RedBook

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MARKET UPDATE

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

RedBook
INDEPENDENT
INSIGHTS

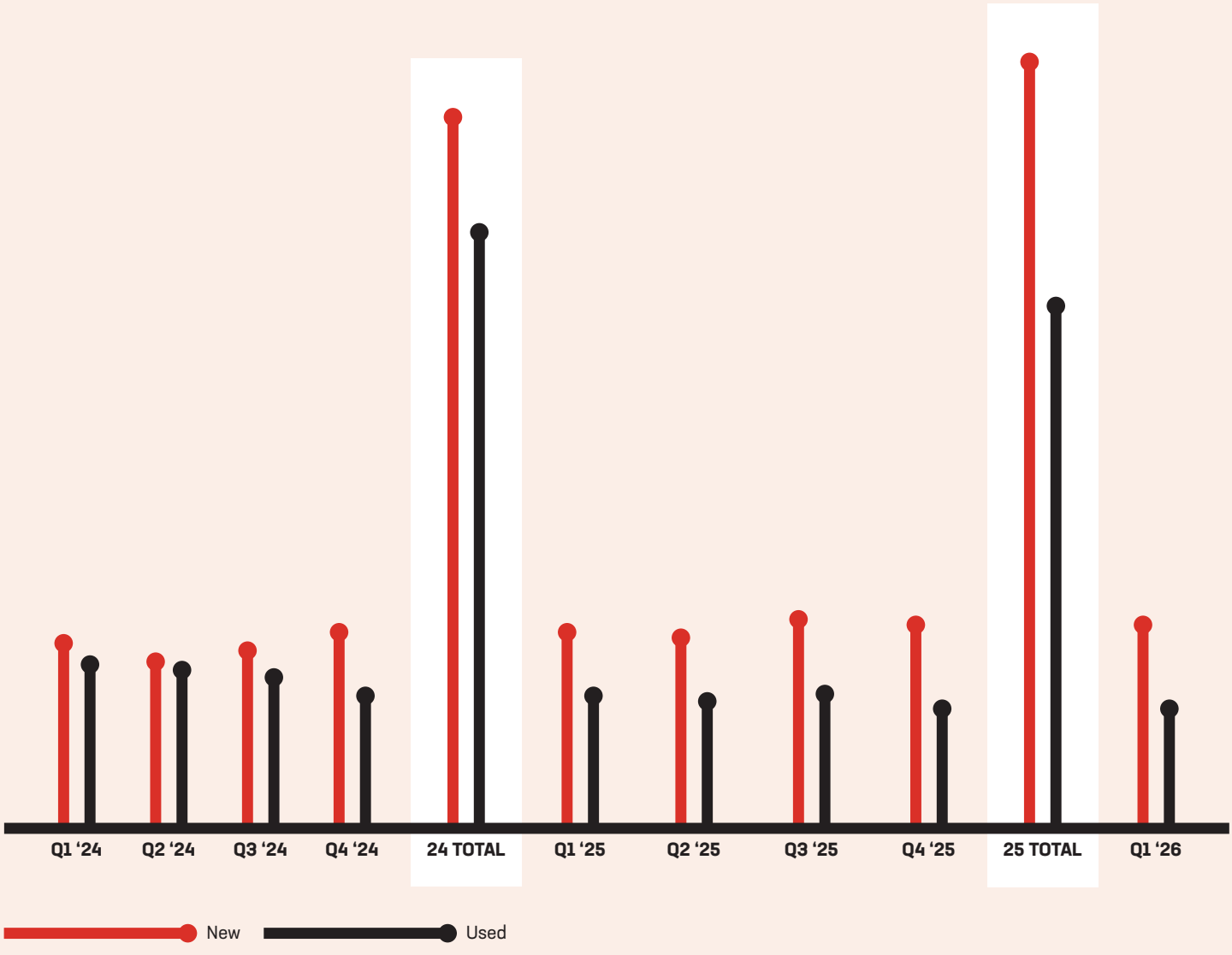
"The fuel crisis represents a **tipping point** in our **national acceptance** of **electric vehicle** types, and of **Chinese brands**."

