

MARKET UPDATE

IN THIS ISSUE

- NZ Market
- NZ Volumes
- NZ Economy
- The Road to Electrification
- The Rise of Chinese Brands in NZ
- Global News



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**New car registrations for 2025
increased 7% year on year**



The New Zealand **market** Q4 2025

**New car registrations for
2025 increased 7% year
on year.**

The last quarter of the year saw 37,123 new cars registered. This is up on the same quarter in 2024 and consistent with the numbers in Q3 2025.

This sees the first increase after three years of declining new car registrations.

Registrations in the rental market once again helped boost the numbers with 28% of all new cars registered in the quarter going into the rental market.

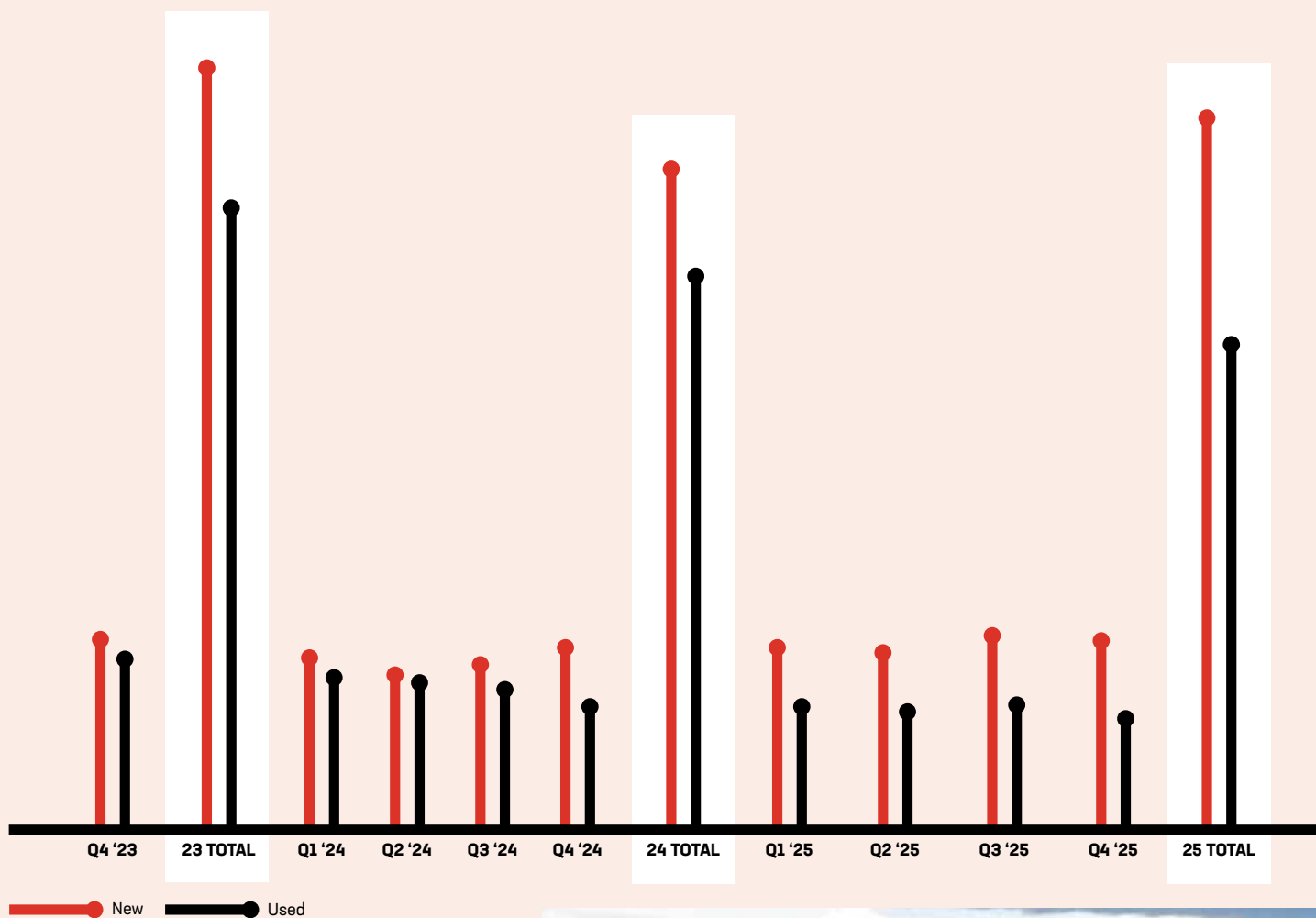
Globally – manufacturers are struggling to respond to the inevitable increase in Chinese competitors, which is redefining what we previously considered 'normal'.

