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Automotive Consumer Tracker

First six months of 2023

Study overview

1. About this survey

- The Deloitte Consumer Tracker is a survey targeting more than 26,000 consumers in 24 countries (including ca. 1,000 respondents per month in Belgium).
- It is a six-monthly release and interim update of the annual Global Automotive Consumer Study (GACS), as it monitors changes in consumer preferences over time.

2. Survey fielding

- This survey focusses on the first six months of 2023
- Historical data from Wave 26 – 44 included: December 2021 – June 2023

Automotive topics included

- Vehicle purchase intent
- Powertrain preference and motives

3. Methodology

- Online panel, Minimum N=1,000 consumers per month, across age group, gender, household incomes
- Responses are weighted at the country level according to publicly available age and income profiles
- Fielded in Belgium, compared with neighboring countries (FR, NL and DE)
- Margin of error ±3%

**The slide deck is a share of the complete database.
More insights and data is available upon request.**

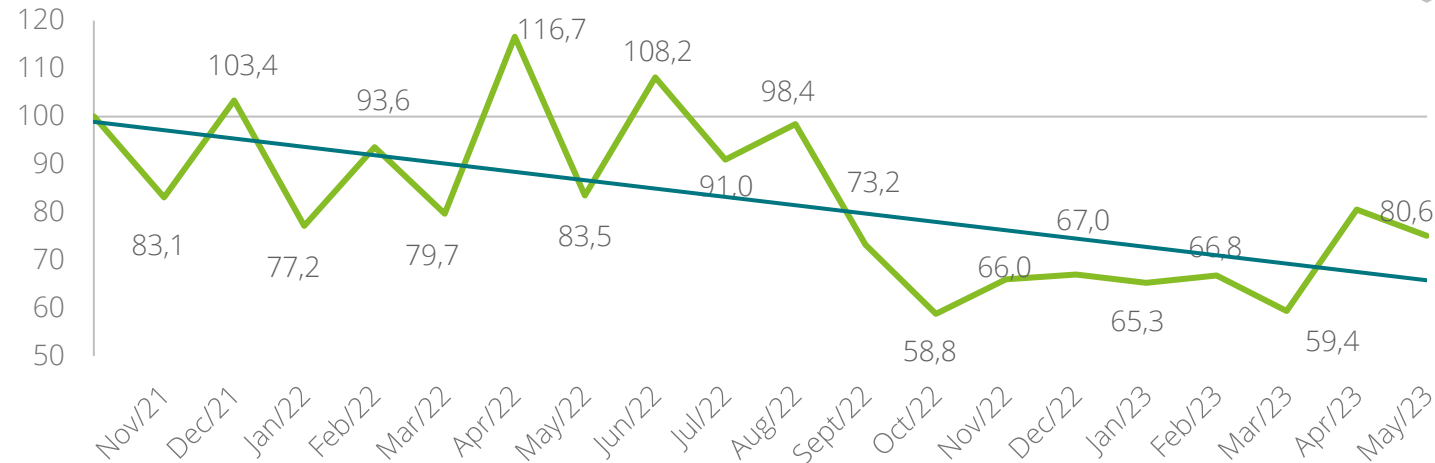
Top take-aways

1	Consumers are becoming less intent to purchase a new car, signaling another challenging year ahead for the Belgian Automotive sector	Deloitte’s consumer Vehicle Purchase Index (VPI) in H1 2023 is 25% lower than in H1 2022, signaling another challenging year ahead for the Belgian Automotive sector. Economic uncertainty, rising energy prices, the high purchasing price for electric vehicles and delays in the supply chain are impacting consumer decisions. This is leading to a growing gap between corporate and private consumers, an increasingly ageing fleet, and a potential risk in the speed of electrification of the Belgian car parc
2	Older and lower income consumers are less intent to purchase an electric car next	Only three in 10 low-income consumers plan to buy an electric car next, compared to four in 10 high-income consumers. With most electric vehicles starting at €50K, there is a growing affordability risk, especially for private consumers and especially until lower price models come to market in the next 1-2 years. Overall, four in 10 consumers cite having no/limited knowledge about EVs, indicating that education is a key enabler to stimulating electrification of the private car parc
3	Belgian consumer’s interest in BEVs is lower than in neighboring countries	Fewer Belgian consumers intend to buy a BEV compared to Germany, France and the Netherlands, which subsidise the purchase of BEVs for individuals. Deloitte's research shows that there is a relatively low tax difference between small BEVs and small ICE vehicles in Belgium compared to peer countries. Alongside fiscal and financial incentives to reduce the up-front purchase price, it is also important to support private consumers to think from a Total Cost of Ownership perspective

(a) Febiac: registrations of new cars, January – March 2023
(b) Battery Electric Vehicles

Consumers are becoming less intent to purchase a new car, signaling another challenging year ahead for the Belgian Automotive sector

Vehicle Purchase Intent (VPI) Index: are you planning to acquire a vehicle in the next 6 months?