Nick Auld - RedBook

The war induced fuel crisis has seen unprecedented interest and adoption of EV, PHEV and Hybrid vehicles in New Zealand.

We see the fuel crisis as a deciding factor for those who were 'on the fence' or undecided and whilst the adoption rate may slow if and when fuel prices deflate, the fuel crisis represents a longer-term tipping point in our national acceptance of electric vehicle types and of Chinese brands.

New Zealand **vehicle registrations.**



Market volumes Q1 2026.

Key Models

- The first quarter of 2026 saw 36,857 new cars registered. This is down slightly on the previous quarter but up 13% on the same quarter in 2025.
- Registrations into the rental market have dropped from over 10,000 in Q4 2025 to just over 2,000 in the last quarter.
- The utes of Ford Ranger (2,484) and Toyota Hilux (1,695) have jumped to the top of the new vehicle registrations in the first quarter of 2026.
- With only 6 rental registrations the Toyota RAV4 (1,302 units) slipped to third place.
- The new Nissan Navara (1,223) has started the year well leaping into 4th spot from 17th in Q4 2025
- The Mitsubishi ASX (1,070) is in 5th spot for the quarter supported by rental registrations with 24% of them being rental registrations.
- Mitsubishi Triton (907) rounds out the fourth ute in the top 10 picking up 6th overall.
- Hyundai Tucson (877) takes 7th spot with 40% of these to the rental market.
- The Toyota Hiace (875) makes up the 5th commercial vehicle in the Top 10 new vehicle registrations for the first quarter of 2026 in 8th place.
- Mitsubishi Outlander (817) takes 9th spot, once again buoyed by rental sales with 228 of these being rentals.
- The Ford Everest (765) is in 10th place and is another of the Top 10 buoyed by rentals with 297 (39%) being registrations into the rental market.

MAKE	Q1 '24	Q2 '24	Q3 '24	Q4 '24	Tot'24	Q1 '25	Q2 '25	Q3 '25	Q4' 25	Yr 25	Q1' 26
TOYOTA	6,988	6,710	6,824	9,670	**30,192**	7,321	6,933	9,059	9,723	**33,036**	**6,652**
FORD	4,916	4,038	3,916	5,000	**17,870**	3,016	3,794	4,263	4,608	**15,681**	**3,950**
MITSUBISHI	3,974	3,160	3,400	3,613	**14,147**	3,273	2,912	4,211	3,712	**14,108**	**3,332**
KIA	2,217	1,852	2,383	2,221	**8,673**	2,382	1,995	2,635	1,929	**8,941**	**2,450**
NISSAN	1,540	885	1,108	800	**4,333**	1,488	1,375	1,071	876	**4,810**	**1,816**
BYD	125	181	309	354	**969**	915	1,170	810	892	**3,787**	**1,694**
MG	725	625	857	859	**3,066**	1,154	872	1,096	1,062	**4,184**	**1,417**
HYUNDAI	998	1,132	1,016	932	**4,078**	781	913	1,193	1,449	**4,336**	**1,305**
SUZUKI	1,389	1,399	1,304	1,162	**5,254**	1,321	1,010	1,398	1,291	**5,020**	**1,213**
MAZDA	940	835	1,005	1,103	**3,883**	1,089	892	1,435	1,536	**4,952**	**1,173**
GWM	798	722	701	679	**2,900**	899	918	995	977	**3,789**	**1,080**
HONDA	970	502	698	1,005	**3,175**	1,183	619	806	1,026	**3,634**	**921**
CHERY	-	-	-	-	**-**	-	27	427	580	**-**	**667**
ISUZU	-	-	-	-	**-**	-	335	576	424	**1,335**	**631**
TESLA	378	250	331	328	**1,287**	263	552	429	349	**1,593**	**603**
SUBARU	492	489	428	591	**2,000**	605	640	537	525	**2,307**	**516**
MERCEDES-BENZ	599	482	647	751	**2,479**	553	462	675	743	**2,433**	**503**
VOLKSWAGEN	921	666	931	845	**3,363**	653	550	535	516	**2,254**	**494**
BMW	452	310	376	348	**1,486**	535	402	474	376	**1,787**	**493**
LEXUS	359	302	280	387	**1,328**	405	383	365	301	**1,454**	**426**
DONGFENG	-	-	-	-	**-**	-	-	-	52	**-**	**397**
Others	-	-	-	-	**-**	-	-	-	4,176	**-**	**5,124**
New	**33,832**	**28,782**	**31,145**	**35,017**	**128,776**	**32,551**	**30,910**	**37,355**	**37,123**	**137,939**	**36,857**
Used	**28,560**	**26,881**	**25,795**	**22,686**	**103,922**	**22,575**	**21,395**	**23,670**	**21,583**	**89,223**	**23,990**

