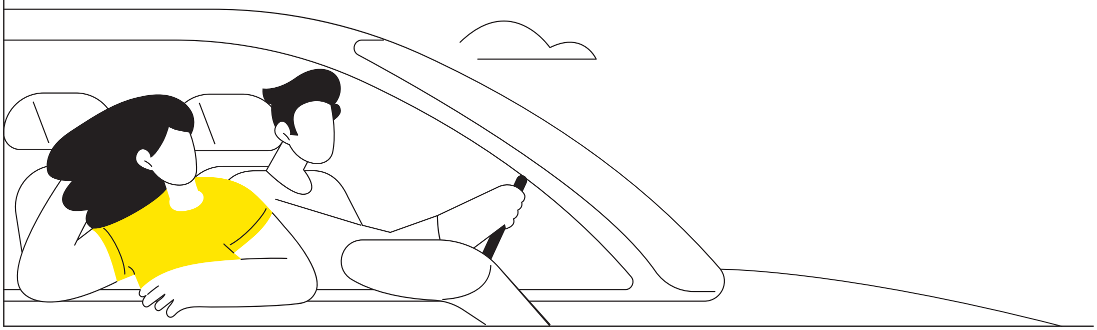
2025

AUTO

Cars: an eternal youth?

An international survey carried out in 14 countries



OBSERVATOIRE Cetelem

BNP PARIBAS PERSONAL FINANCE

EDITORIAL

At L'Observatoire Cetelem, we regularly take the pulse of industries, products, innovations and generations of consumers, to check whether their hearts are beating as strongly as ever. In 2011, we turned our focus on the under-30s, before they were even referred to as millennials. At the time, they were known as Generation Y. Some 15 years later, we turn our attention back to this age group, today's Gen Z, to examine their relationship with cars. Our goal is to determine whether this relationship has evolved and, if so, how. This at a time when electric vehicles are emerging as the future of the industry, not to say its salvation.

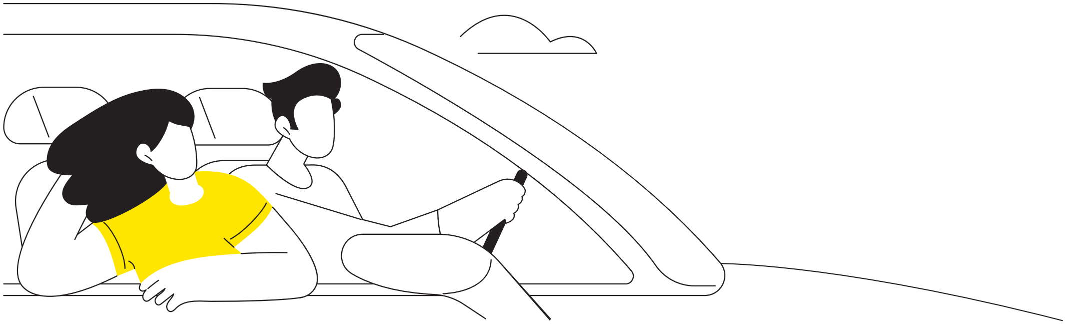
Listening to what the under-30s are saying and thinking about cars is all the more crucial when we consider that they will be the lifeblood of tomorrow's automotive market. Hence why this is a crucial subject for automakers. Should the lack of interest young people sometimes express ultimately translate into tangible choices, these firms will have cause for concern. And if that is not the case, then there is potential that brands are currently failing to harness completely or at all.

Without revealing too many details about this latest edition of L'Observatoire Cetelem, we can safely say that we were quite surprised by the views put forward by the under-30s surveyed. To put it simply and bluntly, they love cars and are neither ready nor willing to live without them. In fact, between 2011 and 2025, the proportion who believe the industry will go on to see better days has actually increased. Of course, this hinges on whether cars can be successfully integrated into a mobility ecosystem that makes more room for green forms of transport, particularly in major cities.

Could the younger generation surprise us once again? When it comes to cars, our annual focus of attention, this could well be the case.

Flavien Neuvy
Head of L'Observatoire Cetelem

TABLE OF CONTENTS



PREAMBLE

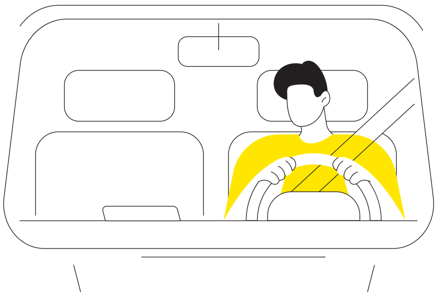
There is an assumption that is always made about young people. It states that this generation has a relatively limited appetite for cars, instead preferring more responsible and sustainable forms of ecomobility that are in keeping with the times. Back in 2011, when its editorial was still referring to “clean cars”, i.e., not combustion powered, L’Observatoire Cetelem was already wondering whether young people still liked cars or whether they would choose to do without them for good.

Nearly 15 years on, with electric powertrains set to become the new norm in the automotive sector, we wanted to find out whether young people were still potentially interested in cars.

As we did in 2011, we will define young people, admittedly a loose concept, as being those aged under 30. Similarly, the “seniors” category will be considered to include anyone over the age of 50.

1

Typical profile of a young driver



Are young people disconnected from the automotive world?
Not at all, on the contrary. As soon as they are legally able to do so,
they can't wait to get behind the wheel and they do so with unabashed joy,
albeit with varying degrees of financial ease.
Cars are seen as the centrepiece of their mobility mix and essential
to their daily lives, both now and in the future.

A clear desire to drive

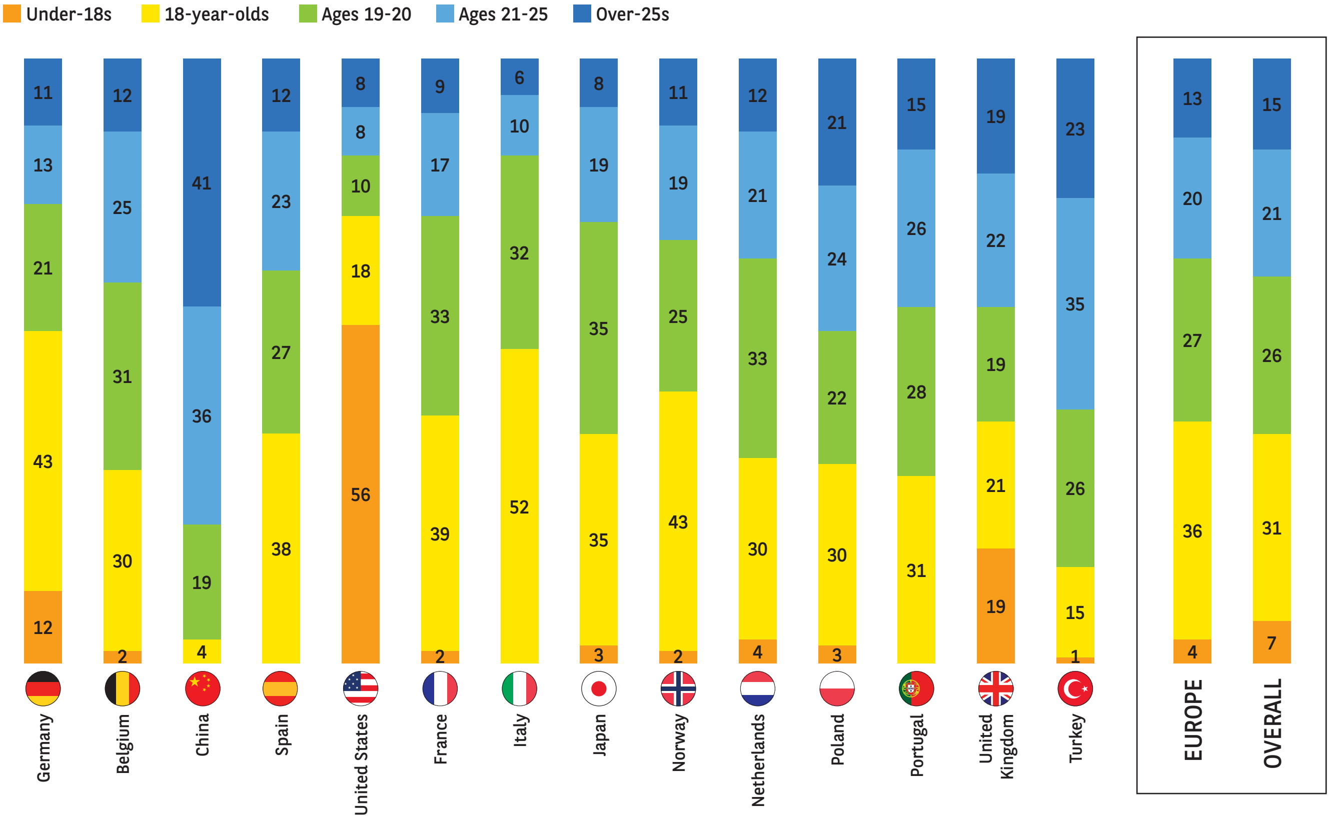
THE YOUNG CAN'T WAIT TO GET THEIR DRIVING LICENCE...

Given their cost and size, cars are rarely considered as products whose purchase alone can bring total satisfaction. Buying a car is great, but using it is even better. However, this is dependent on whether one holds the golden ticket to motoring freedom: a driving licence.

Thus, future drivers tend not to wait until they are no longer young to pass their test. 85% of this population do so before the age of 25. The Chinese are the most likely to fall into the "late adopters" category, with 4 out of 10 passing their test after turning 25. At the other end of the scale, the British, and even more so the Americans, race to pass their driving test as early as possible. Indeed, more than half of US drivers obtain their licence before the age of 18 **(Fig. 1)**.

Fig. 1

At what age did you obtain your driving licence?
To those who have a licence.

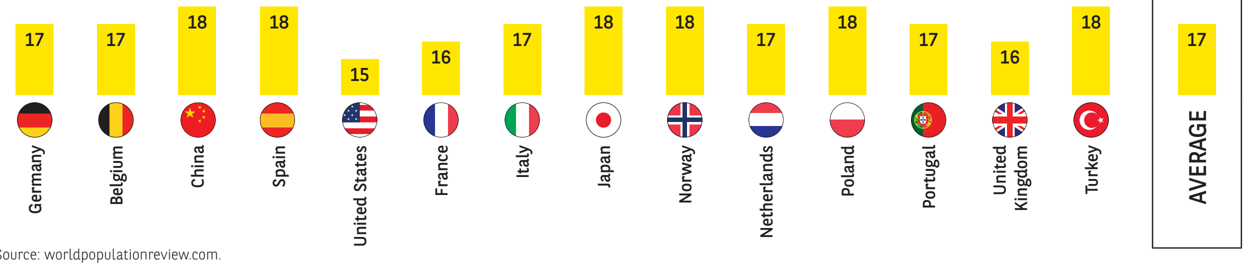


Source: L'Observatoire Cetelem de l'Automobile 2025.

