

# Northern Ireland consumer confidence wavers as new car sales slump

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The number of new cars sold in Northern Ireland slumped last month, according to new data from the Society of Motor Manufacturers and Traders (SMMT).

Just 3,248 motors rolled out of forecourts during July, a fall of over 26% which was said to be inflated by comparison to the same month last year when showrooms reopened in the wake of the first lockdown.

But new sales were still down on historical levels, SMMT said, with the UK total figure the worst for new car registrations since 1998.

It also blamed the ongoing semiconductor shortage and the “pingdemic”, which are both said to have impacted both demand and supply with fleet sales bearing the brunt of the fall.

New car sales are seen as a good indicator of consumer confidence given buyers of such big ticket items need to be sure of their future finances before committing to such a significant spend, so the latest figures give rise for concern.

Graeme Maclaughlin, Relationship Director at Barclays Northern Ireland, said the market is out of synch.

“For many the end of lockdown means a return to some kind of normality, but not for UK car dealers,” he said. “The vehicle market is now largely out of sync with the typical patterns that define sales across a given year, and July was no exception.”

When it comes to makes and models, the most popular new car in Northern Ireland last month was the Hyundai Kona which sold 116, followed by the Toyota CHR with 111 and the Hyundai Tucson with 108.

Hyundai remains in the top three position in the year-to-date table, taking second place with the Tucson – which has registered 540 sales – and elbowing its way in between the Ford Puma in the top spot with sales of 558 and the Volkswagen Golf with 536 in third.

Meanwhile, the shift to hybrid and electric vehicles in recent months continued in July.

Battery electric vehicles account for 9% of new car registrations while plug-in hybrids account for 8%, SMMT said.

“July saw a huge contraction in sales of both diesel and petrol vehicles, with electric and hybrid vehicles the only areas showing signs of growth,” Graeme Maclaughlin said. “Concerns about environmental impacts, as well as ever-evolving patterns of work and social life, have driven many consumers away from traditional petrol and diesel models.

And he said the industry is expected to face a bumpy ride in the near term.

“Looking ahead, supply issues for semi-conductors are expected to continue throughout 2021 for a number of brands, and so dealers are now faced with questions around both demand from

potential buyers and availability of new cars from manufacturers.”