Used registrations.

Used car registrations have bounced back in Q1 2026, up 11% on Q4 2025 and up 6% on the same period in 2024.

The top 10 used vehicle registrations for Q1 2026 are listed right and when compared to the Top10 in Q4 2025 the notable new entrant is the Nissan Leaf which was at 15th in Q4 2026 with 349 units. Registrations of Nissan Leaf in March 2026 alone was 444 units. As fuel prices surge importers have moved to get used EV stocks to the market.

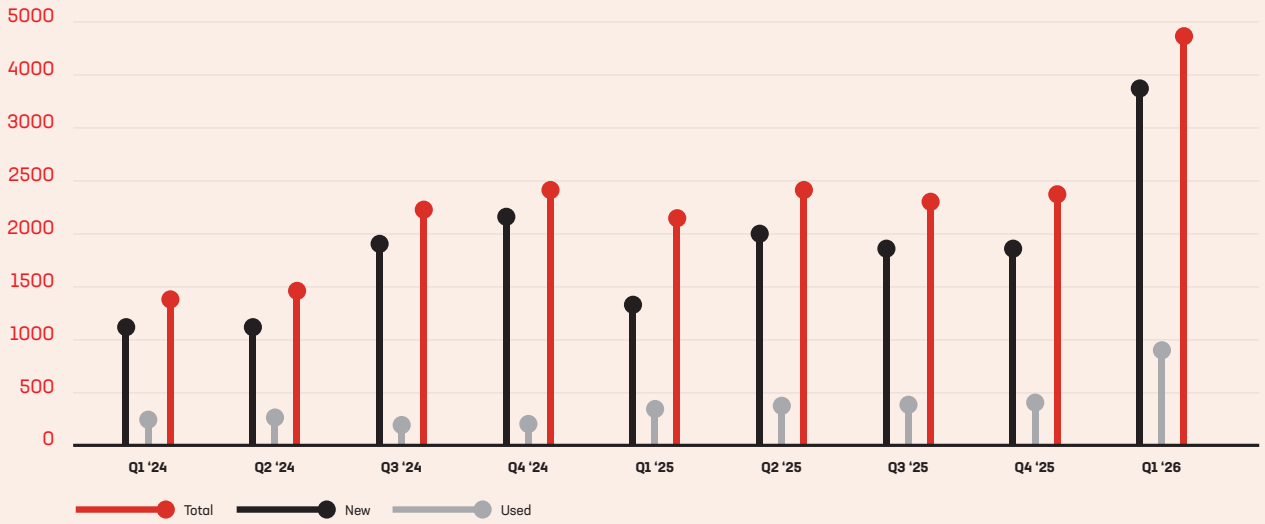
MAKE	MODEL	Q4 2025
Toyota	Aqua	2,194
Toyota	Prius	1,423
Toyota	Corolla	1,122
Nissan	Note	1,083
Mazda	Axela	757
Toyota	C-HR	714
Honda	Fit	711
Nissan	Leaf	710
Subaru	Impreza	698
Mazda	Demio	691

The NZ **Road to electrification.**

The numbers of pure EV's registered in NZ in Q1 2026 (4,873) rose dramatically and are just over double those registered in the last quarter of 2025 (2,462).

