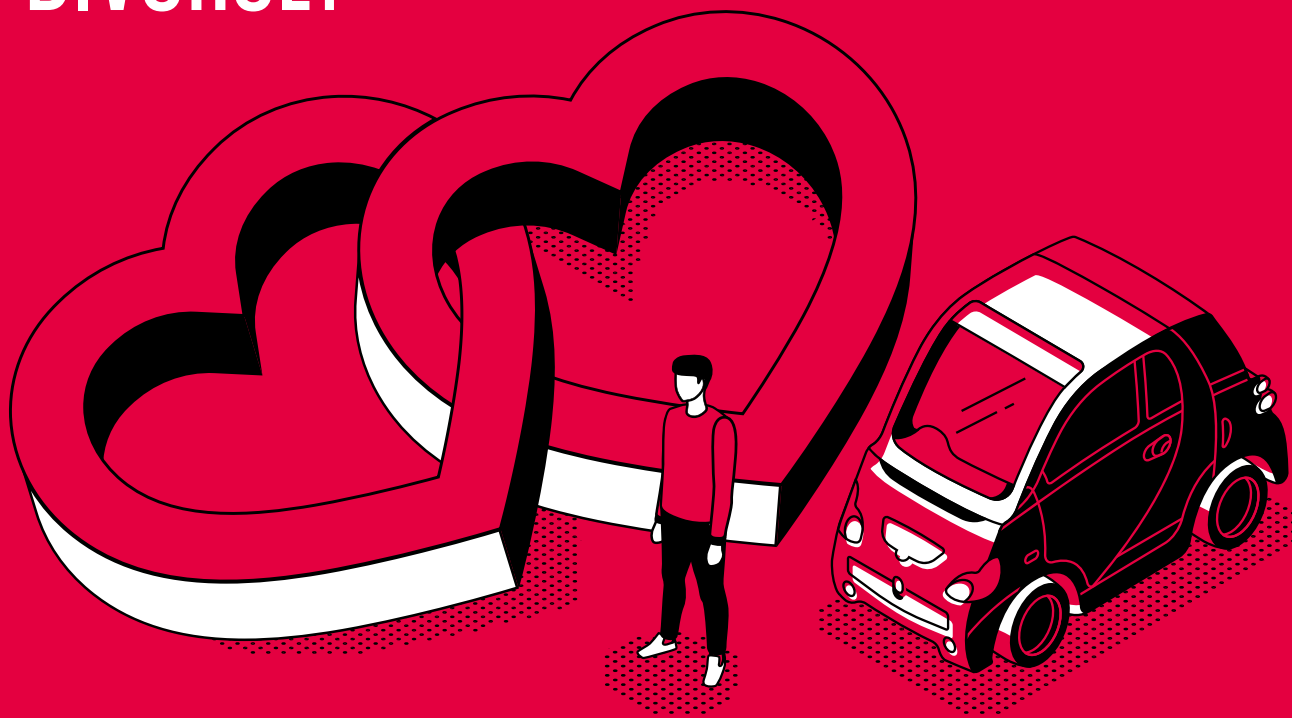


AUTO ²⁰²¹

CARS: AN IMPOSSIBLE DIVORCE?



| An international survey
| conducted in 15 countries

OBSERVATOIRE
Cetelem

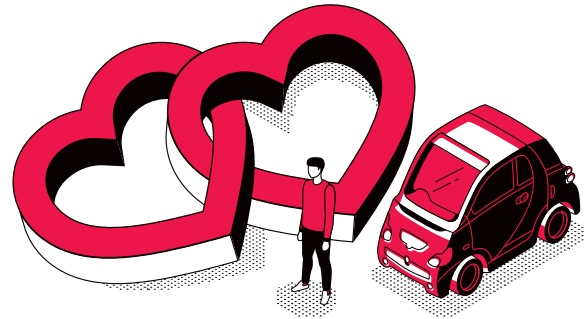
BNP PARIBAS
PERSONAL FINANCE

EDITORIAL

In 2017, L'Observatoire Cetelem published *"I love my car"*, which reflected the successful marriage between consumers and automakers. But some claim that love only lasts three years. It is hard to deny, after a tough few years and a major public health crisis, that a more apt title would now be *"I hate my car"*, if judgement were based solely on appearances and if one focused solely on the evidence that blots a once idyllic copybook. So, the marriage may have been blissful, but will it end in divorce? The answer is neither simple nor clear.

This 2021 edition of L'Observatoire Cetelem points to a desperate situation for the automotive industry. From an economic perspective, the sector has been hit particularly hard by the health crisis and its social implications. The status enjoyed by cars, not least in cities, is being called into question more than ever before. They once stoked passions on a vast scale, but those days seem long gone and today cars are viewed with greater pragmatism.

Yet, what this Observatoire Cetelem also shows is that cars are as indispensable as they are irreplaceable. They are associated with a whole host of issues relating to economic concerns, their use and the freedom they provide, which have only intensified during the course of the health crisis.



So is divorce on the cards? No, not quite yet. Various rays of hope have postponed its demise far into the future and possibly forever. Buying differently, locally, under electric power, all the while actively supported by governments. That is the shape of a hopeful new dawn.

The love story that has burgeoned between motorists and cars is like any other. We know when it begins, but not when it will end.

Happy reading to all!

Flavien Neuvy
Head of L'Observatoire Cetelem

PARTNERS & METHODOLOGY



All economic and marketing analyses, as well as forecasts, were performed in conjunction with the survey and consulting firm **C-Ways**, a specialist in Anticipation Marketing.

Quantitative consumer interviews were conducted by **Harris Interactive on 2-11 September 2020 in 15 countries:** South Africa, Germany, Belgium, Brazil, China, Spain, United States, France, Italy, Japan, Netherlands, Poland, Portugal, United Kingdom and Turkey. In total, 10,000 individuals were interviewed online (CAWI method). These individuals, aged 18 to 65, were drawn from national samples representative of each country. The quota method was employed to ensure that the sample was representative (gender and age). 3,000 interviews were conducted in France and 500 in each of the other countries.

Co-written by: Luc Charbonnier and C-Ways
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 Design: © Altavia Cosmic
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1

THE AUTOMOTIVE INDUSTRY: IN THE EYE OF EVERY STORM

Having long been the symbol of economic development, social progress and success in general, cars have gradually become something of a black sheep. As black as the emissions they are accused of scattering around our cities, at a time when development cannot be other than sustainable and eco-friendly. And as if that were not enough, 2020 arrived. An equally black year that saw the market collapse. A year that highlighted the turbulence that buffets the automotive industry from all sides and which has now rocked it to its foundations.

A SECTOR RENDERED ECONOMICALLY VULNERABLE

THE GLOBAL MARKET HAS BEEN HUGELY AFFECTED BY COVID

In 2019, the automotive world had allowed itself to be a little more upbeat. It was a relatively successful year and the next few months looked promising. But on 17 November 2019, everything changed. In Wuhan, China, the SARS-Cov-2 coronavirus was discovered.

A few weeks later, the upbeat mood was gone.

While the economic impact of the pandemic has been all enveloping, profoundly affecting all economic sectors with very few exceptions, the automotive industry was one of the first to be severely impacted. As early as February, sales in China were wiped out almost entirely. The spread of the virus soon triggered a similar collapse across the world.

Two countries went on to emerge from this slump. China saw its market bounce back in April and gradually stabilise. Turkey also witnessed a spectacular increase in sales, due primarily to the Turkish lira's dramatic devaluation in 2019, which had led to a spectacular contraction of the market. If we look at the countries covered by this Observatoire, Japan comes out "on top", while Spain and the United Kingdom have seen the biggest declines.

The pandemic is affecting not only sales, but also production. Assembly line stoppages, varying proportions of personnel off sick with the virus... the consequences for the industrial base have been severe, with sharp falls in output in some countries, Germany and Spain in particular. This has had a direct impact on employment.

Fig. 1 / Context

Comparison of car sales in 2019 and 2020

Sources: OICA (up until August 2020) / ACEA and national federations (September 2020). 2020 forecasts: C-Ways.
(*) Passenger and light commercial vehicle sales over the first 9 months of the year.

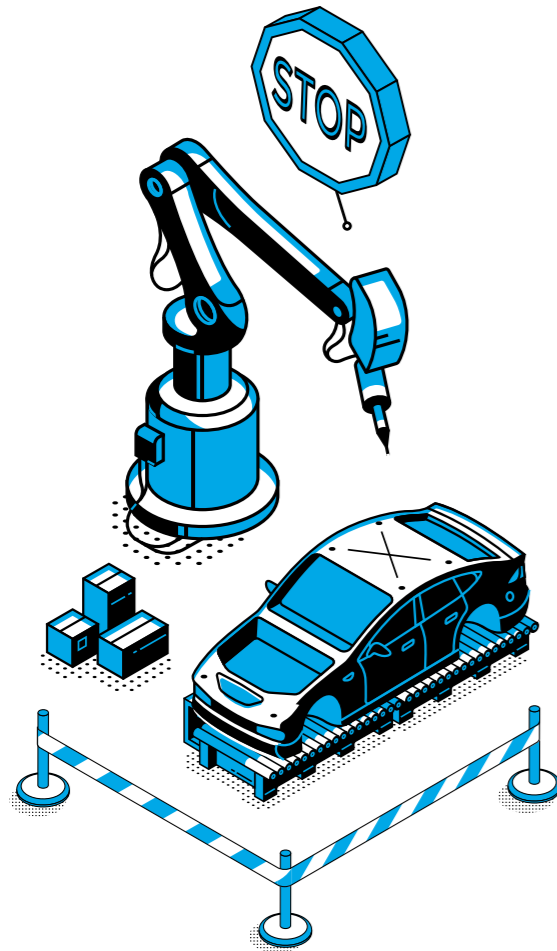
		9-month sales 2019 (*)	Difference	Sales 2019	Difference vs. forecast
		9-month sales 2020 (*)		Forecasts 2020	
South Africa		377,931 249,093	-34% ↓	536,611 358,654	-33% ↓
Germany		2,969,985 2,228,612	-25% ↓	4,017,059 3,133,306	-22% ↓
Belgium		494,590 375,265	-24% ↓	644,041 498,202	-23% ↓
Brazil		1,940,170 1,301,659	-33% ↓	2,787,850 1,925,927	-31% ↓
China		16,935,008 15,295,003	-10% ↓	25,768,677 23,449,496	-9% ↓
Spain		1,131,801 706,591	-38% ↓	1,501,260 963,172	-36% ↓
United States		12,823,701 10,318,830	-20% ↓	17,480,004 14,333,603	-18% ↓
France		1,997,567 1,449,675	-27% ↓	2,755,696 2,000,000	-27% ↓
Italy		1,602,483 1,071,183	-33% ↓	2,131,916 1,425,084	-33% ↓
Japan		3,991,776 3,271,879	-18% ↓	5,195,216 4,363,981	-16% ↓
Netherlands		391,778 295,415	-25% ↓	538,742 416,199	-23% ↓
Poland		457,521 335,343	-27% ↓	656,265 489,944	-25% ↓
Portugal		200,179 124,281	-38% ↓	271,817 184,836	-32% ↓
United Kingdom		2,148,887 1,451,736	-32% ↓	2,676,918 1,872,730	-30% ↓
Turkey		281,309 493,621	75% ↑	491,909 688,673	40% ↑
Europe		11,394,791 8,038,101	-29% ↓	15,193,714 10,983,472	-28% ↓
World		47,744,686 38,968,186	-18% ↓	67,453,981 56,103,807	-17% ↓

CHINA: THE SHIP IS DAMAGED BUT STILL AFLOAT

As the first country affected by COVID-19, China was also the first to see its automotive market suffer the consequences. Sales fell 20% in January and plummeted by 81% in February. They then stabilised and started to bounce back in April. China was also the first country to bring the pandemic under control, with monthly sales growth subsequently fluctuating between -3% and +9% compared with 2019 (source: CAAM).

THE CRISIS THREATENS A HUGE NUMBER OF JOBS

In April 2020, at least 1.1 million people worked in the automotive sector in Europe. This figure is non-exhaustive and only includes individuals directly employed by car, truck, van and bus manufacturers. The impact on the wider automotive supply chain has been even more acute.



1.1 MILLION JOBS AFFECTED IN EUROPE

Fig. 2 / Context

Automotive jobs affected by the COVID-19 crisis in each European country (April 2020 statistics)

Source: ACEA

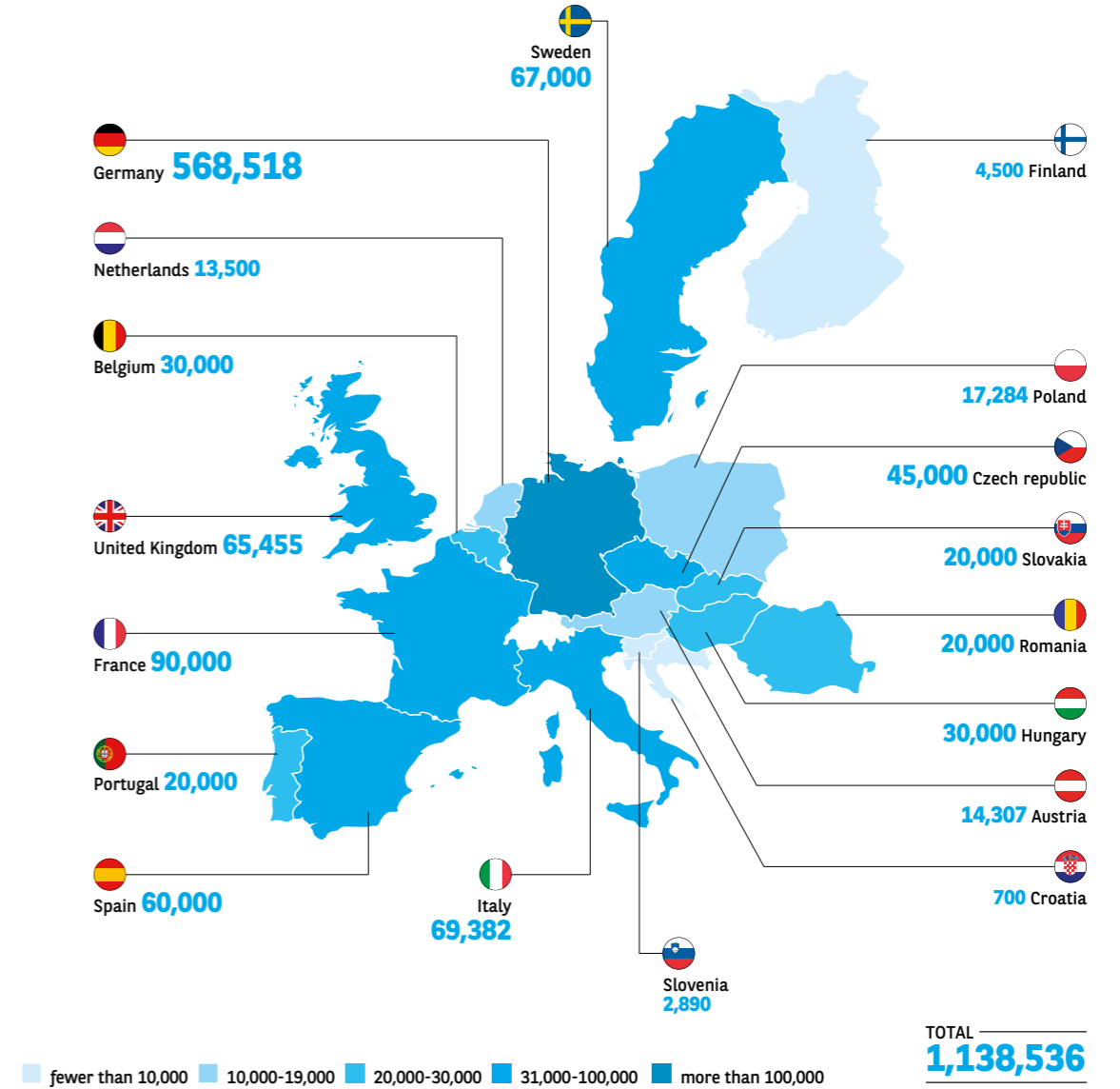


Fig. 3

Do you plan to buy a car in the next 12 months?

Select one answer only. Proportion of "Yes" answers.
Source: L'Observatoire Cetelem de L'Automobile.

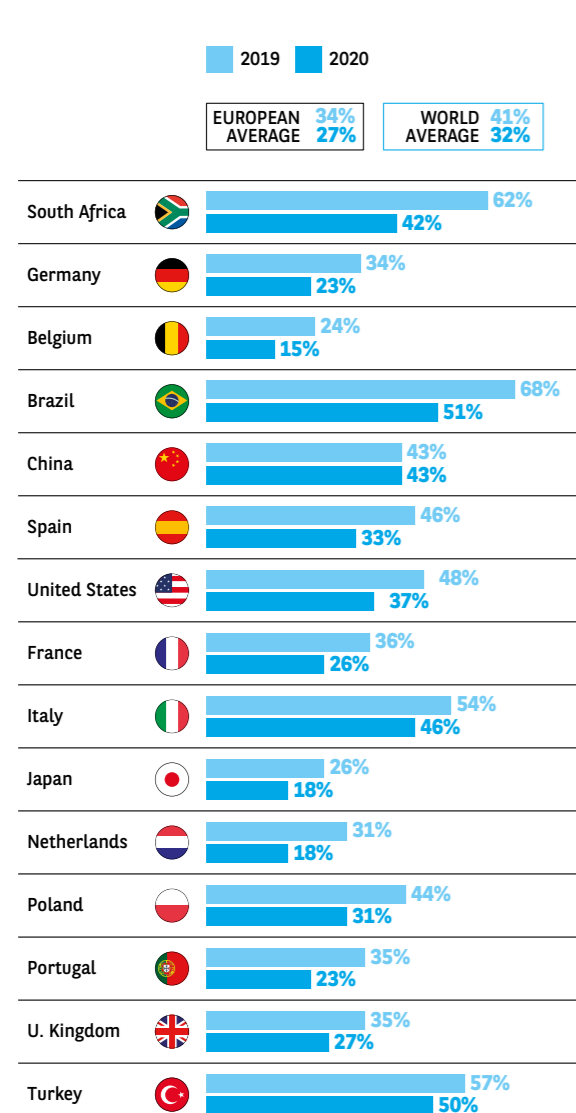
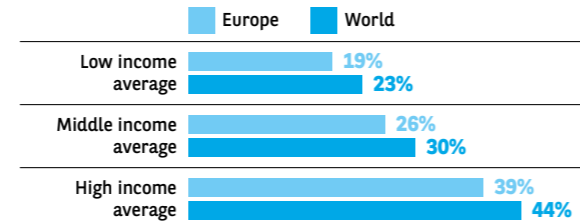


Fig. 4

Do you plan to buy a car in the next 12 months?

Select one answer only. Proportion of "Yes" answers.
Source: L'Observatoire Cetelem de L'Automobile.



PURCHASING INTENTIONS HAVE SUFFERED

Production output and sales both fell in 2020, while purchasing intentions for the next 12 months do not inspire great optimism. It should be stressed from the outset that the survey was carried out in September, before the second wave of the pandemic, which has affected all participating countries. But even at this juncture it pointed to purchasing intentions that had contracted significantly compared with 2019. Whereas 41% of those surveyed a year ago were planning to buy a vehicle in the next 12 months, only 32% (27% of Europeans) now intend to do so (Fig. 3). The emerging economies, as well as China, Italy and the United States, offset this negative trend somewhat with their greater keenness to make a purchase. Nonetheless, with the exception of China, which, as we have highlighted, was the first to experience something of a recovery, purchasing intentions are down significantly across the board. A breakdown based on income points to the fact that wealthier households are more likely than average to want to buy a new vehicle (Fig. 4).

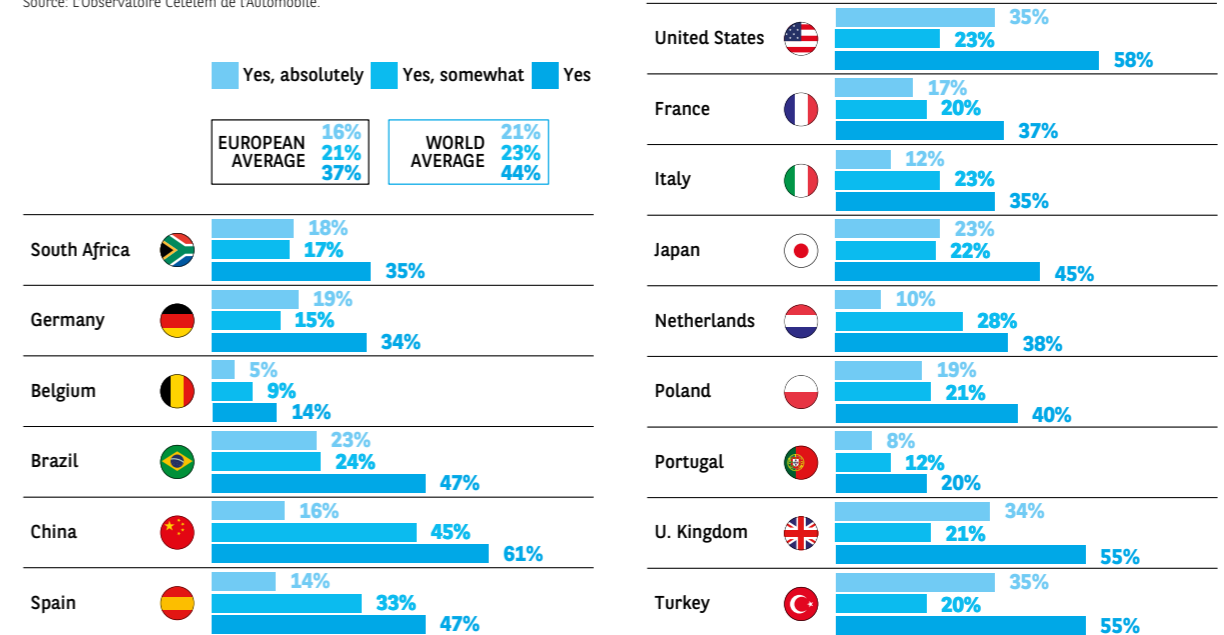
THE RELATIVE IMPACT OF THE HEALTH CRISIS

The pandemic has had a real yet moderate impact on these purchasing intentions. This is borne out by the responses of just over a third of those surveyed. However, there are significant disparities between, on the one hand, China, the United States, Turkey and the United Kingdom, where more than 1 in 2 respondents state that they have been influenced by COVID-19, and, on the other, Portugal and Belgium, where the figure is 1 in 5, at the very most (Fig. 5).

Fig. 5

Has your intention to buy a car been prompted by the COVID-19 crisis?

Select one answer only. Proportion of "Yes" answers. Answers of respondents who are planning to buy a car in the next 12 months.
Source: L'Observatoire Cetelem de L'Automobile.



SPENDING BUDGETS HAVE BEEN DOWNSIZED

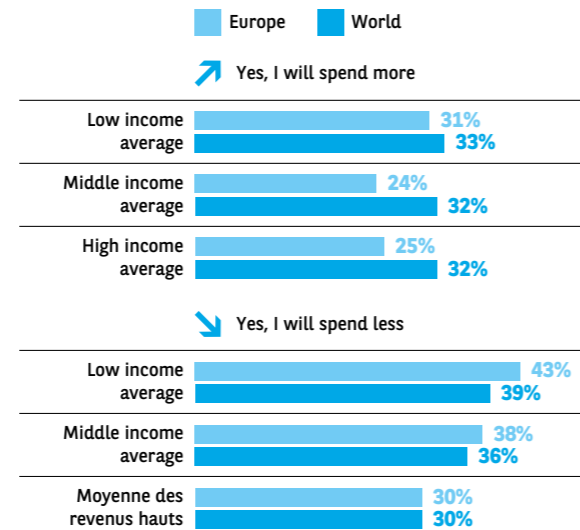
Similarly, the impact of the virus on the budget consumers plan to set aside for a future vehicle purchase highlights two contrasting groups of countries, but overall there are as many motorists who want to spend more as there are who want to spend less (35% in both cases) (Fig. 6). Those most willing to part with their money are the emerging nations, but also the United States, the UK and Japan. Meanwhile, a significant proportion of Turks intend to increase their budget (62%), in line with the mass spending that took place in 2019. Conversely, vehicle acquisition budgets have fallen most significantly in the Latin countries, with nearly 1 in 2 Italians planning to cut the amount they spend.

In almost every country, those on the lowest incomes state their intention to spend less (Fig. 7). It is worth noting that in three countries, virtually equal numbers of respondents intend to increase and reduce their budget: Germany, South Africa and Brazil.

Fig. 7

Do you think that the health crisis and its economic consequences will have an impact on how much you spend on your next car?
 Select one answer only. Proportion who answered "Yes, it will have an impact". Answers of respondents who are planning to buy a car in the next 12 months.

Source: L'Observatoire Cetelem de L'Automobile.



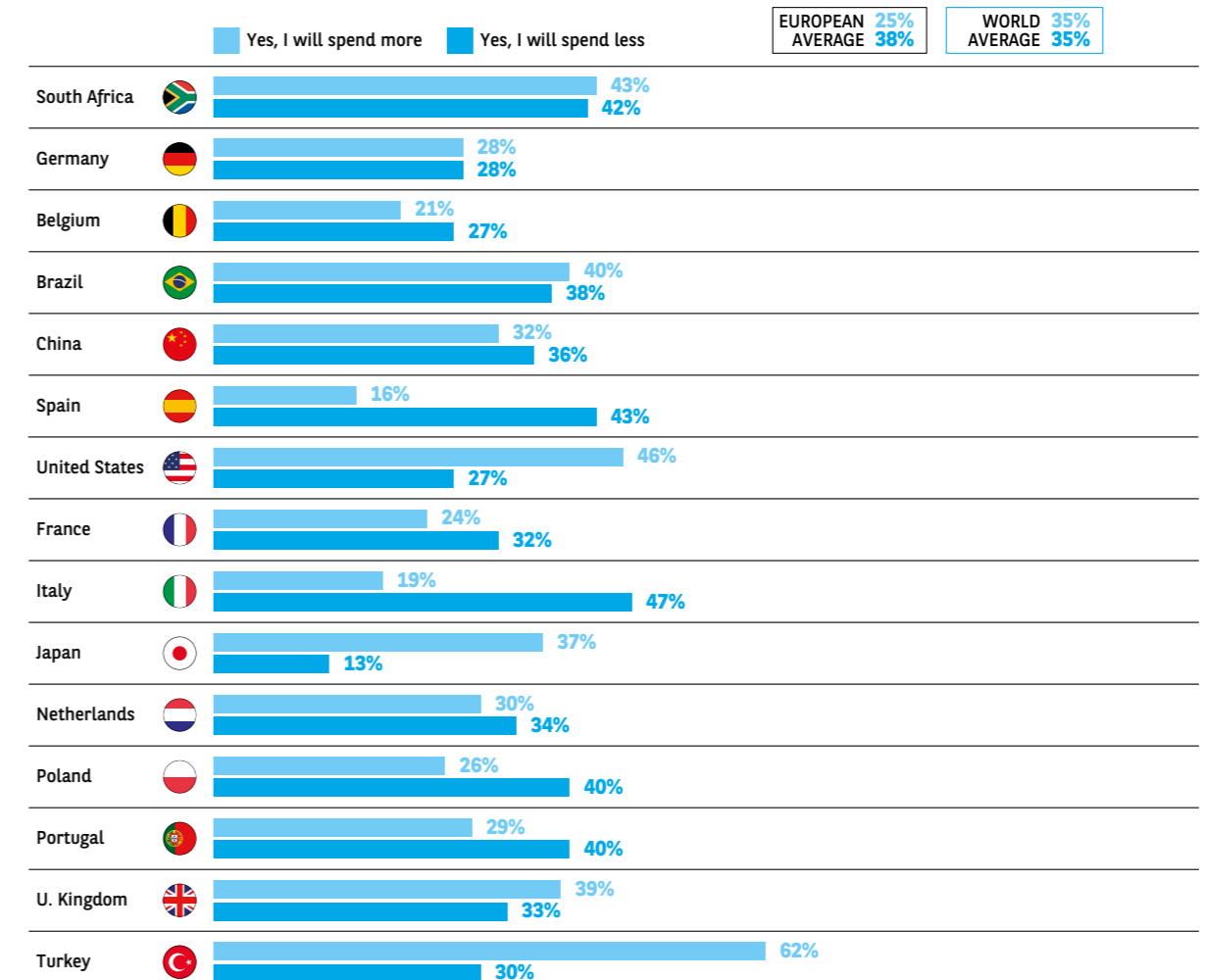
2 IN 3
 PEOPLE EXPECT THE CRISIS
 TO AFFECT THEIR VEHICLE BUDGET

Fig. 6

Do you think that the health crisis and its economic consequences will have an impact on how much you spend on your next car?