INSIGHT | **Fig. 2**

These results are not down to differences in behaviour or expectations linked to socio-cultural characteristics, but primarily to the legislation in place in each country. Americans are the most likely to take their driving test early, since they are able to do so from the age of 15. In China and Turkey, two countries that will repeatedly stand out over the course of the survey, the minimum age is 18. In France, the opportunity to drive under supervision from the age of 16 is taken up by only 2% of motorists.

Minimum driving age



Source: worldpopulationreview.com.

BUYING ONE'S FIRST CAR: A LOGICAL PROGRESSION

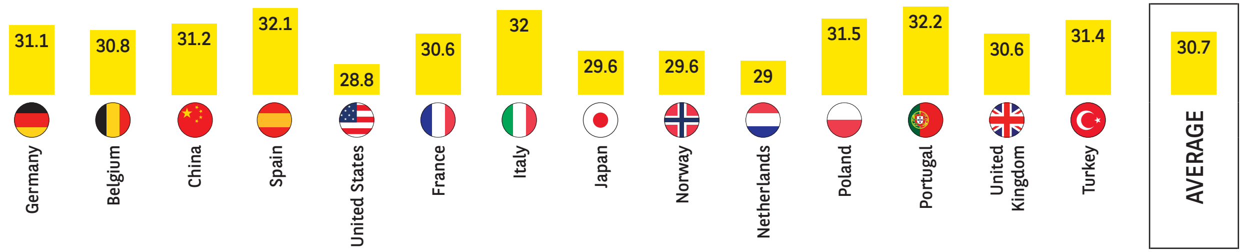
Obviously, the earlier people pass their driving test, the sooner they tend to buy their first car and the keener they are to get behind the wheel quickly. Around 7 out of 10 Americans acquire their first vehicle between the ages of 16 and 20. The same is true for 1 in 2 French, German and Italian motorists. In contrast, 1 in 3 Japanese and Chinese motorists don't buy a car until they have turned 25.

While being in a relationship is not a determining factor on the whole, geographical location has an altogether greater influence. 1 in 2 under-20s who live in towns of fewer than 20,000 inhabitants have already bought a vehicle.

INSIGHT | **Fig. 3**

There also seems to be something of a correlation between the average age of women when their first child is born and the age at which they buy their first car. The United States posts the highest scores for these two items. A correlation can also be observed in France and the Netherlands.

Average age of women when their first child is born



Source: various institutions referenced by wikipedia.org.

But the financial burden remains high

THE USED OPTION IS THE MOST COMMON

Overall, young people seem to be split between buying their first car new or used, whereas in 2011 they were more likely to go for the second-hand option (63% vs. 51% this year). Seniors, on the other hand, are more inclined to buy a new car (59%) **(Fig. 4)**. However, stark differences can be observed between the countries.

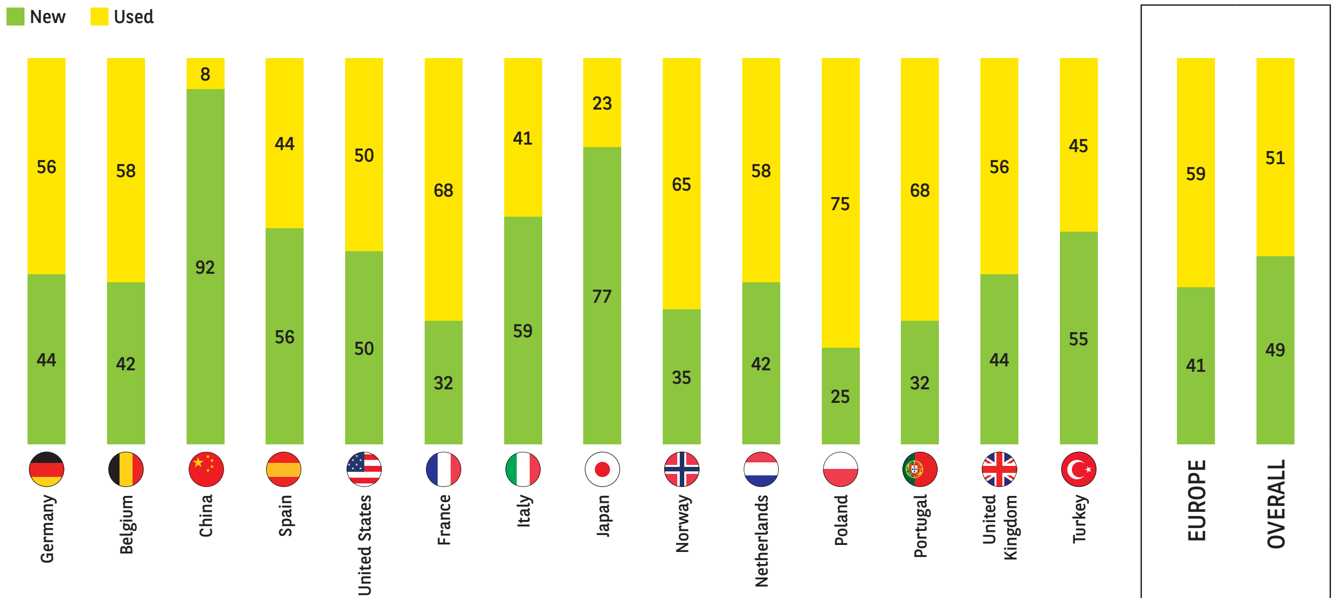
In China, 9 out of 10 young people opt for new vehicles. The figure for Japan is 8 out of 10. The Italians and Spanish complete the top four. The bias towards new cars in the Asian and Mediterranean markets is a long-established trend. This edition of L'Observatoire Cetelem confirms that young people are not immune to it. It is also worth noting that the second-hand market in China is very underdeveloped.

One must go to Poland, Portugal and France to find the biggest fans of used cars. With its highly-developed second-hand market, the situation in France is very different to that in China.

Fig. 4

Did you buy this car...?

To young people (under-30s) who have at least one car in their household.

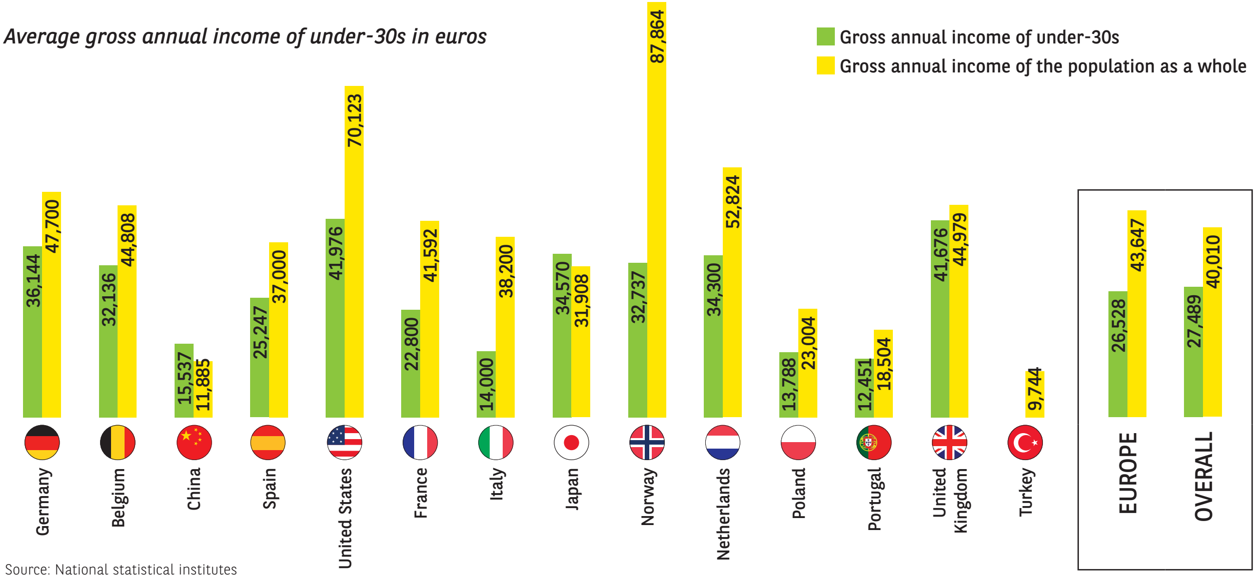


Source: L'Observatoire Cetelem de l'Automobile 2025.

INSIGHT | **Fig. 5**

An analysis of young people's incomes, in comparison to those of the population as a whole, sheds further light on the decision to buy new or second-hand. In China and Japan, where the preference is for new vehicles, young people earn more on average than their elders and are therefore more likely to have the resources to fulfil their aspirations. Paradoxically, the low incomes of young people in Italy do not appear to curb their enthusiasm for buying new cars.

Average gross annual income of under-30s in euros

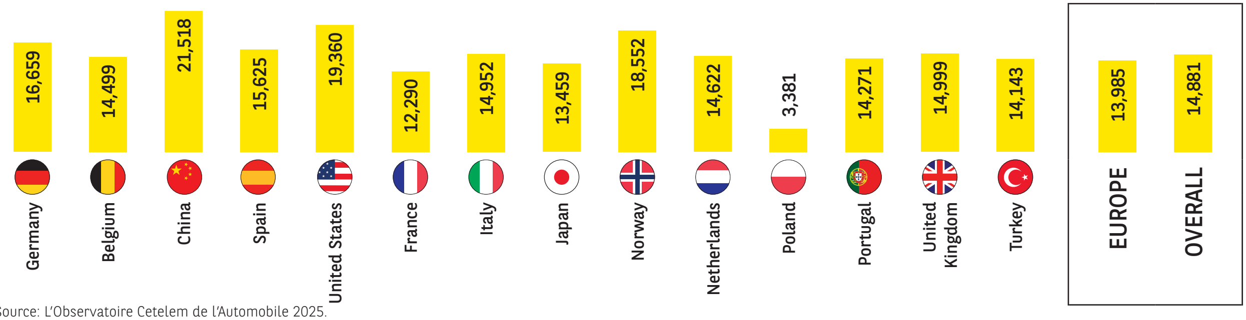


Source: National statistical institutes

INSIGHT | **Fig. 6**

The average price young people pay for a car varies greatly from one country to the next. The figures for China and Italy reflect their preference for new vehicles, despite their low average incomes.

How much did you pay for this vehicle? In euros (average)
To young people (under-30s) who have at least one car in their household.



Source: L'Observatoire Cetelem de l'Automobile 2025.