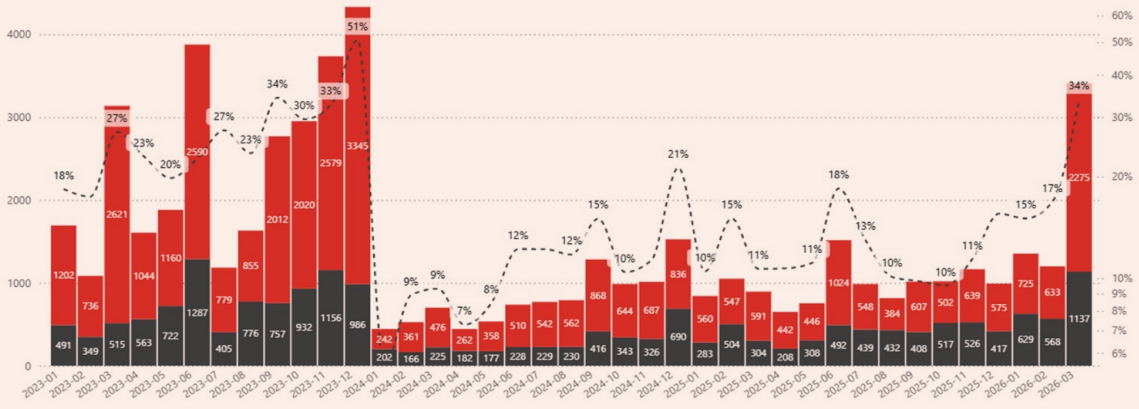
The increase is in both new and used registrations and was nearly all in March 2026. New registrations of pure EV's and PHEV's increased to 34% of all new vehicles registered in March 2026 in response to the rising fuel costs stemming from the US/Israeli attacks on Iran.

EV Sales by Quarter



New Vehicle Registration - EV
Passenger Car only.

The Tesla Model Y has started 2026 as it finished 2025, being the biggest pure EV model registered in Q1 2026.



The NZ Road to electrification.

Continued ...

Tesla (603) has however slipped to second behind BYD (784) in terms of the manufacturer race. The dark horse in the race is Dongfeng (397) who pick up third on the EV manufacturer stakes thanks to the well-priced Dongfeng Box registering 283 units, with 260 of those in March 2026

MAKE	MODEL	TOTAL Q1 2026
TESLA	MODEL Y	513
DONGFENG	BOX	283
BYD	ATTO 1	242
BYD	ATTO 2	213
MG	Zs	196
BYD	SEALION 7	166
BYD	ATTO 3	146
ZEEKR	7X	137
KIA	EV3	100
MG	S5	92

War in the Gulf

How is the NZ motor vehicle market affected?

The escalation of conflict involving Iran, Israel and the United States has triggered one of the most significant global energy disruptions in decades, primarily through the effective closure of the Strait of Hormuz.

Around 20% of global oil and LNG trade normally goes through the narrow strait, and its disruption has driven sharp increases in crude prices, refined fuel prices, and shipping costs globally.

For New Zealand–now 100% reliant on imported refined fuel following the closure of the Marsden Point refinery–this event has refocused attention on fuel security, supply chain concentration, and downstream impacts on transport behaviour and vehicle demand. The Government has, so far, only talked about measures that could be implemented should the need arise, while other countries around the world have started implementing measures to limit fuel usage.

STOCK	NUMBER OF SHIPS	PETROL	DIESEL	JET FUEL
In-country		25.6	21.7	25.1
On water within EEZ (to to 2 days away)	5	13.6	9.0	0.4
On water outside EEZ (up to 2 weeks away)	9	20.5	18.4	25.2
Total NZ stock*		**59.7**	**49.1**	**50.7**

**Totals may not sum due to rounding. Source: MBIE.*

Current stock position

According to the Ministry of Business, Innovation and Employment (MBIE), as at midnight 8 April 2026, New Zealand held approximately 49-59 days of total fuel cover when combining on shore stocks and fuel already on the water. *Source: MBIE*

MBIE has emphasised that fuel supply is "inherently dynamic" and that current levels reflect normal consumption and shipping patterns rather than an immediate shortage.

There is also fuel on the way and MBIE reporting shows multiple shipments already en route, with more than a week's worth of fuel scheduled to arrive within days and additional vessels due later in the month.

War in the Gulf

How is the NZ motor vehicle market affected?

