

German car sales plunge in April as virus hits key industry

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Confinement orders and economic uncertainty have kept buyers away from car dealerships in Germany and elsewhere

Some 61 percent fewer new cars were registered on German roads in April 2020 than a year ago, official data showed Wednesday, as Europe's

automobile powerhouse matched its neighbours' plunging sales for the industry.

At 120,840, the sales figure from the KBA road transport authority was the lowest monthly reading since German reunification in 1990, as measures to slow the spread of the novel coronavirus took their toll.

Germany's sales crunch was however not as bad as the April collapses of 97 percent in Britain and Italy and 89 percent in France.

April was the first month to show "the full extent of the coronavirus' consequences for the [car market](#)," said Reinhard Zirpel, president of the Federation of International Car Manufacturers (VDIK).

"Customer demand for new vehicles has almost completely collapsed in this period of huge uncertainty."

As well as sales, car production plummeted by 97 percent in April, to just 10,900 vehicles, the VDA domestic carmakers' organisation said.

Manufacturing was "hit harder than any time since the founding of the federal republic" in 1949, the VDA added.

Over the year to April 30, Germany built just one million cars—down 38 percent year-on-year.

Ministers led by Chancellor Angela Merkel and car industry leaders reached no agreement Tuesday at a conference on stimulus measures for the vital sector, which employs around 800,000 people in Europe's largest economy.

Bosses have called for a "cash-for-clunkers" scheme similar to one launched during the 2008-9 [financial crisis](#).

But some economists, politicians and environmental campaigners oppose the scheme, which they say could prove inefficient and slow carmakers' transition to more environmentally-friendly power sources.

"I have big problems with a discount that supports the [power systems](#) of the past" like [internal combustion engines](#), said Lars Klingbeil, general secretary of Merkel's junior coalition partners the Social Democrats.

Instead of immediate action, a "working group" will now sketch out possible forms of state support and report by next month.

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