EU ECONOMIC REPORT
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EU15	**AT**	**AUSTRIA**
	BE	**BELGIUM**
	DE	**GERMANY**
	DK	**DENMARK**
	EL	**GREECE**
	ES	**SPAIN**
	FI	**FINLAND**
	FR	**FRANCE**
	IE	**IRELAND**
	IT	**ITALY**
	NL	**NETHERLANDS**
	PT	**PORTUGAL**
	SE	**SWEDEN**
	UK	**UNITED KINGDOM**
New Member States	**BG**	**BULGARIA**
	CZ	**CZECH REPUBLIC**
	EE	**ESTONIA**
	HU	**HUNGARY**
	LV	**LATVIA**
	PL	**POLAND**
	RO	**ROMANIA**
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Economic Outlook - EU27

		2002 % ch 02/01	2003 % ch 03/02	2004 % ch 04/03	2005 % ch 05/04	2006 % ch 06/05	2007 % ch 07/06 (forecast)	2008 % ch 08/07 (forecast)	2009 % ch 09/08 (forecast)
Real GDP *(European Commission)*[1]	Euro area	+0.9	+0.8	+2.0	+1.5	+2.8	+2.6	+2.2	+2.1
Constant prices	EU27	+1.2	+1.3	+2.5	+1.8	+3.0	+2.9	+2.4	+2.4
Real GDP *(Consensus Forecasts)*[2]	Euro area	+0.9	+0.8	+1.8	+1.6	+2.9	+2.6	+1.8	+2.0
Constant prices	EU27	n.a.	n.a	n.a	+1.7	+3.1	+2.8	+2.1	+1.9
Last Economic Report GDP Forecast	Euro area	+0.9	+0.8	+2.0	+1.5	+2.8	+2.6	+2.2	+2.1
	EU27	+1.2	+1.3	+2.5	+1.8	+3.0	+2.9	+2.4	+2.4
Private Consumption[1]	Euro Area	+0.9	+1.3	+1.6	+1.5	+1.8	+1.7	+2.1	+1.9
	EU27	+1.6	+1.7	+2.2	+1.7	+2.2	+2.3	+2.4	+2.2
Industrial Production[2]	Euro Area	-0.5	+0.3	+2.1	+1.4	+4.0	+3.4	+2.1	+2.2
Gross Fixed Capital Formation[1]	Constant prices Euro Area	-1.5	+1.3	+2.2	+2.7	+4.8	+4.7	+2.9	+2.6
	EU27	-0.6	+1.3	+3.2	+3.0	+5.9	+5.6	+3.5	+3.4
Consumer Prices[1]	Euro Area	+2.2	+2.1	+2.2	+2.2	+2.2	+2.0	+2.1	+2.0
HICP	EU27	+2.3	+2.1	+2.3	+2.3	+2.3	+2.3	+2.4	+2.2
Crude Petroleum[1]	USD/per barrel	25.0 (+0.1)	28.5 (+13.9)	38.0 (+33.4)	55.1 (+44.7)	66.2 (+20.2)	70.6 (+6.6)	78.8 (+11.7)	76.0 (-3.6)
Trade Balance[1]	Euro area	127.8	105.0	101.9	46.8	30.3	51.4	52.9	64.8
Bn EUR	EU27			-48.3	-109.7	-169.2	-168.0	-182.6	-187.8
Current Account balance[1]	Euro Area	57.0	32.4	62.5	-0.2	-7.4	-3.5	-5.2	3.0
Bn EUR	EU27			-20.6	-66.1	-92.1	-104.8	-124.4	-126.5
Unemployment[1*]	Euro Area	8.6	8.7	8.9	8.9	8.3	7.3	7.1	7.1
	EU27	8.8	9.0	9.1	8.9	8.2	7.1	6.8	6.6

Data is seasonally adjusted.

1) European Commission, Eurostat/DG ECFIN – *Autumn 2007 Economic Forecasts*; Annual % change unless otherwise indicated
2) Consensus Forecasts January 2008

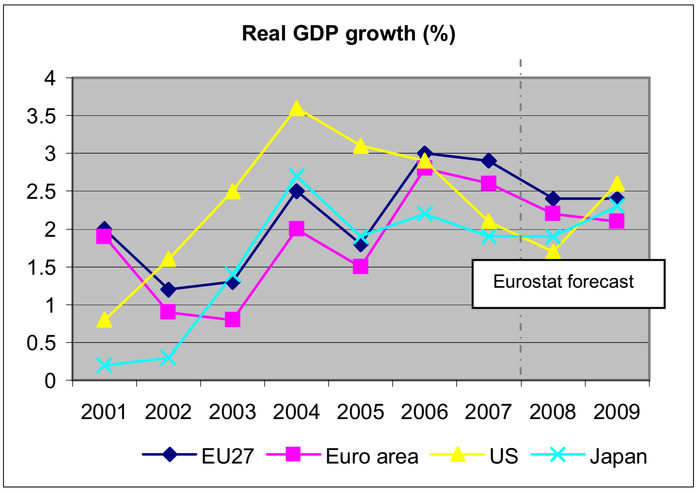
* In percent of total workforce, ILO definition

Euro area and EU27 economic outlook[1] – January-December 2007[2]

Still sound EU economic growth in 2007 expected to moderate in 2008

Despite torments on international financial markets, GDP in the **euro area** grew by 2.7% and in the **EU27** by 2.9% in **2007**. Economic outlook in Europe is deemed, however, to be affected by shrinking credit availability, soaring food and oil prices and US volatile economic performance in the short term. Taking into account negative impact of the financial markets turmoil in the summer of 2007, the European Commission has revised its forecasts for 2008 and 2009 downwards. Growth in the euro zone and in the EU27 is expected to slow down to 2.2% and 2.4%, respectively, in **2008** and to 2.1% and 2.4% in **2009**.

US (+2.2%) and **Japanese** (+2.1%) economies grew slower than the EU in 2007. Their economies are likely to be even less dynamic in 2008 (US 1.7%, Japan 1.9%) but are expected to rebound in 2009 (US 2.6%, Japan 2.3%).



Business and industrial confidence still high

The Commission's business and industrial confidence indicator for the euro area has been systematically increasing since the end of 2005 until recently. Despite a short recovery in November, a decline of one point was noted in December when the indicator reached the level of 2. However, the level of the indicator still exceeds its long-term average of -7.

Managers' assessments of order books and their production expectations deteriorated, while their views of the stocks of finished products improved slightly.

Industrial production fell in November by 0.5% in the euro area, as compared to October. The production of durable goods decreased by -1.9%, while the production of both energy and non-durable goods rose by 0.4% and 0.1%. Industrial production increased by 2.7% in 2007 compared to 2006, energy being the main driver (+6.2%).

[1] *Sources:* European Commission (Eurostat, DG ECFIN – '*European Economy, Economic Forecasts, Autumn 2007*', '*Key Euro Area Indicators*', '*Business and Consumer Surveys*'), European Central Bank ('*Monthly Bulletin*'), Consensus Forecasts
[2] Some data for the fourth quarter 2007 were not available at time of printing; third quarter data reported in such cases

Investment on an upward trend

Gross fixed capital formation rebounded by 1.2% in the third quarter of 2007, after a slight down in the second quarter (quarter-on-quarter). Investment in equipment, as well as construction investment, expanded by 1.3% and 1.0% respectively. On an annual basis, investment growth was 4.7% in the third quarter of 2007. Capacity utilisation in the manufacturing sector remained stable at 84.2% in the fourth quarter, firmly above its long-term average (81.8%).

Private consumption yearly up by 1.6% in third quarter

The European Commission's consumer confidence was on an upward trend since mid-2005 until May 2007 when it started declining. The decline continued in December, mainly driven by deteriorated expectations regarding the general economic situation and the financial situation. However, the consumer confidence indicator still remains above its long-term average.

Private consumption increased by 0.5% in the third quarter of 2007 (q-o-q), following a similar rise (+0.6%) in the previous quarter. On an annual basis, household consumption expenditure rose by 1.6% in the third quarter of 2007, like it did in the second quarter.

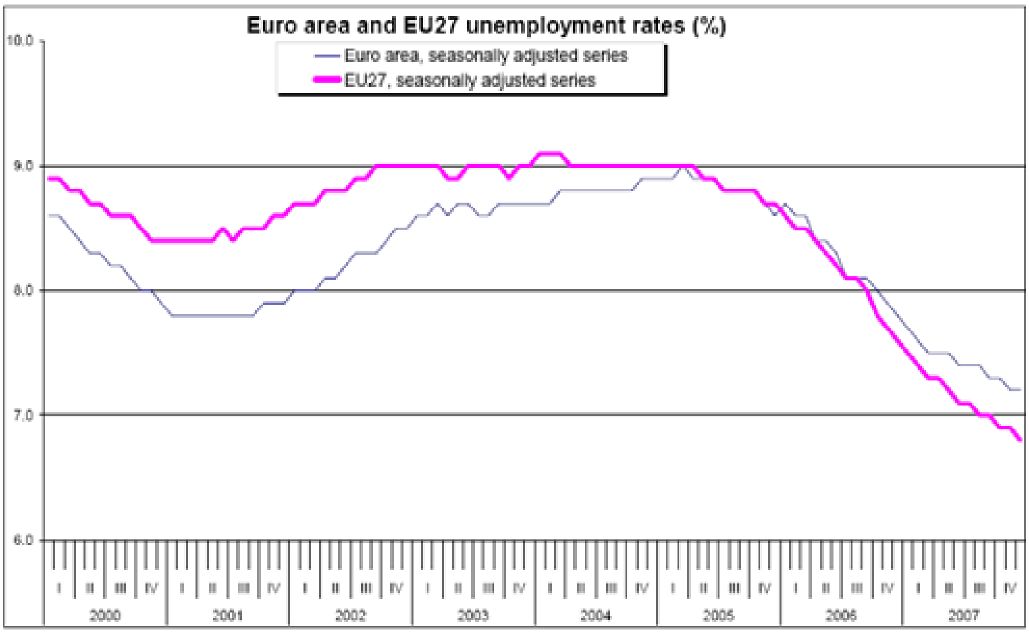
Trade surplus of 2.6 bn euro for euro-area; 16.8 bn euro deficit for EU27

Eurostat estimates for the euro area trade balance reveal a surplus of 2.6 bn euro in November 2007, compared to +5.4 bn euro in October. 2006 figures showed a greater surplus of 5.2 bn euro in November, after the October surplus of 2.4 bn euro.

The extra-EU27 trade balance for November 2007 resulted in a deficit of 16.8 bn euro, while a lesser deficit was registered in November 2006 (12.4 bn euro).

Euro area unemployment rate stable at 7.2%; EU27 down to 6.8%

From November to December 2007, the unemployment rate remained stable at 7.2% in the euro area, while the EU27 recorded a slight improvement from 6.9% in November to 6.8% in December. Both the euro area and the EU27 registered a higher rate for the same period last year with the respective figures of 7.8% and 7.6%.
2007 saw a positive trend in labour market conditions for twenty-four Member States. Only three saw their unemployment rate increase for the year.



Source: Eurostat

EU inflation at fourteen-year high (3.2%)

Inflation has remained stable over the fourth quarter of 2007 both in the euro area and the EU27 with respectively 3.1% and 3.2% in December. The rate in November was 3.1% for both areas. Although stable, inflation showed a higher level compared to last year. In December 2006, it was 1.9% for the euro area and 2.2% for the EU27.

Core inflation (HICP excluding energy and unprocessed food) in the euro zone in December 2007 was also stable at 2.3%. The high level of headline inflation remained mostly constituted of the acceleration in oil and food prices combined with unfavourable base effects of last year's decline in energy prices.

The main components with the highest annual rates in December 2007 were education (9.4%), transport (5.6%) and food (4.8%), while the lowest annual rates were observed for communications (-2.3%), recreation & culture (0.1%) and clothing (0.1%).

The euro area industrial producer price index rose by 0.8% in November 2007 compared to October, and increased by 4.1% compared to last year. Of note is the increase in energy prices (growth of 3.2% in November and 1.8% in October), which accounted for the major part of the rise in producer prices.

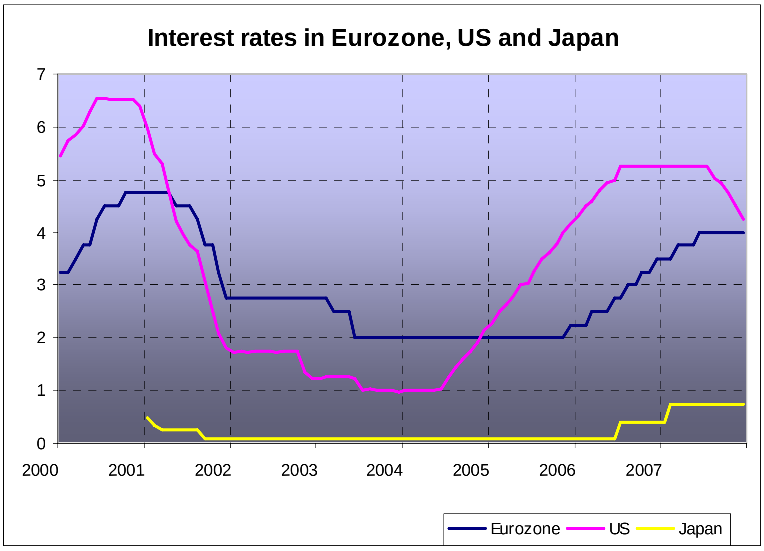
… and oil prices still nearing all-time record

The Brent Index continued to soar to 97 USD at the end of 2007 although oil prices have eased in the first half of January 2008, following a slowdown in the US. Prices are still driven by limited spare capacity, robust demand from emerging markets, geopolitical tensions in the oil producing countries and the weakness of the dollar. Compared to January 2007, oil prices are now about 73% higher in USD and 53% higher in EUR.

Monetary and Financial Indicators

ECB interest rates on hold since June 2007

On 13 June 2007, the ECB Governing Council decided to increase the policy interest rates by 25 basis points, raising the minimum bid rate on the main refinancing operations of the **Eurosystem** to 4%. To this day (14 February 2008) the interest rates have been left unchanged. The previous 25 basis points hike was decided on 14 March 2007. The interest rate on the marginal lending facility is currently at 5% and the interest rate on the deposit facility is at 3%.

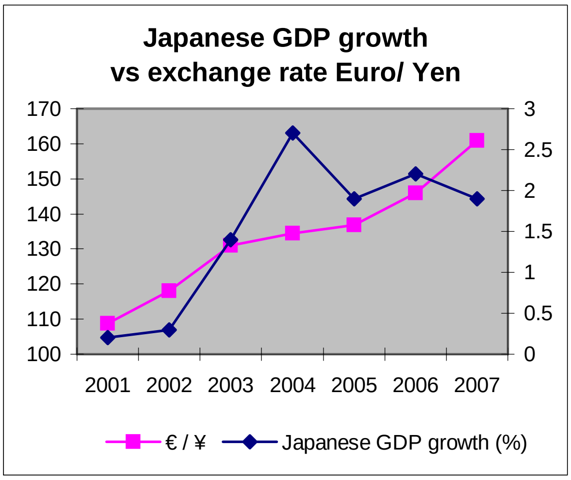


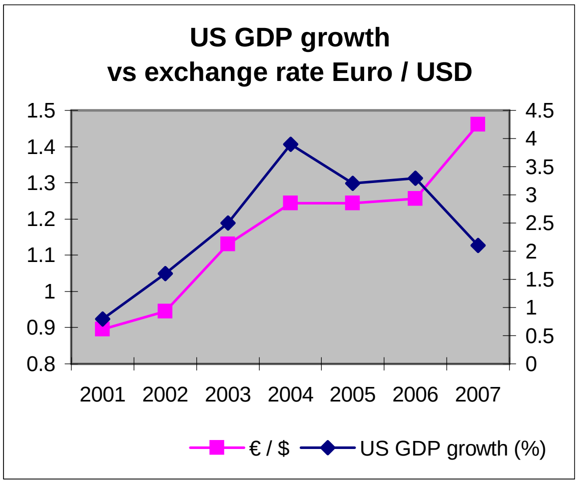
Hike in euro-dollar exchange rates moderated in nominal effective terms [3]

On the foreign exchange rate markets, the dollar continued to fall in the fourth quarter of 2007, mainly due to contrasting US economic results, concerns about developments in credit and housing markets and resulting uncertainty. The euro-dollar exchange rate was very unstable in January 2008 and ranged from 1.4895 to 1.4482.

The euro appreciated also vis-à-vis the Yen and reached a pick of 165.9 in November 2007. The trend has somewhat eased at the beginning of 2008.

On 14th February the euro stood at 1.4626 USD and 158.22 JPY. In nominal-effective terms, the exchange rate of the Euro appreciated by much less since autumn 2007 (around 1.2%).





Source: European Commission, ECB

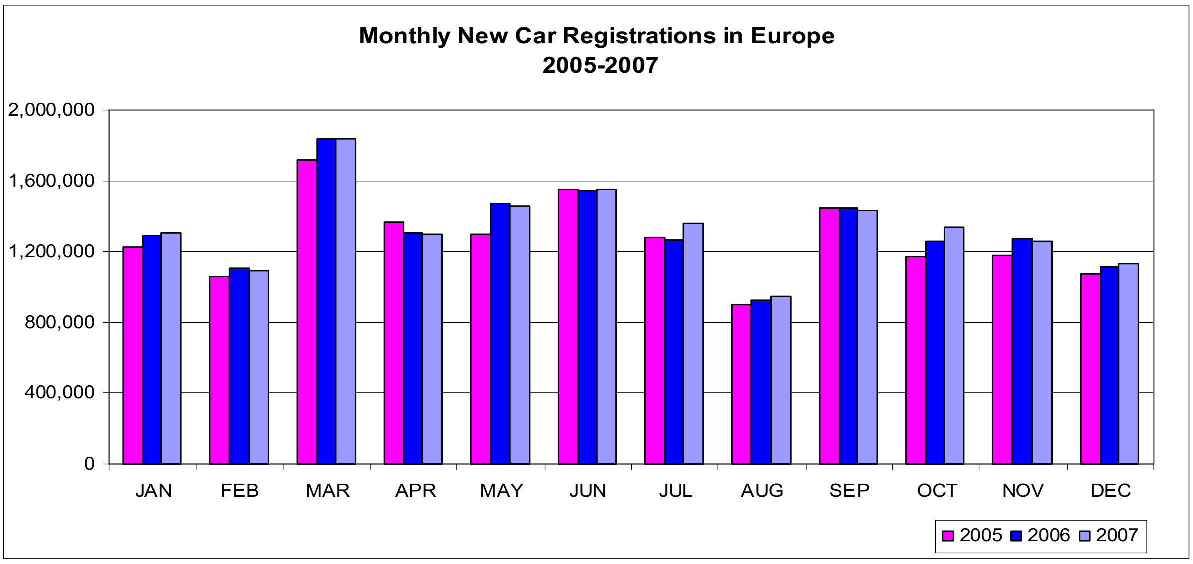
[3] Against 13 other industrialized countries, double export weighted, 1995 = 100

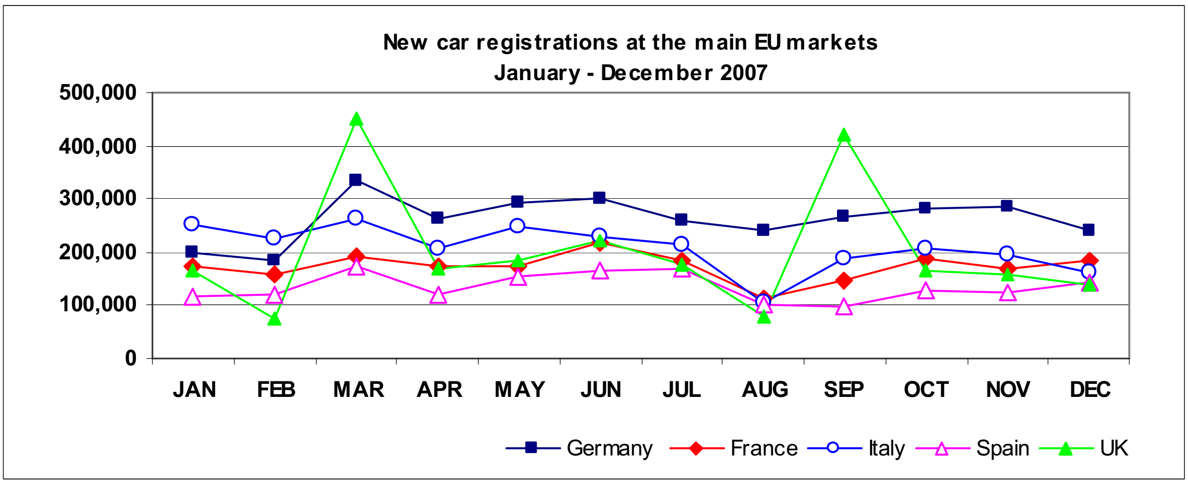
Registrations of new motor vehicles in Europe (January - December 2007)

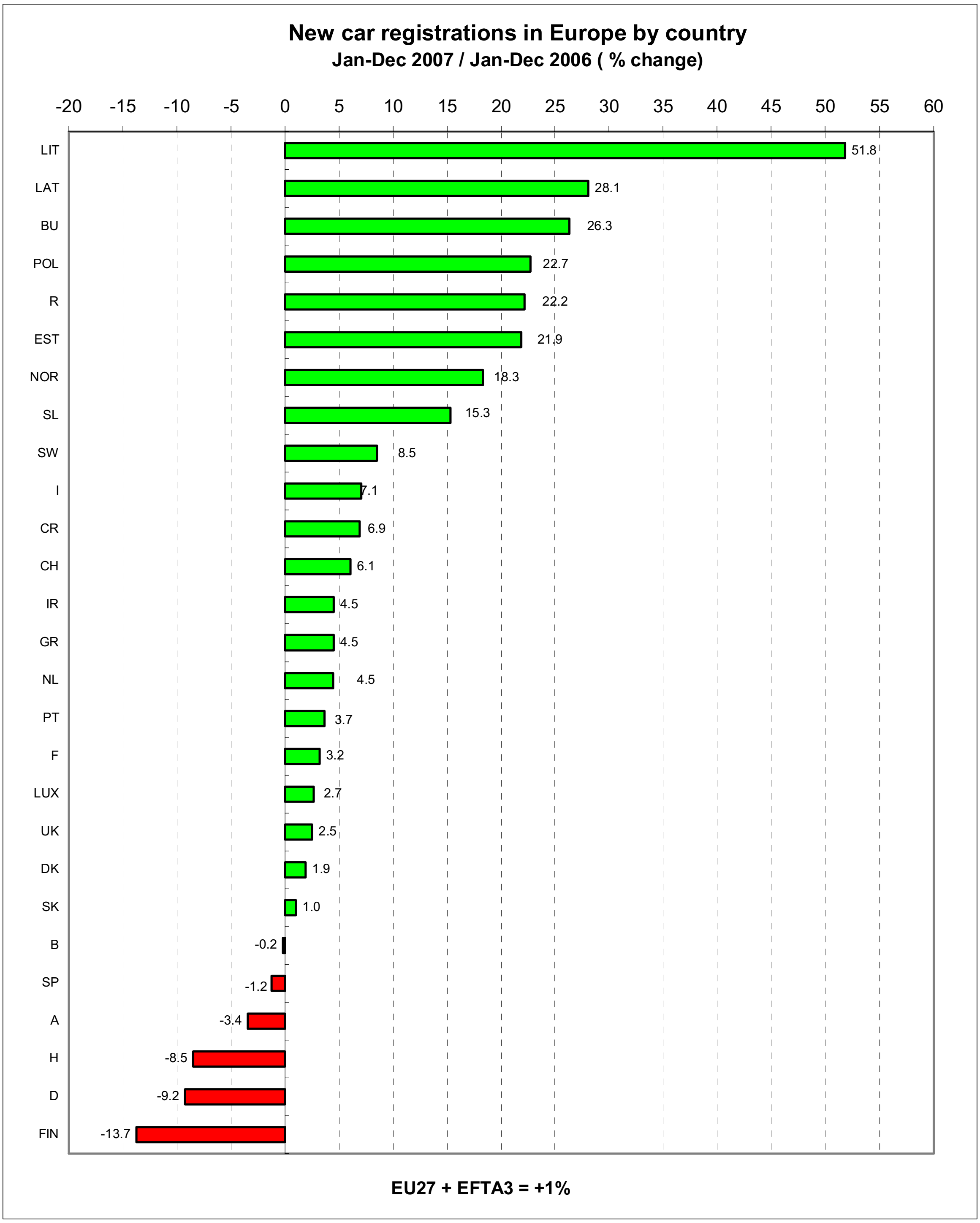
Registrations - *WESTERN EUROPE (4)*	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06	Forecast* 2008
New Car Registrations	14,792,143	14,763,013	0.2%	-0.6%
New LCV Registrations (1)	2,045,705	1,948,481	5.0%	-1.5%
New Truck Registrations (2)	372,684	365,745	1.9%	
New Bus Registrations (3)	35,879	34,358	4.4%	
Total New Registrations	**17,246,411**	**17,111,597**	**0.8%**	

Registrations - *TOTAL EUROPE (5)*	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06	Forecast* 2008
New Car Registrations	15,957,780	15,786,355	1.1%	0.1%
New LCV Registrations (1)	2,273,547	2,137,528	6.4%	-0.3%
New Truck Registrations (2)	441,218	412,497	7.0%	
New Bus Registrations (3)	38,815	37,641	3.1%	
Total New Registrations	**18,711,360**	**18,374,021**	**1.8%**	

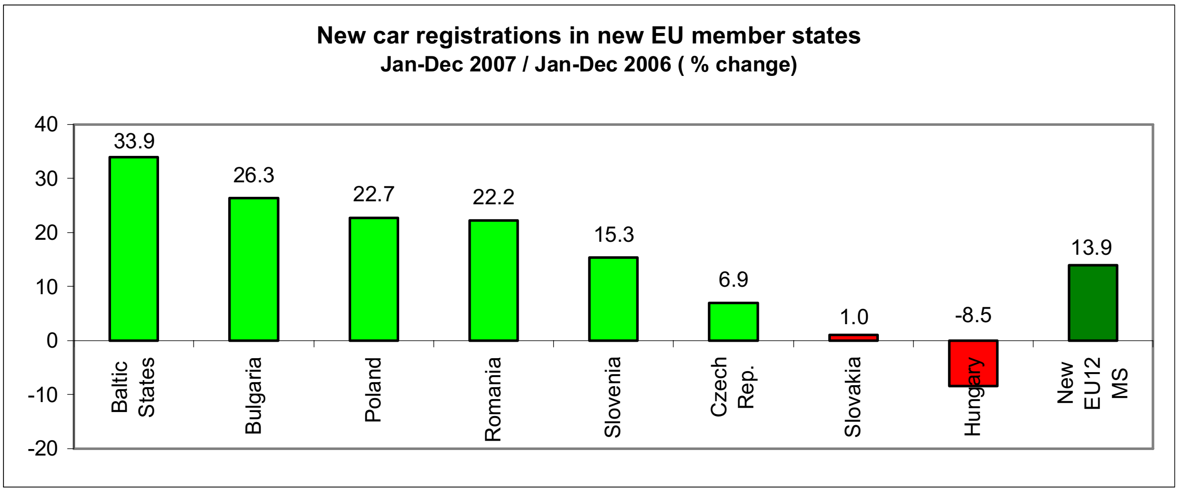
Source: ACEA, AAA, National Associations
* February 2008 projections
(1) Light Commercial Vehicles up to 3.5t (including light Buses & Coaches)
(2) Commercial Vehicles above 3.5t (excluding Buses & Coaches)
(3) Buses & Coaches above 3.5t
(4) WESTERN Europe = EU15 + EFTA3 (Iceland, Norway, Switzerland)
(5) TOTAL Europe = EU27 (excluding Malta and Cyprus) + EFTA3 (Iceland, Norway, Switzerland)







New car registrations in Europe by country
Jan-Dec 2007 / Jan-Dec 2006 (% change)
-20 -15 -10 -5 0 5 10 15 20 25 30 35 40 45 50 55 60
LIT 51.8
LAT 28.1
BU 26.3
POL 22.7
R 22.2
EST 21.9
NOR 18.3
SL 15.3
SW 8.5
I 7.1
CR 6.9
CH 6.1
IR 4.5
GR 4.5
NL 4.5
PT 3.7
F 3.2
LUX 2.7
UK 2.5
DK 1.9
SK 1.0
B -0.2
SP -1.2
A -3.4
H -8.5
D -9.2
FIN -13.7
EU27 + EFTA3 = +1%



New car registrations in new EU member states
Jan-Dec 2007 / Jan-Dec 2006 (% change)
40 30 20 10 0 -10 -20
Baltic States 33.9
Bulgaria 26.3
Poland 22.7
Romania 22.2
Slovenia 15.3
Czech Rep. 6.9
Slovakia 1.0
Hungary -8.5
New EU12 MS 13.9

2007 new <u>passenger car</u> registrations mount in new member states (+14%), flat in Western Europe (+0.2%)

Nearly 16 million new cars were registered in Europe (EU27+EFTA) in 2007, or 1.1% more than the year before. Soaring oil prices, changes in taxes, shrinking credit availability and purchasing power restrained buyers' confidence and the demand for new cars in some of the Western European countries (+0.2%). In the new EU member states, where car density is still much lower and many households have been able to afford buying a new car only recently, a steady growth was recorded throughout the year (+13.9%).

Western European 2007 figures were to a great extent pulled down by expected slowdown on the German market (9.2%). Due to late 2006 rush in purchases ahead of January 2007 VAT increase, 320,000 new cars less were registered in 2007. Also in Spain, where scrapping incentives (Prever Plan) were extended until the end of 2007, demand for new cars further declined (-1.2%). Government incentives and promotional campaigns had a positive effect on the Italian market, where more than 160,000 new cars were sold as compared with 2006 (+7.1%). New registrations in the UK (+2.5%) were mostly driven by private demand, especially for diesel and small cars. The French market also performed better than in 2006 (+3.2%). Seven new member states posted two-digit yearly growths and only Hungary remained on a downturn trend (-7.8%) in 2007.

New <u>commercial vehicle</u> registrations up by 6.8% in 2007

In 2007, the demand for new commercial vehicles in Europe was overall 6.8% higher than last year. The European market ended the year with 7.1% more vans, 5.1% more trucks* and 4.4% more buses & coaches registered. The steady upward trend recorded throughout the year thanks to a healthy and dynamic European and foreign demand in the sector weakened somewhat in December. Van and bus & coach registrations went up by 1.8% and 43.3%, respectively, but the truck* market slightly declined (–1.6%). The calendar effect was limited since the number of working days varied widely in Europe.

<u>New van* registrations up by 7.1%</u>

In total, 2,245,062 new vans were registered in Europe in 2007, or 7.1% more than in 2006. Western Europe and the new EU member states outperformed their last year's registrations by 5.8% and 24.7%, respectively. With the exception of Denmark (–10.8%), all other markets improved their results.

<u>New truck** registrations up by 7.3%</u>

New truck registrations in Europe continued to boom throughout the year (+5.1%), mainly helped by growth on the German (+5.5%), Spanish (+10.2%) and new EU member state markets (+38.9%).

<u>New buses & coaches registrations up by 4.4%</u>

Substantial December growth in new bus & coach registrations in Western Europe (+41.4%) and in the new member states (+74.1%) helped to improve the cumulative result in Europe (+3.1%). Western European markets outperformed their 2006 registrations by 4.4% and the new member remained on a downward slope (–4.7%).

* "vans" stand for light commercial vehicles up to 3.5 tonnes
** "trucks" stand for commercial vehicles over 3.5 tonnes (excluding buses & coaches)

New PC Registrations Breakdown by Cubic Capacity, Power, 4x4, Diesel

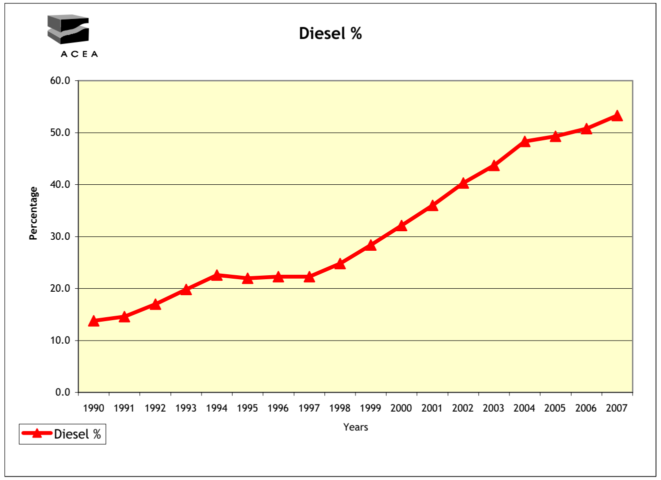
January – December 2007

	Déc. 2007					Jan. à Déc.2007				
	New Registrations	Average CC (cm3)	Average power (KW)	%Share		New Registrations	Average CC (cm3)	Average power (KW)	%Share	
				4X4	Diesel				4X4	Diesel
Western Europe	**1 028 580**	**1 758**	**88**	**11,65**	**57,46**	**14 792 143**	**1 740**	**87**	**9,85**	**53,29**
EU	**994 529**	**1 752**	**87**	**11,17**	**57,88**	**14 361 238**	**1 734**	**86**	**9,40**	**53,55**
Austria	18 614	1 731	82	16,15	59,16	298 028	1 765	85	15,26	59,00
Belgium	24 094	1 674	78	5,90	77,98	525 194	1 723	81	6,46	76,99
Denmark	13 700	1 688	84	2,18	50,41	157 374	1 651	82	3,29	38,36
Finland	2 123	1 946	101	15,26	34,62	125 695	1 851	95	13,33	28,38
France	182 548	1 742	85	12,15	74,85	2 064 543	1 680	80	7,15	73,89
Germany	241 905	1 841	95	11,25	48,73	3 148 163	1 863	96	10,45	47,76
Greece	10 414	1 588		11,54	3,73	279 745	1 548		10,97	2,90
Ireland	493	1 542	75	7,51	23,53	186 540	1 637	81	7,33	27,09
Italy	160 746	1 536	73	9,73	54,51	2 490 570	1 558	74	10,35	55,74
Luxembourg	2 527	1 901	98	11,04	80,37	52 197	1 970	103	12,40	77,22
Netherlands	8 937	1 592	79	5,37	23,01	505 674	1 703	85	6,50	28,31
Portugal	15 277	1 539	76	2,51	72,51	201 872	1 559	77	3,06	69,31
Spain	144 441	1 839	90	14,32	72,57	1 614 835	1 784	87	10,43	70,86
Sweden	30 750	1 981	106	19,13	55,03	306 799	1 964	105	15,11	34,68
United Kingdom	137 960	1 786	93	8,72	42,49	2 404 009	1 777	91	8,71	40,11
EFTA	**34 051**	**1 932**	**103**	**25,90**	**45,28**	**430 905**	**1 930**	**102**	**24,86**	**44,71**
Iceland	850			52,71	39,88	15 942			43,46	30,01
Norway	9 222	1 881	93	27,94	76,42	129 195	1 818	88	21,85	74,35
Switzerland	23 979	1 952	107	24,17	33,50	285 768	1 981	109	25,18	32,13

Source : Association Auxiliaire de l'Automobile

New Passenger Car Registrations
Breakdown by Specifications: Share of Diesel

Diesel (%)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
AUSTRIA	25.7	22.1	26.2	31.6	39.9	42.8	49.4	53.3	54.5	57.4	61.9	65.7	69.6	71.5	70.7	64.7	62.1	59.0
BELGIUM	32.7	30.8	31.8	36.9	42.4	46.8	45.7	49.8	52.2	54.3	56.3	62.6	64.3	68.2	70.0	72.6	74.5	77.0
DENMARK	4.1	2.6	2.4	2.2	2.7	2.9	2.9	3.0	4.7	9.4	13.2	17.8	20.2	22.7	24.0	23.8	26.3	38.4
FINLAND	5.2	4.9	5.0	7.8	5.6	6.7	13.5	14.6	15.3	15.7		16.6	15.6	15.2	15.5	17.0	20.2	28.4
FRANCE	33.0	38.4	39.0	45.5	47.6	46.5	39.2	41.8	40.2	44.1	49.0	56.2	63.2	67.4	69.2	69.1	71.4	73.9
GERMANY	9.8	11.8	14.8	14.6	16.6	14.5	15.0	14.9	17.6	22.4	30.3	34.5	37.9	39.9	44.0	42.0	44.2	47.8
GREECE									1.1	0.7	0.7	0.8	0.9	1.5	2.9	1.6	2.1	2.9
IRELAND	13.6	15.5	14.2	15.6	16.7	15.9	13.3	11.3	12.8	10.9	10.1	12.9	16.4	17.2	18.3	21.5	24.4	27.1
ITALY	7.3	5.7	7.6	8.4	9.1	9.9	16.5	17.5	22.5	29.4	33.6	36.6	43.4	48.7	58.0	58.3	58.2	55.8
LUXEMBOURG	21.3	16.7	25.1	27.6	28.1	28.5	32.4	35.2	38.8	42.0	50.4	58.2	61.9	65.9	72.5	75.4	77.4	77.2
NETHERLANDS	10.9	11.0	11.6	11.0	12.0	13.9	15.3	17.1	20.3	22.8	22.5	22.9	21.6	22.6	24.6	26.8	27.0	28.3
PORTUGAL	4.9	7.0	7.8	11.3	11.6	10.7	12.6	16.9	18.8	20.9	24.2	28.4	34.6	44.9	56.6	63.3	65.2	69.3
SPAIN	14.2	12.8	16.6	23.2	27.5	33.6	37.5	42.2	47.8	50.6	53.1	52.5	57.1	60.9	65.4	67.8	68.2	70.9
SWEDEN	0.6	0.9	0.8	3.1	3.2	2.7	5.2	7.6	11.0	7.2	6.3	5.6	7.0	7.7	8.0	9.7	19.4	34.7
UNITED KINGDOM	6.4	8.7	12.5	19.0	21.7	20.2	17.8	16.1	15.3	13.8	14.1	17.8	23.5	27.3	32.5	36.8	38.3	40.1
EUROPEAN UNION (15)					23.1	22.6	22.9	22.8	25.3	29.0	32.8	36.7	41.0	44.3	48.9	49.8	51.2	53.6
ICELAND									15.1	16.4	17.1	13.3	12.5	13.6	15.1	19.6	24.3	30.0
NORWAY	2.6	6.4	10.8	14.5	9.7	6.0	7.2	6.2	6.7	8.2	9.0	13.3	17.5	23.3	28.1	39.2	48.7	74.4
SWITZERLAND	3.0	2.7	3.1	3.5	4.7	4.2	4.7	5.1	5.9	6.8	9.3	13.4	18.0	21.7	25.9	28.3	30.0	32.1
EFTA					5.9	4.7	5.5	5.4	6.4	7.4	9.5	13.4	17.8	21.8	26.3	31.0	34.9	44.7
WEST. EUROPE	13.8	14.6	17.0	19.8	22.6	22.0	22.3	22.3	24.8	28.4	32.1	36.0	40.3	43.7	48.3	49.3	50.8	53.3



Source: AAA (Association Auxiliaire de l'Automobile)

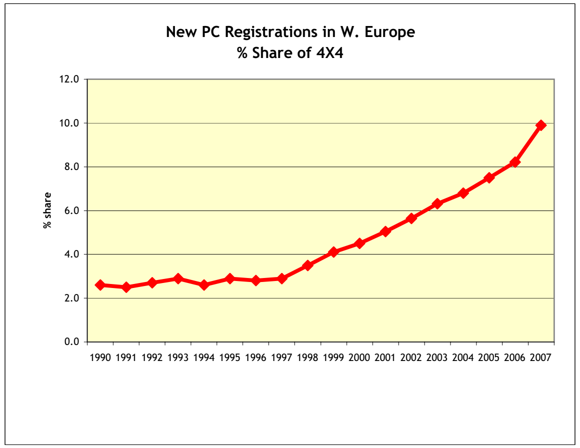
VOLUMES (Total New Registrations)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
AUSTRIA	288,618	303,723	320,094	285,157	273,663	279,610	307,645	275,001	295,865	314,182	309,427	293,528	279,493	300,121	311,292	307,915	308,516	298,028
BELGIUM	473,506	462,125	466,195	375,409	387,348	358,868	397,359	396,240	452,129	489,621	515,204	488,683	467,569	458,796	484,757	479,433	525,544	525,194
DENMARK	80,654	83,685	83,679	82,013	139,680	135,773	142,430	152,084	159,773	143,706	112,686	96,173	111,585	96,083	121,490	146,672	152,844	157,374
FINLAND	139,095	92,483	68,547	55,836	67,201	80,033	95,830	104,507	125,751	136,324	134,646	109,487	116,877	147,222	142,439	147,949	145,686	125,695
FRANCE	2,309,130	2,031,274	2,105,700	1,721,222	1,972,919	1,930,504	2,132,091	1,713,030	1,943,553	2,148,423	2,133,884	2,254,732	2,145,071	2,009,246	2,013,709	2,067,789	2,000,549	2,064,543
GERMANY	3,349,788	4,158,674	3,929,558	3,194,204	3,209,224	3,314,003	3,496,320	3,528,179	3,735,987	3,802,176	3,378,343	3,341,718	3,252,898	3,236,938	3,266,825	3,320,147	3,467,961	3,148,163
GREECE	115,480	167,737	197,338	147,789	109,544	124,686	139,821	159,867	180,145	261,711	290,222	280,214	268,489	257,293	289,691	269,728	267,660	279,745
IRELAND	82,584	67,491	68,159	64,161	80,402	86,927	115,199	136,663	145,725	174,242	230,989	164,730	156,125	145,223	154,136	171,732	178,844	186,540
ITALY	2,347,443	2,340,716	2,374,776	1,890,073	1,654,660	1,704,910	1,736,047	2,408,761	2,373,904	2,340,140	2,415,600	2,413,455	2,279,612	2,246,135	2,264,688	2,234,174	2,321,087	2,490,570
LUXEMBOURG	38,422	43,065	37,248	29,674	29,082	28,029	29,980	31,418	35,928	40,476	41,896	42,833	43,403	43,620	48,234	48,517	50,487	52,197
NETHERLANDS	502,732	490,350	492,059	391,869	433,983	446,388	471,990	478,318	543,074	611,536	597,640	530,231	510,702	488,843	483,745	465,184	483,890	505,674
PORTUGAL	210,924	228,554	276,972	242,671	233,312	201,437	218,009	213,633	248,398	272,871	257,834	255,215	226,092	189,792	197,645	203,443	194,683	201,872
SPAIN	988,170	886,983	982,104	743,901	909,682	825,533	911,117	1,014,077	1,192,843	1,406,911	1,381,515	1,425,573	1,331,877	1,383,098	1,517,286	1,528,849	1,499,032	1,614,835
SWEDEN	229,941	188,308	154,173	124,434	156,375	169,756	183,820	225,263	253,430	295,249	290,529	246,581	254,589	261,206	264,246	274,301	282,766	306,799
UNITED KINGDOM	2,008,934	1,592,326	1,593,601	1,778,426	1,910,933	1,945,366	2,025,450	2,170,725	2,247,403	2,197,615	2,221,670	2,458,769	2,563,631	2,579,050	2,567,269	2,439,717	2,344,864	2,404,009
EUROPEAN UNION (15	13,165,421	13,137,494	13,150,203	11,126,839	11,568,008	11,631,823	12,403,108	13,007,766	13,933,908	14,635,183	14,312,085	14,401,922	14,008,013	13,842,666	14,127,452	14,105,550	14,224,413	14,361,238
ICELAND									13,593	15,377	13,569	7,245	6,943	9,885	11,968	18,062	17,369	15,942
NORWAY	61,901	54,254	59,364	60,822	85,067	90,500	124,994	127,737	117,977	101,278	97,376	91,916	88,721	89,921	115,645	109,907	109,164	129,195
SWITZERLAND	329,899	313,368	289,136	259,443	268,037	272,030	272,895	272,815	296,945	316,876	316,519	316,641	295,065	270,309	269,385	264,413	269,900	285,768
EFTA	391,800	367,622	348,500	320,265	353,104	362,530	397,889	400,552	428,515	433,531	427,464	415,802	390,729	370,115	396,998	392,382	396,433	430,905
WEST. EUROPE	13,557,221	13,505,116	13,498,703	11,447,104	11,921,112	11,994,353	12,800,997	13,408,318	14,362,423	15,068,714	14,739,549	14,817,724	14,398,742	14,212,781	14,524,450	14,497,932	14,620,846	14,792,143

New Passenger Car Registrations in W.Europe

Breakdown by Specifications: Share of 4x4 (%)

4x4 (%)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
AUSTRIA	7.1	6.0	6.0	5.9	4.9	5.7	6.6	6.5	5.5	6.5	6.9	6.6	7.9	8.8	10.3	12.5	13.6	15.3
BELGIUM	1.8	1.9	2.4	2.6	2.3	2.2	1.9	2.0	2.3	2.7	2.7	3.3	4.2	4.7	5.1	5.1	5.6	6.5
DENMARK	0.4	0.3	0.2	0.2	0.2	0.1	0.4	0.5	0.5	0.7	0.7	0.8	1.2	1.5	2.0	2.5	4.2	3.3
FINLAND	4.8	4.6	3.9	1.9	0.5	0.9	1.1	1.4	2.2	2.5	3.1	3.0	3.8	4.8	6.1	8.6	11.1	13.3
FRANCE	1.1	1.1	1.1	1.2	1.3	1.5	1.5	1.8	2.1	2.9	3.5	4.1	4.5	5.1	5.6	6.3	6.5	7.2
GERMANY	3.2	2.7	3.2	3.6	3.0	3.5	3.1	3.1	3.6	4.4	5.0	5.5	6.2	7.1	7.7	8.0	9.1	10.5
GREECE									4.6	5.9	5.6	5.2	7.3	10.6	10.2	10.3	10.6	11.0
IRELAND	0.1	0.1	0.2	0.9	1.1	1.2	0.8	1.1	1.8	2.0	2.5	3.4	4.0	4.5	5.5	6.4	6.8	7.3
ITALY	3.1	3.2	3.0	2.9	2.6	2.7	3.0	2.8	3.6	4.7	4.8	5.2	6.3	6.3	6.3	7.8	9.6	10.4
LUXEMBOURG	3.2	0.7	3.9	4.0	4.4	4.6	4.5	5.2	5.8	6.8	6.3	6.7	8.2	10.1	10.9	10.1	12.1	12.4
NETHERLANDS	0.7	0.4	0.5	0.6	0.6	0.8	0.8	1.1	1.6	2.4	2.5	3.2	3.5	4.1	4.6	5.4	5.7	6.5
PORTUGAL	0.4	0.5	0.5	0.4	0.2			0.1	0.3	0.3	0.3	3.4	1.8	2.1	2.2	2.4	2.8	3.1
SPAIN	0.8	0.2	0.1	0.1	0.1	0.2	0.1	0.2	0.4	0.4	0.3	0.5	0.3	0.8	0.8	0.9	1.2	10.4
SWEDEN	1.9	1.6	1.6	1.5	2.0	2.3	3.0	3.1	4.5	5.1	6.9	7.3	8.8	10.7	12.1	12.7	13.5	15.1
UNITED KINGDOM	2.3	2.7	3.3	3.8	4.1	4.5	4.3	4.3	5.0	5.3	5.5	6.5	6.8	7.6	8.5	8.9	8.5	8.7
EUROPEAN UNION (15)					2.4	2.7	2.6	2.7	3.2	3.8	4.1	4.7	5.3	6.0	6.4	7.0	7.7	9.4
ICELAND									33.5	31.3	36.8	40.5	39.4	39.8	41.2	41.7	41.9	43.5
NORWAY	0.6	0.8	1.3	2.4	1.9	1.9	3.8	6.0	8.5	8.8	11.1	11.0	13.8	17.0	20.5	21.3	27.5	21.9
SWITZERLAND	14.7	14.3	14.3	13.9	12.4	12.7	11.8	12.3	13.0	16.6	17.4	19.0	18.9	19.6	20.4	22.1	24.7	25.2
EFTA					9.9	10.0	9.3	10.3	12.4	15.3	16.6	17.6	18.1	19.5	20.4	22.8	26.2	24.9
WEST. EUROPE	2.6	2.5	2.7	2.9	2.6	2.9	2.8	2.9	3.5	4.1	4.5	5.0	5.6	6.3	6.8	7.5	8.2	9.9

