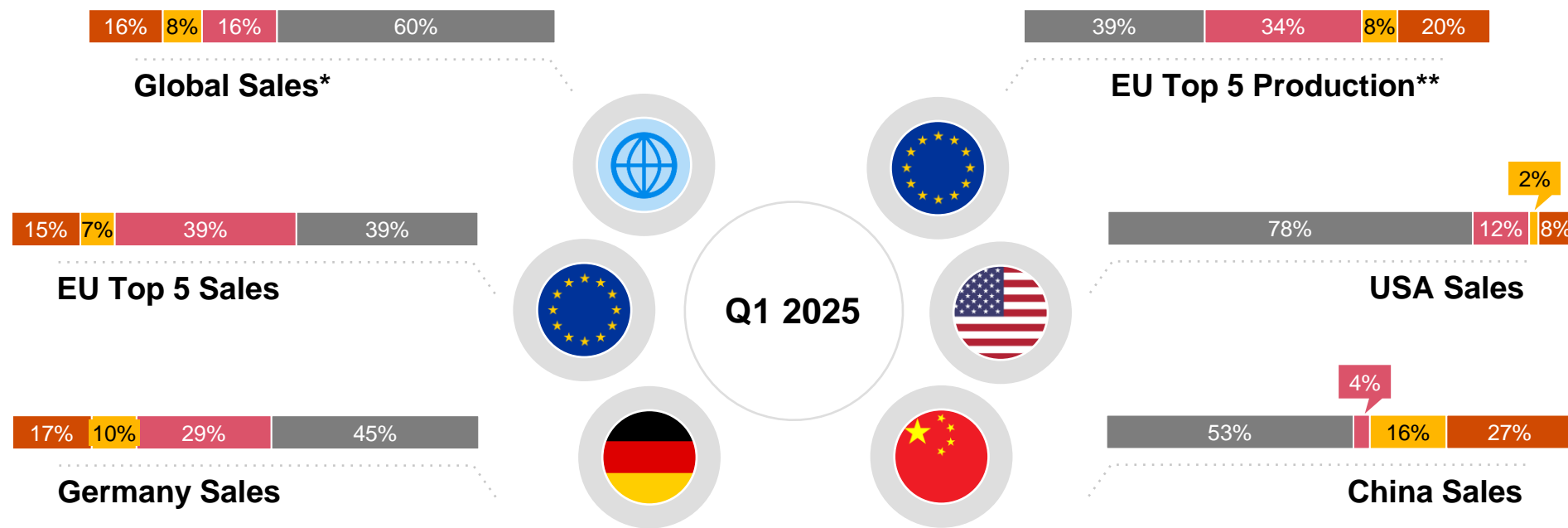


Summary

- **Price hikes of up to \$10,000** are expected due to import tariffs
- **Further country-specific tariffs are highly possible to force a renegotiation** with each country
- **Stellantis** is expected to **cut its production volumes in North America** by over 30,000 units during Q2 2025
- While production in **Canada and Mexico** are **forecasted to decline by a combined 27,000** units in Q2 2025, **US production** is expected to **grow only marginally**

3 Global EV sales in Q1 2025

EV sales momentum remains with record Q1 shares globally and in key markets

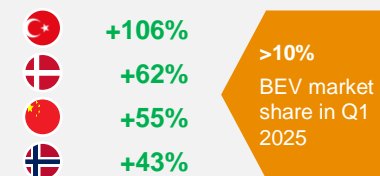


BEV PHEV (incl. REEV) HEV (incl. FHEV, MHEV and Series) ICE

BEV sales YoY growth
Q1 2025 vs. Q1 2024
Selected markets



+42% YoY
Global average



According to the S&P Global Mobility LV Sales Forecast (Mar 2025 release), the **40 analysed markets made up 83% of global sales in Q1 2025** across all powertrains.



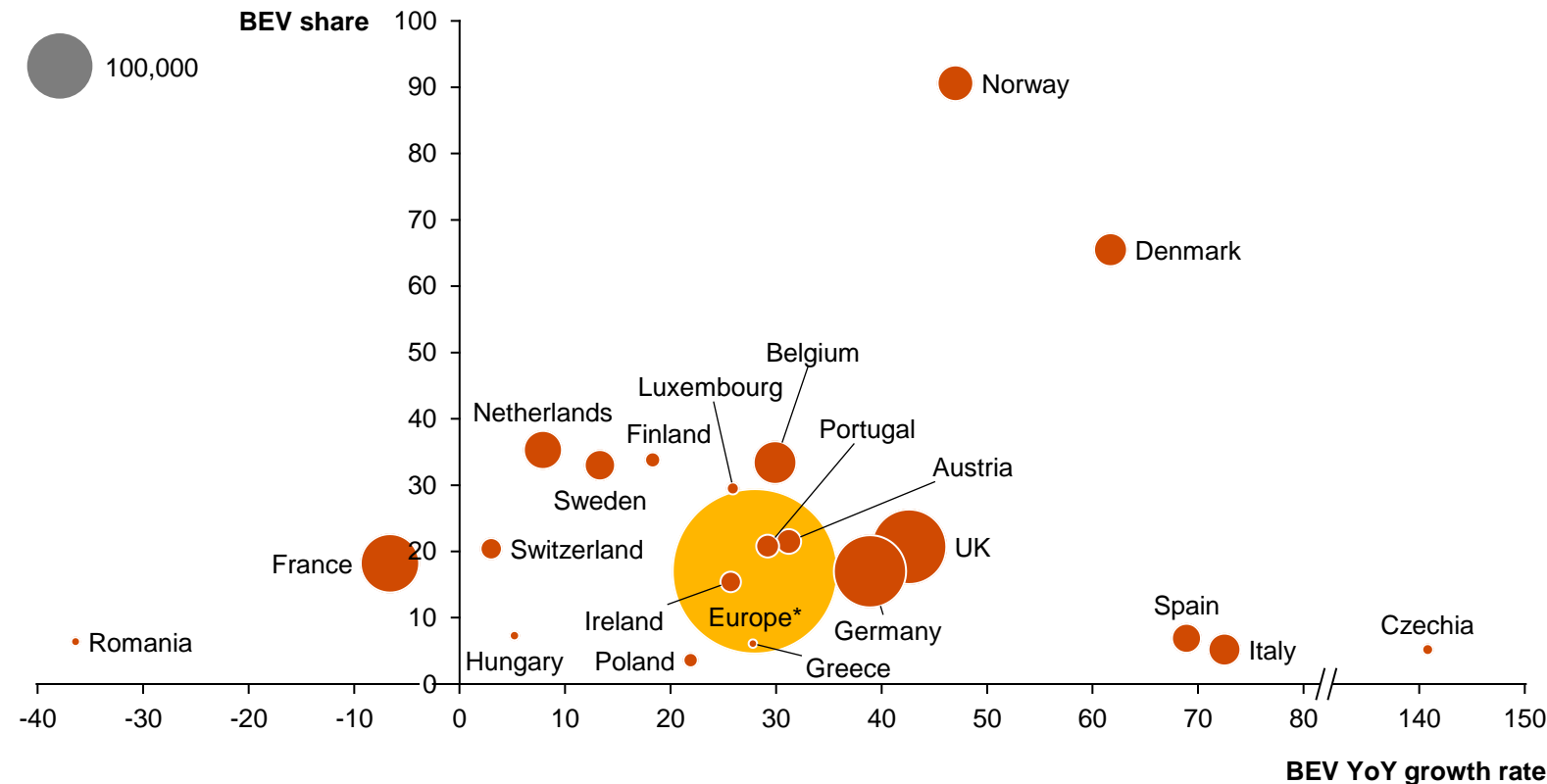
See the latest **Electric Vehicle Sales Review Q1 2025** for more details

3 European* BEV penetration

BEV growth in Europe* continues to outperform the total market by a margin

Europe* BEV sales development**

(in %, March 2025 YTD)