Select one answer only. Proportion who answered "Yes, it will have an impact". Answers of respondents who are planning to buy a car in the next 12 months.

Source: L'Observatoire Cetelem de L'Automobile.



GOVERNMENT SUPPORT IS DEEMED INSUFFICIENT

In this unsteady economic climate, which has seen sales drop off, jobs cut and purchasing intentions fall, the finger is being pointed firmly in the direction of an actor that is deemed not to have done enough: the government.

GOVERNMENTS ARE NOT PLAYING THEIR PART TO THE FULL

6 out of 10 people believe that governments are not playing their part in supporting the automotive sector. And this opinion is almost unanimous, given that less than half of those surveyed agree with this statement in only three countries: Japan (34%), the United States (45%) and Germany (49%) (Fig. 8). Interestingly, these are the three countries that are home to the world's largest automakers.

In the emerging countries and the Iberian Peninsula, criticism regarding the lack of state intervention to support the automotive sector is particularly fierce, as exemplified most starkly by the 8 out of 10 Brazilians and Spaniards who express this view.

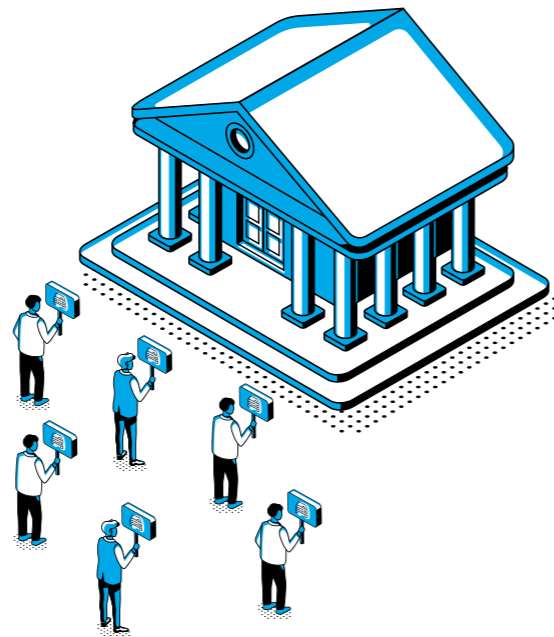
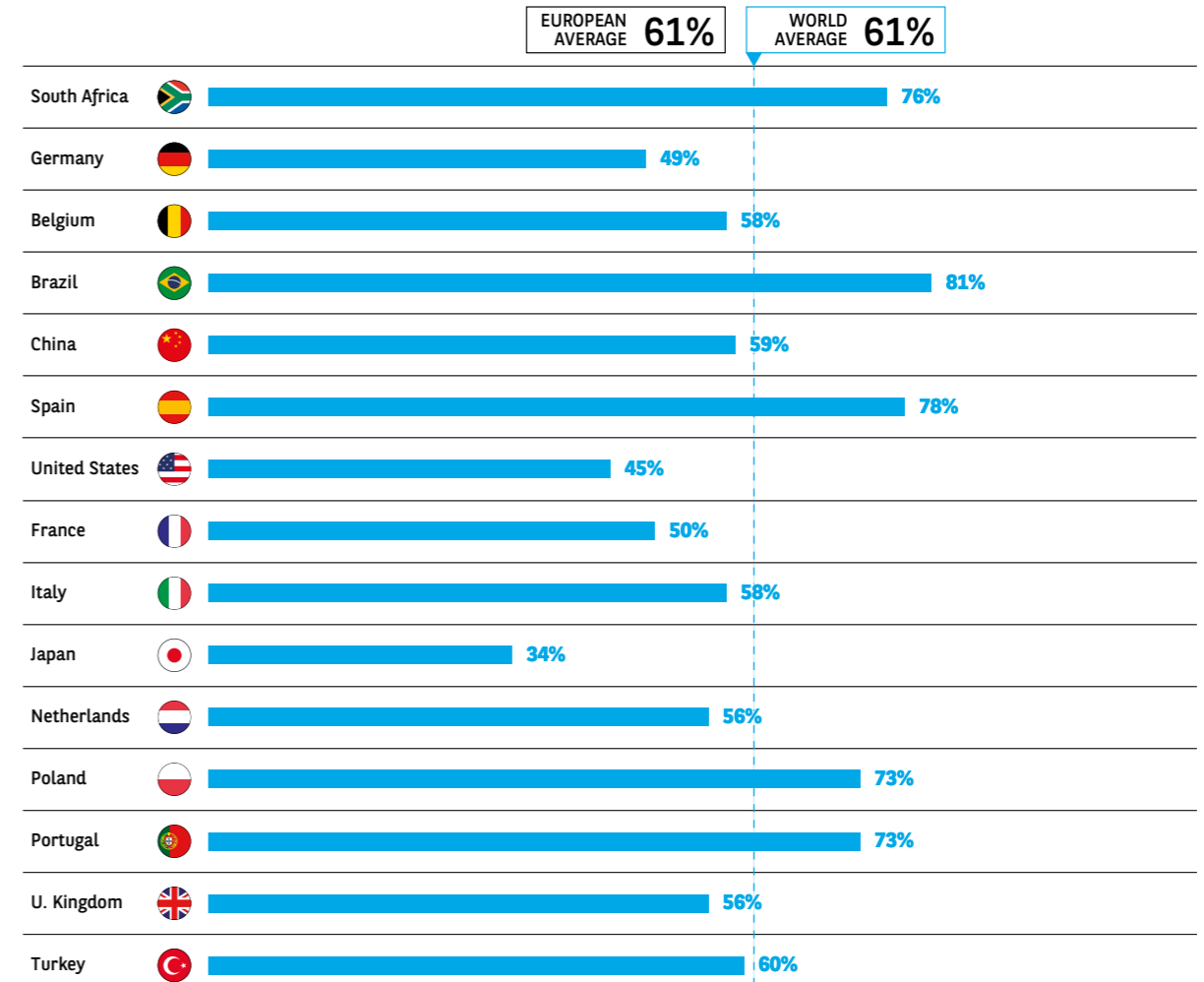


Fig. 8

Do you believe that government efforts to support the automotive industry and trade are...

Select one answer only. Proportion who answered "Insufficient".

Source: L'Observatoire Cetelem de L'Automobile.



VARYING AWARENESS OF SUPPORT PLANS

However, this criticism of governments is largely a matter of opinion that mainly reflects concern about the future of the sector and those it employs, rather than being based on hard evidence. Because when individuals are asked whether their government has launched a plan to support the industry, there is considerable uncertainty. On average, almost

50% of those surveyed do not know if this is the case (Fig. 10). Reassuringly, in France, China and Italy, where such plans have been implemented, the authorities seem to have done a good job of publicising the fact, with 1 in 2 people being aware of these measures. However, that is not the case in Germany and Spain, two countries in which the government has also actively supported the sector.

Fig. 9 / Context

Spotlight on a few of the support plans implemented

Sources: (1) Economie.gouv.fr, (2) Wallbox.com, (3) Autobild, (4) RFI, (5) Reuters.






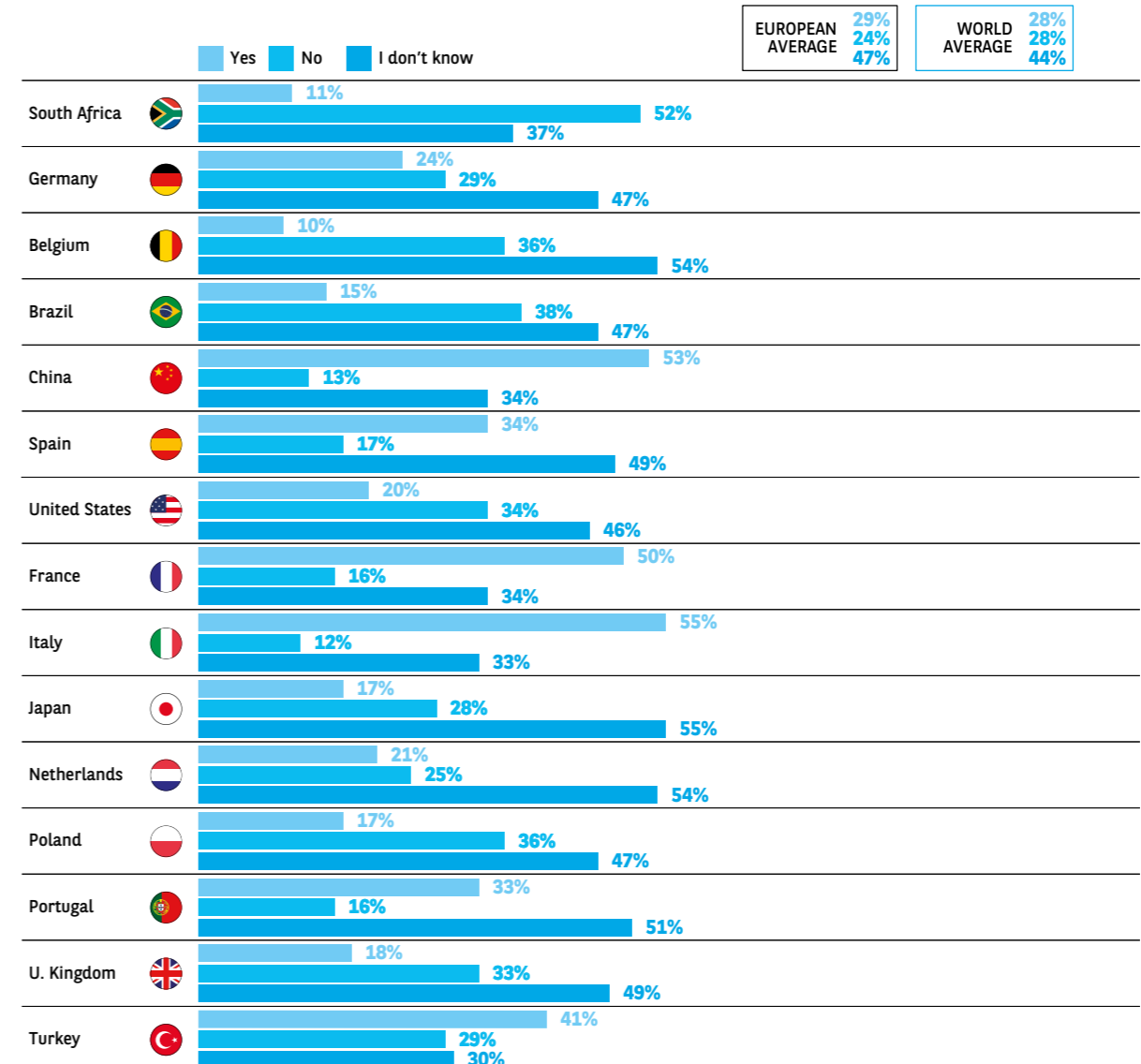
France ⁽¹⁾		€1 billion invested to support the modernisation of production lines and the ecological transformation of the automotive industry.
Germany ⁽²⁾		An increase in the bonuses granted to those who purchase electric vehicles (+50%, up to 9,000 euros).
Spain ⁽³⁾		An increase in the bonuses granted to those who purchase electric vehicles (up to 5,500 euros). Backing provided to the industry through loans to support R&D and investment in plant modernisations.
Italy ⁽⁴⁾		€6.3 billion loan provided to Fiat-Chrysler to support the sector, subject to its operations being located in Italy, with penalties applied for non-compliance with this requirement.
China ⁽⁵⁾		Subsidies for electric vehicles extended for two years to support the market.

Fig. 10

To your knowledge, has your government launched a plan to support the automotive industry?

Select one answer only.

Source: L'Observatoire Cetelem de L'Automobile.



SUSTAINED ENVIRONMENTAL PRESSURE



WHEN IT COMES TO THE ENVIRONMENT, LEGITIMATE CONCERNS ARE RAISED ABOUT THE AUTO INDUSTRY...

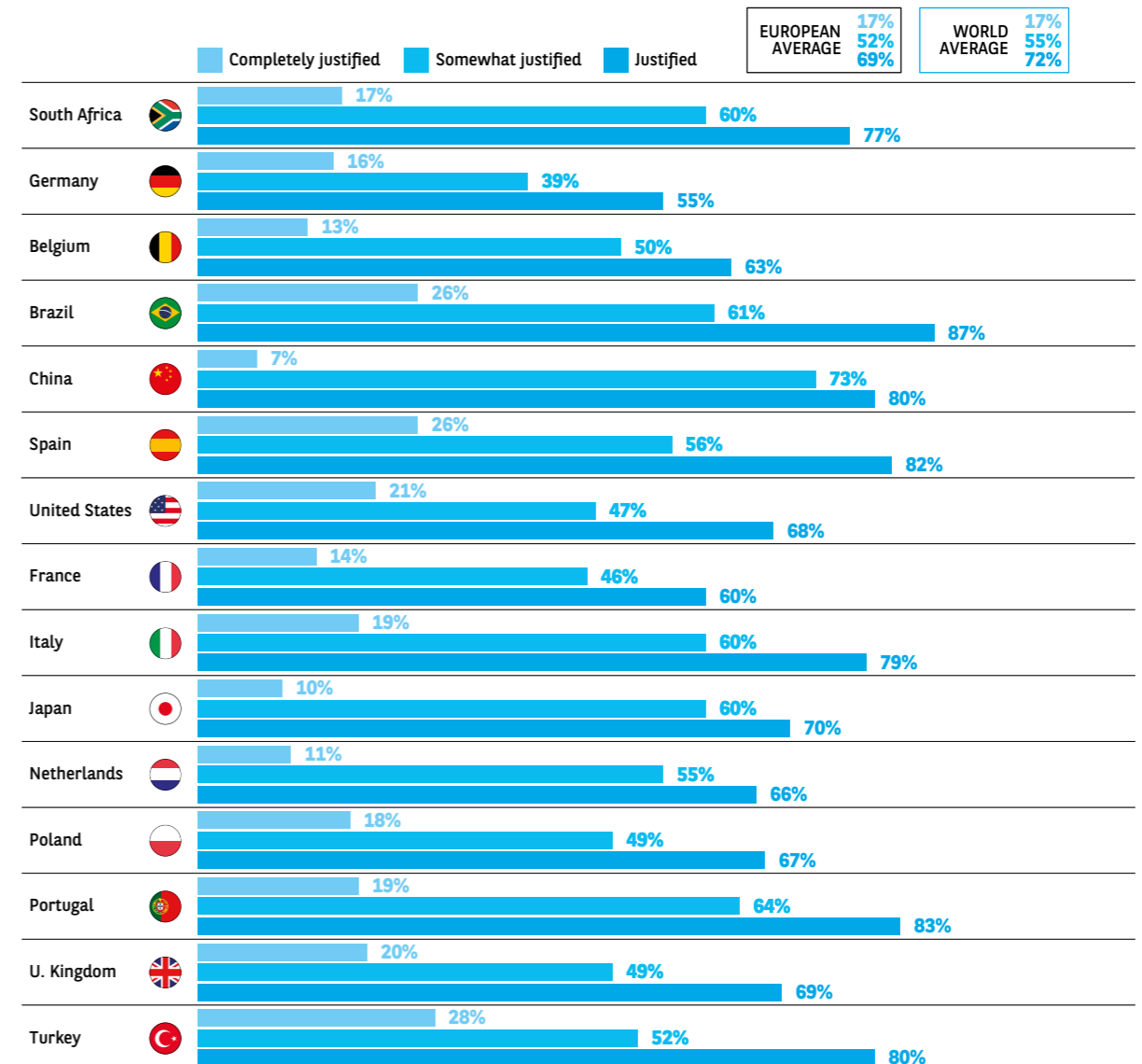
The view seems to be that the automotive sector is not receiving the economic support it deserves. But would it be sensible to do so, given that those surveyed believe that the industry does not take sufficient environmental responsibility? Indeed, there is a clear consensus on this matter. 72% (69% in Europe) feel that criticism of the auto industry for environmental failings is justified (Fig. 11). The figure exceeds 50% in every country. The emerging nations and those on the Iberian Peninsula are the most vehement, with 87% of Brazilians and 83% of Portuguese deriding the sector for its lack of respect for the environment.

Fig. 11

Would you say that the criticisms levelled at cars are justified?

Select one answer only. Proportion who answered "Are justified".

Source: L'Observatoire Cetelem de L'Automobile.



Even in the United States, whose politics in recent years has cultivated a degree of climate scepticism, 68% condemn the environmental harm caused by vehicles.

One has to look to Belgium, France and Germany (63%, 60% and 55%) to find the least critical respondents. These are three countries in which the most recent elections were considered a great success for Green parties. A paradox? No, this simply reflects a greater maturity of judgement. Criticism in this area is now a firmly established part of public opinion that is quickly becoming the norm. In addition, contradictory arguments have brought out opposing viewpoints that temper such condemnation.

... BUT MORE THAN OTHER SECTORS

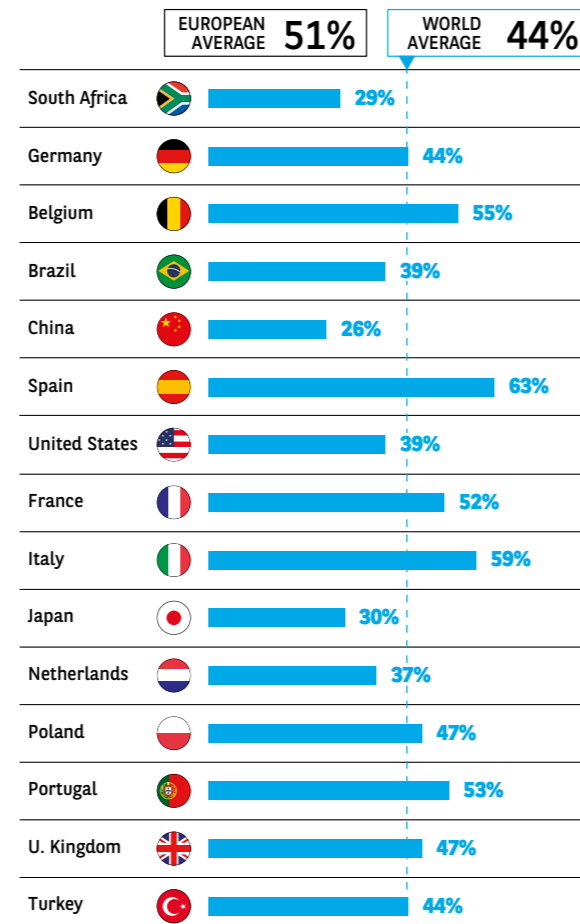
However, 1 in 2 people in Europe (44% worldwide) (Fig. 12) believe that motor vehicles receive more criticism in this respect than sectors such as construction, agriculture and other forms of transport. Inhabitants of European Union countries, who are probably more mature and better informed when it comes to environmental issues, are more likely to be of this opinion (63% in Spain, 59% in Italy). At the opposite end of the spectrum, the Chinese are quicker to blame urban pollution on cars than on industry, with only a small proportion sharing the view that the auto industry is unfairly criticised (26%).

Fig. 12

Do you believe that the automotive industry receives more or less criticism for its environmental impact than other sectors (agriculture, construction, energy, textiles, etc.)?

Select one answer only. Proportion who answered "more criticism".

Source: L'Observatoire Cetelem de L'Automobile.



POLLUTING VEHICLES SHOULD BE HEAVILY TAXED

Viewed against the backdrop of a major health crisis, penalising drivers of the least eco-friendly vehicles seems to be an uncontroversial idea. Of all the measures put forward, setting a CO₂ emissions limit is the most popular (80%) (Fig. 13). The Chinese, whose country is the most severely affected by pollution, are the most likely to favour such a regulation (88%), followed closely by the Turks (87%), whose capital city is a vast and continuous traffic jam. Meanwhile, American citizens are the least enthusiastic about the idea (67%).

Two additional measures are also viewed favourably. One relates to vehicle power output, the other to the wallets of potential buyers. 62% globally (63% in Europe) would like to see vehicle power limited. Once again, the Chinese and Turks are very much in favour of this measure (76% and 69%), as are the French (69%). The three populations that are the least convinced of its validity are the South Africans, the Americans and the Dutch (54%, 53% and 52%). As regards the imposition of financial penalties, the Chinese and Turks are again the most enthusiastic (79% and 68%).

Two final measures are popular among more than half of those surveyed. Restricting production of the least environmentally-friendly vehicles (59%). Prohibiting these same vehicles from entering cities (55%). Once again, the Chinese and Turks head the

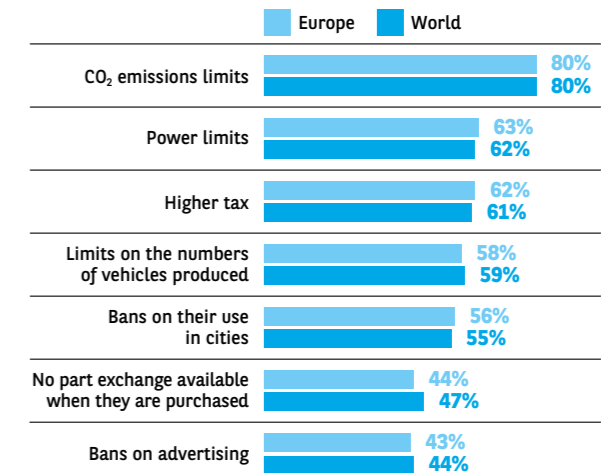
field of those who support these solutions. It should be noted that France ranks third on every measure put forward.

Fig. 13

Do you believe that the least environmentally friendly vehicles (4x4s, SUVs, large saloons, sports cars, etc.) should be subject to the following restrictions?

Select one answer per statement. Proportion of "Yes" answers.

Source: L'Observatoire Cetelem de L'Automobile.



AN IMAGE TINGED WITH CAUTION

In L'Observatoire Cetelem 2017, entitled *"I love my car"*, 9 out of 10 respondents stated that they had a positive or very positive image of cars. Four years later, putting aside this declaration of intention, the image people have of cars and, by extension, their role in our world, appears to be in question.

THE SENSIBLE EQUAL THE ENTHUSIASTIC IN NUMBER: CARS ARE NOT THE STUFF OF DREAMS THEY ONCE WERE

Although 1 in 2 people say they are interested in cars, this interest is more likely to be driven by reason than passion. Only a quarter of those surveyed say that they really love cars and motoring (Fig. 14). These enthusiasts are most likely to be found in Turkey, South Africa and Brazil (43%, 40% and 48%), countries conquered by motor

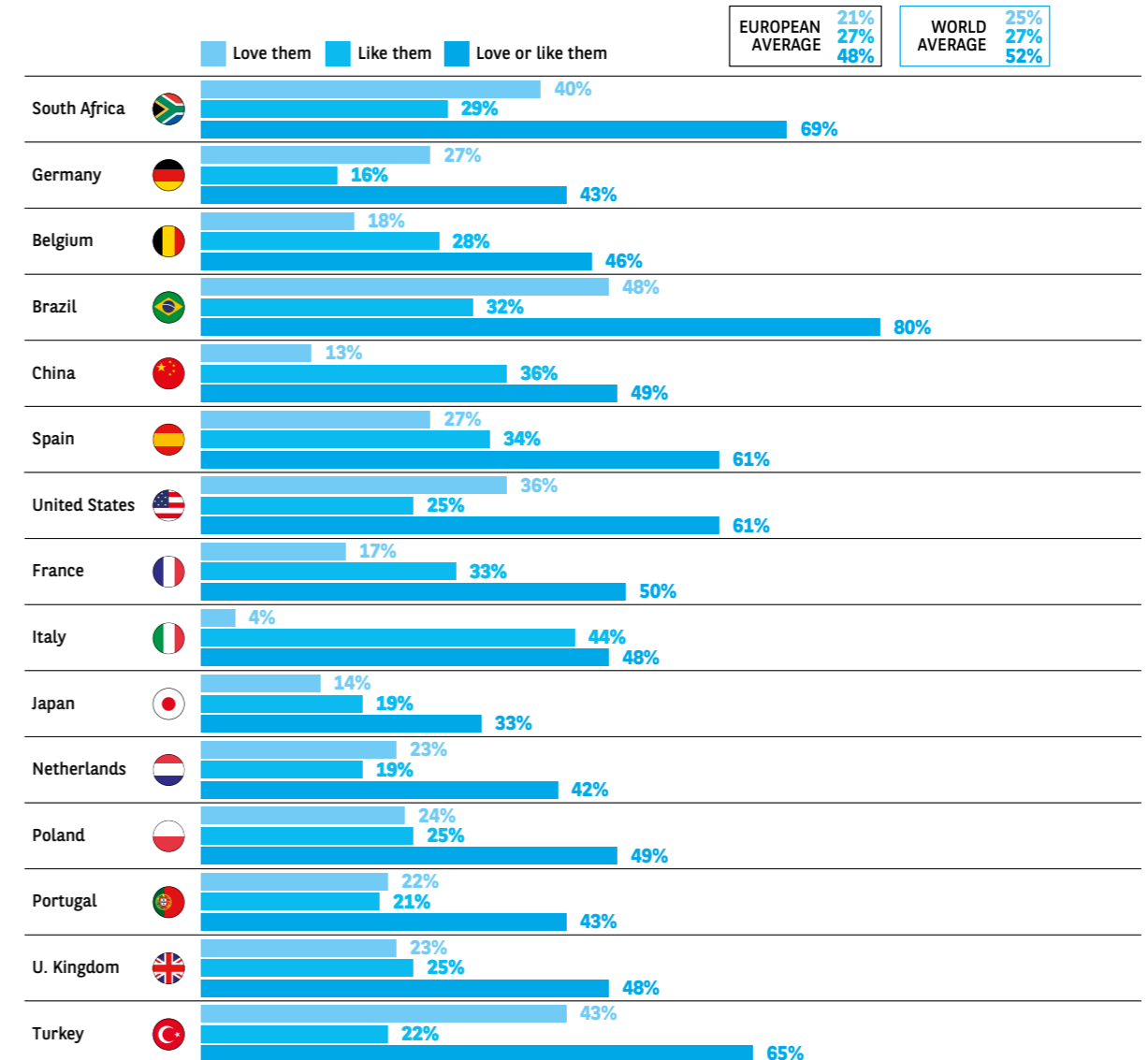
vehicles relatively recently, but also in the United States, where the car is king (36%). Conversely, in China and Italy passions do not run as high. With only 4% declaring that they love cars, the Italians dispel the stereotype that they are passionate about beautiful mechanical creations. We should also underline that, overall, such passion has a price or, rather, is contingent on a high income. The most affluent households are almost twice as likely to describe themselves as car lovers than those with the lowest incomes (32% vs. 19%).

Fig. 14

When it comes to cars, would you say that you...

Select one answer only. Proportion of people who are interested in cars.

Source: L'Observatoire Cetelem de L'Automobile.



AN ENDURING ATTACHMENT

While cars may fuel fewer dreams today, our attachment to them is still relatively strong. This attachment has remained constant over time. In L'Observatoire Cetelem 2017 (*"I love my car"*), the average attachment score respondents assigned to cars was 6.7. Four years later, it is practically identical: 6.6 worldwide and 6.7 in Europe, with those in Latin countries being the fondest of their vehicles (Fig. 15). However, cars are no longer people's "favourite", as they were in the past. They are invariably surpassed by mobile phones, an inescapable, indispensable and unparalleled product in the modern world (8.1 worldwide, 8.2 in Europe). The income factor reveals a very clear disparity between the wealthy, who are very attached to their cars (7.4), and lower income individuals, whose attachment is weaker (5.9). The monetary and use value of a vehicle go some way to explaining this difference.



Fig. 15

How attached are you to the following items?

Select one answer per statement. Score between 1 (not at all attached) and 10 (very attached).

Source: L'Observatoire Cetelem de L'Automobile.

