



# PwC Autofacts<sup>®</sup> Market Update



# Table of contents

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

# 1 Executive summary

The PwC Base Scenario forecasts modest growth in the global market for 2025, despite persistent tensions regarding trade and the supply of rare earth elements.

+27%

*Increase in BEV imports  
from China to the EU*

Despite the new EU import tariffs on BEVs “made in China”, which impacted volumes in the first four months of the year, Chinese imports passed last year’s levels for the first time in August, recording 306,000 units in 2025 YTD.

## **Global passenger car sales fell in August after two consecutive months of growth**

Sales fell 1% YoY to 5.7 million in August despite major markets China, USA, and Europe growing 15%, 2%, and 4%, respectively. Year-to-date, global sales were 1% above last year.

## **BEVs in Europe\* continue march on with double-digit year-on-year growth in August**

While most European\* countries registered BEV sales growth, France and Romania have seen sales declines since the beginning of 2025. They are now joined by Luxembourg in August.

## **Locally produced passenger cars outperformed the market in 3 of the 10 largest markets**

While imported vehicles grew in most of the 10 largest car regions, the regional markets outgrew imported sales in China, India and Canada, indicating a trend towards localized production.

## **European\* passenger car production falls back to a downward trajectory**

While July ended a 14-month downward spiral with +6% YoY, August production volumes were down again by 10% YoY with Germany recording the largest losses with -20% YoY.

## **Chinese OEMs rapidly gain market share in Europe\* and ASEAN-6**

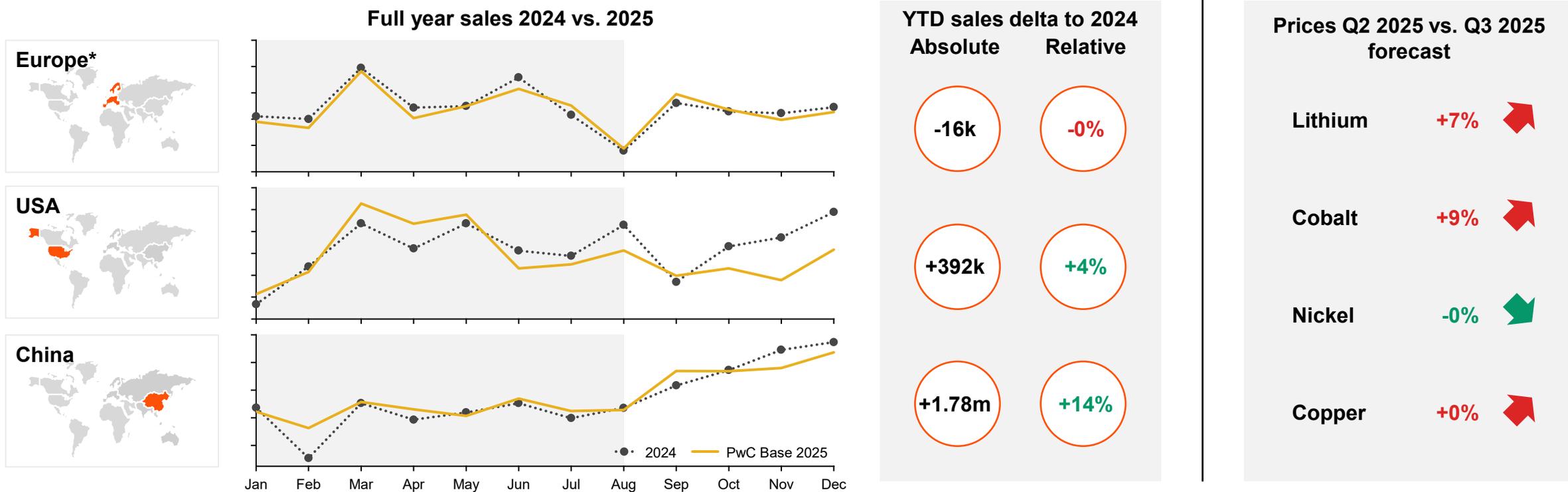
Though still niche in Europe\*, Chinese OEMs grew sales 55% YoY to 3% market share in August YTD and tripled their share to 9% in ASEAN-6 H1 2025 versus H1 2023.

2

# Industry overview

# 2 Automotive dashboard

While the US and China maintained their YoY YTD increase at the same level as in June, Europe\* reduced its gap to 2024, bringing it to slightly into negative territory



- Global passenger car sales have shown a fluctuating growth pattern, decreasing by 1% YoY in August, still increasing so far by 1% YTD in 2025
- Following June, Europe's sales increased by 5% in July and 4% in August, effectively narrowing the year-to-date gap to 16,000 compared to 2024
- As of August 2025, sales in both China and the US have surpassed 2024 levels, with year-over-year increases of 14% in China and 4% in the US

# 2 Hot topics

## Overview of latest developing stories in the automotive industry



**US drops tariffs on EU cars to 15%, applies retroactively from 1 August**

The reduction from 27.5% to 15% is in accordance with the trade agreement reached in July. However, agreements have yet to be made to lower tariffs on steel and aluminium, where the EU is facing 50% duties on its exports.



**Successful August: China doubles its European sales**

PHEVs were the big winners, increasing by 1271%, whereas BEVs “only” increased by 57% to 14,500 new registrations. This more modest growth for BEVs is largely attributed to EU import tariffs.



**Stellantis shelves Level 3 driver-assistance program as it reduces software ambitions**

The cancellation is due to high costs and technological challenges. OEMs have encountered challenges in keeping pace with the recent surge in software development.



**China’s Pony AI, WeRide take Robotaxi rivalry to Singapore**

Chinese robotaxi operators WeRide and Pony AI partner up with local companies to expand in Singapore. Singapore’s Grab Holding joined WeRide to offer two autonomous driven routes, starting in early 2026.



**Jaguar Land Rover wins £1.5bn UK loan support after cyber attack**

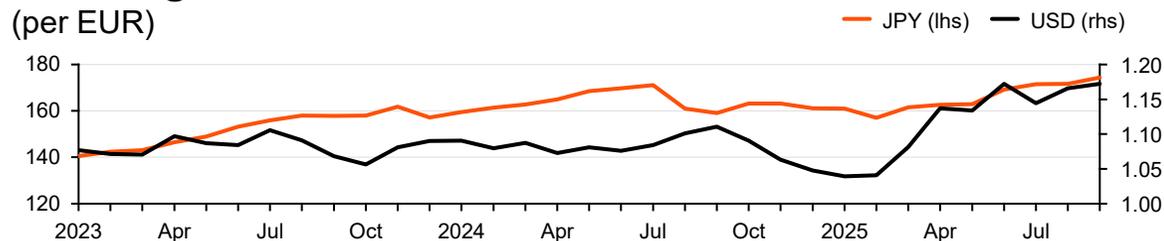
The UK has signed off a loan guarantee worth up to £1.5bn enabling JLR to borrow more money following one of the most damaging cyber attacks against British Industry, which has frozen production since August 31.

# 2 Economic indicators

## Fed begins rate cuts amid labor market softness, first 25 bps cut in September signals shift toward easing

### Exchange rates

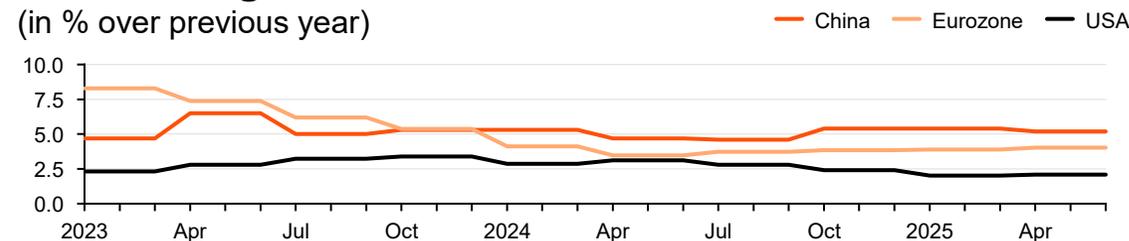
(per EUR)



By the end of September, both the Japanese yen and the US dollar further weakened against the euro. Performance of the US dollar was impacted by concerns over a possible government shutdown, which unsettled investors.

### GDP\* change

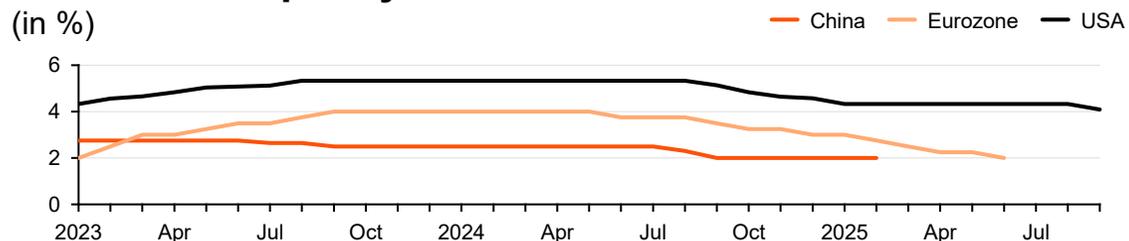
(in % over previous year)



In Q2 2025, China's real GDP grew by 5.2% over the same quarter last year. During the same period, real GDP in the US grew by 4.0% while the Eurozone saw a growth of 2.1%.

### Central bank policy rates

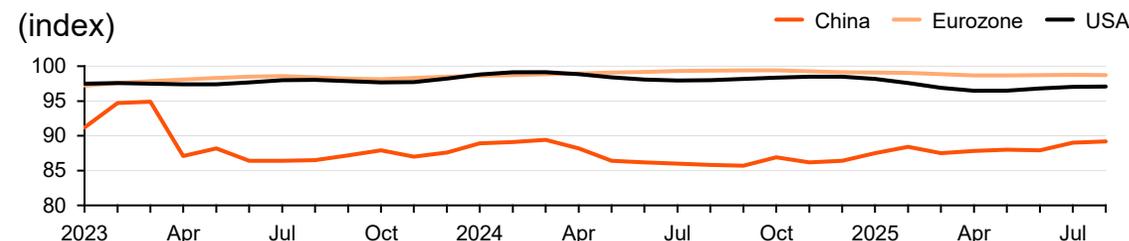
(in %)



The Fed lowered the target range for the federal funds rate to 4.0%-4.25%, targeting maximum employment and returning inflation. As of the end of September, the effective federal funds rate stood at 4.09%.

### Consumer confidence indicators

(index)

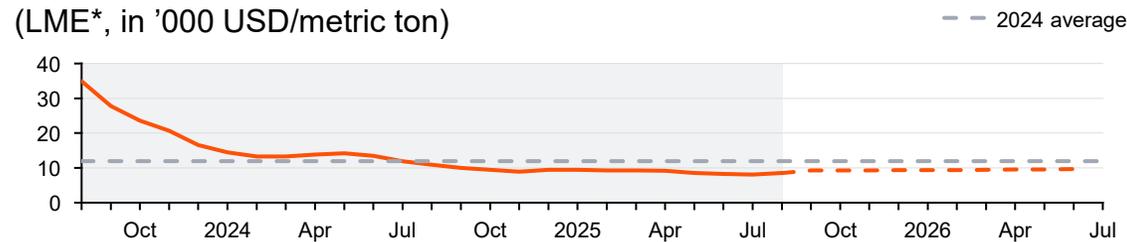


In August, consumer sentiment remained pessimistic across the analysed regions, however, China and the US saw slight improvements in confidence compared to the previous month.

# 2 BEV commodity prices

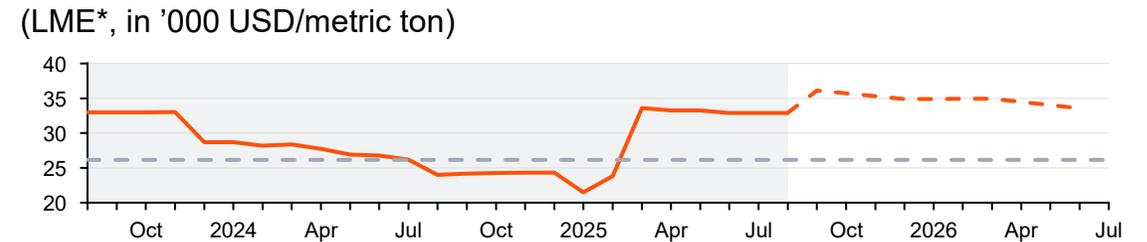
Despite potential trade wars impacting rare-earth exports, battery commodity prices were largely unaffected and moved only moderately

## Lithium



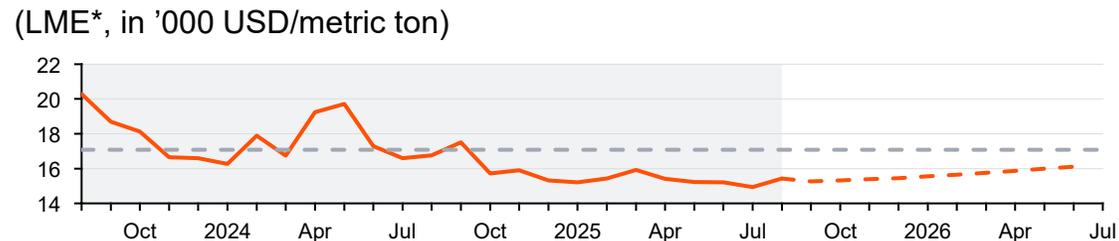
After the price hike mid-2024, prices stabilised and hovered below the \$10,000/mt mark since. Yet, lithium prices increased by 5% to \$8,520/mt in August over July and is forecasted to further incline to \$9,340/mt in Q4 2025.

## Cobalt



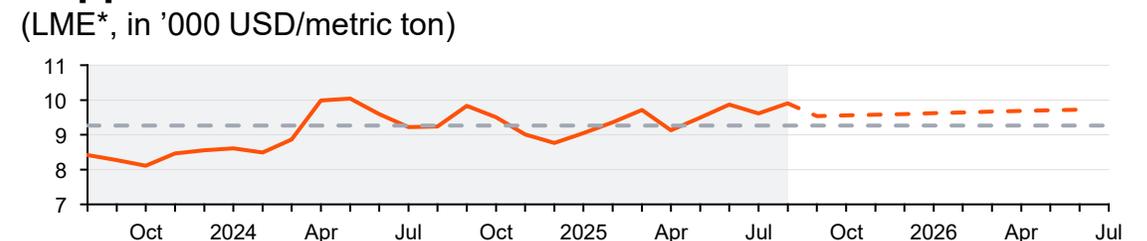
Cobalt prices flatlined since the price hike in Q1 2025 caused by export limitations from the world's largest producer DR Congo and remained at \$32,907/mt in August. A further price hike to \$34,877/mt is expected for Q4 2025.

## Nickel



Nickel prices have stayed below \$15,000/mt so far this year and dropped for four consecutive months, only to jump by 3% in August over July to \$15,421/mt. Forecasts expect a further price hike by 2% in Q4 over Q3 2025.