PRICE: THE MAIN OBSTACLE TO A PURCHASE

Financial constraints are the main hurdle for young people who have a driving licence, but have not yet acquired a vehicle. 6 out of 10 think cars cost too much, a significantly higher score than for seniors. This is a constraint that the Americans, Turks and Portuguese feel particularly keenly, while it is seen as less of a problem in Japan. The second most frequently mentioned factor is not having use for a car, with seniors most likely to make this point (4 out of 10 state that they can live without a vehicle). A much smaller proportion of young people with a licence but no car say that they don't need a vehicle. Only just over a quarter make this argument **(Fig. 7)**.

PURCHASING INTENTIONS ARE FAR FROM ELECTRIC

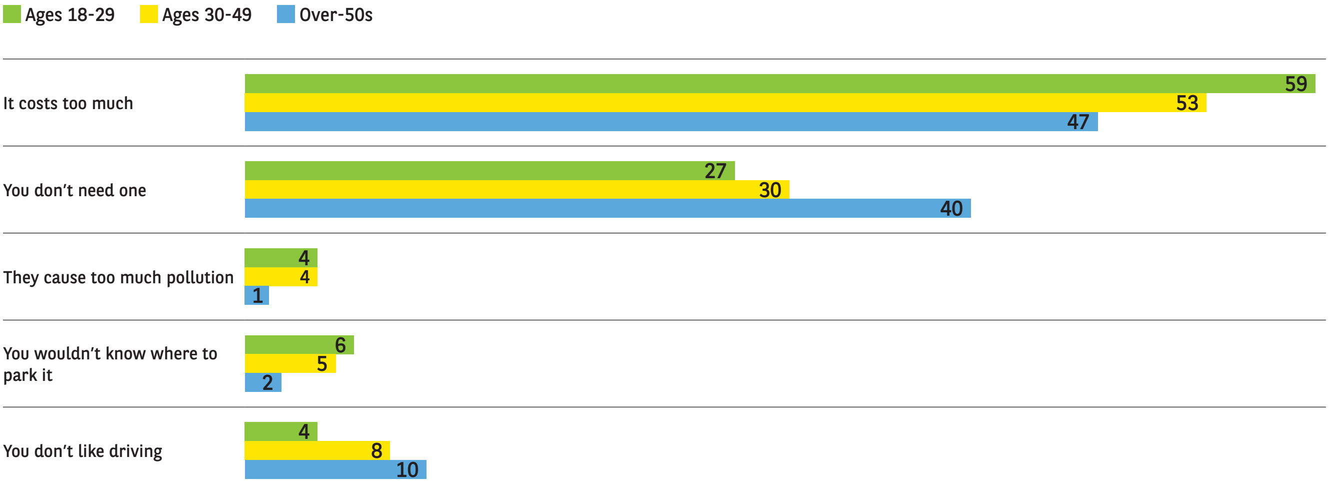
Young people's short-term purchase intentions still reveal a preference for second-hand cars in a good half of cases. When it comes to choosing an energy source, EVs occupy the number two spot, behind petrol, but ahead of diesel, which remains the top choice in the 30-49 age group. The fact that the electric vehicle market is still relatively small partly explains this result.

And once again, price is not the main barrier preventing drivers from going electric. Young people are the first to mention the potential difficulties involved in charging an EV (32% vs. 31%). This is seen as a factor that could hinder their freedom to travel, which they consider precious and is a topic we will return to later. Vehicle range comes third in the list of constraints.

Seniors place more emphasis on price (50%), without neglecting the other two factors.

Fig. 7

What is your main reason for not having a car?
Select one answer only.
To those who have a licence, but no car.



Source: L'Observatoire Cetelem de l'Automobile 2025.

A positive attitude to motoring

THE JOY OF DRIVING

The practical aspects of cars in no way detract from the pleasure of driving them. Quite the opposite, in fact. 7 out of 10 young people confirm this point, while just 2 out of 10 view driving as a chore **(Fig. 8)**. And this enjoyment has stood the test of time, since 8 out of 10 young people surveyed in 2011 had declared their fondness for driving. The Chinese and Turks are the most enthusiastic, in contrast to the Japanese, whose enjoyment is less apparent.

Men, inhabitants of big cities, couples with children and EV drivers all seem to share this passion for motoring.

CARS ARE SEEING THEIR IMAGE IMPROVE

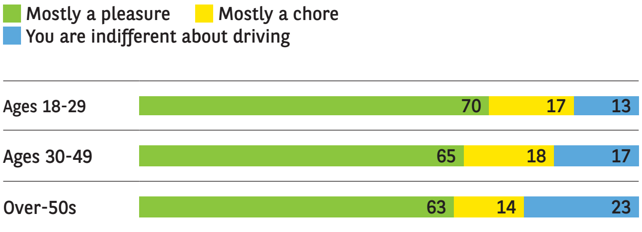
As we have just ascertained, cars are a source of pleasure, but they also enjoy a positive image overall. One of the most surprising findings of this survey is that, despite the received wisdom regarding cars and young people, 1 in 2 under-30s believe that the image they have of cars has improved over the last five years. Only 14% report that it has worsened. This is in stark contrast to the views expressed by seniors, more than half of whom have not changed their opinion **(Fig. 9)**.

Another finding that may seem surprising is that this image boost is more apparent in cities than in rural areas, no doubt due to the growing presence of electric and hybrid vehicles, not to mention traffic restrictions.

Looking at the geographical breakdown, the Chinese and Turks once again express the most enthusiasm, while the French are among the most reserved on this point.

Fig. 8

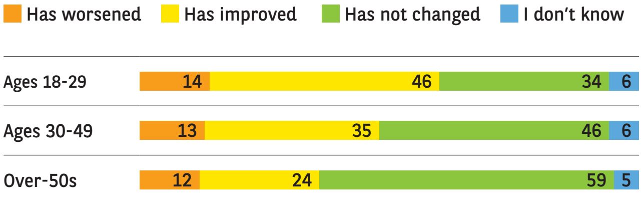
For you, driving is:
To those who have a driving licence



Source: L'Observatoire Cetelem de l'Automobile 2025.

Fig. 9

Over the last 5 years, would you say that the image you have of cars...?
To all respondents.



Source: L'Observatoire Cetelem de l'Automobile 2025.

LIFE WITHOUT A CAR IS UNIMAGINABLE

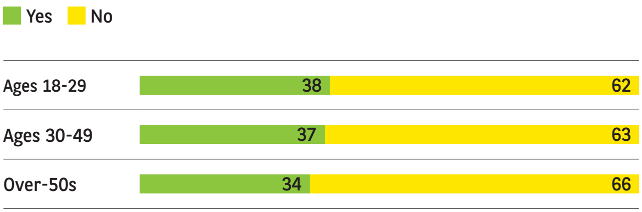
So how about living without a car? Most young people struggle to see how they could. 6 in 10 don't see it as a possibility. However, it should be noted that this proportion has fallen significantly since 2011. It is also slightly lower than the figure for seniors **(Fig. 10)**.

The French and Americans are the most resistant to the idea. Paradoxically, the Chinese and Turks, but also the Poles, are somewhat less reticent.

Not surprisingly, the prospect of a car-free life is more appealing to urban dwellers than to those based in rural areas.

Fig. 10

Could you imagine never using a car again?
To all respondents.



Source: L'Observatoire Cetelem de l'Automobile 2025.

Mobility has got young people mobilised

DIVERSIFIED MOBILITY

But cars are not the be-all and end-all. Young people are well aware that there is more than one way to travel.

Cycling tops the list, having been embraced by 7 out of 10 young people **(Fig. 11)**. Its popularity in no way depends on where people live, with inhabitants of towns and cities of all sizes taking it up with equal enthusiasm. Having children provides an even greater incentive to cycle. The increasing use of electric bicycles to take children to school, especially in urban areas, is undoubtedly a factor.

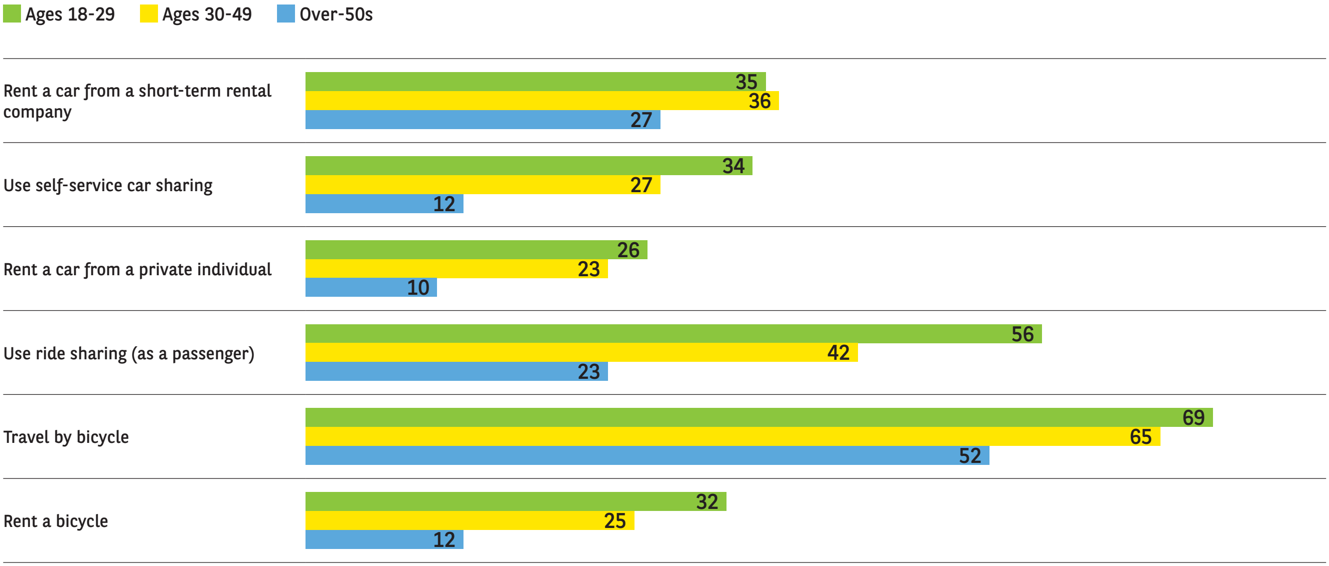
If we look at the different countries, the Netherlands, where the bicycle is king, and, more surprisingly, Poland are the two most cycling-friendly nations. Its detractors include Portugal, the United States and the United Kingdom. Could it be something to do with the climate?

Ride sharing comes second in the ranking of alternative forms of transport, being cited by over 50% of young people, double the proportion of seniors. If we compare this to the figures reported in 2011, this is a particularly striking result, given that only 30% of young people said they had taken up cycling at the time. The Japanese and Italians are by far the least likely to get on a bike. The Chinese and Turks are once again among the most committed in this area.

It's worth highlighting that car and bicycle hire receive very similar scores, with around 1 in 3 young people choosing to use these services.

Fig. 11

Do you ever...
To all respondents.



Source: L'Observatoire Cetelem de l'Automobile 2025.

