**SMMT NEW CAR REGISTRATIONS**  
5 July 2023 (data for June and HY 2023)  
**Hi-res charts available via Dropbox:** <https://www.dropbox.com/scl/fo/8nk2pxbu1q430hd12d4df/h?rlkey=yrro4tyxebeg2q6sy38011fb7&dl=0>

**New car market powers up as industry calls for VAT cut on EV public charging**

1. New car registrations rise 25.8% to 177,266 units in 11th consecutive month of growth.
2. BEV market grows 39.4% in June as industry calls for VAT cut on public charging to accelerate uptake.
3. 949,720 new cars registered in first half of 2023 – up 18.4% year on year – as supply chain shortages ease.

**Wednesday 5 July, 2023** The new car market grew 25.8% in June with 177,266 vehicles registered, according to the latest figures from the Society of Motor Manufacturers and Traders (SMMT). The June performance marks the 11th consecutive month of growth as the industry gradually overcomes the pandemic-induced supply chain shortages that constrained production for much of the previous two years. With waiting times easing and pent-up demand being met, the sector is a rare bright spot in a gloomy economic landscape even though overall market volumes remain below pre-pandemic levels.1

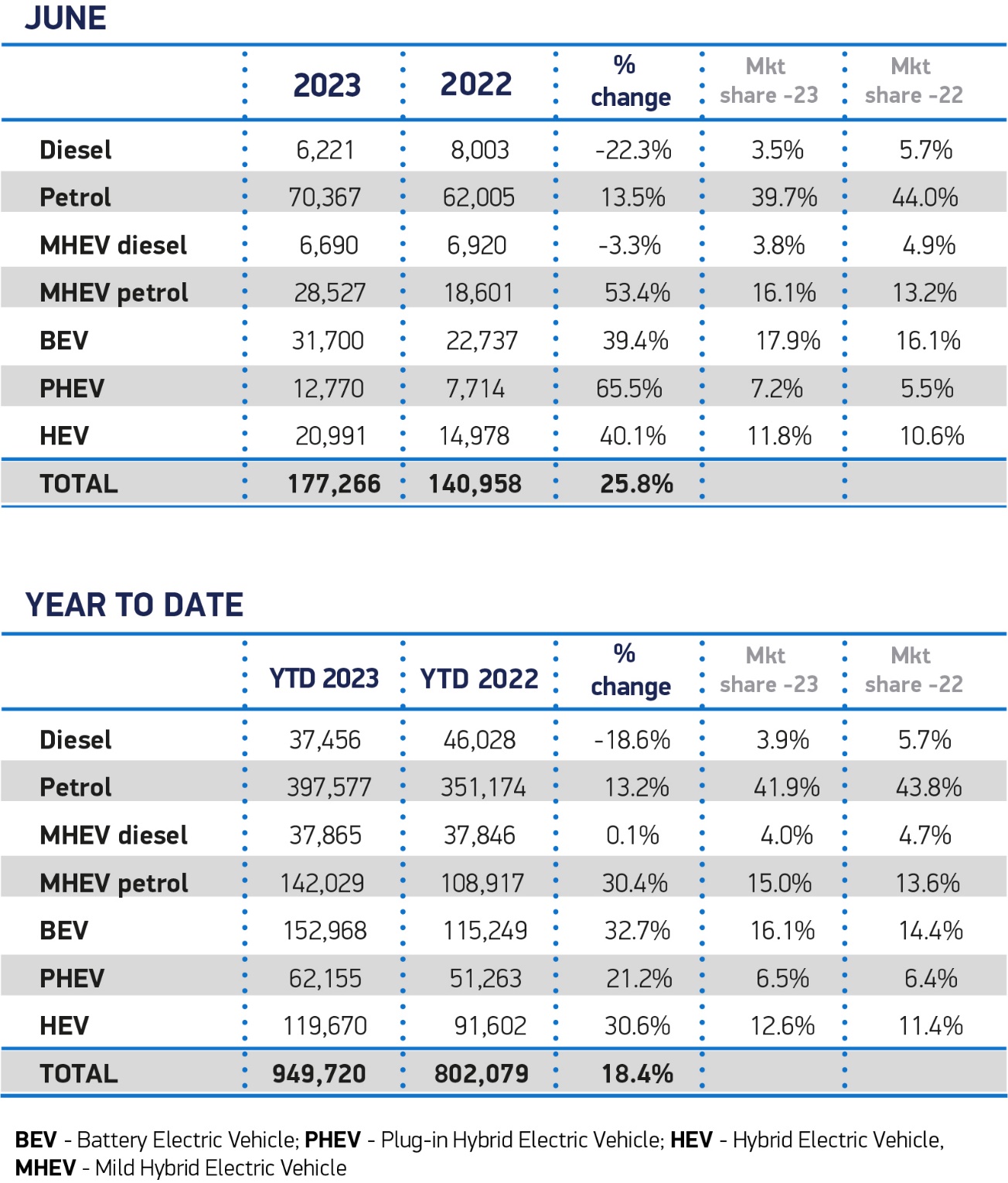
Growth in the month was driven predominantly by large fleet registrations, up 37.9% to 92,699 units, reflecting the normalisation of supply. Private demand grew more modestly, up 14.8% to 79,798 units.