We have previously referenced 'The Perfect Strategic Execution' of Chinese OEMs.

The reality for our local market is ongoing Chinese brand growth. Growth which is occurring very rapidly by automotive industry standards.



New Zealand car registrations



Market volumes Q4 2025

Key Models

- The Toyota RAV4 (3,796 units) took out number one spot for the quarter, and also the year with 11,295 units registered in 2025. Q4's registrations were buoyed by rentals of 1,994 units.
- The Ford Ranger (2,655) and Toyota Hilux (1,684) once again secured 2nd and 3rd respectively.
- The Mitsubishi ASX (1,326) is in 4th spot for the quarter supported by rental registrations with 50% of them being rental registrations.
- The Ford Everest (1,249) and Mitsubishi's Outlander (1,249) take 6th equal spot, both buoyed by rental sales with 570 and 784 respectively.
- The Toyota Yaris Cross (1,022) has made a surprising leap into the Top 10 in Q4 2025 at number 7, but less surprising is that two thirds of those were into the rental market.
- Hyundai Tucson (768) takes 8th spot with half of these to the rental market.
- Mitsubishi Triton (734) picks up the third highest selling ute for the quarter and 8th overall.
- The Toyota Corolla (674) rounds out the Top 10, again buoyed by rental car registrations with half being rentals.
- Honorable mentions should go to Toyota Hiace that was ousted to 11th by virtue of having only a few rentals and the MG ZS and Nissan Navara that, excluding rentals, would have picked up 9th and 10th in the rankings

MAKE	Tot '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	Tot '24	Q1 '25	Q2 '25	Q3 '25	Q4 '25	Yr 25
Toyota	32,376	6,988	6,710	6,824	9,670	30,192	7,321	6,933	9,059	9,723	33,036
Ford	16,181	4,916	4,038	3,916	5,000	17,870	3,016	3,794	4,263	4,608	15,681
Mitsubishi	13,418	3,974	3,160	3,400	3,613	14,147	3,273	2,912	4,211	3,712	14,108
Kia	10,071	2,217	1,852	2,383	2,221	8,673	2,382	1,995	2,635	1,929	8,941
Mazda	4,178	940	835	1,005	1,103	3,883	1,089	892	1,435	1,536	4,952
Hyundai	7,592	998	1,132	1,016	932	4,078	781	913	1,193	1,449	4,336
Suzuki	6,936	1,389	1,399	1,304	1,162	5,254	1,321	1,010	1,398	1,291	5,020
MG	6,110	725	625	857	859	3,066	1,154	872	1,096	1,062	4,184
Honda	3,683	970	502	698	1,005	3,175	1,183	619	806	1,026	3,634
Gwm	899	798	722	701	679	2,900	899	918	995	977	3,789
Byd	3,720	125	181	309	354	969	915	1,170	810	892	3,787
Nissan	4,345	1,540	885	1,108	800	4,333	1,488	1,375	1,071	876	4,810
Mercedes-Benz	2,546	599	482	647	751	2,479	553	462	675	743	2,433
Chery	-	-	-	-	-	-	-	27	427	580	1,034
Subaru	1,961	492	489	428	591	2,000	605	640	537	525	2,307
Volkswagen	3,850	921	666	931	845	3,363	653	550	535	516	2,254
Isuzu	2,399	774	707	587	526	2,594	489	335	576	424	1,824
LDV	1,218	181	214	190	166	751	294	378	353	385	1,410
BMW	1,767	452	310	376	348	1,486	535	402	474	376	1,787
Tesla	4,905	378	250	331	328	1,287	263	552	429	349	1,593
Fiat	686	209	123	141	355	828	101	108	134	329	672
Others	20,263	4,246	3,500	3,993	3,709	15,448	4,236	4,053	4,243	3,815	16,347
New	149,106	33,832	28,782	31,145	35,017	128,776	32,551	30,910	37,355	37,123	137,939
Used	121,012	28,560	26,881	25,795	22,686	103,922	22,575	21,395	23,670	21,583	89,223