Source: AAA (Association Auxiliaire de l'Automobile)



VOLUMES (Total New Registrations)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
AUSTRIA	288,618	303,723	320,094	285,157	273,663	279,610	307,645	275,001	295,865	314,182	309,427	293,528	279,493	300,121	311,292	307,915	308,516	298,028
BELGIUM	473,506	462,125	466,195	375,409	387,348	358,868	397,359	396,240	452,129	489,621	515,204	488,683	467,569	458,796	484,757	479,433	525,544	525,194
DENMARK	80,654	83,685	83,679	82,013	139,680	135,773	142,430	152,084	159,773	143,706	112,686	96,173	111,585	96,083	121,490	146,672	152,844	157,374
FINLAND	139,095	92,483	68,547	55,836	67,201	80,033	95,830	104,507	125,751	136,324	134,646	109,487	116,877	147,222	142,439	147,949	145,686	125,695
FRANCE	2,309,130	2,031,274	2,105,700	1,721,222	1,972,919	1,930,504	2,132,091	1,713,030	1,943,553	2,148,423	2,133,884	2,254,732	2,145,071	2,009,246	2,013,709	2,067,789	2,000,549	2,064,543
GERMANY	3,349,788	4,158,674	3,929,558	3,194,204	3,209,224	3,314,003	3,496,320	3,528,179	3,735,987	3,802,176	3,378,343	3,341,718	3,252,898	3,236,938	3,266,825	3,320,147	3,467,961	3,148,163
GREECE	115,480	167,737	197,338	147,789	109,544	124,686	139,821	159,867	180,145	261,711	290,222	280,214	268,489	257,293	289,691	269,728	267,660	279,745
IRELAND	82,584	67,491	68,159	64,161	80,402	86,927	115,199	136,663	145,725	174,242	230,989	164,730	156,125	145,223	154,136	171,732	178,844	186,540
ITALY	2,347,443	2,340,716	2,374,776	1,890,073	1,654,660	1,704,910	1,736,047	2,408,761	2,373,904	2,340,140	2,415,600	2,413,455	2,279,612	2,246,135	2,264,688	2,234,174	2,321,087	2,490,570
LUXEMBOURG	38,422	43,065	37,248	29,674	29,082	28,029	29,980	31,418	35,928	40,476	41,896	42,833	43,403	43,620	48,234	48,517	50,487	52,197
NETHERLANDS	502,732	490,350	492,059	391,869	433,983	446,388	471,990	478,318	543,074	611,536	597,640	530,231	510,702	488,843	483,745	465,184	483,890	505,674
PORTUGAL	210,924	228,554	276,972	242,671	233,312	201,437	218,009	213,633	248,398	272,871	257,834	255,215	226,092	189,792	197,645	203,443	194,683	201,872
SPAIN	988,170	886,983	982,104	743,901	909,682	825,533	911,117	1,014,077	1,192,843	1,406,911	1,381,515	1,425,573	1,331,877	1,383,098	1,517,286	1,528,849	1,499,032	1,614,835
SWEDEN	229,941	188,308	154,173	124,434	156,375	169,756	183,820	225,263	253,430	295,249	290,529	246,581	254,589	261,206	264,246	274,301	282,766	306,799
UNITED KINGDOM	2,008,934	1,592,326	1,593,601	1,778,426	1,910,933	1,945,366	2,025,450	2,170,725	2,247,403	2,197,615	2,221,670	2,458,769	2,563,631	2,579,050	2,567,269	2,439,717	2,344,864	2,404,009
EUROPEAN UNION (15)	13,165,421	13,137,494	13,150,203	11,126,839	11,568,008	11,631,823	12,403,108	13,007,766	13,933,908	14,635,183	14,312,085	14,401,922	14,008,013	13,842,666	14,127,452	14,105,550	14,224,413	14,361,238
ICELAND									13,593	15,377	13,569	7,245	6,943	9,885	11,968	18,062	17,369	15,942
NORWAY	61,901	54,254	59,364	60,822	85,067	90,500	124,994	127,737	117,977	101,278	97,376	91,916	88,721	89,921	115,645	109,907	109,164	129,195
SWITZERLAND	329,899	313,368	289,136	259,443	268,037	272,030	272,895	272,815	296,945	316,876	316,519	316,641	295,065	270,309	269,385	264,413	269,900	285,768
EFTA	391,800	367,622	348,500	320,265	353,104	362,530	397,889	400,552	428,515	433,531	427,464	415,802	390,729	370,115	396,998	392,382	396,433	430,905
WEST. EUROPE	13,557,221	13,505,116	13,498,703	11,447,104	11,921,112	11,994,353	12,800,997	13,408,318	14,362,423	15,068,714	14,739,549	14,817,724	14,398,742	14,212,781	14,524,450	14,497,932	14,620,846	14,792,143

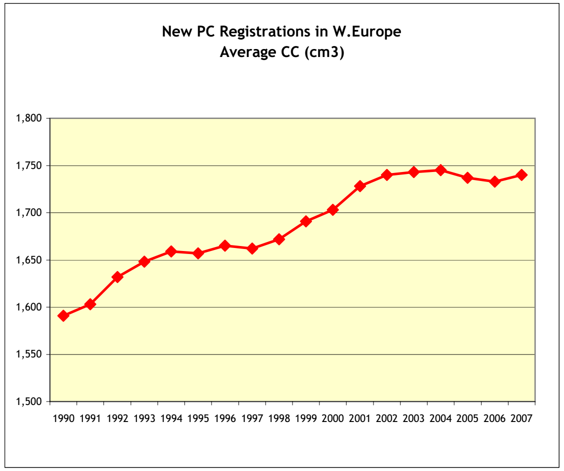
AAA

ACEA

New Passenger Car Registrations in W. Europe

Breakdown by Specifications: Average Cubic Capacity (cm3)

Average CC (cm3)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
AUSTRIA	1,718	1,732	1,726	1,728	1,752	1,747	1,771	1,797	1,799	1,826	1,841	1,846	1,850	1,849	1,810	1,776	1,769	1,765
BELGIUM	1,624	1,631	1,676	1,714	1,741	1,745	1,734	1,739	1,743	1,742	1,749	1,783	1,770	1,761	1,735	1,721	1,711	1,723
DENMARK	1,606	1,632	1,638	1,639	1,602	1,613	1,626	1,643	1,644	1,648	1,675	1,716	1,703	1,702	1,684	1,654	1,654	1,651
FINLAND												1,784	1,767	1,769	1,804	1,816	1,836	1,851
FRANCE	1,567	1,588	1,599	1,654	1,646	1,635	1,601	1,653	1,648	1,678	1,704	1,748	1,757	1,754	1,724	1,695	1,666	1,680
GERMANY	1,758	1,729	1,776	1,772	1,771	1,742	1,755	1,760	1,759	1,775	1,816	1,825	1,844	1,852	1,863	1,844	1,851	1,863
GREECE														1,496	1,544	1,541	1,537	1,548
IRELAND	1,432	1,435	1,452	1,493	1,507	1,504	1,466	1,458	1,506	1,455	1,447	1,526	1,563	1,569	1,592	1,604	1,624	1,637
ITALY	1,337	1,353	1,392	1,398	1,428	1,447	1,493	1,431	1,461	1,513	1,528	1,557	1,585	1,581	1,587	1,579	1,577	1,558
LUXEMBOURG	1,706	1,543	1,804	1,835	1,849	1,858	1,870	1,883	1,896	1,902	1,912	1,940	1,951	1,970	1,961	1,963	1,964	1,970
NETHERLANDS	1,591	1,600	1,640	1,619	1,629	1,641	1,643	1,661	1,656	1,650	1,662	1,701	1,687	1,714	1,711	1,720	1,699	1,703
PORTUGAL	1,244	1,262	1,282	1,318	1,327	1,328	1,347	1,372	1,387	1,405	1,432	1,482	1,490	1,499	1,523	1,524	1,537	1,559
SPAIN	1,557	1,563	1,619	1,638	1,607	1,620	1,640	1,670	1,703	1,721	1,744	1,748	1,753	1,744	1,734	1,726	1,710	1,784
SWEDEN	1,950	1,979	2,012	2,031	2,048	2,044	2,003	1,959	1,922	1,927	1,912	1,967	1,972	1,984	1,988	1,990	1,972	1,964
UNITED KINGDOM	1,604	1,606	1,617	1,650	1,668	1,678	1,690	1,709	1,708	1,697	1,681	1,700	1,705	1,725	1,752	1,771	1,775	1,777
EUROPEAN UNION (15)					**1,652**	**1,650**	**1,658**	**1,656**	**1,666**	**1,685**	**1,698**	**1,723**	**1,736**	**1,738**	**1,740**	**1,732**	**1,728**	**1,734**
ICELAND																		
NORWAY									1,674	1,659	1,663	1,702	1,711	1,735	1,764	1,762	1,788	1,818
SWITZERLAND	1,919	1,935	1,950	1,943	1,950	1,954	1,948	1,952	1,949	1,957	1,951	1,971	1,974	1,996	2,001	1,992	2,000	1,981
EFTA	1,919	1,935	1,950	1,943	1,950	1,954	1,948	1,952	1,870	1,884	1,883	1,910	1,913	1,930	1,929	1,923	1939	1,930
WEST. EUROPE	**1,591**	**1,603**	**1,632**	**1,648**	**1,659**	**1,657**	**1,665**	**1,662**	**1,672**	**1,691**	**1,703**	**1,728**	**1,740**	**1,743**	**1,745**	**1,737**	**1,733**	**1,740**



Source: AAA (Association Auxiliaire de l'Automobile)

VOLUMES (Total New PC Registrations)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
AUSTRIA	288,618	303,723	320,094	285,157	273,663	279,610	307,645	275,001	295,865	314,182	309,427	293,528	279,493	300,121	311,292	307,915	308,516	298,028
BELGIUM	473,506	462,125	466,195	375,409	387,348	358,868	397,359	396,240	452,129	489,621	515,204	488,683	467,569	458,796	484,757	479,433	525,544	525,194
DENMARK	80,654	83,685	83,679	82,013	139,680	135,773	142,430	152,084	159,773	143,706	112,686	96,173	111,585	96,083	121,490	146,672	152,844	157,374
FINLAND	139,095	92,483	68,547	55,836	67,201	80,033	95,830	104,507	125,751	136,324	134,646	109,487	116,877	147,222	142,439	147,949	145,686	125,695
FRANCE	2,309,130	2,031,274	2,105,700	1,721,222	1,972,919	1,930,504	2,132,091	1,713,030	1,943,553	2,148,423	2,133,884	2,254,732	2,145,071	2,009,246	2,013,709	2,067,789	2,000,549	2,064,543
GERMANY	3,349,788	4,158,674	3,929,558	3,194,204	3,209,224	3,314,003	3,496,320	3,528,179	3,735,987	3,802,176	3,378,343	3,341,718	3,252,898	3,236,938	3,266,825	3,320,147	3,467,961	3,148,163
GREECE	115,480	167,737	197,338	147,789	109,544	124,686	139,821	159,867	180,145	261,711	290,222	280,214	268,489	257,293	289,691	269,728	267,660	279,745
IRELAND	82,584	67,491	68,159	64,161	80,402	86,927	115,199	136,663	145,725	174,242	230,989	164,730	156,125	145,223	154,136	171,732	178,844	186,540
ITALY	2,347,443	2,340,716	2,374,776	1,890,073	1,654,660	1,704,910	1,736,047	2,408,761	2,373,904	2,340,140	2,415,600	2,413,455	2,279,612	2,246,135	2,264,688	2,234,174	2,321,087	2,490,570
LUXEMBOURG	38,422	43,065	37,248	29,674	29,082	28,029	29,980	31,418	35,928	40,476	41,896	42,833	43,403	43,620	48,234	48,517	50,487	52,197
NETHERLANDS	502,732	490,350	492,059	391,869	433,983	446,388	471,990	478,318	543,074	611,536	597,640	530,231	510,702	488,843	483,745	465,184	483,890	505,674
PORTUGAL	210,924	228,554	276,972	242,671	233,312	201,437	218,009	213,633	248,398	272,871	257,834	255,215	226,092	189,792	197,645	203,443	194,683	201,872
SPAIN	988,170	886,983	982,104	743,901	909,682	825,533	911,117	1,014,077	1,192,843	1,406,911	1,381,515	1,425,573	1,331,877	1,383,098	1,517,286	1,528,849	1,499,032	1,614,835
SWEDEN	229,941	188,308	154,173	124,434	156,375	169,756	183,820	225,263	253,430	295,249	290,529	246,581	254,589	261,206	264,246	274,301	282,766	306,799
UNITED KINGDOM	2,008,934	1,592,326	1,593,601	1,778,426	1,910,933	1,945,366	2,025,450	2,170,725	2,247,403	2,197,615	2,221,670	2,458,769	2,563,631	2,579,050	2,567,269	2,439,717	2,344,864	2,404,009
EUROPEAN UNION (15)	13,165,421	13,137,494	13,150,203	11,126,839	11,568,008	11,631,823	12,403,108	13,007,766	13,933,908	14,635,183	14,312,085	14,401,922	14,008,013	13,842,666	14,127,452	14,105,550	14,224,413	14,361,238
ICELAND									13,593	15,377	13,569	7,245	6,943	9,885	11,968	18,062	17,369	15,942
NORWAY	61,901	54,254	59,364	60,822	85,067	90,500	124,994	127,737	117,977	101,278	97,376	91,916	88,721	89,921	115,645	109,907	109,164	129,195
SWITZERLAND	329,899	313,368	289,136	259,443	268,037	272,030	272,895	272,815	296,945	316,876	316,519	316,641	295,065	270,309	269,385	264,413	269,900	285,768
EFTA	391,800	367,622	348,500	320,265	353,104	362,530	397,889	400,552	428,515	433,531	427,464	415,802	390,729	370,115	396,998	392,382	396,433	430,905
WEST. EUROPE	13,557,221	13,505,116	13,498,703	11,447,104	11,921,112	11,994,353	12,800,997	13,408,318	14,362,423	15,068,714	14,739,549	14,817,724	14,398,742	14,212,781	14,524,450	14,497,932	14,620,846	14,792,143

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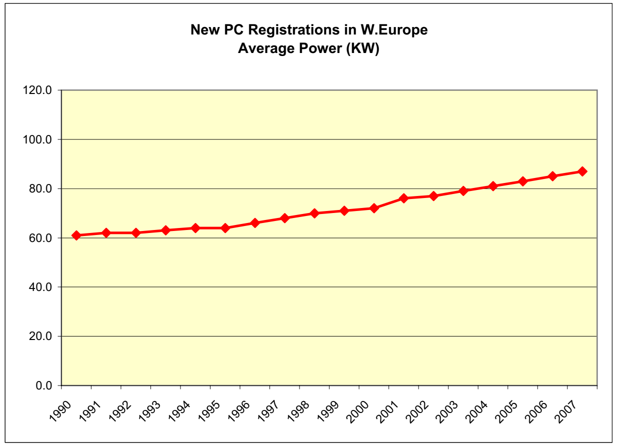
New Passenger Car Registrations in W.Europe
Breakdown by Specifications: Average Power (KW)

Average Power (KW)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
AUSTRIA	62.0	65	65	64	64	64	65	67	70	71	73	75	77	77	79	80	83	85
BELGIUM	57.0	59	60	62	63	62	64	65	66	67	68	73	74	74	76	77	78	81
DENMARK	65.0	68	67	68	66	67	69	71	72	73	74	78	78	78	78	78	80	82
FINLAND												82	83	85	88	90	92	95
FRANCE	55.0	55	55	57	56	56	57	61	63	65	67	71	73	74	75	76	77	80
GERMANY	68.0	66	68	68	69	69	71	74	76	78	81	84	85	87	89	90	93	96
GREECE																		
IRELAND	53.0	53	55	58	59	58	58	58	63	63	63	68	71	72	74	76	78	81
ITALY	52.0	54	54	54	57	59	61	58	60	62	63	65	68	68	70	72	74	74
LUXEMBOURG	65.0	58	69	72	73	75	76	79	81	82	84	87	89	92	93	96	99	103
NETHERLANDS	59.0	60	62	63	64	65	66	68	69	69	71	76	77	79	80	82	83	85
PORTUGAL	47.0	48	49	50	50	51	53	56	58	59	61	64	66	66	69	72	74	77
SPAIN	60.0	63	65	63	59	58	60	61	63	65	67	72	72	75	77	80	81	87
SWEDEN	81.0	84	87	88	90	92	91	91	91	93	95	101	101	103	104	103	104	105
UNITED KINGDOM	64.0	65	65	65	66	68	70	73	75	76	76	78	79	81	84	87	89	91
EUROPEAN UNION (15)					63	64	66	67	69	71	72	75	77	78	80	82	84	86
ICELAND																		
NORWAY									77	77	79	82	83	84	86	86	88	88
SWITZERLAND	81.0	84	85	85	86	87	88	90	92	95	96	99	100	102	102	104	107	109
EFTA	81.0	84	85	85	86	87	88	90	88	90	92	95	96	97	97	99	102	102
WEST. EUROPE	61.0	62	62	63	64	64	66	68	70	71	72	76	77	79	81	83	85	87



Source: AAA (Association Auxiliaire de l'Automobile)

VOLUMES (Total New PC Registrations)	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
AUSTRIA	288,618	303,723	320,094	285,157	273,663	279,610	307,645	275,001	295,865	314,182	309,427	293,528	279,493	300,121	311,292	307,915	308,516	298,028
BELGIUM	473,506	462,125	466,195	375,409	387,348	358,868	397,359	396,240	452,129	489,621	515,204	488,683	467,569	458,796	484,757	479,433	525,544	525,194
DENMARK	80,654	83,685	83,679	82,013	139,680	135,773	142,430	152,084	159,773	143,706	112,686	96,173	111,585	96,083	121,490	146,672	152,844	157,374
FINLAND	139,095	92,483	68,547	55,836	67,201	80,033	95,830	104,507	125,751	136,324	134,646	109,487	116,877	147,222	142,439	147,949	145,686	125,695
FRANCE	2,309,130	2,031,274	2,105,700	1,721,222	1,972,919	1,930,504	2,132,091	1,713,030	1,943,553	2,148,423	2,133,884	2,254,732	2,145,071	2,009,246	2,013,709	2,067,789	2,000,549	2,064,543
GERMANY	3,349,788	4,158,674	3,929,558	3,194,204	3,209,224	3,314,003	3,496,320	3,528,179	3,735,987	3,802,176	3,378,343	3,341,718	3,252,898	3,236,938	3,266,825	3,320,147	3,467,961	3,148,163
GREECE	115,480	167,737	197,338	147,789	109,544	124,686	139,821	159,867	180,145	261,711	290,222	280,214	268,489	257,293	289,691	269,728	267,660	279,745
IRELAND	82,584	67,491	68,159	64,161	80,402	86,927	115,199	136,663	145,725	174,242	230,989	164,730	156,125	145,223	154,136	171,732	178,844	186,540
ITALY	2,347,443	2,340,716	2,374,776	1,890,073	1,654,660	1,704,910	1,736,047	2,408,761	2,373,904	2,340,140	2,415,600	2,413,455	2,279,612	2,246,135	2,264,688	2,234,174	2,321,087	2,490,570
LUXEMBOURG	38,422	43,065	37,248	29,674	29,082	28,029	29,980	31,418	35,928	40,476	41,896	42,833	43,403	43,620	48,234	48,517	50,487	52,197
NETHERLANDS	502,732	490,350	492,059	391,869	433,983	446,388	471,990	478,318	543,074	611,536	597,640	530,231	510,702	488,843	483,745	465,184	483,890	505,674
PORTUGAL	210,924	228,554	276,972	242,671	233,312	201,437	218,009	213,633	248,398	272,871	257,834	255,215	226,092	189,792	197,645	203,443	194,683	201,872
SPAIN	988,170	886,983	982,104	743,901	909,682	825,533	911,117	1,014,077	1,192,843	1,406,911	1,381,515	1,425,573	1,331,877	1,383,098	1,517,286	1,528,849	1,499,032	1,614,835
SWEDEN	229,941	188,308	154,173	124,434	156,375	169,756	183,820	225,263	253,430	295,249	290,529	246,581	254,589	261,206	264,246	274,301	282,766	306,799
UNITED KINGDOM	2,008,934	1,592,326	1,593,601	1,778,426	1,910,933	1,945,366	2,025,450	2,170,725	2,247,403	2,197,615	2,221,670	2,458,769	2,563,631	2,579,050	2,567,269	2,439,717	2,344,864	2,404,009
EUROPEAN UNION (15)	13,165,421	13,137,494	13,150,203	11,126,839	11,568,008	11,631,823	12,403,108	13,007,766	13,933,908	14,635,183	14,312,085	14,401,922	14,008,013	13,842,666	14,127,452	14,105,550	14,224,413	14,361,238
ICELAND									13,593	15,377	13,569	7,245	6,943	9,885	11,968	18,062	17,369	15,942
NORWAY	61,901	54,254	59,364	60,822	85,067	90,500	124,994	127,737	117,977	101,278	97,376	91,916	88,721	89,921	115,645	109,907	109,164	129,195
SWITZERLAND	329,899	313,368	289,136	259,443	268,037	272,030	272,895	272,815	296,945	316,876	316,519	316,641	295,065	270,309	269,385	264,413	269,900	285,768
EFTA	391,800	367,622	348,500	320,265	353,104	362,530	397,889	400,552	428,515	433,531	427,464	415,802	390,729	370,115	396,998	392,382	396,433	430,905
WEST. EUROPE	13,557,221	13,505,116	13,498,703	11,447,104	11,921,112	11,994,353	12,800,997	13,408,318	14,362,423	15,068,714	14,739,549	14,817,724	14,398,742	14,212,781	14,524,450	14,497,932	14,620,846	14,792,143

New Passenger Car Registrations - Breakdown by Segments and Bodies

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Years	Passenger cars in W.Europe: breakdown by segments							Passenger cars in W.Europe: breakdown by bodies							
	Total Market	Small	Lower-Medium	Upper-Medium	Executive	Others	Unknown	Total Market	Saloons	Estates	Coupes	Convertibles	Mono-spaces (1)	Others	Unknown
2007	14,792,143	37.1	32.4	16.3	14.0	0.1	0.1	14,792,143	56.6	11.8	1.5	2.8	17.4	9.8	0.2
2006	14,620,864	35.2	32.9	12.4	10.9	8.5	0.1	14,620,864	57.3	13.0	1.2	2.7	18.3	7.4	0.2
2005	14,497,932	32.9	34.9	13.1	10.9	7.9	0.1	14,497,932	57.3	13.0	1.1	2.8	18.9	6.6	0.2
2004	14,524,450	33.9	34.9	13.1	10.9	7.9	0.1	14,524,450	57.3	13.1	1.1	2.8	18.9	6.6	0.2
2003	14,212,781	34.2	32.4	13.7	12.9	6.6	0.1	14,212,781	62.2	13.2	1.4	2.5	14.5	5.4	0.7
2002	13,999,372	32.7	33.9	14.8	12.7	5.7	0.1	13,999,372	65.9	12.5	1.7	2.0	12.7	5.2	0.1
2001	14,418,763	32.8	33.8	15.9	12.6	4.9	0.1	14,418,763	66.2	12.1	1.9	1.9	2.3	15.6	0.1
2000	14,312,085	32.7	34.2	15.7	12.7	4.6	0.1	14,312,085	67.5	12.6	2.2	1.5	2.3	13.8	0.1
1999	14,635,183	31.3	33.9	17.8	12.5	4.5	0.1	14,635,183	71.5	14.4	2.2	1.4	5.8	4.6	0.1
1998	13,933,908	31.1	33.2	18.9	12.9	3.8	0.1	13,933,908	73.4	14.4	2.0	1.5	4.6	3.9	0.1
1997	13,007,766	32.6	31.6	19.3	13.2	3.2	0.1	13,007,766	75.8	13.0	1.9	1.7	4.0	3.5	0.1
1996	12,403,108	32.3	32.3	18.8	13.6	2.9	0.2	12,403,108	79.3	11.1	2.1	1.4	2.5	3.5	0.2
1995	11,631,823	32.9	31.4	18.7	14.0	2.9	0.1	11,631,823	80.6	10.6	2.2	1.3	1.7	3.5	0.1
1994	11,568,008	31.9	31.6	20.0	13.1	2.7	0.7								
1993*	11,126,839	31.1	28.0	32.5	12.7	3.0	0.7								
1992*	13,150,203	31.6	30.7	21.7	12.5	2.7	0.8								
1991*	13,137,494	32.2	27.9	22.9	13.2	2.6	1.2								
1990*	13,165,421	30.4	27.7	22.9	13.0	2.4	2.7								

Source: Association Auxiliaire de l'Automobile (AAA)

NOTE: W.Europe includes: EU-15 countries + EFTA countries (Iceland, Norway, Switzerland).
*Market shares (%) from 1990 to 1993 do not include shares from Finland, Norway and Sweden, but do include shares from Switzwerland
(1) In 2002 there was a change in the definition of the monospace segment. This category now includes 'classic' monospaces, 'compact' monospaces and minispaces.

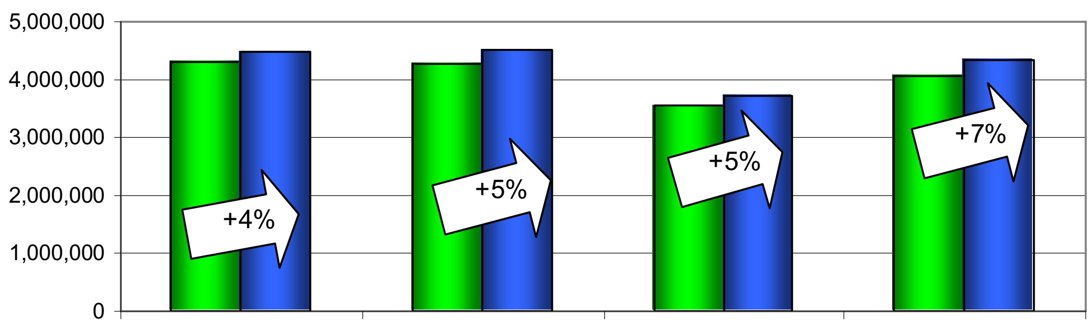
Production of new motor vehicles in the EU27 (January-December 2007)

Nearly 19.7 million motor vehicles were produced in Europe in 2007, 5.3% more than in the previous year. Passenger cars accounted for 87% of the whole production, also increasing by 5% compared with the same period in 2006. A particularly solid growth was noted in the truck sector (+15%) thanks to a booming demand on the European markets. The production of light commercial vehicles also went up (+2%) whereas the production of buses declined by 24%.

New EU member states, including Bulgaria and Romania, accounted for 15% of EU motor vehicles production by the end of the 2007. Automotive production in these countries increased by 25.2% in 2007. Almost 17% of all EU passenger cars have been produced in the EU12.

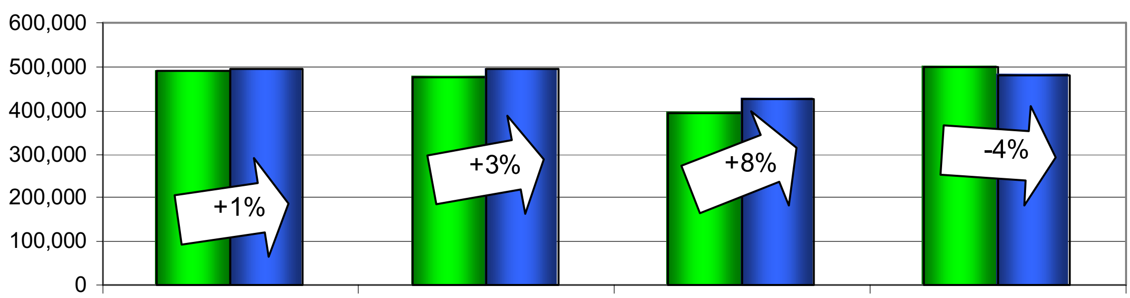
In 2006, some 18,7 million vehicles were produced in Europe, 13% of which originated from the new EU member states. All vehicle categories positively contributed to this result: production of heavy trucks and buses and coaches showed a growth of 5% and 4% respectively while production of passenger cars went up by 1% and production of light commercial vehicles by 4%.

Passenger Car Production in Europe 2007/2006

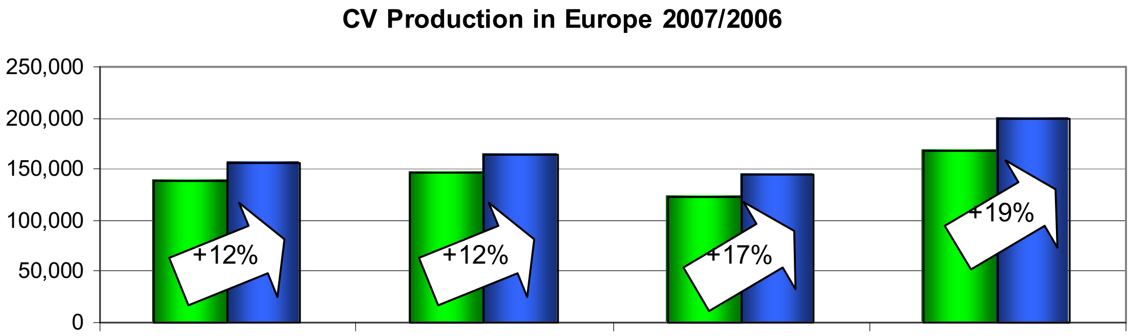


2006	4,303,012	4,285,336	3,554,120	4,055,549
2007	4,491,739	4,519,682	3,724,047	4,346,569

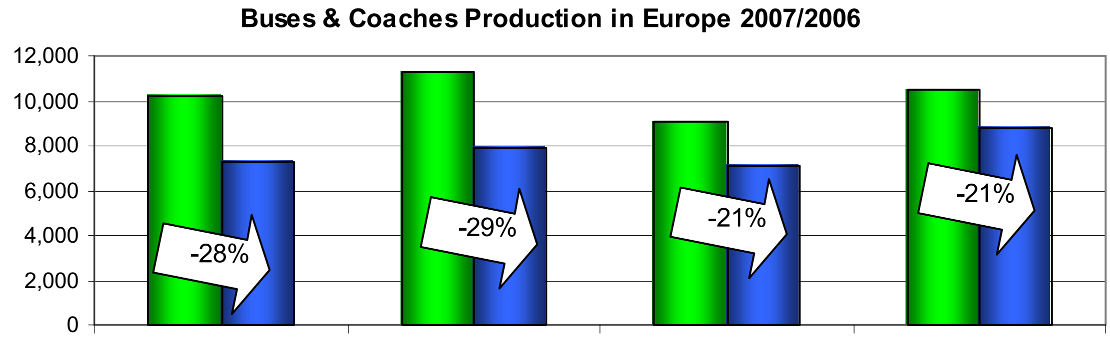
LCV Production in Europe 2007/2006



2006	490,986	476,446	392,195	500,287
2007	496,138	492,969	424,282	481,878



2006	138,698	146,036	123,806	168,503
2007	155,576	163,316	145,449	200,040



2006	10,188	11,253	9,069	10,498
2007	7,319	7,953	7,127	8,842

MOTOR VEHICLE PRODUCTION IN EUROPE - 2006

	Q1	Q2	Q3	Q4	FY 2006	Q1	Q2	Q3	Q4	%06/05
CARS	4,303,012	4,285,336	3,554,120	4,055,549	**16,198,017**	*6%*	*-2%*	*0%*	*0%*	*1%*
LIGHT COMMERCIAL VEHICLES	490,986	476,446	392,195	500,287	**1,859,914**	*11%*	*-5%*	*0%*	*8%*	*4%*
HEAVY TRUCKS	138,698	146,036	123,806	168,503	**577,043**	*2%*	*1%*	*8%*	*7%*	*5%*
BUSES	10,188	11,253	9,069	10,498	**41,008**	*11%*	*23%*	*1%*	*-14%*	*4%*
TOTAL	4,942,884	4,919,071	4,079,190	4,734,837	**18,675,982**	*6%*	*-2%*	*1%*	*1%*	*2%*

MOTOR VEHICLE PRODUCTION IN EUROPE - 2007

	Q1	Q2	Q3	Q4	FY 2007	Q1	Q2	Q3	Q4	%07/06
CARS	4,491,739	4,519,682	3,724,047	4,346,569	**17,082,037**	*4%*	*5%*	*5%*	*7%*	*5%*
LIGHT COMMERCIAL VEHICLES	496,138	492,969	424,282	481,878	**1,895,267**	*1%*	*3%*	*8%*	*-4%*	*2%*
HEAVY TRUCKS	155,576	163,316	145,449	200,040	**664,381**	*12%*	*12%*	*17%*	*19%*	*15%*
BUSES	7,319	7,953	7,127	8,842	**31,241**	*-28%*	*-29%*	*-21%*	*-16%*	*-24%*
TOTAL	5,150,772	5,183,920	4,300,905	5,037,329	**19,672,926**	*4%*	*5%*	*5%*	*6%*	*5%*

TABLE 1 MOTOR VEHICLE PRODUCTION IN EUROPE BY COUNTRY

IN UNITS **ACEA correspondents survey**

MOTOR VEHICLES	2005					2006					2007					
	Q1	Q2	Q3	Q4	FY 2005	Q1	Q2	Q3	Q4	FY 2006	Q1	Q2	Q3	Q4	FY 2007	% change 07/06
EU27	**4,643,155**	**5,013,926**	**4,053,603**	**4,674,599**	**18,385,283**	**4,942,884**	**4,919,071**	**4,079,190**	**4,734,837**	**18,675,982**	**5,150,772**	**5,183,920**	**4,300,905**	**5,037,329**	**19,672,926**	**5.3%**
- EUROPEAN UNION 15 countries	**4,200,489**	**4,538,138**	**3,649,955**	**4,080,307**	**16,468,889**	**4,360,249**	**4,306,479**	**3,554,984**	**4,062,605**	**16,284,317**	**4,405,148**	**4,392,550**	**3,666,082**	**4,214,127**	**16,677,907**	**2.4%**
Double Countings Germany / Austria	*4,962*	*4,678*	*6,007*	*6,613*	*22,260*	*4,481*	*4,928*	*6,144*	*5,948*	*21,501*						
Double Countings Austria/Japan	*0*	*857*	*5,382*	*6,343*	*12,582*											
Double Countings Germany / Belgium	*72,139*	*72,494*	*52,121*	*56,388*	*253,142*	*61,971*	*57,779*	*53,461*	*51,067*	*224,278*	*71,773*	*43,227*	*51,000*	*49,000*	*215,000*	*-4.1%*
Double Countings Portugal/Japan	*2,051*	*3,225*	*3,557*	*3,652*	*12,485*	*4,930*	*3,995*	*2,849*	*3,538*	*15,312*	*4,564*	*5,096*	*4,521*	*3,141*	*17,322*	*13.1%*
Double Countings Spain/ Portugal	*18,766*	*18,761*	*16,825*	*19,423*	*73,775*	*9,534*	*7,181*	*4,482*	*6,609*	*27,806*						
AUSTRIA	53,089	66,822	61,523	71,845	253,279	70,276	69,162	62,753	72,716	274,907	68,718	62,019	48,145	49,184	228,066	-17.0%
BELGIUM	263,678	249,380	197,417	216,053	926,528	248,506	240,128	202,902	226,520	918,056	238,072	210,972	185,916	209,070	844,030	-8.1%
FINLAND	4,746	5,231	4,237	7,430	21,644	9,570	8,347	6,519	8,310	32,746	7,655	5,696	4,761	6,191	24,303	-25.8%
FRANCE	916,037	1,045,895	743,748	843,328	3,549,008	867,562	899,002	662,058	740,597	3,169,219	815,856	829,675	607,004	766,609	3,019,144	-4.7%
GERMANY(1)	1,417,421	1,524,993	1,359,986	1,455,310	5,757,710	1,530,612	1,468,269	1,374,822	1,445,911	5,819,614	1,646,432	1,574,276	1,441,660	1,533,293	6,195,661	6.5%
ITALY	263,479	259,630	215,291	299,952	1,038,352	331,893	314,377	258,957	306,367	1,211,594	323,565	354,887	290,204	315,656	1,284,312	6.0%
NETHERLANDS	47,736	44,964	31,703	56,345	180,748	36,942	41,159	27,062	54,291	159,454	28,136	27,884	27,633	54,915	138,568	-13.1%
PORTUGAL	57,102	59,087	50,802	54,035	221,026	54,338	59,956	49,584	63,447	227,325	47,156	48,125	39,887	41,074	176,242	-22.5%
SPAIN	697,727	820,859	578,022	655,892	2,752,500	736,421	755,841	552,487	732,686	2,777,435	772,326	801,138	619,212	697,027	2,889,703	4.0%
SWEDEN (2)	89,055	90,410	69,069	90,695	339,229	88,049	85,479	66,427	93,117	333,072	98,312	87,211	73,019	101,405	359,947	8.1%
UNITED KINGDOM	488,337	470,882	422,049	421,841	1,803,109	466,996	438,642	358,349	385,805	1,649,792	435,257	438,990	384,162	491,844	1,750,253	6.1%
EU New Members	**442,666**	**475,788**	**403,648**	**594,292**	**1,916,394**	**582,635**	**612,592**	**524,206**	**672,232**	**2,391,665**	**745,624**	**791,370**	**634,823**	**823,202**	**2,995,019**	**25.2%**
Double Countings Slovakia / Germany	*9,750*	*11,460*	*10,040*	*10,910*	*42,160*	*7,500*	*7,500*	*7,500*	*7,600*	*30,100*	*8,000*	*8,000*	*7,000*	*8,420*	*31,420*	*4.4%*
CZECH REPUBLIC	123,570	136,636	109,341	232,690	602,237	229,841	224,417	180,093	220,466	854,817	245,927	235,746	202,426	254,428	938,527	9.8%
HUNGARY	29,226	38,643	39,560	44,586	152,015	31,740	52,102	48,107	58,284	190,233	73,412	71,919	76,508	70,188	292,027	53.5%
POLAND	153,600	151,000	136,900	171,700	613,200	178,492	184,908	165,872	185,328	714,600	198,985	223,075	138,910	223,730	784,700	9.8%
ROMANIA	48,430	53,567	40,644	52,161	194,802	54,985	59,745	46,131	52,736	213,597	54,110	70,340	42,426	74,836	241,712	13.2%
SLOVAKIA	50,479	59,389	51,970	56,511	218,349	49,707	59,401	62,577	123,706	295,391	135,719	151,032	131,290	153,030	571,071	93.3%
SLOVENIA	47,111	48,013	35,273	47,554	177,951	45,370	39,519	28,926	39,312	153,127	45,471	47,258	50,263	55,410	198,402	29.6%

(1) Official figures include Belgian GM assembly.
(2) Official figures take account of Swedish manufacturers world production; in this report, we only use the vehicles produced in Sweden, and the vehicles for which Volvo Trucks does not specify the country of production

TABLE 2 MOTOR VEHICLE PRODUCTION IN EUROPE BY COUNTRY

IN UNITS **ACEA correspondents survey**

PASSENGER CARS	2005					2006					2007					
	Q1	Q2	Q3	Q4	FY 2005	Q1	Q2	Q3	Q4	FY 2006	Q1	Q2	Q3	Q4	FY 2007	% change 07/06
EU27	**4,056,149**	**4,360,164**	**3,539,595**	**4,041,079**	**15,996,987**	**4,303,012**	**4,285,336**	**3,554,120**	**4,055,549**	**16,198,017**	**4,491,739**	**4,519,682**	**3,724,047**	**4,346,569**	**17,082,037**	**5.5%**
- EUROPEAN UNION 15 countries	**3,650,763**	**3,922,070**	**3,166,490**	**3,483,137**	**14,222,460**	**3,756,500**	**3,705,834**	**3,060,444**	**3,420,341**	**13,943,119**	**3,784,150**	**3,759,598**	**3,121,682**	**3,559,884**	**14,225,314**	**2.0%**
Double Countings Germany / Austria	*4,962*	*4,678*	*6,007*	*6,613*	*22,260*	*4,481*	*4,928*	*6,144*	*5,948*	*21,501*						
Double Countings Austria/Japan		*857*	*5,382*	*6,343*												
Double Countings Germany / Belgium	*72,139*	*72,494*	*52,121*	*56,388*	*253,142*	*61,971*	*57,779*	*53,461*	*51,067*	*224,278*	*71,773*	*43,227*	*51,000*	*49,000*	*215,000*	*-4.1%*
Double Countings Portugal/Japan																
Double Countings Spain/ Portugal	*5,976*	*18,761*	*16,825*	*19,423*	*60,985*	*9,534*	*7,181*	*4,482*	*6,609*	*27,806*						
AUSTRIA	47,682	61,604	56,035	65,184	230,505	64,157	62,703	56,083	65,116	248,059	60,769	55,352	41,955	41,893	199,969	-19.4%
BELGIUM	255,014	241,392	191,305	207,398	895,109	239,599	230,351	196,763	215,216	881,929	226,866	198,994	178,300	195,030	799,190	-9.4%
FINLAND	4,657	5,109	4,160	7,307	21,233	9,469	8,248	6,440	8,236	32,393	7,611	5,625	4,680	6,084	24,000	-25.9%
FRANCE	800,452	923,738	656,386	732,385	3,112,961	750,984	779,549	569,633	623,030	2,723,196	693,451	709,413	514,136	637,000	2,554,000	-6.2%
GERMANY(1)	1,317,607	1,418,396	1,264,091	1,350,093	5,350,187	1,423,821	1,362,416	1,274,138	1,338,133	5,398,508	1,526,646	1,454,804	1,318,889	1,408,800	5,709,139	5.8%
ITALY	185,919	172,550	147,381	219,678	725,528	251,064	230,839	191,348	219,251	892,502	227,008	256,541	207,896	219,415	910,860	2.1%
NETHERLANDS	36,903	33,803	21,902	22,513	115,121	25,138	29,257	16,828	16,109	87,332	15,511	14,489	15,022	16,890	61,912	-29.1%
PORTUGAL	37,439	37,956	29,688	32,519	137,602	32,003	39,481	31,788	40,206	143,478	36,110	37,437	30,320	30,180	134,047	-6.6%
SPAIN	540,545	631,968	438,521	487,134	2,098,168	550,441	569,411	410,938	547,849	2,078,639	596,553	607,799	468,761	522,667	2,195,780	5.6%
SWEDEN (2)	74,662	76,173	60,015	77,809	288,659	76,507	73,253	57,720	81,103	288,583	87,516	75,955	64,648	88,731	316,850	9.8%
UNITED KINGDOM	432,960	416,171	377,341	369,884	1,596,356	409,303	390,214	312,852	329,716	1,442,085	377,882	386,416	328,075	442,194	1,534,567	6.4%
EU New Members	*405,386*	*438,094*	*373,105*	*557,942*	**1,774,527**	**546,512**	*579,502*	*493,676*	*635,208*	**2,254,898**	**707,589**	*760,084*	*602,365*	*786,685*	**2,856,723**	**26.7%**
Double Countings Slovakia / Germany	*9,750*	*11,460*	*10,040*	*10,910*	*42,160*	*7,500*	*7,500*	*7,500*	*7,600*	*30,100*	*8,000*	*8,000*	*7,000*	*8,420*	*31,420*	*4.4%*
CZECH REPUBLIC	122,270	135,118	108,031	231,355	596,774	228,604	222,786	178,813	218,596	848,799	244,304	233,038	197,790	250,646	925,778	9.1%
HUNGARY	28,450	37,770	38,910	43,403	148,533	31,100	51,246	47,313	57,974	187,633	72,440	71,649	76,150	67,743	287,982	53.5%
POLAND	134,200	132,000	120,300	153,600	540,100	158,100	165,400	147,000	161,800	632,300	175,500	203,500	115,900	200,100	695,000	9.9%
ROMANIA	42,958	47,616	36,315	47,649	174,538	51,381	56,590	43,662	50,030	201,663	51,351	66,740	42,556	73,456	234,103	16.1%
SLOVAKIA	50,479	59,389	51,970	56,511	218,349	49,707	59,401	62,577	123,706	295,391	135,719	151,032	131,290	153,030	571,071	93.3%
SLOVENIA	36,779	37,661	27,619	36,334	138,393	35,120	31,579	21,811	30,702	119,212	36,275	42,125	45,679	50,130	174,209	46.1%

(1) Official figures include Belgian GM assembly
(2) Official figures take account of Swedish manufacturers world production; in this report, we only use the vehicles produced in Sweden, and the vehicles for which Volvo Trucks does not specify the country of produ

Estimate

TABLE 3 MOTOR VEHICLE PRODUCTION IN EUROPE BY COUNTRY

IN UNITS **ACEA correspondents survey**

LIGHT COMMERCIAL VEHICLES	2005					2006					2007					
	Q1	Q2	Q3	Q4	FY 2005	Q1	Q2	Q3	Q4	FY 2006	Q1	Q2	Q3	Q4	FY 2007	% change 07/06
EU27	**441,644**	**500,211**	**390,393**	**464,408**	**1,796,656**	**490,986**	**476,446**	**392,195**	**500,287**	**1,859,914**	**496,138**	**492,969**	**424,282**	**481,878**	**1,895,267**	**1.9%**
- EUROPEAN UNION 15 countries	**406,725**	**465,537**	**363,206**	**432,632**	**1,668,100**	**457,961**	**447,436**	**364,916**	**467,099**	**1,737,412**	**461,432**	**464,590**	**394,479**	**450,791**	**1,771,292**	**2.0%**
Double Countings Germany / Austria																
Double Countings Austria/Japan																
Double Countings Germany / Belgium																
Double Countings Portugal/Japan	*1,698*	*2,574*	*2,266*	*2,575*	*9,113*	*3,114*	*2,517*	*1,965*	*2,395*	*9,991*	*3,097*	*3,222*	*3,071*	*2,260*	*11,650*	*16.6%*
Double Countings Spain/ Portugal	*12,790*				*12,790*											
AUSTRIA																
BELGIUM																
FINLAND																
FRANCE	101,260	107,842	77,506	95,593	382,201	101,284	102,359	79,729	103,140	386,512	105,296	101,940	78,449	107,569	393,254	1.7%
GERMANY(1)	45,537	47,685	44,984	54,831	193,037	52,829	49,765	45,808	54,029	202,431	59,697	57,085	59,094	61,388	237,264	17.2%
ITALY	66,422	75,680	58,588	69,059	269,749	69,112	70,860	57,351	74,882	272,205	83,841	84,027	70,716	82,305	320,889	17.9%
NETHERLANDS																
PORTUGAL	19,310	20,514	19,116	20,139	79,079	20,507	18,985	16,906	22,074	78,472	9,567	8,766	8,103	9,620	36,056	-54.1%
SPAIN	138,290	166,655	125,176	148,868	578,989	165,168	164,546	126,363	163,367	619,444	153,305	167,839	129,182	149,258	599,584	-3.2%
SWEDEN (2)																
UNITED KINGDOM	50,394	49,735	40,102	46,717	186,948	52,175	43,438	40,724	52,002	188,339	52,823	48,155	52,006	42,911	195,895	4.0%
EU New Members	**34,919**	**34,674**	**27,187**	**31,776**	**128,556**	**33,025**	**29,010**	**27,279**	**33,188**	**122,502**	**34,706**	**28,379**	**29,803**	**31,087**	**123,975**	**1.2%**
Double Countings Slovakia / Germany																
CZECH REPUBLIC	358	331	255	276	1,220	289	351	162	275	1,077	129	1,058	3,059	1,992	6,238	479.2%
HUNGARY																
POLAND	18,800	18,100	15,000	15,800	67,700	18,901	17,799	17,690	21,710	76,100	22,660	18,600	22,328	22,512	86,100	13.1%
ROMANIA	5,429	5,891	4,278	4,480	20,078	3,585	2,920	2,312	2,593	11,410	2,721	3,588	-168	1,303	7,444	-34.8%
SLOVAKIA																
SLOVENIA	10,332	10,352	7,654	11,220	39,558	10,250	7,940	7,115	8,610	33,915	9,196	5,133	4,584	5,280	24,193	-28.7%

(1) Official figures include Belgian GM assembly
(2) Official figures take account of Swedish manufacturers world production; in this report, we only use the vehicles produced in Sweden, and the vehicles for which Volvo Trucks does not specify the country of produ

Estimate

TABLE 4 MOTOR VEHICLE PRODUCTION IN EUROPE BY COUNTRY

IN UNITS

ACEA correspondents survey

HEAVY TRUCKS	2005					2006					2007					
	Q1	Q2	Q3	Q4	FY 2005	Q1	Q2	Q3	Q4	FY 2006	Q1	Q2	Q3	Q4	FY 2007	% change 07/06
EU27	**136,149**	**144,373**	**114,670**	**156,847**	**552,039**	**138,698**	**146,036**	**123,806**	**168,503**	**577,043**	**155,576**	**163,316**	**145,449**	**200,040**	**664,381**	**15.1%**
- EUROPEAN UNION 15 countries	**134,992**	**143,053**	**113,600**	**155,685**	**547,330**	**137,715**	**144,587**	**122,890**	**167,332**	**572,524**	**153,956**	**162,246**	**144,287**	**197,017**	**657,506**	**14.8%**
Double Countings Germany / Austria																
Double Countings Austria/Japan																
Double Countings Germany / Belgium																
Double Countings Portugal/Japan	*353*	*608*	*1,260*	*1,045*	*3,266*	*1,776*	*1,444*	*863*	*1,111*	*5,194*	*1,425*	*1,838*	*1,412*	*852*	*5,527*	*6.4%*
Double Countings Spain/ Portugal																
AUSTRIA	5,389	5,188	5,454	6,621	22,652	6,060	6,374	6,587	7,600	26,621	7,949	6,667	6,190	7,291	28,097	5.5%
BELGIUM	8,400	7,686	5,858	8,435	30,379	8,599	9,493	5,875	11,017	34,984	10,858	11,651	7,311	13,710	43,530	24.4%
FINLAND	89	122	77	123	411	101	99	79	74	353	44	71	81	107	303	-14.2%
FRANCE	13,504	13,387	9,003	14,265	50,159	14,367	16,160	11,655	13,257	55,439	16,093	17,142	13,465	20,900	67,600	21.9%
GERMANY(1)	52,644	56,832	48,724	47,496	205,696	51,932	53,827	52,623	51,003	209,385	58,167	60,147	61,615	60,244	240,173	14.7%
ITALY	10,154	10,407	8,652	10,403	39,616	10,823	11,663	9,785	11,749	44,020	12,465	13,957	11,171	13,521	51,114	16.1%
NETHERLANDS	10,313	10,582	9,461	33,287	63,643	11,328	11,424	9,871	37,579	70,202	12,041	13,059	11,831	37,718	74,649	6.3%
PORTUGAL	319	608	1,967	1,345	4,239	1,788	1,456	869	1,135	5,248	1,437	1,886	1,424	1,234	5,981	14.0%
SPAIN	18,599	21,879	14,076	19,527	74,081	20,434	21,428	14,778	21,242	77,882	22,147	24,963	20,890	24,793	92,793	19.1%
SWEDEN (2)	11,321	12,346	7,360	10,319	41,346	8,866	9,424	7,223	9,972	35,485	9,943	10,450	7,910	12,054	40,357	13.7%
UNITED KINGDOM	4,613	4,624	4,228	4,909	18,374	5,193	4,683	4,408	3,815	18,099	4,237	4,091	3,811	6,297	18,436	1.9%
EU New Members	**1,157**	**1,320**	**1,070**	**1,162**	**4,709**	**983**	**1,449**	**916**	**1,171**	**4,519**	**1,620**	**1,070**	**1,162**	**3,023**	**6,875**	**52.1%**
Double Countings Slovakia / Germany																
CZECH REPUBLIC	567	620	510	353	2,050	418	473	367	735	1,993	742	823	809	780	3,154	58.3%
HUNGARY	547	640	509	777	2,473	550	742	395	323	2,010	840	240	320	2,166	3,566	77.4%
POLAND																
ROMANIA	43	60	51	32	186	15	234	154	113	516	38	7	33	77	155	-70.0%
SLOVAKIA																
SLOVENIA																

(1) Official figures include Belgian GM assembly.