## Copper



Prices for copper zigzagged since 2024 and continued the pattern in the last three months. Prices increased again in August by 3% over the previous month to \$9,902/mt, but it is forecast to decline by 2% for Q4 2025.

3

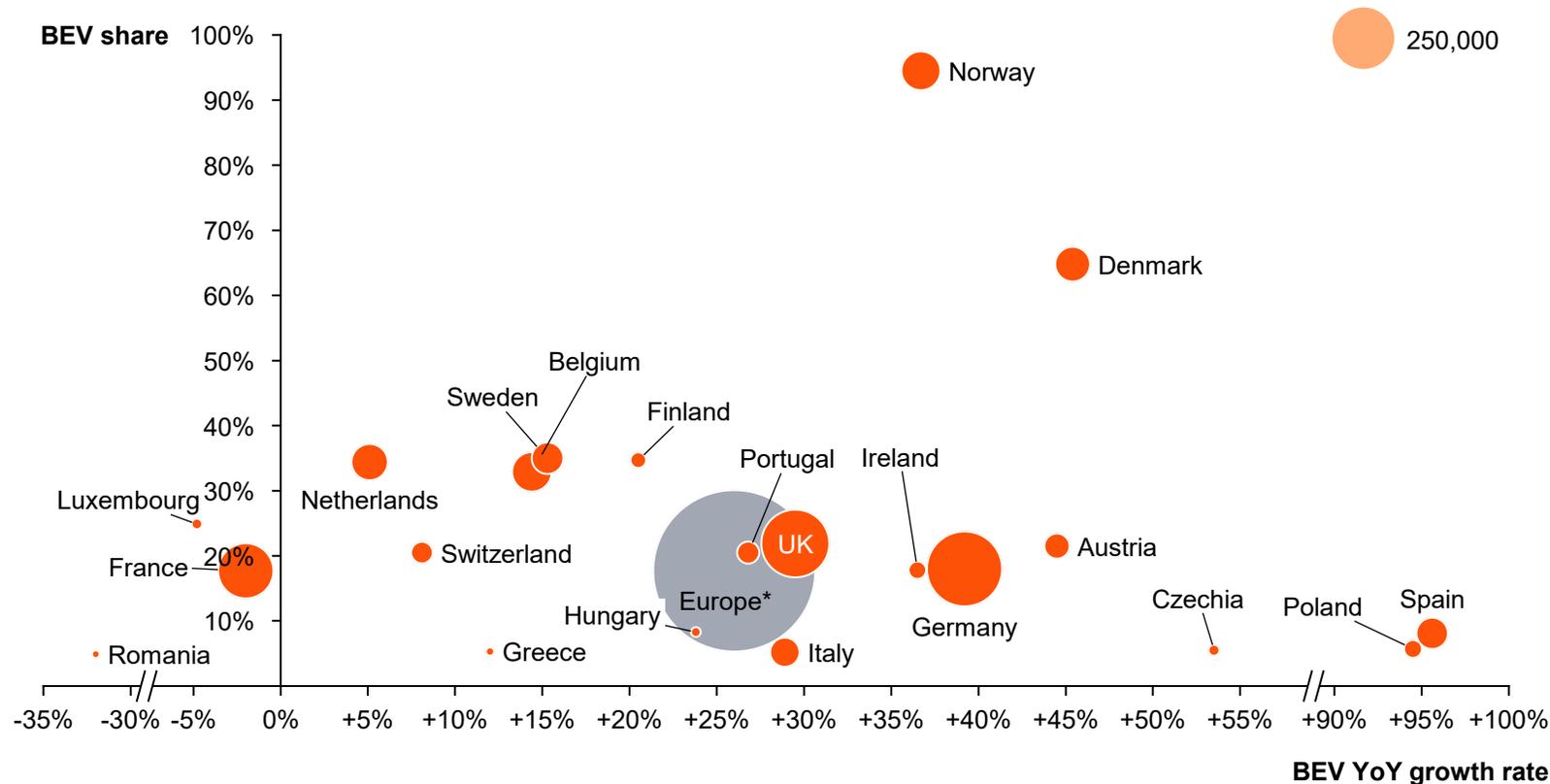
# Analyst insights

# 3 European\* BEV penetration

Luxembourg joins France and Romania as the only declining BEV markets while Europe's\* BEV sales increase pace

## Europe\* BEV sales development\*\*

(in %, August 2025 YTD)



## Key insights

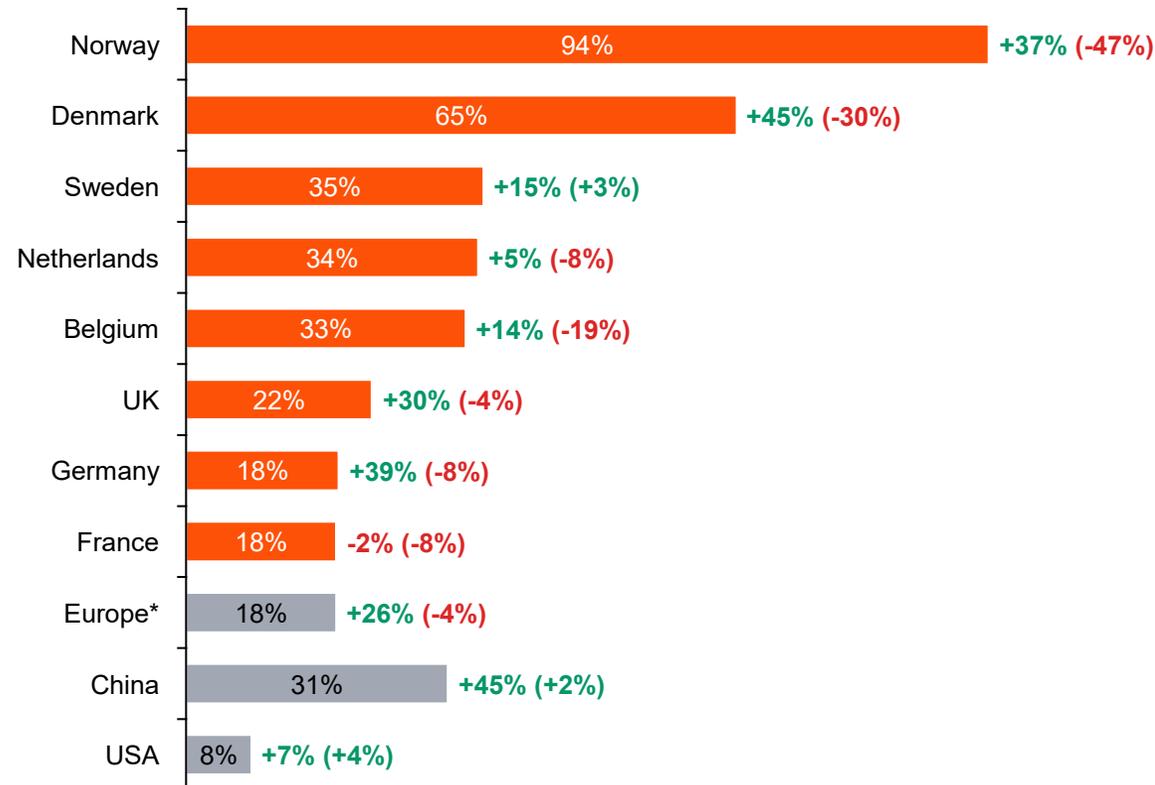
- Among analysed countries\*\*, only **France, Romania and Luxembourg** experienced **YoY declines** as of August YTD
- Despite this, BEV registrations in **France** still outperformed the overall market unlike Luxembourg and Romania
- **Norway showed 37% sales increase YoY**, despite a BEV share of already 95%
- **Denmark continued to show high double-digit growth** as well up 45% YoY
- After reclaiming the title as the top BEV country by volume in April, **Germany further widened its lead** over the second-largest BEV market, the UK
- **Spain showed the highest YoY increase** of all analysed countries\*\* for the third consecutive month with +96%

# 3 Leading countries in EV penetration

Despite shrinking in France, BEVs outgrew their respective markets in all analysed regions, while PHEVs posted varying results

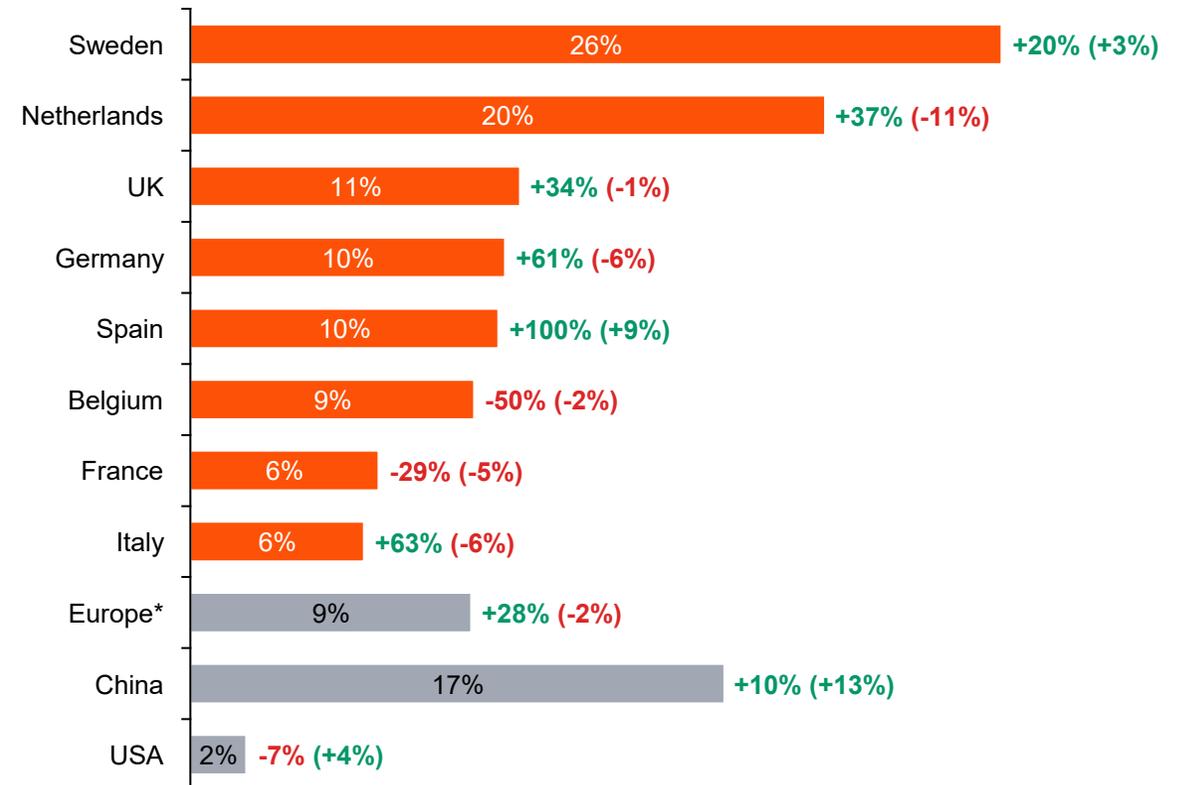
## BEV market share of leading European\* countries\*\*

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



## PHEV market share of leading European\* countries\*\*

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



# 3 European PHEV test cycle change

New European CO<sub>2</sub> emission standards pose challenges for OEMs in achieving fleet emission targets and avoiding fines

## PHEV changes after the second stage of new standards

Generation	Audi A6			Volvo XC60			Opel Astra		
	Previous	Current	Change	Previous	Current	Change	Previous	Current	Change
Net battery size (kWh)	14.4	20.7	+44%	14.7	14.7	-	12.4*	17.2*	+39%
CO <sub>2</sub> Emission (g/km)	24	49	+104%	22	64	+191%	29	50	+72%
e-Range (km)	69	105	+52%	79	82	+4%	57	83	+46%

## Euro 6e Norm Stages

- The EU Euro 6e emission standard is a progressive update in **three stages: EA, EB, and EC**, leading up to the Euro 7 standard
- **Stage EA** began Sep 2023 with a stricter conformity factor in Real Driving Emissions, RDE
- **Stage EB** started Jan 2025 for new homologations and one-year later for existing models, requiring adjustments in PHEVs' CO<sub>2</sub> emission calculations
- **Stage EC** will start Jan 2027 and again with a one-year delay for existing models. further tightening the PHEV utility factor for increased accuracy

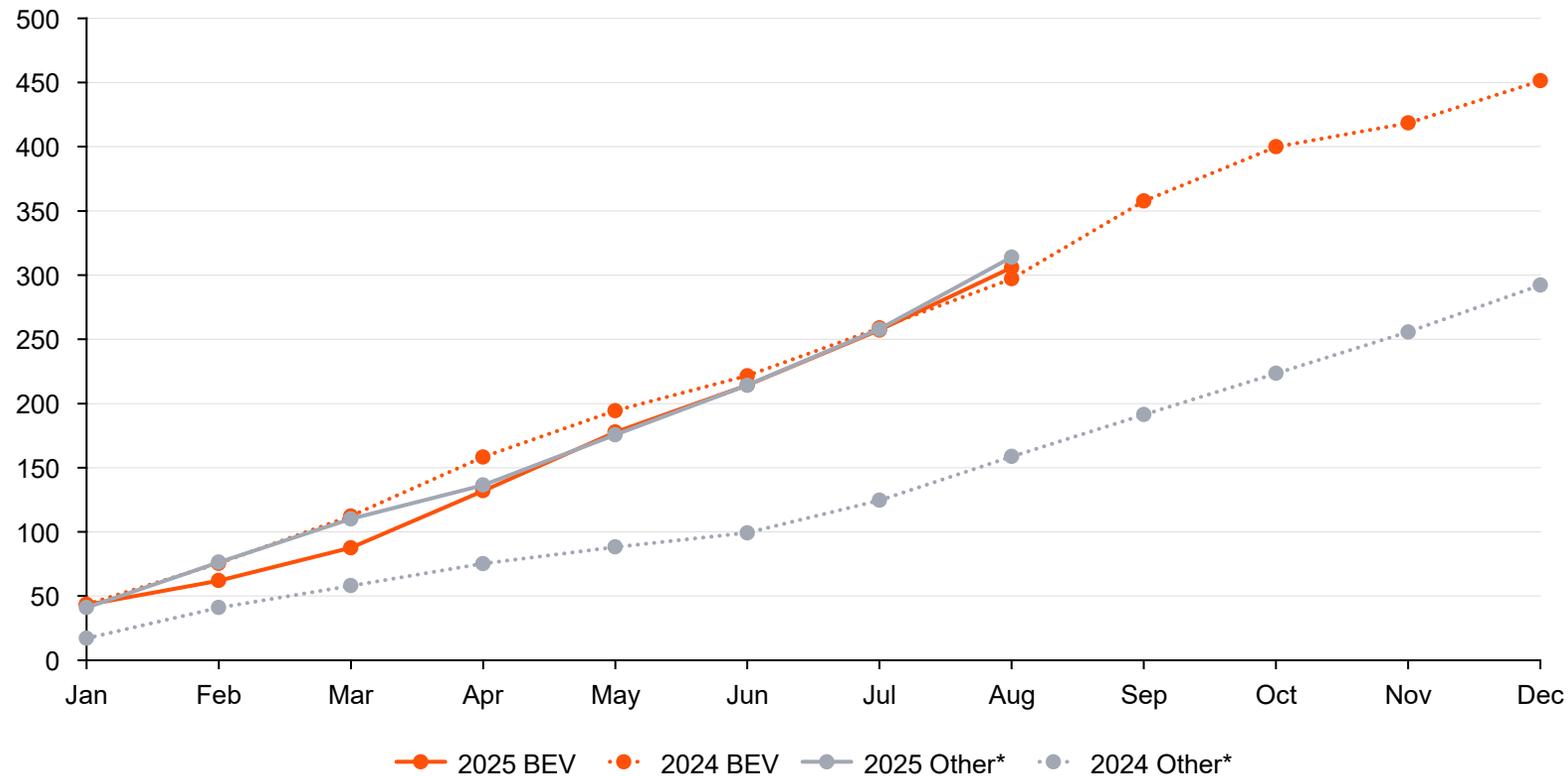
## Key insights

- Many OEMs made sure to **homologate new PHEVs at the end of 2024 to delay the impact** of this CO<sub>2</sub> increase
- The **longer the electric range**, the more the CO<sub>2</sub> value with a full battery is considered. Therefore, to get a lower **CO<sub>2</sub> value** for a PHEV it is a correlation to the electric range, which itself is proportional to the **battery size**
- This change is significant because vehicles with **above 50 g/km of CO<sub>2</sub> will be impacted by taxation and company car policies**. Additionally, higher CO<sub>2</sub> values pose **challenges for European OEMs aiming to reduce their fleet average CO<sub>2</sub> to avoid hefty fines**

