

MARKET UPDATE

IN THIS ISSUE

- NZ Market
- Market Volumes
- Road to Electrification
- NZ Economy
- Global News



Editor: Nick Auld - General Manager
RedBook New Zealand
Email: nick.auld@redbook.co.nz
Linkedin: @ RedBook New Zealand



Year-to-date new car registrations are up 7.5%.



The New Zealand Market Q3 2025

A stronger quarter for New Zealand new registrations, boosted by some high rental numbers.

The period from 2021 to 2025 has been one of the most significant changes in history for the New Zealand automotive market.

A combination of global disruptions, evolving consumer preferences, the meteoric global rise of Chinese made NEV's, and shifting in/out NZ government policies has shaped the landscape of vehicle availability, pricing, and technological innovation at a truly rapid pace.

The NZ Automotive market has been on a wild ride, but we have started to see some settling in the market and a return to a relative 'normality'. Although, the continually evolving dynamics among major automotive

manufacturers, globally and in our market locally, as they struggle to reply to the inevitable introduction of even more Chinese competitors will continue to mean that the new normal is anything but.

'The Perfect Strategic Execution' of Chinese OEMs that we refer to in our later article highlights the reality of ongoing Chinese built market ascendancy, and within the automotive timeline equivalent of a blink.



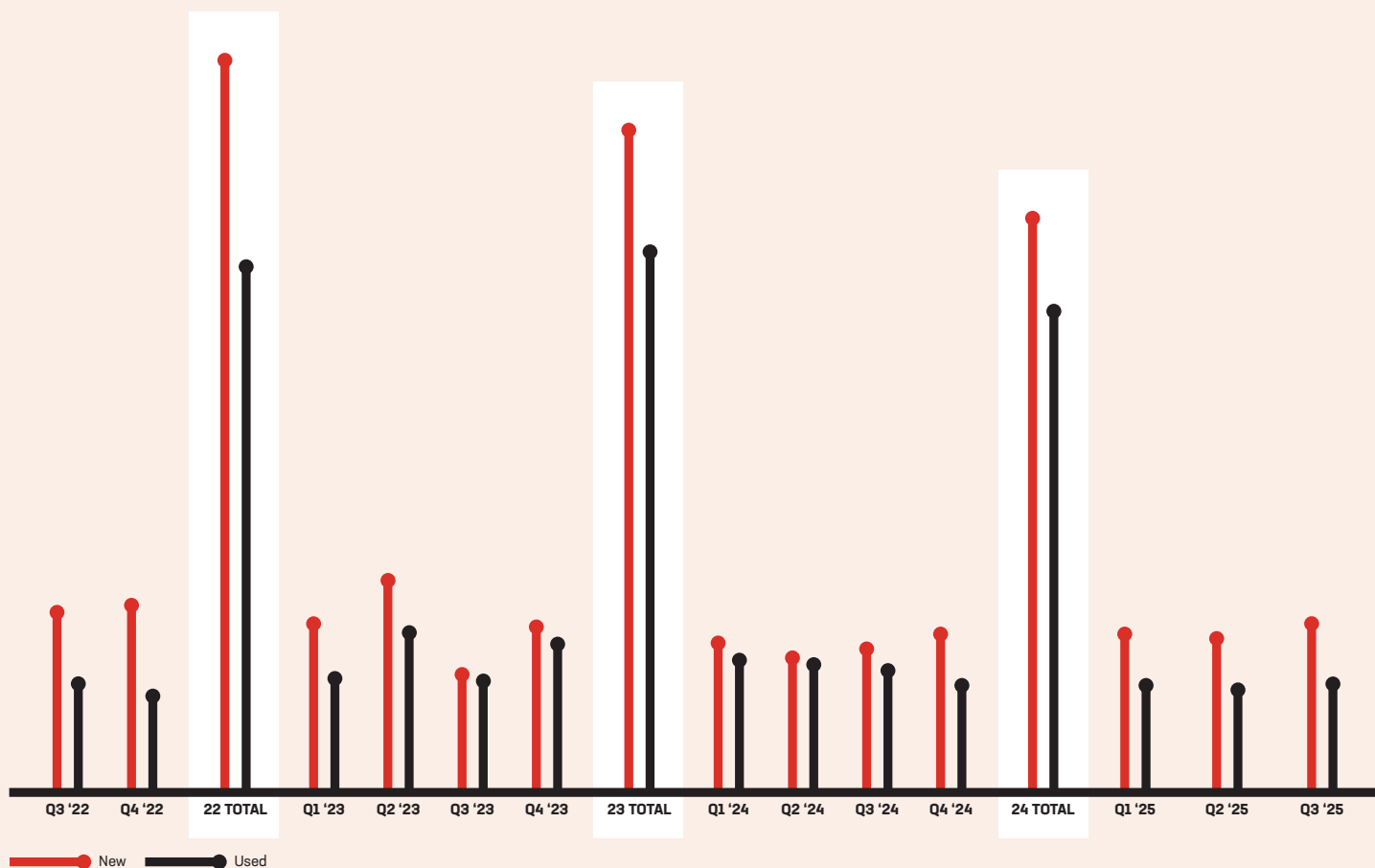
Market Volumes

Key Models

- The third quarter of the year saw a welcome increase in vehicles registered in the quarter with 37,355 units registered.
- This result is up 21% on the previous quarter and up 17% on Q3 2024.
- The results have been ably assisted by the rental companies buying up in preparation for the summer, hoping, as we all are, for a bumper tourism season. 6,742 (18%) of the vehicles registered in Q3 2025 were supplied as rental vehicles.
- The utes that had made a comeback in Q2 have been pipped at the post by the ever popular Toyota RAV4 (2,919 units). These registrations were buoyed by rentals of 1,048 units. Look out for the new RAV4 in 2026.
- Ford Ranger (2,642) and Toyota Hilux (2,380) secured 2nd and 3rd spot respectively, maintaining their dominance despite a couple of new entrants into the ute market starting to work their way up the rankings. The BYD Shark (385 units) and KIA Tasman (243 units).
