

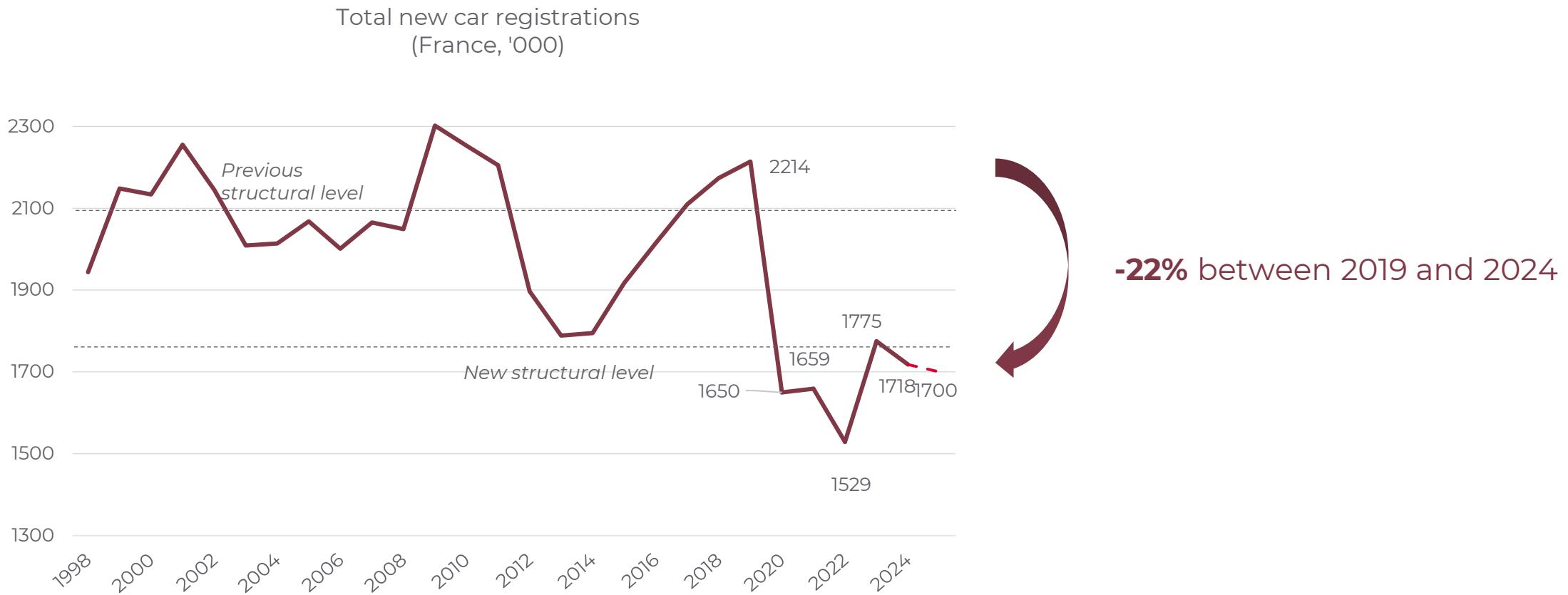


C WAYS

The truth on the rise in new vehicle prices between 2020 and 2024

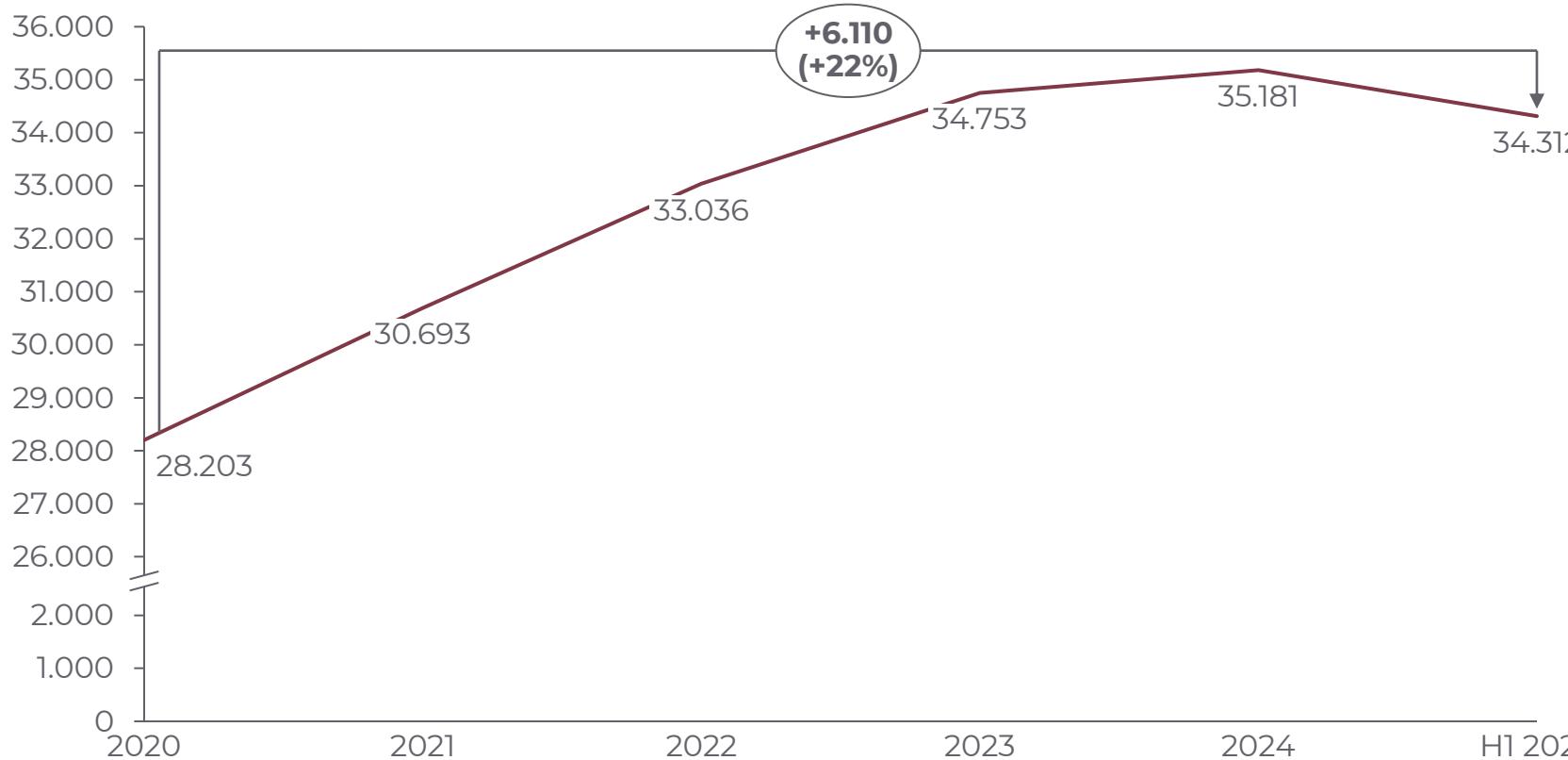
07 November 2025

