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Demand expected to outstrip used stock

'With disruptions to the supply chain around purchasing in Japan and shipping, it means there's likely going to be a shortage'

Car dealers are reporting business is up to about 60 per cent of the levels seen before the coronavirus pandemic forced them into shutdown.

The Imported Motor Vehicle Industry Association (VIA) says the number of enquiries and sales since Covid-19 alert levels four and three has surpassed initial expectations and warns this may lead to a shortage of stock.

The industry had been bracing for stock levels to climb following trading restrictions over the past two months and other impacts of the health crisis, says chief executive David Vinsen.

However, the early signs are encouraging for dealers as feedback suggests consumers are buying cars for personal wants and not just essential needs.

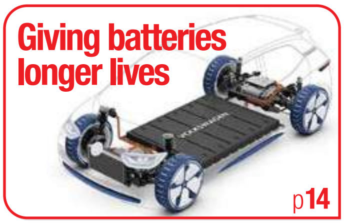
"Reports from the trade sector is that it seems we're at about 60 per cent of the levels of enquiries and sales pre-Covid," Vinsen told Autofile.

"Everybody is pleasantly surprised at the rate we're coming out of things. It has moved up quite quickly to 60 per cent and some regions, such as Tauranga and Whanganui, have done better than that. Whether that's sustainable will turn on economic activity and consumer confidence.

"We are still uncertain whether it's pent-up demand or getting back to business as normal. However, it seems people are not just buying purely for need and some discretionary spending is happening as well.

"Issues about the glut of stock and dearth of capital were initial concerns that haven't been realised, so it's all relatively good news considering the difficult times we've had and are still going through."

[continued on page 4]



Industry needs to change post-virus

The past few months have been a 'wild ride' and the journey is far from being over. In fact, we may have only just started on it

JONATHAN SERGEL
general manager - motoring services, AA

What have you done so far this year and what's a bit of a change? For me, I thought it would be my new job. However, I – like many – had no idea that the start of the year would unfold like it has.

What did my first four months at the AA give me? A lot of people to meet at a business that's been operating for more than a century to try, or try to, understand, then a global pandemic and zero revenue. What a start.

Let me give some context. I started as general manager – motoring services in late January. While the C-word was around at that time, it was only just registering on the radar.

However, Covid was looming large on the radar in mid-February when we started talking about what we would need to do as an organisation if this got to New Zealand.

And then, in March, it was full steam ahead with plans to enable our head-office team to work from home.

The funny thing is that on the Friday of my first week at the AA, I was talking to my team about workplace flexibility. Now we're all working from home and that Friday meeting is held over Microsoft Teams so everyone can catch up with their peers and talk through their week. Not quite the flexibility I was thinking about, but what a great example of change and adapting to the situation at-hand.

What a wild ride the past few months have been and the journey is far from being over. In fact, if you believe some people, we have only just started on it.

With the automotive industry in New Zealand effectively stopping for six weeks, no-one has a rule book on what to do, how to deal with it and what the outcomes will be from here.

But what we do know is that the industry has always adapted to change. In fact, it has always embraced change and it's what we do as New Zealanders – we live and learn and we adapt.

From carless days to Japanese imports back in the day. From websites being a novelty to becoming central to businesses. From watching the shift from V8s to electric cars in front of our eyes.

Nothing is surer than change in the automotive industry and – just quietly – I reckon most of us wouldn't have it any other way.

And, wow, we are going to need to change and adapt again, and the signs are promising if the past few weeks are anything to go by.

New Zealanders are now able to buy cars via video appointments and contactless deliveries.

We can now wait in an online queue to ensure on-site social distancing while sitting in our vehicle to get our driver licence renewed or our warrant of fitness check done, and we now attend virtual car launches. All while many of us work from the kitchen bench at home.

And that's just the start. I wonder what the next four months will hold?

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COVID-19: CONTACT INFORMATION

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Consumer confidence over the coming months will remain a key factor in how stock shifts. If trade remains brisk, Vinsen expects levels to dwindle with smaller consignments of vehicles due to arrive in New Zealand during June and July.

Nearly 22,000 vehicles were discharged at Ports of Auckland during March, but those figures have dropped steeply and only about 7,400 are forecast to be shipped here this month.

"We thought there may be a glut of stock with low levels of consumer confidence and demand, and ex-rental stock being released onto the market, but – in fact – that's not the case. We think we will see shortages of stock.

"With disruptions to the supply chain around purchasing in Japan and shipping, it means there's likely going to be a shortage. Far from downward pressure on prices, we feel it's going to be the other way."

While dealers have seen business lift during the transition from lockdown to level two, the government is turning to VIA and other industry groups for suggestions to boost economic recovery. It comes with the cabinet due to consider shifting to level one at its meeting on June 8.

Newly arrived cars await processing at Captain Cook Wharf, Auckland

"The government is asking for ideas to kick-start the economy. We're putting a proposal together around the management of the fleet. This is designed to improve its characteristics and attributes over time by trying to reduce the average age of vehicles, so we see benefits from improved safety, fuel economy and better environmental outcomes."

Vinsen adds he's "really pleased and proud" of how the industry, including involvement from the Motor Trade Association and Motor Industry Association, has worked together since the pandemic hit.

As New Zealand went into lockdown, meetings among various automotive leaders were happening on an almost daily basis to help navigate difficulties facing businesses across the supply chain. The urgency of those discussions has tapered off, but members of steering groups and industry organisations plan to meet again when alert level one kicks in.

"The way the industry and officials have worked together to achieve good results and take quick action has really pleased me," enthuses Vinsen. "The work across the industry, different sectors and having government officials sitting in has been wonderfully productive.

"We were meeting frequently at the start of the pandemic and lockdown to identify pinch-points in advance of them happening to work out and implement solutions.

"We've also been working on coming out of different Covid-19 alert levels, and translating government requirements for each level into pragmatic and practical standards for each sector of the industry.

"As time has gone on, we have met less frequently and down to once a week. In the last week of May, each of the three groups I've been involved with have put meetings on-hold until level one or if we have an urgent issue that really needs to be addressed."

These forums have been covering biosecurity and Covid-related issues from Japan to point of import, and the onshore supply chain on matters from dockside to retail, such as logistics and compliance. Then there has been the NZTA's vehicle regulatory group.

Vinsen adds: "We think the public has become and is becoming more conditioned to the rules around Covid-19 and accepting them, as have dealers and service providers in the supply chain. It's still difficult but not as bad as many people thought it might have been."

LOW NUMBERS FROM JAPAN

The chief executive of Autohub NZ is predicting the "dramatic reduction" of vehicles being imported from Japan will remain in place for at least a few months.

Frank Willett says with fewer used and new cars being brought into New Zealand because of the impacts of the coronavirus outbreak, this is leading to fewer sailings.

"We've had a reduction in the amount of sailings particularly from Japan, mainly based around the dramatic reduction in new vehicles that need to come here while the used side has reduced as well.

"We only ship when people buy a car. If the market is subdued here and dealers aren't looking to replace stock, that creates a reduction in volumes. We imagine having fairly low numbers coming out of Japan will continue for another few months."

Business at auction houses, and around deliveries and vehicle inspections, has carried on in Japan "albeit a little subdued", despite a state of emergency being declared there for much of April and May.

However, Willett warns the downturn in volumes being exported to New Zealand may eventually affect car prices on the domestic market.

"There were a couple of weeks in lockdown when auction pricing in Japan was softer. However, those prices have firmed up again. There are a lot of bids being put through but not a lot of purchases, which suggests dealers and consumers here may have to rethink what they want to pay for a vehicle."

Willett adds extra costs are being incurred with the Ministry of Primary Industries (MPI) shifting Biosecurity NZ checks on used imports back to this country from Japan.

"There's a bit of additional cost and organising to cope with. Given the percentage of vehicles that need onshore MPI verification, it hasn't been too intrusive. But any extra step in the process outside what is 'normal' adds time, cost and complexity."

As for business in general, Willett describes this as okay at present, but notes it will be interesting to see how long subdued market activity goes on for.

"So far, importers have recorded a surprising level of interest since New Zealand went to alert level two with people going onto yards and looking at vehicles. We're seeing more commentary that this pent-up situation has almost been relieved, and sales are now starting to taper off in places.

"I think level one will essentially see more people return to what we class as normal these days. If people can get back to jobs and business and earning incomes, this may allow them to focus on other things, which hopefully include a freshly imported vehicle.

"I'm unsure how mass redundancies will affect car sales. We don't know the bigger picture behind recent and continuing job losses, and whether this will dramatically impact the vehicle market.

"Like every other business in New Zealand, everybody in our sector is looking at how they can reduce costs and keep going in the 'new normal', whatever that will be."

"Talking to customers, it appears the market in general has bounced back pretty well"
- Ken Quigley, Jacanna

SIX-WEEK 'LAG EFFECT'

Ken Quigley, managing director of Jacanna Customs & Freight, says a lag in activity is hitting the logistics and shipping sectors, and warns this may soon lead to a shortage of stock for dealers.

While general industry activity appears to be encouraging after the easing of Covid-19 restrictions, other parts have become "very quiet".

He notes many of the vehicles that arrived during the lockdown period were already on their way to New Zealand, or in the process of being prepared for shipment, when restrictions kicked in. At alert levels three and four, Quigley says vehicle bidding at Japanese auctions fell and that lack of activity is now being felt by logistics companies.

"We've been busy on the general cargo side and importing has been strong during the pandemic, but we're starting to notice the lag effect of six weeks when people weren't buying much.

"Japan has had its lockdown, the auctions have been quiet and people here were nervous so didn't ship anything. Now the market has bounced back and I can see there being a shortage of stock in the next two months.

"Other parts of the supply chain may be getting busier at this time, but our slowdown is now. We had six weeks of slower business that we will never replace. It's like Stink Bug 2.0."

Quigley is upbeat about long-term prospects. He doesn't expect the damage to the economy to be as bad as many forecasters have predicted, and while some automotive and logistics businesses may not survive, "it won't be doom and gloom for everyone".

Even if unemployment hits 9.8 per cent in September, as predicted by Finance Minister Grant Robertson in his budget speech, more than two million people will still be working.

"Talking to customers, it appears the market in general has bounced back pretty well," says Quigley. "Car auction prices in Japan were quite low for some time, but that's also bounced back indicating people are buying again.

"Likewise in New Zealand, if there was real uncertainty among people I wouldn't think they would go out and buy cars. But they have, so perhaps they don't feel their jobs are too threatened.

"Going from level four to three and then level two was like a Christmas period because everyone could go out and spend money, which they hadn't been able to do for some time.

"Looking further ahead, a lot of New Zealanders who were planning to spend money on overseas holidays may now spend that on upgrading cars or renovating houses, so there will be positives. Just because our borders are shut to tourists, that won't ruin us."

BMSB INTERCEPTIONS FROM CHINA AND SOUTH KOREA, OTHER THAN VESSELS OR VEHICLES

2019/20 SEASON UP TO JANUARY 31

Source: MPI

PATHWAYS OF FINDS

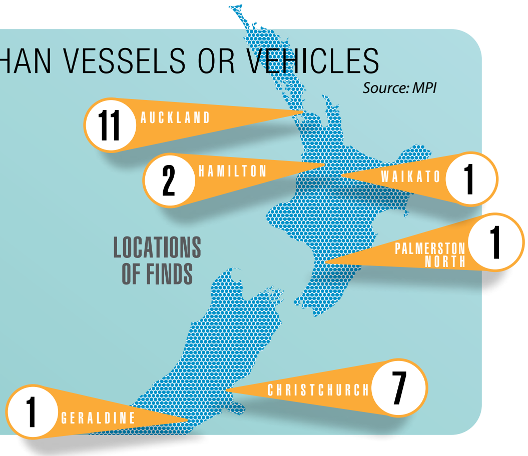
CARGO	PASSENGERS	AIR CARGO
20	2	1

Twenty of the BMSB interceptions were classified as "containerised" for method of arrival with three listed as "other". The host category included 14 detections in non-risk goods, two in equipment, two in containers and one in tyres. As for commodities, five interceptions involved tyres and one a new tractor. There were 13 detections in new goods and three in used goods, while the new or used status was unknown in seven interceptions.

COUNTRY OF ORIGIN

	China	South Korea
ALIVE	5	1
DEAD	19	9
TOTAL BMSBs	24	10

LOCATIONS OF FINDS



Live bugs get in from Asia

China and South Korea have exported brown marmorated stink bugs (BMSBs) to New Zealand during the past high-risk season.

Autofile has obtained details about interceptions during the 2019/20 peak period through an Official Information Act (OIA) request to the Ministry for Primary Industries (MPI).

The live stink bugs in question arrived via pathways other than vessels transporting vehicles, but the information comes as the government wants to get tougher in its approach to biosecurity risks posed by the insects.

The MPI is set to add three countries to what's known as schedule three of the import health standard for vehicles, machinery and parts, which is out for consultation.

South Korea and China are not among them despite concerns raised by shipping and automotive industries about cargo from these two markets.

The outcome of Autofile's OIA request shows that five live and 19 dead BMSBs, with their country of origin being China, were found in detections made in New Zealand between September 1 and January 31. One living and nine dead stink bugs from South Korea were intercepted on-shore during the same period.

The total of 34 BMSBs were discovered during 23 detections classified as "other than vessels or vehicles". Twenty of these interceptions were containerised and in cargo. Fourteen were in non-risk goods, with two each in equipment and containers. When it came to commodities, five detections involved tyres and one was in a new tractor.

On the flipside, no living BMSBs were found in vehicle vessels nor in their cargo over the same period.

However, 40 interceptions located 446 dead bugs on such ships. Thirty-eight of these detections were on the vessels while two related to vehicles.

The insects' country of origin was given as Japan in 17 incidents and the US in two, but it was "unknown" in 21 interceptions in which 305 dead BMSBs were found.

This means the MPI is unable to confirm where 69.3 per cent of those dead insects came from or where they may have got on-board in 52.5 per cent of interceptions.

The OIA response supplied to Autofile excluded details about consignments in which dead BMSBs were found. This was withheld to "protect the information where the making available of [it] would be likely to prejudice the commercial position of the person who supplied or is subject of the information".

That said, the biggest total of dead insects was 106 on a vessel that arrived in Auckland on January 20 with their country of origin unknown. Next up was a ship that arrived from Japan on November 12 with 55 dead BMSBs on-board.

The MPI is currently seeking feedback on a draft import health standard (IHS), which aims to protect our borders during the 2020/21 high-risk season.

BMSBs, which are a major threat to New Zealand's horticulture industry and wider economy, are endemic to South Korea and China, as well as other Asian countries. These jurisdictions are not included on schedule three of the IHS for vehicles, machinery and parts.

Essentially, schedule-three countries are treated as high risk. For example, there are MPI-approved pathways – from production line to loading on vessels – for new vehicles coming into New Zealand from those jurisdictions, while used

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High-risk issues

VIA (the Imported Motor Vehicle Industry Association) has raised some concerns about the draft import health standard (IHS) for vehicles, machinery and parts.

Malcolm Yorston, technical manager, says VIA supports the document's intentions and there are no significant impacts for used cars imported from Japan where they must be heat-treated and undergo biosecurity measures before being shipped to New Zealand.

While Moldova, Portugal and the Ukraine are set to be designated as high risk for stink bugs, VIA has previously expressed fears about two Asian countries not being on schedule three of the IHS.

"We understand the MPI doesn't have scientific data to support the inclusion of China or South Korea, but we still have concerns regarding shipments from there," says Yorston. "We also have concerns about Thailand because one of our staff was there in mid-2019 when a proliferation of BMSBs was seen."

South Korea, China and at least one shipping line have been "very proactive" in stopping the insects getting onto vessels in the past. That said, some ships from Japan visited ports in those two countries, Malaysia and Thailand early in the current BMSB season before on-board infestations were detected off Australia's coast.

"They do the rounds and pick up cargo everywhere, so it's conjecture on where these bugs came from," adds Yorston.

As from where most used vehicles are imported, he says: "Border-inspection organisations have been doing a great job in Japan with everyone else playing catch-up, especially with Biosecurity NZ inspectors being brought back due to Covid-19.

"Verifications are being done here and the discharging of ships has been taking place without many issues. A couple of things have had to be tightened up and some processes sorted through, but there's a lot of confidence in the system."

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vehicles from Japan, where the bugs are also endemic, must be heat-treated before export.

The number of countries on schedule three almost doubled to 33 for the 2019/20 peak season. And the IHS for 2020/21, when rubber-stamped, will see Portugal, Moldova and the Ukraine added to this list, but concerns continue to be flagged up that certain Asian countries are absent from schedule three.

Samuel Leske, the MPI's director of intelligence planning and co-ordination services, says China, Korea and Taiwan aren't on schedule three because "detections from these countries have not been sufficient to warrant additional management requirements".

He adds new regulations for the 2019/20 season aimed to push "the biosecurity risk as far away from New Zealand as possible".

The list of countries on schedule three was increased from 17 to 33 for the current IHS because they were "identified as having stink-bug populations".

Leske says all imported cargo relating to vehicles needs to be treated offshore, including sea containers. Only uncontainerised vehicle cargo required offshore treatment in the past.

When asked at what level other export markets not currently on schedule three would be placed on it, he replies: "Any regulatory changes would be determined on a range of factors including pest-population changes, amount of detections on arrival, pathways detections are found on, change in import volumes, change in supply chains and reporting from national plant protection agencies. The MPI actively monitors these to inform any changes of regulation."

NEXT HIGH-RISK SEASON

The draft IHS, which will come into effect for the 2020/21 stink-bug season when ratified, tackles the issues of BMSBs being endemic to certain Asian countries – and why those jurisdictions are not slated for schedule-three status for vehicles. The MPI is, however, proposing to add three European countries to the list.

Its risk-management proposal states the ministry will continue to monitor vehicles arriving from countries where the stink bug is native, such as China, Korea and Taiwan.

"While there have been some detections across a range of commodities from these countries, detections have not been at the level that justifies the MPI implementing BMSB management requirements on the vehicle, machinery and parts pathway," it states.

"Additionally, in these countries there are native competitors and predators, and there is less risk of significant population growth as is seen when the BMSB invades other countries outside its home range. The MPI will also continue to monitor vehicles from other non-native countries to determine possible BMSB spread."

The brown marmorated stink bug is a temperate or sub-tropical species native to Asia. Countries in which it is endemic include Japan, China, Korea and Taiwan. There are also large populations in Thailand and Malaysia. It feeds on the leaves and fruits of field crops and trees, including domestic horticultural and native trees, as well as species used in production forestry.

It adds such jurisdictions are likely to experience much higher stink-bug populations over time due to lack of native competitors and predators, with Italy being an example.

The UK is also on the ministry's radar due to it being close to other schedule-three countries and because some ports there, such as Southampton, are major hubs for exporting targeted goods from other risk countries to Australasia.

