

Contributors

John Fanjoy

Economist

Scotiabank Economics

416.866.4735

john.fanjoy@scotiabank.com

Chart 1

Canada Light Vehicle Sales



Sources: Scotiabank Economics, Omdia.

Chart 2

US Light Vehicle Sales



Sources: Scotiabank Economics, BEA.

November Auto Sales: Resilience and Headwinds

CANADA: AUTO SALES REMAIN SOFT AS THE BOC IS EXPECTED TO BE ON HOLD

Canadian auto sales continued to soften in November, slowing to 1.74 mn units (-4.2% month-over-month) at a seasonally adjusted annualized rate (SAAR) according to data from Omdia (chart 1). Non-seasonally adjusted auto sales were estimated to be 135.8 k for November, down 8.6% year-over-year and the second consecutive month of lower sales compared to the same month the year prior. As we approach the end of 2025, it has been another year marked by resilience despite headwinds for the automotive sector in Canada. Light vehicle sales growth was strong in the first half of 2025, as sales for the three months ending in May averaged 1.99 mn (SAAR, 3mma) units, up 11.7% y/y over the same period and from 1.82 mn units in annual 2024. Some of this Spring surge was likely supported by demand from consumers looking to front-run any potential distortions to prices and supply arising from tariffs. Since then, the selling rate has pulled back through the second half of 2025, to 1.81 mn in November (SAAR, 3mma), as the effects of the temporary surge in demand faded. Meanwhile, uncertainty about the economic outlook and consumer spending continues to cloud the outlook.

While there continues to be headwinds for the automotive industry, there are some positive signs in recent macroeconomic data. Canada's labour market has added 180.6 k jobs over the past three months, which combined with slowing immigration lowered the unemployment rate down to 6.5% from 7.1%. Meanwhile, revisions to historical GDP point to Canada's economy having grown faster over the past three years than previously believed. As core measures of inflation trend near 2.5–3%, we expect the Bank of Canada to remain on the sidelines for the next few meetings, holding the policy rate at 2.25%, with the next move likely to be a hike in the second half of 2026 that could eventually push up borrowing costs for consumers and businesses. Our outlook for Canadian light vehicle sales is 1.89 mn in 2025, with the sales rate remaining relatively unchanged in the near term before picking up in the second half of next year resulting in 1.84 mn in 2026, and 1.87 mn in 2027.

UNITED STATES: ANNUAL SALES PULL BACK, UP MONTH-OVER-MONTH

US auto sales in November increased 2.0% month-over-month in seasonally adjusted terms to 15.6 mn units at an annualized rate according to the US Bureau of Economic Analysis (chart 2). November marks the first seasonally adjusted increase in sales after having declined month-over-month for three consecutive months. In non-seasonally adjusted terms, sales were 7.3% below the same month a year ago, down in year-over-year terms for a second consecutive month. The three-month moving average for sales has declined to 15.7 mn (SAAR) units as of November, down from 16.4 mn (SAAR) in Q3. The end of the federal electric vehicle tax credit on September 30th is likely a contributing factor to the recent decline in vehicle sales.

Meanwhile, a wave of federal data on jobs, inflation, and the economy is expected to be reported over the coming weeks following the end of the US federal government shutdown. This catch up in official data should help provide a more detailed picture on recent developments in the US economy. Other sources such as private sector data suggest that the trend in soft hiring over the summer continued through the Fall. These risks around soft job hiring supported the FOMC's 25 basis point cut to 3.75% on December 10th while choosing to monitor further developments on inflation that remains around 3%. We expect the US Federal Reserve to continue lowering the policy rate, reaching 3% in Q2-2026 then holding thereafter, which should eventually pass through to lower borrowing costs for consumers. Our outlook for US auto sales is 16.2 mn in 2025, and while we do expect the sales rate to improve from recent lows, annual sales are expected to be below 2025 at 15.76 mn in 2026, and marginally rising to 15.82 mn in 2027.

