



MEDIA INFORMATION

The current situation in the market for motor trades and repairs

Frankfurt am Main, 8 September 2022. According to the Zentralverband Deutsches Kraftfahrzeuggewerbe (ZDK), the current situation in the market for motor trades and repairs is as follows.

New car registrations: The market did not experience a turnaround in August. Approx. 199,000 new cars were registered in August 2022. This is a little over 6,000 more than one year ago, an increase of 3 percent. According to the German Federal Motor Transport Authority (KBA), the number of new vehicles registered over the first eight months of the year was approx. 1.64 million, which is 9.8 percent less than the figure for the same period of 2021.

By way of comparison: From January to August 2019, some 2.5 million new cars were registered. In 2020 only approx. 1.78 million such vehicles were registered.

Used cars: The number of changes in car ownership also continues to decrease. In August 2022, ownership of approx. 475,000 cars was transferred, a figure that is 18 percent lower than in the previous year. From January to August 2022, some 3.8 million used cars were sold, a decline in sales of 16.6 percent compared to the same period in 2021.

By way of comparison: From January to August 2019, roughly 4.88 million used cars changed hands. In 2020, approx. 4.58 million vehicles found new owners during the same period.

Service and repairs: With regard to automotive businesses, the average capacity utilisation for workshops has returned to its pre-crisis level in 2019. In July 2022* this figure was 85% (July 2019: 83%), and from January to July it was at 83% (January–July 2019: 83%).

Comparison values for previous years: July 2020: 80%, January–July 2020: 77% / July 2021: 81%, January–July 2021: 78%. **[*The figures for August 2022 are not yet available.]**



Reasons for the current situation

Overall consumer sentiment is deteriorating on account of the impact of the war in Ukraine and the rising prices that have resulted. The situation is being exacerbated by **vehicle production problems** resulting from disrupted supply chains, which continue to suffer the effects of the coronavirus pandemic and China's zero-Covid policy. Finally, automotive businesses are being forced to deal with **extreme increases in the cost of energy**. These price rises are eliminating the already slim margins that are prevalent among automotive businesses. We are working to obtain government relief for the SMEs that are so important to the German economy so that they can cope with the effects of these developments.

Planned changes to the 'environmental bonus'

The ZDK believes that it will not be possible to achieve the massive increase in electromobility defined in the coalition agreement as an important contribution to climate protection – i.e. 15 million electric cars by 2030 – without government subsidy. In addition, the planned **elimination of subsidies for plug-in hybrid vehicles** that serve as an entry-level technology on the road to e-mobility will have a huge negative effect on this market segment, and may even destroy it.

Uncertainty among customers: The planned **reduction in the volume of subsidies, which is to be capped at 2.5 billion euros**, and the **lowering of the subsidy threshold over the course of 2023** will deter many customers from ordering an e-vehicle now, because with delivery periods currently running at twelve months or longer, they cannot be certain whether they will be eligible for any subsidy whatsoever, and even if they are, they will not know how much. These could be anywhere from zero to 4,500 euros. That is because **the registration date** – and not the order date – continues to be **the determining factor for eligibility for subsidy**.

Commercial customers will no longer be eligible for subsidy from 1 September 2023. In effecting this change, the government is denying assistance to SMEs for their own vehicle fleets,



SMEs that are so important to our economy, including logistics companies and trades whose expertise is meant to help equip the country for greater climate protection.

Company car tax

According to the ZDK, discussions of the company car tax have resulted in **a tool for work being unfairly discredited as a luxury item for high earners**. After all, some 12 percent of employees in Germany drive a company car, with the majority of these being field staff. Volkswagen is by far the most common make of company car, with Golf being the most common model.

Company cars are an indispensable tool for the vast majority of these people. Anyone who tries to foster resentment of a supposedly privileged elite is ignoring the actual situation and is severely misjudging the issue. The ZDK believes that the German government should continue with its current course and create **targeted incentives for the purchase of electric vehicles and plug-in hybrids by reducing company car taxes on these vehicles**. Here, climate protection is already a component of the system for determining the company car tax, meaning that there is no need to integrate this as a new element.

Shortage of specialists and skilled personnel / training situation

It was to be expected that the coronavirus pandemic would also have a negative impact on the training market. According to the German Federal Institute for Vocational Education and Training (BIBB), **in 2020 the number of training contracts** declined from 525,039 in 2019 to 467,484, a fall of 57,555 (10.9%). In the market for motor trades and repairs, there were declines both in the number of trainees for automotive mechatronics specialists (from 22,803 to 20,100 = -11.9%) and for car dealership staff (from 5,316 to 4,278 = -19.5%).

Last year saw a slight uptick, as according to the BIBB, the total number of all **training contracts** in automotive businesses increased by 5,580 (1.2%) to 473,064 **in 2021**. The market for motor trades and repairs experienced above-average growth in the number of trainees for automotive mechatronics specialists (from 20,100 to 20,697, an increase of 3%) and for car dealership staff (from 4,278 to 4,722, an increase of 10.4%).



These figures can also be seen as a **result of the coronavirus pandemic**. In addition to a **lack of in-person events, declines in the number of school graduates and falls in both supply and demand in the training sector** have contributed to this development. Another reason lies in policies that are **leading people to enter into academic careers when this is not advisable**. This is creating an imbalance that will lead to an insufficient supply of qualified tradespeople in our society.

At **Automechanika**, the **initiative ‘AutoBerufe – Zukunft durch Mobilität’** will be at the ZDK stand in the Galleria in an effort to inspire young people to embark on a career in the automotive business. **Every day, young people will be working together here** as part of a collaboration with the ZKF (Zentralverband Karosserie- und Fahrzeugtechnik) and the BFL (Bundesfachgruppe Fahrzeuglackierer) **to build a car**. These small vehicles are shaped from folded sheet metal at the ZKF, painted at the BFL, and equipped with technological components at the ZDK. Once the cars have been completed, they will compete in a race. Interested young people will also have the chance to talk with trainees and with the **influencers from the Schrauberblog technicians blog** about career opportunities as automotive mechatronics specialists.

Zentralverband Deutsches Kraftfahrzeuggewerbe (ZDK)

The ZDK in Bonn and Berlin represents the professional interests of 36,570 car dealers and automotive workshops employing 435,000 people. These are joined by another 3,200 body, automotive engineering and paint shops with approx. 40,000 employees that are organised under the aegis of the Zentralverband Karosserie- und Fahrzeugbautechnik e.V. (ZKF). The ZKF is a full member of the ZDK.

In 2021, the 36,570 automotive businesses organised under the ZDK umbrella generated sales of approx. 179.8 billion euros with the sale of new and used vehicles and through maintenance, repair and service. An additional 4.1 billion euros in sales were generated by the companies organised under the aegis of the ZKF. The ZDK and ZKF are leaders in the field of training with more than 92,460 trainees in the trades.

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