# 3 EU imports from China

Despite import tariffs on BEVs “made in China,” imports have surpassed 2024 levels, and imports of other powertrains have nearly doubled compared to last year

**Imported vehicles from China to the EU**  
(in thousand, accumulated)



## Key insights

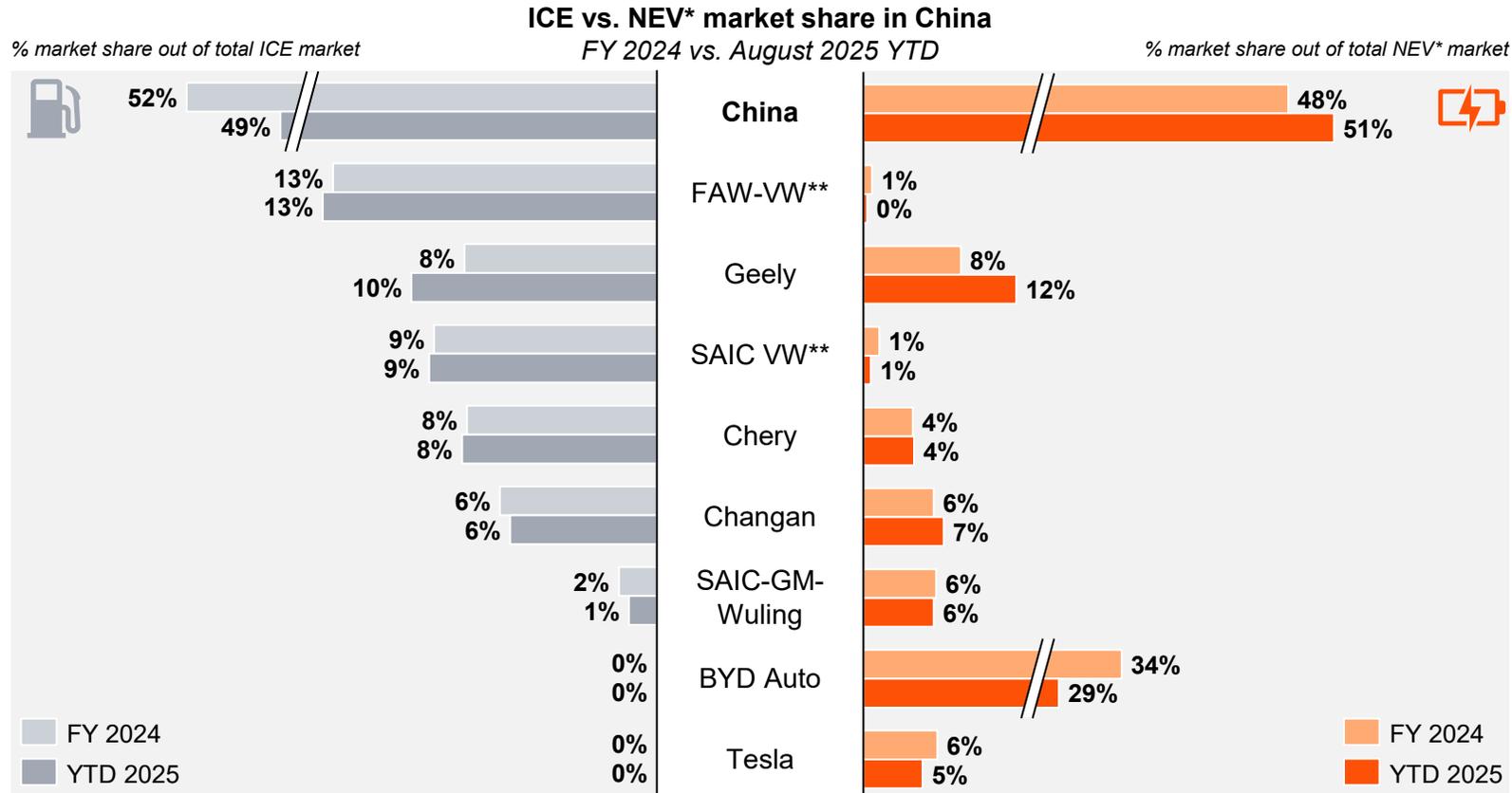
- **EU import tariffs** on BEVs “made in China” implemented in October 2024 have **impacted import volumes** to the EU **during the first four months of the year**
- BEV imports rose by **15% YoY in July** and by **27% again in August**
- **BEV imports** began narrowing the **gap compared to the previous year** in April, and in August, **they exceeded it for the first time**
- **Imports of other powertrain types\*** (not impacted by new EU import tariffs) have **surged since the beginning of 2025** and increased by 98% YoY through August YTD, **overtaking BEV import volumes** by 8,100 units

# 3 ICE vs. NEV\* market share China

Volkswagen joint ventures have maintained their position in the ICE market, although their NEVs have yet to gain significant momentum



## Key insights



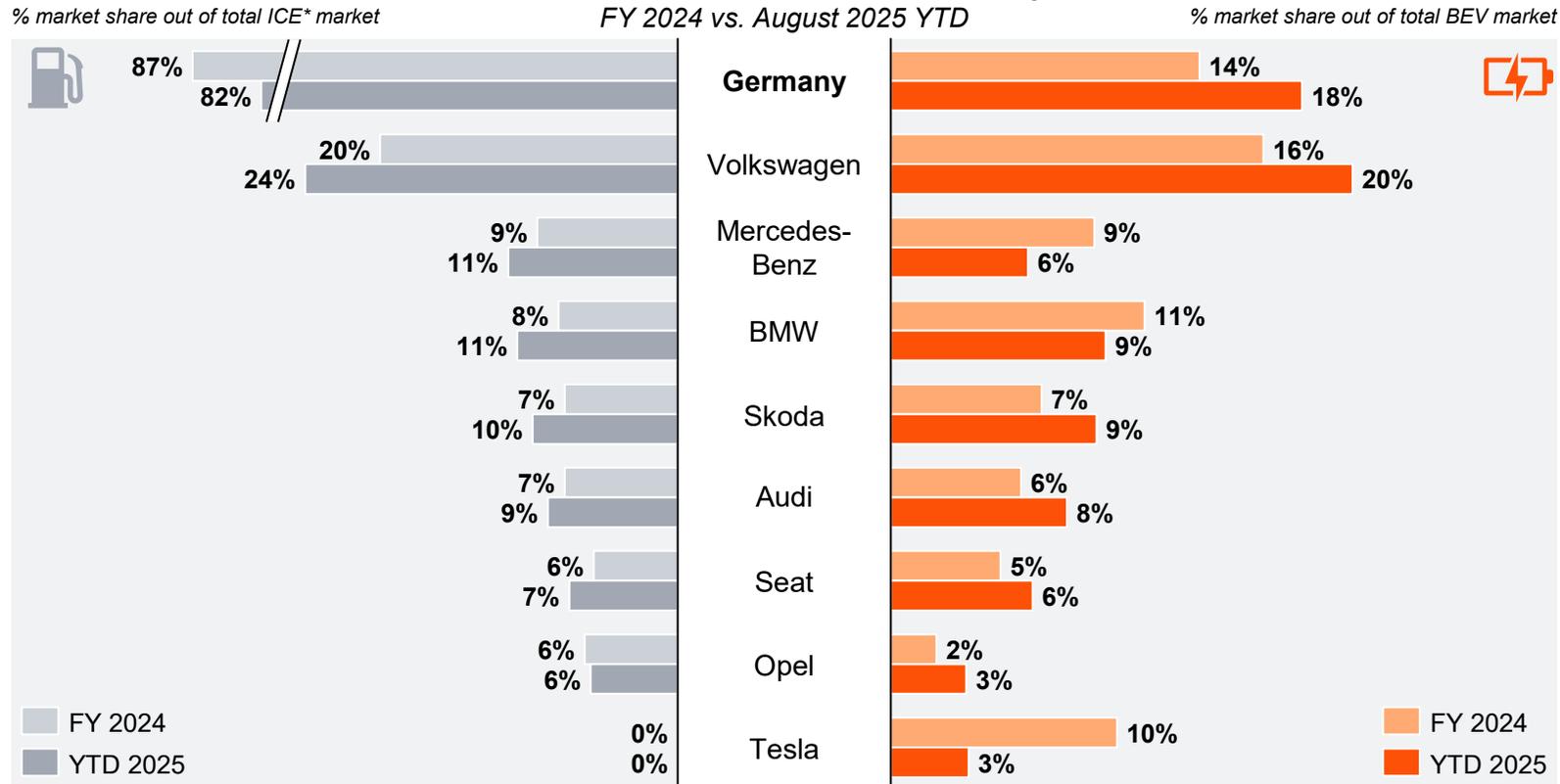
- **BYD and Geely are by far the top two automakers in China**, accounting for **15%** and **11%** of the total passenger car market, respectively (January-August 2025)
- **BYD is also the top NEV seller**, NEV sales increased by **6%** during the first eight months of 2025, amounting to a share of **29%** of the total NEV market
- **The Volkswagen JVs sustained their sales shares within the ICE market**, though, ICE sales in China decreased by 4% during this period (January-August 2025)

# 3 ICE\* vs. BEV market share Germany

ICE and BEV market shares remain largely unchanged with minor changes for some OEMs; Tesla loses its place in the top 8 BEV market share OEMs



ICE\* vs. BEV market share in Germany  
FY 2024 vs. August 2025 YTD



## Key insights

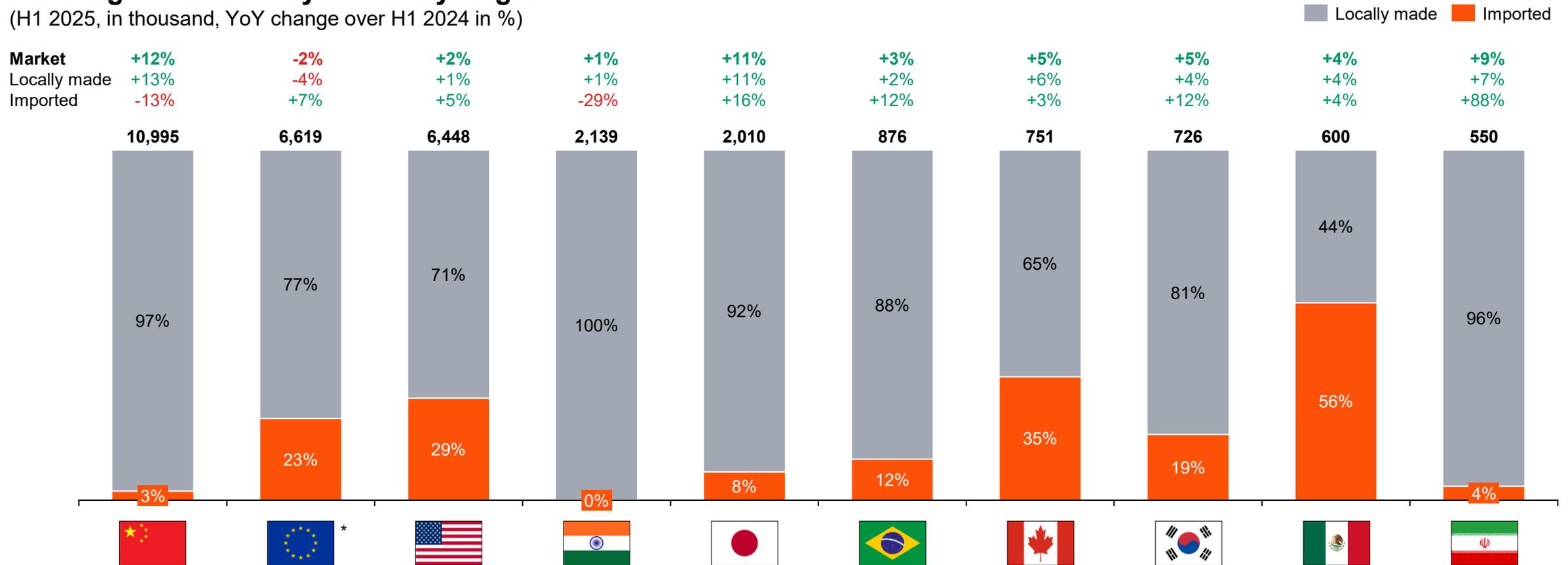
- After strong increases in the ICE market in July, it remains **largely unchanged in August**, with only **BMW and Audi increasing their ICE share by 1%**, while VW decreases by 1% YTD
- Most of the **top 7 best-selling OEMs increased their ICE market share** over FY 2024 to a combined 78% (63% FY 2024)
- **VW ICE and BEV share decreased by 1%** in comparison to July in which ICE the share increased by 5%
- **Tesla maintained its 3% BEV market share** from July but has now fallen out of the top eight. Meanwhile, Hyundai has surpassed Tesla with a higher BEV market share of 5%

# 3 Passenger car sales by assembly origin

Imported passenger cars either matched or outgrew the local market in seven out of the top 10 largest markets and declined only in China and India