Key insights

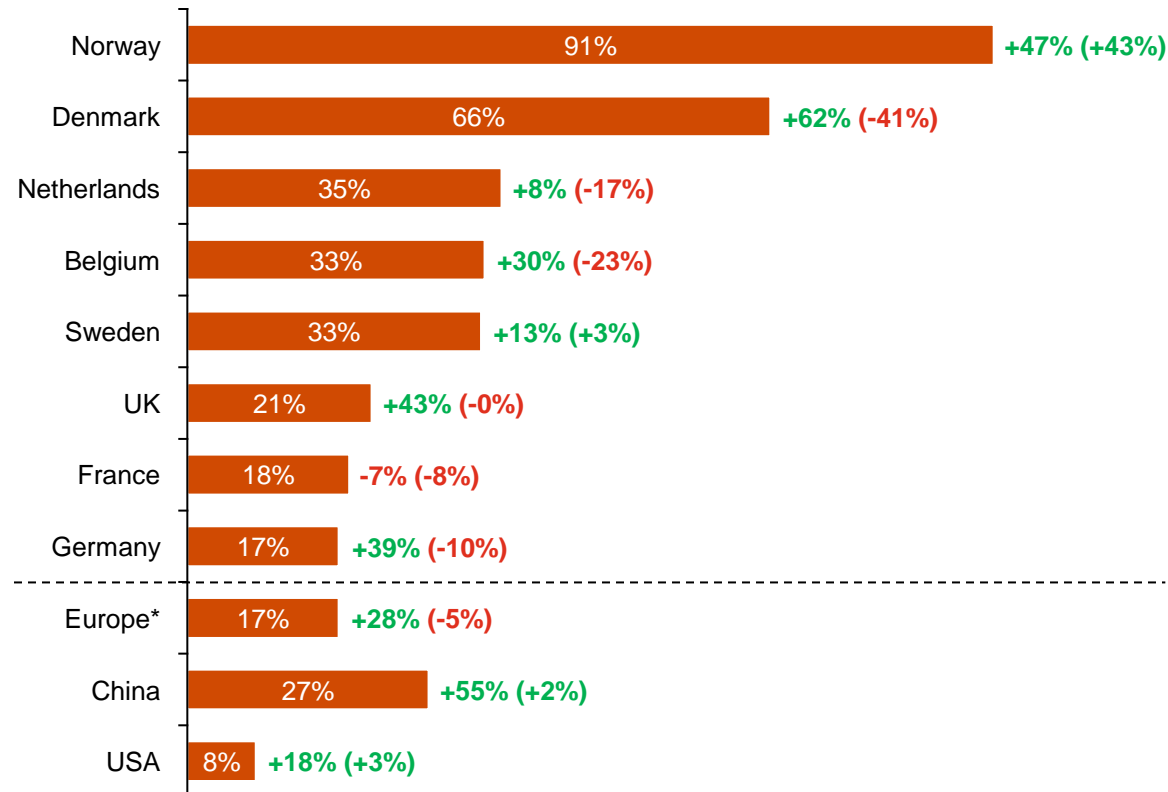
- In **20 out of the 21 viewed European* countries**, BEVs grew stronger YoY than the overall market
- **Norway, Denmark and the Netherlands led the BEV share ranking** once again with 91%, 66% and 35%, respectively
- **UK remains the biggest BEV market** by volume with 120,000 units, followed by Germany and France with 113,000 and 75,000 units, respectively
- The **biggest YoY gains were recorded by Czechia** with +141%, albeit coming from a low base, while **Norway at a BEV share of 91% leaped by another +47%**
- **ICE sales in contrast declined by 22%** in Europe*, reaching a 37% market share

3 Leading countries in EV penetration

Q1 BEV sales outgrow rest of market in most countries, while PHEV sales vary

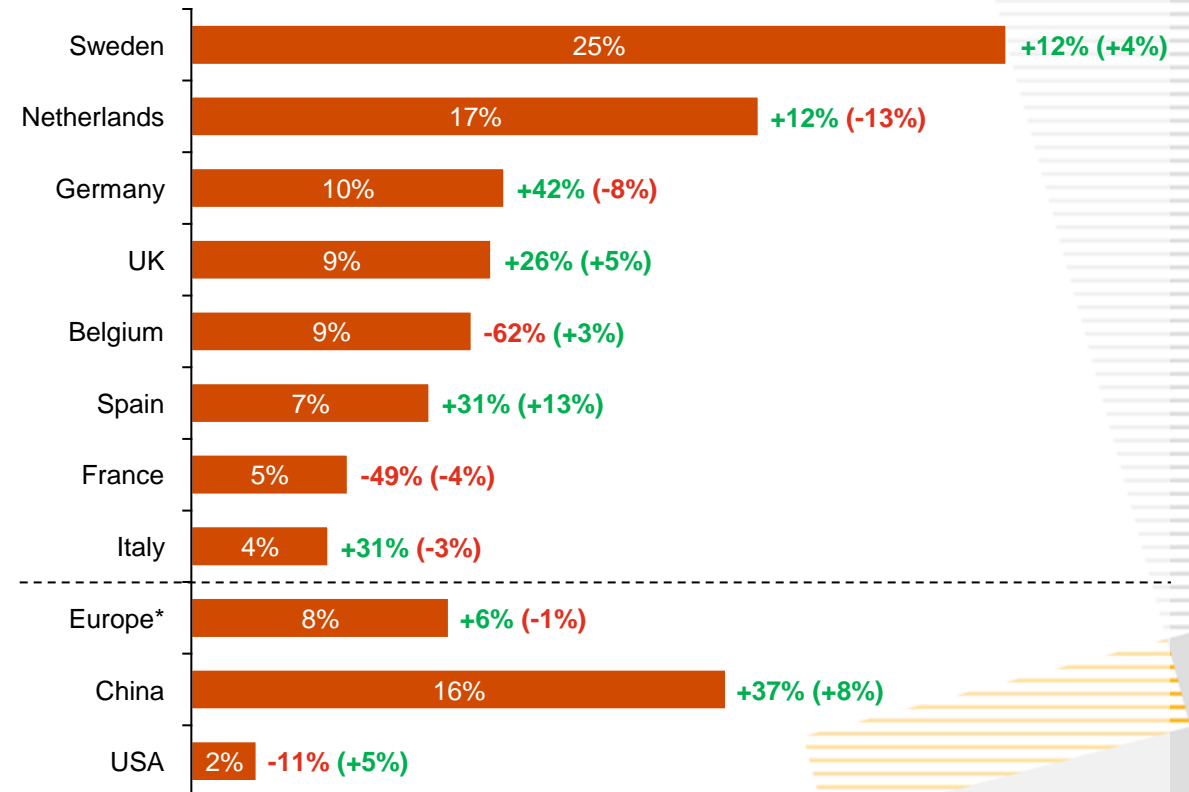
BEV market share of leading European* countries**

(March 2025 YTD, YoY change BEV (rest of market))



PHEV market share of leading European* countries**

(March 2025 YTD, YoY change PHEV (rest of market))

