News – New car sales figures dip again in June

Published: July 6, 2017

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Online version: https://www.wheels-alive.co.uk/news-new-car-sales-figures-dip-again-in-june/



Topping the UK chart for car sales in June was the Volkswagen Golf

Brakes on UK car sales for third month.

By ROBIN ROBERTS.

The UK new car market has declined for a third consecutive month with 243,454 new units registered in June, said SMMT.

Registrations fell at a slower pace than in the previous two months, by –4.8%, as demand continued to stabilise following a record first quarter and the subsequent market turbulence caused by the recent changes to Vehicle Excise Duty.

The market is now more in line with 2017 forecasts but in the details the diesel market has shrunk by nearly 15% while hybrid and electric sales soared 29%.

Demand in the month was down across private, fleet and business registrations, recording falls of –7.8%, –2.4% and –8.3% respectively.

Meanwhile, the AFV (‘Alternative Fuel Vehicles’) sector enjoyed notable growth, with demand rising 29.0% to 10,721 units to maintain a record 4.4% market share for a second month. Petrol registrations rose by 2.5% and diesel fell –14.7%.

Compact cars, typically powered by smaller petrol engines, proved most popular for all buyers, with superminis and small family cars accounting for almost 60% of the market. Small family cars and SUVs were the only two segments to register growth in June, up 6.0% and 11.3% respectively.

Year-to-date, overall performance remains strong, falling slightly by –1.3% to 1,401,811 units and putting the market on track to meet 2017 forecasts. Fleet and business buyers drove demand across the first six months with registrations up 1.5% and 2.7% respectively in contrast to a –4.8% drop in private purchases, although almost 650,000 consumers have chosen a new car this year.

June top ten

Golf

Fiesta

Focus

Astra

MINI

Corsa

Qashqai

Polo

BMW 3 Series

Mercedes-Benz C Class

Graham Hill, car finance expert at the National Association of Commercial Finance Brokers, said it was worrying and added, “New car registrations have continued to fall, albeit at a slower pace, for a third consecutive month as VED tax changes and dwindling consumer confidence start to bite.

“It was always forecast that March’s stampede to beat the VED deadline would in turn mean less registrations in consequent months, so this is no great surprise.”

Meanwhile, Shaun Armstrong, managing director, car finance provider Creditplus.co.uk said, “It’s been a truly awful period for diesel sales. In March, diesel new registrations were close to 250,000, and above petrol new registrations.

“In June, new registrations were just above 100,000 and almost 15% lower than petrol. That’s a serious, and possibly fatal fall from grace.

“The new car market needs a serious injection of confidence from somewhere. Manufacturers looking for stronger sales in the second half of the year will turn to providing larger discounts and bonuses to make car finance deals look more attractive. “