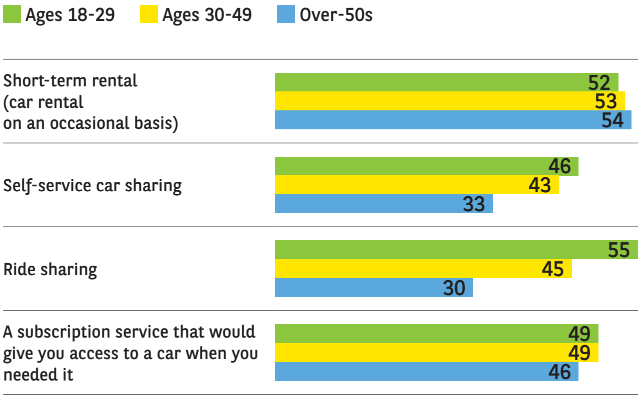
EVEN THOSE WITHOUT A VEHICLE SOMETIMES TRAVEL BY CAR

However, not owning a vehicle doesn't mean giving up on cars entirely. Once more, young people without their own wheels are taking advantage of ride sharing. This is the only item, along with car sharing, where the difference between this generation and seniors is so pronounced **(Fig. 12)**.

Rental, a more traditional solution, and subscription services are the two most popular options for around 1 in 2 young people and seniors.

Fig. 12

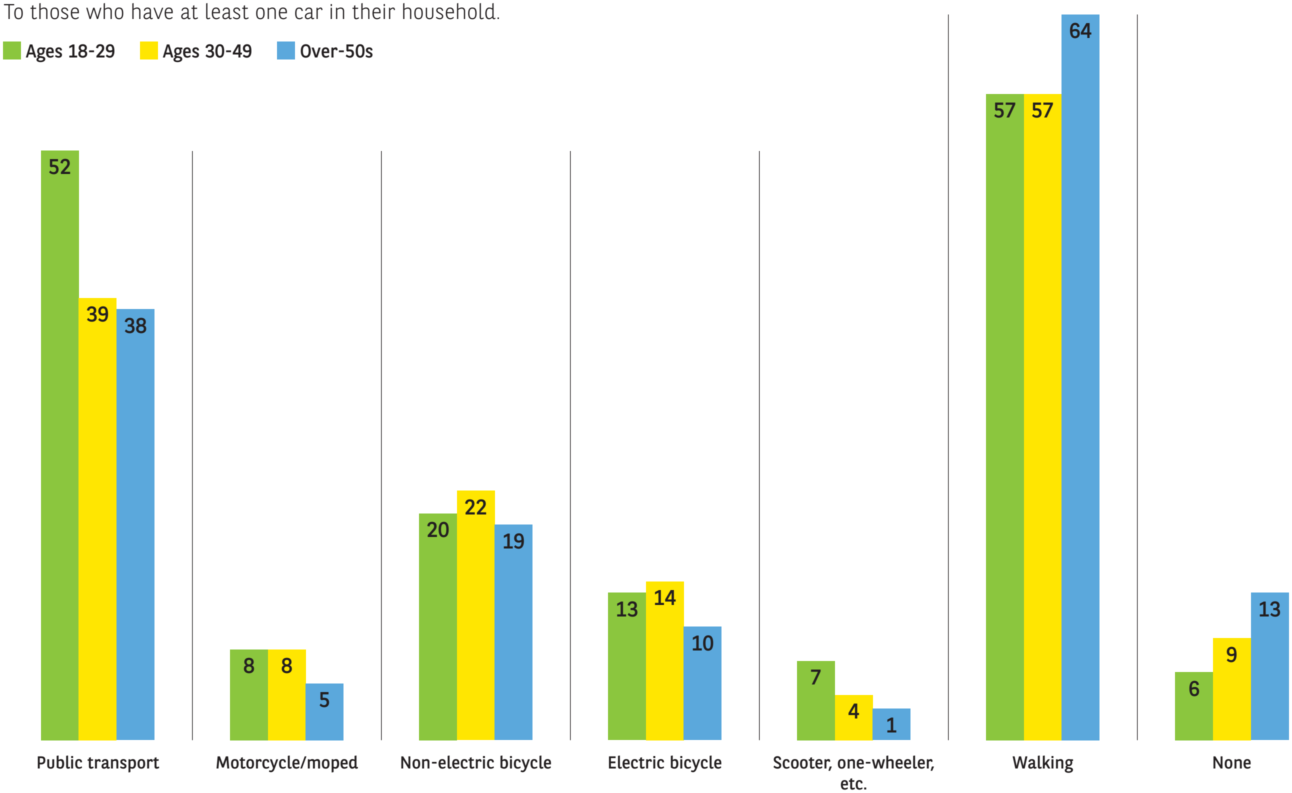
If you didn't have a car, what other solutions would you choose?
To those who have at least one car in their household.



Source: L'Observatoire Cetelem de l'Automobile 2025.

Fig. 13

Other than your car, what are the main forms of transport you use for your daily travel needs?
Select up to two answers.
To those who have at least one car in their household.



Source: L'Observatoire Cetelem de l'Automobile 2025.

WALKING LAGS SLIGHTLY BEHIND AMONG THE YOUNG

When not driving, young people choose public transport for their daily travel requirements, especially if they live in a city. For their part, seniors prefer to walk, possibly because they are keen to stay in shape, although young people are not averse to this healthy choice either **(Fig. 13)**.

KEY DATA

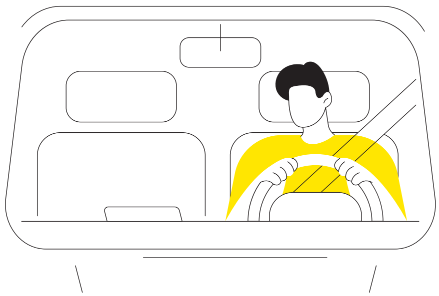
85%
of young people pass their driving test before the age of 25

1 in 2
feel that cars have enjoyed an image boost over the last 5 years

1 in 2
buy their car second-hand

4%
of young people who don't have a car believe that they cause too much pollution

7 out of 10
enjoy driving



1 in 2
can't imagine life without a car

2

Why are we so attached to our cars?

Movies like Christine, Crash, Titane and Rebel Without a Cause have taught us that human beings can develop a close and unique relationship with their car, whose status is sometimes elevated to that of a living, breathing being. Without taking things quite so far, young people are of the view that this is not a consumer product like any other. Conveying values and emotions, while conjuring memories and a sense of freedom, cars inhabit a world in which reason and feelings are engaged in continuous dialogue, with brands acting as key advisors and confidants.

A sentimental relationship

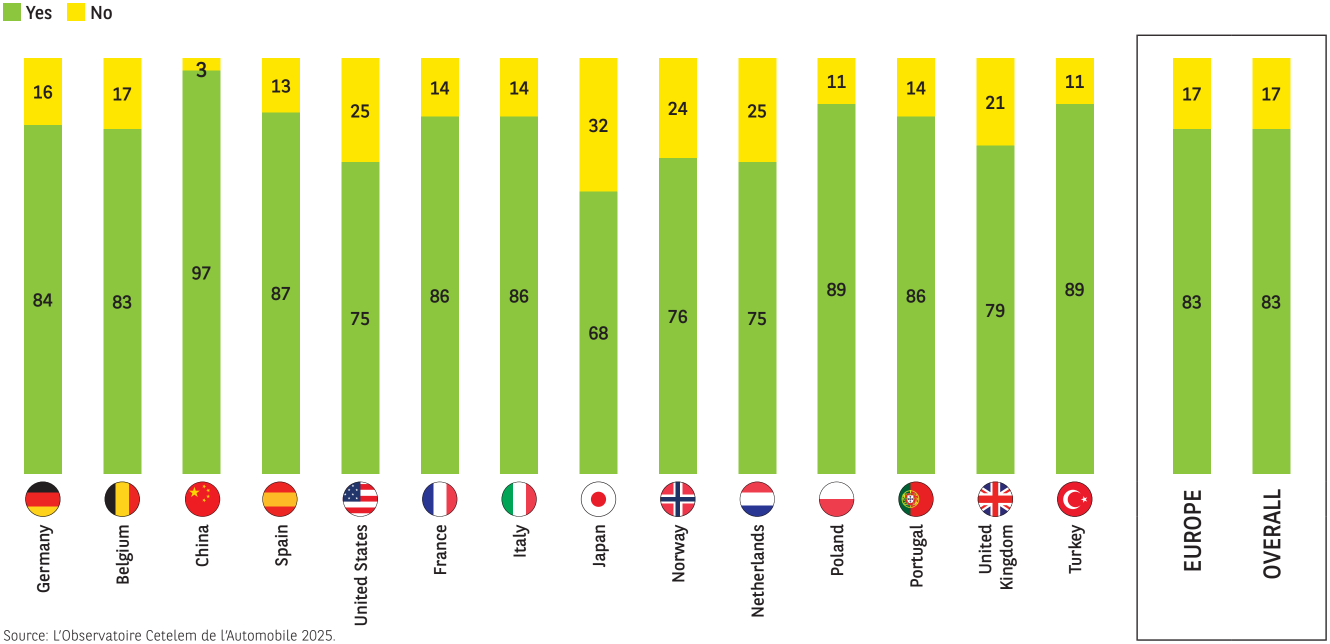
A STRONG ATTACHMENT TO CARS

Although cars can be viewed as simple consumer products, what sets them apart is the relationship their owners have with them. This relationship almost equips them with a personality of their own.

In turn, this can generate a special attachment. Within the youngest demographic, this is true in 8 out of 10 cases **(Fig. 14)**. In China, what we see is a veritable love affair, with a colossal 97% of young people saying they are attached to their car. The Turks, Poles and Italians are almost as enthusiastic, while in the land of cycling, the Dutch are relatively more measured in their feelings (70%). Inhabitants of big cities also harbour a passion for motoring, as do couples with children.

Fig. 14

Are you attached to your car?
To young people (under-30s) who have at least one car in their household.



Source: L'Observatoire Cetelem de l'Automobile 2025.

CARS HELP CREATE FUTURE MEMORIES

However, this attachment is not just sentimental. For 45% of young people, the feeling stems primarily from the utility of cars, a viewpoint most commonly held by rationally-minded French motorists (58%), in contrast to the more romantic Portuguese (32%).

Cars also appeal to people's materialistic side, with 33% of young people regarding them as valuable items. The Portuguese and Americans are the most likely to be in this camp (48% and 42%), while the Japanese are overwhelmingly unmoved in this respect (12%).

