

Economic and Market Report

Global and EU auto industry: Full year 2023



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EU ECONOMIC OUTLOOK

Following robust post-pandemic growth, the EU economy slowed down last year, with real GDP barely rising in the first three quarters of 2023, achieving only a modest 0.5% increase. The European Commission has revised the EU's growth outlook for 2024 to 0.9% (from 1.3% in the Autumn forecast), while economic activity is expected to expand by 1.7% in 2025.

According to the latest forecast from the European Commission, EU inflation stood at 6.3% in 2023 and is projected to decrease to 3% in 2024 and to a further 2.5% in 2025. The decline in consumer energy prices has played a significant role, and recent months have seen a broader moderation in inflation, indicating a reduction in price pressure.

Despite the slowdown in economic growth in 2023, the EU labour market has remained robust. With expectations for continued employment growth, unemployment rates are anticipated to remain stable and close to their record low at 6%.

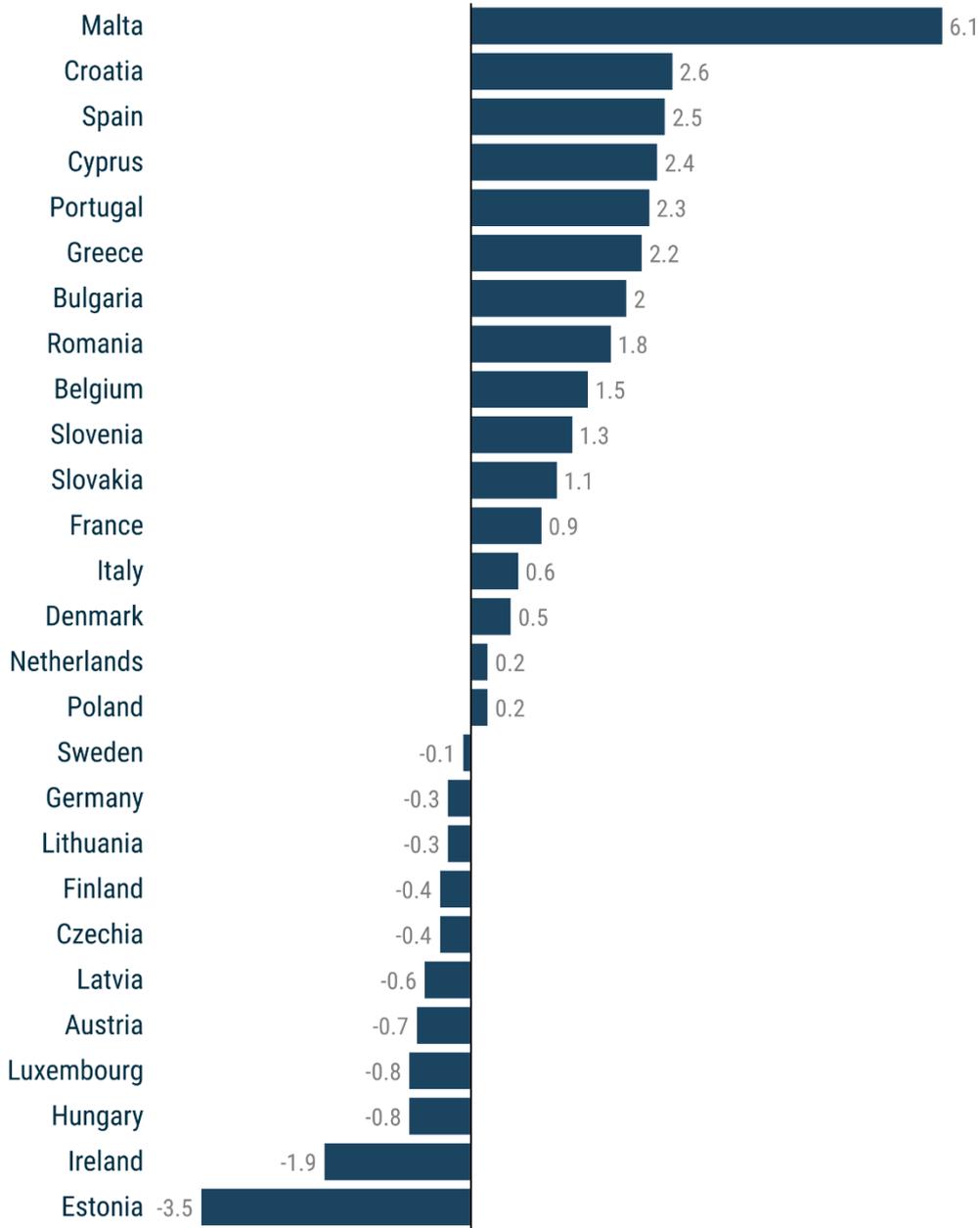
Table 1: EU economic forecast – Key figures