The MPI and Department of Agriculture, Water and the Environment (DAWE) in Australia propose adding Moldova, Portugal and the Ukraine to schedule three of the IHS because:

- Of their proximity to other, and lack of border restrictions with other, European risk countries.
- No formal government reporting of BMSB populations in those jurisdictions.
- Further predicted spread into other non-native countries.
- Climates suitable for BMSBs to become established.

In addition, the MPI says BMSBs are listed as quarantine pests in the

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[continued from page 8]

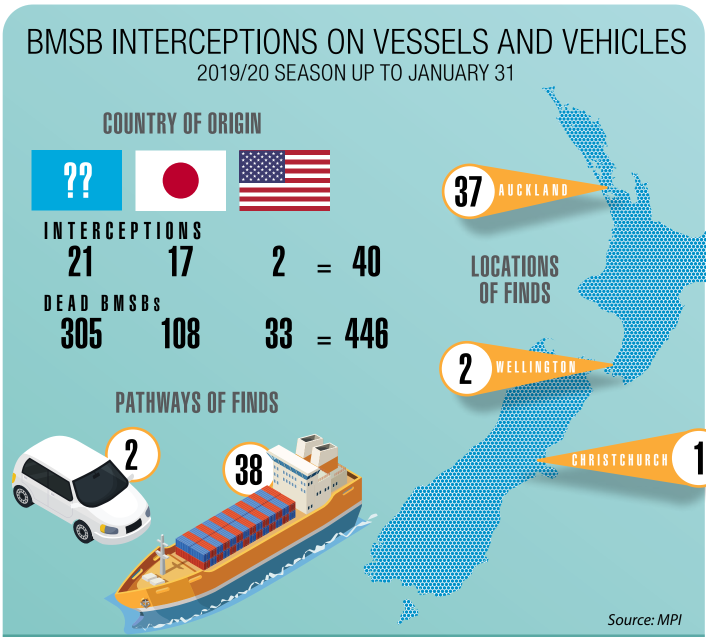
Ukraine and were first detected there two years ago.

Their presence was reported in Moldova last year along with some crop damage. Also, 19 tonnes of grapes infested with stink bugs were prevented from entering Russia from Moldova in late 2019.

The MPI is unaware of any formal reporting of the insects in Portugal. However, it is close to Spain where BMSBs have established significant populations and have an ideal climate – especially in northern Portugal. These are considered "sufficient risk factors for inclusion" on schedule three.

The ministry adds it has introduced significant regulatory change in the vehicles pathway over recent years in response to the spread of BMSBs, and because of the "continuously changing risk of other contaminating pests associated with the movement of these high-risk commodities".

It says there are more risk-management requirements for importers to comply with when compared to five years ago, while some are more complex due to targeting different countries and risk periods at specific times of the year.



The largest finds of dead BMSBs were on vessels unloading at Auckland. The biggest total was 106 on a vessel that arrived in Auckland on January 20 with its country of origin listed as "unknown". Next up was a vessel that arrived from Japan on November 12 with 55 detections, followed by 46 on another vessel with an "unknown" country of origin that arrived on January 5. No live BMSBs were found on vessels berthing in the 2019/20 season up to January 31.

EXTRA CHANGES AFOOT

The MPI is proposing a new layout for the IHS so importers have more assurance around the types of vehicles, machinery and parts it captures, especially for stink-bug management requirements. It also aims for the standard to be solely based on commodity types.

The ministry wants to remove stink-bug exclusions for all new-vehicle types, which is being queried by the Motor Industry Association. These will target smaller products such as all-terrain vehicles (ATVs), golf carts, motorbikes and motor scooters, which are currently excluded if stored indoors after manufacture and exported in a fully enclosed container.

"The proposed removal of these exclusions means BMSB management will be required for all new-vehicle types exported from a schedule-three country during the BMSB season," says the MPI.

"Even when vehicles are manufactured and stored indoors, warehouses are often large with many entrances and exits, and are often situated in semi-rural areas and still pose a risk of BMSB contamination. In addition, there may be no pest-control programmes or systems."

While getting tougher on that front, the MPI wants to remove the year-round mandatory system management requirement for some types of used vehicles, generally smaller ones, from Japan.

"This is primarily due to risk-management considerations that differ to those of larger used-vehicle types imported in larger volumes from Japan. To enable this change, larger and higher-volume used vehicles are defined in the proposed standard as passenger vehicles [such as cars and vans], trucks, buses, campervans and caravans."

In February 2018, it became a requirement for all used vehicles from Japan to be managed by an MPI-approved system year-round. This emergency change to the IHS was targeted at reducing stink-bug risks because of the high volume of vehicles exported from there, while more targeted measures were also implemented.

In August 2018, action to address specific stink-bug risks was introduced and included mandatory use of an MPI-approved treatment during the BMSB season.

Other used-vehicle types from Japan in much smaller volumes are currently included in this management system, which the MPI no longer believes to be necessary for managing the risk associated with them.

"Outside the [BMSB] season, the requirement will be that these other used-vehicle types must be clean and free of contamination and regulated pests, which is an outcome that can be achieved by an individual importer or an MPI-approved system," it states.

Under the proposed standard, the maximum 21 days allowed between treatment of vehicles, machinery and parts and exportation in a fully enclosed container has been removed.

"The MPI no longer believes a timeframe is required between closing a fully enclosed container with the treated vehicles, machinery and parts inside, and the exportation of that container as other post-treatment requirements of the standard manage the risk sufficiently."

Changes are also being proposed to the IHS for sea containers from all countries. These include updating its wording, layout and ordering of requirements for clarity, and extending BMSB requirements for sea containers from Italy.

The IHS for importing vehicles, machinery and parts was last amended in July 2019 and reissued three months later with no extra changes.

Risk-management proposals provide information for both drafts with consultation closing on July 17. The revised IHS should be finalised in late July or early August so stakeholders have enough time to understand changes before the BMSB high-risk season kicks in on September 1.

Reducing bugs threat

Overall interceptions of BMSBs in New Zealand from all jurisdictions fell by 73 per cent in the past high-risk season, which ran from the start of September to the end of April.

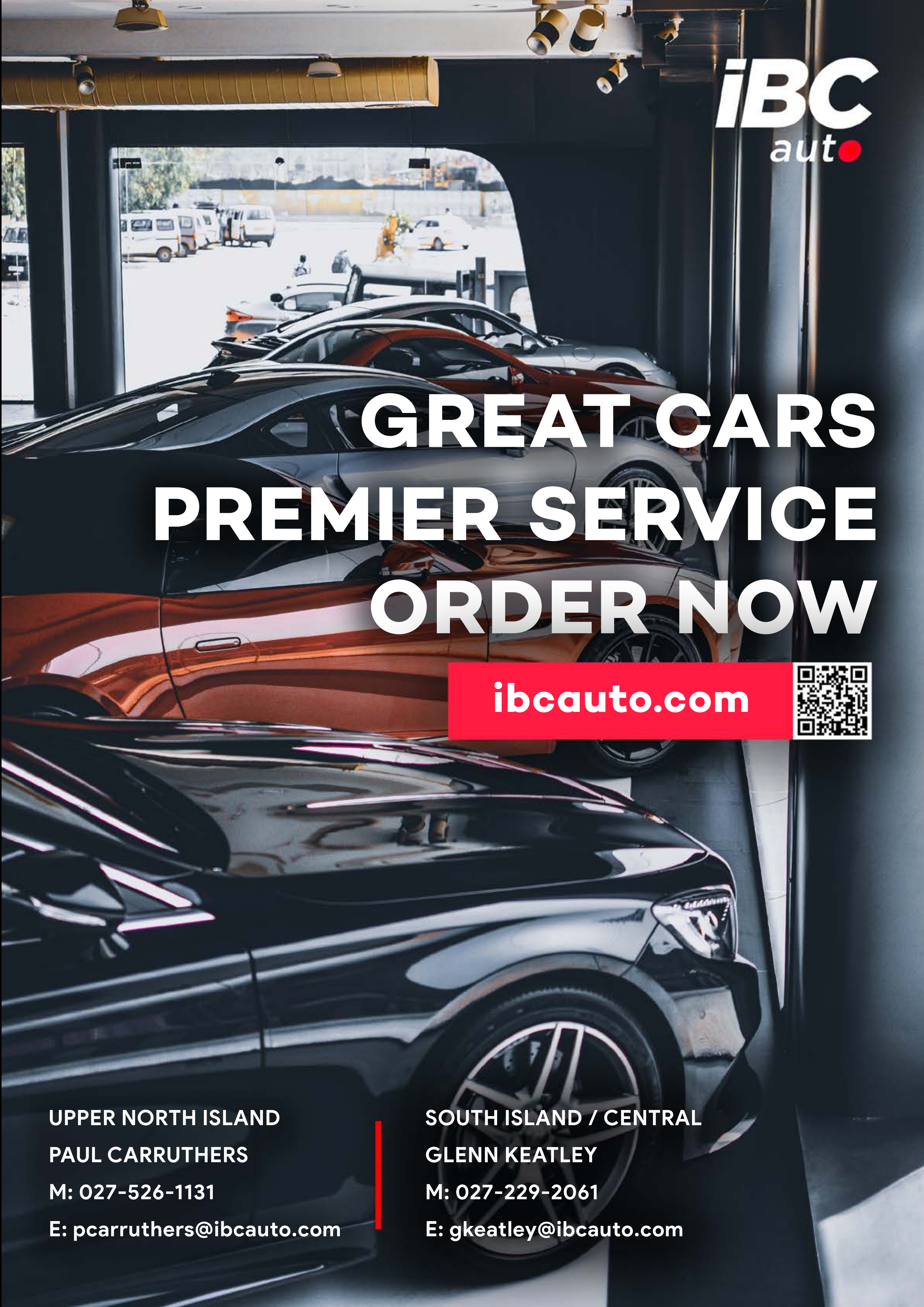
There were 57 detections of live bugs during this period – down from 78 in 2018/19. Twenty-eight were at the border and the others were mostly "individual hitch-hikers" found post-entry with personal effects carried by arriving passengers.

Paul Hallett, spokesman for Biosecurity NZ, says strict requirements for imported cargo, including motor vehicles, has cut the threat from stink bugs.

"The reduction shows the success of introducing offshore treatment requirements to ensure high-risk goods arrive clean from countries with established populations of this destructive pest," he adds, while pre- and post-border surveillance to intercept BMSBs will be maintained.

"During the last season, we worked with industry to develop a sophisticated surveillance programme that increased the number of stink-bug trapping sites from 25 to 80," says Hallett.

"Biosecurity NZ and industry also jointly funded an awareness campaign that attracted a record number of calls about possible sightings."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Clarity needed on import rules

The issue of China, South Korea and stink bugs has the Motor Industry Association (MIA) preparing to quiz the Ministry for Primary Industries (MPI) over parts of two import health standards (IHS).

Chief executive David Crawford notes that in the draft revised IHS for sea containers, there will be tougher regulations for those coming to New Zealand from Italy than anywhere else.

"We understand that because of the amount of infestations Italy has and treatment providers there not doing their work properly in the past," he told Autofile.

"However, it's unclear what the situation will be for containers used in the vehicles, machinery and parts IHS when it comes to the likes of new motorbikes and ATVs.

"It is also not clear if the same controls will relate to Japan and schedule-three countries or all jurisdictions, so we are seeking more information on that.

"This, in turn, will help us to decide what comments we make to the MPI in regard to countries that are on schedule three, and put into perspective whether changes for containers is justified given China and South Korea have not been added to annex three.

The Motor Industry Association is raising questions with the Ministry for Primary Industries on draft import health standards for sea containers, and vehicles, machinery and parts, in regards to how cargo is exported to New Zealand

"As far as the MIA is concerned, there appears to be some missing pieces in this jigsaw. With some of the proposed changes, we don't really understand the rationale for them, so we're taking time in getting further clarification."

The MIA stresses New Zealand has good policies when it comes to biosecurity, but stink bugs are endemic to China and South Korea, and those countries are not in schedule three. Although used vehicles are not imported from those nations, new vehicles and parts are.

"At the moment, China, for example, is not seen as a problem and not presenting itself as a risk," says Crawford. "But we don't understand why changes are proposed for containers when they appear – on the surface of it – to not be a problem.

"The MIA is aware that shipping companies continue to express concern about South Korea and China not being on schedule three. However, we are guided by Biosecurity NZ as to which controls need to apply to which country and support the principle that controls must be backed by scientific and economic evidence."

The association applies the same principal to other Asian countries not on schedule three, such as Thailand, Taiwan and Malaysia, while it "has no identified issues with Moldova, Ukraine and Portugal" being added to the list of high-risk countries.

The MPI wants to remove stink-bug exclusions for all new-vehicle types with the move targeting smaller-sized products, such as quad bikes, golf carts, motorcycles and motor scooters, to "strengthen BMSB risk management".

"The MIA will want to seek further justification on this," says Crawford. "This exemption was hard-earned and we haven't been aware of BMSBs or other bugs in containers transporting such goods.

"We are also aware the proposed version of the IHS refers to a wider range of pests in relation to used parts. Again, we will be seeking assurance from the MPI that all changes can be justified."

As for the bigger picture, the MIA supports the need for "deliberate biosecurity measures" to protect our borders.

"It's equally important to ensure that when adjustments are made, to either adding countries to schedule three or treatment processes, that they are done so with sufficient headway to ensure a managed and efficient transition. It is also important for the MPI to fully account the cost of changes to industry."

Industry stalwart recognised in honours

A senior member of the automotive sector has been made an Officer of New Zealand Order of Merit on the Queen's Birthday Honours List.

Derek Crowther, better known by his middle name Rex, has been recognised for his lifetime of service to the motor-vehicle industry.

"I'm humbled to receive such an honour but pleased our industry has been recognised," he told Autofile. "I've worked with many great people who work hard every day to protect the motoring public. This award recognises all of them."

Crowther joined the NZ Collision Repair Association (CRA) in the early 1990s before progressing onto the national executive. He was executive chairman from 1999 to 2004.

He led a restructure of the CRA to better meet consumers' expectations for safe repairs, with much of his work unpaid. He also built relationships with insurance providers to promote collaborative approaches with stakeholders.

Rex Crowther

In 2012, Crowther, of Auckland, relaunched trade magazine PanelTalk, the official journal of the CRA of which he is now editor. He also served on the board of I-CAR NZ – the Inter-Industry Conference on Auto Collision Repair.

Malcolm Yorston, technical manager of the Imported Motor Vehicle Industry Association, who served with Crowther on I-CAR NZ's board, says he's well-respected in the industry and fully deserving of his honour.

"Rex has done a lot for the CRA over the years," adds Yorston. "He keeps with the play with what's going. He's still involved with the industry, and does love a spot of fishing in his boat.

"He's a genuine guy and has helped out a lot of people over the years. Many have taken his advice and knowledge on-board when setting up and building their businesses."

Crowther has been in the industry since 1967. He started as an apprentice panelbeater. He then owned Auckland Panel & Paint Group, one of the country's biggest collision-repair facilities, for 28 years before selling it in 2008.

Classifieds merge into single unit

Trade Me says the service it provides to car dealers will be unaffected by an overhaul to its classifieds operations, which has resulted in motors, jobs and property becoming one division.

The change in structure sees Alan Clark and Jeremy Wade – previously head of motors and jobs respectively – jointly running the new business. Nigel Jeffries, who oversaw property, left the company on May 29.

Anders Skoe, chief executive officer, told Autofile: "We have been hit hard by Covid-19 and the lockdown. The pandemic has been incredibly hard on Kiwi businesses and many that use Trade Me.

"There is significant uncertainty around the outlook of these businesses and wider economy in the medium and longer term.

"Due to this uncertainty, we have made the tough decision to make some changes to our structure. One is to our executive team where we will consolidate motors, jobs and property into one classifieds unit."

Given the size and importance of classifieds, the company has opted for the "two in the box" model. "It did mean that unfortunately one of our executives would leave. While consolidating these businesses, we are committed to ensuring we remain the number-one place for dealers to list vehicles and for consumers to find their next one.

"Jeremy and Alan are devoting a lot of time to ensuring this new model works well, not only for Trade Me but for our clients. They are committed to increasing the value we provide to motor dealer, recruiter and property-agent clients.

"Our motors team will continue to work closely with their customers to ensure we're meeting the needs of the industry, and to continue to have products and services that will help them and their businesses."

The changes to classifieds are part of a wider restructuring at Trade Me, which employees were informed of on May 6. The company had already undertaken cost-cutting measures without achieving the necessary savings, hence the move to reduce staffing costs.

"This is not a decision we have taken lightly," says Skoe. "We don't want to lose any talented people, but we need to make hard decisions to protect Trade Me's future as a business."

The company has consulted its employees in Auckland, Wellington and Christchurch with changes expected to made "right across the business at every level".

The new structure is expected to be in place on July 1.

Finance arm sold

ANZ has sold UDC Finance – its car loan and asset-finance division – for $762 million to a Japanese financial-services group.

Shinsei Bank Group's buy-out follows a strategic review of UDC by ANZ.

The deal, which is subject to regulatory approval but is expected to be signed off in the second half of 2020, will release more than $2 billion of funding provided by ANZ and strengthen its balance sheet.

Antonia Watson, ANZ NZ's chief executive officer, describes the transaction as "a vote of confidence" in our economy.

"With a strong outlook for infrastructure and agriculture projects as New Zealand rebuilds post-Covid-19, there is a significant role for UDC to play," she says. "As such, it needs an owner that can grow the business."

Shinsei is diversified with banking and non-banking divisions. It runs asset financing and provides vehicle and consumer lending in its home market and offshore.

"It intends to preserve UDC's operations, retain employees and provide long-term capital to maintain and grow customer lending in New Zealand," Watson adds. "UDC will continue to operate as an independent company and enhance competition in the asset-finance market."

Hideyuki Kudo, Shinsei's chief executive, says: "In the Covid-19 'new normal', we're confident UDC will continue to grow and contribute to developing the New Zealand economy, and help people and businesses with their financial needs. Based on UDC's successful history, solid business base and efficient sales structure, it will be a major asset for Shinsei."

An agreement to sell UDC to China's HNA Group for $660m in January 2018 failed after the Overseas Investment Office rejected the deal.

Giving batteries longer lives

With the number of electric vehicle (EV) models coming onto the market set to increase over coming years, the dilemma over what to do with their energy systems when they are no longer fit for their original purpose is also growing.

Experts in New Zealand are trying to establish the best way to maximise the lives of EV batteries, which may still have about 80 per cent of their storage capacity left when they need replacing.

Electricity and gas-distribution company Vector has compiled a report on the issue as part of the guiding vision for the Battery Industry Group (B.I.G), a collaboration of more than 80 organisations from the energy, transport and waste industries.