## Passenger car sales by assembly origin

(H1 2025, in thousand, YoY change over H1 2024 in %)

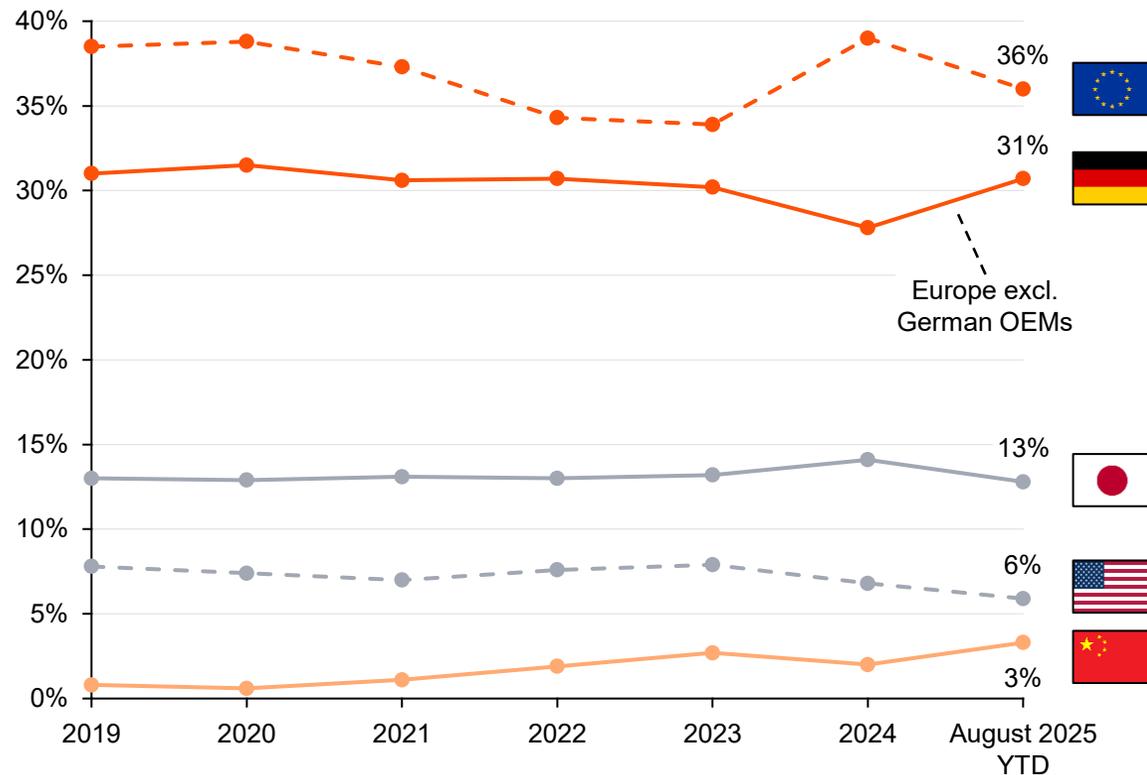


# 3 Sales performance by brand origin

Chinese OEMs start to gain momentum in Europe\* while the marginalisation of German brands in China is unfolding slowly but steadily

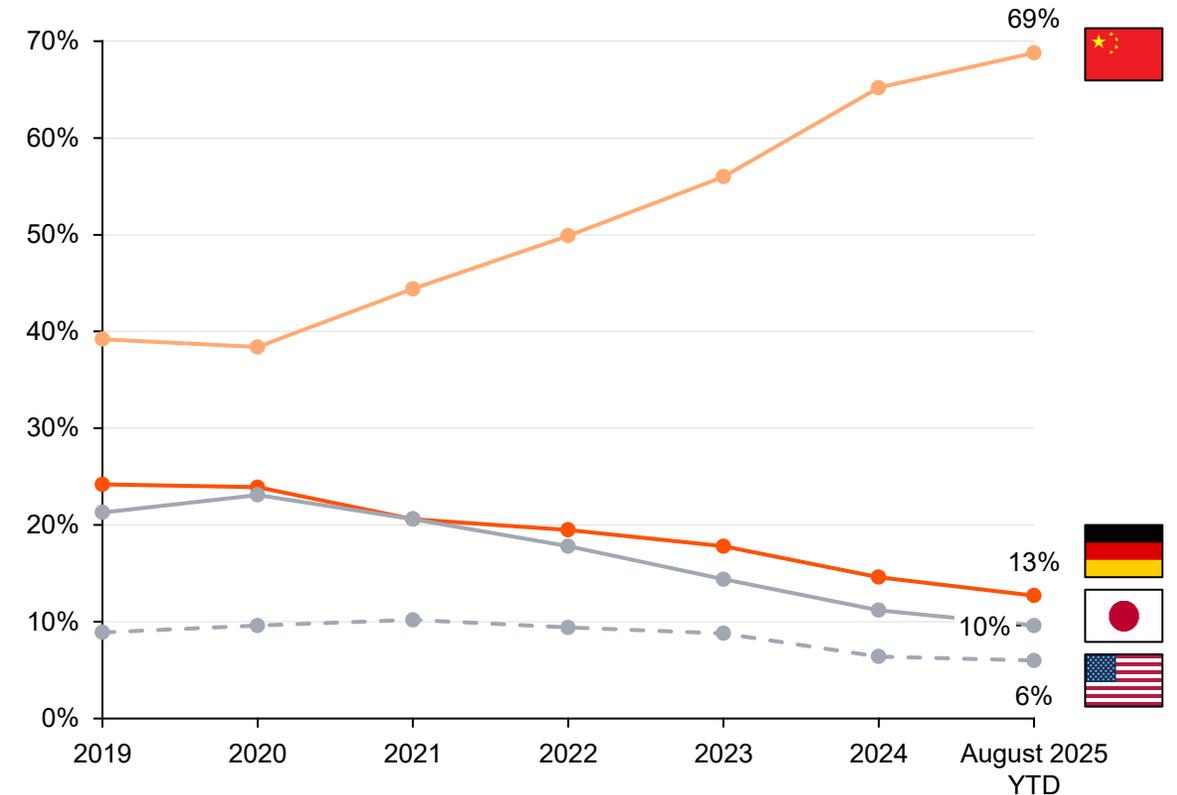
### Market share in Europe\* by brand origin

(in % of European\* passenger car sales)



### Market share in China by brand origin

(in % of Chinese passenger car sales)

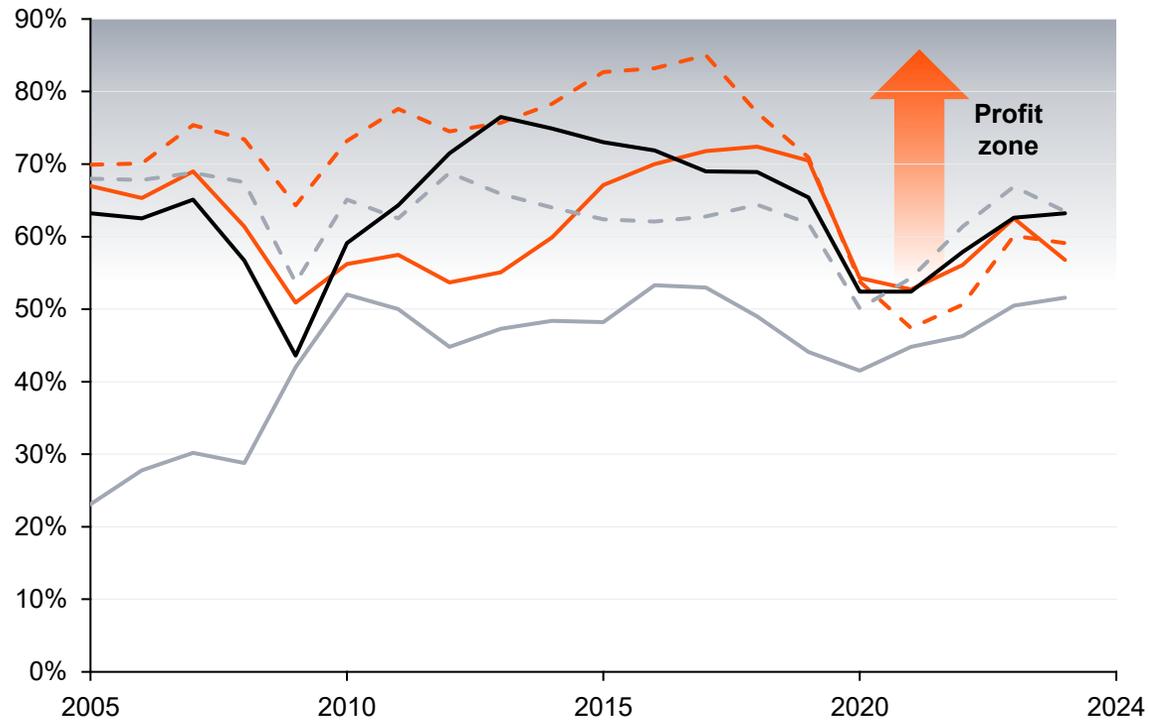


# 3 Production plant utilisation

Western regions recorded declining plant efficiency since 2015, while China and Chinese brands see improvements, albeit from a lower base

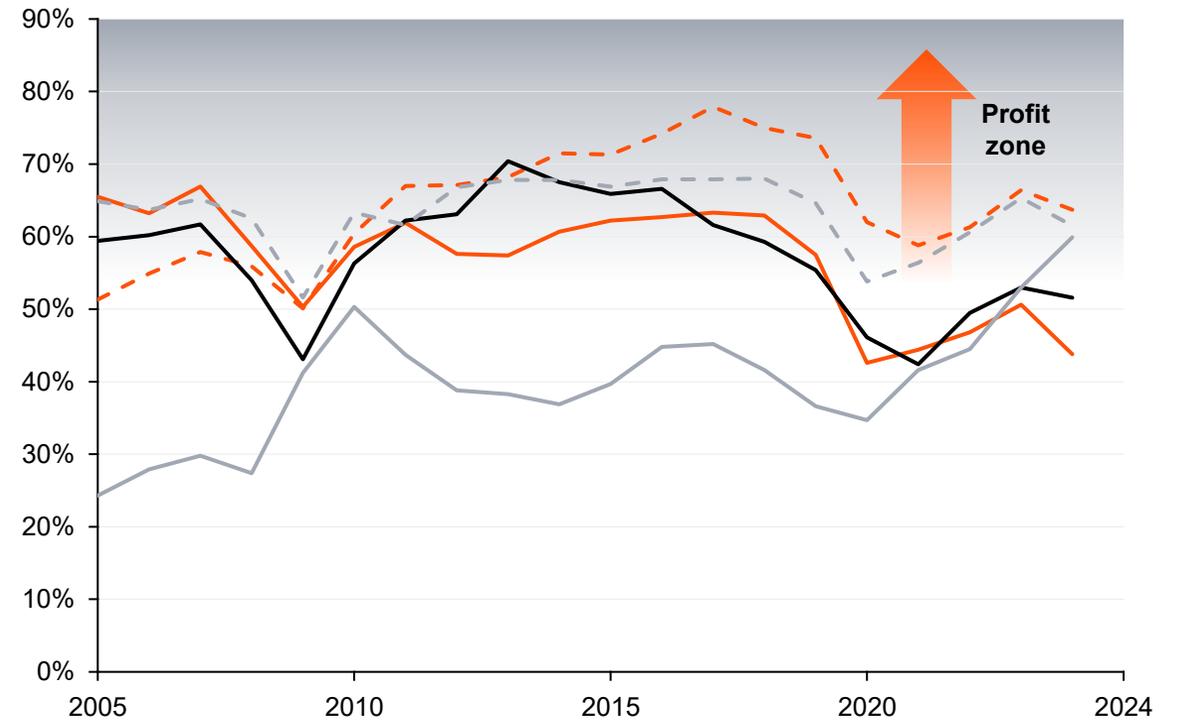
## Capacity utilisation by region/country

(light vehicle production incl. light commercial vehicles up to 3.5t)



## Capacity utilisation by OEM origin

(light vehicle production incl. light commercial vehicles up to 3.5t)



— Europe — Germany — Americas (USA, Canada, Mexico) — China - - Asia (Japan, India, Indonesia, South Korea)

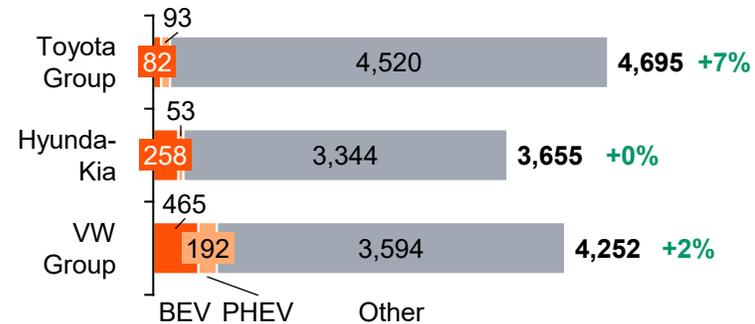
Note: Chinese joint ventures included in Asian automotive manufacturers, brands classified by automotive manufacturer group and head office location;  
 Europe excluding Germany and Eastern Europe, Asia excluding China  
 Source: PwC Autofacts analysis, S&P Global Mobility Light Vehicle Sales Production Forecast June 2025 Release

# 3 Comparison of the largest OEM groups by sales volume

Although unit sales are on the rise, EBIT and net profits have seen substantial declines across all groups

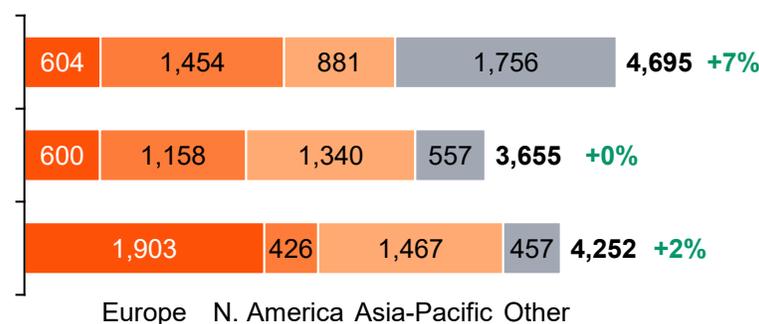
## Light vehicle sales by powertrain

(H1 2025, in thousand)



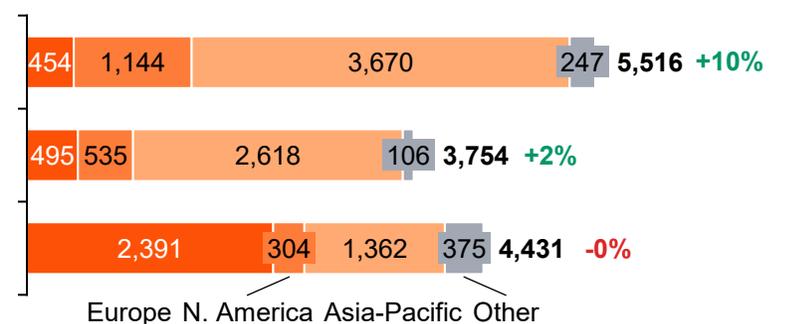
## Light vehicle sales by region

(H1 2025, in thousand)