(2) Official figures take account of Swedish manufacturers world production; in this report, we only use the vehicles produced in Sweden, and the vehicles for which Volvo Trucks does not specify the country of production

Estimate

TABLE 5 **MOTOR VEHICLE PRODUCTION IN EUROPE BY COUNTRY**

IN UNITS **ACEA correspondents survey**

BUSES & COACHES	2005					2006					2007					
	Q1	Q2	Q3	Q4	FY 2005	Q1	Q2	Q3	Q4	FY 2006	Q1	Q2	Q3	Q4	FY 2007	% change 07/06
EU27	**9,213**	**9,178**	**8,945**	**12,265**	**39,601**	**10,188**	**11,253**	**9,069**	**10,498**	**41,008**	**7,319**	**7,953**	**7,127**	**8,842**	**31,241**	**-23.8%**
- EUROPEAN UNION 15 countries	**8,009**	**7,478**	**6,659**	**8,853**	**30,999**	**8,073**	**8,622**	**6,734**	**7,833**	**31,262**	**5,610**	**6,116**	**5,634**	**6,435**	**23,795**	**-23.9%**
Double Countings Germany / Austria																
Double Countings Austria/Japan																
Double Countings Germany / Belgium																
Double Countings Portugal/Japan	*0*	*43*	*31*	*32*	*106*	*40*	*34*	*21*	*32*	*127*	*42*	*36*	*38*	*29*	*145*	*14.2%*
Double Countings Spain/ Portugal																
AUSTRIA	18	30	34	40	122	59	85	83	0	227						-100.0%
BELGIUM	264	302	254	220	1,040	308	284	264	287	1,143	348	327	305	330	1,310	14.6%
FINLAND																
FRANCE	821	928	853	1,085	3,687	927	934	1,041	1,170	4,072	1,016	1,180	954	1,140	4,290	5.4%
GERMANY(1)	1,633	2,080	2,187	2,890	8,790	2,030	2,261	2,253	2,746	9,290	1,922	2,240	2,062	2,861	9,085	-2.2%
ITALY	984	993	670	812	3,459	894	1,015	473	485	2,867	251	362	421	415	1,449	-49.5%
NETHERLANDS	520	579	340	545	1,984	476	478	363	603	1,920	584	336	780	307	2,007	4.5%
PORTUGAL	34	9	31	32	106	40	34	21	32	127	42	36	40	40	158	24.4%
SPAIN	293	357	249	363	1,262	378	456	408	228	1,470	321	537	379	309	1,546	5.2%
SWEDEN (2)	3,072	1,891	1,694	2,567	9,224	2,676	2,802	1,484	2,042	9,004	853	806	461	620	2,740	-69.6%
UNITED KINGDOM	370	352	378	331	1,431	325	307	365	272	1,269	315	328	270	442	1,355	6.8%
EU New Members	**1,204**	**1,700**	**2,286**	**3,412**	**8,602**	**2,115**	**2,631**	**2,335**	**2,665**	**9,746**	**1,709**	**1,837**	**1,493**	**2,407**	**7,446**	**-23.6%**
Double Countings Slovakia / Germany							*0*	*0*	*0*							
CZECH REPUBLIC	375	567	545	706	2,193	530	807	751	860	2,948	752	827	768	1,010	3,357	13.9%
HUNGARY	229	233	141	406	1,009	90	114	399	-13	590	132	30	38	279	479	-18.8%
POLAND	600	900	1,600	2,300	5,400	1,491	1,709	1,182	1,818	6,200	825	975	682	1,118	3,600	-41.9%
ROMANIA						4	1	3	0	8	0	5	5	0	10	25.0%
SLOVAKIA																
SLOVENIA																

(1) Official figures include Belgian GM assembly.
(2) Official figures take account of Swedish manufacturers world production; in this report, we only use the vehicles produced in Sweden, and the vehicles for which Volvo Trucks does not specify the country of production

Estimate

Motor vehicles in use in the enlarged EU

According to the latest ANFAC (Spanish Automobile Association) report on motor vehicles in use in the enlarged EU (January 2008 edition) the European vehicle fleet reached 251.3 million units in 2006, an increase of 2.4% compared to the previous year. Few of the new EU members missing in the report (Bulgaria, Hungary, Lithuania, Romania and Slovenia) account for around 10 million additional passenger cars, as showed in the table below. Altogether, 230 million passenger cars represent 87% of all the vehicles on the European roads. The European car fleet is highly concentrated in five main markets (Germany, Italy, France, UK and Spain) and is characterised by a high diesel penetration (30%).

In terms of car density, the ratio of cars to population was 0.5 in Western Europe while in Eastern Europe this proportion was much lower (0.2). On the mature and saturated West European market, car demand stems mainly from replacement whereas in the new EU Members there is still large room for winning genuinely new customers.

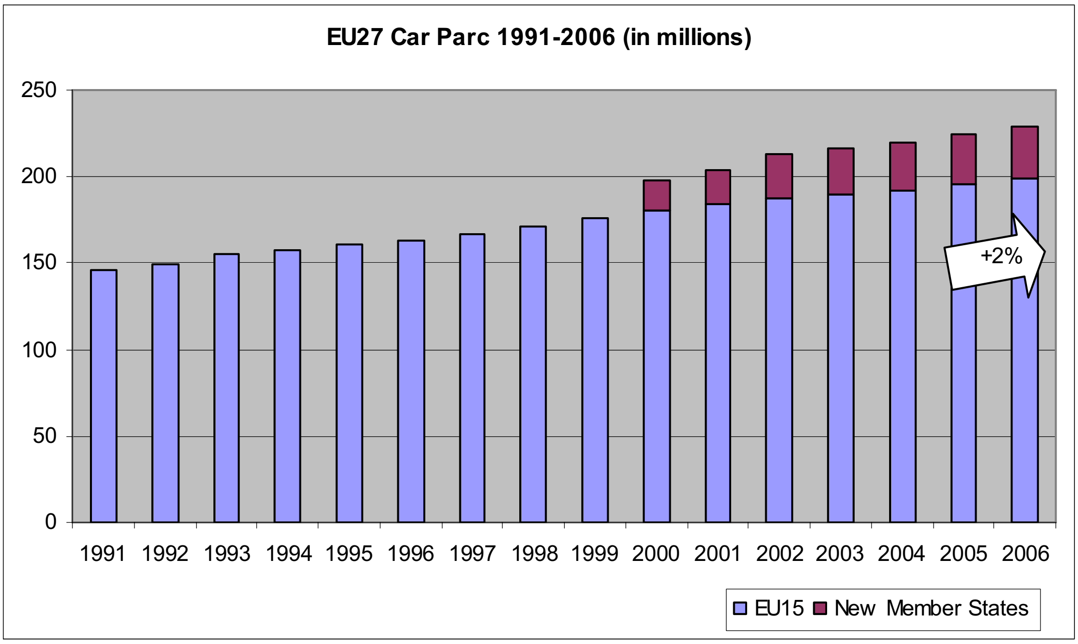
For more details, please refer to the ANFAC report available on ACEA website under the following link: http://www.acea.be/statistics

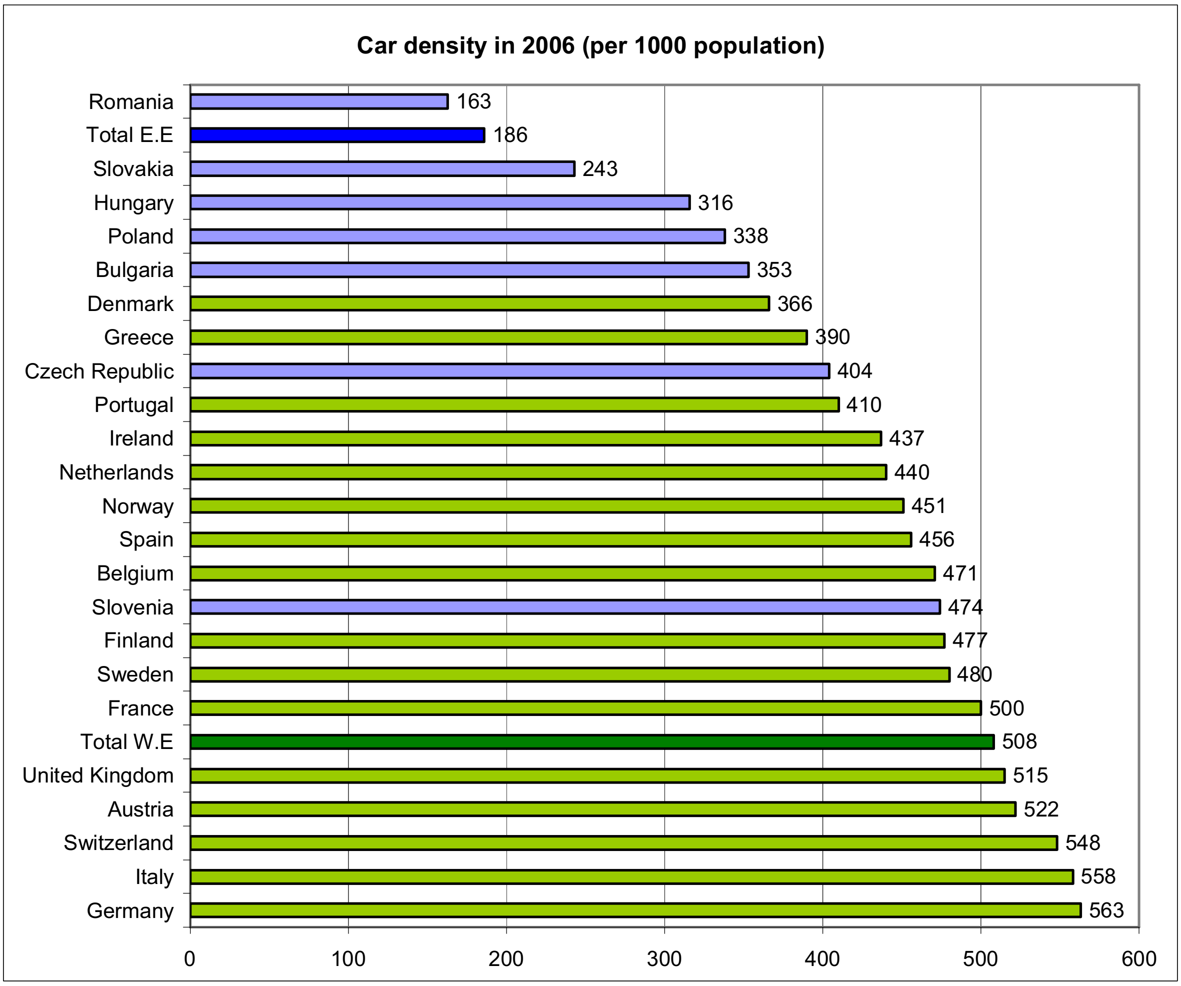
Passenger cars in use

	2004	2005	2006	% growth 06/05
AUSTRIA	4,109,129	4,156,743	4,204,969	1.2%
BELGIUM	4,818,571	4,861,352	4,929,284	1.4%
DENMARK	1,914,370	1,961,162	2,013,899	2.7%
FINLAND	2,331,190	2,414,477	2,489,287	3.1%
FRANCE	29,900,000	30,100,000	30,400,000	1.0%
GERMANY	45,375,526	46,090,303	46,569,657	1.0%
GREECE	3,960,189	4,204,463	4,446,528	5.8%
IRELAND	1,582,833	1,664,868	1,778,861	6.8%
ITALY	33,973,147	34,667,485	35,297,282	1.8%
NETHERLANDS	7,151,000	7,299,000	7,413,034	1.6%
PORTUGAL	4,100,000	4,200,000	4,290,000	2.1%
SPAIN	19,541,918	20,250,377	20,636,738	1.9%
SWEDEN	4,113,424	4,153,674	4,202,463	1.2%
UNITED KINGDOM	29,378,190	29,747,546	29,880,025	0.4%
EU15	**192,249,487**	**195,771,450**	**198,552,027**	**1.4%**
BULGARIA	2,440,000	2,570,000	2,710,000	5.4%
CZECH REPUBLIC	3,815,547	3,958,708	4,108,610	3.8%
ESTONIA	471,183	493,780	554,012	12.2%
HUNGARY	2,900,000	3,020,000	3,120,000	3.3%
LATVIA	686,128	742,447	822,011	10.7%
POLAND	11,975,191	12,339,353	13,384,229	8.5%
ROMANIA	3,170,000	3,340,000	3,490,000	4.5%
SLOVAKIA	1,200,000	1,300,000	1,333,749	2.6%
SLOVENIA	910,000	930,000	940,000	1.1%
New Member States*	**27,568,049**	**28,694,288**	**30,462,611**	**6.2%**
TOTAL EU27	**219,817,536**	**224,465,738**	**229,014,638**	**2.0%**

* Lithuania, Malta, Cyprus n.a.

Source: ANFAC, Global Insight


EU27 Car Parc 1991-2006 (in millions)
250
200
150
100
50
0
1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006
+2%
EU15
New Member States

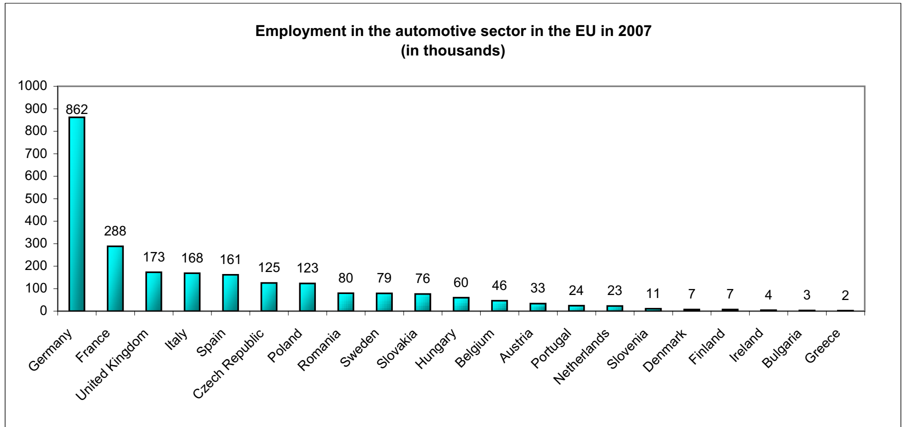

Car density in 2006 (per 1000 population)
Romania 163
Total E.E 186
Slovakia 243
Hungary 316
Poland 338
Bulgaria 353
Denmark 366
Greece 390
Czech Republic 404
Portugal 410
Ireland 437
Netherlands 440
Norway 451
Spain 456
Belgium 471
Slovenia 474
Finland 477
Sweden 480
France 500
Total W.E 508
United Kingdom 515
Austria 522
Switzerland 548
Italy 558
Germany 563
0 100 200 300 400 500 600

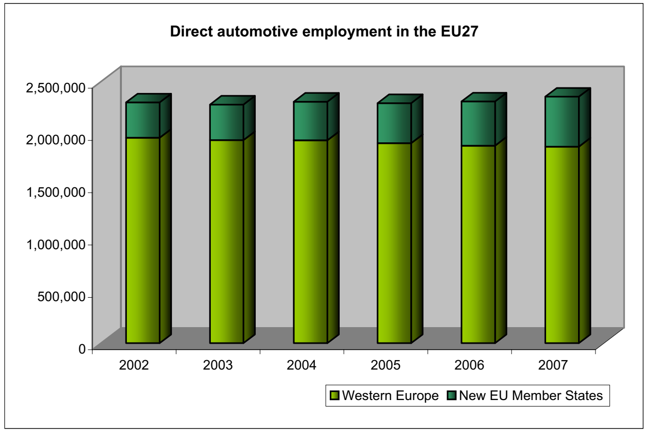
Employment

	2001	2002	2003	2004	2005	2006	2007	%02/01	%03/02	%04/03	%05/04	%06/05	% 07 / 06
Austria	30,360	28,273	29,587	33,222	33,293	33,395	33,362	-6.9%	4.6%	12.3%	0.2%	0.3%	-0.1%
Belgium	54,022	51,300	49,291	47,604	47,320	47,592	45,998	-5.0%	-3.9%	-3.4%	-0.6%	0.6%	-3.3%
Denmark*	6,958	6,548	5,998	5,634	6,234	7,170	7,170	-5.9%	-8.4%	-6.1%	10.6%	15.0%	
Finland	7,489	7,471	7,459	6,686	6,880	6,965	7,005	-0.2%	-0.2%	-10.4%	2.9%	1.2%	0.6%
France*	317,949	313,454	301,838	302,010	294,909	288,000	288,000	-1.4%	-3.7%	0.1%	-2.4%	-2.3%	
Germany	863,207	874,014	867,601	873,785	866,569	864,931	861,817	1.3%	-0.7%	0.7%	-0.8%	-0.2%	-0.4%
Greece*	2,219	2,053	2,129	2,078	2,382	2,327	2,327	-7.5%	3.7%	-2.4%	14.6%	-2.3%	
Ireland*	3,657	3,591	3,471	3,213	3,359	4,026	4,026	-1.8%	-3.3%	-7.4%	4.5%	19.9%	
Italy*	174,442	170,087	163,738	166,867	166,554	168,435	168,435	-2.5%	-3.7%	1.9%	-0.2%	1.1%	
Netherlands*	27,311	25,176	25,170	23,622	22,704	22,654	22,654	-7.8%	0.0%	-6.2%	-3.9%	-0.2%	
Portugal	23,304	23,967	22,993	22,673	23,128	23,932	23,932	2.8%	-4.1%	-1.4%	2.0%	3.5%	
Spain	161,881	162,511	164,325	162,713	159,913	160,609	161,444	0.4%	1.1%	-1.0%	-1.7%	0.4%	0.5%
Sweden*	77,545	73,514	80,171	84,748	85,552	79,273	79,273	-5.2%	9.1%	5.7%	0.9%	-7.3%	
United Kingdom	220,111	221,529	217,282	203,974	192,708	178,444	173,233	0.6%	-1.9%	-6.1%	-5.5%	-7.4%	-2.9%
EU15	***1,970,455***	***1,963,488***	***1,941,053***	***1,938,829***	***1,911,505***	***1,887,753***	***1,878,676***	-0.4%	-1.1%	-0.1%	-1.4%	-1.2%	-0.5%
Bulgaria*	3,519	3,204	2,935	2,847	3,374	2,817	2,817	-9.0%	-8.4%	-3.0%	18.5%	-16.5%	
Czech Republic	84,862	89,953	89,188	95,833	101,532	110,748	125,300	6.0%	-0.9%	7.5%	5.9%	9.1%	13.1%
Hungary	37,202	36,958	39,529	40,965	42,917	51,068	60,025	-0.7%	7.0%	3.6%	4.8%	19.0%	17.5%
Poland		79,841	84,975	101,651	108,358	119,433	122,900		6.4%	19.6%	6.6%	10.2%	2.9%
Romania	74,668	70,071	61,344	63,797	60,856	62,504	79,524	-6.2%	-12.5%	4.0%	-4.6%	2.7%	27.2%
Slovakia	44,400	50,210	54,700	56,500	57,400	66,900	76,000	13.1%	8.9%	3.3%	1.6%	16.6%	13.6%
Slovenia		7,253	7,064	7,662	8,349	8,833	10,847		-2.6%	8.5%	9.0%	5.8%	22.8%
New EU MS	***244,651***	***337,490***	***339,735***	***369,255***	***382,786***	***422,303***	***477,414***	***37.9%***	***0.7%***	***8.7%***	***3.7%***	***10.3%***	***13.0%***
TOTAL EU	**2,215,106**	**2,300,978**	**2,280,788**	**2,308,084**	**2,294,291**	**2,310,056**	**2,356,090**	**3.9%**	**-0.9%**	**1.2%**	**-0.6%**	**0.7%**	**2.0%**

Source: Eurostat; figures in bold come from National Automobile Associations

** Please note that figures and/ or estimates for 2007 were not available at the moment of finalising this publication for the following countries: Denmark, France, Greece, Ireland, Italy, the Netherlands, Sweden and Bulgaria*





HICPs provides a sound basis for assessing comparative consumer price inflation. HICPs are not intended to replace national Consumer Price Indices (CPIs). Many Member States are likely to continue their existing CPIs for domestic purposes. This index is designed for international comparisons.

HICP Classification for Motor Vehicles:

Group: 07.1 - Purchase of vehicles: Purchases of recreational vehicles such as camper vans, caravans, trailers, aeroplanes and boats are covered by (09.2.1).

Class: 07.1.1 - Motor cars (D): Motor cars, passenger vans, station wagons, estate cars and the like with either two-wheel drive or four-wheel drive. Excludes: invalid carriages (06.1.3); camper vans (09.2.1); golf carts (09.2.1).

Group: 07.2 - Operation of personal transport equipment: Purchases of spare parts, accessories or lubricants made by households with the intention of undertaking the maintenance, repair or intervention themselves should be shown under (07.2.1) or (07.2.2). If households pay an enterprise to carry out the maintenance, repair or fitting, the total value of the service, including the costs of the materials used, should be shown under (07.2.3).

Class: 07.2.1 - Spare parts and accessories for personal transport equipment (SD): Tyres (new, used or retreaded), inner tubes, spark plugs, batteries, shock absorbers, filters, pumps and other spare parts or accessories for personal transport equipment.Includes: fire extinguishers for transport equipment; products specifically for the cleaning and maintenance of transport equipment such as paints, chrome cleaners, sealing compounds and bodywork polishes; covers for motor cars, motorcycles, etc.Excludes: crash helmets for motorcycles and bicycles (03.1.3); non-specific products for cleaning and maintenance such as distilled water, household sponges, chamois leathers, detergents, etc. (05.6.1); charges for the fitting of spare parts and accessories and for the painting, washing and polishing of bodywork (07.2.3); radio-telephones (08.2.0); car radios (09.1.1); baby seats for cars (12.3.2).

Class: 07.2.2 - Fuels and lubricants for personal transport equipment (ND): Petrol and other fuels such as diesel, liquid petroleum gas, alcohol and two-stroke mixtures;- lubricants, brake and transmission fluids, coolants and additives. Includes: fuel for major tools and equipment covered under (05.5.1) and recreational vehicles covered under (09.2.1).Excludes: charges for oil changes and greasing (07.2.3).

Class: 07.2.3 - Maintenance and repair of personal transport equipment (S): Services purchased for the maintenance and repair of personal transport equipment such as fitting of parts and accessories, wheel balancing, technical inspection, breakdown services, oil changes, greasing and washing. Includes: total value of the service (that is both the cost of labour and the cost of materials are covered). Excludes: separate purchases of spare parts, accessories or lubricants made by households with the intention of undertaking the maintenance or repair themselves (07.2.1) or (07.2.2); roadworthiness tests (07.2.4).

Class: 07.2.4 - Other services in respect of personal transport equipment (S) - Hire of garages or parking spaces not providing parking in connection with the dwelling; - toll facilities (bridges, tunnels, shuttle ferries, motorways) and parking meters; - driving lessons, driving tests and driving licences; - roadworthiness tests; - hire of personal transport equipment without drivers. Excludes: hire of a car with driver (07.3.2); service charges for insurance in respect of personal transport equipment (12.5.4).

For more information on explanatory notes for the codes included in the HICP, please, check the following web-site: http://esa.un.org/unsd/cr/registry/regcs.asp?Cl=5&Lg=1&Co=07

EUROPEAN UNION -25

Harmonized indices of consumer prices (HICP)

(Index 2005 = 100)

		JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007
cp00	***All Items HICP***	*102.7*	*103.1*	*103.7*	*104.3*	*104.6*	*104.7*	*104.4*	*104.5*	*104.9*	*105.4*	*105.9 r*	*106.4 p*
	HICP excluding energy (e)	*102.2 ei*	*102.6 ei*	*103.1 ei*	*103.6 ei*	*103.8 ei*	*103.9 ei*	*103.6 ei*	*103.8 ei*	*104.1 ei*	*104.6 ei*	*104.9 ei*	*105.3 eip*
cp07	**Transport**	102.2	102.6	103.7	104.8	105.8	106.2	106.9	106.6	105.9	106.2	107.6 r	108.0
cp071	**Purchase of vehicles (not motor cycles, bicycles and animal drawn vehicles)**	101.3	101.6	101.6	101.9	101.9	101.7	101.7	101.7	101.4	101.5	101.6 r	101.7
cp0711	**Motor cars**	101.4	101.7	101.8	102.0	102.0	101.8	101.8	101.8	101.5	101.6	101.7 r	101.8
cp072	**Operation of personal transport equipment**	102.4	102.8	104.6	106.4	107.9	108.6	108.9	108.1	108.4	108.9	111.7 r	111.5
cp0721	**Spares parts and accessories for personal transport equipment**	104.7	104.8	104.8	105.0	105.4	105.6	105.7	106.0	106.3	106.5	106.8 r	107.1
cp0722	**Fuels and lubricants for personal transport equipment**	99.7	99.9	103.3	106.4	109.0	110.2	110.8	109.0	109.4	110.0	115.0 r	114.6
cp0723	**Maintenance and repair of personal transport equipment**	106.1	106.7	107.1	107.3	107.7	107.8	107.9	108.3	108.5	108.7	109.2 r	109.3
cp0724	**Other services in respect of personal transport equipment**	103.7	104.0	104.5	104.5	104.7	104.8	104.9	105.0	105.1	105.3	105.5 r	105.6

p Provisional value
e Estimated value
r Revised value

Source: Eurostat

NOTE: This data is not comparable with the country-by-country data as this is the standarised Harmonised Consumer Price Index (HICP). Individual country figures typically reflect the national nomenclatures. Therefore, it should be used as a single set. You will find information on the European defenition for the above values at the back of this page.

NOTE: CPA (Classification of Products linked to Economic Activity - Council Regulation EEC No. 3696/93 of 29/10/1993)
It provides a comparable and harmonized product nomenclature (the CPA) articulated with the activities nomenclature NACE Rev.1

coicop	Classification of individual consumption by purpose
cp07	Transport
cp071	**Purchase of vehicles**
cp071_not_711	Motor cycles, bicycles and animal drawn vehicles
cp0711	**Motor cars**
cp072	Operation of personal transport equipment
cp0721	Spares parts and accessories for personal transport equipment
cp0722	Fuels and lubricants for personal transport equipment
cp0723	Maintenance and repair of personal transport equipment
cp0724	Other services in respect of personal transport equipment

EUROPEAN UNION -27

Harmonized indices of consumer prices (HICP)

(Index 2005 = 100)

		JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007
cp00	***All Items HICP***	*102.9*	*103.2*	*103.9*	*104.4*	*104.7*	*104.9*	*104.6*	*104.7*	*105.1*	*105.6*	*106.2*	*106.6*
	HICP excluding energy (e)	*102.4*	*102.7*	*103.2*	*103.7*	*103.9*	*104.0*	*103.7*	*103.9*	*104.3*	*104.8*	*105.1*	*105.6*
cp07	**Transport**	102.3	102.7	103.7	104.9	105.8	106.3	107.0	106.6	106.0	106.3	107.7	108.1
cp071	**Purchase of vehicles (not motor cycles, bicycles and animal drawn vehicles)**	101.3	101.6	101.6	101.8	101.9	101.7	101.7	101.7	101.4	101.5	101.6	101.7
cp0711	**Motor cars**	101.4	101.7	101.7	102.0	102.0	101.8	101.8	101.8	101.5	101.6	101.8	101.8
cp072	**Operation of personal transport equipment**	102.4	102.8	104.6	106.4	107.9	108.6	109.0	108.2	108.5	108.9	111.7	111.6
cp0721	**Spares parts and accessories for personal transport equipment**	104.7	104.8	104.8	105.0	105.4	105.7	105.7	106.1	106.4	106.6	106.9	107.2
cp0722	**Fuels and lubricants for personal transport equipment**	99.7	99.9	103.2	106.4	109.0	110.2	110.8	108.9	109.4	109.9	115.0	114.6
cp0723	**Maintenance and repair of personal transport equipment**	106.1	106.7	107.1	107.4	107.7	107.9	107.9	108.3	108.5	108.7	109.2	109.3
cp0724	**Other services in respect of personal transport equipment**	103.8	104.2	104.6	104.6	104.8	104.9	105.0	105.2	105.3	105.4	105.6	105.7

Source: Eurostat

NOTE: This data is not comparable with the country-by-country data as this is the standarised Harmonised Consumer Price Index (HICP). Individual country figures typically reflect the national nomenclatures. Therefore, it should be used as a single set. You will find information on the European defenition for the above values at the back of this page.

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cp072	Operation of personal transport equipment
cp0721	Spares parts and accessories for personal transport equipment
cp0722	Fuels and lubricants for personal transport equipment
cp0723	Maintenance and repair of personal transport equipment
cp0724	Other services in respect of personal transport equipment

AUSTRIA

PRICE INDEX (index 2005=100)	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
HICP general (2005=100)	**102.41**	**102.72**	**103.21**	**103.65**	**103.83**	**103.82**	**103.76**	**103.8**	**104.05**	**104.73**	**105.23**	**105.89**
Price index for the Use of Motor Vehicle (2005=100)	**101.6**	**101.3**	**100.7**	**101.5**	**102.1**	**102.5**	**104.2**	**103.6**	**103.2**	**103.7**	**105.7**	**106.6**
Total Motor Vehicle (NACE Rev.1 dm 34.1)												
Passenger car	101.3	101.3	101	101.2	101.3	101.3	101.4	101.3	101.3	101.1	101.2	101.4
Motor cycles	99.6	101.5	102.2	102.2	101.6	102.2	102.2	102.2	102.2	101.9	101.9	104.8
Fuels and lubricants	98.6	97.8	100.3	102.8	106.1	106.6	113	110.3	110.7	112.5	120.1	123.2
Spare parts & accessories, Replacement, Extras, etc.	104.4	104.3	106.8	107.2	105.1	105.2	105.2	105.4	105.8	106.4	107.5	107.3
Maintenance, Reparation, Garage, Inspection, etc.	107.1	107.7	104.9	108.3	108.7	108.9	109	109	109	108.8	109.3	109.5
Insurance												
Tax												
Price index for Brandnew Motor Vehicles at retail prices (2005=100)												
Purchase of brandnew Motor vehicles (NACE Rev.1 dm 34.1)												
Purchase of brandnew passenger car	101.4	101.4	101.1	101.3	101.3	101.4	101.5	101.3	101.3	101.2	101.2	101.5
Index of Manufacturing Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Export Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Import Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												

Source: Statistik Austria

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NACE Rev.1 classification:

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- dm 34.3: Manufacture of parts, accessories for Motor Vehicles

DENMARK

PRICE INDEX (index 2005=100)	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
HICP general (2005=100)	**102.0**	**102.8**	**103.3**	**103.6**	**103.8**	**103.6**	**103.1**	**102.9**	**103.6**	**104.1**	**104.9**	**104.8**
Price index for the Use of Motor Vehicle (2005=100)												
Total Motor Vehicle (NACE Rev.1 dm 34.1)	100.8	100.7	100.5	100.5	100.1	99.7	98.8	98.4	98.3	98.3	98.3	98.3
Passenger car	100.7	100.7	100.4	100.4	100.0	99.6	98.6	98.2	98.1	98.1	98.0	98.0
Motor cycles	100.4	100.6	100.6	100.7	100.7	100.5	100.5	100.9	100.2	100.2	101.1	100.9
Fuels and lubricants	97.0	99.2	103.6	106.5	110.2	109.6	110.5	105.8	107.7	105.7	112.8	108.7
Spare parts & accessories, Replacement, Extras, etc.	104.3	104.8	104.9	105.3	105.9	106.4	106.6	106.6	106.7	106.8	107.6	107.6
Maintenance, Reparation, Garage, Inspection, etc.	106.8	107.9	108.1	108.9	109.7	109.9	110.6	110.6	110.6	111.7	111.9	112.2
Insurance												
Tax												
Price index for Brandnew Motor Vehicles at retail prices (2005=100)												
Purchase of brandnew Motor vehicles (NACE Rev.1 dm 34.1)												
Purchase of brandnew passenger car												
Index of Manufacturing Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Export Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Import Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												

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FRANCE

PRICE INDEX (index 2005=100)	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
HICP general (2005=100)	**102.0**	**102.2**	**102.7**	**103.2**	**103.5**	**103.7**	**103.3**	**103.8**	**103.9**	**104.2**	**104.8**	**105.3**
Price index for the Use of Motor Vehicle (2005=100)												
Total Motor Vehicle (NACE Rev.1 dm 34.1)												
Passenger car	100.2	101.1	101.1	102.4	102.8	101.5	102.6	103.0	101.4	101.9	103.0	104.0
Motor cycles												
Fuels and lubricants	100.2	100.4	103.3	105.9	108.3	109.1	109.5	108.0	108.5	109.5	115.2	116.2
Spare parts & accessories, Replacement, Extras, etc.	106.5	106.7	106.6	106.9	107.4	107.7	107.7	108.1	108.5	108.6	108.9	109.4
Maintenance, Reparation, Garage, Inspection, etc.	106.8	107.3	107.6	108.0	108.0	108.1	108.5	109.0	109.3	109.4	109.6	109.8
Insurance	96.9	96.9	96.9	96.9	99.2	99.2	99.2	96.7	97.2	97.2	97.2	97.3
Tax												
Price index for Brandnew Motor Vehicles at retail prices (2005=100)												
Purchase of brandnew Motor vehicles (NACE Rev.1 dm 34.1)												
Purchase of brandnew passenger car												
Index of Manufacturing Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Export Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Import Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												

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GERMANY

PRICE INDEX (index 2000=100)	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
HICP general (2000=100)	**110.9**	**111.3**	**111.6**	**112.0**	**112.2**	**112.3**	**112.8**	**112.7**	**112.8**	**113**	**113.6**	**114.2**
Price index for the Use of Motor Vehicle (2000=100)												
Total Motor Vehicle (NACE Rev.1 dm 34.1)	115.8	116.3	117.8	119.3	119.9	120.0	120.5	119.5	120.0	119.8	122.5	120.5
Passenger car	109.7	109.8	109.9	109.9	110.0	110.1	110.1	110.3	110.2	110.4	110.5	110.6
Motor cycles	109.4	109.4	109.4	109.4	109.4	109.4	109.4	109.4	109.4	109.4	109.7	109.7
Fuels and lubricants	123.4	124.5	129.5	133.9	136.5	137.0	138.7	134.5	136.4	135.0	144.4	136.6
Spare parts & accessories, Replacement, Extras, etc.	107.9	108.2	108.3	108.4	108.5	108.6	108.9	108.8	108.9	109.2	109.6	109.7
Maintenance, Reparation, Garage, Inspection, etc.	116.0	116.4	117.1	117.2	117.2	117.0	116.9	117.1	117.3	117.8	118.1	118.2
Insurance	98.3	98.6	98.6	98.6	97.4	97.4	97.6	97.6	97.5	97.9	99.2	99.2
Tax	157.9	157.9	157.9	162.4	162.4	162.4	162.4	162.4	162.4	162.4	162.4	162.4
Price index for Brandnew Motor Vehicles at retail prices (2000=100)												
Purchase of brandnew Motor vehicles (NACE Rev.1 dm 34.1)	108.4	108.6	108.8	108.9	108.9	108.9	108.8	109.0	109.1	109.4	109.6	109.8
Purchase of brandnew passenger car	110.7	110.7	110.8	110.8	110.9	111.1	111.1	111.4	111.2	111.4	111.4	111.5
Index of Manufacturing Prices of Motor Vehicles (2000=100)												
Total (NACE Rev.1 dm 34.1)	111.0	111.1	111.1	111.1	111.2	111.2	111.4	111.5	111.8	111.8	111.8	111.9
Index of Export Prices of Motor Vehicles (2000=100)												
Total (NACE Rev.1 dm 34.1)	103.2	103.1	103.1	103.0	102.9	103.0	103.0	103.2	103.1	102.8	102.6	102.5
Index of Import Prices of Motor Vehicles (2000=100)												
Total (NACE Rev.1 dm 34.1)	101.1	101.4	102.0	102.4	102.5	102.5	102.4	102.5	102.5	102.5	102.3	102.4

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GREECE

PRICE INDEX (index 2005=100)	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
HICP general (2005=100)	104.76	103.11	105.66	106.5	106.69	106.64	105.83	104.75	107.11	107.86	108.67	109.22
Price index for the Use of Motor Vehicle (2005=100)												
Total Motor Vehicle (NACE Rev.1 dm 34.1)												
Passenger car												
Motor cycles												
Fuels and lubricants	98.48	99.85	104.8	109.45	114.75	114.98	114.27	110.87	111.4	111.76	116.32	115.21
Spare parts & accessories, Replacement, Extras, etc.	102.58	102.73	102.76	102.91	103.07	103.1	103.24	103.31	104.01	104.24	104.43	104.61
Maintenance, Reparation, Garage, Inspection, etc.	106.22	106.6	106.68	106.71	107.06	107.2	107.24	107.25	107.26	108.02	108.08	108.35
Insurance												
Tax												
Price index for Brandnew Motor Vehicles at retail prices (2005=100)												
Purchase of brandnew Motor vehicles (NACE Rev.1 dm 34.1)	98.42	98.42	98.42	97.98	97.57	97.74	97.74	96.82	96.82	96.61	96.61	96.61
Purchase of brandnew passenger car	98.47	98.47	98.47	98.05	97.67	97.83	97.83	96.95	96.93	96.73	96.73	96.73
Index of Manufacturing Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Export Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Import Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												

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IRELAND

PRICE INDEX (index 2006=100)	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
HICP general (2006=100)									**104.6**			**105.1**
Price index for the Use of Motor Vehicle (2006=100)												
Total Motor Vehicle (NACE Rev.1 dm 34.1)									104.3			105.1
Passenger car									100.6			100.7
Motor cycles									99.9			99.9
Fuels and lubricants									109.5			114.4
Spare parts & accessories, Replacement, Extras, etc.									102.4			102.6
Maintenance, Reparation, Garage, Inspection, etc.									103.8			108.0
Insurance									93.7			90.9
Tax									100.0			100.0
Price index for Brandnew Motor Vehicles at retail prices (2006=100)												
Purchase of brandnew Motor vehicles (NACE Rev.1 dm 34.1)									100.5			100.7
Purchase of brandnew passenger car									100.6			100.7
Index of Manufacturing Prices of Motor Vehicles (2006=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Export Prices of Motor Vehicles (2006=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Import Prices of Motor Vehicles (2006=100)												
Total (NACE Rev.1 dm 34.1)												

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ITALY

PRICE INDEX (index 2005=100)	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	Year 2007
HICP general (2005=100)	**103.9**	**103.9**	**103.7**	**103.6**	**103.7**	**103.8**	**103.8**	**103.8**	**103.8**	**103.9**	**104.2**	**104.5**	**103.9**
Price index for the Use of Motor Vehicle (2005=100)													
Total Motor Vehicle (NACE Rev.1 dm 34.1)	106.9	106.0	106.2	105.7	106.7	108.4	107.5	106.8	105.2	104.8	107.5	109.3	106.8
Passenger car	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Motor cycles	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
Fuels and lubricants	110.2	106.5	106.3	104.2	106.2	110.3	107.5	105.4	101.3	99.9	107.4	111.9	106.3
Spare parts & accessories, Replacement, Extras, etc.	104.5	103.3	103.3	103.3	102.8	102.8	102.8	103.2	103.2	103.2	102.9	103.0	103.2
Maintenance, Reparation, Garage, Inspection, etc.	106.5	107.4	107.4	107.4	107.8	107.8	107.8	108.2	108.2	108.2	107.8	107.8	107.7
Insurance	104.3	104.2	104.0	103.8	104.0	103.7	103.4	103.5	103.4	103.8	103.7	103.8	103.8
Tax	104.5	104.5	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.4	105.2
Price index for Brandnew Motor Vehicles at retail prices (2005=100)													
Purchase of brandnew Motor vehicles (NACE Rev.1 dm 34.1)	**103.2**	**103.3**	**103.3**	**103.0**	**102.9**	**103.0**	**102.7**	**102.8**	**103.0**	**102.9**	**102.6**	**102.3**	**103.0**
Purchase of brandnew passenger car	103.3	103.4	103.4	103.0	102.9	103.2	102.9	103.0	103.1	103.2	102.7	102.3	103.0
Index of Manufacturing Prices of Motor Vehicles (2005=100)													
Total (NACE Rev.1 dm 34.1)	**104.0**	**103.3**	**102.9**	**102.9**	**102.9**	**102.3**	**102.3**	**102.4**	**102.2**	**102.2**	**102.4**	**n.a**	**n.a**
Index of Export Prices of Motor Vehicles (2005=100)													
Total (NACE Rev.1 dm 34.1)	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**
Index of Import Prices of Motor Vehicles (2005=100)													
Total (NACE Rev.1 dm 34.1)	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**	**n.a**

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NETHERLANDS

PRICE INDEX (index 2005=100)	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	
HICP general (2005=100)													
Price index for the Use of Motor Vehicle (2005=100)													
Total Motor Vehicle (NACE Rev.1 dm 34.1)													
Passenger car													
Motor cycles													
Fuels and lubricants													
Spare parts & accessories, Replacement, Extras, etc.	99,97	100,21	99,94	100,93	101,39	100,86	101,59	101,25	101,70	101,89	102,93	101,86*	* provisional
Maintenance, Reparation, Garage, Inspection, etc.													
Insurance													
Tax													
Price index for Brandnew Motor Vehicles at retail prices (2005=100)													
Purchase of brandnew Motor vehicles (NACE Rev.1 dm 34.1)													
Purchase of brandnew passenger car	101,01	101	101,42	101,47	101,58	101,6	101,57	101,44	101,52	101,57	101,54	101,48	
Index of Manufacturing Prices of Motor Vehicles (2005=100)													
Total (NACE Rev.1 dm 34.1)													
Index of Export Prices of Motor Vehicles (2005=100)													
Total (NACE Rev.1 dm 34.1)													
Index of Import Prices of Motor Vehicles (2005=100)													
Total (NACE Rev.1 dm 34.1)													

