

# German car sales plunge in May as diesel falls out of favour

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Sales of new cars in Germany plunged in May, official figures showed Monday, dragged lower by public holidays and mounting uncertainty

about the future of scandal-plagued diesel.

A total of 305,057 new cars hit German roads last month, the KBA federal vehicle licensing authority said, a drop of 5.8 percent year-on-year.

Of those, just 95,000 cars were diesels, a number more than 27 percent lower than a year before.

Diesel's ongoing slide came as Hamburg became the first German city last month to ban older diesels from two stretches of road to combat air pollution, with other cities mulling similar restrictions.

Diesel's reputation has lain in tatters ever since Volkswagen admitted in 2015 to installing software in millions of [diesel](#) vehicles worldwide designed to dupe emissions tests.

Since then, concerns about pollution and the falling resale value of diesels have seen consumers turn away from the once popular technology.

Whereas diesels still accounted for around 45 percent of all car sales in 2016, that share fell to 38 percent in 2017 and the decline has continued into 2018.

But industry bodies said the car sector remained in good health, pointing out that overall car sales from January to May were up 2.6 percent compared with the same period a year earlier.

The VDIK foreign carmakers' association said in a statement that May's dip in registrations was partly down to a string of public holidays that kept dealerships closed.

"The German passenger car market continues to be in solid shape, even though public holidays and long weekends have somewhat slowed down the momentum," said VDIK president Reinhard Zirpel.

"The falling diesel registrations are overcompensated by vehicles with alternative or petrol engines," he added.

According to the KBA, cars offering more environmentally friendly engines gained ground in May, with sales of electric and hybrid vehicles jumping more than 50 percent to around 12,000 units sold.

Despite the negative headlines, German giant Volkswagen remained the nation's most popular carmaker in May, accounting for 20.9 percent of all car sales.

Luxury brands BMW and Mercedes meanwhile saw sales fall by 16 and 13 percent respectively.

May was also a disappointing month for fellow German brand Opel, in the midst of a painful restructuring under new French owner PSA, with sales slumping 15 percent.

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