Auto Trader Urges Government To Approve Vehicle Scrappage Plans

AutoTrader.co.uk, the UK's largest motoring website, is urging the Government to approve plans for a £2,000 Vehicle Scrappage Incentive Scheme.

April 9, 2009 - <u>*PRLog*</u> -- AutoTrader.co.uk believes the solution to the problems for the car industry lies in stimulating consumer demand and regaining consumer confidence – part of which is the Vehicle Scrappage Incentive Scheme.

The planned scheme, floated by Business Secretary Lord Mandelson as a means to kick-start UK car sales, is designed to allow owners of cars and light vans producing more than 150g/km CO2 and more than eight years old to be entitled to a £2,000 discount on the purchase of a new or nearly new car or van, which is bought via a dealership.

Owners of the old vehicles would have to deliver it to a special car recycling plant to receive a certificate of scrapping, which they would then hand into a dealer to receive the Government-funded $\pounds 2,000$ discount.

The RMIF and SMMT believe up to 250,000 cars and 30,000 vans could go through a scrappage scheme in less than 2 years and the new initiative would help the Government achieve its target of a 20% reduction of CO2 emissions by 2020.

A similar scheme in Germany, created to encourage motorists to scrap old cars and buy new ones, has already boosted sales by almost a quarter in February 2009, which was the highest level for the month of February in 10 years and has been hailed a huge economic success.

Matt Thompson, Marketing Director at AutoTrader.co.uk, comments: "We are urging the Government to introduce the new Vehicle Scrappage Incentive Scheme. We think we can also add a great deal as the number 1 motoring marketplace as we reach most motorists and do business with virtually every UK dealer."

"Right now we have over 20,000 vehicles on our site that would qualify. If the scheme was launched we would communicate to all motorists on AutoTrader.co.uk whose vehicle qualifies, provide an easy guide to the scheme and introduce them to their appropriate local dealer if they were interested. We would also support the government by communicating the scheme either directly to motorists or through our editorial pages - with over 10m motorists using the AutoTrader.co.uk site each month we could play a big part in making this scheme a success.

"We would also work with dealers to clearly 'badge' nearly new cars that qualify and I'm sure there are more ways we could make it work better once the detail is agreed.

"We believe this initiative can go even further than industry experts predict to help motorists and dealers during this period of economic difficulty. We simply can't wait for the storm to pass and do nothing, as lessons from the last recession show a long and painful recovery period. This is the best solution we've seen because it is targeted at the motorist and we have evidence already from Germany that it actually makes a material difference.

"Resistance to the idea of a scrappage scheme seems to centre on the fact that it will benefit 'foreign manufacturers'. This smacks of protectionism, does not reflect the realities of today's UK car market nor the benefits that healthy car sales have on the UK economy, UK dealers, the motorist, car retail and repair

sector - and of course the environment. It could also be a cost neutral initiative as a result of the extra VAT from the new car sales that will result."

http://www.autotrader.co.uk/scrappage/scrappage.jsp

AutoTrader.co.uk is the world of cars made easy – from new and used cars to insurance and finance, along with advice and solutions to help reduce the cost of motoring.

http://www.autotrader.co.uk

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Notes to Editor:

AutoTrader.co.uk is the UK's no 1 motoring website, with over 10.3 million monthly unique users, who carry out over 106 million searches on new and used vehicles*. The brand is building a competitive position across all effective channels including online, mobile and magazine. (*Source: Auto Trader Audit, January 2009).

AutoTrader.co.uk is owned by Trader Media Group, one of Europe's largest specialist multi-media groups and provider of market leading websites and their associated magazines, including Top Marques, Bike Trader, Truck & Plant Trader, Ad Trader, Motorhome and Caravan Trader, Farmers Trader – all with the largest reach in their sectors, through web visitors and magazine readership.

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