Used registrations down YoY 14% v 2024

Used car registrations continued their slide in Q4 2025, 5% lower than the same period in 2024 and 9% down on Q3 2025. For the year to 31 December 2025 used car registrations are down 14% on 2024.

The top 10 used vehicle registrations for Q4 2025 when compared to the Top10 in Q3 2025 the mix sees the Nissan Serena come in at 9th while the Mazda CX-5 drops out of the Top 10 to 11th.

MAKE	MODEL	Q4 2025
Toyota	Aqua	2282
Toyota	Prius	1450
Toyota	Corolla	1087
Nissan	Note	903
Mazda	Axela	746
Honda	Fit	647
Toyota	C-HR	627
Subaru	Impreza	602
Nissan	Serena	583
Mazda	Demio	571



Signs of a slow but steady NZ recovery are **threatened by 'reactive' global politics**

"Economic growth is forecast to accelerate to 2.5% in 2025 and 3.0% in 2026, with gradual increases in household spending and capital expenditure by businesses. The housing market is also expected to strengthen, supporting an eventual recovery in residential construction.

The recovery in activity is likely to be gradual, with growth only modestly above trend.

The global landscape has become rockier and uncertain. A weak fiscal and current account, strong US dollar, low interest rates and the threat of tariffs implies risks of a weak NZD over the next year or so."

- Westpac Economic Review

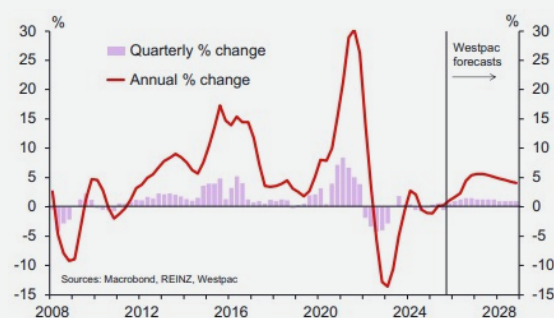
Key views

	Last 3 months	Next 3 months	Next year
Global economy	→	→	→
NZ economy	↑	↗	↗
Inflation	→	↘	↘
2 year swap	↑	→	↗
10 year swap	↑	→	↗
NZD/USD	↗	→	↗
NZD/AUD	↘	↘	→