The group's New Energy Futures Paper looks at possible options for reusing or recycling EV batteries to keep them out of landfill sites. To do so, it's advocating for a circular-economy solution to make the shift to electric cars, whose batteries can be used in vehicles for 10-15 years, more sustainable as well as increasing the resilience of the nation's power-storage systems.

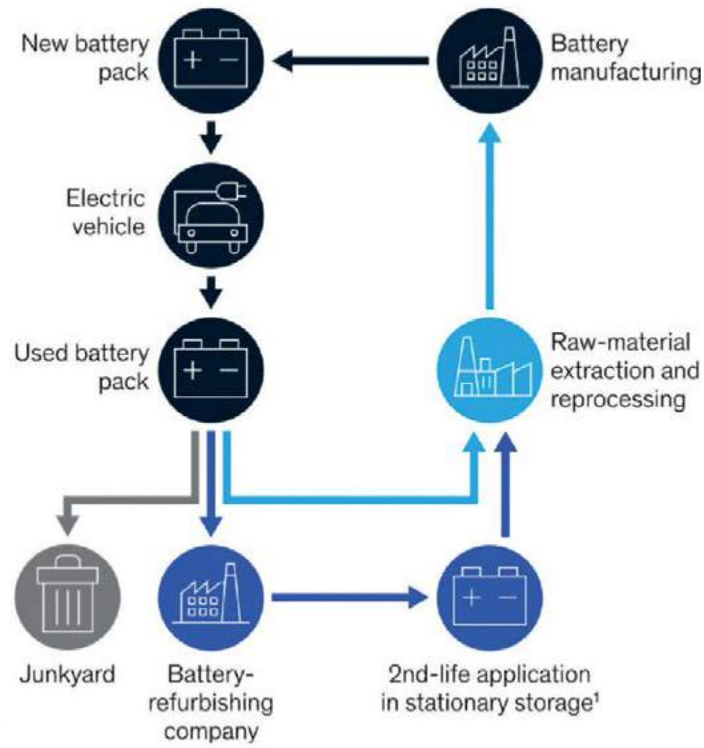
More than four million EVs have been sold globally and Bloomberg estimated – before the coronavirus pandemic took hold – that by 2040 more than half of all new-car sales and one-third of the global fleet may be electric. In New Zealand, their adoption rose from 210 units in 2013 to 10,000 in 2018.

Ariel Muller, Asia-Pacific managing director of Forum For The Future, an international sustainability non-for-profit organisation, says New Zealand's reliance on imported vehicles means a solution to the problem may need to be found sooner than in other countries.

"One of the most pressing challenges faced by this industry is how to treat EV batteries at the end of their useful lives," he says. "In this challenge emerges an opportunity. How might we maximise the life of a battery through reuse and responsible recycling and, perhaps more importantly, what will be business models to enable solutions.

"The country's current EV uptake programme relies heavily on importing second-hand EVs. This means those entering the market come with semi-depleted batteries likely to reach end of usable lives in vehicles sooner. Left unchecked, New Zealand runs the risk of facing unintended environmental consequences as current lithium-ion EV batteries can be highly polluting and pose a fire risk if not disposed of properly.

"However, if seen as an opportunity to introduce innovative market offerings, New Zealand could become a leader in approaches demonstrating the new ecosystem of business models that will emerge around the worldwide electrification of fleets."



Example of an EV battery's lifecycle

1. Examples: improve grid performance, integrate renewables, charge EVs.
Vector sources: Expert interviews, market research reports, McKinsey analysis

CIRCULAR ECONOMY

Vector's report reveals managing end-of-life large lithium-ion batteries is, at present, largely unregulated. They are popular due to their energy density, reliability and lack of toxic exhaust emissions, while how much they cost has fallen drastically.

The New Energy Futures Paper details how many modern economies are based on the linear model of "take, make, waste". Experts argue this is unsustainable given the level of demand on Earth's resources, so B.I.G is pushing for a circular economy to see batteries recycled or given "second-life" applications in stationary energy storage.

To date, end-of-life electric cars have been a minor issue for New Zealand due to the small numbers involved. Since 2014, only a few hundred have been scrapped here, although battery numbers are likely to be higher because packs might have already been replaced.

Modelling by environmental consultancy Eunomia, which was commissioned by Vector, suggests between 500 and 1,000 EV batteries will hit end of life by 2020 before rising to between 9,000 and 17,000 annually by 2025, and from 30,000 to 84,000 by 2030.

Companies in New Zealand have so far taken different approaches to the issue. Two marques offer a take-back service for end-of-life vehicles with one offering a $100 bounty for people to take them in. This applies to new and used imports. The batteries are consolidated and then shipped

Live EV listings on Trade Me:

+6.6% Compared to last month

-6.6% Compared to prior year

New EV listings on Trade Me:

+122.7% Compared to last month

-23.2% Compared to prior year

EV watchlists on Trade Me:

+51.9% Compared to last month

+35.6% Compared to prior year

via a local recycler to South Korea for processing. Other brands ship them back to their factories for disassembly and reuse or recycling of constituent parts.

Up to this point, only small numbers of end-of-life batteries have ended up with wreckers, and those are mainly from hybrids. If there is no value to batteries, owners or wreckers may simply leave them in crushed vehicles sent to metal processors for shredding.

"Anecdotally, there has been at least one major fire at a car-shredding plant suspected to be from a battery, but it's not known how many vehicles may have been sent through the process without batteries being removed and without incident," the report reveals.

"There is concern in the industry that if there is no value in the battery [it is time-consuming to remove], or if there is a cost for disposal, then dismantlers will simply leave them in vehicles even if this isn't permitted."

RECYCLE AND REUSE

Vector's paper suggests key reasons why a linear economy for lithium-ion batteries won't work are the social and green impacts of extracting and processing raw materials. These include a failure to maximise the material and financial value of batteries and materials, and safety and health hazards of current disposal methods.

It is claimed they can find secondary uses by replacing less-efficient assets, such as old combined-cycle gas turbines, use in stationary storage applications or use in mobile applications, such as electric boats.

With an increasing shift to renewables, which can only supply power at certain times, there's a rising demand for energy-storage systems. The paper says EV batteries could provide "buffers for multi-unit fast-charging stations, domestic energy storage, managing network and peak loads, emergency back-up power and mobile applications, such as caravans and forklifts".


Nissan, Sumitomo Corp and 4R run a plant in Japan to recycle EV batteries

Reuse also has the potential to become more common as car manufacturers shift to battery-leasing models to retain batteries' material values. By taking the product back and repurposing it, they can – in effect – sell it twice.

"There are many instances worldwide where batteries are being repurposed," according to the report. "Examples include Nissan UK offering an energy-storage product that utilises reused Leaf batteries, and the Johan Cruyff Arena in Amsterdam uses 63 used and 85 new EV battery packs that store energy from 4,200 solar panels on its roof. BMW, in co-operation with Bosch, built a 2.8-megawatt energy-storage facility in Germany utilising reused EV batteries."

One challenge when it comes to repurposing is the variety of EV battery models on the market. "Up to 250 new models will exist by 2025 featuring batteries from more than 15 manufacturers," states McKinsey & Company, a global management consultancy, in a report it published in 2019.

The authors of Vector's paper predict this could add to the challenge of reconfiguring packs for stationary storage applications and suggest standardised design would better support second-life innovation.

"There are clear opportunities to transition to a circular economy for large batteries," it says. "However, a complex, uncertain and fast-changing landscape makes it highly risky for businesses to make strategic decisions. Investment in smaller-scale, modular solutions may be more appropriate."

POWER TO THE PEOPLE

Vector is looking into turning end-of-life batteries from electric cars into affordable power storage for homes and businesses.

In collaboration with Relectrify, an Australian battery-control technology growth company, the trial is testing their capability to be converted into electricity storage batteries.

Marques make green inroads

Toyota NZ collects end-of-life batteries from hybrids at dealerships and offers $100 for each one returned from vehicle dismantlers. The company supports the development of battery repurposing and material reuse in New Zealand.

BMW Group NZ is a member of the Battery Leaders' Group, formed in 2018 and the basis for the wider B.I.G, which seeks circular solutions and end-of-life management for all large lithium-ion batteries. In Europe, BMW is part of a joint technology consortium working on a sustainable value chain for EV cells that will help create jobs. It's already demonstrating how batteries can be used as domestic and industrial energy-storage devices once the cells are no longer of use in vehicles.

Renault has joined forces with French maritime company Seine Alliance and electric-propulsion specialist Green Vision to develop the first all-electric boat powered by "second life" batteries. Due to go into service in Paris, it will carry up to eight passengers and will use lithium-ion batteries that have already had their "first lives" in Renault ZEs.

Audi had analysed batteries in e-tron plug-in hybrids prior to 2018 to define ways of recycling. The marque and material-technology experts determined the possible recycling rates for battery components, such as cobalt, nickel and copper. Laboratory tests found more than 95 per cent of these elements can be reused.

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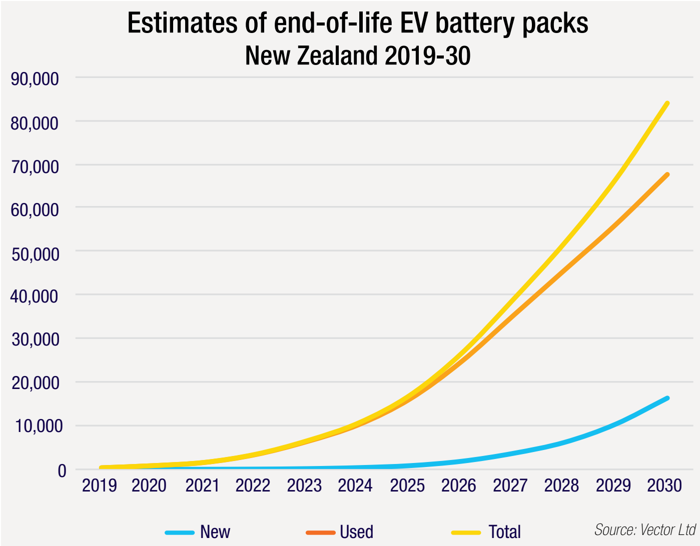
End-of-life packs from Nissan Leafs were retrofitted with a battery-management system and connected to the grid via a standard hybrid inverter. During testing, the packs were repurposed to supply about 15kWh of usable energy at power levels up to 10kW – or enough electricity to power a standard Kiwi solar home for one to two nights.

Cristiano Marantes, head of engineering at Vector, says the trial's results open possibilities to boost the resilience of power storage in big cities.

"As EVs become more popular, they bring an increasing supply of lithium-ion batteries. Once they reach end of life, they provide no further use in a car. We have proven that with Relectrify technology these batteries can be kept out of landfill and hold significant value for further use.

"The results open up an opportunity to build affordable power storage for our distribution network in Auckland to help solidify resiliency. While this requires some further development towards scaling, the possibility of what we could achieve is exciting."



LOOKING AHEAD

Vector and Forum For The Future have put forward three scenarios around how New Zealand will handle EV batteries by 2030.

One is the "local number-eight wire approach" with motorists and industry supporting local solutions designed with Kiwi ingenuity.

The second is dubbed "the global rise of re-everything" whereby car owners see being part of the circular economy as convenient, socially rewarding and making economic sense.

The third scenario is "please take care of it" with consumers not worrying about vehicle waste materials because "it's a problem that companies can deal with better than I can". Such an outcome would see plenty of recycling, but little in the way of second-life applications for batteries.

Authors of the paper claim a key consideration for our country now is whether to build local infrastructure and capacity to reuse, repurpose and recycle batteries or plug into global infrastructure.

"If New Zealand can innovate and incubate smaller-scale, on-shore solutions, it could benefit from positive outcomes such as upskilling the workforce, increased employment and lower environmental impact," it explains.

"To move to a new energy future, we need a complete systems shift from a linear battery value chain to a value loop. We need to remember batteries are part of a wider, interconnected system, and we are stewards responsible for battery products and materials throughout their lifecycles."

Reducing emissions

More than 80 per cent of New Zealanders, including businesses, believe climate change is happening, according to research commissioned by the Energy Efficiency and Conservation Authority (EECA).

Eighty-eight per cent of respondents want companies and 76 per cent are calling for the government to do more, while 79 per cent acknowledge they could take more action, such as opting for electric vehicles (EVs) to cut greenhouse gas (GHG) emissions.

"It's heartening to see so many Kiwis are already on-board with the need to reduce emissions," says Andrew Caseley, EECA's chief executive.

"Energy use makes up 40 per cent of New Zealand's total GHG emissions and modern technologies – such as EVs, LED lighting and heat pumps – can make a big impact on our emissions.

"This is an area where New Zealanders can, right now, choose options to reduce their carbon emissions. They are smart investments that save people money over time and can improve quality of life."

While many people are open to taking action, some barriers to this exist. Thirty per cent believe reducing their environmental impact would impact quality of life, while 62 per cent of those in business think it would increase costs.

Meanwhile, the electrification of transport has been flagged up in EECA's submission to the government on the Electricity Price Review's first report. The authority believes energy-efficiency measures to reduce demand can lower supply costs and lead to lower charges.

It agrees with the report's finding that reducing peak-time use can reduce or defer system and electricity costs to consumers, and adds charging EVs off-peak will limit the need for major network investment to also help cap increases in what people pay for their "fuel".

Using digital metrics to succeed

As dealerships try to recover from the lockdown, data is becoming more crucial than ever particularly for marketing.

Having clear visibility on your business' digital metrics empowers you with the knowledge of which advertising is and isn't working so you can spend your budget more wisely with every dollar counting.

Digital advertising is an ever-changing beast. Just when we think we understand it, something changes and we need to re-educate ourselves.

In the early days of Facebook advertising, all focus was on click-throughs and impressions – how many people we got our adverts in front of. Today, however, such measures are deemed "vanity metrics" with emphasis now firmly on quality of engagement over quantity.

Picture this. You decide to run a sale at your dealership. You spend thousands on advertising to promote the event to every man and his dog, and enticing visitors with promises of free food, activities for kids and celebrity appearances.

When the big day arrives, you get hundreds of people through your doors to take advantage of what's on offer. Your sales staff, however, are underprepared and dealing with patrons not in the market for vehicles, so fail to sell a car for the whole day.

How would you rate the success of this campaign? If you were counting foot traffic, the number of sausages eaten or smiling faces, you'd say that your event had been a roaring success. But your bottom line would tell a different story. The fact is you probably would have spent a lot of money for little to no return.

TODD FULLER
General manager
AdTorque Edge NZ

Parallels can be drawn between this scenario and digital advertising. Some dealerships spend thousands of dollars on, for example, social-ad campaigns aimed at broad audiences with generic messaging.

Their goal is to get advertising in front of as many people as possible based on the theory the more times the advert is displayed, the more likely they are to get click-throughs to their websites and, in turn, the more sales they think they will get.

The issue is impressions and click-through rates for these campaigns are like the people who attended the event – no matter how many of them come, they are merely there for a look-see and a free feed without any intention of purchasing a car.

Instead, digital advertising needs a more targeted approach to have a significant impact on your revenue with focus placed on engagement levels and, most importantly, conversions.

We had a client run a campaign for its service department when, against our advice, it provided us with its full, unfiltered databases for targeting.

Although this campaign delivered more than 100,000 impressions, it had a low number of conversions, which resulted in minimal service bookings and a high cost per conversion. This was due to the fact its scattergun approach was reaching customers who weren't even due to service their vehicles, so had no reason to convert.

Just because you have a sales event at your dealership, it doesn't mean you will sell more cars

Conversely, when our clients deliver an enticing message in their advertising and allow us to run more refined targeting to in-market customers over a longer period, return on investment is far greater.

The same client ran a separate, well-targeted website click campaign for its service department on Facebook. Advertising the right message to customers who were actually due to service their cars delivered about half the number of impressions of the previous campaign. However, it gave them 250 per cent more conversions. This resulted in an 80 per cent drop in its cost per conversion and a far larger number of bookings.

This goes to show that if you target the right customers at the right time and with the right message – even if there aren't huge numbers of them – your business is going to have far greater advertising success than if you merely focus on the quantity of people who are going to see your advert.

In this post-lockdown climate, our advice is simple. For the best return on investment on your social-media advertising and search-engine marketing, you need to give up on the scattergun approach of the past and focus on investing time and money targeting in-market customers.

In doing so, you will notice a decrease in your impression and click rates because you will have less "timewasters" seeing your ads.

However, you will see an increase in online conversions and sales because you will be reaching a more refined group of legitimate prospective customers who are likely to buy a car from you.

Economic circle now reality

KIT WILKERSON
Policy adviser and analyst
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The turn of the last century saw the first time in human history when extraction of resources increased in costs. Prior to this, improvements in technology led to ever-cheaper materials. The low-hanging fruit has now been picked.

This is a serious issue for a culture that expects products to continue to decrease in price and increase in availability, not to mention the expected rises in global population and quality of life leading to a larger middle class.

If we cannot continue to drive the prices of resources down, either the price of goods starts to increase, the price we pay for labour decreases or our rate of consumption becomes unsustainable.

Our traditional economic models assume that ready access to resources for manufacturing, consumption and even recycling exists. The current "take, make and dispose" economy is characterised by four linear steps. In order, these are the harvesting of resources, manufacturing a product, selling the product to a consumer and, finally, discarding the product.

Even our current view of recycling is not only voluntary and unprofitable, but we are satisfied if it only salvages small portions of what we discard.

In the near future, we can expect a shift in this model. It will be pushed not only by the desire for less pollution and more sustainability, but by manufacturers' and distributors' needs to boost profits.

In the new model, called a "circular economy" or "circularity", instead of considering whether a product can be safely disposed of or how much of a product can be recycled, we will ensure we can unmake everything we make. Take-make-dispose becomes "take, make, remake, remake, remake".

This scenario will require a rethink of our economy as well as the design of products we make. Instead of building the best product we can at a given price-point, we will have to consider future uses for each component. Products will be a convergence of price-point and sustainability, and whatever other standards we need to consider. We will design waste and pollution out of products and processes we use.

When a product's component materials are reused rather than put in a landfill, not only is that material no longer waste but new raw materials are not required to be extracted.

Other expected benefits would include increases in employment. Imagine if the car industry implemented a circularity approach today. Initial manufacturing would continue to exist, but then an entire industry would need to spring up to support unmaking and remanufacturing.

Standards could include in-fleet vehicles. When they no longer meet the standard, they need to be unmade. Remanufactured goods would need to meet the most current standards, assuring the fleet remains as efficient and safe as the latest technology allows.

As for our import and export industry, it may initially seem as if the ability to remake products might decrease demand for new, but globalisation has identified efficiencies in centralised manufacturing. This will likely be true for remaking goods as well. Those businesses that benefit from the importation of vehicles could also benefit from exporting cars to be remade.