		Your mobile phone	Your car 2020	Your car 2017	Your home	Your laptop computer
South Africa		8.5	6.9	7.1	8.4	7.0
Germany		6.3	6.1	7.1	8.0	5.8
Belgium		7.3	6.7	6.7	8.4	6.8
Brazil		8.2	6.9	7.8	8.5	6.9
China		8.1	6.1	7.3	8.3	5.9
Spain		7.4	7.3	7.0	8.6	7.0
United States		7.7	6.8	6.2	7.5	6.1
France		7.0	6.6	6.7	7.9	6.6
Italy		7.5	7.3	6.6	8.4	7.1
Japan		6.2	5.8	6.6	7.1	5.1
Netherlands		7.2	6.5	-	8.2	6.5
Poland		8.0	6.9	6.9	8.6	7.3
Portugal		7.4	7.1	6.8	8.5	7.1
U. Kingdom		6.7	6.0	6.3	7.6	6.0
Turkey		7.8	6.6	7.0	8.1	6.7
Europe		7.2	6.7	-	8.2	6.7
World		7.4	6.6	-	8.1	6.5

A STATUS THAT IS VIEWED AS OVERBLOWN IN TODAY'S WORLD...

Are cars seeing their lustre fade? What is certain is that their relative status in an economic world that is shifting from the industrial to the digital is now seen as too high. More than 1 in 2 people are of this view, but the disparities are considerable. In the emerging countries, where the automotive market has gained importance more recently, but also in Portugal and Japan, its status is viewed as overblown, with 8 out of 10 Turks also being of this opinion (Fig. 16). Meanwhile, in those countries whose relationship with the automobile is longer standing, this view is less prevalent (39%, 42% and 46% in the United Kingdom, Germany and France). In the Netherlands, a figure of 42% highlights a reluctance to heap scorn on cars, even though they often play second fiddle to bicycles in the country.

... BUT WHICH LOOKS TO BE FADING OVERALL

While there is a belief that too much importance is placed on cars, they are slowly fading from the landscape in the eyes of those surveyed. In particular, one-third believe that their presence in cities is falling and that more space is being freed up through a reduction in the number of lanes, parking spaces and car parks (Fig. 17). On this issue, those countries in which Green parties have the most influence, both nationally and locally, are the most forthright. 6 out of 10 French citizens and 1 in 2 Germans and Belgians bear witness to a gradual exodus of vehicles from cities. Conversely, just 1 in 10 Chinese share this feeling. The congestion caused by vehicles in the megacities of the Middle Kingdom does not seem set to ease any time soon.

1 IN 2

PEOPLE BELIEVE THAT CARS ARE GIVEN TOO MUCH IMPORTANCE IN TODAY'S WORLD

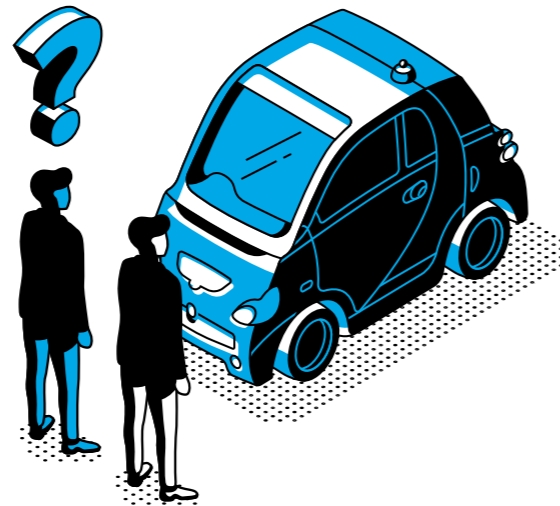


Fig. 16

Do you believe that too much or not enough importance is placed on cars in today's world?

Select one answer only. Proportion who answered "too much importance".

Source: L'Observatoire Cetelem de L'Automobile.

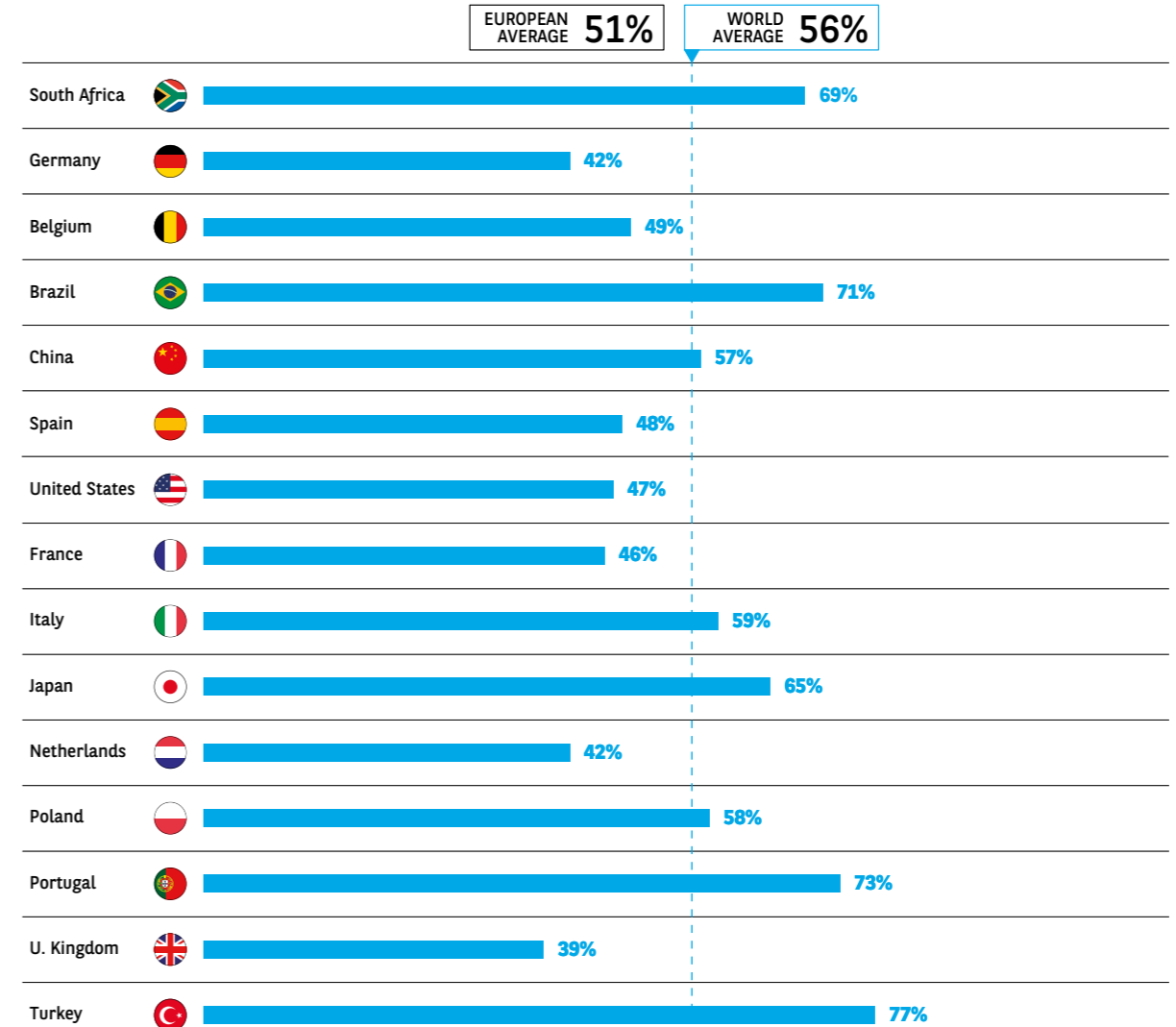
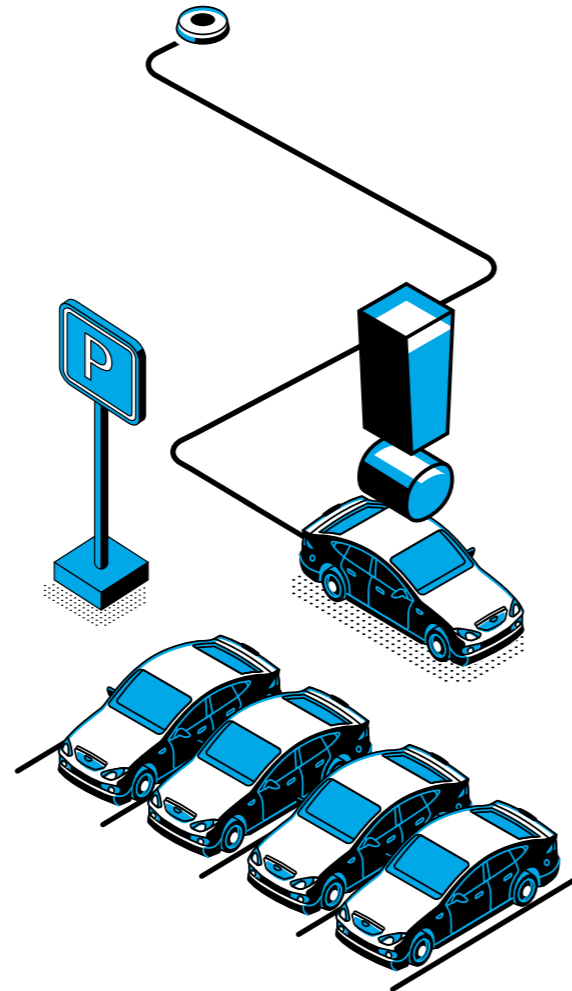
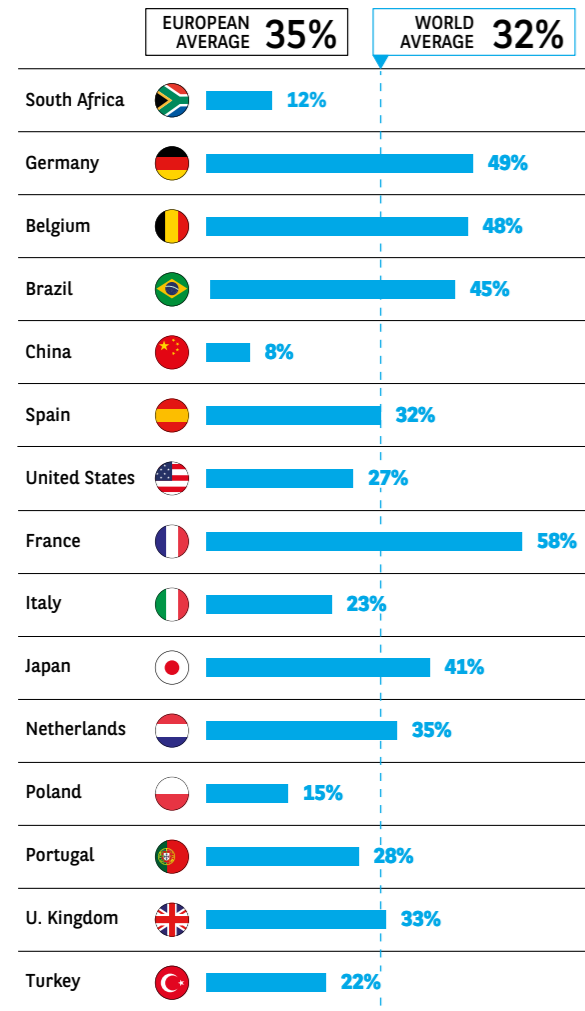


Fig. 17

Do you believe that the space given to cars in cities (lanes, parking spaces, car parks, etc.) is...

Select one answer only.
Proportion who answered "Being reduced".

Source: L'Observatoire Cetelem de L'Automobile.



GERMANY, BELGIUM AND FRANCE: THE GROWING POWER OF GREEN PARTIES

The most recent European elections, much like France's local elections, confirmed the rising popularity of Green parties and probably their long-term presence in the political landscape. This is particularly true in three countries of L'Observatoire Cetelem, which exhibit similar

views on environmental issues. Thus, Belgian ecologists saw their representation increase by 50% in the last election, while in France the number of representatives doubled. In the latter, a number of major cities (including Lyon, Bordeaux and Grenoble) are now run by the Greens. In Germany, they have held positions of responsibility for several years now.

Fig. 18 / Context

Number of Green seats in the European Parliament after the 2014 and 2019 elections

Source: European Parliament.

	Number of Green seats 2014	2019	Total number of seats	% of Green seats	Percentage change 2014-2019
Germany	13	26	96	14%	92% ↑
Belgium	2	3	21	10%	50% ↑
Spain	4	2	54	7%	-50% ↓
France	6	12	74	8%	100% ↑
Italy	0	0	73	0%	0% →
Netherlands	2	3	21	10%	50% ↑
Poland	0	0	51	0%	0% →
Portugal	0	1	21	5%	SO -
Total in the countries surveyed	27	46	411	7%	70% ↑
Total in the 28 EU countries	50	74	751	7%	48% ↑

A DESIRE FOR CARS TO HAVE THEIR STATUS LOWERED FURTHER

Today, the view that cars have too much of a presence comes with the assumption that this presence will fall in the future. 64% of those surveyed (68% in Europe) believe it is desirable or highly desirable for the presence of cars in cities to be reduced, although this does not point to complete intransigence on the matter (Fig. 19).

Those who state that it is "highly desirable" account for just 19% of the total and tend to be at the higher end of the income spectrum.

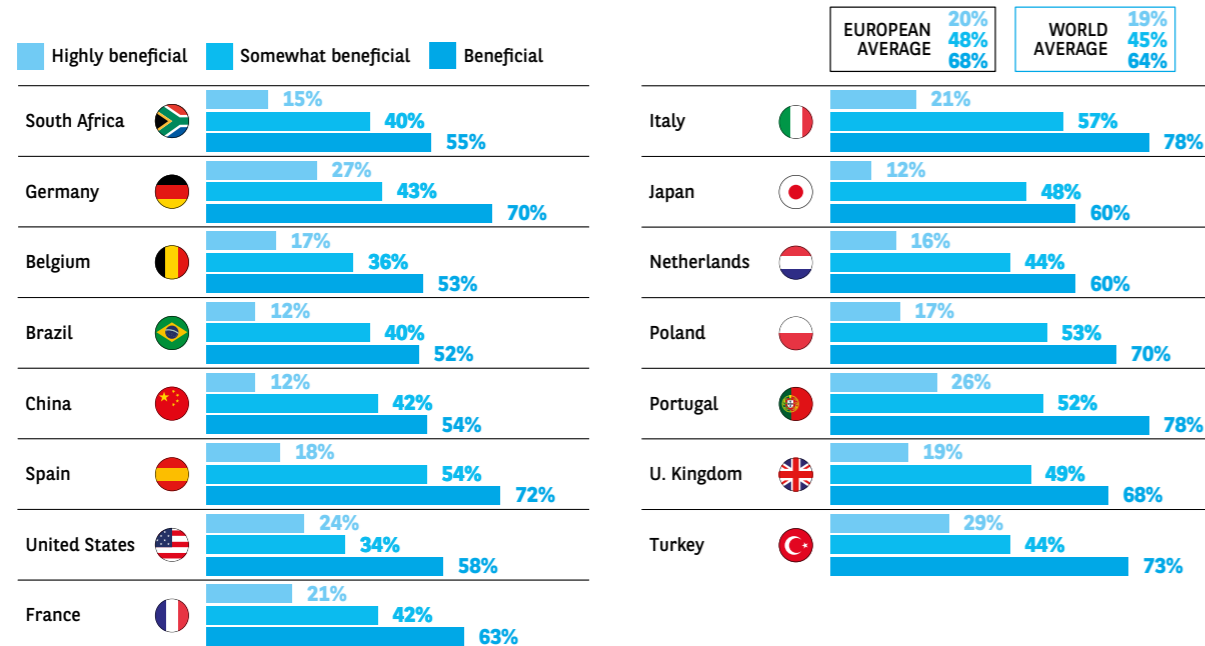
This desirability varies from country to country. While the Italians, Portuguese, Spanish and Turks are the most likely to hold this view, the Brazilians, South Africans, Belgians and Americans are more measured.

Fig. 19

Do you believe it would be beneficial to reduce the space given to cars in cities (lanes, parking spaces, car parks, etc.)?

Select one answer only. Proportion who answered "Beneficial".

Source: L'Observatoire Cetelem de l'Automobile.



KEY FIGURES

1 in 2 Europeans believe that the automotive industry is more heavily criticized for its environmental impact than other sectors.

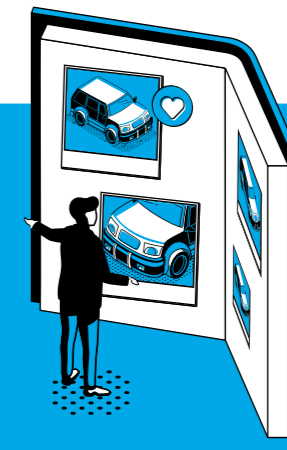
1 in 2 people say they are interested in cars.

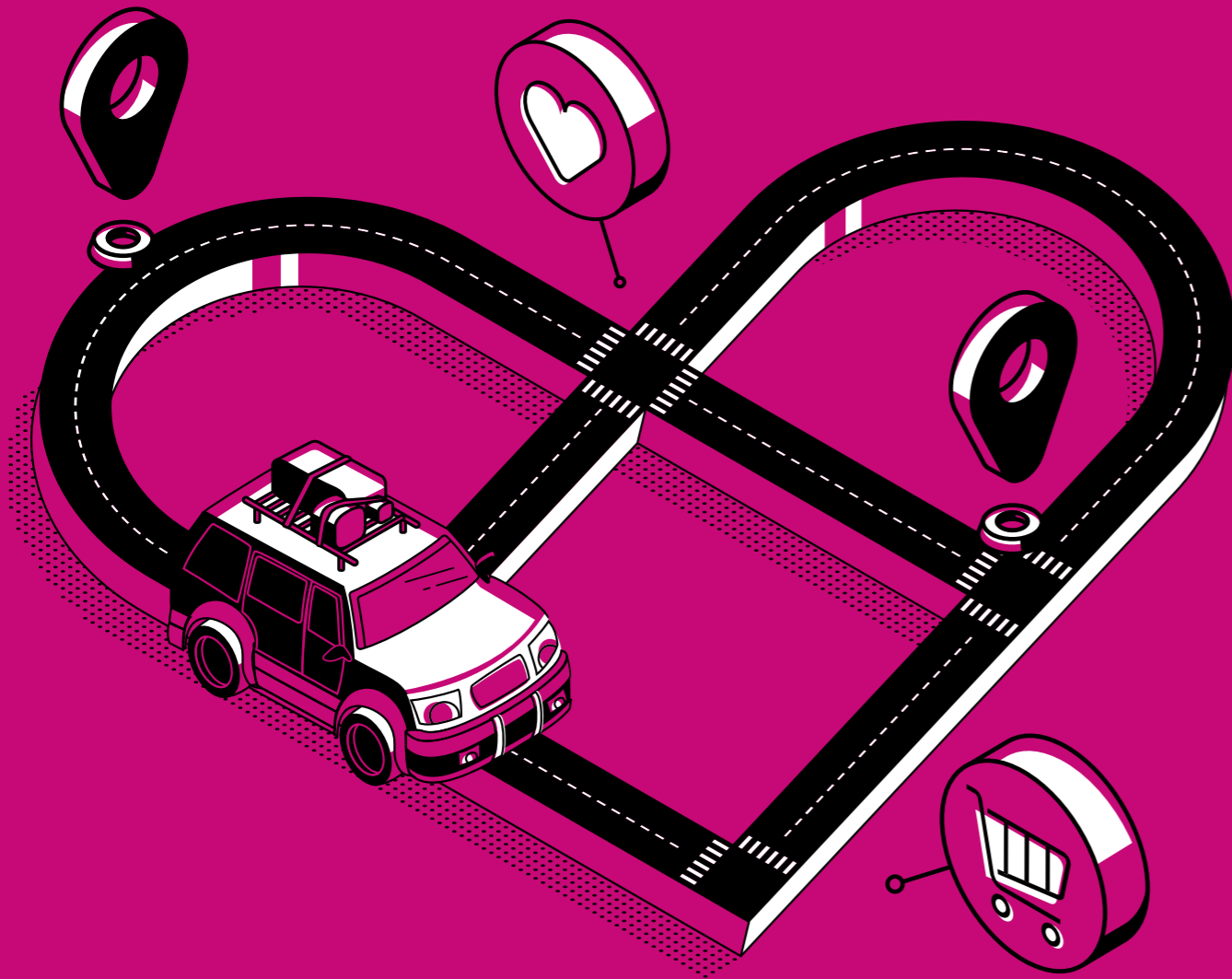
1 in 4 people say they love cars.

44% of people state that the health crisis has had an impact on their purchasing intentions.

32% of people are thinking of buying a vehicle in the next 12 months (down 9% from 2019).

6.6/10 the average score across all the countries when it comes to attachment.





2

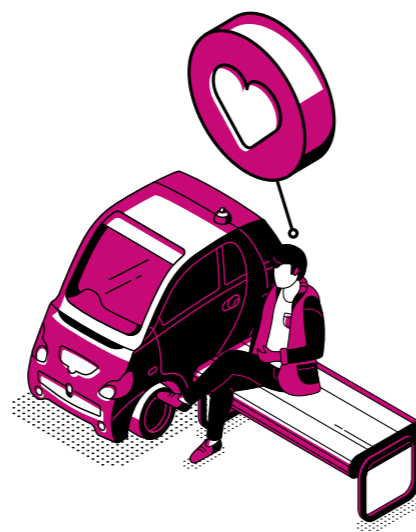
A RELATIONSHIP WE CANNOT LIVE WITHOUT

Despite all the criticism cars receive, the fact that motorists appear to think less fondly of their vehicles nowadays, not to mention an economic and environmental context that seems ominous for the sector, the automobile remains indispensable, unparalleled and timeless. To use a term that is very much in vogue, it continues to display great resilience, and all the more so during the current health crisis. The idea that we will be able to do away with cars, be it today or in the future, is far from evident.

ESSENTIAL, ESPECIALLY FOR THE DAY TO DAY

NEVER WITHOUT IT

In a relationship, just because criticism, resentment and differences of opinion exist, that is not necessarily reason enough to consider living apart. That is what this Observatoire Cetelem teaches us on the topic of cars. Despite their criticisms of cars, nearly 6 out of 10 people cannot see themselves living without one (Fig. 20). However, the view that they are essential has lost ground since the 2017 survey, "I love my car". 8 out of 10 respondents held this opinion at the time. But in a climate that has seen car bashing become more fashionable, the score remains relatively high. Two-thirds of French, Belgian, Japanese and South African respondents believe that life without a car is impossible. Conversely, the same proportion of Turks and Poles believe that it is something to aspire to. On this issue, the income factor again creates a great deal of segmentation. 53% of the wealthiest respondents cannot live without a car, compared with just 36% of individuals in the lowest income group.



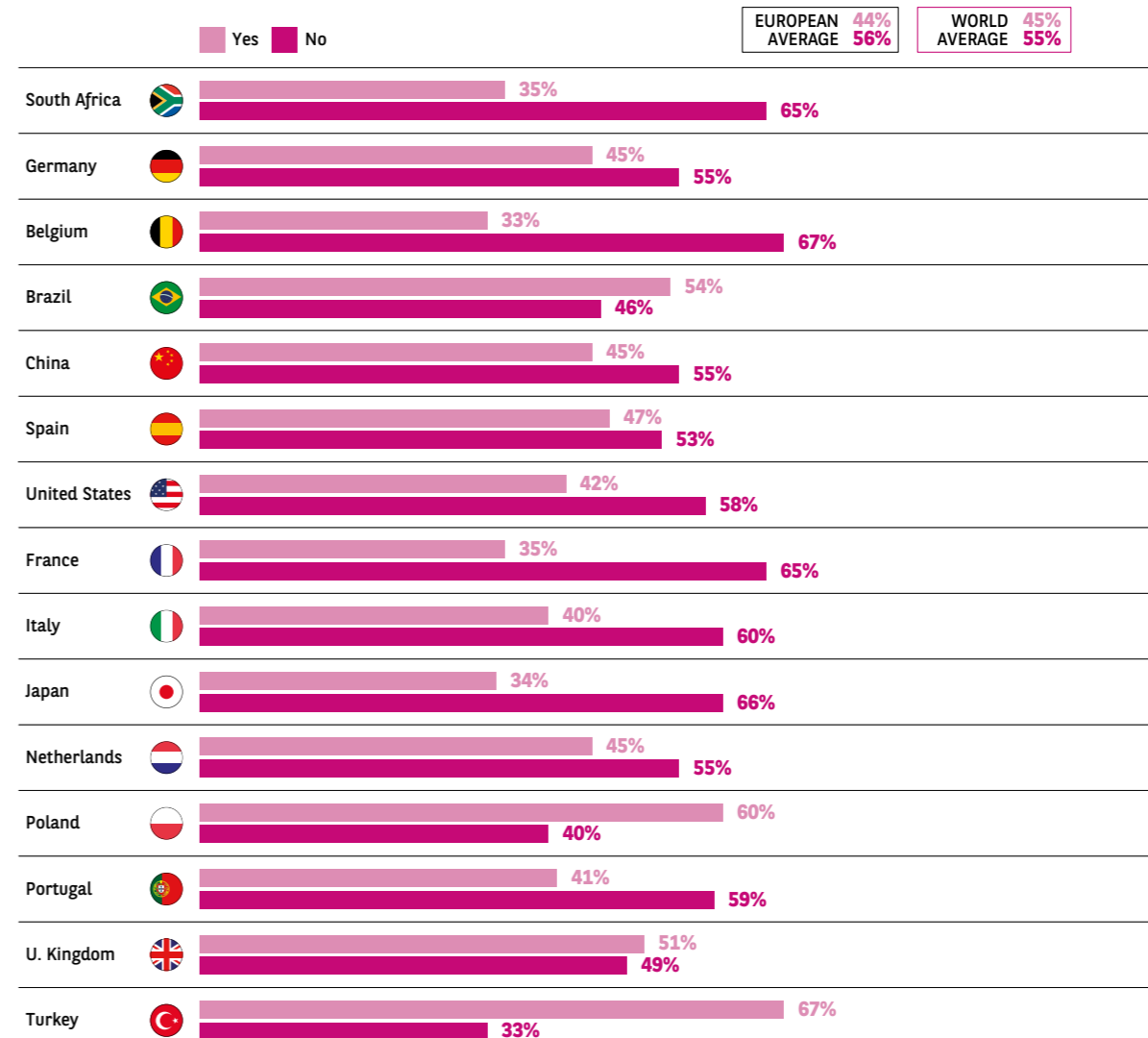
6 OUT OF **10**
PEOPLE CANNOT IMAGINE LIVING WITHOUT A CAR
 (VS. 8 OUT OF 10 IN 2017)

Fig. 20

Would you be prepared to live without a car?

Select one answer only. Proportion of "Yes" answers.

Source: L'Observatoire Cetelem de L'Automobile.



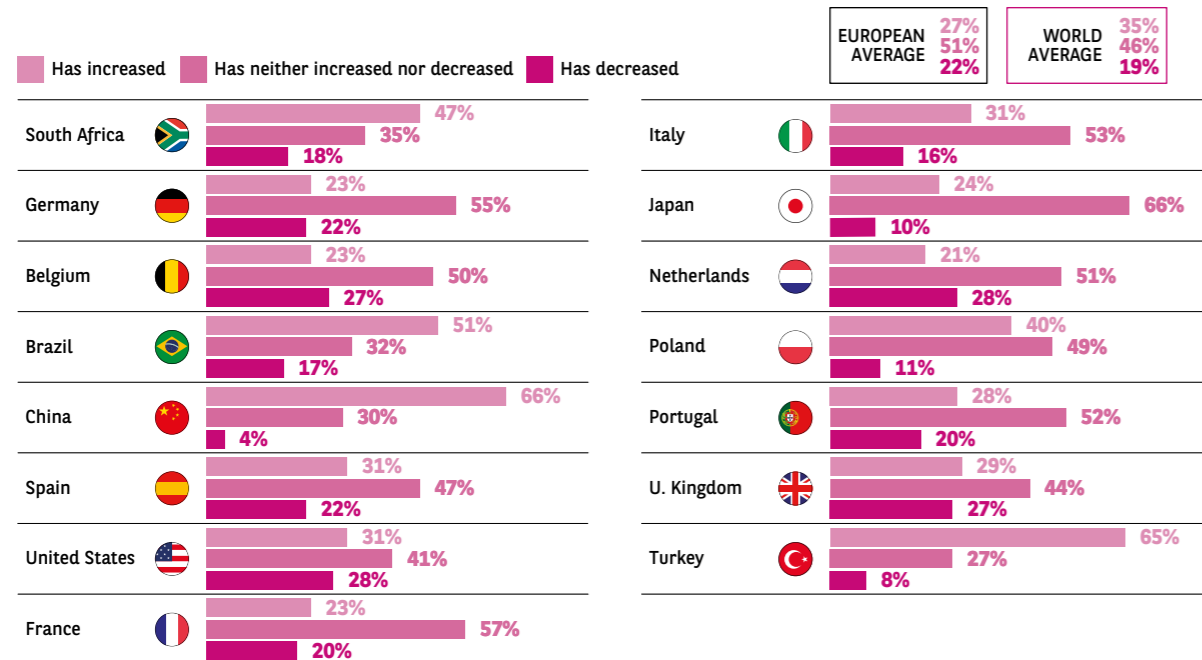
CAR USE IS STABLE OVERALL, BUT IT IS RISING IN EMERGING NATIONS

People's relationship with their cars has remained stable. 1 in 2 people believe that they have used their vehicle neither more nor less over the last few years (Fig. 21). However, a detailed analysis shows that there are vast differences from one country to the next. Western countries display the greatest stability, while a significant increase in car use can be observed in the emerging countries, China and

Turkey in particular. These two countries appear to have a love-hate relationship with cars, believing that they take up too much space, in every sense of the word, while also seeming incapable of giving them up.