Note: October 27, 2021 = 100; vehicle is defined as a car, SUVMPV, or pickup truck.

Key behaviors impacting mobility



34 km ↓

Average daily driving distance



5% ↑

Plan to drive more going forward



2.2 ↓

Number of days/week people WFH



19% ↓

Making upcoming payments



44% ↓

Consumers delaying large purchases

Note: arrows represent directional change from six months

(a) Higher income households may be more likely to have a company car, which might influence the observed difference. This survey focuses on consumers but does not specifically filter for company car owners (b) Source: Febiac

(c) Source: Febiac, concerns Q1 2023

Percentage of consumers concerned about...



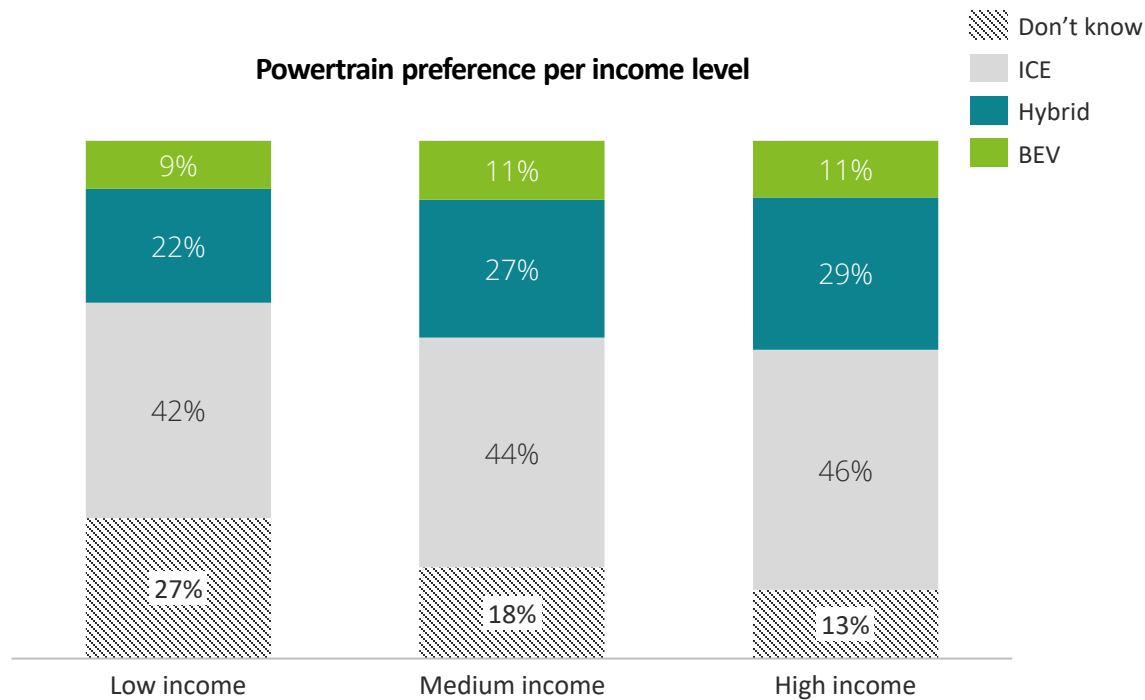
Falling consumer demand

- › In H1 2023, Deloitte's **Vehicle Purchase Index (VPI)** for consumers **declined significantly**, down 25% compared to H1 2022. Economic uncertainty, rising energy prices, the high purchasing price for electric vehicles and delays in the supply chain are impacting consumer decisions.
- › While new car registrations rose during this period (up 35.4% compared to H1 2022), this related to the **backlog of orders that is now decreasing**, with high levels of stock in 2022 being delivered and registered in 2023.
- › Overall, registrations have dropped to a twenty-year low at the end of 2022 and are currently down 14% compared to H1 2019.^(b) During this time, more than half a million fewer new cars have entered the Belgian market than normal, leading to an **increasingly ageing car parc**.