Of course, there would likely be demand and opportunity for New Zealand to renew as well.

This model would also likely lead to increased changes in ownership models. What does ownership mean in an economy where planned obsolescence is a feature? Do you get your car remade cheaply, or does the original equipment manufacturer maintain ownership and lease the vehicle to you?

The later might seem less than ideal, but some manufacturers are arguing that with today's software-driven cars, this is already the case.

Circularity might seem like a green fantasy, but it is real. Manufacturers are realising it might be the only way to continue the trend of decreasing their costs. Jurisdictional authorities are realising it might be the best way to reduce pollution and waste. The public is realising it might be a way to make our consumption more sustainable.

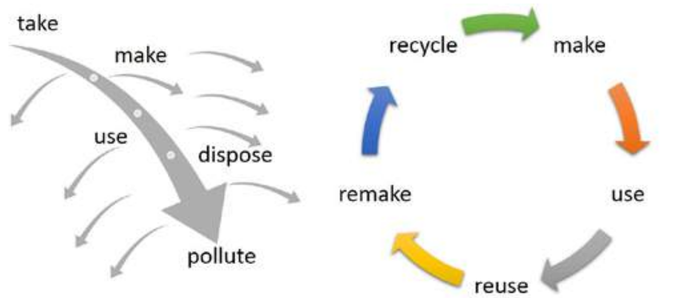
The move to a circular economy starts with the redesign of the products we use, but there are things we can do today.

We can find ways to incentivise the move through public demand and education. The development of a "circularity rating" for products could motivate consumers to purchase goods that can be remade and perhaps, more importantly, educate people on how to treat goods that have reached the end of their current life.

Each industry can begin to prepare for the circular economy by setting up research bodies. These entities could find ways to promote circularity and explore opportunities for recycling and reusing components from the end-of-life goods they currently provide.

As the circular economy emerges, those entities would be suited to manage the evolution. They would already have the knowledge and relationships to successfully upcycle and remake their goods.

Linear versus circular economy



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Source: Wikipedia

The month that was... June

June 4, 2004

'Heavies' attack Christchurch yard

A "terrorist style" daytime raid on business premises in central Christchurch resulted in 12 high-performance vehicles being stolen and three people arrested in the aftermath.

The arrested men faced a variety of charges including blackmail, demanding with menace, kidnapping and receiving stolen property.

John McMillan, owner of Shaz Prestige, described the attack on his premises, which happened near closing time, as "traumatic and very frightening – we have never dealt with people like that before in our lives".

Two staff and a business associate were on-site at the time. McMillan said they were locked in the car yard's office for three hours while the vehicles, which were worth between $10,000 and $200,000, were removed.

Adding to the trauma was the fact that darkness fell and the timer lights had yet to be reset after daylight saving.

The police had recovered nine of the vehicles in undamaged condition by the evening, but were still looking for the other three.

June 18, 2004

Marque 'bails out' used importers

In a twist due to a recall debacle, Mitsubishi Motors NZ agreed to rescue used importers that were legally liable, but financially ill-equipped, to provide parts and repairs to owners of called-back vehicles.

The decision came after a stinging attack on used-car importers by John Leighton, managing director of the marque.

A recall of hundreds of Mitsubishis, including 255 school buses, was instigated that month by the Land Transport Safety Authority after it was revealed that two fatal crashes in Japan in 2002 had been caused by design faults with vehicles' wheel hubs.

Leighton attacked used importers for taking advantage of their anonymity to escape responsibility. He said: "The recalls have highlighted the problem for New Zealand's new-vehicle distributors, which are constantly dealing with issues raised by used-vehicle importers prepared to profit from consumers but not prepared to protect them."

Despite having no legal responsibility, the company initially agreed to provide parts for all vehicles affected by the call-back. For those purchased from Mitsubishi dealers, it would also cover servicing and labour, and provide a loan vehicle. Following public outcry, it also agreed to cover the servicing and labour costs for all recalls.

June 23, 2006

Odometer allegations 'false'

Api Hemi was the dealer principal of successful Mega Motors, which opened in Hamilton in 2005 and sold about 130 to 140 cars per month.

He said the success of the business had drawn the attention and jealousy of rival car dealers, and "obviously upset a few people along the way", after a group allegedly decided to destroy the business to regain market share.

"Of the 824 vehicles sold last month in Hamilton, we accounted for 145 of them," said Hemi. "We are a threat to their businesses and they know it."

He claimed Dermot Nottingham was hired by a group of dealers, who had allegedly paid him $50,000 to "investigate" Hemi and Mega Motors.

Nottingham, who was himself accused of odometer fraud and had been denied approval from the Motor Vehicle Dealers' Institute for not being a "fit and proper person to be a motor-vehicle salesman" after applying for a licence in June 1992, was reported to have talked to two former employees of Mega Motors and then accused Hemi of odometer winding.

Hemi counter-claimed that Nottingham had the disgruntled testimony of ex-employees and jealous car dealers, who had an axe to grind with Mega Motors or himself.

June 30, 2006

Explorers strike oil onshore

An explorer made a significant discovery of onshore oil and gas about 70km north-west of Invercargill, fuelling hopes of a southern oil rush in the Great South Basin.

Christchurch's privately owned L&M Petroleum confirmed there was a working oil and gas system in the Waiau Basin and it was pressing ahead to drill more wells to look for commercial quantities.

Adam Feeley, group manager of government-owned Crown Minerals, said the discovery wouldn't bring fuel prices down in a hurry.

"There are reports there might be millions, if not billions, of barrels down there, but it comes down to what's actually retrievable," he added.

"If the oil and gas is ultimately found in the Great South Basin and extracted, there will be relatively high costs in production so any finds will need to be large to be viable.

"Current New Zealand law means if we make any big finds here, we can keep it here ensuring security of supply. Oil is a world commodity, so will prices halve at the pumps? No. But we will be able to bolster regional economies and secure supply."

Stakes too high to ignore rules

To "stay the course" is a turn of phrase widely attributed to several past presidents of the US during times of conflict or crisis.

Yes, we are at war albeit against a foe none of us can even see in Covid-19, so this is a suitable time for New Zealand to also trumpet that same line.

At the time of penning this column, we had started week two in level two – what an interesting new way of defining our situation.

Operators across the automotive industry have been trying to capitalise on any business that comes their way while also complying with the defined processes of maintaining social distance, regularly cleaning hands and contact surfaces, and convincing their customers – and yes, they are coming back – of the need for contact tracing.

Members of the public seem to understand this, well most of them do, and they're playing the game. Unfortunately, there have also been a few who haven't wanted to participate with contact-tracing protocols and couldn't be convinced to provide their names. Despite these relatively few cases, everything has proceeded largely as it should have done and life has gone on.

And with many of the daily coronavirus infection rates coming in at zero, as announced on regular 1pm national television updates, it hasn't been surprising that some dealers have also been pondering whether the risks have really demanded such compliance requirements.

TONY EVERETT
Sector manager – dealers, Motor Trade Association

It has been easy to enter into such discussions and many of us have done so by debating whether it has been a waste of time and all largely needless. But the answer is exposed if we take time to consider the alternatives, so it's a matter of staying the course or risking the consequences.

If an infection situation does arise, worst-case scenarios could include a mandatory shutdown of your business or even someone's death. The damage to your reputation would also be significant.

Add all that up and it's easy to see why it is worth staying the course. The risk of infection, even though seemingly insignificant, warrants the best possible efforts to ensure this is avoided.

We have all invested too much in this already to let our collective enemy form a beachhead. The obvious direction for everyone in our industry is to stay the course because you owe it to your staff, your customers and, of course, yourself. And, besides, a little inconvenience never hurts.

Internally, the challenge is to keep your employees on-board. They, like you, may also question the requirements so why not confront those thoughts through regular staff catch-ups.

Practise hand-washing routines and remember the 20-second duration. Ensure the coughing method is followed and that's into your elbow. See if you can trick each other to shake hands and roster the wipe-down tasks so everybody gets a feel for the activity. After all, practice makes perfect and helps to create new habits.

Is it all a bit of overkill? Nah, because the alternatives are too ugly and not worth the risk.

Follow the guidelines

The government has eight golden rules for businesses at alert level two.

1. Covid-19 is still out there, so play it safe.
2. All businesses can operate if they can do so safely. Alternative ways of working are still encouraged when possible.
3. Talk with your staff to identify risks and ways to manage them.
4. Ask everyone – employees, contractors and customers – with cold or flu-like symptoms to stay away from your premises.
5. Maintain social distancing at all times.
6. Maintain contact-tracing records of anyone who will have close interaction.
7. Reduce the number of shared surfaces and regularly disinfect them.
8. Wash your hands, wash your hands, wash your hands.

Log onto www.covid19.govt.nz for more advice about the pandemic. This all-of-government website has more information about alert level two, contact tracing, QR-code posters for businesses, updates and resources.

Revival races back to Seventies

Caterham has unveiled its new Super Seven 1600, a model the British sports-car specialist says reimagines its first-built Seven "with a modern twist".

In creating it, the marque has maintained now-iconic styling by retaining its classic front engine, cab back and open-top layout and reintroducing key design features that made their debuts back in the 1970s.

The flared front wings have been lifted almost straight off the old Seven Series 3, the exposed twin-throttle bodies mimic the character of yesteryear's carburised engines and the polished windscreen surround is a unique touch reserved for the Super Seven 1600.

Caterham says it has made the most changes inside the cabin. Vinyl seats come as standard, while other kit includes retro-inspired Smiths dashboard instruments and dials, polished trim and carpeted rear, side and floor panels to distinguish the model from its more track-orientated stablemates.


The Super Seven 1600 harks back to a bygone era – inside and out

Standard equipment is far from generous in terms of gadgets with the only features making it on the list being a 12-volt socket and heater.

Under the bonnet is a Ford-derived 1.6-litre four-cylinder petrol engine, which has been tuned to develop 100kW of power and 165Nm of torque – the same as Seven 275.

While the figures don't look particularly mighty on paper, they combine with a kerb weight of just 545kg to propel the car from 0-100kph in five seconds and onto a top speed of 196kph.

Drive is sent to the rear wheels via a five-speed manual transmission and optional rear limited-slip differential. The whole package rides on Bilstein suspension while the 14-inch "classic" alloys are shod with Avon tyres.

Just like its rather sparse standard kit list, the list of driver aids and safety features makes for an equally short read because the Super Seven 1600 has none – no anti-lock brakes, no automatic transmission, no traction or stability control systems and no airbags.

However, the options lists for the interior and underpinnings includes the likes of sport and track suspension packs, ventilated front discs, leather dashboard, limited-slip differential, aerodynamic wishbones, leather seats and dashboard, rear anti-roll bars, wooden-rimmed steering wheel, high-intensity lights with LED daytime runners, lowered floors and a map pocket.

In its base specification, the Super Seven 1600 retails for £33,495 – or about NZ$68,500 – plus on-road costs.

FROM CIRCUIT TO STREETS

McLaren has enhanced the specifications for its 570S GT4 racer with superior braking consistency over longer drives and enhanced reliability to cut servicing and maintenance costs.

Priced from £180,000 – or around NZ$370,000 – it has had its most successful season since being launched in 2016, ending the year on a high by taking a one-two finish at the Gulf 12-Hours at Yas Marina Circuit with development of the endurance braking kit having its final testing there after being installed on entries competing in Abu Dhabi.

An optional kit has been homologated for racing and is available as factory-fit or can be ordered as a retrofitted item. The system includes bespoke suspension uprights and a six-piston front caliper design combined with uprated brake discs and pads, offering superior braking consistency and reduced degradation.

With 140 podium finishes achieved by customer-racing teams during the season and championship success in North America, the UK and Scandinavia, the 570S GT4 has become the most successful GT model to wear a McLaren badge.

At its heart is the lightweight carbon-fibre MonoCell II chassis,

The 570S GT4

which provides a rigid core and optimised safety. The 3.8-litre twin-turbo V8 M838TE powerplant is shared with the 570S Coupe in the marque's Sports Series. It's matched with a seven-speed shift transmission.

Pricing for the 570S GT4, which generates maximum output of 419kW at 7,500rpm, includes the previously optional removable quick-release steering wheel. Sprint power for an extra 400kW is available as an add-on. It will be available from the marque's 11 official motorsport retailers globally, including McLaren Auckland.

TWO-SEATER OFF BLOCKS

The new manufacturing facility where Lotus will build the Evija all-electric hypercar is being prepared for final prototype production, with series production and first customer deliveries of the two-seater to start later this year.

The factory is situated at the brand's historic home of Hethel in Norfolk. It has been built trackside, next to Lotus' 3.54km circuit, which has hosted testing sessions with many Formula One legends including Ayrton Senna and Emerson Fittipaldi.

Lotus will hand-build up to 130 examples of the Evija and the first year's production allocation is already designated to customers around the world.

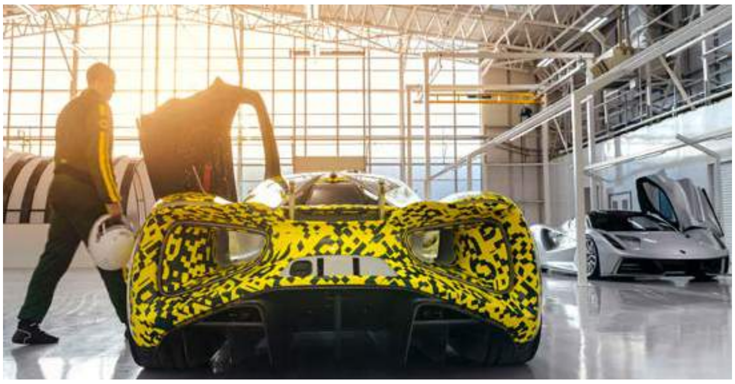
"This is the newest car-production facility in the world and to witness it move from the drawing board to reality has been deeply satisfying," says Phil Popham, chief executive of Lotus Cars. "With our facilities ready, we are ahead of the pack in the emerging EV hypercar segment and 100 per cent ready for some healthy competition."

Work on the new Evija factory began in mid-2019. The project has involved the co-ordination of 20 specialist contractors and more than 50 experts on-site.

The model itself ticks off a number of firsts – the marque's debut fully electrified car, its first hypercar and the first Lotus developed under the stewardship of majority shareholder Geely.

Packing a punch with 1,493kW, it's the world's most powerful series-production road car. The Evija can make the 0-100kph dash in less than three seconds and 0-300kph in less than nine. Its top speed exceeds 320kph.

Full battery-charge capability is achieved in less than 10 minutes. Its battery power output comes in at 2,000kW and it boasts a range of 400km.



Lotus' all-electric Evija will be produced at its new facility, left, in the UK

Urban mobility transformed

Uniti has taken the wraps off its fully electric three-seat compact car designed for city driving.

Priced from NZ$30,900, the Uniti One is designed in Sweden and made in the UK. It can be charged from 20 to 80 per cent in just 17 minutes with a 50kW combined charging system.

Designed with clean lines, the seating configuration offers ample space for two adults to sit behind the driver. A split-folding rear seat comes as standard. When it's folded flat and in its maximum load-carrying configuration, the Uniti One turns into a single-seater to provide 760 litres of cargo space.

The car can accelerate from 0-50kph in 4.1 seconds and 0-100kph in 9.9 seconds. It has a top speed of 120kph.

Coming in at 3,222mm long and 1,709mm wide, including its mirrors, the Uniti One has a turning circle of just seven metres making it agile and manoeuvrable around town.

Its standard 12kWh battery provides 150km of range from a single charge. With the optional 24kWh battery, this is extended to 300km and 100km of range can be added in 10 minutes using a 50kW combined charging system.

The Uniti One urban electric car

The Uniti One's class-leading 8kWh/100km efficiency is achieved through a weight-saving ethos evident throughout the car, and a permanent magnet motor drives the rear wheels to produce an output of 50kW of power and 85Nn of torque.

It features two selectable driving modes to adapt the car's characteristics to suit the conditions or driver mood.

City mode optimises energy efficiency and provides a smooth and relaxed drive. Boost mode sharpens the accelerator response and adds a little weight to the steering for a more dynamic feel.

Planning for post-virus future

The timing of the national lockdown in the fight to stop the spread of coronavirus was a pivotal moment for Kiwis involved in motorsport, coming during the transition between summer and winter codes.

For some of our international racers, that meant being stuck indoors watching the sporting world close. The likes of Liam Lawson, Brendon Leitch and Marcus Armstrong found themselves in limbo.

Now the economy is in the spotlight with varying levels of harm being predicted and no consensus on how long it will take our country, or the world, to recover from the pandemic.

This month, we take a closer look at motorsport's response and what people at the cutting edge have experienced.

'IT HAS BEEN TOUGH'

Invercargill-based Brendon Leitch was preparing for a year of northern-hemisphere racing when the level-four lockdown was announced.

"For me personally, it has been tough being isolated and not talking to many people, but I also had an injury so training has been difficult," he told Autofile.

The shutdown meant being a driver-coach stopped overnight. He found work "inside the bubble" helping his father Barry with his race car and classics restoration business.

"It's all still pretty vague for me. People think that racing might go ahead, but nobody actually knows or has an official date for anything."

Leitch was due to base himself in Germany to compete there, and in Italy and Belgium. "They are not as far ahead as we are here unfortunately, so it's quite a tough situation really. Obviously, it's getting a lot better in New Zealand as we sort of gradually get back to some normality in level two. We now have to wait for the world to catch up."

"It's getting a lot better in New Zealand as we sort of gradually get back to some normality in level two"
– Brendon Leitch

He expects the start-up on our tracks to be led by clubs. "Like everyone, I'm just waiting and looking forward to some normality."

Looking at the global scene, Leitch believes the recovery needs to be led by Formula One, which was firming up plans in mid-May to return to circuits in July.

"So many countries are in different stages. I think F1 will lead the way. Once they get a gauge on how it's all going, then I'm sure it will kick off again in no time."

'TRICKLE-DOWN EFFECT'

Freddy Foote is the face of the BNT NZ V8s Championship. Working as a consultant, he provides communications and public-relations services to a range of motorsport and non-sport clients. When the lockdown was announced, he was preparing a launch event for the new TA2 cars coming to the BNT category.

"I was in my office in Grey Lynn, Auckland, when the announcement was made. It was quite an eerie feeling on my drive home. At the start of the year, I don't think anyone predicted we would have been in lockdown by ▶

Chief executive goes

Simon Baker has resigned as chief executive officer of MotorSport New Zealand (MSNZ).

Simon Baker

Wayne Christie

A statement issued by the organisation on May 15 states he and president Wayne Christie agreed there were "irreconcilable differences".

With the world grappling with Covid-19's advance, motorsport in this country has had a crisis of faith and confidence with Baker's departure the latest twist.

