

## ANNEX

### Methodology

The report is factual and based on list prices – before any discount – both including and excluding taxes, provided by car manufacturers in co-operation with their associations (ACEA and JAMA). It is widely distributed and made available on DG Competition's website. As of 2008, the report will be published in April, with prices as of 1 January of each year. The methodology is the same as that employed in previous reports, with the addition of prices from Korean manufacturers. For the 2008 report, a total of 17 European, 8 Japanese and 2 Korean manufacturers supplied the Commission with their recommended retail prices, as of 1 January 2008, for 87 among the best-selling models.

The reference price for the calculation of differences for any model is that of the cheapest country within the euro zone. Prices are adjusted for differences in standard equipment, and are given in euro and, where applicable, local currency<sup>1</sup>, both before and after tax. Prices for major options and for right-hand drive specification are also supplied. For some models, further options and variations in standard equipment may exist on certain national markets. It should be noted that actual retail prices may differ from recommended list prices, as dealers must be free to propose lower prices and to offer additional financial benefits to customers, depending on the market.

### Car Prices declining in real terms

According to Eurostat figures on inflation, the convergence as shown by the report takes place in a context of car prices increasing significantly less than the average price for other products in all Member States:

### Year-on-year change in price index (January 2008 compared with January 2007)

Euro zone	Cars	Headline inflation	EU-25	Cars	Headline inflation
Belgium	0.9	3.5	Bulgaria	8	11.7
Germany	1.1	2.9	Czech Republic	-1.2	7.9
Greece	-1.8	3.9	Denmark	-2.7	3
Spain	-0.8	4.4	Estonia	-5.6	11.3
France	2.5	3.2	Latvia	2.9	15.6
Ireland	0.4	3.1	Lithuania	5.2	10
Italy	0.9	3.1	Hungary	2.3	7.4
Cyprus	-1.9	4.1	Poland	-0.5	4.4
Luxembourg	1.0	4.2	Romania	6.4	7.3
Malta	0.3	3.8	Slovakia	-8.1	3.2
Netherlands	0.2	2.0	Sweden	0.9	3
Austria	0.9	3.1	United Kingdom	-1.1	2.2
Portugal	-2.3	2.9	<b>EU</b>	<b>0.2</b>	<b>3.4</b>
Slovenia	-5.3	6.4	Source: Eurostat, HCPI		
Finland	-7.8	3.5			
<b>Euro zone</b>	<b>0.6</b>	<b>3.2</b>			

<sup>1</sup> The euro rates used for conversion are those published in the Official Journal C1 of 4 January 2008, p.3.

### Some highlights within the euro zone

Price differences for a selection of best-selling cars (expressed as percentages of prices in euro before tax, comparing the most expensive with the cheapest euro zone market) on 1 January 2008 were as follows:

Small segments A and B:	1/01/2008	1/05/2007	1/11/2006
Peugeot 206/207	32.6%	24.9%	18.7%
Renault Clio	23.4%	19.1%	15.3%
Ford Fiesta	21.4%	20.2%	16.3%
Fiat Grande Punto/Punto	21.4%	17.5%	18.6%
VW Polo	25.0%	25.4%	13.4%

Medium segment C:	1/01/2008	1/05/2007	1/11/2006
VW Golf	24.3%	25.2%	23.4%
Ford Focus	27.4%	23.8%	28.5%
Renault Mégane	17.3%	19.2%	22.3%
Opel Astra	18.4%	24.8%	24.8%
Peugeot 307	34.8%	31.0%	21.2%

Large car segments D, E and F:	1/01/2008	1/05/2007	1/11/2006
VW Passat	17.1%	20.3%	22%
BMW 320D	12.0%	9.0%	5.5%
Audi A4	7.4%	13.9%	12.7%
Peugeot 407	15.2%	15.9%	14.3%
Mercedes C	11.9%	12.1%	5.6%