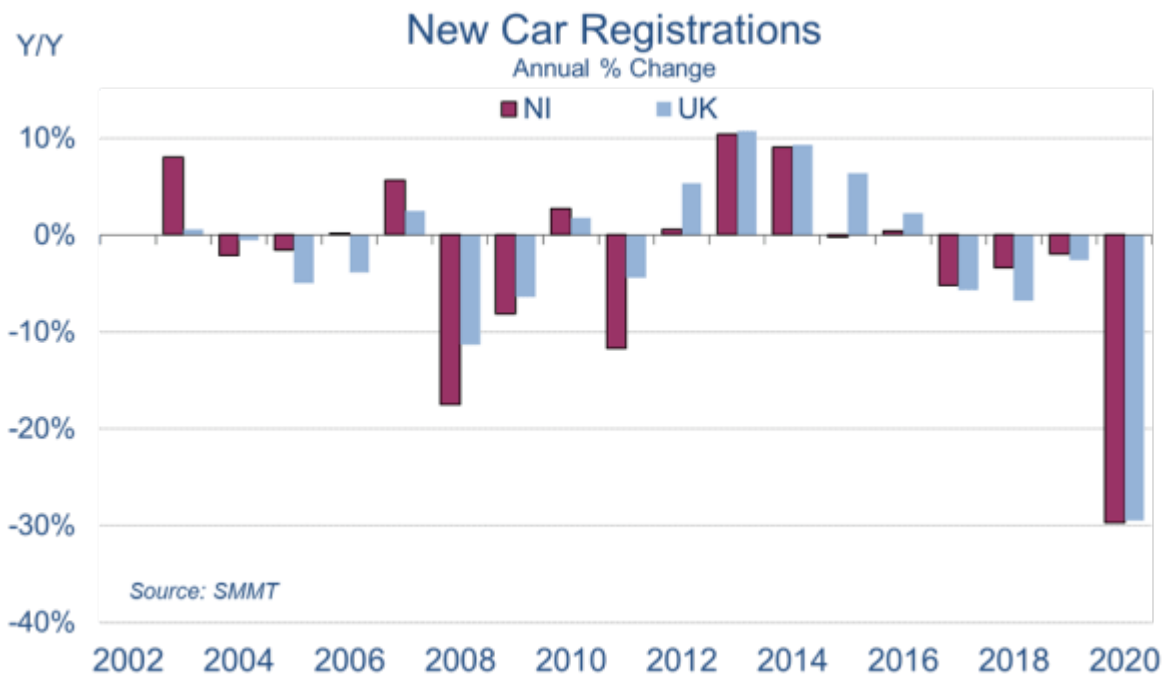
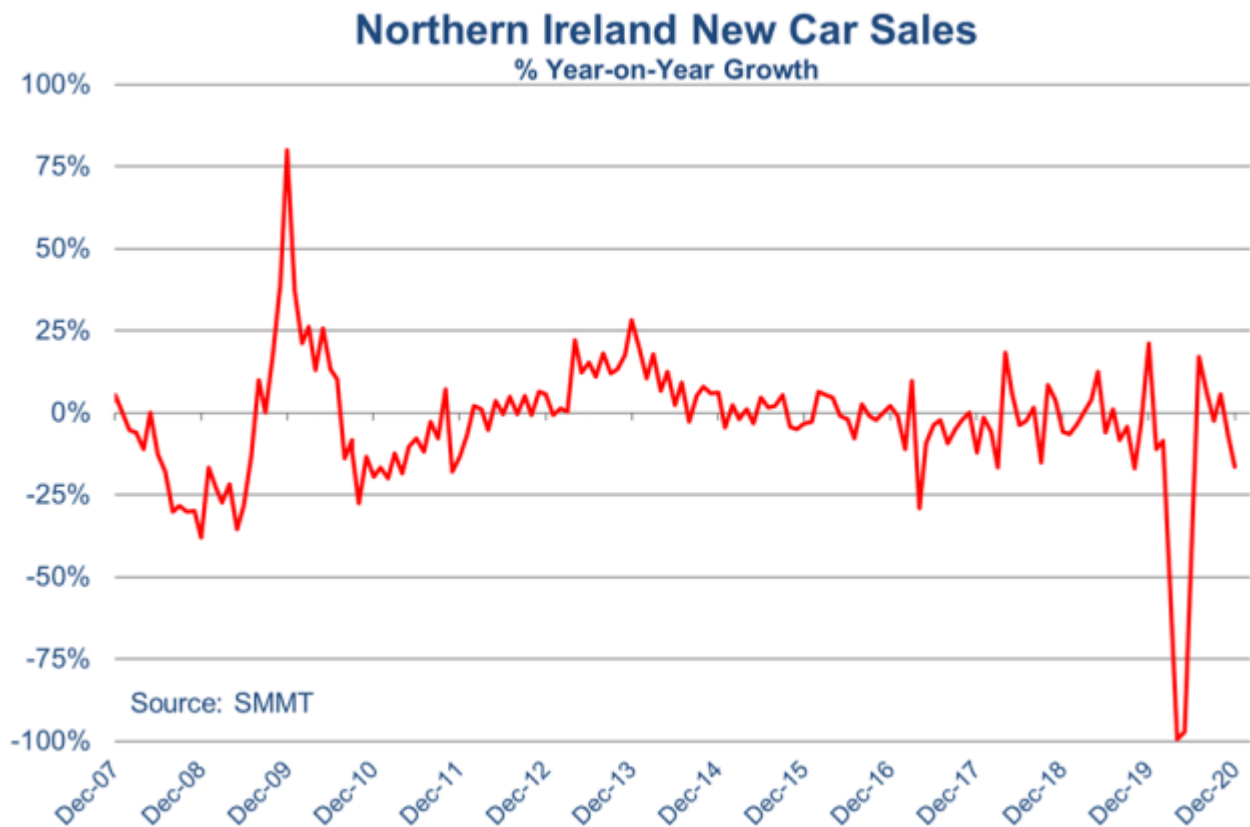