MSNZ operated from its own premises in Wellington for decades, but decided to sell the property and relocate to a smaller base on the Kapiti Coast. Baker had been expanding head-office staff in recent months.

Motorsport House was valued by www.qv.co.nz at about $1.5 million in a robust commercial property market. By the time its sale was confirmed during lockdown, MSNZ's board agreed a price of $1.3m.

This was $500,000 short of members' expectations, who complained. This set in place a chain of events that could have threatened the organisation itself.

On March 3, Tony Roberts, chairman of MSNZ's historic commission, expressed concerns to the board about Baker's performance as new CEO. Roberts quit on May 2 saying he could no longer be involved given a failure to act on matters he raised. He also considered Motorsport House's sale to be secretive and unconstitutional.

Baker then emailed the clubs expressing no confidence in Christie, saying he hadn't been supported. By May 15, Baker was gone.

late March. It was new territory for everyone when it happened.

"My girlfriend is a domestic flight attendant for Air New Zealand, so I didn't see her at all during the shutdown. There was also a fair bit of reassuring going on in regard to her job security, which seems 50-50 at the moment."

Foote says the lockdown was not difficult for him on a personal level. "When I wasn't working, I just did odd jobs around the house that I had been putting off for ages.

"Business-wise, it hasn't affected me too much yet. For most of my clients, the lockdown was time to talk about their businesses more than ever, particularly on social media. People had a lot of time on their hands and were glued to their devices, so it was a good time to communicate with them."

That said, New Zealand going into alert level four was far from ideal with TA2 vehicles boasting the code's new specifications arriving in the country just days before. There was also a launch function planned at Hampton Downs with about 100 guests consisting of teams, sponsors, media and car buyers due to attend.

"A quick change to our plans was needed and we did it all digitally. The overall response has been great and the level of interest in the cars still remains high."

Although he – like most people – had little forewarning of how the lockdown would affect the country, Foote is confident about motorsport's future in New Zealand. "The start of the season is still a long way off, so there's plenty of time to get ready."

The million-dollar question, however, is how long will recovery from the pandemic take? "While our borders are shut, we need to get out there and get the wheels of the economy turning.

"There's going to be a trickle-down effect. Some sectors, such as tourism, will take a long time to recover, but I'm optimistic many others will get back on their feet sooner.

"Racing-wise, we can probably take some cues from other domestic sports that will be back up and running before the motorsport season starts at the beginning of summer."

"We can probably take some cues from other sports that will running before the motorsport season starts"
– Freddy Foote

'THINGS WILL BE DIFFERENT'

BMW circuit racer and Targa participant in recent years, Gordon Legge, is also the Kiwi face of the Australian Auto-Sport Alliance (AASA), which has taken over permitting of the Targa from MotorSport NZ.

He doesn't remember where he was when lockdown was announced but does recall thinking "what the hell do I do now". While he has seen some businesses among his network fail, others are going the distance.

For Legge, the pandemic has mostly meant time to plan and refine his own business and work for the AASA. "I didn't have a lot of time to prepare, but it hasn't impacted too sharply.

"Nationally, recovery from Covid-19 will take years. For our sport, things will be different and not just the financial damage. We have been refining the services we offer event organisers through the AASA, so for the first time there's a choice of sanctioning body."

"Nationally, recovery will take years. For our sport, things will be different and not just the financial damage"
– Gordon Legge

Trio aiming for top titles

Drivers are setting their sights on Europe to start their 2020 campaigns as the threat from Covid-19 starts to diminish.

Marcus Armstrong has headed overseas to prepare for the FIA F2 season. Still working within Ferrari's driver academy, he is regarded as New Zealand's best bet at a Formula One presence.

Armstrong has quickly adjusted to the greater power of the Mecachrome engine in F2 – formerly GP3 – cars and was third fastest at the post-2019 season test.

The season is set to start in Austria next month, coronavirus willing. His biggest change this year is switching to ART Grand Prix, which is the defending champion at this level and most experienced F2 team.

Liam Lawson is off to race a second year of FIA F3, this time with a better team arrangement and with his eyes on the prize. Mentored by three-time New Zealand Grand Prix winner Ken Smith, he has retained his place in Red Bull's junior squad and topped the timesheets at the F3 post-season test.

Also readying for racing after a frustrating delay is Nick Cassidy, champion of the All Japan Formula 3 in 2015, Super GT500 in 2017 and Super Formula last year. Having kept himself busy with various eRacing challenges and playing golf, Cassidy is aiming to take out this year's Super Gt and GT500 titles in Japan.

Marcus Armstrong is aiming to be New Zealand's next F1 driver

Tribunal rules in trader's favour after lack of servicing damaged engine

The case: The buyer wanted to reject his 2008 Hiace because of faults, which included a damaged turbo. The trader said the van had passed a warrant of fitness (WOF) when supplied and was fit for purpose. However, the consumer failed to service the vehicle, which led to the turbo and an exhaust valve becoming faulty.

The decision: The purchaser's application was dismissed because he failed to prove any of the van's claimed problems were of an unacceptable quality.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Tamatehura Henare wanted to reject the 2008 Toyota Hiace he purchased from Railside Ave Ltd for $18,465 on October 31, 2018. It had an odometer reading exceeding 195,000km at the time.

Henare alleged the van had various faults. These included rust in the driver's footwell, on the ABS pump, front-brake shields, and brake pads and rotors, as well as extensive underbody corrosion concealed with underseal, a broken gearshift cable, damage to the front seatbelts and a faulty turbocharger. He claimed the vehicle wasn't of acceptable quality for the purposes of the Consumer Guarantees Act (CGA).

Railside Ave stated it had no liability because Henare used the vehicle as a courier van. It added he failed to service it, which contributed to its problems.

The case

Shaft Automotive assessed the vehicle on January 29, 2019. It found rust in the places Henare said it was and told him the van would fail its WOF because of this.

The Hiace was also inspected by Toyota franchisee Rutherford and Bond Ltd. It didn't share Shaft Automotive's concerns. It found there was "no major rust mechanically" and described corrosion underneath it as "slight surface rust". However, the driver's door sill and an area around the rear-door seal required remedial work.

Railside Ave stated the rust was minor, didn't affect the van's safety and the Hiace had recently passed a WOF.

Henare said the vehicle also had a faulty gearshift cable, which became apparent in January after he had travelled about 15,200km in it.

This fault was confirmed by Shaft Automotive and Rutherford and Bond, with the latter stating the cable needed replacing at a cost of $1,200.

Shaft Automotive also reported the passenger seatbelt was damaged, while the driver's seatbelt was frayed and slow to retract. However, the van had passed a pre-sales WOF during which their condition would have been assessed.

Photos provided by Henare showed the seatbelts were starting to show signs of wear, but not to the extent they needed to be replaced or would fail a WOF inspection.

However, his main issue with the van was that its turbo was noisy, which Shaft Automotive suspected had a collapsed centre bearing that caused the impeller blades to contact the intake housing.

Rutherford and Bond found fault codes relating to the step motor, which controlled the movements of the variable vanes inside the turbo housing. It added the turbo fault might have been caused by a blocked exhaust recirculation (EGR) valve, so both needed replacing at a cost of more than $4,400.

Henare said this problem was present at purchase because the van made an intermittent whistling noise, which he first noticed on November 5, 2018. He added there was a dashboard warning symbol consistent with a diesel particulate filter (DPF) regeneration process.

The tribunal's assessor said it was common for an older, high-mileage diesel van to have a build-up of unburnt fuel in its exhaust system. That would cause it to perform DPF regeneration to try to burn off accumulated soot. It was important for the vehicle to be regularly serviced because reduced oil lubrication could lead to premature failure of significant engine components.

Henare said he frequently checked oil levels and noticed they were increasing, but he didn't service the van. Toyota recommended diesel Hiaces be serviced every six months or 10,000km, whichever occurred first.

However, Henare drove it for 16,000km in less than three months without servicing it while experiencing concerning issues with the van. He was advised by Bowler Motors in mid-November 2018 to have it checked to find out the underlying cause of the whistling noise, but didn't follow that advice.

The finding

In this case, the sole issue was whether the van was of acceptable quality for the purposes of section six of the CGA.

The corrosion didn't affect the safety or performance of the vehicle, and it had passed a WOF inspection.

In respect of the gearshift cable, the tribunal was satisfied the van was as durable as a reasonable consumer would consider acceptable with a manual gearbox used for high mileage.

The tribunal wasn't satisfied Henare had proven the seatbelts had deteriorated to the point they were of unacceptable quality in a vehicle of that age and mileage, particularly given how much Henare had travelled in it since purchase.

Although the adjudicator was satisfied Henare had proven the van had a damaged turbo and possibly a faulty EGR valve, it found he hadn't shown those issues were present at purchase or they meant the Hiace was of unacceptable quality.

The tribunal found there was a real likelihood that if Henare had taken reasonable steps to have the whistling noise assessed and regularly serviced the vehicle that the damage to the turbo would have been avoided.

Order

The application was dismissed.

American tourist secures costs after working for dealer to help pay for van

The case: The buyer sought about $7,510 in repair costs from the trader after his 1996 campervan broke down in the South Island. The dealer said the owner had tested the vehicle before purchasing it and was satisfied with its condition. It added the van was as durable as a reasonable consumer would consider acceptable.

The decision: The tribunal ruled the customer was entitled to the cost of responsible repair, so the trader was ordered to pay $3,988.52 to the buyer to fix the pre-existing faults.

At: The Motor Vehicle Disputes Tribunal, Auckland.

Background

Nathan Shipley bought a 1996 Toyota Hiace campervan for $12,500 from AMO Brothers Ltd in September 2018. As a visitor from the US, he wanted to live in it while travelling around the country on a working holiday.

Unable to afford to pay its full purchase price, he stayed at the dealer's premises and worked for the company as part-payment.

The relationship later broke down and Shipley applied to recover $7,510 for repairs he performed on the van during his travels. He said there were pre-existing faults with its transmission and fuel-injector pump, the exhaust was broken and the radiator inadequate.

Shipley added the vehicle wasn't of acceptable quality under section six of the Consumer Guarantees Act (CGA) and the trader refused to fix the faults.

AMO Brothers said Shipley tested the van pre-purchase and was satisfied with its condition. It added it was as durable as a reasonable consumer would consider acceptable and denied refusing to assist with its repairs.

The case

Shipley said the campervan ran poorly from purchase and its gearbox didn't shift correctly when driving on hills. However, he explained AMO Brothers reassured him its transmission functioned properly.

He left Auckland on November 6, for the South Island. Twelve days later, the vehicle lost power and its gears wouldn't engage.

MDS Diesel Specialists Ltd, of Christchurch, told Shipley the transmission was "blown" and needed to be rebuilt or replaced.

Shipley said AMO Brothers declined to help, so he had the part rebuilt by Aceomatic Transmission Services, which cost $4,485. He told the hearing he couldn't locate a second-hand transmission in New Zealand.

AMO Brothers claimed the van didn't have a fault with the system at the time of sale. It added Shipley drove it for one month before leaving for the South Island and experienced no problems in that time.

The trader submitted – after taking account of the vehicle's price, age and mileage, and the distance Shipley travelled in it before the transmission failed – the van was as durable as could be expected. It stated it would have suppled a replacement transmission, but Shipley didn't provide the information needed to obtain the correct part.

Shipley also said he noticed black smoke from the exhaust, which became progressively worse, on the vehicle's first long journey. He had it assessed by two mechanics, who found a fault with its fuel-injector system.

Almost a year later, he had the fuel injectors serviced and fuel-injector pump overhauled by John R Milburn Ltd at a cost of $1,952.

AMO Brothers claimed the pump wasn't faulty when the van was sold. Shipley said its director, Nesar Yousufi, advised him the issues with transmission and pump occurred too long after purchase for the dealer to be responsible for the cost of repairs. However, Yousufi did offer to assist in obtaining replacement parts.

The vehicle failed its warrant of fitness in September 2018 mainly due to an exhaust leak. On November 19, a mechanic found its exhaust pipe was broken and those repairs cost $270. AMO Brothers denied liability for this fault because Shipley helped to repair the leak, which the latter denied.

The van also routinely overheated. On January 4, 2019, it was assessed by Menzies Mechanical Ltd, which said the radiator was too small to cool the engine. Eleven months later, Shipley had an external oil cooler fitted by Aceomatic Transmission Services, which cost $425.

The finding

The tribunal was satisfied Shipley's evidence proved there were pre-existing faults with the transmission, fuel-injector pump and exhaust, and the radiator was inadequate, so the van wasn't of acceptable quality under the CGA. It was also satisfied the trader was given a reasonable opportunity to rectify the problems but refused to.

Shipley wanted to recover total repair costs of about $7,510. However, under the terms of the CGA he was only entitled to recover the reasonable cost of replacing the transmission, having the exhaust and pump faults rectified, and for an external oil cooler to be installed.

The tribunal was satisfied the costs to repair the exhaust and install an external oil cooler were reasonable. But $4,485 to overhaul the transmission was considered more than was reasonable in the circumstances when a second-hand part would have been cheaper. It was also ruled that was the case with the remedy for the fuel injector.

The betterment Shipley obtained from these repairs, which increased the Hiace's value and durability, was also taken into account.

The adjudicator ruled he was entitled to recover $3,700 for fixing its pre-existing faults. Shipley was also awarded $30.19 for the diagnosis of the transmission fault, $91.95 for car rental while the transmission was being overhauled and $166.38 to diagnose the fuel-injector pump.

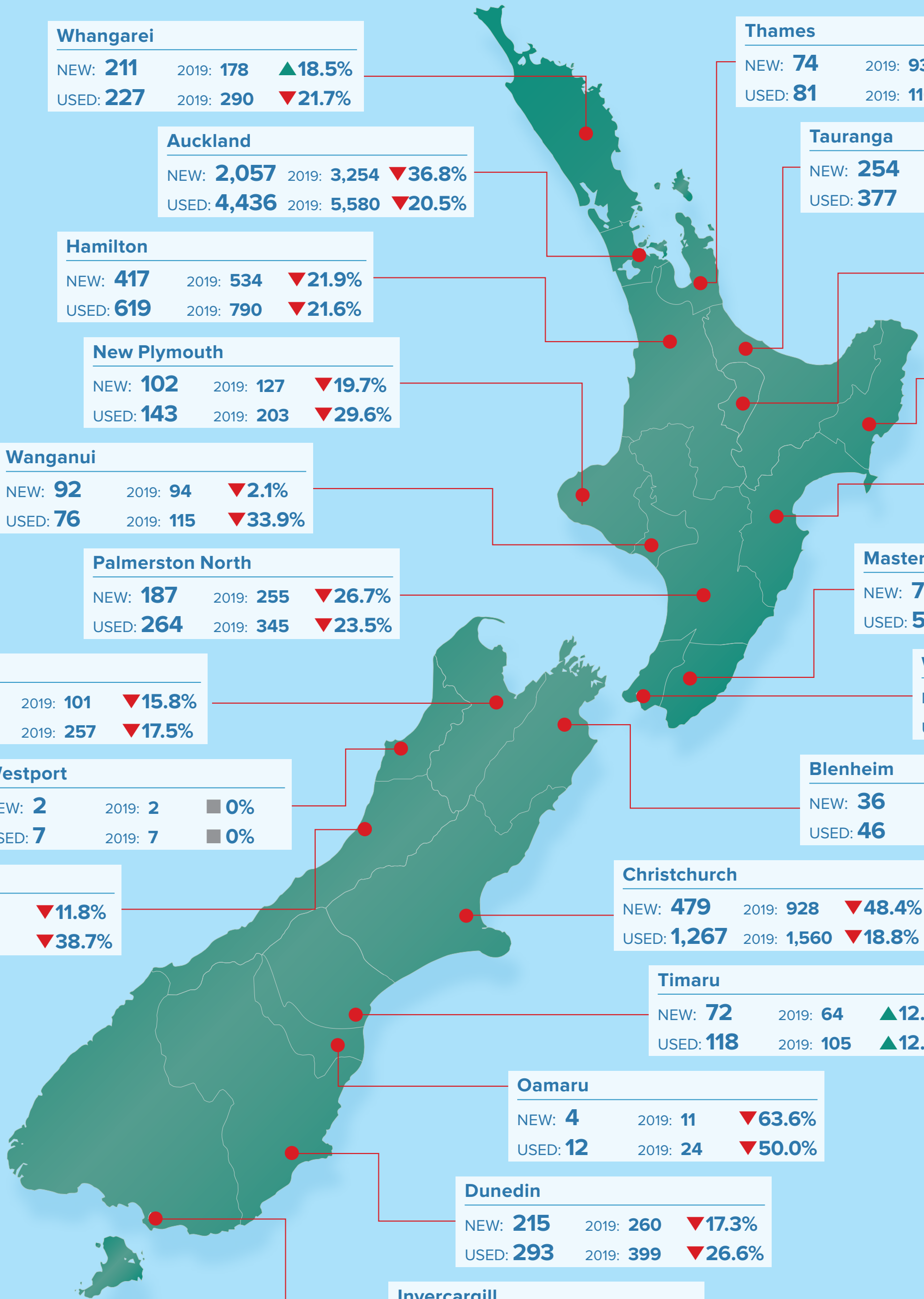
Order

The trader was ordered to pay $3,988.52 to the buyer.