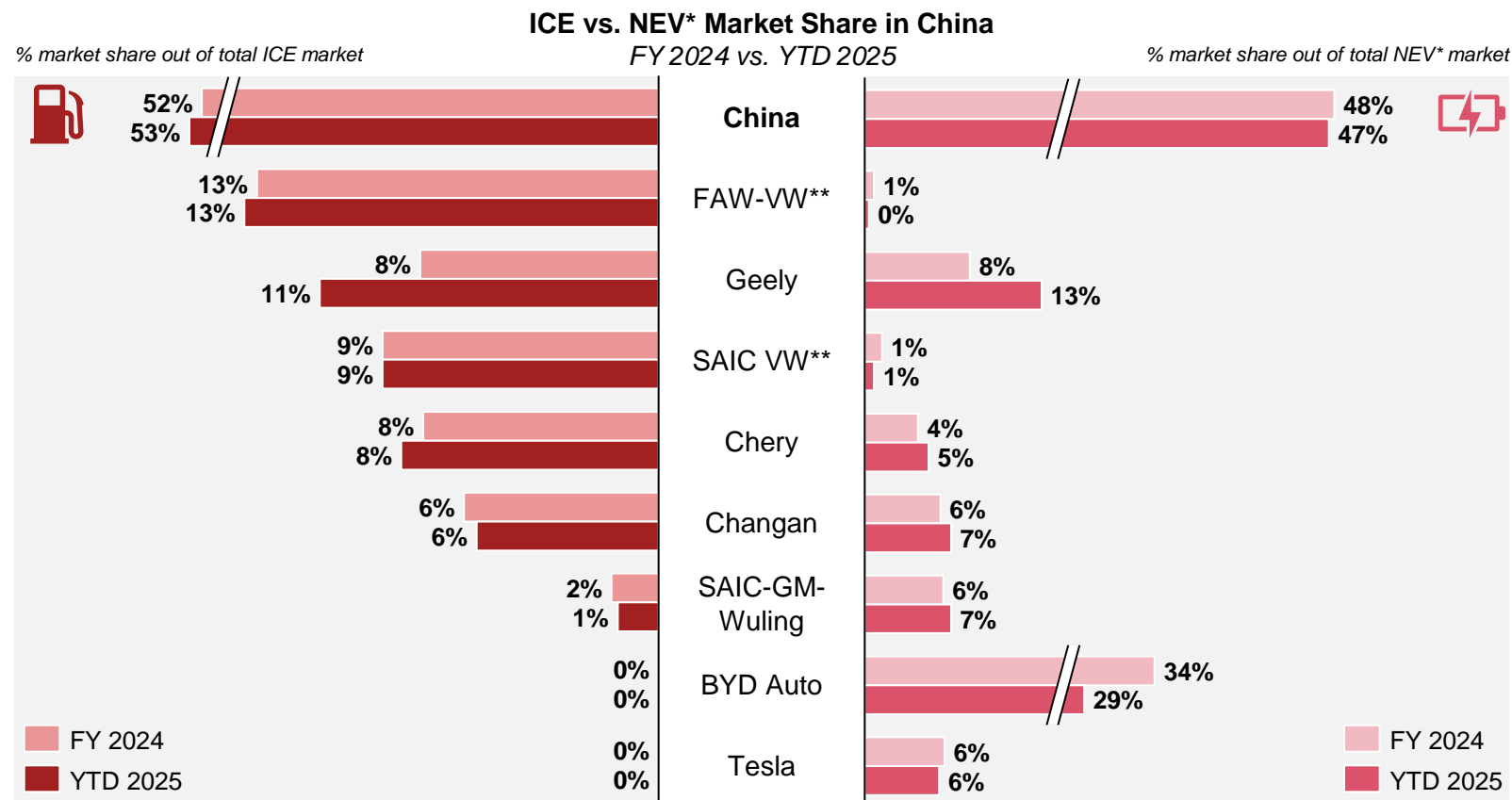


3 ICE vs. NEV* market share China

BYD and Tesla regained some ground within the NEV market during Q1



Key insights



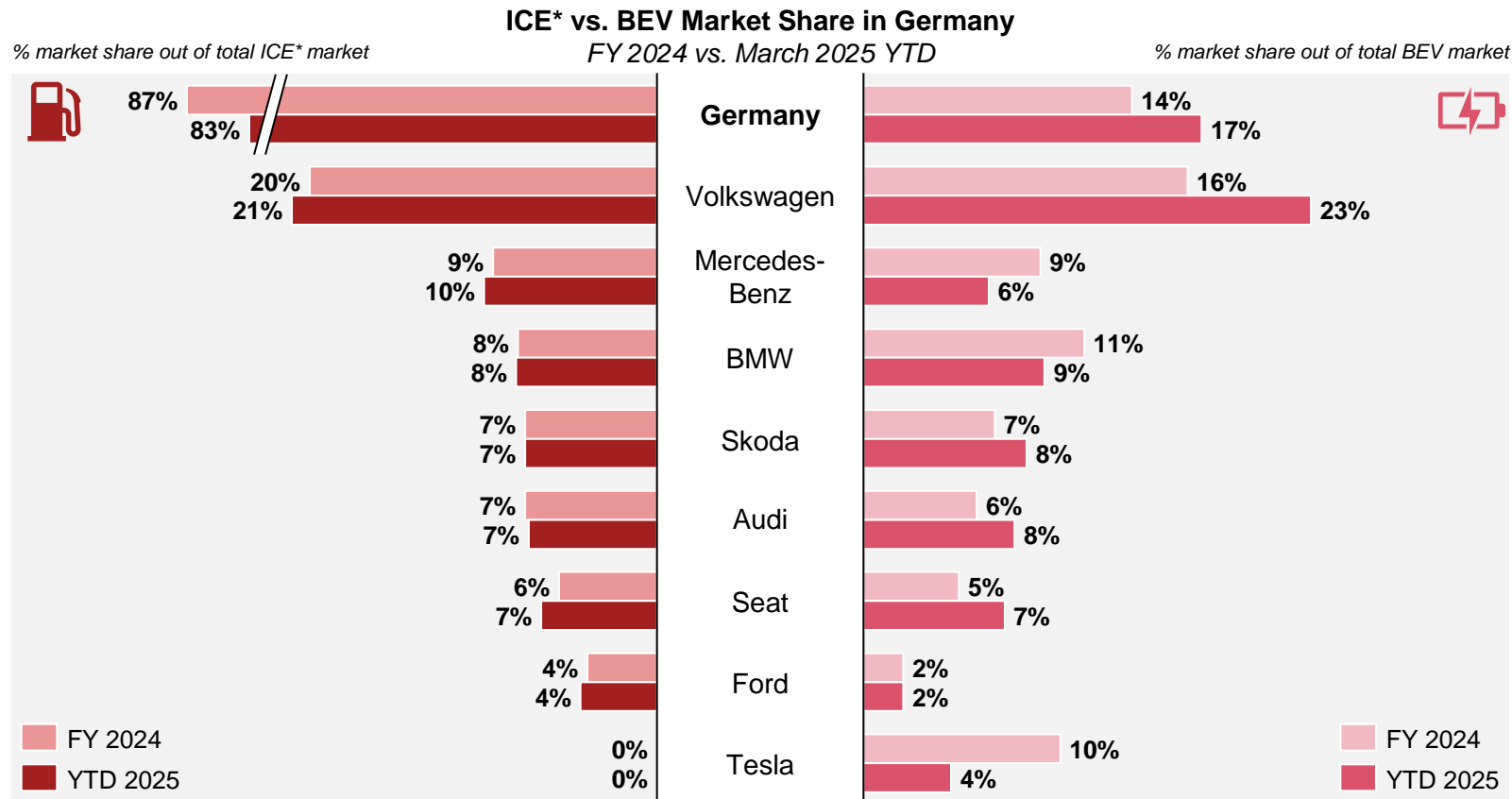
- During Q1 2025, the NEV share of the Chinese passenger car market reached 47%, a slight improvement compared to January-February
- BYD and Tesla have regained some ground in Q1 since January-February, both gained nearly two percentage points of market share within NEVs
- Among the biggest ICE makers are the Volkswagen JVs, however, their NEV performances remain subpar
- Among selected NEV makers, Geely and Chery experienced the most substantial growth, up by 134% and 230%, respectively, during Q1 2025 vs. Q1 2024

3 ICE* vs. BEV market share Germany

The rising BEV market share is driven by the VW Group's growing BEV business



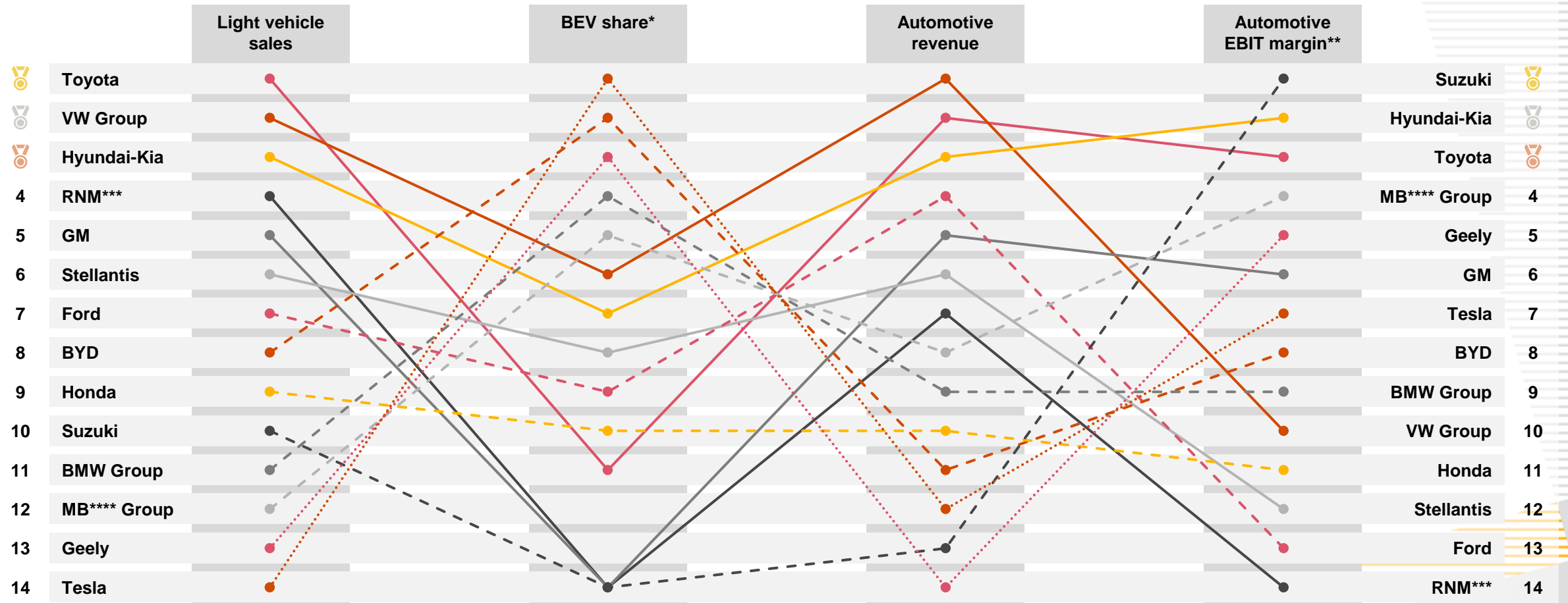
Key insights



- The market share of ICEs in Germany has decreased to 83%, while the share of BEVs rose by 3% in comparison to FY 2024
- In terms of the BEV market share, trends varied across different OEMs
- Only **two of the eight OEMs** shown currently have a higher share out of the ICE market than out of the BEV market
- Most of the OEMs have **increased their BEV market share** compared to FY 2024, especially **Volkswagen by 7%**
- BEV share for **Tesla** are **significantly below** the levels recorded in 2024

OEM report card FY 2024

Annual results reveal high sales volumes do not equal high profitability

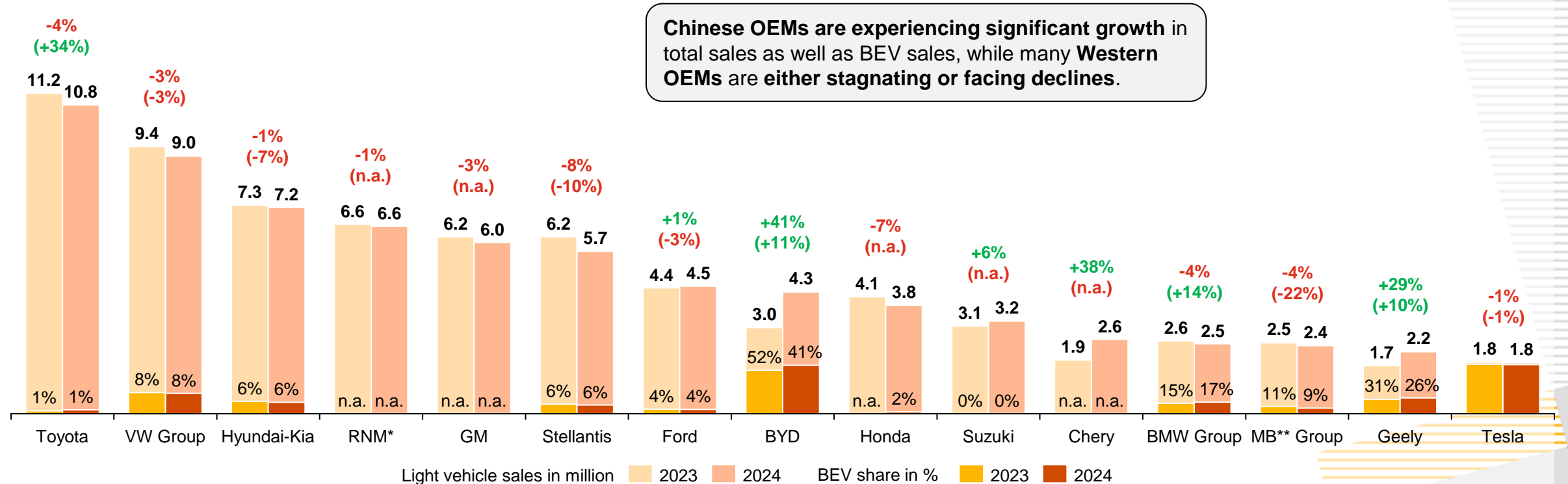


OEM report card FY 2024

Chinese newcomers grow significantly, while legacy brands face declining sales

Global light vehicle sales of top OEM groups

(light vehicle sales YoY in % (BEV sales YoY in %))