	2023	2024	2025
GDP (%)	0.5	0.9	1.7
Inflation (%)	6.3	3.0	2.5
Unemployment (%)	6.0	6.0	5.9

SOURCE: EUROPEAN COMMISSION ECONOMIC FORECAST, WINTER 2024

Figure 1: EU GDP growth for 2023, by country

GDP growth 2023 (%)



SOURCE: EUROPEAN COMMISSION ECONOMIC FORECAST, WINTER 2024

REGISTRATIONS

GLOBAL

2023 global car sales rebounded significantly after remaining stable in 2022, growing by almost 10% and surpassing 72 million units as supply chain challenges eased.

Sales in Europe increased by 18.6% in 2023 compared to 2022. Similar trends in both EU and Eastern European markets drove this region-wide increase. Russia and Ukraine experienced substantial declines in 2022 and are now on a slow path to recovery, with their markets showing impressive growth rates (63.5% and 58.9%, respectively). Additionally, Türkiye experienced a notable surge, reaching almost one million units sold last year, representing a 63.2% increase.

Despite high inflation and rising interest rates, the volume of car sales in North America remained consistent in 2023, with the region experiencing 15% growth. Similarly, the United States recorded double-digit growth in new car sales, up 14.4% compared to the preceding year.

Passenger car sales in the South American region totalled over 2.8 million units in 2023, remaining stable compared to 2022. This growth was primarily driven by Brazil, the leading market in the region, which grew by a substantial 9.2%. However, sales in other significant markets, such as Chile and Colombia, declined sharply last year.

In Asia, Japanese car sales grew by a notable 15.8% in 2023, driven by a lower baseline for comparison resulting from semiconductor and component shortages last year. On the other hand, South Korea experienced a more modest growth of 5.2% following the government's termination of tax relief support in June 2023.

With a recovery in the last quarter of the year, Chinese car sales in 2023 reached over 22 million units, marking a 4.5% increase year over year. Remarkably, the Chinese market represents nearly 31% of global car sales.

In 2023, Indian passenger car sales surged to a record level of about 4.2 million units, growing by 8.5% and surpassing Japan's volume. This growth was driven by a rising preference for individual mobility, and the introduction of new models.

Table 2: Global new car registrations

	2023 ¹	2022	% change 23/22	% share 2023
EUROPE	15,335,149	12,932,247	+18.6	21.2
European Union	10,547,716	9,263,509	+13.9	14.6
EFTA	396,711	416,930	-4.8	0.5
United Kingdom	1,903,054	1,614,063	+17.9	2.6
Russia	1,015,387	621,105	+63.5	1.4
Türkiye	967,341	592,659	+63.2	1.3
Ukraine	60,710	38,211	+58.9	0.1
Others (Europe) ²	444,230	385,770	+15.2	0.6
NORTH AMERICA³	14,696,367	12,780,597	+15.0	20.3
<i>United States only</i>	12,327,829	10,773,065	+14.4	17.0
SOUTH AMERICA	2,835,568	2,810,766	+0.9	3.9
<i>Brazil only</i>	1,717,744	1,572,799	+9.2	2.4
ASIA	36,063,808	34,014,324	+6.0	49.8
China	22,320,061	21,354,717	+4.5	30.8
India	4,176,522	3,848,737	+8.5	5.8
Japan	3,989,608	3,444,229	+15.8	5.5
South Korea	1,501,424	1,426,604	+5.2	2.1
Others (Asia) ⁴	4,076,193	3,940,037	+3.5	5.6
MIDDLE EAST/AFRICA	3,526,307	3,512,663	+0.4	4.9
WORLD	72,457,199	66,050,597	+9.7	100.0