AROUND THE COUNTRY
May 2020

Total new cars
5,400
2019: 7,624 ▼ 29.2%

Total imported used cars
9,565
2019: 12,212 ▼ 21.7%



	NEW	2019		USED	2019	
Whangarei	211	178	▲18.5%	227	290	▼21.7%
Thames	74	93	▼20.4%	81	116	▼30.2%
Auckland	2,057	3,254	▼36.8%	4,436	5,580	▼20.5%
Tauranga	254	379	▼33.0%	377	457	▼17.5%
Hamilton	417	534	▼21.9%	619	790	▼21.6%
Rotorua	76	89	▼14.6%	137	171	▼19.9%
New Plymouth	102	127	▼19.7%	143	203	▼29.6%
Gisborne	43	35	▲22.9%	94	87	▲8.0%
Wanganui	92	94	▼2.1%	76	115	▼33.9%
Napier	174	226	▼23.0%	242	301	▼19.6%
Palmerston North	187	255	▼26.7%	264	345	▼23.5%
Masterton	70	86	▼18.6%	54	84	▼35.7%
Nelson	85	101	▼15.8%	212	257	▼17.5%
Wellington	652	723	▼9.8%	688	1,010	▼31.9%
Westport	2	2	■0%	7	7	■0%
Blenheim	36	48	▼25.0%	46	63	▼27.0%
Greymouth	15	17	▼11.8%	19	31	▼38.7%
Christchurch	479	928	▼48.4%	1,267	1,560	▼18.8%
Timaru	72	64	▲12.5%	118	105	▲12.4%
Oamaru	4	11	▼63.6%	12	24	▼50.0%
Dunedin	215	260	▼17.3%	293	399	▼26.6%
Invercargill	83	120	▼30.8%	153	217	▼29.5%

Imported Passenger Vehicle Sales by Make - May 2020

MAKE	MAY '20	MAY '19	+/- %	MAY '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	2,128	2,591	-17.9	22.2%	10,042	24.4%
Nissan	1,683	2,424	-30.6	17.6%	7,685	18.7%
Mazda	1,564	2,013	-22.3	16.4%	6,558	15.9%
Honda	884	1,318	-32.9	9.2%	4,092	9.9%
Subaru	721	748	-3.6	7.5%	2,809	6.8%
BMW	440	441	-0.2	4.6%	1,505	3.7%
Suzuki	408	636	-35.8	4.3%	1,850	4.5%
Mitsubishi	387	512	-24.4	4.0%	1,674	4.1%
Volkswagen	343	415	-17.3	3.6%	1,302	3.2%
Audi	236	246	-4.1	2.5%	787	1.9%
Mercedes-Benz	124	156	-20.5	1.3%	478	1.2%
Lexus	122	155	-21.3	1.3%	486	1.2%
Ford	74	66	12.1	0.8%	308	0.7%
Volvo	57	65	-12.3	0.6%	230	0.6%
Holden	41	44	-6.8	0.4%	124	0.3%
Jaguar	40	55	-27.3	0.4%	115	0.3%
Land Rover	39	34	14.7	0.4%	139	0.3%
Hyundai	35	39	-10.3	0.4%	107	0.3%
Mini	35	24	45.8	0.4%	105	0.3%
Chevrolet	33	38	-13.2	0.3%	141	0.3%
Jeep	29	26	11.5	0.3%	82	0.2%
Dodge	17	25	-32.0	0.2%	82	0.2%
Porsche	17	28	-39.3	0.2%	63	0.2%
Chrysler	16	24	-33.3	0.2%	64	0.2%
Peugeot	14	8	75.0	0.1%	40	0.1%
Kia	12	11	9.1	0.1%	43	0.1%
Renault	5	6	-16.7	0.1%	29	0.1%
Alfa Romeo	4	0	400.0	0.0%	8	0.0%
Aston Martin	4	1	300.0	0.0%	8	0.0%
Cadillac	4	6	-33.3	0.0%	28	0.1%
Citroen	4	7	-42.9	0.0%	22	0.1%
Chrysler Jeep	3	0	300.0	0.0%	9	0.0%
Daihatsu	3	1	200.0	0.0%	11	0.0%
Fiat	3	2	50.0	0.0%	18	0.0%
Lotus	3	0	300.0	0.0%	4	0.0%
Others	33	47	-29.8	0.3%	144	0.3%
Total	**9,565**	**12,212**	**-21.7**	**100.0%**	**41,192**	**100.0%**

Imported Passenger Vehicle Sales by Model - May 2020

MAKE	MODEL	MAY '20	MAY '19	+/- %	MAY '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Mazda	Axela	551	631	-12.7	5.8%	2,245	5.5%
Honda	Fit	365	589	-38.0	3.8%	1,783	4.3%
Suzuki	Swift	350	537	-34.8	3.7%	1,566	3.8%
Mazda	Demio	322	479	-32.8	3.4%	1,483	3.6%
Toyota	Aqua	316	241	31.1	3.3%	1,603	3.9%
Subaru	Impreza	283	257	10.1	3.0%	1,083	2.6%
Subaru	Legacy	259	305	-15.1	2.7%	949	2.3%
Toyota	Prius	250	315	-20.6	2.6%	1,372	3.3%
Nissan	Tiida	250	496	-49.6	2.6%	1,356	3.3%
Mazda	Atenza	226	288	-21.5	2.4%	832	2.0%
Volkswagen	Golf	214	276	-22.5	2.2%	828	2.0%
Mitsubishi	Outlander	196	296	-33.8	2.0%	891	2.2%
Toyota	Corolla	182	184	-1.1	1.9%	761	1.8%
Nissan	X-Trail	168	191	-12.0	1.8%	650	1.6%
Toyota	Vitz	152	244	-37.7	1.6%	742	1.8%
Nissan	Note	149	212	-29.7	1.6%	725	1.8%
Nissan	Skyline	142	161	-11.8	1.5%	464	1.1%
Nissan	Leaf	140	304	-53.9	1.5%	845	2.1%
Nissan	Dualis	138	238	-42.0	1.4%	672	1.6%
Toyota	Wish	134	260	-48.5	1.4%	734	1.8%
Mazda	Premacy	126	231	-45.5	1.3%	656	1.6%
Toyota	Auris	111	198	-43.9	1.2%	562	1.4%
Mazda	CX-5	110	107	2.8	1.2%	418	1.0%
Toyota	Vanguard	102	86	18.6	1.1%	471	1.1%
Toyota	Blade	99	120	-17.5	1.0%	416	1.0%
Nissan	Juke	95	101	-5.9	1.0%	446	1.1%
Nissan	Serena	92	124	-25.8	1.0%	469	1.1%
Honda	CR-V	88	100	-12.0	0.9%	368	0.9%
Toyota	MarkX	88	94	-6.4	0.9%	338	0.8%
Honda	Stream	85	142	-40.1	0.9%	435	1.1%
Nissan	March	84	84	0.0	0.9%	377	0.9%
Nissan	Bluebird	82	113	-27.4	0.9%	305	0.7%
BMW	320i	78	83	-6.0	0.8%	263	0.6%
Toyota	Ractis	76	118	-35.6	0.8%	384	0.9%
Honda	Insight	72	59	22.0	0.8%	309	0.8%
Others		3,390	3,948	-14.1	35.4%	13,391	32.5%
Total		**9,565**	**12,212**	**-21.7**	**100.0%**	**41,192**	**100.0%**

Getting business into shape

Car dealers need to "come to grips" with their costs to help them survive the coronavirus pandemic and be ready to make the most of future upswings in sales.

Geoff Sinclair, director of Autobridge and Blackbird Finance, warns not all dealerships will get through the crisis and its impact on the economy. However, his companies are working with clients to help them navigate uncertain times.

"We are doing what we can, where we can, but the sad reality is not everyone operating before Covid-19 will continue to operate past it," he told Autofile.

"Those left standing can look at their businesses and remove any additional costs not needed and get the structure right. As we see volumes return, they will be positioned to take advantage of that. If import volumes do drop, we need to look at the impact.

"An element of what we do is driven by volume. We need a certain volume to make it work for us in a sensible way and we're looking at how we can supplement that value now and how much we have to divert from our core business of financing imported vehicles."

Dealers have reported encouraging sales since the move to alert level two, but it remains to be seen if that will continue long term.

"We had a good kick-start coming out of level three. But when we look at car volumes out of Japan and things like wage subsidies running out, we have to wonder what demand will look like going forward. We've had a bullish return to trading, but the question is how sustainable that is."

Sinclair says the impact of Covid-19 and the lockdown has been an opportunity for dealerships to pore over their books. He hopes companies developing a better understanding of income and expenses will be one of the positives to come out of the crisis.

"When we have episodes such as this, it means people look at their business and come to grips with how and where they're spending money. There are good operators who sell good volume in normal times. But if their overheads are high or they don't have as much balance as their counterparts, they will struggle.

"If people can get everything in order and tighten their ships, the good dealers will come out in a better shape and be able to take advantage of any upswing."

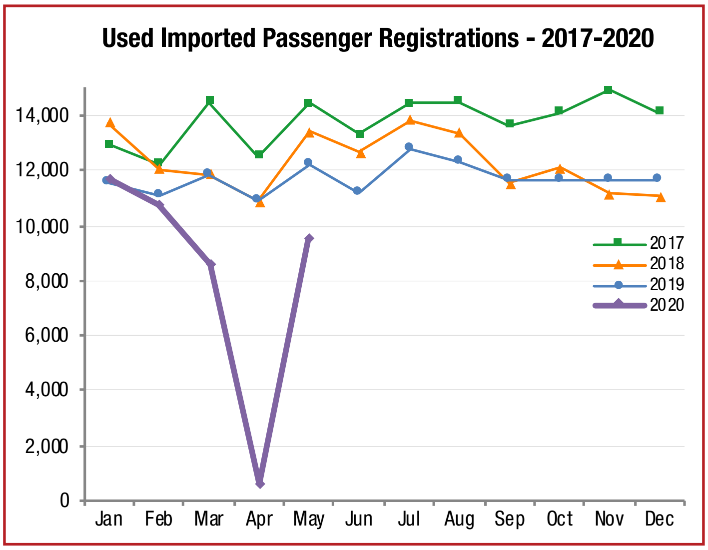
There has been some relief for dealers importing used vehicles from Japan with Armacup Maritime Services removing its bunker-adjustment factor (BAF) for the third quarter.

The company has made the move because fuel prices have dropped to below its trigger level for the charge. Its BAF for the fourth quarter of 2020 will be announced in early September, and will be based on average of Platts Bunkerwire Korea for very-low sulphur fuel oil between June and August this year.

Trade picks up

There were 9,565 used-imported cars sold in New Zealand last month as business picked up with Covid-19 restrictions easing. The total was up on just 622 sales in April, although May's registrations were down by 21.7 per cent compared to 12,212 in the same month of last year.

Auckland saw sales drop by 20.5 per cent to 4,436 compared to 5,580 in May 2019. In Wellington, the year-on-year figures fell by 31.9 per cent to 688 registrations while Christchurch's numbers dropped 18.8 per cent to 1,267.



Meanwhile, Trade Me has given away $1 million of spare advertising space to help businesses with fewer than 20 employees hit by Covid-19 – with some car dealers to benefit.

Ivan Fuyala, head of audience, says: "Our platform has given thousands of businesses an opportunity to grow and reach a massive audience. Like many, Trade Me has been hit hard. However, we're in a position to help."

The online marketplace has suffered a drop in advertising demand from agencies and advertisers since the lockdown, but still has plenty of users on the site.

The number of dealers in New Zealand fell to 3,061 at the end of May, reports the Motor Vehicle Traders' Register.

This was 37 fewer than for the previous month and there has been a fall of 158 since the start of 2020. Last month's decline also follows a drop of 61 in April 2020. Dealer numbers have mostly been declining since peaking at 3,536 in November 2017.

Finally, Mazda's Axela was May's top used-imported model with 551 registrations. It was followed by Honda's Fit with 365 sales and Suzuki's Swift on 350.

The Axela secured a 5.8 per cent share of last month's market, despite sales being down 12.7 per cent on the same month of last year.

Toyota was the most popular marque with 2,128 sales. This was a 17.9 per cent decrease on the 2,591 registrations in May 2019.

Imports vary between markets

The number of vehicles being imported looks set to stay well-below normal levels for the foreseeable future because of the disruption caused by coronavirus.

Frank Willett, chief executive of Autohub NZ, says Ports of Auckland's forward forecasting is about 50 per cent of what was coming into the country pre-Covid and he thinks it will stay that way – although it all depends on consumer demand.

He told Autofile the easing-off in trade in different countries has also affected imports in the wake of the global pandemic.

"Not every country has taken the same approach, so impacts to the industry have been varied," explains Willett. "Japan has been ticking along, albeit at a subdued level.

"Australia seems to be less affected and we still have vehicles coming from Japan to Australia and from Australia to New Zealand. People interested in importing from Australia haven't seen anything too negative, and prices and availability there have been good.

"The UK has created problems where we've had shipping lines looking at cargo from various ports and have elected not to call into those ports.

"That has caused headaches with rebooking shipments out of the UK and we've had to rearrange the port from which we shipped from on a couple of occasions."

Willett says another factor weighing on importing vehicles is how shipping lines are reading the forward market in different ways.

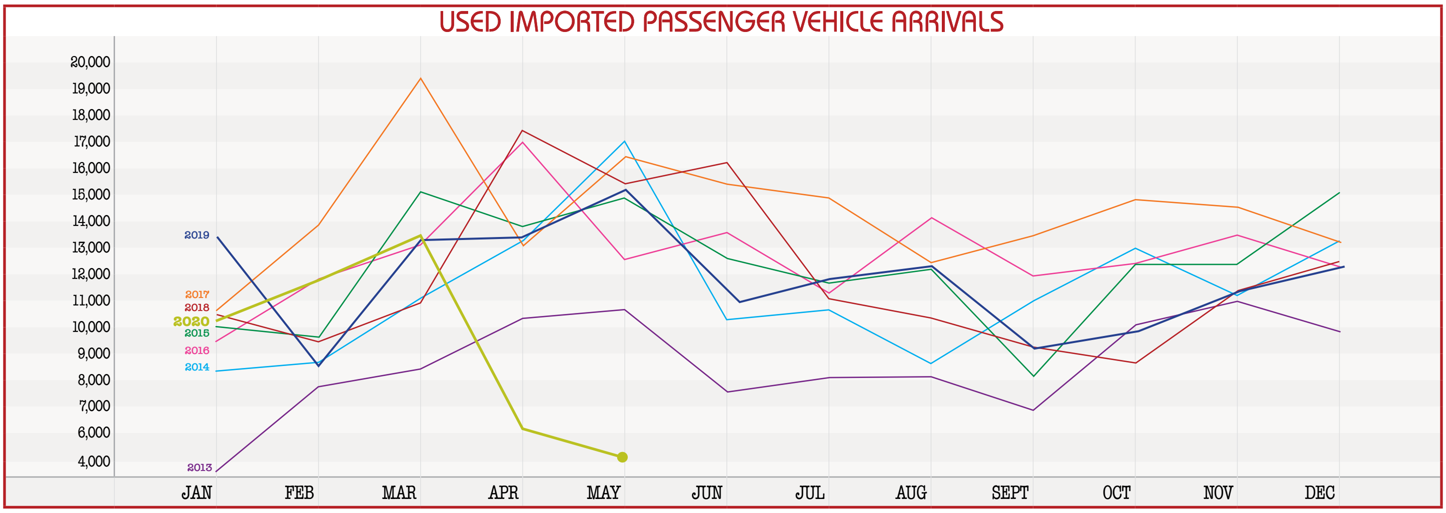
"We've had a couple signal they will be soon dropping bunker-adjustment factor [BAF] charges. Others have recently added BAF charges, which adds to the 'per-vehicle cost' of shipping."

NUMBERS PLUMMET

Some 4,076 used passenger vehicles were imported in May for the lowest monthly total since January 2012 when 3,191 units crossed our wharves.

Of those, 3,614 came in from Japan, which represented 88.7 per cent of last month's overall total and was lower than its market share of 93.8 per cent for the year to date. Japan's total in May was down by 74.9 per cent when compared to the same month of 2019.

There were also 289 used cars imported from Australia during last month, which was down by 27.2 per cent on May last year. It accounted for 7.1 per cent of last month's overall total, or around double its market share of 3.7 per cent for the first five months of 2020.



Used Imported Passenger Vehicles By Country Of Export

COUNTRY OF EXPORT	2020							2019						2018	
	JAN '20	FEB '20	MAR '20	APR '20	MAY '20	MAY SHARE %	2020 TOTAL	Q1	Q2	Q3	Q4	2019 TOTAL	MRKT SHARE	2018 TOTAL	MRKT SHARE
Australia	278	449	330	255	289	7.1%	1,601	1,320	1,549	1,291	988	5,148	3.6%	4,183	2.9%
Great Britain	76	52	56	45	52	1.3%	281	234	167	217	276	894	0.6%	1,026	0.7%
Japan	9,541	11,096	12,791	5,690	3,614	88.7%	42,732	32,921	36,955	31,187	31,431	132,494	93.8%	134,510	94.2%
Singapore	105	132	147	101	81	2.0%	566	459	406	385	428	1,678	1.2%	1,531	1.1%
USA	72	50	52	37	26	0.6%	237	173	156	159	176	664	0.5%	1,108	0.8%
Other countries	29	10	16	21	14	0.3%	90	99	89	54	98	340	0.2%	415	0.3%
Total	**10,101**	**11,789**	**13,392**	**6,149**	**4,076**	**100.0%**	**45,507**	**35,206**	**39,322**	**33,293**	**33,397**	**141,218**	**100.0%**	**142,773**	**100.0%**

Concerns about 'normality' returning

A dealer in Auckland believes it may be some time before many used-car buyers will want to spend between $10,000 and $30,000 on vehicles.

Tony Woods, director of Greenwoods Cars and 4x4s in Penrose, Auckland, says: "Buyers might go online and buy new clothes or shoes, but may not be spending big money on cars.

"Most vehicles are sold these days via Trade Me or dealers' websites without people even walking onto yards before they are transported around the country."

Just because the country is now out of Covid-19 alert levels three and four, he doesn't believe people will be thinking "great, it's all over" because the habits of the lockdown may still be engrained in them.

Woods, who specialises in New Zealand-new sedans, station wagons, SUVs, European marques, American V8s and classics, adds: "I think it will take two or three months before life here gets back to any sort of normality.

"That said, the normality of six months ago may never be there again and we all need to be mindful of what we have all been through."

Turners Automotive Group is confident its operations are robust enough to weather the Covid-19 storm. "Our finance business has focused on higher-quality lending in recent years and is now more robust, so it's well-placed post-shutdown," says Todd Hunter, chief executive officer.

The company being spread across New Zealand "gives us confidence in our ability to operate" and – because it is a diversified business – it's "fortunate annuity revenues from finance and insurance will offset short-term decline in automotive retail and credit management".

Hunter adds that each of its four businesses are in far stronger positions than before the global financial crisis in terms of operating strength and financial position.

RESURGING TRADE

Dealers sold 15,549 second-hand cars to the public last month. That was down by 17.8 per cent compared to May 2019 when there were 18,921 changes of ownership.

However, May's total represented a 722.7 per cent increase on the 1,890 registrations during April this year.

Last month's trade-ins totalled 10,009 for a decrease of 34.2 per cent compared to the same month of last year and a 649 per cent increase from April.