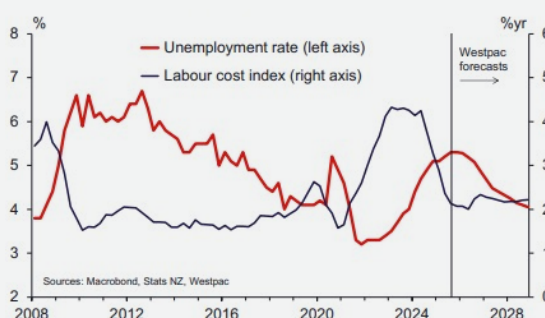
GDP growth



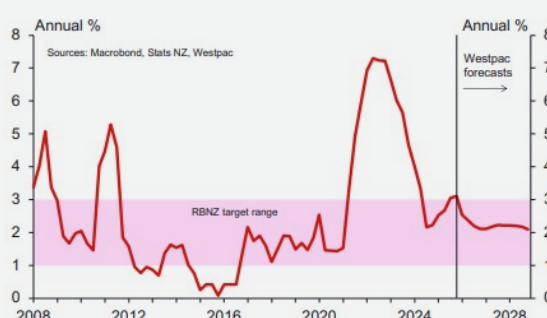
House Prices



Unemployment and wage growth



Consumer price inflation

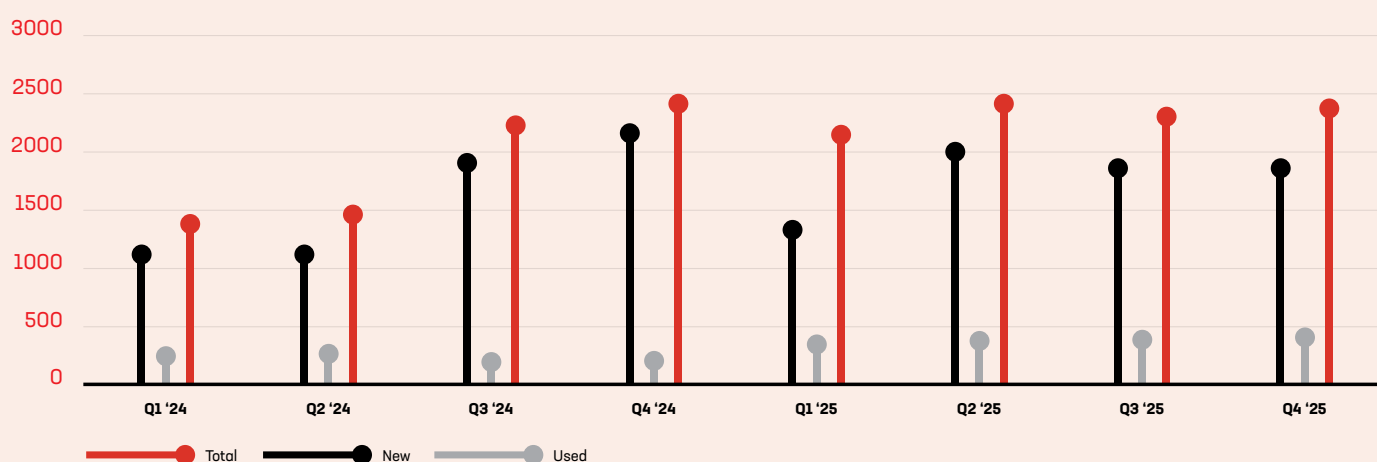


The Road to electrification in New Zealand

The numbers of pure EV's registered in Q4 2025 (2,411) are up 3% on Q3 2025 (2,338).