GLOBAL AUTO SALES: REGIONAL MOMENTUM CARRIES INTO EARLY Q4-2025

Global auto sales increased by 1.1% m/m (SA) in October as growth in eastern European, Asia Pacific, and Latin American countries offset softness elsewhere (chart 3). Auto sales in western Europe marginally decreased by -0.4% m/m (SA) in October, after surging 7.5% the month prior, remaining near the highest level since April 2024. Meanwhile auto sales in eastern Europe increased 8.8% m/m, rising to the highest monthly level at a seasonally adjusted rate since early 2014. In the Asia Pacific region, auto sales increased for a third consecutive month, up 3.7% m/m (SA), to the highest monthly rate since February 2025, as sales surged in India (25.2% m/m SA), Indonesia (12%), and increased in China (1.3%). Latin American auto sales increased 0.9% m/m (SA), as the sales rate recovers from recent lows over the middle the year, reaching the highest monthly level since May 2025. Our outlook for global vehicle sales expects growth of 3.3% in 2025, slowing to 1.1% in 2026 as trade headwinds from tariffs and uncertainty pose a drag towards the global outlook, before rising to 2.0% in 2027 (chart 4).

Chart 3

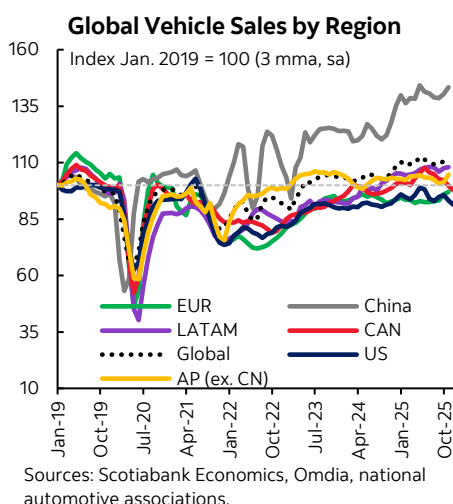
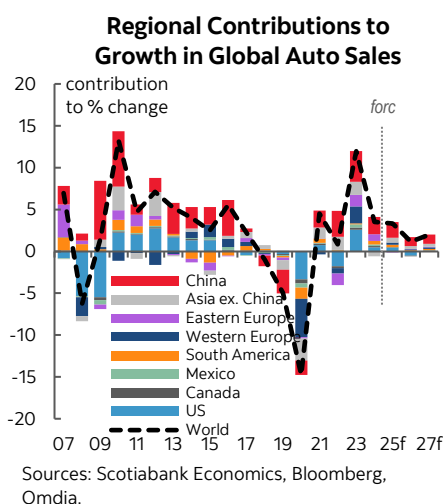


Chart 4



December 11, 2025

Table 1—Global Auto Sales Outlook (mns units)

	2010-19	2023	2024	2025f	2026f	2027f	Oct-25, SA % m/m	Oct-25, NSA % y/y	2025 ytd, NSA % y/y
Total Sales	71.1	75.3	78.0	80.6	81.5	83.1	1.1	4.2	6.2
North America	18.7	18.5	19.2	19.6	19.1	19.3	-4.7	-3.7	3.7
Canada	1.82	1.68	1.82	1.89	1.84	1.87	-2.2	-2.4	5.7
United States	15.7	15.5	15.9	16.2	15.8	15.8	-6.1	-4.7	3.7
Mexico	1.22	1.36	1.49	1.52	1.54	1.57	7.2	6.1	0.6
Western Europe	13.0	11.4	11.4	11.6	11.7	11.9	-0.4	4.4	1.4
Germany	3.2	2.8	2.8	2.9	2.9	3.0	3.7	7.8	0.5
United Kingdom	2.3	1.9	2.0	2.0	2.0	2.0	-11.2	0.5	3.9
Eastern Europe	3.3	2.8	3.4	3.3	3.3	3.4	8.8	3.5	-5.0
Russia	2.1	1.1	1.6	1.5	1.5	1.5	22.2	-5.7	-19.5
Asia	31.9	39.4	40.5	42.4	43.5	44.7	3.7	7.6	9.3
China	19.7	26.0	27.6	29.0	29.9	30.8	1.3	7.5	12.8
India	3.3	4.7	4.9	5.1	5.2	5.4	25.2	18.8	2.2
Japan	5.1	4.8	4.4	4.6	4.7	4.7	9.3	6.4	5.2
South America	4.3	3.2	3.5	3.7	3.8	3.9	-1.5	1.4	10.9
Brazil	2.91	2.18	2.49	2.55	2.60	2.68	0.4	-0.8	2.7
Chile	0.34	0.31	0.30	0.31	0.31	0.32	-18.4	-14.8	2.4
Colombia	0.26	0.18	0.20	0.22	0.22	0.23	4.6	35.0	29.7
Peru	0.16	0.16	0.15	0.16	0.16	0.16	9.4	26.8	20.2

Sources: Scotiabank Economics, Omdia, Bloomberg.