SOURCE: ACEA, S&P GLOBAL MOBILITY

¹ Provisional figures

² Includes Belarus, Bosnia-Herzegovina, Kazakhstan, North Macedonia, Serbia, and Uzbekistan

³ Based on production type

⁴ Includes Hong Kong, Taiwan, and all the other South Asian countries, excluding India

EUROPEAN UNION (EU)

In 2023, the EU car market expanded robustly by 13.9% compared to 2022, reaching a volume of 10.5 million units.

Most EU markets enjoyed strong growth, including the four largest: Italy (+18.9%), Spain (+16.7%), France (+16.1%), and Germany (+7.3%).

Despite the overall growth, a comparison with pre-pandemic volumes highlights how far registrations have dropped, with registrations currently standing at 19% less than the pre-pandemic volume of 13 million units registered in 2019.

Table 3: Top four – New EU car registrations

	2023	2022	% change 23/22
Germany	2,844,609	2,651,357	+7.3
France	1,774,723	1,529,035	+16.1
Italy	1,565,331	1,316,926	+18.9
Spain	949,359	813,376	+16.7
EUROPEAN UNION	10,547,716	9,263,509	+13.9

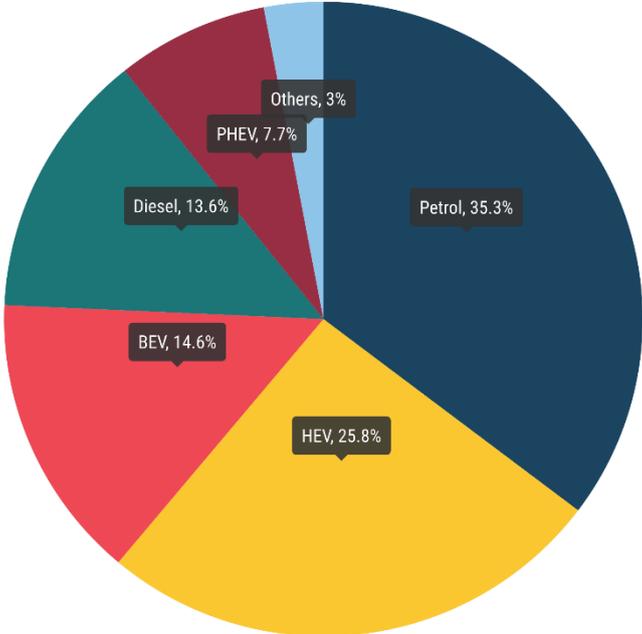
SOURCE: ACEA

When looking at sales by power source, battery-electric cars emerged as the third-most-popular choice for buyers. In December, their market share surged to 18.5%, contributing to a full-year share of 14.6%, surpassing diesel, which remained steady at 13.6%. The volume of battery-electric cars surpassed 1.5 million units, indicating a substantial 37% increase compared to 2022.

Petrol cars maintained dominance with a market share of 35.3%, while hybrid-electric cars claimed second spot, commanding a 25.8% market share.

Figure 2: New EU car registrations by power source

■ Petrol ■ Diesel ■ Battery electric (BEV) ■ Plug-in hybrid electric (PHEV) ■ Hybrid electric (HEV) ■ Others
% SHARE, 2023



SOURCE: ACEA

PRODUCTION

GLOBAL

In 2023, global car manufacturing reached nearly 76 million units, a substantial 10.2% increase from the previous year. This surge was driven by positive production trends that emerged across regions globally.