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PORTUGAL

PRICE INDEX (index 2005=100)	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
HICP general (2005=100)	**103.6**	**103.6**	**104.9**	**105.9**	**106.0**	**106.0**	**105.7**	**105.3**	**105.8**	**106.3**	**106.7**	**106.8**
Price index for the Use of Motor Vehicle (2005=100)												
Total Motor Vehicle (NACE Rev.1 dm 34.1)	102.9	103.2	103.3	103.4	103.2	103.2	102.7	102.1	101.4	101.2	101.1	101.1
Passenger car	102.9	103.1	103.2	103.3	103.1	103.1	102.7	102.0	101.4	101.2	101.1	101.1
Motor cycles	104.9	105.3	105.4	105.8	105.4	105.6	105.9	106.2	106.4	106.3	106.2	106.2
Fuels and lubricants	106.7	106.8	110.6	113.9	117.0	117.8	117.8	115.8	115.9	116.3	120.8	121.3
Spare parts & accessories, Replacement, Extras, etc.	100.1	99.9	100.5	100.8	100.9	101.0	101.0	100.2	100.2	100.6	101.0	101.2
Maintenance, Reparation, Garage, Inspection, etc.	107.7	108.9	109.6	109.8	109.8	110.0	110.1	110.1	110.3	110.4	110.5	110.5
Insurance												
Tax												
Price index for Brandnew Motor Vehicles at retail prices (2005=100)												
Purchase of brandnew Motor vehicles (NACE Rev.1 dm 34.1)												
Purchase of brandnew passenger car	103.2	103.6	103.9	104.1	104.0	104.0	103.3	102.2	101.4	101.2	101.1	101.1
Index of Manufacturing Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Export Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Import Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												

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SPAIN

PRICE INDEX (index 2006=100)	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
HICP general (2006=100)	**100.5**	**100.5**	**101.3**	**102.7**	**103.0**	**103.2**	**102.4**	**102.542**	**102.879**	**104.212**	**104.959**	**105.399**
Price index for the Use of Motor Vehicle (2006=100)												
Total Motor Vehicle (NACE Rev.1 dm 34.1)												
Passenger car	101.1	101.4	101.8	101.8	101.7	101.5	101.4	101.4	101.3	101.2	101.0	101.1
Motor cycles												
Fuels and lubricants	92.8	93.1	96.2	99.4	101.9	103.1	103.6	102.19	103.055	103.878	107.785	109.641
Spare parts & accessories, Replacement, Extras, etc.	102.2	102.5	102.7	103.3	103.5	103.6	103.5	103.682	103.922	105.313	105.846	106.659
Maintenance, Reparation, Garage, Inspection, etc.	102.3	103.2	103.8	104.5	104.6	104.7	105.0	105.017	105.092	105.204	105.252	105.337
Insurance												
Tax												
Price index for Brandnew Motor Vehicles at retail prices (2006=100)												
Purchase of brandnew Motor vehicles (NACE Rev.1 dm 34.1)												
Purchase of brandnew passenger car												
Index of Manufacturing Prices of Motor Vehicles (2000=100)	**119.5**	**120.2**	**120.9**	**121.5**	**122.1**	**122.3**	**122.7**	**122.9**	**123.3**	**124.4**	**125.2**	**125.8**
Total (NACE Rev.1 dm 34.1)												
Index of Export Prices of Motor Vehicles (2000=100)	**108**	**109.3**	**111.8**	**109.1**	**111.5**	**111.7**	**113**	**111.7**	**113.1**	**112.7**	**111.8**	
Total (NACE Rev.1 dm 34.1)												
Index of Import Prices of Motor Vehicles (2000=100)	**103.1**	**105**	**107.6**	**104.2**	**103**	**106.6**	**107.8**	**106.6**	**108.2**	**108.5**	**110.5**	
Total (NACE Rev.1 dm 34.1)												

NOTE: NACE Rev.1 is a nomenclature of Economic Activities in the European Community (Council Regulation EEC No. 3037/90 of 9/10/1990 and Commission Regulation 761/93 of 24/03/1993)
It provides an harmonized statistical nomenclature of economic activities in the EC aligned on the UN international classification

NACE Rev.1 classification:
dm: Manufacture of transport equipment
- dm 34: Manufacture of Motor Vehicles, trailers and semi-trailers
- **dm 34.1: Manufacture of Motor Vehicles**
- dm 34.2: Manufacture of bodies (coachwork) for Motor Vehicles; manufacture of trailers and semi-trailers
- dm 34.3: Manufacture of parts, accessories for Motor Vehicles

SWEDEN

PRICE INDEX (index 2005=100)	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
HICP general (2005=100)	**117.3**	**117.9**	**118.6**	**119.1**	**118.9**	**119.1**	**118.7**	**118.6**	**119.6**	**120.2**	**120.8**	**120.9**
Price index for the Use of Motor Vehicle (2005=100)												
Total Motor Vehicle (NACE Rev.1 dm 34.1)	138.69	141.71	146.14	148.63	149.4	150.56	149.58	147.94	149.16	148.93	153.28	152.02
Passenger car												
Motor cycles												
Fuels and lubricants	136.4	141.56	148.74	152.7	153.87	155.28	153.51	149.31	151.58	150.91	158.33	156.13
Spare parts & accessories, Replacement, Extras, etc.	104.27	103.94	104.66	106.56	105.88	106.19	106.23	107.22	105.43	106.12	106.39	106.28
Maintenance, Reparation, Garage, Inspection, etc.	161.44	161.76	162.59	162.56	162.7	164.16	164.17	164.27	164.5	164.85	164.92	165.03
Insurance												
Tax												
Price index for Brandnew Motor Vehicles at retail prices (2005=100)												
Purchase of brandnew Motor vehicles (NACE Rev.1 dm 34.1)												
Purchase of brandnew passenger car	103.9	104.09	104.16	104.37	104.28	104	103.96	103.72	103.74	103.23	103.28	103.35
Index of Manufacturing Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)	95.85	96.16	96.79	96.32	96	95.77	96.4	95.92	96.48	96.16	96	96.32
Index of Export Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)	91.54	91.93	92.8	92.17	91.62	91.3	92.17	91.46	92.17	91.78	91.46	91.78
Index of Import Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)	114.97	115.05	115.83	115.99	115.6	115.67	116.53	117.31	118.09	117.46	117.23	117.85

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- dm 34.3: Manufacture of parts, accessories for Motor Vehicles

UNITED KINGDOM

PRICE INDEX (index 2005=100)	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007
HICP general (1995=100)	**2.7%**	**2.8%**	**3.1%**	**2.8%**	**2.5%**	**2.4%**	**1.9%**	**1.7%**	**1.7%**	**2.1%**	**2.1%**	**2.1%**
Price index for the Use of Motor Vehicle (1995=100)												
Total Motor Vehicle (NACE Rev.1 dm 34.1)	1.2%	0.3%	1.8%	1.8%	1.7%	2.9%	1.7%	0.8%	4.0%	8.1%	10.3%	10.0%
Passenger car												
Motor cycles												
Fuels and lubricants	-2.0%	-3.4%	-0.9%	-1.1%	-1.2%	0.8%	-1.3%	-2.3%	3.3%	12.0%	16.9%	16.4%
Spare parts & accessories, Replacement, Extras, etc.	1.9%	0.7%	0.0%	-0.1%	-0.3%	0.2%	-0.1%	0.8%	0.8%	0.5%	0.4%	0.4%
Maintenance, Reparation, Garage, Inspection, etc.	5.0%	5.2%	5.3%	5.5%	5.5%	5.7%	5.4%	5.3%	5.0%	4.6%	4.0%	3.9%
Insurance												
Tax												
Price index for Brandnew Motor Vehicles at retail prices (1995=100)												
Purchase of brandnew Motor vehicles (NACE Rev.1 dm 34.1)	-2.0%	-1.5%	-2.0%	-1.9%	-1.8%	-2.2%	-3.0%	-3.3%	-3.5%	**-3.6%**	**-3.0%**	**-3.5%**
Purchase of brandnew passenger car	1.3%	1.5%	1.5%	1.5%	1.4%	1.6%	1.6%	1.5%	1.5%	1.6%	1.4%	1.3%
Index of Manufacturing Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Export Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												
Index of Import Prices of Motor Vehicles (2005=100)												
Total (NACE Rev.1 dm 34.1)												

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Summary of tax, environment, transport and emission policy measures in 2007/06 by country

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
AT Austria	**Taxation** **Bonus – Malus on particle emissions** The existing bonus/malus-system for cars and combination vehicles fulfilling 0,005 g/km particle emissions has been extended. The Bonus is paid until 30.6.2008, the malus remains unchanged (undated).	**Transport** **29. KFG-Novelle:** Publication of 29th amendment (BGBI Teil I Nr. 6/2008) to Austrian law on vehicles. The text and explanations are available on our website www.fahrzeugindustrie.at Some headlines: • The Austrian regulation concerning the obligatory use of day running light for motor vehicles (introduction per 15.11.2005) was taken back. Since 1.1.2008 no more general obligation exists (exceptions: two wheelers, bad weather conditions, etc.). • New dates for the obligatory use of winter tires for heavy vehicles (more than 3,5 t max. permissible weight) where defined: → 01.11. up to 15.04. for N2- and N3-vehicles → 01.11. up to 15.03. for M2- and M3-vehicles **Sectoral driving ban in Tyrol:** A new regulation (similar to the old one) of the local Government of Tyrol concerning the so called “sectoral driving ban” has been published for a specific part of the A12 Inntal highway. This regulation (relevant for vehicles and trailers with more than 7,5 t total max. permissible weight) will come into force as of: a) 02.05.2008: concerning transportation of specific waste goods, stones or soil and excavation material b) 01.01.2009: concerning transportation of specific kinds of woods, motorized vehicles, trailers, steel and other products. This regulation is available on our website www.fahrzeugindustrie.at

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others

BE
Belgium

Taxation

CO2 incentives for purchase of new cars

- Tax reduction equivalent to 15% of the sale price for taxpayer who buys a car emitting less than 105 g CO2/km with a maximum of 4530 EUR
- Tax reduction equivalent to 3% of the sale price for taxpayer who buys a car emitting between 105g and 115g CO2/km with a maximum of 850 EUR.

Companies are not entitled to these tax reductions.

The measures related to CO2 emissions, in particular the purchase of fuel-efficient cars will be promoted by turning the existing income tax credit into a reduction on the invoice. These changes will take effect on July 1.

As regards **company cars**, the tax deductibility of expenses related to the use of the car (currently limited to 75%) will be linked to the CO2 emissions of the car. This has been applied to new cars since April 1, 2007 and will apply to the entire fleet as from April 1, 2008.
The rates are as follows:

CO_2 Émissions		**Deductibility**
Diesel	Petrol	
< 105 g	< 120	90%
105 - 115	120 - 130	80%
115 - 145	130 - 160	75%
145 - 175	160 - 190	70%
> 175	> 190	60%

Environment

Since January 1, 2007, a tax reduction (200€) is granted for cars equipped with a particle filter and emitting less than 130g CO_2/km.
Since July 1, 2007, the income tax credit has been turned into a reduction on the invoice.
Companies are not entitled to these tax reductions.

The Walloon government has just decided to introduce a bonus-malus system on new and second-hand cars purchased by private individuals. The system will be based on the CO_2 emissions and was introduced as from January 1, 2008.

Emissions

Excises compensating tax on diesel cars were gradually reduced and are totally suppressed as from 1st January 2008.

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
DK Denmark	**Taxation** ➢ The Danish government changed the vehicle taxation rules in the spring of 2007. ➢ Among the major changes were changes in the taxation of commercial vehicles. For commercial vehicles, the registration tax was increased from 30 % to 50 % - expect for pick-ups and box trucks. However, the registration tax for commercial vehicles with a weight below 2 tonnes was reduced from 95 % to 50 %. ➢ For both passenger cars and commercial vehicles an allowances/supplement was introduced, which depends on how fuel-efficient the vehicle is. A registration tax allowance was introduced for both passenger cars and commercial vehicles of DKK 4,000 for every kilometre per litre in excess of 16 km/l for petrol vehicles and 18 km/l for diesel vehicles. At the same time a registration tax supplement was introduced of DKK 1,000 for every kilometre per litre less than 16 km/l for petrol vehicles and 18 km/l for diesel vehicles. ➢ For both passenger cars and commercial vehicles there were a number of changes in the tax allowances, which can be made for various types of safety equipment. ➢ So far the changes in the vehicle taxation rules have led to a decline in the sale of commercial vehicles and an increase in the sale of small fuel-efficient passenger cars. The increase has been especially strong for small fuel-efficient diesel cars.	**Transport Policy** Transport policy and infrastructure has received a lot of media coverage recently following the publication of a large report by the so-called “Committee on Infrastructure”. The task of this committee was to present an analysis of the challenges facing the infrastructure in Denmark and present proposals regarding the future investments in the transport area. The committee recommended 6 specific focus-areas, which should be prioritized when decisions are made regarding future investments in the transport sector. These areas are: - The ring connections should be completed in the Copenhagen Area - for both road and rail. - A plan for the development of the infrastructure in Eastern Jutland should be prepared. - It should be ensured that all parts of the country are connected to the major transport corridors and centers. - Denmark’s ports to abroad shall be a central part of an efficient transport network. - ITS shall ensure optimal usage of the infrastructure. - The efforts to reduce the environmental and climate effects from the transport sector shall be intensified.

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
FI Finland	**Taxation** The changes in car taxation came into force on January 1, 2008. Car tax is based on CO2 emissions. At the same time car tax was generally cut by one sixth on average. At the same time the Government also proposed that the annual vehicle tax be based on CO2 emissions. The change in the annual vehicle tax is intended to come into force at the beginning of 2010 to allow time for the Vehicle Administration Center to change its computer systems. On January 1, 2008 the level of fuel taxes increased on average about 4 cents per litre.	**Environment** Calculation of elv-cars and their components and materials has been done. The environment authorities is pursuing discussions about the results. After the excellent change in car tax there is a greater pressure on car business to decrease the number of passenger cars in traffic – especially the older ones. **Transport Policy** Discussions and studies are going on about transportation systems in Finland. Main interest is how to improve and increase the share of public transportation. **Emissions** Discussions and studies are continuing after the proposal of the European Commission concerning CO2 emissions in Finland.

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
FR France	**Taxation** The average budget of the French motorist has increased by 5.5% in 2006 to € 5,359 for a new small car (Renault Clio). It has increased by 2.2% to € 6,702 for a new compact car (Peugeot 307), according to an annual study of the Automobile-club federation, which points out the increasing share of taxes in the motorist's budget (37% of costs for a new Clio and 60% for the same used vehicle).	**Environment** Following the national debate on environmental issues (*Grenelle de l'environnement*) to which various actors (companies, experts, NGOs, trade unions, etc.) took part, several measures were adopted: - A new tax for heavy trucks on motorways and on the State-owned road network will be introduced in 2011 in the framework of the Eurovignette directive. Its amount would depend on Euro classes. It should generate annual surpluses of around € 1 billion per year which would be dedicated to alternative modes. - *A "bonus-malus"* system for new cars is in force since 1 January for all new cars bought since 5 December 2007. It consists of a tax or an incentive depending on the CO_2 level. o The incentive which is generally deducted from the purchase price amounts to € 200 for cars emitting between 121 and 131 g CO_2/km, € 700 between 100 and 120 g and € 1,000 under 100 g. o This measure can be completed by a "super bonus" (scrap incentive) of € 300 for buyers of new cars eligible to a bonus who also replace a car of 15 years of age or older. o The tax reaches € 200 for cars emitting between 160 and 165 g, € 750 between 166 and 200 g, € 1,600 between 201 and 250 g and € 2,600 beyond 250 g. - Modal shift is also a priority, mainly with the development of the high-speed rail network and of urban public transport, at the detriment of other modes. **Transport:** - Road transport companies are expecting a 7% increase of their costs in 2008 mainly due to strong increases in fuel and toll prices. They ask for a repercussion of these costs on shippers. - For the 6th year in a row, the number of fatalities on French roads has further decreased by 2% in 2007 to 4,615. This represents a 40% decrease during the last five years. National authorities want to put the emphasis on young drivers, two-wheelers and alcohol in 2008. Although the average speed on French roads has decreased by 10% in the last five years, the President of the Republic has announced that 500 new automatic radars would be added every year to reach a total of 4,500 in 2012. A reform of the driving license is also under way in order to make it cheaper and more efficient (introduction of regular tests). **Emissions** For the first time, the number of new passenger cars emitting less than 140 g CO_2/km registered in France in 2007 reached 1 million units, accounting for around 50% of the market. Moreover, 400,000 new cars under 120 g have been sold last year.

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
DE Germany	**Taxation** Discussions on introducing a CO_2-base into the annual circulation tax are still under way, adoption of a draft bill in the cabinet is planned for May. The government intends to tax all passenger cars first registered from 1 January 2009 on a CO_2-basis. Cars registered earlier will remain subject to the tax based on cylinder capacity. Tax rates may be adapted for old cars to avoid any disadvantage for new cars. The tax rate will be linear, a tax exemption for low-emission cars is discussed. The reform shall be revenue-neutral. In order for the proposal to come into force, agreement of the regional governments is necessary.	**Environment** On 1 January 2008, Berlin, Cologne and Hanover introduced a so-called environmental zone, excluding old high-emission vehicles from entering the inner city. Several other cities will follow in the course of the year. Further information is available under http://www.bmu.de/english/air_pollution_control/general_information/doc/40740.php **Transport** On 1 September 2007, the motorway toll for heavy trucks was increased by 1,1 Cent to 13,5 Cent per kilometre on average. In parallel, circulation tax for heavy trucks was reduced to EU minimum levels and an innovation programme came into force which provides incentives for investment in Euro V-trucks. The programme is limited until 30 September 2008 when toll rates will be reduced again proportionately. However, the programme's total amount of about 100 million Euro has already been used so that no further applications are possible. The government currently looks into the possibility of additional funding. Around 25.000 vehicles have received incentives so far. **Emissions** The government plans to increase the differentiation of the motorway toll for heavy trucks based on Euro emission classes. Currently, there is a 50 %-difference which shall be increased to 100 % in line with the new Eurovignette directive. It is planned to introduce the new scheme from 01 October 2008.

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
EL Greece	**Taxation** Since January 1, 2008, fuel tax in Greece is as follows: • Petrol (octane number <96.5) tax was raised from €313/1000l to €350/1000l. • Diesel tax was raised from €260/1000l to €293/1000l.	

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others

IE
Ireland

Taxation

- There were no increases in VAT in the Minister for Finance's Budget of December 2007.
- There were no increases in road Tax or fuel duties
- However, there was a fundamental change to the Irish registration tax system, with a move from a cc basis to a CO2 basis of calculating registration taxes. The new system will be effective from July 2008, and the rates of tax will be:

CO_2 Emissions Bands	g CO_2/km	VRT Rates
A	0 - 120g	14%
B	121 - 140g	16%
C	141 - 155g	20%
D	156 - 170g	24%
E	171 - 190 g	28%
F	191 - 225g	32%
G	226g and over	36%

Current incentives for hybrid and flexifuel vehicles would remain in place until June 30th 2008 after which those vehicles will be entitled to a new relief from VRT of up to €2,500.

Environment

- Primary legislation on ELVs was passed in July 2003, which allowed manufacturers to opt for "own-marque" schemes. Regulations were issued at the end of May 2006, with free take back to commence from January 2007. The motor industry is unhappy with the regulation. The proposed system is unworkable, with particular concerns in the areas of the number of proposed treatment centres of 43 (with no provision for collection points), which would not be economically sustainable; the requirement for each Importer to register with each local authority and pay excessive annual registration fees; and the onerous administration and reporting requirements.

- The EU Directive on CO2 emissions currently operational in the State, but the Department of Environment have indicated that they will introduce a new labeling system by July to comply with the updated EU Labeling Directive and to complement the new VRT system.

Transport

- Two years ago, the Government announced a hugely ambitious new plan, "Transport 21", which will see €34 billion invested in transport infrastructure over the next 10 years, including €18 billion on roads. This is the first time in the history of the State that transport infrastructure has been prioritised. While concerns have being raised over the cost and timing of some of the projects, the road element of the plan appears to be on target and on budget.

- There are now four tolls in operation in Ireland at the current time, and this is expected to increase in the coming years. Consumers are becoming more disposed to the introduction of tolls, as long as these monies are clearly used to pay for the road infrastructure.

- An overland tram system, "LUAS", consisting of 2 lines from Dublin's suburbs to the city center was opened in the summer of 2004. In addition a Port Tunnel for HGVs has been completed, with the aim of taking all HGVS away from the centre of Dublin. The tunnel is now fully operational.

- The Government recently announced, as part of Transport 21, plans for a metro system in Dublin.

Emissions

Hybrid Vehicles, Flexible fuel and Electric vehicles are currently entitled to a 50% refund of VRT. This concession will expire on July 1st 2008, but after which those vehicles will be entitled to a new relief from VRT of up to €2,500.

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
IT Italy	see below	

Taxation

The Italian Government has adopted the new fiscal law for 2008. The main issues concerning the automotive sector is the renewal of incentives are as follows:

	New vehicles	Vehicles to scrap	Period	Incentive amounts
Incentive to purchase **with** scrapping of old vehicle	**Petrol-powered Car** Euro 4 - Euro 5 **$CO_2 \leq$ 140g/Km** **Diesel-powered Car** Euro 4 - Euro 5 **$CO_2 \leq$ 130g/Km**	Euro 0 Euro 1 Euro 2 (registered by 31.12.1996) **Cars**	New vehicles ordered from 1.01.2008 until 31.12.2008 and registered by 31.03.2009	**700€ + 1** year of exemption from circulation tax (**3** years if old car is Euro 0) **+ 100€** if the new car has **$CO_2 \leq$ 120g/Km** **+500€** (2 old cars x 1 new car)
	Euro 4 – Euro 5 **LCV, special lorries, motor caravan < 3 tons GVW**	Euro 0 - Euro 1 LCV, special lorries, Motor Caravan <3.5t GVW		**1500€**
	Euro 4 – Euro 5 **LCV, special lorries, motor caravan $\geq$ 3t up to 3.5t**			**2500€**
Incentive to purchase of electric, Hydrogen, CNG, LPG vehicles **without** scrapping of old one	**Euro 4 -Euro 5 Car LCV < 3.5 tons GVW**		New vehicles ordered from 1.01.2008 until 31.12.2008 and registered by 31.03.2009	**1500€** **+ 500€** If CO2< 120g/Km.
Only scrapping	without purchase of new vehicle	Euro 0 - Euro 1 – Euro 2 (registered by 31.12.1998) **Cars**	Scrapping between 1.01.2008 and 31.12.2008	**150€** In this case it is not possible to buy another vehicle during the next 3 years, anyone who scraps his/her car can obtain: - a **free annual fee** (for 3 years) for the public transport in the city where he/she lives, - or **800€** for using Car sharing services

Decreto Legge (*Law-decree*) to be converted into law by the end of February 2008.

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others

NL
Netherlands

Taxation

In 2008, the following taxation measures will be taken into account in The Netherlands:

1. January 1st: increase of the percentage of the car retail price, which has to be added to the personal income when a business car is used for private purposes. The increase should be from 22% to 25%.
   For ultra fuel-efficient cars however, the percentage will be lowered to 14%.
   "Ultra efficient" is defined as follows: - petrol: < 110 gr CO2/km
   - diesel: < 95gr CO2/km
   Besides, these ultra fuel efficient cars get a reduction of Annual Circulation Tax of 50%(!)

2. February 1st: change of incentive-table incorporated in our registration tax, related to the CO2 efficiency of a passenger car (efficiency label A-G)

Label	Current incentive.	Proposed incentive
A	€ 1.000 (tax deduction)	€ 1.400 (tax deduction)
B	€ 500 ,,	€ 700 ,,
C	---	---
D	€ 135 (tax addition)	€ 400 (tax addition)
E	€ 270 ,,	€ 800 ,,
F	€ 405 ,,	€ 1.200 ,,
G	€ 540 ,,	€ 1.600 ,,

3. February 1st: introduction of a differentiation scheme in our registration tax for passenger cars with a diesel motor, related to emission of particle matter (PM). In 2006, the Dutch government wanted to obligate the industry to deliver each passenger car with a PM filter. This was obstructed by the European Commission. Now our government has proposed a tax measure (which seems to be permitted), which has quite the same effect as an obligation. The proposed scheme is as follows:
   - Each passenger car with diesel motor gets an registration tax deduction of € 1.000,-
   - This deduction is diminished with a € 200,- amount for each mg per km PM-emission. This means: at 5 mg/km PM-emission, the tax penalty is €100. For each mg/km extra PM emission, there is a penalty in the registration tax.
   RAI is heavily objecting to this proposal because, in EURO IV, a PM emission/km of 25 mg is permitted which will now be sanctioned by a penalty of € 4.000 and pushes some brands/models completely out of the market.
   *NB: W*e are still negotiating with our government to about this proposal.

4. February 1st: introduction of an extra amount of registration tax for passenger cars, related to CO2-emission.
   - pertrol: € 110 per gram CO2 > 240 gr/km
   - diesel: € 110 per gram CO2 > 200 gr/km

5. February 1st: Due to the preparation of a total new scheme in The Netherlands for taxing mobility (price per km), our government will lower the percentage in the registration tax formula, for passenger cars. This results in a loss in registration tax of € 150 million/year, which will be compensated by a general increase of the Annual Circulation Tax for *all* passenger cars, commercial vehicles, trucks and motorcycles in The Netherlands with the same amount (€ 150 million/year). The registration tax formula changes as follows:
   - petrol: Registration tax = 42,3% x (net catalog price) - € 1.442,-
   - diesel: Registration tax = 42,3% x (net catalog price) + € 307,-
6. July 1st: increase of excise duty of € 0,03/liter for diesel and € 0,01/liter for LPG

Environment

See taxation above

Transport

In the course of 2008, preparations will continue to introduce a new pricing system for mobility in The Netherlands (read pricing), payable by all vehicles which use the public road.

Emissions

See taxation above.

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
PT Portugal	**Taxation** Since the 1st July 2006 a new car tax composed by two parts has come into force: one part depends on cylinder capacity and the other one depends on CO_2 emissions of the vehicle. At the moment, the environment part represents 60% of the total tax on acquisition and the cylinder capacity part represents the remaining 40%. This new car tax penalizes more diesel cars than petrol ones. Vehicles exclusively electric or moved by renewed and not combustible energies have a reduction of 50% on the car tax on acquisition.	**Environment** The Government is still giving subsidies to the scrapping of cars older than 10 years. In 2007, the Government approved some procedures to make easier and more tempting these subventions. Consequently, there was a big increase of the number of scrapped cars (16 025 cars in 2007, an increase of 148% compared to the previous year). On the other hand, the recycling process of ELVs is still in progress in Portugal. A company (VALORCAR) was created to monitor and coordinate the recycling process (it is possible to access the network of the Portuguese certified centres for the recycling process at www.valorcar.pt). The car tax is taking more and more into account environmental problems. An environmental component has been introduced in the car tax and will become more and more important, whether in acquisition car tax or in ownership car tax. Vehicles exclusively electric or moved by renewed and not combustible energies have benefited from a 50% reduction on the car tax on acquisition since 1 July 2007. Besides, Portugal is implementing all directives in force relative to Euro Standards.

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
ES Spain	**Taxation** **<u>New registration deductions:</u>** Withdrawal of PREVER incentives since January 1, 2008 **<u>New framework for registration taxes based on vehicles CO2 official emissions.</u>** 1) *<u>Current situation</u>* Registration tax : 7% if: <1600 cc petrol <2000 cc diesel Registration tax: 12% if: >=1600 cc petrol >= 2000 cc diesel 2) *<u>Registration taxes since January 1, 2008</u>*	

Emission CO2 (g/km)	***Proposed rate***	New registration 2006	% Share
< = 120	***0%***	125.662	7,7
> 120 < 160	***4,75%***	907.752	55,5
>= 160 < 200	***9,75%***	459.578	28,1
>= 200	***14,75%***	141.603	8,7
Total		1.634.595	100

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
SE Sweden	**Taxation** The petrol tax was increased by SEK 0.29 per litre and the diesel fuel tax by SEK 0.55 per litre incl VAT since January 1, 2008. The annual road tax on diesel cars was decreased on 1 January 2008 as follows: - For diesel cars that pay tax according to weight (older cars) the annual road tax will be decreased by 4,5%. - For diesel cars that pay tax according to CO2-emission (applied to cars of environmental class 2005 and onwards) the extra tax (the so called fuel and environmental factor) on diesel cars was reduced from 3,5 to 3,15 for cars newly registered from January 1, 2008. On January 1, 2008, the factor was reduced to 3,3 for diesel cars newly registered up to the end of 2007. The reduction of the annual road tax compensates approximately for the increase of the diesel fuel tax for a car owner with an average annual mileage. The annual road tax was increased from January 1, 2008 by 45% on most light trucks/buses up to 3,5 tons. The annual road tax incentive of SEK 6 000 on light diesel vehicles (cars and trucks/buses with G.V.W. up to 3,5 tonnes) of environmental class 2005PM having a particulate filter (max 5 mg/km) was valid for newly registered cars only up to the end of 2007.	**Environment** The ELV-directive was introduced in Sweden on 1 June 2007. At the same time the scrapping fee/scrapping premium system was abolished. From 1 June a scrapping compensation of SEK 4 000 was introduced for cars older than 1989 year model (mostly cars without a catalyzer). The scrapping compensation was paid as long as there was money left in the car-scrapping fund. There was a large increase of the scrapping due to the SEK 4 000 compensation and the scrapping fund became empty within a few days. **Transport** The congestion tax in Stockholm was re-introduced on 1 August 2007. This time the revenues from the tax will be financing road investments in the Stockholm area. Environmental cars according to the definition by the Tax Board will be exempted from congestion tax: *Cars completely or partly driven by an alternative fuel or electricity, which means CNG, biogas, ethanol, electric and hybrid electric cars.*

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
UK United Kingdom	**Taxation** The National - Budget is due in March (probably before Easter). Some concerns may switch company car tax in line with VED bands, with consequently 'lumpier' banding. There is growing unrest about the cost of fuel and in particular the very large part that Government takes - around 70%. Government is pushing ahead with further duty rises, despite high price of crude oil.	**Environment** At local level and in particular London - low emission zone for lorries are due to now start on February, 4. See http://www.tfl.gov.uk/roadusers/lez/default.aspx for details. The Low Emission Zone (LEZ) will affect older, diesel-engined lorries, buses, coaches, minibuses and large vans (exceeding 1.205 tonnes unladen weight). From February 2008, a standard of Euro III for particulate matter (PM) for lorries over 12 tonnes. From July 2008, a standard of Euro III for PM for lorries between 3.5 and 12 tonnes, buses and coaches. From October 2010, a standard of Euro 3/III for PM for larger vans and minibuses and from January 2012, a standard of Euro 4/IV for PM for lorries over 3.5 tonnes, buses and coaches. **Transport / Emissions** London also consulting on whether to make the congestion charges include an emissions related element. The latest proposal suggested cars below 120g/km would face no charge from February 4, 2008, whilst on October 6, 2008 cars over 225g/km (or over 3 litres if older car with no CO2 data available) would face a £25. Rest would maintain current £8 a day charge. See http://www.tfl.gov.uk/assets/downloads/ERCC-Schedule-of-Variations.pdf for details. Various other cities and local authorities are looking at local schemes to also reduce congestion.

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
BG Bulgaria	**Taxation** At the end of 2006, the Bulgarian government reduced corporate tax to 10%, down from 15%, effective January 1, 2007. This reduction had an overall positive effect, bringing sectors of the grey economy to light, increasing tax receipts and leaving companies with more funds for investment. It also helped boost corporate fleet sales of the automotive market. Another major change in taxation was the introduction of "flat rate" income tax of 10%, effective January 1, 2008, to replace the old system of differentiated scale of taxation. Under public pressure the government has announced a compensation for the affected low-income segment of the population. The new taxation system is expected to have a positive effect on the automotive market in the country.	**Environment** Recently, the Ministry of the Environment has announced plans to introduce an "Eco-tax", based on emissions of C02. The proposed legislation is very similar to the legislation already adopted by several EU members. It encourages the purchase of new small efficient eco-friendly vehicles and puts fiscal barriers to the purchase of new and second-hand gas-muzzlers, rich in C02 emissions. It remains to be seen however if the Ministry of the Environment will go ahead as planned or would stall the process to see the outcome of the EU attempts to harmonize the car-emissions legislation. **Transport** One of the priorities of the Bulgarian government in 2008 is the development of the existing infrastructure. In this strategy roads come first. Finally, after receiving approval from the EC, the contract for the completion of the major highway "Trakia", linking Serbia with the Black sea /Bourgas/, was signed with a Portuguese consortium. Along with it, contracts for completion of number of lots of the two other major highways Sofia – Varna /Black sea/ and Plovdiv – Svilengrad /Turkey/ will be signed this year. The government has also budgeted the rehabilitation of a number of second-class roads in the country. **Emissions** Bulgaria has been successful in disputing the EU quotas for harmful emissions. The EU has drastically cut down by 37% the quotas proposed by the Bulgarian government. Angered by this step Bulgaria has threatened to take the case to the European Court. The EC has backed down and increased the Bulgarian quota with 20% for C02 emissions after 2013. The Bulgarian government has become very sensitive on the matter of harmful emissions since the closure of two of the 440 MGW blocks of the nuclear power station in Kozlodui. The two blocks were shut down as a precondition for the Bulgarian entry in the EU. Since then the country had to rely heavily on the coal power stations with their share in the pollution of the air. Moreover, the whole region including Greece, Serbia, Macedonia and Albania, which have been dependant on the Bulgarian export of electricity, now are suffering power shortages. The Bulgarian government has taken up a campaign for the re-opening of the two blocks to reduce emissions from traditional power stations and restore the power balance on the Balkans.

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others

CZ
Czech Republic

Taxation

Please refer also to our contributions in the previous Reports.
We mention mostly those acts that have already entered into force. However some of them will be certainly modified again soon, as during 2007 the Government had been preparing a vast financial reform. The appropriate Bill passed through the usual legislative procedures and was adopted as:
Act No. 261/2007 Coll. of 19 September 2007 - "Act on stabilization of public budgets"
It was issued on 16 October 2007 and came into force on 1 January 2008 except of some paragraphs to come into force later.
This Act will influence, possibly amend or even initiate many other acts concerning e.g. VAT, Income Tax, Excise Duty, Road Tax, special taxes on energy (electricity, solid fuels, gases), Real Estate Tax, Real Estate Transfer Tax, Inheritance Tax, Gift Tax, insurance of different kinds, Labour Code etc.
Some of existing individual acts are to be amended to comply with Act. No. 261/2007 and the relevant bills are just being negotiated in the Parliament.
The relevant information will be provided in due course in the next Economic Reports.

Excise duties (at present).
The important legislation concerning excise duties was:
Act No. 353/2003 Coll. of 26 September 2003 - "Act on excise duties"
It was issued on 24 October 2003, came into force on 1 January 2004 and has been several times amended since, e.g. by *Act No. 575/2006 Coll. of 30 November 2006 - "Act on amending Act No. 353/2003 Coll. on excise duties…"*, issued on 27 December 2006 and in force since January 1, 2007.
The complete wording of *Act No. 353/2003 Coll. on excise duties as amended later* was issued on 15 March 2007 as *No. 43/2007 Coll.*
At present another Bill to amend the former acts on excise duty is negotiated concerning mainly biofuels.
Existing rates are for instance:

petrol (Pb contents below 0.013 g/litre)	CZK 11 840 / 1000 litres
petrol (Pb contents over 0.013 g/litre)	CZK 13 710 / 1000 litres
diesel oil	CZK 9 950 / 1000 litres
ethanol	CZK 265 000 / 1000 litres
LPG (for road transport)	CZK 3 933 / ton

VAT (at present)
The important legislation concerning VAT has been *Act No. 235/2004 Coll. of 1 April 2004 - "Act on value added tax",* issued on 23 April 2004, in force since 1 May 2004 and several times amended since.
The latest amendment is included in *Act No. 172/2007 Coll. of 7 June 2007 - "Act on………amending Act No. 235/2004 Coll. on value added tax"*, issued on 12 July 2007 and in force since 1 August 2007.
New ***Act No. 261/2007*** makes provision for two rates*:*

- The basic rate of 19% applies to:
  - New vehicles and parts
  - Electrical vehicles
  - Repairs and maintenance
  - Accessories back fitting
  - Used vehicles
  - Rent-a-cars
  - Passenger car leasing
  - Fuels and lubricants
  - Assistant (rescue and similar) services
  - Technical and emission inspection

Environment

- **The Czech Republic - ELV - Legislation - Implementation**

For details please refer to previous Economic Reports.
- The principle regulative was *Act No. 185/2001 Coll. of 15 May 2001 - "Act on waste and amendment of some other acts"*, issued on 14 June 2001, in force since 1 January 2002 and several times amended since, e.g. by *Act No. 314/2006 Coll. of 23 May 2006 - "Act amending Act No. 185/2001 Coll. on waste and amendment of some other acts"*, issued on 22 June 2006 and in force since 22 June 2006 (items concerning ELV on 1 January 2007).
- An implementation decree to the *Act No. 314/2006* has not been issued yet but the Ministry of Environment (MZP) has already indicated that this Act needs amending to comply better with EU legislation. An amendment was to be prepared by MZP till July 2007, the Government was to discuss it by the end 2007 but the whole legal procedure is not finished yet by now.
- Another important regulative was *Act No. 56/2001 Coll. of 10 January 2001 - "Act on conditions of operation of vehicles on land roads and amendment of some other acts"*, issued on 19 February 2001, in force since 1 July 2001 and amended by *Act No. 103/2004 Coll. of 11 February 2004 - "Act amending Act No. 266/1994 Coll. on railways, Act No. 56/2001 on conditions of operation of vehicles on land roads and amendment of some other acts"*, issued on 5 March 2004 and in force since 1 May 2004.
- At present a Bill is to amend *Act No. 314/2006* (thus *Act No. 185/2001*) together with *Act No. 103/2004* (thus *Act No. 56/2001*) and some other Acts. The Bill is being discussed in Parliament. AIA CR has authorized experts of its member, Skoda Auto, to represent AIA CR in the activities concerning ELV, such as e.g. participation in specialized Working Parties.

- **REACH**

For details please refer to previous Economic Reports.
At present, the Association of Chemical Industry of the Czech Republic is implementing an educational programme and provides special training and literature for companies involved to help them to understand better REACH and its requirements.

Transport

- **Transport policy of the Czech Republic**

(Source of Information: Ministry of Transport of the Czech Republic = MoT)
"The Transport Policy of the CR for the years 2005 - 2013" is a complex paper providing strategic goals in the field of transport and transport networks. It was approved by the Government in *Decision No. 882 /2005* of 13 July 2005.

- **GEPARDI**

(Source of Information: Ministry of Transport of the Czech Republic = MoT)
A general plan of the transport infrastructure development *GEPARDI* is a principal strategic document that directly follows the approved document *"The Transport Policy of the Czech Republic for years 2005 - 2013"* and should act as its implementation tool.
For details please refer to previous Economic Reports.

- **Road-Pricing Systems - E-Toll**

(Source of information: Czech media and Ministry of Transport = MoT)
For more on the development of this issue, please refer to previous Economic Reports.
More information on E-Toll system in the Czech Republic is also available on www.premid.cz
- the system was estimated to contribute about CZK 1.3 - 5 bn / year to the state budget according to different expert opinions, but CZK 5.57 bn was collected in 2007 (it is about 1 bn more than formerly expected)
- the yield 2008 could be over CZK 6 bn (in the first two weeks of January 2008 CZK 20 million was already collected, a year ago it was about 13 million)
- since January 2008 a part of the 1st class roads (about 172 km - replacing the future motorways) has been added to the system
- almost 250 000 vehicles were registered in the system in January 2008, the average toll is about CZK 4.05 / km on motorways and CZK 1.9 / km on 1st class roads 58

- The lowered rate of 9% (formerly 5%) applies to:
  - Hand steering and controls for disabled persons
  - Children car seats
  - Regular passenger public transport

Deductions still do not apply to passenger cars, estate (combi) cars etc. (ECE Cat. M1). The deduction for LCVs up to 3.5t GVW (ECE Cat. N1) is possible.

- the planned expansion of the system to 1 200 km of the 1st class roads has not materialized, but it has been agreed with Kapsch to build up microwave system on all motorways the construction of which would start till 2017
- at present the MoT is preparing the development concept of the E-toll system analysing various options, e.g. expanding the system to cover also 2nd and 3rd class roads (maybe satellite technology) and vehicles over 3.5 t GVW (since 2009)

- **Marco Polo Programme**

For details please refer to previous Economic Reports.

- **National Strategy of Cycling Transport Development in the Czech Republic**

For details please refer to previous Economic Reports.

- **Programme of Supporting Renovation of Urban Public Transport Vehicles and Public Intercity Bus Transport**

For details please refer to previous Economic Reports.

- *State Programme for Support of Energy Savings and Utilisation of Renewable Energy Sources – Sub-Programme within the Ministry of Transport*

For details please refer to previous Economic Reports.

- **Road safety**

(Source of Information: Ministry of Transport of the Czech Republic = MoT)
For details please refer to previous Economic Reports.
The following measures contribute to increasing the road safety level:

- Council of the Government of the Czech Republic for Road Traffic Safety
  The status of *the Council* was newly formulated by the Government of the Czech Republic on 11 June 2007 in *Decision No. 642/07* which came into force on 11 June 2007.
  BESIP (BEzpecnost SIlnicniho Provozu = Road Traffic Safety), as a special department of MoT, acts as an executive arm and a secretariat to *the Council*.
- National Strategy of Road Traffic Safety
  The National Strategy of Road Traffic Safety was approved by the Government of the Czech Republic at its meeting on 28 April 2004 in *Decision No. 394/04*.
- European Road Safety Charter
  AIA CR joined the Charter after having signed the appropriate documents on 27 September 2007 in Prague in order to promote and disseminate the ideas of the Charter within AIA CR activities.

- **ITS**

For details please refer to previous Economic Reports.

Emissions

- **Biofuel**

For more on the development of this issue please refer to previous Economic Reports.
- At present the most important legislation concerning biofuels is *Act No. 180/2007 Coll. of 7 June 2007 - "Act amending Act No. 86/2002 Coll. on clean air protection and amendment of some other acts …"*, issued on 12 July 2007 and in force since 1 September 2007.
- In the Act mentioned there is an obligation to use the biofuels. No subsidies or tax incentives for biofuels producers or distributors have been proposed. An increase in fuel prices is expected but only a mild one. As to the taxation, the existing rates (both excise duty and VAT) e.g. for blended diesel fuel (biofuel) unfortunately do not comply with environmental requirements and trends.
- An amount of 2% RME started to be added into diesel oil since 1 September 2007 (4.5% since 1 January 2009). An amount of 2% bioethanol of corn or sugar beet started to be added into petrol since 1 January 2008 (3.5% on 1 January 2009). Biofuels shall share 5.75% of the vehicle fuel market by 2010. Biofuels distributors shall be inspected once a year for the proper blending (a percentage limit may be reached within a year amount of distributed fuels).

Annual consumption of petrol in the Czech Republic is about 2.8 bn litres.
- There is currently still a lack of regulation (acts, decrees) able to prevent potential tax evasions due to the fact that the same bioethanol may be used for fuel blending (Excise duty = 0) or e.g. for hard drinks preparation (Excise duty CZK 265 / litre). The Bill relevant is just being discussed in Parliament.

		▪ **AdBlue** - this additive injected into SCR catalysts of new CVs to comply with emission limits (Euro 4 and esp. Euro 5) appeared on the Czech market a few years ago and started a big expanding business - AdBlue sales for 2007/2006 in the Czech Republic are estimated to have increased by 6 times - important AdBlue producers in the CE region are Duslo Sala (SK) and SKW Piesteritz (DE), both are members of Agrofert Holding (CZ), further Agrolinz (AT) and YARA (NO) - big AdBlue wholesalers / distributors are e.g. Greenchem (NL), Brenntag CR, OMV (AT), Adam&Partners (CZ) - a number of public filling stations providing AdBlue from special individual pumps is growing, e.g. OMV (starting in 2005) operated in the Czech Republic 7 extra pumps (and moreover several tens of sales points offering AdBlue in jerry-cans) with annual sales over 500 000 litres, other involved firms are W.A.G., Shell, AGIP and Benzina (in preparation) - but most of AdBlue is said to be distributed within truck centres, haulage companies etc. - due to growing competition AdBlue prices dropped from about CZK 15 / litre to CZK 9 / litre

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
EE Estonia	**Taxation** • In addition to the 18% VAT, the following excise duties apply : - diesel: 5.165 EEK (€ 0.330)/litre - unleaded petrol: 5.62 EEK (€ 0.359)/litre - leaded petrol: 6.60 EEK (€ 0.422)/litre. There are not changes in taxation policy more. There is free parking in Tallinn for the hybrid cars.	

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
PL Poland	**Taxation**	**Environment** Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of life vehicles was introduced by Act of 20 January 2005 on recycling of end-of-life vehicles (Journal of Laws No 25 item 202). Polish ELV Act provides that the company bringing the vehicle into the country's territory is obliged to provide the network collecting the vehicles. Such a network should cover the country's territory in a way that enables the vehicle's owner to hand over an end-of-life vehicle to the authorized facilities for vehicle collection or to the authorized treatment facilities, situated at a distance no greater than 50 kilometers in straight line from the residence or the place of business of the vehicle's owner. The person/company introducing a vehicle into Poland is obliged to pay fees of the amount of PLN 500 for every vehicle, whenever no collection network is created. In September 2007, Parliament (Sejm) adopted **the ELV Act amendment** (very important for the Polish automotive industry) as follows: • If the network covers 95% of the territory => no fee • If the network covers 90% - 95% of the territory => 25 % fee • If the network covers 85% - 90% of the territory => 50% fee **Others** Design Protection in Poland is currently governed by the Amendment to the Act - ***„Industrial Property Rights"*** which was passed on July 31 and came into force on 31st October 2007 (Journal of Laws No 2136 item 958). The amendment introduced Design Protection liberalization law. ***Amendment to the Act – „Industrial Property Rights"*** *Following article 106, article 106 is supplemented with the following meaning:* *Art. 106. 1. Rights from registration of a design, which is entitled to protection, are not vested in a product that constitutes an element of a complex product and is used to repair the said product in a way to restore its original appearance.* *2. Third parties may make use of the product specified by point 1 either by manufacturing it, offering it, admitting it to trade, importing it, exporting it or by using the product in which the design is contained or used, or by storing such product for the above purposes.* *Following article 5, article 6 is added with the following meaning:* *"Article 6. The rights included in art. 106 of the act and which are mentioned in art. 1 also apply to the use of industrial property law, and were granted before the date of entry into force of this act.*

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
RO Romania	see below	see below

RO
Romania

Taxes, Fiscal Incentives, Government Budget

Taxation

1. Since the beginning of 2007, the special first registration tax has been applied, the amount of which depends on: displacement, emissions level and age of the vehicle. Simultaneously, excise duties have been removed for new local or imported vehicles.
As a consequence of the application of the first registration tax, second hand car imports amounted to 144 301 vehicles in 2007.
A new algorithm in order to determine the special tax is currently being discussed.