- Mitsubishi has picked up the next two spots with the Outlander (1,468) and ASX (1,451) close at 4th and 5th. These have also been strongly supported by rental registrations of 906 units and 562 respectively.
- The Ford Everest (1,008) takes 6th spot, another one buoyed by rental sales with a third of the registrations to rental companies.
- With the Nissan Navara pushed out of the Top 10 by the rental cars the Mitsubishi Triton (880) in 7th is the last of the utes in the Top 10.
- KIA Seltos (850) takes 8th spot with half of these to the rental market.
- Toyota Corolla (671) is 9th, another one buoyed by rental sales with 425 (63%) of the registrations going to rental companies.
- Toyota Hiace is 10th with 666 units registered in the quarter. It's been a long time since we have seen the Hiace in the Top 10. The resurgence of commercial vehicles could be a portent of improving business confidence.

MAKE	Q4 '23	Tot '23	Q1 '24	Q2 '24	Q3 '24	Q4 '24	Tot '24	Q1 '25	Q2 '25	Q3 '25
Toyota	9,045	32,376	6,988	6,710	6,824	9,670	30,192	7,321	6,933	9,059
Ford	4,168	16,181	4,916	4,038	3,916	5,000	17,870	3,016	3,794	4,263
Mitsubishi	2,980	13,418	3,974	3,160	3,400	3,613	14,147	3,273	2,912	4,211
Kia	1,989	10,071	2,217	1,852	2,383	2,221	8,673	2,382	1,995	2,635
Mazda	904	4,345	1,540	885	1,108	800	4,333	1,488	1,375	1,435
Suzuki	1,348	3,720	125	181	309	354	969	915	1,170	1,398
Hyundai	1,598	6,936	1,389	1,399	1,304	1,162	5,254	1,321	1,010	1,193
MG	2,289	899	798	722	701	679	2,900	899	918	1,096
Nissan	888	7,592	998	1,132	1,016	932	4,078	781	913	1,071
Gwm	679	4,178	940	835	1,005	1,103	3,883	1,089	892	995
BYD	1,441	6,110	725	625	857	859	3,066	1,154	872	810
Honda	1,059	1,961	492	489	428	591	2,000	605	640	806
Mercedes-Benz	651	3,683	970	502	698	1,005	3,175	1,183	619	675
Isuzu	419	4,905	378	250	331	328	1,287	263	552	576
Subaru	279	3,850	921	666	931	845	3,363	653	550	537
Volkswagen	759	2,546	599	482	647	751	2,479	553	462	535
BMW	399	1,767	452	310	376	348	1,486	535	402	474
Tesla	1,268	1,310	359	302	280	387	1,328	405	383	429
Audi	270	1,218	181	214	190	166	751	294	378	408
Lexus	336	2,399	774	707	587	526	2,594	489	335	365
LDV	326	1,375	335	250	258	259	1,102	277	309	353
Others	4,091	18,266	3,761	3,071	3,596	3,418	13,846	3,655	3,496	4,031
New	37,186	149,106	33,832	28,782	31,145	35,017	128,776	32,551	30,910	37,355
Used	33,413	121,012	28,560	26,881	25,795	22,686	103,922	22,575	21,395	23,670

