

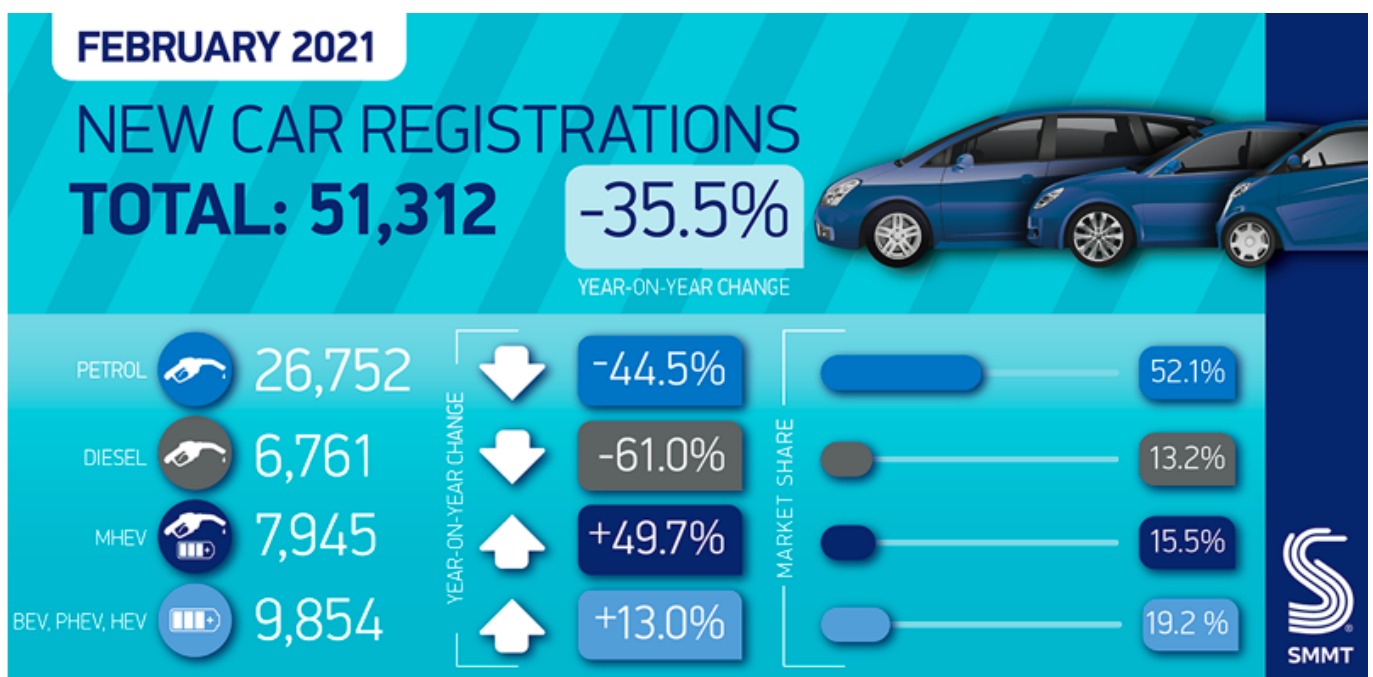


SMMT Budget response, plus top ten new car sellers in Britain in February

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The Budget is first aid for the motor industry but will not fix underlying long term ailments, according to the Society of Motor Manufacturers and Traders...

...writes Robin Roberts.

"Today's budget provides some encouragement to an automotive sector hit hard by the pandemic and additional trading costs but it falls short of the support needed to transform the industry and market to the net zero future to which both the government and industry



aspires,” said Mike Hawes, CEO of the SMMT.

“Confirmation that the industry’s calls for the furlough scheme to be extended until the end of September have been heeded and is extremely welcome as both the automotive manufacturing and retail sectors have suffered a massive fall in demand over the past year with showrooms still closed and supply chains disrupted.”

He was speaking as the SMMT counted the continuing cost of the pandemic with new registrations in February at a 60 years low.

The UK new car market declined by -35.5% in February as 28,282 fewer units were registered during a traditionally weak month for new vehicle uptake, according to figures published today by the Society of Motor Manufacturers and Traders (SMMT). The industry recorded its lowest February uptake since 1959, with 51,312 new cars registered.

It has forced the body to revise total sales for this year to 1.83M, down from the 1.89M predicted in January but before the showrooms were closed and forced to sell on line, which has not been as successful as when they are open. They have been hampered by a shortage of models from assembly plants due to working restrictions imposed under Coronavirus rules and in a slowdown in shipping and transportation.

He added, “February is traditionally a small month for car registrations and with showrooms closed for the duration, the decline is deeply disappointing but expected. More concerning, however, is that these closures have stifled dealers’ preparations for March with the expectation that this will now be a third, successive dismal ‘new plate month’.

“Although we have a pathway out of restrictions with rapid vaccine rollout, and proven experience in operating click and collect, it is essential that showrooms reopen as soon as possible so the industry can start to build back better, and recover the £23 billion loss from the past year.”

Measures to support investment and upskilling are of vital importance to the sector but



more is needed if the government's green recovery plan is to be a success. Ensuring the UK has the most competitive environment globally for business investment is essential so, whilst we welcome in principle the announcement of a 'super deduction' for investment, it is not clear if it will work for manufacturing and plant and machinery so we now seek the fine detail and, ultimately, business rates reform to encourage investment.

Anything that encourages the recruitment of apprentices would have our full support and it is encouraging to see the accompanying "Build back Better: Our Plan for Growth" commits to upskilling and the need to address some of the weaknesses of the Apprenticeship Levy which does not work for many employers.

In this crucial year, with COP 26 in the autumn and the sector facing a mammoth task in decarbonizing within just nine years, we had hoped to see more measures to support the transition. This is an opportunity lost, so we look ahead to this year's Comprehensive Spending Review for the commitment to the infrastructure, incentives and wider competitiveness measures that will enable the UK automotive industry to be the global leaders in the shift to net zero mobility."

February Top Ten new car sales in Britain:

Ford's Fiesta remains the country's top-selling new car.



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BEST SELLERS

FEBRUARY 2021

1	Ford Fiesta	1,645
2	Vauxhall Corsa	1,408
3	Nissan Qashqai	1,321
4	Mercedes-Benz A-Class	1,298
5	Volvo XC40	1,251
6	Kia Niro	1,215
7	Volkswagen T-Roc	1,031
8	Volkswagen Tiguan	1,011
9	Ford Kuga	960
10	Ford Focus	945