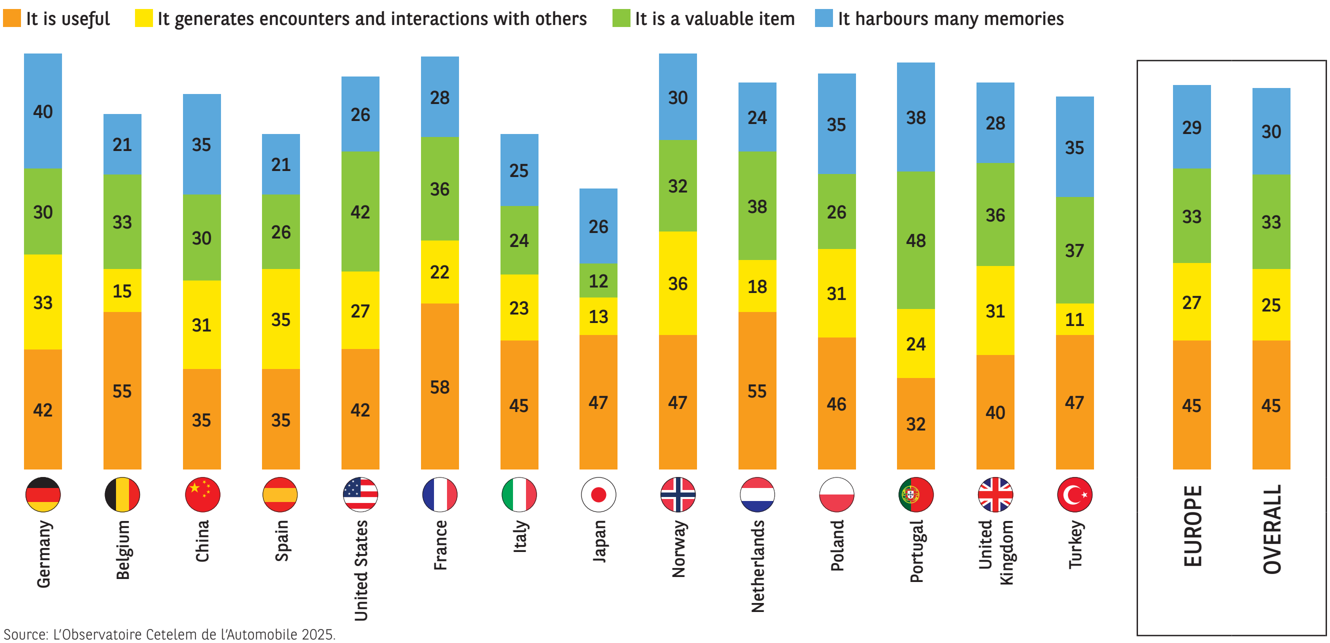
We've known since Back to the Future that cars can be wonderful time machines. The NextGen are unlikely to mock boomers for their views on the subject. 30% of them believe they are the perfect tool for forging memories, which suggests that cars have a bright future. These are memories created by holidays, excursions with family or friends, and outings with one's first child. The Germans and, once again, the Portuguese are eagerly looking ahead to these automotive memories.

In last place when it comes to sources of attachment is the ability of cars to generate fresh encounters and interactions with others (25 %) **(Fig. 15)**.

Fig. 15

Why are you so attached to your car?

To young people (under-30s) who are attached to their car. Select one or more answers.



Source: L'Observatoire Cetelem de l'Automobile 2025.

Maintaining perspective

ESSENTIAL FOR THE DAY TO DAY

While those who are car-free doubt their utility, those who do own a vehicle feel the very opposite. Nearly 8 out of 10 young people say their car is indispensable on a daily basis, significantly higher than the score for seniors. One has to go to Norway or the UK to find more nuanced opinions, while utilitarianism is the order of the day in Asia.

While there is little to separate the views of urbanites and rural dwellers on this question, couples with children are more likely to state that cars are an essential part of their daily lives. When it comes to taking children to school or to their extra-curricular activities, not to mention food shopping, cars are a long way from being superseded by cargo bikes **(Fig. 16)**.

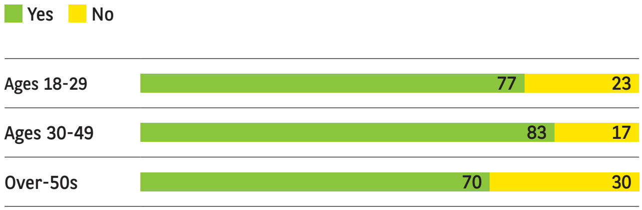
RATIONAL PURCHASING CRITERIA

People's purchasing criteria are also rooted in rationality. As successive editions of L'Observatoire Cetelem have reminded us, price is the number one consideration when buying any type of good. And when young people acquire a vehicle, this is invariably what they think about first. However, it is less important in their eyes than in those of seniors, who score this criterion almost 10 points higher. Once again, the Chinese and Turks are by far the least sensitive to this factor, while for residents of towns with fewer than 20,000 inhabitants it is a crucial one.

Again, both generations are in agreement on safety, which they put forward as their second most important purchasing criterion, with seniors placing slightly more emphasis on the issue. However, while mileage comes third for young people (given their tendency to opt for second-hand vehicles), running costs occupy this position for seniors **(Fig. 17)**.

Fig. 16

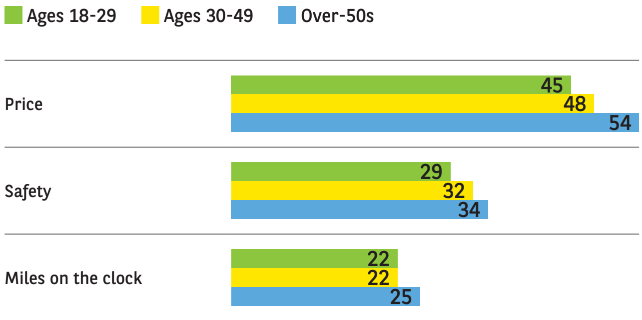
Is your car essential to your daily life?
To those who have at least one car in their household.



Source: L'Observatoire Cetelem de l'Automobile 2025.

Fig. 17

Which of the following criteria do you take most into account when buying a car?
Select up to three answers.
To those who have at least one car in their household.



Source: L'Observatoire Cetelem de l'Automobile 2025.

SAFETY, CONVENIENCE AND FREEDOM: A COMMON MANTRA

If we must get caught up in metaphor and compare cars to people, then it makes sense to talk about their qualities and shortcomings.

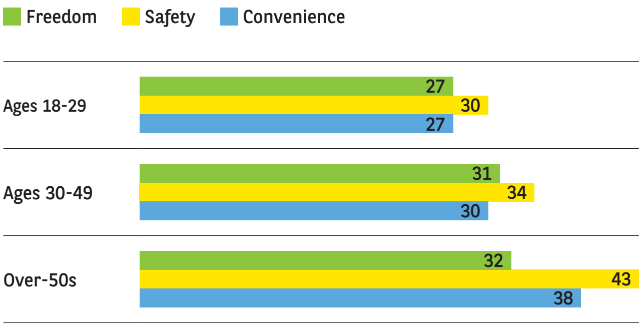
When it comes to the former, three in particular stand apart from the rest: safety, convenience and freedom. These qualities are highlighted by young people and seniors alike, but to varying degrees.

For instance, 30% of young people believe that safety is a car's most important attribute, compared with 43% of seniors. The gap begins to narrow when the topic is convenience, which comes in second place. This quality is mentioned by 27% of young people and 38% of seniors. In third place is freedom, a topic on which the views of young people and seniors are more similar, with scores of 27% and 32% respectively **(Fig. 18)**.

It is worth noting that, outside of this top three, speed and pleasure are the qualities most commonly mentioned by young people, while seniors rarely mention the former.

Fig. 18

Which of the following characteristics best apply to cars?
Select up to three answers.
To those who have at least one car in their household.



Source: L'Observatoire Cetelem de l'Automobile 2025.

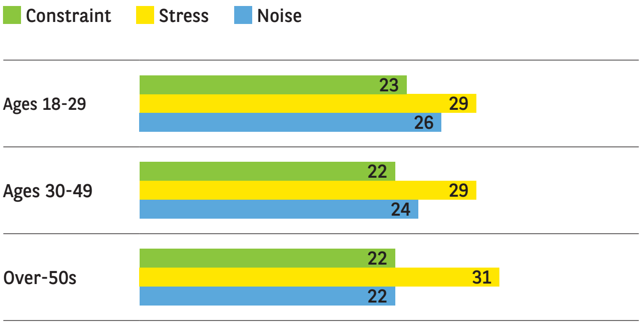
SHARED CRITICISMS

As for the "shortcomings" of cars, young people and seniors agree once again when it comes to their top three, but with even greater convergence of opinion.

The stress caused by cars is the number one issue and is cited by 3 in 10 people in both age categories. A similar proportion see them as a constraint (23% of young people and 22% of seniors). The third "flaw" is somewhat less obvious, in that it relates to a form of pollution that receives less publicity than CO_2 emissions, but which is particularly noticeable in urban environments. The issue here is noise, which is decried primarily by young people, with a quarter of them citing this problem **(Fig. 19)**.

Fig. 19

Which of the following characteristics apply to cars the least?
Select up to three answers.
To those who have at least one car in their household.



Source: L'Observatoire Cetelem de l'Automobile 2025.

Contrasting relationships with brands

AN EXTENSION OF ONE'S PERSONALITY

Examining people's relationship with cars in terms of image, which is strongly linked to the brands that produce them, reveals generational differences. When it comes to the factors that influence their choice of vehicle, young people focus on style, design and power. This is a generation who like their cars to have character. On the flip side, the brand and especially the country of manufacture are much less important to young people than they are to seniors. Are brands losing their sparkle and their power to influence? The reality is more complex...

VALUED ADVICE

Indeed, when young people are looking to buy a car, they prefer to acquire them from brands, rather than trusting dealerships.

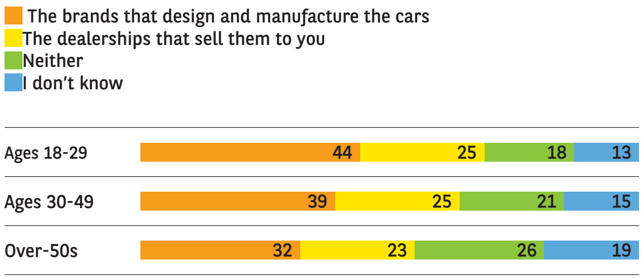
Similarly, after a test drive, the information provided by brands is the most important factor in their decision, with almost 9 out of 10 young people prioritising these criteria. It is interesting to note that the web is not the primary source of information for this generation, as one might have expected **(Fig. 20)**.

ON THE RIGHT TRACK

Far from vilifying brands, young people seem to be fairly satisfied with what they offer. More surprisingly, this is also the case when it comes to environmental matters. Around 1 in 2 young people feel that manufacturers are doing enough to produce eco-friendly vehicles. This result can probably be explained by the ever-growing number of electric vehicles being produced, but also by the effectiveness of marketing that focuses on the virtues carmakers seek to present in this day and age. Note also that in all the countries surveyed, the total number of "yes" answers exceeds the total number of "no" answers.