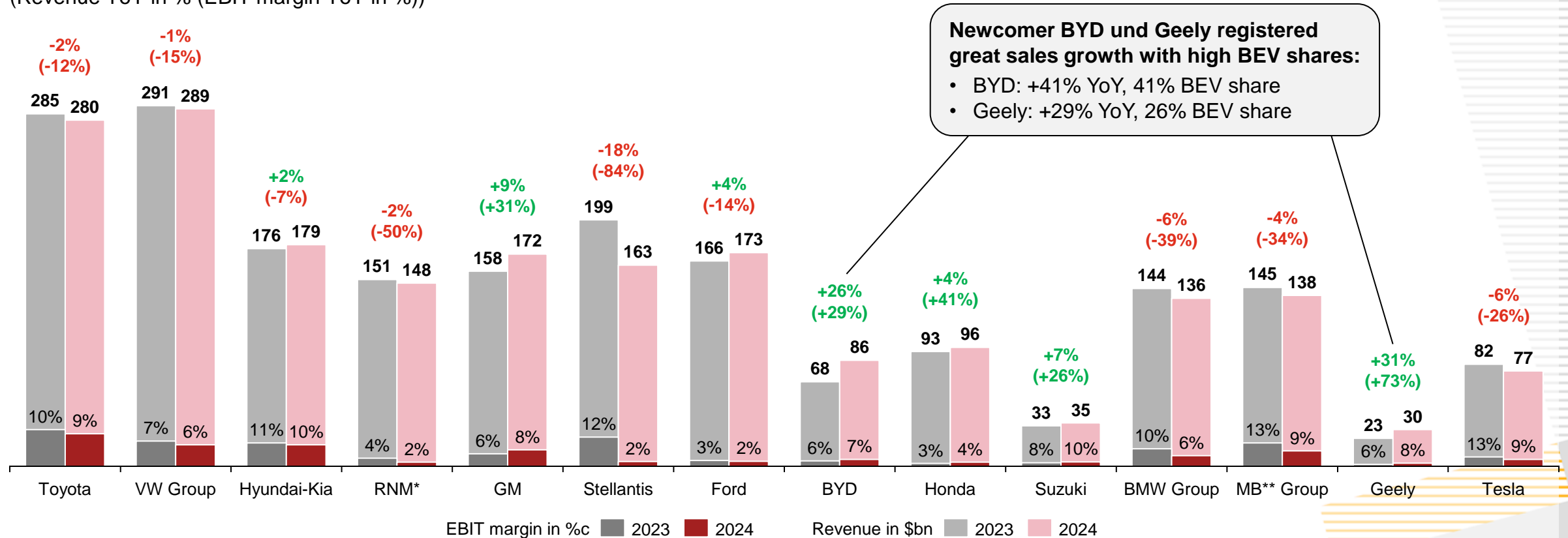


OEM report card FY 2024

Far-eastern groups record big margin jumps, while legacy brands face headwind

Automotive earnings of top OEM groups

(Revenue YoY in % (EBIT margin YoY in %))

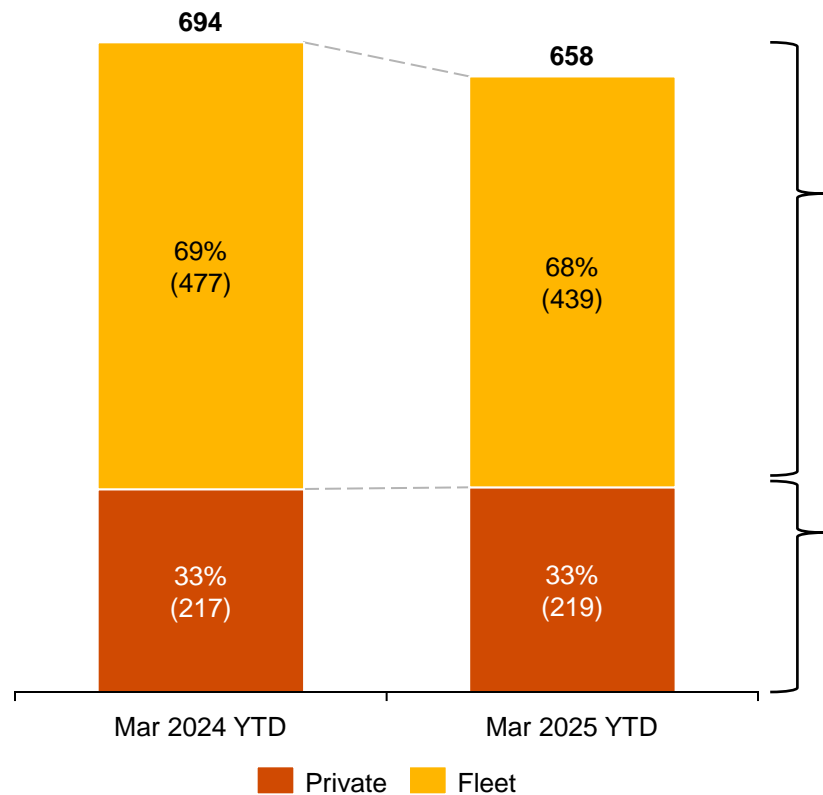


3 German private and fleet sales

Total sales decreased YTD, while the BEV sales, primarily fleets, are increasing

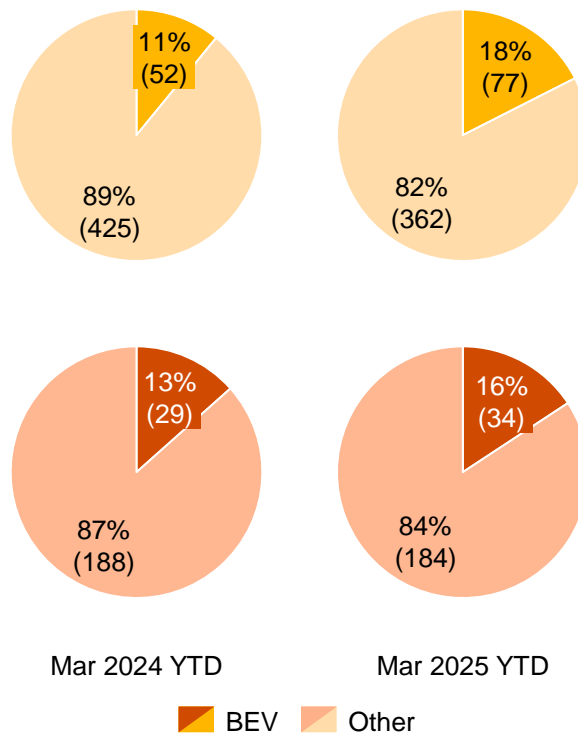
Total passenger car sales

(volume in thousand)



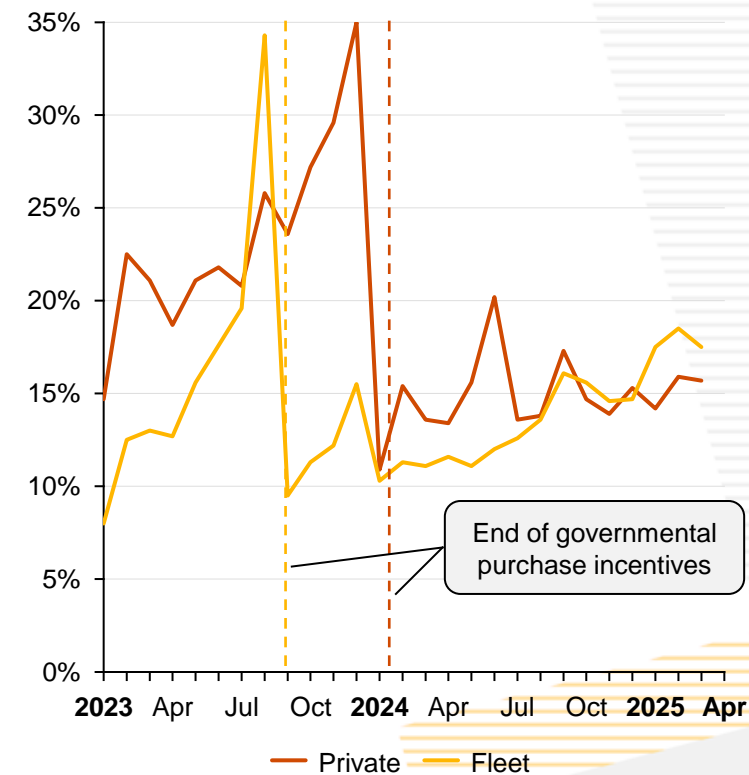
BEV share in private and fleet

(volume in thousand)