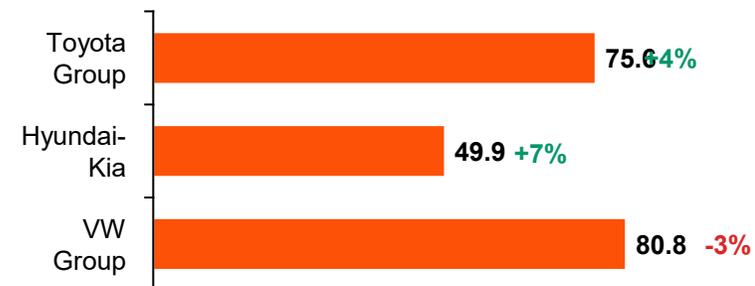
## Light vehicle production by region

(H1 2025, in thousand)



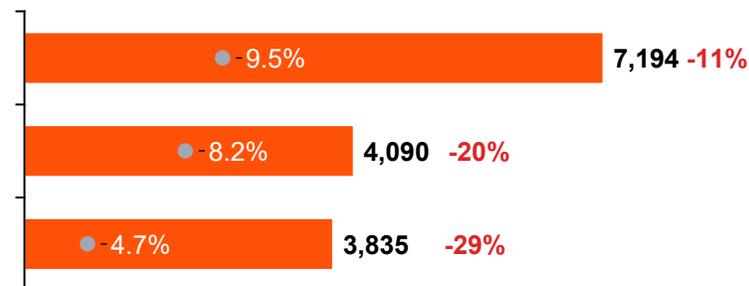
## Revenue

(Q2 2025, in billion EUR\*, YoY in %)



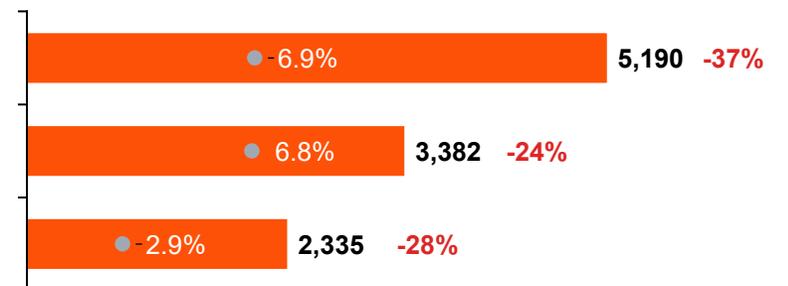
## EBIT

(Q2 2025, in million EUR\*, margin and YoY in %)



## Net profit

(Q2 2025, in million EUR\*, margin and YoY in %)

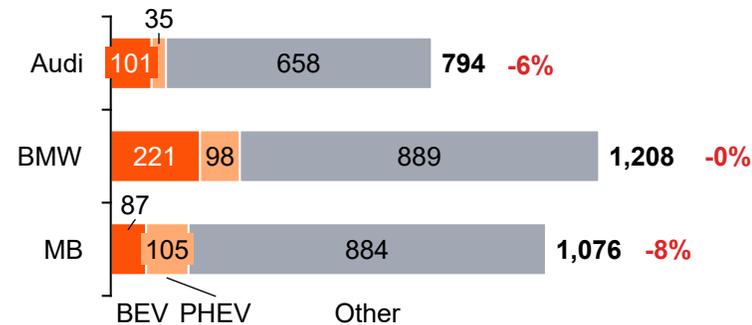


# 3 Comparison of German premium groups\*

While sales and production declined for all groups\* YoY in H1 2025, Audi was able to improve in revenue and EBIT

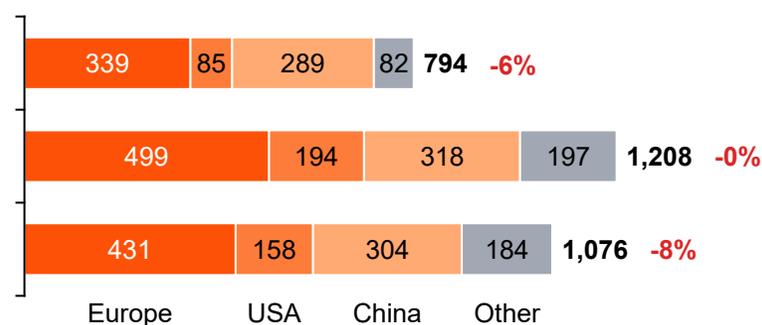
## Light vehicle sales by powertrain

(H1 2025, in thousand)



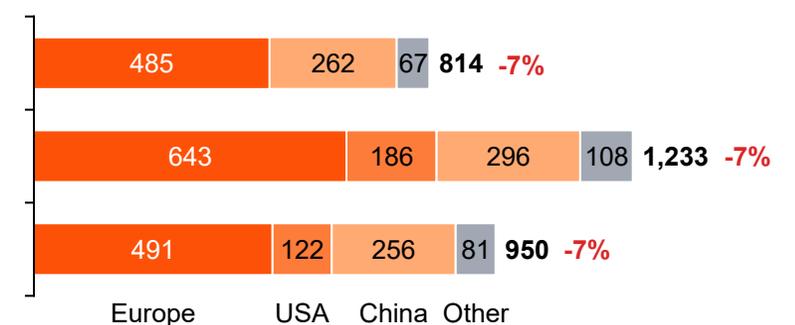
## Light vehicle sales by region

(H1 2025, in thousand)



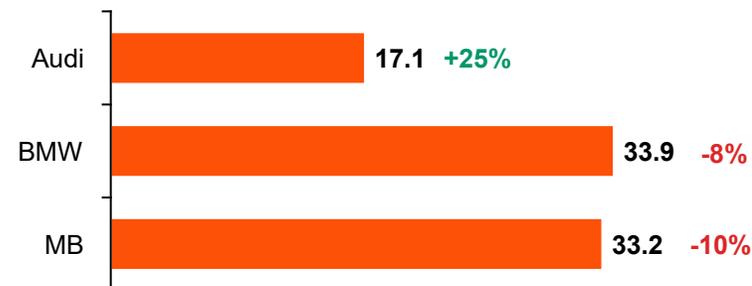
## Passenger car production by region

(H1 2025, in thousand)



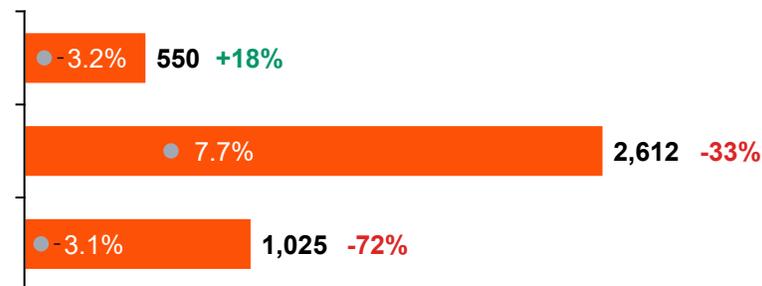
## Revenue

(Q2 2025, in million EUR)



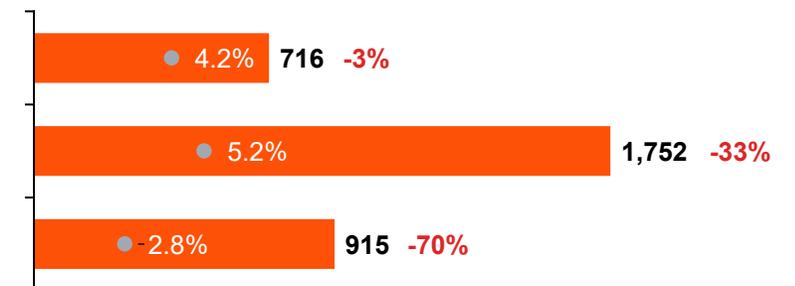
## EBIT

(Q2 2025, in thousand EUR, margin in %)



## Net profit

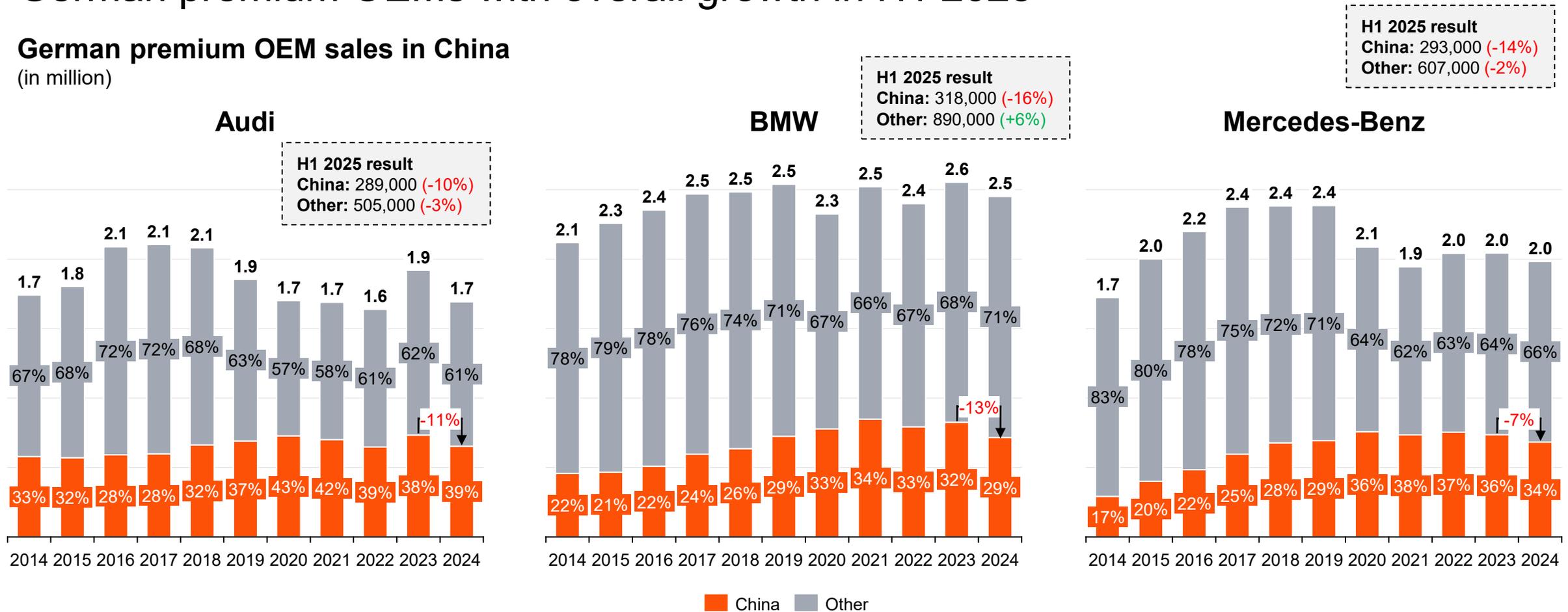
(Q2 2025, in thousand EUR, margin in %)



# 3 German OEM performance in China

Despite declining sales in China for all German premium OEMs, BMW outperforms German premium OEMs with overall growth in H1 2025

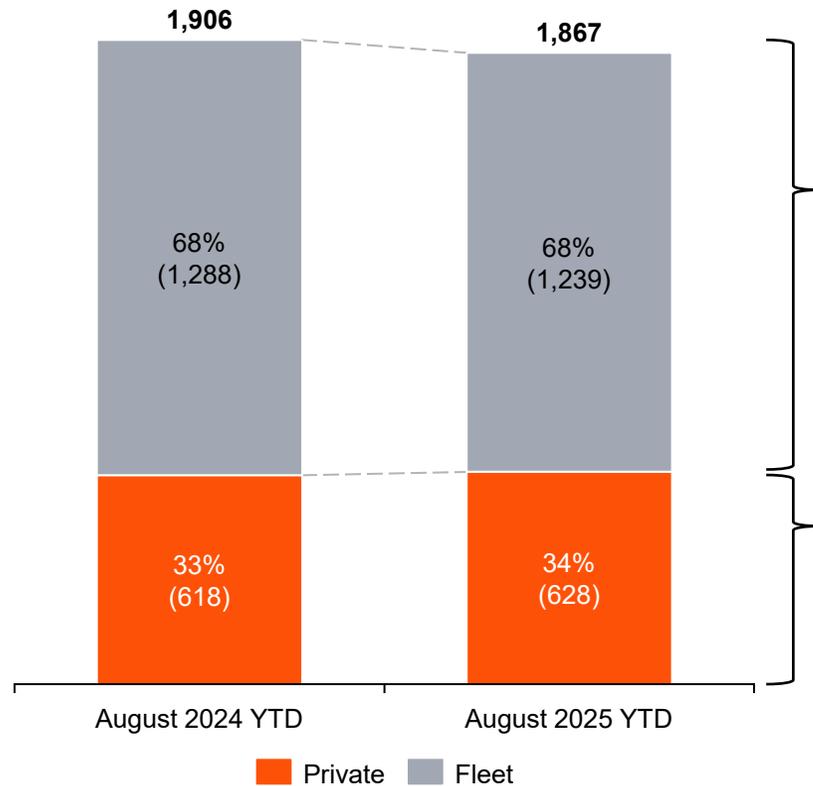
**German premium OEM sales in China**  
(in million)



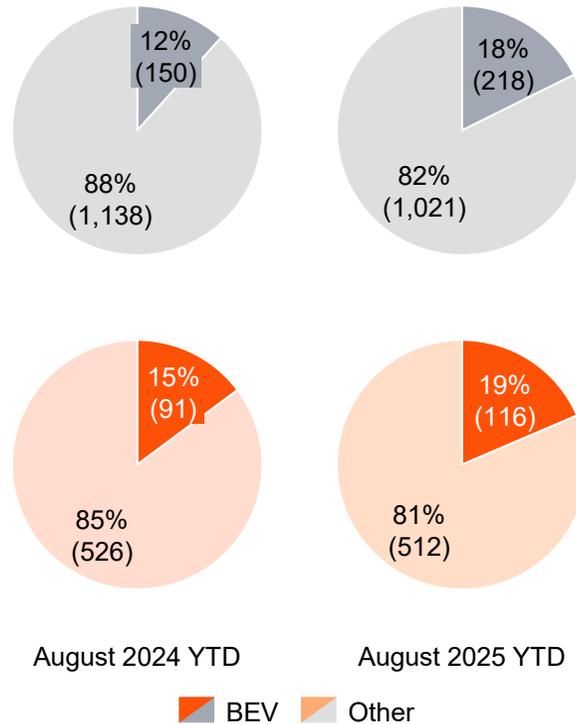
# 3 German private and fleet sales

YTD sales have declined due to reduced fleet sales, but the BEV share has increased in both private and fleet sales, despite fleet share decreasing since April

