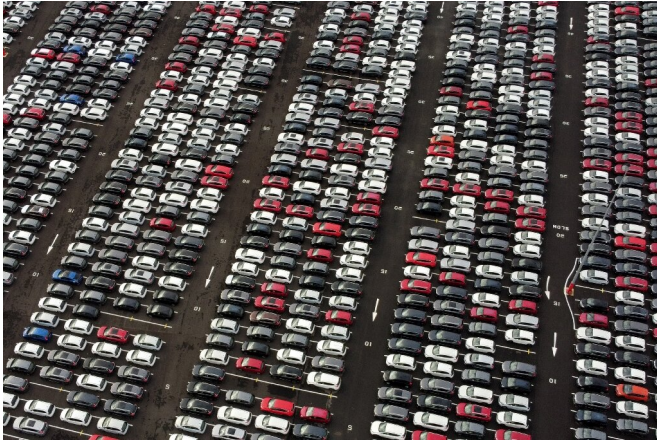


UK car sales crash to almost 30-year low

6 January 2021



New cars got parked as they awaited for dealerships to reopen following coronavirus-imposed closures

British new car sales crashed to the lowest level for almost three decades in 2020, with demand ravaged by chronic coronavirus fallout and Brexit uncertainty, industry data showed Wednesday.

Sales tanked by 29.4 percent compared with 2019 to 1.63 million new vehicles, the Society of Motor Manufacturers and Traders (SMMT) said in a statement. That was the lowest level since 1992.

The sector suffered a revenue loss of £20.4 billion (\$27.7 billion, 22.6 billion euros), according to the industry organisation.

Sales took a hit late last year also after the British government said it planned to ban diesel and petrol car sales from 2030 as part of a plan to achieve carbon neutrality by the middle of the century.

"2020 will be seen as a lost year for automotive, with the sector under pandemic-enforced shutdown for much of the year and uncertainty over future (EU) trading conditions taking their toll," said SMMT Chief Executive Mike Hawes.

"However, with the rollout of vaccines and clarity over our new relationship with the EU, we must make 2021 a year of recovery."

Hawes was also positive around "manufacturers bringing record numbers of electrified vehicles to market over the coming months".

He warned however that Britain's latest coronavirus lockdown, implemented this week to combat a spike in infections, would lead to "rocky" trade over the coming months.

The SMMT has meanwhile welcomed Britain's last-gasp Brexit trade agreement that was clinched just before the nation's final departure from the European Union's single market and customs union on December 31.

Britain's car industry, which is largely foreign-owned, had long warned that a chaotic no-deal Brexit would ramp up costs, eat into profits and hurt supply chains.

Nissan has also welcomed Britain's Brexit deal but has not yet indicated what will happen to the Japanese carmaker's largest plant in Europe which is based in Sunderland, northeast England. It had previously warned that a no-deal departure would threaten the factory's future.

Cardiff University economics professor and auto specialist Peter Wells was downbeat over the prospect of a rapid recovery for the nation's car sector.

"In terms of the industry, there are substantial concerns for the future. The Brexit deal does resolve some of the uncertainty over trading relationships with the EU, for which there was much mutual interest, but much of the damage to the UK industry has been done with the prolonged period of uncertainty preceding the deal," Wells told AFP.

"The UK has lagged behind with investment in battery manufacturing capacity. The challenge now

is to find the resources to invest in a battery electric future that is likely to become dominant by 2025, at a time when the industry is struggling."

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