Fig. 21
Over the last few years, would you say that your car use?

Select one answer only.
Source: L'Observatoire Cetelem de l'Automobile.



CARS PRIMARILY FULFIL A PURPOSE

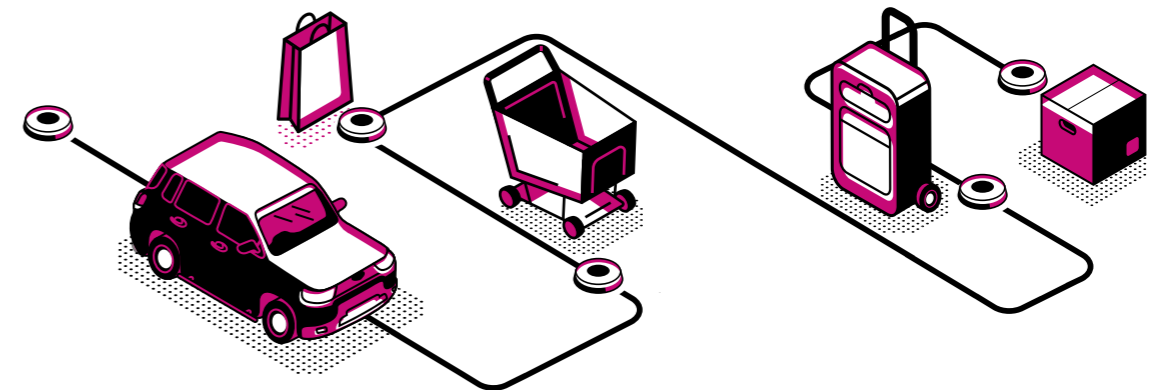
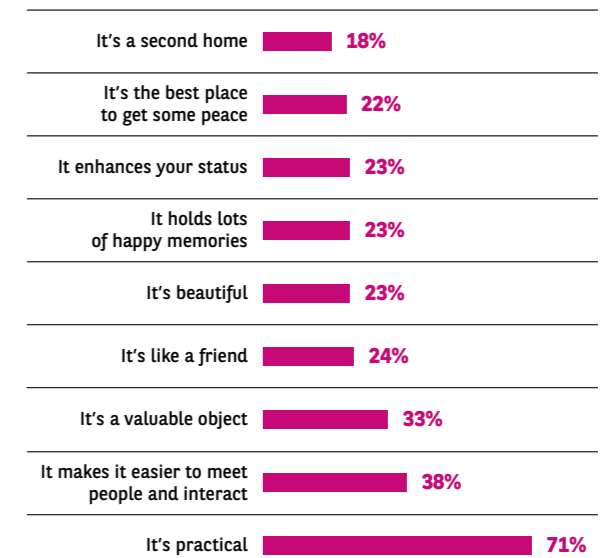
Above all, car use tends to be driven by pragmatism. If motorists are attached to their vehicles, it is chiefly for practical reasons (71%) (Fig. 22). It is interesting to compare this result with that obtained by the 2017 survey, when 9 out of 10 respondents lauded cars for their practicality. The French are the most likely to point to practicality (82%), while the Chinese are less convinced (58%).

A stronger emphasis is placed on different criteria depending on the country. More than half of German, Polish and Brazilian respondents believe that their cars help them meet people and facilitate interaction. At the two ends of the GDP scale, equal proportions of South Africans and Americans view them as valuable objects. The Chinese are the most likely to see them as both a friend and a place where they can get some peace, suggesting an intimate and personal relationship with their vehicles in a country where collectivism is crucial. The South Africans share many memories with their cars. The Portuguese view them as a way of boosting their image.

Fig. 22
Why are you attached to your car?

Worldwide figures. Select one or more answers. Answers of those who assigned a score of 5 or more to their attachment to their car.

Source: L'Observatoire Cetelem de l'Automobile.



AN IRREPLACEABLE PART OF EVERYDAY LIFE

Every day, car users are reminded of the services their vehicle provides. Whether it be for commuting, shopping or taking children to school, there is no alternative to cars in the eyes of 85% of respondents, with this view being particularly prevalent in the emerging countries, China and Italy (Fig. 23). Only the Spanish are a little less convinced of their day-to-day practicality (74%). This is such a dominant factor that one could almost forget their various other attributes. The ability to use one's car for long journeys, e.g., during holidays, is only cited by 46% of respondents. The sheer pleasure of driving, meanwhile, is reduced to a measly 16%. Proof, once again, that practical concerns easily trump the notion of enjoyment.

THE COVID CRISIS UNDERLINES THIS DAY-TO-DAY PRACTICALITY

The public health crisis has prompted lockdowns, restricted outings to those that are strictly necessary, caused public transport services to be shut down or reduced drastically, and led to remote working on a massive scale. These new "constraints" have transformed daily life, in some cases radically. Thus, this crisis, together with the changes it has imposed on lifestyles, has reinforced the view that cars are ultimately there for utilitarian reasons.

Individuals who have used their car less during this period have tended to reduce their daily journeys the least. 37% have driven less to fulfil their day-to-day requirements, compared with a 46% reduction for private journeys and leisure, and 55% at weekends and in the holidays. The same pattern can be observed in every country covered by the survey. Conversely, respondents who state that they have been using their vehicle more say that they have done so to meet their day-to-day needs (25% vs. 22% in the case of private journeys and leisure, and 16% in the case of weekends and holidays) (Fig. 24). Turkey and China stand apart in this respect, with respondents reporting that they have significantly increased their car use during the health crisis, primarily to meet their day-to-day needs (60% and 51%).

8 OUT OF **10**
PEOPLE CONSIDER CARS TO BE IRREPLACEABLE

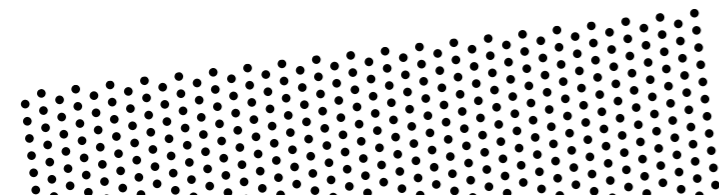


Fig. 23

What are the main purposes for which you use your car(s)?

Select a maximum of two answers.

Source: L'Observatoire Cetelem de L'Automobile.

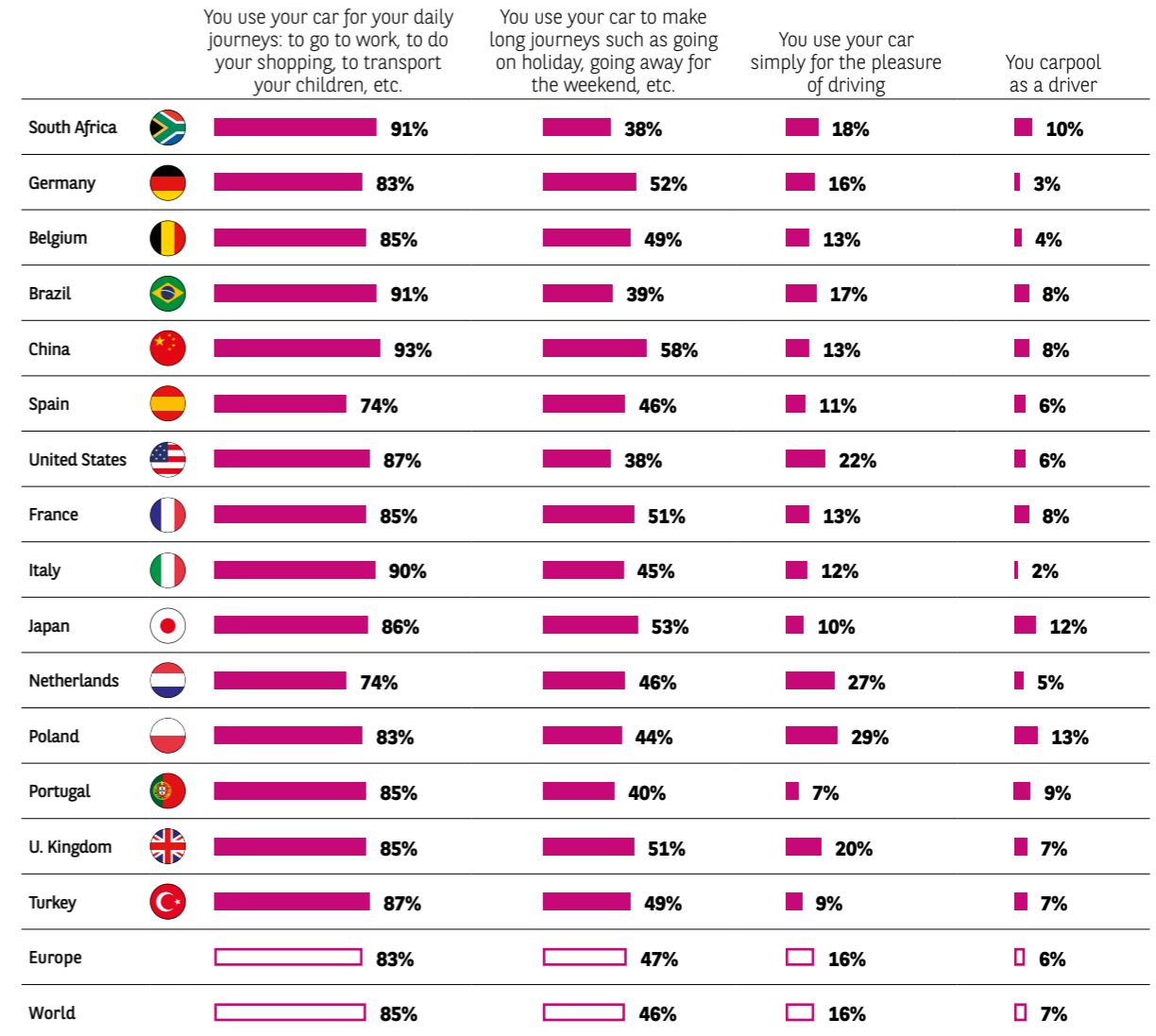
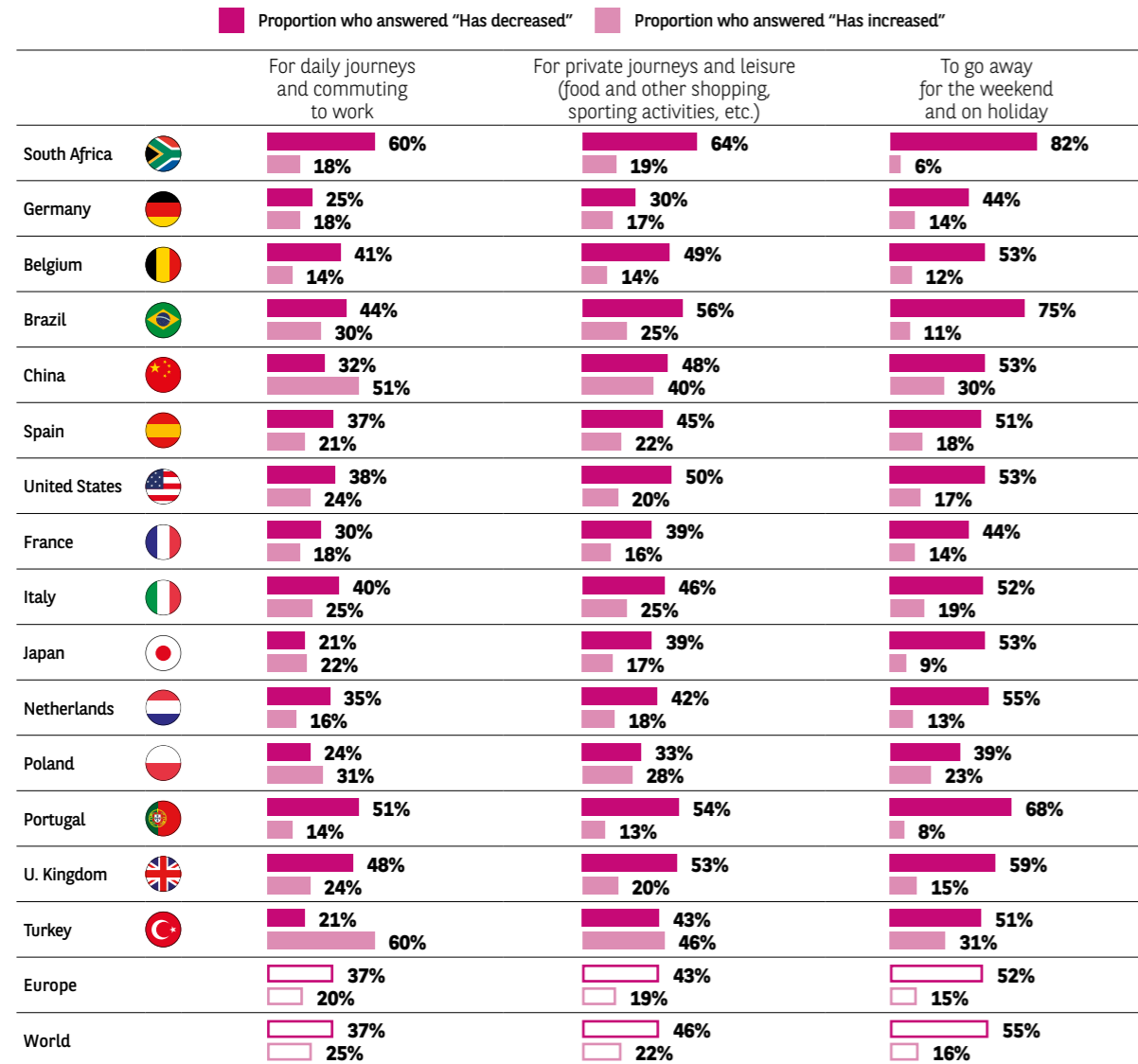


Fig. 24

Since the COVID-19 crisis began, would you say that your car use?

Select one answer only.

Source: L'Observatoire Cetelem de l'Automobile.



REMOTE WORKING

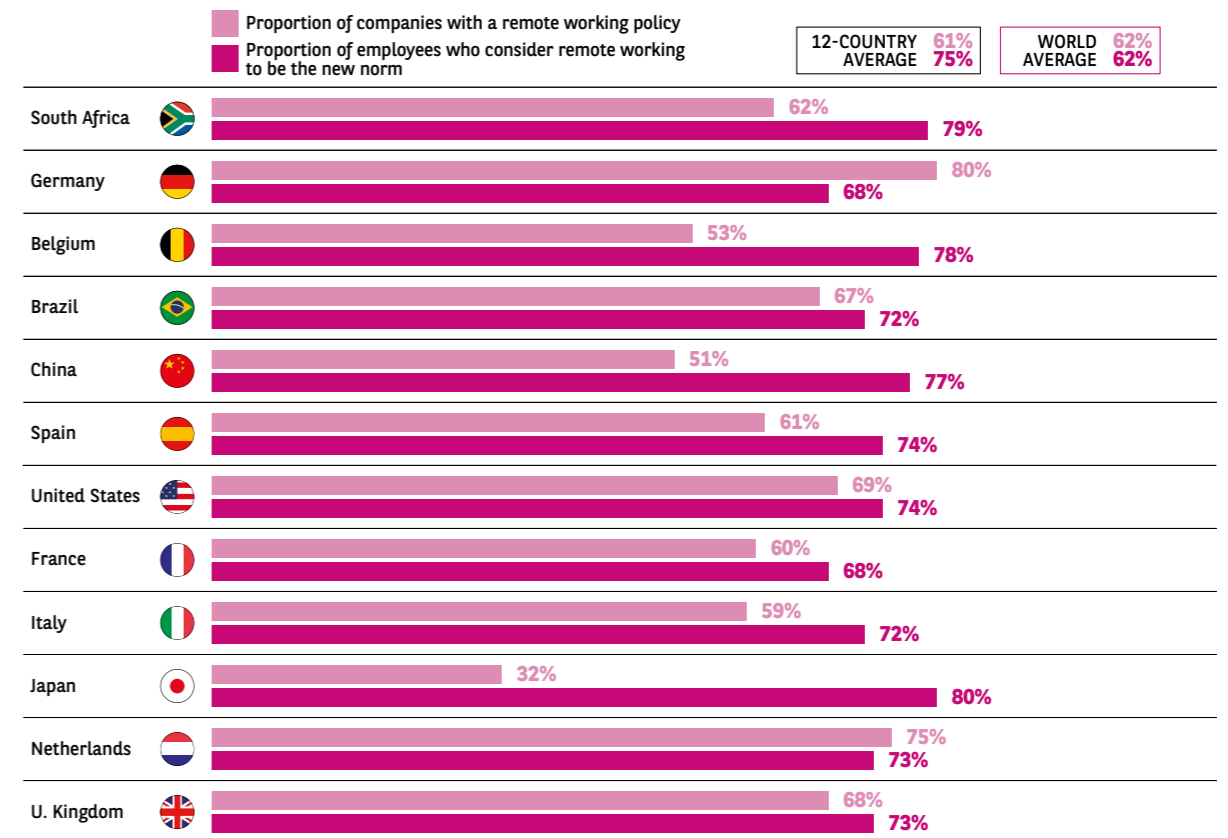
The health crisis has placed a spotlight on remote working, especially in Western countries. It has transformed what was a growing trend among more and more companies into a real paradigm shift. While it is popular among many employees, this new way of working and organising workforces has not been implemented to the same extent across the board.

In Germany, it is already in place in 80% of companies. In France in 2019, 5.2 million people already worked remotely. In Japan, 33% of companies have deployed a teleworking policy. In the United States, remote working increased five-fold over the five years preceding COVID-19, with 25 to 30% of employees set to adopt the practice by the end of 2021.

Fig. 25 / Context

Prevalence of remote working in the countries covered by the survey in early 2020 (Pre-COVID-19)

Source: McKinsey Global Remote Working Data & Statistics (Updated Q1 2020).



AN ECONOMIC SECTOR WITH GREAT CLOUT

People's "attachment" to cars seems subject to even greater pragmatism, not to say necessity, when we consider the economic importance of the sector in almost all Observatoire Cetelem countries. This can obviously be measured in terms of the number of vehicles sold, which is the tip of the iceberg for consumers/motorists. However, if we look beyond the major assembly lines, the sheer size of the automotive industry becomes clear when we take into account all the subcontractors automakers use, not only upstream, but also downstream, i.e., the domain of dealers, mechanics, rental companies, etc.

There is a saying in French: when the building trade is doing well, everything does well. Similarly, it is tempting to say that when the automotive industry is firing on all cylinders, the rest follows. In the European Union alone, the sector accounts for 8.5% of total industrial output and directly employs 2.7 million people. The industry has an industrial presence in every European country featured in L'Observatoire Cetelem, as it does in all the other

nations. This is a stark reminder of the economic importance of the auto industry and, above all, of the social and human consequences of a crisis like the one we are experiencing.

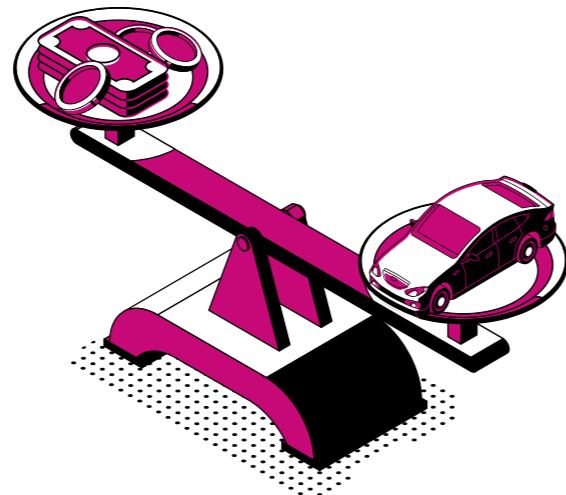
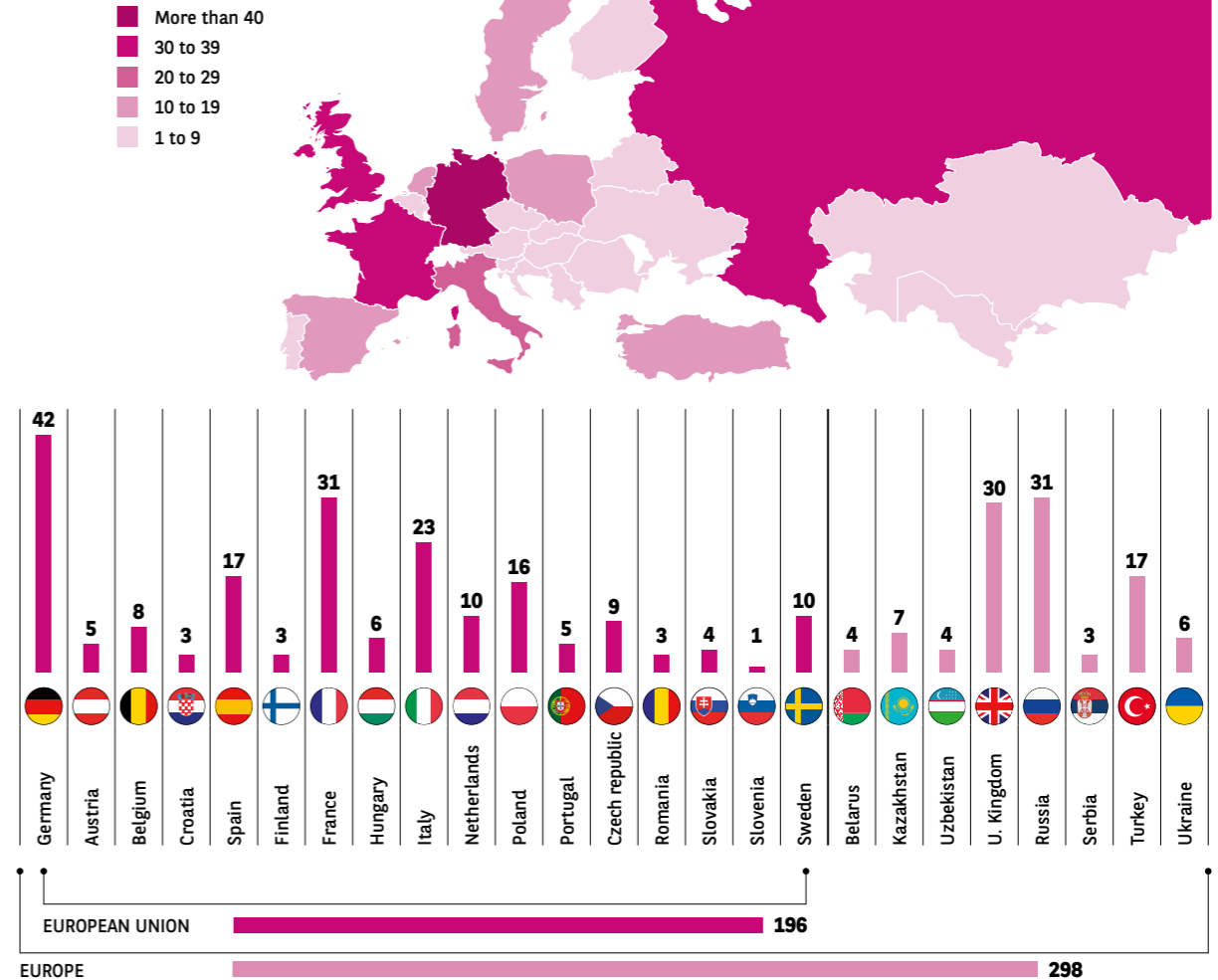


Fig. 26 / Context

Vehicle assembly plants (cars, light commercial vehicles, buses, trucks) and engine plants* in Europe by country

Number of plants*

Sources: ACEA, updated in May 2020.



* Automotive suppliers, many manufacturers of vehicles and small engines, and custom bodybuilders are not included in this overview due to complexity. This map includes the engine production sites of most ACEA members, but omits the transmission, bodywork, and other vehicle parts plant.

Fig. 27 / Context

Domestic automotive output in 2019 by country (passenger vehicles + light commercial vehicles)

Number of vehicles sold.

Source: OICA

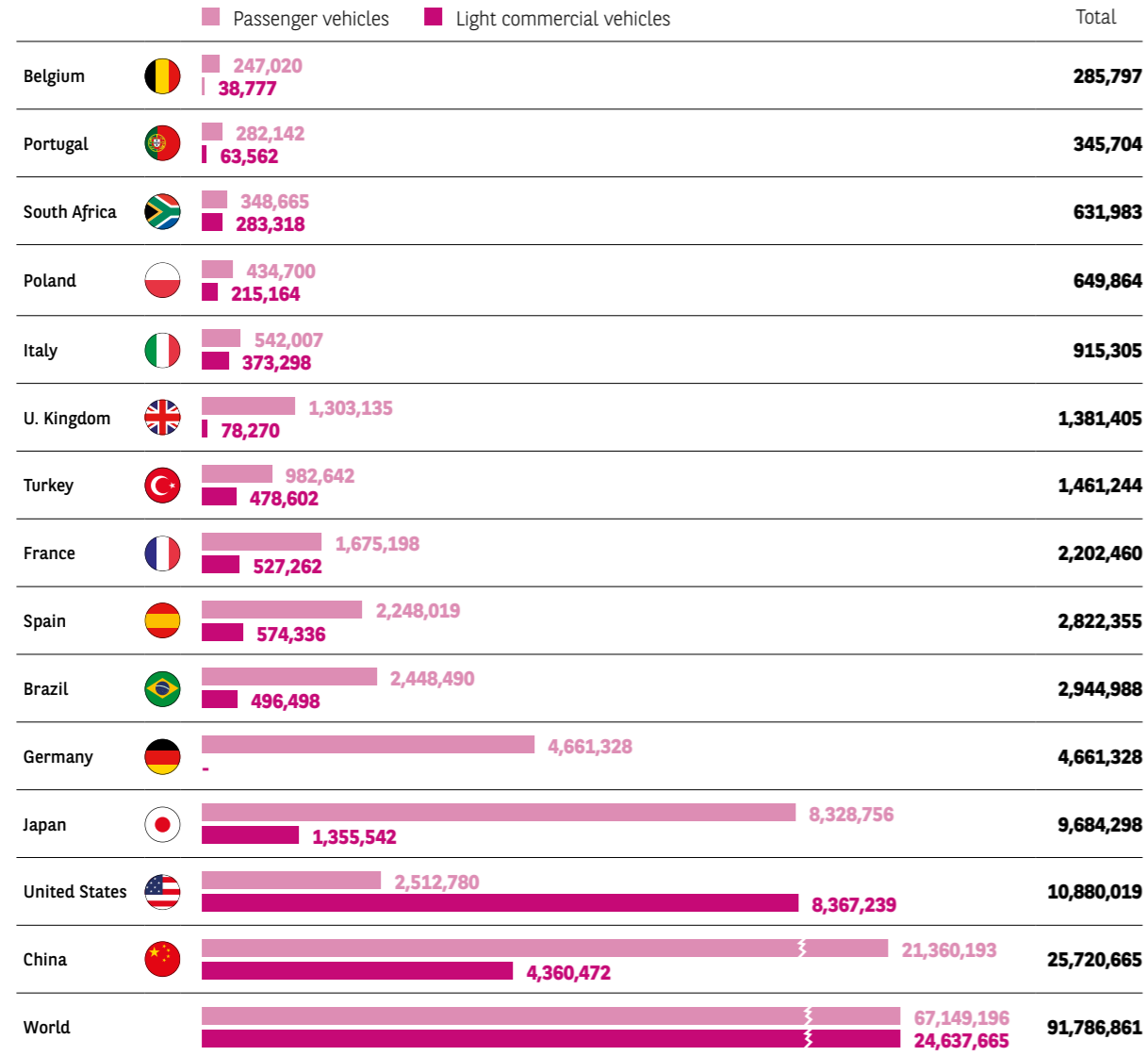
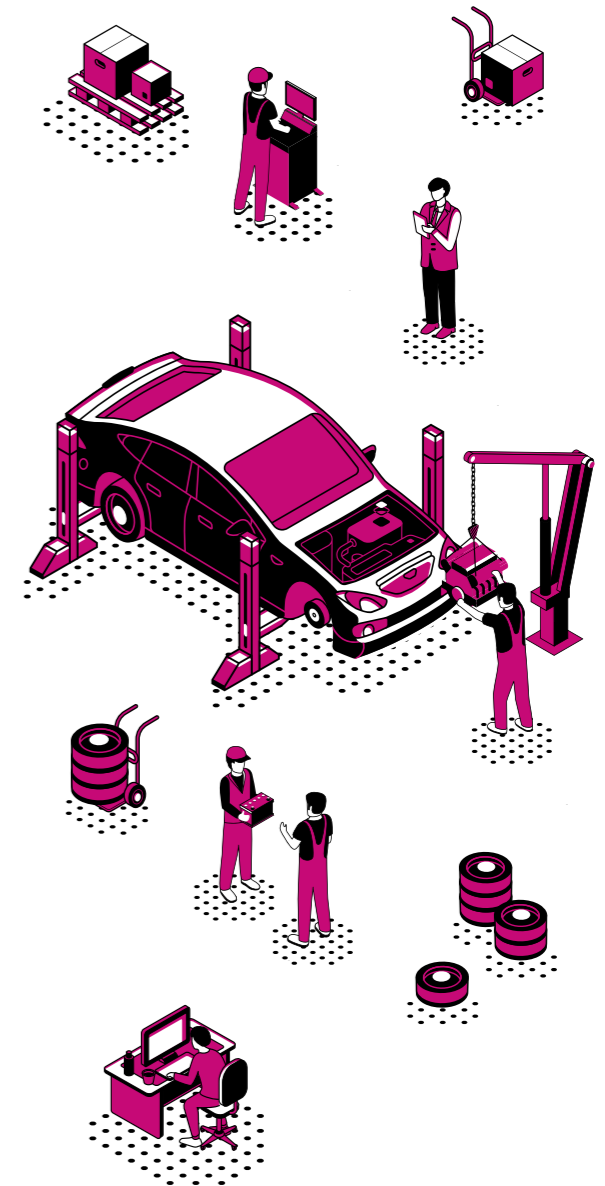
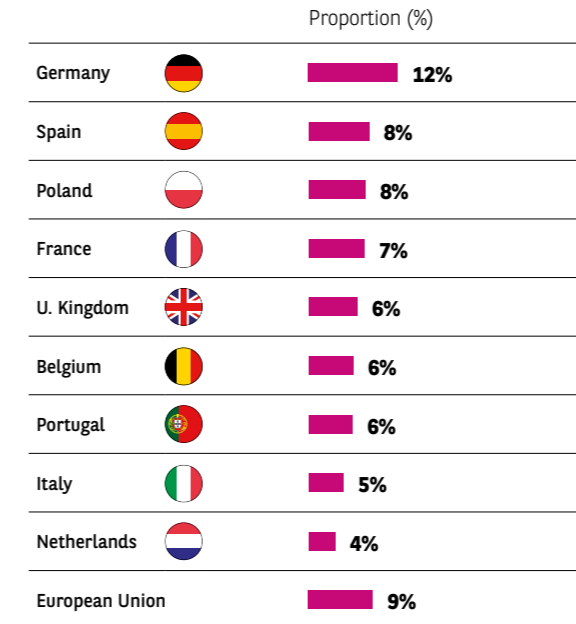


Fig. 28 / Context

Automotive jobs as a proportion of all industrial jobs, by country (2018 data)

Does not take into account jobs in non-manufacturing sectors (retail, rental, etc.).