New Zealand Car Registrations



Used Registrations Down

The numbers of Motor Vehicle traders has declined and is now as low as it was 13 years ago.

The top 10 used import vehicle registrations for Q3 2025 are listed opposite and when compared to the Top10 in Q1 2025 the mix sees the Nissan X-Trail drop to 11th with the Mazda CX-5 taking 9th spot.

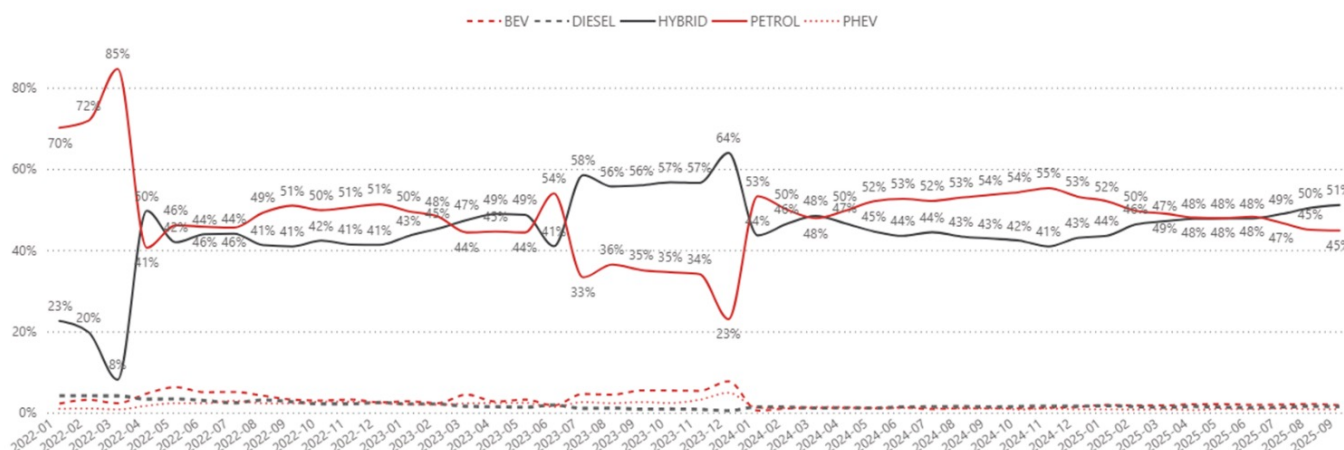
Hybrid drive trains continue to prove popular with both importers, paying lower or no Clean Car Scheme charges, and with consumers, seeking respite from the cost of fuel.

In September 2025 hybrids made up 51% of all used cars imported, with petrol at only 45%. The balance of 4% is made up of EV's and PHEV's.

MAKE	MODEL	Q3 2025
Toyota	Aqua	2500
Toyota	Prius	1623
Toyota	Corolla	1146
Nissan	Note	1064
Mazda	Axela	905
Honda	Fit	849
Toyota	CH-R	808
Subaru	Impreza	689
Mazda	CX-5	626
Mazda	Demio	598

Used registrations are down 17% YOY.