European car production grew substantially, reaching nearly 15 million units, marking a significant year-on-year improvement of 12.6%. This surge can be primarily attributed to the weaker comparison baseline of 2022.

In North America, production increased by 12.4%, resulting in 11.7 million cars produced last year. The US showed a similar trend, with a growth rate of 8.5%, resulting in over 7.6 million cars built.

In 2023, production in South America increased by a sluggish 0.1% compared to 2022. This represented a notable slowdown from the performance registered in 2022 when output grew by 9.1% over 2021. The primary reason for this slowdown is that Brazil, which accounts for over 80% of regional volumes, experienced a decline in production volumes by 2.3% in 2023 compared to 2022, with approximately 1.8 million cars built.

Japan's car production volumes grew by a significant 17.4% last year, reaching 7.7 million units. However, this can be primarily attributed to unusually low production volumes in 2022. Similarly, production in South Korea grew by a significant 13.6% to 3.9 million units in 2023, driven by stable plant operations and strong exports.

Following a solid performance in the last quarter, Chinese car production in 2023 reached 25.3 million units, marking a 9.1% year-on-year rebound. This solidifies China's position as the world's leading car producer, commanding a 33.5% market share.

Car production in India grew by 6.8%, reaching 4.7 million units last year, driven by factors such as the lower production base in 2022, improved semiconductor supply, and a rising preference for individual mobility, resulting in strong demand.

In 2023, car production in the Middle East and Africa region increased by a modest 0.5%. The primary reason for this weak performance is Iran – which alone accounts for over half of the region's production – declining by 6.5%, largely due to sluggish domestic demand.

Table 4: Global car production

	2023 ⁵	2022	% change 23/22	% share 2023
EUROPE	14,988,243	13,316,033	+12.6	19.8
European Union	12,126,604	10,896,821	+11.3	16.0
Türkiye	960,230	806,971	+19.0	1.3
United Kingdom	901,893	776,764	+16.1	1.2
Russia	491,000	445,247	+10.3	0.6
Ukraine	2,504	1,839	+36.2	0.0
Others (Europe) ⁶	506,012	388,391	+30.3	0.7
NORTH AMERICA	11,687,968	10,401,318	+12.4	15.5
<i>United States only</i>	7,629,525	7,033,378	+8.5	10.1
SOUTH AMERICA	2,136,135	2,134,324	+0.1	2.8
<i>Brazil only</i>	1,781,612	1,823,705	-2.3	2.4
ASIA	44,971,379	40,923,334	+9.9	59.5
China	25,347,593	23,237,924	+9.1	33.5
Japan	7,734,465	6,586,250	+17.4	10.2
India	4,669,500	4,373,200	+6.8	6.2
South Korea	3,926,371	3,456,411	+13.6	5.2
Indonesia	1,147,166	1,169,062	-1.9	1.5
Thailand	835,645	747,113	+11.8	1.1
Others (Asia) ⁷	1,310,639	1,353,374	-3.2	1.7
MIDDLE EAST/AFRICA	1,831,725	1,823,048	+0.5	2.4
<i>Iran only</i>	1,000,666	1,070,195	-6.5	1.3
WORLD	75,615,450	68,598,057	+10.2	100.0