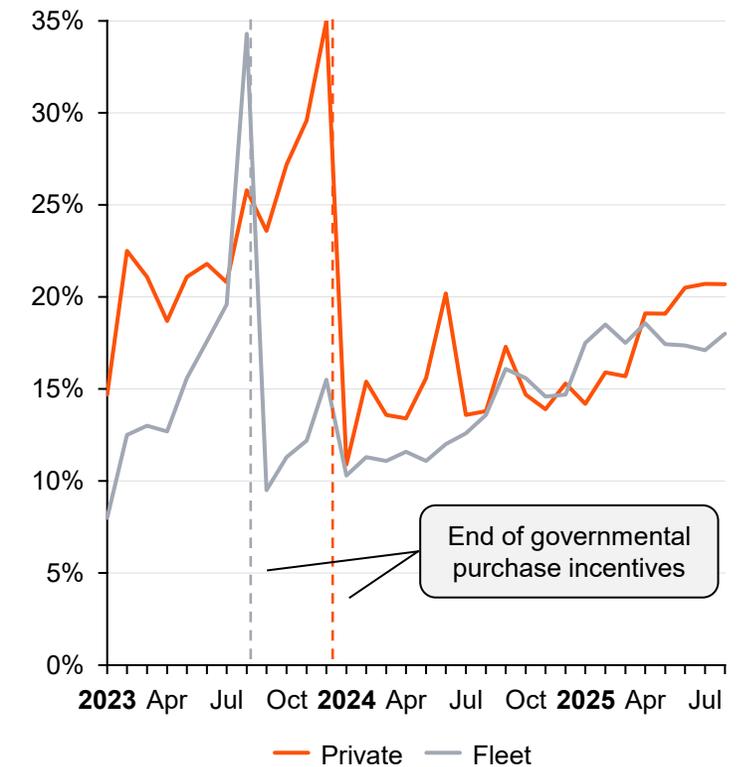
**Total passenger car sales**  
(volume in thousand)



**BEV share in private and fleet**  
(volume in thousand)



**BEV share in private and fleet sales**  
(in %)



# 3 ASEAN-6 total industry volume

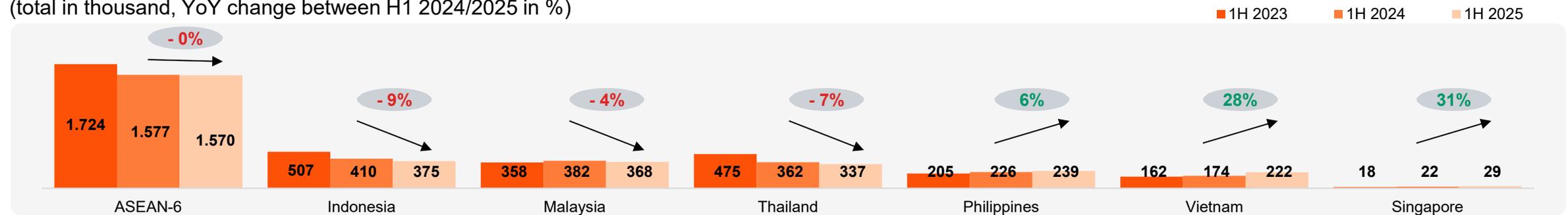


**Contact:**  
**Patrick Ziechmann**  
 Partner Deals Southeast Asia  
 patrick.oliver.ziechmann@pwc.com

H1 2025: TIV\* (LV) in ASEAN-6 stabilized and dropped only slightly at 0.4% amid slowdown in Indonesian, Malaysian and Thai markets

## Total industry volume (TIV)

(total in thousand, YoY change between H1 2024/2025 in %)



**Indonesia**

**-9% contraction in sales**

Higher Luxury Sales Tax, lower government spending, and a weaker rupiah reduced purchasing power, prompting consumers to delay buying amid slower economic growth



**Philippines**

**6% growth in sales**

Stable economic growth, low inflation and continued interest rate cuts in 2025 have improved consumer confidence towards purchasing vehicles, slight slowdown in H2 2025 is possible



**Malaysia**

**-4% contraction in sales**

Normalisation due to shrinking order backlogs, following the record-high TIV in 2024 (817k): strong economy is supporting the automotive market; PV stronger than CV



**Vietnam**

**28% growth in sales**

Growth supported by introduction of more affordable EV models, registration fees exemptions, interest rate cuts, and ongoing economic strength; growth will continue perhaps at slower pace



**Thailand**

**-7% contraction in sales**

Stricter bank loan approvals led to lower ICE vehicle sales, but BEV/PHEV sales growing driven by price cuts, purchase subsidies and excise tax cuts; turn around possible in H2 2025



**Singapore**

**31% growth in sales**

Growth on the back of additional COEs being added across vehicle categories over the next few years from 2025

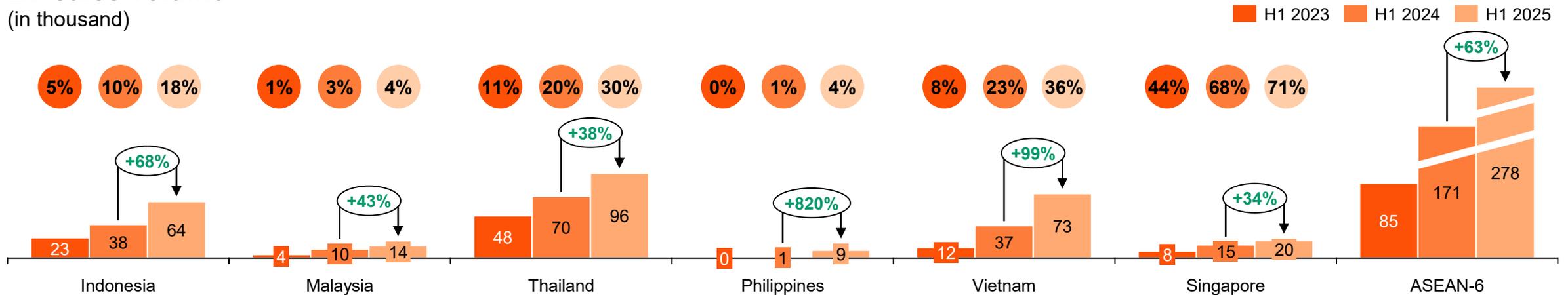
# 3 EV adaption in ASEAN-6

**Contact:**  
**Patrick Ziechmann**  
 Partner Deals Southeast Asia  
 patrick.oliver.ziechmann@pwc.com



H1 2025 showed strong growth for EVs of 63% across all markets leading to an average EV adaption of 18% in ASEAN-6

## EV sales volume (in thousand)



**Indonesia**

- 100% luxury sales tax (PPnBM) exemption for the import and sale of EVs throughout 2025
- Aims to build fully integrated EV battery ecosystem by 2027-2028, backed by major investments, targeting 600k EVs by 2030

**Malaysia**

- EV demand continues to grow on a small scale
- MY automotive policy targets for EVs to make up 20% of the total industry volume by 2030 and 80% by 2050

**Thailand**

- EV 3.5 scheme offers tax cuts and up to USD 2,700 subsidies, pushing BEV adoption
- Targets to have 30% of its annual vehicle production to EVs by 2030, which equates to 725k EVs and 675k electric motorcycles

**Philippines**

- Zero tariff rate and import duties exemptions for EVs until 2028
- The number of EVs is forecasted to increase to 6.6 million by 2030, out of which 5% are fully electric

**Vietnam**

- 100% registration fee exemption for EVs through February 2027
- Combined EVs sales (2W & 4W) are projected to grow from under 1 million in 2024 to over 2.5 million by 2036 (+8% CAGR)

**Singapore**

- 45% Additional Registration Fee (ARF) rebate for EVs extended through 2025
- Targets for 60k EV charging points by 2030 and a fully electric bus fleet by 2040

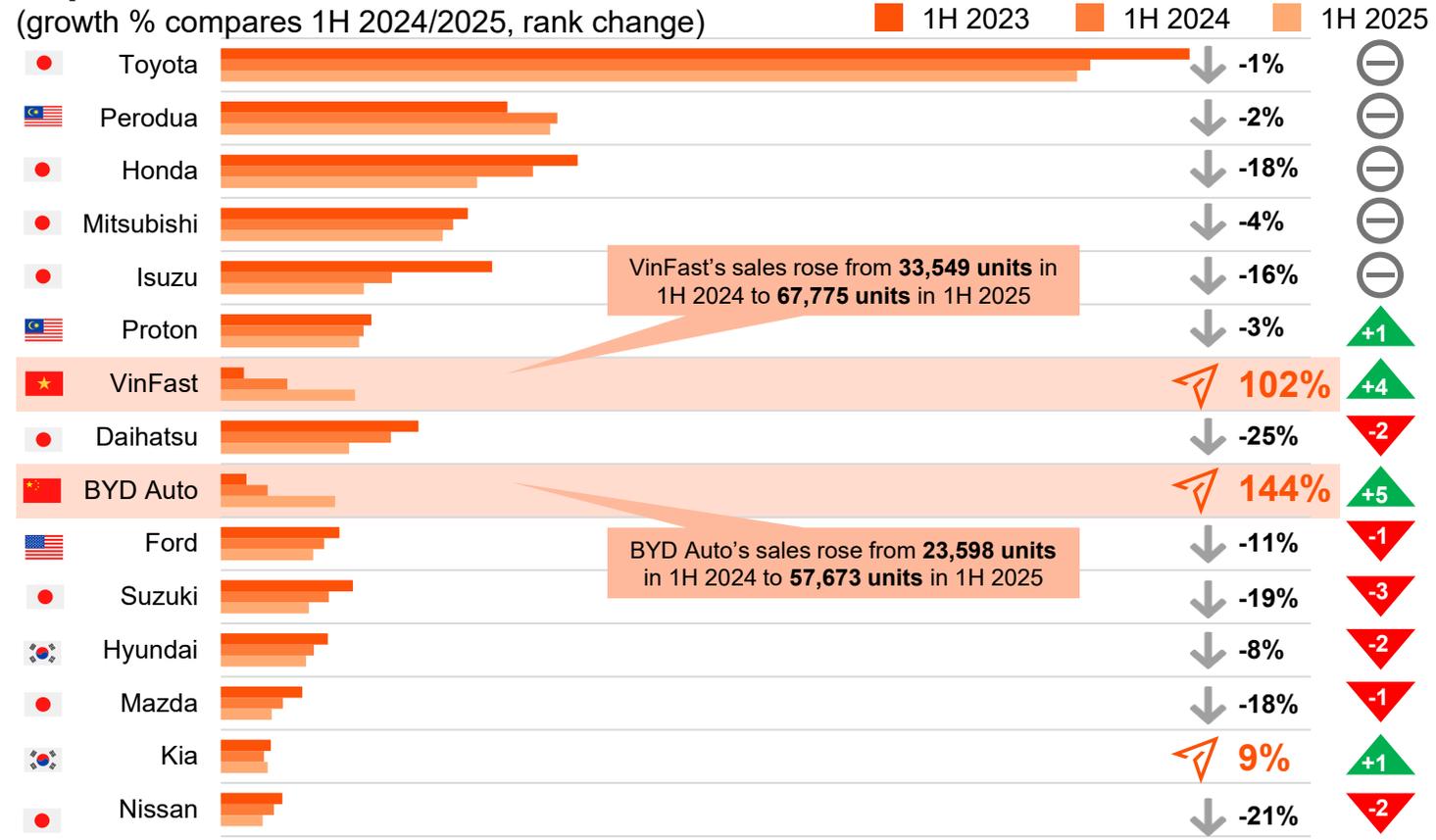


**Contact:**  
**Patrick Ziechmann**  
 Partner Deals Southeast Asia  
 patrick.oliver.ziechmann@pwc.com

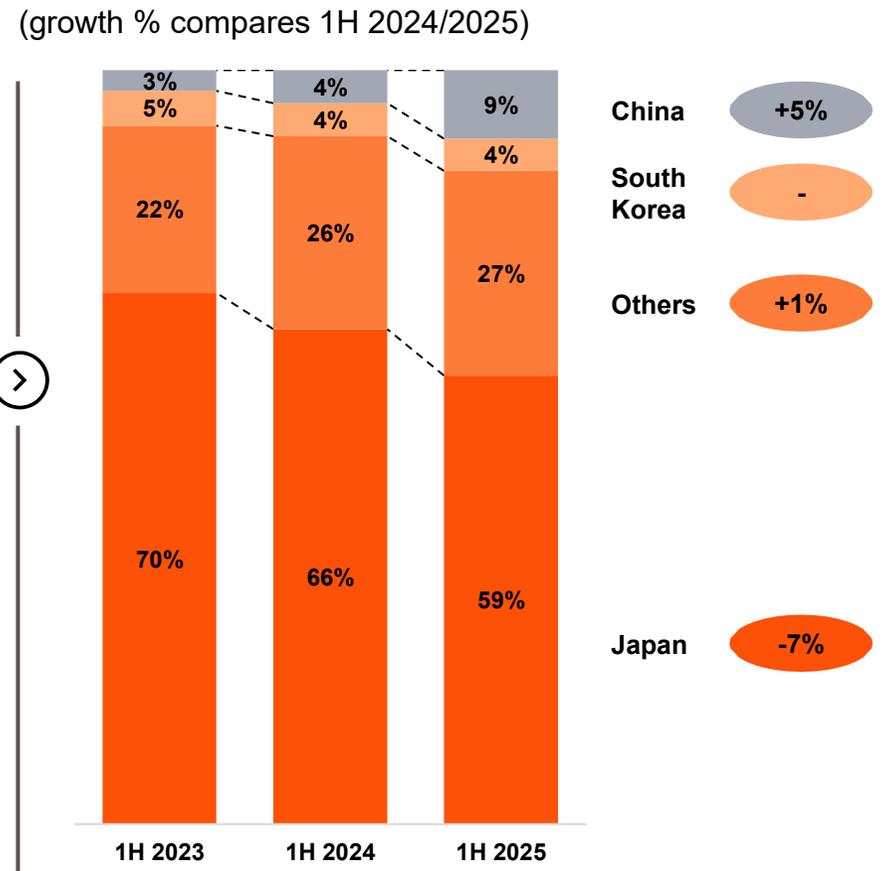
# 3 Top brands and OEM shares in ASEAN-6

Dynamic changes in the ASEAN-6 competitive landscape, with Chinese OEMs rapidly gaining market share at the expense of Japanese brands

