

Markets

## BMW Passes Tesla and Tops Europe's EV Sales Rankings for the First Time

- German manufacturer bucks trend of slowing demand in July
- Sales of Chinese EV imports fell sharply due to EU tariffs



BMW managed to buck the trend thanks to robust demand for EVs including the i4 and iX1, which outsold similarly sized models from Mercedes and Audi. *Photographer: Krisztian Bocsi/Bloomberg*

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BMW AG pulled ahead of Tesla Inc. and led Europe's electric-vehicle market for the first time last month, extending the German carmaker's strong run of growth as other manufacturers struggle.

Sales of fully electric BMWs in the bloc jumped by more than a third to 14,869 units in July, according to data compiled by consultants Jato Dynamics. Tesla's registrations declined 16% to 14,561 units.

While Tesla still holds a commanding lead in EV sales on a year-to-date basis, it's ceding market share in Europe to the likes of BMW and Volvo Car AB. European auto buyers registered a total of 139,300 new EVs last month, down about 6% from a year ago.

Demand for electric cars is cooling in Europe after countries including Germany and Sweden ceased or pared back subsidies, prompting manufacturers to walk back their EV ambitions. Volkswagen AG – the region’s biggest automaker – said this month it’s reducing capacity at high-cost plants in Germany and indicated it might delay new electric models. Mercedes-Benz Group AG is dialing back its electrification plans and battery initiatives □□ .

“The lack of clarity around the incentives for – and future of – EVs continues to present a barrier to consumers,” Jato analyst Felipe Munoz said. “These factors, alongside the low residual value of EVs, contributed to the decline seen in July.”

BMW managed to buck the trend thanks to robust demand for EVs including the i4 and iX1, which outsold similarly sized models from Mercedes and Audi. Tesla’s Model Y maintained its position as the best-selling electric model in Europe in the first half, though demand is waning for the four-year-old model, with sales falling 16% in July.

Tesla shares declined as much as 1.5% as of 10:30 a.m. Thursday in New York. They’re down around 11% this year.

Read More: [BMW Pulls Away From Mercedes, Audi in Electric-Car Race](#)

While Chinese carmakers led by BYD Co. and SAIC Motor Corp. have been gradually expanding in Europe this year, the threat of EU tariffs has slowed their momentum. Registrations dropped off from June to July, according to researcher Dataforce, as Brussels moves ahead with provisional levies that will take effect later this year.

– *With assistance from Craig Trudell*

*(Updates with Tesla shares in seventh paragraph.)*