

Alphabet Belgium Press release

Petrol increasingly attractive, for lease cars too

Aartselaar, 29 January 2018 - The annual study conducted by Alphabet Belgium concerning the tipping point between driving on petrol, diesel or electricity shows that incorporating petrol vehicles into the fleet is becoming increasingly attractive. In two years' time, the share of petrol vehicles at Alphabet Belgium has grown from 2% to 20%. The trend towards petrol vehicles is clearly being followed in the fleet market. Whereas previously diesel was the consistently preferred choice, petrol vehicles continue to assume an increasingly competitive role, even now with higher annual mileages.

While in the Compact segment a petrol vehicle is more advantageous in every circumstance, petrol vehicles in the Economy segment have a clear advantage for an annual mileage of up to 30,000 km and a duration of 48 months. CNG vehicles have a lower TCO and so are a cost-effective alternative. Anyone committed to sustainability can opt for a hybrid vehicle. Even at higher annual mileages and longer durations, these drive systems result in a favourable TCO. Fully electric vehicles, such as the Volkswagen e-Up! and the Renault Zoe, form an excellent alternative in this segment too.

Compact (e.g.: Citroën C1, Opel Karl, Volkswagen Up!)

		Yearly Mileage						
		10 000 km	15 000 km	20 000 km	25 000 km	30 000 km	35 000 km	40 000 km
Duration	24 months	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol
	36 months	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol
	48 months	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol
	60 months	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol

Economy (e.g.: Audi A1, Ford Fiesta, MINI Hatch):

		Yearly Mileage						
		10 000 km	15 000 km	20 000 km	25 000 km	30 000 km	35 000 km	40 000 km
Duration	24 months	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol
	36 months	Petrol	Petrol	Petrol	Petrol	Petrol	Tipping Point	Diesel
	48 months	Petrol	Petrol	Petrol	Petrol	Tipping Point	Diesel	Diesel
	60 months	Petrol	Petrol	Petrol	Tipping Point	Diesel	Diesel	Diesel

The tipping point has also shifted in the Business and Business+ categories. Higher annual mileages up to 35,000 km and 30,000 km, respectively, for a duration of 48 months can best be achieved with a petrol engine. This is a clear evolution in favour of petrol vehicles compared to the 2017 tipping point. In these segments, hybrid and electric vehicles, along with CNG vehicles, are also finding their place among traditional drivetrains and are also a good alternative from an economic perspective.

Electric vehicles do have a higher purchase price, but in most cases, they have a lower TCO, thanks in part to favourable tax reductions, economical consumption, low CO2 emissions and a lower Benefit in Kind.

Business (e.g.: Audi A3, BMW 1 and 2 series, Mercedes A and B-Class, Volvo V40):

		Yearly Mileage						
		10 000 km	15 000 km	20 000 km	25 000 km	30 000 km	35 000 km	40 000 km
Duration	24 months	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol
	36 months	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol
	48 months	Petrol	Petrol	Petrol	Petrol	Petrol	Tipping Point	Diesel
	60 months	Petrol	Petrol	Petrol	Petrol	Tipping Point	Diesel	Diesel

Business+ (e.g.: Audi A4, BMW 3 Series, Mercedes C-Class, Volkswagen Passat):

		Yearly Mileage						
		10 000 km	15 000 km	20 000 km	25 000 km	30 000 km	35 000 km	40 000 km
Duration	24 months	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol
	36 months	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol	Tipping Point
	48 months	Petrol	Petrol	Petrol	Petrol	Tipping Point	Diesel	Diesel
	60 months	Petrol	Petrol	Petrol	Petrol	Diesel	Diesel	Diesel

In the Executive and Luxury categories, there is also a positive trend in favour of petrol vehicles, although the tipping point is still considerably lower than in the above-mentioned categories. Opting for a petrol engine is advantageous if you drive less than 20,000 km per year (executive) and 15,000 km per year (luxury), combined with a duration of 48 months. With higher annual mileages, the traditional diesel engine generally remains more economical. The luxury segment offers an extensive choice of hybrid vehicles (plug-in or otherwise), that often have a lower TCO than their diesel equivalents, especially in the case of annual mileages of 25,000 or 30,000 km.

Executive (e.g.: BMW 5 Series, Lexus GS, Volvo XC60):

		Yearly Mileage						
		10 000 km	15 000 km	20 000 km	25 000 km	30 000 km	35 000 km	40 000 km
Duration	24 months	Petrol	Petrol	Petrol	Petrol	Petrol	Petrol	Diesel
	36 months	Petrol	Petrol	Petrol	Petrol	Diesel	Diesel	Diesel
	48 months	Petrol	Petrol	Tipping Point	Diesel	Diesel	Diesel	Diesel
	60 months	Petrol	Petrol	Tipping Point	Diesel	Diesel	Diesel	Diesel

Luxury (e.g.: Audi A7, BMW 7-Series, Tesla Model S):

		Yearly Mileage						
		10 000 km	15 000 km	20 000 km	25 000 km	30 000 km	35 000 km	40 000 km
Duration	24 months	Petrol	Petrol	Petrol	Petrol	Tipping Point	Diesel	Diesel
	36 months	Petrol	Petrol	Tipping Point	Diesel	Diesel	Diesel	Diesel
	48 months	Petrol	Tipping Point	Diesel	Diesel	Diesel	Diesel	Diesel
	60 months	Petrol	Diesel	Diesel	Diesel	Diesel	Diesel	Diesel

What are the reasons for the shift in the tipping point for petrol?

- Petrol engines are more cost efficient in purchasing price and maintenance.
- Fuel consumption has improved tremendously in the past few years.
- The development of new technologies for petrol engines has moved ahead rapidly.
- Due to the increasing interest in petrol vehicles, the residual values of petrol engines are estimated more favourably.
- The price difference between diesel and petrol is becoming increasingly narrow and fuel prices will be fully harmonised by the end of 2018.

Despite the fact that Belgium was until recently a country that favours diesel-powered vehicles, our advice is to always compare the available alternatives, such as petrol variants and other forms of drive systems. They are not only better for the environment, they can also have a beneficial effect on the TCO. When calculating the TCO in this study, the current fuel prices were used as basis. Once the fuel price of diesel and petrol has been fully harmonised, the tipping point will shift 5,000 km in the advantage of petrol vehicles. Due to the new tax system, the TCO of PHEV vehicles will evolve in many cases in a negative direction, but will remain more favourable than the diesel or petrol variants.



About Alphabet

As one of the market leaders in corporate mobility in Europe, Alphabet helps companies manage their fleet in an efficient and sustainable manner. Alphabet was founded in 1997 as a division of BMW Group and has since acquired extensive knowledge in the field of international fleet management and operational leasing. The comprehensive service it offers includes advice as well as financing. Alphabet's corporate mobility solutions are tailor-made to ensure that they satisfy companies' specific requirements.

With a portfolio of over 650,000 vehicles of all makes in 19 countries, it is one of the four major players on the market. In Belgium, Alphabet currently manages 50,000 vehicles, good for a place in the top three.

Its expertise and technology enable Alphabet to play a leading role in Advanced Mobility Solutions: AlphaElectric offers businesses extensive eMobility solutions, AlphaCity provides a cost-saving Corporate Car Sharing arrangement and AlphaFlex allows companies to integrate a mobility budget. Our handy application AlphaGuides offers Alphabet drivers almost unlimited mobility.

More information is available at: www.alphabet.be.

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