A structural fall in new car sales volumes of >20% between 2019 and today



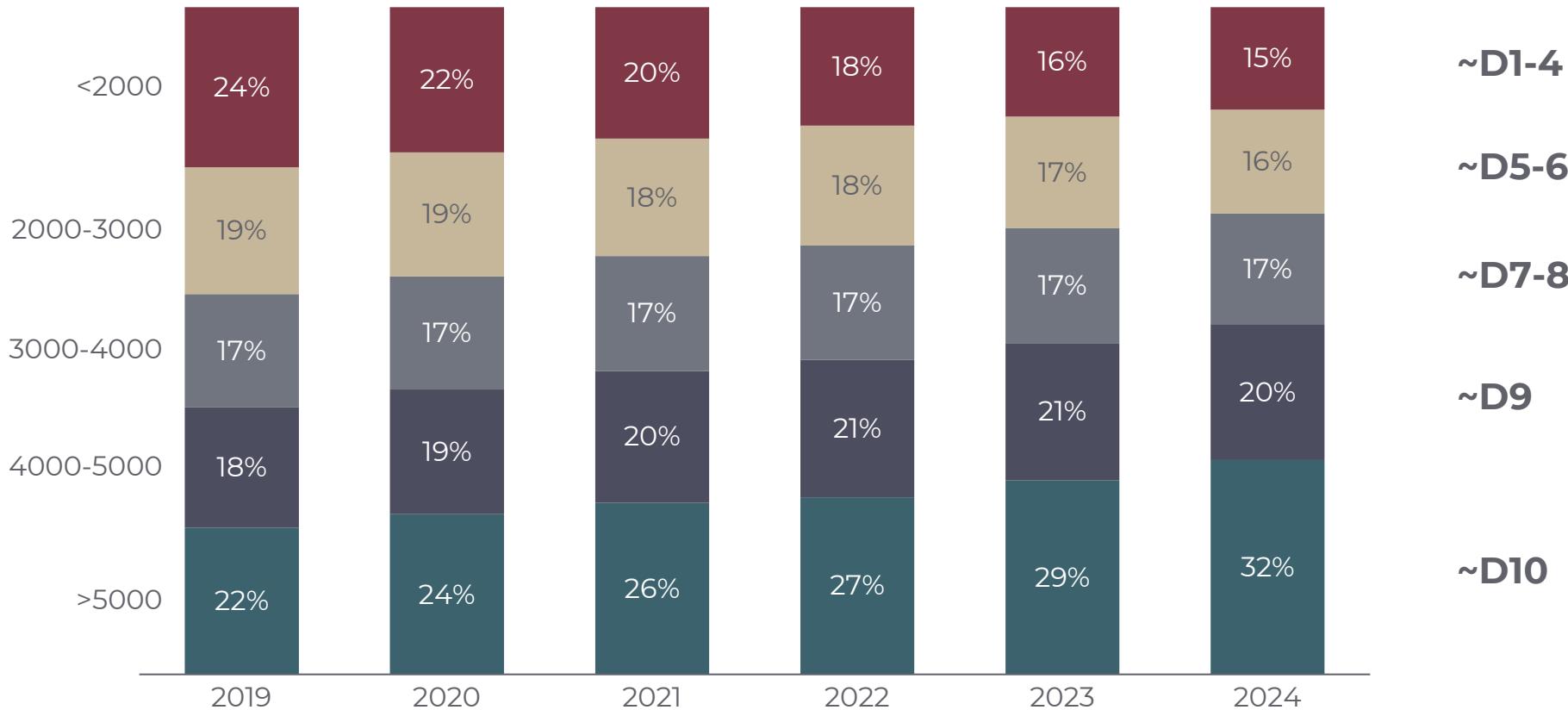
A 22% increase in the list price of private cars between 2020 and 2025, i.e. > €6100, after a +25% peak in 2024