BEV share in private and fleet sales

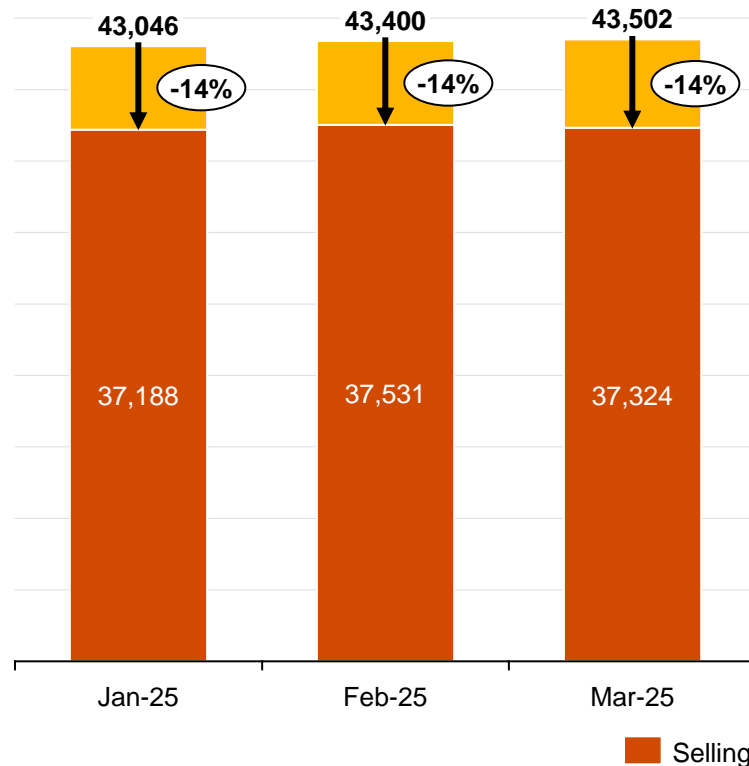
(in %)



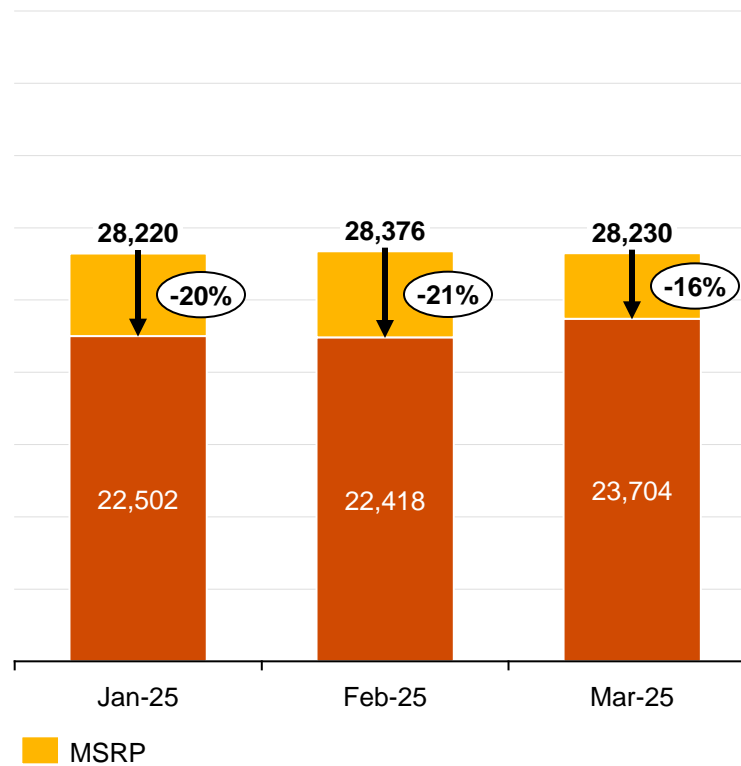
3 Dealership discounts in Germany

ICEs continue to see greater discounts over BEVs despite lower selling prices

Average BEV prices*
(in €)



Average ICE prices*
(in €)



Key insights

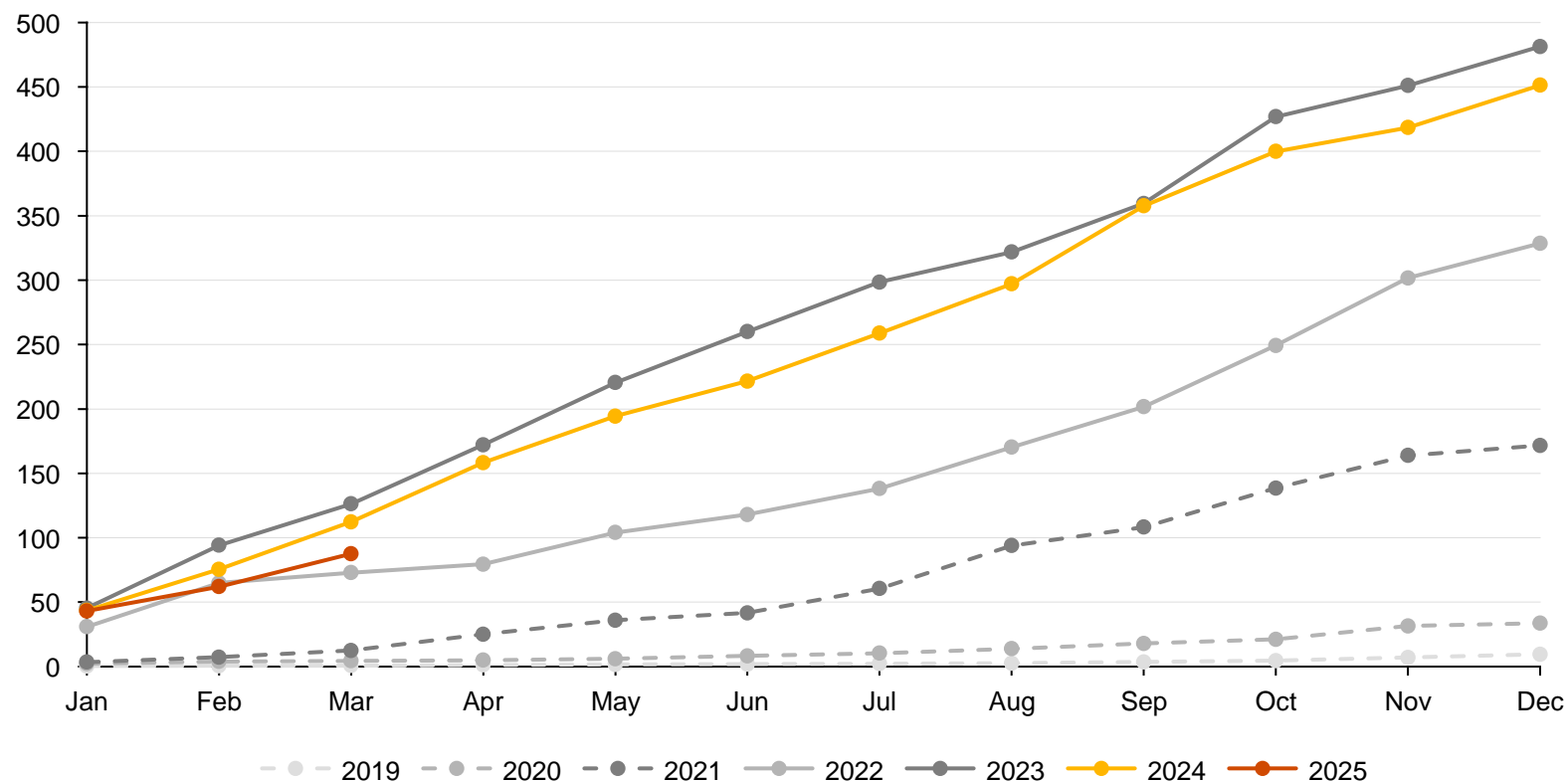
- In the third month of the year, the prices of both BEVs and ICEs have only seen slight changes, while BEV prices increased
- The average **MSRP** for the top 10 best-selling **BEVs** stands at **€43,502**, which is **54% higher** than that of the 10 best-selling ICEs
- The 5% decline in the dealership discount for ICEs is striking as the **price difference between the leading BEVs and ICEs decreases to 57%**

3 EU BEV imports from China

EU import duties on China-made BEVs start to show effects in Q1 2025

Imported BEVs from China to the EU

(in thousands, accumulated)








Key insights

- After import volumes **seemed unchanged in the beginning of the year**, BEV imports from China to the EU **declined by 22% to 88,000 units during the first quarter of 2025**
- In March alone, **31% less BEVs were imported YoY** (26,000 units)
- The negative trend can be attributed to **EU's countervailing duties on imports of electric cars made in China**, which have been in force since the end of October 2024
- **Chinese OEMs** such as Chery, XPeng and BYD are actively seeking a new path in Europe by **launching overseas cooperations, contract manufacturing or planning to build factories in Europe**





3 Incentive programs in Europe*

As part of the support for the automotive transformation, subsidies are concentrated on BEV promotions, while PHEV subsidies continue to be phased out