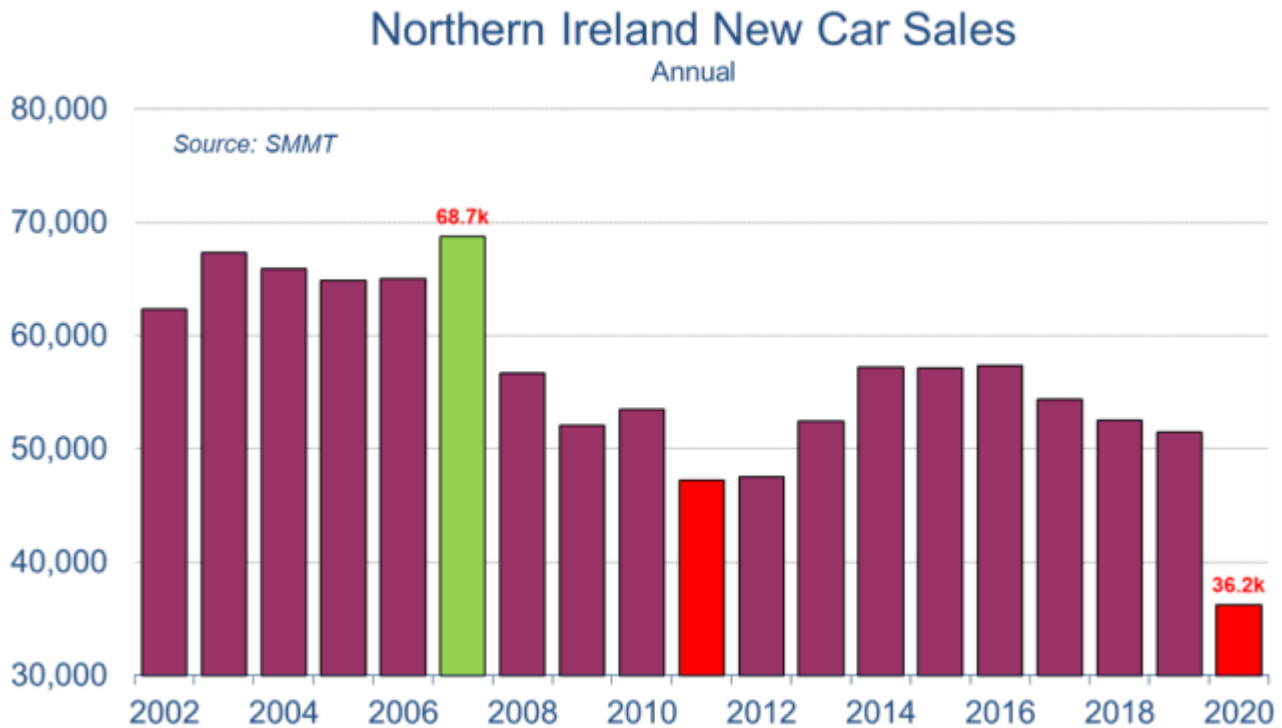
Biggest annual decline in peacetime – 2020 has been a year of record rates of decline on a number fronts, not least within the car industry. Brexit and lockdowns were two headwinds for the sector that dampened demand. New UK car sales slumped by 29% last year which represented the steepest annual fall since World War II (1943) with sales volumes plumbing their lowest level since 1992. 2020 marked the fourth consecutive year of declining car sales in the UK with a cumulative decline of 40% (1.1 million cars) since 2016’s peak. Electric vehicle sales have been one bright spot at the expense of petrol and diesel engine vehicles. Battery electric vehicles and plug-in hybrid electric vehicles saw sales soar by 186% and 91% respectively last year. As a result, electric vehicles now account for 1 in 10 of all new car sales, up from 1 in 30 in 2019.



