



Auto Dealership Industry Implications in PA due to Coronavirus

- All automobile dealership functions are now deemed “essential” in updated CISA guidance published 4/17/20
- J.D. Power reports 24 states, which represent 44% of 2019 retail sales, allowed dealership sales operations to remain fully open with federal requirements to follow CDC Social Distancing Guidelines. The other 26 states, which represent 56% of retail sales, are allowing only online or remote sales similar to what PA now allows. PA was one of the last to allow online sales on 4/20/20.
- Car dealership operations that were deemed essential and remained open (vehicle service) have 5-10 times higher daily foot traffic rate than operations that were deemed non-essential and forced to close
- Reports of a significant amount of purchases being made out of state during the restriction on car sales in PA, similar to liquor sales.
- Auto Dealership sales generate approximately 20% of PA sales tax revenue
- 18% of annual new and used vehicle purchases are due to replacement due to the vehicle being no longer serviceable, or a total loss accident
 - There are 9 million licensed drivers in PA
 - Replacement drives appx 400,000 sales in PA
 - Over 1000 sales statewide per day
- Many auto manufacturers are now producing PPE and medical equipment
 - Ford is producing face masks, Ford & GM are producing ventilators
- Auto factories have been forced to close due to drop in demand and concerns of Coronavirus cases among employees – major supply chain implications
- Nation-wide sales for April are expected to be down approximately 50% over April 2019, PA was down 100% until lifting of restriction this week