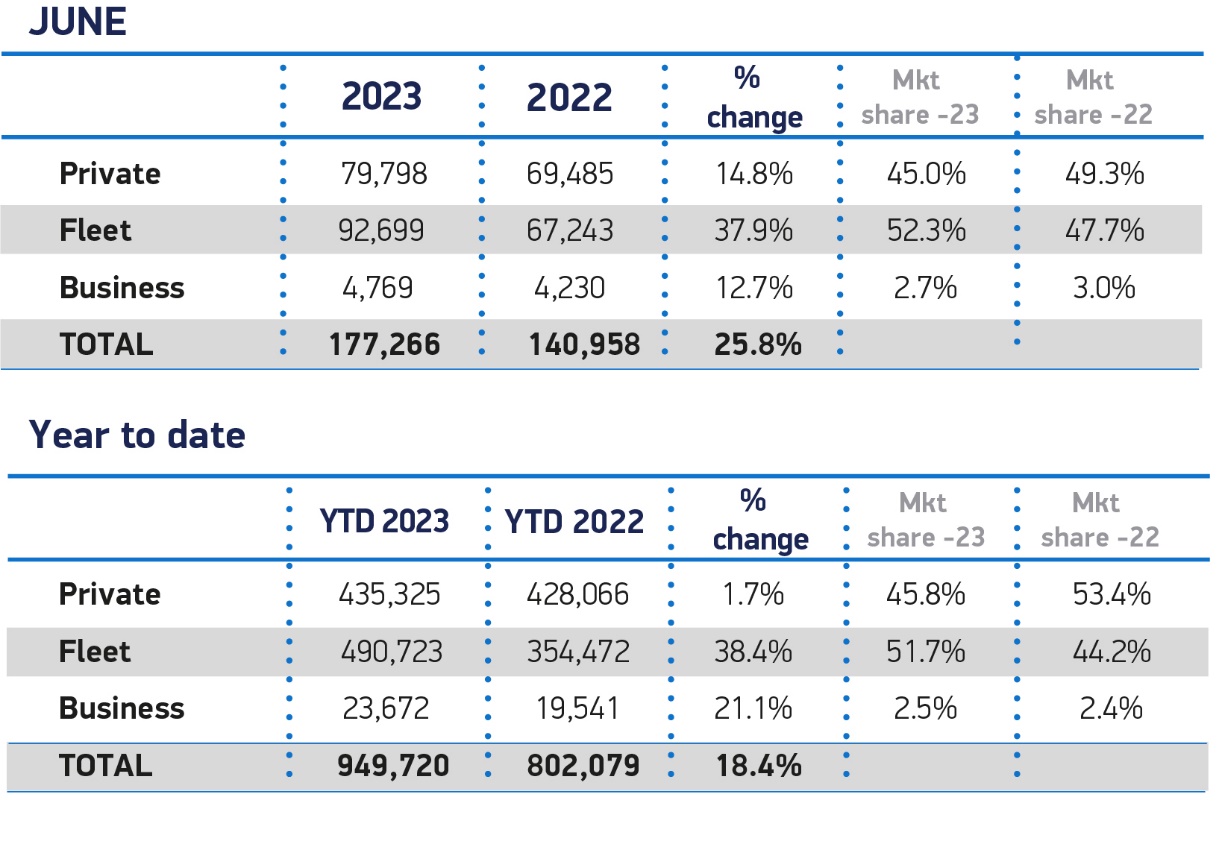
Deliveries of petrol cars increased 22.7%, to remain the most popular powertrain, while those of hybrids (HEVs) and plug-in hybrids (PHEVs) also rose, by 40.1% and 65.5% respectively. Diesel registrations were down -13.5%.2 Battery electric vehicle (BEV) registrations, meanwhile, grew again, with the segment up 39.4% as 31,700 buyers chose to get behind the wheel of a zero emission car – 17.9% of the total market. It is business and fleets, however, rather than private buyers, that continue to drive this growth, thanks to the attractive fiscal incentives on offer. Although manufacturers are offering a range of BEV deals for private buyers, including flexible subscription models and attractive finance rates, more could be done by other stakeholders to make purchasing even more compelling.

