

UK caravan industry supply chain in crisis

Note: caravan is the generic term covering touring caravans, motorhomes and holiday caravans (statics)

- 1 Government closed **3,361 caravan parks and 381 caravan dealerships** on 24 March.
- 2 This resulted in the **closure of 208 caravan manufacturers and 647 suppliers – no orders from parks or dealerships = NO production.**
- 3 Employment within the supply chain is 207,580 - **the vast majority of which are furloughed and, despite government support, they remain at risk.**
- 4 As 95 per cent of caravans are **privately owned**, almost 1 million households have been denied use of their caravan.
- 5 The caravan industry is a seasonal business and the **prime selling period is from March to August** – the longer the closure, the greater the risk of business failures and substantial redundancies.
- 6 As the 2020 selling season was abruptly stopped, there is an excess of unsold stock in the supply chain, so manufacturers will have limited orders in the autumn/winter period. Independent forecasts for dispatches for 2020 are worse than experienced in the Global Financial Crisis:
 - Touring caravans** - market decline of 49% -v- 2019
 - Holiday caravans** - market decline of 56% -v- 2019
 - Motorhomes** - A market decline of 55% -v-2019
- 7 **Ours is a British manufacturing success story.** It has seen thousands of employees furloughed. These will be either made redundant (estimate: 40%) or lose their jobs through company failures – **not now but during the winter period.** The economic and social impact will be directly felt in areas already under tremendous economic pressure, and with high levels of deprivation.

THE INDUSTRY IS URGING GOVERNMENT TO:

- **Consider this industry in its own right**– do not treat caravan parks as hotels, hostels or B&Bs.
 - **95 percent of all caravans are privately owned**; they are self-contained (**socially distanced by design**) and the generous separation distances between units required by law (5/6m) on parks is greater than the spacing of many new detached houses!
 - Privately owned caravans provide the **safest form of leisure/holiday accommodation.**

The demand for overseas travel will be minimal - the great British holiday will be in great demand. A caravan-based holiday could soon register towards the top of the list of holiday accommodation options. This demand will not be fully realised until the summer of 2021. **It is important that government supports the UK caravan industry now.**

WHAT IS THE UK CARAVAN INDUSTRY CALLING FOR UNDER COVID-19 RECOVERY STRATEGY?

Step 2 – Non-essential retail:

1. **Caravan dealerships permitted to open** at the same time as car dealerships (1 June)
2. **Holiday park sales offices on holiday parks to open (1 June)**

Step 2 - Allow private holiday caravan owners *only* to use their caravans (strictly no holiday makers and no on-park facilities e.g. pubs, restaurants etc); 83% of holiday caravans are privately owned usually by hardworking families and used to allow them to get away for safe, well-earned breaks.

Step 3 – Caravan parks to open to private holiday caravan owners and holidaymakers from 4 July (hospitality/facilities remain closed until allowed when wider hospitality restrictions are lifted).

Note: all the above is conditional on the basis that the virus remains under control and that all establishments are COVID safe following all relevant government COVID 19 secure guidelines.