

November and December are traditionally the two quietest months of the year for new car sales. Last month's sales were down almost 3% on the corresponding period in 2018. This continues the general downward trend in car sales since early to mid-2016. Looking at new car registrations year-to-date, sales fell by 2.7% during the eleven months to November to 49,457. That's 125 fewer car sales per month relative to last year. Indeed, the latest SMMT statistics represent the weakest sales figures in seven years.



With just one month of the calendar year remaining, 2019 is destined to be the fourth year out of the last five with falling new car sales. 2014 was the last year that local dealers posted a meaningful increase in new car sales with 2016's rise marginal (+0.3%). Since then, the volume of new car sales has fallen by almost 11% (6,200 cars), which equates to more than 500 fewer new car sales per month. New car sales over the last 12 months are 26% below the pre-downturn high of 2007.

We have already seen a variety of indicators pointing to a lack of consumer confidence in

Northern Ireland. These include the notable falls in retail sales activity within Ulster Bank's Northern Ireland PMI and last week's RICS & Ulster Bank Commercial Property Market Survey. The latter highlighted demand for retail property in Q3 was the weakest since 2008. This weakness has continued into Q4.

With economic conditions deteriorating markedly in recent months the outlook for consumer sensitive sectors is set to weaken too. Indeed, it is noted that personal insolvencies have rebounded off 2018's eight-year low with a 17% y/y rise during the first three quarters of 2019. 2020 could well see new car sales fall below the 50,000 mark for the first time since 2012.

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