**For Immediate Release For Information**

**March 2020 Susie Campbell**

**0415 448 007**

**Forget Toilet Rolls - The Effects Of Coronavirus Lurking In An Unlikely Place Is Set To Put The Brakes On Aussie Cars**

The impact of the Coronavirus is escalating and revealing itself in many ways – from the panic buying of toilet rolls and face masks, to restricting travel. But now a less obvious affect is revealed - our ability to repair and maintain our vehicles. The automotive industry is expected to be one of the largest affected by the outbreak. So, what does this mean for Aussie’s?

It is about to become significantly more expensive and, in some cases, virtually impossible to repair our vehicles with new parts alone. And the time a vehicle is off the road, is set to increase significantly.

With the shutdown of vehicle parts’ manufacturing plants in China, cutting off supply of new parts, coupled with the diminishing value of the Australian dollar against the USD, EUR and JPY, the knock-on effect is further fuelling not only availability, but increases in the cost of new parts. Insurers are now starting to feel the effects and facing increased repair cycle time, which increases cost in itself.

The sheer scale of the Aussie car parts and repair industry may surprise some;

* There are in excess of 1.5 million motor vehicle insurance claims each year in Australia with parts making up circa 50% of a vehicles’ repair cost
* Over a million vehicles repaired due to road accidents every year with millions more going to mechanics for routine repairs
* The GM workers strike in the USA 6 months ago, resulted in months’ worth of parts delays which are still affecting supply of some products – some Chinese factories have been closed since Chinese New Year (12 Feb)
* China is Australia’s largest trading partner for imports and exports. According to the United Nations Comtrade database, Australian imports from China were valued at $85.9 billion in 2018.
* European cars like BMW, Audi and Volkswagen although manufactured in Europe, as well as many other global brands are reliant on parts made in factories in China

A solution to this looming crisis is to increase the availability and use of quality ‘Recycled Original Equipment’ (ROE) parts. Good news for our environment, purse and timeliness of repairs, however the Aussie public, insurers, mechanics and suppliers of ROE parts, need to be switched on to the potential challenges of this surge in demand, such as avoiding the unwitting sale and installation of a spare part that has been recalled due to faulty manufacture.

Chris Daglis, Australian and International leader in the automotive parts industry and leading independent advisor to major Australian and International insurers on alternative parts’ strategies, says;

“I am already speaking with repairers and insurers who are experiencing delays and those that are looking ahead are certainly expecting that this will get worse before it gets better. You cannot complete a repair unless you have every part required for that repair, so just one part not being available out of hundreds that can be used in a repair, will affect the total claims cycle. The recycled parts market, insurers, mechanics and collision repairers can certainly capitalise on this situation and there are huge environmental and cost benefits to the consumer when repairs are undertaken in accordance with strict insurer repair guidelines and Australian Consumer Law,” explains Daglis.

There are some simple ways that the automotive industry and sellers of recycled car parts, can safeguard the consumer and reduce costs to repair.

“It is critical for mechanics, collision repairers, insurers and any parts seller, to have a recall checking capability so that they can alert their customer to a safety problem on their vehicle. Sometimes these recalls are critical; they are death traps - in the Takata airbag scenario, we are talking about some airbags being in vehicles that are now 24 years old, yet they were only recalled 3 months ago. The government product safety website offers a database to check against for recalls, or you can use the ‘All Auto Recalls’ system which is dynamic, live and offers the Auto Alert function – this will alert the recycler if any of the vehicles they have entered into the system, have a recall against them. Remember, a vehicle may be clear of recalls today, but have a part/s recalled at some time in the future. The recycler can then notify his/her customer that they need to have their recall completed by the vehicle manufacturer.” explains Daglis.

The Coronavirus is presenting multiple issues and raising concerns for many, however in the case of the automotive industry, this could be an opportunity to up the recycling game, build stronger links between new and recycled parts suppliers, reduce costs to repair and become more aware of how we preserve our vehicles making driving a safer and more cost effective experience.

**For more information about how Coronavirus is set to impact millions of Aussie drivers, contact Susie Campbell – 0415 448 007 or for immediate interview and expert commentary – Chris Daglis - Automotive Expert on 0411 743 560.**

**###**