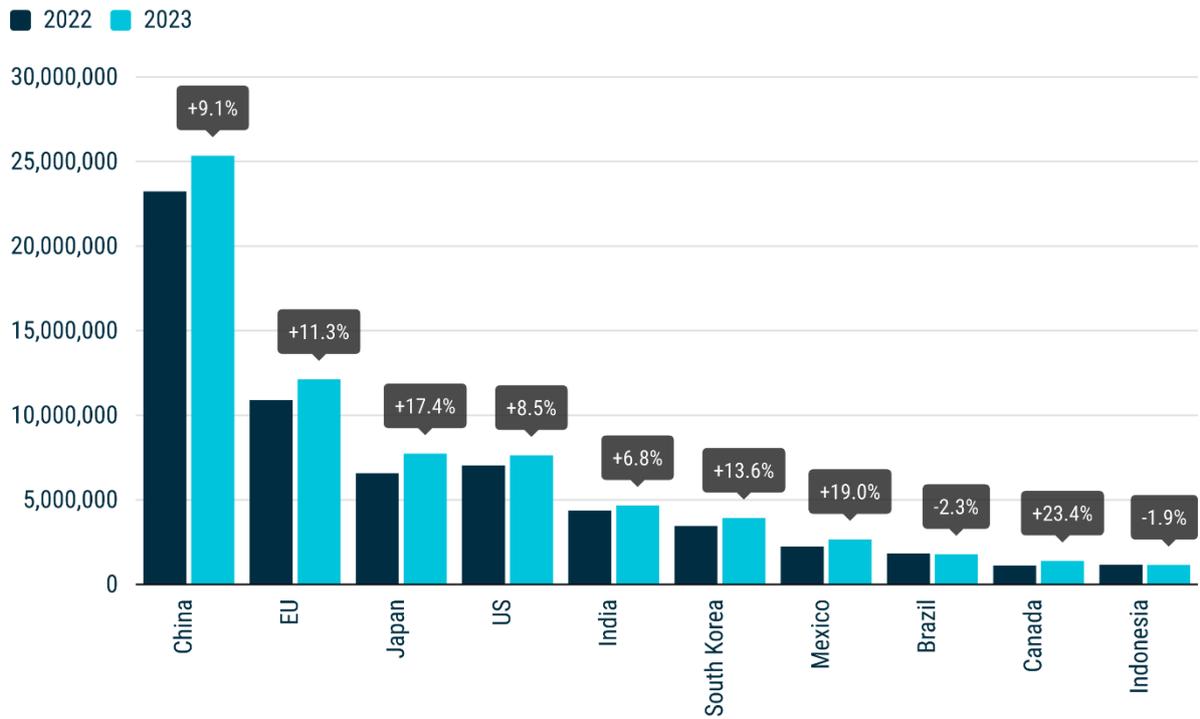
SOURCE: S&P GLOBAL MOBILITY

⁵ Provisional figures

⁶ Includes Belarus, Kazakhstan, Serbia, and Uzbekistan

⁷ Includes Taiwan, Australia, Malaysia, Pakistan, Philippines, and Vietnam

Figure 3: Top 10 global car producers



SOURCE: S&P GLOBAL MOBILITY

EUROPEAN UNION (EU)

In 2023, EU car production increased significantly, surpassing 12 million units and marking an 11.3% rise compared to 2022. This positive outcome is attributed to the gradual easing of supply chain challenges, allowing for improved production volumes.

Western European car producers demonstrated strong performance, with Germany leading in volume terms, recording a substantial 18.7% increase in production. Following Germany were Belgium (+18.1%), Italy (+11.9%), Sweden (+9.8%), Spain (+7.4%), and France (+1.2%).

Central and Eastern Europe also played a significant role, with substantial gains in Czechia (+14.9%), which now ranks third among top EU car producers, along with Hungary (+11.6%) and Slovakia (+9.5%). Only Romania experienced a decline (-1.6%) among the ten largest EU car producers.

Table 5: Top ten EU car producers

	2023	2022	% change 23/22
Germany	3,959,322	3,336,546	+18.7
Spain	1,869,988	1,741,084	+7.4
Czechia	1,395,211	1,214,746	+14.9
Slovakia	1,062,058	970,275	+9.5
France	959,404	948,341	+1.2
Italy	542,218	484,345	+11.9
Hungary	504,907	452,551	+11.6
Romania	501,337	509,465	-1.6
Belgium	287,211	243,293	+18.1
Sweden	276,070	251,446	+9.8
EUROPEAN UNION	12,126,604	10,896,821	+11.3

SOURCE: S&P GLOBAL MOBILITY

TRADE

In 2023, the EU experienced a significant increase in the import value and volume of cars, with values rising by 34.6% and volumes by a solid 23.7%.