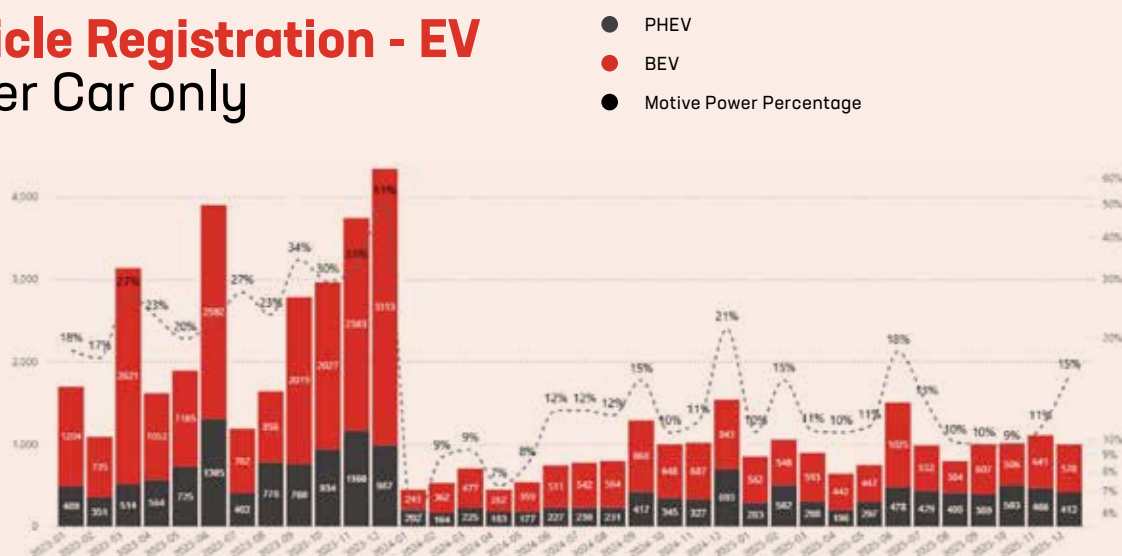


EV Sales by Quarter



New Vehicle Registration - EV Passenger Car only

Registrations of pure EV's has increased but still only makes up 6% of the 2025 new vehicle registrations. For the 2024 year pure EV's made up 5.2% of all new vehicle registrations



The road to electrification

Continued ...

While growth of EVs has slowed there are now over 86,000 of them on NZ roads. Initially growth was slow with used import Nissan Leaf making up most of the vehicles on the road in 2016.

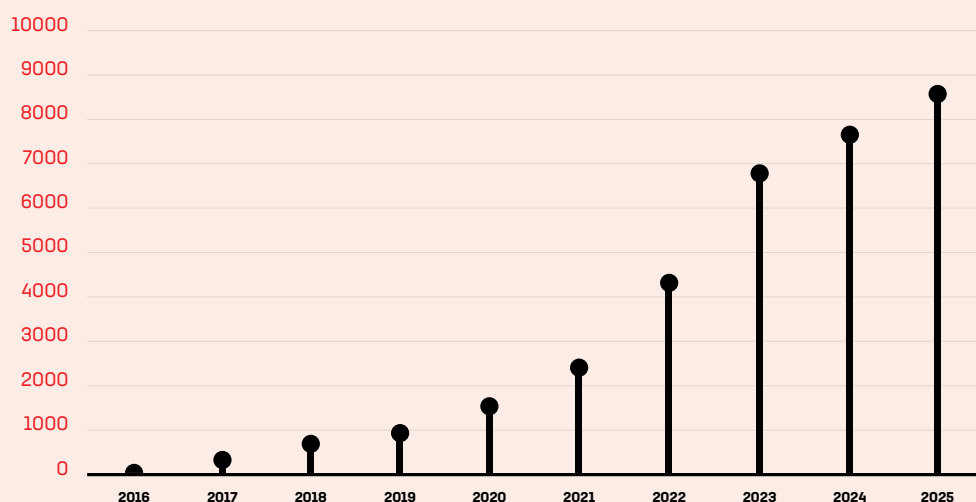
Growth remained steady but slow as Teslas landed in 2017, then the NZ new Leaf, BMW i3 and IONIQ's slowly got introduced.

In 2021 more European models landed as well as the first wave of Chinese brands such as the MG and Tesla's much anticipated Model 3.

In 2022 the Government introduced Clean Car Discounts and this accelerated growth over 2022 and 2023. This was axed at the end of 2023 and since then growth has slowed - as illustrated below:



Battery Electric Vehicles on New Zealand Roads



The road to electrification

Continued ...