Source: ACEA



A PLACE OF REFUGE

While economic and use value alone could explain why it is so difficult for people to live without cars, the health crisis has highlighted other reasons why this might be the case. In the 2017 survey *"I love my car"*, 9 out of 10 people associated cars with freedom. This is still the case four years later. 47% even believe that the health crisis has boosted the incomparable freedom that cars offer **(Fig. 29)**.

So they represent freedom, but they also serve as a place of refuge. Indeed, 76% say that when they are in their car they feel protected from the outside world. Again, this is a feeling that has intensified over the course of the crisis according to 46% of respondents.

The familiar pairing formed by China and Turkey are joined by Poland, Brazil and France in espousing these values of freedom and protection **(Fig. 30)**. The Dutch are the least likely, by some distance, to view their vehicles as a place of refuge, a further sign that cars play a less crucial role in the daily lives of people in the Netherlands.

3 IN **4**
PEOPLE FEEL PROTECTED
WHEN THEY ARE IN THEIR CAR

Fig. 29

Do the following statements reflect the image you have of your car?

Select one answer per statement. Proportion of "Yes" answers.

Source: L'Observatoire Cetelem de L'Automobile.

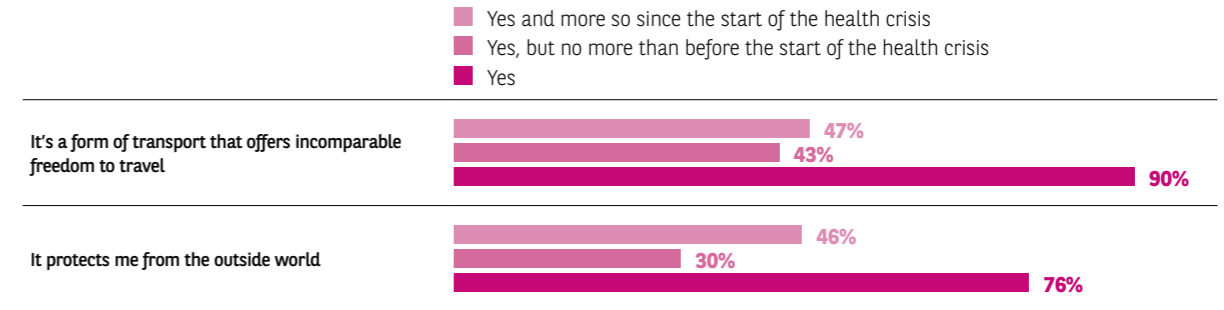
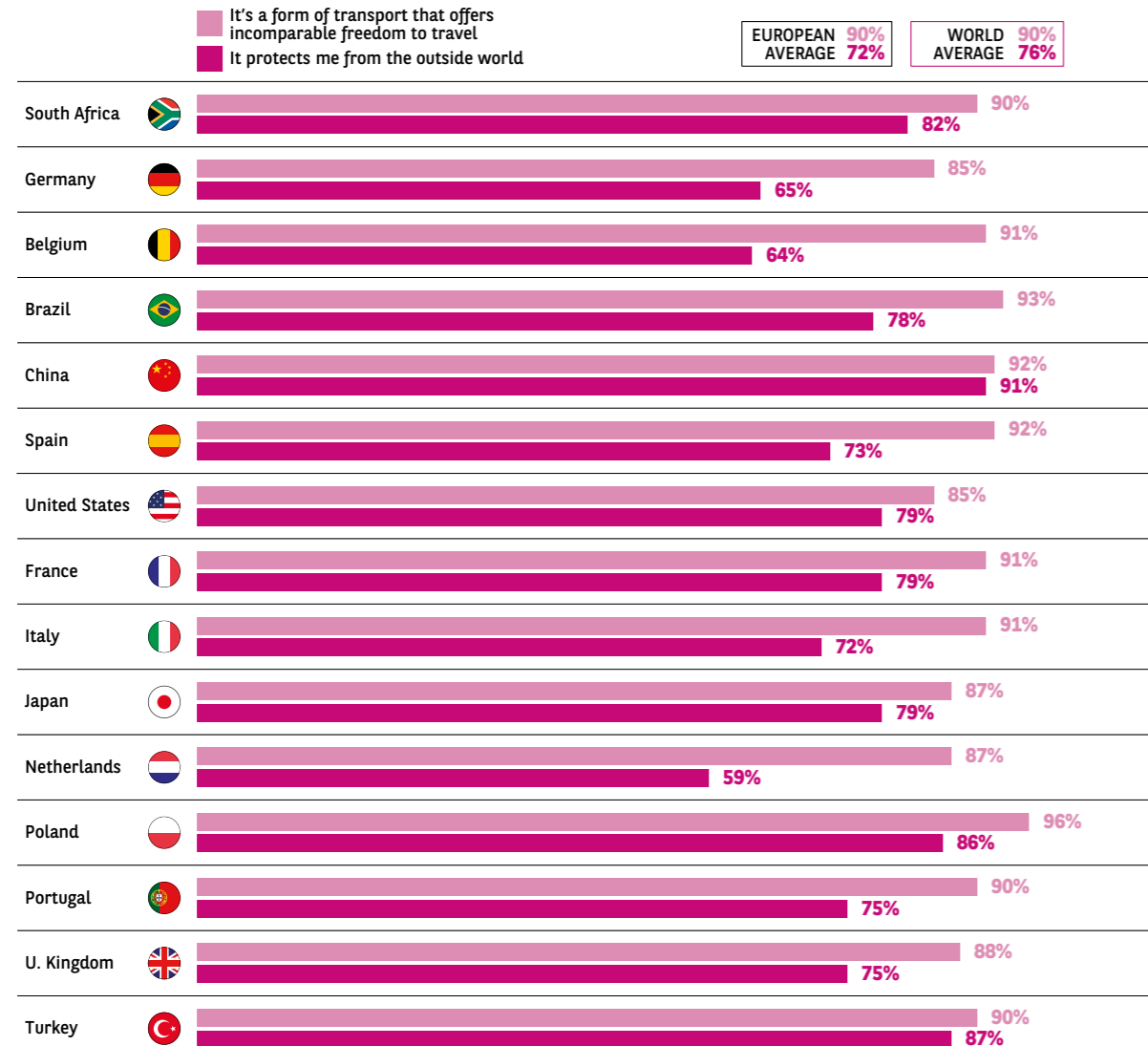


Fig. 30

Do the following statements reflect the image you have of your car?

Select one answer per statement. Proportion of "Yes" answers.

Source: L'Observatoire Cetelem de L'Automobile.



KEY FIGURES

85%
of those surveyed use their car mainly for their day-to-day journeys.

More than **6 out of 10 people** are not prepared to live without a car.

76%
feel protected when they are in their car.

9 out of 10 people associate cars with freedom. (like in 2017)

7 out of 10 motorists are attached to their car mainly for practical reasons.

47%
believe that the health crisis has reinforced the feeling of freedom their car gives them.



3

THE REINVENTION OF A UNION

Derided but irreplaceable Criticised but essential Ostracised but timeless Motorists are in a perpetual love-hate relationship with cars. But like many couples who have gone through difficult times and have always been able to talk their way out of tough situations, it looks as though the pair still have a bright future ahead of them. But this will require the terms and scope of their union to be reinvigorated and a new lifestyle to be adopted.

COMPLEMENTARITY IS THE WATCHWORD

A DESIRE FOR CARS TO COHABIT WITH SUSTAINABLE TRANSPORT SOLUTIONS

As we have seen, the status afforded to cars is being called into question, especially in cities. However, it appears that what people would like is not to remove them from the landscape, but rather to establish an open relationship that leaves room for other, more forward-looking forms of transport, preferably carbon-free. Indeed, 82% of the individuals surveyed believe that we can live with fewer cars and more sustainable transport solutions (Fig. 31). This desire for urban cohabitation, in every sense of the word, is shared in all countries. Once again, this is a topic that brings to light the usual geographic divides. On one side are the strongest proponents of such ideas: the emerging and Mediterranean countries, as well as China. On the other are France, Germany and Belgium, the three countries in which Green parties hold the most power, but where people are less vehement in expressing such convictions, given that this form of cohabitation seems self-evident and has already been partly implemented. Sales of traditional and electric bicycles (e-bikes), which were already booming before the health crisis, in addition to the development of cycle lanes in these countries and others, are proof of this.

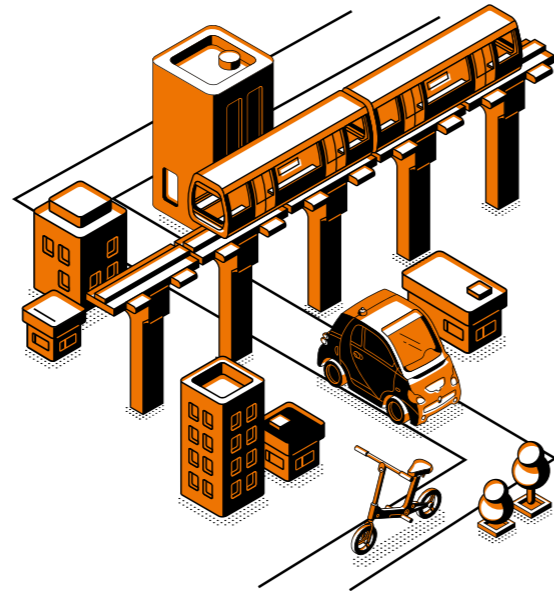


Fig. 31

Are you in favour of or opposed to urban planning that makes more space for sustainable modes of travel (walking, cycling, scooters, etc.), even if it means penalising or restricting the use of cars? Select one answer only. Proportion "In Favour".

Source: L'Observatoire Cetelem de L'Automobile.

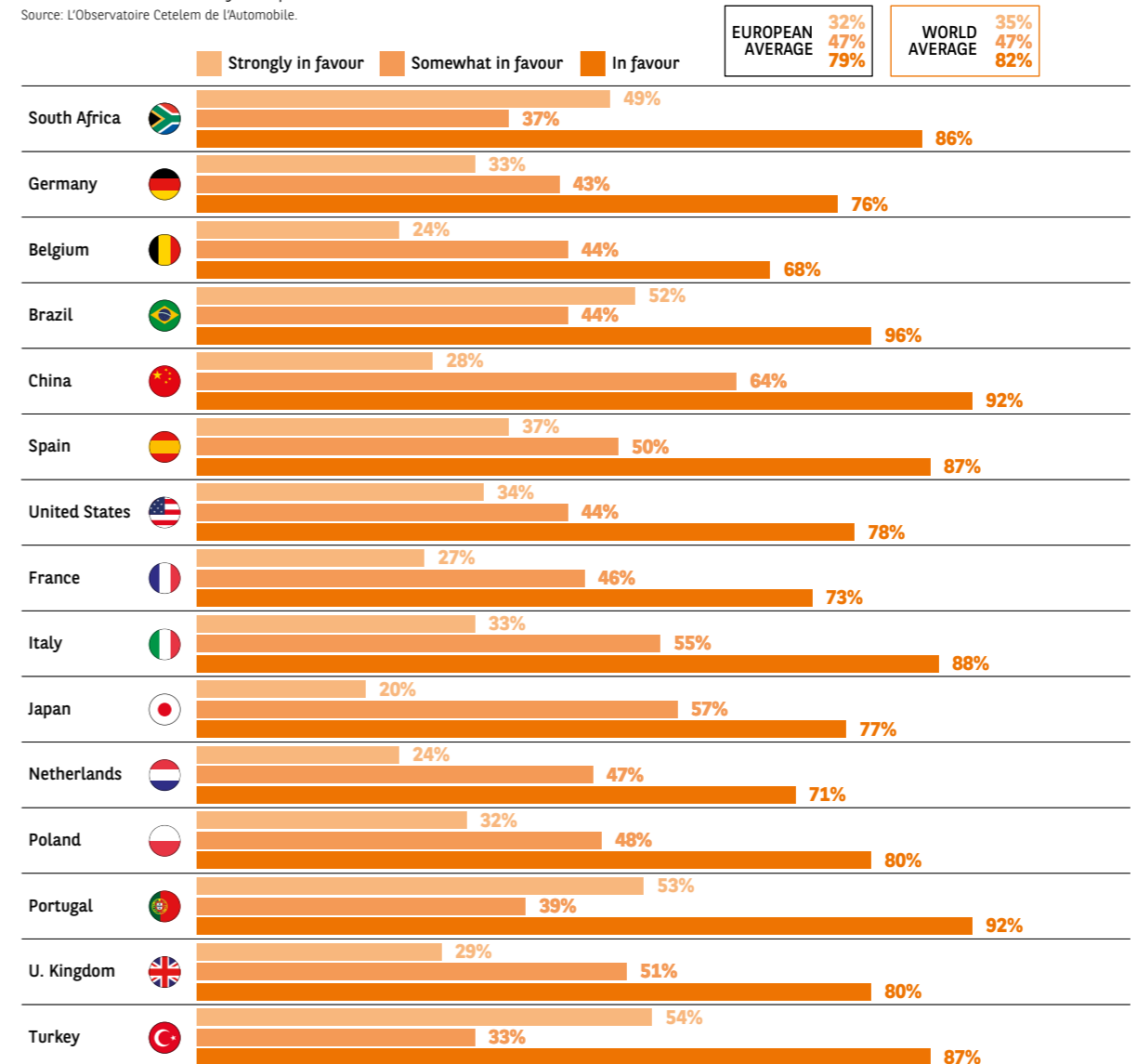


Fig. 32 / Context

Cycling infrastructure developed in response to COVID-19

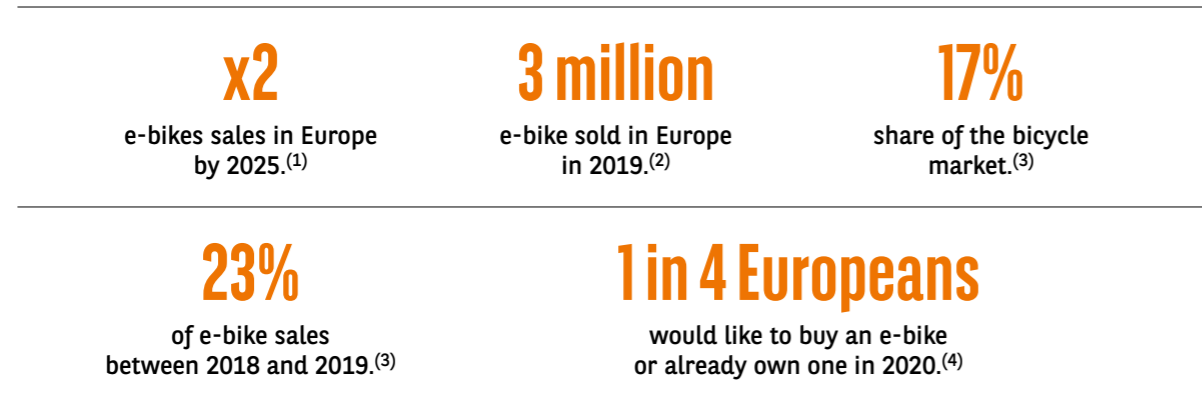
Sources: (1) Le Parisien, (2) Paris City Hall, (3) Welovecycling, (4) The Boston Globe.



Fig. 33 / Context

Key figures for the electric bicycle (e-bike) market in Europe

Sources: (1) Confederation of the European Bicycle Industry, (2) Market and Markets, (3) ECF, (4) Shimano.



URBAN TRAFFIC RESTRICTIONS ARE ESSENTIAL, BUT ALSO TOO COMMON

On the question of traffic restrictions, there is a similar degree of ambivalence: car use must be controlled, but not to excess. While 3 in 4 people believe that road space rationing, congestion charges and bans on certain vehicles are essential

and useful, more than half also believe that they are too widespread and sufficiently restrictive (**Fig. 35**). There seems to be a belief that the tipping point between "carrot and stick" is about to be reached and there is no need to go any further. However, this has not prevented some countries from planning a stricter future in which diesel and petrol vehicles will be *persona non grata* in cities.

Fig. 34 / Context

Key figures for low-emission zones

Does not take into account jobs in non-manufacturing sectors (retail, rental, etc.).

Sources: Transport & Environment, ADEME.

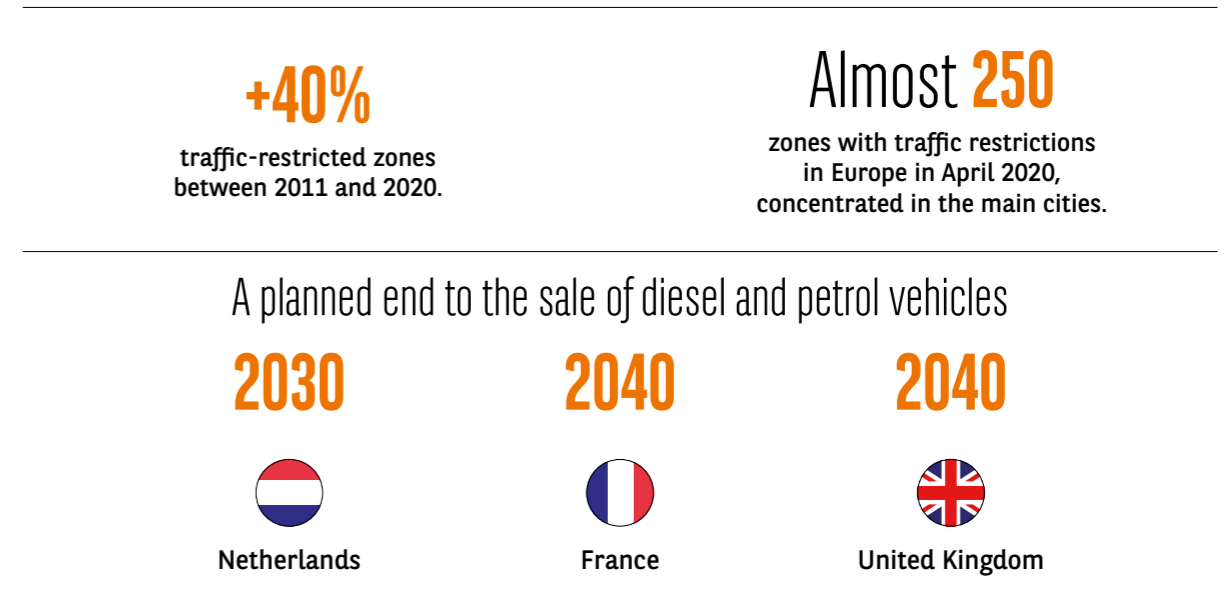


Fig. 35

Do you consider measures to restrict vehicle traffic so as to curb pollution (road space rationing, congestion charges, banning certain vehicles, etc.) to be...

Select one answer only. Proportion of "Yes" answers.

Source: L'Observatoire Cetelem de l'Automobile.

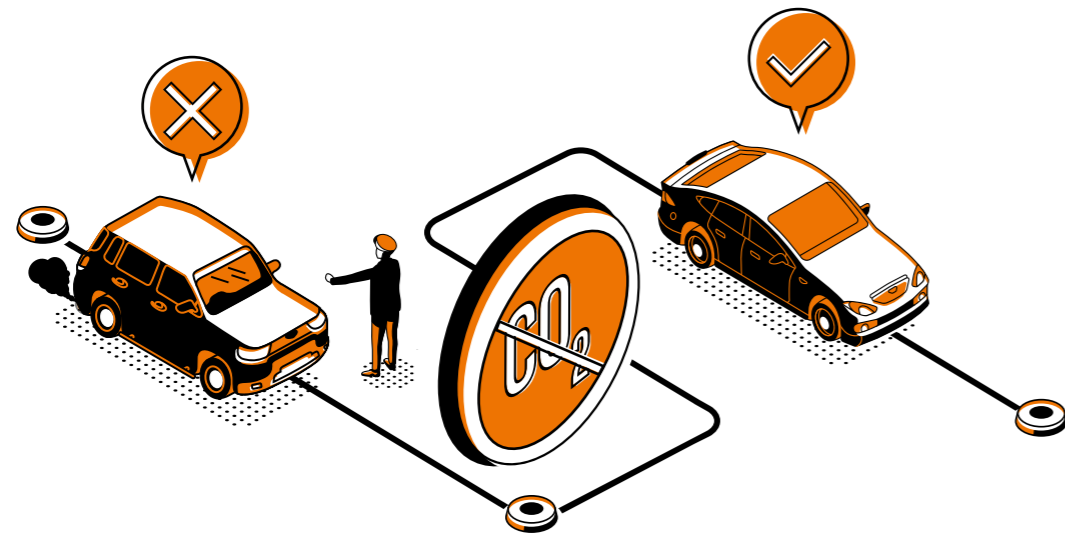
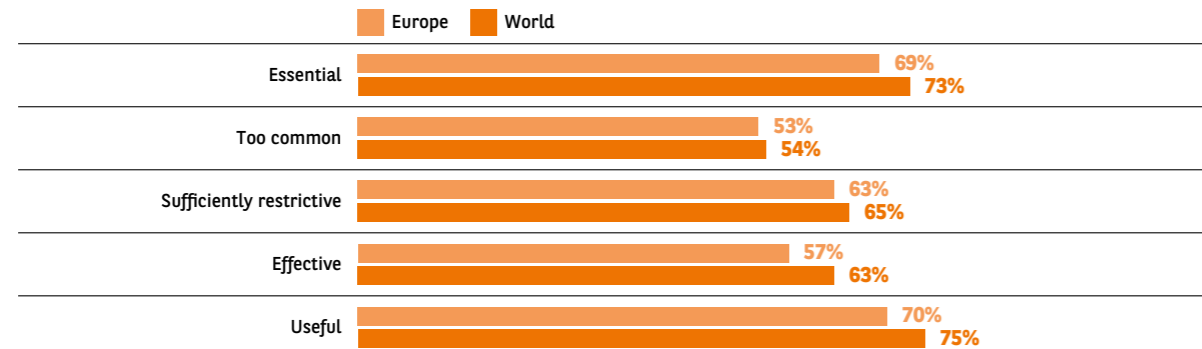
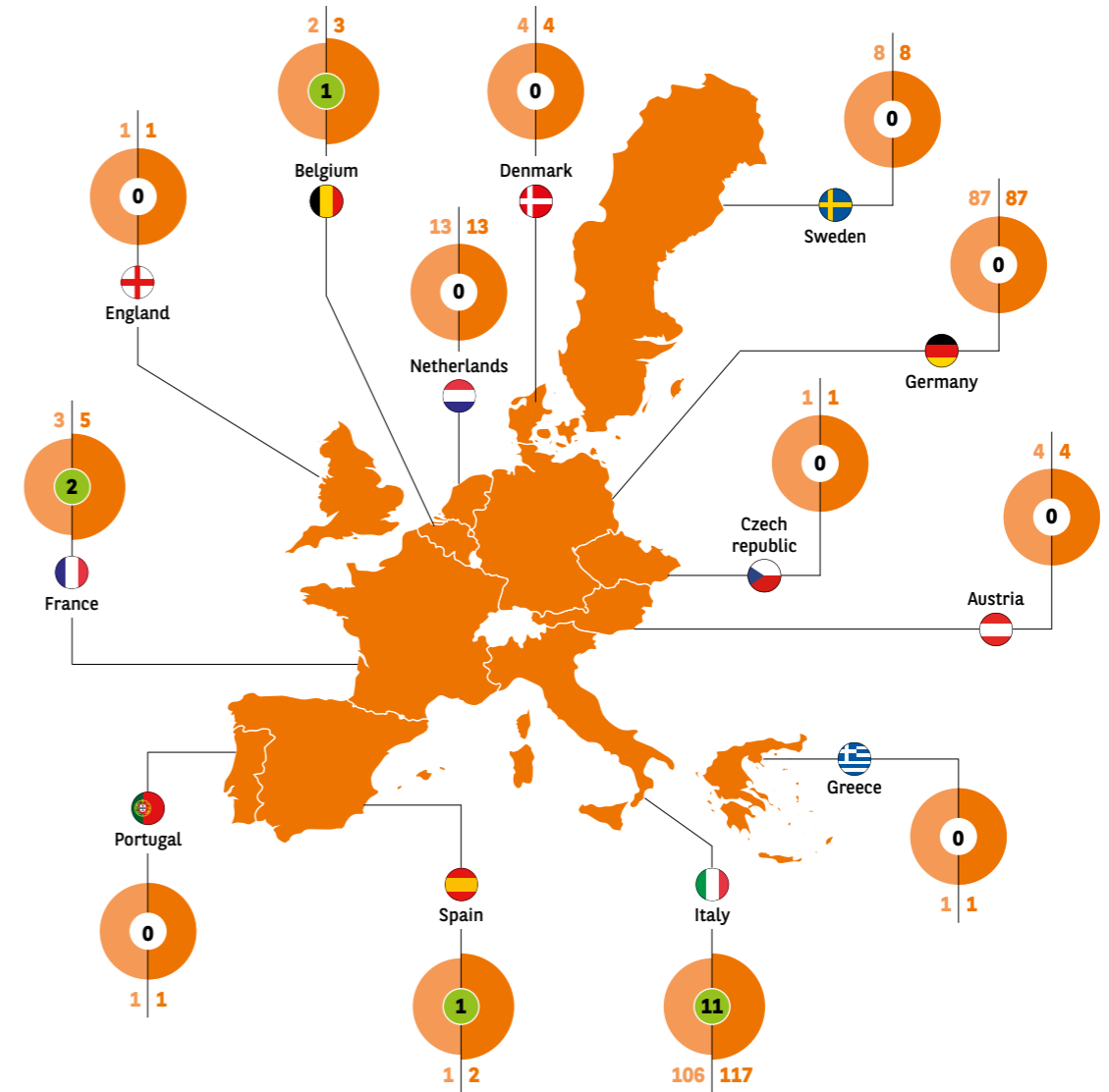


Fig. 36 / Context

Numbers of low-emission zones in European countries

Source: ADEME.

