

Bank of Ireland Motor Sector News

October 2021

In the month of October, new passenger car (PC) sales increased 15.2% year-on-year (y-o-y) to 2,646 units, Light Commercial Vehicle (LCV) sales declined 20.4% y-o-y to 1,315 units and used imports declined 5.2.8% y-o-y to 4,401 units.

PC Registrations YTD

In the first 10 months, new passenger car registrations increased 18.9% year on year (to 103,253 units). Toyota holds the #1 position with 12.3% market share, followed by Volkswagen with 12.1% in #2, Hyundai with 10.4% in #3, Skoda with 8.6% in #4 and Ford with 7.1% in #5.

LCV Registrations YTD

In the first 10 months, new light commercial vehicle registrations increased 35.2% year on year (to 27,849 units). Ford holds the #1 position with 24.2% market share, followed by Renault with 12.7% in #2, Volkswagen with 11.5% in #3, Peugeot with 10.7% in #4 and Toyota with 7.7% in #5.

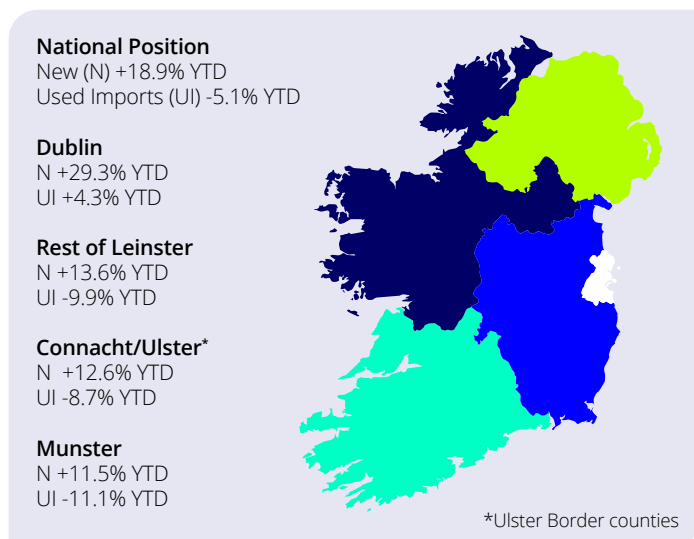
Used Imports

Registrations of used imports declined 5.1% year on year (to 55,538 units) in the first 10 months of 2021.



Provincial Developments

October 2021 YTD



Bank of Ireland Information Classification: Green – Public

Data Source: Society of Irish Motor Industry (SIMI). Data as at 31/10/2021

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Budget 2022

In October, the government announced Budget 2022 with tax changes that will impact the motor sector and Irish consumers next year.

On 1st January this year, a new vehicle registration tax (VRT) system came into effect for new cars and used imports. The overhauled VRT system introduced a new 20-band tiered structure, linked to CO₂ emission values, with rates ranging from 7% to 37%.

The new system will be in operation for just one year before further amendments will take effect from 1st January 2022. From this date, VRT rates will increase for bands 9 to 20. This impacts cars with a CO₂ value of 111g/km or higher with VRT increases of between 1 and 4%.

Using 2021 sales and associated CO₂ values as a benchmark, this potentially affects 38% of new cars next year. We can break this down as follows;

CO ₂ Value	2021 Share of Sales	VRT Increase
111 – 130 g/km	33%	+1%
> 131 g/km	5%	+2% - 4%*

*(depending on CO₂ value)

VRT rates for bands 1-8 are unchanged (i.e. cars with a CO₂ value of 0g/km – 110 g/km).

Sector stakeholders argue that increasing car prices will slow the process of replacing an aging fleet with lower emission cars. The sector remains concerned having suffered tax increases two years in a row, during a period challenged by the impact of the pandemic and Brexit.

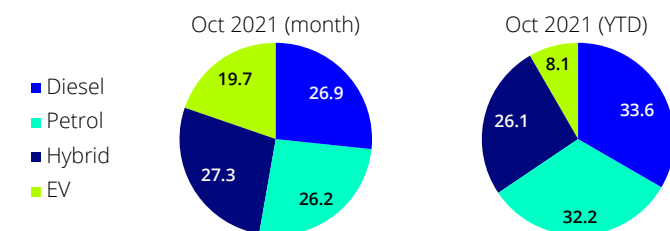
EV VRT Relief

Cars account for about 10% of Greenhouse Gas emissions in Ireland with c. 2.2 million cars on Irish roads. Although EV sales are rising annually, the electrification of the fleet will be a marathon, not a sprint and consumer incentives are crucial to maintain that momentum.

Encouragingly, the Minister extended VRT relief of up to €5,000 for battery electric vehicles (BEV's) for an additional two years to the end of 2023. The extension of VRT relief for electric cars is a good decision and will encourage increased adoption of BEV's in the years ahead. Additionally, the 0% Benefit-in-Kind (BIK) rate for BEV's has also been extended to 2025 but with tapering values.

Note - following the Budget, the government announced the discontinuation of VRT relief for plug-in hybrid vehicles (PHEV's) from 1st January 2022. As PHEV stock has already been ordered for sale in 2022, the SIMI has engaged with government to seek a temporary extension to ensure these cars are not unfairly disadvantaged next year.

Fuel Type Developments - New Passenger Cars



Supporting our Customers

Bank of Ireland Finance (BIF) supports 14 motor franchises representing c. 43% 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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