In 2025, the Tesla Model Y was the biggest seller with 1,284 units registered. Below is the table of the Top 10 new pure EV's registered YTD. Tesla also led the manufacturer race with 1,592 units, BYD in second with 1,187 and Kia have taken third with 627 units

MAKE	MODEL	YTD NEW PURE EV REGISTRATIONS
Tesla	Model Y	1284
BYD	Atto 3	555
Polestar	2	354
BYD	Sealion 7	337
Tesla	Model 3	308
Kia	EV5	276
Kia	EV3	255
BYD	Dolphin	221
Toyota	Bz4x	192
BMW	I	191



“Chinese brands have surged into the New Zealand market.”



The (inevitable) **rise of Chinese brands** in NZ

Chinese manufacturers make no secret of their global ambitions. This ambition is not without substance. Far from it. Advanced technology, refined materials, performance and competitive pricing make a compelling case. A relentless wave of new models will hit NZ shores over the next year.

We can see some of the traditionally strong NZ brands, major players, losing out through 2026 and the reshaping of our top 5 considerably by 2030. Toyota should keep their crown. For now.

While Chinese brands have continued to expand their presence in the domestic market, they have also experienced significant growth in exports between 2019 and 2025.

This surge has been driven by rapidly increasing production capacity, which not only supports high volumes in the domestic market but also enables a strategic shift toward international opportunities.

What does that growth look like in New Zealand?

In May 2022 RedBook had 8 Chinese brands in the database and between them there were 46 models of vehicle. In December 2025 that has swelled to 21 different brands and 109 different models. So far in 2026 another brand has come on board with 3 models.

The year-on-year growth between 2024 and 2025 also shows how the Chinese brands have surged into the NZ market.

Continued Over ...

The (inevitable) rise of Chinese brands in NZ

Top 10 by growth % - the TOP SIX are all Chinese brands:

These brands are taking market share away from the dominant brands in the NZ market, with Ford, Mitsubishi, Kia and Suzuki all losing market share between 2024 and 2025.



BRAND	2025 SALES	2024 SALES	YOY GROWTH %
JAECOO	978	237	312.66%
BYD	3786	968	291.12%
LDV	1408	751	87.48%
OMODA	828	468	76.92%
MG	4183	3062	36.61%
GWM	3787	2896	30.77%
MAZDA	4950	3882	27.51%
TESLA	1592	1286	23.79%
BMW	1786	1483	20.43%
AUDI	1303	1101	18.35%

BRAND	2025 SALES	2024 SALES	YOY GROWTH %	2025 MARKET SHARE %	2024 MARKET SHARE %	MARKET SHARE CHANGE %	2025 RANK	2024 RANK	RANK CHANGE
TOYOTA	33019	30143	9.54%	23.95%	23.44%	0.52%	1	1	0
FORD	15674	17839	-12.14%	11.37%	13.87%	-2.50%	2	2	0
MITSUBISHI	14095	14122	-0.19%	10.22%	10.98%	-0.75%	3	3	0
KIA	8937	8661	3.19%	6.48%	6.73%	-0.25%	4	4	0
SUZUKI	5014	5246	-4.42%	3.64%	4.08%	-0.44%	5	5	0
MAZDA	4950	3882	27.51%	3.59%	3.02%	0.57%	6	8	2
NISSAN	4806	4328	11.04%	3.49%	3.36%	0.12%	7	6	-1
HYUNDAI	4333	4075	6.33%	3.14%	3.17%	-0.02%	8	7	-1
MG	4183	3062	36.61%	3.03%	2.38%	0.65%	9	11	2
GWM	3787	2896	30.77%	2.75%	2.25%	0.50%	10	12	2
BYD	3786	968	291.12%	2.75%	0.75%	1.99%	11	22	11
LDV	1408	751	87.48%	1.02%	0.58%	0.44%	20	26	6
CHERY	1032	0	0.00%	0.75%	0.00%	0.75%	23	0	0
JAECOO	978	237	312.66%	0.71%	0.18%	0.53%	24	44	20
OMODA	828	468	76.92%	0.60%	0.36%	0.24%	27	33	6
VOLVO	715	738	-3.12%	0.52%	0.57%	-0.06%	28	27	-1



Chinese productivity still **on the up**

China's automotive industry reported total production of 34.78 million units for the full year of 2025, a 10.0 percent increase compared with 2024, according to published figures from the China Passenger Car Association.