2 Road taxes (rovigneta)
Until the end of 2007 the annual taxes from the following table was applied (in €):

Vehicle type	Non Euro	Euro1	Euro2 and over
Cars	24	21	16,8
Microbus	216	210	204
Buses	510	450	390
CV 3,5-7 t	240	228	210
CV 7-12 t	540	480	420

3. Annual tax.
In 2007 annual taxes were applied as follows (in RON; 1€=3,5 RON):

Vehicle type	Tariff
Car <1600cc	7
Car 1601-2000cc	15
Car 2001-2600cc	30
Car 2601-3000cc	60
Car >3000cc	120
Buses	20
CV<12to	25
CV>12to	100-1361

Environment, Transport, Emissions and Others

Environment

1. There are no financial incentives concerning vehicles.

2. The 2000/53 directive – recycling is transposed in the Romanian legislation. After 1 January 2007, the enforcing deadlines are the same as the EU ones.

Emissions

There are no incentives concerning vehicles.
Fuel excises is slightly differentiated for the EURO 3, 4, 5, for gasoline and also diesel.

	Taxes, Fiscal Incentives, Government Budget	Environment, Transport, Emissions and Others
SK Slovakia	**Taxation** **TAXES ON ACQUISITION** ➢ Taxes imposed on motor vehicles splits in two categories, new and used vehicles: **New vehicles** can be imported either by an authorized wholesale importer or individually. Charges for the technical approval certificate and the appropriate documents for a single vehicle amount to 2000 Sk, in the case of mass production or importing by a wholesale importer the charge is 2000 Sk. ➢ Complete conditions, affordability of vehicles, and other appurtenances are specified by new Act no. 725/2004 on Operation on road communications, which is in force from 1st March 2005. Main changes are in the field of individual imports of used cars. There is no limitation for the moment as it was in former Act. All former fees for individually imported vehicles based on vehicle age are canceled. Only the cars with Certificate of Conformity can be imported. **<u>Taxes on motor vehicle sales</u>** **<u>VAT</u>** **Generally** VAT paid when importing the vehicle 19 % Import duty from outside EU 10,5% Proportional VAT calculated from difference between wholesale and general retail price 19 % Taxpayer is not allowed to decrease the vehicle price by proportional VAT. Taxpayer is allowed to count the price of the vehicle which is bought for business purposes into allowances for deprecation for a total value of 800 000 Sk, respectively 950 000 Sk, when purchasing a vehicle on leasing terms (1st depreciation group – depreciation period 4 years). **<u>VAT rates</u>** Flat rate for VAT for any goods or services. **<u>Allowable deductions</u>** **<u>VAT Exemptions</u>** A person registered for VAT is allowed to deduct VAT on the purchase of commercial vehicles for professional use. Deductions are not allowed for passenger cars, estate (combi) cars etc. (ECE Cat. M1). The deduction for LCVs up to 3.5t GVW (ECE Cat. N1) is still possible. **<u>Registration charges</u>** Registration fee of first vehicle or trailing vehicle, including editing of appropriate documents: 1000 Sk Assigning of registration number and issuing of registration number plate: 500 Sk for each plate. **TAXES ON OWNERSHIP** There are no typical ownership taxes in the Slovak Republic. **<u>Motor vehicle tax (former road tax)</u>** **<u>Generally</u>** Any vehicle owner who uses his vehicle for business purposes is obliged to pay the road tax. **<u>Legislation</u>** Legislation concerning tax on motor vehicles is specified in Act no. 582/2004 Z. z, which specifies local taxes and taxes on communal waste and small building waste. Assessment of tax is now in responsibility of local authorities. Therefore, these taxes may differ from region to region. The Act specifies also conditions for vehicles, which are used in international transport and in combined transport.	**Environment** **ELV - EC/53/2000** Act no. 223/2001Legislation on waste adopted on 15th May 2001. Vehicle importer and vehicle manufacturer, in accordance with mentioned Act, do not take any responsibility for fulfilling recycling quota. They are not responsible for taking vehicle from owner. They are obliged to pay contribution to the Recycling Fund. Recycling quota is specified in Program of waste economy. When cancelling registration, vehicle owner is obliged to present either confirmation regarding supplying vehicle to the authorised recycling company, or to declare keeping vehicle for its subsequent sale. Vehicle importers are obliged to contribute to Recycling fund regardless of vehicle category. Obligation of vehicle manufacturer or importer for all categories: 1. To pay contribution to Recycle fund for spare parts imported according to Annex of items specified in Customs tariff Ministry of Environment - batteries - oils - electronics - paper - glass 2. To keep and store the evidence of imported products and to provide these data to Recycle fund and to authorised regional state authority once quarterly. Obligation is specified for manufacturer or importer of vehicles M1 and N1 category. 3. To pay contribution to Recycle fund for any imported vehicle of specified category regardless to vehicle model and weight. From 1st March 2004 contribution fee is 2 000 SKK also for individually imported vehicle. 4. To provide necessary information for vehicle dismantling within 6 months after vehicle launching on market. **Transport Policy** - Since January 2007 heavy trucks obliged to drive only in right traffic lane and not allowed over taking truck by truck. - ITS applications (navigation systems) No obligatory use of navigation systems. Affordable for reasonable price including navigation maps of Slovakia and neighboring countries. Mostly used in premium segment of vehicles. **Emissions** ➢ Slovakia has adopted EU Directive regarding using bio-compounds in fuels for motor vehicles. Till 2008 volume of bio-compound has to be at level 5% in petrol and diesel fuels. In 2006 ratio was 2%. ➢ From January 2007 only new vehicles complying Euro 4 standard are allowed to be offered to customers. 64

a) Passenger cars with engine capacity

< 900 cm^3	1 600 SKK
900 - 1 200 cm^3	2 100 SKK
1 200 - 1 500 cm^3	2 900 SKK
1 500 - 2 000 cm^3	3 700 SKK
2 000 - 3 000 cm^3	4 700 SKK
> 3 000 cm^3	5 600 SKK

b) Commercial vehicles and buses
According to GVW and the number of axles, taxes go from 1 800 SKK up to 71 800 SKK

TAXES ON MOTORING

Fuel taxes
Taxes applicable on mineral oils are specified in Act no. 239/2001 Z.z.

Fuel taxes in 2005

Fuel	Excise duty	VAT
Petrol	15 500 – 18 000 Sk/1000 l	19%
Diesel fuel	14 500 Sk/1000 l	19%

Insurance

Generally
Subscription to third party insurance is compulsory for all registered motor vehicles. At present, eight authorized insurance companies provide compulsory insurance services. Rates are not regulated and there are small differences depending on the insurance company. Rates are specified in base rates, with additional charges for taxis, vehicle renting companies and driving schools. The level of the rate depends on engine rating and vehicle use.

Rates

Motorcycles	**rate in SKK**
< 50 cm^3	1 000
50 - 350 cm^3	1 890
> 350 cm^3	3 977
pass. cars (up to 3,5 t GVW)	**rate in SKK**
< 1 300 cm^3	4 653
1 300 - 1 800 cm^3	7 783
1 800 – 2 500 cm^3	11 831
> 2 500 cm^3	16 855
LCVs (up to 3,5 t GVW)	**rate in SKK**
< 1 300 cm^3	4 961
1 300 - 1 800 cm^3	8 996

1 800 – 2 500 cm^3	11 831
> 2 500 cm^3	30 571
trucks	**rate in SKK**
3 500 - 12 000 kg	26 154
> 12 000 kg	35 248
buses	**rate in SKK**
for public transport only	16 989
< 5 000 kg	24 992
> 5 000 kg	39 382
Trolleybuses	**rate in SKK**
for public transport only	13 186

These are average rates for single segment. Rates change depending on insurance company.

Road pricing

Highway fees for motor vehicles

Annual	GVW < 3.5 t	1 100 SKK
	GVW 3.5 t - 12 t	13 500 SKK
	GVW > 12 t	28 000 SKK
1 month	GVW < 3.5 t	300 SKK
	GVW 3.5 t - 12 t	2 600 SKK
	GVW > 12 t	3 000 SKK
7 days	GVW < 3.5 t	150SKK
	GVW 3.5 t - 12 t	1 100 SKK
	GVW > 12 t	1 200 SKK
1 day	GVW - 12 t	260 SKK
	GVW > 12 t	300 SKK

THE PRIVATE USE OF A COMPANY CAR

Use of a company car for private motoring is treated as a benefit in kind under personal income tax. The amount to be added to an employee's income before taxation is 1% of the purchase price of the company car for each month of use.

PERIODICAL INSPECTION OF VEHICLES

Inspections

Compulsory periodical inspections of road vehicles include the Regular Technical Inspections (**RTI**) and the Regular Emission Measurements (**REM**).

ACEA

AUSTRIA

ECONOMIC REPORT

Wien, February 2008
FFO / Association of the Austrian Vehicle Industry
Mr. Walter Linszbauer (e-mail : kfz@wko.at)
Phone: + 43 150 105 48 01

The Association of the Austrian Vehicle Industry

About us and the field of activities of member companies

The Association of the Austrian Vehicle Industry is a corporation under public law and represents by law the interests of the holders of a trading licence of the vehicle industry.

In 2007, the approximately 200 member companies of our association achieved with a total staff of 35.500 employees (+ 0,6 %) a production value of about 13,0 billion Euro (+ 4 % estimation).

The Austrian Vehicle Industry represents nearly 11 % of total industry and as concerns production it is one of the most important Industry-sector.

Due to the small domestic market, these companies are bound to export their excellent products to all international markets. The high quota of direct exports of 87 % is an ample proof of their success. The products of this branch enjoy a high world-wide reputation and our member companies are frequently trend-setters for new technologies on international level.

Our member companies dedicate their activities to the following branches:

- vehicles,
- two-wheelers,
- surface mountings, trailers and car bodies,
- motor vehicle parts and components (especially motors and gear boxes),
- motor vehicle repair work and
- aircraft’s.

The Association of the Austrian Vehicle Industry (FFÖ) is governed by a board of directors: President DI Bruno KRAINZ (speaker of the board of directors of the MAN Nutzfahrzeuge Österreich AG, Vice-president Julian WAGNER (Chairman of the board of Rosenbauer International AG).

The office of the association is directed by the general manager Mag. Walter LINSZBAUER and his assistants manager Mag. Andreas GAGGL,MSc and Ing. Gerhard KLAUSNER.

National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/ Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)	2009 %Ch 09/08 (forecast)
Real GDP	198,46	+ 0,9 (+ 1,0)	+ 1,1 (+ 1,4)	+ 2,3 (+ 2,4)	+ 2,0 (+ 2,0)	+ 3,3 (+ 3,2)	+ 3,4 (+ 2,7)	+ 2,2 (+ 2,7)	+ 2,0
Real Consumer Expenditure	111,91	+ 0,1 (+ 0,1)	+ 1,3 (+ 1,3)	+ 1,8 (+ 1,9)	+ 2,0 (+ 1,7)	+ 2,1 (+ 1,9)	+ 1,6 (+ 2,1)	+ 1,9 (+ 2,0)	+ 1,9
Real Industrial Production	124,0	+ 0,4 (+ 0,4)	+ 0,1 (+ 0,1)	+ 2,4 (+ 2,4)	+ 3,1 (+ 2,4)	+ 8,8 (+ 6,8)	+ 7,8 (+ 5,0)	+ 3,3 (+ 3,0)	+ 3,0
Real Business Investments	47,02	- 6,0 (- 6,0)	+ 5,9 (+ 5,9)	+ 0,1 (+ 0,6)	+ 0,3 (+ 0,3)	+ 3,8 (+ 5,2)	+ 5,0 (+ 4,9)	+ 2,5 (+ 3,4)	+ 1,9
Consumer Price Index	+ 2,7 %	+ 1,8 (+ 1,8)	+1,3 (+ 1,3)	+ 2,1 (+ 2,1)	+ 2,3 (+ 2,3)	+ 1,5 (+ 1,4)	+ 2,1 (+ 1,6)	+ 2,6 (+ 1,7)	+ 2,1
New Car price Index	101,9	+ 1,4	+ 1,1						
Trade balance (Nominal)	-1,9 (- 4,13)	+ 0,3 (+ 0,75)	- 0,2 (- 0,48)	1) + 1,7 (+ 3,99)	+ 2,1 (+ 5,16)	+ 2,8 (+ 7,11)	+ 3,4 (+ 9,32)	+ 3,3 (+ 9,37)	+ 3,4 (+ 10,11)
Unemployment rate	3,6 %	4,2 (4,2)	4,3 (4,3)	4,8 (4,8)	5,2 (5,2)	4,8 (4,9)	4,3 (4,6)	4,2 (+ 4,5)	4,3

1) new calculation methode
Source : WIFO Outlook Dec 2007 (Sept 2007)

➢ Comments

Economic Growth Slowing Down
Economic Outlook for 2008 and 2009 – Summary

GDP growth in Austria is set to abate from 3.4% in 2007 to 2.2% in 2008. A first preview to 2009 suggests a rate of growth around 2%. Main reason for the deceleration is a weakening of the international environment, as witnessed by the cyclical downturn in the USA, the crisis on financial markets and the appreciation of the euro. In Austria too, investment growth is losing momentum, and the support to activity from private consumption will be constrained by the meager gains in real incomes. The latter are squeezed also by a marked rise in inflation, projected at an annual 2.6% for 2008. The slowdown of growth will keep the rate of unemployment at 6.25% of the labour force (4.25% according to Eurostat definitions).

Austria's export industry enjoyed a boom in 2006 and 2007, benefiting from favourable economic conditions worldwide, an acquired strong market position in the rapidly growing economies in eastern and southeastern Europe and its high degree of price competitiveness. Both merchandise exports and manufacturing output expanded by 7% to 8% in volume, a pace that even allowed a net increase in the industrial workforce.

The business cycle reached its peak in the first half of 2007. Since then, leading indicators like the quarterly WIFO business survey have been signalling a slowdown, mainly because global economic conditions have weakened since last summer:

- Following a slump in real estate prices and residential investment, consumer demand and GDP growth have ebbed in the USA; with growth of real GDP projected at barely above 1.5% p.a. for 2008 and 2009, a major engine of global growth is losing steam.
- The crisis of confidence and lending on international financial markets is going on: with credit and financing conditions tightening and business confidence weakening, private investment will be affected.
- The substantial appreciation of the euro is weighing on industrial price competitiveness, thereby holding back the major driver of business activity in the euro area; prevailing differentials of both growth and interest rates between the USA and Europe make a further dollar depreciation likely. Euro area GDP is projected to moderate to 1.9% and 1.7% in volume in 2008 and 2009, respectively.
- Nevertheless, these dampening effects hit the world economy in a period of robust expansion driven mainly by the emerging markets in Asia. Global growth is expected to edge down from slightly above 5% in volume in 2007 to around 4.5%.

WIFO therefore assumes that growth of Austrian exports will decelerate somewhat over the forecast period. Exports of goods and services is expected to increase by 5.5% in volume per year. As a consequence, also the boom in manufacturing will subside, with value added gaining some 3% p.a. Already in 2007, lively exports gave less stimulus than expected to investment in machinery and equipment which edged up by only 5% in real terms, despite high corporate earnings. First results from the WIFO investment survey of autumn 2007 point to a slackening of investment growth in 2008. This holds also for the construction sector, where the boom of 2006-2007 triggered not only a sizeable increase in employment, but also a jump in prices. While steady growth over the projection period may be expected for civil engineering and residential building, construction of industrial and commercial buildings may lose some momentum. For the whole construction sector, value added may rise by some 2,5% in volume.

Unlike during the cyclical high from 1998 to 2000, the upswing in 2006 and 2007 has never been transmitted to private household demand which of late has even slowed to a mere 1.6% increase. No substantial pick-up in consumer spending should be expected for 2008 either, despite higher wage settlements. The income gains will be offset by a significant acceleration of inflation, with the headline rate rising above 3% in the months to come and the annual average for 2008 expected at 2.6%. The upward drift is mainly driven by hikes in food and energy prices. The implicit dampening impact on private consumption is particularly noticeable insofar as these items weigh heavily in the consumption basket of the low-income brackets with a high spending propensity. Household demand, adjusted for inflation, is therefore projected to grow by only 1.9% p.a. over the forecast period.

The slackening of GDP growth will slow the momentum of job creation. The number of persons in dependent active employment is set to move up by 30,000 in 2008 and a further 22,000 in 2009. These gains will not suffice to make further inroads into unemployment, given the steady increase in the population of working age, rising labour force participation rates and the continued inflow of labour from abroad. WIFO's projection for the total number of unemployed is for an average 220.000 or slightly higher, broadly unchanged up to the forecast horizon. The corresponding jobless rate is 6,25% of the dependent labour force (national definition) or 4,25% of the total labour force (Eurostat definition).

The slowdown of job creation as well as of profit growth will be reflected, with the usual lag, by a slower growth momentum of government revenues. At the same time, additional spending decided by the Federal government on research, education and social welfare will take effect. WIFO expects that the general government balance in the Maastricht definition will stabilize at a deficit around 0.6% of GDP. This outlook is necessarily vague, particularly for 2009 in the absence of budget drafts for all government levels for that year.

With the stimulus from the export boom only partially transmitted to business investment, private demand lacking momentum and the international financial market crisis still unresolved, the cyclical upswing of domestic activity will ebb earlier than hoped-for. Growth of GDP, while once again exceeding the euro area average, will fall slightly below its long-term trend. Under such auspices, a further fall in unemployment has become unlikely, as has the narrowing of the government deficit. Should the external conditions deteriorate even further, the cyclical slowdown may prove sharper than assumed in the present projections.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	0,2%	298 182	308 594	-3,4%
New LCV Registrations [1]	5,7%	32 315	30 351	6,5%
New Truck Registrations [2]	-8,3%	8 423	7 615	10,6%
New Bus Registrations	25,7%	771	827	-6,8%

Production	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Production	7,6%	199 969	248 059	-19,4%
New LCV Production	.	.	.	.
New Truck Production	17,5%	28 097	26 621	5,5%
New Bus Production	86,1%	.	227	.

Exports	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car EU Exports (total)	7,9%	197 775	242 211	-18,3%
New LCV EU Exports (total)	-	-	-	-
New Truck EU Exports (total)	16,7%	27 794	26 087	6,5%
New Bus EU Exports (total)	86,1%	.	227	.

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles	**2000**	14.770	-1,4%	540.620 / 2,7%
(NACE Rev.1 - 34.10)	**2001**	15.521	+5,1%	547.395 / 2,8%
	2002	15.301	-1,4%	538.009 / 2,8%
	2003	15.159	-0,7%	535.696 / 2,8%
	2004	16.551	+9,1%	538.322 / 3,1%
	2005	16.620	+0,4%	538.905 / 3,1%
	2006	**16.382**	**-1,4%**	**555.364 / 3,0%**
	2007			
Manufacture of bodies for	**2000**	12.773	+6,4%	2,4%
Motor Vehicles, trailers,	**2001**	13.267	+3,9%	2,4%
semi-trailers, parts and	**2002**	13.126	-1,1%	2,6%
accessories for motor	**2003**	14.394	+9,7%	2,7%
vehicles and their	**2004**	15.690	+9,0%	3,1%
engines	**2005**	15.739	+0,3%	2,9%
	2006	**16.232**	**+3,0%**	**2,9%**
(NACE Rev.1 - 34.20 + 34.30)	**2007**			
	2000	27.543	+2,1%	+5,1%
	2001	28.787	+4,5%	+5,3%
	2002	28.427	-1,3%	+5,4%
	2003	29.553	+4,0%	+5,5%
TOTAL	**2004**	32.241	+9,1%	6,0%
	2005	32.359	+0,4%	6,0%
	2006	**32.614**	**+0,8%**	**5,9%**
(NACE Rev.1 - 34.00)	**2007**			

Taxation	Environment	Transport Policy	Emissions

➢ **New Measures & effects on the Motor Vehicle market:**

	Transport policy:

29. KFG-Novelle:
Publication of 29th amendment (BGBl Teil I Nr. 6/2008) to Austrian law on vehicles.

The text and explanations are available on our website www.fahrzeugindustrie.at (Link Kraftfahrrecht)

Some headlines:

- The Austrian regulation concerning the obligatory use of day running light for motor vehicles (introduction per 15.11.2005) was taken back.
Since 1.1.2008 no more general obligation exists (exceptions: two wheelers, bad weather conditions, etc.).

- New dates for the obligatory use of winter tires for heavy vehicles (more than 3,5 t max. permissible weight) where defined:
01.11. up to 15.04. for N2- and N3-vehicles
01.11. up to 15.03. for M2- and M3-vehicles

Sectoral driving ban in Tyrol:
A new regulation (similar to the old one) of the local Government of Tyrol concerning the so called "sectoral driving ban" has been published for a specific part of the A12 Inntal highway. This regulation (relevant for vehicles and trailers with more than 7,5 t total max. permissible weight) will come into force as of:

a) 02.05.2008: concerning transportation of specific waste goods, stones or soil and excavation material
b) 01.01.2009: concerning transportation of specific kinds of woods, motorized vehicles, trailers, steel and other products.

This regulation is available on our website www.fahrzeugindustrie.at

ACEA

BELGIUM

ECONOMIC REPORT

FEBIAC

Brussels, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 Forecast
Real GDP	247.47	+0.9%	+0.9%	+2.6%	+1.7%	+2.8%	+2.7%	+1.8%
Real Consumer Expenditure	134.34	+0.3%	+0.9%	+1.5%	+1.3%	+2.0%	+2.5%	+1.8%
Real Industrial Production	-	+1.6%	+1.1%	+2.5%	n.a.	n.a.	n.a.	n.a.
Real Business Investments	35.80	-3.7%	-0.7%	+4.2%	+6.7%	+4.2%	+5.9%	+2.1%
Consumer Price Index	106.39	+1.6%	+1.6%	+2.1%	+2.8%	+1.8%	+1.7%	+2.4%
New Car price Index		+2.5%	+ 1.6%	+1.6%	+1.8%	+1.8%	+1.8%	+2.0%
Trade balance (Nominal)	8.04	+0.4%	-0.1%	+0.1%	-0.3%	0.0%	-0.4%	-0.1%
Unemployment rate			8.2%	8.4%	8.4%	8.2%	7.5%	7.2%

Source : Source : FPB, NBB, IRES

➢ Comments

Although annual GDP growth has been easing in Belgium since the peak of 3% in the first quarter of 2007, it was still strong in the third quarter of 2007 at 2.6%. With an average quarter-on-quarter growth rate of 0.6% in 2007, Belgium's economic expansion was similar to the Euro area situation, but the quarterly growth profile was very different. Up to now, the economy has remained resilient with respect to the major global shocks, such as the appreciation of the Euro, rising commodity prices and financial market turmoil. This is mainly related to the fact that domestic demand was supported by strong employment growth and rising profitability of firms.

At the same time, the moderation of economic growth is expected to continue over the next few quarters, as domestic demand is likely to be hit by higher inflation and lower employment creation. This is also reflected in the downward trend in both the consumer and the business confidence indicators.
The primary dealers have left their GDP growth forecasts for 2007 broadly unchanged at 2.6%, while downgrading their growth forecast for 2008 from 2% to 1.8%. This growth outlook for Belgium is similar to that for the Euro area as a whole. There are, however, downside risks to these growth prospects, as the impact of the slowdown in the US economy and the financial turmoil could become larger than currently expected. Disorderly exchange rate developments could also weigh on growth.

While negotiations to form a new federal government dragged on until late December, the previous government stayed on in a caretaker capacity, which meant that it could not take any additional measures to reduce the expected budget deficit. Therefore, on average, the primary dealers still expect the general government budget to show a slight deficit of 0.1% of GDP in 2007. They further expect this deficit to widen to 0.3% of GDP in 2008, as the economic outlook is likely to become less supportive. The debt ratio should continue to decline gradually and is expected to reach 83.7% of GDP at the end of 2007 and 80.8% at the end of 2008.

On 21 December, an interim federal government was installed. One of its main objectives is to draw up a balanced budget for 2008, but it also intends to support the purchasing power of the population, reduce labour costs for specific categories of workers and increase the labour market participation rate. It is foreseen that this interim government will be replaced by a new federal government by 23 March 2008 at the latest.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	9.6%	524,795	526,141	-0.3%
New LCV Registrations [1]	-2.8%	65,392	57,917	12.9%
New Truck Registrations [2]	-12.0%	9,340	7,800	19.7%
New Bus Registrations	6.8%	1,092	913	19.6%

Production	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Production	-1.5%	799,190	881,929	-9.4%
New LCV Production	-	-	-	-
New Truck Production	15.2%	34,984	43,530	-19.6%
New Bus Production	9.9%	1,143	1,310	-12.7%

➢ Comments

New car registrations reached 524,795 units in 2007 -0.26% in comparison with the same period in 2006.

The forecasts for 2008 are estimated at about 490-495.000 units.

As far as the production figures are concerned, the total car production evolved as follows for the first eight months of 2007:

CARS

	8 months 2007	8 months 2006	Diff.
FORD	173709	138529	20,3%
OPEL	137080	147945	-7,9%
AUDI (VW)	43536	128974	-196,2%
VOLVO	165424	158869	4,0%
TOTAL	519749	574317	-10,5%

HCVs
Volvo: 27,072 units against 21,025 ➔ + 22.3%;

BUSES
Van Hool: 851 units against 742 ➔ + 12.8%;

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles (NACE Rev.1 - 34.10)	**2000**	27 407		
	2001	26 979		
	2002	24 834		
	2003	23 757		
	2004	21 453		
Manufacture of bodies for Motor Vehicles, trailers, semi-trailers, parts and accessories for motor vehicles and their engines (NACE Rev.1 - 34.20 + 34.30)	**2000**	56 581		
	2001	57 152		
	2002	55 952		
	2003	52 046		
	2004	51 748		
TOTAL (NACE Rev.1 - 34.00)	**2000**			
	2001			
	2002			
	2003			
	2004			

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

1. Taxation:

CO2 incentives for purchase of new cars

- Tax reduction equivalent to 15% of the sale price for taxpayer who buys a car emitting less than 105 g CO2/km with a maximum of 4350 EUR
- Tax reduction equivalent to 3% of the sale price for taxpayer who buys a car emitting between 105g and 115g CO2/km with a maximum of 810 EUR.

Companies are not entitled to these tax reductions.

The measures related to CO2 emissions, in particular the purchase of fuel-efficient cars will be promoted by turning the existing income tax credit into a reduction on the invoice. These changes will take effect on July 1.

As regards company cars, the tax deductibility of expenses related to the use of the car (currently limited to 75%) will be linked to the CO2 emissions of the car. This has been applied to new cars since April 1, 2007 and will be applied to the entire fleet as from April 1, 2008.

The rates will be as follows:

CO_2 Émissions		Déductibility
Diesel	Petrol	
< 105 g	< 120	90%
105 - 115	120 - 130	80%
115 - 145	130 - 160	75%
145 - 175	160 - 190	70%
> 175	> 190	60%

2. Environment:

Since January 1, 2007 a tax reduction (200€) is granted for cars equipped with a particle filter and emitting less than 130g CO_2/km. Since July 1, 2007, the income tax credit has been turned into a reduction on the invoice.
Companies are not entitled to these tax reductions.

The Walloon government has just decided to introduce a bonus-malus system on new and second-hand cars purchased by private individuals. The system will be based on the CO_2 emissions and was introduced as from January 1, 2008.

3. Emissions:

Excises compensating tax on diesel cars were gradually reduced and are totally suppressed since January 1, 2008.

ACEA

GERMANY

ECONOMIC REPORT

VDA Verband der Automobilindustrie

Frankfurt, February 2008

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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	1.986,2 bn	0,1	- 0,2	1,6	0,9	2,8	2,5	1,8
Real Consumer Expenditure	1.136,90 bn	-0,8	0,1	0,1	0,1	0,6	-0,3	
Real Industrial Production	99,5 (2000=100)	98,3	98,4	100,9	103,7	109,8	116,0	
Real Business Investments	425,29 bn	- 7,5	- 0,2	-2,6	4,0	7,0	10,0	
Consumer Price Index	+2,0 (2000 = 100)	1,4	1,1	1,6	2,0	1,7	2,2	
New Car price Index	+1,5 (2000 = 100)	1,8	0,9	+1,2	0,5	1,5	3,3	
Trade balance (Nominal)	42,51	97,12 bn	87,56 bn	109,46 bn	113,3 bn	126,4 bn	154,6 bn	
Unemployment rate	10,4%	10,9	11,7	11,7	12,9	12,1	10,1	

➢ Comments

- According to first provisional calculations of the Federal Statistical Office, in 2007 the **price-adjusted gross domestic product** rose by 2.5% on the previous year. When examining the calendar-adjusted figures – the number of working days was by 1.6 days lesser in 2007 than in the year before – the GDP growth rate was 2.6% in 2007.

- The economic performance was achieved by slightly more than **39.7 million persons in employment**, which was an increase of 649,000 persons (+1.7%) compared with the preceding year. Therefore employment reached its highest level since German reunification in 2007. According to provisional results of the labour force survey, the number of unemployed persons (international definition) decreased by 641,000 (−15.1%) to 3.6 million.

- Increases in **labour productivity** - measured as the price-adjusted gross domestic product per person in employment and per hour worked - amounted to 0.8% in 2007. They were thus clearly below the growth rates (+2.2% and +2.4%, respectively) observed in 2006.

- As regards the **production side** of the gross domestic product (price-adjusted), all economic sectors had a positive impact on economic growth in 2007. Industry experienced a particularly strong growth. Its gross value added was up 5.2% on a year earlier. Economic performance also saw a clear rise in trade, transport and communications (+2.3%), in financial, real-estate, renting and business activities (+3.1%) and in agriculture, hunting, forestry and fishing (+2.7%). Furthermore economic performance improved by 1.7% in construction. However, the economic upturn which started in 2006 (at that time, price-adjusted gross value added increased by 5.4%) slowed down markedly. Gross value added of other service activities increased by 0.6% on the previous year.

- As regards the use of the gross domestic product, economic growth in 2007 was based on both **foreign and domestic demand**. The continued foreign demand for German goods and services led to an 8.3% increase in **exports**. The rise observed in imports was 5.7% and hence clearly below the export level. The resulting price-adjusted export surplus (net exports) contributed 1.4% percentage points to GDP growth.

- **Domestic uses** contributed one percentage point to growth based, above all, on gross fixed capital formation. In price-adjusted terms, the latter saw an increase of 4.9% on 2006. Gross fixed capital formation in machinery and equipment again had a substantial effect on growth: Capital formation of enterprises in machinery, equipment and vehicles increased by 8.4% on a year earlier. However, gross fixed capital formation in construction was up not more than 2.0%. This increase was almost completely attributable to gross fixed capital formation in non-residential buildings, which rose by 4.3%, hence the continued positive development of 2006 (also +4.3%). Price-adjusted gross fixed capital formation in residential construction climbed only by 0.3%. Thus the growth rate was clearly smaller than the rate recorded a year earlier (+4.3%).

- Final **consumption** expenditure contributed 0.2 percentage points to economic growth. However, only final consumption expenditure of general government had a positive effect on growth (price-adjusted growth rate +2.0%). Final consumption expenditure of households declined by 0.3% in 2007 on a year earlier, which resulted in a negative contribution to growth of 0.2 percentage points. In 2006, final consumption expenditure of households still made a positive contribution to growth (0.6 percentage points). Certainly, the above two results also reflect the rise in value added tax which led to purchases in 2006 that had originally been planned for a later time.

- The **national income** (factor costs), the two components of which are compensation of employees and property and entrepreneurial income, rose to EUR 1,825 billion (+ 4.2%) in 2007. While **compensation of employees** (EUR 1,180 billion) was up 2.6% on a year earlier, **property and entrepreneurial income** saw an increase of 7.2% to EUR 645 billion. The share of compensation of employees in the national income at factor costs (wage ratio) declined to 64.6%; that was one percentage point less compared with the previous year.

- **Gross wages and salaries** increased to EUR 954 billion (+3.1%) in 2007. The last time a higher increase was recorded was in 2000 (+3.4%). Net wages and salaries, which are obtained after deduction of wage tax and employees' social contributions, amounted to nearly EUR 620 billion and hence were 2.3% above the level of the previous year. While employees' social contributions recorded a comparatively moderate rise of 2.7%, employee wage tax was up 6.2% according to first provisional results. This strong increase was, among other things, due to the clear rise observed in the number of jobs fully subject to social insurance contributions and to changes in income tax law (for instance, elimination or restriction of commuter tax allowance).

- The **number of employees** was up 1.7% in 2007. Average gross wages and salaries (per employee) climbed by 1.3%, while average net wages and salaries increased by 0.5%.

- In 2007, the **disposable income of households** rose by 1.6% to EUR 1,518 billion. Compared to 2006, consumer reticence of households was again stronger in 2007 so that the growth (+1.4%) of household final consumption expenditure (at current prices) was even smaller than the moderate increase observed in the disposable income. The saving ratio climbed to 10.8%, which was an increase of 0.3 percentage points on a year earlier.

- According to provisional calculations, net lending and net borrowing of **general government** (including central government, state government, local government and social security funds) were in balance in 2007. When put in relation to the GDP at current prices the financial position ratio is in the black.

- Slight Improvement in the **Ifo Business Climate**: The Ifo Business Climate Index for industry and trade in Germany rose slightly in January. The companies have assessed their current situation marginally less positively than in December. With regard to the outlook for the coming six months, they are more optimistic. On the whole, the condition of firms in German industry and trade continues to be robust, according to Ifo.

- In **manufacturing** the business climate indicator has somewhat risen. The current situation has been assessed just as favourably as in December. Confidence in the six-month outlook has increased slightly, and the survey participants are nearly just as optimistic with regard to future export business as in December. The share of firms that plan to hire additional staff has however somewhat fallen.

- The business climate in the **construction** industry has brightened. Dissatisfaction with the current business situation has weakened marginally, but the contractors are clearly more confident regarding future business development. The business climate in **wholesaling** remains unchanged. Current business has been assessed somewhat more positively than in December, but the six-month outlook has worsened. In **retailing** the index has fallen again as a result of more unfavourable assessments of the current situation. However, firms are less skeptical with regard to the six-month outlook than in December.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	3.8%	3,148,163	3,467,961	-9.2%
New LCV Registrations [1]	12.5%	221,540	197,164	12.4%
New Truck Registrations [2]	10.2%	107,105	101,559	5.5%
New Bus Registrations	5.2%	5,471	5,710	-4.2%
Production	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car Production	0.9%	5,709,139	5,398,508	5.8%
New LCV Production	4.9%	237,264	202,431	17.2%
New Truck Production	1.8%	240,173	209,385	14.7%
New Bus Production	5.7%	9,085	9,290	-2.2%
Exports	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car EU Exports (total) of which:		**4,303,754**	**3,893,002**	**10.6%**
Western Europe [3]	-3.6%	2,639,985	2,385,244	10.7%
Eastern Europe [4]	25.1%	475,926	358,698	32.7%
NAFTA [5]	4.4%	622,848	626,471	-0.6%
- o/w USA	1.6%	551,373	555,311	-0.7%
South and Central America [6]	23.4%	28,816	24,688	16.7%
Asia [7]	21.5%	407,141	355,856	14.4%
-o/w Japan	-13.8%	92,549	92,203	0.4%
Others [8]	15.9%	129,038	142,045	-9.2%
New LCV EU Exports (total) of which:		**165,299**	**138,642**	**19.2%**
Western Europe	5.6%	124,875	107,658	16.0%
Eastern Europe	6.5%	27,516	21,901	25.6%
NAFTA	-17.1%	7,179	4,480	60.2%
South and Central America	-36.4%	119	35	240.0%
Asia	-76.3%	899	420	114.0%
Others	36.6%	4,711	4,148	13.6%
New Truck EU Exports (total) of which:		**170,197**	**143,846**	**18.3%**
Western Europe	-1.2%	91,303	88,502	3.2%
Eastern Europe	24.1%	39,554	28,218	40.2%
NAFTA	-9.7%	6,823	2,838	140.4%
South and Central America	17.1%	1,182	940	25.7%
Asia	-40.4%	17,590	12,182	44.4%
Others	27.2%	13,745	11,166	23.1%
New Bus EU Exports (total) of which:		**7,319**	**7,233**	**1.2%**
Western Europe	6.0%	4,536	4,528	0.2%
Eastern Europe	101.4%	629	985	-36.1%
NAFTA	-32.2%	365	388	-5.9%
South and Central America	337.5%	10	35	-71.4%
Asia	-28.5%	792	510	55.3%
Others	-10.0%	987	787	25.4%

1. LCV are Commercial Vehicles (CV) up to 3.5t	excluding Buses
2. CVs above 3.5t,	excluding Buses&Coaches
3. Western Europe	= EU+EFTA
4. Eastern Europe	= Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldavia, Poland, Slovakia, Slovenia, Ukraine, Serbia/Montenegro, Russia, Turkey
5. NAFTA	= US, Canada, Mexico
6. South and Central America	= *South America:* Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Falkland Isl., French Guyana, Guyana Republic, Paraguay, Peru, Suriname, Uruguay, Venezuela, others. = *Central America:* Costa Rica,Cuba, Guatemala, Jamaica, Panama, Puerto Rico, Caribbean Isl., others.
7. Asia	= *Southeast Asia:* Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Taiwan, Vietnam, others. = *Northeast Asia:* China, Japan, S+N Korea, Mongolia, Macao, others. = *Central Asia:* Armenia, Georgia, others. = *South Asia:* India, Nepal, others. = *Middle East: Barhain, Iran,* Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen, Others.
8. Others	Australia, S.Pacific, Africa

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

1. Taxation:

Discussions on introducing a CO_2-base into the annual circulation tax are still under way, adoption of a draft bill in the cabinet is planned for May. The government intends to tax all passenger cars first registered from 1 January 2009 on a CO_2-basis. Cars registered earlier will remain subject to the tax based on cylinder capacity. Tax rates may be adapted for old cars to avoid any disadvantage for new cars. The tax rate will be linear, a tax exemption for low-emission cars is discussed. The reform shall be revenue-neutral. In order for the proposal to come into force, agreement of the regional governments is necessary.

2. Environment:

On 1 January 2008, Berlin, Cologne and Hanover introduced a so-called environmental zone, excluding old high-emission vehicles from entering the inner city. Several other cities will follow in the course of the year. Further information is available under http://www.bmu.de/english/air_pollution_control/general_information/doc/40740.php

3. Transport policy:

On 1 September 2007, the motorway toll for heavy trucks was increased by 1,1 Cent to 13,5 Cent per kilometre on average. In parallel, circulation tax for heavy trucks was reduced to EU minimum levels and an innovation programme came into force which provides incentives for investment in Euro V-trucks. The programme is limited until 30 September 2008 when toll rates will be reduced again proportionately. However, the programme’s total amount of about 100 million Euro has already been used so that no further applications are possible. The government currently looks into the possibility of additional funding. Around 25.000 vehicles have received incentives so far.

4. Emissions:

The government plans to increase the differentiation of the motorway toll for heavy trucks based on Euro emission classes. Currently, there is a 50 %-difference which shall be increased to 100 % in line with the new Eurovignette directive. It is planned to introduce the new scheme from 01 October 2008.

ACEA

DENMARK

ECONOMIC REPORT

Copenhagen, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP						3.5	1.5	1.6
Real Consumer Expenditure						3.1	2.2	2.6
Real Industrial Production								
Real Business Investments						13.5	4.9	3.0
Consumer Price Index						2.1	1.9	2.4
New Car price Index								
Trade balance (Nominal)								
Unemployment rate						4.3	3.2	2.9

Source : Danish Economic Council

➢ Comments

The past years GDP growth has been strong, but there has been a decline in 2007 and GDP growth is expected to stay at a moderate level in 2008.

In 2007 the unemployment rate is expected to be 3.2 % of the work force, and a further decline to 2.9 % is expected for 2008.

During the past years, there has been a large increase in the price of real estate, and owners of real estate have experienced large increases in the equity of their homes. However, these price increases are not expected to continue. During 2006 the return on real estate investments was 12 %, and the return was 9 % in 2007. In 2008 the return on real estate investments is expected to be negative (-2.7 %).

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	5,5%	162 668	156 934	3,7%
New LCV Registrations [1]	12,5%	56 029	62 760	-10,7%
New Truck Registrations [2]	0,1%	6 902	5 993	15,2%
New Bus Registrations	13,6%	561	650	-13,7%

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches

➢ Comments

The strong Danish economy has led to high vehicle sales over the past few years.

There was a decline in the sale of new vehicles in the spring of 2007, when the Danish government made some changes to the car taxation rules. These changes caused some uncertainty, and some consumers apparently chose to postpone their purchase of a new car.

During the summer of 2007 vehicle sales got going again and the total sales of passenger cars in 2007 have been higher than in 2006. However, commercial vehicle sales have been lower. The decline in the sales of commercial vehicles can be explained by the changes in taxation in the spring of 2007, when the registration tax for certain commercial vehicles was increased from 30% to 50%.

One explanation for the large number of new passenger cars sold in 2007 could be the high rate of return on real estate investments during the past years. Many home owners have experienced large increases in their equity and some have decided to materialise part of this increase by purchasing a new car.

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

1.	Taxation:

- The Danish government changed the vehicle taxation rules in the spring of 2007.
- Among the major changes were changes in the taxation of commercial vehicles. For commercial vehicles the registration tax was increased from 30 % to 50 % - expect for pick-ups and box trucks. However, the registration tax for commercial vehicles with a weight below 2 tons was reduced from 95 % to 50 %.
- For both passenger cars and commercial vehicles an allowances/supplement was introduced, which depends on how fuel efficient the vehicle is. A registration tax allowance was introduced for both passenger cars and commercial vehicles of DKK 4,000 for every kilometre per litre in excess of 16 km/l for petrol vehicles and 18 km/l for diesel vehicles. At the same time a registration tax supplement was introduced of DKK 1,000 for every kilometre per litre less than 16 km/l for petrol vehicles and 18 km/l for diesel vehicles.
- For both passenger cars and commercial vehicles there were a number of changes in the tax allowances, which can be made for various types of safety equipment.
- So far the changes in the vehicle taxation rules have led to a decline in the sale of commercial vehicles and an increase in the sale of small fuel efficient passenger cars. The increase has been especially strong for small fuel efficient diesel cars.

2.	Transport policy:

Transport policy and infrastructure has received a lot of media coverage recently following the publication of a large report by the so-called “Committee on Infrastructure”. The task of this committee was to present an analysis of the challenges facing the infrastructure in Denmark and present proposals regarding the future investments in the transport area.

The committee recommended 6 specific focus-areas, which should be prioritized when decisions are made regarding future investments in the transport sector. These areas are:

- The ring connections should be completed in the Copenhagen Area - for both road and rail.
- A plan for the development of the infrastructure in Eastern Jutland should be prepared.
- It should be ensured, that all parts of the country are connected to the major transport corridors and centers.
- Denmark’s ports to abroad shall be a central part of an efficient transport network.
- ITS shall ensure optimal usage of the infrastructure.
- The efforts to reduce the environmental and climate effects from the transport sector shall be intensified.

ACEA

GREECE

ECONOMIC REPORT

Athens, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	168.0	3.8	4.8	4.7	3.7	4.3	4.1(f)	3.7(f)
Real Consumer Expenditure	104.3	9.8	8.6	8.6	9.8	10.9	na	na
Real Industrial Production	98.18 (2000=100)	0.8	0.3	1.2	-0.9	0.5	na	na
Real Business Investments	19.6% of GDP	1.5	6.0	-0.9	-3.3	8.9	na	na
Consumer Price Index	87.5 (2005=100)	3.6	3.5	2.9	3.5	3.2	2.9	na
New Car price Index	96.95 (2005=100)	0.9	0.6	1.3	0.3	-1.9	-0.6	na
Trade balance (Nominal)	-17.0	-1.7	-3.1	-1.1	0.5	-4.4	na	na
Unemployment rate	10.7%	-0.4	-0.6	0.8	-0.7	-0.9	-0.8	-0.4

Source : Ministry of Finance, NSSG, National Bank of Greece

➢ Comments

- The Greek economy continued to grow sharply on the back of strong investment spending and healthy, though weakened, private consumption growth as consumer borrowing slowed down. The strong growth is even more impressive in view of the tighter monetary conditions, the cooling down of the real estate market and the continued rise in oil prices to historical highs.

- Looking forward, the Greek economy is expected to continue growing above potential and the main drivers will be private consumption, rising real disposable income and strong fixed investment. The negative effect on external demand from the envisaged slowdown in the euro area and the strength of the euro are expected to be largely counterbalanced by the higher economic integration with dynamic neighbouring SEE economies, which now comprise over 20% of exports. The unemployment rate is expected to drop further to 7.7% in 2008 from 8.1% in 2007. The main risks to this outlook stem from a further increase in oil prices which could initiate a further tightening of monetary conditions in the euro area of a sharper-than-expected slowdown in euro area and SEE growth, triggered by a potential recession of the US economy.

- Concerning consumption, following an 18 month period of remarkable buoyancy, consumer spending, as reflected in retail sales volume, grew at a more subdued pace during three months to July, mainly reflecting the moderation in food, beverages and clothing consumption. On the other hand, spending on consumer durables continues to exhibit impressive dynamism as did car sales.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	-0.8%	279,794	267,706	4.5%
New LCV Registrations [1]	2.9%	24,007	23,735	1.1%
New Truck Registrations [2]	18.1%	2,392	2,167	10.4%
New Bus Registrations	-39.2%	627	474	32.3%

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches

Employment

	Year	*Number of persons employed*	*% change on previous year*	*% of total employment in manufacturing industry*
Manufacturer of Motor Vehicles	**2000**			
(NACE Rev.1 - 34.10)	**2001**			
	2002			
	2003			
	2004			
	2005			
	2006			
	2007			
Manufacture of bodies for	**2000**	2 251	-	0.95
Motor Vehicles, trailers,	**2001**	2 219	-1.4	0.95
semi-trailers, parts and	**2002**	2 053	-7.5	0.89
accessories for motor	**2003**	na	na	na
vehicles and their	**2004**	na	na	na
engines	**2005**	na	na	na
	2006	na	na	na
(NACE Rev.1 - 34.20 + 34.30)	**2007**	2 251	-	0.95
	2000	2 219	-1.4	0.95
	2001	2 053	-7.5	0.89
	2002	na	na	na
	2003	na	na	na
TOTAL	**2004**	na	na	na
	2005	na	na	na
	2006			
(NACE Rev.1 - 34.00)	**2007**			

Taxation	Environment	Transport Policy	Emissions

➢ **New Measures & effects on the Motor Vehicle market:**

	Taxation:

Since January 1, 2008, fuel tax in Greece is as follows:

- Petrol (octane number <96.5) tax was raised from €313/1000l to €350/1000l.
- Diesel tax was raised from €260/1000l to €293/1000l.

ACEA

SPAIN

ECONOMIC REPORT

anfac

Madrid, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	543.7			3,2	3,5	3,9	3,8	3,1
Real Consumer Expenditure	419			4,2	4,2	3,8	3,2	2,8
Real Industrial Production	95.5			1,6	0,7	3,9	2,5	2,5
Real Business Investments	134.7			5	6,9	6,8	5,9	3,1
Consumer Price Index	2.7			3,2	3,7	2,7	4,2	2,9
New Car price Index	1.7			2,2	2,3	1,7	0,5	---
Trade balance (Nominal)	-1.7			-6,3	-7,5	-8,1	-8,3	-8,4
Unemployment rate	10.5			10,5	9,2	8,5	8,2	8,6

Source : INE for current and historical data. Government, FUNCAS and CEPREDE forecasts for 2007 & 2008.