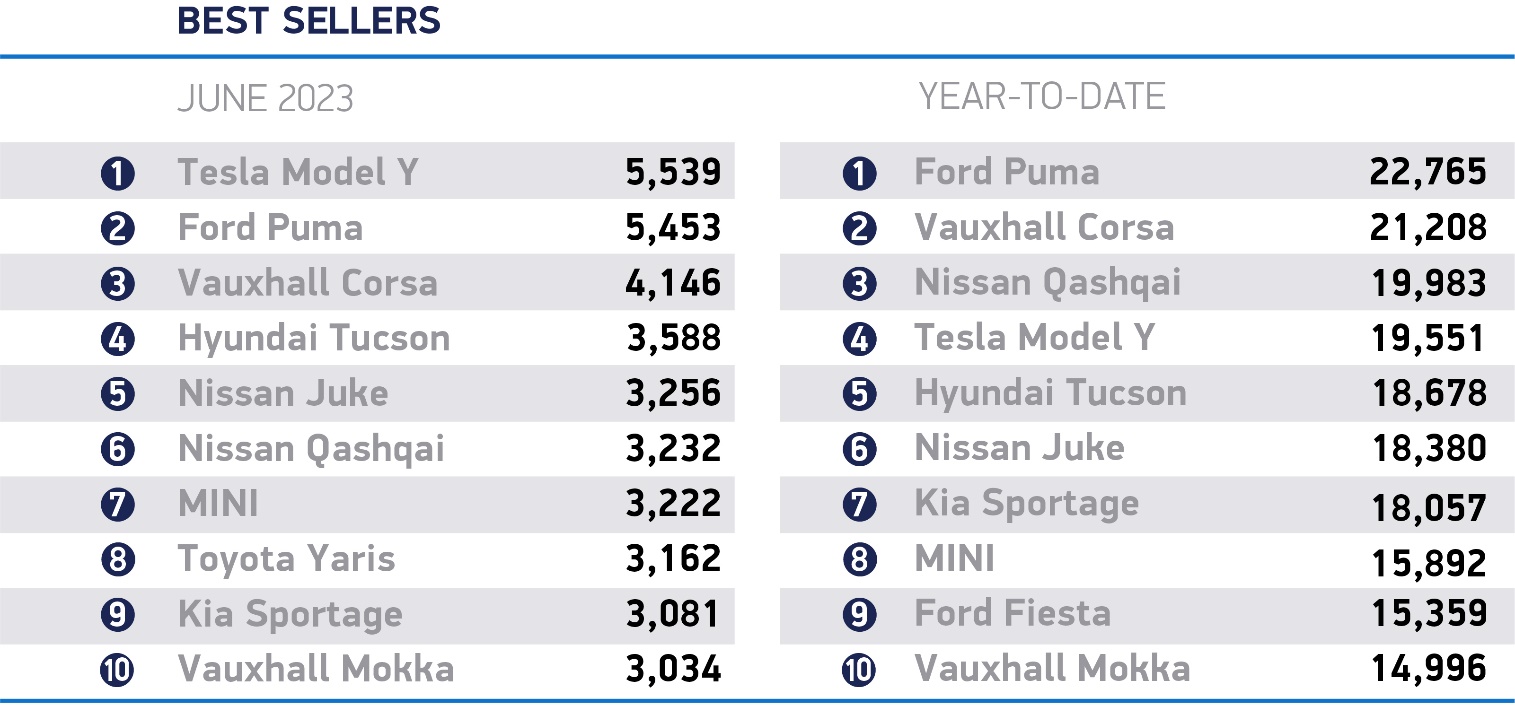
Almost a million (949,720) new cars joined UK roads in the first six months of 2023, with total registrations up 18.4% and BEV uptake at record levels with 152,968 deliveries so far this year – some 13 times greater than the same period in 2019.3 BEV market share for 2023 is now 16.1% but, with a zero emission vehicle mandate requiring 22% BEV registrations per manufacturer due to come into force in less than six months’ time, more needs to be done to accelerate the transition.

