**SMMT NEW CAR REGISTRATIONS**

Wednesday 5 November 2025

**Hi-res graphics available via Dropbox:**

**New car market holds steady in October but new tax policy threatens market decline**

* New car market rises 0.5% to 144,948 units as battery electric cars take 25.4% market share.
* Latest industry outlook anticipates overall market to breach two million units this year for the first time since 2019.
* Sector calls on government to abandon plans to scrap Employee Car Ownership Schemes, which would throw market into decline with significant economic costs.

**Wednesday 5 November, 2025** The UK new car market remained stable in October as registrations rose 0.5% to reach 144,948 units, according to the latest figures published today by the Society of Motor Manufacturers and Traders (SMMT).

Registrations by fleets declined slightly, falling -1.5%, but the decline was offset by a small increase in registrations by private buyers, up 2.0%. Business registrations rose by 32.7% although, as a very small volume portion of the market, this sector is always subject to volatility.

Electrified vehicles were the only powertrain technologies to record growth, largely driven by battery electric vehicle (BEV) uptake, registrations of which rose by 23.6%, equivalent to 7,028 additional units. As a result, BEVs took a 25.4% market share, the second highest recorded this year, although still short of the 28% target set by the ZEV Mandate. Plug-in hybrid vehicle (PHEV) uptake rose 27.2% to account for 12.1% of the market, while hybrid electric vehicles (HEV) posted growth of 2.1% to claim a 13.3% share. Combined, electrified vehicles comprised the majority of new car registrations for the second consecutive month, with 50.8% of the market.

While October’s growth was more modest, year to date the overall BEV market is now up 28.9%, at 386,244 units – more than registered in the whole of 2024 – with two months still to go before the year ends. BEVs now account for 22.4% of all new sales, thanks to massive manufacturer investment and, more recently, government support through the Electric Car Grant.

The latest quarterly industry outlook anticipates the overall new car market for 2025 will top two million units (2.012 million) for the first time since pre-pandemic 2019, with BEVs expected to account for 23.3% of uptake. For 2026, the overall market is expected to reach 2.032 million units, a moderate improvement on the previous outlook, with the BEV outlook maintained at 28.2%. While this would represent exceptional progress, it would still fall short of mandated targets for 2026, which call for zero emission vehicles to comprise one in three new car registrations. The gap is set to widen in 2027, with BEV share anticipated to hit 32.2% against a 38% target.1

However, even this modest growth is at risk due to government plans to end Employee Car Ownership Schemes (ECOS). These schemes play a key role in attracting top talent into UK Automotive, enabling employees to access the products they make and sell in an affordable manner. Government plans to make ECOS vehicles liable for company car tax would lead to the closure of these schemes, putting these vehicles out of reach for most workers and reducing a crucial supply of new and increasingly zero emission vehicles into the market.

With around 100,000 cars supplied via ECOS a year – equivalent to around 5% of the annual new car market – such a step would depress growth and seriously impact the nearly-new and used markets. More than £1 billion in revenue would be lost to industry and 5,000 manufacturing jobs put at risk, while the Treasury would incur a half-billion pound hit from lost VAT and Vehicle Excise Duty receipts. The total cost would be more than double that allocated to the Electric Car Grant, effectively wiping out the growth it is intended to stimulate.2

**Mike Hawes, SMMT Chief Executive**, said, “The government has backed the UK automotive sector with EV incentives and global trade deals, helping drive growth and encourage decarbonisation. But scrapping ECOS would undermine that progress – penalising workers, reducing Exchequer income and putting green investment at risk. At a time when the Budget should fuel growth, the measure will do the exact opposite. It is time for a rethink.”

**Notes to editors**

**1** SMMT quarterly outlook, October 2025. This outlook does not factor in proposed changes to ECOS

**2** SMMT calculations based on member survey results, including an 80,000-unit decline in ECOS volumes and corresponding VAT and VED losses, and a 3% decline in manufacturing jobs (equivalent to more than 5,000 of the UK’s 183,000 auto manufacturing jobs), to deliver £0.5bn decline in revenue

**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, representing the automotive industry in the UK.

The automotive industry is a vital part of the UK economy, integral to growth, the delivery of net zero and the UK as a global trade hub. It contributes £92 billion turnover and £25 billion value added to the UK economy and invested £5 billion in R&D, with 183,000 people employed directly in manufacturing and some 796,000 in total across the wider automotive industry. Many of these automotive manufacturing jobs are outside London and the South-East, with wages that are 8% higher than the UK average. The sector accounts for 13.4% of total UK exports of goods with more than 140 countries importing UK produced vehicles, generating £108 billion of trade in total automotive imports and exports.

The UK manufactures almost every type of vehicle, from cars, to vans, taxis, trucks, buses and coaches, as well as specialist and off-highway vehicles, supported by more than 2,500 component providers and some of the world's most skilled engineers.

In addition, the sector has vibrant aftermarket and remanufacturing industries. The automotive industry also supports jobs in other key sectors – including advertising, chemicals, finance, logistics and steel.

More detail on UK Automotive available in SMMT's Motor Industry Facts publication at [https://www.smmt.co.uk/reports/smmt-motor-industry-facts/](https://linkprotect.cudasvc.com/url?a=http%3a%2f%2fclick.agilitypr.delivery%2fls%2fclick%3fupn%3du001.HWzSVswrZNpvpa6B-2FHxTldkC2rY1lv7BRUTd1BHTs7fZIIyk-2Bg-2FW314-2FdhkPS-2Fjz7PnTdptMbGJDY8Ek2AXF2AaxJU6tVWwLiNLH-2FpBprEw-3DLNLS_le-2FBC1iEkHsSkKoj-2FaVDRz-2Bxr5YqLPLe3JXSPk-2F-2B8c0jDfjYpI1vIJSFY0C8LMLPIEHun1EMX0awDa-2BABxqm61s4lo9FOw2sF6FC-2FvrpcWz26G-2F5xg2MhYiDmNkZqsGlFVVBBz-2BrDlA5BzbOeYdCdH02fh7VTKMbPGZq83wUPOUUq2CT0xEOft2-2FipWjIX-2BdrHsLhmJ74t7jIpR-2BIs-2BSCHY7IIqaHcZxGLAxNE1DDFxv3rYe6NmgZeDV5xUtok2eZooEYVJ-2BtOo2jr-2FufQhW-2FFeuXsnvd2sK-2Ba9TaULqFmWPcMxfo-2BbZ3JL07Pkx9rw0027tmzNOw4RavHnKGkoHzcMVVKrXV4QaZNOgF5G58K8Wi-2B1c7mnz-2F4ShYxpFAmldp8NF4yeCW8Ln1wI5Qvl-2BIxSC06MegU-2BmKkKuaXQk-2FS-2Fc2rCJ9RWHnPYAmUuRPfAfOptSkZ7i0H4ScjhzlbLrFvgejZVVrtjAfg64UZzF3Q8-3D&c=E,1,fjAuJP0vqw2CmBMdmMaHb7dZ_VxYvKni6RxtSMJfhuNA68NBY4uP_K2sJZgxHi-IGA0427M70Gh6eYDlMa-eX_5wvCkNZk5_4KXXrv7piGcfj9I,&typo=1)

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