Chinese EV buyers were exempt from the country's 10 per cent vehicle sales tax through 2025, but numbers for January are down considerably as purchasers rushed to beat the levy on new cars (does this sound familiar?).

Local Chinese buyers are now paying a 5% levy as incentives gradually get phased out the tax is set to return to the full 10%.



Scrappage Allowance Boosted

To support confidence in the local New Energy Vehicle used market, accelerate vehicle turnover and stimulate demand of new and greener vehicles, China's new 2026 vehicle trade-in policy offers subsidies up to 20,000 yuan for scrapping old cars to purchase new energy vehicles (NEVs) or 15,000 yuan for fuel-efficient vehicles (under 2.0 litre). The policy, effective January 1, 2026, shifts from flat rates to percentage-based subsidies (12% for NEVs, 10% for ICE) targeting older vehicles.

Consumers must scrap passenger vehicles registered on or before specified dates (June 30, 2013 for ICE; Dec 31, 2019 for NEVs). This policy aims to continue the success of the 2024-2025 initiative, which delivered, according to Sheng Qiuping, Vice Minister of Commerce, 18.3 million vehicle trade-ins, with new energy vehicles accounting for nearly 60%.





USA auto industry battles record prices

Despite high vehicle prices, rising financing costs and tariff pressures, the U.S. auto industry had a fairly good 2025.

Total sales rose about 2% to roughly 16.2 million units, marking the best year since 2019. The US market slowed in the fourth quarter as electric vehicle (EV) demand slowed following the expiration of government tax credits. The New Clean Vehicle Credit and Used Clean Vehicle Credit were removed as part of Trump's 'Big Beautiful Bill' and expired September 30, 2025.

Ford's \$19.5 Billion EV Write-Down

Ford has taken a huge loss on its EV business, writing off \$19.5 Billion as EV adoption across the US and Europe falter. "This is a customer-driven shift to create a stronger, more resilient and more profitable Ford," Ford president and CEO Jim Farley said in a press

release. "The operating reality has changed, and we are redeploying capital into higher-return growth opportunities: Ford Pro, our market-leading trucks and vans, hybrids and high-margin opportunities like our new battery energy storage business."

Hybrid Models & Record Prices

Subsequent demand for Hybrid models remained strong even as supply expanded, particularly from Toyota, Hyundai, Honda, Ford, and Kia, which broadened hybrid offerings across their core models.

New car buyers faced record prices, paying an average of \$50,326 for a new vehicle in December 2025, according to Kelley Blue Book. Affordability continues to be an issue, with used prices also increasing slightly year on year.



“While **China accelerates,** **Europe is hesitating.** Hesitation is **not a strategy.**”

With Hybrids remaining the largest market share of new vehicle registrations in 2025, Europe continues to battle EV adoption rates.

The European Commission has reluctantly proposed weakening its 2035 100% zero-emission car mandate, reducing the target to a 90% CO₂ reduction. Whilst still under debate this would allow for continued sales of internal combustion engine (ICE) vehicles, including hybrids and those using e-fuels. Lobbying by ACEA (protecting its members) and member OEMs had been pushing for reducing the targets, whereas other bodies such as E-Mobility Europe want the targets adhered to.

Chris Heron, Secretary General of E-Mobility Europe, commented on the proposal:

“While China accelerates, Europe is hesitating, and hesitation is not a strategy. Changing the rules midway through the game undermines business confidence after companies have already committed capital and built factories around a 100% trajectory. But once the dust has settled, we’re confident the core of the 2035 framework will still matter more for the market than today’s exemptions. The world’s transition to electric vehicles is irreversible, shaped by cost and efficiency.”