Fig. 20

If you were about to buy a vehicle, who would you trust most to advise you regarding your purchase?
To all respondents.



Source: L'Observatoire Cetelem de l'Automobile 2025.

KEY DATA

8 out of 10 young people
are attached to their car

45%
look at the price first and foremost before they buy

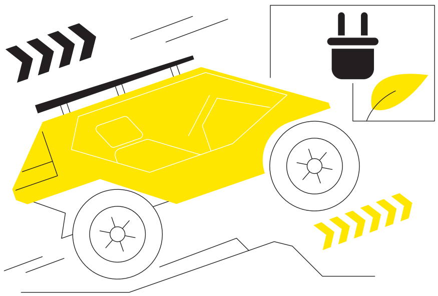
3 in 10
see it as a source of memories

9 out of 10
take notice of the information provided by brands before buying

8 out of 10
believe it is essential for the day to day

3

The future is electric



It's difficult to imagine what the world will look like in 30 years' time.
Difficult, but not impossible, or so young people tell us. According to them,
cars will be as important, if not more important, than they are today.
In their electric form, they are even seen as a symbol of progress through innovation.

Doubts over the green credentials of cars

CARS HAVE A GREAT DEAL TO ANSWER FOR WHEN IT COMES TO THE ENVIRONMENT...
Mentioning the environment inevitably leads us to place cars in the dock. So, guilty or not guilty?

On this point, young people are less forgiving than their elders. Almost half believe that they are the leading cause of global warming, a view shared by only 3 in 10 seniors. It should be stated that across all age groups, those who think that cars are the main cause of global warming are never in the majority.

This is a question that reveals major differences between China, Japan and Turkey, where cars are seen as the main culprit by around 60% of respondents, and every other country surveyed. City dwellers are also more likely to express this view.

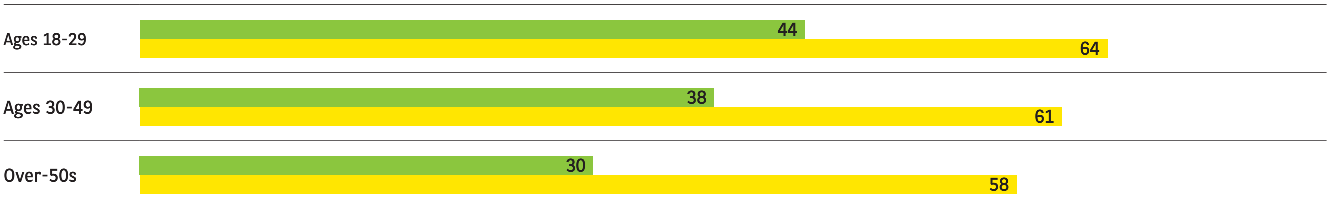
Moreover, young people in urban areas are more vocal in singling out cars as the main source of pollution, although the gap here is less pronounced. Indeed, 64% are of this opinion, compared with just 58% of seniors.

What these results undoubtedly point to is the greater environmental awareness of young people, who tend to be better informed than their elders and feel very strongly that this is an issue that affects their future **(Fig. 21)**.

Fig. 21

Would you say that cars are...?
To all respondents.

The main cause of global warming
The main cause of urban pollution



Source: L'Observatoire Cetelem de l'Automobile 2025.

AND THEIR PRESENCE IS NOT ALWAYS WELCOME

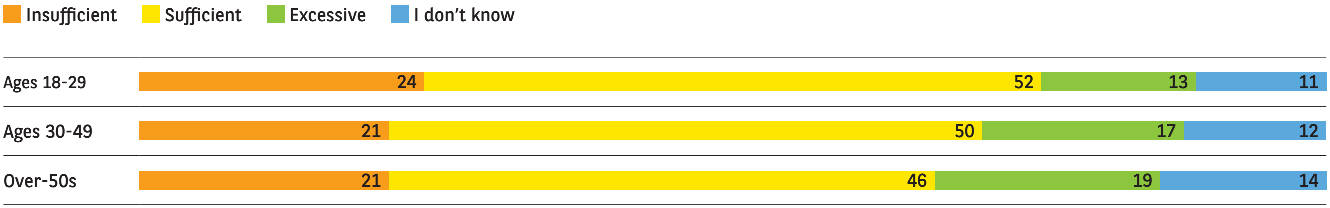
Differences of opinion between the generations are again evident when it comes to the question of banning the sale of combustion-powered cars. Once more, regardless of age, there is no majority in favour of such a policy. Only 39% of young people are opposed to it, compared with 46% of seniors.

There are twice as many opponents in cities as there are in rural areas, and a similar proportion in most European countries.

Young people are also slightly stricter when it comes to the environmental regulations imposed on cars. However, only 24% believe them to be inadequate, with just 21% of seniors agreeing. 1 in 2 are of the view that current regulations are sufficient. As one might expect, criticism is more likely to be encountered in cities. Once again, the environmental "literacy" of young people, which is founded on higher-quality information, may account for this result **(Fig. 22)**.

Fig. 22

In your opinion, are the environmental regulations imposed on cars and on their use...?
To all respondents.



Source: L'Observatoire Cetelem de l'Automobile 2025.

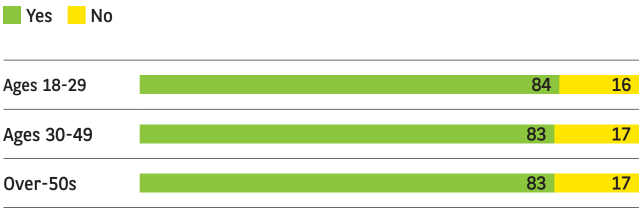
Electric cars are synonymous with progress

ELECTRIC CARS: AT THE CROSSROADS BETWEEN INNOVATION AND PROGRESS

Some of the results from last year's Observatoire Cetelem shed further light on the topic. What they highlight, for instance, is that 84% of young people believe that technological advances will improve the environmental performance of cars. This opinion is held by all generations **(Fig. 23)**.

Fig. 23

Do you believe that technological advances will reduce the environmental impact of cars?
To all respondents.

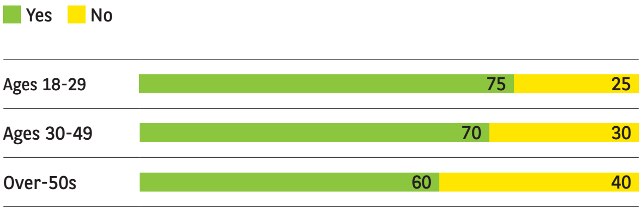


Source: L'Observatoire Cetelem de l'Automobile 2024.

However, young people are more likely than their elders to believe that electric cars are the very embodiment of progressive innovation **(Fig. 24)**.

Fig. 24

Do you think that electric cars can embody this technological progress?
To all respondents.



Source: L'Observatoire Cetelem de l'Automobile 2024.

ELECTRICITY, THE SOURCE OF A BETTER FUTURE

Electric vehicles are considered to display even more virtues than their combustion-engined cousins. 1 in 2 young people say that they are more environmentally friendly, compared with only 4 in 10 seniors.

The differences in the opinions of urbanites and rural dwellers are striking: the former are twice as likely as the latter to believe that EVs have a positive impact. The largest numbers of doubters can be found in Germany and France.

Cars, EVs especially, will have an even stronger presence tomorrow

THE FUTURE IS AUTOMOTIVE

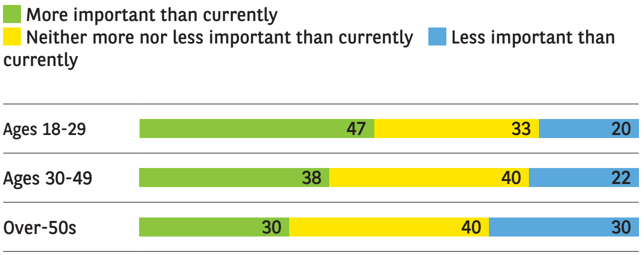
The idea of a future powered by a strong electric current makes young people feel particularly optimistic about the evolving role of cars.

In 2011, 29% of young people surveyed felt that cars would play a more important role in society in 30 years' time, while 45% believed that their status would remain unchanged. In the space of 13 years, there has been a dramatic shift, with the two scores having been more or less reversed. 47% expect cars to play a more important role and the score for this item has risen in every country (33% think its status will be identical).

This enthusiasm is all the more striking when compared with the more measured responses of seniors. Indeed, the older generation are most likely to state that the status quo will be maintained (the proportion who believe that cars will play more or less of a role is 30%, in both cases) **(Fig. 25)**.

Fig. 25

In your opinion, in 30 years' time, the role cars will play in our society will be:
To all respondents.



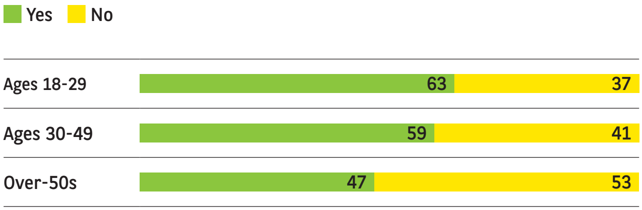
Source: L'Observatoire Cetelem de l'Automobile 2025.

THE REIGN OF ELECTRIC CARS IS NIGH

Naturally, if cars are to take on an even more important role in society, they will rely on electric motors to propel them into the future. On this issue, young people once again appear to have stronger convictions than seniors. 6 out of 10 believe that EVs will replace combustion-powered cars, while half of the older generation are of this opinion. These results should make brands feel more confident in their decision to go headlong down this road **(Fig. 26)**.

Fig. 26

Do you believe that electric vehicles will eventually completely replace combustion-powered cars?
To all respondents.



Source: L'Observatoire Cetelem de l'Automobile 2025.

KEY DATA

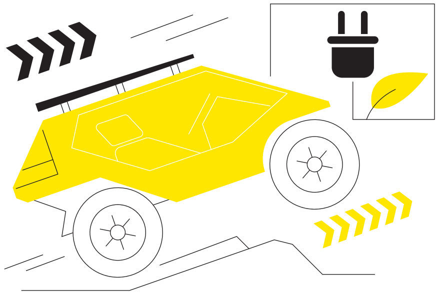
1 in 2 young people
believe cars are the main cause of global warming

1 in 2
believe cars will play a greater role in 30 years' time

1 in 2
believe that current restrictions are sufficient

6 out of 10
can see electric cars replacing their combustion-powered equivalents in the future

1 in 2
believe that EVs are more eco-friendly than combustion powered cars



CONCLUSION

Seniors are yesterday's young people. In other words, young people are the seniors of tomorrow. This biological inevitability confers them with crucial economic importance. Indeed, in one or two generations' time they will have a higher income and more assets. Putting them in a positive frame of mind today increases the chances that this will translate into hard cash in the future. To put it bluntly, young people are a prime investment, one of the most promising there is.