SECONDHAND CAR SALES - May 2020

	DEALER TO PUBLIC				PUBLIC TO PUBLIC			PUBLIC TO DEALER		
	MAY '20	MAY '19	+/- %	MARKET SHARE	MAY '20	MAY '19	+/- %	MAY '20	MAY '19	+/- %
Whangarei	507	632	-19.8	3.26	2,001	2,149	-6.9	177	276	-35.9
Auckland	5,083	6,762	-24.8	32.69	13,389	14,078	-4.9	4,004	5,474	-26.9
Hamilton	1,226	1,450	-15.4	7.88	3,526	3,386	4.1	771	1,141	-32.4
Thames	240	272	-11.8	1.54	612	701	-12.7	150	205	-26.8
Tauranga	681	861	-20.9	4.38	2,364	2,290	3.2	374	613	-39.0
Rotorua	325	377	-13.8	2.09	1,053	1,028	2.4	101	139	-27.3
Gisborne	121	150	-19.3	0.78	405	408	-0.7	38	72	-47.2
Napier	569	717	-20.6	3.66	1,536	1,593	-3.6	378	478	-20.9
New Plymouth	342	412	-17.0	2.20	1,005	1,057	-4.9	155	248	-37.5
Wanganui	184	258	-28.7	1.18	588	619	-5.0	114	173	-34.1
Palmerston North	661	794	-16.8	4.25	1,668	1,725	-3.3	547	1,697	-67.8
Masterton	218	223	-2.2	1.40	470	510	-7.8	88	100	-12.0
Wellington	1,491	1,728	-13.7	9.59	3,162	3,484	-9.2	811	1,218	-33.4
Nelson	250	304	-17.8	1.61	1,063	1,044	1.8	130	182	-28.6
Blenheim	153	177	-13.6	0.98	459	459	0.0	72	85	-15.3
Greymouth	82	55	49.1	0.53	198	191	3.7	23	40	-42.5
Westport	4	9	-55.6	0.03	51	36	41.7	0	1	0.0
Christchurch	2,087	2,258	-7.6	13.42	5,287	5,413	-2.3	1,452	2,092	-30.6
Timaru	201	212	-5.2	1.29	589	555	6.1	57	157	-63.7
Oamaru	43	32	34.4	0.28	125	130	-3.8	6	2	200.0
Dunedin	670	781	-14.2	4.31	1,987	2,059	-3.5	356	514	-30.7
Invercargill	411	457	-10.1	2.64	1,169	1,149	1.7	205	313	-34.5
NZ total	**15,549**	**18,921**	**-17.8**	**100.00**	**42,707**	**44,064**	**-3.1**	**10,009**	**15,220**	**-34.2**

New Passenger Vehicle Sales by Make - May 2020

MAKE	MAY '20	MAY '19	+/- %	MAY '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	997	1,086	-8.2	18.5%	4,279	15.0%
Kia	521	455	14.5	9.6%	2,759	9.7%
Suzuki	510	528	-3.4	9.4%	2,099	7.4%
Holden	432	536	-19.4	8.0%	1,752	6.1%
Mazda	393	707	-44.4	7.3%	2,076	7.3%
Mitsubishi	314	474	-33.8	5.8%	2,040	7.1%
Hyundai	299	688	-56.5	5.5%	1,827	6.4%
Honda	234	407	-42.5	4.3%	1,364	4.8%
Volkswagen	211	311	-32.2	3.9%	1,011	3.5%
Nissan	191	346	-44.8	3.5%	1,410	4.9%
Subaru	176	305	-42.3	3.3%	959	3.4%
Ford	129	328	-60.7	2.4%	1,214	4.3%
BMW	112	139	-19.4	2.1%	555	1.9%
Audi	107	125	-14.4	2.0%	477	1.7%
Skoda	76	133	-42.9	1.4%	438	1.5%
Mercedes-Benz	72	192	-62.5	1.3%	689	2.4%
Lexus	66	69	-4.3	1.2%	277	1.0%
Mini	63	81	-22.2	1.2%	264	0.9%
SsangYong	61	92	-33.7	1.1%	257	0.9%
MG	57	50	14.0	1.1%	302	1.1%
Land Rover	55	96	-42.7	1.0%	355	1.2%
Porsche	49	32	53.1	0.9%	178	0.6%
Haval	47	65	-27.7	0.9%	240	0.8%
Peugeot	35	71	-50.7	0.6%	303	1.1%
Jeep	30	37	-18.9	0.6%	291	1.0%
Volvo	23	54	-57.4	0.4%	175	0.6%
Jaguar	22	48	-54.2	0.4%	151	0.5%
Tesla	22	16	37.5	0.4%	205	0.7%
Citroen	14	24	-41.7	0.3%	85	0.3%
Isuzu	13	25	-48.0	0.2%	72	0.3%
Mahindra	10	13	-23.1	0.2%	51	0.2%
Renault	9	17	-47.1	0.2%	64	0.2%
Can-Am	7	4	75.0	0.1%	29	0.1%
Fiat	7	7	0.0	0.1%	14	0.0%
Alfa Romeo	6	11	-45.5	0.1%	57	0.2%
Others	30	52	-42.3	0.6%	213	0.7%
Total	**5,400**	**7,624**	**-29.2**	**100.0%**	**28,532**	**100.0%**

New Passenger Vehicle Sales by Model - May 2020

MAKE	MODEL	MAY '20	MAY '19	+/- %	MAY '20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	RAV4	533	492	8.3	9.9%	1,859	6.5%
Suzuki	Swift	224	208	7.7	4.1%	924	3.2%
Kia	Seltos	205	0	20,500.0	3.8%	1,051	3.7%
Toyota	Corolla	185	211	-12.3	3.4%	880	3.1%
Mazda	CX-5	156	224	-30.4	2.9%	803	2.8%
Kia	Sportage	150	206	-27.2	2.8%	842	3.0%
Mitsubishi	Outlander	122	217	-43.8	2.3%	817	2.9%
Toyota	C-HR	121	76	59.2	2.2%	384	1.3%
Nissan	Qashqai	110	172	-36.0	2.0%	813	2.8%
Suzuki	Vitara	96	114	-15.8	1.8%	438	1.5%
Mitsubishi	ASX	91	123	-26.0	1.7%	689	2.4%
Holden	Acadia	88	77	14.3	1.6%	345	1.2%
Hyundai	Tucson	88	301	-70.8	1.6%	466	1.6%
Holden	Commodore	77	159	-51.6	1.4%	281	1.0%
Honda	CR-V	77	97	-20.6	1.4%	356	1.2%
Kia	Rio	77	90	-14.4	1.4%	372	1.3%
Holden	Trax	76	98	-22.4	1.4%	412	1.4%
Mazda	CX-30	74	0	7,400.0	1.4%	133	0.5%
Volkswagen	Tiguan	73	84	-13.1	1.4%	448	1.6%
Hyundai	Kona	68	146	-53.4	1.3%	511	1.8%
Subaru	Outback	64	101	-36.6	1.2%	297	1.0%
Nissan	X-Trail	64	129	-50.4	1.2%	430	1.5%
Holden	Equinox	62	115	-46.1	1.1%	247	0.9%
Suzuki	Baleno	60	25	140.0	1.1%	213	0.7%
Hyundai	Santa Fe	58	131	-55.7	1.1%	360	1.3%
Honda	HR-V	57	110	-48.2	1.1%	426	1.5%
Holden	Spark	57	16	256.3	1.1%	186	0.7%
Subaru	XV	57	94	-39.4	1.1%	320	1.1%
Suzuki	Ignis	54	86	-37.2	1.0%	176	0.6%
Honda	Jazz	53	155	-65.8	1.0%	366	1.3%
Holden	Astra	50	22	127.3	0.9%	156	0.5%
Volkswagen	Polo	49	74	-33.8	0.9%	201	0.7%
Mitsubishi	Eclipse Cross	48	85	-43.5	0.9%	288	1.0%
Hyundai	Venue	48	0	4,800.0	0.9%	93	0.3%
Subaru	Forester	43	73	-41.1	0.8%	275	1.0%
Others		1,885	3,313	-43.1	34.9%	11,674	40.9%
Total		**5,400**	**7,624**	**-29.2**	**100.0%**	**28,532**	**100.0%**

Push for move to level one

The Motor Industry Association (MIA) is urging the government to shift to Covid-19 alert level one soon with New Zealand recording no new cases in almost two weeks.

May saw businesses reopening "albeit in a constrained manner", says chief executive David Crawford, adding "it was a challenging month operating under level two and in an economically depressed environment".

There have been year-to-date decreases in sales of new cars and all new vehicles of around 29 and 32 per cent respectively compared to 2019's first five months.

Despite moving to level two at 11.59pm on May 13, registrations of new passenger vehicles were down by almost one-third last month compared to the same month of last year.

"The MIA shares the views of many that, with no new Covid-19 cases for the past 11 days [up to June 2] and no known community spread for at least two months, we should be looking to move to level one sooner rather than later," says Crawford.

"The country is now better prepared to manage the odd case should it arise. Our health system has improved significantly in terms of testing capability, contact tracing and hospital intensive-care capacity. It's time to get our economy moving forward while maintaining our health gains."

New-vehicle distributors and franchises, meanwhile, faced a race against the clock to get premises open in-line with level-two regulations.

All dealerships must still follow strict safety guidelines around social distancing, hygiene standards and contact tracing. They are operating under what Ford NZ, for example, describes as "the new safer normal".

The company is "extremely happy" to welcome back prospective buyers, who must sign into its contact-tracing system on arrival at dealerships and service centres.

"Our team can also facilitate the entire sales process in a contactless manner right through to delivery," it adds. "Across all aspects and areas of dealerships, we are maintaining hygiene measures with staff using gloves, face masks and regularly cleaning all surfaces, including vehicles."

Holden NZ's authorised dealers are following "interaction protocols" for selling and servicing vehicles.

Marc Ebolo, managing director, has heard reports of "significant pent-up demand around the network as people look to take advantage of great offers on all new Holdens".

"I encourage people to act on their buying decisions sooner rather than later because our dealers only have very limited stock remaining," he adds.

"There are great deals across our range. People considering a new Holden should act fast as there will likely be many who miss out on securing one of the last models."

All Toyota stores are open for on-site business. Customers can still book test drives, build their own vehicles and book services online, although consumers are encouraged to "keep using these tools, when possible, to limit visits to their local store".

Its franchises are offering virtual demonstrations via live videos while walking around models, enabling would-be buyers to ask questions so physical contact is reduced. An online chat function has also been launched.

Honda says customers have been able to enter dealerships and service centres without appointments since May 14, but "for your peace of mind we will continue to offer contactless options for sales, servicing, test driving and delivery".

Hyundai's dealer network is making use of a virtual showroom for people who prefer to check out vehicles from the comfort of their homes, and the marque has produced a video highlighting ways it is helping staff and customers stay safe.

Kia says all its franchises have Covid-19 safety plans in place, while Renault outlets are continuing to offer contactless servicing and test-drive options, and virtual-showroom appointments.

Isuzu is offering remote support and an online showroom, as well as reopening its physical sites and says it is "stoked to be able to see our friends, Isuzu owners and workmates again".

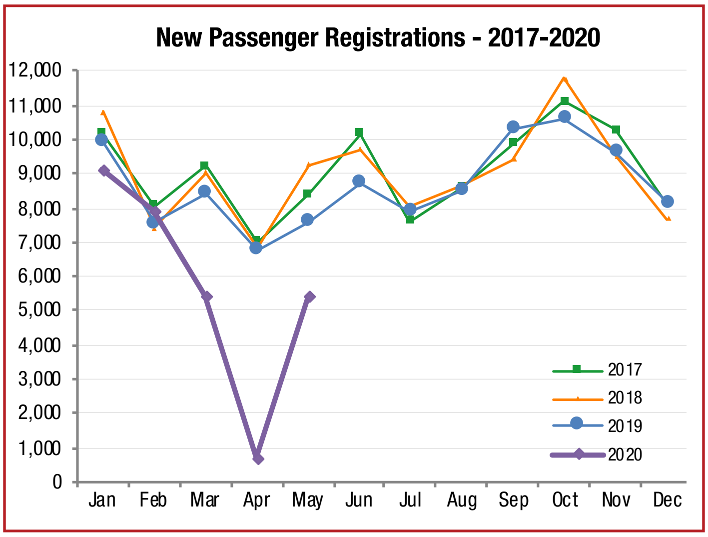
Audi, Skoda and Volkswagen dealerships are open, but with limited numbers allowed into business premises at one time.

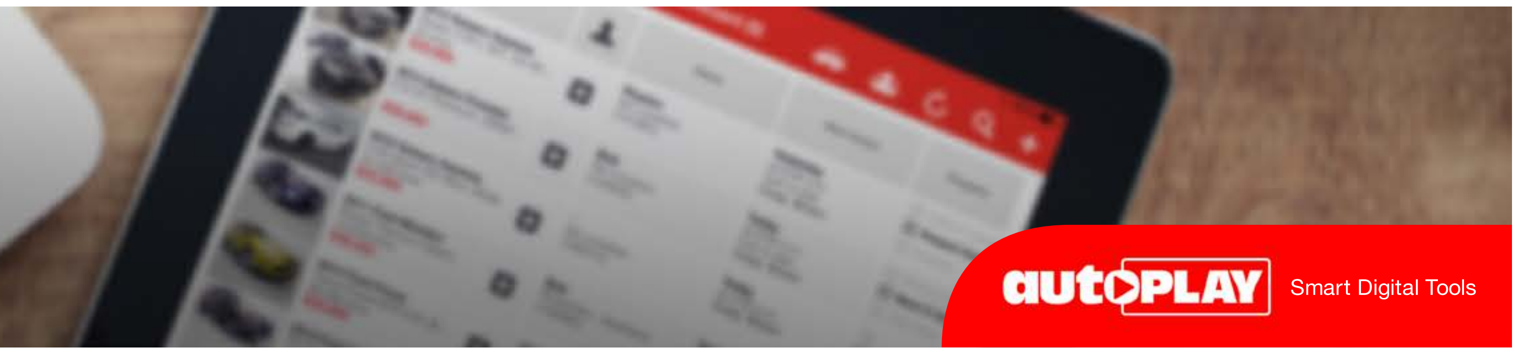
Market recovering

There were 5,400 new passenger vehicles registered in New Zealand during May for a decline of 29.2 per cent when compared to the same month of last year when there were 7,624 registrations.

On the flipside, last month's total was down by 63.8 per cent on March 2020's total of 707 sales.

May's top three models were Toyota's RAV4 with 533 sales, Suzuki's Swift on 224 and Kia's Seltos with 205.





Secure businesses 'will survive'

Staff at a dealership in the central North Island are "knuckling down" to business despite the challenges posed by the Covid-19 pandemic.

Bruce Lowe, director of Rotorua Hyundai, is supportive of the action taken to thwart the spread of the virus.

"As a business owner, you're going to be hurting," he says. "But at the end of the day, the response has been the right one and what the government has been doing is the right thing.

"If businesses are sound and the finances are good, then they will survive. Unfortunately, there will be some out there that probably won't make it through this period. We just have to knuckle down and continue."

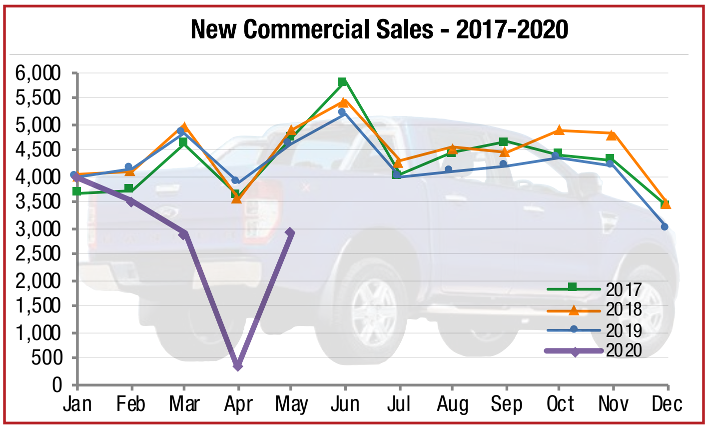
The dealership has about 15 staff and has been doing its best to maintain job security, "but who knows what will change in the next few months because, as a business, you can plan for most things but you can't plan for something like this".

While the doors had to be kept closed during alert level four, Rotorua Hyundai's workshop was contracted to some essential services in the city on an on-call basis, so some revenue trickled in during that period. Moving into level three and now level two, Lowe says it's important for businesses to do what the government asks and follow its recommendations.

He told Autofile the franchise has been "scrabbling to adapt" to the challenges posed by coronavirus.

There were 2,912 new commercial vehicles sold in June. That was down by 37.2 per cent on the same month of last year when registrations came in at 4,635, but they were up by 777.1 per cent when compared to 332 registrations during April 2020.

Last month's top model in this part of the market was Ford's Ranger with 498 sales.



New Commercial Sales by Make - May 2020

MAKE	MAY'20	MAY'19	+/- %	MAY'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	614	807	-23.9	21.1%	2,774	20.3%
Ford	573	1,009	-43.2	19.7%	2,954	21.6%
Holden	327	466	-29.8	11.2%	1,300	9.5%
Mitsubishi	322	514	-37.4	11.1%	1,388	10.2%
Isuzu	165	273	-39.6	5.7%	749	5.5%
Mazda	137	206	-33.5	4.7%	653	4.8%
Mercedes-Benz	87	95	-8.4	3.0%	346	2.5%
Nissan	83	362	-77.1	2.9%	826	6.1%
Hino	65	80	-18.8	2.2%	196	1.4%
Fiat	64	60	6.7	2.2%	216	1.6%
LDV	52	86	-39.5	1.8%	235	1.7%
Volkswagen	52	141	-63.1	1.8%	349	2.6%
Fuso	47	80	-41.3	1.6%	235	1.7%
Great Wall	39	40	-2.5	1.3%	161	1.2%
Scania	34	18	88.9	1.2%	127	0.9%
Iveco	33	24	37.5	1.1%	119	0.9%
Volvo	31	19	63.2	1.1%	141	1.0%
SsangYong	29	39	-25.6	1.0%	147	1.1%
Ram	25	18	38.9	0.9%	75	0.5%
Hyundai	24	114	-78.9	0.8%	195	1.4%
Others	109	184	-40.8	3.7%	465	3.4%
Total	**2,912**	**4,635**	**-37.2**	**100.0%**	**13,651**	**100.0%**

New Commercial Sales by Model - May 2020

MAKE	MODEL	MAY'20	MAY'19	+/- %	MAY'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Ford	Ranger	498	878	-43.3	17.1%	2,584	18.9%
Toyota	Hilux	440	552	-20.3	15.1%	1,987	14.6%
Holden	Colorado	325	466	-30.3	11.2%	1,281	9.4%
Mitsubishi	Triton	321	514	-37.5	11.0%	1,386	10.2%
Toyota	Hiace	151	220	-31.4	5.2%	685	5.0%
Mazda	BT-50	137	206	-33.5	4.7%	653	4.8%
Isuzu	D-Max	94	145	-35.2	3.2%	403	3.0%
Nissan	Navara	83	362	-77.1	2.9%	826	6.1%
Ford	Transit	75	131	-42.7	2.6%	370	2.7%
Fiat	Ducato	64	60	6.7	2.2%	216	1.6%
Great Wall	Steed	39	40	-2.5	1.3%	161	1.2%
Mercedes-Benz	X-Class	37	19	94.7	1.3%	136	1.0%
Hino	500	33	41	-19.5	1.1%	103	0.8%
Isuzu	N Series	33	49	-32.7	1.1%	146	1.1%
Isuzu	F Series	30	47	-36.2	1.0%	145	1.1%
SsangYong	Rhino	29	35	-17.1	1.0%	145	1.1%
Mercedes-Benz	Sprinter	29	48	-39.6	1.0%	139	1.0%
Hino	300	25	34	-26.5	0.9%	66	0.5%
Ram	1500	24	16	50.0	0.8%	72	0.5%
Hyundai	iLoad	23	111	-79.3	0.8%	191	1.4%
Others		422	661	-36.2	14.5%	1,956	14.3%
Total		**2,912**	**4,635**	**-37.2**	**100.0%**	**13,651**	**100.0%**

Making shift from utes to vans

Tradies with small businesses may opt for utes if used-van availability drops because of the rule change for electronic stability control (ESC).

