

UK car sector axes 2,000 jobs as sales slump

June 4 2020



Tough times for car dealers

Britain's battered automotive sector axed 2,000 jobs Thursday after the coronavirus crisis slashed sales of new vehicles.

Car showrooms in England reopened this week as the UK government eased COVID-19 lockdown measures that have slammed the brakes on

the industry.

However, UK car dealership Lookers on Thursday said it would axe about 1,500 jobs and shut 12 showrooms.

It came as Aston Martin revealed it would cut 500 jobs as James Bond's favourite carmaker seeks to recover from diving demand and ballooning losses that began long before the virus appeared.

Elsewhere on Thursday, data showed that sales of new cars in Britain plunged 89 percent to around only 20,000 vehicles in May.

That compared with 184,000 units in the same month of last year, according to the Society of Motor Manufacturers and Traders (SMMT).

Sales are down 51 percent in the first five months of 2020, compared with a year earlier, it added.

SMMT chief executive Mike Hawes said the coronavirus had caused an "inevitable yet devastating impact on the market".

He added: "This week's reopening of dealerships is a pivotal moment for the entire industry and the thousands of people whose [jobs](#) depend on it.

"Restarting this market is a crucial first step in driving the recovery of Britain's critical car manufacturers and [supply chain](#), and to supporting the wider economy," said Hawes.

At the same time, the UK car industry remains much troubled by Brexit.

Nissan on Wednesday warned that a no-deal Brexit would threaten the Japanese carmaker's largest plant in Europe based in Sunderland, northeast England.

Britain left the European Union on January 31 but remains under the bloc's rules until the end of the year while both sides try to thrash out terms of a new relationship.

Fears are growing however that no new trade deal will be reached in time.

© 2020 AFP

Citation: UK car sector axes 2,000 jobs as sales slump (2020, June 4) retrieved 7 May 2024 from <https://techxplore.com/news/2020-06-uk-car-sector-axes-jobs.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.