Sales-weighted list prices for new passenger cars (€, 2020-2024)



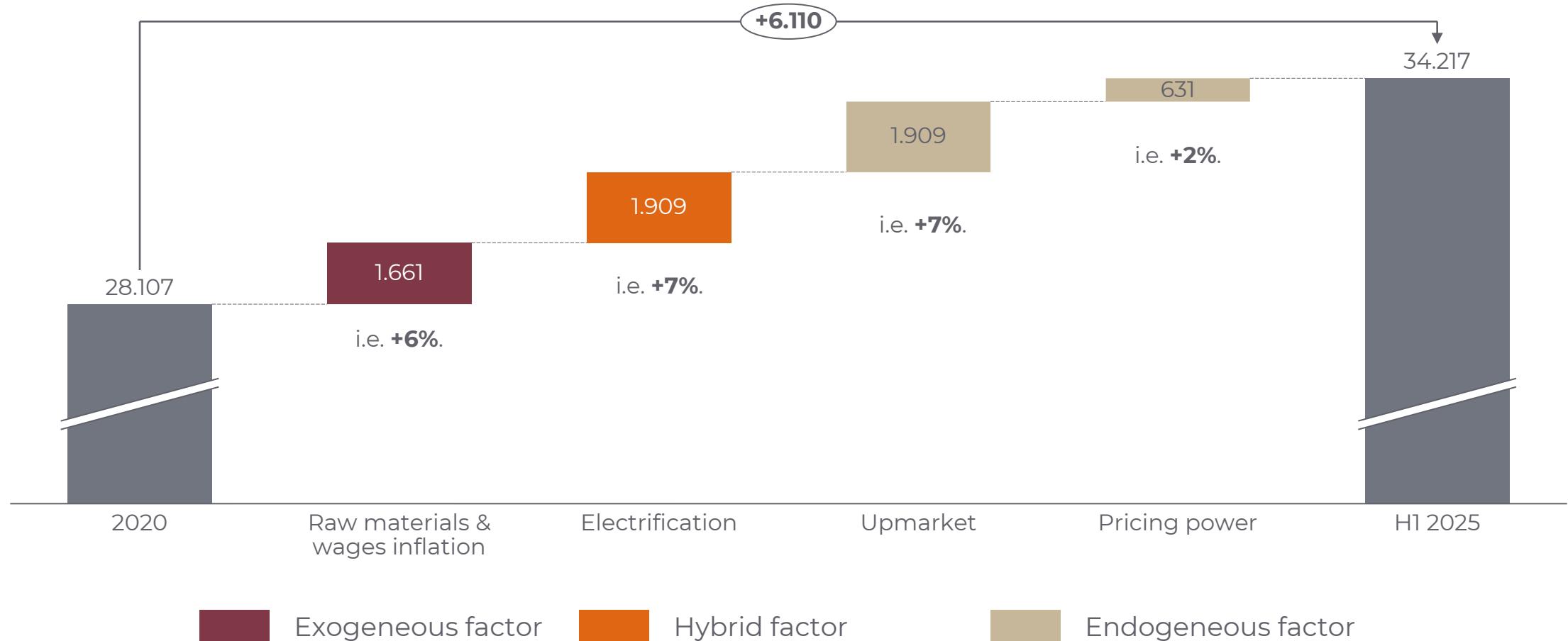
The working and middle classes, which accounted for 43% of the market in 2019, only represents 31% of buyers in 2024.