Supply concentration risk

Since 2022, South Korea has become New Zealand's single largest refined fuel supplier, accounting for roughly 45-50% of total fuel imports, with Singapore supplying a further ~30%.

In response to Middle East supply disruptions, South Korea has implemented mandatory caps on refined fuel exports, limiting shipments of petrol, diesel and kerosene to 100% of 2025 monthly volumes to protect domestic supply.

While this falls short of a full export ban, market analysts note that availability is likely to shrink and refiners will start to prioritise domestic supply and long-term contracts over discretionary exports.

Given New Zealand's heavy reliance on Korean refineries, prolonged or tightened restrictions represent a material medium term risk, even if near term supply remains adequate.

Different Fuels

Petrol (predominantly passenger transport)

Petrol demand is largely driven by private passenger vehicles. While price spikes tend to trigger short term behavioural responses–such as reduced discretionary travel or temporary demand destruction–petrol consumption is generally more elastic and quicker to adjust.

Diesel (economic backbone)

Diesel is structurally different:

- It underpins freight, agriculture, construction, public transport, and logistics
- Diesel vehicles dominate commercial fleets and heavy transport
- Substitution options are limited in the short term

As a result, diesel shortages or sustained price increases carry disproportionate economic risk, with flow on effects across food supply, exports, and infrastructure activity.

This asymmetry means that even if petrol availability remains manageable, diesel constraints could have far broader consequences for the New Zealand economy.

Jet Fuel (support airline industry)

Jet fuel is one of the largest costs in running an airline. With that cost increasing we have already seen flights cancelled and airfares increasing. This will also be affecting the airfreight sector with costs to import and export perishable items that require air transport increasing.

Implications for EV Demand

As the public are becoming more aware of the rising prices of running motor vehicles there has been increasing interest in electrified vehicles over internal combustion alternatives.

Some OEMs have reported a 30-50% increase in EV enquiries and, as noted earlier, sales of EV's and PHEV's surged in March 2026, bolstering NZ's buying patterns of EV's and PHEV's back to the final days of the Clean Car Discounts in December 2023.

It seems that previously undecided buyers are now committing to an EV purchase due to fuel cost and supply concerns.

Other industry commentators have seen a clear and rapid spike in engagement with visits to websites and searches regarding electric vehicles increasing significantly since the escalation of the Middle East conflict and the resulting increases in petrol and diesel prices.

Beyond private buyers, industry interest is also rising with commercial operators reassessing diesel exposure and operating cost volatility and also considering electrification of light commercial fleets.

This is particularly relevant given diesel's role in business continuity and the limited ability to hedge fuel price risk during supply disruptions.

New Zealand's fuel system remains operationally stable in the short term, with stocks above legal minimums and shipments continuing to arrive. However, the current conflict has exposed structural vulnerabilities due to heavy reliance on Asian refineries, particularly South Korea and our concentration risk in diesel supply.

Market signals suggest that fuel security concerns are already influencing vehicle demand and accelerating interest in electric alternatives across both private and commercial segments.

If elevated fuel prices and supply uncertainty persist, the transport market response is likely to extend beyond temporary behaviour change and into longer term shifts in purchasing and fleet strategy. If the disruption settles soon the changes could be short term but with continued disruption we may see longer term changes to the market in terms of supply and residual values. RedBook is continuing to monitor these on a regular basis and our pricing will be amended to reflect these changes.

"The Iran war and its impacts on New Zealand remained front and centre this week."

"The Iran war and its impacts on New Zealand remained front and centre this week. It's very well understood that the impact will critically depend on the size and duration of the disruption to global energy supply."
- Westpac Economic Reports

Both businesses and consumers are taking a pessimistic view of the immediate outlook. Formatting a longer-term view seems impossible, given the extremes of Trumps' inflammatory rhetoric, versus the more positive view that at least all sides are talking.