Sean Stevens, chief executive of VINZ, says sourcing other types of vehicles with the system installed took place to comply with the ESC rule's border-inspection deadline of March 1.

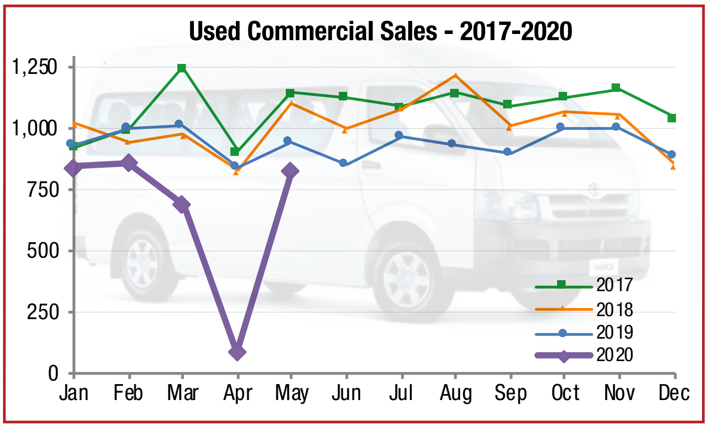
"Even from a new-van perspective, there's not a lot of choice for buyers," he told Autofile. "Moving forward, I suspect people may change the type of vehicle they're using. If vans are unavailable, they will look at other options such as utes with canopies.

"There will be a lack of volume coming in from Japan – be that Covid-19 related and or the ESC rule. Many dealers have already modified how they operate to suit the market and others will follow. I can see them sourcing alternative stock from Japan subject to availability, but also within New Zealand or Australia."

Stevens believes the ESC rule change will lower the fleet's age because it will impact on what vehicles cross our borders. "Essentially, 2013 seems to be the cut-off point for models with ESC. There are Japanese vehicles older than 2013 that may comply and there certainly are European vehicles older than that with the system.

"It takes imported vehicle ages out to a seven-year maximum, which will slowly impact on the average fleet age. If we want to work harder on reducing its age, there needs to be government assistance for scrappage schemes and the like to encourage the removal of older cars off our roads."

There were 833 used imported commercials registered for the first time last month – down by 11.4 per cent on May 2019.



Used Commercial Sales by Make - May 2020

MAKE	MAY'20	MAY'19	+/- %	MAY'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	371	446	-16.8	44.5%	1,478	44.5%
Nissan	200	218	-8.3	24.0%	835	25.1%
Mazda	46	26	76.9	5.5%	144	4.3%
Isuzu	39	51	-23.5	4.7%	149	4.5%
Ford	36	40	-10.0	4.3%	121	3.6%
Hino	31	38	-18.4	3.7%	97	2.9%
Mitsubishi	20	36	-44.4	2.4%	87	2.6%
Holden	16	18	-11.1	1.9%	56	1.7%
Volkswagen	13	5	160.0	1.6%	34	1.0%
Chevrolet	12	13	-7.7	1.4%	44	1.3%
Suzuki	7	3	133.3	0.8%	24	0.7%
Dodge	5	3	66.7	0.6%	17	0.5%
Fiat	3	6	-50.0	0.4%	91	2.7%
Iveco	3	2	50.0	0.4%	6	0.2%
Land Rover	3	0	300.0	0.4%	7	0.2%
Daihatsu	2	2	0.0	0.2%	10	0.3%
Factory Built	2	1	100.0	0.2%	2	0.1%
Freightliner	2	1	100.0	0.2%	5	0.2%
Mahindra	2	0	200.0	0.2%	2	0.1%
Peugeot	2	0	200.0	0.2%	6	0.2%
Others	18	31	-41.9	2.2%	107	3.2%
Total	**833**	**940**	**-11.4**	**100.0%**	**3,322**	**100.0%**

Used Commercial Sales by Model - May 2020

MAKE	MODEL	MAY'20	MAY'19	+/- %	MAY'20 MKT SHARE	2020 YEAR TO DATE	2020 MKT SHARE
Toyota	Hiace	265	329	-19.5	31.8%	1,087	32.7%
Nissan	Caravan	62	48	29.2	7.4%	213	6.4%
Nissan	NV200	38	55	-30.9	4.6%	205	6.2%
Nissan	NV350	38	41	-7.3	4.6%	193	5.8%
Toyota	Dyna	36	44	-18.2	4.3%	147	4.4%
Mazda	Bongo	33	17	94.1	4.0%	99	3.0%
Toyota	Regius	33	31	6.5	4.0%	107	3.2%
Nissan	Vanette	30	25	20.0	3.6%	97	2.9%
Isuzu	Elf	29	39	-25.6	3.5%	98	3.0%
Hino	Dutro	22	27	-18.5	2.6%	72	2.2%
Toyota	Toyoace	20	20	0.0	2.4%	70	2.1%
Nissan	Navara	15	12	25.0	1.8%	43	1.3%
Ford	Ranger	15	14	7.1	1.8%	43	1.3%
Nissan	Atlas	11	26	-57.7	1.3%	47	1.4%
Holden	Colorado	10	10	0.0	1.2%	36	1.1%
Toyota	Hilux	10	12	-16.7	1.2%	37	1.1%
Mitsubishi	Canter	9	14	-35.7	1.1%	41	1.2%
Volkswagen	Amarok	8	2	300.0	1.0%	16	0.5%
Ford	F150	8	7	14.3	1.0%	16	0.5%
Mazda	Titan	8	3	166.7	1.0%	27	0.8%
Others		133	164	-18.9	16.0%	628	18.9%
Total		**833**	**940**	**-11.4**	**100.0%**	**3,322**	**100.0%**

Japanese marques feel pinch

Car manufacturers are cutting production levels following a slump in demand for new vehicles and factory shutdowns in the wake of Covid-19.

Toyota is slashing output at its domestic plants by 122,000 units this month with 15 sites being mothballed for four days. In addition, it will call a halt for up to seven days at 10 of its production lines where Prius hybrids, Corolla sedans and others are made.

Single shifts will operate on five production lines next month, and this may continue for some product lines in July and August.

Toyota, which expects an 80 per cent drop in full-year operating profit, also plans to reduce output in North America by nearly one-third in October.

"The coronavirus has dealt us a bigger shock than the global financial crisis [GFC]," says president Akio Toyoda. "We anticipate a big drop in sales, but expect to remain in the black."

Nissan will cut production by 20 per cent from current levels by the 2022 fiscal year. It has capacity to make about seven million units worldwide annually, but only sold 4.79m in the 2019 financial year.

Honda posted its weakest annual profit in four years last month on the back of a 28 per cent drop in fourth-quarter sales. That plunged the company into its first quarterly loss since the March 2016 quarter.

And Mitsubishi is aiming to cut fixed costs by 20 per cent or more in the next two years following an 89 per cent drop in annual profit – its weakest showing in three years. It will also focus on growth in ASEAN countries to survive Covid-19's aftermath.

Subaru, however, enjoyed a 15.7 per cent jump in annual operating profit in the 2020 financial year and notched up a three per cent rise in annual global registrations to 1.03m. That said, the marque, which has two-thirds of its sales in the US, acknowledges it may take a hit in coming months as its biggest market struggles to get coronavirus under control.

Japanese marques' global new-vehicle registrations collectively declined by 54.4 per cent in April. Overall, sales of Toyotas tumbled by 45 per cent to 472,703 for their fourth straight month of drops.

Sales by Honda and Nissan fell by 43 and 42 per cent respectively, with the latter last month posting its first annual loss in 11 years while unveiling a plan to become a smaller and more cost-efficient car maker.

The less-than-sunny economic picture in Japan is also painted by its exports, which have experienced their biggest decline since the GFC to push the world's third-largest economy deeper into its first recession in four-and-a-half years.

The trade numbers come as the government, which has lifted the state of emergency there, seeks to balance virus containment measures against the need to revive parts of the economy amid the threat of a second wave of infections.

Ministry of Finance data released last month showed Japan's year-on-year exports tumbled by 21.9 per cent in April for their biggest decrease since the devastating earthquake and tsunami of March 2011.

Analysts are warning of an even bleaker picture for the current quarter with consumption crumbling after the government in April requested citizens to stay home and businesses to close.

In addition to halts on production, Japan's car industry expects output to be further limited due to fractured supply chains and social distancing at plants, along with weak demand as job losses and concerns about the recession impact on consumer spending for big-ticket items.

Economists are anticipating a slow and patchy recovery from the pandemic. As a result, some predict a drop-off in annual global vehicle sales by about one-third compared to the 11 per cent decrease in 2009/10 following the GFC.

Stock starts to dwindle

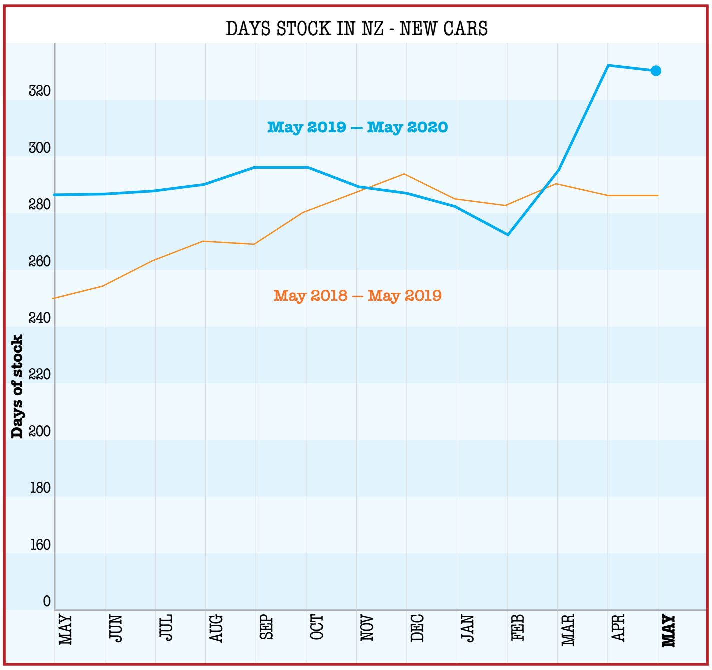
Imports of new cars in May came in at 2,858. This was down by 63 per cent on the same month of last year and was a drop of 49.2 per cent on April's 5,625 units.

Registrations of new passenger vehicles amounted to 5,400 last month for a decrease of 29.2 per cent on May 2019, but for an increase of 663.8 per cent from April's 707 sales. In March this year, there were 5,415 registrations.

The numbers have resulted in the stock of new cars still to be registered dropping by 2,542 units to 83,248. Daily sales, as averaged over the previous 12 months, stand at 253 units per day. May's results mean stock at-hand has decreased slightly to 329 days, or 10.8 months, if sales continue at current the rate.

Dealer stock of new cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
May '19	7,725	7,624	101	80,749	288	280
Jun '19	8,810	8,748	62	80,811	285	283
Jul '19	9,534	7,925	1,609	82,420	285	289
Aug '19	9,907	8,506	1,401	83,821	285	294
Sep '19	10,967	10,322	645	84,466	287	294
Oct '19	8,122	10,622	-2,500	81,966	284	289
Nov '19	9,408	9,641	-233	81,733	284	287
Dec '19	8,191	8,159	32	81,765	286	286
Jan '20	6,750	9,099	-2,349	79,416	283	280
Feb '20	6,058	7,911	-1,853	77,563	284	273
Mar '20	8,724	5,415	3,309	80,872	276	293
Apr '20	5,625	707	4,918	85,790	259	331
May '20	**2,858**	**5,400**	**-2,542**	**83,248**	**253**	**329**
Year to date	**30,015**	**28,532**	**1,483**			
Change on last month	**-49.19%**	**663.8%**		**-3.0%**		
Change on May 2019	**-63.0%** LESS IMPORTED	**-29.2%** LESS SOLD		**3.1%** MORE STOCK		



Consumers' price-points will 'shift'

The chief executive of Enterprise Motor Group, which has branches in Gisborne, Hamilton, New Lynn and Manukau, says selling cars in the wake of Covid-19 is stepping into "the big unknown".

Chris Stephenson has been "pleasantly surprised" with sales numbers after shifting out of lockdown and adds there have "definitely been people interested in buying".

He told Autofile the speed with which the business has had to get to grips with operating at different alert levels has been challenging.

"The first hurdle was interpreting what some of the rules meant for us. The hard part was systems, processes and protocols to open safely. The challenge was creating rules and inducting almost 110 staff into them. The big unknown was how customers would react to a new way of buying cars. Most are understanding of the rules."

Stephenson is part of a steering group overseen by VIA (the Imported Motor Vehicle Industry Association) identifying potential issues and coming up with recommendations for the government to address.

"The taskforce was put together because we've had some good ideas and a good mix of people to bounce them off, while Covid-19 has forced traders to think creatively. There's still enhanced sanitisation and contact tracing at level two, but more freedom to visit dealers."

He hopes now that customers can go onto yards, there will be a further pick-up in trade, while many New Zealanders have adopted online buying.

"Many consumers want to see two or three cars together, and be able to touch, feel and drive them before making a decision. We've had to step up our game in how we handle online inquiries."

Despite the economic disruption, Stephenson remains optimistic. "The country will bounce back but industries aren't going to be quite the same. There is going to be a shift in terms of price-points consumers want to buy cars at.

"Recent challenges we've had will make us get better at what we're doing. They make you think a bit more about how you operate. You've got to adapt to new trends and demands."

Gareth Karrasch, director of Autobiz in south Auckland, believes the impact of coronavirus will see a number of used dealers leave the market.

"I have a fair amount of stock, so I will probably go six to eight weeks without buying," he says. "We will wait to see how sales go.

"A few existing customers are talking to us about purchasing vans, so we have a few things to work on. There has been some inquiry over the past few weeks, so we will see if that turns into serious interest.

"To get through this, everyone needs to do their jobs better. Dealers need to see if there are extra things they can do to get sales and keep cashflow up.

"We've already had some people make stupid offers, such as asking for up to 30 per cent off a vehicle. We will all get some of those crazy offers from bargain hunters out there.

"It will be tough for dealers working on small margins because those margins are only going to get even smaller and those business models only work on large volumes.

"Before Covid-19 hit, I heard a number of dealers saying that the final part of the electronic stability control [ESC] rule, which came in on March 1, was enough for them and they would leave the market, so the impact of coronavirus on the market may be the final straw for them."

Nick Owens, director of Auto Inspection Services in Christchurch, says because dealerships are putting out their flags and opening, people are now visiting yards to inspect stock.

He notes many vans have been imported in anticipation of the ESC rule change, while some vehicles border-inspected before the deadline for the new regulations came in are yet to arrive in New Zealand.

Imports and stock drop

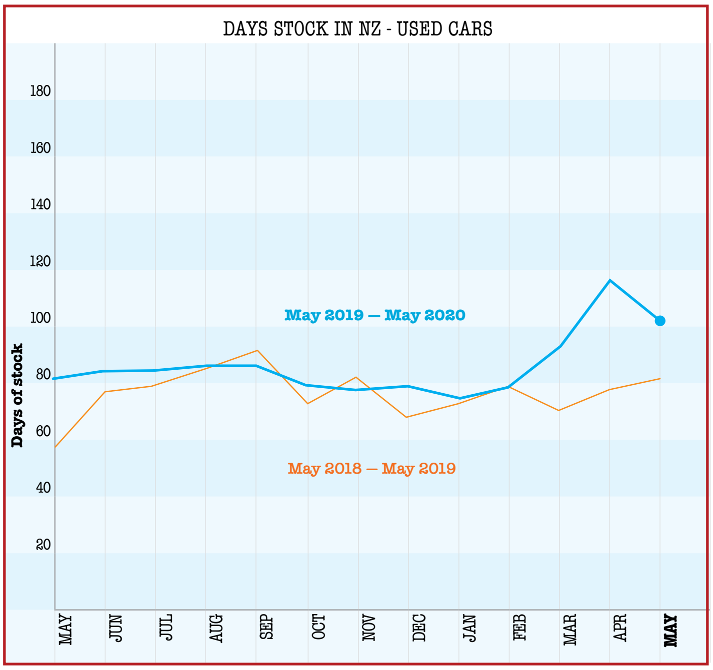
There were 4,076 used cars imported in May for a decrease of 11,017 units, or by 73 per cent, on the same month of last year.

The total was also down by 33.7 per cent from 6,149 in April.

A total of 9,565 units were sold during May. This was down from 12,212 in the same month of 2019, but above the 8,565 in March this year. There were only 622 sales in April.

With 5,489 fewer used cars imported than registered in May, this brought stock sitting on dealers' yards, or in compliance shops, to 34,613 units – more than 1,000 below the total in May 2019.

With current average daily sales now standing at 340 units per day, there would be 102 days' stock remaining if sales continue at this rate.



Dealer stock of used cars in New Zealand

	CAR SALES IMPORTED	CAR SALES REGISTERED	VARIANCE	STOCK	DAILY SALES - 12-MONTH AVERAGE	DAYS STOCK AT HAND
May '19	15,093	12,212	2,881	35,679	393	91
Jun '19	10,913	11,177	-264	35,415	389	91
Jul '19	11,789	12,791	-1,002	34,413	386	89
Aug '19	12,253	12,353	-100	34,313	383	90
Sep '19	9,183	11,630	-2,447	31,866	383	83
Oct '19	9,875	11,663	-1,788	30,078	382	79
Nov '19	11,401	11,674	-273	29,805	384	78
Dec '19	12,121	11,628	493	30,298	385	79
Jan '20	10,101	11,693	-1,592	28,706	385	74
Feb '20	11,789	10,747	1,042	29,748	384	77
Mar '20	13,392	8,565	4,827	34,575	375	92
Apr '20	6,149	622	5,527	40,102	347	115
May '20	**4,076**	**9,565**	**-5,489**	**34,613**	**340**	**102**
Year to date	**45,507**	**41,192**	**4,315**			
Change on last month	**-33.7%**	**1437.8%**		**-0.14**		
Change on May 2019	**-73.0%** LESS IMPORTED	**-21.7%** LESS SOLD		**-3.0%** LESS STOCK		