Country	Tax Benefits	Purchase Incentives
 Germany	Ownership: 10-year exemption for BEVs and FCEVs registered until the end of 2025, exemption granted until the end of 2030; Company cars: Reduction of taxable amount for BEVs and PHEVs from 1% to 0.5%, additional reduction to 0.25% for BEVs up to €70,000 (€95,000 from 2025); From 2025: 40% cost write-off, applying to company BEV purchases from July 2024 to December 2028	2025: Newly elected government plans to relaunch a subsidy
 Spain	Acquisition: Exemption from “special tax” for cars ≤120g CO ₂ /km; Canary Islands: VAT exemption partially; Ownership: Road tax reduction of 75% for BEVs in Spanish main cities (e.g., Barcelona); Company cars: 30% for BEVs/PHEVs ≤ €40,000	MOVES III is further extended until 31 December 2025: Subsidy program of €1,550m : Up to €7,000 for passenger BEVs/FCEVs/PHEVs, depending on electric range and whether a vehicle is being scrapped; MOVES IV is planned for 2026.
 France	Acquisition: Exemption from the mass-based malus for BEVs, FCEVs and PHEVs (range of >50km); Company cars: Exemption for CO ₂ -based tax components (“TVS”) for vehicles emitting less than 60g CO ₂ /km.	2025: EV purchase subsidy from €2,000–€7,000. The eco-bonus will be income-dependent and tied to CO ₂ emissions from vehicle and battery production. Purchase price of vehicle must not exceed 47.000€ and a weight of 2.4 tons. No purchase incentives for companies.
 UK	Company cars: Reduced tax rates for BEVs and ultra-low emission cars (<75g CO ₂ /km), 2% until 2025 and progressively increasing afterwards until April 2028 For 2025: EVs registered after 1 April 2025 need to pay £10 VED for the first year. From the second tax payment onwards the standard rate of £195 is applied. On April 1, the expensive car tax supplement for BEVs costing more than £40,000, came into force.	PiCG (Plug-In Car Grant) ended in March 2023; funding shifted to support improving EV charging infrastructure and funding electric taxis, vans, trucks, motorcycles and wheelchair accessible vehicles.
 Italy	Ownership: Five-year exemption for EVs from the date of first registration, 75% reduction afterwards; Company cars: taxable value of a company-provided BEV for private use is 10% of the standard amount (for PHEVs 20%), versus 50% for ICEs.	

3 Incentive programs in RoW*

As part of the support for the automotive transformation, subsidies are concentrated on BEV promotions, while PHEV subsidies continue to be phased out

Country	Tax Benefits	Purchase Incentives
 USA	<p>Acquisition: Federal tax credit up to \$7,500 for BEVs and PHEVs until end of 2032. This is subject to change in the coming months with new presidential administration.</p> <p>Inflation Reduction Act: Effective since August 2022, final assembly of the vehicle must be in North America to qualify for tax credit. As of 1 January 2024, 60% of battery components (100% in 2029) and 50% of the value of minerals need to be sourced from the US or a free trade partner to qualify for full credit</p>	<p>States subsidize electric cars differently (in addition to federal tax credit)</p>
 China	<p>Acquisition: Purchase tax exemption for applicable BEVs, PHEVs and FCEVs of up to ¥30,000 (~€3,600) per vehicle between 2024 and 2025. The exemption will be halved for purchases made in 2026 and 2027</p>	<p>January 2025: National trade-in subsidies, previously set to expire by end of 2024, extended for 2025. Broader scope for 2025: ¥20,000 (~€2,400) if ICE or NEV (ICEs registered before July 2012 and NEVs registered before 2019) is traded in for a new NEV, ¥15,000 (~€1,800) if old vehicle is scrapped for a modern ICE with max. 2L displacement</p>
 Japan	<p>Acquisition: Purchase tax is abolished for private and business cars in favour for a tax based on fuel efficiency and environmental criteria</p>	<p>State subsidy scheme for BEVs: Up to ¥850k (~€5,100) with additional conditions; FCEVs: Up to ¥2.55m (~€15,400); PHEVs: Up to ¥550k (~€3,300). Further evaluation items apply to realize the subsidy amount, such as manufacturers' ability to respond to repair and maintenance needs or efforts to collect used batteries</p>
 South Korea	<p>Acquisition: Up to ₩1.4m can be deducted from the acquisition tax amount. Up to ₩3m can be deducted from the individual consumption tax and up to ₩900k from the education tax. If the individual consumption tax is ₩0, then there is also no education tax (which is 30% of the consumption tax); temporary tax cut of 3.5% until June 2025</p>	<p>2025: Budget for passenger EVs will tighten to ₩780b (~€520m); price criteria for full subsidy will drop from ₩55m (~€37,000) to ₩53m (~€35,000); maximum subsidy reduced by 10% to ₩5.8m (~€3,900); BEVs with ranges below 440km per charge will see subsidy reductions of up to ₩81k (~€54€) per 10km difference; expanded EV subsidies, now covering 30%–80% of prices (up from 20%–40%) and extended through year-end</p>

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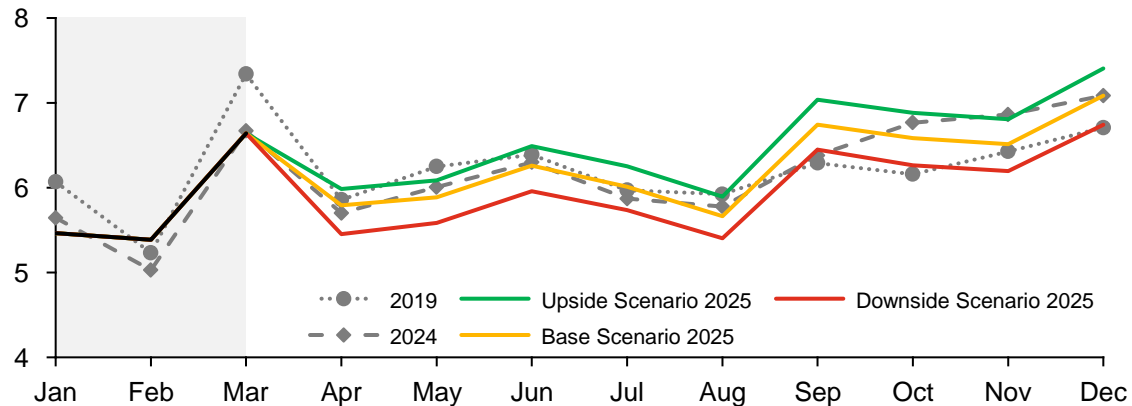
Global and regional markets analysis

4 Sales: Global

Forecasts turn pessimistic, as the market is weakening after a strong February

Passenger car sales

(in million)



	Year	Sales (in million)	YoY growth	Q2 YoY growth
Past	2019	74.6		
	2024	74.1	+2%	+1%
PwC Scenarios	2025 – Upside	76.3	+3%	+3%
	2025 – Base	74.0	-0%	-0%
	2025 – Downside	71.3	-4%	-6%

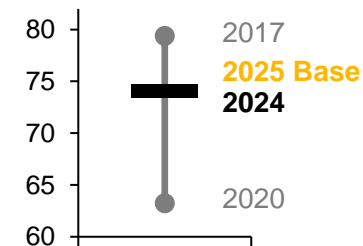
Key insights

Global passenger car sales decreased by 1% YoY in March to a total of 6.4 million units. Compared to February, with a **sales increase of more than 23%**. Nonetheless, this jump **was smaller than in the previous year**, when it amounted to **over 33%**. The main reason for this increase are strong sales figures in Asia, especially in China and an impact from the Chinese New Year. The **European market grew in low digit numbers (2%)** compared to March 2024. Due to various geopolitical conflicts and the ongoing trade war, **a volatile year is to be expected**. The effects of the new US auto tariffs are expected to be more pronounced in the latter half of 2025.

As a result, the PwC Base Scenario is more cautious and forecasts only a minor decline for the running quarter and for the full year.

10-year benchmark

(in million, 2015-2025)



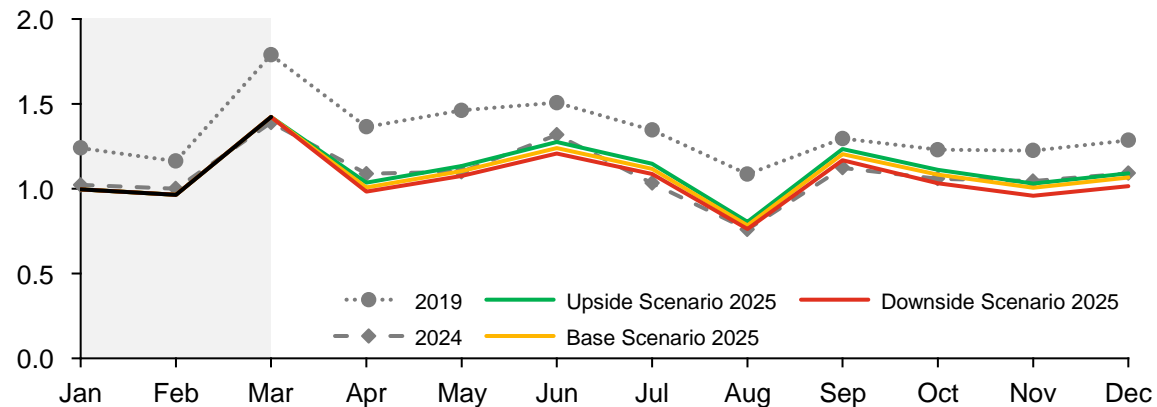
The **PwC Base Scenario predicts a decrease of 63,000 sales** in 2025 compared to 2024. The 2025 Base Scenario is **17% above the 10 year low** recorded in 2020.