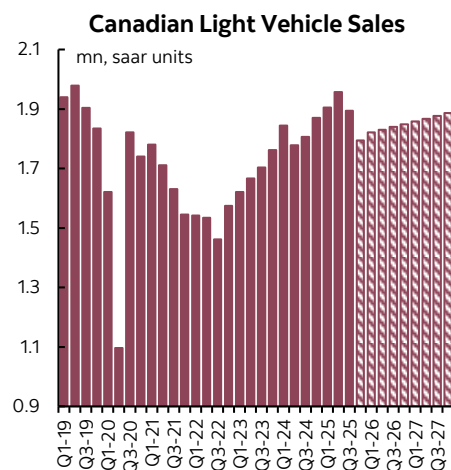
Table 2—Provincial Auto Sales Outlook (thousands of units ann.)

	2010-19	2023	2024	2025f	2026f	2027f	Sep-25, SA % m/m	Sep-25, NSA % y/y	2025 ytd nsa % y/y	ZEV* (Sep-25) % of new LV sales
Canada	1,817	1,684	1,819	1,888	1,835	1,872				10.2
Atlantic	134	115	135	144	130	128	2.1	6.5	13.4	4.1
Central	1,179	1,129	1,237	1,250	1,177	1,206	0.9	3.1	2.6	11.8
Quebec	441	411	473	464	440	449	0.6	1.0	-0.1	18.5
Ontario	738	718	764	786	737	757	1.2	4.5	4.2	7.5
West	548	508	547	559	527	539	-2.4	-4.3	5.6	8.1
Manitoba	56	49	58	61	56	55	0.0	3.0	11.0	4.6
Saskatchewan	54	45	51	53	49	49	0.1	11.9	12.7	2.6
Alberta	239	209	223	231	216	219	-1.8	-4.2	7.2	3.3
British Columbia**	199	205	214	215	207	216	-4.4	-10.2	0.7	16.3

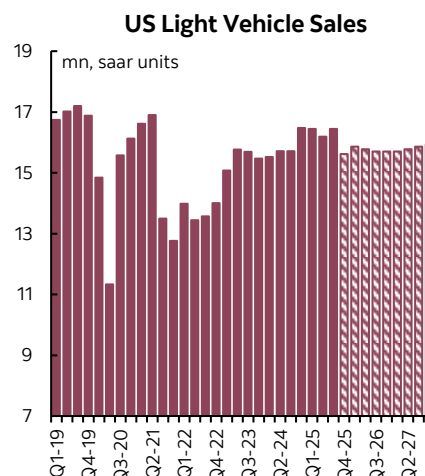
*ZEV includes battery electric and plug-in hybrid electric vehicles. **British Columbia includes the territories.

Sources: Scotiabank Economics, Omdia, Statistics Canada.

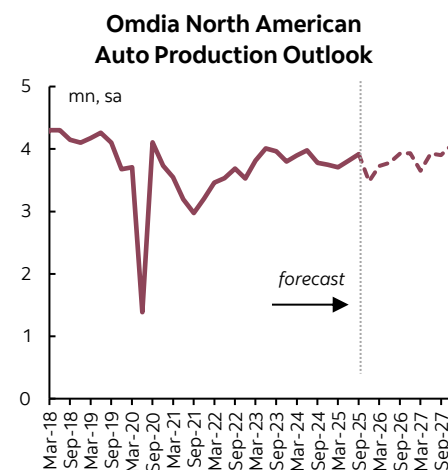
Quarterly Outlook for North American Auto Sector



Sources: Scotiabank Economics, Omdia.



Sources: Scotiabank Economics, BEA.



Sources: Scotiabank Economics, Omdia.

Table 3—North American Annual Production Outlook

	2010–19	2023	2024	2025f	2026f	2027f
(millions of units, annualised)						
North American Production	15.9	15.6	15.5	14.9	15.4	15.5
Canada	2.2	1.5	1.3	1.2	1.2	1.4
United States	10.4	10.3	10.2	9.8	10.0	10.3
Mexico	3.2	3.8	4.0	3.9	4.1	3.9

Sources: Scotiabank Economics, Omdia.

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