Used Vehicle Registration Percentage by Motive Power - Passenger Car only



The Road to Electrification

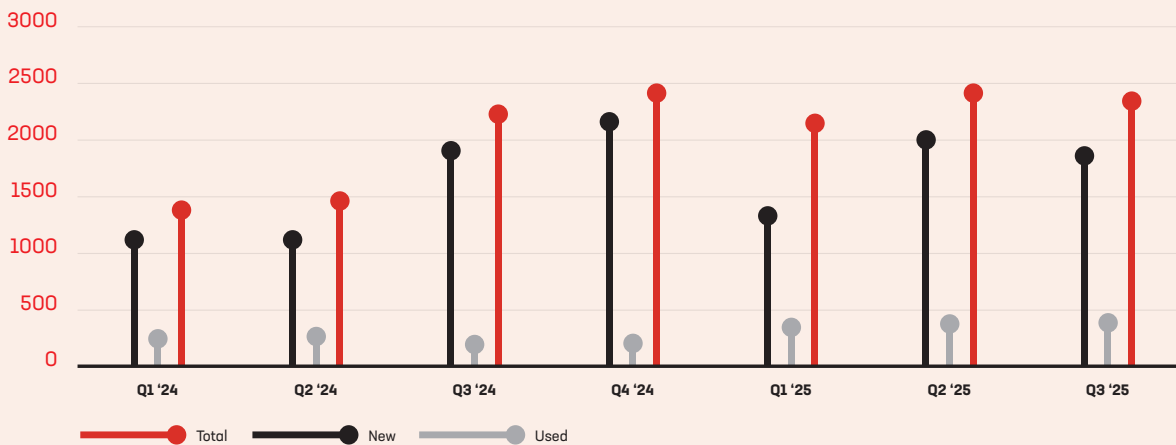
The numbers of pure EV's registered in Q3 2025 (2,338) are down 7% on Q2 2025 (2,510).

Affordability is changing the game in our new market and should flow through to good EV options in the used market.

We are seeing a completely new era of vehicles as more new Chinese brands continue to enter our market. In the last quarter alone we have seen Zeekr and Farizon introduced and Dong Feng and NIO announcing they will enter the market shortly.

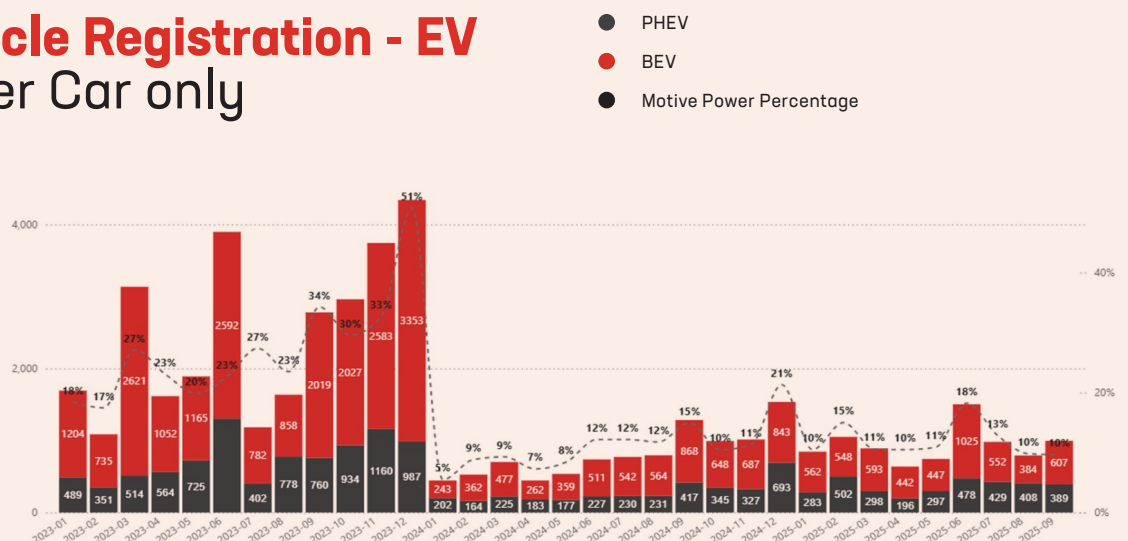
These brands are resetting pricing, currently two of three cheapest petrol vehicles in NZ are Chinese and 16 of the 20 cheapest EVs are made by Chinese manufacturers.