A recovery of sorts. It has been a similar story for Northern Ireland. December is traditionally the quietest month for new car sales. However, the spring lockdown saw sales reduced to just 24 and 144 for April and May respectively. April’s sales figures represented an annual decline of over 99%! A recovery of sorts has taken hold since the summer following these freak declines in Q2 (-76% y/y). The rebound, however, has been relatively

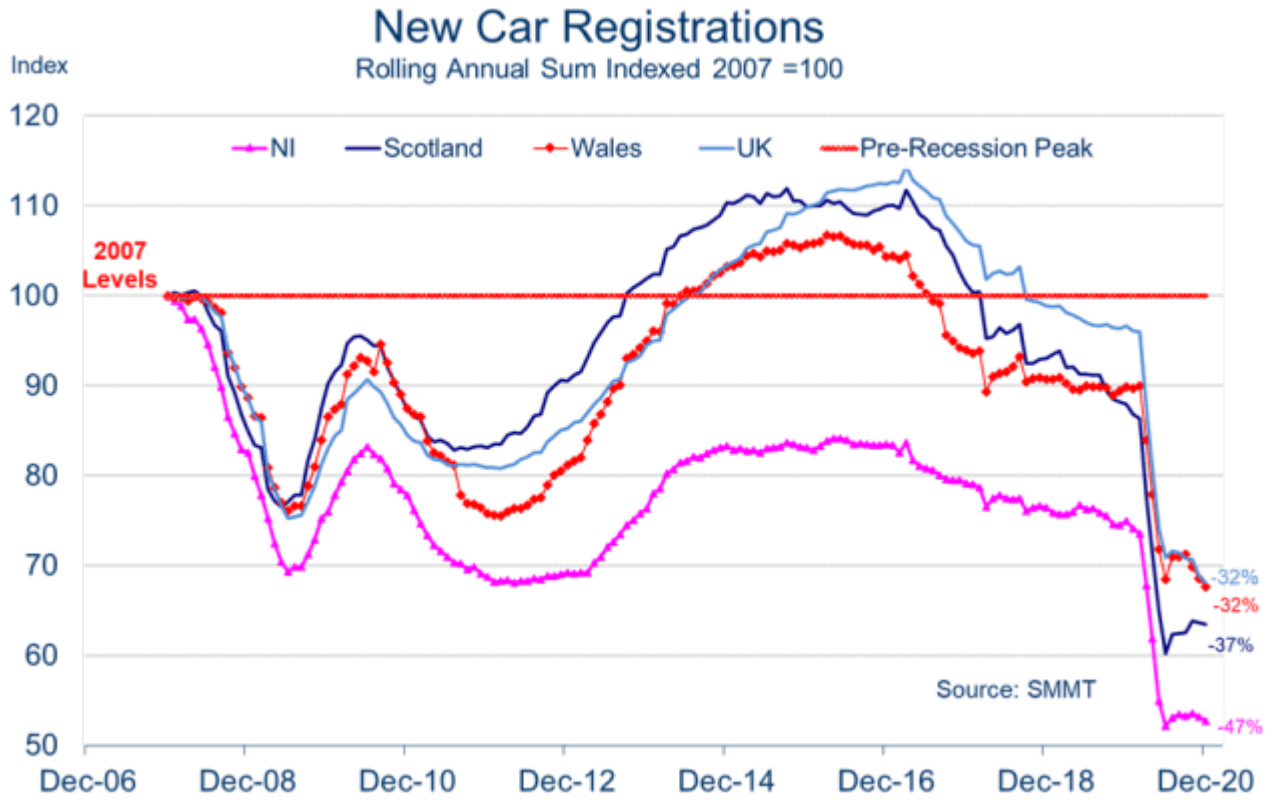
modest with a 6% y/y rise for Q3. But 2020 has ended the year the way it began with year-on-year declines in both December and Q4. December new car sales fell by almost 17% y/y with 4.5% fewer cars sold in Q4. Indeed, December and Q4 represented the weakest sales figures for these period in 8 years.





Hybrid cars to hybrid working - Overall, 2020 has been a year to forget for local dealers with a 30% drop in sales relative to 2019, which equates to over 15,300 fewer new cars. Last year represented the fifth annual decline in car sales during the last six years with just 36,200 new cars sold. That is the lowest level since at least 2002 and is 47% below 2007’s peak of 68,700 cars. 2021 is set to be a challenging year for the economy with unemployment set to soar in the summer following the expiry of the furlough scheme in the spring. While many households have increased their savings over the last 9 months it remains to be seen whether purchasing a new set of wheels is the priority it once was. Consumer behaviours have been impacted by the pandemic and this will influence their spending. The new era of working from home has brought about the death of the commute for many. While hybrid cars have been all the rage in recent years, the hybrid model of working looks set to become embedded in work-life for years to come. 2021 will see many workers return to a hybrid model of working split between home and the office. A reduced commute. Both these scenarios will impact on households’ driving patterns and motoring needs. Equally, public transport may be shunned with consumers preferring to travel in

their own private 'bubbles'.



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