Brands and retailers should be truly delighted with the findings of this latest Observatoire Cetelem survey devoted to the under-30s. Somewhat counterintuitively, this age group displays a strong affinity with cars, while also predicting, and even hoping, that they have a bright future ahead of them. Ultimately, they love cars and will continue to do so for a long time to come. In keeping with their generation's expectations, which are also tinged with a degree of anxiety, they like to picture themselves in a car that is environmentally friendly.

In such a context, thanks to the relatively high level of credibility they command among young people, as this survey shows, brands have many strong cards to play. It is up to them not to waste them. Their future success will rely on constant, transparent dialogue, a firm and genuine commitment to the environment, smooth integration into a multi-faceted transport mix and, above all, prices that will make cars accessible to a generation who simply want to get behind the wheel and create an irreplaceable scrapbook of memories.

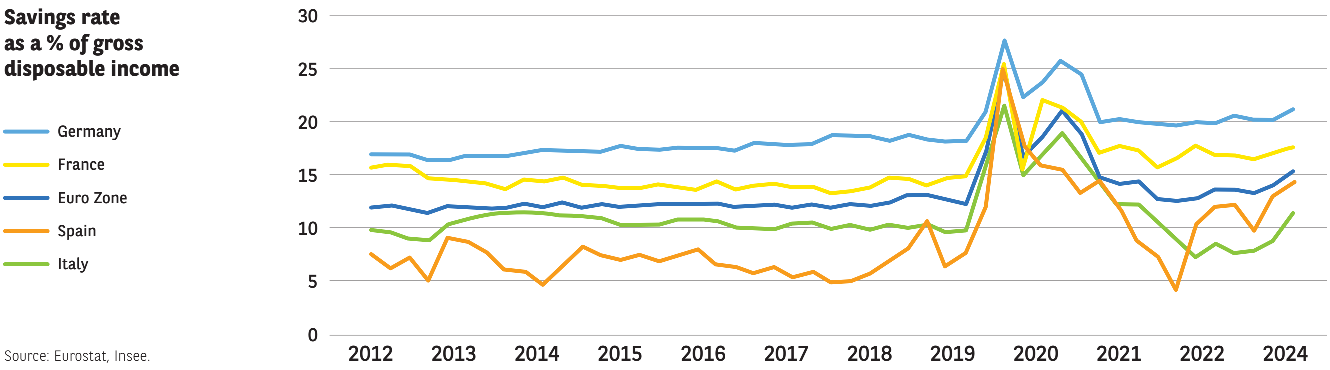
A glance at BNP Paribas's economic research

Households continue to save more and to buy fewer cars

European households are saving, a lot. Perhaps less so than in 2020, when their spending on transport, eating out and leisure was artificially reduced. But still much more than in 2019, when the savings rate was almost 3 points lower than it is now. Spending power, which was a concern at the height of the inflation crisis, is now bouncing back as inflation recedes. However, not only are households not spending this extra disposable income, or not yet at least, they are not investing in their accommodation either (the market for existing property and new builds remains at a low ebb). Most of this extra household income is therefore channelled into financial savings products, which together with other investments account for almost half of total household savings in both France and Germany. Indeed, the sums pumped into financial savings products have now reached an unprecedented level (lockdown period aside). Saving helps to finance certain needs and can therefore be seen as a way of preparing for the future (the glass half-full view). However, it can also be interpreted as being the postponement of a purchase (the glass half-empty view). One could even consider that a part of these efforts to save is structural, particularly when we consider the reduction over the last 5 years in the proportion of disposable income devoted to purchases of all kinds, be it food, energy, non-food products (textiles, toiletries, etc.), household goods and transport (including cars). A certain proportion of these spending reductions (nearly a third in France) has gone into the purchase of services (which has partially replaced the consumption of goods, e.g., food services rather than in-store purchases), but most have gone into bolstering people's savings. According to the latest household economic surveys, these behaviours are set to persist, therefore most of the spending reductions in question will be long term. While the lowering of interest rates, which is set to continue, should encourage households to spend a little more, savings rates are likely to remain almost 2 points above the 2019 level at the end of 2025, limiting the prospects of a pick-up in demand.

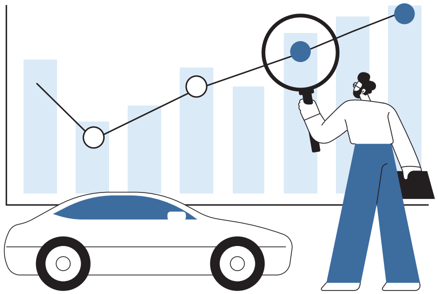
Stéphane Colliac

Savings rate as a % of gross disposable income



Source: Eurostat, Insee.

Market data



The new passenger car (NPC) market

	2021	2022	2023	Variation 2023 vs. 2022	2023 (7 months)	2024 (7 months)	Growth rate over 7 months 2024/2023	2024p	Variation 2024 vs. 2023	2025p	Variation 2025 vs. 2024
Germany	2,622,132	2,651,357	2,844,609	7%	1,641,504	1,709,900	4.2%	3,000,000	5%	3,100,000	3.3%
Belgium	383,123	366,578	476,675	30%	299,144	295,559	-1.2%	475,000	0%	480,000	1.1%
China	21,481,537	23,563,287	26,013,000	10%	13,368,000	13,974,000	4.5%	26,000,000	0%	27,000,000	3.8%
Spain	859,476	813,396	949,360	17%	586,626	619,224	5.6%	1,010,000	6%	1,050,000	4.0%
United States	14,946,971	13,754,300	14,297,755	4%	9,029,236	9,169,070	1.5%	14,600,000	2%	15,000,000	2.7%
France	1,659,005	1,529,185	1,774,772	16%	1,018,722	1,040,924	2.2%	1,800,000	1%	1,800,000	0.0%
Italy	1,456,674	1,316,700	1,598,787	21%	960,765	1,011,259	5.3%	1,690,000	6%	1,700,000	0.6%
Japan	3,675,698	3,448,298	4,436,866	29%	2,740,721	2,443,627	-10.8%	4,100,000	-8%	4,100,000	0.0%
Norway	176,276	174,329	126,950	-27%	62,165	67,718	8.9%	140,000	10%	145,000	3.6%
Netherlands	324,336	312,129	371,972	19%	229,200	220,168	-3.9%	360,000	-3%	370,000	2.8%
Poland	446,647	419,765	475,033	13%	275,062	320,099	16.4%	520,000	9%	520,000	0.0%
Portugal	149,740	156,304	186,447	19%	126,229	130,967	3.8%	195,000	5%	200,000	2.6%
United Kingdom	1,647,181	1,614,063	1,903,054	18%	1,093,641	1,154,280	5.5%	2,000,000	5%	2,100,000	5.0%
Turkey	561,853	592,660	961,339	62%	518,788	536,351	3.4%	970,000	1%	970,000	0.0%
14-COUNTRY TOTAL	**50,390,649**	**50,712,351**	**56,416,619**	**11%**	**31,949,803**	**32,693,146**	**2.3%**	**56,860,000**	**1%**	**58,535,000**	**2.9%**

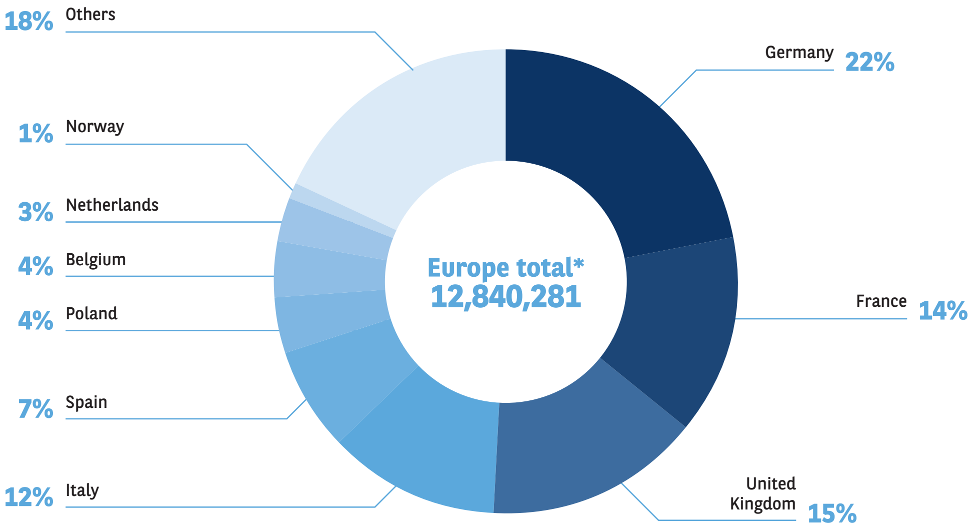
*Estimates and forecasts from L'Observatoire de l'Automobile 2025 Sources: L'Observatoire de l'Automobile 2025, OICA, ACEA, C-Ways.

Global light vehicle (LV) market

	2020	2021	2022	2023	2024*	2025	2024/2023 variation	2025/2024 variation
Global LV sales in millions of units	77.8	80.7	85.3	87	89	92	2.3%	3.4%

Scope: every country in the world. *Estimates and forecasts from L'Observatoire Cetelem de l'Automobile LMC Automotive, C-Ways forecasts.
Light vehicles (LV) = passenger cars (PC) + light commercial vehicles (LCV).
* Estimates and forecasts from L'Observatoire Cetelem de l'Automobile.

New passenger car registrations in Europe* in 2023



* EU 26 (excl. Malta) + UK, Norway, Switzerland and Iceland. Sources: ACEA.

Household penetration in 5 countries

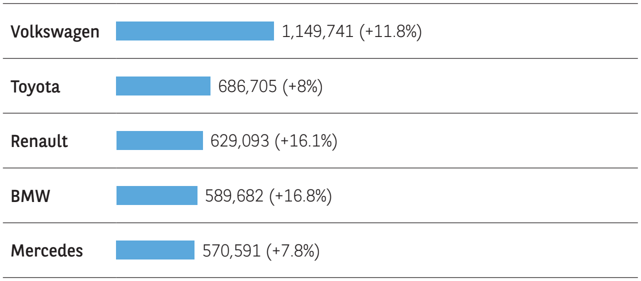
The calculation is strictly based on car registrations for private use only

	Private registrations in 2023, in thousands	Total new passenger car registrations in 2023, in thousands	Private individuals	Companies	Number of households in millions (2021)	Household penetration
Germany	933	2,845	33%	67%	41.2	2.3%
Spain	448	949	47%	53%	18.8	2.4%
France	828	1,775	47%	53%	30.4	2.7%
Italy	957	1,599	60%	40%	25.8	3.7%
United Kingdom	891	1,903	47%	53%	29.5	3.0%
TOTAL	**4,057**	**9,071**	**45%**	**55%**	**145.7**	**2.8%**

Sources: National Statistical Institutes, Manufacturers' Federations, C-Ways.