➢ Comments

The gradual slowdown by Spanish economy that began in the second quarter of 2007 has continued in the third quarter, and is expected to follow the same trend in the **last quarter of the year**. This evolution is the result of a weaker domestic demand, whose contribution towards GDP growth decreased significantly in the last quarter, meanwhile there has been an improvement in the contribution by net external demand, contributing towards a more balanced GDP composition.

Nevertheless the whole year has closed with a very strong trend and probably a GDP growth between 3.6% and 3.8%. **2008 begins** with a greater economic uncertainty and according to analysts, growth forecasts is being revised downwards, in the range from 2.5% to 2.9%, which differs from the 3.1%, foreseen by the Spanish Government.

The lower **domestic demand** is in line with a weakening in consumer spending and investment in construction which have not been fully offset the by strong expansion in productive investment of last months. Household consumption expenditure is continuing the slowdown which began six months ago reflecting the effects in interest rates.

The **consumer confidence index** has been decreasing since third quarter of the last year pushing down household expenditure which is expected to fall below 3% in 2008. Job creation will moderate its path and this will show a slight increase of unemployment. Prices will continue to reduce the capacity of purchasing of very indebted families.

Despite these perspectives, the **Spanish economy is banking on strong supports** to face the deceleration, like the good business results, the greater flexibility of the labor market, the solid asset position that households still enjoy and the wide margin of public sector performance. Those are the reasons why growth is still expected to be over 2.5% in 2008. Fears are more in the medium term. The **external demand** should pull strongly enough and push up the industry and services leaving the labour force stable while the investment in construction would recover a more moderate pace. All this is very unlikely and the future growth could be under 2%.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	-0,9	1.614.835	1.634.608	-1,2
New LCV Registrations [1]	3,1	275.398	273.757	0,6
New Truck Registrations [2]	1,1	45.26	41.137	10,0
New Bus Registrations	-5,7	3.803	3.632	4,7
Production	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car Production	-0,9	2.195.780	2.078.639	5,64
New LCV Production	7,0	599.584	619.444	-3,21
New Truck Production	5,1	92.793	77.882	19,15
New Bus Production	16,5	1.546	1.47	5,17
Exports	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car EU Exports (total) of which:	**-1,0**	**1.709.802**	**1.576.096**	**8,5**
Western Europe [3]	-2,4	1.446.296	1.381.890	4,7
Eastern Europe [4]	8,9	154.437	115.69	33,5
NAFTA [5]	4,1	33.071	38.587	-14,3
- o/w USA	8,9	16.979	18.516	-8,3
South and Central America [6]	16,4	5.68	3.676	54,5
Asia [7]	-23,8	12.077	13.416	-10,0
-o/w Japan	53,6	2.242	3.297	-32,0
Others [8]	89,8	58.241	22.837	155,0
New LCV EU Exports (total) of which:	**8,2**	**488.894**	**497.775**	**-1,8**
Western Europe	5,5	354.756	374.98	-5,4
Eastern Europe	38,2	63.344	65.864	-3,8
NAFTA	>500	4.589	3.341	37,4
South and Central America	8,7	11.824	11.014	7,4
Asia	10,3	30.978	22.331	38,7
Others	-22,7	23.403	20.245	15,6
New Truck EU Exports (total) of which:	**3,0**	**58.84**	**49.297**	**19,4**
Western Europe	5,0	52.797	47.277	11,7
Eastern Europe	21,9	566	474	19,4
NAFTA	-	1.761	5	>500
South and Central America	53,3	158	99	59,6
Asia	-55,7	487	427	14,1
Others	-28,8	3.071	1.015	202,6
New Bus EU Exports (total) of which:	**15,3**	**989**	**673**	**47,0**
Western Europe	-10,8	402	345	16,5
Eastern Europe	-53,8	9	19	-52,6
NAFTA	-	0	0	-
South and Central America	-	0	0	-
Asia	82,1	467	30	>500
Others	92,7	111	279	-60,2

1.	LCV are Commercial Vehicles (CV) up to 3.5t	excluding Buses
2.	CVs above 3.5t,	excluding Buses&Coaches
3.	Western Europe	= EU+EFTA
4.	Eastern Europe	= Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldavia, Poland, Slovakia, Slovenia, Ukraine, Serbia/Montenegro, Russia, Turkey.
5.	NAFTA	= US, Canada, Mexico
6.	South and Central America	= *South America:* Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Falkland Isl., French Guyana, Guyana Republic, Paraguay, Peru, Suriname, Uruguay, Venezuela, others. = *Central America:* Costa Rica,Cuba, Guatemala, Jamaica, Panama, Puerto Rico, Caribbean Isl., others.
7.	Asia	= *Southeast Asia:* Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Taiwan, Vietnam, others. = *Northeast Asia:* China, Japan, S+N Korea, Mongolia, Macao, others. = *Central Asia:* Armenia, Georgia, others. = *South Asia:* India, Nepal, others. = *Middle East: Barhain, Iran,* Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen, Others.
8.	Others	Australia, S.Pacific, Africa

➢ Comments

In 2007 the motor industry market suffered a slight decrease of 0.7% in registrations. The positive figures in commercial vehicles have not been sufficient to compensate the fall (-1.2%) of new car registrations.

A total of 1.614.835 **passenger cars** were registered last year in Spain, 19.773 fewer than in 2006. In December it has increased 6.3% in comparison with the same month of the previous year due to the new framework of registration taxes. In the last month of the year, the increases in private sales of high segments (off road and executive) have been very notable, showing a surprising pick that has pushed down January results. In general terms the year has ended with high volumes of registrations, in line with ANFAC's forecasts.

For the coming year it will continue with the negative trend in the car market with less than 1% or 2% and totaling near 1.6 million vehicles. It is too early to know the strength of the positive effects of the new taxation. The economic situation which shows doubts in the near future will compensate most of those.

New registrations of light commercial vehicles and trucks closed the year with a positive evolution with a year-on-year increase by 0.6% and 10 % respectively in 2007.

The excellent trend for light commercial vehicles and trucks must be underlined, as they have registered a record of new registrations, with 275.398 and 45.260 units respectively.

The total production of vehicles has grown by 4%, with almost 2.9 million units. Passenger cars increased by 5.64% and the rest of the vehicles have kept the level of production stable.

A dynamic demand on the European market, and in particular in Italy, France and the UK, for the new models produced in Spain boosted Spanish automotive production in 2007.

This situation will allow the vehicle manufacturing industry in Spain to remain the seventh world producer and the third European producer.

An increase of 1% to 2% in motor vehicle production is expected in 2008.

In 2007, vehicle export has accounted for 82.6% of the production volumes from the Spanish plants, reaching a total of nearly 2.4 million vehicles with an increase of 5.1% on the previous years´ levels exports.

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles	**2000**			
(NACE Rev.1 - 34.10)	**2001**			
	2002	72,537	0.2	2,4
	2003	71,038	-2.1	2.4
	2004	72,453	2.0	2.5
	2005	72,331	-0,6	2.3
	2006	70,786	-2,1	2,3
	2007			
Manufacture of bodies for	**2000**			
Motor Vehicles, trailers,	**2001**			
semi-trailers, parts and	**2002**	246,935	-2.0	8.2
accessories for motor	**2003**	253,059	2.5	8.5
vehicles and their	**2004**	252,550	-0.2	8.6
engines	**2005**	251,035	-0,6	8.06
	2006	247,772	-1,3	8,0
(NACE Rev.1 - 34.20 + 34.30)	**2007**			
	2000			
	2001			
	2002			
	2003			
TOTAL	**2004**			
	2005			
	2006			
(NACE Rev.1 - 34.00)	**2007**			

Source: ANFAC, SERNAUTO. Figures do not match exactly NACE classifications as published by INE, which are very delayed (last figure available is for 1999)

➢ New Measures & effects on the Motor Vehicle market:

Incentives

Withdrawal of PREVER incentives since January 1, 2008.

New framework for registration taxes based on vehicles CO_2 official emissions.

1) Previous situation (before January 2008)

Registration tax :	7%	if:	<1600 cc petrol
			<2000 cc diesel
Registration tax:	12%	if:	>=1600 cc petrol
			>= 2000 cc diesel

2) Registration taxes since January1, 2008

Passenger cars

The following table shows the definite intervals:

Emission CO2 (g/km)	***Proposed rate***	New registration 2006	% Share
< = 120	***0%***	125.662	7.7
> 120 < 160	***4.75%***	907.752	55.5
>= 160 < 200	***9.75%***	459.578	28.1
>= 200	***14.75%***	141.603	8.7
Others	***12%***	-----	-----
Total		1.634.595	100

ACEA

FINLAND

ECONOMIC REPORT

Helsinki, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP 1)	131,5	2,3	2,4	3,6	2,9	5,0	4,4	2,7
Real Consumer Expenditure	65,6	1,7	4,4	3,2	3,8	4,3	3,8	2,7
Real Industrial Production	32,5	2,1	0,5	5,0	0,6	7,9	0,5	1,0
Real Business Investments	23,1	-4,8	3,0	4,9	5,9	5,6	5,0	3,0
Consumer Price Index 2)	102,6	1,6	0,9	0,2	0,9	1,6	2,5	2,9
New Car price Index 2)	100,9	2,5	-5,4	0,9	-0,2	-0,5	0,4	-5,7
Trade balance (Nominal)	14,1	13,6	11,1	10,2	7,7	9,1	9,5	10,0
Unemployment rate %	9,1	9,1	9,0	8,8	8,4	7,8	6,9	6,6

Source :1) GDP at 2000 prices 2) 2000 = 100

➢ Comments

Finland's economic upturn is levelling off and output growth is slowing down in 2008 due to developments in the global economy. Demand in paper industry is tacky and raw material costs are clearly higher than expected. The international price level in the electronics industry is going down.

The development in internal market is still good and incomes of households will grow rapidly. Employment is strengthening but cost and price pressure is higher than forecast in the autumn 2007. The satisfying economic growth will support the demand of trucks. The tax relief concerning passenger cars is not expected to raise the Finnish car production but in general it will stimulate the demand in cars.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	-1,7	125 608	145 700	-13,8
New LCV Registrations [1]	8,4	16 885	15 268	10,6
New Truck Registrations [2]	-3,7	4 853	5 257	-7,7
New Bus Registrations	9,0	496	448	10,7

Production	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Production	52,5	24 000	32 393	-25,9
New LCV Production				
New Truck Production	-14,1	303	353	-14,2
New Bus Production				

Exports	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car EU Exports (total)	52,5	24 000	32 393	-25,9
New LCV EU Exports (total)				
New Truck EU Exports (total)	-10,9	119	73	63,0
New Bus EU Exports (total)				

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches

➢ Comments

The sales of passenger cars dropped in the end of year 2007 because the government published the plans to decrease passenger car taxation from the beginning of year 2008. Now the demand in cars has increased due to lower prices.

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles	**2000**	2 694	6,3	0,6
(NACE Rev.1 - 34.10)	**2001**	2 963	10,0	0,7
	2002	2 954	-0,3	0,7
	2003	2 870	-2,8	0,7
	2004	2 460	-14,2	0,6
	2005	2 189	-11,0	0,6
	2006	2 280	4,2	0,6
	2007	2 110	-7,5	0,6
Manufacture of bodies for	**2000**	4 705	4,0	1,1
Motor Vehicles, trailers,	**2001**	4 512	-4,1	1,0
semi-trailers, parts and	**2002**	4 522	0,2	1,0
accessories for motor	**2003**	4 525	0,0	1,0
vehicles and their	**2004**	4 070	-10,0	1,0
engines	**2005**	4 572	12,3	1,1
	2006	4 800	5,0	1,1
(NACE Rev.1 - 34.20 + 34.30)	**2007**	4 895	2,0	1,1
	2000	7 399	4,8	1,7
	2001	7 475	1,0	1,7
	2002	7 476	0,0	1,7
	2003	7 395	-1,1	1,7
TOTAL	**2004**	6 530	-11,7	1,6
	2005	6 761	3,5	1,7
	2006	7 080	4,7	1,7
(NACE Rev.1 - 34.00)	**2007**	7 005	-1,1	1,7

Source Statistics Finland, Valmet Automotive and Sisu Auto:

➢ Comments

There was a little growth of personnel in the truck manufacturing in 2007 but this industry is very small in Finland. The employment in passenger car production did not change last year but at the beginning of this year (2008) the volume of jobs dropped 20 %.

Taxation	Environment	Transport Policy	Emissions

- **New Measures & effects on the Motor Vehicle market:**

1. Taxation:

The changes in car taxation came into force on January 1, 2008. Car tax is based on CO_2 emissions. At the same time car tax was generally cut by one sixth on average.

At the same time the Government also proposed that the annual vehicle tax be based on CO_2 emissions. The change in the annual vehicle tax is intended to come into force at the beginning of 2010 to allow time for the Vehicle Administration Center to change its computer systems.

From the 1st of January 2008 the level of fuel taxes increased on average about 4 cents per litre.

2. Environment:

Calculation of elv-cars and their components and materials has been done. The environment authorities is pursuing discussions about the results. After the excellent change in car tax there is a greater pressure on car business to decrease the number of passenger cars in traffic – especially the older ones.

3. Transport policy:

Discussions and studies are going on about transportation systems in Finland. Main interest is how to improve and increase the share of public transportation.

4. Emissions:

Discussions and studies are continuing after the proposal of the European Commission concerning CO_2 emissions in Finland.

ACEA

FRANCE

ECONOMIC REPORT

Paris, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	1,497.2	+1.0%	+1.1%	+2.5%	+1.7%	+2.0%	+1.8%	+1.9%
Real Consumer Expenditure	817.4	+2.2%	+2.2%	+2.6%	+2.2%	+2.1%	+2.2%	+2.2%
Real Industrial Production	841.4	-1.3%	-1.2%	+1.9%	+0.8%	+1.0%	+1.4%	+1.5%
Real Business Investments	161.8	-2.9%	+0.4%	+4.1%	+2.7%	+4.1%	+3.7%	+3.5%
Consumer Price Index	103,9	+1.9 %	+2.1 %	+2.1 %	+1.8 %	+1.7 %	+1.5 %	+1.6 %
New Car price Index	99,0	+1.1 %	+1.3 %	+1.7 %	+1.3 %	+1.1 %	+2.0 %	+1.2 %
Trade balance (Nominal)	17.2	26.5	16.1	1.7	- 15.7	- 25.8	-	-
Unemployment rate	7.8 %	7.9 %	8.5 %	8.9 %	8.9 %	8.8 %	8.1 %	7.9 %

Source: INSEE (New figures for the Unemployment rate)

➢ Comments

Economic growth in 2007 should be similar to that of 2006, in a different context: in particular, the appreciation of the euro against the dollar and the rise of prices of oil and other raw materials, including, at the end of 2007, food products.

The business investment rate (in real terms) continues to be near 4% and real consumer expenditure rate above 2%, as in previous years; the latter was possible due to the decline of households' savings rate and the increase of household debt. However, developments of the financial crisis could influence the real economy.

Business confidence is above the long-term period average, but a slight deterioration has been observed since April 2007.

The improvement of households' confidence after the French presidential election was not later confirmed. Households' confidence remains very weak due to the high unemployment rate and increasing prices of oil and various food products. Their purchasing power is also affected by housing costs.

The mandatory payment rate was 44% of GDP in 2006, one of the highest in the last five years. In 2007 income tax was reduced after the French presidential election, which should support households' purchasing power. However deficits have to be financed and the question of reforms is debated.

The development of credit sustains households' investment and the European Central Bank policy could influence the real estate market, especially since last summer financial crisis.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	-3.3%	2,064,545	2,000,549	3.2%
New LCV Registrations [1]	4.8%	461,462	440,020	4.9%
New Truck Registrations [2]	-3.9%	52,539	53,134	-1.1%
New Bus Registrations	9.8%	5,491	5,243	4.7%
Production : estimate	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car Production	-12.4%	2,554,000	2,723,196	-6%
New LCV Production	1.4%	393,254	386,512	1.7%
New Truck Production	10.6%	67,600	55,439	22%
New Bus Production	9.7%	4,290	4,072	5%
Exports	**%Ch 06/05**	**Jan-Nov 2007**	**Jan-Nov 2006**	**%Ch 07/06**
New Car EU Exports (total) of which:	**-10.1%**	**1,975,624**	**2,153,294**	**-8.3%**
Western Europe [3]	-11.0%	1,489,618	1,623,054	-8.2%
Eastern Europe [4]	0.4%	152,439	143,373	6.3%
NAFTA [5]	40.5%	12,270	16,278	-24.6%
- o/w USA	++	2,982	4,236	-29.6%
South and Central America [6]	-4.1%	16,170	14,898	8.5%
Asia [7]	-19.9%	215,696	253,402	-14.9%
-o/w Japan	-12.1%	11,335	11,268	0.6%
Others [8]	20.7%	89,431	102,289	-12.6%
New LCV EU Exports (total) of which:	**-2.2%**	**202,141**	**201,691**	**0.2%**
Western Europe	-3.8%	163,615	165,322	-1.0%
Eastern Europe	8.1%	24,583	21,842	12.5%
NAFTA	++	92	340	-72.9%
South and Central America	22.1%	841	1,712	-50.9%
Asia	-23.1%	3,759	2,872	30.9%
Others	6.1%	9,251	9,603	-3.7%
New Truck EU Exports (total) of which:	**12.0%**	**48,547**	**43,764**	**10.9%**
Western Europe	0.2%	29,707	27,846	6.7%
Eastern Europe	34.2%	9,077	6,573	38.1%
NAFTA	-41.7%	59	144	-59.0%
South and Central America	++	1,327	1,462	-9.2%
Asia	14.2%	2,690	1,316	104.4%
Others	45.4%	5,687	6,423	-11.5%
New Bus EU Exports (total) of which:	**-1.3%**	**775**	**789**	**-1.8%**
Western Europe	-17.0%	374	522	-28.4%
Eastern Europe	46.7%	189	179	5.6%
NAFTA				
South and Central America		1		
Asia	++	1	5	-80.0%
Others	76.6%	210	83	153.0%

1. LCV are Commercial Vehicles (CV) up to 3.5t	excluding Buses
2. CVs above 3.5t,	excluding Buses&Coaches
3. Western Europe	= EU+EFTA
4. Eastern Europe	= Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldavia, Poland, Slovakia, Slovenia, Ukraine, Serbia/Montenegro, Russia, Turkey.
5. NAFTA	= US, Canada, Mexico
6. South and Central America	= *South America:* Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Falkland Isl., French Guyana, Guyana Republic, Paraguay, Peru, Suriname, Uruguay, Venezuela, others. = *Central America:* Costa Rica,Cuba, Guatemala, Jamaica, Panama, Puerto Rico, Caribbean Isl., others.
7. Asia	= *Southeast Asia:* Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Taiwan, Vietnam, others. = *Northeast Asia:* China, Japan, S+N Korea, Mongolia, Macao, others = *Central Asia:* Armenia, Georgia, others. = *South Asia:* India, Nepal, others. = *Middle East: Barhain, Iran,* Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen, others.
8. Others	Australia, S.Pacific, Africa

➢ Comments

Since 2003, registrations of new passenger cars remained stable at a level between 2 and 2.07 million units, which is the average long term period. In 2007 registrations increased by 3.2% at 2.06 million units (-3.3% in 2006). Market was sustained in December 2007 because of the anticipation of the new “bonus-malus” system entering into force on January 1, 2008 (at the end of November 2007 registrations for the first 11 months were up 1.7%).

Like business investments, the market for light commercial vehicles has increased since 2004. The increase went on during the year 2007 (+4.9%) at 460,000 units, a new record.

Since mid-2005 truck registrations are above 50,000 units per year, a high level. Sales during the year 2007 decreased by 1% at 52,500 units.

After a -12% during 2006, the production of passenger cars in France continued to decrease (-6%) during 2007. This production decrease is accentuated by reducing stocks of vehicles and sales policies. During the last three months of 2007 the production was up (+2%).

Business investment supported commercial vehicle production during 2006 (light commercial vehicle production (+1.4%) and heavy commercial vehicle production (+10.6%)). This trend was confirmed during the year 2007 (+1.7% for light commercial vehicles and +22% for heavy commercial vehicles).

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles	**2000**	190,830	+3.9 %	5.8 %
(NACE Rev.1 - 34.10)	**2001**	197,069	+3.3 %	6.0 %
	2002	191,367	-2.9 %	5.9 %
	2003	183,850	-3.9 %	5.9 %
	2004	186,123	+1.2 %	6.1 %
	2005	185,061	-0.6 %	6.2 %
	2006	182,000	-1.7 %	6.2 %
	2007			
Manufacture of bodies for	**2000**	120,434	+5.3 %	3.7 %
Motor Vehicles, trailers,	**2001**	120,880	+0.4 %	3.7 %
semi-trailers, parts and	**2002**	122,087	+1.0 %	3.8 %
accessories for motor	**2003**	117,988	-3.4 %	3.8 %
vehicles and their	**2004**	115,887	-1.8 %	3.8 %
engines	**2005**	109,848	- 5.2 %	3.7 %
	2006	106,000	- 3.3 %	3.6 %
(NACE Rev.1 - 34.20 + 34.30)	**2007**			
	2000	311,264	+ 4.4 %	9.5%
	2001	317,949	+ 2.1 %	9.6%
	2002	313,454	-1.4 %	9.7%
	2003	301,838	-3.7 %	9.6%
TOTAL	**2004**	302,010	+ 0.1 %	9.9%
	2005	294,909	-2.4 %	9.9%
	2006	288,000	-2.3 %	9.9 %
(NACE Rev.1 - 34.00)	**2007**			

Source: INSEE

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

1. Taxation:

The average budget of the French motorist has increased by 5.5% in 2006 to € 5,359 for a new small car (Renault Clio). It has increased by 2.2% to € 6,702 for a new compact car (Peugeot 307), according to an annual study of the Automobile-club federation, which points out the increasing share of taxes in the motorist's budget (37% of costs for a new Clio and 60% for the same used vehicle).

2. Environment:

Following the national debate on environmental issues (*Grenelle de l'environnement*) to which various actors (companies, experts, NGOs, trade unions, etc.) took part, several measures were adopted:

- A new tax for heavy trucks on motorways and on the State-owned road network will be introduced in 2011 in the framework of the Eurovignette directive. Its amount would depend on Euro classes. It should generate annual surpluses of around € 1 billion per year which would be dedicated to alternative modes.
- *A "bonus-malus"* system for new cars is in force since 1 January for all new cars bought since 5 December 2007. It consists of a tax or an incentive depending on the CO_2 level.
  - o The incentive which is generally deducted from the purchase price amounts to € 200 for cars emitting between 121 and 131 g CO_2/km, € 700 between 100 and 120 g and € 1,000 under 100 g.
  - o This measure can be completed by a "super bonus" (scrap incentive) of € 300 for buyers of new cars eligible to a bonus who also replace a car of 15 years of age or older.
  - o The tax reaches € 200 for cars emitting between 160 and 165 g, € 750 between 166 and 200 g, € 1,600 between 201 and 250 g and € 2,600 beyond 250 g.
- Modal shift is also a priority, mainly with the development of the high-speed rail network and of urban public transport, at the detriment of other modes.

3. Transport policy:

- Road transport companies are expecting a 7% increase of their costs in 2008 mainly due to strong increases in fuel and toll prices. They ask for a repercussion of these costs on shippers.
- For the 6th year in a row, the number of fatalities on French roads has further decreased by 2% in 2007 to 4,615. This represents a 40% decrease during the last five years. National authorities want to put the emphasis on young drivers, two-wheelers and alcohol in 2008.

Although the average speed on French roads has decreased by 10% in the last five years, the President of the Republic has announced that 500 new automatic radars would be added every year to reach a total of 4,500 in 2012. A reform of the driving license is also under way in order to make it cheaper and more efficient (introduction of regular tests).

4. Emissions:

For the first time, the number of new passenger cars emitting less than 140 g CO_2/km registered in France in 2007 reached 1 million units, accounting for around 50% of the market. Moreover, 400,000 new cars under 120 g have been sold last year.

ACEA

IRELAND

ECONOMIC REPORT

Dublin, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	115.30	6.8%	3.7%	4.5%	5.5%	5.7%	4.8%	2.3%
Real Consumer Expenditure	55.20	2.7%	2.6%	3.8%	6.6%	5.7%	7.0%	3.8%
Real Industrial Production	34.30	11.0%	1.5%	4.7%	3.0%	2.9%	1.2%	2.2%
Real Business Investments	25.25	1.7%	-1.2%	8.0%	12.8%	3.1%	0.1%	-3.7%
Consumer Price Index	4.9%	4.6%	3.5%	2.2%	2.4%	3.9%	4.9%	3.3%
New Car price Index	2.5%	2.4%	6.7%	5.4%	1.2%	0.7%	0.7%	N/a
Trade balance (Nominal)	17.23	27.3%	-2.9%	-5.8%	-5.0%	-7.2%	-18.5%	-1.9%
Unemployment rate	3.9%	4.4%	4.6%	4.4%	4.4%	4.4%	4.6%	5.8%

➢ Comments

2007 saw continuing growth in the Irish economy, with real GDP growing by 4.7% and this strong performance is evidenced by continued growth in employment, with a 61,000 net job increase in 2007. This growth, following over a decade of record levels for the Irish economy, is not expected to continue in 2008 butto revert to more normal levels. Employment levels are expected to be flat, with a modest 8,000 increase expected for this year, while real GDP is predicted to grow by 2.3%. This reduction in growth is due to a number of factors – contraction in the house building sector; SSIA (special savings were released in 2007) effect gone; current government spending to be at a lower rate.

The years of record growth have seen the number of cars on Irish roads increase from 800,000 to 1.7 million in little over a decade, and more sustainable growth levels will see vehicle sales hover around the 180,000 mark in the next few years. 2008 has started solidly, with registrations for January (the biggest registration month) up 4% on January 2007. However a move of the Irish registration tax system from a cc basis to a CO2 basis from July next has created some uncertainty in the consumers' minds, and car sales are difficult to predict for this year.

Employment continues to grow – Ireland's workforce has increased from 1mio to 2mio over the last thirteen years and undoubtedly this increase has provided the car retailer with a substantial increase in its customer base, and car sales have increased from 60,000 in 1992 to 180,000 in 2007. The key danger to Ireland's continuing growth is global imbalances and the threat of decline in the dollar and/or continuing high fuel prices. Inflation has become a feature of the Irish economy in the last two years, with Irish inflation rates continuing to be above the eurozone average. Despite the expected slowdown, the fundamentals of the Irish economy are strong and the motor industry can look forward positively in Ireland.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	4.13%	186,540	178,484	4.51%
New LCV Registrations [1]	10.17%	44,056	40,979	7.51%
New Truck Registrations [2]	20.61%	5,444	5,861	-7.11%
New Bus Registrations	48.16%	334	402	-16.92%

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches

➢ Comments

2007 saw further stimulation in the car market as monies saved by consumers under a special savings scheme backed by the Government crystallised in 2007 – the total savings from these "SSIAs" were in excess of €15 billion and the motor industry has benefited from some of these monies. Allied to this is a growing population, availability of credit and annual increases in numbers employed, which should ensure that Ireland's car market continues to be strong for the foreseeable future

Employment

	Year	*Number of persons employed*	*% change on previous year*	*% of total employment in manufacturing industry*
Manufacturer of Motor Vehicles	**2000**	.	.	0%
(NACE Rev.1 - 34.10)	**2001**	.	.	0%
	2002	.	.	0%
	2003	.	.	0%
	2004	.	.	0%
	2005	.	.	0%
	2006	.	.	0%
	2007	.	.	0%
Manufacture of bodies for	**2000**	10000	-	2%
Motor Vehicles, trailers,	**2001**	10000	-	2%
semi-trailers, parts and	**2002**	10000	-	2%
accessories for motor	**2003**	10000	-	2%
vehicles and their	**2004**	10000	-	2%
engines	**2005**	10000	-	2%
	2006	10000	-	2%
(NACE Rev.1 - 34.20 + 34.30)	**2007**	10000	-	2%
	2000	10000	-	2%
	2001	10000	-	2%
	2002	10000	-	2%
	2003	10000	-	2%
TOTAL	**2004**	10000	-	2%
	2005	10000	-	2%
	2006	10000	-	2%
(NACE Rev.1 - 34.00)	**2007**	10000	-	2%

Taxation	Environment	Transport Policy	Emissions

New Measures & effects on the Motor Vehicle market:

1. Taxation:

- ✓ There were no increases in VAT in the Minister for Finance's Budget of December 2007.
- ✓ There were no increases in road Tax or fuel duties
- ✓ However, there was a fundamental change to the Irish registration tax system, with a move from a cc basis to a CO2 basis of calculating registration taxes. The new system will be effective from July 2008, and the rates of tax will be:

CO_2 Emissions Bands	g CO_2/km	VRT Rates
A	0 - 120g	14%
B	121 - 140g	16%
C	141 - 155g	20%
D	156 - 170g	24%
E	171 - 190 g	28%
F	191 - 225g	32%
G	226g and over	36%

Current incentives for hybrid and flexifuel vehicles would remain in place until June 30th 2008 after which those vehicles will be entitled to a new relief from VRT of up to €2,500.

2. Environment:

- Primary legislation on ELVs was passed in July 2003, which allowed manufacturers to opt for "own-marque" schemes. Regulations were issued at the end of May 2006, with free take back to commence from January 2007. The Regulation system is onerous, with particular concerns in the areas of the number of proposed treatment centres of 43 (with no provision for collection points), the requirement for each Importer to register with each local authority and pay excessive annual registration fees; and the onerous administration and reporting requirements. Despite this, Vehicle Importers have made substantial progress towards meeting these requirements.
- The EU Directive on CO2 emissions currently operational in the State, but the Department of Environment have indicated that they will introduce a new labeling system by July to comply with the updated EU Labeling Directive and to complement the new VRT system.

3. Transport policy:

- Two years ago the Government announced a hugely ambitious new plan, "Transport 21", which will see €34 billion invested in transport infrastructure over the next 10 years, including €18 billion on roads. This is the first time in the history of the State that transport infrastructure has been prioritised. While concerns have being raised over the cost and timing of some of the projects, the road element of the plan appears to be on target and on budget.

- There are now five tolls in operation in Ireland at the current time, and this is expected to increase in the coming years. Consumers are becoming more disposed to the introduction of tolls, as long as these monies are clearly used to pay for the road infrastructure.
- An overland tram system, "LUAS", consisting of 2 lines from Dublin's suburbs to the city center was opened in the summer of 2004. In addition a Port Tunnel for HGVs has been completed, with the aim of taking all HGVS away from the centre of Dublin. The tunnel is now fully operational.
- The Government recently announced, as part of Transport 21, plans for a metro system in Dublin.

4. Emissions:

Hybrid Vehicles, Flexible fuel and Electric vehicles are currently entitled to a 50% refund of VRT. This concession will expire on July 1st 2008, but after which those vehicles will be entitled to a new relief from VRT of up to €2,500.

ITALY

ECONOMIC REPORT

Torino, February 2008

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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06 (forecast)	2008 %Ch 08/07 (forecast)
Real GDP	1.248,647	0.3	0.1	0.9	0.1	1.9	**1.7**	**0,9**
Real Consumer Expenditure	733,562	0.2	1.0	0.5	0.1	1.5	**1.9**	**1.2**
Real Industrial Production	99.5 (2000=100)	-1.6	- 0.5	-0.2	- 0.8	2.6	**1.5**	**0.8**
Real Business Investments	253,778	4.0	- 1.5	1.9	- 0.4	2.3	**2.7**	**1.6**
Consumer Price Index	102.7 (2000=100)	2.5	2.7	2.2	2.0	2.1	**1.8**	**2.2**
New Car price Index	111.7 (1995=100)	114.8	116.6	116.1	118.6	120.4	**122.2**	**na**
Trade balance (Nominal)	9,233	8,478	2,752	-1,221	- 9.369	- 21,536	**-7,327 ***	**na**
Unemployment rate	9,1	8.6	8.4	8.0	7.7	6.8	**6.2**	**6.0**

* 11 months

Sources : Banca d'Italia	*Economic Bulletin*	*January 2008*
Centro Studi Confindustria	*Economic Notes*	*January 2008*
Consensus Economics	*Forecasts*	*January 2008*
ISAE	*Economic Outlook*	*January 2008*

➢ Comments

Italian Economy: looking for a new political coalition in Government

Prodi's cabinet recent resignations on 24 January - after a twenty months rule - could mark a new period of difficulties for the Italian economic system, in view of a possible prolonged lack of interest in the themes related to industrial policy.

The year 2008 could see new political elections, paving the way even to innovative ruling coalitions.

So, all the forecasts about the next development of the economy are strictly connected with the deterioration of central decision making and conditioning exogenous variables from a relatively difficult world scenario.

Macro-economic indicators in Italy

GDP: + 1.7% in 2007, +0,9% in 2008
The performance of the whole Italian economic system has been lower in 2007 than in the previous year. A more pronounced downward trend is expected for 2008, halving the growth by pessimistic predictions, owing to uncertainties on internal political developments and on the negative effects by the worldwide economic scenario.

Private consumption: + 1.9% in 2007, + 1.2% in 2008
The record for cars sales, driven by the government incentives, has sustained worthy results in 2007. In 2008 household expenditure will suffer: energy and food costs plus inflation in general are accelerating, heavily tightening private finances against low levels in real wages, so far lasting for too many years and hampering recovery of purchasing power.

Gross investment: +2.7% in 2007, + 1.6% in 2008
After a relative upturn in 2006 and 2007, the investments cycle will again experience increases lesser than 2%, due both to doubts about the perspectives for the final demand and to the pressure on interest rates owing to the financial crisis on the US markets. Moreover, to be expected is the end of the long expansion occurred in residential building business, as a consequence of the long awaited slowdown in real estates prices.

Industrial output: + 1.5% in 2007, + 0.8% in 2008
A lower foreign demand, higher input costs and the slackening in internal consumption will cause in 2008 only a limited increase in the industrial production index, compared to the second half of 2007, when a certain weakness had already appeared.

Inflation rate: + 1.8% in 2007 + 2.2% in 2008
Pressures from the raise of food and energy prices have been kept relatively down in 2007, even for the "core" inflation, but expectations for an upsurge are evident. The rates are moderate in comparison with past experiences, it is necessary to avoid triggering run ups of prices-wages.

Export:
The first 11 months period of 2007 show a deficit of 7,327 million euros, with exports up to 11.1% and imports +6,2%, thus bettering the trade unbalance. The export performance has been originated thanks to a stronger penetration on emerging markets, especially the ones of producers of fuels and energy commodities.

Unemployment rate: 6.2% of the workforce in 2006, 6.0% in 2008
The employment in the private sector has fallen (-13.000 units) last December for the first time since July 2003, covering all the manufacturing sectors. The services have represented the only engine for job creation. The perspectives are not so brilliant for 2008; however, a forecast for a little reduction in the global unemployment rate is again feasible.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	4.0	2,490,570	2,326,049	7.1
New LCV Registrations [1] (deliveries for Italy)	8.5	252,894	234,527	7.8
New Truck Registrations [2]	-0.1	35,820	35,747	0.2
New Bus Registrations	-3.9	4,414	4,874	-9.4
Production	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car Production	23.0	910,860	892,502	2.1
New LCV Production	0.9	320,889	272,205	17.9
New Truck Production	11.1	51,114	44,020	16.1
New Bus Production	-17.1	1,449	2,867	-49.5
Exports	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car EU Exports (total) of which:	**34.6**	**374,177**	**367,087**	**1.9**
Western Europe [3]	37.8	287,249	296,396	-3.1
Eastern Europe [4]	17.2	41,099	42,260	-2.7
NAFTA [5]	24.8	6,270	5,852	7.1
- o/w USA	7.8	5,348	4,885	9.5
South and Central America [6]	52.9	5,026	598	--
Asia [7]	0.4	9,810	8,178	20.0
-o/w Japan	6.3	5,095	5,513	-7.6
Others [8]	64.1	24,723	13,803	79.1
New LCV EU Exports (total) of which:	**0.5**	**233,521**	**192,561**	**21.3**
Western Europe	-3.3	184,580	151,776	21.6
Eastern Europe	10.2	42,623	35,590	19.8
NAFTA	-100.0	171	0	--
South and Central America	--	1,025	1,307	-21.6
Asia	-52.7	528	246	114.6
Others	112.2	4,594	3,642	26.1
New Truck EU Exports (total) of which:	**9.5**	**42,334**	**34,985**	**21.0**
Western Europe	5.8	25,539	22,006	16.1
Eastern Europe	37.0	9,976	8,038	24.1
NAFTA	7.1	76	150	-49.3
South and Central America	154.9	213	288	-26.0
Asia	-38.5	1,402	1,917	-26.9
Others	35.1	5,128	2,586	98.3
New Bus EU Exports (total) of which:	**9.9**	**476**	**1,319**	**-63.9**
Western Europe	3.7	352	1,108	-68.2
Eastern Europe	89.3	104	106	-1.9
NAFTA	--	0	0	--
South and Central America	66.7	0	10	-100.0
Asia	30.3	5	43	-88.4
Others	40.5	15	52	-71.2

1.	LCV are Commercial Vehicles (CV) up to 3.5t	excluding Buses
2.	CVs above 3.5t,	excluding Buses&Coaches
3.	Western Europe	= EU+EFTA
4.	Eastern Europe	= Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldavia, Poland, Slovakia, Slovenia, Ukraine, Serbia/Montenegro, Russia, Turkey.
5.	NAFTA	= US, Canada, Mexico
6.	South and Central America	= *South America:* Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Falkland Isl., French Guyana, Guyana Republic, Paraguay, Peru, Suriname, Uruguay, Venezuela, others. = *Central America:* Costa Rica,Cuba, Guatemala, Jamaica, Panama, Puerto Rico, Caribbean Isl., others.
7.	Asia	= *Southeast Asia:* Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Taiwan, Vietnam, others. = *Northeast Asia:* China, Japan, S+N Korea, Mongolia, Macao, others. = *Central Asia:* Armenia, Georgia, others. = *South Asia:* India, Nepal, others. = *Middle East: Barhain, Iran,* Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen, others.
8.	Others	Australia, S.Pacific, Africa

➢ Comments

The December outcome has greatly contributed to reach a new historical record in the **Italian market: over 2,490,000 new-car registrations** in 12 months, that is **up 7.1%** and around 165,000 units more than in 2006.

This outstanding result has been mainly due to the eco-incentives. Actually, an unexpected acceleration in trading of old cars for scrapping has made the car demand suddenly upswing. The scrapping process has, furthermore, implied important and positive effects on both environment and safety, for example a better quality of the air due to less polluting vehicles in use. Also the Italian State and its economy have greatly benefited from these campaigns, by recording a higher fiscal revenue and a sustain to GDP growth of around 0.2%.

At the end of 2007, the **eco-incentives have been reconfirmed**, and this seems quite promising regarding 2008 car demand, which should have a trend slightly lower than in 2007.

The **domestic Makes** have recorded excellent performances: from the beginning of the year sales have exceeded 781,500 units (**up 9.2%** on 2006), and their total market share has improved by 0.6 percentage points (up 31.4%).

Diesel cars market share, from the beginning of the year, was of **55.7%**, that is 2.5 percentage points less than the in December 2006 (58.2%).

➢ New CVs registrations/sales

LCV sales

The year **2007** has brilliantly attained the threshold of **253,000 total sales**: the second record in the whole Italian market's story (apart from the first obtained in 2002 - more than 260,000 vehicles sold) – thanks again to the Government's eco-incentives).

The operators of the sector have greatly appreciated these governmental contributions, in particular in the second half of the year, and this general sentiment has favoured the presence of a "2-speed trend" demand: quite moderate in the first 6 months (up 2.9% on the same period in

2006), more sustained in the second half of the year (up 13.1% on the previous year). As a whole, the growth rate recorded in 2007 was 7.8%.

The **renewal of the eco-incentive programme in 2008**, signed last December, leaves hope for a new year full of optimistic expectations.

Domestic Makes: further to the success obtained by a rich range of models, from the beginning of the year, **deliveries** have totalled **over 134,300 units**, namely almost 1,700 vehicles more than the volumes recorded in 2006 (**up 1.3%** on the very high result reached in 2006). The **market share** at the end of the year was around **53.1%.**

FIAT PROFESSIONAL: the result attained in December contributed to surpass deliveries registered since January (**106,500 units**), that is **up 0.6%** on the 2006 balance. This latter, however, had been obtained further to a big supply of vehicles to some Italian public bodies, a unique occasion for the domestic market. At the end of the year the **market share** recorded was of **42.1%**.

IVECO balance has been positive as well, with a total volume of sales (12 months) of around **23,000 units (up 7.9%**, that means slightly more than the market growth's rate). The **market share** was of **9.1%** from the beginning of the year.

<u>Heavy trucks registrations</u>
The market of heavy trucks **over 3.5 tons** GVW has recorded a negative trend in the first half of the year (-5.9%), that has, however, been counterbalanced by a heavy expansion in the second 6 months (7.0%). The final balance of the year has been of **35,820** new registrations, which is aligned with 2006 (**+0.2%**).

<u>Buses registrations</u>
In 2007, new registrations recorded a final account of **4,414** vehicles, with a remarkable loss in the whole sector (**-9.4%)**. This negative situation, still in progress, has mainly been due to a growing shortage of public investments' opportunities, which has been creating great difficulties for the companies when planning their productions.

- **New car & New CVs Production/Export**

In **2007**, the Italian production has continually maintained a positive trend, even accompanied by excellent results (in July, +20.8% on one year earlier), except for a slight drop in January and March.

In particular, the **car production** trend has been characterized by both positive and negative periods, with an alternation of downwards trend in the first quarter of the year and some good months of expansion; at the end of the year were posted **910,860** cars, with an increment of **2.1%**.
Car **export** has followed a similar trend, with a balance of **374,177** units, namely **up 1.9%** if compared to the year 2006.

With regard to **CVs**, both production and export have performed quite well, recording a **production** of **320,889 light vehicles (+17.9%**) and **51,114 heavy vehicles (+16.1%**), and an **export** of **233,521 LVs (+21.3%**) and **42,334 HVs (+21%**).

In 2007, as for **buses**, the **production** figures went down to **1,449 units (-49.5%)**; also **exports** signed a negative trend: **476 units,** corresponding to **- 63.9%.**

Employment

	Year	*Number of persons employed*	*% change on previous year*	*% of total employment in manufacturing industry*
Manufacturer of Motor Vehicles	**2000**	82,900	-7.4	
(NACE Rev.1 - 34.10)	**2001**	69,900	-15.7	
	2002	65,400	-6.4	
	2003	59,500	-9.0	
	2004	66,500	+11.8	
	2005	67,600	+1.7	
	2006	*68,600*	*+1.5*	
	2007	*not available*	**na**	
Manufacture of bodies for	**2000**	95,900	+4.8	
Motor Vehicles, trailers,	**2001**	104,500	+9.0	
semi-trailers, parts and	**2002**	104,700	+0.2	
accessories for motor	**2003**	104,300	-0.4	
vehicles and their	**2004**	100,300	-3.8	
engines	**2005**	99,000	-1.3	
	2006	*99,800*	*+0.8*	
(NACE Rev.1 - 34.20 + 34.30)	**2007**	*not available*	**na**	
	2000	178,800	-1.2	
	2001	174,400	-2.5	
	2002	170,100	-2.5	
	2003	163,800	-3.7	
TOTAL	**2004**	166,800	+1.8	
	2005	166,600	-0.1	
	2006	*168,400*	*+1.1*	
(NACE Rev.1 - 34.00)	**2007**	*not available*	**na**	

Source: Istat /Eurostat

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

Taxation:

The Italian Government has adopted the new fiscal law for 2008. The main issues concerning the automotive sector is the renewal of incentives are as follows:

	New vehicles	Vehicles to scrap	Period	Incentive amounts
Incentive to purchase **with** scrapping of old vehicle	**Petrol-powered Car** Euro 4 - Euro 5 **CO_2 ≤ 140g/Km** **Diesel-powered Car** Euro 4 - Euro 5 **CO_2 ≤ 130g/Km**	Euro 0 Euro 1 Euro 2 (registered by 31.12.1996) **Cars**	New vehicles ordered from 1.01.2008 until 31.12.2008 and registered by 31.03.2009	**700€ + 1** years of exemption from circulation tax (**3** years if old car is Euro 0)
				+ 100€ if the new car has **CO_2 ≤ 120g/Km** **+500€** (2 old cars x 1 new car)
	Euro 4 – Euro 5 **LCV, special lorries,** **motor caravan** **< 3 tons GVW**	Euro 0 - Euro 1 LCV, special lorries, Motor Caravan <3.5t GVW		**1500€**
	Euro 4 – Euro 5 **LCV, special lorries, motor caravan** **≥ 3t up to 3.5 tons GVW**			**2500€**
Incentive to purchase of electric, Hydrogen, CNG, LPG vehicles **without** scrapping of old one	**Euro 4 -Euro 5** **Car** **LCV < 3.5 tons GVW**		New vehicles ordered from 1.01.2008 until 31.12.2008 and registered by 31.03.2009	**1500€** **+ 500€** If CO_2< 120g/Km.
Only scrapping	without purchase of new vehicle	Euro 0 - Euro 1 – Euro 2 (registered by 31.12.1998) **Cars**	Scrapping between 1.01.2008 and 31.12.2008	**150€** In this case it is not possible to buy another vehicle during the next 3 years, anyone who scraps his/her car can obtain: - a **free annual fee** (for 3 years) for the public transport in the city where he/she lives, - or **800€** for using Car sharing services

<u>Decreto Legge (*Law-decree*) to be converted into law by the end of February 2008.</u>

ACEA

NETHERLANDS

ECONOMIC REPORT

rai

Amsterdam, February 2008
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National Economic Outlook

National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	1.3%	0.60%	-0.90%	1.25%	1.5%	3%	2.75%	2.5%
Real Consumer Expenditure	1.2%	1.25%	-0.90%	0.25%	0.7%	-1%	2%	2%
Real Industrial Production	-	-	-	-	-	-	-	-
Real Business Investments	-1.8%	-6.4%	-1.8%	-2.2%	3.1%	4.25%	5.25%	4,.75%
Consumer Price Index	4.5%	3.4%	2.1%	1.25%	1.7%	1%	1.75%	2%
New Car price Index	106.2	109.1	108.4	-	-	-	-	-
Trade balance (Nominal)	5.8%	6.5%	6.3%	7.2%	7.7%	7.75%	7.5%	7.75%
Unemployment rate	3.3%	4.0%	5.1%	6.5%	6.5%	5.5%	4.5%	4%

Source : CPB, Macro Economic Outlook 2008

Comments

Growth remains high, but is slackening

Dutch economic growth is expected to weaken to 2.25% in 2008. Labour market tensions will rise further. This will lead to substantially higher contractual wage rises and accelerating inflation in 2008. The government budget in 2007 was in balance, while a surplus of 0.5% of the gross domestic product (GDP) is foreseen for 2008.
The uncertainty is however larger than usual, due to the turmoil on the international financial markets. On the one hand, recent realisations appeared to be surprisingly favourable; on the other hand, the financial crisis may have a larger effect on Dutch economic development than was earlier expected.