4 Sales: Europe*

Slight increase in sales cannot prevent a pessimistic forecast for Europe

Passenger car sales

(in million)



	Year	Sales (in million)	YoY growth	Q2 YoY growth
Past	2019	16.0		
	2024	13.0	+1%	+5%
PwC Scenarios	2025 – Upside	13.2	+2%	-2%
	2025 – Base	13.0	-0%	-4%
	2025 – Downside	12.7	-3%	-7%

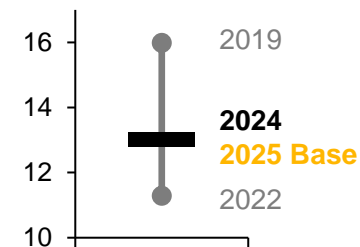
Key insights

In March 2025, sales in Europe experienced a **2% increase**, equivalent to 33,000 units, compared to the same month in the previous year. The market trends within the **EU5 countries have reflected similar patterns**, with YoY growth rising, except in Germany and France: UK +12%, Spain +23%, Italy +9%, France -15%, and Germany -4%. This results in an **overall growth of nearly 4% in the EU5 countries**, while all other European nations saw a YoY decline of **2% in March 2025**.

PwC's Base Scenario forecasts a **4% YoY decline for Q2 2025**, with total yearly volume expected to **remain stable**. Even in the optimistic upside scenario a **negative Q2 growth YoY of -2%** can be expected.

10-year benchmark

(in million, 2015-2025)



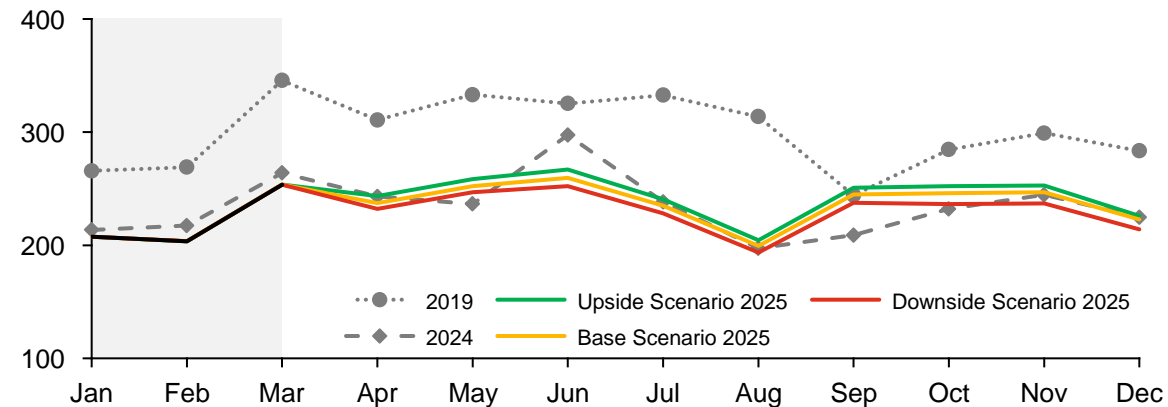
The PwC Base Scenario anticipates a **marginal drop in sales for 2025**. This increases the gap from the 10-year peak to **exceeding 23% and over 3 million units**.

4 Sales: Germany

EV sales are increasing but the overall market faces a continued decline

Passenger car sales

(in thousand)



	Year	Sales (in million)	YoY growth	Q2 YoY growth
Past	2019	3.6		
	2024	2.8	-1%	+6%
PwC Scenarios	2025 – Upside	2.9	+2%	-1%
	2025 – Base	2.8	-0%	-4%
	2025 – Downside	2.7	-3%	-6%

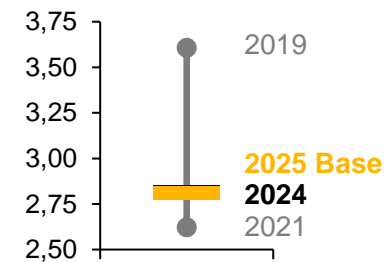
Key insights

March passenger car sales **declined by 4% YoY**, marking the **fifth month in a row** that is weaker than the month in the previous year. Compared to March 2024, **more than 10,000 fewer vehicles were sold**, totalling to around 253,000 units. This decline can be primarily explained by the **27% decline in ICE sales**. Due to the **high ICE market share of 43%**, the double-digit growth in EV sales could not compensate for that. The YTD figures reveal a consistent trend: **sales from January to March 2025 decreased by 4%** compared to the same timeframe in 2024.

Amid current uncertainties, PwC's Base Scenario **predicts a 4% drop in Q2 and a slight decline in annual sales**. A new coalition government was agreed to in late April, paving the way for a potential EV purchase incentive.

10-year benchmark

(in million, 2015-2025)



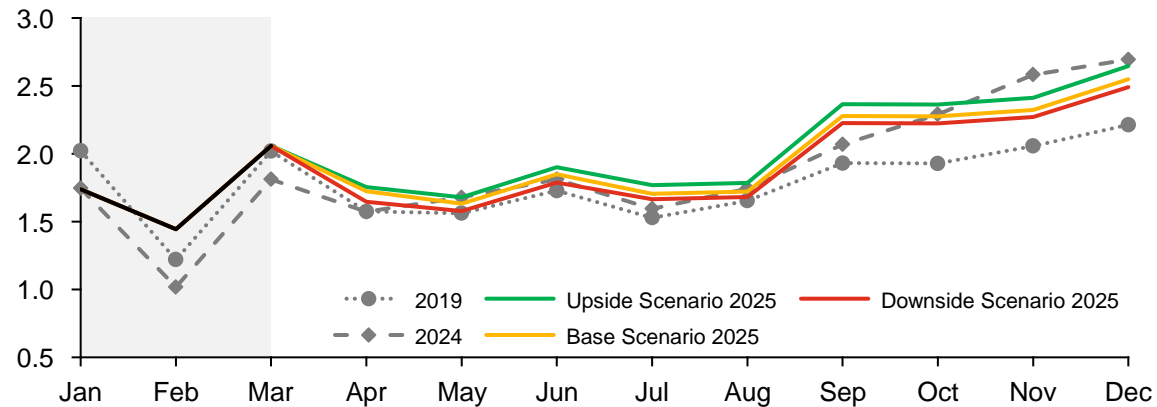
The PwC Base Scenario forecasts a slight **decrease of under 1% YoY**. Additionally, the 10-year low recorded in 2021 is within reach, with the **difference being approximately 7% or 186,000 units**.

4 Sales: China

Despite strong sales, the first decline in export sales since April 2022 is striking

Passenger car sales

(in million)



	Year	Sales (in million)	YoY growth	Q2 YoY growth
Past	2019	21.4		
	2024	22.6	+5%	-2%
PwC Scenarios	2025 – Upside	23.9	+6%	+5%
	2025 – Base	23.3	+3%	+3%
	2025 – Downside	22.8	+1%	-1%

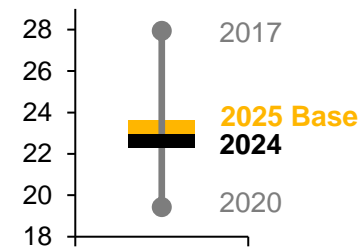
Key insights

March 2025 marked another strong month for the Chinese automotive industry as **sales increased by 10% YoY to a total of nearly 2,500,000 units**. This growth was boosted by the **domestic market, which grew by almost 14% YoY**. However, it is striking that **export sales fell by 3%** and thus did not grow YoY for the first time since April 2022. However, as **more than 75% of vehicles are sold domestically**, this development will have a minor impact on overall growth for the time being.

PwC forecasts a **YoY growth in all scenarios**. In the Base Scenario, an **increase of 3% can be expected for both Q2 YoY and YoY growth**. However, volatile developments are to be expected due to current tariff disputes with the US.

10-year benchmark

(in million, 2015-2025)



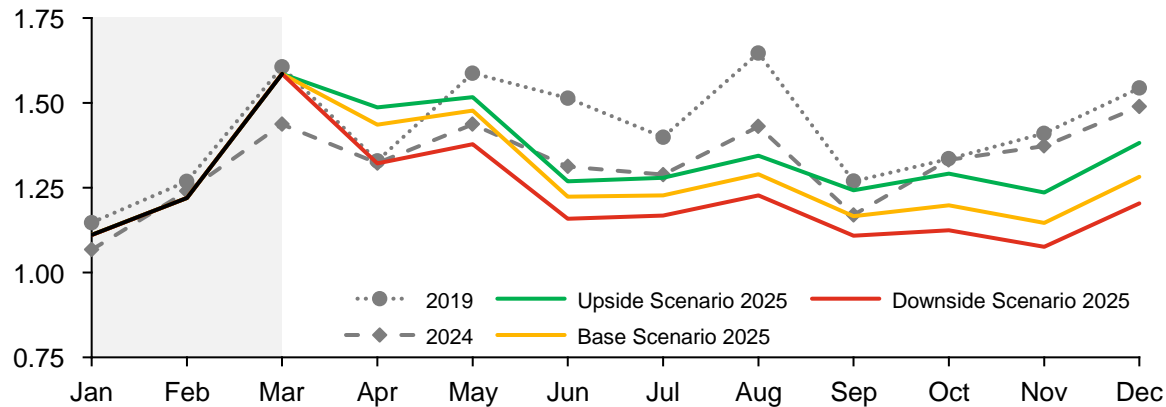
Compared to the last forecast, **sales growth is down slightly to 685,000 more units** compared to 2024. The difference to the 10-year high and 10-year low is **nearly identical (20%)**.