Improved production, facilitated by the gradual easing of supply chain issues, led to a 12.7% increase in export value and a 12.4% increase in export volume.

This resulted in a trade surplus exceeding €90 billion, relatively consistent with 2022's figures.

Table 6: EU new car trade

Trade in value (in million €)	2023	2022	% change 23/22
Imports	72,199	53,633	+34.6
Exports	162,788	144,489	+12.7
Trade balance	90,589	90,856	-0.3
Trade in volume (in units)	2023	2022	% change 23/22
Imports	3,346,529	2,706,322	+23.7
Exports	4,730,341	4,208,443	+12.4

SOURCE: EUROSTAT

IMPORTS

China maintained its position as the primary source of new EU car imports in terms of value, experiencing robust 37.1% growth and claiming a significant 17.7% market share.

Imports from the United Kingdom, Japan, and South Korea closely trailed behind, collectively contributing – together with China – to nearly 60% of the value of new EU car imports outside the bloc, all achieving impressive double-digit growth rates.

Analysing import volumes, the five major countries contributing to EU imports experienced substantial increases in 2023 compared to 2022. China led the group with a remarkable 39.6% surge and a 20% share of EU import volumes, followed by Türkiye (+15.4%), Japan (+32.1%), South Korea (+4.8%), and Morocco (+16.3%).

Table 7: EU new car imports, main countries of origin

Trade in value (in million €)	2023	2022	% change 23/22	% share 2022
<i>China</i>	12,812	9,349	+37.1	17.7
<i>United Kingdom</i>	10,265	7,768	+32.1	14.2
<i>Japan</i>	10,201	7,340	+39.0	14.1
<i>South Korea</i>	9,923	7,919	+25.3	13.7
<i>United States</i>	7,798	5,151	+51.4	10.8

SOURCE: EUROSTAT

Table 8: EU new car imports, main countries of origin

Trade in volume (in units)	2023	2022	% change 23/22	% share 2022
<i>China</i>	676,848	484,750	+39.6	20.2
<i>Türkiye</i>	514,854	446,120	+15.4	15.4
<i>Japan</i>	447,964	339,051	+32.1	13.4
<i>South Korea</i>	430,427	410,551	+4.8	12.9
<i>Morocco</i>	382,558	328,831	+16.3	11.4

SOURCE: EUROSTAT

EXPORTS

In 2023, the export value of EU-made cars exported to the US and the UK surged by 11.8% and 25.5%, respectively, confirming their positions as the EU's primary export markets. Collectively, they represent 44% of the EU's export value.

Additionally, Türkiye emerged as a significant export destination, experiencing a remarkable growth of 115.6%. Conversely, exports to China declined by a notable 20.2%.

When looking at export volumes to the EU's top destinations, the volume of EU-made cars heading to Türkiye nearly doubled last year. Export volumes to two of the EU's major export partners, the UK (+16.1%) and the US (+15.7%), grew robustly.

Table 9: EU new car exports, main destinations

Trade in value (in million €)	2023	2022	% change 23/22	% share 2023
<i>United States</i>	40,281	36,033	+11.8	24.7
<i>United Kingdom</i>	31,173	24,834	+25.5	19.2
<i>China</i>	19,289	24,159	-20.2	11.9
<i>Türkiye</i>	12,543	5,817	+115.6	7.7
<i>Switzerland</i>	7,475	5,894	+26.8	4.6

SOURCE: EUROSTAT

Table 10: EU new car exports, main destinations

Trade in volume (in units)	2023	2022	% change 23/22	% share 2023
<i>United Kingdom</i>	1,235,857	1,064,749	+16.1	26.1
<i>United States</i>	800,821	692,278	+15.7	16.9
<i>Türkiye</i>	602,847	313,812	+92.1	12.7
<i>China</i>	335,272	391,535	-14.4	7.1
<i>Switzerland</i>	198,914	168,425	+18.1	4.2

SOURCE: EUROSTAT