Dutch economic growth falls back in 2008

Dutch economic growth is expected to fall from 3% in 2007 to 2.25% this year. Investment and government expenditure will contribute less to economic growth this year than they did in 2007. This also holds to a lesser degree for private consumption and domestically produced exports, while the development of re-exports actually has an upward effect on economic growth.

Private consumption develops steadily

Due to rising contractual wages, employment and house prices, private consumption in 2007 and 2008 will probably grow by 2% per year. The healthcare reform distorts private consumption growth in 2008. Adjusted for this healthcare reform, private consumption growth will come out about 0.5% lower. The 2008 forecast reckons on a modest upward anticipation effect regarding the indicated VAT rate increase in January 2009. Also due to this increase, the individual savings rate will fall by 0.75%-point to -2.75%. This means that in 2008 households will also spend more than their disposable income, a situation that has occurred since 2003.

Fierce growth of re-exports persists

In 2008, as well as in 2007, exports will make the largest contribution to economic growth, despite the expensive euro. Re-exports, which increased in 2007 by more than 10% for the fifth year in a row, are the driving force behind the growth of total exports.

Labour market continues to tighten
The number of vacancies reached an all-time high in the third quarter of 2007, while unemployment steadily decreased. In short, labour market tensions have further increased in 2007; this trend is expected to continue in 2008. In 2007, employment has increased by 2.5%, the highest figure in nine years. Partly due to a less favourable profitability, employment growth will probably fall back to 1.25% this year.

Tightness results in higher contractual wage rise
The tightness on the labour market clearly manifests itself in the contractual wage rise in 2008. In 2007, this was the case to a lesser degree, due to the fact that a large part of the collective labour agreements for 2007 had already been effected when the cyclical situation was less favourable. Higher social security contributions lead to higher rises in total labour costs in 2008, compared to contractual wage rises. In addition to the tightness on the labour market, also rising inflation contributes to an accelerating wage increase. Inflation is forecasted at 2.25% for 2008

Source: CPB, Newsletter December 2007

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations		504,198	483,999	4%
New LCV Registrations [1]		79,831	64,474	24%
New Truck Registrations [2]		16,239	19,499	-17%
New Bus Registrations		1,149	792	45%
Production	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car Production		61,912	87,332	-29%
New LCV Production		0	0	
New Truck Production		74,649	70,202	6%
New Bus Production		2,007	1,920	5%
Exports	**%Ch 06/05**	**Jan.- Nov. 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car EU Exports (total) of which:		**234926** *(provisional)*	**164011**	
Western Europe [3]		208,462	147,569	
Eastern Europe [4]		8,421	6,357	
NAFTA [5]		258	162	
- o/w USA				
South and Central America [6]		489	301	
Asia [7]		14,681	8,014	
-o/w Japan				
Others [8]		3,615	1,608	
New LCV EU Exports (total) of which:		**2256** *(provisional)*	**2,812**	
Western Europe		2,083	2,612	
Eastern Europe		31	45	
NAFTA				
South and Central America				
Asia		139	154	
Others		3	1	
New Truck EU Exports (total) of which:		**28387** *(provisional)*	**24,851**	
Western Europe		23,147	20,478	
Eastern Europe		2,487	2,114	
NAFTA		78	71	
South and Central America		49	38	
Asia		1,806	1,596	
Others		820	554	
New Bus EU Exports (total) of which:		**2189** *(provisional)*	**1,258**	
Western Europe		1,985	1,103	
Eastern Europe		98	75	
NAFTA				
South and Central America				
Asia		99	79	
Others		7	1	

1. LCV are Commercial Vehicles (CV) up to 3.5t — excluding Buses
2. CVs above 3.5t, — excluding Buses&Coaches
3. Western Europe — = EU+EFTA
4. Eastern Europe — = Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldavia, Poland, Slovakia, Slovenia, Ukraine, Serbia/Montenegro, Russia, Turkey.
5. NAFTA — = US, Canada, Mexico
6. South and Central America — = *South America:* Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Falkland Isl., French Guyana, Guyana Republic, Paraguay, Peru, Suriname, Uruguay, Venezuela, others.
   = *Central America:* Costa Rica,Cuba, Guatemala, Jamaica, Panama, Puerto Rico, Caribbean Isl., others.
7. Asia — = *Southeast Asia:* Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Taiwan, Vietnam, others.
   = *Northeast Asia:* China, Japan, S+N Korea, Mongolia, Macao, others.
   = *Central Asia:* Armenia, Georgia, others.
   = *South Asia:* India, Nepal, others.
   = *Middle East: Barhain, Iran,* Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen, others.
8. Others — Australia, S.Pacific, Africa

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles	**2000**	12,600	-0.1	1.4
(NACE Rev.1 - 34.10)	**2001**	11,800	-0.1	1.3
	2002	10,900	-6.8	1.2
	2003	10,600	-2.8	1.2
	2004	10,300	-2.8	1.2
	2005	9,800	-4.9	1.2
	2006	n.a.		
	2007	n.a.		
Manufacture of bodies for	**2000**	15,200	0.7	1.6
Motor Vehicles, trailers,	**2001**	14,600	-4.6	1.5
semi-trailers, parts and	**2002**	14,400	-0.7	1.6
accessories for motor	**2003**	14,300	-0.7	1.6
vehicles and their	**2004**	12,900	-9.8	1.5
engines	**2005**	12,700	-1.6	1.5
	2006	n.a.		
(NACE Rev.1 - 34.20 + 34.30)	**2007**	n.a.		
	2000	27,800	-3.1	2.9
	2001	26,200	-5.8	2.8
	2002	25,400	-3.1	2.8
	2003	24,900	-2.0	2.8
TOTAL	**2004**	23,200	-6.8	2.7
	2005	22,400	-3.4	2.7
	2006	n.a.		
(NACE Rev.1 - 34.00)	**2007**	n.a.		

Source: CBS Statline

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

1. Taxation:

In 2008, the following taxation measures will be taken into account in The Netherlands:

1. January 1st: increase of the percentage of the car retail price which has to be added to the personal income, when a business car is used for private purposes. *Increase* from 22% to 25%. For ultra fuel efficient cars however, the percentage will be *lowered* to 14%.
   "Ultra efficient" is defined as follows: - petrol: < 110 gr CO2/km
   - diesel: < 95gr CO2/km
   Besides that, these ultra fuel efficient cars get a reduction of Annual Circulation Tax of 50%(!)

2. February 1st: change of incentive-table incorporated in our registration tax, related to the CO2 efficiency of a passenger car (efficiency label A-G)

Label	Current incentive.	Proposed incentive
A	€ 1.000 (tax deduction)	€1.400 (tax deduction)
B	€ 500 ,,	€ 700 ,,
C	---	---
D	€ 135 (tax addition)	€ 400 (tax addition)
E	€ 270 ,,	€ 800 ,,
F	€ 405 ,,	€ 1.200 ,,
G	€ 540 ,,	€ 1.600 ,,

3. April 1st: introduction of a differentiation scheme in our registration tax for passenger cars with a diesel motor, related to emission of particle matter (PM). In 2006, the Dutch government wanted to obligate the industry to deliver each passenger car with a PM filter. This was obstructed by the European Commission. Now our government has proposed a tax measure (which seems to be permitted) which has quite the same effect as an obligation. The proposed scheme is as follows:
   - Each passenger car with diesel motor gets an registration tax deduction of € 900,-
   - This deduction is diminished with a € 200,- amount for each mg per km emission PM. This means: at 5 mg/km PM-emission, the tax penalty is € 100,-(!). For each mg/km extra PM emission, there is a penalty in the registration tax.
   RAI is heavily objecting against this proposal because, in EURO IV, a PM emission/km of 25 mg is permitted which will now be sanctioned by a penalty of € 4.100 and pushes some brands/models completely from the market
   NB: we are still negotiating with our government about this proposal.

4. February 1st:: introduction of an extra amount of registration tax for passenger cars, related to CO2-emission.
   - pertrol: € 110 per gram CO2 > 232 gr/km
   - diesel: € 110 per gram CO2 > 192 gr/km

5. February 1st: Due to the preparation of a total new scheme in The Netherlands for taxing mobility (price per km), our government will lower the percentage in the registration tax formula, for passenger cars. This results in a loss in registration tax of € 150 million/year, which will be compensated by a general increase of the Annual Circulation Tax for *all*

passenger cars, commercial vehicles, track and motorcycles in The Netherlands with the same amount (€ 150 million/year). The registration tax formula changes as follows:
- petrol: Registration tax = 42,3% x (net catalog price) - € 1.442,-
- diesel: Registration tax = 42,3% x (net catalog price) + € 307,-

6. July 1st: increase of excise duty of € 0,03/liter for diesel and € 0,01/liter for LPG

2. Environment:

See taxation above

3. Transport policy:

In the course of 2008, preparations will continue to introduce a new pricing system for mobility in The Netherlands (read pricing), payable by all vehicles which use the public road.

4. Emissions:

See taxation above

PORTUGAL

ECONOMIC REPORT

Lisbon, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	1.7	0.5	-1.3	1.3	0.5	1.3	1.9	2.0
Real Consumer Expenditure	1.0	0.5	-0.7	2.3	2.1	1.2	1.2	1.1
Real Industrial Production	2.4	-0.5	0.3	-2.5	0.1	2.8		
Real Business Investments	0.3	-5.5	-9.6	0.2	-3.1	-1.8	2.6	3.3
Consumer Price Index	4.4	3.7	3.3	2.5	2.1	3.1	2.5	2.5
New Car price Index	2.8	4.8	4.5	2.2	1.9	2.5	1.0	
Trade balance (Nominal)	-8.4	-5.2	-3.6	-5.9	-8.6	-8.6	-8.2	-7.3
Unemployment rate	4.2	5.1	6.4	6.7	7.6	7.7	7.9	

Source :

➢ Comments

In the third quarter of 2007 GDP slowed down over the second quarter of the year (it passed from an increase of 1.9% to an increase of 1.8%). This was due, mainly, to the reduction of 3.8 percent points in the evolution of the exports between the second and the third quarters.

Last data available (quarter ended in November) concerning real business investments indicates an increase of 4.6% over last year and an acceleration of 3.5% over the quarter ended in October. This was due to positive evolution of investments in machinery and in means of transports.

At the same time, the indicator of economic activity was recovering and real consumer expenditure has been stable.

The indicator of confidence of the entrepreneurs has been deteriorating for the last six months and this is due, mainly, to their bad expectations concerning the economical recovery of the Portuguese economy.

The level of indebtement of Portuguese households (in percentage of their total income) remains very high.

In 2007, Consumer Price Index was 2.5%.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	-2.3%	201,816	194,702	3.7%
New LCV Registrations [1]	-3.2%	68,421	64,487	6.1%
New Truck Registrations [2]	17.1%	5,644	5,406	4.4%
New Bus Registrations	-20.5%	725	579	25.2%
Production	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car Production	4.3%	134,047	143,478	-6.6%
New LCV Production	-0.8%	36,056	78,472	-54.1%
New Truck Production	23.8%	5,981	5,248	14.0%
New Bus Production	-9.3%	158	127	24.4%
Exports	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car EU Exports (total)	4.1%	132,687	141,797	-6.4%
New LCV EU Exports (total)	1.2%	33,004	73,360	-55.0%
New Truck EU Exports (total)	21.2%	5,266	4,289	22.8%
New Bus EU Exports (total)	-31.6%	66	23	187.0%

➢ Comments

In 2007, 176 242 vehicles were produced in Portugal, wich means a decrease of 22.5% compared to 2006. Among the vehicles produced, were recorded 134,047 cars (-6.6% compared to the previous year), 36 056 light commercial vehicles (-54.1%) and 6 139 heavy vehicles (+14.2%).
This decrease in automobile production was due to the closure of GM Portugal at the end of year 2007. If we don't consider GM data, the other manufacturers produced 14.2% more than in 2006.

Concerning production by factory, in 2007 every factory had increased their production between 12% (Peugeot Citroën) and 43.1% (Isuzu).
In 2007, 97% of the produced vehicles (171 023) were exported, i.e. 22.1% less than in the previous year.

Concerning registration figures, total vehicle registrations for 2007 amount to 276 606 units, which is 4.3% more than in the previous year.
Light commercial vehicle registrations amounted to 270 237 units which is 4.3% more than in 2006. This increase was due either to the increase of car registrations (201 816; +3.7%), or of light commercial vehicle registrations (68,421; +6.1%).
In 2007, 69% of light passenger cars were diesel, 30% were petrol cars and 1% were hybrid vehicles.

The increase of the market is explained by the enormous success in 2007 of the program for ELV (End of Life Vehicles). In fact, 11,000 units more than in 2006 were scrapped in 2007 and this was because, along year 2007, it became easier to obtain this subvention. Thus, the car tax reform had a neutral effect on the number of registrations in 2007.

Registrations of heavy vehicles in 2007 increased again (+6.4%) and reached 6,369 units.
Concerning the park of light passenger vehicles in use, the average age is 8.6 years. It is increasing year after year and it is now higher than the average year in the EU.

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles	**2000**	9.684		
(NACE Rev.1 - 34.10)	**2001**	8.967	-7,4%	
	2002	8.350	-6,9%	
	2003	8.046	-3,6%	
	2004	6.740	-16,2%	
	2005	6.514	-3.4%	
	2006	6.594	1.2%	
	2007	NA		
Manufacture of bodies for	**2000**	18.481		
Motor Vehicles, trailers,	**2001**	14.337	-22,4%	
semi-trailers, parts and	**2002**	15.615	8,9%	
accessories for motor	**2003**	14.947	-4,3%	
vehicles and their	**2004**	15.933	6,6%	
engines	**2005**	15.399	-3.4%	
	2006	15.588	1.2%	
(NACE Rev.1 - 34.20 + 34.30)	**2007**	NA		
	2000	28.165		
	2001	23.304	-17,3%	
	2002	23.965	2,8%	
	2003	22.993	-4,1%	
TOTAL	**2004**	22.673	-1,4%	
	2005	21.913	-3.4%	
	2006	22.182	1.2%	
(NACE Rev.1 - 34.00)	**2007**	NA		

Source: INE

➢ Comments

The unemployment rate reached 7.9% in the third quarter of 2007, which means that it remained stable compared to the previous quarter and increased by 0.5% compared to the same quarter in 2006.
Employment in the same period increased by 0.2% compared to last year and by 0.7% compared to the previous quarter.
The automotive manufacturers keep paying attention to the training of their workers, to the revision of labor laws (in order to give them the possibility to adjust the number of workers to their production necessities and to get more flexibility in labor schedules) and to the evolution of the relationship productivity Vs. labor costs by worker.

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

1. Taxation:

Since the 1st July 2006 a new car tax composed by two parts has come into force: one part depends on cylinder capacity and the other one depends on CO_2 emissions of the vehicle. At the moment, the environment part represents 60% of the total tax on acquisition and the cylinder capacity part represents the remaining 40%.
This new car tax penalizes more diesel cars than petrol ones. Vehicles exclusively electric or moved by renewed and not combustible energies have a reduction of 50% on the car tax on acquisition.

2. Environment:

The Government is still giving subsidies to the scrapping of cars older than 10 years. In 2007, the Government approved some procedures to make easier and more tempting these subventions. Consequently, there was a big increase of the number of scrapped cars (16 025 cars in 2007, an increase of 148% compared to the previous year).
On the other hand, the recycling process of ELVs is still in progress in Portugal. A company (VALORCAR) was created to monitor and coordinate the recycling process (it is possible to access the network of the Portuguese certified centres for the recycling process at www.valorcar.pt).

The car tax is taking more and more into account environmental problems. An environmental component has been introduced in the car tax and will become more and more important, whether in acquisition car tax or in ownership car tax.
Vehicles exclusively electric or moved by renewed and not combustible energies have benefited from a 50% reduction on the car tax on acquisition since 1 July 2007.

Besides, Portugal is implementing all directives in force relative to Euro Standards.

SWEDEN

ECONOMIC REPORT

Stockholm, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	245,0	+2,4	+1,9	+4,1	+3,3	+4,1	+2,7	+3,0
Real Consumer Expenditure	119,8	+2,6	+2,0	+2,6	+2,7	+2,5	+3,2	+3,3
Real Industrial Production	44,5	+6,3	+4,9	+9,1	+4,4	+5,1	+2,0	+3,2
Real Business Investments	36,6	-5,9	+1,6	+4,8	+8,9	+6,4	+9,8	+5,8
Consumer Price Index		+2,1	+1,3	+0,3	+0,9	+1,6	+3,5	+3,3
New Car price Index		+1,4	+1,3	+1,8	+1,1	-0,1	-0,7	
Trade balance (Nominal)	16,9	+2,0	+0,2	+12,4	-11,7	+6,2	-12,8	+5,6
Unemployment rate	5,9	6,1	6,8	7,7	7,7	7,1	6,1	5,6

Source : Source : National Institute of Economic Research, January 2008
1 Euro=SEK 9,25

➢ Comments

The growth of the Swedish economy has slowed down. With global growth still relatively strong though falling off, a healthy tendency in household income and an expansionary fiscal policy, GDP will rise by an annual average of 2.9% in 2008 and 2009. From the second quarter of 2008 on, GDP will gradually accelerate, and growth will end up at 3.0% in 2008 and 2.8% in 2009, somewhat above the average for the latest decades. The rapid increase in employment will slacken; employment will be up by 65 000 persons in 2008 and 20 000 in 2009. The rate of wage increases will be higher, food and energy prices will accelerate rapidly and inflation will exceed its target in 2008. The Swedish Riksbank is expected to raise the repo rate to 4.50% in the autumn of 2008 and let it stay at that level.

Boosted by rising employment and higher wages, real household income will surge in 2008-2009 despite high inflation in 2008. Once the uncertainty on financial markets subsides, households are expected to start increasing their consumption again at a higher rate. The real consumer expenditure is expected to increase by 3,2% in 2008 compared to an increase of 3,2% in 2007.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	3.1	306,799	282,766	8.5
New LCV Registrations [1]	13.6	44,084	39,398	11.9
New Truck Registrations [2]	8.4	6,848	6,448	6.2
New Bus Registrations	15	991	1,348	-26.5

Production	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Production	-0.1	316,850	288,583	9.9
New LCV Production	-	-	-	-
New Truck Production	-14.2	40357*	35,485	13.7
New Bus Production	-2.4	NA	9,004	NA

Exports	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car EU Exports (total) of which:	**-3.3**	**494,015**	**477,805**	**3.4**
Western Europe [3]	-2.7	245,434	250,928	-2.2
Eastern Europe [4]	43.4	36,564	23,323	56.8
NAFTA [5]	-11.3	148,203	151,910	-2.4
- o/w USA	-11.1	134,986	136,406	-1
South and Central America [6]	9.7	3,380	1,734	94.9
Asia [7]	-4.2	35,740	28,750	24.3
-o/w Japan	-27	11,355	9,761	16.3
Others [8]	19	24,694	21,160	16.7
New Truck EU Exports (total) of which:	**2.3**	**147,084***	**123,539**	**19.1**
Western Europe	8.5	71,888	69,453	3.5
Eastern Europe	52.6	34,158	20,500	66.6
NAFTA	-19.7	154	183	-15.8
South and Central America	0.7	20,046	15,685	27.8
Asia	-45.8	13,865	11,904	16.5
Others	4.6	6,973	5,814	19.9
New Bus EU Exports (total) of which:	**-7.3**	**16,259**	**14,591**	**11.4**
Western Europe	-6.8	4,865	4,798	1.4
Eastern Europe	21.1	823	699	17.7
NAFTA	1.6	1,915	1,909	0.3
South and Central America	-37.2	3,725	2,414	54.3
Asia	38.1	3,502	3,829	-8.5
Others	-37.8	1,429	942	51.7

** Preliminary figures*

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches
3. Western Europe = EU+EFTA

4. Eastern Europe	= Albania, Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Moldavia, Poland, Slovakia, Slovenia, Ukraine, Serbia/Montenegro, Russia, Turkey.
5. NAFTA	= US, Canada, Mexico
6. South and Central America	= *South America:* Argentina, Brazil, Bolivia, Chile, Colombia, Ecuador, Falkland Isl., French Guyana, Guyana Republic, Paraguay, Peru, Suriname, Uruguay, Venezuela, others. = *Central America:* Costa Rica,Cuba, Guatemala, Jamaica, Panama, Puerto Rico, Caribbean Isl., others.
7. Asia	= *Southeast Asia:* Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Taiwan, Vietnam, others. = *Northeast Asia:* China, Japan, S+N Korea, Mongolia, Macao, others. = *Central Asia:* Armenia, Georgia, others. = *South Asia:* India, Nepal, others. = *Middle East: Barhain, Iran,* Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen, Others.
8. Others	Australia, S.Pacific, Africa

➢ Comments

New car registrations in Sweden increased by almost 9% in 2007 to 307 000, which means that 2007 was the fifth best year ever. The forecast for 2008 is 285 000 new cars. The diesel share of the new car market reached all time high in 2007 with 34,7% compared to 19,7% in 2006. In 2005 the diesel share was only 9,7%. The main explanations to the increased diesel share are decreased annual road tax on diesel cars and also increased supply of diesel models on the market. The annual road tax incentive of SEK 6 000 on light diesel vehicles with a particle filter was abolished from 1 January 2008 which caused a sales rush at the end of 2007 and in December the diesel share was 55%.

Registrations of clean cars (cars wholly or partly driven by other fuels than petrol/diesel and diesel/petrol cars with max 120 g/km CO2-emission and the diesels having a particle filter), also reached all time high with a market share of 18% in 2007 compared to 13% in 2006. The demand of clean cars among private persons has increased due to the fact that a tax premium of SEK 10 000 was introduced from 1 April 2007 for private persons purchasing a clean car. The increase of clean car sales is expected to also continue in 2008.

The private import of cars is not included in the new registration figures. Privately imported cars was at the same level, 30 000 cars, both in 2006 and 2007. Eight out of ten privately imported cars are more than three years old.

New registrations of trucks increased by 11% in 2007 and reached the record level of 51 000 vehicles. Both light trucks and heavy trucks increased in 2007. Light trucks increased by 12% and heavy trucks over 16 tons increased by 11%. The increased truck registrations is a sign of a strong Swedish economy.

World wide car production by Volvo Cars and Saab Automobile together increased by 5% in 2007. World wide truck production by Volvo and Scania together increased by 3%. These production figures include all production/assembly abroad, except truck production by Volvo-owned Mack and Renault. Car production in Sweden increased by 10% and truck production in Sweden increased by 14% in 2007.

Export deliveries of cars (included deliveries from vehicles produced abroad) increased by 3% in 2007 and truck export deliveries increased by 19%.

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles	**2000**	49400	+15,8	6,9
(NACE Rev.1 - 34.10)	**2001**	51268	+3,6	7,1
	2002	50202	-2,1	7,0
	2003	47781	-4,8	6,9
	2004	48596	+1,7	7,2
	2005	49775	+2,4	7,7
	2006	48554	-2,5	7,6
	2007	NA	NA	NA
Manufacture of bodies for	**2000**	23857	-13,5	3,3
Motor Vehicles, trailers,	**2001**	26287	+10,2	3,6
semi-trailers, parts and	**2002**	22500	-14,4	3,2
accessories for motor	**2003**	24014	+6,7	3,5
vehicles and their	**2004**	23702	-1,3	3,5
engines	**2005**	27978	+18,0	4,3
	2006	24600	-12,1	3,9
(NACE Rev.1 - 34.20 + 34.30)	**2007**	NA	NA	NA
	2000	73347	+4,3	10,2
	2001	77555	+5,7	10,7
	2002	72702	-6,3	10,2
	2003	71795	-1,2	10,4
TOTAL	**2004**	72298	+0,7	10,6
	2005	77753	+7,5	12,0
	2006	73154	-5,9	11,5
(NACE Rev.1 - 34.00)	**2007**	NA	NA	NA

Source: Statistics Sweden

➢ Comments

The number of people employed within the Swedish automobile industry according to the definition in the table above decreased by 5,9% in 2006.The share of people employed in the automobile industry in relation to the total employment within the manufacturing industry decreased from 12% in 2005 to 11,5% in the year 2006.

The figures in the table are based on the Industry Statistics published by Statistics Sweden. The figures include only companies where more than half of the turnover can be referred to the automobile industry. Other calculations, where all suppliers to the automobile industry are included, indicate that the total employment within the Swedish automobile industry and suppliers amount to about 140 000 people.

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

1. Taxation:

The petrol tax was increased by SEK 0.29 per litre and the diesel fuel tax was increased by SEK 0.55 per litre incl VAT on January 1, 2008.

The annual road tax on diesel cars was decreased on 1 January 2008 as follows:

- For diesel cars that pay tax according to weight (older cars) the annual road tax was decreased by 4,5%.
- For diesel cars that pay tax according to CO2-emission (applied to cars of environmental class 2005 and onwards) the extra tax (the so called fuel and environmental factor) on diesel cars was reduced from 3,5 to 3,15 for cars newly registered from January 1, 2008. From January 1, 2008 the factor was reduced to 3,3 for diesel cars newly registered up to the end of 2007.

The reduction of the annual road tax compensates approximately for the increase of the diesel fuel tax for a car owner with an average annual mileage.

The annual road tax was increased from January 1, 2008 by 45% on most light trucks/buses up to 3,5 tons.

The annual road tax incentive of SEK 6 000 on light diesel vehicles (cars and trucks/buses with G.V.W. up to 3,5 tonnes) of environmental class 2005PM having a particle filter (max 5 mg/km) was valid for newly registered cars only up to the end of 2007.

2. Environment:

The ELV-directive was introduced in Sweden on 1 June 2007. At the same time the scrapping fee/scrapping premium system was abolished. From 1 June a scrapping compensation of SEK 4 000 was introduced for cars older than 1989 year model (mostly cars without a catalyzer). The scrapping compensation was paid as long as there was money left in the car scrapping fund. There was a large increase of the scrapping due to the SEK 4 000 compensation and the scrapping fund became empty within a few days.

3. Transport policy:

The congestion tax in Stockholm was re-introduced on 1 August 2007. This time the revenues from the tax will be financing road investments in the Stockholm area. Clean cars according to the definition by the Tax Board will be exempted from congestion tax: *Cars completely or partly driven by an alternative fuel or electricity, which means CNG, biogas, ethanol, electric and hybrid electric cars.*

UK

ECONOMIC REPORT

London, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06 (forecast)	2008 %Ch 08/07 (forecast)
Real GDP	£996,987mn	1.8	2.7	3.3	2.0	2.9	3.1	2.3
Real Consumer Expenditure	£653,326mn	3.6	3.0	3.5	1.5	1.9	3.1	2.1
Real Industrial Production	102.3	-2.0	-0.3	0.8	-2.0	0.1	0.4	0.5
Real Business Investments	£110,390mn	1.2	-1.0	2.3	15.7	-4.3	5.0	3.0
Consumer Price Index	94.2 ('05=100)	1.3	1.4	1.3	2.0	2.3	2.3	1.9
New Car price Index	95.8 ('05=100)	-0.4	0.7	2.3	1.7	0.9	1.5	2.0
Trade balance (Nominal)	-£19bn	-£32bn	-£36bn	-£39bn	-£38bn	-£38bn		
Unemployment rate	3.2%	3.1	3.1	2.8	2.8	3.0	2.7	2.8

Source : ONS for historical, forecasts various incl Independent panel for HM Treasury and SMMT

➢ Comments

- UK demand robust in 2007, outlook for 2008 more uncomfortable
- Base rate cuts expected, despite high inflation
- Unemployment rate fallen and sustained at 2.5% helped maintain spending and confidence

GDP growth eased in the fourth quarter to 2.9%, but growth over the full year at 3.1% was better than initially expected.

However, there are concerns over an abrupt slowdown in economic growth in 2008. Worries over the global credit crunch, recent fall in stock markets, higher costs, and expected sharp slowdown in the housing market are all key concerns going into 2008. GDP growth could slow to below 2%.

Global currency movements and action by other central banks could also impact on macroeconomic stability in the UK. UK base rates were cut in December and further reductions are expected.

Whilst there remains deep concerns that the UK is on the brink of a sharp slowdown in growth the rate of unemployment has fallen. This is despite increased numbers of immigrant workers. High employment levels are positive, in that it means households still have incomes coming in with which to manage debt repayments. If unemployment levels begin to rise, then the economic setting is likely to get less favourable.

The USA Fed Bank took the bold move of cutting interest rates by 0.75 of a percentage point in January to 3.5%. The Bank of England is expected to follow with base rate cuts this year. However, high inflation and in particular concerns over rising costs in basic items like food, energy and transport, could limit the Banks scope for movement.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	-3.9%	2,404,007	2,344,864	2.5%
New LCV Registrations [1]	1.3%	337,741	327,162	3.2%
New Truck Registrations [2]	-5.6%	50,747	55,574	-8.7%
New Bus Registrations	0.8%	3,993	4,232	-5.6%

Production	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Production	-9.7%	1,534,567	1,442,085	6.4%
New LCV Production	0.7%	195,895	188,339	4.0%
New Truck Production	-1.5%	18,436	18,099	1.9%
New Bus Production	-11.3%	1,355	1,269	6.8%
All CVs		215,686	207,707	3.8%

Exports	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car EU Exports (total)	-6.7%	1,186,530	1,106,093	7.3%

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches

➢ Comments

Total car registrations and production

- Market performs above expectations in 2007
- Demand to ease in 2008, as economy cools
- Car production recovery continues

New car registrations rose by almost 60,000 units in 2007, after expectations at the start of 2007 of a decline. Demand across both private and fleet buyers alike rose. Growth was focused in the diesel and alternatively fuelled car market. Vauxhall, Audi, Mini and Honda saw some of the best performances in the year.

Registrations are expected to slip in 2008 as the UK GDP growth cools, with concerns over the global financial markets and UK house prices in particular likely to affect confidence and demand.

Car output recovered with double digit growth in 2nd half of 2007. MINI, Land Rover, Honda and Nissan led recovery. Exports hit record high 1.18mn units in 2007. Total output is up despite the loss of PSA. Output is to be stable in 2008/09.

Total CV registrations and production

- CV market climbs to record high in 2007
- LCV market high and stable, HCV market recovers
- CV output in 2007 best since 1997

New CV registrations grew by just over 5,500 units in 2007 to a record high volume. The gain followed a 3.2% rise in demand for LCVs, as their volume bettered expectations to rise by over 10,500 units to 337,741 units. The HCV market was affected by regulatory changes last year which distorted 2007 volumes. Registrations decline to below 51,000 units, but rallied in the second half and the recovery is likely to continue in 2008. Bus and coach demand also fell in 2007.

CV output dipped in December, but was up 4.8% in the fourth quarter and almost 8,000 units over the full year. Growth was focused on output for the home market and reflected increased Vauxhall Astra production. However, IBC, Ford, LDV and Leyland also posted good gains in the year.

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles (NACE Rev.1 - 34.10)	**2000**	251.7		
	2001	238.2		
	2002	235.1		
	2003	224.1		
	2004	212.4		
	2005	200.6		
	2006	*190.8*		
	2007	*187.0*		
Manufacture of bodies for Motor Vehicles, trailers, semi-trailers, parts and accessories for motor vehicles and their engines (NACE Rev.1 - 34.20 + 34.30)	**2000**			
	2001			
	2002			
	2003			
	2004			
	2005			
	2006			
	2007			
TOTAL (NACE Rev.1 - 34.00)	**2000**			
	2001			
	2002			
	2003			
	2004			
	2005			
	2006			
	2007			

Source:

Taxation	Environment	Transport Policy	Emissions

- **New Measures & effects on the Motor Vehicle market:**

1.	Taxation:

National - Budget due in March (probably before Easter). Some concerns may switch company car tax in line with VED bands, so 'lumpier' banding.
Growing unrest about cost of fuel and in particular the very large part Government takes - around 70%. Government is pushing ahead with further duty rises, despite high price of crude oil.

2.	Environment:

At local level and in particular London - low emission zone for lorries due to now start on February, 4. See http://www.tfl.gov.uk/roadusers/lez/default.aspx for details. The Low Emission Zone (LEZ) will affect older, diesel-engined lorries, buses, coaches, minibuses and large vans (exceeding 1.205 tonnes unladen weight). From February 2008, a standard of Euro III for particulate matter (PM) for lorries over 12 tonnes. From July 2008, a standard of Euro III for PM for lorries between 3.5 and 12 tonnes, buses and coaches. From October 2010, a standard of Euro 3/III for PM for larger vans and minibuses and from January 2012, a standard of Euro 4/IV for PM for lorries over 3.5 tonnes, buses and coaches.

3.	Transport policy / Emissions

London also consulting on whether to make the congestion charges include an emissions related element. The latest proposal suggested cars below 120g/km would face no charge from February 4, 2008, whilst on October 6, 2008 cars over 225g/km (or over 3 litres if older car with no CO_2 data available) would face a £25. Rest would maintain current £8 a day charge.
See http://www.tfl.gov.uk/assets/downloads/ERCC-Schedule-of-Variations.pdf for details.

Various other cities and local authorities are looking at local schemes to also reduce congestion.

ACEA

BULGARIA

ECONOMIC REPORT

Sofia, February 2008
UIAB, Mr Dimiter Simeonov, phone: + 359 2 925 13 74
E-mail: office@svab.bg

National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP						6.2	6.4	6.4
Real Consumer Expenditure						12.4	6.8	5.4
Real Industrial Production						14.0	14.6	15.2
Real Business Investments						96	29.6	18.0
Consumer Price Index						6.5	8.4	6.9
New Car price Index						2.5	4.5	4.0
Trade balance (Nominal)						-5153	-5892	-6864
Unemployment rate						-20.0	-19.4	-10

➢ Comments

2007 was the first year of the Bulgarian membership in the EU. It was a successful year with a stable economic growth of 6.4% in GDP and a positive business climate attracting over EUR 5.3 bn. in foreign investment. This trend is expected to continue well in 2008 with another impressive 6.4% growth in GDP and a possible more than EUR 6 bn. in foreign investment. The breakdown of foreign investment shows 35% in real estate, 25% in industrial production and 20% financial services. Construction continues to be the leading sector in the economy as prices of real estate grew with an average of 20% in 2007. Another dynamic sector of the economy is tourism with a growth of 7% in terms of number of tourists (over 4 mio) and 17% growth in revenue (over EUR 3 bn).

Consumer expenditure followed the 2007 positive trend despite the sharp increase in prices. Inflation jumped over its budget frame and reached 12.5%, this being the result of the slow adjustment of local prices to EU levels. Car prices however were among the few that did not quite follow this trend and remained relatively stable which made possible the 20% growth of the automotive market.

Trade figures show a negative balance of EUR 5.9 bn. with imports growing by 18% while exports by only 9%. A closer look at the imports structure reveals the domination of imported machinery and equipment which is expected to make Bulgarian production more competitive and boost exports in 2008.

Unemployment rate steadily keeps going down for the past several years and has reached 7.75% in 2007, a reduction of 19.4%. In real terms the number of the unemployed presently is 286 980, or 69 074 less than in 2006.The sharpest drop is in the age segment of 18 – 26 years – 26%. This trend is expected to persist in 2008.

In 2008 the Bulgarian government will continue its policy of political stability and robust economic growth with another 6.4% increase in GDP to reach EUR 31.5 bn. Main priorities for 2008 will be education and health care as public expenditure would preserve its relatively high share of 40% of the GDP. A substantial deal of the public expenditure will go for the modernization and upgrading of the existing infrastructure of the country. The role of investments as a driving force for GDP growth, coupled with EU funding, would have a major stake of about 60 – 65% in capital formation. This funding is expected to increase exports with 11 – 13%. Consumer expenditure will grow with a stable 5.3 - 5.4% and inflation is expected to drop to 6.9% in 2008.

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

1. Taxation:

At the end of 2006, the Bulgarian government reduced corporate tax to 10%, down from 15%, effective January 1, 2007. This reduction had an overall positive effect, bringing sectors of the grey economy to light, increasing tax receipts and leaving companies with more funds for investment. It also helped boost corporate fleet sales of the automotive market.
Another major change in taxation was the introduction of “flat rate” income tax of 10%, effective January 1, 2008, to replace the old system of differentiated scale of taxation. Under public pressure the government has announced a compensation for the affected low-income segment of the population. The new taxation system is expected to have a positive effect on the automotive market in the country.

2. Environment:

Recently, the Ministry of the Environment has announced plans to introduce an “Eco-tax”, based on emissions of C02. The proposed legislation is very similar to the legislation already adopted by several EU members. It encourages the purchase of new small efficient eco-friendly vehicles and puts fiscal barriers to the purchase of new and second-hand gas-muzzlers, rich in C02 emissions. It remains to be seen however if the Ministry of the Environment will go ahead as planned or would stall the process to see the outcome of the EU attempts to harmonize the car-emissions legislation.

3. Transport policy:

One of the priorities of the Bulgarian government in 2008 is the development of the existing infrastructure. In this strategy roads come first. Finally, after receiving approval from the EC, the contract for the completion of the major highway “Trakia”, linking Serbia with the Black sea /Bourgas/, was signed with a Portuguese consortium. Along with it, contracts for completion of number of lots of the two other major highways Sofia – Varna /Black sea/ and Plovdiv – Svilengrad /Turkey/ will be signed this year. The government has also budgeted the rehabilitation of a number of second-class roads in the country.

4. Emissions:

Bulgaria has been successful in disputing the EU quotas for harmful emissions. The EU has drastically cut down by 37% the quotas proposed by the Bulgarian government. Angered by this step Bulgaria has threatened to take the case to the European Court. The EC has backed down and increased the Bulgarian quota with 20% for C02 emissions after 2013.
The Bulgarian government has become very sensitive on the matter of harmful emissions since the closure of two of the 440 MGW blocks of the nuclear power station in Kozlodui. The two blocks were shut down as a precondition for the Bulgarian entry in the EU. Since then the country had to rely heavily on the coal power stations with their share in the pollution of the air. Moreover, the whole region including Greece, Serbia, Macedonia and Albania, which have been dependant on the Bulgarian export of electricity, now are suffering power shortages. The Bulgarian government has taken up a campaign for the re-opening of the two blocks to reduce emissions from traditional power stations and restore the power balance on the Balkans.

CZECH REPUBLIC

ECONOMIC REPORT

Prague, February 2008
Automotive Industry Association, Mr Svatopluk Dolezal, tel. + 420 2 21 60 29 87
Email: sapdol@autosap.cz
http://www.autosap.cz

National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	2.5	1.9	3.6	4.6	6.5	6.4	5.9 p	5.0 p
Real Consumer Expenditure								
- Households	2.2	2.2	6.0	3.0	2.5	4.4	6.5 p	4.2 p
- Government	3.6	6.7	7.1	-3.1	2.3	1.1	-0.6 p	-0.4 p
Real Industrial Production *	6.5	4.8	5.5	9.6	6.7	11.2	9.3 p	7.0 p
Real Business Investments	6.6	5.1	0.4	3.9	2.3	7.6	6.0 p	9.0 p
Consumer Price Index	4.7	1.8	0.1	2.8	1.9	2.5	2.3 p	3.8 p
New Car Price Index	2.7	0.9	-	-	-	-	-	-
Trade Balance (Nominal)	-2.8 bn	-4.8 bn	-5.4 bn	-4.9 bn	-0.8 bn	-0.4 bn	- 1.1 bnp	-2.2 bnp
Unemployment Rate	8.5	9.2	9.9	10.2	9.8	8.1	6.7 p	5.9 p

Source : MFCR, CZSO, CNB, Globalinsight

Rate of exchange used for the line "trade balance":
1 EUR = 34.08 CZK for year 2001
1 EUR = 30.81 CZK for year 2002
1 EUR = 31.80 CZK for year 2003
1 EUR = 31.90 CZK for year 2004
1 EUR = 29.80 CZK for year 2005
1 EUR = 28.30 CZK for year 2006
1 EUR = 28.00 CZK for year 2007 (estimation)
1 EUR = 27.40 CZK for year 2008 (estimation)

GDP, Real Consumer Expenditure, Real Business Investments, Trade Balance - constant prices 2000 base
Consumer Price Index - 2000 base
Unemployment Rate - annual average (as registered by Labour Offices)
Real Industrial Production - source Globalinsight *

➢ Comments

In this NER-0208 issue (in NER-0203 for the first time), a publication of the Ministry of Finance (MFCR) *"Macroeconomic Forecast - Czech Republic*", October 2007 edition, prepared in the cooperation with the Czech Statistical Office (CZSO) and the Czech National Bank (CNB), has been used as a main data source. This publication, updated quarterly, is the only one prepared on the governmental level available to the public and dealing with forecasts. The data stated in previous Economic Reports have been updated.

The Czech motor industry has been expanding regularly since 1995 including years 2006 - 2007 and it has kept its position of the most efficient branch of the Czech national economy.
The AIA CR economic figures for 2006 were stated in NER-0607, the figures for 2007 will be available in the next issues.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	-2.7	132,542	123,987	6.9
New LCV Registrations 1	26.7	62,038	49,491	25.4
New Truck Registrations *2*	15.0	11,587	9,927	16.7
New Bus Registrations	15.7	949	944	0.5

Production	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Production	42.2	925,778	848,799	9.1
New LCV Production	-11.7	6,238	1,077	479.2
New Truck Production	-2.8	3,154	1,993	58.3
New Bus Production	34.1	3,357	2,948	13.9

Exports	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Exports (total)	46.5	866,773	775,707	11.7
New LCV Exports (total)	17.5	3,369	1,062	217.2
New Truck Exports (total)	8.4	2,528	1,396	81.1
New Bus Exports (total)	38.8	2,708	2,186	23.9

The data on new (first) registrations (immatriculations) are used in this table.

These data concern new vehicles only, not used ones.

The figure on New Car Production Jan-Dec2006 already comprises also TPCA production.

The data on New Car Exports are estimated (TPCA exports not disclosed).
Data for Jan-Dec2006 and %Ch0605 (production, exports) are matched with AIA CR Statistical Yearbooks 2007 (resp. 2006) figures.

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches

➢ Comments

o New registrations

The data on new (first) registrations (immatriculations) are used in this analysis.
These data are available for the years 2007, 2006, 2005 and 2004 only. Therefore an appropriate comparison of registrations with the years prior to 2004 is not possible.

A comparison of Jan-Dec2007 with the same period 2006

- **Registrations of new cars**

A small increase (surely distorted by M1-N1 conversion - see below) but the situation seems to be quite stable in general, the cars manufactured in the Czech Republic still dominate on the local market, especially Skoda. Moreover cars by Toyota, Peugeot and Citroen from the new TPCA Plant are present on the market but the major part of TPCA production is exported.

- **Registrations of new LCVs**

An increase continues, the market situation has changed owing to the successful Skoda comeback into this segment (over 24% of new LCV market share in the Czech Republic in 2007). One may notice the recent striking growth of N1 vehicle registrations, esp. the growing share of N1 in the increasing total “light vehicles” (M1+N1) amount. The official criteria for classification

according to ECE categories have not changed and should comply with the legislation, which corresponds to ECE and EEC rules.
We suppose that there are two main reasons:

1) Taxation system

In the Czech Republic there is a possibility to deduct VAT (now 19%) on the purchase of N1 vehicles (not M1). Therefore customers are more and more interested in buying N1 vehicles, including those made up by easy conversion from M1 to N1.

2) Easy conversion M1-N1

Some M1 brands/models being on the boundary between M1-N1, e.g. some SUVs, MPVs or estate cars, may be modified quite easily to comply with the local regulations and to be classified and registered as N1. Conditions are stated in *Reg. 341/2002 Coll.* It is possible to convert some M1 cars to N1 vehicles e.g. by installing a partition wall behind the last rear seat row, changing number of seats, modifying the rear side windows etc. - moreover certain "mass formula" should be complied with. As car makers/importers try to respond flexibly to the recent market trend mentioned above, the necessary changes are often already made by them in a professional way and modified vehicles are officially approved as N1.

- **Registrations of new trucks**

An increase thanks mainly to the remarkable development of the national economy.

- **Registrations of new buses**

A very small increase as the market of new buses seems to be almost saturated.

Production

A comparison of Jan-Dec2007 with the same period 2006

- **Production of new cars**

A small increase again reflecting not only growing demand for Skoda cars esp. abroad but also the growing production of Toyota, Peugeot and Citroen cars in the new TPCA Plant.

- **Production of new LCVs**

An extreme growth resulting from the launching and developing production of new Skoda car-derived LCVs.

- **Production of new trucks**

A big increase as a result of successful restructuring by some makers.

- **Production of new buses**

An increase still continues due to growing demand on markets abroad incl. W. Europe.

Exports

A comparison of Jan-Dec2007 with the same period 2006

- **Exports of new cars**

An increase continues thanks to still growing foreign demand in the traditional markets as well as in the new ones.

- **Exports of new LCVs**

A very big growth (of course influenced by very low 2006 figures) reflects the strong recovery and expansion of Skoda production in this category.

- **Exports of new trucks**

A big increase reflects an improving situation of local producers and their marketing.

- **Exports of new buses**

A growth due to still better scoring in foreign markets.

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacture of Motor Vehicles	**2000**	31 417	4.5	2.3
(NACE Rev.1 - 34.10)	**2001**	31 184	-0.7	2.2
	2002	30 038	-3.7	2.2
	2003	28 799	-4.1	2.1
	2004	29 396	2.1	2.2
	2005	29 791	1.3	2.2
	2006	31 557 p	5.9 p	2.3 p
	2007	n.a.	n.a.	n.a.
Manufacture of bodies for	**2000**	47 259	19.8	3.7
Motor Vehicles, trailers,	**2001**	53 691	13.6	3.8
semi-trailers, parts and	**2002**	58 842	9.6	4.3
accessories for motor	**2003**	59 769	1.6	4.4
vehicles and their	**2004**	65 796	10.1	4.9
engines	**2005**	73 793	12.2	5.5
	2006	79 191 p	7.3 p	5.8 p
(NACE Rev.1 - 34.20 + 34.30)	**2007**	n.a.	n.a.	n.a.
	2000	78 676	13.1	5.8 (manuf. ind. 1363329)
	2001	84 875	7.9	6.0 (manuf. ind. 1408491)
	2002	88 880	4.7	6.5 (manuf. ind. 1366876)
	2003	88 568	-0.4	6.6 (manuf. ind. 1346072)
TOTAL	**2004**	95 192	7.5	7.1 (manuf. ind. 1334128)
	2005	103 584	8.8	7.7 (manuf. ind. 1342461)
	2006	110 748 p	6.9 p	8.1 p (manuf. ind. 1361581)
(NACE Rev.1 - 34.00)	**2007**	n.a.	n.a.	n.a.

Source: MITCR, CZSO

➢ Comments

In this NER-0208 issue (in NER-0203 for the first time), a publication of the Ministry of Industry and Trade (MITCR) *"Panorama of the Czech Industry 2006*", prepared in the cooperation with the Czech Statistical Office (CZSO), has been used as a main data source. The used methods of the data collection and processing reflect better the NACE classification. The data for 2000, 2001, 2002, 2003, 2004 and 2005 have been updated where necessary.

The table above also includes companies which are not members of AIA CR.
The number of employees in the whole branch started to increase again as a result of increased investments and production.