EV Sales by Quarter



New Vehicle Registration - EV Passenger Car only

Registrations of pure EV's has increased but still only makes up 6.2% of YTD new vehicle registrations. At the same time last year pure EV's made up 4% of all new vehicle registrations.

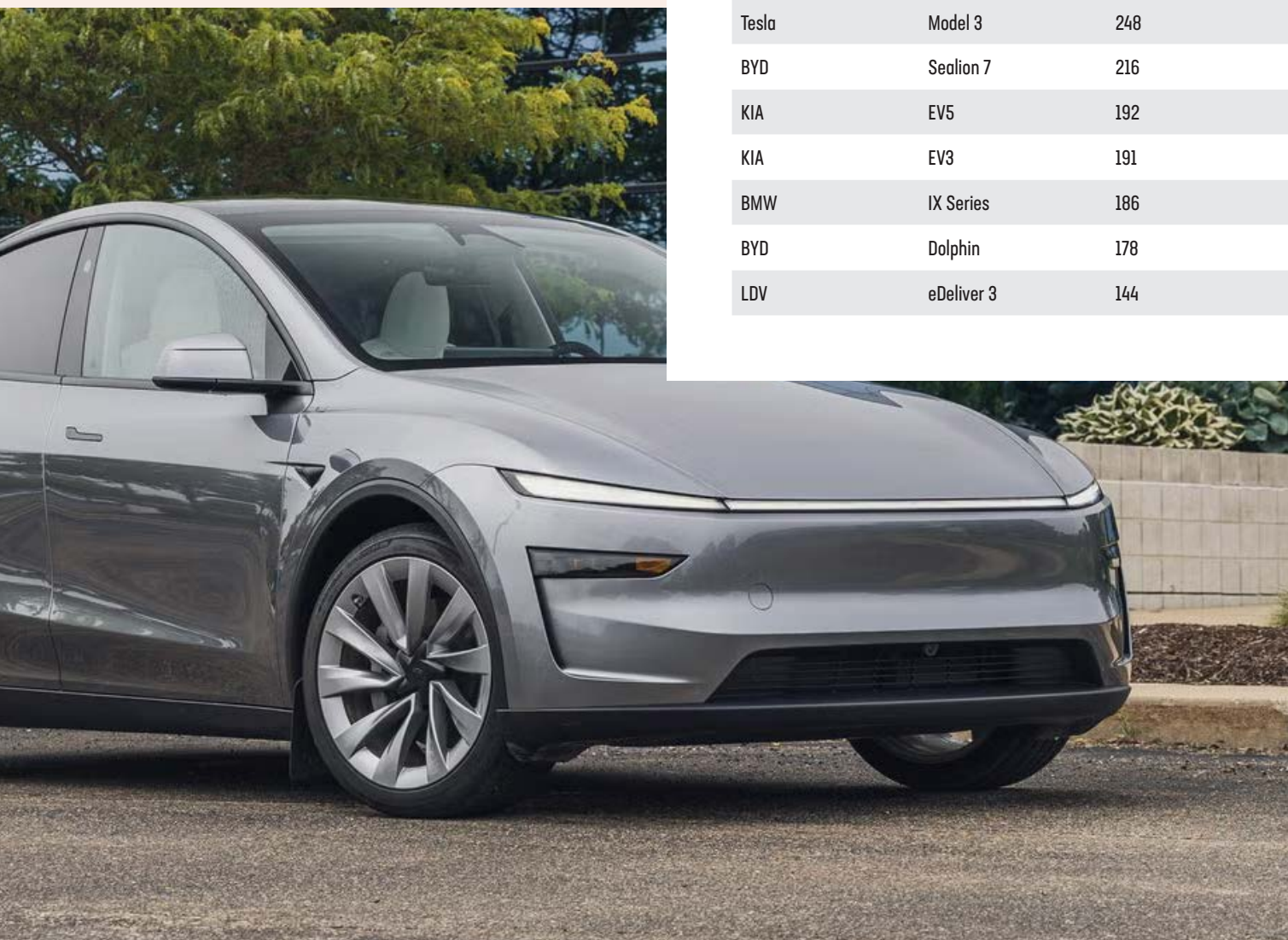


The Road to Electrification

Continued ...

