**SMMT NEW CAR REGISTRATIONS**  
5 February 2024 (data for January 2024)  
**High-res charts and data available via Dropbox:**

**UK reaches million EV milestone as new car market grows**

* Britain’s millionth EV registered during January while overall new car market grows 8.2%.
* Private retail demand down as fleets drive all growth in the month.
* 2024 market outlook holds at 1.97m units, with BEVs accounting for more than one in five, up from one in six.

**Monday 5 February, 2024** Britain’s millionth battery electric car (BEV) reached the road in January 2024, while the new car market grew 8.2% for the month, according to the latest figures from the Society of Motor Manufacturers and Traders (SMMT).

The first month of the year saw 142,876 new cars registered, an uplift of 10,882 units on January 2023, the best performance for the month since 2020 and the 18th consecutive month of growth. The increase was driven entirely by the fleet market, which rose by 29.9%, while private retail uptake fell -15.8%. Fleets accounted for more than six in 10 (63.2%) new cars registered, up from just over half (52.7%) last year.

The market also – narrowly – reached its anticipated milestone of a million BEV registrations since records began. Some 20,935 BEVs were registered in January, a rise of 21.0% year on year, taking the overall total since 2002 to 1,001,677 – testament to the commitment of manufacturers to deliver ever-increasing numbers of zero emission models.1 BEV market share for January also grew year on year to 14.7%, although this is below the full 2023 performance of 16.5%. Plug-in hybrids (PHEVs) recorded volume growth of 31.1% to take 8.4% of the market, while hybrid (HEV) volumes fell -1.2% with a 13.1% share.

Volatility in BEV supply has been expected and is likely to continue as manufacturers adjust product allocation following the last-minute resolution over UK-EU rules of origin, which had threatened to apply tariffs to EVs, restricting affordability. However, while fleet and business demand for BEVs grew by 41.7% in January, registrations by private buyers fell by -25.1% – an ongoing trend that will undermine Britain’s ability to deliver net zero.

The UK is now the only major market to combine a 2035 end of sale date with a mandated zero emission vehicle market share, but without any significant consumer incentives. Yet it is increasingly clear that private buyers need more support to switch. Ahead of next month’s Budget, industry is calling for government to support consumers by temporarily halving VAT on new BEV purchases. Such a step would cost the Treasury an average of just £1,125 per car, which is less than the cost of the previous Plug-in Car Grant and would put more than a quarter of a million electric – rather than petrol or diesel – cars on the road by the end of 2026, on top of those already expected. Not only would this cut CO2 by more than five million tonnes during that time3, it would mean that the next million EVs could be delivered in just two years.

Temporarily reducing VAT on EVs would partly mirror the tax exemption already offered to consumers on other carbon reduction technologies such as heat pumps. Supporting the EV consumer today would also ensure wider benefits such as increasing the supply of used EVs, enlarging the overall market to make it more attractive for charging and manufacturing investment, and slashing Britain’s carbon footprint.

**Mike Hawes, SMMT Chief Executive,** said, “It’s taken just over 20 years to reach our million EV milestone – but with the right policies, we can double down on that success in just another two. Market growth is currently dependent on businesses and fleets. Government must therefore use the upcoming Budget to support private EV buyers, temporarily halving VAT to cut carbon, drive economic growth and help everyone make the switch. Manufacturers have been asked to supply the vehicles, we now ask government to help consumers buy the vehicles on which net zero depends.”

The latest 2024 outlook for the new car market estimates a total overall volume of 1.974 million units, which is a 4,000 unit increase on the October estimate, but with the BEV forecast reduced to a market share of 21.0% over the year, compared with the 22.3% anticipated in October and the 23.3% expected a year ago. While myriad factors such as high energy prices, inflation and interest rates, charging anxiety and mixed messaging from government have restricted demand, 100,000 more BEVs will still reach the road in 2024 compared with last year, totalling some 414,000 units – more than one in five new cars. This volume would increase even further if a VAT reduction on EVs was introduced.

**Notes to editors**

1 Based on BEV registrations since 2002

2 Private BEV registrations 2024: 4,013; in 2023: 5,358, fleet/business 16,922 and 11,939 comparatively

3 Based on SMMT analysis

**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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