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

1. Taxation:

Please refer also to our contributions in the previous Reports.
We mention mostly those acts that have already entered into force. However some of them will certainly be modified again soon, as during 2007 the Government had been preparing a vast financial reform. The appropriate Bill passed through the usual legislative procedures and was adopted as:
Act No. 261/2007 Coll. of 19 September 2007 - "Act on stabilization of public budgets"
It was issued on 16 October 2007 and came into force on 1 January 2008 except of some paragraphs to come into force later.
This Act will influence, possibly amend or even initiate many other acts concerning e.g.
VAT, Income Tax, Excise Duty, Road Tax, special taxes on energy (electricity, solid fuels, gases), Real Estate Tax, Real Estate Transfer Tax, Inheritance Tax, Gift Tax, insurance of different kinds, Labour Code etc.
Some of existing individual acts are to be amended to comply with Act. No. 261/2007 and the relevant bills are just being negotiated in the Parliament.
The relevant information will be provided in due course in the next Economic Reports.

Excise duties (at present).
The important legislation concerning excise duties was:
Act No. 353/2003 Coll. of 26 September 2003 - "Act on excise duties"
It was issued on 24 October 2003, came into force on 1 January 2004 and has been several times amended since, e.g. by *Act No. 575/2006 Coll. of 30 November 2006 - "Act on amending Act No. 353/2003 Coll. on excise duties…"*, issued on 27 December 2006 and in force since January 1, 2007.
The complete wording of *Act No. 353/2003 Coll. on excise duties as amended later* was issued on 15 March 2007 as *No. 43/2007 Coll*.
At present another Bill to amend the former acts on excise duty is negotiated concerning mainly biofuels.
Existing rates are for instance:

petrol (Pb contents below 0.013 g/litre)	CZK 11 840 / 1000 litres
petrol (Pb contents over 0.013 g/litre)	CZK 13 710 / 1000 litres
diesel oil	CZK 9 950 / 1000 litres
ethanol	CZK 265 000 / 1000 litres
LPG (for road transport)	CZK 3 933 / ton

VAT (at present)
The important legislation concerning VAT has been *Act No. 235/2004 Coll. of 1 April 2004 - "Act on value added tax",* issued on 23 April 2004, in force since 1 May 2004 and several times amended since.
The latest amendment is included in *Act No. 172/2007 Coll. of 7 June 2007 - "Act on………amending Act No. 235/2004 Coll. on value added tax"*, issued on 12 July 2007 and in force since 1 August 2007.
New ***Act No. 261/2007*** makes provision for two rates*:*

- The basic rate of 19% applies to:
  - New vehicles and parts
  - Electrical vehicles
  - Repairs and maintenance
  - Accessories back fitting

- Used vehicles
- Rent-a-cars
- Passenger car leasing
- Fuels and lubricants
- Assistant (rescue and similar) services
- Technical and emission inspection

▪ The lowered rate of 9% (formerly 5%) applies to:
- Hand steering and controls for disabled persons
- Children car seats
- Regular passenger public transport

Deductions still do not apply to passenger cars, estate (combi) cars etc. (ECE Cat. M1). The deduction for LCVs up to 3.5t GVW (ECE Cat. N1) is possible.

2. Environment:

▪ **The Czech Republic - ELV - Legislation - Implementation**

For details please refer to previous Economic Reports.

The principle regulative was *Act No. 185/2001 Coll. of 15 May 2001 - "Act on waste and amendment of some other acts"*, issued on 14 June 2001, in force since 1 January 2002 and several times amended since, e.g. by *Act No. 314/2006 Coll. of 23 May 2006 - "Act amending Act No. 185/2001 Coll. on waste and amendment of some other acts"*, issued on 22 June 2006 and in force since 22 June 2006 (items concerning ELV on 1 January 2007).

An implementation decree to the *Act No. 314/2006* has not been issued yet but the Ministry of Environment (MZP) has already indicated that this Act needs amending to comply better with EU legislation. An amendment was to be prepared by MZP till July 2007, the Government was to discuss it by the end 2007 but the whole legal procedure is not finished yet by now.

Another important regulative was *Act No. 56/2001 Coll. of 10 January 2001 - "Act on conditions of operation of vehicles on land roads and amendment of some other acts"*, issued on 19 February 2001, in force since 1 July 2001 and amended by *Act No. 103/2004 Coll. of 11 February 2004 - "Act amending Act No. 266/1994 Coll. on railways, Act No. 56/2001 on conditions of operation of vehicles on land roads and amendment of some other acts"*, issued on 5 March 2004 and in force since 1 May 2004.

At present a Bill is to amend *Act No. 314/2006* (thus *Act No. 185/2001*) together with *Act No. 103/2004* (thus *Act No. 56/2001*) and some other Acts. The Bill is being discussed in Parliament.
AIA CR has authorized experts of its member, Skoda Auto, to represent AIA CR in the activities concerning ELV, such as e.g. participation in specialized Working Parties.

▪ **REACH**

For details please refer to previous Economic Reports.

At present, the Association of Chemical Industry of the Czech Republic is implementing an educational programme and provides special training and literature for companies involved to help them to understand better REACH and its requirements.

3. Transport policy:

▪ **Transport policy of the Czech Republic**

(Source of Information: Ministry of Transport of the Czech Republic = MoT)

"The Transport Policy of the CR for the years 2005 - 2013" is a complex paper providing strategic goals in the field of transport and transport networks. It was approved by the Government in *Decision No. 882 /2005* of 13 July 2005.

- **GEPARDI**

(Source of Information: Ministry of Transport of the Czech Republic = MoT)

A general plan of the transport infrastructure development *GEPARDI* is a principal strategic document that directly follows the approved document *"The Transport Policy of the Czech Republic for years 2005 - 2013"* and should act as its implementation tool.

For details please see the previous Economic Reports.

- **Road-Pricing Systems - E-Toll**

(Source of information: Czech media and Ministry of Transport = MoT)

For more on the development of this issue, please refer to previous Economic Reports.

More information on E-Toll system in the Czech Republic is also available on **www.premid.cz**

- the system was estimated to contribute about CZK 1.3 - 5 bn / year to the state budget according to different expert opinions, but CZK 5.57 bn was collected in 2007 (it is about 1 bn more than formerly expected)
- the yield 2008 could be over CZK 6 bn (in the first two weeks of January 2008 CZK 20 million was already collected, a year ago it was about 13 million)
- since January 2008 a part of the 1st class roads (about 172 km - replacing the future motorways) has been added to the system
- almost 250 000 vehicles were registered in the system in January 2008, the average toll is about CZK 4.05 / km on motorways and CZK 1.9 / km on 1st class roads
- the planned expansion of the system to 1 200 km of the 1st class roads has not materialized, but it has been agreed with Kapsch to build up microwave system on all motorways the construction of which would start till 2017
- at present the MoT is preparing the development concept of the E-toll system analysing various options, e.g. expanding the system to cover also 2nd and 3rd class roads (maybe satellite technology) and vehicles over 3.5 t GVW (since 2009)

- **Marco Polo Programme**

(Source of Information: Ministry of Transport of the Czech Republic = MoT)

For details please refer to previous Economic Reports.

- **National Strategy of Cycling Transport Development in the Czech Republic**

(Source of Information: Ministry of Transport of the Czech Republic = MoT)

For details please see the previous Economic Reports.

- **Programme of Supporting Renovation of Urban Public Transport Vehicles and Public Intercity Bus Transport**

(Source of Information: Ministry of Transport of the Czech Republic = MoT)

For details please refer to previous Economic Reports.

- **State Programme for the Support of Energy Savings and Utilisation of Renewable Energy Sources** – Sub-Programme within the Ministry of Transport

(Source of Information: Ministry of Transport of the Czech Republic = MoT)

For details please refer to previous Economic Reports.

- **Road safety**

(Source of Information: Ministry of Transport of the Czech Republic = MoT)

For details please refer to previous Economic Reports.

The following measures contribute to increasing the road safety level:

- Council of the Government of the Czech Republic for Road Traffic Safety
  The status of *the Council* was newly formulated by the Government of the Czech Republic on 11 June 2007 in *Decision No. 642/07* which came into force on 11 June 2007.
  BESIP (BEzpecnost SIlnicniho Provozu = Road Traffic Safety), as a special department of MoT, acts as an executive arm and a secretariat to *the Council*.
- National Strategy of Road Traffic Safety
  The National Strategy of Road Traffic Safety was approved by the Government of the Czech Republic at its meeting on 28 April 2004 in *Decision No. 394/04*.
- European Road Safety Charter
  AIA CR joined the Charter after having signed the appropriate documents on 27 September 2007 in Prague in order to promote and disseminate the ideas of the Charter within AIA CR activities.

- **ITS**

(Source of Information: Ministry of Transport of the Czech Republic = MoT)

For details please refer to previous Economic Reports.

4. Emissions:

Biofuel

For more on the development of this issue please refer to previous Economic Reports.
At present the most important legislation concerning biofuels is *Act No. 180/2007 Coll. of 7 June 2007 - "Act amending Act No. 86/2002 Coll. on clean air protection and amendment of some other acts …"*, issued on 12 July 2007 and in force since 1 September 2007.

In the Act mentioned there is an obligation to use the biofuels. No subsidies or tax incentives for biofuels producers or distributors have been proposed. An increase in fuel prices is expected but only a mild one. As to the taxation, the existing rates (both excise duty and VAT) e.g. for blended diesel fuel (biofuel) unfortunately do not comply with environmental requirements and trends.

An amount of 2% RME started to be added into diesel oil since 1 September 2007 (4.5% since 1 January 2009). An amount of 2% bioethanol of corn or sugar beet started to be added into petrol since 1 January 2008 (3.5% on 1 January 2009). Biofuels shall share 5.75% of the vehicle fuel market by 2010. Biofuels distributors shall be inspected once a year for the proper blending (a percentage limit may be reached within a year amount of distributed fuels).
Annual consumption of petrol in the Czech Republic is about 2.8 bn litres.

There is currently still a lack of regulation (acts, decrees) able to prevent potential tax evasions due to the fact that the same bioethanol may be used for fuel blending (Excise duty = 0) or e.g. for hard drinks preparation (Excise duty CZK 265 / litre). The Bill relevant is just being discussed in Parliament.

AdBlue

- this additive injected into SCR catalysts of new CVs to comply with emission limits (Euro 4 and esp. Euro 5) appeared on the Czech market a few years ago and started a big expanding business
- AdBlue sales for 2007/2006 in the Czech Republic are estimated to have increased by 6 times
- important AdBlue producers in the CE region are Duslo Sala (SK) and SKW Piesteritz (DE), both are members of Agrofert Holding (CZ), further Agrolinz (AT) and YARA (NO)
- big AdBlue wholesalers / distributors are e.g. Greenchem (NL), Brenntag CR, OMV (AT), Adam&Partners (CZ)
- a number of public filling stations providing AdBlue from special individual pumps is growing, e.g. OMV (starting in 2005) operated in the Czech Republic 7 extra pumps (and moreover several tens of sales points offering AdBlue in jerry-cans) with annual sales over 500 000 litres, other involved firms are W.A.G., Shell, AGIP and Benzina (in preparation)
- but most of AdBlue is said to be distributed within truck centres, haulage companies etc.
- due to growing competition AdBlue prices dropped from about CZK 15 / litre to CZK 9 / litre

ACEA

ESTONIA

ECONOMIC REPORT

Tallinn, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	6,7	12	7,7	10,6	16,5	18	n.a.	n.a.
Real Consumer Expenditure	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Real Industrial Production	8,9	8,2	10,5	10,6	9,1	n.a.	n.a.	n.a.
Real Business Investments	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Consumer Price Index	5,8	3,6	1,3	3	4,1	4,4	6,6	n.a
New Car price Index	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Trade balance (Nominal)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unemployment rate	12,8	10,5	10,3	9,9	8,3	5,9	n.a.	n.a.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	130	30,902	25,515	121
New LCV Registrations [1]	132	4,553	3,688	123
New Truck Registrations [2]	180	1,903	1,541	123
New Bus Registrations	183	159	143	112

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches

➢ Comments

There are no Manufactures of Motor Vehicles in Estonia.

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

Taxation:

In addition to the 18% VAT, the following excise duties apply :

- diesel: 5.165 EEK (€ 0.330)/litre
- unleaded petrol: 5.62 EEK (€ 0.359)/litre
- leaded petrol: 6.60 EEK (€ 0.422)/litre.

There are not changes in taxation policy more. There is free parking in Tallinn for the hybrid cars.

ACEA

HUNGARY

ECONOMIC REPORT

Budapest, February 2008

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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	3,8	3,5	4,9	4,0	4,3	4,3	~1,0	~2,0
Real Consumer Expenditure								
Real Industrial Production	3,6	2,6	6,4	10,2	9,0	9,0		
Real Business Investments								
Consumer Price Index	9,2	5,5	4,7	6,8	4,8	4,6	7,8	4,5
New Car price Index								
Trade balance (Nominal)	-3,5	-3,4	-4,3	-4,2	-4,2	-4,2		
Unemployment rate	5,4	5,7	5,7	6,1	7,1	7,2	7,5	

Source :

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car Registrations	-5.63	176978	487842	-5.78
New LCV Registrations [1]	-5.51	23917	21608	10.68
New Truck Registrations [2]	7.17	7186	6241	15.14
New Bus Registrations	35.84	221	307	-28.01
Production	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car Production	26.32	287982	187633	53.48
New LCV Production		-	-	
New Truck Production		3566	2600	55.5
New Bus Production		479		
Exports	**%Ch 06/05**	**Jan-Dec 2007**	**Jan-Dec 2006**	**%Ch 07/06**
New Car Exports (total)	26.3	256982	151145	70.02
New LCV Exports (total)	-	-	-	
New Truck Exports (total)		2225		
New Bus Exports (total)		361		

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles	**2000**	8 800		
(NACE Rev.1 - 34.10)	**2001**	10 000	13,6	
	2002	10 300	3,0	
	2003	**110 00**	6,8	
	2004	115 00	4,5	
	2005	12 000 p.	4,3	
	2006			
	2007			
Manufacture of bodies for	**2000**	24 400		
Motor Vehicles, trailers,	**2001**	27 200	11,5	
semi-trailers, parts and	**2002**	26 600	-2,2	
accessories for motor	**2003**	28 500	7,1	
vehicles and their	**2004**	**29 000**	1,8	
engines	**2005**	30 000 p.	3,4	
	2006			
(NACE Rev.1 - 34.20 + 34.30)	**2007**			
	2000	33 200		
	2001	37 200	12,0	
	2002	36 900	-0,8	
	2003	39 500	7,8	
TOTAL	**2004**	40 500	2,5	
	2005	42 000 p.	3,7	
	2006			
(NACE Rev.1 - 34.00)	**2007**			

ACEA

LATVIA

ECONOMIC REPORT

Riga, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	8,0	6.5	7.2	8.7	-10.6	11.9	11,0	10,0
Real Consumer Expenditure	7,3	7.4	8.2	9.5	11.5	19.8	20,3	19,0
Real Industrial Production	9,2	8.4	9.1	8.9	5.6**	4.8**	6,2	7,0
Real Business Investments	12,9	11.2	11.5	22.7	17.6	17.7	18,8	19,0
Consumer Price Index	2,5	1.9	2.9	6.2	6.7	6.5	6,9	7,3
New Car price Index	1,6	7.6	10.3	5.6	6.8	2.1	2,3	2,5
Trade balance (Nominal)	-2672 (bn EUR)	-1862	- -2070	-2466	-2816	-4390		
Unemployment rate	13,1	12.0	10.6	10.4	8.7	6.8	5,8	7,0

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	53	32,497	25,626	26.8
New LCV Registrations [1]	43	3,342	2,465	35.6
New Truck Registrations [2]	77	3,129	2,186	43
New Bus Registrations	-42	199	215	-7.5

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches

ACEA

POLAND

ECONOMIC REPORT

Warsaw, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06 Preliminary Estimation	2008 %Ch 08/07 (forecast)
Real GDP	1,1	1,4	3,8	5,3	3,6	6,2	6,5	5,4
Real Consumer Expenditure	2,2	3,3	1,9	4,3	2,0	4,9	5,2	5,0
Real Industrial Production	0,6	1,1	8,3	12,6	4,1	11,2	9,5	9,3
Real Business Investments	-9,7	-6,3	-0,1	6,4	6,5	15,6	20,4	19,4
Consumer Price Index	5,5	1,9	0,8	3,5	2,1	1,0	2,5	3,6
New Car price Index								
Trade balance (Nominal)	-15,8bn	-15,1bn	-12,8bn	-11,7bn	-9,8bn	-12,9bn	11months -14,8bn	
Unemployment rate	19,4	20,0	20,0	19,0	17,6	14,8	11,4	9,6

Source :GUS (Central Statistical Office); Forecasts IbnGR (The Gdansk Institute for Market Economics)
Exchange rate for 2007: 1€ = 3.61 PLN

➢ Comments

Poland's economy has expanded at the fastest pace in a decade. According to the latest data released by the Central Statistical Office (GUS), gross domestic product rose at an annual rate of 6,5% in 2007, up from 6,2% in 2006.
This acceleration in GDP growth was based mainly on increased domestic demand boosted by a gradual rise in consumer spending and booming investment. Private consumption rose by 5,2% in the year, up from a 4,9% annual increase in the previous year, while fixed investment jumped an annual 20,4% in 2007, compared with a 15,6% rise in 2006. At the same time the domestic demand gained 7,3% and added value of industrial production increased by 7,7%.
Other factors leading to growth are: fiscal impulses (lowering of taxes – social security payments) and EU funds.
Last year's economic expansion has transformed the labour market. The unemployment rate dropped to 11,4% in December from a record 20,7% in February 2003. This was accompanied by a significant increase in disposable income.
Rising employment, coupled with annual wage increases exceeding 8% for most of the year, sparked inflation.
Trade balance had some negative contribution to the economy in 2007 as rising living standards drove up imports. Exports have remained high, increasing by 14,5% during the first 11 months of 2007, but imports have grown far more quickly (16,9% in the same period).
The automotive industry is one of the Polish economy's major driving forces. In 2007 sold production of manufacture of motor vehicles, trailers and semi-trailers amounted over 80 bn PLN and it was higher than in 2006 by 13.8%. The growth was higher than on average in manufacturing (10,9%).
Based on CSO figures almost 785 thousand motor vehicles were produced in 2007, 10% more than in 2006; of which 88.6% passenger cars, 11% commercial vehicles and 0.4% buses. The majority of produced vehicles are exported - 97% of passenger cars, 95% commercial vehicles and 72% buses.

Automotive products still comprise the three most valuable items in Polish exports – passenger cars, parts and accessories, and diesel engines. Total automotive exports for the 11 months amounted over 16 bn EUR. This was an increase of over 1.8 billion (12,8%) EUR, in comparison to 2006.
Good economic growth, growing construction, investments and boosted disposable income positively influenced domestic motor vehicle sales. Sales results of passenger cars were up by 23%, trucks by 55% and only sales of buses (over 8t) stabilized at 2006 year level.
Import of used cars to Poland was still at a very high level - 994 564 units (22% more than in 2006) including 49% cars older than 10 years (58,8% in 2006) and only 10% up to 4 years (7% in 2006). Since the accession to the EU, almost 3.5 million units of used cars were imported.
Good prosperity positively influenced the credit market. In 2007 Poles run up car credits 6,4bn PLN. It was over 33% more than in 2006. The majority of given credits for cars were assigned by Getin Bank (1.5bn PLN, up 67%) and Santander Consumer Bank (1.2bnPLN up 9%). In third position was GE Money Bank (0.9bn PLN) and AutoBank came only fourth – VW Bank (0.6bn PLN). AutoBank granted 2.2bn PLN (i.e. 34% of total amount given for car buying). Besides credits, cash loans without special collateral subject (the cars) were more and more popular.
Lease companies also noted good results. The value of leased road transport vehicles (including passenger cars) rose by 59% up to 19.45bn PLN. And their market share 65,7% in in value of all leased equipment was slightly higher than in 2006.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations *in thousand units*	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations		293 326	238 993	22
New LCV Registrations [1]		51 893	38 618	34
New Truck Registrations [2]		24 173	15 896	52
New Bus Registrations				
New Motor Vehicles (PC,CV,Trucks)	3.4	371 688	295 008	26.6
Production ***in thousand units***	**%Ch** **06/05**	**Jan-Dec** **2007**	**Jan-Dec** **2006**	**%Ch** **07/06**
New Car Production	17.1	695	632.3	9.9
New LCV Production ***New Truck Production***	12.4	86.1	76.1	13.1
New Bus Production	14.8	3.6	6.2	-42.3

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches

Employment

	Year	Av.Paid Employment In th. employee	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles	**2000**			
(NACE Rev.1 - 34.10)	**2001**			
	2002			
	2003			
	2004	25,2	6,2	
	2005	25,8	2,5	
	2006	29,3	13,4	
	2007			
Manufacture of bodies for Motor Vehicles, trailers, semi-trailers, parts and accessories for motor vehicles and their engines	**2000**			
	2001			
	2002			
	2003			
	2004	**3,5 and 58,2**	7,2 and 22,8	
	2005	4,6 and 63,6	31,0 and 9,3	
	2006	5,6 and 70,0	21,5 and 10,2	
(NACE Rev.1 - 34.20 + 34.30)	**2007**			
	2000			
	2001			
	2002			
	2003			
TOTAL	**2004**	94,1	15,2	
	2005	101,1	7,4	5,0
	2006	104,9	11,6	6,3
(NACE Rev.1 - 34.00)	**1-3Q 2007**	122,9	11,5	5,6

Source: Central Statistical Office (GUS)

➢ Comments

For the period spanning over the three quarters of 2007, further growth of average paid employment was noted (more than 18 000 employees) in the sector of manufacturer of motor vehicles, bodies and parts and accessories. It was also due to the new models production in Polish factories: new 500 in Fiat Auto Poland or Chevrolet Aveo in FSO or new investments in parts and accessories production. New investments are planned in 2007-2009 for instance: AE Group Strzelce Krajeńskie (+ 250 employees), Autocam Poland Kamienna Góra (200), Automotive Lighting Sosnowiec (150), Bosch/Denso Wrocław, Bridgestone Stargard Szczeciński (750) Haering Piotrków Tryb. (350), Johann A. Krause Polska Gdańsk (300).

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

1. Environment:

Directive 2000/53/EC of the European Parliament and of the Council of 18 September 2000 on end-of life vehicles was introduced by Act of 20 January 2005 on recycling of end-of-life vehicles (Journal of Laws No 25 item 202).

Polish ELV Act provides that the company bringing the vehicle into the country's territory is obliged to provide the network collecting the vehicles. Such a network should cover the country's territory in a way that enables the vehicle's owner to hand over an end-of-life vehicle to the authorized facilities for vehicle collection or to the authorized treatment facilities, situated at a distance no greater than 50 kilometers in straight line from the residence or the place of business of the vehicle's owner.

The person/company introducing a vehicle into Poland is obliged to pay fees of the amount of PLN 500 for every vehicle, whenever no collection network is created.

In September 2007, Parliament (Sejm) adopted **the ELV Act amendment** (very important for the Polish automotive industry) as follows:

- If the network covers 95% of the territory => no fee
- If the network covers 90% - 95% of the territory => 25 % fee
- If the network covers 85% - 90% of the territory => 50% fee

2. Others:

Design Protection in Poland is currently governed by the Amendment to the Act - ***„Industrial Property Rights"*** which was passed on July 31 and came into force on 31st October 2007 (Journal of Laws No 2136 item 958). The amendment introduced Design Protection liberalisation law.

Amendment to the Act – „Industrial Property Rights"
Following article 106, article 106 is supplemented with the following meaning:

Art. 106. 1. Rights from registration of a design, which is entitled to protection, are not vested in a product that constitutes an element of a complex product and is used to repair the said product in a way to restore its original appearance.

2. Third parties may make use of the product specified by point 1 either by manufacturing it, offering it, admitting it to trade, importing it, exporting it or by using the product in which the design is contained or used, or by storing such product for the above purposes.

Following article 5, article 6 is added with the following meaning:

"Article 6. The rights included in art. 106 of the act and which are mentioned in art. 1 also apply to the use of industrial property law, and were granted before the date of entry into force of this act.

ACEA

ROMANIA

ECONOMIC REPORT

Bucharest, February 2008
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National Economic Outlook

➢ National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP (bn Euro)			52.6	60.8	79.3	97.2	116.9	136.1
Real Consumer Expenditure			NA	NA	NA	NA	NA	NA
Real Industrial Production (%, yoy)			3.1	5.3	2.0	7.1	5.5	5.0
Real Business Investments (bn Euro)				5.12	5.24	8.72	9.0	10.0
Consumer Price Index (yoy) %			14.1	11.9	9.1	6.56	5.2	4.7
New Car price Index			NA	NA	NA	NA	NA	NA
Trade balance (Nominal) (bn Eur)			-4.0	-5.3	-7.8	-11,75	-15.8	-20.2
Unemployment rate (yoy)			7.4	6.3	5.9	5.2	5.1	5.0

Exchange rate for 2007 : 1€ = 3.65 RON

➢ Comments

The GDP was estimated by The National Prognosis Commission at 390,8 bn leu (116,9 bn euro) for 2007.

The current account deficit increased by 34,6% compared to 2006, reaching 15.8 bn Euro, which represents about 13.4% of the GDP.

The income balance has registered within the first 11 months of last year a deficit of 4,16 bn euro, higher by 35,2% than in 2006.
The money flows in Romania from current transfers, which include in particular the money sent into the country from outside the borders, summed up to 6,789 bn euro in the first 11 months of last year, increasing by 44,9% compared to the same period in 2006. In the first 11 months of last year, the entries from current transfers had summed up to 4,685 bn euro. At the same time, exits increased over three times (by 246,4%), from 610 bn euro in the first 11 months of 2006 to 2,113 bn euro in the same interval in 2007, so that the current transfers balance – that are included in the determination of the external payment balance – increased by 14,7% to a surplus of 4,68 bn euro.

As to inflation, the decreasing trend in the last years has changed, and it has started to increase in 2007, being estimated at a level above 6%.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations		312,532	247,518	26.06
New LCV Registrations [1]		24,468	24,639	-0.64
New Truck Registrations [2]		18,362	10,085	82.07
New Bus Registrations		2,155	1,607	34.1

Production	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Production		234,103	201,663	16.1
New LCV Production		7,444	11,410	-34.8
New Truck Production		155	516	-70
New Bus Production		10	8	-25

➢ Comments

New vehicle registrations, imported and local (passenger cars), amounted to 312.532 units last year, compared to 247.518 in 2006. At the end of 2007, the Romanian fleet reached 4.501.266 vehicles, compared to 4.104.835 vehicles that were registered before December 31, 2006.
Most of the new cars registered in our country last year belonged to the Dacia brand, with 93.666 units. Renault ranks second, with 28.824 vehicles. Almost 23.400 new cars from the Volkswagen brand were registered into circulation, running close to the number registered by Skoda - 23.187. Opel sales have reached 18.743 new vehicles. 16.573 Romanians purchased Ford models, while 16.395 clients chose Daewoo. The French brand Peugeot has found 13.682 new clients in Romania, and Chevrolet - 13.136 buyers. With 10.600 units, Hyundai closes the top brands that sold last year in Romania over 10.000 cars.

In comparison, the Romanian customers for second hand vehicles have registered 144.301 units for the first time in our country, during the whole of last year, according to the information from the Direction of Driving Licenses and Registration for Vehicles within the Romanian Police Department. To that figure, we can add another 406.249 used vehicles, re-registered in Romania. The total of transactions regarding second hand vehicles, the ones registered for the first time, and also the ones already in circulation but that have changed owners, has reached 530.091 units. Total transactions of used cars were over 41% higher than for the new ones.

As to the automotive production in Romania, it was equivalent to the level recorded in 2007, with 241.775 units, out of which:

a. Total manufactured vehicles: 234.331 units (+ 16,1% compared to 2006), with
   - DACIA: 215.506 units, 21,6% more than in 2006
   - DAEWOO: 18.825 units, 23,6 % more than in 2006.

b. Light commercial vehicles manufactured: 7444 units (- 34.8% compared to 2006), with:
   - DACIA: 7408 units, 33,9% less than in 2006
   - DAEWOO: 36 units, 81,9 % less than in 2006,

The rest represents heavy commercial vehicles and buses.

The export in Romania for 2007 comprised exclusively vehicles by Dacia, amounting to 128.411 units, increasing by 44.4% compared to the level of 2006.

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles (NACE Rev.1 - 34.10)	**2000**			
	2001			
	2002			
	2003			
	2004			
	2005			
	2006			
	2007	**16 943**	**+7%**	
Manufacture of bodies for Motor Vehicles, trailers, semi-trailers, parts and accessories for motor vehicles and their engines (NACE Rev.1 - 34.20 + 34.30)	**2000**			
	2001			
	2002			
	2003			
	2004			
	2005			
	2006			
	2007	**62581**	**+1.5%**	
TOTAL (NACE Rev.1 - 34.00)	**2000**			
	2001			
	2002			
	2003			
	2004			
	2005			
	2006			
	2007	**79524**	**+2.6%**	

➢ Comments

The number of employees of the Dacia Renault plant in Mioveni Pitesti increased by 17% compared to 2006, thanks to the increase of production pace for the Logan. The Craiova Daewoo plant has slowed down its activity in anticipation of a green light from the European Commission for the Ford programme.

The number of employees in the automotive industry has continued to grow, but at a moderate pace.

Taxation	Environment	Transport Policy	Emissions

➢ New Measures & effects on the Motor Vehicle market:

1. Taxation:

1.1 Since the beginning of 2007, the special first registration tax has been applied, the amount of which depends on: displacement, emissions level and age of the vehicle. Simultaneously, excise duties have been removed for new local or imported vehicles.
As a consequence of the application of the first registration tax, second hand car imports amounted to 144 301 vehicles in 2007.
A new algorithm in order to determine the special tax is currently being discussed.

1.2 Road taxes (rovigneta)
Until the end of 2007 the annual taxes from the following table was applied (in €):

Vehicle Type	Non Euro	Euro 1	Euro 2 an over
Cars	24	21	16.8
Microbuses	216	210	204
Buses	510	450	390
CV 3.5 – 7 to	240	228	210
CV 7-12 to	540	480	420

1.3 Annual tax.
In 2007, annual taxes was applied as follows (in RON; 1€=3,5 RON):

Vehicle type	Tariff
Car <1600cc	7
Car 1601-2000cc	15
Car 2001-2600cc	30
Car 2601-3000cc	60
Car >3000cc	120
Buses	20
CV<12to	25
CV>12to	100-1361

2. Environment:

2.1 There are no financial incentives concerning vehicles.
2.2 The 2000/53 Directive – recycling is transposed in the Romanian legislation. After 1 January 2007, the enforcing deadlines are the same as the EU ones.

3. Emissions:

There are no incentives concerning vehicles.
Fuel excises is slightly differentiated for the EURO 3, 4, 5, for gasoline and also diesel.

ACEA

SLOVAKIA

ECONOMIC REPORT

Bratislava, February 2008
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not change). Prices of transport services decreased by 1% (air passenger transport by 22,5%, other transport services by 0,3%, prices of road passenger transport did not change) and purchase of transport equipment by 0,6% (purchase of new motor vehicles by 0,9%).

In the branch of **communications,** prices of postal and telecommunication services did not change. Prices of telephone equipments decreased by 1,2%.

A price cut in **recreation and culture** was affected by a price decrease in newspaper, books and stationery by 1,4%, audio-visual and photographic technology by 1%, package holidays by 0,7% and other major durables for recreation by 0,6%. Prices of other recreational items and equipments, gardens and pets increased by 0,6%, recreational and cultural services by 0,1%.

A price increase in **education** was caused by a price rise in education no definable by the level by 0,4% (a fee for language lesson by 1,6%). Prices of pre-primary, primary, secondary and tertiary education did not change.

A price rise in the branch of **hotels, cafés and restaurants** was connected with a price rise in accommodation services by 2,1% and catering services by 0,4% (prices in restaurants and cafés by 0,8%, in canteens by 0,2%).

A price rise in **miscellaneous goods and services** was caused by higher prices of financial services n.e.c. by 1,8% (payment for withdraw cash from ATM by 2,1%, payment for keeping personal account by 1,2%) and personal effects n.e.c. by 0,4%. Prices of social services (benefit for payment for day-care in retirement homes by 0,7%) and other services n.e.c. rose equally by 0,3% (a fee for advertisement in regional media by 1,7%, a fee for funeral including ceremony by 0,7%, reward for advocate by 0,4%) and personal care n.e.c. by 0,2%. Prices of insurance did not change.

In October, compared to October 2006, consumer prices were up by 3,3% in total. Prices rose faster than totally in the branches: food and non-alcoholic beverages by 6,6%, housing, water, electricity, gas and other fuels by 5,8%, education by 3,7%, postal and telecommunication services by 3,4%. Prices of miscellaneous goods and services increased also by 2,6%, hotels, cafés and restaurants by 2,3%, alcoholic beverages and tobacco by 1,6%, clothing and footwear by 0,6%. Prices in health decreased by 2,6%, furnishings, household equipments and routine household maintenance by 0,5%, transport by 0,3%, recreation and culture by 0,2%.

On average, over the first ten months, compared to the corresponding period in 2006, consumer prices were up by 2,7% in total.

REAL INDUSTRIAL PRODUCTION

In November, a 13,2% year-on-year increase in industrial production was connected with a rise in manufacturing by 16% and with a fall in electricity, gas and water supply by 6,4 % and in mining and quarrying by 4%.

In manufacturing, production increased the most considerably in manufacture of coke, refined petroleum products and nuclear fuel (by 55,3%) and in manufacture of transport equipment (by 40,4%). It rose also more significantly in manufacture of electrical and optical equipment by 29,2%, in manufacture n.e.c. by 19,2%, in manufacture of machinery and equipment n.e.c. by 14,7%, in manufacture of chemicals, chemical products and man-made fibres by 13% and in manufacture of rubber and plastic products by 12,7%. Production decreased mostly in manufacture of wood and wood products by 19,3%, in manufacture of non-metallic mineral products by 12,1% and in manufacture of food products, beverages and tobacco by 4,2%.

National Economic Outlook

National Economic Data

	2001 Background Data (bn EUR/Index)	2002 %Ch 02/01	2003 %Ch 03/02	2004 %Ch 04/03	2005 %Ch 05/04	2006 %Ch 06/05	2007 %Ch 07/06	2008 %Ch 08/07 (forecast)
Real GDP	103,3	104,4	104,2	105,5	109,9	106,5	111,9	
Real Consumer Expenditure	104,0	105,4	99,4	101,0	102,7	104,5	100,3	
Real Industrial Production	108,1	103,6	108,0	108,0	105,5	109	113,9	
Real Business Investments	109,1	99,1	98,8	103,0	118,6	107,3	106,8	
Consumer Price Index	106,4	103,3	108,5	107,5	102,7	104,6	102,6	
New Car price Index	"n.a."	"n.a."	"n.a."	"n.a."	"n.a."	"n.a."	"n.a."	
Trade balance (Nominal)	- 46 bn EUR	94,06	24,6	186,8	158,31	155,8	150,1	
Unemployment rate	18,6	18,5	17,4	18,2	16,8	13,9	11,1	

Source :

Comments

REAL GDP

High increase in gross domestic product continued in the 3rd quarter. It rose year-on-year by 9,4% at stable prices (by 12 % at current prices) to SKK 482,5 billion by adjusted estimation. Its real increase was by 0,4 p.p. higher than in the 3rd quarter of 2006.

Year-on-year increase in gross domestic product was connected with a rise in foreign demand by 8,5%. Within domestic demand, final consumption of households increased by 8,3%, production of gross fixed capital by 6,5% and final consumption of public administration by 2,2%. Consumption of non-profit institutions for households rose by 8,7% (it comprised 0,8% of GDP).

The rise in added value mostly in financial intermediation and real estates by 19,1%, in industry by 18,1% and in public administration, education, health and other services by 16,2% influenced the production of gross domestic product. Added value was down, as compared to the previous year, in agriculture and fishing by 18,7% and in construction by 12,1%. The production of gross domestic product was influenced also by a decrease in collected taxes of products subtracted by subsidies on products by 2,2 %.

In terms of basic aggregates of incomes production, year-on-year increase in gross domestic product was connected with a rise in gross operation surplus and mixed incomes by 15,8% and bonuses of employees (1) by 9%.

In the 1st - 3rd quarter of 2007, the production of gross domestic product reached SKK 1 354,9 billion by adjusted estimation. Compared to the corresponding period last year, gross domestic product was up by 9% really (by 0,3 p.p.). It rose by 11,6 % at current prices.

The employment (2) reached 2 167,7 thous. of persons by ESA 95, of which 1 884,1 thous. were employees. Compared to the 1st - 3rd quarter of 2006, it increased by 2,1%, there was a 1,9% increase in the number of employees.

In October, compared to September, consumer prices increased **in total** by 0,6%. Prices rose in the following branches: health by 2,8%, food and non-alcoholic beverages by 2,6%, clothing and footwear by 1%, miscellaneous goods and services by 0,7%, hotels, cafés and restaurants by 0,5%, alcoholic beverages and tobacco by 0,3%, education by 0,2%, housing, water, electricity, gas and other fuels by 0,1%. Prices of recreation and culture decreased by 0,6%. Prices in furnishings, household equipment and routine household maintenance, transport, postal and telecommunication services remained at the level of September.

A 2,8% price rise in **food** was caused by a price increase in vegetables (including potatoes) by 8,7%, bread and cereals by 5,1%, milk, cheese and eggs by 4,6%, fruit by 3,5%, oils and fats by 2,5%, meat by 0,5% and fishes by 0,4%. Prices of sugar, jam, honey, syrups, chocolates and confectionary decreased by 0,9%. Prices of **non-alcoholic beverages** were up 0,7% (prices of mineral water, soft drinks, fruit and vegetable juices by 1%, coffee, tea and cocoa by 0,2%).

Prices of vegetables increased as a result of a price rise in tomatoes by 69,9%, pepper by 41,9%, salad cucumbers by 38% and cauliflower by 4,6%. Prices of white cabbage decreased by 15,5%, onion by 11,4%, parsley by 7,5%, potatoes by 4,3%, carrot by 3,7% and garlic by 0,6%. A price increase in fruit was caused by a price rise in lemons by 16,6%, tangerines by 12,7%, table grapes by 11,7%, kiwi by 5,2% and bananas by 4,3%. Prices of apples decreased by 2,8%, oranges by 2,5% and red watermelons by 0,9%. A price rise in meat was influenced by a price increase in poultry by 1,9% and pork meat by 0,1%. Prices of pork meat decreased by 0,3% and smoked meat by 0,2%.

A price increase in the branch of **alcoholic beverages and tobacco** was caused a price rise of alcoholic beverages by 0,5% (prices of wine increased by 1,1%, beer by 0,8% and prices of spirits decreased by 0,2%). Prices of tobacco did not change.

A price increase in **clothing and footwear** was influenced by a price rise in footwear by 1,5% and clothing by 0,7%.

In the branch of **housing, water, electricity, gas and other fuels,** price increasing was influenced by a price rise in solid fuels by 1 %, services for regular maintenance and repair of the dwelling and other services relating to the dwelling equally by 0,3%, imputed rentals of owners by 0,2%, materials for regular maintenance and repair of the dwelling by 0,1%. Prices of refuse collection and disposal decreased by 0,3% and heat energy by 0,1 %. Prices of actual rentals for housing, water, electricity and gas did not change.

In the branch of **furnishings, household equipment and routine household maintenance** prices of furnishings, carpets and other floor coverings, tools and equipment for house and garden did not change. Prices of glassware, tableware furniture and household utensils increased by 0,7%, housing textiles by 0,4%, goods and services for routine maintenance of household by 0,2%. Prices of household appliances were down 0,4%.

Price index in **health** increased as a result of a price rise in medical and pharmaceutical products, therapeutic appliances and equipment by 3,7% (prices of pharmaceutical preparations and products rose by 4,5%, prices of other medical products decreased by 0,6%, prices of therapeutic appliances and equipment did not change), medical services other than hospital ones by 1,1% (prices of dentists services increased by 1,9%, medical doctor services by 0,2%, prices of other services except for hospitals decreased by 0,2%). and hospital services by 1%.

In **transport,** prices of operation of personal transport equipment rose by 0,9% (fuels and lubricants by 1,1%, maintenance and repair by 0,5%, prices of spare parts and accessories did

Concerning the purpose of final use, the development rate was speeded up mostly by a rise in production of durable consumer goods by 49,4%, investment goods by 27,8%, production related to energy by 4,6 % and production of intermediate goods by 0,9%. Production of nondurable consumer goods decreased by 2,2%.

Over the first eleven months, production of industry was up 14,2% compared to the corresponding period in 2006, of which in mining and quarrying by 27,9% and in manufacturing by 16,9%. It decreased in electricity, gas and water supply by 7,8%.

Concerning the purpose of final use, a rise in production was influenced by higher volume of production of durable consumer goods by 50,4%, investment goods by 36,6% production of intermediate goods by 3% and nondurable consumer goods by 0,1%. Production related to energy decreased by 1,1%.

TRADE BALANCE

In September, the total export of goods amounted to SKK 122,9 billion; there was a year-on-year rise of 7,3%. The total import of goods decreased by 3,6% to SKK 118,1 billion. The passive foreign trade balance amounted to SKK 4,7 billion (it was passive SKK 8 billion in September 2006).

From the beginning of year, compared to the corresponding period last year, the total export of goods increased by 16,1% to SKK 1 029,7 billion (EUR 30,4 billion) and the total import by 10,1% to SKK 1 032,4 billion (EUR 30,5 billion).

The passive foreign trade balance amounted to SKK 2,7 billion (it was down SKK 48,2 billion in relation to the corresponding period in 2006).

EMPLOYMENT

In September, a trend of the fastest increase in employment continued in sale and maintenance of motor vehicles (by 21%). Compared to September 2006, number of employed persons rose also in transport by 5,7%, in retail trade and in hotels and restaurants both by 5,6%, in construction by 5,2%, in real estates, renting, and business activities and the other services by 4,9% and in industry by 1,7%. Number of employees continued to fall in telecommunications by 3,8%, in wholesale by 2,9% and in posts by 1,8%.

On average, over the first nine months, the employment was in industry 586 thous. of persons (of which 540,4 thous. in manufacturing). Number of employees was in construction 164,2 thous., in retail trade 156,6 thous., in real estate, renting, business activities and the other services 149,4 thous., in wholesale 132,2 thous., in transport 90,6 thous., in hotels and restaurants 50,8 thous., in sale and maintenance of motor vehicles 27,8 thous., in communications 26,9 thous. (in postal and delivery activities 17,6 thous., in telecommunications 9,3 thous.)

More persons than in the corresponding period last year worked in sale and maintenance of motor vehicles by 20,3%, in retail trade by 7,1%, in construction by 6,1%, in hotels and restaurants by 5,4%, in real estate, renting, business activities and the other services by 5,1%, in transport by 3,9%, in industry by 3,5% and in wholesale by 1,4%. Employment did not reach the last year?s level in communications by 2,9% (in telecommunications by 6,4%, in postal and delivery activities by 1%).

AVERAGE MONTHLY WAGE

In September, average nominal monthly wage increased year-on-year in all branches, there was a rise in telecommunications by 28,3%, in real estate, renting, business activities and the other services by 11,8%, in transport by 7%, in hotels and restaurants by 6,1%, in sale and maintenance of motor vehicles by 5,8%, in posts by 5,7%, in industry and in wholesale both by 4,2% and in retail trade by 4%. Wage rose lowest in construction by 1,5%.

Real wage increased year-on-year in telecommunications by 24,8%, in real estate, renting, and business activities and the other services by 8,8 %, in transport by 4,1%, in hotels and restaurants by 3,2%, in sale and maintenance of motor vehicles by 2,9%, in posts by 2,8%, in industry and in wholesale both by 1,4% and in retail trade by 1,2%. It did not reach last year‘s level in construction by 1,3%.

On average, over the first nine months, average nominal monthly wage of employee reached in telecommunications SKK 54 616, in real estate, renting, and business activities and the other services SKK 21 923, in industry SKK 19 466, in industry SKK 19 863, in sale and maintenance of motor vehicles SKK 19 513, in wholesale SKK 18 490, in posts SKK 17 100, in construction SKK 15 065 and in retail trade SKK 13 347. Wage was the lowest in hotels and restaurants SKK 10 497.

Compared to the corresponding period last year, average nominal wage was in telecommunications rose fastest (by 24,8%). It rose in real estate, renting, and business activities and the other services by 9,8 %, in transport by 7,9%, in sale and maintenance of motor vehicles by 7,3%, in construction and in retail trade both by 6,7%, in industry by 6,5 %, in posts by 5,5%, in wholesale by 4,5%, in hotels and restaurants by 2,6%.

Real average monthly wage increased in telecommunications by 21,6%, in real estate, renting, and business activities and the other services by 7%, in transport by 5,2%, in sale and maintenance of motor vehicles by 4,6%, in construction and in retail trade both by 4%, in industry by 3,8%, in posts by 2,8% and in wholesale by 1,9%. It remained on the last year?s level in hotels and restaurants.

MOTOR INDUSTRY

New Registrations	Production	Exports

Registrations	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Registrations	3.81	59700	59084	1.04
New LCV Registrations [1]	35.5	23555	19484	20.9
New Truck Registrations [2]	28.1	5506	4433	24.2
New Bus Registrations	87.0	333	518	-35.8

Production	%Ch 06/05	Jan-Dec 2007	Jan-Dec 2006	%Ch 07/06
New Car Production	37.1	571071	295390	93.3
New LCV Production				
New Truck Production				
New Bus Production				

1. LCV are Commercial Vehicles (CV) up to 3.5t excluding Buses
2. CVs above 3.5t, excluding Buses&Coaches

➢ Comments

Official production of VW Slovakia for the third quarter of 2007 reached 185 293 units. Compared with same period in the previous year with 171 685 units, there is an increase of 7,92%.

Official production of the Peugeot Citroen Slovakia company for the third quarter of 2007 amounted to 131 099 units.

Official production of KIA Motors Slovakia company for the third quarter of 2007 amounted to 101 649 units.

The total volume of production for the third quarter of 2007 amounted to 418 041 units, representing an annual increase of 143,49%

The total volume of investments in automotive industry in Slovakia for 2007 amounted to 45 bn Sk. Compared with the 61 bn Sk investment of last year, this represents a decrease of 35,5%.

Employment

	Year	Number of persons employed	% change on previous year	% of total employment in manufacturing industry
Manufacturer of Motor Vehicles	**2000**	8400		1,50
(NACE Rev.1 - 34.10)	**2001**	9750	116,7	1,76
	2002	11500	118,46	1,80
	2003	11800	102,6	2,3
	2004	12500	105,9	2,46
	2005	13000	104,0	2,46
	2006	15600	120,0	2,98
	2007	16300	104,8	3,01
Manufacture of bodies for	**2000**	27550		5,0
Motor Vehicles, trailers,	**2001**	34650	125,8	6,25
semi-trailers, parts and	**2002**	38660	111,6	6,03
accessories for motor	**2003**	42900	111,0	8,50
vehicles and their	**2004**	44000	102,56	8,68
engines	**2005**	44400	101,0	8,40
	2006	51300	115,5	9,81
(NACE Rev.1 - 34.20 + 34.30)	**2007**	59700	116,3	11,05
	2000	35950		6,50
	2001	44400	123,5	8,0
	2002	50210	113,08	7,83
	2003	54700	108,9	10,9
TOTAL	**2004**	56500	103,2	11,15
	2005	57400	101,5	10,9
	2006	66900	116,55	11,45
(NACE Rev.1 - 34.00)	**2007**	76000	113,6	14,06