The Tesla Model Y, (table on right) has been the biggest seller YTD with 995 units registered. Below is the table of the Top 10 new pure EV's registered YTD. Tesla also lead the manufacturer race with 1,243 units, BYD in second with 906 and KIA have taken third with 467 units from Polestar who were third at the end of Q2.

MAKE	MODEL	YTD NEW PURE EV REGISTRATIONS
Tesla	Model Y	995
BYD	Atto 3	457
Polestar	2	344
Tesla	Model 3	248
BYD	Sealion 7	216
KIA	EV5	192
KIA	EV3	191
BMW	IX Series	186
BYD	Dolphin	178
LDV	eDeliver 3	144



NZ Economic Update

"A net 15 percent of firms expect an improvement in general economic conditions over the coming months on a seasonally adjusted basis. While the sentiment was positive, this was a decline from the net 26 percent expecting an improvement in the June quarter."

- NZIER

The latest NZIER Quarterly Survey of Business Opinion (QSBO) showed a drop in business confidence in the September quarter.

Westpac's recent economic summary points to a likely additional 0.25% cut at the end of November following the recent 0.50% OCR cut to help boost sentiment which remains generally gloomy.

Interesting to note that c 90% of mortgages tend to be fixed and approximately 40% of these are up for renewal in the next 6 months or so, therefore any benefit to the economy will be felt slowly.

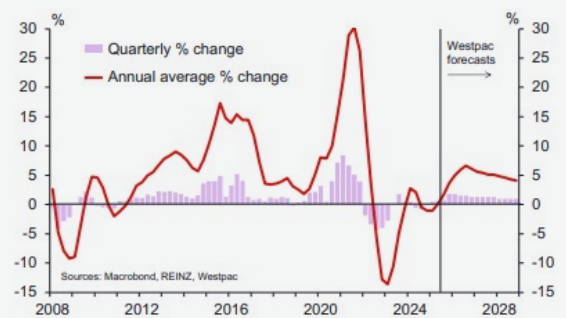
Key views

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

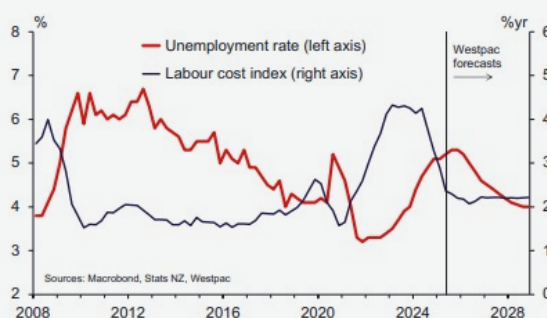
GDP growth



House Prices



Unemployment and wage growth



Consumer price inflation



“Make the world more dependent on China. Make China less dependent on the world.”

Xi Jinping (Politburo, Dual Circulation Strategy, May 2020)



The Perfect Strategic Execution

For a while now we have alluded to the relentless growth of Chinese manufacturing, that the rest of the world was reacting way too slowly, that existing markets and OEMs were powerless without a more conjoined strategy (Europe being a prime example of disjointed market strategies), and that now it was simply too late for traditional players to halt the dominance of the Chinese motor industry.

“Make the world more dependent on China. Make China less dependent on the world.”

– Xi Jinping (Politburo, Dual Circulation Strategy, May 2020)

China has been accused of deliberate over production. With c. 50 Million production, a local Chinese vehicle market of c. 25 Million and c. 7

Million exports in 2025; that leaves an excess production of 18 million.

Combine over production with aggressive growth strategies and harness these with control of materials and manufacturing ... China has (again) perfected market dominance.

An FT article recently quoted US Treasury Secretary Scott Bessant *“They [China] want to pull everybody else down with them,” “Maybe there is some Leninist business model where hurting your customers is a good idea.”*

The Chinese market is pushing even harder for dominance into 2026.

In China, a new energy vehicle (NEV) includes a plug-in hybrid. On October 9, 2025, the Ministry of Industry and Information

Continued Over ...

