

February 2001 New Car Registrations - Analysis & Comment

Sales surge continues in February

New Registrations		February 2001	
		all cars	% chge
Month		79,151	7.3%
YTD		267,059	3.2%
Last three months		374,862	9.2%
12 MMAT		2,229,931	1.8%
Year	2000	2,221,647	1.1%
Forecast	2001	2,250,000	1.3%
	2002	2,250,000	0.0%

MMAT - monthly moving annual totals

Registrations by customer type

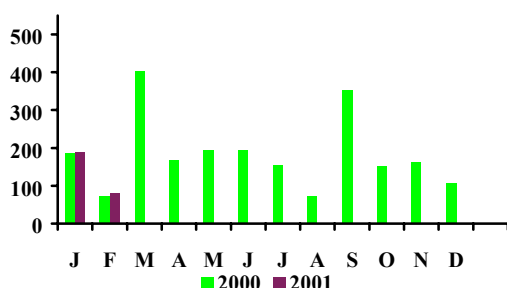
February 2001	Private	Fleet	Business
Registrations	31,425	42,584	5,142
Market share	39.7%	53.8%	6.5%
% change	15.4%	4.4%	-9.8%
Year to Date 2001	Private	Fleet	Business
Registrations	118,487	125,566	23,006
Market share	44.4%	47.0%	8.6%
% change	24.7%	-8.4%	-13.7%

- The new car market rose by 7.3 per cent in February to 79,151 units.
- Since the final quarter of 2000, there has been a significant upward trend in the new car market. Registrations have risen each month since October.
- Total registrations for the first two months of the year rose 3.2 per cent on last year to 267,059 units.

Private market continues to drive growth

- The private sector once again showed the strongest growth rate and led the overall market forward in February. Private registrations rose by 15.4 per cent for the month, boosting market share to 39.7 per cent for the month and 44.4 per cent for the year to date.
- Large fleet demand also rose in February, with a 4.4 per cent increase.

UK new car registrations -
monthly totals
2001 vs 2000



March a key influence

- The February market will account for about 3.5 per cent of annual sales in 2001.
- Demand for the new Y plate will clearly be important in the overall market performance in 2001. Current expectations are for growth above the impressive March 2000 total by around two per cent.

Top 10 registrations

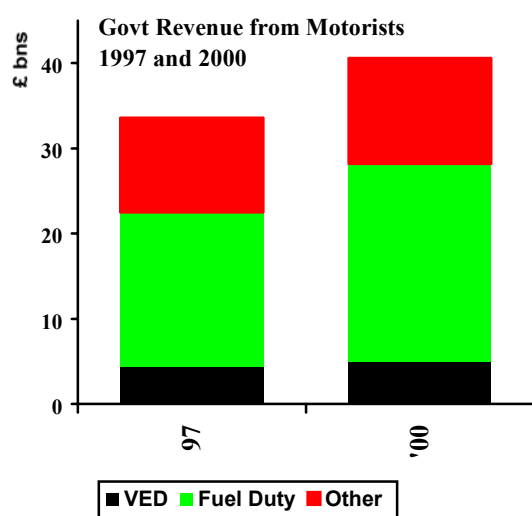
February 2001	YTD 2001
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UK penetration				
	Feb 2001	2000	YTD 2001	2000
GB				
Registrations	18,715	19,153	70,001	72,234
Market share	23.6%	26.0%	26.2%	27.9%
% change	-2.3%	-16.5%	-3.2%	-4.0%
Imports				
Registrations	60,436	54,581	197,058	186,451
Market share	76.4%	74.0%	73.8%	72.1%
% change	10.7%	-10.7%	5.7%	-2.2%

Imports improve market share

- Registrations of imported cars rose by 10.7 per cent in February, to boost their market share to 76.4 per cent and to 73.8 per cent for the year to date.
- In general registrations of British-built cars fell, reflecting restructuring work, however Nissan fared well nearly doubling registrations in February.