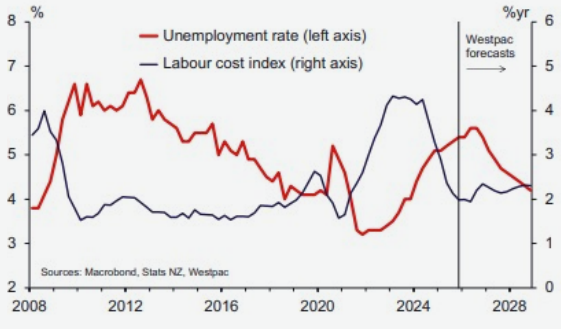
Key views

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

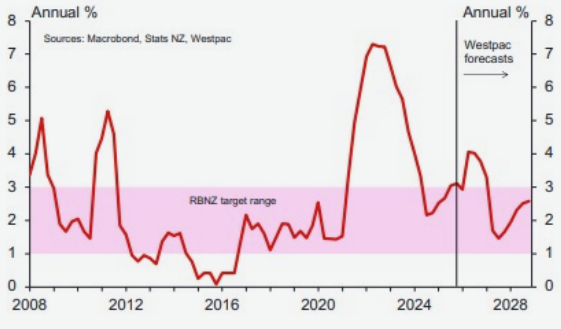
GDP growth

House Prices

Unemployment and wage growth



Consumer price inflation



NEV Registrations **fall in China.**

Continuing a downward trend in China, the world's largest car market, NEV registrations fell by 15% in March.

The downward trend started in January after the government removed supportive funding for trade ins and tax exemptions on NEVs. As domestic growth stalls, Chinese automakers are aggressively expanding overseas.

BYD: Remained the top domestic brand, though it faced a massive domestic retail drop of over 45% in Q1. However, its overseas performance exploded, with March exports reaching 119,600 units (up 65.2% YoY), now accounting for nearly 46% of its total sales.

Tesla China: Its retail sales in China fell 24.3% YoY in March (56,107 units), yet the Model Y remained the single best-selling vehicle of any fuel type in China for that month. Tesla's Shanghai factory remains a core export hub, contributing 60% of its global Q1 deliveries.

Geely: Emerged as a formidable challenger, taking the #2 spot in the Chinese NEV market and even surpassing BYD in total passenger vehicle sales (ICE + NEV) in January. Its premium sub-brands like Zeekr (77,037 units in Q1) drove significant momentum.

"A horse never runs so fast as when he has other horses to catch up and outpace."

Ovid (Publius Ovidius Naso, 43 BC – AD 17/18)

Surging petrol prices drive **record March EV sales in Europe.**

Europe was the standout Global EV growth performer in Q1 2026, with EV sales reaching 1.2 million units, up 27% year-on-year.

March was especially strong, with the region surpassing 500,000 monthly EV sales for the first time. Chinese automakers are also making waves in Europe. Chinese brands collectively doubled their YOY penetration of the European market. This growth leading to repeated calls for united methodologies to enable local OEMs to compete.

"With ageing fleets and ever-expanding regulatory requirements – especially in the entry segment, making it increasingly unviable to build affordable compact cars in Europe – EU production is stagnating. We need to accelerate fleet renewal, to make simplification a constant part of policy making (e.g. Euro 7 for HDVs needs radical streamlining to free investments for electrification instead) and regulatory "batches" aligned with vehicle development cycles rather than constant incremental rulemaking."

Ola Källenius, President of the European Automobile Manufacturers' Association (ACEA) and CEO of Mercedes-Benz

"There's no way this is a **fair fight.**"

Ford's CEO Jim Farley said on Fox news that letting Chinese EVs into America could spell disaster for the auto manufacturing industry.

"We should not let them into our country," he said. "Manufacturing is the heart and soul of our country. For us to lose that to those exports would be devastating for our country."

"Their local market is 29 million, their capacity in their country for making cars is over 50 million," said Farley. "They have enough capacity in China to cover all the manufacturing and all the vehicle sales in the United States."

Meanwhile Bloomberg summarises the slow rate of charging infrastructure development.

"EV adoption could stay ahead of charging infrastructure. Since the Iran war began, the average price of gasoline in the U.S. has surged to $4.82, a nearly 37% increase. Economists say those in the market for a car at the moment are more likely to go electric. If gas prices stay elevated for months, even drivers who had no plans to buy a new car will consider switching."