

## UK Car market declines – again

August was a quieter month than usual for car sales. Despite the recent exit from lock down, sales fell 5.8% on the month, with an especially big decline in business purchases. Many people and companies remain put off by the aggressive Vehicle Excise duties, and by the continuing spin against conventional cars.

As I feared, present policy is much more successful at dissuading people from buying new diesel or petrol cars than it is at persuading them to buy new electric vehicles. 2020 to date has seen a massive 59.7% reduction in diesel car sales. It is this segment of the market that the UK had done so well in, with large investments in clean diesel engine technology. There was also a decline of 44.6% in petrol cars. There were substantial percentage gains in the sales of electric and Plug in Hybrid cars on a small base. The market year to date has seen all electric vehicles take just 4.9% of the sales, and Plug in Hybrids 3.3%.

If the government cares about the state of the motor industry it needs to review its tax policy, and to reflect on the pace of change to electric products. It is curious that the car industry itself does not seem that concerned about the damage transition is doing to it. Some are still talking about Brexit effects when it is obvious that CV 19 shutdowns and the hostility to diesel and petrol cars has driven a big decline in the market before we leave the EU single market. It is tax and electric car policies that pose future problems.

What would it take to get readers to buy a new car any time soon? And what would you want from an electric vehicle on range, charge times, availability of power and price of car to make it a more interesting proposition? Clearly the public is very underwhelmed by the current offerings despite the enormous pressure on everyone to switch. So far the government is just proving it is easier to destroy successful past investment than to make successful new investment pay. They have put people off new cars but find it difficult to switch them to battery products.