The **Perfect** Strategic **Execution**



Combine over production with aggressive growth strategies and harness these with control of materials and manufacturing ... China has (again) perfected market dominance.

Technology, the Ministry of Finance, and the State Taxation Administration jointly released new technical requirements for new energy vehicles that want to continue to be eligible for purchase tax incentives in 2026 and 2027.

The government is tightening subsidy rules for NEVs and introducing stricter efficiency and range requirements beginning next year. Only models with more than 100 kilometres of pure electric range and lower energy consumption will continue to benefit from tax incentives from January 2026. An estimated 40% of current PHEVs being sold in China do not meet the new standard.

"These adjustments align with rapid improvements in NEV range and extended-range

technology, ensuring policies keep pace with technological progress," Cui Dongshu, Secretary General of the China Passenger Car Association, announced. *"By raising technical thresholds, the government is guiding companies to increase R&D investment, eliminate outdated products, and shift the industry from scale expansion to high quality development."*

The new policy for battery electric cars requires them to meet the new stricter Chinese national energy consumption standard GB 36980.1-2025, and heavier vehicles must now meet the same standards as lighter vehicles.

We can expect even more competitive pricing and heavy discounts to clear local Chinese inventory. These actions will likely

be combined with some product culling and technology consolidation, including battery production partnerships, to meet requirements in such a short time frame.

Far from being a negative for the Chinese NEV and OEM industry, this should be seen as a refinement, a sharpening of efficiency to push on as the rest of the world struggles to keep pace. Expect an ever-improving offering from Chinese OEMs, as the drive to dominate the global market continues.

The **End** of EV Incentives

The July 4th One Big Beautiful Bill Act (OBBBA) made some considerable changes to Medicare, Medicaid and SNAP benefits, as well as several very deliberate updates to tax benefits related to car buyers.

- The Electric Vehicle Credit expires on September 30, 2025, meaning purchasers can no longer qualify for support of up to USD \$7,500 for new EVs, USD \$4,000 for used EVs, and USD \$40,000 for commercial EVs.
- Starting with loans originated after December 31, 2024, individuals can deduct up to \$10,000/year in interest on qualifying new personal-use vehicles.
- Qualifying means those vehicles built in USA or where final assembly is within the USA. This represents the majority of key models already sold in the USA.
- In combination with heavy tariffs on Chinese OEMs, this move will force further investment in US based production.
- The 100% Bonus Depreciation deduction for business vehicles has been restored allowing business to deduct the full cost of qualifying vehicles.
- USD \$1000 support for installing charging solution for homes and businesses, ceases after 30th June 2026.



“Demand incentives matter: Making zero-emission cars affordable across the European Union.”

Europe has a Jekyll and Hyde relationship with EV incentives

ACEA (European Automobile Manufacturers Association) have just published:

“Demand incentives matter: Making zero-emission cars affordable across the European Union”

Incentives have been the foundation of Europe's road to electrification. They are a vital tool, just as they were initially in NZ. BEV adoption remains wholly uneven across the EU.

“Monetary and fiscal incentives are a cornerstone of Europe's transition to battery-electric vehicles (BEVs). While the automotive industry has made significant strides by investing heavily and expanding the range of affordable electric models, BEV adoption remains uneven across the EU.” - ACEA

The report summarises the clear correlation between national uptake and national wealth. Higher-income countries such as Denmark, the Netherlands, and Finland are nations where BEVs are becoming mainstream. But in lower- and middle-income member states, where surplus income and economic power is limited, BEV market share still lags below 7%.

The ACEA report highlights how considered incentives can change this adoption pattern significantly highlighting recent examples from Poland, Spain, and Portugal for example where incentive schemes can boost BEV registrations. Poland for example doubled its BEV registrations.

Affordability and consistency of support remain the stumbling block to wider adoption.

In summary, for Europe to meet its climate goals, BEVs need to be more widely accessible and financially supported. Given the fragile state of the fledgling European economic recovery, support seems less likely.

Interesting. Especially if you happen to have a few million low emission Chinese NEVs sitting around. Something that will not be lost on ACEA members.

**Economic Levers
are Key to Adoption**