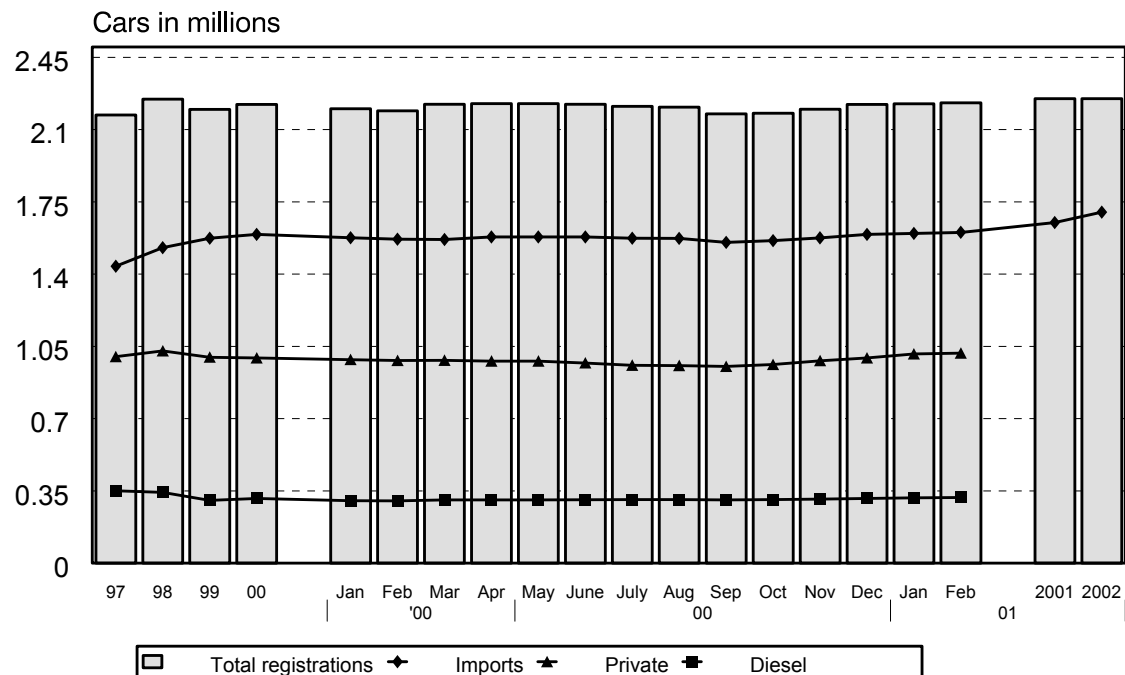
INDICATOR OF THE MONTH



Motorists set to get good deal in Budget?

- The chart opposite shows how revenues from motorists have risen to well over £40 billion, following substantial increases in fuel duty revenues.
- The fuel duty escalator has now been scrapped and the industry hopes the Chancellor will announce cuts in fuel duty tomorrow.
- VED has received a major makeover and is now based on CO₂ emissions rather than engine size. The industry remains disappointed that an additional charge is made for diesel cars and that alternative fuelled vehicles do not get a better deal under the new system.

Annual UK new car registrations 1997 to 2000; Monthly moving annual total to February 2001 and SMMT's annual forecasts for 2001 and 2002



Source: SMMT

- The February market showed a very positive 7.3 per cent growth, once again reflecting the improvement in demand from the private sector.
- The increase is a continuation of the positive trend evident in the new car market in the final quarter of 2000.
- The February market, however, is traditionally very small, accounting for approximately 3.5 per cent of annual sales. The increase is therefore encouraging, but unlikely to influence full year sales greatly. The March market will have a major impact. Last year the market reached an impressive 401,972 units and 2001 looks as though it could better that impressive figure.
- March marks the last of the present format for the current number plate system, with the Y plate. In September an all-new system will be launched, which may influence the timing of demand in the second half of the year.
- The Budget on 7 March could see some further influences to the UK market, with the introduction of a graduated VED scheme and cuts to fuel duties set to provide the biggest shake-ups for motorists. The industry generally welcomes the moves, but is concerned that the government appears anti-diesel, despite the improvements in diesel technology in recent years. The industry would also like to see a complete and fundamental review of all motoring taxation to identify the impact of various government initiatives in this area, enable fairer distribution of revenue and ring-fence the revenue for transport use.