

Bank of Ireland Motor Sector News

March 2021

In the month of March, new passenger car (PC) sales increased 54.4% year-on-year (y-o-y) to 9,270 units, Light Commercial Vehicle (LCV) sales increased 110.2% y-o-y (to 3,008 units) and used imports increased 25.6% y-o-y (to 5,842 units).

PC Registrations YTD

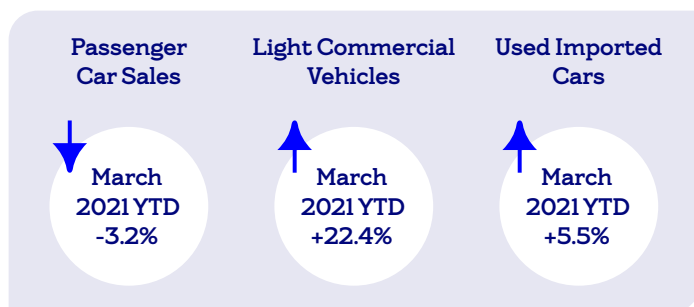
In the first quarter, the market declined 3.2% y-o-y (to 48,188 units). Toyota holds the #1 position with 13.1% market share, followed by Volkswagen with 10.9% in #2, Hyundai with 10.4% in #3, Skoda with 8.8% in #4 and Ford with 8.3% in #5.

LCV Registrations YTD

In the first quarter, the market increased 22.4% y-o-y (to 11,346 units). Ford holds the #1 position with 24.3% market share, followed by Volkswagen with 12.0% in #2, Peugeot with 11.6% in #3, Renault with 10.2% in #4 and Toyota with 8.8% in #5.

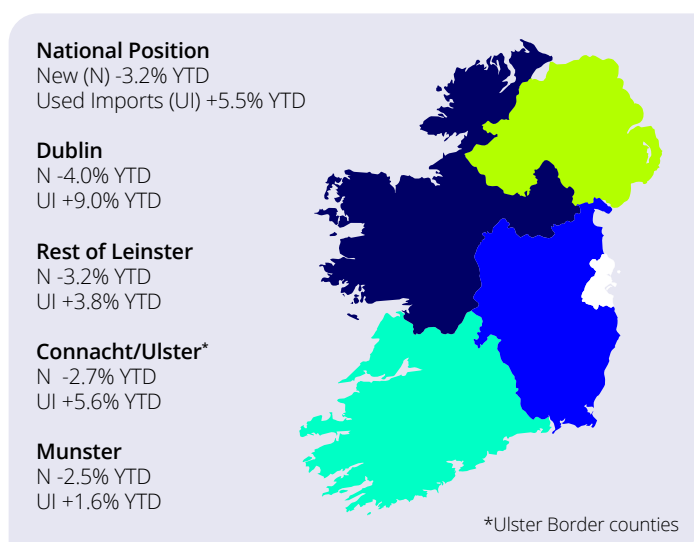
Used Imports

Registrations of used imports increased 5.5% y-o-y (to 18,420 units) in the first quarter of 2021.



Provincial Developments

March 2021 YTD



Bank of Ireland Information Classification: Green – Public

Data Source: Society of Irish Motor Industry (SIMI). Data as at 31/03/2021

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Market News

Looking back at quarter one 2020, the motor sector experienced the first effects of an economic lockdown. As the sector shut down all but essential operations, the usual sales push in the last days of the quarter did not happen and new car sales declined circa (c.) 63% year on year (y-o-y) in March 2020. The hire car market, usually accounting for c. 15% of new car sales collapsed 72% in Q1 2020 due to a sharp drop in tourism. At the end of February 2020, new car sales were down c. 5% y-o-y but had declined c.21% by the end of the quarter as the economy went into the first lockdown.

We would not have then predicted, as we pass the first anniversary of the first lockdown, that 12 months later we would still be struggling to get ahead of this virus. In the midst of this pandemic, the government made extensive changes to motor vehicle taxation which took effect in January 2021 leading to price increases for Irish consumers and coincided with the impact of Brexit. Despite these significant challenges, the sector continues to prove resilient.

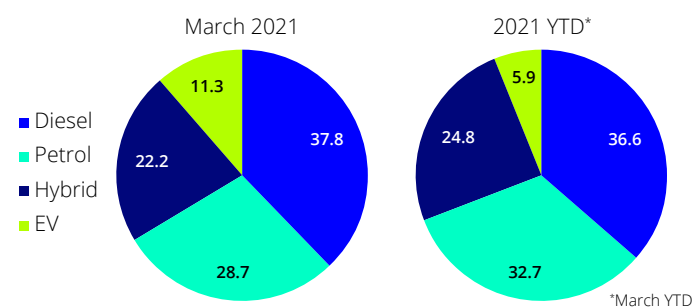
In Q1 2021, the motor sector has operated under level 5 restrictions for the entire period. Under these restrictions, motor dealers can open for vehicle servicing and repairs and consumers can visit dealers to have regular maintenance carried out. For new and used vehicle sales, dealers engage with customers remotely/digitally and operate a "click and deliver" service. In the first quarter, c. 59,500 new cars and vans were delivered to customers under these measures.

A temporary reduction in VAT to 21% ended at the end of February 2021. VAT has since reverted back to 23% and consumers purchasing new vehicles from March onward incur the higher rate of VAT. Nonetheless, recent motor finance approval activity coupled with higher levels of personal savings suggest that demand for new vehicles will improve once restrictions are eased and consumers can visit retailers again.

Electric Vehicles

Sales of electric vehicles ticked up in March to 11.3% of new car sales. In the month, c.68% of EV sales are attributed to three models – the Nissan Leaf, the Tesla Model 3, and the new Volkswagen I.D. 4 which just launched here in March. In fact, the Volkswagen I.D.4 was the overall bestselling car in the market in March.

18 passenger car brands in Ireland have recorded sales of 23 fully electric models with more coming on stream in the year ahead. In quarter one, the top 5 selling EV's were 1) Nissan Leaf (445 units) 2) Volkswagen I.D.4 (411 units) 3) Volkswagen I.D.3 (377 units) 4) Tesla Model 3 (325 units) and 5) Kia Niro (268 units). Year to date, volumes of EV's have increased 71.5% y-o-y and account for c. 5.9% of total new car sales.



Supporting our Customers

Bank of Ireland Finance (BIF) supports 13 motor franchises representing c. 41% of annual new car sales and we remain committed to our customers.

Bank of Ireland and the Irish motor sector is open for business.

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