- › There is a **growing gap between the corporate and private consumers**, since private consumers represent only 33% of new car registrations, and only 10% of BEV registrations.^(c) In addition, 92% of all new PHEV-registrations were done by companies. Today, four in 10 consumers are delaying large purchases and two in 10 are concerned about making upcoming payments. Only 10% of low-income consumers expect to buy a car in the next six months, compared to 17% in higher income households^(a).
- › Lower vehicle purchase intent, especially from private consumers, and especially for EVs, could lead to a **delay in the electrification of the Belgian car parc**.

Only three in 10 low-income consumers plan to buy an electric car next, compared to four in 10 high-income consumers



There is a similar interest in BEVs across all age groups. However, lower income consumers are less inclined to buy hybrid cars and 27% do not know which powertrain to buy next. With most electric vehicles starting at €50K, there is a **growing affordability risk**, especially for private consumers and especially until lower price models come to market in the next 1-2 years

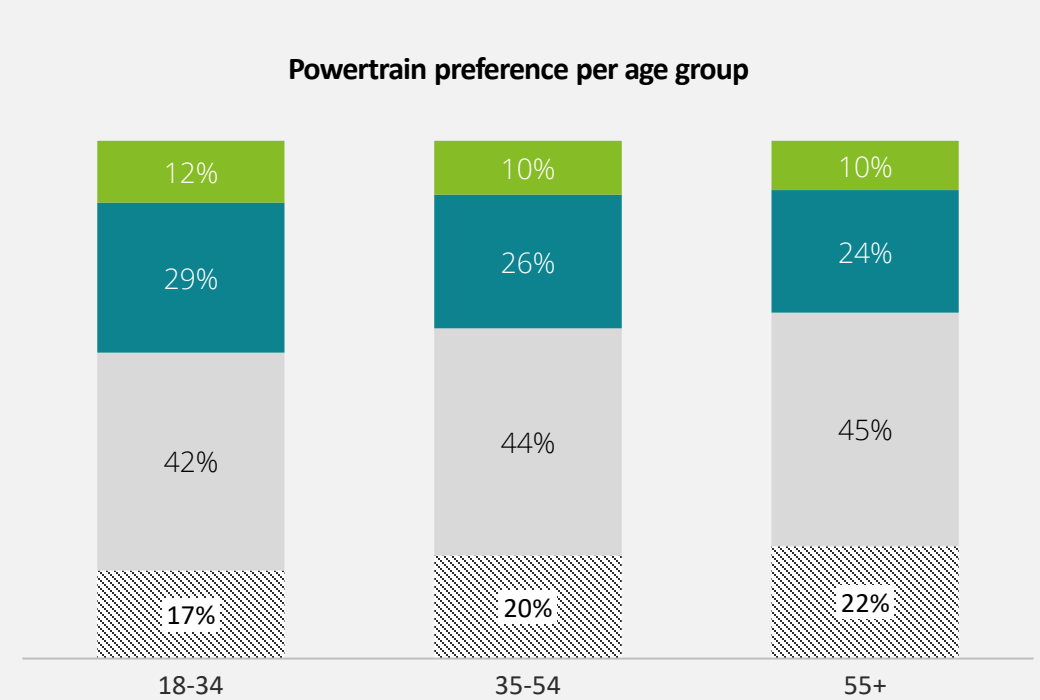


Household income classification (gross)
 Low: less than €27,000; Medium: €27,000 to €48,099; High: €48,100 or more

Only three in 10 older consumers plan to buy an electric car next, compared to four in 10 younger consumers



While younger populations may require more financial incentives to make the transition towards EVs, older customers may benefit from targeted education (e.g. on charging infrastructure). Overall, four in 10 consumers^(a) cite having no/limited **knowledge about EVs**, indicating that education is a key enabler to stimulating electrification of the private car parc



n = 3,000 for Belgium
 (a) Source: Deloitte 2023 Global Automotive Consumer Study

Fewer Belgian consumers intend to buy a BEV compared to Germany, France and the Netherlands

My next vehicle will be a...