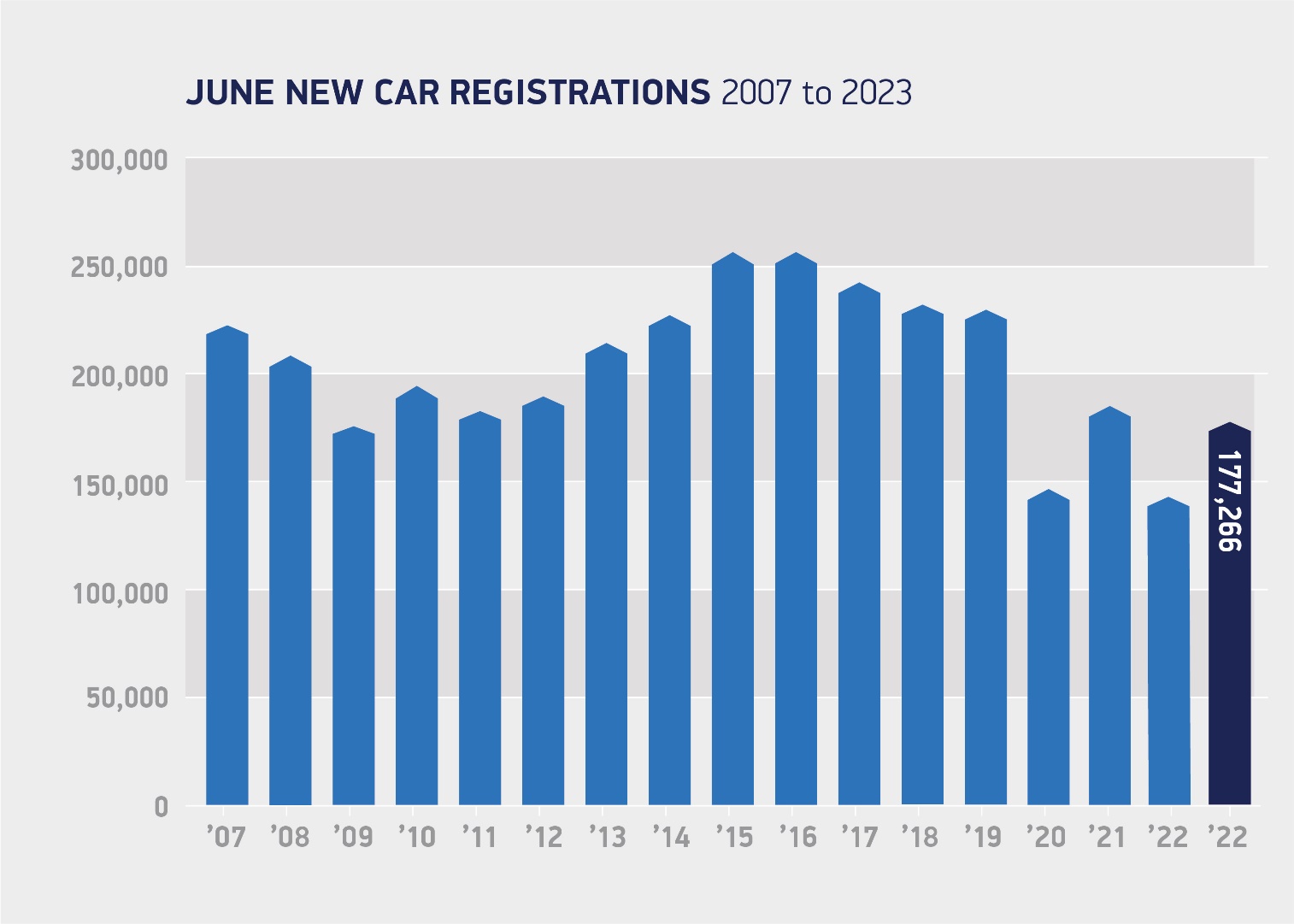
Given that recharging an EV at home can offer a 60-70% cost per mile saving compared with refueling a petrol or diesel vehicle, the industry is calling for a cut in VAT on public charging to help quicken uptake.4 Drivers able to charge at home pay just 5% VAT to power up their EV, compared with 20% for those without access to a driveway or designated private parking space who are reliant on the public network. VAT equity would make switching to an electric vehicle feasible for more people regardless of home ownership or property status.