## Top 15 automotive brands in ASEAN-6



## OEM market share in ASEAN-6



# 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	<b>Ownership:</b> 10-year exemption for BEVs and FCEVs registered until the end of 2025, exemption granted until 2030 (currently discussed to extend until 2035); <b>Company cars:</b> Reduction of taxable amount for BEVs and PHEVs from 1% to 0.5%, additional reduction to 0.25% for BEVs up to €100,000; <b>From 2025:</b> 40% cost write-off, applying to company BEV purchases from July 2024 to December 2028	<b>2025:</b> Newly elected government planned to relaunch a subsidy, but there is no mentioning in the new coalition agreement of the current government
 Spain	<b>Acquisition:</b> Exemption from “special tax” for cars ≤120g CO <sub>2</sub> /km; Canary Islands: VAT exemption partially; <b>Ownership:</b> Road tax reduction of up to 75% for BEVs in Spanish main cities (e.g., Barcelona); <b>Company cars:</b> 30% for BEVs/PHEVs ≤ €40,000	<b>MOVES III</b> 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; <b>MOVES IV</b> is planned for 2026, featuring: Higher purchase limits, upfront grants)
 France	<b>Acquisition:</b> Exemption from the mass-based malus for BEVs, FCEVs and PHEVs (range of >50km); <b>Company cars:</b> Exemption for CO <sub>2</sub> -based tax components (“TVS”) for vehicles emitting less than 60g CO <sub>2</sub> /km; 50% reduction on Benefit-in-Kind (BIK) for BEVs has been extended until 31 December 2025, with an annual cap of €1,800	<b>2025:</b> BEVs and FCEVs purchase subsidy from €2,000-€7,000. The eco-bonus will be income-dependent and tied to CO <sub>2</sub> 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. <b>Leasing social:</b> Up to €7,000 per BEV for citizens with reference tax income of below €16,300, who fulfil all criteria, until 30 November 2025
 UK	<b>Company cars:</b> Reduced tax rates for BEVs and ultra-low emission cars (<75g CO <sub>2</sub> /km), 2% until 2025 and progressively increasing afterwards until April 2028 <b>For 2025:</b> 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.	<b>July 2025:</b> Up to £3750 on BEVs below £37,000 until 2028-29 or until the funding of £650 Mio. is used up. Split into two Groups regarding the sustainability of the BEV; Group 1: £3750/Group 2: £1500.
 Italy	<b>Ownership:</b> Five-year exemption for EVs from the date of first registration, 75% reduction afterwards; <b>Company cars:</b> taxable value of a company-provided BEV for private use is 10% of the standard amount (for PHEVs 20%), versus 50% for ICEs.	<b>September 2025:</b> Up to €11,000 support for those with equivalent economic situation indicator (ISEE) less than €30,000 and up to €9,000 for those with €30-40,000; Up to 30% for micro enterprises (€20,000 cap); Eligibility is conditional on scrapping an ICE up to Euro-5 standard and the purchase of a BEV.

# 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
 <b>USA</b>	<p><b>Acquisition:</b> Federal tax credit up to \$7,500 for BEVs and PHEVs until the end of September 2025, after the Trump Administration’s “Big Beautiful Bill”. New draft law provides for the abolition of the tax credit for new, used and leased vehicles.</p> <p><b>Inflation Reduction Act:</b> 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><b>States subsidize electric cars differently</b> (in addition to federal tax credit); The Trump Administration plans to end purchase incentives, but lacks Senate approval</p>
 <b>China</b>	<p><b>Acquisition:</b> Purchase tax exemption for applicable BEVs, PHEVs and FCEVs of up to <b>¥30,000 (~€3,600)</b> per vehicle <b>between 2024 and 2025</b>. The exemption will be <b>halved</b> for purchases made in 2026 and 2027</p>	<p><b>Car trade-in subsidy scheme is set to expire at the end of 2025.</b> Scope for 2025: <b>¥20,000 (~€2,400)</b> if ICE or NEV (ICEs registered before July 2012 and NEVs registered before 2019) is traded in for a new NEV, <b>¥15,000 (~€1,800)</b> if old vehicle is scrapped for a modern ICE with max. 2L displacement</p>
 <b>Japan</b>	<p><b>Acquisition:</b> 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 <b>BEVs: Up to ¥850k (~€4,900)</b> with additional conditions; <b>FCEVs: Up to ¥2.55m (~€14,700)</b>; <b>PHEVs: Up to ¥550k (~€3,200)</b>. 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>
 <b>South Korea</b>	<p><b>Acquisition:</b> Up to ₩1.4m can be deducted from the acquisition tax amount. Up to ₩3m can be deducted from the <b>individual consumption tax</b> and up to ₩900k from the <b>education tax</b>. 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><b>2025:</b> 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>

# Global and regional markets analysis

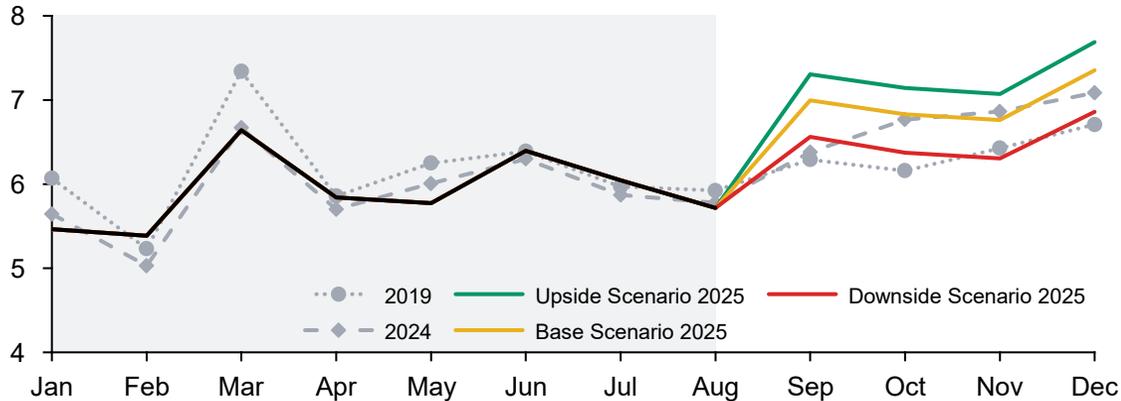


# 4 Sales: Global

While the major markets China, USA and Europe\* all recorded growth, global passenger car sales declined slightly in August year-on-year

## Passenger car sales

(in million)



	Year	Sales (in million)	YoY growth	Q3 YoY growth
Past	2019	74.6		
	2024	74.1	+2%	-3%
PwC Scenarios	2025 – Upside	76.5	+3%	+6%
	2025 – Base	75.2	+2%	+4%
	2025 – Downside	73.4	-1%	+2%

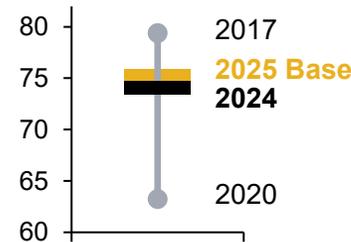
## Key insights

In August, **global passenger car sales fell by 1% YoY** to 5.7 million units, reversing July's 3% YoY gain. Despite this trajectory, **China, USA, and Europe\* recorded growth** in August at 15%, 2%, and 4% YoY, respectively. YTD, global sales rose by 1% YoY, driven by 14% and 4% YoY increases in China and USA, whereas Europe\* remains unchanged to past year's volume. The US tariff situation is gradually becoming clearer, although uncertainty persists for the remainder of the year and beyond. **BEV sales in the three key markets saw significant jumps** year-on-year with +37% for China, +11% for USA and +51% for Europe\*.

With ongoing efforts to resolve trade tensions the **PwC Base Scenario** forecasts a **+4% increase for Q3 YoY** and a **2% increase for the full year**.

## 10-year benchmark

(in million, 2015-2025)



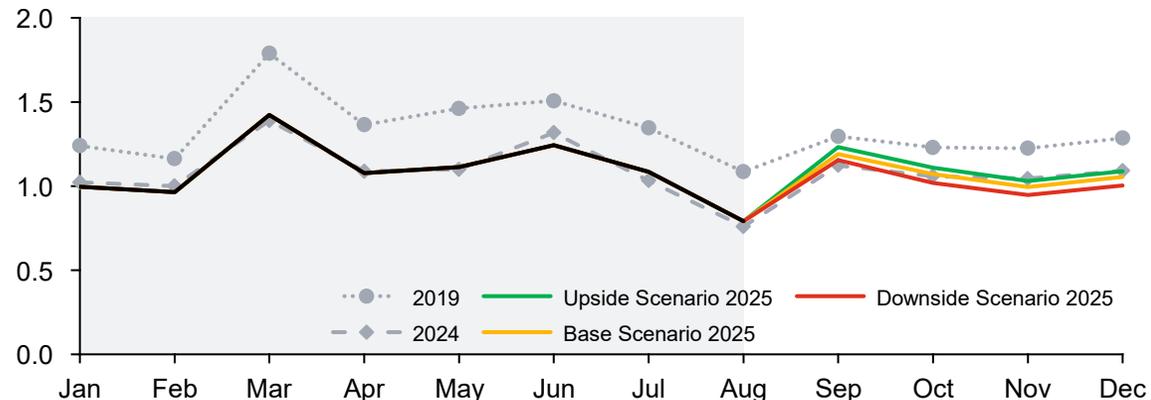
The **PwC Base Scenario** predicts a slight growth of +2% YoY for 2025, **surpassing last year's figure by 1.1 million units. The gap to the 10-year high in 2017 is forecasted to drop to 4.2 million units.**

# 4 Sales: Europe\*

In August, passenger car sales maintained the upward momentum from July, although they remain largely in line with last year's volumes

## Passenger car sales

(in million)



	Year	Sales (in million)	YoY growth	Q3 YoY growth
Past	2019	16.0		
	2024	13.0	+1%	-6%
PwC Scenarios	2025 – Upside	13.2	+1%	+7%
	2025 – Base	13.0	-0%	+5%
	2025 – Downside	12.8	-2%	+4%

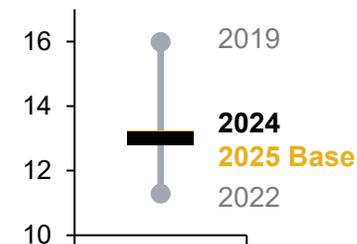
## Key insights

August was the first month this year to record a **consecutive YoY increase, with sales growing by 4%**. Within Europe\*, the **EU5\*\* experienced slightly weaker performance** compared to the broader European market, with growth just below 4% YoY, mainly due to Italy (-2%), the UK (-2%), and France (2%). **Spain notably surpassed all EU5\*\* countries** with a 17% increase. The YoY growth in July and August has brought Europe's\* **YTD performance close to last year's**, falling short by only 16,000 units, while the EU5\*\* were short by 25,000 units.

The **PwC Base Scenario** forecasts **2025 to match the previous year**, while an **uptick of 5% is expected for Q3**.

## 10-year benchmark

(in million, 2015-2025)



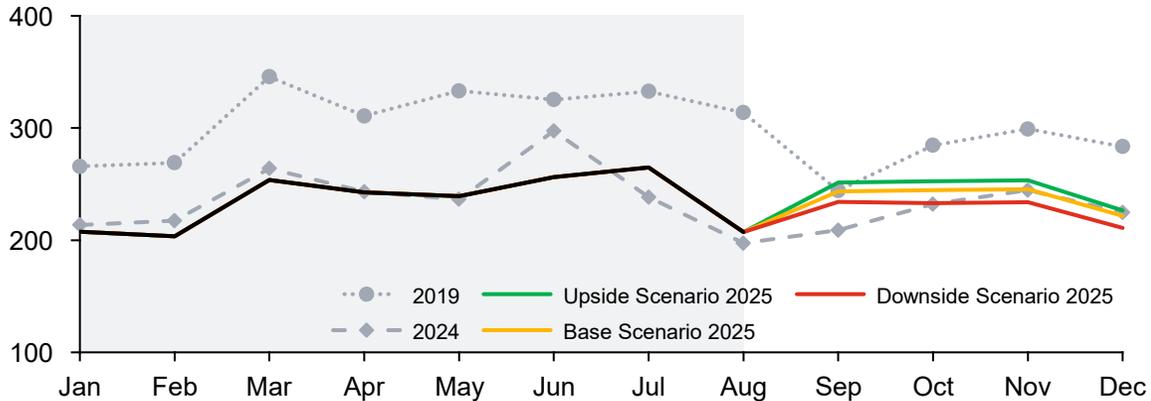
The **PwC Base Scenario** forecasts 2025 to end at a **similar level as 2024** and thus **maintain the 3.0-million-unit gap to the 10-year high** of 16.0 million units in 2019.

# 4 Sales: Germany

For the first time in 2025, Germany records two consecutive months of growth, narrowing the gap over 2024 to the lowest so far this year

## Passenger car sales

(in thousand)



	Year	Sales (in million)	YoY growth	Q3 YoY growth
Past	2019	3.6		
	2024	2.8	-1%	-13%
PwC Scenarios	2025 – Upside	2.9	+1%	+12%
	2025 – Base	2.8	+0%	+11%
	2025 – Downside	2.8	-1%	+10%

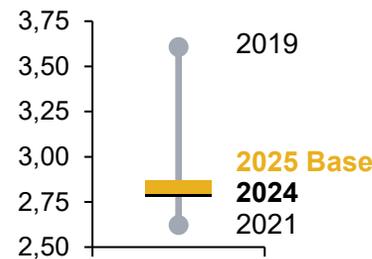
## Key insights

After experiencing a significant downturn of 14% in June, **Germany rebounded** and achieved its first consecutive months of growth in 2025, with sales increasing by **11% in July** and by **5% in August YoY**. July's growth was the highest month so far this year, and the additional boost in August helped **narrow Germany's YTD gap over 2024 to -2%**, marking the **lowest delta yet**. The government's anticipated reintroduction of **BEV incentives is currently off the table**, leaving no reason for consumers to further postpone their purchases and resulting in a **58% and 46% YoY jump in BEV sales** in July and August.

While the **full year result** is forecasted to remain **unchanged to 2024** in the **PwC Base Scenario**, **Q3 2025** is expected to **pass 2024 levels by 11%**.

## 10-year benchmark

(in million, 2015-2025)



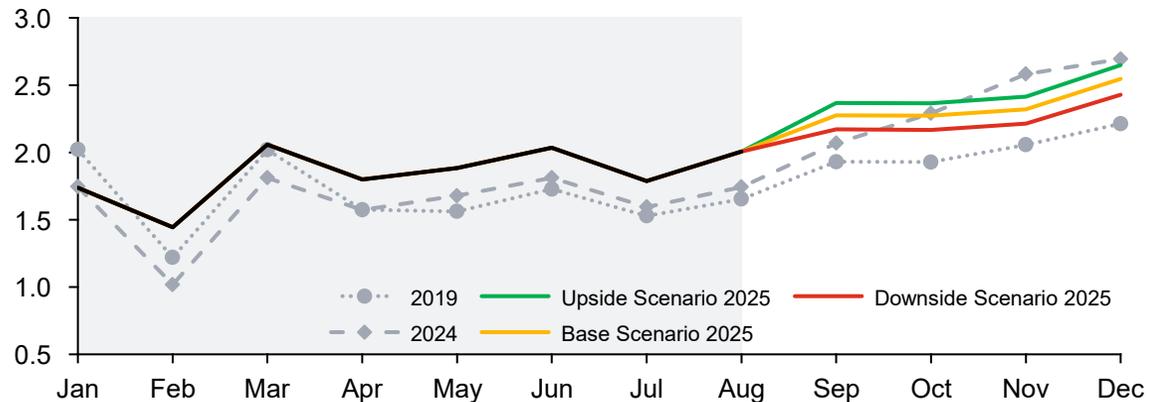
With the **PwC Base Scenario** forecasting a **similar result as past year** for 2025, the **gap to the 10-year high** of 2019 is expected to **remain at -22%**.