4 Sales: USA

March sales surge as consumers capitalize on pre-tariff prices

Passenger car* sales

(in million)



Year		Sales (in million)	YoY growth	Q2 YoY growth
Past	2019	17.1		
	2024	15.9	+3%	-0%
PwC Scenarios	2025 – Upside	16.0	+0%	+5%
	2025 – Base	15.4	-3%	+2%
	2025 – Downside	14.7	-8%	-5%

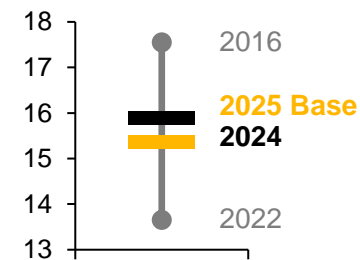
Key insights

Light vehicle sales in the US **increased by more than 10% YoY** and marked the strongest March in terms of sales since 2021. Compared to March 2024, **149,000 more units were sold totalling nearly 1,6 million units**. The market grew in **all segments remarkably** (ICE, BEV, PHEV and hybrids) with BEV (+23%) and hybrid sales (56%) standing out. **Total EV sales increased by 37% YoY**. Due to **short-term political decisions**, a decline in EV sales is possible, particularly if funding programs are discontinued. The **ongoing trade war** is anticipated to affect sales, with the impact becoming more pronounced in the second half of the year.

Based on that, the **PwC Base Scenario forecasts a negative growth for the full year of -3% YoY**, while the **Q2 YoY growth will be slightly above 2%**.

10-year benchmark

(in million, 2015-2025)



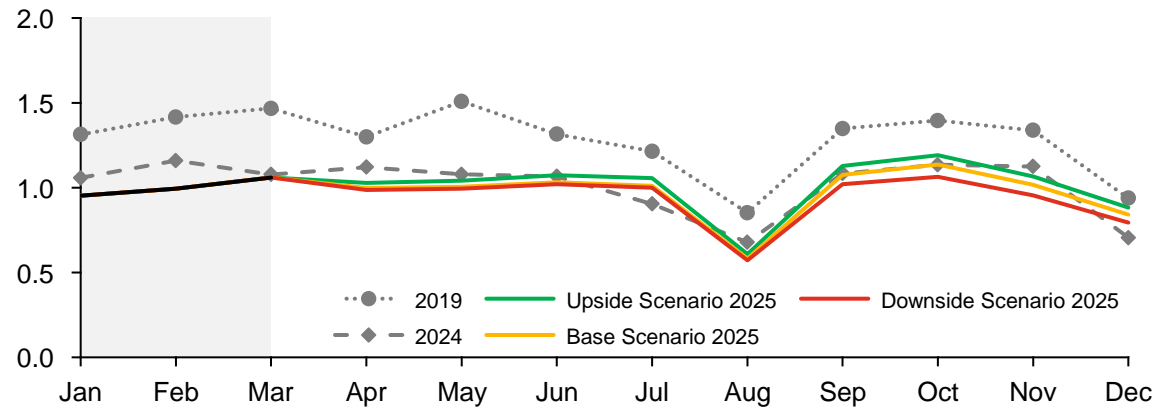
The PwC Base Scenario forecasts a **decline in sales for 2025 of 536,000 units** compared to 2024, which represents a **trend reversal seen in contrast to the last forecast** and based on the latest tariff announcements.

4 Production: Europe*

Most European countries produced less than in the previous year

Passenger car production

(in million)



	Year	Prod. (in million)	YoY growth	Q2 YoY growth
Past	2019	15.4		
	2024	12.2	-7%	-5%
PwC Scenarios	2025 – Upside	12.1	-1%	-4%
	2025 – Base	11.7	-4%	-7%
	2025 – Downside	11.4	-6%	-8%

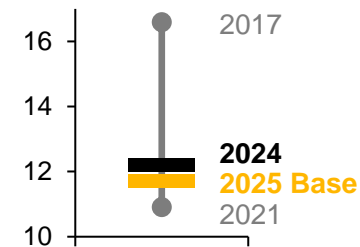
Key insights

March 2025 marks the 11th month in a row with a declining production volume YoY (-2%) in Europe. Compared to the previous month, the volume decreased by 18,000 units. The production volume in the EU5 countries show a mixed image as some increased significantly YoY while other countries record declines in production: **UK +25%, Spain -5%, Italy -36%, France +3%, and Germany +1%**. A similar trend can be seen in all other European countries, as the **production volume decreases by nearly 5% YoY**. Since the EU5 countries have grown marginally and **account for a large part of the production**, the general decline is limited to just 2%.

The PwC Base Scenario **forecasts a 7% YoY decline in Q2**, leading to an overall **4% downturn for 2025**.

10-year benchmark

(in million, 2015-2025)



The PwC Base Scenario predicts that **485,000 fewer units** will be produced in 2025 than in the previous year. This will bring the **production even closer to the 10-year low** (difference of 7%).

4 The year 2025 up to March

While sales and production in Europe fell, most Asian markets rose to prominence

Region	March 2025 Sales						March 2025 Production					
	Year-to-date	YTD vs. 2024	YTD vs. 2019	Month	Month vs. 2024	Month vs. 2019	Year-to-date	YTD vs. 2024	YTD vs. 2019	Month	Month vs. 2024	Month vs. 2019
Europe*	3,381,000	-1%	-19%	1,423,000	+2%	-20%	3,006,000	-9%	-28%	1,059,000	-2%	-28%
France	410,000	-8%	-26%	154,000	-15%	-32%	220,000	-3%	-53%	74,000	+3%	-53%
Germany	665,000	-4%	-25%	253,000	-4%	-27%	1,011,000	+1%	-17%	352,000	+1%	-19%
Italy	449,000	-1%	-17%	177,000	+9%	-9%	55,000	-52%	-66%	23,000	-36%	-60%
Spain	279,000	+14%	-19%	117,000	+23%	-12%	411,000	-20%	-29%	149,000	-5%	-27%
UK	581,000	+6%	-17%	357,000	+12%	-22%	204,000	-8%	-45%	75,000	+25%	-41%
Rest of Europe*	998,000	-3%	-15%	364,000	-2%	-16%	1,106,000	-9%	-21%	386,000	-5%	-21%
North America	4,706,000	+5%	-1%	1,898,000	+10%	-0%	2,767,000	-7%	-14%	950,000	-5%	-14%
USA	3,916,000	+5%	-3%	1,585,000	+10%	-1%	1,820,000	-8%	-7%	633,000	-7%	-6%
Canada	425,000	+6%	+3%	185,000	+16%	+2%	277,000	-14%	-38%	91,000	-13%	-42%
Mexico	365,000	+4%	+10%	127,000	+2%	+8%	670,000	+1%	-16%	226,000	+6%	-18%
Asia	6,705,000	+13%	-4%	2,628,000	+12%	-3%	8,386,000	+4%	+4%	3,126,000	-0%	+2%
China	5,240,000	+15%	-0%	2,058,000	+14%	+2%	5,647,000	+3%	+13%	2,168,000	-1%	+9%
Japan	1,104,000	+14%	-14%	421,000	+10%	-21%	1,847,000	+11%	-15%	640,000	+5%	-17%
South Korea	361,000	-4%	-13%	150,000	+3%	-4%	891,000	-5%	+2%	318,000	-5%	+1%
RoW	3,472,000	-19%	-10%	964,000	-36%	-28%	4,309,000	-5%	-8%	1,494,000	-2%	-9%
Turkey	224,000	-4%	+225%	92,000	+5%	+138%	217,000	-12%	-5%	79,000	-11%	-5%
Global	17,490,000	+1%	-6%	6,640,000	-0%	-10%	17,578,000	-2%	-7%	6,322,000	-2%	-8%

5

Appendix

5 Scenarios and assumptions

Key drivers of three PwC Autofacts® global scenarios

Analysis	Assumptions for Demand	Assumptions for Production	Total Effects
Upside Scenario	A significant rise in BEV demand is anticipated in Europe due to the implementation of stricter CO ₂ emission targets. In China, the continuation of the scrappage scheme is expected to boost demand for NEVs. Additionally, potential interest rate cuts could reduce the cost of new vehicles for consumers, further stimulating market demand.	An increasing number of new, affordably priced BEV models are being introduced across all major markets. While discussions on localization and production efficiency measures are ongoing, their implementation remains limited, helping to keep production costs down.	Strong economic growth and stability with global economies experiencing robust growth supporting an increase in vehicle production and sales. Supportive policies towards ICE and BEV production further enhance consumer confidence, stimulating higher demand in the market.
Base Scenario	The economic outlook is generally stable, although concerns about potential recessions persist. In Europe, the demand for BEVs is projected to rise due to stricter CO ₂ emission targets. Moreover, additional discounts on BEVs are expected to further boost consumer interest. In China, the extension and expansion of the scrappage scheme will generate increased demand for new vehicles.	An increasing number of new, affordably priced BEVs are being launched across all major markets. Discussions about tariffs and new government measures are intensifying due to localization and protective strategies. Meanwhile, OEMs are reducing production as order backlogs diminish and inventory levels rise.	Moderate economic growth with global economies continuing to grow at a steady pace, supporting a gradual increase in vehicle production and sales. Governments maintain a balanced approach with policies that encourage vehicle production and sales without major new incentives or restrictions.
Downside Scenario	Although inflation is less of a concern in 2025, it remains above target levels in some regions and is expected to persist for the foreseeable future, leading to increased borrowing costs. While a major trade war is not anticipated in the downside scenario, impacts are expected, resulting in higher vehicle prices and reduced demand. Additionally, the 2025 EU CO ₂ targets may lead to increased prices for vehicles.	With new tariffs introduced, OEMs may decrease the production of models that are not economically viable and reduce the output of models intended for export to the U.S. Additionally, the 2025 EU CO ₂ targets might lead some OEMs to limit the production of ICEs. The ongoing shortage of affordable new models could drive some consumers to opt for used cars instead.	Global economic conditions deteriorate, largely due to geopolitical tensions, which are undermining consumer confidence and reducing both spending and sales. This challenging environment is compounded by persistent inflation, elevated interest rates, and the looming U.S. tariffs.

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