**Mike Hawes, SMMT Chief Executive,** said, “The new car market is growing back and growing green, as the attractions of electric cars become apparent to more drivers. But meeting our climate goals means we have to move even faster. Most electric vehicle owners enjoy the convenience and cost saving of charging at home but those that do not have a driveway or designated parking space must pay four times as much in tax for the same amount of energy. This is unfair and risks delaying greater uptake, so cutting VAT on public EV charging will help make owning an EV fairer and attractive to even more people.”









**Notes to editors**

**1** June 2019 - 223,421 units registered

**2** Petrol and diesel including mild hybrid registrations

**3** 11,975 BEVs registered H1 2019

4 RAC Charge Watch - <https://www.rac.co.uk/drive/electric-cars/charging/electric-car-public-charging-costs-rac-charge-watch/>

**About SMMT and the UK automotive industry**

The Society of Motor Manufacturers and Traders (SMMT) is one of the largest and most influential trade associations in the UK. It supports the interests of the UK automotive industry at home and abroad, promoting the industry to government, stakeholders and the media.

The automotive industry is a vital part of the UK economy and integral to supporting the delivery of the agendas for levelling up, net zero, advancing global Britain, and the plan for growth. Automotive-related manufacturing contributes £78 billion turnover and £16 billion value added to the UK economy, and typically invests around £3 billion each year in R&D. With more than 208,000 people employed in automotive manufacturing, and some 800,000 in total across the wider sector, the industry trades globally, with exports worth £94 billion accounting for 10% of all UK goods exports.

More than 25 manufacturing brands build more than 70 models of vehicles in the UK, plus an array of specialist small volume manufacturers, supported by some 2,500 supply chain businesses and some of the world's most skilled engineers. Many of these jobs are outside London and the Southeast, with wages that are around 14% higher than the UK average. The automotive sector also supports jobs in other key sectors – including advertising, finance and logistics.

More detail on UK Automotive available in SMMT's Motor Industry Facts publication at [www.smmt.co.uk/reports/smmt-motor-industry-facts/](http://www.smmt.co.uk/reports/smmt-motor-industry-facts/)

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