# 4 Sales: China

Both domestic and export sales grew by 14% through YTD August, with NEVs\* recording an even higher growth rate, boosted by governmental subsidies

## Passenger car sales

(in million)



	Year	Sales (in million)	YoY growth	Q3 YoY growth
Past	2019	21.4		
	2024	22.6	+5%	-1%
PwC Scenarios	2025 – Upside	24.5	+9%	+14%
	2025 – Base	24.2	+7%	+12%
	2025 – Downside	23.7	+5%	+10%

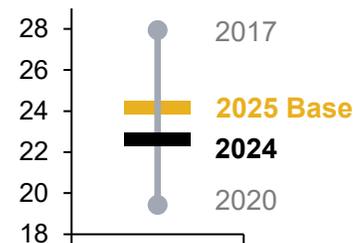
## Key insights

Since February, China’s monthly passenger car sales has sustained double-digit growth, reaching **15% YoY in August 2025**. During **January-August 2025**, exports reached nearly **4 million units**, while domestic sales hit nearly **15 million units**. Notably, China saw a **45% rise in BEV sales** and a **10% rise in PHEVs** during the first eight months of the year. This robust market performance can be attributed to effective **trade-in subsidies set to expire in 2025**, the **anticipated rollback of NEV purchase tax reductions** by the end of the year, and numerous new product launches, positioning the car market to **significantly outpace 2024**.

**All PwC Scenarios expect to see positive performance** in car sales in 2025 over 2024.

## 10-year benchmark

(in million, 2015-2025)



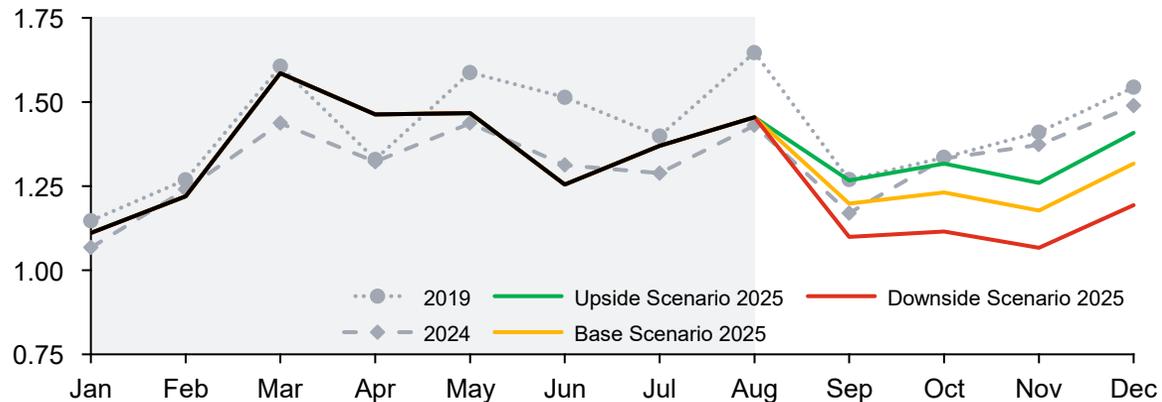
The PwC Base Scenario expects a **7% YoY increase in 2025**, moving **closer to the 10-year high in 2017** with a **gap of 13% or nearly 4 million units**.

# 4 Sales: USA

After June's sales dip, the US recovers with two consecutive months of growth, pushing Q3 YoY expectations to +3%

## Light vehicle\* sales

(in million)



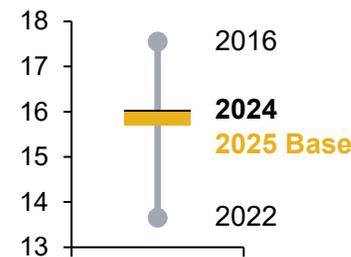
	Year	Sales (in million)	YoY growth	Q3 YoY growth
Past	2019	17.1		
	2024	15.9	+3%	-2%
PwC Scenarios	2025 – Upside	16.2	+2%	+5%
	2025 – Base	15.8	-0%	+3%
	2025 – Downside	15.4	-3%	+1%

## Key insights

**Light vehicle\* sales** demonstrated a rebound with a 6% increase in July and **2% rise in August** following a 4% decline in June YoY. **Year-to-date**, US sales **rose by 4%**, as consumers accelerated purchases ahead of **anticipated vehicle price hikes** due to import tariffs. While **BEV sales increased by 8% YoY** so far this year, they **remain a rather niche powertrain**, taking up 8% market share in August YTD. For Q3, **BEV sales are expected to rebound** from Q2 lows as **consumers seek to leverage the \$7,500 EV tax credit** before its expiration. However, overall sales may continue to face challenges due to elevated prices driven by tariffs. The **PwC Base Scenario** forecasts a **similar result as 2024** for the full year due to a sluggish H2 from **potentially elevated prices** driven by tariffs.

## 10-year benchmark

(in million, 2015-2025)



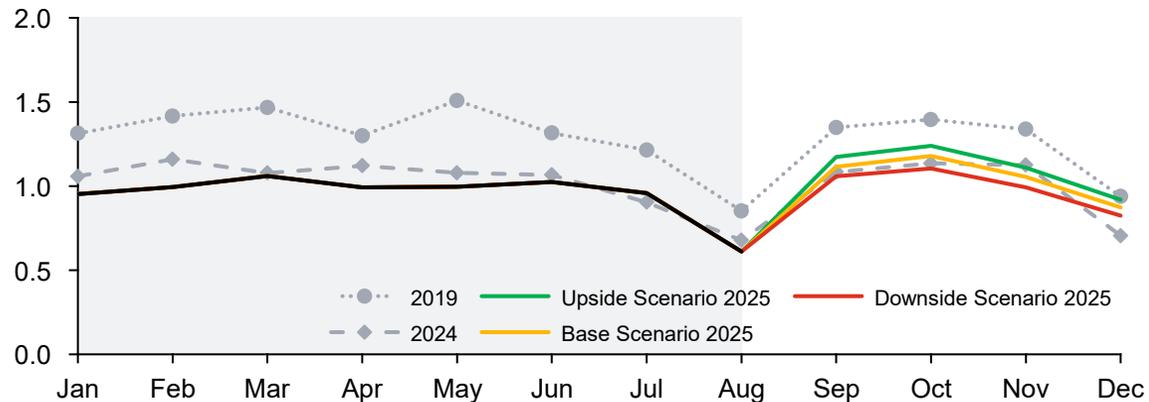
With the **PwC Base Scenario** projecting an **unchanged result for 2025**, the **gap to the 10-year high of 2016 remains at -10%**.

# 4 Production: Europe\*

In July, Europe recorded its first production growth in 14 months, but it declined again in August, resulting in a 7% YTD drop

## Passenger car production

(in million)



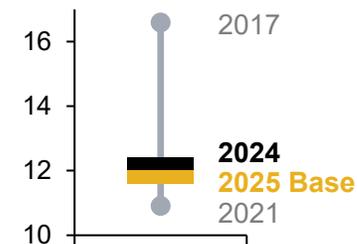
	Year	Prod. (in million)	YoY growth	Q3 YoY growth
Past	2019	15.4		
	2024	12.2	-7%	-5%
PwC Scenarios	2025 – Upside	12.0	-1%	+3%
	2025 – Base	11.8	-3%	+1%
	2025 – Downside	11.6	-5%	-1%

## Key insights

After 14 straight months of decline, Europe's\* passenger car production saw a **6% YoY increase in July 2025**, only to **decline again in August** by 10% YoY to 611,000 units. The **boost in July narrowed the YTD production gap** compared to last year's figures, but by **August, production remained 7% behind**. Within the **EU5\*\***, **YTD production was down 8% YoY**, with **France as the only country recording a growth of 3%**. **Germany**, after maintaining last year's production levels for three months, now shows a **2% YoY decline YTD**. Meanwhile, **Italy, Spain, and the UK** have experienced declines of 40%, 18%, and 10%, respectively. The **PwC Base Scenario** predicts a **modest increase of 1% YoY for Q3 2025** but forecasts an **overall decline of -3% for the full year**.

## 10-year benchmark

(in million, 2015-2025)



The **PwC Base Scenario** forecasts a **3% drop over 2024** for the full year amid a **weak first half-year** performance, **further increasing the gap to the 10-year high** of 2017 to **-29% or -4.8 million units**.

# 4 The year 2025 up to August

Global sales growth is led by Asia and NA while Europe\* is improving, albeit slowly

Region	August 2025 Sales						August 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
<b>Europe*</b>	<b>8,692,000</b>	<b>-0%</b>	<b>-21%</b>	<b>791,000</b>	<b>+4%</b>	<b>-27%</b>	<b>7,587,000</b>	<b>-7%</b>	<b>-27%</b>	<b>611,000</b>	<b>-10%</b>	<b>-28%</b>
France	1,046,000	-7%	-28%	88,000	+2%	-32%	571,000	+3%	-48%	29,000	-7%	-39%
Germany	1,875,000	-2%	-25%	207,000	+5%	-34%	2,570,000	-2%	-15%	234,000	-20%	-22%
Italy	1,047,000	-3%	-21%	68,000	-2%	-24%	142,000	-40%	-64%	5,000	+9%	-54%
Spain	769,000	+15%	-20%	61,000	+17%	-24%	1,035,000	-18%	-29%	58,000	+6%	-40%
UK	1,265,000	+2%	-17%	83,000	-2%	-10%	471,000	-10%	-46%	39,000	-6%	-58%
Rest of Europe*	2,690,000	+0%	-16%	284,000	+5%	-25%	2,799,000	-5%	-21%	247,000	-3%	-19%
<b>North America</b>	<b>13,191,000</b>	<b>+4%</b>	<b>-4%</b>	<b>1,739,000</b>	<b>+1%</b>	<b>-10%</b>	<b>7,322,000</b>	<b>-6%</b>	<b>-12%</b>	<b>973,000</b>	<b>-3%</b>	<b>-9%</b>
USA	10,925,000	+4%	-5%	1,455,000	+2%	-12%	4,826,000	-5%	-5%	650,000	-1%	-2%
Canada	1,308,000	+6%	-2%	160,000	-3%	-12%	703,000	-11%	-42%	88,000	+2%	-44%
Mexico	958,000	+0%	+12%	124,000	-3%	+15%	1,793,000	-5%	-11%	235,000	-11%	-8%
<b>Asia</b>	<b>18,445,000</b>	<b>+12%</b>	<b>+6%</b>	<b>2,447,000</b>	<b>+14%</b>	<b>+16%</b>	<b>23,275,000</b>	<b>+2%</b>	<b>+13%</b>	<b>2,850,000</b>	<b>-2%</b>	<b>+17%</b>
China	14,752,000	+14%	+11%	2,007,000	+15%	+21%	16,322,000	+4%	+29%	2,131,000	-2%	+31%
Japan	2,617,000	+9%	-12%	301,000	+11%	-5%	4,615,000	+2%	-17%	450,000	-3%	-22%
South Korea	1,076,000	+2%	-7%	139,000	+8%	+2%	2,339,000	-7%	-3%	269,000	-2%	+18%
<b>RoW</b>	<b>8,969,000</b>	<b>-20%</b>	<b>-10%</b>	<b>942,000</b>	<b>-30%</b>	<b>-18%</b>	<b>11,648,000</b>	<b>-1%</b>	<b>-4%</b>	<b>1,357,000</b>	<b>+1%</b>	<b>+2%</b>
Turkey	654,000	+8%	+239%	82,000	+19%	+282%	530,000	-10%	-9%	37,000	+21%	+22%
<b>Global</b>	<b>47,263,000</b>	<b>+1%</b>	<b>-4%</b>	<b>5,717,000</b>	<b>-1%</b>	<b>-3%</b>	<b>47,563,000</b>	<b>-1%</b>	<b>-2%</b>	<b>5,581,000</b>	<b>-2%</b>	<b>+3%</b>

# 5

# Appendix

# 5 Scenarios and assumptions

## Key drivers of three PwC Autofacts® global scenarios

Analysis	Assumptions for Demand	Assumptions for Production	Total Effects
<b>Upside Scenario</b>	A significant rise in BEV demand is anticipated in Europe due to the implementation of stricter CO <sub>2</sub> 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.
<b>Base Scenario</b>	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 <sub>2</sub> 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 localisation 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.
<b>Downside Scenario</b>	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 <sub>2</sub> 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 <sub>2</sub> 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 U.S. tariffs.

# 5 Glossary

<b>Abbreviation</b>	<b>Full description</b>
<b>BEV</b>	Battery electric vehicle
<b>EFTA</b>	European Free Trade Association (incl. Iceland, Liechtenstein, Norway and Switzerland)
<b>EU</b>	European Union
<b>EU5</b>	Five largest European countries by passenger car sales (incl. France, Germany, Italy, Spain and UK)
<b>Europe</b>	EU27+UK+EFTA
<b>EV</b>	Electric vehicle (incl. BEV, PHEV and HEV)
<b>FHEV</b>	Full-hybrid electric vehicle
<b>FY</b>	Full year
<b>HEV/hybrid</b>	Hybrid electric vehicle
<b>ICE</b>	Internal combustion engine
<b>LCV</b>	Light commercial vehicle up to 3.5t
<b>LV</b>	Light vehicle (incl. PC and LCV)
<b>MHEV</b>	Mild-hybrid electric vehicle
<b>MSRP</b>	Manufacturer's suggested retail price
<b>NEV</b>	New energy vehicle (incl. BEV and PHEV)
<b>PC</b>	Passenger car
<b>PHEV</b>	Plug-in hybrid electric vehicle
<b>RoW</b>	Rest of world
<b>YoY</b>	Year-on-year
<b>YTD</b>	Year-to-date

# Your contacts



## **Harald Wimmer**

Partner, Global and German  
Automotive Leader & Global Smart  
Mobility Co-Lead  
PwC Germany  
Phone: +49 170 7864752  
harald.wimmer@pwc.com



## **Steven van Arsdale**

Senior Manager, Global Lead Analyst  
PwC Autofacts®  
PwC Germany  
Phone: +49 151 65231099  
steven.james.van.arsdale@pwc.com



**Subscribe to our  
newsletter**

or visit us at [pwc.de/autofacts](https://pwc.de/autofacts)