Leading brands in Europe

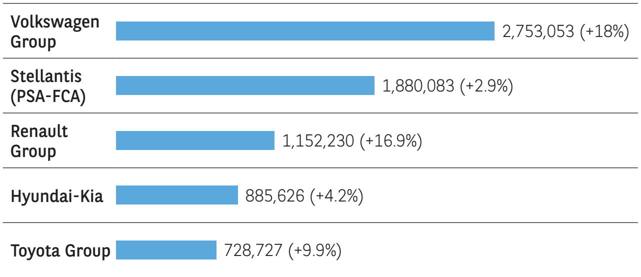
Annual sales in Europe in 2023, change vs. 2022
In units



Sources: ACEA.

The leading groups in Europe

Annual sales in Europe in 2023, change vs. 2022
In units



Sources: ACEA.

Share of new cars registered that are electric vehicles

In %

	2015	2019	2022	2023
Germany	1	3	31	18
Belgium	1	3	26	20
China	1	5	29	24
Spain	0	1	9	5
United States	1	2	8	12
France	1	3	21	17
Italy	0	1	9	4
Japan	1	1	3	2
Norway	22	56	88	82
Netherlands	10	15	35	31
Poland	0	1	6	4
Portugal	1	6	22	18
United Kingdom	1	3	23	17
Turkey	0	0	1	0

Sources: IAE, ACEA & Marklines.

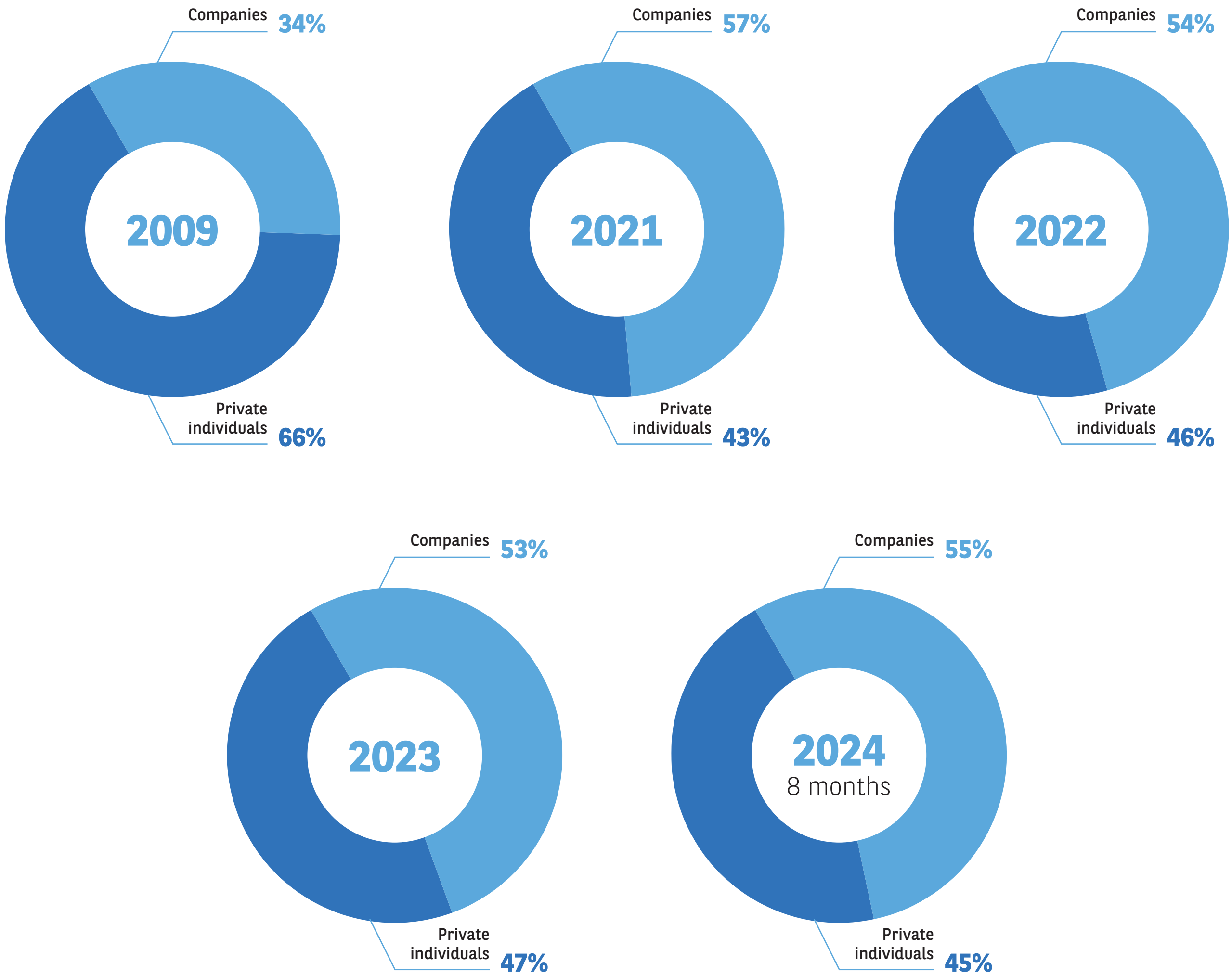
The new-car market in France

In number of registrations

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
NPC – New passenger car	1,795,885	1,917,226	2,015,177	2,110,748	2,173,518	2,214,428	1,650,118	1,659,146	1,529,185	1,774,772	1,800,000	1,800,000
LCV – Light commercial vehicle	372,074	379,424	397,085	438,645	459,038	479,769	401,124	430,787	346,946	377,878	400,000	420,000

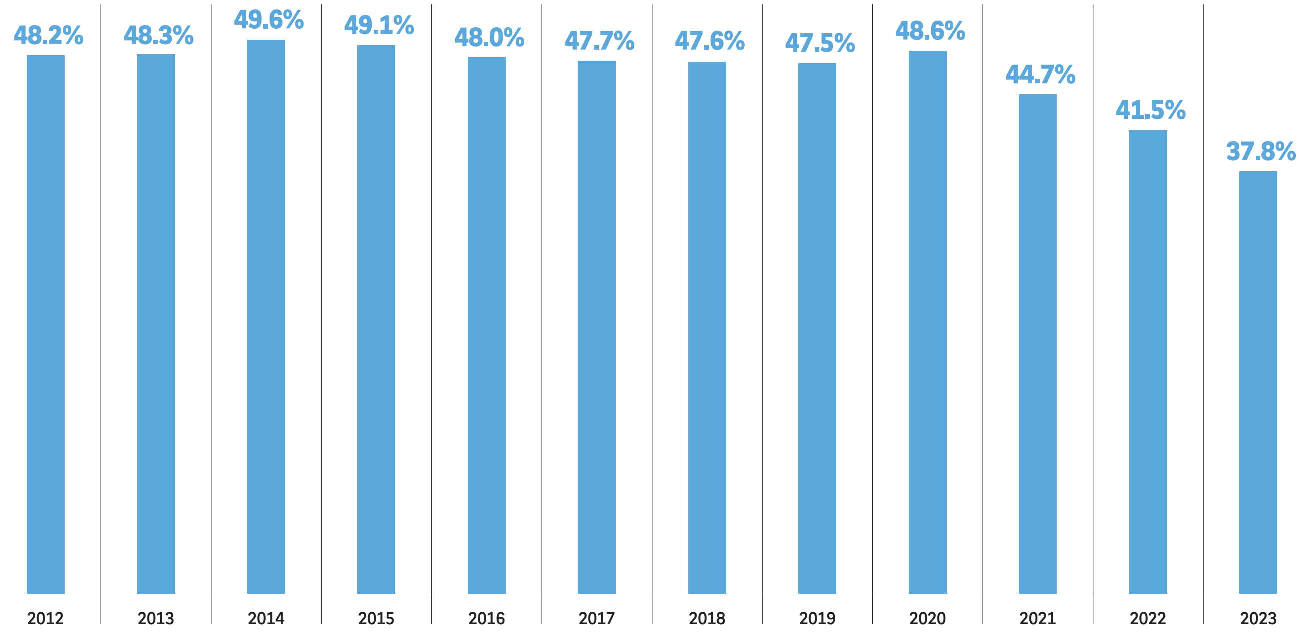
Sources: C-Ways based on SIV data

Structure of the new passenger car market in France



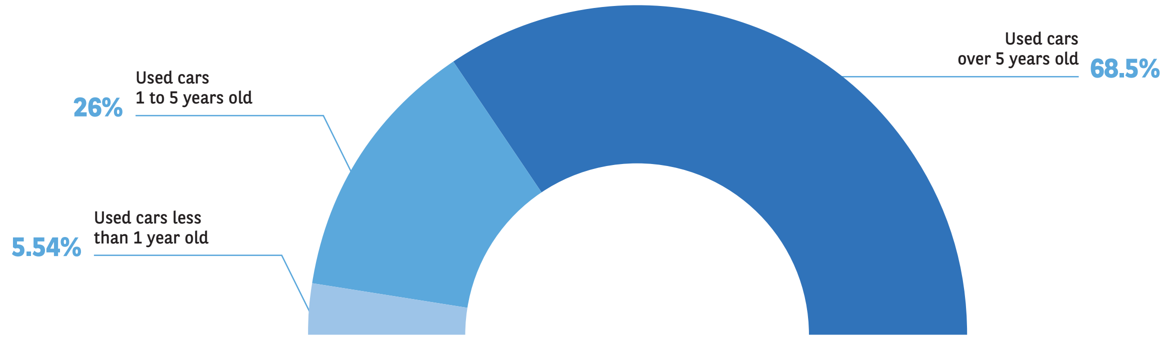
Sources: Observatoire Cetelem de l'Automobile, CCFA, C-Ways based on SIV data

Market share of French brands* in the new passenger car market in France



*French brands: Citroen, Peugeot, DS, Alpine and Renault. Sources: Observatoire Cetelem de l'Automobile, CCFA, C-Ways based on SIV data

The used passenger car market in France in 2024
First 8 months of 2024



Sources: C-Ways based on SIV data

METHODOLOGY:

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

Quantitative consumer interviews were conducted by **Harris Interactive between 25 June and 9 July 2024 in 14 countries**: Belgium, China, France, Germany, Italy, Japan, Netherlands, Norway, Poland, Portugal, Spain, United Kingdom, United States and Turkey. In total, **16,000** people 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 1,000 in each of the other countries.

Survey Manager: Flavien Neuvy
Co-authored by: Luc Charbonnier and C-Ways
Design: © Altavia Disko
Illustrations: Altavia Disko, Adobe Stock

#PROSPECTIVE

Follow all the latest news from L'Observatoire Cetelem at:

www.observatoirecetelem.com

@obs_cetelem

LinkedIn YouTube

OBSERVATOIRE Cetelem

BNP PARIBAS PERSONAL FINANCE