Share of income brackets in the new car market for private customers
(by net monthly income bracket in €)



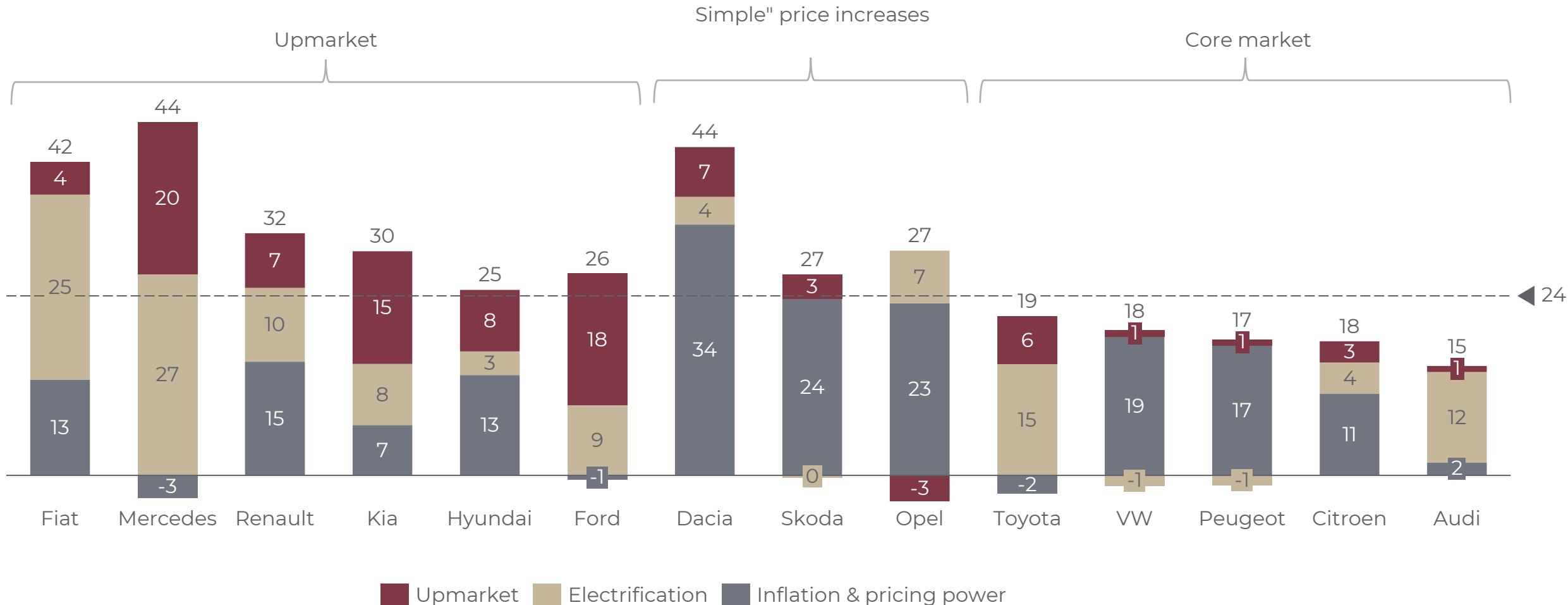
The mechanisms chosen (moving upmarket and pricing power) account for 40% of price inflation since 2020

Breakdown of effects on price increases for new cars (2020-2024, € inc. VAT)



The increase in prices is partly exogenous to manufacturers' actions, and partly the result of their commercial or strategic choices.

Price increase by effect per brand (% of initial price, 2020-2024)



A mix of supply and demand policies that ensure lower prices while guaranteeing the profitability of manufacturers and the relocation of the industry

Supply policies

- Combine **local content obligations with massive financial support for the battery industry** (capacity + production) to help it through the "valley of death". This solution, recommended by the Draghi report, would lower the cost of "Made in Europe" batteries, reduce the temptation to source from abroad and put downward pressure on the price of electric vehicles.
- Set up a **CAFE extended to the battery carbon footprint** and a few commodities or other key components (steel, aluminium, carbon intensity of production countries, etc.).
- Create a **category of small vehicles, based on the Japanese "Kei Cars"**, with tax support at European level. This solution would make it possible to offer small vehicles at ~€15,000, put a stop to inflationary price spirals and negative volume declines, and revive the European industry.
- Supporting **the move back downmarket** with tools to boost demand for the most affordable vehicles, by ensuring that manufacturers increase their relative profitability on these small models
 - Stepping up **tax incentives** and making them permanent
 - Ecological bonus conditional on EV efficiency
 - Social leasing conditional on vehicle size, price and local content
 - Weight bonus for heavy and aerodynamic vehicles
 - Make specific use of **the leverage provided by public and private fleets**, through greening quotas and taxation on purchases or ownership.

Demand policies

C WAYS

VALUE-ADDED DATA



c-ways

www.c-ways.com