

SMMT UK New Car and LCV Registrations Outlook to 2025 at October 2023

Background and context to panel survey

The latest market outlook includes SMMT's first view on the new car and LCV markets out to 2025. The markets have grown throughout 2023, as supply pressures ease, and despite a challenging economic setting. 2024 will see the introduction of the Zero Emission Vehicle Mandate, but we hope that tougher rules of origin requirements for electric vehicles will be revised and tariffs between trade with the EU be avoided. The outlook is revised quarterly in January, April, July and October.

UK new car and light vehicle registrations outlook – October 2023

<i>thousands</i>	All cars Total	Petrol Cars	Diesel cars	BEV cars	PHEV cars	HEV cars	All LCV total	BEV LCVs
2016	2,693	1,319	1,285	10	29	50	376	1
2019	2,311	1,525	616	38	35	98	366	3
2022	1,614	902	155	267	101	188	282	17
2023(f)	1,886	1,050	142	324	133	238	332	21
2024 (f)	1,970	987	116	439	152	275	334	34
2025 (f)	2,060	944	93	538	171	315	349	49

LCVs = light commercial vehicles to 3.5t gvw. Fuel type split is within the total market data. Diesel and petrol include mild hybrids. BEV = Battery electric vehicle; PHEV = Plug-in hybrid electric vehicle; HEV = Hybrid electric vehicles. Note: There were 15 replies received for cars and 9 for vans. The survey is voluntary.

SMMT outlook for 2023 to 2025 – as at October 2023

2023

- New car registrations expected to rise 16.9% to 1.886 million (up from 1.847mn outlook in July)
- BEV share is expected to be 17.2%, after 21.3% rise in volumes (a reduction on previous outlook)
- PHEV and HEV volumes to rise 30.8% and 26.6% respectively to take 7% and 12.6% market shares
- Diesel registrations are expected to fall -8.8% pushing their market share down to 7.5%
- LCV registrations outlook is 333,000 units (up from 328,000 in July), a 17.8% rise on 2022
- BEV share of LCV market is expected to rise to 6.4% (a cut on July view), after a 26.8% volume rise

2024

- Car registrations outlook at 1.97 million, which would be 4.4% up on the 2023 outlook (1.95mn in July)
- BEV market is anticipated to rise 35.3% and take 22.3% share (a further cut on the July view)
- PHEV and HEV share is expected to rise to 7.7% and 14.0% respectively
- Diesel registrations are expected to fall -17.8% on 2023 outlook, cutting the market share to 5.9%
- LCV registrations are expected to be 334,000 units, a modest 0.4% rise on the 2023 outlook
- LCV BEV share is expected to rise to 10.1% (not the 11.2% we said in July), with volumes up 59.1%

2025

- Car registrations to rise 4.6% to 2.06 million units – first time over two million since 2019
- BEV market share is expected to rise 26.1%, after a 22.6% volume rise on the 2024 outlook
- PHEV and HEV share outlook to reach 8.3% and 15.3% respectively
- Diesel market share to be cut to 4.5%, after a -20.0% decline in registrations on the 2024 outlook
- LCV market outlook for 349,000 units, up 4.5% on the 2024 view
- LCV BEV share is expected to reach 14.1%, following a 45.2% rise in volumes on the 2024 outlook

Notes: outlooks rounded to nearest 1,000 units (% changes based on the exact outlook). Reasonable care has been taken in preparing this information. It is not an exclusive aid for market analysis. Other sources and market intelligence should be reviewed.

Next revision and contact: The outlook is scheduled to be next revised in January 2024 and the results will be posted by 5 February. The project work is managed by SMMT's Economics team econoweb@smt.co.uk