Number of zones 2019	Number of zones 2020	Difference 2020 vs. 2019
0	0	X



A SHIFT TOWARDS USED CARS



SALES ARE HOLDING UP DESPITE THE CRISIS

Rekindling our relationship with cars also seems dependent on the power of attraction that used vehicles hold now and in the future. On average worldwide, a quarter of upcoming purchases will involve used vehicles. The Portuguese, Poles, South Africans, Dutch and French are the most likely to opt for a second-hand car, with scores of over 30%. Meanwhile, around 90% of Chinese, Spanish and Japanese respondents are not prepared to do so.

Even more interestingly, in many countries during the first few months of the crisis, the used market demonstrated its resilience relative to new-car sales. In their own way, used vehicles are something of a safe haven, sheltered from the crisis and its consequences. In these uncertain times, the end of which is not yet in sight, this shift in the perception of used vehicles is bound to attract many new buyers.

Fig. 37 / Context

Variation in new and used vehicle registrations in the first half of 2020 (% variation between 2019 and 2020)

Sources : CCFA, KBA, ANFIA, ANFAC, GANVAM/IEA, SMMT.

		Used	New
France		-17%	-39%
Germany		-11%	-64%
Italy		-32%	-45%
Spain		-32%	-51%
U. Kingdom		-29%	-49%

THE SECOND-HAND MARKET BOUNCES BACK

Opting for a used vehicle has always been a natural tendency in tough economic times. 2020 is no exception. In pretty much every country, used-car sales have held up better than those of new vehicles.

Older vehicles (more than 10 years old), whose quality and durability have grown steadily in recent years, are the only way for the lowest income households to access a car. The gradual rise in the average age of cars on the road in the United States and Western Europe reminds us that the used market now covers all categories of vehicle.

Moreover, the growing proportion of new vehicles that are acquired by companies, which are keeping their cars for ever shorter periods of time, is providing the used-car market with more and more low-mileage and well-maintained vehicles. The number of leasing contracts that are coming to an end is also on the rise. Indeed, three or four years after having been acquired new, these cars are finding a second home via the second-hand market. This is a boon both for households and dealers. And although used-car prices and profit margins are lower, dealerships do not have to share the proceeds with a manufacturer. Once considered of secondary importance, the used car market is slowly becoming a crucial one for retailers and motorists alike.

A CLEAR ECONOMIC VALUE

At a time when households are under increased financial strain, used vehicles make a significant difference, given that the budgets available for new cars are lower than was previously the case. Thus, the key advantages put forward are a significantly lower purchase price (48%), and the fact that new cars depreciate faster (34%). These financial arguments inevitably enhance the power of attraction of the used market.

THE APPEAL OF CARS UNDER A YEAR OLD

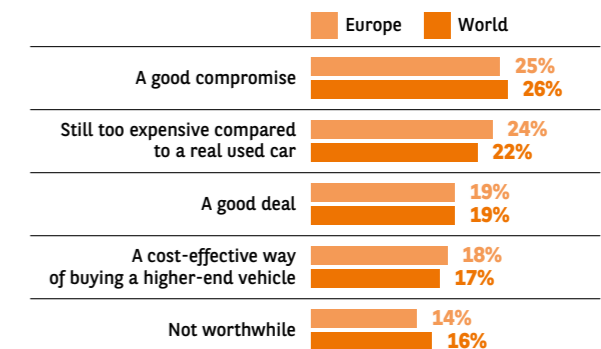
An interesting variation on the used-car theme, cars under a year old make a few winning arguments that many are drawn in by. The number of people who consider them to be a good compromise between new and used vehicles is similar to the proportion who consider them too expensive compared to "real" second-hand cars (26% and 22%, respectively) (**Fig. 38**). Overall, 1 in 5 people believe them to be an attractive proposition.

Fig. 38

You believe that buying a used car less than one-year old is...

Select one answer only.

Source: L'Observatoire Cetelem de L'Automobile.



BUYING DIFFERENTLY

MULTIPLE PURCHASING CRITERIA FOR A REDUCED BUDGET

During this health crisis, financial aspects have remained a central part of the purchasing process. To cut their vehicle budget, consumers make choices based on numerous criteria, none of which are particularly predominant. At the top of the list are vehicle size, the option of buying a used car and choosing a less prestigious or low-cost brand, all of which post very similar scores (32%, 27% and 26%, respectively) (Fig. 39). These criteria fall in a different order according to income, but the idea of buying a smaller car to reduce the budget takes the top spot overall (Fig. 40).

At the bottom of the list, safety, durability and road handling are the three factors on which people are the least willing to compromise (9%, 10% and 10%, respectively). It is worth noting that giving up on the idea of buying a greener car is only seen as an option by 14% of respondents. This is a topic that is no longer a matter for debate and which opens the way for a new type of relationship, as we will see further on.

OWNERSHIP IS NOT THE PRIORITY

Enjoying a service can trump actual ownership. Being able to use a car without having to think about wear and tear holds a certain appeal. After MaaS (Mobility as a Service), here comes CaaS (Car as a Service), where cars become merely a transport solution devoid of any notion of exclusive ownership and property concerns. And that is without mentioning the many benefits: faster and cheaper access, cost based on usage time or mileage with no investment required, no depreciation to contend with, and more rational sharing of car fleets resulting in a smaller environmental footprint. Having long been the preserve of companies, leasing offers with option to purchase and long-term hire solutions are increasingly winning over households.

Easier and more secure access to motoring for consumers, the advantage of scheduled contract renewal that is almost independent of any economic difficulties that manufacturers and dealers may face... in many ways, leasing looks like something of a panacea for motorists.

AN EMPHASIS ON LOCAL PRODUCTION

Reinvigorating people's fondness for cars also means re-establishing their relationship with their home country. The last Observatoire Cetelem on European consumption highlighted the importance of localism. The automotive industry is no exception. 3 in 4 people state that they would

prefer to buy a car manufactured or assembled in their country (Fig. 41). Outside Belgium and the Netherlands, where there are no car assembly plants, the scores are close to or higher than 50%. The Turks display the greatest degree of patriotism, something that is likely to have had some bearing on the creation of the TOGG brand.

Fig. 39

To reduce your vehicle budget, on which vehicle characteristics would you be prepared to compromise?

Worldwide figures. Select a maximum of three answers. Answers of respondents who are planning to buy a car in the next 12 months and whose budget has been cut as a result of the crisis.

Source: L'Observatoire Cetelem de l'Automobile.

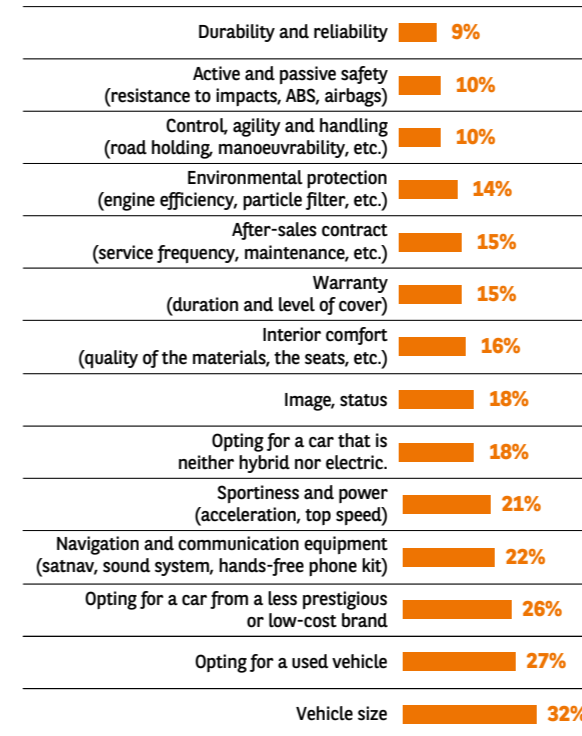


Fig. 40

To reduce your vehicle budget, on which vehicle characteristics would you be prepared to compromise?

Select a maximum of three answers. Top 3 answers according to the income of respondents. Answers of respondents who are planning to buy a car in the next 12 months and whose budget has been cut as a result of the crisis.

Source: L'Observatoire Cetelem de l'Automobile.

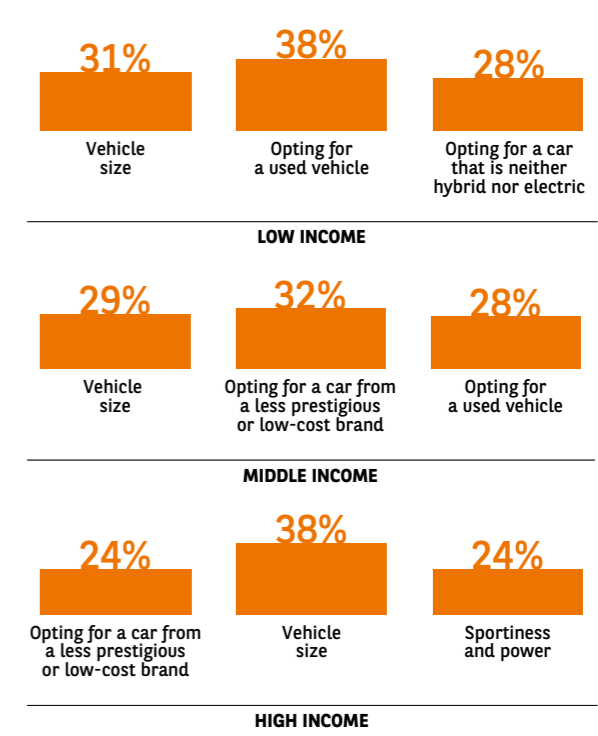
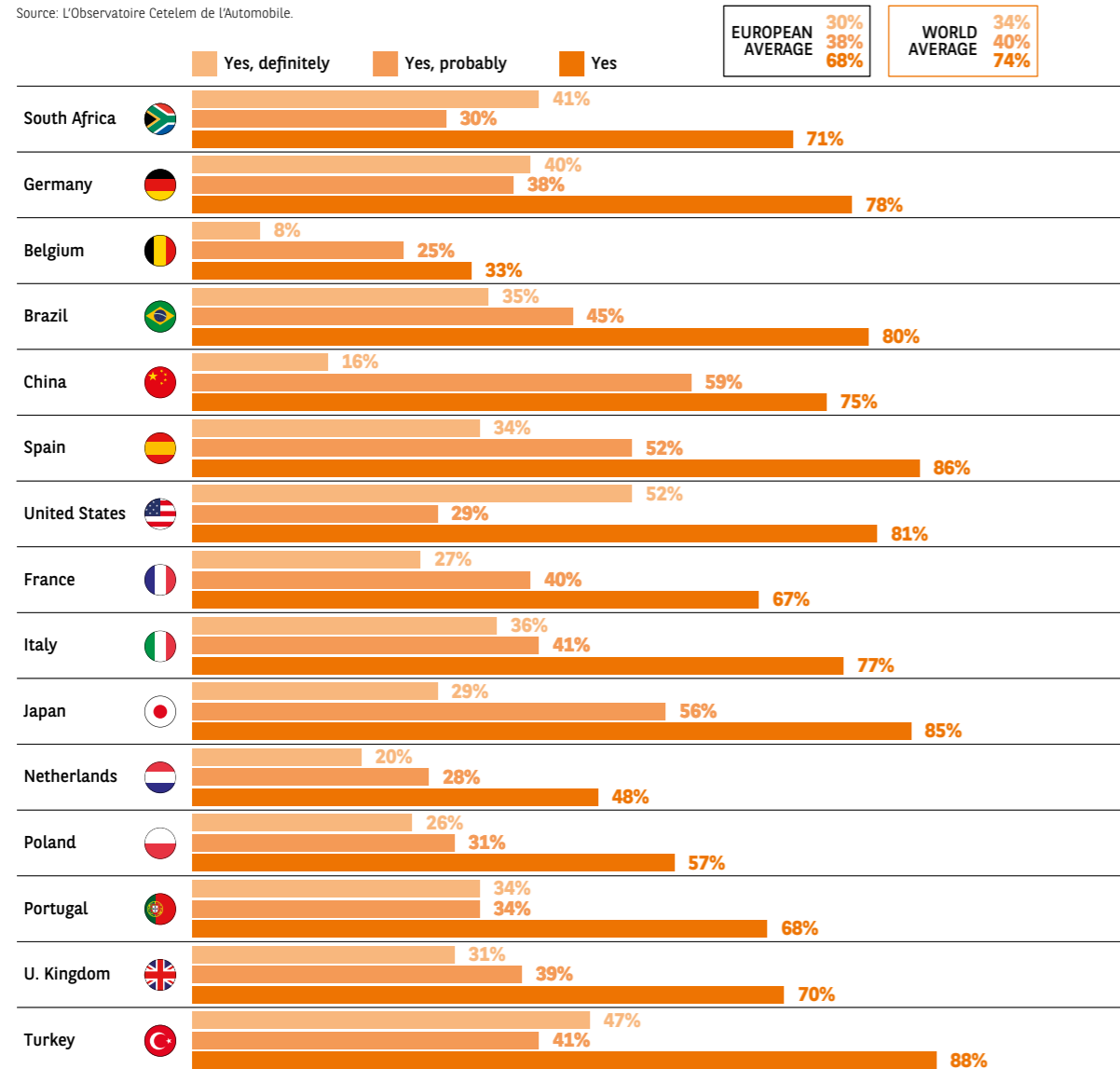


Fig. 41

Are you more likely to buy a car that is manufactured or assembled, wholly or partially, in your home country?

Select one answer only. Proportion of "Yes" answers. Answers of respondents who are planning to buy a car in the next 12 months.

Source: L'Observatoire Cetelem de L'Automobile.

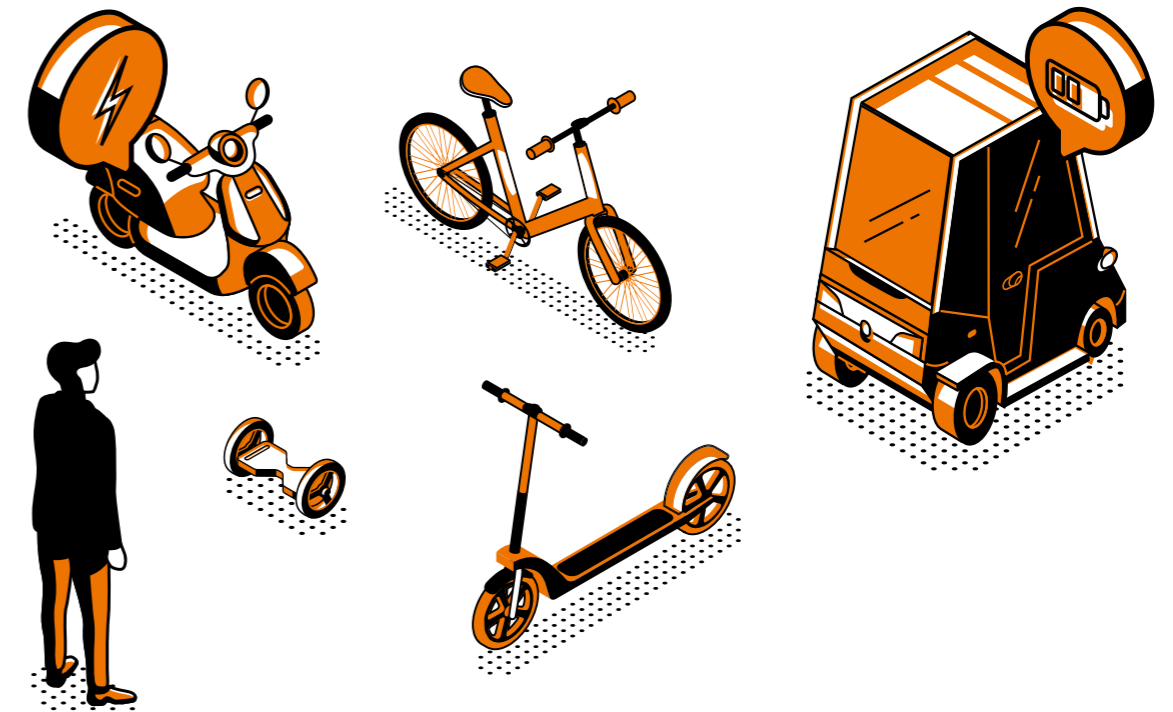


TOGG: TURKEY MARKS ITS TERRITORY

Have you heard of TOGG (Türkiye'nin Otomobili Girişim Grubu)? Possibly not, but the Turks definitely have. Under the impetus of the government and the leadership of President Erdogan, five local companies have formed a consortium to manufacture the first Turkish-built electric cars in Bursa. The government has committed to purchasing 30,000 units of the new vehicles, which were designed by Pininfarina. The brand is looking to conquer the Turkish market as of 2022 with two models, a saloon car and an SUV, before launching them internationally.

A PREFERENCE FOR LESS POLLUTING VEHICLES

The purchasing criteria cited by motorists show that they are not inclined to sacrifice environmental protection. When it comes to acquiring a new vehicle, they take their thinking one step further, stating that they would like the least polluting vehicles to be treated more favourably. This special treatment would mainly involve VAT cuts (81%), preferential road use (67%) and support from local authorities and governments, who should prioritise the purchase of such vehicles (78%).



WELCOME GOVERNMENT SUPPORT

THE SUPPORT ON OFFER MUST HELP THE LOWEST-INCOME HOUSEHOLDS

The last figure cited, which urges local and national authorities to be proactive, illustrates the desire for governments to play an active role in promoting the automotive industry and enhancing its profile.

This is also something they can achieve by offering support to the lowest-income households in the form of grants. 3 in 4 people would be in favour of such an initiative, with essentially the same countries voicing this opinion, i.e., the Mediterranean and emerging nations (Fig. 42). The proportion who are very much in favour exceeds 50% in Turkey, where motorists still have fond memories of the support granted in 2019.

It is not surprising to see that the lowest-income households are the most likely to consider such a measure to be positive.

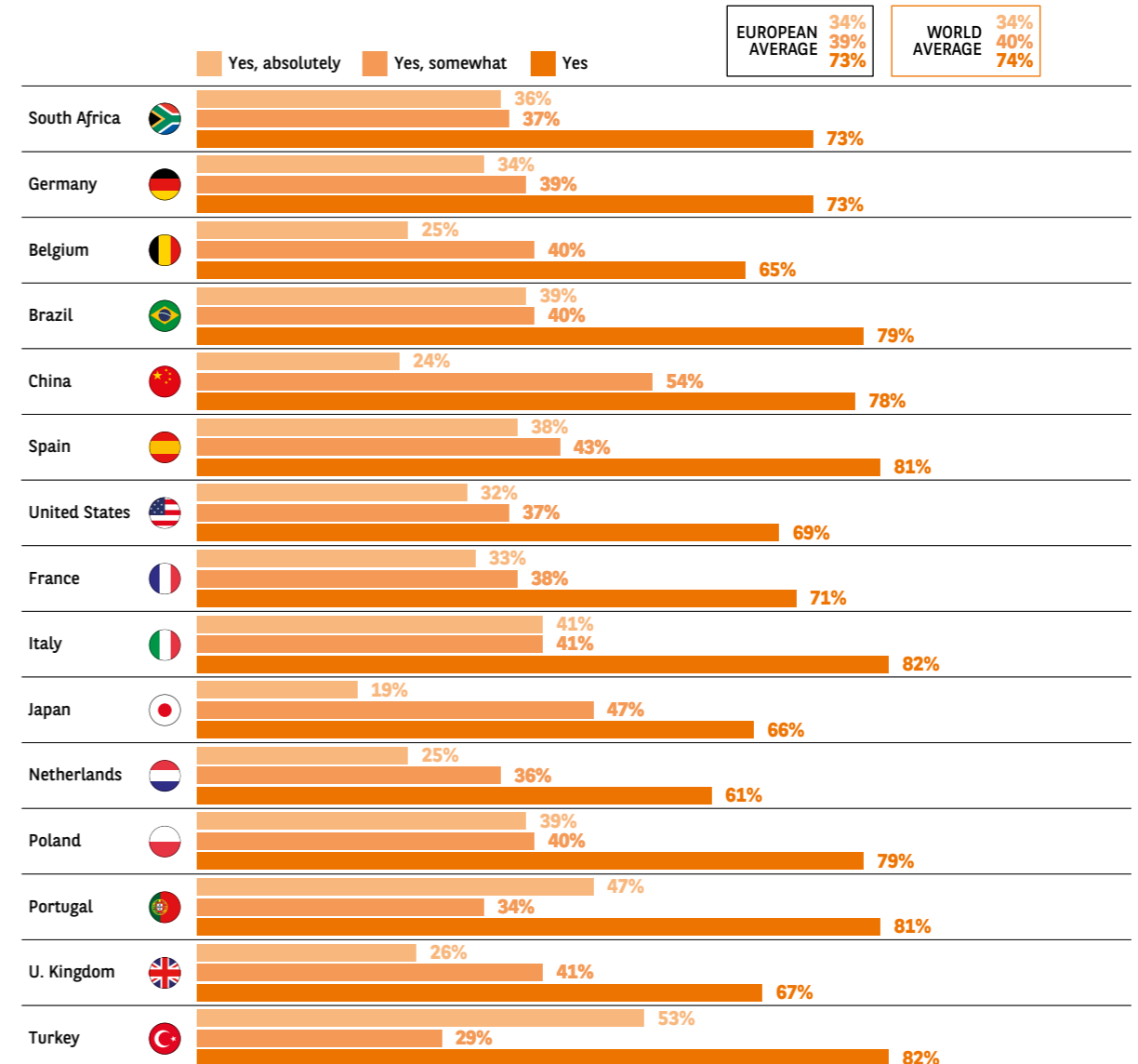


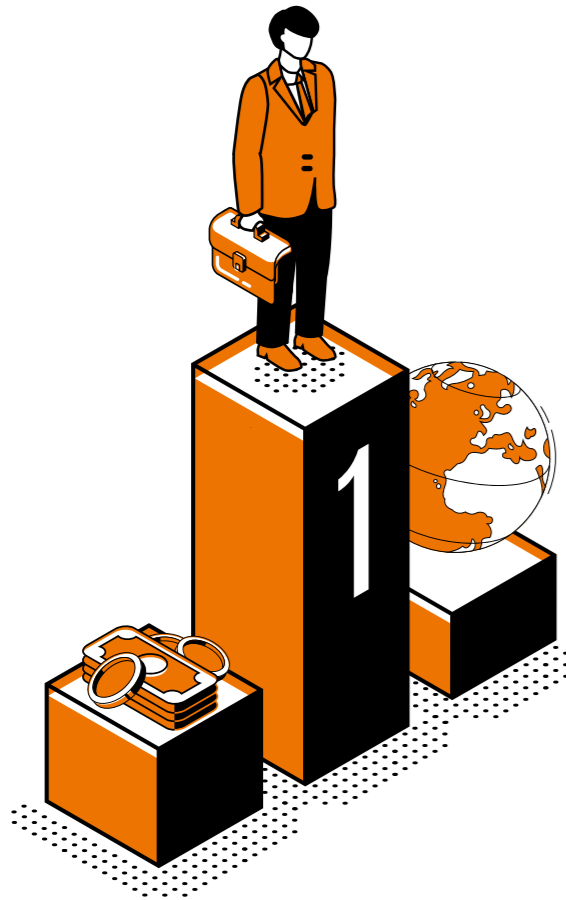
Fig. 42

Should government grants to help people purchase a vehicle be dependent on household income?

Select one answer only. Proportion of "Yes" answers.

Source: L'Observatoire Cetelem de L'Automobile.





PRIORITY GIVEN TO THE ECONOMY, THE ENVIRONMENT AND LOCALISM

More broadly, with the health crisis having profoundly affected the automotive sector, the idea that governments should provide support and implement far-reaching measures is in no way being called into question. But there is a desire to see some sort of pact between governments and manufacturers that would see support from the former conditioned on the latter's compliance with certain requirements.

The most popular requirement is that all jobs be protected. 84% of people are in favour of such a measure (Fig. 43). This underlines the fact that they are fully aware of the economic and social importance of the car industry. The second most popular requirement in this list confirms this feeling. Indeed, 81% of respondents would like to see brands commit to not increasing their prices.

This does not mean that environmental preservation has been forgotten. Again, 81% of those surveyed would like this to be among the factors on which financial support hinges.

Industrial nationalism is also on the agenda, with reshoring returning to the forefront of the conversation during the COVID-19 crisis. 73% would like vehicles to be manufactured wholly or partially in their home country. 71% would like to see the reshoring of certain production activities.

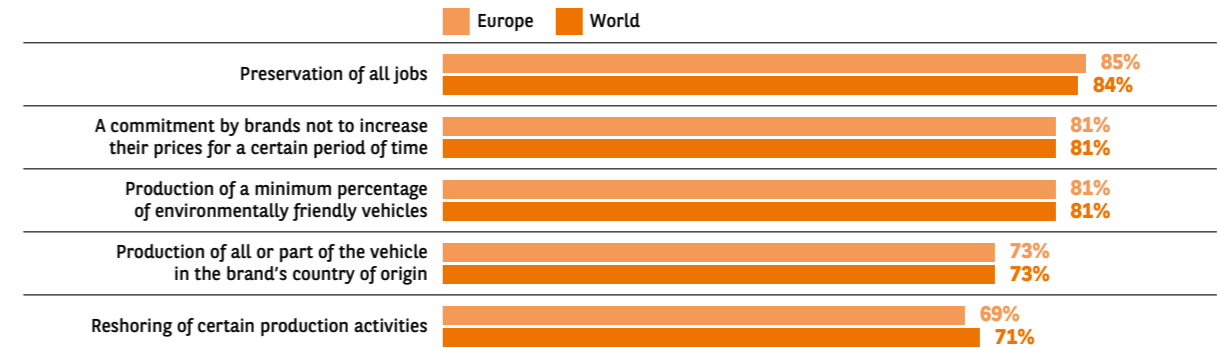
France posts the highest scores on all of these questions. Interestingly, in the United States, which is less Keynesian and more economically liberal, the figures are also very high.

Fig. 43

In your opinion, should all government subsidies to support the automotive industry depend on compliance with the following requirements?

Select one answer per statement. Proportion of "Yes" answers.

Source: L'Observatoire Cetelem de L'Automobile.



A MORE VIRTUOUS FUTURE

1 IN 2 ARE READY TO BUY A HYBRID OR ELECTRIC VEHICLE

In order to bounce back and enjoy a long and fruitful relationship with motorists, the automotive sector must have no hesitation in going green. Almost half of those surveyed say that their next car will be hybrid or electric (Fig. 44). The Spanish are by far the most enthusiastic about the former, with 42% considering buying such a vehicle. The Chinese and British are the keenest to switch to electric (27% and 28%). The Dutch and South Africans are the most likely to prefer petrol (43% and 44%). The Turks are almost alone in supporting diesel in significant numbers (28%).

A close analysis reveals significant differences between the income groups (Fig. 45). The intentions of the wealthiest individuals are more "eco-compatible" than those on low or middle incomes. Petrol is still the preferred choice of the latter two categories. The higher cost of electric and hybrid vehicles is therefore still a major obstacle.

Fig. 44

What will be the energy source of the next vehicle you plan to buy?

Select one answer only. Answers of respondents who are planning to buy a car in the next 12 months.

Source: L'Observatoire Cetelem de L'Automobile.