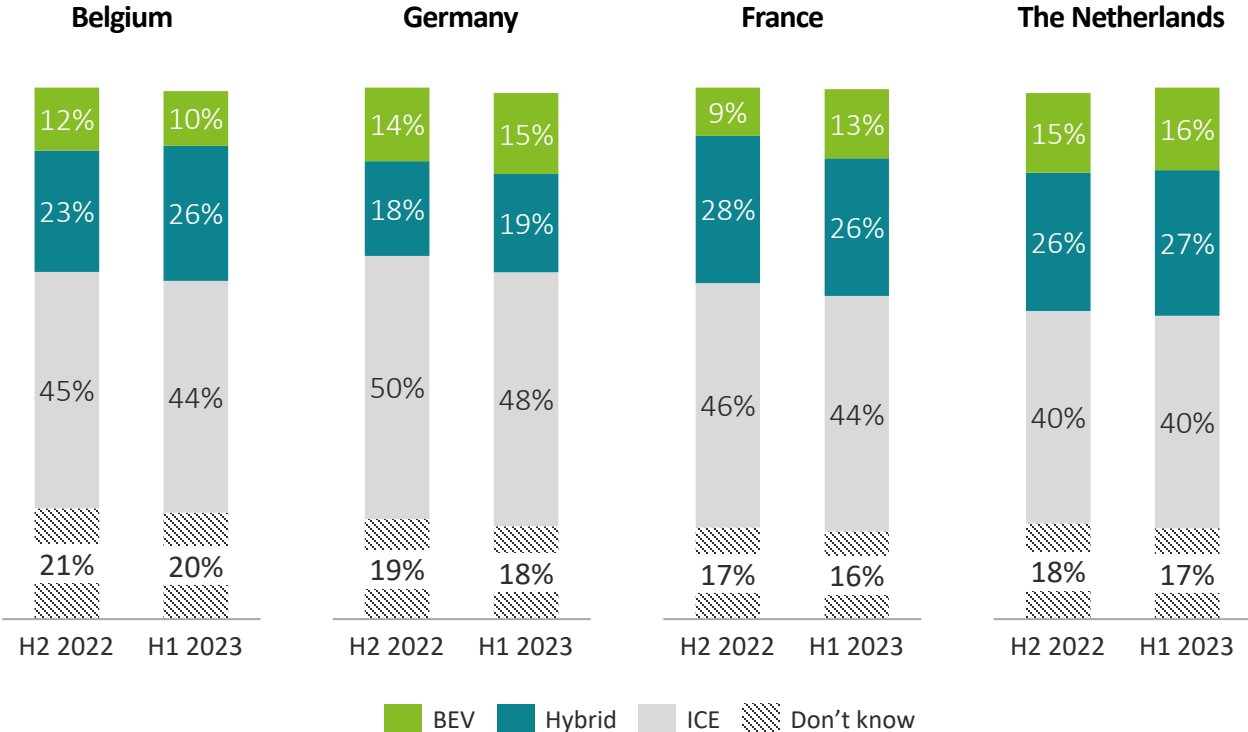


Fiscal & financial incentives for private individuals

Deloitte's research shows that there is a relatively low **tax difference between small BEVs and small ICE vehicles** in Belgium compared to peer countries. By contrast, the Netherlands exempts electric cars from registration tax, while ICE vehicles face a progressive increase in registration tax up to €50K. Additionally, German, French and Dutch consumers may be eligible for premiums when purchasing a (secondhand) BEV under specific conditions.

- Germany: up to €9,000 for a new car until 31/12/22, €6,750 until 31/12/23. Up to €4,500 for used cars as of 01/01/2023
- France: up to €7,000 for consumers for a new car, €1,000 for a used car and scrappage schemes of up to €6,000
- The Netherlands: up to €2,950 for a new car and €2,000 for a used car as of 01/01/23. Premiums for new cars will decline in 2024

The **cost-price premium is the #1 barrier** that stops consumers from making the switch towards EVs, even if there are lower maintenance and fuel costs during the lifetime of the vehicle. Alongside fiscal and financial incentives to reduce the up-front purchase price, it is also important to support private consumers to think from a Total Cost of Ownership perspective, and potentially offer leasing, subscription or usage-based pricing models.



n = 3,000 for Belgium
ICE refers to Internal Combustion Engine, Hybrid to PHEV or MHEV, BEV to Battery Electric Vehicle

Get in touch



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