

State aid helps French car sales bounce back from virus pain

July 1 2020

French car sales recovered to pre-coronavirus crisis levels in June, the industry said Wednesday, as consumers took advantage of state-backed incentives.

New car sales rose 1.2 percent in June compared to the same month last year to 233,818 vehicles, according to the French carmaker's trade association CCFA.

When adjusted for the number of working days during the month, sales were flat.

But that still represents a major rebound as during the March 17- May 11 lockdown sales had plummeted, dropping by 72 percent in March, 89 percent in April and 50 percent in May.

President Emmanuel Macron's government has put together a support plan for the industry which includes bonuses for consumers who buy new or near-new used cars, plus increased subsidies for hybrid and electric vehicles.

"It was a good recovery" during June, said CCFA spokesman Francois Roudier.

He noted "an increase in sales of electric and [hybrid vehicles](#)" in response to the government incentives.

"The best sellers were entry-level models," he said, which is a likely indication that subsidies were helping those with more modest incomes who had previously been unable to afford hybrid or electric vehicles.

He said [private individuals](#) were driving the market as car sharing and short-term rental services have been largely absent.

Toyota benefitted from its strong position in hybrids, with sales jumping nearly 17 percent compared with last June.

Hyundai saw its sales soar 27 percent thanks to its large offer of hybrids and [electric vehicles](#).

Despite the rebound in June, sales of new cars in France were down considerably in the first half of the year, dropping by nearly 39 percent to 715,802 vehicles.

The CCFA forecasts a drop of 20-30 percent for the full year.

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