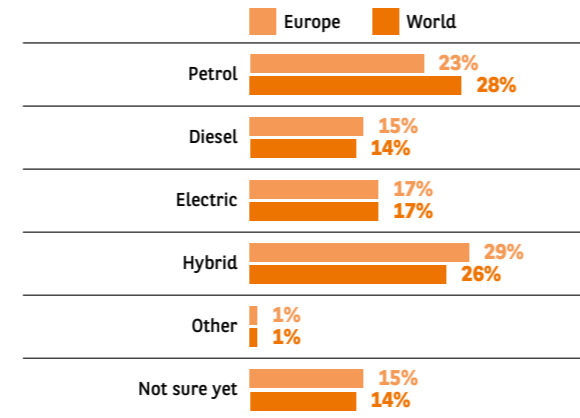
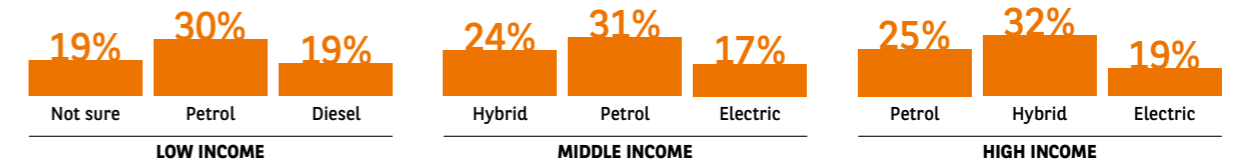


Fig. 45

What will be the energy source of the next vehicle you plan to buy?

Worldwide figures. Select one answer only. Top 3 answers according to the income of respondents.

Source: L'Observatoire Cetelem de L'Automobile.



ELECTRIC AND PLUG-IN HYBRID: HIGHER AND HIGHER

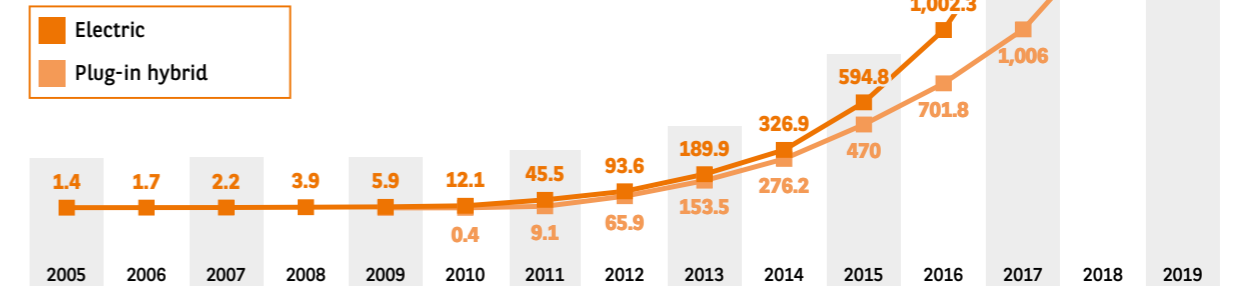
In 2019, sales of electric and plug-in hybrid vehicles began to reach significant levels: 15% in the Netherlands, more than 5% in China and Portugal, and more than 3% in France, Germany, Belgium and the United Kingdom. Encouragingly, these results follow a pattern that has seen sales of such models rise exponentially.

Fig. 46 / Context

Growth in the number of electric vehicles on the road

In thousands of units.

Source: IEA.



ELECTRIC CARS: THE ANSWER TO ENVIRONMENTAL PROBLEMS

If we focus on fully-electric cars alone, the majority of people view them as an ideal solution with which to combat a wide range of environmental problems. The issues cited in particular are noise pollution, air pollution and climate change (82, 85%, 79%) (Fig. 47).

CARBON FOOTPRINT: ELECTRICITY WINS OUT

The debate around the carbon footprint of electric cars rumbles on, with critics pointing out, among other issues, that the treatment of battery waste and the depletion of the natural resources needed to manufacture cells are both problematic. Nonetheless, their environmental impact is still smaller than that of comparable diesel or petrol vehicles.

Fig. 47

Do you believe that electric cars could be a solution to the following problems?

Select one or more answers. Proportion of "Yes" answers.

Source: L'Observatoire Cetelem de l'Automobile.

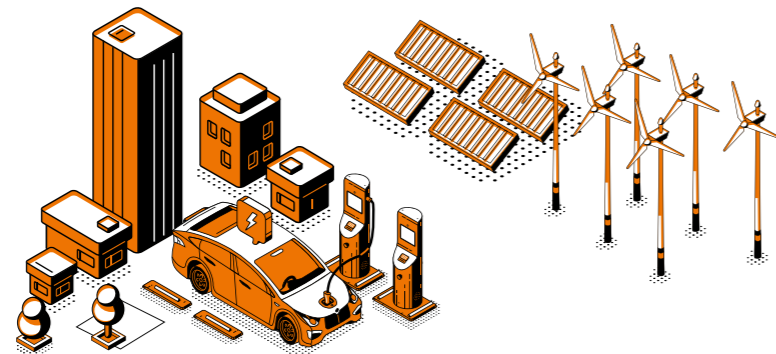
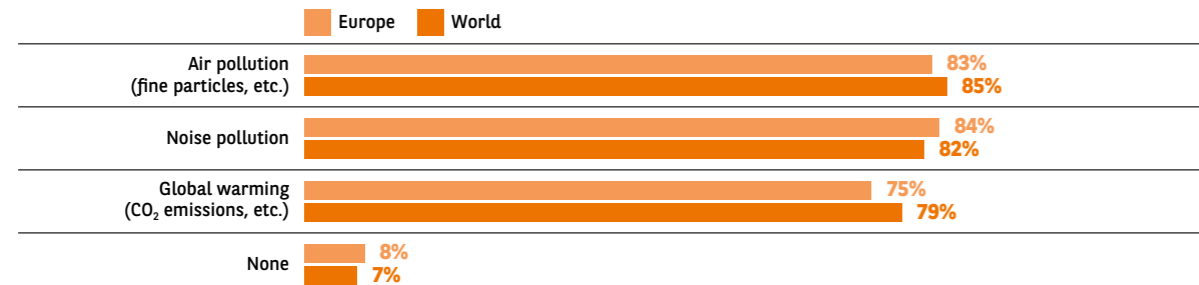
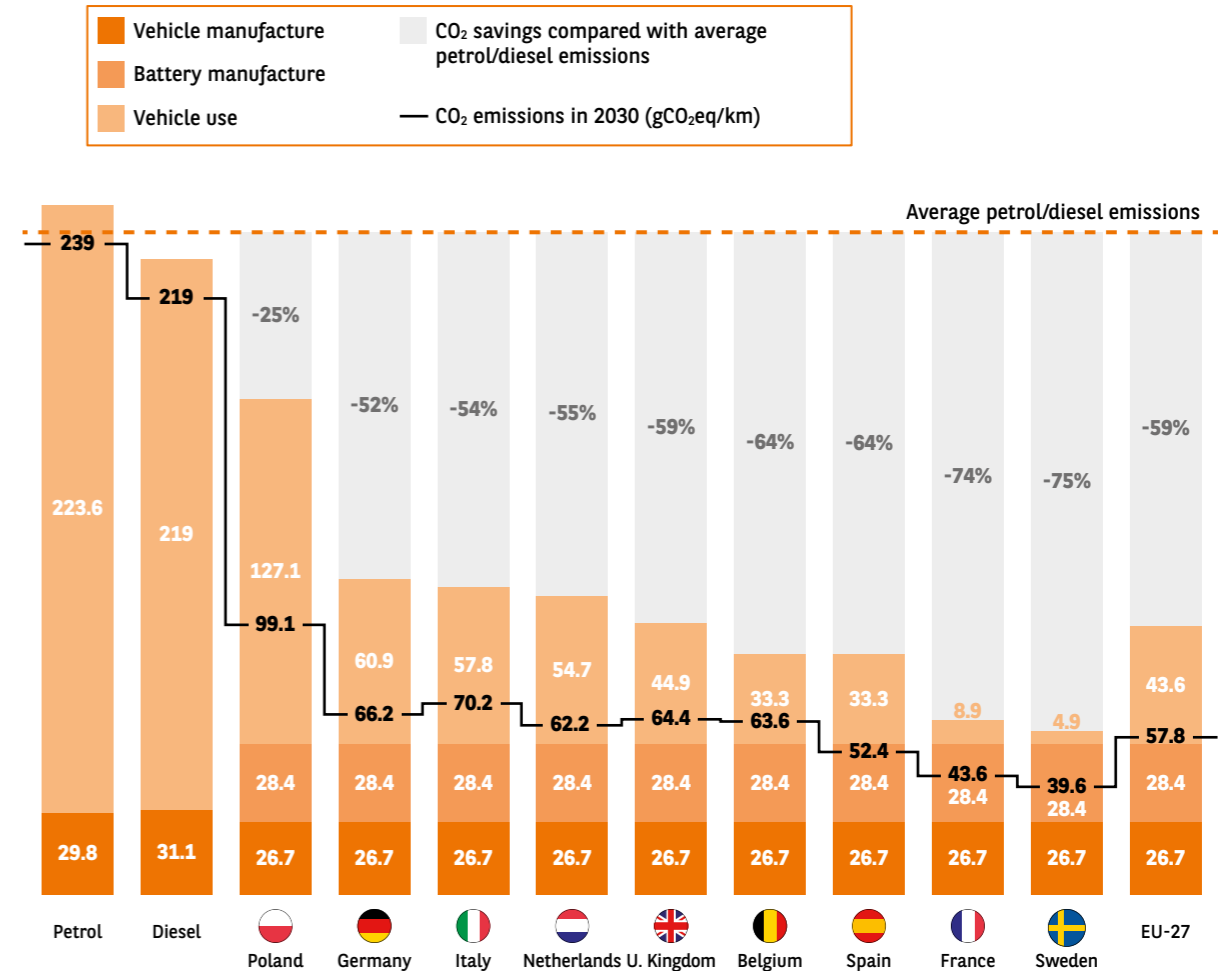


Fig. 48 / Context

Carbon footprint of electric vehicles in each European country

Calculation assumption: 225,000 km travelled by each vehicle.

Source: Transport & Environment (How Clean are Electric Cars tool).



AN EXPECTATION THAT GOVERNMENTS AND ENERGY INDUSTRIES WILL TAKE US TO THE NEXT LEVEL

As we have seen, people are looking to governments to support the automotive industry, but not at any price. The same goes for expanding the network of charging stations, which is currently an Achilles heel for the development of this technology, together with the cost and range of vehicles. 1 in 3 people believe it is up to the authorities to drive this growth (Fig. 49). However, various other stakeholders are also expected to help pick up the reins. Almost the same proportion believe that companies from the energy sector must contribute. The rationale may be that these firms should start giving back what they have taken from the planet to help ensure a more sustainable future.

Those in more "economically liberal" countries, like the United States and Brazil, tend to expect less from governments in this area, although the UK swims against this tide. There is a broader consensus regarding the efforts expected from energy companies, with Brazil and South Africa leading these demands.

ELECTRIC: THE FUTURE OF MOTORING

A final leap forward was apparently needed for electric cars to be considered the auto industry's guiding light towards a bright future. Today, this leap has resolutely been made. 3 in 4 state that these vehicles will secure the sector's future (Fig. 51). Electric power is largely viewed as the only magic wand available. On this question, which is fundamentally tied to government environmental policies, we find the same difference of opinion already observed in many areas. Indeed, while the emerging countries and China passionately believe in the idea, France, Germany and Belgium are a little less convinced.

Fig. 49

To make the use of electric cars more practical, would you say that the charging network should be developed primarily by...

Select one answer only. Answers of respondents who are planning to buy a car in the next 12 months.

Source: L'Observatoire Cetelem de L'Automobile.

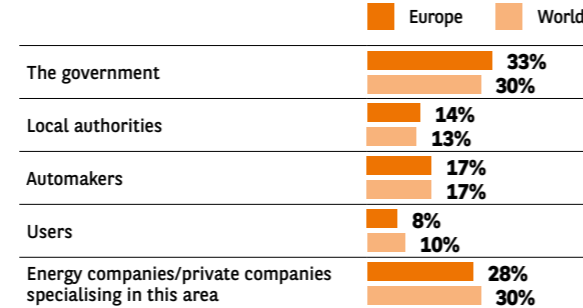


Fig. 50 / Context

Number of electric vehicles per public charging station in Europe in 2019

Rounded data.

Sources: Recharge EU: Transport & Environment (Analyses based on Plugsurfing, Openchargemap and EAFO).

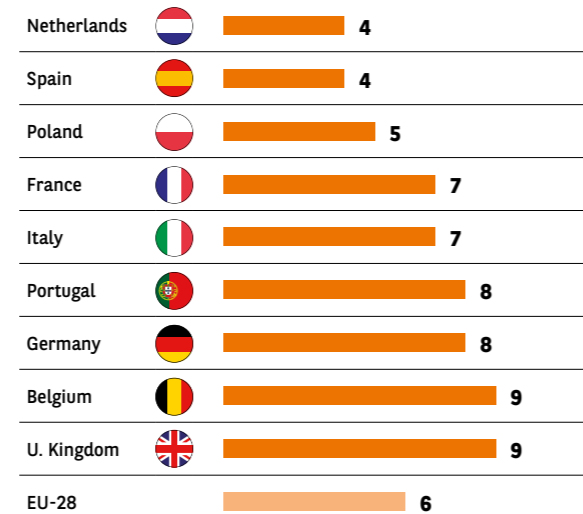
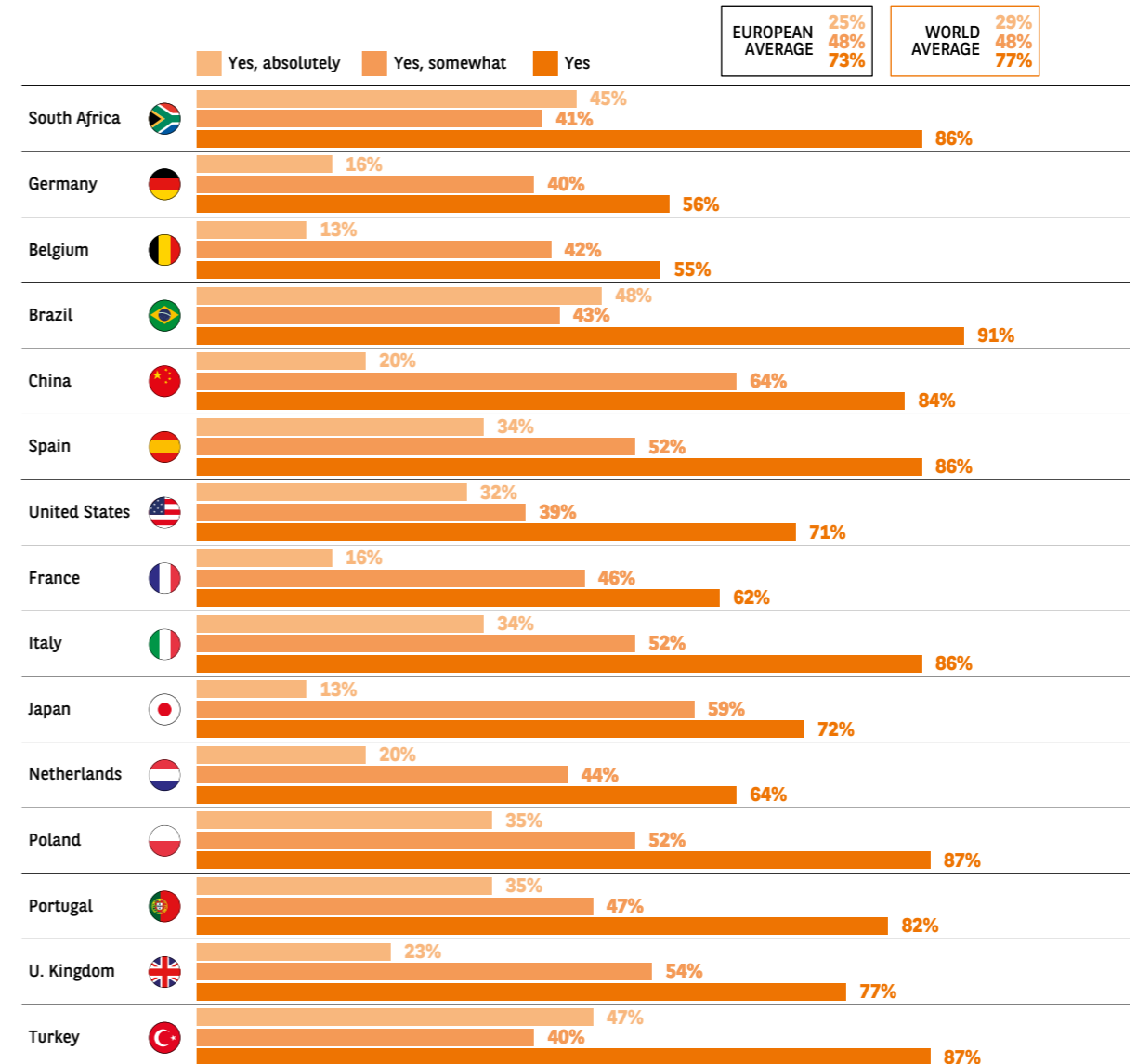


Fig. 51

Do you believe electric vehicles are a way of securing the future of the automotive industry?

Select one answer only. Proportion of "Yes" answers.

Source: L'Observatoire Cetelem de L'Automobile.



MANUFACTURERS ARE PLUGGING IN TO ELECTRICITY

People's faith in the ability of electric cars to save the automotive industry is also measured in terms of hard cash and the strategic commitment required from manufacturers across the globe. Countless new models are set to hit the market over the coming months and years. And given the levels of investment announced, this is surely just the beginning.

Fig. 52 / Context

Plans by automakers to invest in hybrid and electric

Sources: Zonebourse, Electrek, Slashgear / Les échos, Nikkei.com, CBNC, Bangkokpost, Agencecofin.

Group / Manufacturer	Investment location	Project	Estimated value
 Volkswagen	World, primarily China	Development of electric vehicles by 2024 Project to manufacture 15 new electric vehicles in China by 2025 (with Chinese partner companies) Acquisition of a stake in a Chinese battery manufacturer	€48bn including €15bn in China €1bn
 Tesla	World	At Battery Day, the company announced its intention to increase its battery production capacity from 200 GWh to 3 TWh between 2023 and 2030 (x15) No figures have yet been announced, but by way of comparison the Tesla/Panasonic Giga Nevada plant built in 2014 cost an estimated \$5 billion and produces batteries with a total capacity of 50 GWh/year Panasonic: continued joint investment with TESLA: \$100m invested	No figures announced
 General Motors	United States	Increase in local EV production Part of a \$4.5 billion investment project in 3 American EV plants	€2.2bn
 Ford	Canada	Investment in EV production facilities	\$1.35bn
 PSA / Fiat Chrysler	Canada	Investment in EV production facilities	\$1.1bn
 Hyundai	Singapour	Investment in EV production facilities	\$295m

KEY FIGURES

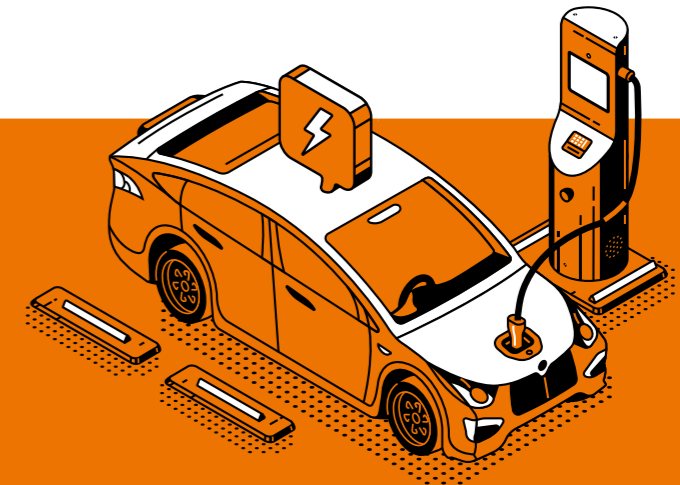
1 in 4 cars purchased will be second-hand.

More than **1 in 2 people** state that their next vehicle will be hybrid or electric.

3 in 4 people believe that electric cars are the future of the auto industry.

More than **8 out of 10 people** believe it is possible to make more space for sustainable modes of transport.

3 in 4 people state that they would prefer to buy a car manufactured or assembled in their country.



EPILOGUE

So, is a divorce impossible? Looking at the results of this 2021 edition of L'Observatoire Cetelem, everything points to this being the case. The final answer obtained from respondents suggests that the auto industry's resurgence will look nothing like its previous glories. The cars of the future must bear little resemblance to those of today if they are to find favour among consumers. What people dream of are ultra high-tech vehicles that will be more economical and more sustainable (**Fig. 53**). And they will love them for it.

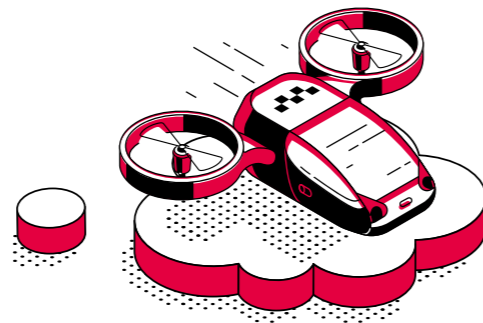
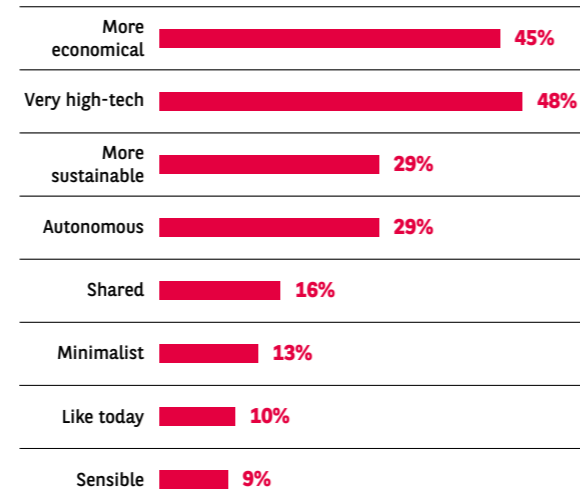
While cars continue to divide opinion, the sector also remains divided about its own future. On the one hand, we are seeing a proliferation of new safety, communication and entertainment features, as well as increasingly sophisticated powertrain and pollution control technologies, which have led to cars becoming larger and heavier. Thus, SUVs and premium models have tended to account for a growing proportion of global sales. On the other hand, as our findings suggest, used vehicles are proving more and more popular. The low-cost market ceased to be a niche segment a long time ago. Lightweight motorised four-wheelers are becoming more common on our streets. Debates that pit ecology against the economy often result in Manichean discussions around radically contrasting arguments. But in real life, the issue is often less clear cut. Mobility, automobility and cars will continue to inhabit a more nuanced reality, even in a post-COVID-19 world.

Fig. 53

What do you imagine cars will be like in 5 to 10 years' time?

Select one answer only

Source: L'Observatoire Cetelem de L'Automobile.



COUNTRY FACT SHEETS



SOUTH AFRICA • GERMANY • BELGIUM • BRAZIL • CHINA • SPAIN • UNITED STATES • FRANCE
 ITALY • JAPAN • NETHERLANDS • POLAND • PORTUGAL • UNITED KINGDOM • TURKEY

The prevalence of cars

2015 motorisation rate¹

176 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

0.6 million vehicles (ranked 12th/15*)

EV market share

■ 0,1% ■ 2,5%

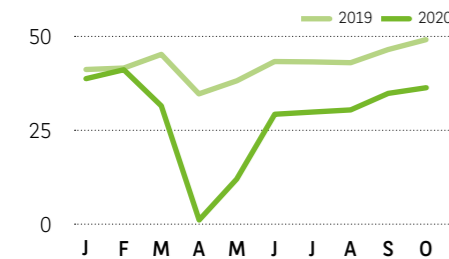
Proportion who like and love cars

■ 69% ■ 52%

Purchasing intentions in the next 12 months

42% vs. 62% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **0,53** | 2020 **0,36** (-33%) | 2021 **0,41** (+15%)

SYNTHESIS

South Africa is a car market with great potential: a low motorisation rate, high-quality road infrastructures and a strong relationship with the automobile. The South Africans are also the most likely to view cars as valuable objects. Despite these qualities, the country was already facing economic difficulties before the health crisis, and it could take years to fulfil its potential.

* Countries of L'Observatoire Cetelem. Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

The prevalence of cars

2018 motorisation rate¹

614 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

4.6 millions de vehicles (ranked 4th/15*)

EV market share

■ 3% ■ 2,5%

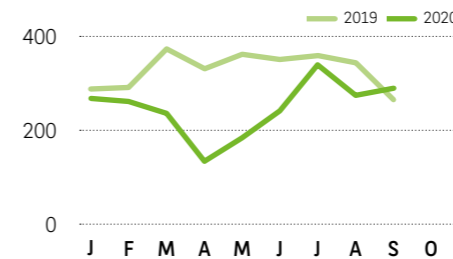
Proportion who like and love cars

■ 43% ■ 52%

Purchasing intentions in the next 12 months

23% vs. 34% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **4,01** | 2020 **3,13** (-22%) | 2021 **3,41** (+9%)

SYNTHESIS

Germany's motoring tradition is reflected in the answers of its citizens: fewer Germans believe the criticisms directed at cars to be justified and they are less likely to consider electric vehicles to be a way of securing the future of the automotive sector. However, the Germans would also like to see the presence of cars in cities reduced and sustainable transport solutions developed instead.

* Countries of L'Observatoire Cetelem. Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

👍 POSSIBLE

Believe that criticisms of cars are justified
■ 77% ■ 72%

Agree with taxes on polluting vehicles
■ 52% ■ 61%

Support a reduction in the space set aside for cars in cities
■ 55% ■ 64%

👎 IMPOSSIBLE

A personal relationship
Prepared to live without a car
■ 35% ■ 45%

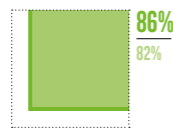
Feel protected when they are in a car
■ 82% ■ 76%

A national relationship
Favour the domestic automotive industry
■ 71% ■ 74%

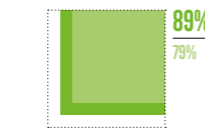
Consider that the government does not support the automotive industry sufficiently
■ 76% ■ 61%

A green and virtuous future?

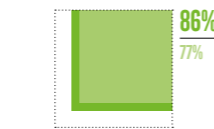
Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile



Seeing EV as a solution to global warming problems



Seeing EV as a way to secure the future of the automotive industry

Energy source of the next vehicle purchased



Petrol

Diesel

Electric

Hybrid

Other / Not sure yet

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

👍 POSSIBLE

Believe that criticisms of cars are justified
■ 55% ■ 72%

Agree with taxes on polluting vehicles
■ 62% ■ 61%

Support a reduction in the space set aside for cars in cities
■ 70% ■ 64%

👎 IMPOSSIBLE

A personal relationship
Prepared to live without a car
■ 45% ■ 45%

Feel protected when they are in a car
■ 65% ■ 76%

A national relationship
Favour the domestic automotive industry
■ 78% ■ 74%

Consider that the government does not support the automotive industry sufficiently
■ 49% ■ 61%

A green and virtuous future?

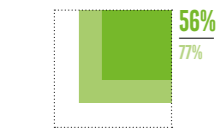
Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile



Seeing EV as a solution to global warming problems



Seeing EV as a way to secure the future of the automotive industry

Energy source of the next vehicle purchased



Petrol

Diesel

Electric

Hybrid

Other / Not sure yet

The prevalence of cars

2018 motorisation rate¹

589 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

0,3 million vehicles (ranked 14th/15*)

EV market share

■ 3,3%
■ 2,5%

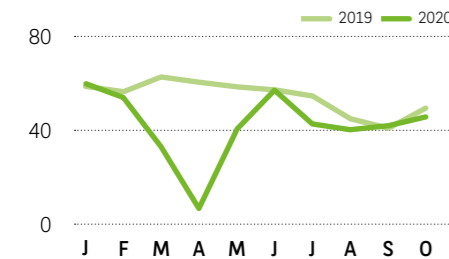
Proportion who like and love cars

■ 46%
■ 52%

Purchasing intentions in the next 12 months

15% vs. 24% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **0,64** | 2020 **0,49** (-23%) | 2021 **0,55** (+10%)

SYNTHESIS

Belgium is one of the European countries in which electric vehicles are making real inroads, with a significant market share and strong purchasing intentions. Paradoxically, the Belgians are among those who are the least likely to consider electric vehicles as a solution to environmental problems, while also being less inclined than citizens of other countries to support the development of sustainable modes of travel to the detriment of cars.

* Countries of L'Observatoire Cetelem.

Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

The prevalence of cars

2015 motorisation rate¹

206 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

2,9 millions de vehicles (ranked 5th/15*)

EV market share

■ 0,1%
■ 2,5%

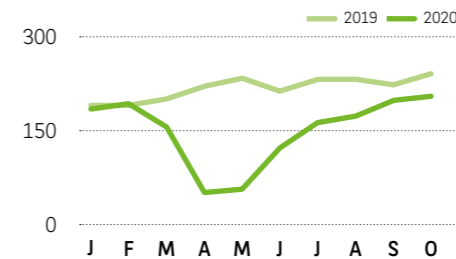
Proportion who like and love cars

■ 80%
■ 52%

Purchasing intentions in the next 12 months

51% vs. 68% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **2,79** | 2020 **1,92** (-31%) | 2021 **2,31** (+20%)

SYNTHESIS

Brazil has the highest proportion of respondents who like or love cars. However, the Brazilians are also the most likely to believe that criticisms of cars are justified. They see electric cars as a solution to environmental problems, but that is not yet translating into sales. On top of the global health crisis, Brazil is going through an economic and political crisis, which explains why intentions to buy a vehicle dropped between 2019 and 2020.

* Countries of L'Observatoire Cetelem.

Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

👍 POSSIBLE

Believe that criticisms of cars are justified
■ 63%
■ 72%

Agree with taxes on polluting vehicles
■ 61%
■ 61%

Support a reduction in the space set aside for cars in cities
■ 53%
■ 64%

👎 IMPOSSIBLE

A personal relationship

Prepared to live without a car
■ 33%
■ 45%

Feel protected when they are in a car
■ 64%
■ 76%

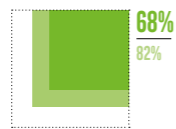
A national relationship

Favour the domestic automotive industry
■ 33%
■ 74%

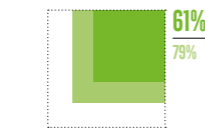
Consider that the government does not support the automotive industry sufficiently
■ 58%
■ 61%

A green and virtuous future?

Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile



Seeing EV as a solution to global warming problems



Seeing EV as a way to secure the future of the automotive industry

Energy source of the next vehicle purchased



Petrol



Diesel



Electric



Hybrid



Other / Not sure yet

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

👍 POSSIBLE

Believe that criticisms of cars are justified
■ 87%
■ 72%

Agree with taxes on polluting vehicles
■ 54%
■ 61%

Support a reduction in the space set aside for cars in cities
■ 52%
■ 64%

Proportion who like and love cars

■ 80%
■ 52%

A green and virtuous future?

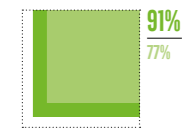
Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile



Seeing EV as a solution to global warming problems



Seeing EV as a way to secure the future of the automotive industry

Energy source of the next vehicle purchased



Petrol



Diesel



Electric



Hybrid



Other / Not sure yet

The prevalence of cars

2015 motorisation rate¹

118 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

25,7 millions de véhicules (ranked 1st/15*)

EV market share

■ 4,9%
■ 2,5%

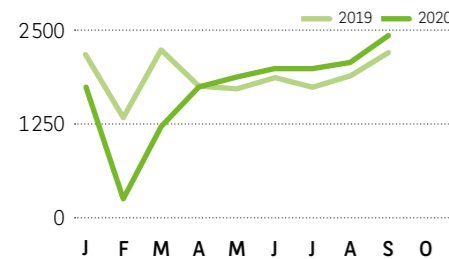
Proportion who like and love cars

■ 49%
■ 52%

Purchasing intentions in the next 12 months

43% vs. 43% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **25,8** | 2020 **23,4** (-9%) | 2021 **25,8** (+10%)

SYNTHESIS

China has taken on the role of champion of the auto industry. The Chinese market has been less severely affected by Covid-19 and is expected to make up the deficit by 2021, with purchasing intentions in 2021 comparable to last year. The intentions of the Chinese when it comes to cars are unambiguous: they want polluting vehicles to be taxed more and see the future of motoring as electric.

* Countries of L'Observatoire Cetelem. Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

The prevalence of cars

2018 motorisation rate¹

629 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

2,8 millions de véhicules (ranked 6th/15*)

EV market share

■ 1,4%
■ 2,5%

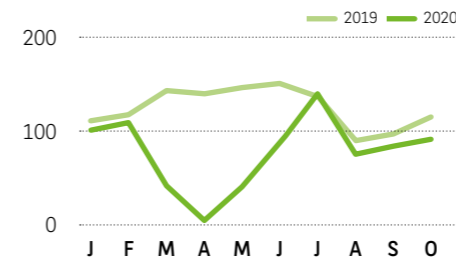
Proportion who like and love cars

■ 61%
■ 52%

Purchasing intentions in the next 12 months

33% vs. 46% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **1,50** | 2020 **0,96** (-36%) | 2021 **1,12** (+16%)

SYNTHESIS

Spain's car market was the most severely impacted by Covid-19 in 2020. This is a country whose automotive industry is highly developed and whose citizens are more passionate about cars than the overall average. Yet, the Spanish believe that the criticisms levelled at cars are justified and are in favour of reducing their presence in cities, much like their Portuguese neighbours.

* Countries of L'Observatoire Cetelem. Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

👍 POSSIBLE

Believe that criticisms of cars are justified
■ 80%
■ 72%

Agree with taxes on polluting vehicles
■ 79%
■ 61%

Support a reduction in the space set aside for cars in cities
■ 54%
■ 64%

👎 IMPOSSIBLE

A personal relationship
Prepared to live without a car
■ 45%
■ 45%

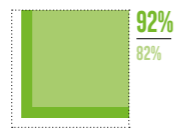
Feel protected when they are in a car
■ 91%
■ 76%

A national relationship
Favour the domestic automotive industry
■ 75%
■ 74%

Consider that the government does not support the automotive industry sufficiently
■ 59%
■ 61%

A green and virtuous future?

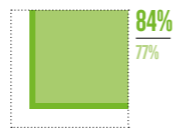
Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile

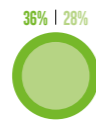


Seeing EV as a solution to global warming problems

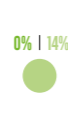


Seeing EV as a way to secure the future of the automotive industry

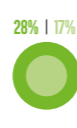
Energy source of the next vehicle purchased



Petrol



Diesel



Electric



Hybrid



Other / Not sure yet

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

👍 POSSIBLE

Believe that criticisms of cars are justified
■ 82%
■ 72%

Agree with taxes on polluting vehicles
■ 58%
■ 61%

Support a reduction in the space set aside for cars in cities
■ 72%
■ 64%

Proportion who like and love cars

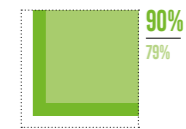
■ 61%
■ 52%

A green and virtuous future?

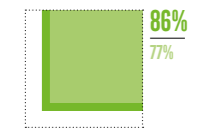
Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile

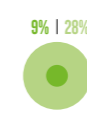


Seeing EV as a solution to global warming problems

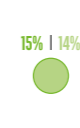


Seeing EV as a way to secure the future of the automotive industry

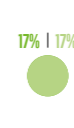
Energy source of the next vehicle purchased



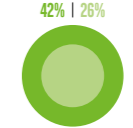
Petrol



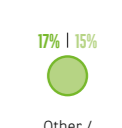
Diesel



Electric



Hybrid



Other / Not sure yet

The prevalence of cars

2015 motorisation rate¹

821 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

10,9 millions de véhicules (ranked 2nd/15*)

EV market share

2,1%
2,5%

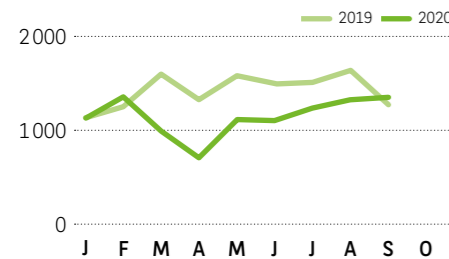
Proportion who like and love cars

61%
52%

Purchasing intentions in the next 12 months

37% vs. 48% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **17,5** | 2020 **14,3** (-18%) | 2021 **15,6** (+9%)

SYNTHESIS

The United States will still be the land of the automobile in 2021: the impact of the health crisis on purchasing intentions has been relatively moderate and Americans will continue to prioritise their industry in 2021. Away from the clichés, the majority of Americans want to reduce the presence of cars in cities, while the proportion of respondents who are prepared to live without a car is in line with the global average.

* Countries of L'Observatoire Cetelem. Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

The prevalence of cars

2018 motorisation rate¹

596 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

2,2 millions de véhicules (ranked 7th/15*)

EV market share

2,8%
2,5%

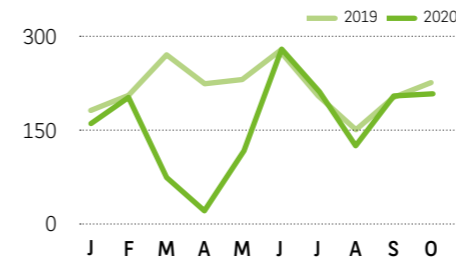
Proportion who like and love cars

50%
52%

Purchasing intentions in the next 12 months

26% vs. 36% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **2,76** | 2020 **2,00** (-27%) | 2021 **2,30** (+15%)

SYNTHESIS

In France, the status afforded to cars is declining sharply, even though many are not yet willing to live without their vehicle. They are less likely than other respondents to feel that the criticisms aimed at cars are justified. Despite the high penetration rate of French brands in the European electric vehicle market, purchasing intentions for such vehicles remain below the global average.

* Countries of L'Observatoire Cetelem. Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

POSSIBLE

Believe that criticisms of cars are justified
68%
72%

Agree with taxes on polluting vehicles
50%
61%

Support a reduction in the space set aside for cars in cities
58%
64%

IMPOSSIBLE

A personal relationship

Prepared to live without a car
42%
45%

Feel protected when they are in a car
79%
76%

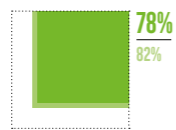
A national relationship

Favour the domestic automotive industry
81%
74%

Consider that the government does not support the automotive industry sufficiently
45%
61%

A green and virtuous future?

Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile

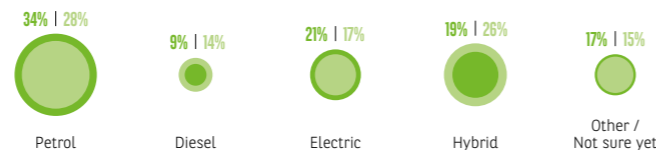


Seeing EV as a solution to global warming problems



Seeing EV as a way to secure the future of the automotive industry

Energy source of the next vehicle purchased



Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

POSSIBLE

Believe that criticisms of cars are justified
60%
72%

Agree with taxes on polluting vehicles
64%
61%

Support a reduction in the space set aside for cars in cities
63%
64%

IMPOSSIBLE

A personal relationship

Prepared to live without a car
35%
45%

Feel protected when they are in a car
79%
76%

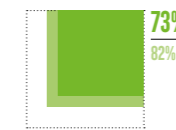
A national relationship

Favour the domestic automotive industry
67%
74%

Consider that the government does not support the automotive industry sufficiently
50%
61%

A green and virtuous future?

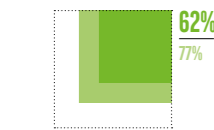
Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile

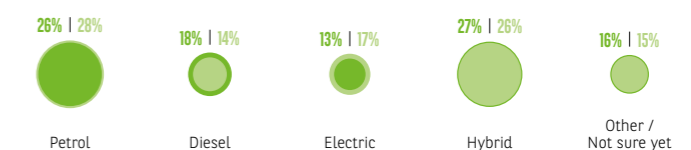


Seeing EV as a solution to global warming problems



Seeing EV as a way to secure the future of the automotive industry

Energy source of the next vehicle purchased





■ Italy ■ World

The prevalence of cars

2018 motorisation rate¹

730 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

0,9 million vehicles (ranked 10th/15*)

EV market share

■ 0,9% ■ 2,5%

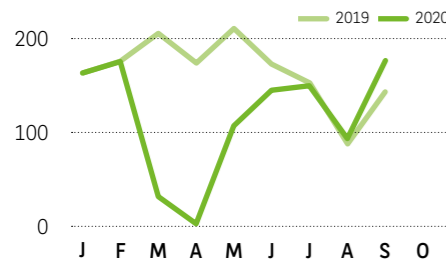
Proportion who like and love cars

■ 48% ■ 52%

Purchasing intentions in the next 12 months

46% vs. 54% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **2,13** | 2020 **1,42** (-33%) | 2021 **1,68** (+18%)

SYNTHESIS

While Italy is one of the countries where motoring is viewed as a pleasure and where the motorisation rate is among the highest, the Italians are relatively dispassionate about motoring. They tend to be in favour of reducing the presence of cars in cities and understand the criticisms levelled at this mode of transport. However, the country is slightly behind its European neighbours when it comes to the proportion of electric vehicles on its roads.

* Countries of L'Observatoire Cetelem.

Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.



■ Japan ■ World

The prevalence of cars

2015 motorisation rate¹

609 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

9,7 millions de véhicules (ranked 3rd/15*)

EV market share

■ 0,9% ■ 2,5%

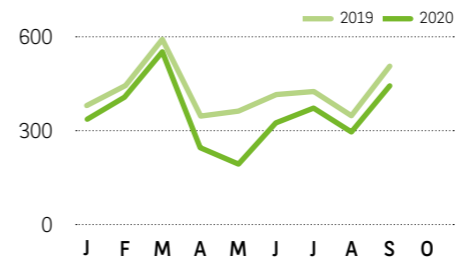
Proportion who like and love cars

■ 33% ■ 52%

Purchasing intentions in the next 12 months

18% vs. 26% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **5,20** | 2020 **4,36** (-16%) | 2021 **4,71** (+8%)

SYNTHESIS

While they are fairly reluctant to relinquish their cars, the Japanese do not see them as objects of desire but as utilitarian items. The country's automotive industry is highly developed and well supported by its inhabitants. Purchasing intentions for electric and hybrid vehicles are significantly higher than in other countries.

* Countries of L'Observatoire Cetelem.

Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

👍 POSSIBLE

Believe that criticisms of cars are justified
■ 79% ■ 72%

Agree with taxes on polluting vehicles
■ 66% ■ 61%

Support a reduction in the space set aside for cars in cities
■ 78% ■ 64%

👎 IMPOSSIBLE

A personal relationship
Prepared to live without a car
■ 40% ■ 45%

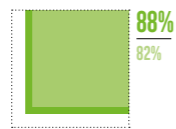
Feel protected when they are in a car
■ 72% ■ 76%

A national relationship
Favour the domestic automotive industry
■ 77% ■ 74%

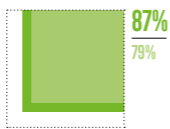
Consider that the government does not support the automotive industry sufficiently
■ 58% ■ 61%

A green and virtuous future?

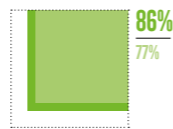
Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile



Seeing EV as a solution to global warming problems



Seeing EV as a way to secure the future of the automotive industry

Energy source of the next vehicle purchased



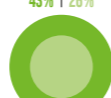
Petrol



Diesel



Electric



Hybrid



Other / Not sure yet

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

👍 POSSIBLE

Believe that criticisms of cars are justified
■ 70% ■ 72%

Agree with taxes on polluting vehicles
■ 60% ■ 61%

Support a reduction in the space set aside for cars in cities
■ 60% ■ 64%

👎 IMPOSSIBLE

A personal relationship
Prepared to live without a car
■ 34% ■ 45%

Feel protected when they are in a car
■ 79% ■ 76%

A national relationship
Favour the domestic automotive industry
■ 85% ■ 74%

Consider that the government does not support the automotive industry sufficiently
■ 34% ■ 61%

A green and virtuous future?

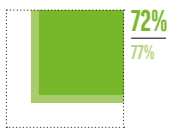
Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile



Seeing EV as a solution to global warming problems



Seeing EV as a way to secure the future of the automotive industry

Energy source of the next vehicle purchased



Petrol



Diesel



Electric



Hybrid



Other / Not sure yet

Netherlands

■ Netherlands ■ World

The prevalence of cars

2018 motorisation rate¹

580 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

0,3 million vehicles (ranked 15th/15*)

EV market share

■ 15%
■ 2,5%

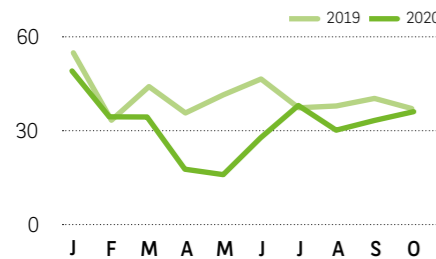
Proportion who like and love cars

■ 42%
■ 52%

Purchasing intentions in the next 12 months

18% vs. 31% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **0,53** | 2020 **0,41** (-23%) | 2021 **0,46** (+10%)

SYNTHESIS

The land of bicycles already places a strong emphasis on sustainable modes of travel. Thus, the Dutch are less inclined to further reduce the presence of cars so as to develop these alternative forms of transport. The market share of electric vehicles is higher in the country than in any of the others surveyed, but purchasing intentions for electric vehicles are no higher there than elsewhere. The Netherlands can point to the fact that it has one of the most developed charging networks in the world: it is home to 25% of Europe's charging points.

* Countries of L'Observatoire Cetelem. Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

Poland

■ Poland ■ World

The prevalence of cars

2018 motorisation rate¹

719 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

0.6 million vehicles (ranked 11th/15*)

EV market share

■ 0.5%
■ 2,5%

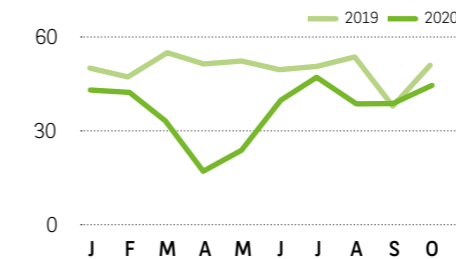
Proportion who like and love cars

■ 49%
■ 52%

Purchasing intentions in the next 12 months

31% vs. 44% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **0,66** | 2020 **0,49** (-25%) | 2021 **0,56** (+15%)

SYNTHESIS

Although the majority of Poles claim that they are prepared to live without a car, Poland still has one of the highest rates of car ownership in the world, bolstered by a vibrant second-hand market. Poland lags behind the rest of Europe in the development of electric vehicles, both in terms of market share and purchasing intentions.

* Countries of L'Observatoire Cetelem. Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

👍 POSSIBLE

Believe that criticisms of cars are justified
■ 66%
■ 72%

Agree with taxes on polluting vehicles
■ 59%
■ 61%

Support a reduction in the space set aside for cars in cities
■ 60%
■ 64%

👎 IMPOSSIBLE

A personal relationship
Prepared to live without a car
■ 45%
■ 45%

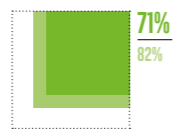
Feel protected when they are in a car
■ 59%
■ 76%

A national relationship
Favour the domestic automotive industry
■ 48%
■ 74%

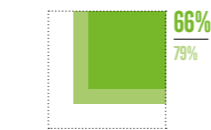
Consider that the government does not support the automotive industry sufficiently
■ 56%
■ 61%

A green and virtuous future?

Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile

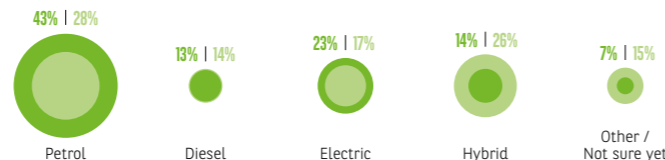


Seeing EV as a solution to global warming problems



Seeing EV as a way to secure the future of the automotive industry

Energy source of the next vehicle purchased



Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

👍 POSSIBLE

Believe that criticisms of cars are justified
■ 67%
■ 72%

Agree with taxes on polluting vehicles
■ 58%
■ 61%

Support a reduction in the space set aside for cars in cities
■ 70%
■ 64%

👎 IMPOSSIBLE

A personal relationship
Prepared to live without a car
■ 60%
■ 45%

Feel protected when they are in a car
■ 86%
■ 76%

A national relationship
Favour the domestic automotive industry
■ 57%
■ 74%

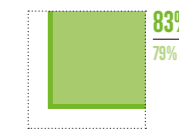
Consider that the government does not support the automotive industry sufficiently
■ 73%
■ 61%

A green and virtuous future?

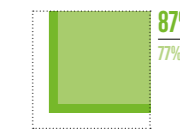
Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile

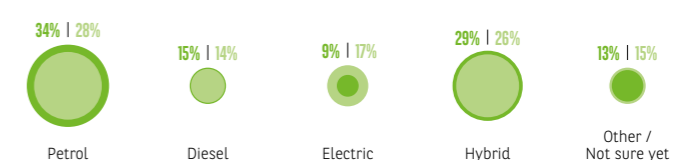


Seeing EV as a solution to global warming problems



Seeing EV as a way to secure the future of the automotive industry

Energy source of the next vehicle purchased



The prevalence of cars

2018 motorisation rate¹

610 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

0,3 million vehicles (ranked 13th/15*)

EV market share

5,7%
2,5%

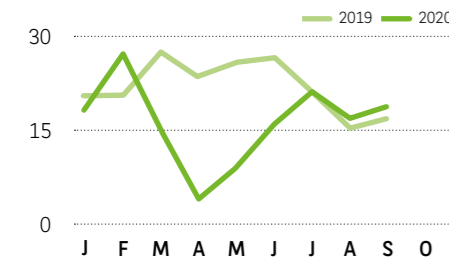
Proportion who like and love cars

43%
52%

Purchasing intentions in the next 12 months

23% vs. 35% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **0,27** | 2020 **0,18** (-32%) | 2021 **0,22** (+18%)

SYNTHESIS

Portugal is a country in which cars play an important role, as demonstrated by its high motorisation rate. The Portuguese feel that their car raises their status, more so than in any other country. Yet, a majority of respondents would like sustainable forms of transport to be developed to the detriment of cars, because they consider that the latter take up too much space in their towns and cities.

* Countries of L'Observatoire Cetelem. Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

The prevalence of cars

2018 motorisation rate¹

603 vehicles per 1,000 inhabitants (World: 182)



2019 Automotive Output¹

1.4 million vehicles (ranked 9th/15*)

EV market share

3,2%
2,5%

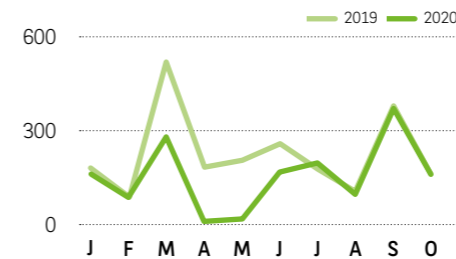
Proportion who like and love cars

48%
52%

Purchasing intentions in the next 12 months

27% vs. 35% the previous year

Monthly variation in new passenger vehicle sales³ (In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **2,68** | 2020 **1,87** (-30%) | 2021 **2,08** (+11%)

SYNTHESIS

The Brits are keen to support their automotive industry, as highlighted by purchasing intentions that have not been particularly impacted by the health crisis. The development of electric vehicles has been extremely rapid in the United Kingdom. Compared to its neighbours, the number of electric cars on its roads is growing faster than its charging network. This trend should continue into 2021, with close to 50% of purchasing intentions involving electric or hybrid vehicles.

* Countries of L'Observatoire Cetelem. Sources: ¹ OICA. ² ACEA (European Countries) / IEA (Others Countries). ³ OICA (until August 2020) / ACEA and national federations (September 2020) / Forecast 2020: C-Ways.

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

POSSIBLE

Believe that criticisms of cars are justified
83%
72%

Agree with taxes on polluting vehicles
65%
61%

Support a reduction in the space set aside for cars in cities
78%
64%

IMPOSSIBLE

A personal relationship

Prepared to live without a car
41%
45%

Feel protected when they are in a car
75%
76%

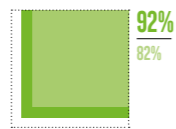
A national relationship

Favour the domestic automotive industry
68%
74%

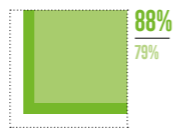
Consider that the government does not support the automotive industry sufficiently
73%
61%

A green and virtuous future?

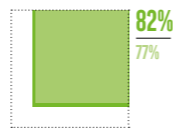
Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile



Seeing EV as a solution to global warming problems



Seeing EV as a way to secure the future of the automotive industry

Energy source of the next vehicle purchased



Petrol



Diesel



Electric



Hybrid



Other / Not sure yet

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

POSSIBLE

Believe that criticisms of cars are justified
69%
72%

Agree with taxes on polluting vehicles
64%
61%

Support a reduction in the space set aside for cars in cities
68%
64%

IMPOSSIBLE

A personal relationship

Prepared to live without a car
51%
45%

Feel protected when they are in a car
75%
76%

A national relationship

Favour the domestic automotive industry
70%
74%

Consider that the government does not support the automotive industry sufficiently
56%
61%

A green and virtuous future?

Proportion of respondents...



Wishing arrangements for soft modes to the detriment of the automobile



Seeing EV as a solution to global warming problems



Seeing EV as a way to secure the future of the automotive industry

Energy source of the next vehicle purchased



Petrol



Diesel



Electric



Hybrid



Other / Not sure yet

The prevalence of cars

2015 motorisation rate¹

195 vehicles
per 1,000 inhabitants
(World: 182)



2019 Automotive
Output¹

1.5 million
vehicles
(ranked 8th/15*)

EV market share

N/A
2,5%

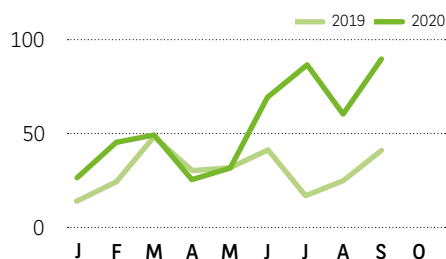
Proportion who
like and love cars



Purchasing
intentions in the
next 12 months

50% vs. 57% the
previous
year

Monthly variation in new passenger vehicle sales³
(In thousands of vehicles)



Market forecast³ (In millions of NPV)

2019 **0,49** | 2020 **0,69** (+40%) | 2021 **0,76** (+10%)

Cars: an impossible divorce?

Proportion of respondents thinking this divorce...

POSSIBLE

Believe that criticisms of cars are justified
80%
72%

Agree with taxes on polluting vehicles
68%
61%

Support a reduction in the space set aside
for cars in cities
73%
64%

IMPOSSIBLE

A personal relationship

Prepared to live without a car
67%
45%

Feel protected when they are in a car
87%
76%

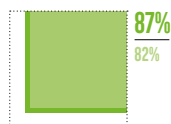
A national relationship

Favour the domestic automotive industry
88%
74%

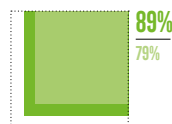
Consider that the government does not support
the automotive industry sufficiently
60%
61%

A green and virtuous future?

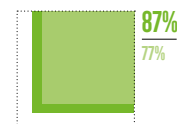
Proportion of respondents...



Wishing arrangements for soft
modes to the detriment of the
automobile



Seeing EV as a solution
to global warming problems



Seeing EV as a way to secure
the future of the automotive
industry

Energy source of the next vehicle purchased



Petrol



Diesel



Electric



Hybrid



Other /
Not sure yet

SYNTHESIS

Turkey stands apart this year: it is the only country in the world to have seen significant growth in the sector in 2020, having made up ground lost during the 2019 economic crisis, when the market collapsed. While the motorisation rate remains low in Turkey and its auto industry is still developing, its inhabitants already believe that cars have too much of a presence and would like to see this reduced.

* Countries of L'Observatoire Cetelem.

L'OBSERVATOIRE CETELEM

Founded in 1985, L'Observatoire Cetelem is an economic research and intelligence unit of the BNP Paribas Personal Finance group, headed by Flavien Neuvy.

In what is a time of deep transformation for retail and consumption models, L'Observatoire Cetelem strives to understand the changes affecting consumption. To fulfil this ambition, L'Observatoire Cetelem has set up a range of tools to observe and analyse the world around us, based on diverse and complementary content:

- **The Observatoires:** Two highly respected international consumer studies performed on an annual basis in 15 countries, one focusing on the automotive market, the other on consumption in general.
- **Our z00m surveys**, which focus on lifestyles and explore a particular theme in three stages, by seeking the opinion of French consumers via a three-wave survey.
- **L'Œil**, which places a spotlight on new developments in the retail sphere, with a weekly newsletter on the latest micro-initiatives highlighting innovations and crucial shifts in the consumer world.

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