

UK car dealership motors out of virus lockdown

June 5 2020, by Jean-Baptiste Oubrier



The coronavirus pandemic has ravaged the auto industry—but the lifting of lockdown restrictions has the sector revving up once more

At the Vauxhall car showroom in Chingford, just northeast of London, business is motoring ahead after Britain lifted lockdown restrictions this

week on the coronavirus-ravaged sector.

Car dealerships in England finally reopened as the UK government relaxed COVID-19 measures that had slammed the brakes on the industry and helped send the economy into reverse.

"When we reopened it was quite refreshing and pleasing," Nick Locke, manager of the Chingford dealership, told AFP on Thursday, against a backdrop of sparkling brand [new vehicles](#).

Sector sales had screeched to a near halt in April and May after a nationwide lockdown was imposed on March 23 to stop the virus's spread.

Post-lockdown demand now is booming in Chingford for affordable mid-range cars from Vauxhall, which is owned by French automaker PSA Peugeot-Citroen.

'Very busy'

"It's come back," Locke told AFP when questioned about the strength of demand since reopening on Monday.

"We have been very busy in sales and also in service—busier than we probably anticipated."

"On a daily basis we are selling three or four cars," he added, noting the dealership has nevertheless temporarily reduced [sales staff](#).

Although normality is returning slowly, there are signs of strict health measures introduced to halt the deadly disease, which has so far killed almost 40,000 people in Britain.



Social distancing markers are displayed inside the recently re-opened Vauxhall car dealership as post-lockdown business takes off

Face masks and sanitiser hand gel are available at the entrance and the sales office has screens to prevent virus transmission, while social distancing measures have been introduced throughout.

In Britain, sales of new cars plunged by about 90 percent in both April and May, according to the Society of Motor Manufacturers and Traders (SMMT).

Sales are also down 51 percent in the first five months of this year.

Yet Locke remains bullish, predicting that the market will return to where it was before the lockdown in "four to six months".

He said low-price cars are especially appealing to customers who want to avoid public transport because of the new disease.

"They are going to be looking to buy cars probably up to about £7,000 or £8,000 (about \$9,000 to \$10,000) for the lower price range," said the car dealer.

"That is going to save them putting themselves and their families at risk."



A masked customer peruses on potential purchase—the sector hopes lower-priced cars will appeal to customers seeking to avoid public transport because of

virus fears

'Every manufacturer suffers'

Vauxhall Group managing director Stephen Norman, speaking to AFP, mirrored Locke's optimism but sounded a note of caution for the sector as a whole.

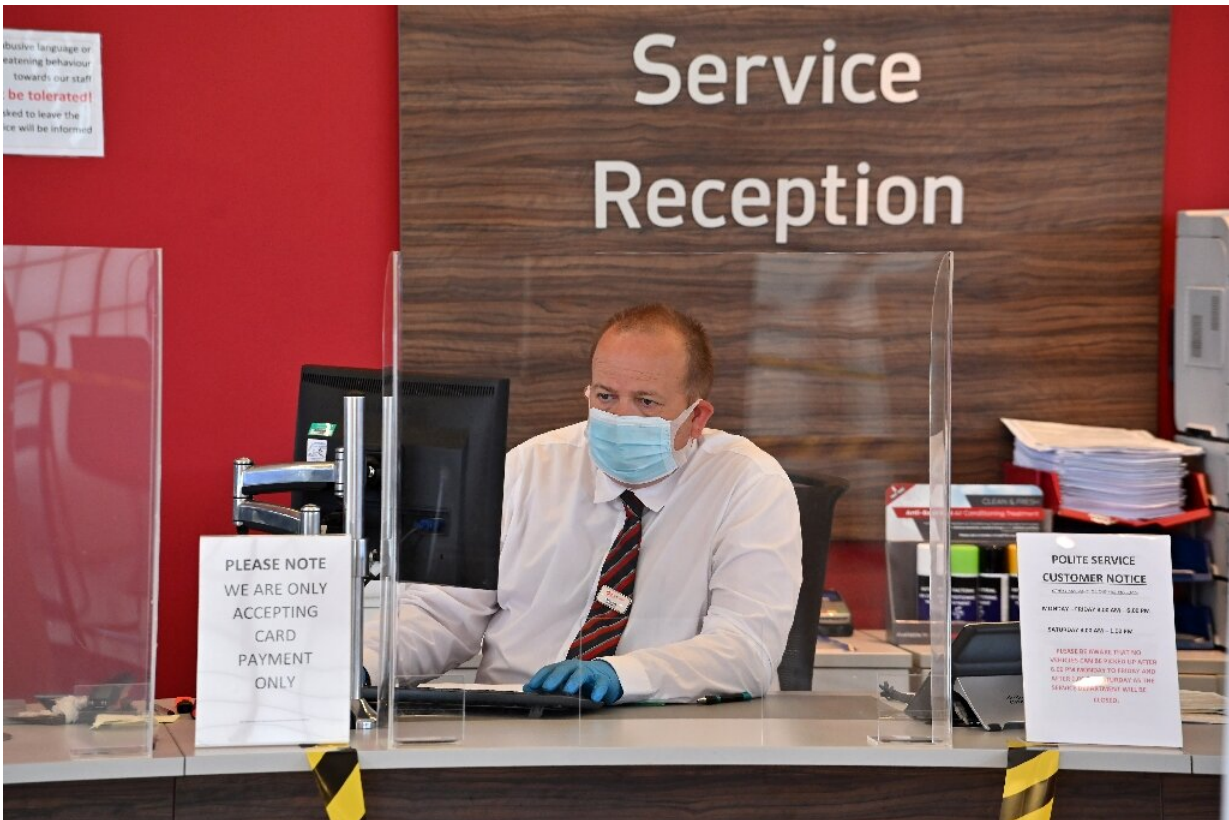
"When you lose 90 percent of the market, Vauxhall, like every manufacturer, inevitably suffers," Norman said via a video link-up.

"Had it not been for the government's furlough scheme, I am not even sure we would be having this conversation today," he added in reference to the COVID-19 job retention scheme under which the state pays 80 percent of monthly wages.

He said online searches for vehicles of all types continued at their old pace during the two-month lockdown.

"So I do believe the industry will bounce back—but of course it will take time. It won't happen in a day or a week or even a month.

"It will take months, perhaps some quarters, before we get to what I would term a natural running rate for the motoring industry in the United Kingdom."



An employee dons a face mask and gloves and sits behind a perspex screen to receive customers—many industry experts expect it will take some months for business to get back to normal

Fresh coronavirus damage

However on Thursday, fresh evidence of coronavirus damage emerged as car dealership group Lookers said it would axe about 1,500 jobs and shut 12 showrooms.

James Bond's favourite carmaker Aston Martin also cut 500 jobs in response to tumbling demand and ballooning losses at the luxury group.

And Japan's Nissan warned separately Wednesday that a no-deal Brexit

would make its Sunderland car factory in northeast England unsustainable due to the prospect of higher tariffs.

Trade negotiators from Britain and the EU are this week locked in a fourth round of post-Brexit negotiations, but no-one in London or Brussels expects a breakthrough.

"This is not an industry where you can take things lightly, whatever they (may be)—and certainly not a pandemic, any more than the negotiations with the rest of Europe," said Norman.

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